

## CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

### Estimated Public Benefits Qualified Residential Rental Project Pool 2010 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 and construct new units or purchase and rehabilitate existing units. The tax-exempt bonds are used to fund a loan with a below market interest rate. The low interest rate loan is used by the Project Sponsor to develop the project. Project Sponsors produce market rate and affordable rental housing for low and very low-income households by reducing rental rates to these individuals and families.

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 2010, California's State ceiling is \$3.326 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as "Program Pools", including the Qualified Residential Rental Project Pool (Rental Project Pool). For calendar year 2010, the Committee reserved approximately \$1.12 billion or 33.7% of the State ceiling for the Rental Project Pool. The \$1.12 billion of bond authority will be allocated throughout the calendar year to three sub-pools i.e., General Pool (consists of projects having 50.1% or more of its total units designated as Restricted Rental Units); Mixed Income Pool (consists of projects having 50% or fewer of its total units designated as Restricted Rental Units); and the Rural Project Pool (consists of projects located in a rural area as defined by California Health and Safety Code Section 50199.21 and not including Mixed Income projects).

The Committee awarded a total of \$118,455,465 for 69 rental projects in 2010. The Committee also authorized the use of \$16,439,322 of available 2008 carryforward allocation; \$376,454,174 of available 2008 H.R. 3221 carryforward allocation; and \$479,763,756 of available 2009 carryforward allocation increasing the total allocation awarded to \$991,112,717. Of this amount, \$707,784,203 was allocated to the General Pool, which includes 2008 and 2009 carryforward allocations, \$261,392,329 was allocated to the Mixed Income Pool, which includes 2008 and 2009 carryforward allocations, and \$21,936,185 was allocated to the Rural Project Pool, which includes 2009 carryforward allocations.

These allocations financed an estimated 6,542 total units, of which approximately 5,406 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 5,406 Restricted Rental Units, 2,998 will be restricted to very low income households with income at or below 50% of the area median income and approximately 2,408 units will be restricted to low income households with incomes at or below 60% of the area median income.

Of the estimated 6,542 units financed with the allocation, approximately 4,555 will be new construction units, 2,551 will be senior citizen units, 1,090 will be large family (3-4 bedrooms) units and 77 will be special needs units. In addition, this allocation will preserve approximately 1,426 income and rent restricted units that were at-risk of losing affordability restrictions.

After the allocations were made at the December 16, 2010 meeting, there was a 2010 volume cap balance of approximately \$2,878,737,825 remaining. Staff surveyed 12 highly active issuers that were contacted for the 2009 lump sum carryforward analysis. Five of these issuers responded with interest in receiving a lump sum 2010 carryforward allocation. The Exempt Facility bond issuer, CPCFA, also indicated that they anticipate a sufficient number of projects over the next three years to support a 2010 lump sum allocation.

In order to ensure that no amount of 2010 allocation was lost, the Committee awarded \$1,825,000,000 of the remaining \$2,875,737,825 to the five respondent issuers of multifamily housing projects for the Qualified Residential Rental Project Program on a carryforward basis. This carryforward allocation will be applied to future individual QRRP requests for allocation made by the issuer to the Committee until the amounts are exhausted.

All remaining 2010 allocation was transferred to the California Pollution Control Financing Authority for the Exempt Facility Program on a carryforward basis.

<b>SUMMARY OF PROJECTS</b>				
Total # of Projects	# of New Constr. Projects	# of Acq. & Rehab Projects	# of Family Projects	# of Senior Citizen Projects
69	41	28	46	23
<b>% of Total:</b>	<b>59%</b>	<b>41%</b>	<b>67%</b>	<b>33%</b>

<b>SUMMARY OF UNITS</b>												
Total # of Units	# of Restricted Units	Units @ 50%	Units @ 60%	Market Rate Units	# of New Constr. Units	# of Acq. & Rehab. Units	# of At-Risk Units	# of Family units	# of Large Family Units	# of Sr. Citizen Units	# of Special Need Units	
6,542	5,406	2,998	2,408	1,136	4,555	1,987	1,426	3,991	1,090	2,551	77	
<b>% of Total:</b>	<b>83 %</b>	<b>46%</b>	<b>37%</b>	<b>17%</b>	<b>70%</b>	<b>30%</b>	<b>22%</b>	<b>61%</b>	<b>17%</b>	<b>39%</b>	<b>1%</b>	

<b>SUMMARY OF POOL CATEGORIES</b>																	
Pool Type	Total # of Projects	Total # of Units	# of Restr. Units	Units @ 50%	Units @ 60%	Market Rate Units	# of Family Units	# of Large Family Units	# of Sr. Citizen Units	# of Special Needs Units	# of At-Risk Units	# of NC Units	# of Acq. & Rehab Units	# of NC Projs.	# of Acq. & Rehab. Projs.	# of Fam. Projs.	# of Sr. Projs.
GENERAL	58	4,943	4,888	2,623	2,265	55	3,020	1,058	1,923	77	1,346	3,041	1,902	32	26	40	18
MIXED INCOME	7	1,414	338	277	61	1,076	914	12	500	0	0	1,414	0	7	0	4	3
RURAL	4	185	180	98	82	5	57	20	128	0	80	100	85	2	2	2	2
<b>Totals:</b>	<b>69</b>	<b>6,542</b>	<b>5,406</b>	<b>2,998</b>	<b>2,408</b>	<b>1,136</b>	<b>3,991</b>	<b>1,090</b>	<b>2,551</b>	<b>77</b>	<b>1,426</b>	<b>4,555</b>	<b>1,987</b>	<b>41</b>	<b>28</b>	<b>46</b>	<b>23</b>