California Debt Limit Allocation Committee

915 Capitol Mall, Conf Rm 587
Sacramento, CA 95814

January 19, 2022

Committee Meeting Minutes

1. Agenda Item: **Call to Order and Roll Call**
The meeting was called to order at 11:03 a.m. and a quorum was confirmed with the following committee members:

Voting Members:	Fiona Ma, CPA, State Treasurer Tony Sertich for Betty T. Yee, California State Controller Gayle Miller for Governor Gavin Newsom
Advisory Members:	Gustavo Velasquez for the Department of Housing and Community Development Tiena Johnson Hall for the California Housing Finance Agency

2. Agenda Item: **Approval of the Minutes from December 6, 2022, December 8, 2022, and December 22, 2022**

Committee Comments
The Treasurer thanked the CDLAC team for finishing the minutes and called for public comments.

MOTION Mr. Sertich motioned to approve the December 6, 2021, December 8, 2021, and December 22, 2021, meeting minutes. Ms. Miller seconded the motion.

Public Comments
There were no comments from the public.

The motion passed unanimously via roll call vote.

3. Agenda Item: **Executive Director's Report** – Presented by Nancee Robles
Ms. Robles introduced herself as the Interim Executive Director of CDLAC. She introduced two staff members. Andrew Papagiannis is the new Office Assistant in CDLAC. He has an AA in Railroad Operations and enjoys building computers and web development. Ricki Hammett is the new Deputy Executive Director who will oversee the work of CDLAC as well as share some of the responsibilities of the CTCAC development and compliance alongside Anthony Zeto. Ricki comes from the Department of Housing and Community Development with over 20 years in state government service. She was a section chief for the last 3 years working on loan programs to fund multi-family affordable housing for veterans under the Veterans Housing and Homelessness Prevention Program, as well as for individuals with mental illnesses under the No Place Like Home Program.
Ms. Robles went on to state she used her delegated authority since the last meeting to disperse the

remaining and reverted 2021 allocation which is further addressed in Agenda Item 4.
Ms. Robles shared some 2021 highlights with the Committee which included a total of 14 committee meetings, with 8 of those being in the last 90 days of the year. She went on to state this was due to ensuring good decisions were being made with scarce resources. She thanked the Committee for their diligence in this ongoing effort. With those resources, CDLAC was authorized to allocated over $4.3 billion of State Volume Cap, with most of that going toward affordable housing projects. Those projects will help developers create 22,946 units of affordable housing throughout California, putting at least as many families and individuals in homes. Another accomplishment was the creation of the BIPOC pool for Qualified Residential Rental Projects. The BIPOC pool is a set-aside for the state ceiling, providing for Black, Indigenous, and People of Color developers who are emerging in the industry and do not have the maximum level of experience required in the competitive application process. In 2021, 3 projects were awarded in the BIPOC pool, totaling almost $112 million. Another round of much-needed disaster credits helped change the landscape by helping to rebuild affordable housing in areas previously struck by wildfires. 22 counties benefited from those tax credits in 2021.
Ms. Robles shared that the landscape of staff also changed in 2021 with the appointing of herself as the Interim Executive Director, as well as a new management team being put in place. There were also several promotions granted and new team members onboarded.
Ms. Robles stated staff have been working on the integration of CDLAC and CTCAC, beginning with the coordination of the application process. A Strategic planner was hired to assist with the roadmap on being fully integrated. Staff also complied with the State Auditor's recommendations to put policies and procedures in place to help create a better agency.
Ms. Robles pointed out CDLAC has received much support from stakeholders and wanted to thank several individually. William Leach led the efforts to help create efficiencies by volunteering time and skill to create a Universal Spreadsheet Standard, and though it is on an indefinite hold, much was learned from the experience. He also assisted with updates to the application attachment which are being finalized for immediate use. Pat Sabelhaus, Caleb Roope, Doug Shoemaker, Ann Silverberg, Marina Wiant, and all the Working Group members helped CDLAC with the scoring methods, regulation development, and offered valuable perspectives. Ms. Robles thanked previous executive directors who reached out to give advice and guidance in her first 10 months as the Interim Executive Director.

Committee Comments:
Mr. Sertich thanked Ms. Robles and staff for their hard work and getting things organized.

Treasurer Ma also thanked Ms. Robles and staff for the big shift. She thanked everyone for their patience during the learning curve. Treasurer Ma also thanked the Governor for allocating the state low-income housing tax credits for the 4th fiscal year, and for allocating $1.7 billion to address some of the backlog. She expressed appreciation for his support and prioritizing affordable housing in the State of California.
Treasurer Ma called for public comments.

Public Comments:
There were no public comments.

