

**2022 CDLAC Allocation System – State Treasurer’s Office Tie Breaker and Point Score Policy Framework**

<b>Topic / Issue</b>	<b>Administration</b>	<b>State Controller’s Office (SCO)</b>	<b>State Treasurer’s Office (STO) Proposal</b>	<b>STO Rationale</b>
<b>Tie-Breaker Related Topics / Issues</b>				
Production Benefit	Supports measuring production per adjusted unit but limited to 80% AMI	Supports measuring production per adjusted unit	Support both positions but with Administration’s 80% AMI limit	Rewarding production is a top STO goal to address the housing shortage
Rent Savings Benefit / Counting of State Funds in Denominator	Count 30 years of rent savings with a floor of 30% - 40% AMI and a cap of 80% AMI; only count bonds in denominator, but willing to count state tax credits	Count 30 years of rent savings; count all state funding in denominator (bonds, state tax credits, HCD, CalHFA)	Count 5 years of rent savings with Administration floor and cap but also give additional value to units at ELI and VLI in population benefit category; count only bonds and state tax credits in denominator	Fulfills Administration goal of supporting ELI / VLI production but reduces geographic disparity produced by high-FMR locations
Population Benefit	Count chronically homeless and special needs units	Count various population types	Support Administration position but add value for ELI and VLI units as stated in Rent Savings Benefit; add value for Veterans units	Recognizes significant need to address homelessness; fulfills Administration goal of producing ELI and VLI units; recognizes the significance of caring for veterans given their special sacrifice
Location Benefit: Moderate / High / Highest Resource Area Priority	Supports inclusion of areas of opportunity in tie-breaker but recommends removal of public benefit for High/Highest Resource areas after 50% goal; supports addition of Moderate Resource area	Supports recognition of areas of opportunity in the tie-breaker	Supports both positions but proposes not to remove public benefit after 50% goal	Projects in areas of opportunity often come with higher cost which need to be recognized even after goals are met, similar to other categories such as homeless housing; approach is also easier to administer for staff
Location Benefit: Community Revitalization Areas	No stated position	No stated position	Support adding Community Revitalization Areas to location benefit but with	Recognizes importance of community revitalization areas as part of a holistic

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			removal of Opportunity Zones from definition per WG recommendations	approach to producing and preserving affordable housing
Location Benefit: Transit Oriented Development and Transit Amenities	Recommends higher standard than TCAC transit amenity points	Supports inclusion of transit-oriented locations	Supports both positions by including multiple elements: TCAC transit amenity points; proximity to high-speed transit or awards from HCD’s TOD and AHSC programs	Proximity to transit helps residents more easily gain access to the resources they need while reducing the use of automobiles
Location Benefit: Other Climate-Based Benefits	No specific criteria, but a priority of Administration	Supports inclusion of environmentally-based benefits	Propose addition of public benefit credit for closest criteria of TCAC amenities, including park, library, grocery / market, school, senior center, medical clinic, pharmacy	Supports both goals and reduces VMT by giving value to walkable amenities at only the closest distance that qualifies under TCAC’s criteria
<b>Point Score Related Topics / Issues</b>				
High / Highest Resource Area Priority	1 additional scoring point that vacates after 50% of bonds are allocated to High/Highest Resource areas	Willing to accept 1 additional point that vacates at 50% but prefers to recognize benefit in tie-breaker	Support Administration position and implement calculation on a “per round” basis; establish geographic funding order to insure statewide distribution	Evidence shows existing “1-point” policy is working to produce units in high/highest resource areas as intended
Amenity Points for High / Highest Resource Area Projects	High / Highest Resource Area projects to earn a minimum amount of site amenities	Supports inclusion of recognizing site amenities for all projects	Require all projects to earn 10 site amenity points per TCAC system, result for High/Highest Resource Area projects is a net	Addresses Administration goal of adding a minimum amount of site amenities while preserving as many sites for development as

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			requirement of 2 site amenity points after factoring in existing TCAC 8-point opportunity area points	possible; aligns the scoring system and reduces staff administration burden
Project Types Eligible for High / Highest Resource Area Points	Expand eligibility beyond large-family and permanent supportive housing to include projects in “Other Rehabilitation” pool	No stated position	Support Administration position	STO supports the Administration position of recognizing the importance of acquiring and rehabilitating assets already located in these valuable areas
AFFH Category Expanded	Expand eligibility to any project with an existing public funding commitment of at least \$1 million dated prior to 6/30/2022	No stated position	Support Administration position	Policy will be more inclusive and supportive of projects already in California’s affordable housing pipeline
Recycled Bonds / Leverage	Remove recycled bonds from the definition of “leverage”	Remove all leverage from the scoring system	Either 1) retain recycled bonds in the definition of leverage; or 2) support SCO position to remove all leverage from scoring	Recycled bonds are allowing projects to proceed without the need to obtain public funding that often comes with increased costs and time delays to acquire; developer and bond issuer familiarity with recycled bonds will be useful with potential federal law changes

## STO Proposed CDLAC Tie-Breaker Calculation and Values (Draft 11-23-21)

### CDLAC Tie-Breaker Calculation

Public Benefit: Production + Rent Savings + Population + Location

Resources Measured: (Tax-Exempt Bonds + State Tax Credits) x (100% - Sum of Adjustments)

Public Benefit (Numerator)	Value	Calculation
<b>Production Benefit</b>		
Adjusted Units Produced at 80% AMI or Below	\$50,000	Adjusted Units x Value
<b>Rent Savings Benefit</b>		
Project Rent Savings relative to County FMR	Varies	County FMR' - Project Rents x 5 Years
<b>Population Benefit (<i>multiple selections possible</i>)</b>		
Extremely Low-Income	\$50,000	Designated Units x Value
Very-Low Income	\$30,000	Designated Units x Value
Homeless	\$20,000	Designated Units x Value
Veterans	\$10,000	Designated Units x Value
Other Special Needs (Non-Homeless or Non-Veterans)	\$10,000	Designated Units x Value
<b>Location Benefit (<i>multiple selections possible</i>)</b>		
Highest Resource Area (Large Family / PSH)	\$30,000	Adjusted Units x Value
High Resource Area (Large Family / PSH)	\$20,000	Adjusted Units x Value
Moderate Resource Area (Large Family / PSH)	\$10,000	Adjusted Units x Value
Community Revitalization Area	\$20,000	Adjusted Units x Value
TOD Emphasis (Per TCAC Transit Score)	\$10,000	Adjusted Units x Value x TCAC Points
1/2 Mile High Quality Transit or AHSC/TOD Award	\$30,000	Adjusted Units x Value
Walkable TCAC Amenities (only closest distance qualifies)	\$10,000	Adjusted Units x Value x # of Qualifying Amenities
<b>Resources Measured (Denominator)</b>	<b>Value</b>	<b>Calculation</b>
Resource Measured: Tax Exempt Bonds	Varies	Requested Bonds
Resource Measured: State Tax Credits	Varies	Requested State Tax Credits
Adjustment: Prevailing Wages	10%	See Below
Adjustment: Type I Density	10%	See Below
Adjustment: Type III Density	5%	See Below
Adjustment: TCAC Basis Delta (reduction and caps TBD)	Varies	(100% - Sum of Adjustment Values)