

			Notes
Est. QRRP PAB Volume Cap			"Yellow Highlight" indicates consensus has not been reached and items are under further discussion by Working Group.
Pools			Projects funded in pools don't count toward geographic regions; projects in pools do not spill to set-asides or geographic regions
Rural			Rural new construction projects compete in this pool. Rural A/R projects compete in the Preservation / Other Affordable Pools.
Preservation			
Other Affordable			Projects not meeting New Construction or Preservation definitions compete in this pool.
New Construction Set-Asides			All set-asides spill to geographic regions; new construction includes adaptive re-use
Homeless			Homeless projects with HCD / Local only funding spill down to Extremely Low/Very Low Set-Aside if not funded in Homeless Set-Aside
Extremely-Low / Very-Low			Projects must have HCD or local funding of 15% or more of total dev. costs; HCD projects include MHP, AHSC, TOD, Joe Serna, NPLH, VHHP
Mixed-Income			Projects may only use new bonds relative to their bond/tax credit affordable % if bond/tax credit units are less than 80% of total units
Total Pools and Set-Asides			
New Construction Remainder			
Geographic Regions (New Construction Only)			1) No carryforward from year to year of deficits / surpluses like 9%; 2) A waiting list structure would be used for the last round of the year to use regional leftovers; 3) Projects funded in pools and set-asides do not count toward regional goals; 4) %'s below are from the 9% geographic system with no adjustments
Location			Central Coast (5.2%), Orange (7.3%), San Diego (8.6%)
Coastal Region			City of Los Angeles (17.6%)
City of Los Angeles			Balance of Los Angeles County (17.2%)
Balance of LA County			San Francisco (3.7%), South and West Bay (6.0%), East Bay (7.4%)
Bay Area Region			Central Valley (8.6%), Inland Empire (8.3%)
Inland Region			Capital (5.7%), Northern (4.4%)
Northern Region			WG currently unable to reach consensus on adjustments that should be used to shift allocation to higher cost markets. Range under consideration is 0% to 7%.
Scoring (120 Points)			
1A	Preservation Priorities (Acq. & Rehab.)	20	See attached worksheet tab "Acq Rehab 8-18-20"
	Density & Local Incentives (New Cons.)	20	Project includes any one of the following: 1) Local jurisdiction has approved the project at a density greater than that allowed by the general plan through the use of state/local density bonus law, SB 35, concession and/or waivers; 2) Project is located in a Highest or High Resource Area as specified on TCAC/HCD Opportunity Area Maps; 3) Project is being developed at a per net acre density as follows: A) 100 bedrooms in Urban areas; B) 60 bedrooms in Suburban areas; C) 40 bedrooms in Rural areas. Net acre defined as parcel boundaries after dedication of any public right-of-way, the presence of restrictive easements, and non-buildable areas. Possible grandfather clause: Projects with land-use approvals obtained prior to January 1, 2022 shall earn full points in this category.
2	Exceeding Minimum Income Restrictions (TBD)	20	2 points for each 1% the average affordability is below 60% AMI (average affordability of 50% AMI = 20 points <u>OR</u> full points earned with an average affordability of 60% AMI or less with a minimum of 10% at 30% AMI and 10% at 50% AMI - only bond/tax credit units measured in both scenarios
3	Exceeding Minimum Rent Restrictions (% below Market)	10	1 point for each 1% the average affordability is greater than 10% below market (measure bond/tax credit units only)
4	Gross Rents (5 points)		Eliminate from scoring and make a threshold requirement
4	General Partner & Management Co. Experience	10	Use TCAC 9% criteria (keep same for both programs) but change points from 9 to 10
5	Housing Types (replaces Large-Family points)	10	Use TCAC 9% criteria for Large Family, Senior, Special Needs, SRO (must be Special Needs or 100% at 40% AMI or below) and At-Risk, but add a High Density housing type that meets conditions in 1B; waiver of criteria available for New Construction projects with land-use approvals obtained prior to January 1, 2022
6	New Cons. / Adaptive Re-Use / Subs. Renovation (10 pts.)		Eliminate since it is no longer necessary to award points for this with creation of pools, set-asides and geographic regions
6	Cost Containment (TBD)	10	1 point for every 1% below TCAC basis limits, with permitted adjustments - See attached "Cost Containment" worksheet
7	Leveraged Soft Resources	10	1 point for every 1% of Residential TDC; Use TCAC 9% definition, but expand to include private non-related party soft money and eliminate taxable tail provisions
8	Community Revitalization Areas (5 pts.)		Eliminate to avoid determining factor that drives production into existing low-income areas
8	Readiness to Proceed	10	Use TCAC 9% criteria (keep same for both programs)
9	Site Amenities	10	Use TCAC 9% criteria (keep same for both programs) but add amenity points if site is inside of or within 1 mile of a job center census tract
10	Service Amenities	10	Use TCAC 9% criteria (keep same for both programs) - TCAC staff requests recommendations for simplifying this category, especially for PSH projects
11	Sustainable Methods (10 pts.)		Eliminate to reduce costs and recognize California's already highly efficient building code
12	Forgone Developer Fee (10 pts.)		Eliminate to align programs and recognize proposed reduction in developer fee limits (reommendations forthcoming)
13	Exceeding Minimum Term of Restriction (10 pts.)		Eliminate from scoring and make 55-year regulatory period a threshold requirement
Total Scoring Potential			120
TB	Adjusted Bonds per Adjusted Units - 2021 (TBD)		Adjusted tax-exempt bonds (numerator) divided by bedroom-adjusted units (denominator) - See attached "Tie Breaker" worksheet (Note: WG has not discussed)
11	State Benefit and Efficiency Measure (SCO Proposal) - 2022 (TBD)		Uncapped scoring category measuring value of public benefit relative to adjusted state resources used