4. Agenda Item: **Carryforward update** – Presented by Nancee Robles
Since changing the regulations last year and reconciling prior year carryforward, issuers were able to utilize $189,321,182 in prior year carryforward for projects in 2021. As of December 8, 2021, all available prior year carryforward for the QRRP and exempt facilities was assigned to specific projects. There remains $363,765.95 of 2019, and $541.75 of 2020 carryforward for single family housing projects with CalVet. It is possible that in the future that 2019 and 2020 carryforward may reappear if a project was allocated and those bonds don't issue, or the issuer who was allocated those bonds doesn't issue the total amount of bond.
There were some issuers who returned their allocation at the end of 2021. The cut-off date to return allocation to be used for the waiting list was December 17, 2021. As of that date, all eligible applications on the waiting list were awarded until there was not enough allocation remaining to fund the next eligible project, with the remaining amount being nominal. The total remaining on December 31, 2021, was $63,555,737. This amount went to the California Municipal Finance Authority, the California Housing Finance Authority, and the City of Los Angeles in the amounts of $21,185,246 respectively, to be used as carryforward for QRRP within the next 3 years.

Committee Comments:
Mr. Sertich thanked staff for getting through the old carryforward and reducing the amount of carryforward available, reducing the possibility of losing those bonds as happened a few years ago. He pointed out the committee has not really come back to how to use the carryforward in CDLAC and making new allocations going forward. He specified he wanted to reopen that discussion as the committee works through the regulation changes for 2022. He stated the way it has been previously done was the carryforward is applied to the first award on the list but believes it would be more equitable to divide it among the pools, and know the carryforward is there and with the largest issuers. This is with the knowledge the carryforward they will be awarded, and have the issuers use it on the projects that get awarded first, doing it in a way to prevent problems like the 2019 carryforward being returned at the end of the year. This is the most likely way carryforward is lost, by being rolled over multiple times.

Ms. Robles acknowledged the team is open to exploring different ideas of how to address carryforward and pointed out it would be discussed further down on the agenda. That would include regulations going forward, and other decisions needing to be made, which includes carryforward.

Treasurer Ma called for public comments.

Public Comments:
Cherene Sandidge of the Black Developers Forum wished the Committee Members happy new year. She expressed concern over how the top three issuers were chosen and asked for a clearer path and understanding why one city was chosen, Los Angeles was chosen over San Francisco, or any others

and we are not comfortable with what that process is, and how the committee came up with the three chosen. She expressed her concern over creating a dominant factor in monopoly by allowing those issuers to receive roll-over bonds, but also issue bonds for projects as they come along. Ms. Sandidge further stated it is not a clear or clean process and asked for consideration for other people to handle roll-over or uncommitted forward bond allocations and not just the three.

Hans Johnson, President of the East Area Progressive Democrats in Los Angeles, spoke about Agenda Item 8 and concerns over the possibility of allocating funds to the Poseidon desalination venture. He stated they consider it destructive and environmentally wasteful that is a deviation from CDLAC's mission, taking away the focus on affordable housing units for Californians, expressing concern in hopes CDLAC would align its activities with the mission of affordable housing. The units that were trumpeted in the earlier report in 2021, the focus on black, people of color, and other historically disadvantaged communities in California needs to be a primary focus of this activity and not on a detour to fund a desalination project that is environmentally destructive, economically unjust, and maladaptive to meet the needs of the state as it approaches climate emergency. He urged the Committee to take their concerns seriously and not fund the disastrous focus on funding Poseidon's desalination scheme in Orange County.

Treasurer Ma thanked Mr. Johnson for his comment and reiterated public comments are being taken for Agenda Item 4.

There were no additional public comments.

5. Agenda Item: **Consideration of Extension Request for Qualified Residential Rental Project Allocated in 2021** - Presented by Nancee Robles

Ms. Robles stated staff do not make recommendations to the Committee on behalf of the issuer and for those items the Executive Director does not have the authority to grant an extension. As such, she called for the applicant of CA-21-580 Crest on Imperial to address the committee with its extension request.

Kursat Misirlioglu, CEO of Mirka Investments, LLC, is the administrative general partner for the project. He stated due to external factors, mainly Omicron, there have been delays in getting the permits approved by the city and stated the city's director Elyse Lowe of Development Services and Housing Policy Advisor to Mayor Todd Gloria was willing to address why the extension is needed. They have started on their closing calls, CalHFA is our bond issuer, and are close to closing. However, there was a delay due to external factors they could not control and expressed a desire to see the Committee take a positive approach to the extension request. Mr. Misirlioglu specified the project is located in District 4 of San Diego in Encanto, which is one of the most racially diverse communities in San Diego. There has been very little investment there historically, both publicly and privately. The project is 100% 100-unit, large family, and would benefit the community enormously.

Committee Comments:
Ms. Miller pointed out she does not generally want to grant any extensions because she feels it is a terrible precedent. She asked if there was a letter from the County of San Diego verifying the closure of the offices, and if it was posted.

Ms. Burgos stated Staff did receive a letter which is in the board packet, and also received notification the county intended to make a comment at the meeting.

Mr. Sertich stated this letter could be found on Page 93.

Treasurer Ma asked if this was a county or city project.

Mr. Misirlioglu answered it is the City of San Diego and invited Elyse Lowe to comment.

