

# California Debt Limit Allocation Committee

State Capitol  
Room 126  
Sacramento, CA 95814  
**September 20, 2017**  
Meeting Minutes

## OPEN SESSION

### 1. Call to Order and Roll Call

Jeree Glasser-Hedrick, Chairperson, called the California Debt Limit Allocation Committee (CDLAC) meeting to order at 11:35 a.m.

Members Present: Jeree Glasser-Hedrick for John Chiang, State Treasurer  
Eraina Ortega for Edmund G. Brown, Jr., Governor  
Alan LoFaso for Betty T. Yee, State Controller

Advisory Members Present: Tia Boatman Patterson for the California Housing Finance Agency (CalHFA)  
Ben Metcalf for the Department of Housing and Community Development (HCD)

### 2. Approval of the Minutes of the July 19, 2017 Meeting (Action Item)

Eraina Ortega moved approval of the minutes, as amended by Alan LoFaso, for the July 19, 2017 meeting. Upon a second by Alan LoFaso, the minutes passed 3-0 with the following votes: Eraina Ortega: Aye; Alan LoFaso Aye; Jeree Glasser-Hedrick: Aye

### 3. Executive Director's Report (Informational Item)

Laura Whittall-Scherfee reported that there was a revision to the pink sheet as the project in the Rural Pool was withdrawn. Staff requested approval for two (2) Mixed Income projects as well as twenty-one (21) projects in the General Pool.

Ms. Whittall-Scherfee stated that, to date, CDLAC is close to achieving 100% compliance for this year. There were four (4) Issuers that remained noncompliant with a total of six (6) projects. Staff expects that all four (4) Issuers will have achieved compliance by September 21, 2017. One of the Issuers was new to the process and had never completed a compliance form before. Staff expects the compliance process to be much smoother next year. Staff also discovered that there was a glitch with our online system, which our Information Technology (IT) division has fixed, that now allows Issuers to change their passwords as well as update their information. Staff is still working with four (4) projects that have regulatory agreements that need to be terminated for a variety of reasons.

Included in the package before you is the 2018 Committee meeting calendar. Following a conversation with the CA Tax Credit Allocation Committee (TCAC), the 2018 September meeting

may move to a later date in the month. At a meeting amongst the four (4) state housing agencies, HCD, CalHFA, TCAC and CLDAC, the calendar was shared in the hopes that it will improve the scheduling of our various awards.

There are four (4) high cost projects in the packet. The costs per unit range from approximately \$579,000 to \$864,000. The first project, 1500 Mission Street (Goodwill) Apartments, has the highest cost and is a mixed income project in San Francisco, \$864,000 per unit, which has all the associated high standard cost issues: expensive land, type I concrete construction, a high rise with a face of windows, below grade parking as well as retail space and amenities that also take up much of the cost. The project has approximately \$29 million in impact fees which amounts to almost \$53,000 per unit. This project has impact fees not only from San Francisco itself; it is located in the Market Octavia Area Plan which added \$12 million in impact fees, a part of the \$29 million, due to the neighborhood in which the project is located.

The second high cost project is the Colma Veterans Village Apartments in San Mateo which has a per-unit cost of \$678,000. The project has an historic pump building located in the center of the site; its land cost is \$6 million due to a strong market; it is a 65-unit project requiring a lot of work with costly bio swales for storm water, and it includes more ADA units which also adds to the cost of this project.

The third high cost project is Piper Court Apartments in Marin County with a cost of \$644,000 per unit; however, there have been too few projects in Marin County. This project will have substantial renovations which include moving load bearing walls and posts to meet some ADA requirements which requires major reconstruction of some of the building. It is a relatively small project with only 27 units. Frequently, small projects are unable to spread the costs out which raises the cost of the project.

