

Transfer of Unused Allocation Remaining on December 15, 2010

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

December 15, 2010

CONSIDERATION OF STAFF'S RECOMMENDATION TO TRANSFER AND AWARD UNUSED ALLOCATION REMAINING ON DECEMBER 15, 2010 TO VARIOUS ISSUERS ON A CARRY FORWARD BASIS

ACTION:

Approve the transfer and award of all unused allocation remaining in program pools on December 15, 2010 to five highly active multifamily housing issuers (identified below) for the Qualified Residential Rental Project (QRRP) Program and to the California Pollution Control Financing Authority (CPCFA) for the Exempt Facility Program.

BACKGROUND:

After the December 15, 2010 allocations have been made, there will be a 2010 volume cap balance of approximately \$2,683,399,808 remaining. This amount is likely to increase as projects that have received bond authority may issue only a portion of their allocation or fail to issue bonds entirely. Staff surveyed the 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. These multifamily housing applicants identified both projected demand over the next three program years and the existing unused 2009 lump sum carryforward allocation. Staff recognizes that some of the anticipated demand identified by the issuers is based on programs that may or may not ultimately come to fruition. However, staff is comfortable with these program assumptions and feels that the projected amounts are reasonable at this point in time. 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 is lost, staff is recommending that the remaining allocation as of December 15, 2010 be made available to the following issuers in the following amounts:

NAME OF ISSUER	RECOMMENDED TRANSFER AMOUNT
California Statewide Communities Development Authority	\$600,000,000*
California Municipal Finance Authority	\$300,000,000*
CRA of the City of Los Angeles	\$50,000,000*
California Housing Finance Agency	\$800,000,000*
ABAG Finance Authority for Nonprofit Corporations	\$75,000,000*
CPCFA	\$858,399,808

*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.

COMMENT: Staff's proposal will ensure that no amount of the 2010 State Ceiling is unallocated.

RECOMMENDATION: Staff recommends that \$1,825,000,000 of the remaining \$2,683,399,808 December 15, 2010 allocation be transferred to the five aforementioned issuers of multifamily housing projects for the Qualified Residential Rental Project Program, and all allocation remaining thereafter be transferred to the California Pollution Control Financing Authority for the Exempt Facility Program all on a carryforward basis.

Prepared by Sarah Lester