

**California Tax
Credit
Allocation
Committee**

Mark Stivers,
Executive Director

Anthony Zeto,
Section Chief

Jack Waegell,
Program Analyst



Recap of 2014 9% Competition

- Approximately \$91.8 million in annual federal credit awarded in 2014
 - Plus \$97.5 million in State credits (up from \$77.7)
- 173 applications received during two rounds

2014 9% Competition Results

- 83 projects awarded credits (84 in 2013)
- Success rate of applicants: 48% (44% in 2013)
- Will produce 4,931 units (5,171 in 2013)
- Average project size: 59 units (62 in 2013)

Regulation Changes for 2015

Adopted by Committee on
January 21, 2015

Non-Profit Setaside

- Add HCD's Veteran's Housing and Homeless Prevention Program to the homeless assistance priority programs within the competitive Non-profit set-aside.
- Clarify that first priority is for capital contributions toward development costs.

Rural Setaside

- Within the rural set-aside, apply the 15 percent (15%) Senior housing type percentage.

Scattered Site Properties

- Score scattered applications by each property's score for site amenities and service amenities.
- EXAMPLE 1
 - 25% of units X 10 points = 2.5 points
 - 75% of units X 10 points = 7.5 points
 - Total = 10.0 points
- EXAMPLE 2
 - 25% of units X 10 points = 2.5 points
 - 75% of units X 9 points = 6.75 points
 - Total = 9.25 points

Acquisition Basis

- Create a narrow exception for 4% credit applications to update acquisition basis after initial reservation.
- Acquisition basis may increase with TCAC approval where (a) the sales price is no more than the sum of the assumed third-party debt on the property and other third party debt on the property that is required to be paid down or paid off, and (b) a third-party appraisal supports the updated purchase price.

Excessive Cash Flow Standard

- Set standard for instances when excessive early year cash flow is necessary for a fifteenth year positive cash flow.
- In such cases allow excess cash flow up to 2% of gross income in Year 15.

Sustainable Building

- Clarify that second round 2014 minimum construction and point scoring thresholds for energy efficiency continue to apply.

Sustainable Building (cont.)

- Allow a rehabilitation project, for purposes of meeting both the minimum construction and point scoring energy efficiency thresholds, to count recent energy efficiency improvements if those improvements were completed in the previous two years pursuant to a public or regulated utility program that clearly establishes existing energy usage prior to the improvements.

Sustainable Building (cont.)

- Permit new construction projects to meet the minimum construction and point scoring energy efficiency thresholds by achieving set percentages of a Zero Net Energy (ZNE) standard through energy generation.

Sustainable Building (cont.)

- Minimum construction standard: 20% ZNE
- ZNE point scoring thresholds

Offset of Tenant s Load	Low Rise Multifamily	High Rise Multifamily
20%	2 points	3 points
30%	3 points	4 points
40%	4 points	5 points
50%	5 points	

Sustainable Building (cont.)

- Update and clarify the list of ENERGY STAR rated appliances which must be provided or used in replacement.
- Refrigerators, dishwashers, clothes washers and dryers provided or replaced within affordable units and/or in on-site community facilities shall be ENERGY STAR rated appliances.

CUAC Calculator

- Permit MASH projects to use the California Utility Allowance Calculator (CUAC).
- TCAC will charge a fee to cover its cost of CUAC reviews.
- Authorize TCAC to establish an outside list of quality control reviewers to conduct CUAC reviews.
- Require that existing tax credit projects converting to the CUAC provide tenants at least 90 days' notice of the change, including any associated rent increase, and provide TCAC with the actual rent increases in the first year's CUAC update submittal.

CUAC Calculator (cont.)

- Require new construction projects with energy generation to show compliance with energy efficiency commitments at placed-in-service by using the California Utility Allowance Calculator (CUAC) and Photovoltaic (PV) calculator to document offset resident energy loads.

Set-Asides and Apportionments

2015 Nine Percent Credit Competition

CYCAC ALLOCATION PROCESS FOR SET-ASIDES AND GEOGRAPHIC REGIONS Estimated as of February 1, 2015					
Step 1 - Calculate Total Federal Credit Ceiling (1)					
	Per Capita	Population*			
New Population Based Credits	\$2.30	38,499,378		\$88,548,589	
Forward Committed 2015 Credit				\$0	
Available Returned Credit/Surplus Credits				\$73,246	
Total Federal Credit Ceiling				\$88,621,835	
Step 2 - Determine Set Asides (2)					
Set Aside (a)	%	Annual Set Aside Amount	Round 1 Set Aside Amount		
Nonprofits	10%	\$9,862,382	\$4,431,191		
Rural	20%	\$17,724,763	\$8,862,382		
RHS and HOME Apportionment	14%	\$2,481,487	\$1,240,734		
Native American Pilot Apportionment		\$1,000,000	\$500,000		
Other		\$16,243,296	\$7,121,648		
At-Risk	5%	\$4,431,191	\$2,215,596		
Special Needs/SERO	4%	\$3,944,953	\$1,972,477		
Supplemental Set Asides**	3%	\$2,658,714	\$0		
Total Set Asides		\$17,222,093	\$17,291,645		
Step 3 - Determine Geographic Apportionments (3)					
		Federal Annual	State Total		
Total Credit Ceiling		\$88,621,835	\$96,991,169		
Less: Set Asides (not including Returned Credits)		(\$17,222,093)			
Less: State Credits for 4% Competitive Projects			(\$11,049,678)		
Remaining Balance		\$31,401,812	\$73,942,510		
State Credit Adjuster			85%		
Credit Ceiling Balance to Geographic Regions		\$51,401,812	\$45,062,632		
		Annual	Annual Adjusted	Adjusted	Estimated
Apportionments by Region	%	Federal Credit Total State Credit	Credit (a)	From 2014 (b)	for Round 1 (c)
City of Los Angeles	17.0%	\$8,046,719	\$8,458,022	\$8,032,921	\$4,146,877
Balance of Los Angeles County	17.2%	\$8,041,112	\$8,266,723	\$9,697,789	\$5,969,152
North and East Bay Region	10.8%	\$5,051,266	\$5,190,764	\$6,070,472	(\$287,080)
Central Valley Region	8.6%	\$4,420,566	\$4,133,366	\$4,832,884	(\$318,398)
San Diego County	8.6%	\$4,420,566	\$4,133,368	\$4,832,884	(\$1,290,120)
Inland Empire Region	8.3%	\$4,268,255	\$3,969,198	\$4,668,270	(\$422,457)
Orange County	7.3%	\$3,752,332	\$3,508,572	\$4,103,169	(\$1,181,220)
Central and Northern Region	6.7%	\$3,443,921	\$3,220,198	\$3,780,941	(\$843,428)
South and West Bay Region	6.0%	\$3,084,109	\$2,883,768	\$3,372,405	(\$516,790)
Central Coast Region	5.2%	\$2,672,894	\$2,499,257	\$2,922,820	\$38,865
San Francisco County	3.7%	\$1,801,867	\$1,778,317	\$2,078,669	\$1,771,419
	100%	\$51,401,812	\$48,062,933	\$58,208,076	\$25,492,532

Note: All numbers in (b) & (c) bracketed with parents are negative numbers.