The fourth high cost project is Kottinger Gardens Phase 2 Apartments located in Pleasanton which is in Alameda County. Staff is treating this as an Acquisition/Rehab project since there are no new units which is consistent with the CDLAC regulations. The project is being demolished and replaced with new construction. It is a senior project with 54 units in six (6) buildings which adds to the cost as there are extra walls and buildings. Five (5) of the buildings are single story with one (1) two-story building. Since it is a senior project, the building will have an elevator. The project has uneven topography so there is site grading and drainage needs to be addressed. Solar water and photovoltaic systems are being added bringing the per-unit cost to \$579,000.

Ms. Whittall-Scherfee stated that the Posada De Colores Project requested a waiver of its Performance Deposit Forfeiture. Laura commented that she had previously recommended that the waiver request be declined. She received a 58-page attachment prior to the meeting which she had not had a chance to review; therefore, Laura requested that that item be struck from today's Agenda. She will come back with a recommendation at the November meeting.

Ms. Glasser-Hedrick asked if any of the high cost projects were pushing up against the allocation limits, at the limit or significantly under the limit.

Ms. Whittall-Scherfee replied all of the above. There was one (1) project that came in with a taxable tail since it exceeded the allocation limit. The project wanted an exception which is not part of CDLACs regulatory authority, hence the taxable tail.

Ms. Glasser-Hedrick asked about the four (4) terminating regulatory agreements. Was that to meet some federal law?

Ms. Whittall-Scherfee responded that staff was working with two (2) Issuers: one (1) of the projects was foreclosed on and it went to auction. It is a project that HCD is aware of since it was a residual receipt lender. One (1) project burned down and it has not been rebuilt and the insurance claim is still being worked out.

The other two (2) projects had redeemed bonds, were in compliance with federal law and regulatory agreements had already been recorded. Staff is working with the Issuers on those projects.

Mr. LoFaso asked if taxable tail meant that the threshold was being exceeded and that the incremental exceeding of the threshold was not tax exempt in terms of the bonding.

Ms. Whittall-Scherfee replied yes.

Mr. LoFaso asked if that increment was included in the per-unit cost under discussion.

Ms. Whittall-Scherfee responded in the affirmative.

Mr. LoFaso asked when posting these per unit costs if portions of the financings were coming from borrowing sources that were not tax exempt.

Ms. Whittall-Scherfee replied yes.

Mr. LoFaso wanted to highlight this since we are all sensitive of the reputation California has around the country regarding high costs. There seems to be a mismatch in terms of what the federal programs are paying for and the projects actual cost. Mr. LoFaso hopes that California will get to a greater clarity to our sister states as to what actually relates to these costs as opposed to just the costs themselves.

Mr. LoFaso asked about the impact fees and the limits on the impact fees. He understood that there was generally a limit on the types of impact fees that were covered like the ones pursuant to a city ordinance and are standard to different developments and their localities based on certain rules; the fees do not cover discretionary mitigations that some discretionary planning body might add on top of those impact fees. For example, when it goes in front of the planning commission and they require roads down the street because of traffic impacts.

Ms. Whittall-Scherfee stated that the impact fees described are assessed to any project that is being done in that area. They are not specific to getting the planning departments approval for a particular project.

Mr. LoFaso asked if those fees were covered by the federal programs, the tax credits.

Ms. Whittall-Scherfee responded in the affirmative.

#### **4. Consideration and Approval of Amended Proposed Qualified Public Education Facilities (QPEF) Bond Program Emergency/Permanent CDLAC Regulations for Submittal to the Office of Administrative Law (OAL) (Action Item)**

Ruben Barcelo reported that at the July 19, 2017 CDLAC meeting, the Committee approved proposed changes to the CDLAC Regulations related to the new QPEF program. At that meeting, concerns were raised related to possible conflicts of interest among program participants. Subsequent to the meeting, amendments were made to the proposed regulations and the QPEF

application that were designed to address those concerns. Staff indicated that if any significant changes were made to the proposed regulations, staff would return to the Committee.

Staff is seeking approval of those amendments to the proposed CDLAC regulations and the QPEF application for submittal to the Office of Administrative Law (OAL) for emergency and regular rulemaking consideration.