CDLAC Allocation System for 2021

Preservation and Other Affordable Scoring - Rev. 8/18/20

Preservation properties shall be required to complete rehabilitation work at a minimum of \$50,000 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).

Preservation Points

- 20** Federally-Assisted At-Risk or any other project in which at least 50 percent of the units receive governmental assistance and the rent and income restrictions will terminate or be eligible for termination within five years of application, with no other restrictions remaining
- 15** A property that meets at least one of the following: (i) any replacement or rehabilitation project approved by HUD pursuant to a Section 18 or 22 Demolition/Disposition authorization; (ii) any project being rehabilitated under the HUD Rental Assistance Demonstration (RAD) Program; or (iii) a property with a pre-2000 HCD loan that is being restructured pursuant to Section 50560 of the Health and Safety Code (AB 1699)
- 5** A property that receives governmental assistance on at least 50 percent of the units pursuant to either (i) Project-Based Section 8 or Rent Supplement, (ii) USDA Rent Supplement, (iii) Section 236 Financing, (iv) Section 221(d)(3) Financing, (v) USDA 514 or 515 Financing, or (vi) Department of Housing and Community Development Financing (other than AB 1699 projects), that has not previously received an allocation of Low-Income Housing Tax Credits.

CDLAC Allocation System for 2021
Cost Containment

Rev. 8/18/20

	4% TCAC		
Sacramento County	Basis Limits	Units	Base Limit
1-Bedroom	301,093	30	9,032,790
2-Bedroom	363,200	40	14,528,000
3-Bedroom	464,896	30	13,946,880
Total Base Limit			37,507,670
+ Various Basis Boosts (Per TCAC Allowances)		35%	13,127,685
+ Impact Fees			2,000,000
Depreciable Basis Cost Limit (A)			52,635,355
Project's Budgeted Depreciable Basis (B)			40,000,000
% Below (Above) Basis Limit (A - B / A)			24.01%
Points (1 pt. for every 1%, round down)			10
<u>Current TCAC Basis Boosts - Section 10327(c)(5)(A)</u>			
Prevailing Wages	20.0%		
Project Labor Agreement	5.0%		
Structured Parking	10.0%		
Day Care	2.0%		
100% Special Needs	2.0%		
Elevator Serviced Building	10.0%		
<u>Current TCAC Basis Boosts - Section 10327(c)(5)(B) through (F)</u>			
Energy/Green Features	10.0%		
Deeper Income Targeting	80.0%		
Seismic Upgrade/Toxic Mitigation	15.0%		
Local Development Impact Fees	Varies		
High Resource Area	10.0%		
<u>Proposed New Basis Boosts</u>			
Type III Building	10.0%		
Type I Building	15.0%		

Notes
See below for current basis boosts plus proposed changes.
Maximum of 10 points
These basis limits all need to be adjusted - some too high, some too low
Recommended for increase from 7% to 10%
May now be duplicative boost when adding Type I and Type III
Energy/Green Feature boost recommended for elimination
Capped at 80%
Recommended for addition
Recommended for addition

CDLAC Allocation System for 2021**Rev. 8/18/20****Tie Breaker - Cost Adjusted Bond Request / Bedroom Adjusted Units****STEP 1: Calculate Cost-Adjusted Bond Request**

Bond Request	25,000,000 (A)
Statewide Basis Delta	10% (B)
Cost-Adjusted Bond Request	22,500,000 (A - (A x B))

STEP 2: Calculate Bedroom Adjusted Units

Unit Type	Proposed Units	Adj. Factor	Adjusted Units
Studio	20	0.75	15.00
1-Bedroom	20	1.00	20.00
2-Bedroom	20	2.00	40.00
3-Bedroom	30	3.00	90.00
4-Bedroom or larger	10	4.00	40.00
	<u>100</u>		<u>205.00</u>

STEP 3: Calculate Tie Breaker

Cost-Adjusted Bond Request	22,500,000
Divided by	
Bedroom-Adjusted Units	205.00
Equals	
Tie Breaker	109,756

Working Group has not discussed this specific proposal as of date above.

Notes

This is the difference between the project's county threshold basis limit and the average county basis limit in the state and will tend to only apply to high-cost markets.

2-bed and larger treated as 1-bed for PSH unless targeted for PSH families

Up to 30% of total units counted, then counted as a two-bedroom

Up to 10% of total units counted, then counted as a two-bedroom

Lower is better

CDLAC Allocation System Restructure

Proposed Super Region Map

