

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**January 15, 2021**

**CONSIDERATION AND ADOPTION OF THE APPORTIONMENT OF THE 2021 STATE  
CEILING AMONG THE STATE CEILING POOLS**

**(Agenda Item No. 7)**

**ACTION:**

Establish the amounts for each of the State Ceiling Pools for the 2021 program year in accordance with Section 5010 of the Committee's Regulations implementing the allocation of the State Ceiling on Qualified Private Activity Bonds.

**BACKGROUND:**

California's population as recently reported by the U.S. Census Bureau is 39,368,078 resulting in a State Ceiling of \$4,330,488,580 for 2021. This is the population estimate for 2020. The population estimate for 2021 will be released at a later date. While the multiplier supplied by the IRS of \$110 per capita increased for 2021, the State's population declined from 39,512,223 to the current number. In accordance with the Regulations, at the beginning of each calendar year the Committee must establish and announce the amounts the Committee expects to apportion to each of the State Ceiling Pools for the program year.

**DISCUSSION:**

In making recommendations for the 2021 pool amounts, staff surveyed the entire development community with more specific outreach to the Issuers to determine estimated demand. Staff is recommending that all pools be competitive in 2021 with the exception of the IDB pool that is too small to divide into separate rounds. At its December 21, 2020 meeting, the Committee approved the following apportionments of the 2021 State Ceiling Volume Cap:

As always, the Committee has the right to reallocate at a future meeting if circumstances warrant. The following list estimates demand and provides a recommendation for each program pool.

- **Qualified Residential Rental Projects (QRRP).** QRRPs will again take center stage. With AB101 monies stewarded by CalHFA and HCD, we expect to see substantial increases in new construction demand for affordable and mixed-income units. The Committee directed staff to create a new pool called BIPOC (Black, Indigenous and Other People of Color). Staff was also directed to create set-asides in the New Construction Pool for 2021 that included a Homeless set-aside, an Extremely Low Income/Very Low Income (ELI/VLI) set-aside, a State Funded: Mixed Income set-aside and a set-aside for Geographic Regions (New Construction only).

For QRRP, staff recommends allocation of \$3,170,915,293 for the New Construction Pool, \$111,914,657 for the Rural New Construction Pool, \$ 313,361,041 for the Preservation Pool, \$22,382,931 for the Other Rehabilitation Pool and \$111,914,657 for the BIPOC (Black, Indigenous and Other People of Color). The New Construction Pool will further sub-allocate to the following: \$559,573,287 for the Homeless set-aside \$671,487,944 for

the Extremely Low Income/Very Low Income (ELI/VLI) set-aside, \$447,658,630 for the State Funded: Mixed Income set-aside and \$1,492,195,432 for Geographic Regions set-aside. This number may need to be adjusted when the final population numbers are released.

- With the dissolution of the California Industrial Development Financing Advisory Commission (CIDFAC) in AB-1547, the **Industrial Development Bond (IDB)** program, CDLAC is now the administrator allocation for the program. \$10,000,000 of the 2021 Ceiling will go toward IDB projects based on demand.
- **Exempt Facility Pool (EXF)** will receive an allocation of \$590,000,000. Several issuers have project demand for pollution control, solid waste, and other facilities. In addition, we expect to allocate \$200 million to the Xpress West Trains project. If the Committee does not approve the train project, the \$200 million of 2021 volume cap will revert to the Committee for reallocation. This number may need to be adjusted when the final population numbers are released.

**RECOMMENDATION:**

Staff recommends apportionment of the 2021 State Ceiling Pools per the attached chart that further includes apportionment by allocation round. Any changes in the 2021 State Ceiling Volume Cap due to changes in the population will be adjusted in the Exempt Facility Pool.

*Prepared by Sarah Lester*