* Population estimate from 2014. Population estimate for 2015 will be released at a later date.

** Supplemental Set-Asides does not reflect federal credits returned after February 1, 2015.

(a) The Adjusted Credit amounts are calculated as follows: (Annual Federal Credit x) + Total State Credit(s).

(b) The Adjusted Surplus or Deficit: the full adjusted credit balance from 2014.

(c) Estimated Adjusted Credit balance was calculated as follows: (the adjusted annual credit x 10%) + surplus or deficit from 2014.

(1) Credit Ceiling is defined as 100% (to include all elements above) following Ceiling definition in FRC Code Section 42.

(2) Incentive and Safety Code part 10199.2 establishes Rural Set Asides at ".25 percent of the federal ceiling." TCAC Regs Part 10315 also defines Set-Asides with reference to a given percentage of the "Federal Credit Ceiling".

(3) Similar language applies to Geographic Apportionments in Regs part 10315(a).

Step 1 - Calculate Total Federal Credit Ceiling

	<i>Per Capita</i>	<i>Population*</i>	
New Population Based Credits	\$2.30	38,499,378	\$88,548,569
Forward Committed 2015 Credit			\$0
Available Returned Credit/Surplus Credits			\$75,246
Total Federal Credit Ceiling			\$88,623,815

Step 2 - Determine Set Asides

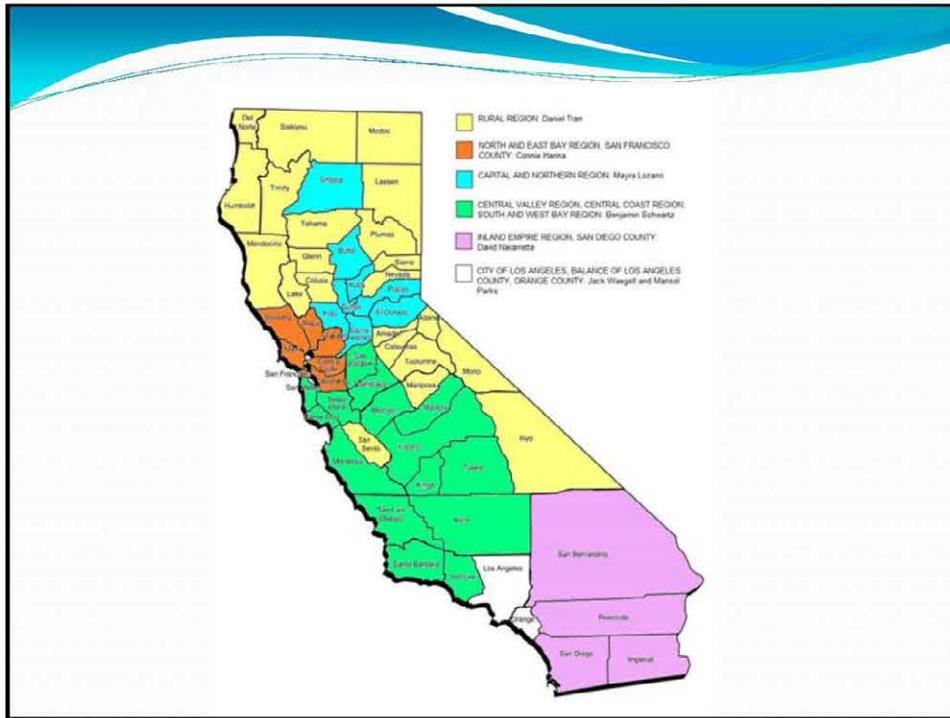
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<i>Other</i>		\$14,243,296	\$7,121,648
At-Risk	5%	\$4,431,191	\$2,215,596
Special Needs/SRO	4%	\$3,544,953	\$1,772,477
Supplemental Set Aside**	3%	\$2,658,714	\$0
Total Set Asides		\$37,222,003	\$17,281,645

Step 3 - Determine Geographic Apportionments

	Federal Annual	State Total
Total Credit Ceiling	\$88,623,815	\$86,991,188
<i>Less Set-Asides (not including Returned Credits)</i>	<i>(\$37,222,003)</i>	
<i>Less State Credits for 4% Competitive Projects</i>		<i>(\$13,048,678)</i>
<i>Remaining Balance</i>	\$51,401,812	\$73,942,510
<i>State Credit Adjuster</i>		65%
Credit Ceiling Balance to Geographic Regions	\$51,401,812	\$48,062,632

Geographic Apportionments

Apportionments by Region	%	Annual		Annual Adjusted Credit (a)	Adjusted Surplus/Deficit From 2014 (b)	Estimated Adjusted Credit for Round 1 (c)
		Federal Credit	Total State Credit			
City of Los Angeles	17.6%	\$9,046,719	\$8,459,023	\$9,892,621	(\$799,434)	\$4,146,877
Balance of Los Angeles County	17.2%	\$8,841,112	\$8,266,773	\$9,667,789	\$1,035,258	\$5,869,152
North and East Bay Region	10.8%	\$5,551,396	\$5,190,764	\$6,070,472	(\$267,080)	\$2,768,156
Central Valley Region	8.6%	\$4,420,556	\$4,133,386	\$4,833,894	(\$339,390)	\$2,077,557
San Diego County	8.6%	\$4,420,556	\$4,133,386	\$4,833,894	(\$1,290,126)	\$1,126,821
Inland Empire Region	8.3%	\$4,266,350	\$3,989,198	\$4,665,270	(\$522,657)	\$1,809,978
Orange County	7.3%	\$3,752,332	\$3,508,572	\$4,103,189	(\$1,181,220)	\$870,375
Capital and Northern Region	6.7%	\$3,443,921	\$3,220,196	\$3,765,941	(\$845,428)	\$1,037,543
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Central Coast Region	5.2%	\$2,672,894	\$2,499,257	\$2,922,820	\$36,605	\$1,498,015
San Francisco County	3.7%	\$1,901,867	\$1,778,317	\$2,079,699	\$1,771,478	\$2,811,327
	100%	\$51,401,812	\$48,062,632	\$56,208,075		\$25,492,552



California State Treasurer **John Chiang**

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CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

About CTCAC

The California Tax Credit Allocation Committee (CTCAC) administers the federal and state Low-Income Housing Tax Credit Programs. Both programs were created to encourage private investment in affordable rental housing for households meeting certain income requirements.

