

## **AB 83 Compliance – Working Group DRAFT 8-18-20**

### **TCAC/CDLAC Allocation System Proposal**

AB 83 Key Excerpts: *“Align the programs of both committees with the objective of increasing production and containing costs” as follows:*

- *“maximize” a) “the efficient use of public subsidy”, and b) “benefit” using at least the following “factors”:*
  - *“The number and size of units developed, including local incentives provided to increase density”*
  - *“The proximity to amenities, jobs and public transportation”*
  - *“The location of the development”*
  - *“The delivery of housing affordable to very low and extremely low income households by the development”*
  - *“The total state subsidy provided”*
  - *“Prioritize” a) “cost containment”, and b) “increased unit production”*

#### *“Align the Programs of both Committees”*

- Use general partner experience from 9% program (New - CDLAC)
- Use management company experience from 9% program (New - CDLAC)
- Use readiness to proceed criteria from 9% program (New - CDLAC)
- Use housing types from 9% program and amend large-family to better reflect local market conditions (New - TCAC/CDLAC)
- Align service amenities with 9% program (New - CDLAC)
- Amend and align site amenities (New - TCAC/CDLAC)
- Align numerous definitions, technical details and regulatory requirements (New - TCAC/CDLAC)

#### *“Increasing Production”*

- Emphasize new construction through set-asides and geographic regions (New - CDLAC)
- Cap bond allocation to no more than 60% of bond basis (New in 2020 - CDLAC)
- Amend current CDLAC tie-breaker to account for cost differences and larger unit types for 2021 and replace with SCO scoring category in 2022 that provides incentives for increased production (New - CDLAC)
- Remove \$50 million bond limit to encourage projects of scale (New - CDLAC)

#### *“Containing Costs”*

- New cost containment scoring category (New - CDLAC)
- Eliminate excessive energy efficiency measures to reflect evolution of California’s advanced and highly-efficient energy code (New - TCAC)

- Revise site amenity points and add job center criteria to open up more possible sites to help reduce land costs (New - TCAC/CDLAC)
- Amend current CDLAC tie-breaker to account for cost differences and unit types for 2021

*“Maximize Efficient Use of Public Subsidy and Benefit”*

- Mandate minimum affordability period of 55 years as a threshold requirement (New - CDLAC)
- Implement tiered scoring system for Preservation/Other Affordable projects that prioritize units “at-risk”
- Amend current CDLAC tie-breaker to account for cost differences and larger unit types for 2021 and replace with SCO scoring category in 2022 that measures all state resources relative to public benefit produced (New - CDLAC)

*“Number and Size of Units Developed / Local Density Incentives”*

- Add scoring category that rewards projects developed to minimum densities (New - CDLAC)
- Add “High-Density Housing” to list of housing types (New – CDLAC)
- Implement SCO scoring category in 2022 that emphasizes unit production and measures additional public benefit from larger unit types (New - CDLAC)

*“Proximity to Amenities, Jobs and Public Transportation”*

- Amenities and public transportation heavily recognized in current system
- Added job center criteria and points (New - CDLAC)

*“Location of the Development”*

- Geographic regional distribution system (similar to TCAC 9%) will assure resources are spread throughout the state (New - CDLAC)

*“Delivery of Very-Low and Extremely-Low Income Housing”*

- Points for units targeted at 30% AMI (Existing - TCAC)
- Points for units targeted at 50% AMI (Existing - TCAC/CDLAC)
- Average affordability of 50% AMI and below or requirement to deliver at least 10% of the units each at 30% AMI and 50% AMI (New - CDLAC)

*“Total State Subsidy Provided”*

- SCO scoring category in 2022 that measures all state resources relative to public benefit produced (New - CDLAC)