Elyse Lowe, Director of Developmental Services Department of San Diego, stated they are the second largest building and construction department in the State of California, and they are experiencing major delays within the city. She went on to say building permits that previously used to take 3-4 months are now taking 6-8 months. There has been a major transition during COVID from a paper process to a digital process, which has been a rocky process going through a hybrid then full digital, with all 500 employee working remotely. Ms. Lowe stressed the project, as a private development project offering 100% affordable units is greatly valued by the city of San Diego and as they work to get every single item in the regional housing needs assessment permitted, there are 826 projects waiting to get set up for building permits, which is their intake queue. It is currently taking 30 days after a project is permitted just to get it issued. The city has been affected by Omicron, the Great Resignation, and the Great retirement, so the city is making great strides to improve the process, with this project being one that is seeing the delays. With this project sent in mid-November, and just now getting reviewed, it likely has another 3 months. Ms. Lowe assured the committee with this being a 100% affordable housing project, it would be expedited to make sure it meets the timeline.

Mr. Sertich expressed concern about allowing the extension, considering there is a required readiness deadline which includes local government, developers, and all those involved. Though there are often times things are outside of the developer’s control, some things should be built into the timeline, like some things are added into the cost contingency of the development budget. He expressed they want to make sure there is a time contingency as well. Mr. Sertich continued by saying this request is not very different than previously denied requests, so cannot support the extension though he understands there are real issues causing it. There are other projects that the Committee should be prioritizing that can be built in the timeline rather than providing an extension for this project.

Mr. Misirlioglu stated they have factored in contingencies regarding cost levels which are being addressed through different means. He further stated they started the company 4 years ago, are a locally based minority for-profit developer, partnered with a local non-profit. He believes they are in a position to close, don't believe the dollars could be spent faster, and are committed to closing the transaction, and this could have an incredible financial repercussion on growing local development companies, driven by delivering affordable housing units. He reiterated it is not a typical delay, as the city switched their processing system, which is an external factor. Though he expressed understanding for what Mr. Sertich said, he pointed out this would be devastating for both developers and asked the committee to consider the extension.

Ms. Miller appreciated a representative from the city attending the meeting and verifying the office had closed for a period of time. Ms. Miller asked for clarification that the city was the only reason for the extension request.

Mr. Misirlioglu confirmed the city is the only factor and are prepared to close should the extension be granted.

Ms. Miller asked Ms. Lowe how long the extension or approval would take.

Ms. Lowe stated they have a special permit process for 100% affordable projects so can get them through the process quickly, but it is difficult to guarantee when faced with the applicant responding to their comments but is confident it can get through the process within the desired 90-day timeline.

Ms. Miller asked for Treasurer Ma's preference.

Treasurer Ma reiterated they have denied extension requests during the year, and if this request is granted, it would be difficult to determine priorities, and there may end out being exceptions, or additional projects getting letters from the city or county. She stated she wants to be consistent and set a precedent to play by the rules. She asked if there would be additional requirements when submitting an extension request.

Mr. Sertich stated the project sounds like a good project, but there are rules in place for the overall program to ensure it moves forward in a productive way. He expressed appreciation of the city doing what they can to support the developer. He stated if the request is denied, he would be comfortable waiving negative points, therefore alleviating a long-term penalty, but other cities such as Los Angeles, have advocated for projects as well. Mr. Sertich pointed out the rules state projects need to close within 180 days and would like to hold that.

Treasurer Ma called for public comments.

Public Comments:
Lydia from the unceded territories of the Tongva People, infamously known as Venice, expressed concern that there are not in place any kind of exceptional extensions or meetings for exceptions due to the critical times we live in. This project is very unique in an inclusive and very diverse

community. Ms. Lydia expressed additional concern if the project does not move forward, the area would be left for gentrification and further luxury apartments, as well as projects no one can afford, including some of the staff. She urged for the approach to be creative, innovative, and flexing for the public. Ms. Lydia stated it is a lot of extra work, but California has a lot of interns and lawyers for housing. She urged California to get unique and solve the problem, that people are asking for extensions because of the housing crisis.

Treasurer Ma thanked Ms. Lydia, pointing out over the last two years this has become a very competitive process, so there is a need to ensure consistency, that when they submit their applications, they are shovel ready. The Committee wants to ensure projects are ready to go when they apply and have set this as a standard, as notated by the half dozen extension requests the board denied last year to ensure when applicants came, they were ready. Treasurer Ma expressed understanding of the diversity issues and the housing crisis as it is felt every single day. She reiterated she has chaired every meeting for the last two years, spoken to every stakeholder who wanted to meet to talk about different issues. The team is active on different panels, going to ribbon cuttings, and talking about the competitive process. She thanked the governor for his help in making affordable housing and allowing projects on the shelf for many years apply for tax credits and bonds.

Mr. Misirlioglu stated Omicron is like an Act of God, as it is an external factor, and believes there was one extension request granted to one of the projects in the last round. He urged the committee to think outside of the box and consider they are a very motivated new local developers who works very hard in addition to everything. They are going to close the transaction and spend a lot of money. They have closing calls, teams engaged, and believe the Omicron surge is not a precedence, and is an external factor, as well as an act of God. He urged the Committee to consider the extension because it is extremely important to the parties involved, including the sponsors and the community.

Ms. Miller asked Mr. Sertich about not assessing negative points and penalties and if that is done by motion.

