

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

REVISED

Estimated Public Benefits
Qualified Residential Rental Project Pool
2004
Round 2

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 2004, California's State ceiling is \$2.838 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 2004, the Committee reserved approximately \$1.552 billion, or 54.7% of the State ceiling for the Rental Project Pool. The \$1.552 billion of bond authority will be allocated in two allocation rounds and 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 \$407.6 million of the 2004 State Ceiling and authorized the use of an additional \$13.7 million in available 2003 carryforward allocation, for a total allocation of \$421.3 million in the Second Allocation Round of 2004. The Committee authorized one issuer to use its available 2003 carryforward bond allocation to fully fund four projects and combine its 2003 and 2004 bond allocations to fund a fifth project. The \$421.3 million allocated in the Second Allocation Round will fund 48 multifamily rental housing projects. Of the \$421.3 million allocation, \$388.98 million was allocated to General Pool projects, \$10 million was allocated to a Mixed Income Pool project, and \$31.38 million, which includes the 2003 carryforward allocation, was allocated to Rural Pool projects.

The allocations awarded in the Second Allocation Round will finance 4,099 total units, of which 4,053, or 98.8%, will be 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 4,053 Restricted Rental Units, 1,768 units will be restricted to very low income households with incomes at or below 50% of the area median income and 2,285 units will be restricted to low income households with incomes between 51% and 60% of the area median income. Of the total 4,099 units to be financed with the allocation, 1,969 will be new construction units, 346 will be senior citizen units, 723 will be large family (3-4 bedroom) units and 59 will be special needs units. In addition, this allocation will preserve 608 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
48	28	20	44	4
% of Total:	58.3%	41.7%	91.7%	8.3%

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
4,099	1,969	2,130	4,053	1,768	2,285	608	59	46	723	346
% of Total:	48%	52%	98.9%	41.3%	55.7%	14.8%	1.4%	1.1%	17.6%	8.4%

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	# of At-Risk Units	# of Family Projects	# of Senior Citizen Projects	# of Senior Citizen Units	# of Special Needs Units
GENERAL*	39	3,415	3,369	1,605	1,764	46	640	26	1,803	13	1,612	260	35	4	346	59
MIXED INCOME*	1	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0
RURAL*	8	684	684	163	521	0	83	1	166	7	518	348	8	0	0	0
Totals:	48	4,099	4,053	1,768	2,285	46	723	28	1,969	20	2,130	608	44	4	346	59

*Includes supplemental Allocation, therefore, units can only be counted once.