

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

January 26, 2011

**Consideration and Approval of Revisions to CDLAC Resolutions for
Multiple Projects**

(Agenda Item No. 7)

ACTION:

Approve the revisions to CDLAC Resolutions for the purpose of releasing performance deposit without forfeit.

BACKGROUND:

Over time, the Committee has awarded private activity bond allocation to multiple Projects (see Exhibit C) that have recently issued their bonds. However, some of these Projects did not issue 100% of the awarded allocation amount, yet greater than 80% of the allocation awarded. Under Section 8869.84(e) of the California Government Code, for any awarded allocation amount not issued, a proportional share of the applicant/issuer's performance deposit shall be subject to forfeiture to CDLAC.

DISCUSSION:

Projects often encounter justifiable reasons for issuing bonds in amounts slightly less than the original awarded allocation amounts from CDLAC. To avoid a forfeit, staff recommends revising the current CDLAC Resolutions for the Projects, listed in Exhibit C, to reflect the actual amount used.

RECOMMENDATIONS:

Staff recommends approval of a revision to the CDLAC Resolutions for all projects listed in Exhibit C.

Prepared by Richard C. Fischer