

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

September 18, 2013

CONSIDERATION AND ADOPTION OF THE QUALIFIED RESIDENTIAL RENTAL PROGRAM MINIMUM POINT THRESHOLDS AND NON-COMPETITIVE APPLICATION PROCESS FOR THE 2014 PROGRAM YEAR - QUALIFIED RESIDENTIAL RENTAL PROGRAM

ACTION:

For the 2014 program year, approve minimum point thresholds and an open application process for the Qualified Residential Rental Program (QRRP).

BACKGROUND:

Open Application Process

Staff recommends that the Committee approve and maintain an open application process for the 2014 Qualified Residential Rental Program (QRRP) year. This recommendation is made on the basis that the QRRP pool continues to be non-competitive in 2013 and is expected to be non-competitive for the 2014 program year. However, if at any time during the open application process the QRRP pool appears to become competitive, staff will return to the Committee with a recommendation to close the open application process and return to a competitive allocation round process.

Minimum Point Thresholds

Due to the elimination of Redevelopment Agency Project Areas and the State Enterprise Zones (effective 1/1/2014), there are now only limited opportunities for Applicants to take advantage of the Community Revitalization Area ("CRA") point category. Although the Redevelopment Project Area criteria and the Enterprise Zone criteria are only two of the original six qualifying criteria options for the CRA point category, these two criteria were used by 94% of the projects scoring points in the category for the two years prior to the final elimination of redevelopment agencies in early 2012. Moreover, less than 8% of the projects awarded allocation in 2012 scored points in this category; compared to 20% in 2010 and 16% in 2011.

The 2013 minimum point thresholds are sixty (60) points in the General Pool and Rural Pool, and fifty (50) points in the Mixed Income Pool. To address the possible point threshold issue this now limited point category may create, staff recommends reduced minimum point thresholds for 2014 as follows: fifty-five (55) points in the General Pool and Rural Pool and forty-five (45) points in the Mixed Income Pool. Staff believes that a point threshold reduction of 5 points will assist those projects that would have previously benefited from the CRA category while still encouraging Applicants to seek public benefit points in other available elective categories.

Should upcoming state legislation related to the creation of new place-based community revitalization investment tools be approved, staff will explore the possibility of developing new criteria under the CRA category to enable applicants to receive points for contributing to their community's planned revitalization efforts.

RECOMMENDATION:

Staff recommends the approval of minimum point thresholds as noted, and an open application process for the Qualified Residential Rental Program for 2014.

Prepared by Misti Armstrong