California Debt Limit Allocation Committee (CDLAC)

Jesse Unruh Building
915 Capitol Mall, Room 587
Sacramento, CA 95814

January 26, 2011 Meeting Minutes

1. Call to Order and Roll Call

Bettina Redway, Chairperson, called the California Debt Limit Allocation Committee meeting to order at 11:11 a.m.

Members present were Jennifer Rockwell for Governor Jerry Brown, Cindy Aronberg for State Controller John Chiang, and Bettina Redway for State Treasurer Bill Lockyer.

Advisory Members present were Steve Spears for Cal-HFA and Elliott Mandell for HCD.

The chairperson declared a quorum.

2. Approval of the Minutes of the December 15, 2010 Meeting

There were no questions or comments and Jennifer Rockwell made a motion to approve the minutes of the December 15, 2010 meeting. Cindy Aronberg seconded the motion. There were no objections and the December 15, 2010 minutes were approved by unanimous vote.

3. Executive Director's Report

Sean Spear, CDLAC Executive Director, reported that the main items on the Agenda relate to the proposed revised draft permanent regulations; setting of this year's volume cap amounts; and consideration of new awards. Mr. Spear continued that two of our items, numbers 5 and 12, are directly related to the IRS (Internal Revenue Service) notice; which deals with some guidance around the issuance of drawdown bonds. These drawdown bonds are primarily a vehicle and structure that are used for private placement transactions. It primarily affects multi-family housing, in some cases IDB's (Industrial Development Bonds), and also exempt facility deals. Item 5, which deals with the draft revised permanent regulations, includes provisions that will enable CDLAC to continue to do this type of business and to continue to support those types of projects. Mr. Spear continued that item 12 deals with two projects that were caught in the middle of this transition. They were projects that had issued at the end of last year, but issued with then-current year cap and/or HR 3221 authority, which expired at the end of the year. The projects are not able to continue to draw on those sources and need to have their allocation replaced with current year cap. In addition, these two projects will return to CDLAC later in the year to request carry forward once our permanent regulations are in place; enabling them to continue to draw for those projects into the succeeding years as needed.

There were no questions or comments.

4. 2010 Program Summary

Sean Spear reported on the posting of a summary of CDLAC's activities for 2010. It features a general synopsis of the work that CDLAC did over the course of the year and also provides specific information on the activity amounts and public benefits that were achieved through the various program pools through the course of the year.

Mr. Spear went on to say that CDLAC continues to be heavily undersubscribed in terms of the usage of the allocation as a reflection of the associated difficulties in the bond markets and the great recession in general; and the fact that that has ultimately translated to CDLAC having less volume in terms of projects. Mr. Spear mentioned that the good news is relative to 2009, pretty much across the board CDLAC did have an increase in activity. The lone exception being in the single-family program where it was significantly less than what CDLAC allocated in 2009, and certainly far less than what CDLAC had allocated at the height of the program in 2007. Mr. Spear felt that some of the increased volume, particularly for the multifamily deals, is really reflective of folks being creative in terms of their pursuit of making their deals happen; and also taking advantage of some of the federal programs that were made available, particularly the New Issue Bond Program, which he thought was perhaps the single largest difference in terms of the projects that came forward to CDLAC in 2010. CIDFAC (the California Industrial Development Financing Advisory Commission) and CPCFA (the California Pollution Control Financing Authority) have made tremendous strides in terms of increasing volume. Both of them had a greater than 100% increase in the amount of projects they approved as compared to 2009. That is directly reflective of their work in attempting to market the allocation and make it available to projects.

The summary gives some specific detail in terms of the allocation amounts; the public benefits, both in terms of units on the housing side as well as jobs created under the Industrial Development Bond program; as well as with the Recovery Zone Bond programs and QECB (Qualified Energy Conservation Bonds) programs. Mr. Spear added in relation to the ARRA (American Recovery and Reinvestment Act) programs, CDLAC was forced to react very quickly to what was presented with the stimulus package back in February of 2009, and was able to put forward a program that reallocated those resources that the localities weren't able to use since the allocation originally went directly to them for issuance. The success of the program can be measured by the amount of allocation CDLAC was able to get out last year. The Recovery Zone Economic Development Bond program saw 98% of the allocation awarded. For the Qualified Energy Conservation Bond program, that figure was 96%. And finally, the Recovery Zone Facility Bond program was 55%. Mr. Spear thought that the issuers also were really great in being able to market and makes those allocations available in a fairly short timeframe. Although the Recovery Zone Bond program does not go forward into this year, there are some measurable successes that will come out of that program once those projects are ultimately completed.

