

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Qualified Residential Rental Project Pool 2009 Summary

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 2009, California's State ceiling is \$3.308 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 2009, the Committee reserved approximately \$1.72 billion or 52.1% 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 \$868,027,440 for 84 rental projects in 2009. The Committee also authorized the use of \$19,684,000 of available 2007 carryforward allocation and \$151,202,469 of available 2008 carryforward allocation increasing the total allocation awarded to \$1,038,913,909. Of this amount, \$788,566,278 was allocated to the General Pool, which includes 2007 and 2008 carryforward allocations, \$92,474,000 was allocated to the Mixed Income Pool, which includes 2007 and 2008 carryforward allocations, and \$83,062,630 was allocated to the Rural Project Pool, which includes 2007 and 2008 carryforward allocations.

These allocations financed an estimated 6,855 total units, of which approximately 6,323 were 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 6,323 Restricted Rental Units, 3,568 will be restricted to very low income households with income at or below 50% of the area median income and approximately 2,755 units will be restricted to low income households with incomes at or below 60% of the area median income.

Of the estimated 6,855 units financed with the allocation, approximately 2,986 will be new construction units, 3,037 will be senior citizen units, 762 will be large family (3-4 bedrooms) units and 182 will be special needs units. In addition, this allocation will preserve approximately 1,404 income and rent restricted units that were at-risk of losing affordability restrictions.

After the allocations were made at the December 16, 2009 meeting, there was a 2009 volume cap balance of approximately \$1,627,647,398 remaining. Staff surveyed 12 highly active issuers that on average issued bonds in excess of \$50 million per year between 2006 and 2008. Seven of these issuers responded with interest in receiving a lump sum 2009 carryforward allocation. The Exempt Facility bond issuer, CPCFA, also indicated that they anticipate a sufficient number of projects over the next three years to support a 2009 lump sum allocation.

In order to ensure that no amount of 2009 allocation was lost, the Committee awarded \$1,197,880,000 of the remaining \$1,627,647,398 to the seven respondent issuers of multifamily housing projects for the Qualified Residential Rental Project Program on a carryforward basis. This carryforward allocation will be applied to future individual QRRP requests for allocation made by the issuer to the Committee until the amounts are exhausted.

All remaining 2009 allocation was transferred to the California Pollution Control Financing Authority for the Exempt Facility Program on a carryforward basis.

SUMMARY OF PROJECTS				
Total # of Projects	# of New Constr. Projects	# of Acq. & Rehab Projects	# of Family Projects	# of Senior Citizen Projects
84	37	47	58	26
% of Total:	39%	61%	68%	32%

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	
6,855	6,323	3,568	2,755	532	2,986	3,869	1,404	3,818	762	3,037	182	
% of Total:	98 %	52%	54%	2%	37%	63%	20%	59%	12%	37%	4%	

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	64	5,344	5,275	3,119	2,156	69	2,777	679	2,567	182	1,007	2,467	2,877	29	35	43	21
MIXED INCOME	6	486	101	101	0	385	486	2	0	0	0	358	128	5	1	6	0
RURAL	14	1,025	947	348	599	78	555	81	470	0	397	161	864	3	11	9	5
Totals:	84	6,855	6,323	3,568	2,755	532	3,818	762	3,037	182	1,404	2,986	3,869	37	47	58	26