Mr. Sertich stated it is a separate item they would have to apply for, in the way of asking for a return of their forfeiture of deposit, which is how it has been done in the past.

Ms. Miller thanked Mr. Sertich.

Treasurer Ma asked if this was one of the duties delegated to the executive director, or if they would need to come back with the request.

Ms. Robles stated it is in the resolution, that they would need to come back to the committee if they want to waive the forfeiture of deposit after the fact [deadline] though they still have an opportunity to execute.

Ms. Miller encouraged the developer to work with the city to see what they could do in the remaining time since there still seems to be a window of opportunity, hoping this project could continue to be a success story.

Reese Jarrett of the Black Developers Forum urged the Committee to take the extension request into consideration since denying the request won't bring product to the marketplace any quicker by denying it and reallocating the commitment. He stressed the opportunity to evaluate the fact of these being very different times, and there is no denying that there is a clear economic factor beyond the control of the development community as it relates to getting projects through the municipal government, it is a reality that needs to be recognized. There is not enough contingency involved in trying to evaluate the delays that are directly impacted by the pandemic, which the Committee may not be taking into full consideration. Mr. Jarrett asked the committee to give some evaluation of that, and clearly it may set a precedent, but maybe there is a better factor in a better direction to move the project forward as it is being delayed by factors outside the developer's control.

Treasurer Ma called a motion, and there was none, therefore denying the extension request. Treasurer Ma agreed with Ms. Miller and encouraged the city and developer to do what they can to get the project to close.

6. Agenda Item: **Adoption of the 2022 State Ceiling on Qualified Private Activity Bonds**
- Presented by Nancee Robles

The California 2022 State Ceiling on qualified tax-exempt private activity bonds is based on a calculation of the IRS inflation factor of $110.00 and the estimated population of 39,237,836 persons. The inflation factor remained the same as last year while our population declined, so the 2022 State Ceiling is a little over $14 million less than 2021. Staff Recommends Adoption of a resolution establishing the 2022 State Ceiling for qualified tax-exempt private activity bonds of $4,316,161,960 and determine that the 2022 allocation year be a competitive application process in all pools.

MOTION Mr. Sertich motioned to approve the adoption of the 2022 State Ceiling. Ms. Miller seconded the motion.
Treasurer Ma called for public comments.
Public Comments:
There were no public comments.
The motion passed unanimously via roll call vote.

7. Agenda Item: **Adoption of the 2022 Committee Meeting Calendar and Award Schedule**
Committee Comments: - Presented by Nancee Robles
Treasurer Ma acknowledged Staff's hard work to coordinate calendars.

Ms. Robles stated regulations require the committee give notice of the dates of the deadlines for submitted applications for each allocation round. Staff recommends 2 rounds of Qualified

Residential Rental Projects allocation for 2022 with two meetings to allocate. Round One would have an application deadline of March 16, 2022, with a meeting date of June 15, 2022, for the allocation. This round of allocation would follow the existing CDLAC regulations. Round 2 application deadline will be July 7, 2022, with a meeting date of October 19, 2022, for allocation, and this round will follow the new regulations that are being prepared for the latter part of 2022. Staff is also proposing 3 meetings to allocate other exempt facility bond authority, provided that is approved for allocation in item 8. Agenda Items 7 and 8 are dependent on each other.
For other exempt facilities first application deadline would be February 23, 2022, for an allocation on April 27, 2022. The second application date, May 18, 2022, for an allocation on July 20, 2022. The third application deadline would be August 3, 2022, for an allocation on September 28, 2022. Additionally, Staff intends to present the new regulation draft to the Committee on April 27, 2022. The application rounds will be again discussed in detail in Agenda Item 8. The 2022 schedule has been prepared in coordination with CTCAC's calendar for the 4% state tax credits and schedule. A date for those meetings is in the schedule in Exhibit A attached, and the committee retains the right to alter that schedule at public meetings.
Staff recommends approval of the 2022 CDLAC Committee Meeting schedule.

Committee Comments:
Treasurer Ma asked Ms. Robles if times can be set so the meetings can be put on the Committee Member's calendars.

Ms. Robles stated the meetings usually start at 11:00 am.

Treasurer Ma followed up stating CTCAC Committee Meetings usually follow the CDLAC meetings and asked if these times worked for the other committee members.

Ms. Miller asked if the times can be changed due to her limited availability, and vote on the days in the meeting, but determine times afterward.

Ms. Robles stated the Committee has authorized the Executive Director to make changes to the calendar if they are nominal, that the purpose of this agenda item is to meet the regulation requirement of setting the actual application deadlines and allocation dates, that the times can be worked out then published on the website as well as sent out on a ListServ.

Treasurer Ma requested additional items on each agenda to avoid needing to schedule additional meetings in order to agendize items, meaning the agendas will be fuller in 2022 and if an agenda item does not need to be heard, it can be skipped.
The Chair called for public comment

Public Comments:
Cherene Sandidge of the Black Developers Forum asked for clarification regarding why Agenda Item 7 seems to be considered open for comments from other items, such as Agenda Item 8 which is

where she believes people from Poseidon are speaking to. She asked for clarification on what the meeting dates are for housing.

