

HOUSING CALIFORNIA 2018 CONFERENCE

TAX-EXEMPT BONDS AND REGULATORY UPDATE



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CDLAC Quick Facts

- ▶ 2018 Allocation:
 - \$4.151 Billion in new Cap (slight increase from 2017)
 - \$1.5 Billion in old (Carryforward) Cap
- ▶ 2017 deployed \$3.4 Billion in QRRP (Plus another \$1.2 Billion of other programs in 2017) for a total of \$4.6 Billion

Tax-Exempt Bond Cap

California & The Nation

- **National 2016 PAB Usage**
 - \$97 Billion Available (\$35.1 Billion in 2016 Cap)
\$27 Billion Issued (MCC's included)
- **California 2016 PAB Usage**
 - \$10 Billion Available (\$3.9 Billion in 2016 Cap)
\$6.2 Billion Issued (MCC's included)

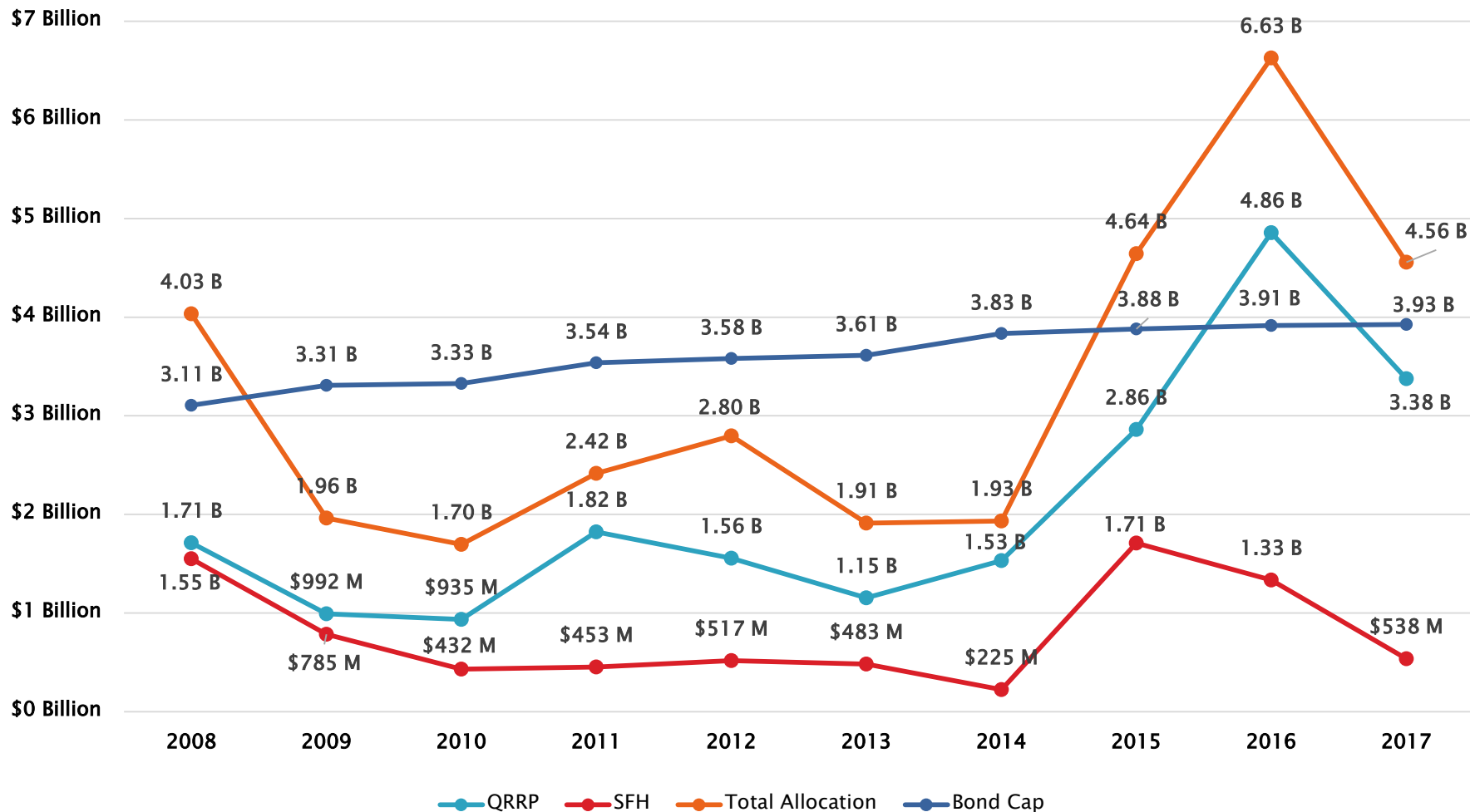
Tax-Exempt Bond Volume Cap - California & The Nation

