



State of California
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Gavin Newsom, Governor
Lourdes M. Castro Ramírez, Secretary

Date: 9/12/2020
To: Treasurer Fiona Ma
From: Secretary  Castro Ramirez
Cc: Governor Gavin Newsom
State Controller Betty Yee

Re: California Debt Limit Allocation Committee Affordable (CDLAC) Housing Framework

On behalf of Governor Gavin Newsom's Administration, I would like to thank you for the opportunity to provide the Administration's housing priorities and our guiding principles to inform the updated 2021 CDLAC regulations and allocation system for the state's unified volume ceiling for affordable housing. We appreciate the time you, your staff, the Working Group, other developers and various stakeholders have spent designing solutions in support of preserving, increasing and improving housing opportunity for all Californians.

In formulating this housing framework, the Administration began with an analysis of the housing system, including a review of the socio-economic demographics and a deep dive into housing funding and production data. This was important to level-set and understand where we've been, who we're serving, and where we need to focus our efforts.

Because we are working in an environment of resource scarcity and cannot fund all of the necessary demand, the Administration has established guiding principles to prioritize the allocations and meet the legislative intent of AB 83 via the scoring criteria and tiebreaker. Further, these principles reflect the clear evidence that the ongoing public health and economic challenges are disproportionately impacting poor communities and people of color.

While we recognize and appreciate that these regulations are one piece of the puzzle, and that more work must be done across the full housing finance system, we also believe that the actions we take today should be part of a longer-term strategy. We acknowledge that CDLAC plays a critical role in the larger housing financing system and these following policy goals are designed specifically to help inform the CDLAC regulation:

1. Establish truly integrated, inclusive and balanced living patterns that offer opportunity and upward mobility for residents, by creating units of housing that

stretch widely across the income brackets in lower income communities AND by building more deeply affordable units in well-resourced areas with higher opportunities;

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.

Attached please find the *CDLAC 2021 Scoring System Proposal Spreadsheet* with the Administration's comments to the Working Group's proposal for our discussion at CDLAC on Monday, September 14, 2020. These changes strive to level the playing field, clarify the rules and increase certainty with CDLAC housing program. We look forward to working with the Treasurer and stakeholders through this regulatory process.

As the Administration looks beyond the 2021 regulations, we look forward to a sustained partnership to continue to address the challenges of access to affordable housing across our state.

Attachment:

CDLAC 2021 Scoring System Proposal WG v_8-18-20_Admin Changes_9-12-2020