Ms. Robles responded to Ms. Sandidge saying CDLAC does not just allocate for housing, they may also allocate for exempt facilities. These have been separated out, with two rounds for housing. The first deadline of March 16, 2022, with the meeting date to approve allocation of June 15, 2022. The second round for housing would be an application deadline of July 7, 2022, with a meeting date of October 19, 2022. The three other meetings were for other exempt facilities which would be solid waste, recycling, water projects. This is in the event other exempt facilities are approved in Agenda Item 8, which is the next item for the allocation apportionment.

Ms. Sandidge clarified her understanding, asking if there are 4 opportunities to apply for CDLAC money as opposed to housing who are trying to house people in California getting 2 rounds. If they get a third round in Agenda Item 7, then give 3 rounds in Agenda Item 8, that is a total of 4 opportunities, and those dates don't align with housing. She asked if her understanding is correct that this is now the State's priority.

Ms. Robles reiterated it is 3 allocations, also the amount of funding requested for exempt facilities, which is the next item, is considerably less than the housing. In addition, exempt facility projects tend to come in one or two at a time, whereas housing comes in with as many as 150 projects at a time.

Ms. Sandidge thanked Ms. Robles.

Treasurer Ma pointed out due to the extensive regulation changes made, it was not possible to have 3 rounds for housing like there was in the past. It is not that housing is not a priority, and they have not gone through with the official allocation for rounds and pools yet. The first round is going to be based on current 2021 rules and tiebreakers, and the second round is going to be based on the new regulations and tiebreaker, so needed to take out a round in order to get all of the changes to the OAL office, which is a requirement for any emergency regulations and permanent regulations. The team is still dealing with previous emergency regulations from 2020 and 2021 to consolidate them, and make sure they are correct versions to OAL. With the new changes, there is additional work. It does not impact the amount that goes to housing and non-housing projects, simply that 2 rounds are going to be for housing since there were no changes to the non-housing tax exempt private activities bond rules, they can submit for three rounds like in the past. Those are the only changes for this year.

Ms. Sandidge thanked Treasurer Ma and stated there is still an inequity in the process, unless in the open meeting the committee will look at additional unallocated money that was given in rounds one and two, then the money that was not allocated in those rounds will roll over to the top three issuers as uncommitted [bonds]. She asked for additional explanations on this from Ms. Robles.

Ms. Robles stated the exempt facility and housing are two different things, and one of the purposes of having round two at the timing it is, is to allocation all of the funds by the end of the year to housing without having reversion and unused allocation rolling over to carryforward. The Committee is trying to prevent that.

Treasurer Ma stated in the past the Committee has used the private activity bonds, which has been about $600 million for the last three years and the Committee has used that, so there should not be much excess. If there is excess, it is used for housing.

Ms. Robles pointed out in the past exempt facilities have been allowed to come to every meeting, giving 8-10 opportunities to come to the committee for allocation, and this is now being restricted to 3 opportunities. She reiterated this is only for 2022, and in year 2023, there is full intension to go back to the normal schedule.

Treasurer Ma called for additional public comments.

Laura Kobler from the California Housing Partnership asked about the CTCAC schedule and the 9% application deadlines. She pointed out it looks like the 4% and CDLAC applications are due on roughly the same schedule that staff normally see the 9%, which is a lot of applications to review at once. Ms. Kobler asked what the proposal is for 9%.

Treasurer Ma stated that is why it has taken so long since the team has been trying to align with CTCAC which is one of the efficiencies of having one director. She asked Ms. Robles to explain further.

Ms. Robles stated the team is prepared to post the schedule for CTCAC on the website after the CDLAC schedule is approved or not approved, then posted on the website. The team is coordinating with CTCAC. They are fully aware of the workload being created for staff and have spent a lot of time and energy making sure it works for developers as well as staff.

Ms. Kobler asked when the application rounds will be due.

Ms. Robles asked Anthony Zeto, Deputy Executive Director of CTCAC, to answer.

Mr. Zeto responded in the second round, it would be a week prior to the deadline for the 4% second round. In the first round, it will be two weeks prior. The 9% application round deadlines will be prior to the 4%.

Ms. Kobler identified it is a similar schedule as previous years and acknowledged staff will have a lot of applications to review.

Mr. Sertich stated he believes they can move forward, understanding there may be unneeded meetings but does not think there are any problems moving forward with this.

MOTION Ms. Miller motioned to approve the 2022 committee meeting calendar and award schedule. Mr. Sertich seconded the motion with the hope of going back to a 3-award schedule after this year.
The Chair acknowledged we already had public comment.
Motion passed unanimously via roll call vote.