The proposed amendments to the regulations include the following:

1. Introduction of Section 5722 requiring QPEF projects to comply with conflicts of interest laws at the time of application and throughout the life of the bonds.
2. Introduction of subsection (g) in proposed section 5731 requiring these conflict of interest-related restrictions to be incorporated into a project's bond regulatory agreement.
3. Changes to the QPEF application intended to support the proposed changes to the CDLAC regulations, including a new certification form to be signed by an officer of the sponsor.

If approved by the committee, CDLAC will submit a request for emergency approval of the proposed regulations and application changes to OAL on September 28, 2017 with an anticipated approval and adoption date of October 9, 2017. Included in this review process is a 5-day public comment period from September 28<sup>th</sup> to October 5<sup>th</sup>. Consequential comments received from the public during that period will be considered by staff and may result in reevaluation of the proposed changes. Should this occur, staff would withdraw its request from OAL and provide updates to the Committee at its November 15<sup>th</sup> meeting.

Misti Armstrong stated the green staff report in front of the Committee listed the changes as reported by Mr. Barcelo.

Mr. LoFaso asked if a representative from the California School Finance Authority (CSFA) was present.

Ms. Armstrong replied that Katrina Johantgen, Executive Director of CSFA, was on the line.

Mr. LoFaso stated that at the last meeting there was a reference to another program at CSFA, SB740, having some potentially analogous conflict of interest provisions. There was no mention of SB740 during Mr. Barcelo's report. Would someone be able to tell him what the provisions are and help him understand its relevance?

Ms. Johantgen reported that as CSFA staff reviews awards under the SB740 program, they review Board members and entities benefitting from the grant proceeds which is a slightly different approach than taken here. Language has been added to the regulations and throughout the HUD documents. The project sponsors and borrowers will be self-certifying; therefore, CSFA staff will not be involved in the actual conducting of the conflict of interest and related parties. Staff will be relying on those benefitting from the project to complete the certifications. The same certification is in place for SB740.

Mr. LoFaso asked if the same substantive rules under SB740 apply when there is a certification that is not a self-certification. Does it meet the political reform act of the government code, Section 1090? Are there unspecified State conflict of interest rules?

Ms. Johantgen replied that staff did not outline those laws for SB740; however, staff did for the QPEF bond program.

Mr. LoFaso stated that public private partnerships at issue in the structure required under Internal Revenue Code, Section 142(k), are generally accessed by charter schools. Since charter schools have several different governing structures, does Section 1090 apply to charter schools. Their governing entities are public officials as Section 1090 describes them. Do they have to file Form 700 under the Public Records Act (PRA).

Ms. Johantgen replied that they do have to file Form 700. There is not a broad consensus as it relates to Mr. LoFaso's question about whether or not charter schools are subject to Section 1090. It is up to the borrowing entity to decide whether or not they are subject to Section 1090. Under this program, it would be the actual charter school that would be the project sponsor or the borrower since it will be a for-profit developer under the QPEF program. It will be a for-profit developer accessing the bond allocation. These are the projects that have been presented to them by Orrick, Herrington and Sutcliffe.

Mr. LoFaso stated that from the State Controller's Office perspective, they would have preferred a more robust analysis of this issue as it applies to the specific transactions that were called for in the Internal Revenue Code and the context as it applies. The Controller's Office will abstain from the vote today.

Ms. Glasser-Hedrick introduced Ann Swinburn from the California Teachers' Association (CTA).

Ms. Swinburn stated that the CTA strongly supports the proposed amendments and regulations requiring participants and projects to follow government code 1090 as both solid fiduciary oversight of our public funds and just common sense. CTA thanked staff and the Treasurer's Office for bringing this amendment forward.

Earlier this year, the non-profit organization and the public interest released a report which raised numerous concerns and problems with the oversight and policy planning of our numerous public bond programs for charter facilities. There are similar concerns with this bond program; particularly, CTA would like to see several things including: developed properties should remain public schools beyond the life of the bonds, or the public/private partnerships; that charter management organizations should be covered under the various government oversights, and disclosure parts of the bonds including government code 1090. Applicants should be required to establish a need for additional facilities or prove that they will be offering some exceptional type of program.

