



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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EXECUTIVE DIRECTOR
JUDITH BLACKWELL

DATE: January 25, 2021

TO: California Tax Credit Allocation Committee (TCAC) Stakeholders

FROM: Judith Blackwell, Executive Director

RE: Process for State Low Income Housing Tax Credits Allocation to Projects Financed by California Housing Finance Agency (CalHFA) under its Mixed-Income Program (MIP)

Pursuant to Revenue and Taxation Code Section 12206(g)(1)(B)(iv), as amended by Assembly Bill 83 (AB 83) of 2020, the California Tax Credit Allocation Committee (TCAC) is authorized to receive an allocation of up to \$200 million in state tax credits for projects financed by the California Housing Finance Agency (CalHFA) under its Mixed-Income Program (MIP).

The process for the state tax credit allocation for projects financed by CalHFA under its MIP starts with CalHFA submitting a formal request to TCAC for a specific amount of state tax credits. The request is based on CalHFA's expected MIP pipeline, and consistent with the California Debt Limit Allocation Committee (CDLAC) Fall demand survey. Following review of CalHFA's request by TCAC staff, the TCAC Executive Director determines if the request is reasonable. If deemed reasonable, the amount of state tax credits to projects financed by CalHFA under its MIP is allocated and announced formally by the TCAC Executive Director at the TCAC January Committee meeting.

Prior to final round, if CalHFA is unable to fully utilize the state credit allocation, CalHFA will notify TCAC in writing to release the remainder of the state tax credit allocation, which will be made available to the general 4% new construction projects at a future funding round.

TCAC has made allocations of the state tax credits to the projects financed by CalHFA under its MIP in the 2020 and 2021 pursuant to statutory authorization and in conformance with the process described in this memo. At the TCAC January 15, 2021 Committee meeting, the TCAC Executive Director formally announced that \$150 million in state tax credits for 2021 would be allocated to projects financed by CalHFA under its MIP. The state tax credit allocation is part of a broader partnership between TCAC, CDLAC and CalHFA, which also includes a joint application, providing a "one-stop shop" experience for project applicants.