- CTCAC Overview
- Authority Members
- Low-Income Housing Tax Credit Program
- American Recovery & Reinvestment Act (ARRA) Information
- Affordable Housing Credit Study
- CTCAC Development Staff Regional Assignments

The CTCAC also administers a **Employer Housing Assistance Program**.

Fast Facts 2014 Totals as of 12/12/14

Federal (8%) Credit Awards
Annual Federal Credits Awarded: \$91,709,133
Total State Credits Awarded: \$97,523,146
Projects Awarded: 63
Total Number of Units: 4,331
Total Number of Low Income Units: 4,040

Federal (4%) Plus State Credit Awards
Annual Federal Credits Awarded: \$4,538,475
Total State Credits Awarded: \$14,553,954
Projects Awarded: 8
Total Number of Units: 542
Total Number of Low Income Units: 533

Federal (4%) With Tax-Exempt Bond Financing Awards
Annual Federal Credits Awarded: \$76,236,696
Projects Awarded: 97
Total Number of Units: 8,471

Quick Links

- List of Projects and Map
- Sign Up to Receive CTCAC Information (LinkedIn)

Committee Meetings

- Meeting Schedule and Deadlines for Initiation on Agenda
- Agenda, Staff Reports and Minutes

Popular Pages

- Compliance Information Program
- Development Program
- Compliance Manual
- 2014 Income and Rent Limit
- 2014 Application Information

Program Updates

- January 21, 2015 Adjusted Regulations
Posted 1/20/15
- 2014 Second Round Letter of Intent (LOI) and Credit History at the 90 Day Readiness Deadline
Posted 1/20/15
- 2014 Development Application Workshop
Posted 1/16/15
- 2015 Proposed Basis Limits
Posted 1/17/15
- Request for Qualifications (RFQ) for Energy Consulting Services
Posted 12/24/14

2015 9% LIHTC Application Basic Threshold & Feasibility

Checklist Items 1-19

Application **Deadlines**

First Round
Wednesday, March 4

Second Round
Wednesday, July 1



Electronic Submissions

Submit **2** copies



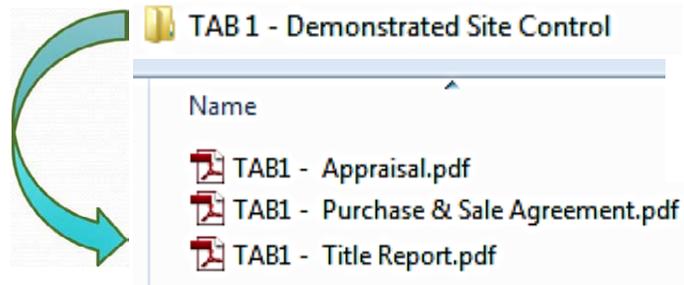
This slide features a blue and white wavy header. The main title 'Electronic Submissions' is in a large green font, with two small green robot icons integrated into the letters 'i' and 's'. To the right, the text 'Submit 2 copies' is in black. A large blue arrow points from the title area down towards the images. Below the title, there are two photographs: one on the left showing a hand holding a CD/DVD in its jewel case, and one on the right showing a hand holding a black and red USB drive.

Go Green!



This slide features a blue and white wavy header. The text 'Go Green!' is written in a green, slightly curved font. Below it is a screenshot of a file explorer window with a list of application tabs. A large blue arrow points from the 'Go Green!' text towards the file list. The list includes various tabs such as 'TAB 1 - Demonstrated Site Control', 'TAB 2 - Financial Feasibility', 'TAB 3 - Set-Aside Designation', 'TAB 4 - Housing Type - Additional Threshold Requirements', 'TAB 5 - Applicant OR Development Team', 'TAB 6 - Development Team Information', 'TAB 7 - Acquisition Credit Applications', 'TAB 8 - Rehabilitation Credit Applications', 'TAB 9 - Tenant Information', 'TAB 10 - Project, Land, Building, & Unit Information', 'TAB 11 - Project Size Limitations', 'TAB 12 - Site and Project Information', 'TAB 13 - Market Analysis', 'TAB 14 - Local Approvals', 'TAB 15 - Enforceable Financing Commitments', 'TAB 16 - Syndication', 'TAB 17 - Evidence of Subsidies', 'TAB 18 - Threshold Basis Limit Increases and Certifications', 'TAB 19 - Eligible Basis Certification', 'TAB 20 - Public Funds', 'TAB 21 - General Partner & Management Company Characteristics', 'TAB 22 - Management Company Expertise', 'TAB 23 - Site Amenities', 'TAB 24 - Service Amenities', 'TAB 25 - Sustainable Building Methods', 'TAB 26 - Readiness to Proceed', 'TAB 27 - Misc. Fed & State Policies', 'TAB 28 - Farmworker Application', 'Project Name - LRA Transmittal Letter.pdf', and 'Project Name E-Application.xls'.

Organizing Folders



Things to Remember

**DOUBLE CHECK CD / FLASHDRIVE
BEFORE SUBMITTING**

- Correct Project?
- All Folders/Files Saved?
- Files in Correct Format?