Ms. Glasser-Hedrick asked whether the submission of the package to OAL would be approved in time for CSFA to submit an application in the December round. What is the deadline for submitting an application for the December round?

Misti Armstrong replied October 13, 2017.

Ms. Armstrong stated that staff plans to post a 5-day pre-notice on September 21, 2017. With that timeline, staff has approximately 17 days and would obtain the approval in advance of that deadline.

Ms. Ortega asked Ms. Johantgen if a charter school does not want to comply with Section 1090 requirements, would it still have to self-certify that its actions were consistent with Section 1090 in order to participate in the program.

Ms. Johantgen replied yes.

Sarah Crawford, a senior policy advisor within the public interest, stated that they are in support of this important amendment of the regulations for the QPEF bond program. They believe that requiring charter school developers participating in these projects to adhere to government code 1090 is good government policy and in the best interests of the public.

A report was released earlier this year about California's \$2.5 billion in publicly financed charter school facilities projects for the last fifteen years. In their report, they found that big charter schools bonds were too often going to facilities that were already in districts that have enough fees to serve the projected student population; that there were underperforming nearby schools that served similar student populations; was found to have discriminatory admission policies and, purportedly, they have been disproportionately operated by charter management chains. Most concerning is the use of these bonds to help charter management organizations map real estate holdings.

The Tri-Valley Learning Center has three charter operators that were highlighted in their report illustrating the lack of transparency in oversight of the charter sector that may lead to the misuse of funds. Tri-Valley actually put the education of hundreds at risk. They are concerned that the QPEF Bond Program will be vulnerable to some of the same policy issues as the Private Activity Bonds.

Ms. Glasser-Hedrick stated that CDLAC staff will ensure that any CSFA project moving forward will be brought before the Committee.

Mr. LoFaso hoped that CSFA would implement the application process and that some of the more drill down issues on the Treasury regulations requirements might be addressed.

**RECOMMENDATION:**

Staff recommended approval of the proposed amendments to the CDLAC Regulations and the QPEF application for submittal to the OAL for emergency and regular rulemaking consideration.

Eraina Ortega moved approval of staff's recommendation. Upon a second by Jeree Glasser-Hedrick, the motion passed 2-0-1 with the following votes: Eraina Ortega: Aye; Jeree Glasser-Hedrick: Aye; Alan LoFaso: Abstain.

**5. Consideration of Requests for a Waiver of the Forfeiture of Performance Deposit and/or Negative Points for Various Qualified Residential Rental Projects (QRRP) (Action Item)**

Swansea Park Senior Apts. Phase 2	16-550
Ageno Apartments (aka Brisa Apartments)	17-009
Twenty One and Twenty Three Nevin Apts.	16-398
Barrett Plaza Apartments	16-318; 16-027(supplemental)
Temple View Apartments	16-485
Coliseum Connections Apartments	16-538
<del>Rampart Mint Apartments</del>	<del>17-322</del>
Posada De Colores Apartments	17-309
Renascent Place Apartments	17-316

Shirley Hom reported that approval of a Carryforward extension requires forfeiture of a project's performance deposit. In addition, the full reversion of an award of allocation requires both the forfeiture of the project's performance deposit and the assessment of negative points against the Project Sponsor. The Committee may grant a waiver of each upon a satisfactory showing that: (1) the issue or event that prevented the issuance of the bonds was unforeseen; and (2) the issue or event was wholly outside the control of the Applicant and Project Sponsor. A waiver request must meet both parts of the test.

Seven (7) projects requested a Waiver of Forfeiture of the Performance Deposit and/or Negative Points due to unforeseen circumstances beyond the control of the Applicant and the Project Sponsor.

