

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefit Analysis

Redevelopment Agency Housing Set Aside Programs and Projects December 15, 2005 Allocation

The Redevelopment Agency Housing Set Aside Program is designed to help redevelopment agencies leverage their housing set aside funds. The Program will allow redevelopment agencies to use housing set aside as security for the repayment of tax-exempt private activity bonds. Tax-exempt bond authority will assist cities and counties in their efforts to maximize the impact of housing set aside for the development of low income housing. The Program will allow funds to be loaned at a tax-exempt rate which will increase the amount of subsidy available to affordable housing projects. The public benefits of the Housing Set Aside Program are:

- The development of more affordable housing projects that might otherwise not occur due to lack of local subsidy;
- A greater number of affordable units than would be possible without this program;
- Deeper rent targeting than would be possible without this program; and
- The ability to recycle Housing Set Aside loan proceeds into new loans creating more opportunities for affordable housing.

Projects that are proposed to receive Housing Set Aside bond authority are reviewed to assure that one or more of the aforementioned public benefits will be achieved by an award of bond authority to the project.

The California Debt Limit Allocation Committee ("Committee") is responsible for administering California's annual tax-exempt private activity bond program, known as "the annual State ceiling". For calendar year 2005, California's State ceiling is \$2.871 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as "Program Pools". If any part of the Qualified Residential Rental Project Pool remains unallocated after the Committee makes Allocations under Section 17.I-IV of the Committee's Procedures, or the Committee elects to transfer additional Allocation to the Qualified Residential Rental Project Pool, the Committee may then consider Applications from a statewide issuer, joint powers authority, or redevelopment agency for an Allocation for a **Redevelopment Agency Housing Set-Aside Program**.

For calendar year 2005, the Committee transferred \$4.5 million, or .2% of the State ceiling, remaining from various program pools to the **Redevelopment Agency Housing Set-Aside Program**.

The Committee awarded a total of \$4,500,000 on a carryforward basis to one Redevelopment Agency Housing Set-Aside Program applicant in the Fifth Allocation Round of 2005. \$4.5 million was awarded to the City of Oakland for its local redevelopment agency housing set aside program. By leveraging the housing set aside funds on a tax-exempt basis, local redevelopment agencies are able to increase their bonding capacity over taxable debt. This will allow the agencies to fund additional affordable housing projects.

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Applicant/ Issuer	Allocation Amount	Program Name	Project City	Project County	Project Name	Affordable Units
Redevelopment Agency Housing Set Aside Program of the City Oakland	\$4,500,000	Redevelopment Agency Housing Set Aside Program	Oakland	Alameda	Oak Park Apts. Lincoln Court Senior Housing Apts. Oakland Point, L.P. Apts. Madison and 14 th St. Apts.	34 79 31 78
Total	\$4,500,000					222