

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Qualified Residential Rental Project Pool December 3, 2008 Allocation

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 2008, California's State ceiling is \$3.107 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 2008, the Committee reserved approximately \$1.72 billion or 55.4% of the State ceiling for the Rental Project Pool. The \$1.72 billion of bond authority will be allocated throughout the calendar year 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 \$279,147,204 of the 2008 State Ceiling; a total of \$211,955,591 of the 2008 Housing Act Volume Cap (H.R. 3221) and authorized the use of an additional \$4,285,000 in available 2006 carryforward allocation, for a combined total allocation of \$495,387,795 on December 3, 2008 for 40 multifamily rental housing projects. It is important to note that due to the instability of the current financial market, the \$279,147,204 in 2008 State Ceiling that was awarded at this meeting was a re-allocation to 25 projects that elected to defer the allocation they received in May, July or September of this year to the December 3rd meeting.

For the purposes of this public benefits analysis, only the 15 projects that were funded with H.R. 3221 allocation are represented. The deferred projects and their associated units are not included in these calculations as they have already been accounted for in previous 2008 Public Benefits Analysis'. The H.R. 3221 allocations awarded on December 3, 2008 will finance 1,721 total units. Of the 1,721 total units, 1,548 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 1,548 Restricted Rental Units, 758 units will be restricted to very low income households with incomes at or below 50% of the area median income and 790 units will be restricted to low income households with incomes between 51% and 60% of the area median income. Of the total 1,721 units to be financed with the allocation, 538 will be new construction units, 174 will be senior citizen units, and 315 will be large family (3-4 bedroom) units. In addition, this allocation will preserve 381 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
15	4	11	15	0
% of Total:	27%	73%	100%	0%

SUMMARY OF UNITS											
Total # of Units	# of Restricted Units	Units @ 50%	Units @ 60%	Market Rate Units	# of New Constr. Units	# of Acq. & Rehab. Units	# of At-Risk Units	# of Family units	# of Large Family Units	# of Sr. Citizen Units	# of Special Need Units
1,721	1,548	758	790	173	538	1,183	381	1,547	315	174	0
% of Total:	90 %	44%	46%	10%	31%	69%	22%	90%	18%	10%	0%

SUMMARY OF POOL CATEGORIES																	
Pool Type	Total # of Projects	Total # of Units	# of Restr. Units	Units @ 50%	Units @ 60%	Market Rate Units	# of Family Units	# of Large Family Units	# of Sr. Citizen Units	# of Special Needs Units	# of At-Risk Units	# of NC Units	# of Acq. & Rehab Units	# of NC Projs.	# of Acq. & Rehab. Projs.	# of Fam. Projs.	# of Sr. Projs.
GENERAL	10	1,171	1,171	647	524	0	997	221	174	0	217	247	924	3	7	10	0
MIXED INCOME	1	291	118	30	88	173	291	24	0	0	0	291	0	1	0	1	0
RURAL	4	259	259	81	178	0	259	70	0	0	164	0	259	0	4	4	0
Totals:	15	1,721	1,548	758	790	173	1,547	315	174	0	381	538	1,183	4	11	15	0