Excel Application Changes

NEW in 2015

Application Worksheet

- Page 9: Project Density Field
- Page 18: CUAC - New Construction Only
- Page 19: “Other” Items not included in Annual Operating Expenses



Excel Application Changes

NEW in 2015

Basis and Credits Worksheet

- Page 26: Ineligible Amounts
- Page 26: Threshold Basis Limit
- Page 26: Underwriting Applicable Percentages **7.69%** and **3.30%**



Excel Application Changes

	70% PVC for New Construction/ Rehabilitation	30% PVC for Acquisition
Total Eligible Basis:	\$10,000,000	\$15,000,000
Ineligible Amounts		
Subtract All Grant Proceeds Used to Finance Costs in Eligible Basis:		
Subtract Non-Qualified Non-Recourse Financing:		
Subtract Non-Qualifying Portion of Higher Quality Units:		
Subtract Photovoltaic Credit (as applicable):		
Subtract Historic Credit (residential portion only):		
Subtract (specify other ineligible amounts):		
Subtract (specify other ineligible amounts):		
Total Ineligible Amounts:		
Total Eligible Basis Amount Voluntarily Excluded:	\$2,000,000	\$3,000,000
Total Basis Reduction:	(\$2,000,000)	(\$3,000,000)
Total Requested Unadjusted Eligible Basis:	\$8,000,000	\$12,000,000
Total Adjusted Threshold Basis Limit:	\$20,000,000	
*Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) Adjustment:	130%	100%
Total Adjusted Eligible Basis:	\$10,400,000	\$12,000,000
Applicable Fraction:	100%	100%
Qualified Basis:	\$10,400,000	\$12,000,000
Total Qualified Basis:	\$22,400,000	
**Total Credit Reduction:	\$208,000	\$240,000
Total Adjusted Qualified Basis:	\$21,952,000	



Excel Application Changes

NEW in 2015

Point System Worksheet

- Page 30 & 36: Scattered Site Project Scoring – Site & Service Amenities
- Page 39: Zero Net Energy (ZNE)



Application Checklist Items

- Refer to Regulations
- Application Attachments
- “Checklist” Worksheet

Demonstrate Site Control

TAB 1



Current Title Report Within 90 Days

AND

If do not yet hold fee title:

Executed Lease Agreement or Option

Executed DDA with Public Agency

Executed Purchase & Sale or Option Agreement

Section 10325(f)(2)

Demonstrate **Site Control**

TAB 1



REMEMBER...

- Narrative/Summary?
- Closing Date runs past Application Deadline?
- Evidence of Payments for Extensions to Closing Date?
- “As-is” Value in Appraisals?
- Must have Land Value

Section 10325(f)(2)

Demonstrate **Property Value**

TAB 1



All applicants must demonstrate the land value for the tie breaker analysis of total development cost

Include under **Tab 1**

Refer to the 2013 “Application Underwriting and Scoring Guidance” memo on the TCAC website

Section 10325(c)(10), 10325(f)(2)

Demonstrate Property Value

TAB 1



Appraisals

Required for all competitive applications except new construction projects that have third party purchase contracts or evidence of a third party purchase

California certified general appraiser having no identity of interest with development's partner(s) or general contractor

Section 10322(h)(9)

Demonstrate Property Value

TAB 1



Appraisals

Acquisition-Rehabilitation: An "as is" appraisal prepared within **120 days** before or after the execution of purchase contract

New Construction: When required, an "as is" appraisal prepared within **one year** of tax credit application due date

Section 10322(h)(9)

Demonstrate Property Value

What is required and when?

	Related Party Purchase Agreement	3rd Party Purchase Agreement	Appraisal
Unrelated Parties	N/A	YES	Acquisition-Rehab Only
Related Parties	YES	N/A	All projects
Public Entity Donation/Lease	N/A	YES	Acquisition-Rehab & New Construction with donated public land

Sections 10322(h)(9), 10325(c)(1)(C), 10325(c)(10)

Financial Feasibility

TAB 2

Financing Plan

- Detailed Narrative of Financing
- Final and Conclusive Determination Letter from DOF

Cash Flow Projections

- Residential 15 year proforma in TCAC Excel Application.
- Commercial may not support residential



Section 10322(h)(15), (16), (21), (23), 10325(f)(5)

Financial Feasibility

TAB 2

Utility Allowance Estimates

- CUAC questions contact:
Ammer Singh –
Asingh@sto.ca.gov

See Section 10327 for TCAC's regulatory requirements on Financial Feasibility and Determination of Credit Amounts

Section 10322(h)(15), (16), (21), (23), 10325(f)(5)



Financial Feasibility

TAB 2

TCAC Underwriting Requirements

- DCR at/above 1.15
- DCR at/below the higher of 1.25 OR 8% Gross Income in each of the first 3 years
- Positive 15 year cash-flow



Section 10327

Financial Feasibility

TAB 2

TCAC Underwriting Requirements cont.

(NEW in 2015)

–Established Year 15 Break-even value at 2% of Gross Income



Section 10327

Financial Feasibility

TAB 2

Remember...

Provide description of limitations on developer fee required by any other funding source



Section 10327

Set-Aside Designation

TAB 3

Nonprofit

- Qualified under IRC Section 42(h)(5)
- Homeless assistance priority

NEW in 2015

- HCD Veterans Housing and Homeless Prevention Program added to 1st priority
- Clarify “Development Capital Funding”

Section 10315(a)-(b),10322(h)(30)

Set-Aside Designation

TAB 3

Rural

- Must have rural status per 2015 TCAC Methodology (Include Evidence)
- RHS (514, 515) and HOME apportionment
- Native American Pilot Apportionment (\$1M)

NEW in 2015

- First Tiebreaker in Rural Set-Aside
Rural-related questions?
Contact **Daniel Tran** (dtran@sto.ca.gov)

Section 10315(c)-(e),10322(i)(31), (32)

Set-Aside Designation

TAB 3

At-Risk

- Rural projects not eligible in Set-Aside
- Qualify for all housing type requirements

Special Needs/SRO

- Qualify for all housing type requirements
- Developer Experience

Section 10315(d)-(e), 10325(g)(3)-(5)

Housing Type Thresholds

TAB 4

Large Family

Senior

SRO

Special Needs

At-Risk

Section 10325(g)(1)-(5)

Housing Type Thresholds

TAB 4

- Current Year Attachments
- Detailed Description
- Waiver Approvals from TCAC, not Requested

Section 10325(g)(1)-(5)

Applicant/Development Team

TAB 5

Current Annual
Financial Statements

Organizational
Documents

Legal Status Questionnaire

Identity of
Interest



Section 10322(h)(3),(6), 10325(f)(6), 10326(g)(5)(A)

Development Team

TAB 6

Identify Project Participants Copies of Contracts

- Executed contracts
- Dated and Current
- With the correct project referenced



Section 10322(h)(5), 10325(f)(6), 10326(g)(5)