8. Agenda Item: **Adoption of Allocation Apportionments of the 2022 State Ceiling**
– Presented by Nancee Robles
In accordance with the regulations, at the beginning of each calendar year the Committee must determine and announce what amount – expressed both as a percentage and as a dollar amount of the State Ceiling – shall be available for allocation during the year and in each Allocation Round to Qualified Residential Rental Projects (QRRP) and for Exempt Facilities should that be the case.
In Agenda Item No. 6 of this Committee Meeting, it was established the State Ceiling amount for 2022 is $4,316,161,960.
Two rounds of QRRP Allocation are necessary due to the uncertainty of the timing of the proposed amended regulations, a factor that is out of the control of staff and the Committee. It would be irresponsible to assume the regulatory process will perform perfectly in these unprecedented times. The last 22 months have proven that delays are inevitable across all spectrums. In addition to affording more time in between rounds, only having one round in the second half of the year, allows for more time to allocate any possible reverted allocation before the end of the year, avoiding the lump sum carryforward.
Two rounds will also allow larger projects more opportunity, as staff will recommend one third of the State Ceiling be in the first round adhering to the current regulations and two thirds in the second half of the year under a new set of regulations, with two exceptions:
1) Staff will recommend the Mixed Income Pool (MIP) be frontloaded, meaning the entire pool allocated for MIP under the current regulation of percentage (20%) of set aside will be available in the first round. This will allow MIP to immediately deploy its projects that are waiting in the pipeline and return any unused allocation before the second round of awards are allocated.
2) Staff will recommend that other Exempt Facilities be split into three equal rounds.
Exhibit A illustrates the detailed breakdown of allocation apportionment recommended. It is proposed that the first-round percentages remain the same as the final round of 2021, that adhere to present regulations, and $600 million be allocated to other Exempt Facilities. Of the remaining State Ceiling, 60% will be reserved for Non-Geographic Pools and 40% for Geographic Regions. The second-round allocation apportionment will change when new regulations are adopted and in effect for the second half of 2022. It is the intent of the staff to go back to a 3-round process for 2023 and let the new regulations season for a while.
Staff recommends apportionment of the 2022 State Ceiling Pools per Exhibit A that further includes apportionment by allocation round. In addition, staff recommends the 2022 Program Year be determined a Competitive Application Process for QRRP and other Exempt Facilities.

Committee Comments:
Treasurer Ma confirmed her understanding that Round 1 is based upon what the Committee agreed

to for the pools and the regions based upon current regulations. Round 2 is what is currently being discussed taking the proposals of the State Controller and the Administration but have not yet voted on it. What the Committee votes on would be applicable to Round 2.

Ms. Robles agreed with Treasurer Ma.

Treasurer Ma requested asterisks on Exhibit A notating pools and region allocations are potentially going to change.

Ms. Robles confirmed staff would honor this request.

Ms. Miller thanked Ms. Robles for how the pools were displayed and asked if Administration could amend their request as outlined on page 278. Administration requested $89.6 million could come out of the exempt facility to go toward the CalVet program. She stated it is a phenomenal program run by the California Department of Veterans Affairs, further stating it is the only program in the country ensuring home ownership for our veterans. Unfortunately, this program relies on the tax-exempt financing by CDLAC, as a way to encourage home ownership for those who have served our country. Ms. Miller asked the Committee to consider reducing the tax-exempt pool by $89.6 million so it does not come out of the housing pool, devoting it to the CalVet program. She shared they worked with CDLAC staff to identify there is some carryforward which brings the total up to $90 million specifically for the program to be used exclusively for veteran's homes, in addition to the detail listed in Exhibit A. It was confirmed CDLAC has awarded this money in the past.

Treasurer Ma specified Ms. Miller was referring to the non-housing portion, asking for, instead of $200 million in each round, to reduce the $600 million by $89.6 million to fund the CalVet program. Ms. Miller is not referring to voting on other pools or geographic region for Round 2, just making the recommendation to decrease the total amount of $600 million, tax-exempt private activity allocation by $89.6 million for CalVet.

Mr. Sertich appreciated Administration's consideration of the CalVet program, stating it is a great program. He wanted to reiterate what was said at the last meeting, that $600 million not going to affordable multifamily housing is really a loss of $400-450 million in 4% tax credits that could be leveraged from the federal government. Looking at the Governor's budget proposal, there is a lot of money in there for tax credits for environmental projects, $200 million to add to the California Housing Accelerator Program, which seemed a little strange since $450 million added here could greatly add to housing than the $200 million in the California Housing Accelerator. Mr. Sertich asked where the disconnect is in giving up $350 million in federal money.

Ms. Miller asked to speak from the Administration's perspective, that there is only one bucket of tax-exempt financing. One multiplier being referred to in terms of the 4%, which is a fantastic program. Rail has another multiplier, which is more significant than the 4% credits. When going to market for those bonds, the value on those bonds is another opportunity to do any of the electric rail projects. The same is true for the need for recycling plants. The Governor and others have advocated for the change, which was in the Build Back Better bill, in terms of reducing limitation from 50% to 25%. She stated this is something we [the Administration] continue to advocate for. The question is broader when there are limited resources and high demand in terms of construction for projects in addition to housing. There has not been a governor who has invested this much to housing in the State of California. While Ms. Miller expressed understanding Mr. Sertich's point about leverage, there is no governor who has committed this much in federal dollars or state general fund dollars. She identified Mr. Sertich's desire to have the most balanced approach and believes the Committee can think in terms of what the other needs in the state are, in addition to housing. The clear priority is on housing, with a small amount going toward tax-exempt financing.