- 2016 National Utilization Rate (minus CA): 23.9%
- 2016 California Utilization Rate: 62.1%

2017 MULTIFAMILY ACTIVITY

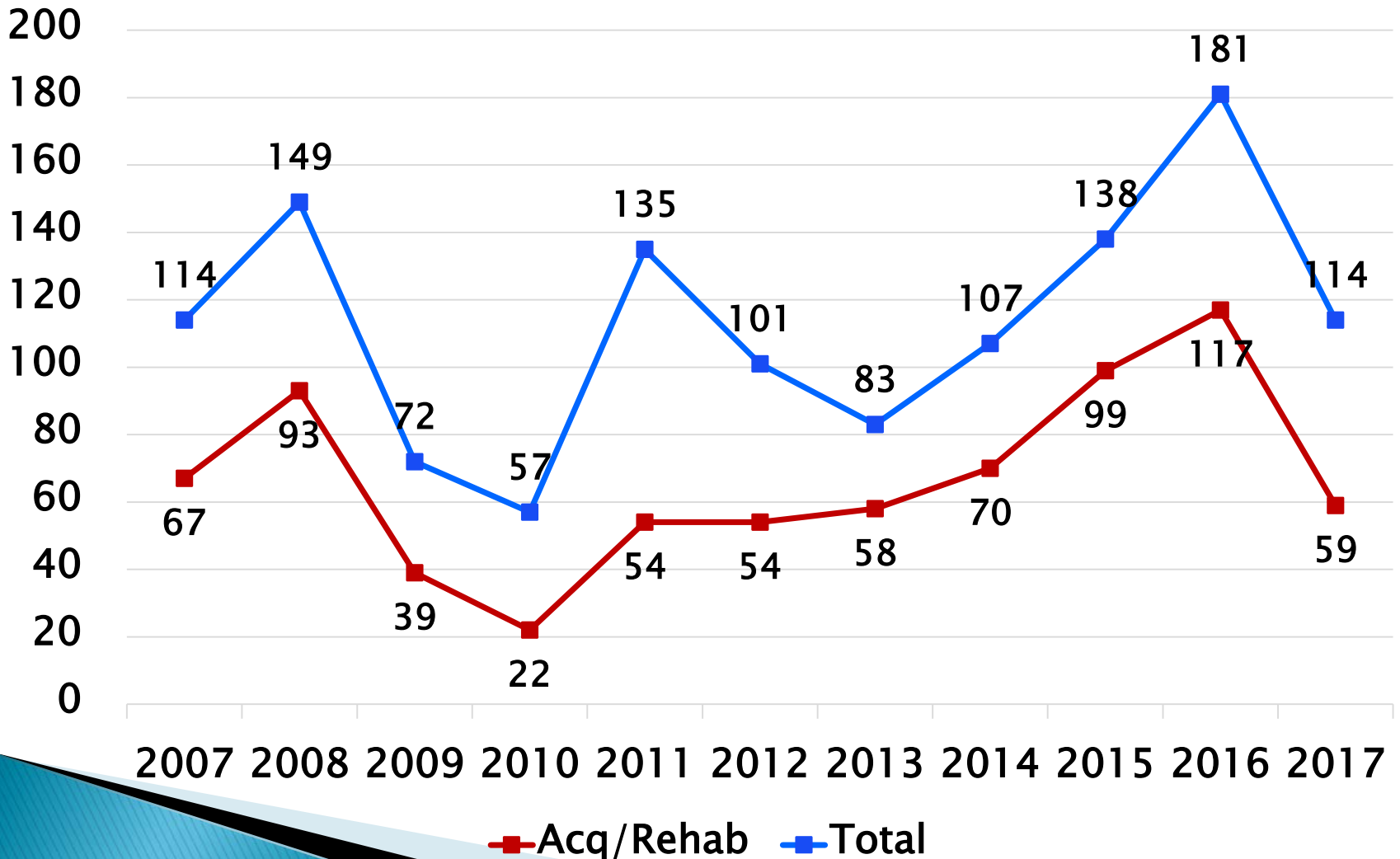
Trends

All Allocation Dollars by Program w/cap



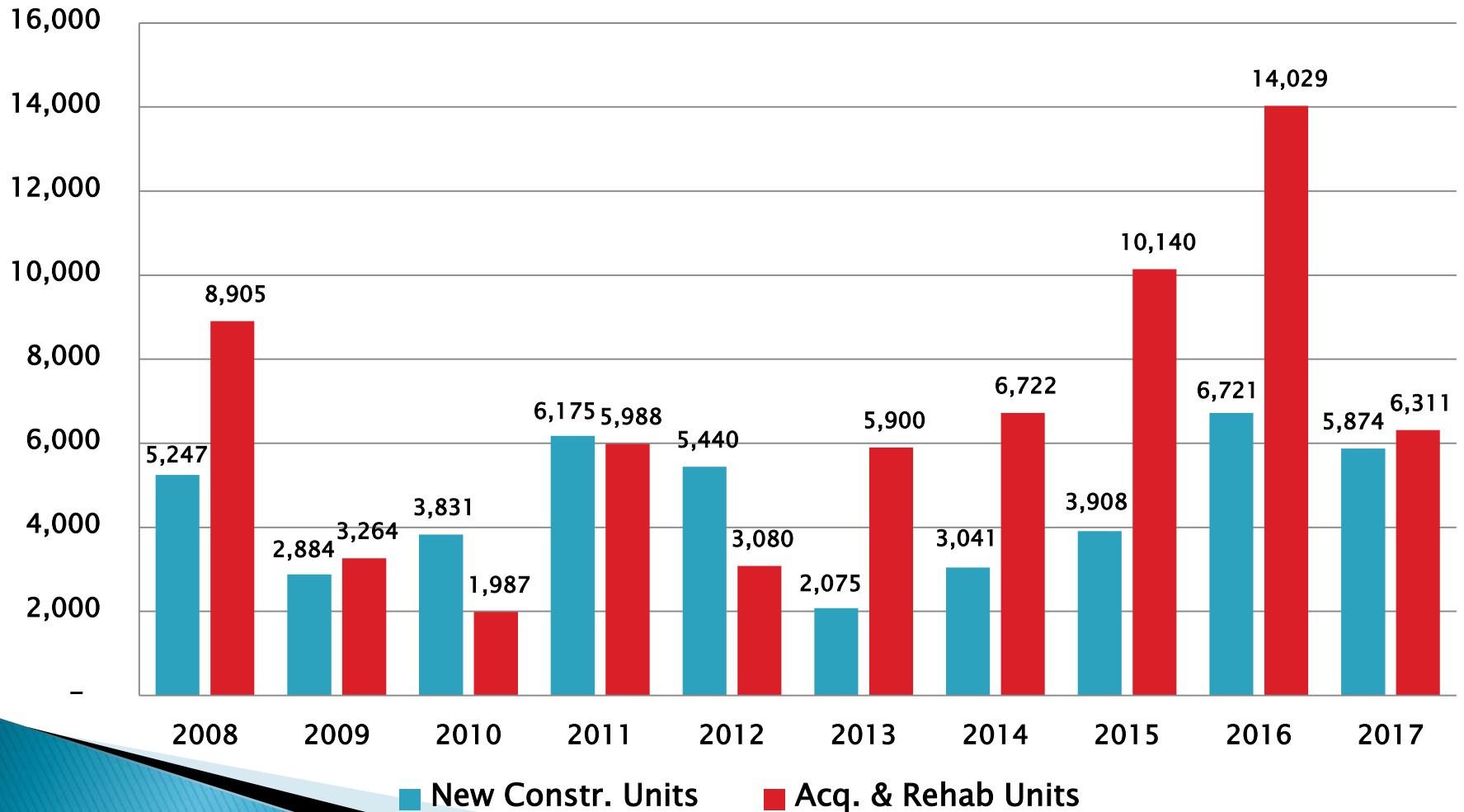
Trends

QRRP Awards



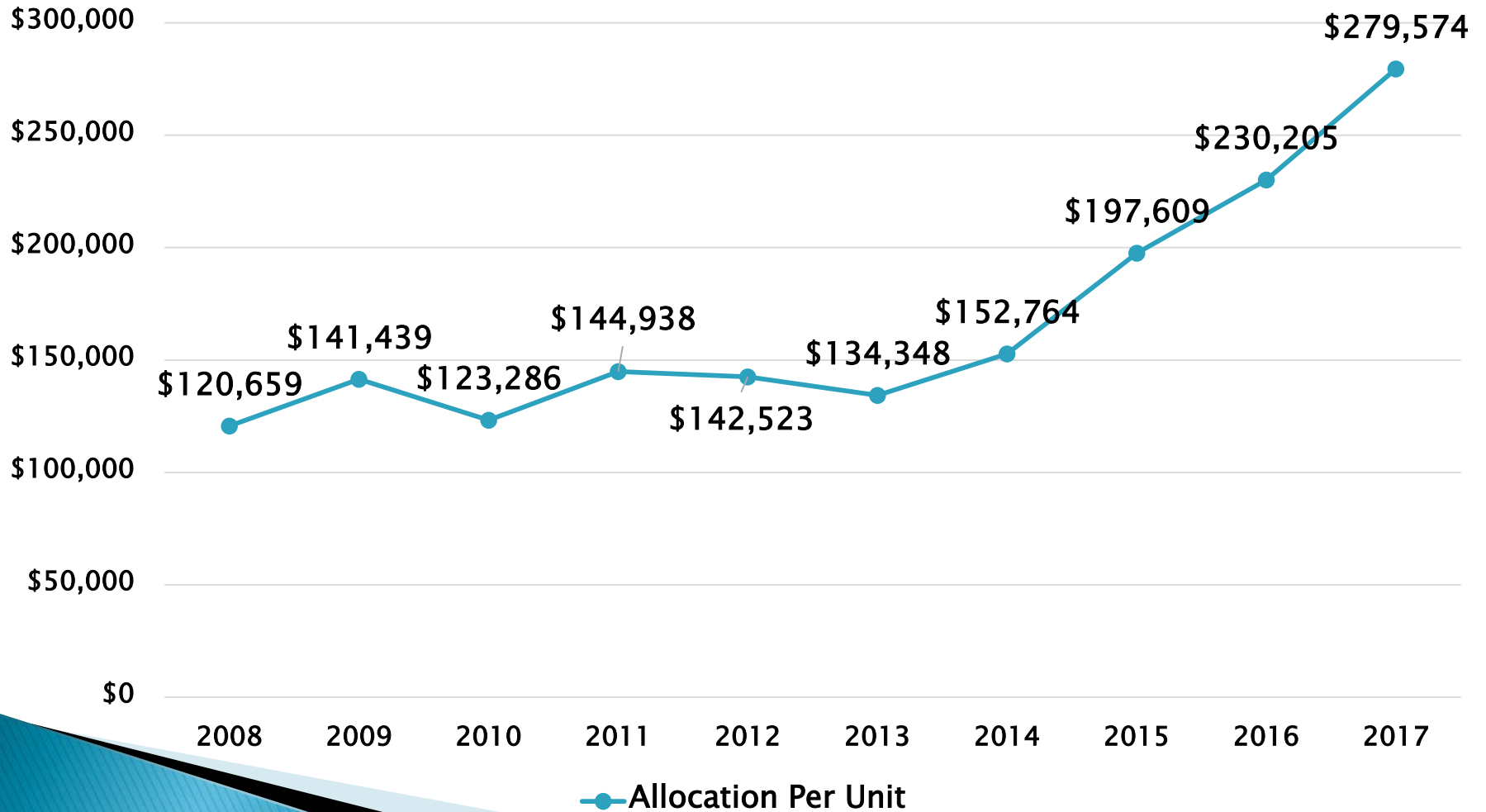
Trends

QRRP New Construction vs. Acq/Rehab



Trends

Allocation Per Unit



2016-2017

QRRP Bond Structures

2016	
Bond Structure	Number of Projects
Private Placements	154
Public Sales	2
GSE (Freddie/Fannie)	19
FHA (Public -Cash Collateralized)	6