Acquisition Credit

TAB 7

Chain of title report

10 year rule – 3rd Party Tax Professional's
Opinion (refer to IRC Section 42(d)(2)(B)(ii))

Re-syndication (9% applications) - No
acquisition credits (unless SPN, SRO or within
10 yrs. of expiring TCAC regulatory agreement)

Section 10322(h)(25)(A)-(C), 10322(k)



Rehabilitation Credit

TAB 8

“As Is” appraisal

- Includes land value “as if vacant”
- Done 120 days before or after purchase agreement execution/transfer of ownership
- Comparables

Underwriting

- “As is” appraised value
- Purchase price



Section 10322(h)(9), (26)

Acquisition & Rehabilitation Credit – TAB 8

Capital Needs Assessment (CNA)

- Within 180 days of the application deadline
- 15-Year Reserve Study
- Immediate Needs Addressed



Section 10322(h)(26)(B), 10325(f)(10)

Acquisition & Rehabilitation Credit – TAB 8

Rehabilitation Summary – Attachment 8

- Address immediate rehabilitation needs and any planned long term replacements
- If different from CNA estimates, provide explanation

Greater of \$40,000 in hard costs/unit or 20% of adjusted basis



Section 10322(h)(26)(B), 10325(f)(10)

Rehabilitation Credit TAB 9

Tenant-Occupied Housing

- Income, rent and family size information for existing tenants
- Tenant Relocation Plan
- Detailed Budget with Identified Funding Sources
- When required, compliance with Uniform Relocation Assistance and Real Property Acquisition Policy Act



Section 10322(h)(27)-(29)

TABS 10 & 11

Minimum Construction Standards & Project Size Limitations

ATTACHMENT 10

TCAC Executive Director must approve waiver requests BEFORE the deadline date.

Please submit all waiver requests in a timely manner.



Section 10325(7), (9)

Site & Project Information

TAB 12

Physical Description

- Current use, adjacent property
- Site, parcel map, color photos
- Description of Off-Site Costs

Attachment 12

- Additional Detail

Section 10322(h)(8), (11), (12)

Site & Project Information

TAB 12

Project Description

- Architectural drawings – project and unit square footage, bedroom count, laundry facilities, play area, commercial space, etc.



Architect Certification

Section 10322(h)(8), (11), (12)

Market Study

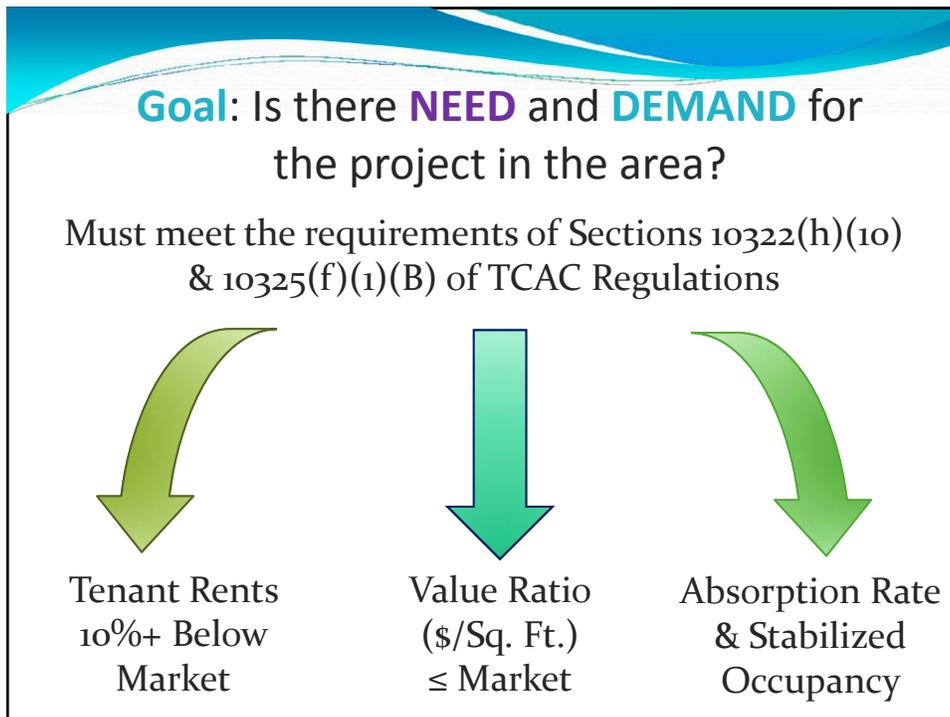
TAB 13

Market Study Guidelines:

<http://www.treasurer.ca.gov/ctcac/mktstudy/2015.pdf>

Analysis should be unbiased, objective, and supported with clear data and explanation when needed.

Section 10322(h)(10), 10325(f)(1)



Market Study Components

Need and Demand

Competitive Rental Market

- Existing and Planned Affordable Housing Comparables
- Matrices in **Excel Format**
- Adjustments on comparables

The image shows a person's hands in a dark suit jacket using a white calculator. In the background, there is a document with several charts and graphs, including a bar chart and a pie chart, suggesting a financial or market analysis context.

Local Approvals TAB 14

Verification of Zoning

- Attachment 14
- Current
- Zoned for intended use
- Within maximum density



Section 10325(f)(4)

Financing Commitments TAB 15



ar Term

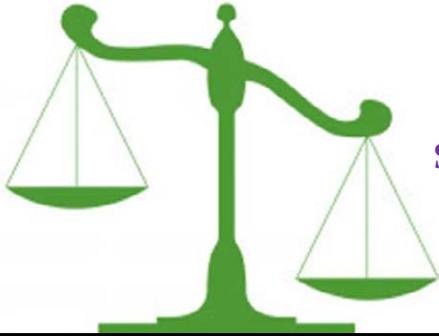
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, 10327(c)(8)

Syndication
TAB 16

Federal Pricing: **\$0.90 Min**

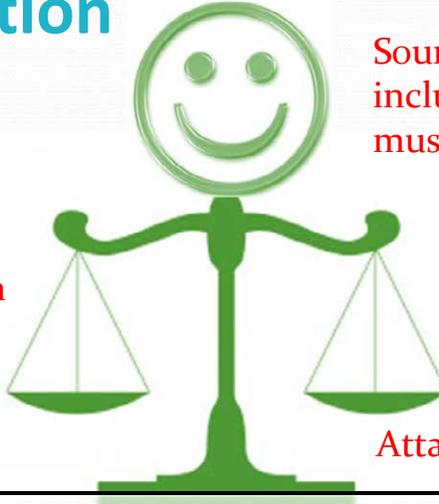


State Pricing: **\$0.60 Min**

Section 10322(h)(18)-(20)

Syndication
TAB 16

Net proceeds must match equity listed in your TCAC application



Sources, including equity, must match uses.