**RECOMMENDATION:**

In light of the circumstances, staff recommended approval of the Waiver of Forfeiture of the Performance Deposit and/or Negative Points for seven (7) of the projects noted above: Temple View Apartments, Coliseum Connections Apartments, Swansea Park Senior Apartments Phase 2, Twenty One and Twenty Three Nevin Apartments, Barrett Plaza Apartments, Renascent Place Apartments and Ageno Apartments.

Ms. Glasser-Hedrick asked if the Agenda had been revised to exclude the Posada De Colores Project.

Ms. Whittall-Scherfee replied that Posada De Colores had not been excluded as she had received additional information shortly before the meeting. She will make a recommendation before the Board at the November 15<sup>th</sup> meeting.

Eraina Ortega moved approval of staff's recommendation. Upon a second by Alan LoFaso, the motion passed 3-0 with the following votes: Eraina Ortega: Aye; Alan LoFaso: Aye; Jeree Glasser-Hedrick: Aye.

**6. Consideration of Staff's Recommendation to Transfer Unused 2017 Allocation To and From Various Program Pool Reservations (Action Item)**

Ms. Whittall-Scherfee reported that there was not sufficient allocation remaining in the general pool to award to the projects that are presenting at this meeting. Staff elected to ask the Committee to move some allocation. The general pool and the multi-family mixed income pool for DDA projects from 2015 that are expected to come in for allocation are oversubscribed. Staff is requesting that the income for the September round come from the remaining allocation for the DDA 2015 multifamily mixed income pool in the amount of \$291 million. The project, 1500 Mission Street Apartments, that was submitted for approval today used all of its carryforward from previous years and needed \$73 million of this year's state ceiling in order to have enough tax exempt bond authority. Staff is requesting that the \$291 million of the 2015 DDA set aside be moved to the mixed income set aside. Staff requested that \$142 million be moved from the general pool

Laura also received an email from the California Industrial Development Financing Advisory Commission (CIDFAC) stating that it would be unable to use all of its allocation and would be returning \$15 million to CDLAC. Staff requested that that amount be moved to the multifamily general pool allowing enough allocation to award all of the projects before the Board for consideration today. In addition, staff will need to move allocation for the November and December projects. Staff recently received a \$100 million exempt facility application that will be

presented in November. At this time, there is \$85 million of allocation. Staff will update the Board at each meeting as to the allocation movement and usage.

Mr. LoFaso inquired that with only \$2.5 billion of bond authority remaining, would that bring the program close to becoming competitive.

Ms. Whittall-Scherfee responded that that still leaves \$2.5 billion remaining. Staff expects to see several projects in December.

Mr. LoFaso asked how much of the \$2.5 billion would remain after the December 2017 allocation.

Ms. Whittall-Scherfee was concerned that CDLAC may become competitive in 2018. Staff will be reaching out to the Issuers to see if they are interested in carryforward. She is making a rough estimate that \$1 billion may be remaining in carryforward.

Ms. Armstrong stated that October 13, 2017 is the due date for the applications of the year. Staff should have a better idea of what may remain.

Mr. LoFaso inquired as to what the carryforward was from 2016 to 2017.

Ms. Glasser-Hedrick stated that approximately \$900 million was in carryforward allocation.

Ms. Whittall-Scherfee stated that the 2017 carryforward may be close to that amount.

Ms. Glasser-Hedrick stated that for the last three years staff has been toggling back and forth between current year and carryforward allocation. When she began with CDLAC in 2015, CDLAC had \$4.5 billion of carryforward. Carryforward is utilized as first in first out. Where is CDLAC on a carryforward perspective, not what would be left at the end of the year.

Ms. Armstrong stated that the bulk of the carryforward had been utilized at this point. Staff has approximately \$50 million in multifamily housing carryforward from various Issuers that have been unable to participate in the last few rounds. That allocation may or may not be able to be used. CPCFA received \$900 million of 2014 carryforward allocation that must to be used in 2017.

Tia Boatman Patterson asked if there would be a request for allocation information.