TOTAL QRRP	181

2017	
Bond Structure	Number of Projects
Private Placements	105
Public Sales	3
GSE (Freddie/Fannie)	4
FHA (Public -Cash Collateralized)	2
TOTAL QRRP	114

CHANGE, CHALLENGES AND OPPORTUNITIES

Changes

Regulations & Program

- ▶ **Treasurer's Office**
 - Releasing a joint TCAC/CDLAC application soon

- ▶ **New Online Compliance Reporting System**
 - Compliance reporting due March 1, 2018
 - Compliance reporting for all pools required in 2018

Changes

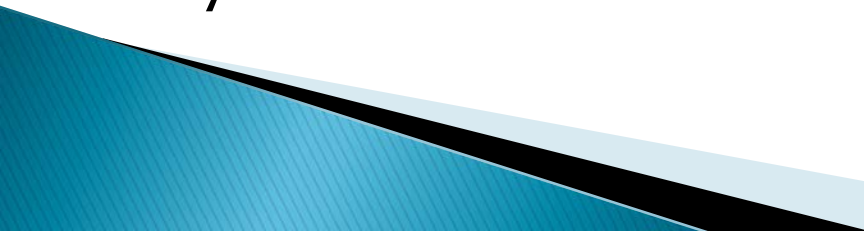
Regulations & Program

▶ 2018 Online Compliance Reporting

