

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

521



FROM: Economic Development Agency

SUBMITTAL DATE:
1 October 2007

SUBJECT: Resolution Number 2007-432 Supporting Regulatory Changes to the Low-Income Housing Tax Credit Program Creating Consistency with the Regional Housing Needs Assessment

RECOMMENDED MOTION: That the Board:

1. Adopt Resolution Number 2007-432;
2. Authorize the Assistant County Executive Officer / EDA or designee to deliver Resolution Number 2007-432 to the California Tax Credit Allocation Committee and request the identified regulatory changes; and
3. Authorize the Assistant County Executive Officer/EDA to take all the necessary steps in furtherance of Resolution Number 2007-432 including, but not limited to, soliciting support from other area jurisdictions and other private and public organizations.

BACKGROUND: The California Tax Credit Allocation Committee (TCAC) operates the Low-Income Tax Credit Program for the State of California.

(continued on Page 2)

Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK DATE: 10/10/07

Robin Zimpfer

RZ:DL:ER
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Robin Zimpfer
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	NO
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2007 / 2008

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NO

SOURCE OF FUNDS: LOW-INCOME HOUSING TAX CREDITS	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

Policy

Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: District: ALL Agenda Number:

3.10

BACKGROUND (continued):

The Low-Income Housing Tax Credit Program is the most favorable source of primary funding for the production of affordable housing in the State of California as it provides equity contribution to a project not requiring debt service. The TCAC program regulations allocate low-income housing tax credits based on current need, population, concentrations of poverty, urbanism and other current factors.

The Regional Housing Needs Assessment (RHNA) identifies future housing needs and sets production standards based on growth factors. RHNA is also used in determining a compliant Housing Element, which is a planning tool required by the California Government Code. The Housing Element, as a result of RHNA, mandates allocation of sufficient land and resources to accommodate forecasted housing needs.

The current TCAC program regulations work in contradiction to the RHNA requirements and deprive Riverside County and its cities of the most important financing source to build affordable housing. In the 3-year period 2004-2006, there was a total of 50,694 units of affordable housing funded with the tax credit program. The following is a comparison between Riverside County and other California counties:

- Riverside County, population 2,026,803, was awarded 2,332 units. That is a unit funded for every 869 people.
- San Diego County, population 2,941,454, was awarded 4,039 units. That is a unit funded for every 728 people.
- Sacramento County, population 1,374,724, was awarded 4,962 units. That is a unit funded for every 277 people.
- Alameda County, population 1,457,426, was awarded 3,214 units. That is a unit funded for every 277 people.
- San Francisco County, population 744,041, was awarded 2,542 units. That is a unit funded for every 293 people.

The County of Riverside and Resolution Number 2007-432 intend to propose amendments to the TCAC regulations of the Low-Income Housing Tax Credit Program in effort to create consistency with allocation of tax credits to the forecast in the Regional Housing Needs Assessment and provide for the development of additional, affordable housing in Riverside County.

RESOLUTION NUMBER 2007-432

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE SUPPORTING REGULATORY CHANGES TO THE LOW INCOME HOUSING TAX CREDIT PROGRAM CREATING CONSISTENCY WITH THE REGIONAL HOUSING NEEDS ASSESSMENT

WHEREAS, the California Tax Credit Allocation Committee has established ten (10) geographic regions and allocated a percentage of available low-income housing tax credits to each region; and

WHEREAS, the counties of Riverside, San Bernardino and Imperial are grouped together to form one (1) of the ten (10) regions defined as the Inland Empire region; and

WHEREAS, the current Inland Empire population is 4,186,436 residents; and

WHEREAS, the Inland Empire regional population represents 11.5% of the current statewide population; and

WHEREAS, the Inland Empire region receives only 8% of the geographic credit; and

WHEREAS, the current regulations of the Low-Income Housing Tax Credit Program unjustly disadvantages the Inland Empire region with a disproportionate allocation of low-income housing tax credits by geographic areas; and

WHEREAS, the United States Census ranks Riverside County with the greatest numerical increase in population over the past six (6) years; and

WHEREAS, the United States Census ranks Riverside County as within the top 100 fastest growing counties nationwide and with the greatest numerical increase in population of the same 100 fastest growing counties; and

WHEREAS, every other county in the state of California with a current population of 2,000,000 or more has a geographic region of its own; and

WHEREAS, the United States Census estimates the current Riverside County population to be 2,023,803 as of 1 July 2006; and

WHEREAS, the current regulations of the Low-Income Housing Tax Credit Program unjustly disadvantages Riverside County by grouping it within the Inland Empire region creating competition for the already disproportionately low allocation to the Inland Empire region; and

WHEREAS, Regional Housing Needs Assessment (RHNA) obligates Riverside and San Bernardino counties to build the highest per capita quantity of affordable housing in southern California; and

WHEREAS, RHNA projects housing demand based on forecasted population growth within a housing element planning period, while the California Tax Credit Allocation Committee (TCAC) assigns tax credits based on existing concentration of poverty; and

WHEREAS, the RHNA housing production obligation and the Low-Income Housing Tax Credit Program allocation formula work in contradiction with each other; and

WHEREAS, the County of Riverside wishes to effort compliance with the RHNA housing production obligation; and

WHEREAS, the Low-Income Housing Tax Credit Program is the most viable source of primary funding for the production of affordable housing; and

WHEREAS, the County of Riverside urges local and state legislators to also support regulatory changes to the Low-Income Housing Tax Credit Program so as to align the allocation of Low-Income Housing Tax Credits with the RHNA requirements for the production of affordable housing.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Riverside as follows:

The County of Riverside commits to supporting regulatory changes to Low-Income Housing Tax Credit Program so as to align the allocation of Low-Income Housing Tax Credit with the RHNA requirements for the production of affordable housing.

PASSED, APPROVED, AND ADOPTED by

_____ this _____ day of _____, 2007

FORM APPROVED COUNTY COUNSEL
BY: 
MICHELLE CLACK
DATE: 10/10/07