Ms. Whittall-Scherfee stated that a demand survey would be going out in the middle of October once staff had a better idea of what amount of carryforward allocation would remain.

**RECOMMENDATION:**

Staff recommended the transfer of unused 2017 allocation to and from various program pools as noted above.

Alan LoFaso moved approval of staff's recommendation. Upon a second by Eraina Ortega, the motion passed 3-0 with the following votes: Alan LoFaso: Aye; Eraina Ortega: Aye; Jeree Glasser-Hedrick: Aye.

**7. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential Rental Projects (QRRP) and Awards of Allocation (Action Item)**



**a. Consideration of appeals\***

Shirley Hom stated that there were no appeals.

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

Ms. Hom reported that several changes occurred after the binders went out to the Board. There were six (6) revised staff reports due to some errors. The 800 Block project staff report misspelled Sacramento; Kottinger Gardens Phase 2 had additional information added regarding high costs; Bartlett Hill Manor had changes to its unit mix to include market rate units; Colma Veterans Village had a change in units from 72 to 66; Paseo del Oro 2 and Vista del Sol 2 had comments added to explain the DDA status as well as the reason for the supplemental requests.

Ms. Whittall-Scherfee stated that Kottinger Gardens Phase 2 also had a change to its private placement purchaser; it is MUFG Union Bank, N.A. (construction) with CalHFA being struck as the permanent source.

Ms. Hom stated that there was also a change to the posting sheet as Blue Mountain Terrace Apartments, a Rural Pool Project, was struck from the agenda.

She further stated that two (2) projects, Paseo del Oro 2 and Vista del Sol 2, are 2015 DDA projects that have original and supplemental requests on the Agenda. The reason for the requests was due to the fact that DDA projects may only increase the initial allocation requested up to 20% without jeopardizing the 2015 DDA status.

The Mixed Income Pool reflected two (2) projects requesting a total allocation of \$380,344,536, and the General Pool reflected twenty-one (21) projects requesting a total allocation of \$384,264,409.

**RECOMMENDATION:**

Staff recommended approval of \$380,344,536 to fund two (2) projects in the Mixed Income Pool and \$384,264,409 to fund twenty-one (21) projects in the General Pool. The combined aggregate request for both pools was \$764,608,945.

Alan LoFaso moved approval of staff’s recommendation. Upon a second by Eraina Ortega, the motion passed 3-0 with the following votes: Alan LoFaso: Aye; Eraina Ortega: Aye; Jeree Glasser-Hedrick: Aye.

7.1	17-346	LE	City and County of San Francisco/San Francisco Public Utilities Commission	1500 Mission Street ("Goodwill") Apartments	San Francisco	San Francisco	\$325,000,000
7.2	17-385	RF	California Housing Finance Agency	800 Block Apartments	Sacramento	Sacramento	\$55,344,536

