



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/3/2020

Agenda Placement: 7C

Napa County Legislative Subcommittee Board Agenda Letter

TO: Napa County Legislative Subcommittee

FROM: Mary Booher for Minh Tran - County Executive Officer
County Executive Office

REPORT BY: Nelson Cortez, Staff Assistant-BOS - 7072991478

SUBJECT: Low-income housing tax credits

RECOMMENDATION

County Executive Officer requests discussion and possible action regarding the state's implementation of federal low-income housing tax credits secured by Congressman Mike Thompson in House Resolution 1865, Further Consolidated Appropriations Act of 2020, which became law in 2019.

EXECUTIVE SUMMARY

H.R. 1865, the Further Consolidated Appropriations Act of 2020, became law in late 2019 and includes provisions, led by Congressman Mike Thompson, that provide additional low-income housing credit allocations to the State of California for 2017 and 2018 disaster areas. The intent of these provisions was to assist with the wildfire recovery but specifically to provide additional tax credits to the impacted communities so the affordable housing that was destroyed during the disasters could be replaced.

On January 15, 2020, the California Tax Credit Allocation Committee (TCAC) released Proposed Emergency Regulation Changes. These proposed changes, as presented by TCAC staff, were to use the funds statewide for homelessness as homelessness is a crisis and that every county in California is impacted by a disaster one way or another. This proposal has caused concern amongst the disaster impacted counties and triggered questions about the intent of the federal legislation authorizing these credits.

Staff is seeking discussion and possible action to oppose efforts to redirect tax credits intended for communities impacted by disasters in 2017 and 2018.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

H.R. 1865, the Further Consolidated Appropriations Act of 2020, became law in late 2019 and includes provisions, led by Congressman Mike Thompson, that provide additional low-income housing credit allocations to the State of California for 2017 and 2018 disaster areas. The intent of these provisions was to assist with the wildfire recovery but specifically to provide additional tax credits to the impacted communities so the affordable housing that was destroyed during the disasters could be replaced. Further, these credits were intended to provide relief to only 13 counties, including Napa, because these counties were the only ones that received individual, or individual and public assistance, in 2017 and 2018.

On January 15, 2020, the California Tax Credit Allocation Committee (TCAC) released Proposed Emergency Regulation Changes. These proposed changes, as presented by TCAC staff, were to use the funds statewide for homelessness as homelessness is a crisis and that every county in California is impacted by a disaster one way or another. This proposal has caused concern amongst the disaster impacted counties and triggered questions about the intent of the federal legislation authorizing these credits.

On January 22, 2020, Congressman Mike Thompson sent a letter to California State Treasurer Fiona Ma restating the intent that disaster related tax credits were for Butte, Lake, Mendocino, Napa, Nevada, Orange, Sonoma, Yuba, Los Angeles, San Diego, Santa Barbara, Ventura and Shasta counties--those that received individual and/or public assistance as a result of disasters in 2017 and 2018.

Status

Currently under consideration by the TCAC Committee.

Support and Opposition

CSAC: no action

NACo: N/A

Local/Regional: Congressman Thompson has sent letter restating his intent. Sonoma County and the City of Santa Rosa have sent an opposition letter.

STAFF COMMENTS

Platform: Yes

Federal: Disaster Recovery, Page 4

State: Disaster Recovery and Preparedness, Page 5

Implications to Napa County and County Departments

If funds are available to all 58 counties, Napa County is less likely to receive funds. Additionally, the proposed TCAC regulations would expedite the tax credits in 2020, meaning that projects like Napa Pipe, Heritage House

and Valle Verde that intend to apply for funding within the next 18 months would not be able to access these funds. Staff believes this is inconsistent with the Federal intent of these funds.

Recommendation

Staff is recommending the Subcommittee support the transmission of a letter signed by the Chair of the Board of Supervisors to comment on the proposed regulations and support Congressman Thompson's efforts to restate the intent of the tax credits to be used in those communities impacted by 2017 and 2018 disasters.

SUPPORTING DOCUMENTS

- A . TCAC Memo
- B . Letter from Congressman Mike Thompson

Recommendation: Approve

Reviewed By: Molly Rattigan