



Los Angeles Housing Department

LAHD

LAHD BRIEF

January 23, 2013

TAX CREDIT ALLOCATION COMMITTEE (TCAC) APPROVES HISTORIC CITY OF LOS ANGELES GEOGRAPHIC APPORTIONMENT

Today the California Tax Credit Allocation Committee (TCAC) approved the creation of the City of Los Angeles Geographic Region for the purpose of allocating competitive 9% Low Income Housing Tax Credits (LIHTC). The LIHTC are the premier financing resource used nationwide to produce high quality, service-enriched affordable housing. Today's decision is a result of a year-long collaborative effort between TCAC and the Los Angeles Housing Department (LAHD). Los Angeles now joins the ranks of other major cities with a dedicated housing tax credit allocation such as San Francisco, New York, and Chicago.

This historic action presents an unprecedented opportunity for the City to exercise affordable housing policy and strategic community investment. The City will now be able to better leverage the LIHTC allocations with other sources of funds and align the creation and preservation of affordable housing consistent with the priorities of the Consolidated Plan and the Housing Element. This will create a level of financial certainty in the developer community and foster targeted long-range planning.

With this Geographic Region designation, TCAC will allocate tax credits worth approximately \$78 million in equity investments in 2013 for high quality affordable housing developments located within the City limits. The TCAC also voted to implement a new apportionment formula beginning in 2014, resulting in at least \$82 million in equity investments through the purchase of tax credits to be allocated to the City of Los Angeles Geographic Region in 2014, and onward. Prior to the State's action today, developments located in the City had to compete against other developments located within Los Angeles County.

The LAHD will immediately begin working with the State to effectuate this new agreement and will report to the Mayor and City Council with the pertinent details along with a proposed set of policies and procedures to manage and control access to the City of Los Angeles Geographic Region.

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