



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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EXECUTIVE DIRECTOR
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DATE: January 31, 2022

TO: California Tax Credit Allocation Committee (CTCAC) Stakeholders

FROM: Nancee Robles, 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 subsection (g)(1)(B)(iv) of Revenue and Taxation Code Sections 12206, 17058, and 23610.5 as amended by Assembly Bill 83 (AB 83) of 2020, the California Tax Credit Allocation Committee (CTCAC) is authorized to allocate 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 CTCAC 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. CalHFA submitted a request on December 20, 2021 in the amount of \$200 million. Following review of CalHFA's request by CTCAC staff, the CTCAC 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 published on the credit estimates for the year on the CTCAC website.

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

CTCAC made allocations of the state tax credits to CalHFA for its projects funded by its MIP in the 2020 and 2021 calendar years pursuant to statutory authorization and in conformance with the process described in this memo. The state tax credit allocation is part of a broader partnership between CTCAC, CDLAC and CalHFA, which also includes a joint application, providing a "one-stop shop" experience for project applicants. This effort furthers the Administration's goals toward building multifamily affordable housing in California and the layering of state resources.