



[Home](#) ->> [CDLAC](#) ->> [Current Program](#)



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Current Program

CDLAC administers the tax-exempt private activity bond program for California. Federal and state revenues are not utilized in this program. Bonds issued are purchased by the private sector and repayment is not an obligation of the state or of the federal government. The 2023 State Ceiling for qualified private activity bonds is \$4,683,521,040.

Agencies and organizations authorized to issue tax-exempt private activity bonds or mortgage credit certificates must receive an allocation from CDLAC.

Programs currently administered by CDLAC include the following:

Qualified Residential Rental Project Program (QRRP) Description

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 lower the interest rate paid by the developers. The developers in turn produce market rate and affordable rental housing for low and very low-income households by reducing rental rates to these individuals and families.

Bond authority for Rental Projects is awarded to four sub-pools: the New Construction Pool (Projects in which 100% of its units constitute new units to the market; or Projects that involve demo or rehab of existing units that increase the unit count by (i) 25% or (ii) 50% of the existing units, whichever is greater; or Adaptive Re-use of non-residential structures. The New Construction Pool includes set-asides for Homeless, Extremely Low Income/Very Low Income (ELI/VLI), State Funded: Mixed Income and Geographic Regions; the Mixed Income Pool (New Construction Projects that are either: (1) is not utilizing the Average Income test of Internal Revenue Code Section 42 (g)(1)(C) and which has 50% or fewer of its total units designated as Restricted Rental Units or; (2) is part of the California Housing Finance Agency Mixed- Income Program); and have 50% or fewer of total units designated as Restricted Rental Units); the Rural New Construction Project Pool (New Construction Projects located in a rural area as defined by California Health and Safety Code Section 50199.21 but shall not include a Preservation, Other Rehabilitation nor Mixed Income Project); Preservation Pool (Projects that: 1) have a pre-1999 HCD Loan (AB 1699 projects); or 2) a HUD approved replacement or rehab project (Section 18 Demolition/Disposition); or 3) At-Risk of converting to market rate units; or 4) is a HUD Rental Assistant Demonstration (RAD) Program; Other Rehabilitation Pool (Projects that are not eligible for treatment as a new construction or preservation project); and BIPOC ("Black, Indigenous and Other People of Color") Pool (Projects for which the sponsor entity is a BIPOC).

Industrial Development Bond Project Program Description

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt private activity bonds that are issued through state and local governmental agencies to assist manufacturing facilities finance capital expenditures. Today, most IDBs support expansions of existing manufacturing. IDBs offer interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

Other Exempt Facility Program Description

Exempt Facility Bonds are tax-exempt private activity bonds that are issued by state and local governmental agencies to finance solid waste disposal and waste recycling facilities. The tax-exempt bonds provide facility owners with low cost financing in the form of below market interest rate loans. The interest rate savings enable the project owners to maintain lower customer rates or minimize customer rate increases, while at the same time assisting the communities they serve meet their mandated requirements to protect and enhance the environment. Exempt facility projects also benefit the communities by creating new jobs.