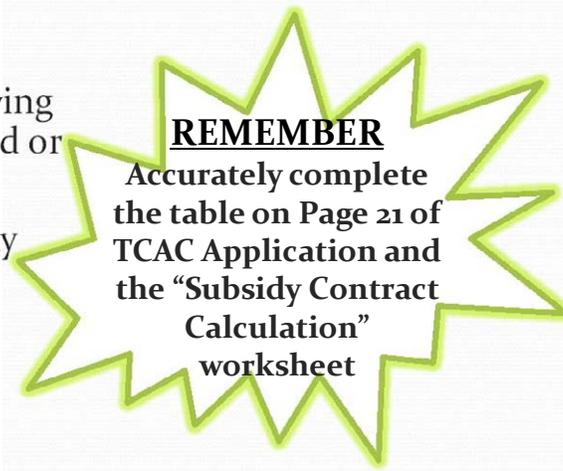
Attachment 16

Section 10322(h)(18)-(20)

Evidence of Subsidies

TAB 17

- Commitments showing the funds are secured or have been renewed
- Source of the subsidy
- Annual amount
- Term
- Number of units
- Expiration date



Section 10322(h)(22)

Threshold Basis Limit Boosts

TAB 18



- Prevailing Wages Required by Public Awarding Body (20%)
- Parking Beneath Residential Units (7%)
- Day Care Center (2%)
- 100% Special Needs (2%)
- 95% Upper Floors - Elevators (10%)
- 1+ Energy efficiencies - 10% max
- Seismic upgrading - 15% max
- Toxic or other environmental - 15% max
- Local Development Impact Fees

Section 10327(c)(5)

Eligible Basis Certification

TAB 19

- Meets requirements of IRC Section 42(h)(1)(E)
- If rehabilitation of existing structures is involved, meets minimum requirements.
- 130% high cost limit / Cost Efficiency



Section 10322(h)(17), 10325(d), 10325(f)(10)

2015 9% LIHTC Application Point Section & Final Tiebreaker

Checklist Items 20-27

Leveraging

- Maximum 20 points
 - Cost Efficiency
 - Credit Reduction
 - Public Funds



Section 10325(c)(1)

Leveraging – Cost Efficiency

$$\frac{(\text{Adjusted Threshold Basis Limit} - \text{Actual Eligible Basis})}{\text{Adjusted Threshold Basis Limit}}$$

- Maximum 20 points
- One point (1 point) for each one percent (1%)



Section 10325(c)(1)(A)

Leveraging – Cost Efficiency

	TOTAL PROJECT COST	RES. COST	TAX CREDIT EQUITY	1)	2)	SUBTOTAL	70% PVC for New Const/Rehab	30% PVC for Acquisition
LAND COST/ACQUISITION								
Land Cost or Value	\$1,000,000	\$1,000,000		\$1,000,000		\$1,000,000		
Demolition								
Legal								
Land Lease Rent Prepayment								
Total Land Cost or Value	\$1,000,000	\$1,000,000		\$1,000,000		\$1,000,000		
Existing Improvements Value								
Off-Site Improvements								
Total Acquisition Cost	\$1,000,000	\$1,000,000		\$1,000,000		\$1,000,000		
NEW CONSTRUCTION								
Site Work Structures	\$9,000,000	\$9,000,000	\$2,000,000	\$4,000,000	\$3,000,000	\$9,000,000	\$9,000,000	
General Requirements	\$200,000	\$200,000	\$200,000			\$200,000	\$200,000	
Contractor Overhead	\$300,000	\$300,000	\$300,000			\$300,000	\$300,000	
Contractor Profit	\$300,000	\$300,000	\$300,000			\$300,000	\$300,000	
Prevailing Wages								
General Liability Insurance	\$400,000	\$400,000	\$400,000			\$400,000	\$400,000	
Other (Specify)								
Total New Construction Costs	\$10,200,000	\$10,200,000	\$3,200,000	\$4,000,000	\$3,000,000	\$10,200,000	\$10,200,000	
ARCHITECTURAL FEES								
Design	\$200,000	\$200,000	\$200,000			\$200,000	\$200,000	
Supervision	\$50,000	\$50,000	\$50,000			\$50,000	\$50,000	
Total Architectural Costs	\$250,000	\$250,000	\$250,000			\$250,000	\$250,000	
Total Survey & Engineering								

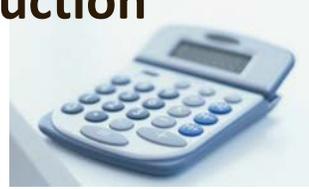
Section 10325(c)(1)(A)

