

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Qualified Residential Rental Project Pool 2011 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 (the "Committee") is responsible for administering California's annual tax-exempt private activity bond program, known as "the annual State ceiling". For calendar year 2011, California's State ceiling is \$3.539 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 2011, the Committee reserved approximately \$1.25 billion or 35.3% of the State ceiling for the Rental Project Pool. The \$1.25 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 \$400,382,918 for 145 rental projects in 2011. The Committee also authorized the use of \$57,605,000 of available 2008 carryforward allocation; \$467,144,022 of available 2009 carryforward allocation; and \$879,840,680 of available 2010 carryforward allocation increasing the total allocation awarded to \$1,822,972,620. Of this amount, \$1,471,203,826 was allocated to the General Pool, which includes 2008, 2009 and 2010 carryforward allocations, \$230,250,000 was allocated to the Mixed Income Pool, which includes 2009 and 2010 carryforward allocations, and \$121,518,794 was allocated to the Rural Project Pool, which includes 2009 and 2010 carryforward allocations.

These allocations financed an estimated 12,173 total units, of which approximately 11,242 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 11,242 Restricted Rental Units, 5,777 will be restricted to very low income households with income at or below 50% of the area median income and approximately 5,465 units will be restricted to low income households with incomes at or below 60% of the area median income.

Of the estimated 12,173 units financed with the allocation, approximately 6,185 will be new construction units, 3,130 will be senior citizen units, 1,889 will be large family (3-4 bedrooms) units and 277 will be special needs units. In addition, this allocation will preserve approximately 2,506 income and rent restricted units that were at-risk of losing affordability restrictions.

After the allocations were made at the December 14, 2011 meeting, there was a 2011 volume cap balance of approximately \$2,539,000,000 remaining. Staff surveyed 12 highly active issuers. Five of these issuers responded with interest in receiving a lump sum 2011 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 2011 lump sum allocation.

In order to ensure that no amount of 2011 allocation was lost, the Committee awarded \$1,650,000,000 of the remaining \$2,539,000,000 to the five 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. The Committee also awarded \$250,000,000 of the remaining \$2,539,000,000 to the California Housing Finance Agency for a future Single Family Housing Mortgage Revenue Bond Program.

All remaining 2011 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
145	87	58	107	38
% of Total:	60%	40%	73.8%	26.2%

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	
12,173	11,242	5,777	5,466	930	6,185	5,988	2,506	9,043	1,889	3,130	277	
% of Total:	92.4%	47.5%	44.7%	7.6%	50.8%	49.2%	20.6%	74.3%	15.5%	25.7%	2.3%	

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	119	9,907	9,735	4,893	4,843	171	6,885	1,533	3,022	277	1,808	4,786	5,121	72	47	83	36
MIXED INCOME	4	977	235	181	54	742	977	22	0	0	0	799	178	3	1	4	0
RURAL	22	1,289	1,272	703	569	17	1,181	334	108	0	698	600	689	12	10	20	2
Totals:	145	12,173	11,242	5,777	5,466	930	9,043	1,889	3,130	277	2,506	6,185	5,988	87	58	107	38