

California Debt Limit Allocation Committee

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

March 19, 2014
Meeting Minutes

OPEN SESSION

1. Call to Order and Roll Call

Michael Paparian, Chairperson, called the California Debt Limit Allocation Committee (CDLAC) meeting to order at 11:09 a.m.

Members Present: Michael Paparian for Bill Lockyer, State Treasurer
Todd Jerue for Edmund G. Brown, Jr., Governor
Alan Gordon for John Chiang, State Controller

Advisory Members Present: Tim Hsu for the California Housing Finance Agency (CalHFA)
Laura Whittall-Scherfee for the Department of Housing and Community Development (HCD)

2. Approval of the Minutes of the January 15, 2014 and January 29, 2014 Meetings (Action Item)

Alan Gordon moved approval of the minutes for the January 15, 2014 and the January 29, 2014 meetings. Upon a second by Todd Jerue, both minutes passed 3-0 with the following votes: Alan Gordon: Aye; Todd Jerue: Aye; Michael Paparian: Aye.

3. Executive Director's Report (Informational Item)

Sean Spear began his report by notifying the Committee Members about changes to documents in the Agenda packet. The first revision was related to Item 4, specifically, the Alpha Square Apartments Project, 13-117, and its request for an extension. The project no longer needed a date extension as it issued bonds the week of March 10, 2014. There was also a revision to Item 6, the Mill Creek Courtyard Apartments Project, 14-035, which withdrew from the March round. This change was reflected on the updated Exhibit A and the List of Applications.

Mr. Spear then went on to report on House Ways & Means Committee Chairman Camp's tax reform discussion draft and the potential elimination of private activity bonds. These changes would affect CDLAC. At the Federal level, however, there is a belief that these changes will probably not move forward. The belief is that the status quo will remain until after the November Congressional elections. CDLAC and the State Treasurer's Office (STO) will keep the Board members apprised of any changes.

CDLAC is working on two new allocation programs; specifically, an Aggie Bond Program and a Qualified Public Educational Facility Bond Program (QPEFB). The Aggie Bond Program would help small and first time farmers. The QPEFB Program would be a private-public partnership to help with school construction for public and charter schools. Different than our other programs, the QPEFBs have their own separate volume cap; equal to \$10 per capita in a state. In order to administer this allocation, CDLAC would need to seek enabling legislation. These two programs will be developed on their own tracks as program guidelines are developed and governing regulations are drafted in consultation with industry stakeholders. Once formulated, draft regulation packages will be presented to the Committee for approval and adoption.

Mr. Spear stated that these new programs would be a tremendous opportunity to help different sectors of the California economy.

Mr. Paparian stated that this is good news about the new programs.

4. Consideration and Approval of Issuance Date Extensions for Various Projects – Qualified Residential Rental Program (QRPP) (Action Item)

<u>App.</u>	<u>Project</u>
13-103	Bayview Senior Apartments
13-093	Laurel Village Apartments

Richard Fischer reported that issuance date extensions were requested for two (2) awarded QRRP projects. Both relate to project financing, and/or fellow agency loan processing issues. Staff believed it was appropriate to grant them additional time to resolve the outstanding issues and close on the bonds as required.

RECOMMENDATION:

Staff recommended the approval of the following issuance date extensions:

13-093	Laurel Village Apartments	June 17, 2014
13-103	Bayview Senior Housing Apartments	April 19, 2014

Todd Jerue moved approval of staff's recommendation. Upon a second by Alan Gordon, the motion passed 3-0 with the following votes: Todd Jerue: Aye; Alan Gordon: Aye; Michael Papanian: Aye.

5. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Single Family Housing Programs (SFH) and Awards of Allocation (Action Item)

a. Consideration of appeals**

Sarah Lester reported that there were no appeals.

b. Consideration of applications – See Exhibit A for a list of Applications***

Ms. Lester reported that the Committee received five (5) applications requesting their 2014 Fair Share Single Family Housing allocations for a total of \$95,971,959, all for the issuance of Mortgage Credit Certificates (MCC) under their respective single-family homeownership programs.

RECOMMENDATION:

Staff recommended approval of a reduced amount of \$63,676,705 to fund each of the respective local MCC Programs. This amount is the aggregate total of all five (5) applicants' 2014 fair-share amounts of this year's annual Single Family Housing Program reservation.

Alan Gordon asked why the requested amount was reduced.

Sarah Lester stated that CDLAC is only allowed to allocate the fair-share amount until after all SFH administrators apply for their 2014 fair-share amount. MCC administrators are allowed to apply for SFH bonus pool allocation thru the final allocation meeting of 2014.

Michael Papanian asked if the SFH bonus pool funds will come out of the excess cap.

Sean Spear stated that if there were allocation still remaining in the SFH pool, that allocation would be utilized and that, if needed, allocation from the excess cap would be moved to the SFH pool.

Alan Gordon moved approval of staff's recommendation. Upon a second by Todd Jerue, the motion passed 3-0 with the following votes: Alan Gordon: Aye; Todd Jerue: Aye; Michael Papanian: Aye.

