

THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

Wednesday, September 7, 2011
10:00 AM – 3:00 PM

Federal Reserve Bank of San Francisco, Los Angeles Branch
950 So. Grand Avenue
Los Angeles, California 90015

Private Activity Bonds Workshop

This one-day seminar will provide private activity bond issuers, borrowers, lenders/investors, financial advisors, and bond counsels with an update on industry trends, best practices, and federal and state regulatory actions. Attendees will receive valuable information that can be used to facilitate new transactions and improve on existing operational practices.

9:30 AM **Registration**
Morning refreshments provided

10:00 AM **Welcome**
➤ *Mark Campbell, Executive Director, CDIAC*
➤ *Sean Spear, Executive Director, CDLAC*

10:15 AM **Framing Presentations on Tax-Exempt Conduit Bond Market Trends**

Overview by market analysts on the current bond markets and availability of credit enhancement with an eye towards what to expect over the next six to twelve months. Topics covered will include:

- Overall Issuance Data (Trends in conduit and private activity bond activity nationwide and in California specifically)
- Public Market Issuance vs. Private Placement Volumes
- The use of Credit Enhancement Vehicles
- Current Yield Curve and Projected Changes (if any)
- Anticipated Near-Future Impacts on the Markets (new tools, regulatory changes, etc.)

- *Christopher Mier, Managing Director - Analytical Division, Loop Capital Markets*
- *Nikolai Sklaroff, Director - Public Finance Western Region, Wells Fargo Securities*

SESSION ONE

11:00 AM **Highlights in Project Finance and New Bond Financing Structures**

Review of a few recent case studies of public sale and private placement transactions that featured creative solutions to a bond structuring or project level issue. The second part of the discussion will focus on two bond ‘wrap’ structures that permit tax-exempt PABs to be sold as AAA-rated credit enhanced taxable bonds, realizing a rate lower than most tax-exempts today.

- **MODERATOR:** *Larry Kosmont, President and CEO, Kosmont Companies*
- *Richard Gerwitz, Managing Director, Citi Community Capital*
- *Sam Balisy, Partner, Kutak Rock LLC*
- *Lauro Garcia, Senior VP, Hutchinson Shockey Erley & Co.*
- *R. Wade Norris, Senior Partner, Eichner & Norris Attorneys*

NOON **Lunch on Your Own**

SESSION TWO

1:15 PM **Best Practices in Issuer Operations and Overview of CDLAC Regulatory Changes**

Review of a few examples of issuer operational procedures around initial project review and post-issuance tax compliance. The second part of the discussion will focus on the recently approved CDLAC Permanent Regulations and the associated program and compliance-related changes. There will also be a review of the currently proposed Emergency Regulations provisions.

- **MODERATOR:** *John Stoecker, Financial Advisor, California Municipal Finance Authority*
- *Olson Lee, Deputy Executive Director, San Francisco Redevelopment Agency*
- *Suzette Flynn, Director of Housing Services and Compliance, City of Los Angeles Housing Department*
- *Misti Armstrong, Program Manager, California Debt Limit Allocation Committee*

SESSION THREE

2:00 PM **The Latest from Washington DC and a Sit-Down with the IRS**

Presentation on the current federal-level discussions around tax-exempt bonds followed with a discussion by IRS staff on current IRS tax compliance activities, the recent IRS Form 8038 revisions, and the recently published ACT Report on Conduit Bond Tax Compliance with IRS reaction to the recommendations. This

will be followed by a general question & answer session. Attendees will get a sense of the emerging tax-exempt bond debate and also receive rare access to IRS personnel, providing an opportunity to discuss both recent activities and perhaps brainstorm solutions to federal-level issues impacting private activity bonds.

- **MODERATOR:** *Robert Feyer, Partner, Orrick, Herrington & Sutcliff*
- *Toby Rittner, President and CEO, Council of Development Finance Agencies*
- *Todd Mitchell, Group Manager, U.S. Treasury Internal Revenue Service*

3:00 PM **Close of Workshop**