



California State Treasurer Fiona Ma

News Release

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Treasurer Ma and State Board Raise Ceiling on Bonds Used Often to Develop Affordable Housing

Move benefits housing projects for low-income Californians statewide

SACRAMENTO – The California Debt Limit Allocation Committee (CDLAC), chaired by California State Treasurer Fiona Ma, on Wednesday unanimously voted to raise the 2019 state bond cap for qualifying private activity bonds to \$4,153,489,725, a \$2,141,160 increase over the state ceiling set in 2018.

At the same time, the committee reaffirmed its continuing legislative priorities will remain promoting housing for lower income families and individuals and preserving and rehabilitating existing governmental assisted housing for lower income individuals and families.

“Housing is one of my top priorities,” Treasurer Ma said. “In concert with the governor’s priorities, we need to work together to meet the state’s goals and keep moving forward.”

The higher bond cap for private activity bonds was predicated on an increase in population following a formula set by the federal government. Private activity bonds are used to finance various types of facilities owned or used by private entities, including water and sewer facilities, manufacturing plants, certain residential rental projects, and mortgage loans to finance owner-occupied residential property.

The committee voted to allocate 65.16 percent of the bond cap to affordable multifamily housing projects and 7.55 percent of the cap to projects benefitting first-time homebuyers. Allocations also were assigned to industrial (manufacturing) developments (0.24 percent) and exempt facilities projects overseen by the California Pollution Control Financing Authority (7.05 percent).

The State Treasurer’s Office has two affordable housing investment programs for developers that benefit low-income Californians and that draw on the allocations established by the committee.

CDLAC manages the state's tax-exempt bond allocations for affordable housing projects and the [Single-Family First-Time Homebuyer Program](#). In 2018, CDLAC's allocation for tax-exempt bonds helped to finance more than 15,000 units of housing and 40 percent of these projects were new construction.

Another program offered by the treasurer's office is the [California Tax Credit Allocation Committee \(CTCAC\)](#), which administers the federal and state Low-Income Housing Tax Credit Programs. In 2018, CTCAC's three Federal Credit Awards programs provided financing for nearly 19,000 low-income housing units.

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