

“Other Affordable Pool” – QRRP Projects applying for an allocation of tax-exempt private activity bonds from the General Pool that are not eligible for New Construction ~~or Preservation projects~~. This would include but not limited to acquisition/rehabilitation projects, projects that involve both acquisition/rehabilitation and new construction.

Reason: This will prevent picking up projects that with light rehabilitation needs (below the threshold listed in item 5 of the “Preservation Pool” definition) from being picked up in the “Other Affordable Pool”

OR Alternatively:

“Other Affordable Pool” – QRRP Projects applying for an allocation of tax-exempt private activity bonds from the General pool that are not eligible for treatment as New Construction or Preservation projects. **This would include but not be limited to acquisition / rehabilitation projects and projects that involve both acquisition/rehabilitation and new construction. In rounds in which CDLAC determines the allocation process to be competitive, projects with existing CDLAC (via bond issuer) or TCAC regulatory agreements that were recorded after 1998 shall not be eligible to compete in the Other Affordable Pool.**

Reason: This new definition limits the ability to apply to CDLAC during competitive rounds for projects that already have an existing CDLAC or CTCAC regulatory agreement.

CDLAC Key Definitions to Add or Revise As of 4/30/20

“Preservation Pool” – QRRP projects applying for an allocation of tax-exempt bonds that meet at least one of the following: (1) have a pre-1999 HCD loan that is being restructured pursuant to Section 50560 of the Health and Safety Code (AB 1699 projects); or (2) any replacement or rehabilitation project approved by HUD pursuant to a Section 18 Demolition/Disposition authorization; (3) a Federally-Assisted At-Risk project; 4) any project being rehabilitated under the HUD Rental Assistance Demonstration (RAD) Program, or (5), a project that meets all of the following: (a) the project (or projects, if more than one) is not currently encumbered with an existing CDLAC (via bond issuer), CTCAC, or other affordability regulatory agreement, with the exception of a regulatory agreement associated with a HUD Project-Based Section 8 or USDA Rental Assistance contract; and (b) the project (or projects, if more than one) is subject to an existing project-based contract under Section 8 of the United States Housing Act of 1937 or any comparable rental assistance program that provides rental assistance to at least 50% of the units; and (c) the project shall be required to complete rehabilitation work at a minimum of \$40,000 in hard construction costs per unit, as defined in TCAC Regulation Section 10302(u), subject to the provisions of IRC Section 42(e)(3)(A)(ii)(I).

Reason: This new definition expands the types of projects that may compete in the Preservation Pool by including federal and state priorities and programs applicable to many older projects.

“Mixed Income Project” means a Qualified Residential Rental Project which either (1) is not utilizing the Average Income test of Internal Revenue Code Section 42 (g)(1)(C) -and which ~~having has~~ 50% or fewer of its total units designated as Restricted Rental Units or; (2) ~~are is~~ part of the California Housing Finance Agency Mixed-Income Program.

Reason: This closes a loophole in the regulations that unintentionally would have allowed non-CalHFA projects which are 100% affordable and using Income Averaging to compete in in the Mixed Income Pool