5.1	14-016	SL	San Diego Housing Commission	MCC	San Diego	San Diego	\$10,414,228
5.2	14-017	SL	County of Alameda	MCC	Various	Alameda	\$12,290,518
5.3	14-019	SL	County of Santa Cruz	MCC	Various	Santa Cruz	\$2,131,950
5.4	14-020	SL	County of Contra Costa	MCC	Various	Contra Costa	\$8,499,375
5.5	14-022	SL	City of Los Angeles	MCC	Los Angeles	Los Angeles	\$30,340,634

6. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential Rental Projects, \$30 million Maximum Allocation Limit Waivers, and Awards of Allocation (Action Item) – Leslie Campaz

a. Consideration of appeals**

Leslie Campaz reported that there were no appeals.

b. Consideration of applications – See Exhibit A for a list of Applications***

Ms. Campaz reported that one project, Hunters View Phase IIA, will necessitate a \$30 million allocation limit waiver.

General Pool

The General Pool received twenty (20) applications for projects requesting a total allocation of \$227,445,445.

RECOMMENDATION:

Staff recommended approval of the \$30,000,000 allocation limit waiver for application 14-038, Hunters View Phase IIA project.

Mr. Paparian asked if there was a motion to waive the \$30,000,000 allocation limit waiver.

Alan Gordon moved approval of the waiver. Upon a second by Todd Jerue, the motion passed 3-0 with the following votes: Alan Gordon: Aye; Todd Jerue: Aye; Michael Paparian: Aye.

Staff recommended approval of \$227,445,445 to fund twenty (20) projects in the General Pool.

Alan Gordon moved approval of staff’s recommendation. Upon a second by Todd Jerue, the motion passed 3-0 with the following votes: Alan Gordon: Aye; Todd Jerue: Aye; Michael Paparian: Aye.

6.1	14-018	LC	Housing Authority of the City of Anaheim	Village Center Apartments	Anaheim	Orange	\$15,000,000
6.2	14-023	LC	City of Los Angeles	Central Avenue Village Square Apartments	Los Angeles	Los Angeles	\$6,375,000
6.3	14-024	SL	City of Los Angeles	Juanita Tate Legacy Towers Apartments	Los Angeles	Los Angeles	\$17,125,000
6.4	14-025	RF	City of Los Angeles	Roberta Stephens Villas I & II Apartments	Los Angeles	Los Angeles	\$5,000,000
6.5	14-026	LC	City of Los Angeles	One Wilkins Place Apartments	Los Angeles	Los Angeles	\$2,750,000
6.6	14-027	SL	City of Los Angeles	Normandie Senior Housing Apartments	Los Angeles	Los Angeles	\$4,375,000
6.7	14-028	RF	City of Los Angeles	Figueroa Senior Housing Apartments	Los Angeles	Los Angeles	\$4,000,000

6.8	14-029	SL	California Housing Finance Agency	Sullivan Manor Apartments	Santa Ana	Orange	\$9,200,000
6.9	14-030	RF	California Housing Finance Agency	Rancheria Del Sol Apartments	Palm Springs	Riverside	\$6,200,000
6.10	14-031	LC	California Statewide Communities Development Authority	Liberty Village Apartments	Richmond	Contra Costa	\$12,250,000
6.11	14-032	LC	California Statewide Communities Development Authority	Harbour View Apartments	Richmond	Contra Costa	\$13,000,000
6.12	14-033	SL	California Statewide Communities Development Authority	Valley View Apartments	Delano	Kern	\$5,000,000
6.13	14-034	LC	California Municipal Finance Authority	Monument Arms Apartments	Fairfield	Solano	\$11,000,000
6.14	14-035	SL	California Municipal Finance Authority	Mill Creek Courtyard Apartments	Bakersfield	Kern	\$8,700,000
6.15	14-036	RF	California Municipal Finance Authority	Renaissance Village Apartments	Rialto	San Bernardino	\$12,170,445
6.16	14-037	LC	City and County of San Francisco	Transbay Block 6 Apartments	San Francisco	San Francisco	\$15,000,000
6.17	14-038	RF	City and County of San Francisco	Hunters View Phase IIa Apartments	San Francisco	San Francisco	\$41,000,000
6.18	14-039	RF	Housing Authority of the County of Sacramento	Olive Wood Apartments	Sacramento	Sacramento	\$6,000,000
6.19	14-040	RF	California Municipal Finance Authority	Gabilan Plaza Apartments	Salinas	Monterey	\$22,000,000
6.20	14-050	RF	Housing Authority of the County of Kern	Auburn Heights Apartments	Bakersfield	Kern	\$11,000,000
6.21	14-051	RF	Housing Authority of the County of Kern	Jasmine Heights Apartments	Delano	Kern	\$9,000,000

7. Public Comment (Action Item)

There was no public comment.

8. Adjournment

The Chairperson adjourned the meeting at 11:22 a.m.