



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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PR16:23
June 8, 2016

Contact: Marc Lifsher
(916) 653-2995

Treasurer's Program Approves \$466 Million in Affordable Housing Financing

Tax credits will help build 37 projects with 2,162 units of housing with below-market rents

SACRAMENTO – As California lawmakers and governor search for a plan to confront the state's massive shortage of affordable housing, the State Treasurer's Office is making steady progress with its own program to finance the construction of thousands of safe, comfortable, below-market-rent apartments.

On Wednesday, the California Tax Credit Allocation Committee (CTCAC), chaired by Treasurer John Chiang, approved the issuance of \$466 million worth of competitive federal and state tax credits that will help pay for the construction or rehabilitation of 37 affordable housing projects with 2,162 units. At the same time, CTCAC awarded non-competitive tax credits to finance an additional 850 new or rehabilitated housing units statewide.

Developers can sell the tax credits to raise money to allow them to offer lower rents for tenants, who earn between 30% and 60% of the local annual median income. The Allocation Committee issues nearly half a billion dollars in tax credits twice a year after evaluating developers' applications in a competitive selection process.

"We are proud to support the creation of over 2,000 units of very affordable housing that gives families, seniors and homeless persons safe and stable places to call home," said State Treasurer John Chiang. "The Treasury's housing programs are a model for how to efficiently fund and build new units in a state facing a 1.5 million-unit shortfall in low-cost, rental units," he said.

Among the winners of the latest round of tax credits awards are:

- Morgan Hill Family in Morgan Hill, Santa Clara County, 40 units in scattered sites for large families.
- Courson Arts Colony East in Palmdale, Los Angeles County, 80 units serving large families and artists' live-work space.
- Roland Curtis East, Los Angeles, 69 units serving large families.
- Fullerton Heights, Fullerton, Orange County, 36 units, including housing for the homeless.

The Allocation Committee's tax credits are "absolutely critical" for building affordable housing, said Dave Egan, area director of real estate development for EAH Inc., which is developing the Morgan Hill project.

"Many of these projects would not get financed without the existence of federal tax credits being sold to investors to generate the equity needed to build these homes," he said. "Tax credits provide consistency for financing affordable projects."

Efforts by the Allocation Committee and a sister housing agency, the California Debt Limit Allocation Committee, are the basic "building blocks of how almost all affordable housing in California is financed these days," said Mark Stivers, executive director of the California Tax Credit Allocation Committee.

"We're doing everything we can to put more roofs over people's heads."

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