

Transfer of Unused Allocation Remaining on December 14, 2011

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

December 14, 2011

CONSIDERATION OF STAFF'S RECOMMENDATION TO TRANSFER AND AWARD UNUSED ALLOCATION REMAINING ON DECEMBER 14, 2011 TO VARIOUS ISSUERS ON A CARRY FORWARD BASIS

ACTION:

Approve the transfer and award of all unused allocation remaining in program pools on December 14, 2011 to four highly active multifamily housing issuers (identified below) for the Qualified Residential Rental Project (QRRP) Program, one Mortgage Revenue Bond (MRB) issuer (identified below) for the Single Family Housing Program, and to the California Pollution Control Financing Authority (CPCFA) for the Exempt Facility Program.

BACKGROUND:

After the December 14, 2011 allocations have been made, there will be a 2011 volume cap balance of approximately \$2,539,000,000 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 twelve (12) of CDLAC's most highly-active issuers. Five of these issuers responded with interest in receiving a lump sum 2011 carryforward allocation. These applicants identified both projected demand over the next three program years and planned use for their existing unused 2010 lump sum carryforward allocation, if any. 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.

In order to ensure that no amount of 2011 allocation is lost, staff is recommending that the remaining allocation as of December 14, 2011 be made available to the following issuers in the following amounts:

NAME OF ISSUER	RECOMMENDED TRANSFER AMOUNT
City of Los Angeles	\$200,000,000*
California Statewide Communities Development Authority	\$600,000,000*
California Housing Finance Agency MRB	\$250,000,000*
California Municipal Finance Authority	\$400,000,000*
California Pollution Control Financing Authority	\$689,000,000
California Housing Finance Agency QRRP	\$400,000,000*

*This carryforward allocation will be applied to future individual QRRP and MRB 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 2011 State Ceiling is unallocated.

RECOMMENDATION: Staff recommends that of the remaining \$2,539,000,000 December 14, 2011 allocation, \$1.6 billion be transferred to the four aforementioned issuers of multifamily housing projects for the Qualified Residential Rental Project Program, \$250 million be transferred to the one aforementioned issuer of mortgage revenue bonds for the Single Family Housing 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