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CalHFA's Mixed-Income Program Wins National Award

National Council of State Housing Agencies recognizes California program for producing more housing in less time and with less public subsidy

SACRAMENTO, Oct. 30, 2020 — California's Mixed-Income Program (MIP), which is administered by the California Housing Finance Agency (CalHFA) as a result of support and collaboration across all sectors of the government from Governor Gavin Newsom's Administration to the Legislature to the State Treasurer's Office, has won a national award for program excellence.

The National Council of State Housing Agencies (NCSHA) made the announcement at its annual conference Oct. 27, naming CalHFA's program a 2020 winner in its Rental Housing: Encouraging New Construction category.

NCSHA praised MIP's streamlined finance model that is producing more housing in less time and with less public subsidy.

"I'm proud of our team at the California Housing Financing Agency, and this award is a testament to their hard work to make the Mixed-Income Program a success," said Governor Newsom. "The Mixed-Income Program, which has been operational for just over a year, is supporting the production of 3,468 units of housing, creating inclusive communities and helping to address the affordability crisis throughout the state."

To date, CalHFA has committed \$156 million in MIP subordinate loans to help thousands of families throughout the state at a mix of income levels from 30% to 120% of the Area Median Income.

Over the past few years, several state government actions set the stage for the design and implementation of MIP. Current Senate President pro Tempore Toni Atkins provided the initial vision and support – around \$40 million annually – for a mixed-income program as part of 2017's Senate Bill 2: The Building Homes and Jobs Act.

As soon as CalHFA started the program, Governor Newsom recognized it as one that could advance the Administration's policy goals of jump-starting production, building housing for a range of income levels and prioritizing cost and time efficiency. With that in mind, the Governor and Legislature passed a 2019-20 State Budget that expanded the State Low-Income Housing Tax Credit Program and reserved up to \$200 million of those new tax credits to be paired with MIP. It also provided a one-time allocation to CalHFA of \$500 million in funds for low-and moderate-income development, a large portion of which went to expand MIP.

The additional funds and crucial tax credit reservation allowed the program to truly take off. A partnership with State Treasurer Fiona Ma, who oversees California's Tax Credit Allocation Committee

(CTCAC), made MIP a streamlined one-stop shop for private affordable housing producers to make use of these public resources.

“Working with CalHFA to make our state’s affordable housing finance delivery system more efficient has already paid big dividends,” said Treasurer Ma. “By increasing overall production at all income levels, this partnership has truly made a meaningful impact on California’s housing crisis.”

In its entry for the NCSHA Program Excellence Award, CalHFA cited an internal analysis that highlighted the speed and cost efficiency of MIP projects when compared to similar new construction affordable housing projects that received state resources at the same time. The findings showed MIP projects will cost \$119,000 less per unit on average, will begin construction almost a year quicker and create more units outside of areas of concentrated poverty. In these ways, the program is part of CalHFA’s comprehensive strategy to advance fair housing through inclusivity and desegregation.

“When you see alignment of priorities from the Administration, the Legislature and the Treasurer’s Office, and a partnership between California’s housing finance delivery systems which efficiently addresses those priorities, you have a model for others to follow,” said CalHFA Executive Director Tia Boatman Patterson. “And the end result is more of the right kinds of housing in the right places for Californians who need it.”

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The California Housing Finance Agency was created in 1975 with the goal of helping more Californians find a place to call home. CalHFA has helped more than 201,000 low- and moderate-income homebuyers with \$32.6 billion in first mortgages and used \$6.1 billion in financing for the construction and preservation of more than 70,000 affordable rental housing units throughout the state. CalHFA is a self-supported state agency that doesn't rely on taxpayer dollars for its operational costs. For more information on CalHFA programs, and how we are creating progressive financing solutions for affordable housing in California, visit www.calhfa.ca.gov or call toll free at 877.9.CalHFA (877.922.5432).