Mr. Spear concluded that as a whole, CDLAC is continuing to work both with their sister agencies, as well as internally, to really try and market the allocation that is available. He felt that the markets really make it a little bit difficult to put it out in any large measure, but CDLAC will probably continue to see an increase in the amount of projects that come forward, and ultimately the amount of allocation CDLAC is able to put out to both provide public benefits to the community as well as help to improve the California economy.

There were no questions or comments.

5. Consideration and Approval of Revised Proposed Permanent CDLAC Regulations for Submittal to the Office of Administrative Law

John Weir reported that the action being recommended today by staff is the approval of the revisions to the proposed permanent regulations that were originally submitted for a 45-day public comment period back on December 3, 2010. During that 45-day period, ending January 17, 2011, staff received two comments, one from CSCDA (California Statewide Communities Development Authority), the other from a concerned citizen. The comments received from CSCDA described concerns related to a specific section in the regulations. This section establishes that bond issuers with three or more bond defaults in the last five years may still be awarded allocation, but will be restricted to either a private placement sale or a public sale within an investment grade credit rating. Mr. Weir noted that only bond defaults that result in a loss for bond holders will be considered under this and not defaults that are technical in nature. This section also allows for these restrictions to be waived by the Committee or Executive Director if circumstances merit. The concerns by CSCDA were that bond faults were outside the control of an issuer; that putting a fixed threshold is unfair to large issuers; and that none of these restrictions would actually result in fewer bond defaults. These comments were actually similar to the ones staff received during a pre-notice comment period back in October 2010. Mr. Weir noted that following those comments, CDLAC actually made changes to this section and thoroughly discussed with the representatives the reasons for not including any additional changes. What is before the Committee thus does not contain any changes resulting from these comments.

Mr. Weir advised that CDLAC did receive another comment from a citizen named Joyce Dillard. This concern focused on public benefits; specifically how they're defined and enforced, and any potential recourse that are available to the Committee if noncompliance occurs. In this regard, the regulations have already measured public benefits by way of minimum thresholds or points required in each program. As far as enforcement of projects' declared benefits, these too are already addressed in the regulations through the certifications required by applicants and in the resolution itself. In addition, these resolution requirements are incorporated into the bond documents. Given that these are already addressed, no additional changes were incorporated.

Mr. Weir summarized that the changes before the Committee today actually resulted not from these comments, but as a result from the changes Sean Spear pointed out earlier that were imposed by the IRS. In addition, CDLAC took up another issue that was given to them in the pre-notice period concerning Senate Bill 99 that relates to the disclosures by public entities issuing bonds. The changes that are imposed by the IRS concern drawdown bonds. What CDLAC has done is put forth various provisions that will allow the Committee to assist and accommodate these kinds of issuances. What was added was a new definition that describes this type of issuance. CDLAC will now have the filing fees for these issues be based on the amount first allocated, not the amount initially issued; that the allocation awarded for these issuances will be provided on a carry-forward basis; and that all applicants will be required to report annually at the beginning of each year on their use of the bond proceeds so that CDLAC can make sure the allocation accounting is correct. The comments on the Senate Bill 99 disclosure concerns resulted in CDLAC putting a statement in the regulations and in the application form that all applicants are going to self-certify that they are in compliance with all applicable statutes, laws, rules and regulations necessary for the transaction of business. Upon approval by the Committee, these revised regulations will be immediately submitted once again for another public comment period. This time frame will last 15 days. Assuming there are no additional changes, the final package will be submitted to OAL (Office of Administrative Law) for certification of compliance, and thus completing the rule-making process.

Sean Spear added that the key element of the approval today is that assuming there are no substantial changes merited as a result of the 15-day comment period, then CDLAC staff would be permitted by the Committee to directly submit the package to OAL. Mr. Spear explained that the reason for trying to shorten the time frame is to try and get these regulations in place for the July Round. This would make sure that CDLAC is able to deal with those projects that are affected by the IRS notice that he mentioned earlier, as well as implement other key provisions that are included in the regulations package.

There were no other comments or questions.

Jennifer Rockwell moved for approval. Cindy Aronberg seconded the motion. The motion was unanimously approved to hold a 15-day public comment period for the Revised Proposed Permanent CDLAC Regulations and their Subsequent Submittal to the Office of Administrative Law.