7.4	17-396	SL	California Municipal Finance Authority	Paseo del Oro 2 Apartments	San Marcos	San Diego	\$8,000,000
7.5	17-397	RF	California Municipal Finance Authority	Vista del Sol 2 Apartments	National City	San Diego	\$14,100,000
7.6	17-324	LE	California Statewide Communities Development Authority	Park Glenn Seniors Apartments	Camarillo	Ventura	\$2,500,000
7.7	17-378	RB	California Statewide Communities Development Authority	Cottages at Mission Trail Apartments	Lake Elsinore	Riverside	\$21,100,000
7.8	17-379	LE	Housing Authority of the City of San Diego	Hollywood Palms II Apartments	San Diego	San Diego	\$19,500,000
7.9	17-380	RB	California Municipal Finance Authority	Piper Court Apartments	Fairfax	Marin	\$12,200,000
7.10	17-381	SL	Housing Authority of the City of San Diego	Luther Tower Apartments	San Diego	San Diego	\$20,000,000
7.11	17-382	SL	City of Los Angeles	Six Four Nine Lofts Apartments (fka 649 Lofts Apartments)	Los Angeles	Los Angeles	\$17,546,237
7.12	17-383	LE	City of Los Angeles	Jordan Downs Phase 1B Apartments (Scattered Site)	Los Angeles	Los Angeles	\$32,650,000
7.13	17-384	RB	Housing Authority of the City of San Diego	Fairmount Family Housing Apartments	San Diego	San Diego	\$22,000,000
7.14	17-386	SL	California Municipal Finance Authority	Mt. Rubidoux Manor Apartments	Riverside	Riverside	\$20,000,000
7.15	17-387	SL	California Housing Finance Agency	Kottinger Gardens Phase 2 Apartments	Pleasanton	Alameda	\$22,342,000
7.16	17-388	RB	California Municipal Finance Authority	Sierra Vista Apartments	San Marcos	San Diego	\$30,000,000
7.17	17-390	LE	California Public Finance Authority	Good Shepherd Homes Apartments	Inglewood	Los Angeles	\$13,000,000
7.18	17-391	RF	California Municipal Finance Authority	La Villa Puente Apartments	La Puente	Los Angeles	\$40,397,200
7.19	17-392	RF	California Housing Finance Agency	Woods Grove Apartments	Pittsburg	Contra Costa	\$11,500,000

7.20	17-393	RF	California Housing Finance Agency	Bartlett Hill Manor Apartments (Scattered Site)	Los Angeles	Los Angeles	\$14,575,000
7.21	17-395	RF	California Municipal Finance Authority	Colma Veterans Village Apartments	Colma	San Mateo	\$35,753,972
7.22	17-023	SL	California Municipal Finance Authority	Paseo del Oro 2 Apartments (Supplemental)	San Marcos	San Diego	\$8,000,000
7.23	17-024	RF	California Municipal Finance Authority	Vista del Sol 2 Apartments (Supplemental)	National City	San Diego	\$5,900,000
7.24	17-398	RB	California Municipal Finance Authority	Idaho Apartments & Church Lane Apartments (Scattered Site)	El Cerrito; San Pablo	Contra Costa	\$13,200,000

**8. ~~CLOSED SESSION: Litigation (Government Code Section 11126(e)(2)(e)) – Discussion with Legal Counsel Regarding Litigation (San Regis, LLC v. City of Los Angeles, et al., Los Angeles County Superior Court Case No. BC637630)~~**

**9. Public Comment**

Jason Snyder with Reliant Group Management, sponsor of the Woods Grove renovation project in Pittsburg, CA, stated that the Reliant Group is very excited about the opportunity to renovate and preserve affordable housing in an area severely impacted by high housing costs. Reliant has met with city officials and they understand their concerns as their objectives are consistent with Reliant's. Reliant will be implementing the city's recommendations with respect to security, maintenance and crime free housing which Reliant has across its entire portfolio of 1,000 projects. Reliant is excited to work with the city of Pittsburg in providing much needed clean, safe, affordable housing to the residents of the city. Reliant appreciates staffs support with this project.

Ms. Boatman Patterson wanted to have a discussion regarding the policy issue of conduit issuance and CalHFA being a conduit issuer with the ability to issue in the state. The Committee may be aware of CalHFA's general policies that when there is a local government who has a sophisticated housing entity who is the conduit issuer, CalHFA will generally defer to that local government. There have been instances where that local government did not want to provide that issuance, so CalHFA looks at the policy behind what is going on. Is it an affordable housing project, is it new affordable housing come online, is it consistent with the State policy of either creating or preserving affordable housing. With this policy of local government being the issuer vs CalHFA being the issuer, CalHFA will continue to work with local government and work through any of those policy issues. When it comes down to going forward with a project that the local government may not be supportive of, CalHFA feels that there may be a balancing act that it needs to look at from the state's perspective of creating and preserving affordable housing. CalHFA will continue to have conversations with local government especially with the affordable housing crisis that the state is currently facing.

**10. Adjournment**

The Chairperson adjourned the meeting at 12:31 p.m.