Mr. Sertich agreed. He stated the budget shows over the last couple years how much money is being put into housing, and believes the money should be used in the most efficient way possible. Mr. Sertich pointed out there are different ways to put the pieces together to have more money, which is what we [Controller's Office] are pushing for.

Treasurer Ma stated without infrastructure such as garbage, recycling, and wastewater, housing cannot be built correctly, so these do go hand-in-hand. Permits will not be put in place without providing the additional infrastructure to support the additional housing. There is also the new mandate for composting, which puts additional pressure on the garbage and recycling facilities to expand them, so they will be looking for ways to finance the extra costs. Additionally, there is the electric vehicle mandate. The State has many goals to accomplish, with a limited amount of bonds. If there is the reduction of the bond requirements from 50% to 25%, it opens up a new opportunity in terms of where bonds can be allocated, like acquisition and rehabilitation type projects. Treasurer Ma expressed she is cognizant of trying to maintain the $600 million threshold to do other things to support housing, and not take away from housing.

Mr. Velasquez wanted to clarify what Treasurer Ma may have been referring to the breakdowns on Exhibit A. He pointed out the color-coded columns, with the proposals from the controller, administration, and Treasurer's Office. There is a certain percentage there of breakdowns, when looking at Exhibit A, on the State Pools a breakdown from one column, but on the regional apportionments, a breakdown from another column. He asked if this is the clarification Treasurer Ma had wanted to make. The difference in the breakdowns is due to different rounds.

Treasurer Ma stated they have not made a decision on Round 2, when there is a decision, there will be another column with different breakdowns. The existing number as they relate to round 1 because they are under the same rules, but there is not a decision on round 2 yet, there will be another column showing the difference, if any, from Round 2. Treasurer Ma reiterated there are asterisks needed, or another indicator specifying the Round 2 allocations may change.

Treasurer Ma called for public comment.

Public Comments:
Susan Jordon of the California Coastal Protection Network stated the Committee would vote on the amounts to allocate to the pools and exempt facilities in this meeting. Many have testified they believe the vast majority of private activity bonds allocated by the federal government for 2022 should go to fund affordable housing projects, and object to any private activity bonds being allocated to the Brookfield Poseidon private for-profit seawater desalination plant. They continue to emphasize the objection because there is a standing CPCFA approved initial resolution for Poseidon's $1.1 billion application. In the most recent press reports, including LA Times and the Voice of OC, Poseidon indicates they intend to apply for all programs they believe they are eligible for, including CDLAC. Ms. Jordan said this could be resolved by Poseidon acknowledging it is inappropriate for a company whose parent is a $650 billion global private equity behemoth, potentially taking away $1.1 billion in paths for much needed affordable housing projects throughout California. Poseidon could also ask to rescind or withdraw their application, but until the application is withdrawn, expired, or denied, it is incumbent on the public to continue to voice objections to the lingering possibility. The Orange County Register, who supports the project in concept, opined on December 23, 2021, that Poseidon should not get a cent of $1.1 billion in state fund request. The California Coastal Protection Network agrees with this.

Lydia echoed Ms. Jordon. She stated there are approximately 58 counties, with 16 of them being coastal. It is a huge responsibility, and the California community must witness CDLAC's continued prioritizing permanent affordable housing in 2022. Regarding the federal subsidies in the amount of $880 million, the public must see the prioritization in the early part of 2022 in order to support what the Committee is doing. In these times of pandemic and climate crisis with continued global warming, Poseidon must be removed off of the funding consideration. Not one penny, no public funds for private corporation profit, and remove all proposed projects of desalination as these projects do not honor, defend, or protect the sacred oceans, land, or people.

Rachel VanderVeen, the Deputy Director with the City of San Jose Housing Department, commented on the Round 2 allocations of the funds with the 3 proposals. Speaking for San Jose and what they want to see is having the allocation for the Bay Area region maintain at least the 21% level. They have been working over the last year to change this because they are having a difficult time bringing the funding necessary to create affordable housing in the region. Ms. VanderVeen expressed concern over this and supports the proposals to maintain that allocation. San Jose has over 3000 affordable housing units in the pipeline and the only way to make this happen is to work together to bring local, state, and any other possible resources to make affordable housing come and be real in the community. They are desperate for funding and ask the Committee to carefully consider the regional allocations.

Ms. Miller asked for clarification on the regional allocations, pointing out page 103 of the E-Binder is Exhibit A, which shows the Bay Area Region with 21%. The Team was trying to encompass what had been spoken about previously, which is why different percentages are reflected. Ms. Miller clarified

21% is on the table for the Bay Area region and agreed on the importance of what Ms. Vanderveen shared.

Treasurer Ma stated the Treasurer's Office's version is what was initially allocated at the beginning of the year, which was 17% and was changed after the second or first round to 21%. This is why the Administration's and Controller's column has different numbers. Treasurer Ma confirmed Ms. Vanderveen was advocating for 21% for the Bay Area region.