6. Consideration and Approval of an Issuance Date Extension for Hunters View Apartments (10-072)

Richard Fischer reported that Hunters View Phase 1 Apartments project, received an allocation award through the San Francisco Redevelopment Agency on September 22, 2010. The projects current issuance deadline is January 26, 2011. The project has had difficulty getting the U.S. Department of Housing and Urban Development (HUD) attorneys to review the project's documents in a timely manner. The applicant is requesting an extension as a precautionary measure in case the HUD review goes beyond the anticipated end of February approval date. In order to save the allocation, an extension date to April 26, 2011 will ensure the completion of the HUD loan processing and issuance of bonds for the project. The project has otherwise met all CDLAC regulatory requirements for this matter. Mr. Fischer recommended approval of the issuance date extension for Hunters View Apartments project.

There were no other comments or questions. Cindy Aronberg moved for approval. Jennifer Rockwell seconded the motion. The motion was unanimously approved for an Issuance Date Extension for Hunters View Apartments (10-072) to April 26, 2011.

7. Consideration and Approval of an Award Revision to Various Qualified Residential Rental Project Resolutions

Richard Fischer reported that 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 following projects to reflect the actual amount used Crossings at Morgan Hills Apartments, Sunset Gardens Apartments, Miramar Way Apartments, Lenzen Gardens Apartments, Cypress Gardens Apartments, Harrison Street Senior Apartments, Oak Valley Apartments, Coventry Court Apartments, Terracina at Vineyard Apartments, Campus Commons apartments, NoHo Senior Artist Colony Apartments, Jackson Hills Apartments, Providence Gardens Apartments, Los Angeles Properties 1 Apartments, Bellwood Park apartments, Village Meadows Apartments, and the ARRA Oxnard Union High School District project and ARRA Cruzio Building Renovation and Data Center project. Staff recommends approval of revisions to the CDLAC resolutions for all of the projects noted.

There were no comments or questions. Jennifer Rockwell moved for approval. Cindy Aronberg seconded the motion. The motion for an Award Revision to Various Qualified Residential Rental Project Resolutions was unanimously approved.

8. Consideration and Approval of a Revision to Resolution 10-45 for Tule Vista Apartments

Crystal Alvarez reported that all CDLAC projects are subject to the minimum affordability and term restrictions unless a project is intended for eventual tenant homeownership in which case evidence of a financially feasible conversion program must be submitted in the application. The Tule Vista Apartments project received an allocation of $9 million on July 28, 2010. The project submitted an affordable home ownership conversion plan in their original application as required by the CDLAC regulations. However, CDLAC staff inadvertently failed to include details of the plan in the CDLAC staff report. In addition, provisions associated with the plan were not incorporated into the CDLAC resolution. CDLAC staff has revised the initial staff report to include the details of the plan and recommends revision of the CDLAC resolution to include the revisions associated with the plan.

Ms. Alvarez advised that Staff recommends the approval of a revision to resolution number 10-45 to include an affordable homeownership conversion option for the Tule Apartments project.
There were no questions or comments. Cindy Aronberg moved for approval. Jennifer Rockwell seconded the motion. The motion for a revision to resolution number 10-45 to include an affordable homeownership conversion option for the Tule Apartments project was unanimously approved.

9. Consideration of a Request for Waiver of Forfeited Performance Deposit for the CalHFA Single Family Housing Program (07-197), Palmdale Transit Apartments (09-142), and Casa Grande Apartments (10-027 and 10-074)

Crystal Alvarez reported that an application bears the risk for forfeiting all or part of the performance deposit if the application is not used in accordance with the conditions and time frames set forth in the Committee resolution. For a waiver to be approved, the CDLAC Executive Director subjects the requests to two tests. One, the issuer, or event that prevented the issuance of the bonds has to be unforeseen; two, was the issuer that wholly outside the control of the applicant and project sponsor? To date, the Palmdale Transit Village Apartments project has not issued its bonds. As the project moved forward with its initial U.S. Bank construction loan, U.S. Bank underwriting standards became more conservative. As a result, the project sponsor began to aggressively pursue other financing alternatives. This created an unforeseen delay in the financing of the project that was outside the control of the Palmdale Transit Village project sponsor. Secondly, the Casa Grande Apartments project received a total allocation $12,015,000 through CSCDA. Casa Grande Apartments project was initially scheduled to issue bonds by December 22, 2010. Due to an unexpected delay with HUD, related to the interest reduction payment decoupling, the project has experienced unforeseen delays that were outside the control of the project sponsor. Lastly, Cal-HFA, the California Housing Finance Agency, was awarded $468,257,154 in 2007 allocation on a carry-forward basis for its single-family housing bond program. Cal-HFA was unable to fully utilize $256,256,287 of the 2007 allocation by the December 31, 2010, expiration date. The instability in the market conditions, the state's budget crisis, and the current low interest rates each compounded the difficulty in securing loans for first-time homeowners. As a result, Cal-HFA suspended the single-family program in late 2008. Based on the circumstances described in Cal-HFA's waiver request, CDLAC staff believes the failure to issue bonds was outside the control of the issuer.

