

## **California Debt Limit Allocation Committee**

Jesse Unruh Building  
Room 587  
915 Capitol Mall  
Sacramento, CA 95814  
**June 20, 2018**  
Meeting Minutes

### OPEN SESSION

#### **1. Call to Order and Roll Call**

John Chiang, Chairperson, called the California Debt Limit Allocation Committee (CDLAC) meeting to order at 1:34 p.m.

Members Present: John Chiang, State Treasurer  
Jacqueline Wong-Hernandez for Edmund G. Brown Jr., Governor  
Alan LoFaso for Betty T. Yee, State Controller

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

#### **2. Executive Director's Report** (Informational Item)

Laura Whittall-Scherfee reported that it appears that CDLAC will be using much of its allocation this year. Staff received about \$1.6 billion in applications for all of CDLACs pools for the July round.

Right now, CDLAC has approximately \$5.6 billion in statewide and left-over carry forward. CDLAC has approximately \$3 billion that has been requested to date, so CDLAC is at the point where there are three (3) more meetings with approximately \$2.6 billion remaining for those three (3) meetings.

Of course, there are projects that will drop out. Staff has already seen five (5) projects that were scheduled to go to July that are being moved or otherwise withdrawn.

Staff sent out a request asking whether our stakeholders would prefer an October or a November meeting; either an October 17th or a November 14th meeting. Final information on that is due at the end of this week; however, as it stands, it appears that CDLAC will probably have the October 17th meeting. The ratio is running 2:1 in favor of an October meeting.

In addition, staff is using the joint TCAC/CDLAC application, and that has been quite successful. It has been very well received. In addition, TCAC and CDLAC were asked to consider allowing

the use of the joint application for meetings where, this year, we do not meet at the same time. We sometimes meet a month apart.

TCAC and CDLAC staff discussed and all staff agreed that we are encouraging the use of the joint application for all projects that are getting bond allocation and 4% tax credits. Staff sent out a listserv to both CDLAC and TCAC members letting everybody know that we will allow the joint application to be used for meetings where we meet jointly and meetings where we do not meet jointly.

The Committee will have a closed door session today immediately following my comments.

The Board meeting will reconvene as soon as the closed door session is over.

The meeting moved to a closed door session at 1:37 p.m.

The closed door session reconvened at 1:46 p.m.

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

<b>Sycamore Street Commons &amp; La Playa Residential Apartments</b>	<b>17-402</b>
<b>Cottage Village Senior Apartments</b>	<b>17-423</b>
<b>Truckee Artist Lofts Apartments</b>	<b>17-427</b>

Shirley Hom reported that there were three (3) projects requesting 90-day extensions to the Bond Issuance expiration dates and a Waiver of the Forfeiture of Performance Deposits. Based on the reasons given which met both of the requirements, unforeseen and outside of the sponsor's control, staff recommended approval of the waiver.

**RECOMMENDATION:**

Staff recommended that the Committee waive the Forfeiture of the Performance Deposits given that the circumstances were unforeseen and outside of the control of the Project Sponsor and the development team.

Jacqueline Wong-Hernandez moved approval of the waiver. Upon a second by Alan LoFaso, the waiver passed 3-0 with the following votes: Jacqueline Wong-Hernandez: Aye; Alan LoFaso: Aye; John Chiang: Aye

**4. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Exempt Facility Programs and Award of Allocation (Action Item)**

**a. Consideration of appeals\***

Richard Fischer reported that there were no appeals.

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

Mr. Fischer reported that the California Pollution Control Financing Authority (CPCFA) had requested an allocation in the amount of \$5,615,000 for the Metropolitan Recycling, LLC project.

Ms. LoFaso stated that the CPCFA staff report had a broader scope which included a refinancing of a 2012 bond. CDLACs staff report lists it as new authority. Is that because the Board is just approving new allocation at the CDLAC meeting.

Mr. Fischer replied in the affirmative. The Project is refunding approximately \$1 million with \$5.615 million involved with the project.

Mr. LoFaso thanked Mr. Fischer for the clarification.

**RECOMMENDATION:**

Staff recommended approval of one (1) Exempt Facility request in the amount of \$5,615,000 for the Metropolitan Recycling, LLC project.

Jacqueline Wong-Hernandez moved approval of staff's recommendation. Upon a second by Alan LoFaso, the motion passed 3-0 with the following votes: Jacqueline Wong-Hernandez: Aye; Alan LoFaso: Aye; John Chiang: Aye

18-010	RF	California Pollution Control Financing Authority	Metropolitan Recycling LLC	Bakersfield	Kern	\$5,615,000	
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**5. 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 stated that there was a revision to the staff report for the Rocky Hills Veterans Apartments supplemental request. The allocation per unit and the allocation per restricted rental units were revised to include the original request as well as the supplemental request.

**RECOMMENDATION:**

Staff recommended approval of two (2) mixed income pool projects in the amount of \$54,392,000 and three (3) general pool projects in the amount of \$19,222,797 for an aggregate total of \$73,614,797.

Alan LoFaso moved approval of staff's recommendation. Upon a second by Jacqueline Wong-Hernandez, the motion passed 3-0 with the following votes: Jacqueline Wong-Hernandez: Aye; Alan LoFaso: Aye; John Chiang: Aye

18-365	RB	California Public Finance Authority	Rocklin Gateway Apartments	Rocklin	Placer	\$39,442,000	
18-368	SL	California Housing Finance Agency	San Regis Apartments	Van Nuys	Los Angeles	\$14,950,000	

18-008	RB	California Municipal Finance Authority	Sycamore Street Commons & La Playa Residential Apartments (Supplemental)	Santa Cruz	Santa Cruz	\$1,436,797	
18-009	SL	California Statewide Communities Development Authority	Rocky Hill Veterans Apartments (Supplemental)	Vacaville	Solano	\$4,100,000	
18-367	RF	California Housing Finance Agency	Fairwood Apartments	Carmichael	Sacramento	\$13,686,000	

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

Treasurer Chiang stated that the Committee met in a closed session and, on advice of Counsel, gave approval to a settlement agreement anticipated to result in dismissal of the litigation and preservation of the Affordable Units.

**7. Public Comment**

There was no public comment.

**8. Adjournment**

The Chairperson adjourned the meeting at 1:55 p.m.