

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**September 22, 2010**

**Consideration of Appeals, Applications and a Waiting list for a Re-Allocation of American Recovery and Reinvestment Act – Recovery Zone Economic Development Bonds and Awards of Allocation**  
**(Agenda Item No. 9.0)**

**ACTION:**

Approve the reallocation of \$140,407,000 of American Recovery and Reinvestment Act – Recovery Zone Economic Development authority to fund nine (9) projects (see agenda items 9.0, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7 and 9.8) and approve the creation of a waiting list for all complete and partially funded RZEDB applications for the September 22<sup>nd</sup> meeting that would expire on December 31, 2010 (see agenda items 9.1, 9.4, and 9.8).

**BACKGROUND:**

The Recovery Zone Economic Development Bond (RZEB) Program received nine (9) complete applications for projects requesting a total allocation of \$182,823,000. However, currently there is only \$140,407,000 available in RZEDB allocation; providing enough allocation to award the authority for the full amount requested for six (6) of the nine projects. It is important to note there were two Tier 1 submissions and one application for a Tier 2 project. Tier 1 respondents are municipalities that have voluntarily waived allocation and Tier 2 applicants are specific municipalities that did not receive an original award of allocation authority from the U.S. Treasury. These applicants have first and 2<sup>nd</sup> priority respectively in the re-allocation process. In addition, three (3) of the nine (9) projects will only receive a partial award (ARRA-032, ARRA-054 and ARRA-064) of allocation relative to their competitive public benefit score. All projects receiving a partial award provide substantial public benefit and merit an award of allocation should additional allocation become available.

**DISCUSSION:**

In order to make immediate use of any waived RZEDB allocation that CDLAC may receive between September 23<sup>rd</sup> and December 31<sup>st</sup>, CDLAC staff is recommending the creation of a waiting list for the three (3) complete, partially funded applications.

**RECOMMENDATIONS:**

Staff recommends:

- 1) Approval of \$140,407,000 in reallocated American Recovery and Reinvestment Act – Recovery Zone Economic Development Bond authority to fund nine (9) projects.
- 2) Creation of a waiting list with an expiration date of December 31st, 2010, for the following complete RZEDB applications; which shall be funded in the following descending order until the available RZEDB allocation is exhausted:
  - a. ARRA-054 ACE Equipment Maintenance and Layover Facility Project
  - b. ARRA-032 West County Clinic Project
  - c. ARRA-064 City of El Monte Public Works Yard Project