Ms. Alvarez concluded by saying that CDLAC Staff recommend an approval of the waiver of performance deposit forfeiture for the Palmdale Transit Village Apartments project, Casa Grande Apartments project, and the California Housing Finance Agency's 2007 single-family housing program.

There were no comments or questions. Jennifer Rockwell moved for approval. Cindy Aronberg seconded the motion. The motion to approve the waiver of the performance deposit forfeiture for the Palmdale Transit Village Apartments project, Casa Grande Apartments projects, and the California Housing Finance Agency's 2007 single-family housing program was unanimously approved.

10. Determination and Adoption of the 2011 State Ceiling on Qualified Private Activity Bonds

Misti Armstrong reported that the Internal Revenue Service code limits the amount of qualified tax-exempt private activity bond debt that may be issued by a state during a calendar year. This would be the state ceiling. In addition, California government code and the Committee's regulations require that the Committee determine and announce this state ceiling at the start of each calendar year.

Ms. Armstrong continued that the volume limit on qualified private activity bonds adjusted for inflation for 2011 is $95 multiplied by the state's population of 37,253,956. This is a .8% increase from the population estimate of 2010. Inflation and population changes result in a new bond volume cap of $3,539,125,820. In terms of dollars, this is a $212.5 million increase over the 2010 state ceiling. Ms. Armstrong advised that the CDLAC Staff recommends the Committee adopt resolution 11-01 establishing the 2011 state ceiling for qualified private activity bonds at $3,539,125,820.

There were no questions or comments. Cindy Aronberg moved for approval. Jennifer Rockwell seconded the motion. The motion to establish the 2011 state ceiling for qualified private activity bonds at $3,539,125,820 was unanimously approved.

11. Consideration and Adoption of the Apportionment of the 2011 State Ceiling among the State Ceiling Pools

Misti Armstrong reported that the Committee continues to have legislative priorities intended to promote housing for lower income families and individuals, and to preserve and rehabilitate existing governmental assisted housing for these families and individuals. In making the recommendations for 2011, CDLAC staff surveyed key issuers to determine the estimated demand. However, the continued instability in the financial markets continues to make it difficult to project the usage for 2011. As a result, CDLAC has reserved an estimated 42% of the 2011 state ceiling as undesignated. This reservation will provide CDLAC staff flexibility throughout the year to provide additional allocations to the various program pools as needed. Ms. Armstrong continued with CDLAC staff's recommendations for each program pool are as follows: the Qualified Residential Rental Program Pool General to receive $850 million, Mixed Income Pool $250 million, and Rural Project Pool $150 million. For the Single-Family Housing Program, this will be split between state issuers and local issuers, $500 million and an additional $250 million for the Single-Family Housing Bonus Pool Program. For the Small Issue Industrial Development Program Pool, CDLAC staff recommends $50 million and $1,489,125,820 for the undesignated reserve.

Ms. Armstrong noted that CDLAC Staff are not recommending an allocation for the Extra Credit Teacher Program since Cal-HFA has reported that this has been suspended due to a freeze in bond funded proposition programs. The Extra Credit Teacher Program did offer a combination of a first mortgage funded with tax-exempt bond proceeds. Proposition 46 proceeds have been exhausted and it is unknown when additional funds will become available. As a result, CDLAC staff does not recommend any allocation for this program pool. If at some point in time additional funds do become available through Cal-HFA, CDLAC staff would take allocation from the undesignated pool and provide an allocation to this program.

Ms. Armstrong continued that for 2010, the Exempt Facility Pool did allocate over $439 million in bond authority. CPCFA staff and the financial advisors working with this program have indicated that they expect high usage in 2011 as well. However, CDLAC staff does not recommend a 2011 reservation for this program as CPCFA has a balance of over $1 billion in unused 2008 and 2009 carry-forward. In addition, the Committee has provided CPCFA with a 2010 carry-forward allocation of just over $1 billion in allocation. In combination, the $2 billion in allocation can be used over the next three years to fund projects as needed for CPCFA. Should an issuer apply, other than CPCFA, that needs an allocation, CDLAC staff would pull allocation from the unallocated reserve to fund those projects. Finally, the Student Loan Program for 2010 received no applications. As a result, CDLAC staff has no recommendation. Should something come in at some point in the year, we would use the reserve to fund those projects.