Leveraging – Cost Efficiency

CONSTRUCTION INTEREST & FEES								
Construction Loan Interest	\$500,000	\$500,000	\$500,000			\$500,000	\$300,000	
Origination Fee	\$10,000	\$10,000	\$10,000			\$10,000	\$10,000	
Taxes								
Insurance								
Title & Recording	\$10,000	\$10,000	\$10,000			\$10,000	\$10,000	
Other (Specify)								
Total Construction Interest & Fees	\$520,000	\$520,000	\$520,000	\$10,000		\$520,000	\$330,000	
PERMANENT FINANCING								
Total Permanent Financing Costs								
Subtotals Forward	\$1,970,000	\$1,970,000	\$3,970,000	\$5,010,000	\$3,500,000	\$1,970,000	\$1,770,000	
LEGAL FEES								
RESERVES								
Rent Reserves								
Capitalized Rent Reserves								
3-Month Operating Reserve	\$200,000	\$200,000	\$200,000			\$200,000	\$200,000	
Other (Specify)								
Total Reserve Costs	\$200,000	\$200,000	\$200,000			\$200,000	\$200,000	
APPRAISAL								
Total Appraisal Costs	\$10,000	\$10,000	\$10,000			\$10,000	\$10,000	
Total Contingency Cost	\$700,000	\$700,000	\$700,000			\$700,000	\$500,000	
OTHER PROJECT COSTS								
TCAC App/Allocation/Monitoring Fees	\$200,000	\$200,000	\$200,000			\$200,000		
Local Development Impact Fees	\$500,000	\$500,000			\$500,000	\$500,000	\$500,000	
Permit Processing Fees								
Furnishings	\$20,000	\$20,000	\$20,000			\$20,000	\$20,000	
Market Study	\$5,000	\$5,000	\$5,000			\$5,000	\$5,000	
Accounting/Reimbursables	\$3,000	\$3,000	\$3,000			\$3,000	\$3,000	
Soft Cost Contingency	\$100,000	\$100,000	\$100,000			\$100,000	\$50,000	
Total Other Costs	\$838,000	\$838,000	\$338,000			\$838,000	\$578,000	
SUBTOTAL PROJECT COST	\$13,718,000	\$13,718,000	\$5,208,000	\$5,010,000	\$3,500,000	\$13,718,000	\$11,858,000	
DEVELOPER COSTS								
Developer Overhead/Profit	\$1,400,000	\$1,400,000					\$1,400,000	
Total Developer Costs	\$1,400,000	\$1,400,000					\$1,400,000	
TOTAL PROJECT COSTS	\$15,118,000	\$15,118,000	\$5,208,000	\$5,010,000	\$3,500,000	\$13,718,000	\$13,258,000	
Note: Syndication Costs may not be included as a project cost. Calculate Maximum Developer Fee using the eligible basis subtotals. Bridge Loan Expense During Construction: Total Eligible Basis: \$13,258,000								

Section 10325(c)(1)(A)

Leveraging – Credit Reduction



- Example: 10%
 - Qualified Basis X 10% = Reduction
 - Qualified Basis – Reduction = Adjusted Qualified Basis
- One point (1 point) for each one percent (1%)

Section 10325(c)(1)(B)

Leveraging - Public Funds

Tab 20

Total Committed Public Funds, Fee
Waivers, or Value of Donated Land

Total Development Costs



- One point (1 point) for each one percent (1%)

Section 10325(c)(1)(C)

Leveraging - Public Funds

Tab 20

- Local Community Foundation Funds
- “Tranche B” loans
- Public contributions of eligible off-site costs
- Assumed loans



Section 10325(c)(1)(C)

General Partner Experience

Tab 21

- Maximum 6 points (7 projects, >3 yrs.)
- Nonprofit/Special Needs Set Aside and Special Needs Housing Type (4 Special Needs projects, >3 yrs.)
- Attachment 21
- CPA Certification - positive cash flow, funded reserves

Section 10325(c)(2)(A)

General Partner Experience

Tab 21

- No Points for Projects < 3 years
- < two (2) active California Low Income Housing Tax Credit Projects



Section 10325(c)(2)(A)

Management Experience

Tab 22

- Maximum 3 points (11 projects, >3 yrs.)
- Nonprofit/Special Needs Set Aside and Special Needs Housing Type (4 Special Needs projects, >3 yrs.)
- Attachment 22, Management Agreement

Section 10325(c)(2)(B)

Management Experience

Tab 22

- No Points for Projects <3 years
- < two (2) active California Low Income Housing Tax Credit Projects
- Nationally Recognized Housing Tax Credit Compliance Entity (2 points)



Section 10325(c)(2)(B)

Housing Needs

Tab 4

- 10 Points and Additional Threshold
- 9% Projects must meet a Housing Type
- Document how requirements are met
 - Attachment 4(A)-(E)
 - Architectural Drawings



Section 10325(c)(4), 10325(g)(1)-(5)

Site Amenities

Tab 23

- Maximum 15 points
- Requirements:
 - Map with distance measurements
 - Clear color photos
 - Contact person & contact information
 - Scattered site scoring
 - Physical Barriers?

Section 10325(c)(5)(A)

Site Amenities

Tab 23

- Transit Amenities
 - Transit station, rail station, Commuter rail station, bus Station, or public bus stop



Section 10325(c)(5)(A)(i)

Site Amenities

Tab 23



- Public Park/Community Center
- Book-Lending Public Library
 - Inter-branch lending



Section 10325(c)(5)(A)(2)-(3)

Site Amenities

Tab 23



- Grocery Store Amenities
 - Square Footage Certification
 - Large Multi-purpose stores
 - Measure “Grocery Section”



Section 10325(c)(5)(A)(4)

Site Amenities

Tab 23

- Public School
 - Attendance Boundary
- Senior Center
- Special Needs or SRO Facilities



Section 10325(c)(5)(A)(5)-(7)

Site Amenities

Tab 23

- Medical Clinic
 - Medi-Cal / Medicare /Health Care for the Homeless
- Pharmacy
- High Speed Internet Service



Section 10325(c)(5)(A)(8)-(10)

Service Amenities

Tab 24

- Large Family, Senior, At-Risk:
 - Service coordinator
 - Services specialist
 - Adult classes: educational, health/wellness, skill building
 - Health & wellness services programs
 - Licensed childcare
 - After school program



Section 10325(c)(5)(B)

Service Amenities

Tab 24

- Special Needs, SRO:
 - Case manager
 - Service coordinator, Services specialist
 - Adult classes: educational, health/wellness, skill building
 - Health or behavioral health services provided by licensed organization or individual
 - Licensed childcare
 - After school program



Section 10325(c)(5)(B)

Service Amenities

Tab 24

- Application Components:
 - Evidence of services to be provided and description (MOU)
 - Evidence of physical space
 - Services sources and uses budget
 - Position descriptions
 - Service Provider Experience Chart (Attachment 24)



Section 10325(c)(5)(B)

Service Amenities

Tab 24

- Budget reflect level of service.

Complete the yellow-shaded areas of the services budget below, including information on the source and use of each service funding commitment. **Do not alter the format of this spreadsheet.** Rows may be added as needed to provide additional details regarding the services to be provided.

