



# CDLAC 2021 Scoring System Framework

Secretary Lourdes Castro Ramirez | September 14, 2020



# The Administration's Prioritized Value Set

## Guiding Principles for a United Policy Approach:

1. The state should fund to the greatest degree possible the types of housing units that are not being produced by the market.
2. State financed affordable housing should be issued consistent with Affirmatively Furthering Fair Housing Principles.
3. The state should bring to bear all its regulatory and enforcement powers to influence and monitor zoning, permitting and production of housing for people of all income levels, but particularly moderate and below for rental and homeownership, in local jurisdictions.





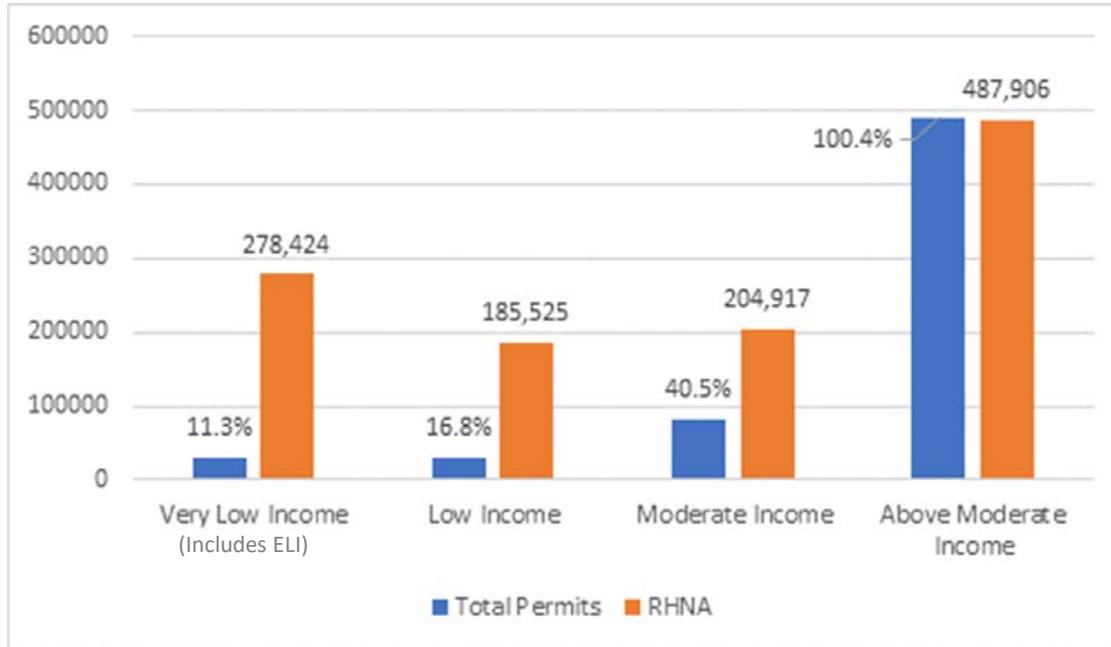
# The Administration's Value Set (Cont.)

4. Across the full housing spectrum, units should be produced expediently and efficiently, in areas of high need, in order to tackle affordability and access issues.
5. Looking for solutions to decrease cost and time, the state should incentivize units, innovations, state lands, and solutions that align with co-existing state goals.
6. Promote and develop a robust preservation strategy to protect past investments and naturally occurring affordable housing.
7. The State financing system should be viewed in its entirety and be deployed more effectively.



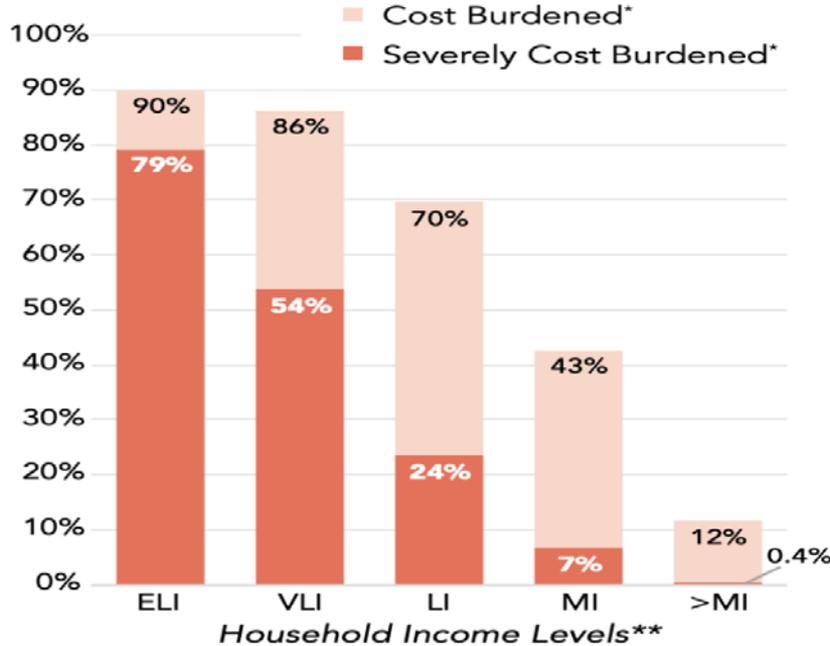
# A Data - Driven Approach:

