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California Private Activity Bond Market Took a Big Dive in 2017.

The bond market for affordable multifamily housing in California took a step back in 2017.

A year after the California Debt Limit Allocation Committee (CDLAC), which is responsible for administering the state's tax-exempt private activity bond program, issued $4.8 billion in 2016 to help fund rental housing developments, the amount dropped to $3.4 billion in 2017 – a 30 percent decrease. The result was 114 properties funded in 2017, a drop from 179 funded in 2016.

The decrease included significantly fewer apartments. In 2016, there was funding for 20,671 apartments, but that dropped to 12,185 in 2017 – a stunning decrease of 41 percent in apartments created.

The decrease is a reason for concern in the Golden State and reflects a nationwide drop in bond deals in the wake of the 2016 election and tax reform.

Continue reading.

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