Name of Applicant: _____ Number of low income units in project: 0
 Name of Project: _____ Number of low income bedrooms: 0
 Housing type: (select one) _____

Services to be Provided	Quantity of Services Committed (Hours/Yr or FTE) ¹	Total Dollars Committed	Cash or In Kind	Name of Service Provider	Type of Commitment Attached (e.g. letter, MOU, contracts) ²
Family, Senior or At-Risk Projects					
1. Service Coordinator					
2. Other Services Specialist					
3. Adult education, health, skill building classes					
4. Health and wellness services and programs					
5. Licensed child care					
6. After school program					
Special Needs or SRD projects					
7. Case manager					
8. Service Coordinator or Other Services Specialist					
9. Adult education, health, skill building classes					
10. Health or behavioral health services					
11. Licensed child care*					
12. After school program*					
Other Services:					

TOTAL		50			

¹ Applicants proposing to provide item #10 do not need to provide this information. Items 5, 6, 11, 12 may be shown as # of Hours per Week. 1 FTE = 2,080 hours per year.
² Committed documentation (letter, MOU, contract) MUST be attached in Exhibit 24 and MUST describe service quantity and dollar amounts consistent with this budget.

Section 10325(c)(5)(B)

Sustainable Building Methods

Tab 25

- New Construction/Adaptive Reuse:
 - LEED, Green Communities, GreenPoint Rated Program (5 points)
 - Beyond minimum requirements of above programs (up to 5 points)

Section 10325(c)(6)(A), (C)

Sustainable Building Methods

Tab 25

- New Construction/Adaptive Reuse:
 - Energy Efficiency beyond **2008** Title 24 (up to 5 points)
 - Zero Net Energy (ZNE) – Offset of Tenants' Load (up to 5 points)

Section 10325(c)(6)(B)

Sustainable Building Methods

Tab 25

- Rehabilitation:
 - LEED, GreenPoint Rated Existing Home Multifamily Program, 2011 Enterprise Green Communities (up to 5 points)
 - Beyond minimum requirements of above programs (up to 5 points)

Section 10325(c)(6)(D), (F)

Sustainable Building Methods

Tab 25

- Rehabilitation:
 - Improvement over current (up to 10 points)
 - Additional project measures (3 pts. each)
 - Sustainable building management practices (3 points)
 - Individual metering (3 points)

Section 10325(c)(6)(E), (G)

Lowest Income

- Maximum 52 points
 - Points Table
 - Additional 2 points for 10% @ or below 30% AMI
 - Spread 30% units across the various bedroom-count units

Section 10325(c)(7)

Lowest Income

- Example:
 - 67 units
 - 41 three-bedroom units = **5 units**
 - 19 two-bedroom units = **2 units**
 - 7 one-bedroom units = **0 units**
 - Units at 30% AMI = **7 units**

Section 10325(c)(7)(B)

Readiness to Proceed

Tab 26



- Maximum 20 points
 - Enforceable commitments
 - Environmental Review Clearance
 - HUD form 7015.15 and 7015.16
 - All necessary public or tribal approvals except for building permits
 - Design review approval

Section 10325(c)(8)

Readiness to Proceed

Tab 26

- Attachment 26
- Appeal Period
- 90-day Letter of Intent (LOI) deadline
 - Required if any points are received
- 180-day Readiness deadline
 - Required if maximum points are received

Section 10325(c)(8)

Misc. Federal and State Policies

Tab 27

- Maximum 2 points
 - State credit substitution (2 points)
 - Enhanced Accessibility and Visitability (2 points)*
 - Smoke free residence (2 points)
 - Historic tax credits (1 point)*
 - QCT with revitalization plan (2 points)*
 - Eventual Tenant Ownership (1 point)*

Section 10325(c)(9)

Final Tie Breaker

- Calculation of self score
- Includes space for additional explanatory information

$$\frac{\text{Committed permanent public funds defraying residential costs}}{\text{Total residential project development costs}} + \left(1 - \frac{\text{Requested unadjusted eligible basis}}{\text{Total residential project development costs}} \right) / 3$$

Section 10325(c)(10)

Final Tie Breaker

- First Ratio (Public Funds)
 - Community Foundation or Charitable Foundation where public body appoints a majority of voting members
 - Value of land & improvements contributed from an unrelated 501(c) organization
 - Numerator increased by 25% of the percentage of subsidy-assisted tax credit units

Section 10325(c)(10)

Final Tie Breaker

- Second Ratio
 - 1 minus ratio of requested unadjusted eligible basis to total residential project development costs
 - Divide by 3

Section 10325(c)(10)

Final Tie Breaker

For mixed-use projects, the permanent public fund numerator must be discounted/reduced by the mixed-use ratio below.

Mixed-use projects: Total commercial cost / Total project cost:

THE PRORATED COMMERCIAL COST DEDUCTION TO PUBLIC FUNDS MUST BE CALCULATED FIRST, BEFORE APPLYING ANY SUBSIDY ADJUSTMENT/INCREASE (REGULATION SECTION 10325(c)(10)(A)) TO THE NUMERATOR. TCAC staff may adjust this ratio as deemed appropriate.

Sample formula (commercial costs) for numerator *Committed permanent public funds defraying residential costs* = (F38)*(1-I45)

For projects with public operating or rental subsidies listed in Reg. Section 10325(c)(10)(A), calculate the percentage increase below and increase the permanent public funds numerator by the adjustment percentage.

Operating and rental subsidies: % of subsidized units: Subsidy adjustment/increase to permanent public funds numerator (This adjustment is calculated in the numerator after any commercial cost adjustment).

The number of rental subsidy units and the number of operating subsidy units are cumulative, up to 100%.

Sample formula (subsidies and commercial costs) for numerator *Committed permanent public funds defraying residential costs* = (F38*(1-I45))*(1+H53)

Section 10325(c)(10)

Final Tie Breaker

Tranche B calculation

For purposes of the public funds points section and the final tie breaker, a Tranche B loan is the lesser of the actual commitment amount or the following. Please note, an application must include a private Tranche B loan supported by a public subsidy to utilize this calculation.

Rental Income Differential:

Unit Type	# of Units	Rent Limit		Public Subsidy Contract Rent	Calculated Annual Rent
		40% AMI (SRO/SPN) OR 50% AMI (ALL OTHER)			
SRO					\$0
SRO					\$0
SRO					\$0
SRO					\$0
SRO					\$0
TOTAL					\$0

Rental Income Differential \$0
 Less Vacancy 5.0%
 Net Rental Income \$0
 Available for debt service @ 1.15 DSC ratio: \$0

Loan term (years) 15
 Interest rate (annual) 6.0%
 DSC ratio 1.15

Loan amount per TCAC underwriting standards: \$0

Actual Tranche B loan amount:

Comments or additional information as necessary:

Section 10325(c)(10)

Additional Questions?

Contact Your Regional Analyst

<http://www.treasurer.ca.gov/ctcac/assignments.pdf>

