



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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DATE: January 5, 2021

TO: Low-Income Housing Tax Credit Applicants

FROM: California Tax Credit Allocation Committee – Development Section

RE: 2021 Threshold Basis Limits

In 2008, TCAC implemented a threshold basis limit system utilizing county and regional cost data. This data, obtained from the California Tax Credit Allocation Committee's (TCAC's) database, consists of new construction projects that have been awarded tax credits. TCAC is releasing 2021 threshold basis limits based on an updated data set, and the following summarizes steps taken to update this data.

In updating the limits each year, TCAC adds newly awarded projects to the data set and deletes the oldest year of project data. TCAC staff has added data for projects receiving 2020 tax credit reservations (both 9% and 4%). Staff uses application estimates for a given project until TCAC receives a final certified project cost report. Continuing this year, competitive project costs have been updated with interim cost estimates from the 180/194-day application submissions. In past years the dataset used a five- to ten-year period of historical cost data and calculated county-level basis limits. To more accurately reflect the higher construction costs of recent years, the current data set consists of a four-year period of projects awarded from 2017-2020 and uses a region-level basis limit. All counties in a region now use the regional basis limit, with the exception of the Northern Region. The Northern Region includes two counties, Butte and Shasta, that are physically distanced from the rest of the region (Marin, Napa, Solano, Sonoma). As a result, Butte and Shasta have substantial cost differences relative to the remainder of the region. TCAC split the Northern region into two based on this physical separation, resulting in a basis limit for Butte and Shasta counties, and a basis limit for Marin, Napa, Solano, and Sonoma counties.

As in past years, staff has applied the R.S. Means Historical Cost Index and City Cost Indexes to the data as construction cost inflators. These indexes have been updated to use the current industry cost adjusters. For 2021, TCAC updated the index calculation to more accurately reflect how past costs should be escalated using these indexes. This has resulted in higher inflation (or escalation) rates for the 2017-2019 cost years. Recent years' practice has been to allow no county's basis limits to be less than the basis limit floor set by the rural region, and for counties that would have had a reduction to basis limits based on updated data, the limits of the previous year were used. Because TCAC is now using more recent cost data and higher inflation factors, staff determined that the use of an artificial floor is no longer necessary. Historically, TCAC staff adjusted costs by one-half (0.5) standard deviation for 9% projects and one (1.0) standard deviation for 4% projects. Because the cost data and methodology have been updated to more accurately reflect current and inflation costs, TCAC staff adjusted both 9% and 4% projects using a one-half (0.5) standard deviation. This results in one basis limit table for both 9% and 4% projects.

Please direct any questions or comments you may have to Gina Ferguson at gferguson@treasurer.ca.gov.

2021 BASIS LIMITS

COUNTY	SRO & STUDIO	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4+ BEDROOMS
ALAMEDA	\$365,252	\$421,132	\$508,000	\$650,240	\$724,408
ALPINE	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
AMADOR	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
BUTTE	\$230,655	\$265,943	\$320,800	\$410,624	\$457,461
CALAVERAS	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
COLUSA	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
CONTRA COSTA	\$365,252	\$421,132	\$508,000	\$650,240	\$724,408
DEL NORTE	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
EL DORADO	\$278,397	\$320,989	\$387,200	\$495,616	\$552,147
FRESNO	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
GLENN	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
HUMBOLDT	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
IMPERIAL	\$228,930	\$263,954	\$318,400	\$407,552	\$454,038
INYO	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
KERN	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
KINGS	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
LAKE	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
LASSEN	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
LOS ANGELES	\$327,289	\$377,361	\$455,200	\$582,656	\$649,115
MADERA	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
MARIN	\$299,104	\$344,864	\$416,000	\$532,480	\$593,216
MARIPOSA	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
MENDOCINO	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
MERCED	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
MODOC	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
MONO	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
MONTEREY	\$303,706	\$350,170	\$422,400	\$540,672	\$602,342
NAPA	\$299,104	\$344,864	\$416,000	\$532,480	\$593,216
NEVADA	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
ORANGE	\$279,547	\$322,315	\$388,800	\$497,664	\$554,429
PLACER	\$278,397	\$320,989	\$387,200	\$495,616	\$552,147
PLUMAS	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
RIVERSIDE	\$228,930	\$263,954	\$318,400	\$407,552	\$454,038
SACRAMENTO	\$278,397	\$320,989	\$387,200	\$495,616	\$552,147
SAN BENITO	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
SAN BERNARDINO	\$228,930	\$263,954	\$318,400	\$407,552	\$454,038
SAN DIEGO	\$260,566	\$300,430	\$362,400	\$463,872	\$516,782
SAN FRANCISCO	\$511,928	\$590,248	\$712,000	\$911,360	\$1,015,312
SAN JOAQUIN	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
SAN LUIS OBISPO	\$303,706	\$350,170	\$422,400	\$540,672	\$602,342
SAN MATEO	\$440,028	\$507,348	\$612,000	\$783,360	\$872,712
SANTA BARBARA	\$303,706	\$350,170	\$422,400	\$540,672	\$602,342
SANTA CLARA	\$440,028	\$507,348	\$612,000	\$783,360	\$872,712
SANTA CRUZ	\$303,706	\$350,170	\$422,400	\$540,672	\$602,342
SHASTA	\$230,655	\$265,943	\$320,800	\$410,624	\$457,461
SIERRA	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
SISKIYOU	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
SOLANO	\$299,104	\$344,864	\$416,000	\$532,480	\$593,216
SONOMA	\$299,104	\$344,864	\$416,000	\$532,480	\$593,216
STANISLAUS	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
SUTTER	\$278,397	\$320,989	\$387,200	\$495,616	\$552,147
TEHAMA	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
TRINITY	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
TULARE	\$238,133	\$274,565	\$331,200	\$423,936	\$472,291
TUOLUMNE	\$262,291	\$302,419	\$364,800	\$466,944	\$520,205
VENTURA	\$303,706	\$350,170	\$422,400	\$540,672	\$602,342
YOLO	\$278,397	\$320,989	\$387,200	\$495,616	\$552,147
YUBA	\$278,397	\$320,989	\$387,200	\$495,616	\$552,147

January 5, 2021