

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefit Analysis Qualified Residential Rental Project Pool Revised 2002 Summary

State and local governmental agencies and joint powers authorities can issue tax-exempt housing revenue bonds. These bonds assist developers of multifamily rental housing units to acquire land, construct new units or purchase and rehabilitate existing units. The tax-exempt bonds lower the interest rate paid by the developers. These developers produce market rate and affordable rental housing for low and very low-income households by reducing rental rates to these individuals and families. Under the leadership of State Treasurer Philip Angelides, the Committee has redirected the emphasis of this program toward smart growth principles and prioritized projects in distressed communities. The smart growth principles include awarding points to projects that are adjacent to public transportation, essential shopping, medical care, and community services.

The California Debt Limit Allocation Committee is responsible for administering California's annual tax-exempt private activity bond program, known as "the annual State ceiling". For calendar year 2002, California's State ceiling is \$2.587 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as "Program Pools", including the Qualified Residential Rental Project (QRRP) Pool. For calendar year 2002, the Committee reserved approximately 51.9%, or \$1.343 billion of the State ceiling for the QRRP Pool. The \$1.343 billion of bond authority was allocated in three allocation rounds and to three sub-pools i.e., General Pool (Projects having more than 50% of its total units designated as Restricted Rental Units); Mixed Income Pool (Projects having 50% or fewer of its total units designated as Restricted Rental Units); and the Rural Project Pool (Projects located in a rural area defined by California Health and Safety Code Section 50199.21 but shall not include a Mixed Income Project).

The Committee awarded a total of \$1,331,254,754 for rental projects in 2002. Of this amount, \$711,971,935 was allocated to the General Pool, \$583,007,023 was allocated to the Mixed Income Pool and \$36,275,796 was allocated to the Rural Project Pool. These allocations financed 13,618 total units, of which 10,055 were Restricted Rental Units. Restricted Rental Units are units within a Project that are restricted to households earning 60% or less of the Applicable Median Family Income. Of the 10,055 Restricted Rental Units, 4,101 will be restricted to very low income households with incomes at or below 50% of the area median income and 5,954 units will be restricted to low income households with incomes at or below 60% of the area median income. Of the total 13,618 units financed with the allocation, 10,856 will be new construction units, 4,077 will be senior citizen units, 1,654 will be large family (3-4 bedroom) units and 118 will be special needs units designed for handicapped, Alzheimer, AIDS and other residents with distinctive needs. In addition, this allocation will preserve 379 income and rent restricted units that were at-risk of losing affordability restrictions.

SUMMARY OF PROJECTS				
Total # of Projects	# of New Constr. Projects	# of Acq. & Rehab. Projects	# of Family Projects	# of Senior Citizen Projects
110	82	28	77	33
% of Total:	74.5%	25.4%	70%	30%

SUMMARY OF UNITS										
Total # of Units	# of New Constr. Units	# of Acq. & Rehab. Units	# of Restricted Units	Units @ 50%	Units @ 60%	# of At-Risk Units	# of Special Need Units	Market Rate Units	# of Large Family Units	# of Senior Citizen Units
13,618	10,856	2,762	10,055	4,101	5,954	379	118	3,563	1,654	4,077
% of Total:	79.8%	20.3%	73.9%	30.2%	43.8%	2.8%	.9%	26.2%	12.2%	30%

SUMMARY OF POOL CATEGORIES																
Pool Type	Total # of Projects	Total # of Units	# of Restricted Units	Units @ 50%	Units @ 60%	Market Rate Units	# of Large Family Units	# of New Constr. Projects	# of New Constr. Units	# of Acq. & Rehab. Projects	# of Acq. & Rehab. Units	At-Risk Units	# of Family Projects	# of Senior Citizen Projects	# of Senior Citizen Units	# of Special Needs Units
GENERAL	77	8,944	8,443	3,071	5,372	501	1,151	54	6,659	24	2,285	222	45	30	3,521	118
MIXED INCOME	24	4,028	966	798	168	3,062	375	22	3,708	2	320	0	21	3	556	0
RURAL	9	646	646	232	414	0	128	6	489	2	157	157	10	0	0	0
Totals:	110	13,618	10,055	4,101	5,954	3,563	1,654	82	10,856	28	2,762	379	76	33	4,077	118