Ms. Armstrong concluded by advising that CDLAC staff recommends reservation amounts as indicated and presented to you today.

There were no questions or comments. Jennifer Rockwell moved for approval. Cindy Aronberg seconded the motion. The motion to adopt the Apportionment of the 2011 State Ceiling among the State Ceiling Pools was unanimously approved.

12. Consideration of Awards of Allocation for the Housing Authority of the City of Oakland for Qualified Residential Rental Projects, Harrison Street Senior Apartments (10-023) $11,025,135 and Lion Creek Crossing Apartments (10-018) $17,255,000

Sarah Lester reported that on July 28, 2010, the Committee awarded $21 million to the Lion Creek Crossing Phase IV Apartments project and $11.8 million to the Harrison Street Senior Apartments project in 2010 allocation. From those awards, the Housing Authority of the City of Oakland, the issuer, issued only a minimal drawdown bond amount, with the intent of issuing future draws as needed in the coming months. Ms. Lester continued that in a typical bond transaction, all the bonds are delivered to the bond purchaser at one single date, and the bond purchaser provides payment for the bonds on that same day. A drawdown deal operates differently in that the bonds are delivered to the bond purchaser intermittently as needed by the bond issue and the bond purchaser only provides payment equal to the amount of the bonds drawn on each date. On November 23, 2010, the IRS published Notice 2010-81, which provides that in a drawdown issuance, volume cap is considered used only as each draw is made. Prior to the Notice, the industry accepted that all awarded volume cap was officially used on the first draw date. The distinction is particularly important if subsequent draw dates occur in a later calendar year than the first draw date. In that event, if current-year volume cap was allocated to the deal, it may need to be carried forward in order to be available for use in the subsequent calendar years. These two projects were in the process of moving to closing when the IRS notice was published. Each project had no choice but to proceed to closing, even though any undrawn allocation would be subject to expiration at the end of the year. So, the project's undrawn allocation expired on December 31 of 2010.

Ms. Lester continued that it should be noted that under the current regulations, carryforward can only be awarded in very limited circumstances, which is usually the last meeting of the calendar year. Earlier CDLAC staff recommended the Committee approve revised proposed permanent regulations for submittal to the Office of Administrative Law (OAL), which shall include a provision allowing for carry-forward to be awarded to projects in these circumstances under Agenda Item five. Upon OAL's approval of the proposed regulations, CDLAC staff will likely return to the Committee for authorization to award carryforward allocation to these two projects.

Ms. Lester concluded that to ensure the completion of the projects and accommodate future drawdown transaction; CDLAC staff is seeking the Committee's approval to replace the unused expired allocation with current 2011 volume cap. CDLAC staff recommends the approval of $11,025,135 in 2011, bond allocations for the Harrison Street Senior Apartments Project and $17,255,000 in 2011, allocation for the Lion Creek Crossing Phase IV Apartments project to replace the unused expired allocation for these two projects.

There were no questions or comments. Cindy Aronberg moved for approval. Jennifer Rockwell seconded the motion. The motion for the awards of allocation for the Housing Authority of the City of Oakland for Qualified Residential Rental Projects, Harrison Street Senior Apartments (10-023) $11,025,135 and Lion Creek Crossing Apartments (10-018) $17,255,000 was unanimously approved.

13. Consideration of an Award of Allocation for the California Industrial Development Financing Advisory Commission for the Small-Issue Industrial Development Bond Program

Richard Fischer reported that Small Issue Industrial Development bonds, IDB's, offer considerable interest rate savings to small midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDB's serve to retain and create new jobs within their communities. By providing allocation to CIDFAC, borrowers will be able to receive their financing and allocation approval at the same time. Monthly CIDFAC meetings also ensure the borrowers will not have to wait 60 to 90 days for a committee allocation approval, thus eliminating the need for expensive interim financing. For 2010, the program received 11 applications which were awarded allocations totaling $46.05 million. For 2011, CIDFAC anticipates a higher volume of projects which should make full usage of the proposed $50 million allocation.

Mr. Fischer advised that CDLAC staff recommends the Committee award California Industrial Development Financing Advisory Commission $50 million in Industrial Development Bond Allocation for the purposes of allocating portions of the award to the project sponsors for the purpose of issuing bonds for IDB projects.