- CDLAC participated in several training sessions sponsored by TCAC in January/February 2018
- Updating information on projects that no longer need compliance reporting – Patience please!

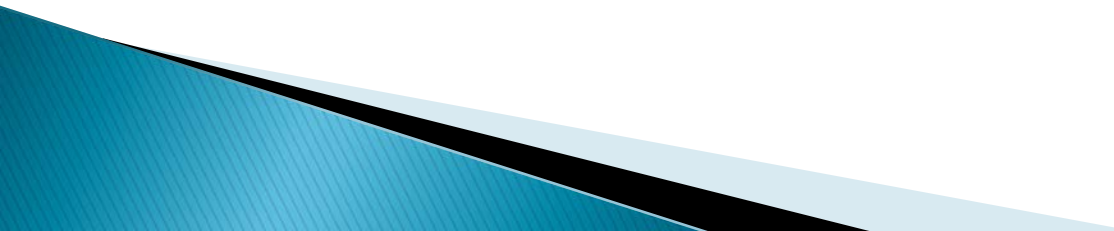
Challenges and Opportunities

Changes at the Federal Level

- ▶ Disruptions and uncertainty
 - Tax Reform uncertainty resulted in a busy December 2017
 - Impact of lower corporate tax rate appears minimal, but interest rates continue to rise.
 - Cantwell– Hatch provisions to be reconsidered this year?!
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Challenges and Opportunities

Other Changes

- ▶ CDLAC added an additional meeting on June 20th. Open to all pools.
 - ▶ Eliminating the year of carryforward allocation on Award Letters and in Resolutions.
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Looking Forward

- ▶ Continuing to work to refine CDLAC's Compliance system
- ▶ Preparing in early 2019 for potential competitive rounds with the implementation of the housing package from 2017

CDLAC Contact Information



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