



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Treasurer John Chiang Streamlines Affordable Housing Tax Credit Applications

SACRAMENTO – In an ongoing effort to ease the process of financing affordable housing in California, State Treasurer John Chiang has introduced a new, streamlined process that will for the first time permit a project applicant to accomplish with a single application what formerly required two.

To be eligible for 4% Low-Income Housing Tax Credits awarded by the California Tax Credit Allocation Committee (TCAC) developers must utilize tax-exempt bonds awarded by the California Debt Limit Allocation Committee (CDLAC).

Until now, applicants have had to submit two separate applications for the same project to both CDLAC and TCAC. The new process allows applicants to submit a single application for both. The two programs are the most common way of financing new and rehabilitated affordable rental housing in California. Both programs are overseen by the Treasurer.

“A shortage of adequate housing priced within reach of California’s working families has a domino effect,” the Treasurer said. “Workers need housing or they look elsewhere for employment. The absence of affordable housing threatens the continuing growth of our strong economy.”

The new application process is part of the Treasurer’s on-going effort to streamline government and reduce the cost of building affordable housing, it builds on reforms he introduced in 2015 that increased the production of affordable housing statewide.

In 2015, the Treasurer’s retooling of regulations increased the amount of tax credits each project is eligible for while at the same time reducing costs. That move made more projects financially feasible and spurred an uptick in the affordable housing being created. Between 2014 and 2016, the number of affordable housing units newly constructed or substantially rehabilitated with low-income housing tax credits increased by 80 percent.

CTCAC, or California Tax Credit Allocation Committee, facilitates the investment of private capital into the development of affordable rental housing for low-income Californians. TCAC allocates federal and state tax credits to the developers of these projects. Corporations provide equity to build the projects in return for the tax credits.

CDLAC, or California Debt Limit Allocation Committee, sets and allocates California's annual debt ceiling, and administers the state's tax-exempt bond program to issue debt. CDLAC's programs are used to finance affordable housing developments for low-income Californians, build solid waste disposal and waste recycling facilities, and finance direct loans used by in-need college students and their parents.

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