CA is Under Permitting at Lower Income Levels (5<sup>th</sup> Cycle APR Results)



# A Data-Driven Approach:

## Housing Affordability Challenges Exist in CA's Rental Market



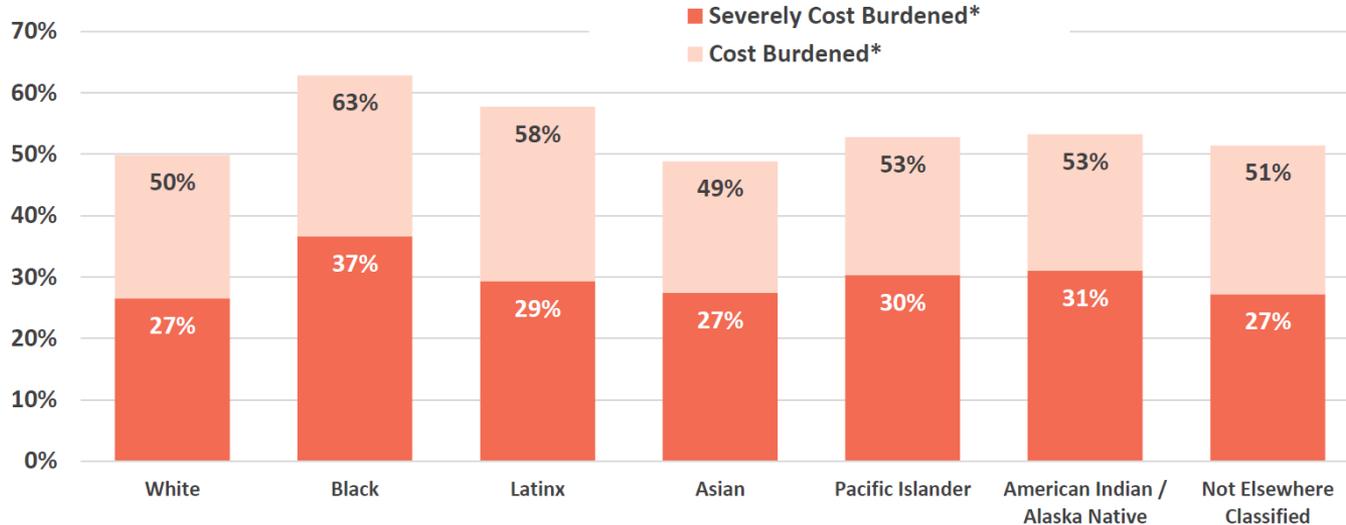
**Source:** California Housing Partnership analysis of 2018 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

\*Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

\*\*ELI: Extremely Low-Income, VLI: Very Low-Income, LI: Low-Income, MI: Moderate-Income, >MI: Above Moderate-Income

# A Data - Driven Approach:

Black and Latinx renters are most likely to experience cost burden



**Source:** California Budget and Policy Center analysis of 2016-2018 1-year ACS PUMS data.

\*Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

# Priority Goals – CDLAC 2021 Regulations

Priority goals the Administration would like to see as a result of this framework:

1. Establish truly **integrated, inclusive and balanced living patterns** that offer opportunity and upward mobility for residents;
2. Prioritize **cost containment** solutions that enable our public resources to stretch further; and
3. **Removal of barriers and inclusion of new development partners**, specifically black and brown development partners in the affordable housing space.



# Goal 1: Integrated, Inclusive and Balanced Living Patterns

- **Affirmatively Furthering Fair Housing Scoring Criteria**
  - Creating units of housing that stretch widely across the income brackets in lower income communities
  - Building more deeply affordable units in well-resourced areas with higher opportunities
- **Service and Site Amenities Linkage to promote positive resident outcomes**
- **Unit Focus to Incentivize Inclusion**



## Goal 2: Cost Containment

- Lower costs = more housing
- HCD Pro-Housing Designation (AB 101, Budget Trailer Bill 2019/20 Budget Act)
- Retaining Cost Containment within the Scoring Criteria (AB 83, Budget Trailer Bill 2020/21)



## Goal 3: Removing Barriers and Greater Inclusion of Developers

- Establishing a new **Community Development Corporation / Community Based Organization Pool**
- **Modifying the Developer Experience Criteria** to be more inclusive
- Adding **General Management and Partnership Criteria** to promote sustainable and equitable partnerships are formed



# Regulatory Notes for Consideration

- Add definitions related to new criteria proposed by Administration and Working Group
- Add a new threshold requirement related to Developer Experience
- Evaluate TCAC regulations language and terminology for unintended consequences and impact prior to mirroring in CDLAC
- Evaluate a higher Developer Fee Limit for smaller and new developers to support inclusion

# Next Steps

- Support State Treasurer in completion of the CDLAC Regulations
- Partner on next phase of strategic discussions and actions to improve delivery of housing resources across the full state system
- GARE Training & Implementation of Racial Equity Tool