There were no questions or comments. Jennifer moved for approval. Cindy Aronberg seconded the motion. The motion for an award of allocation for the California Industrial Development Financing Advisory Commission for the Small-Issue Industrial Development Bond Program was unanimously approved.

14. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Single Family Housing Programs and Awards of Allocation

Sarah Lester reported that the Committee received two applications requesting 2011 Single-Family Housing volume cap for the MCC (Mortgage Credit Certificate) program. One came from the County of Riverside, and they requested its Fair Share amount of $13,839,850. The other came from the County of Santa Clara, and they requested $30 million for an aggregate total requested amount of $43,839,850.

Ms. Lester advised that CDLAC staff recommends approval of $13.8 million in 2011 tax exempt financing for the County of Riverside, and $12,166,681 in 2011 tax exempt bond financing for the county of Santa Clara. The total requested $26,006,531. These amounts are the applicant's 2011 Fair Share amounts.

There were no questions or comments. Cindy Aronberg moved for approval. Jennifer Rockwell seconded the motion. The motion was unanimously approved for the applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Single Family Housing Programs and Awards of Allocation.

11-011	County of Riverside	$13,839,850
11-014	County of Santa Clara	$12,166,681
		$26,006,531

15. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential Rental Projects and Awards of Allocation

Richard Fischer reported that there are no appeals. The Rural Pool received one application requesting an allocation of $6,364,507. The General Pool received ten complete applications for projects requesting a total allocation of $123,950,000. Staff is recommending approval of the Rural and General Pool projects.

There were no questions or comments. Cindy Aronberg moved for approval. Jennifer Rockwell seconded the motion. The motion was unanimously approved for the Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential Rental Projects and Awards of Allocation.

11-010	Heritage Oak Senior Apartments	Oakdale	Stanislaus	$6,364,507
11-003	Sunrise Pointe Apartments	Indio	Riverside	$16,500,000
11-004	McCreery Courtyards Apartments	San Jose	Santa Clara	$22,000,000
11-005	5555 Hollywood Apartments	Los Angeles	Los Angeles	$21,750,000
11-006	NoHo Senior Villas Apartments	Los Angeles	Los Angeles	$9,600,000
11-007	Del Rey Square Senior Apartments	Los Angeles	Los Angeles	$18,000,000
11-008	Menlo Family Housing Apartments	Los Angeles	Los Angeles	$13,500,000
11-009	Buckingham Senior Apartments	Los Angeles	Los Angeles	$14,000,000
11-015	Acacia Lane Senior Apartments	Santa Rosa	Sonoma	$8,600,000
11-012	Lion Creek Crossings Phase IV Apartments	Oakland	Alameda	$17,255,000
11-013	Harrison Street Senior Apartments	Oakland	Alameda	$11,025,135

16. Consideration of Appeals, Applications and a Waiting list for a Re-Allocation of American Recovery and Reinvestment Act – Qualified Energy Conservation Bonds and Awards of Allocation

Richard Fischer reported that there are no appeals. The QECB program received three complete applications for the projects requesting a total allocation of $30,435,000. However, there is only $9,198,765 dollars available in the QECB allocation pool, providing only enough allocation to partially award authority for the two projects with the highest score in the respective sub-programs.

Mr. Fischer advised that in order to make immediate use of any waived QECB allocation that CDLAC may receive between January 26 and May 3, 2011, CDLAC staff is recommending the creation of a waiting list for the three completed applications. Projects A and B on the waiting list shall be awarded any available allocation prior to project C and in the same manner, they were awarded their partial award authority on a percentage basis. Staff recommends approval of the $9,198,765 in reallocated American Recovery and Reinvestment Act Qualified Energy Conservation Bond authority to partially fund two projects, ARRA-083 and ARRA-082 and the creation of a waiting list with an expiration date of May 3, 2011. ARRA-083, Yuba Community College District Solar Project, there is a possibility of this particular project returning to the Committee for a change of issuers.

There were no questions or comments. Jennifer Rockwell moved for approval. Cindy Aronberg seconded the motion and the motion was unanimously approved.

ARRA-082	Yuba Community College District	Yuba College Central Plant Efficiency Project	Marysville	$2,170,557
ARRA-083	Yuba Community College District	Yuba Community College District Solar Power Project	Marysville, Woodland, Williams and Yuba City	$7,028,208

17. Public Comment

There were no comments from the public.

18. Adjournment

The meeting was adjourned at 11:57 a.m.