Helen Tong-Ishiwaka with the County of San Mateo's Housing Department echoed support for the Bay area allocation to remain at least 21% in both rounds. She stated San Mateo County has a pipeline of over 300 units that are ready for bonds in 2022, to include over 90 ELI units, which are also in line for the Affordable Housing and Sustainable Communities Program awards. That program uses the state cap and trade funds to meet climate goals and is designed to work well with the 4% credits and bonds. Given the Governor's emphasis in this year's budget on climate change and housing, the County of San Mateo's pipeline is in alignment with those goals. Ms. Tong-Ishiwaka thanked the Committee for making the process as fair as possible.

Andrea Leon-Grossman, Climate Action Director of Azul and Environmental Justice Organization, thanked CDLAC staff for providing broader access to committee meetings through Teams.
on behalf of Environmental Justice communities that have always been borne the
brunt of environmental activities in California. We are suffering from a crushing housing crisis. Commissioner Matt said he does not believe housing is infrastructure. She believes that is incorrect and Californians suffering from the housing crisis would agree. The proposed desalination plant in Huntington Beach is industrial activity of the worst kind. If CDLAC agrees to give exempt facilities, especially Poseidon, hundreds of millions of dollars in affordable housing funds, the state will lose roughly the equivalent amount in federal housing subsidies. The industrial activities will vastly increase harming our communities twice over. First by vastly reducing the desperately needed new housing funds, and second by increasing industrial activity in Southern California. It is contradictory to give a polluter like Poseidon financing from a fund that is designated to control pollution and decontaminated sites and wells. From all the reports and information received from CDLAC, the funds are significantly oversubscribed. Californians have a right to know how those difficult decisions will be made. A transparent scoring system will determine which projects will be graded as the greatest benefits to vulnerable Californians, to ensure CDLAC can rely on public support for their decisions. Without such a system, CDLAC decisions will appear suspect and more like backroom deals of old. Ms. Leon-Grossman reiterated it is vital for CDLAC to announce the scoring system that will be used precisely and how it will work to priorities affordable housing, environmentally friendly designs, and climate resilience. Such a system should also deprioritize anything that does not support solutions to the housing crisis. The proposed plant will run on dirty energy, not the alternative green energy that the state is seeking to deploy. The proposed plant will dump 50 million gallons of toxic concentrated brine and harmful chemicals into the bay every single day, 365 days a year for half a century, harming fish, wildlife, and the ocean environment. The emission from the plant will significantly increase the air pollution and the burden in the entire region. Ms. Leon-Grossman stated that the most alarming aspect is the water it will produce the most expensive in

the county, and the most toxic. Since there are no buyers, it will be required to be blended with California groundwater to force the sale to the water districts in Orange County. In addition, the levels of boron in desalinated water will be suboptimal for human consumption. A clear example is the Carlsbad desalination plant from the same company in San Diego. They now have the most expensive water in their history, and it is killing small businesses that rely on cost effective water to run their operations, harming rate payers who have no other option. She stated they do not need San Diego's unfortunate path, and do not need to follow it. Ms. Leon-Grossman offered the analogy of someone offering to sell a piece of technology that is 20+ years old at the price of current cutting-edge technology, which is what Poseidon's outdated technology would require, and use that obsolete technology for the next half century. This is what Poseidon wants us to do, to use decades old technology over cutting-edge technology and lock that decision for decades. Ms. Leon-Grossman urged the Committee to reject any attempt by Brookfield Asset Management for millions of dollars and say no to the Poseidon and the foreign corporation to use the funds that are greatly needed for housing, preventing Californians from using the money. It Is constitutionally a terrible decision that will echo negatively for generations. Environmental justice communities across the state ensure common sense, fairness and equity. CDLAC's mandate to support affordable housing above all else would preclude this decision. They rely on CDLAC to abide by the mandate to do the right thing, as do generations who have not yet been born. She thanked CDLAC for making the right call for protecting the most vulnerable Californians, not a rich foreign corporation.

Oscar Rodriguez, of the city of Huntington Beach, serves on the Planning Commission, urged the committee not to allocated funds to Poseidon. The project has been in the making for roughly 20 years and are suddenly needing funds to move forward with the project. As a resident of Huntington Beach, Mr. Rodriquez stated he lives and works among working class families who have seen a significant increase in the cost of living. He pointed out keeping water affordable is the least concern for Poseidon, as demonstrated in Carlsbad. Families are relying on CDLAC to ensure funds are allocated to what it is intended for, which for the most part is for affordable housing projects that prevent homelessness. Poseidon is not being upfront with their true intentions. Most people in Orange County, particularly low-income communities like Santa Ana and Anaheim, don't know about the project and the negative economic impacts it will have. Desalination is the most expensive form of freshwater production, and they have many lobbyists pushing to lock them in to a 30-year contract. He asked the Committee to really look at the project and communities like his. Mr. Rodriguez stated he lives in Oak View, which is primarily a low-income community in Huntington Beach, and has been against the project since learning about it in 2016. They [Poseidon] had canvassers going into the neighborhoods trying to have them sign papers and documents showing support, but not in a language many of the residents speak, since Huntingtin Beach is very diverse. He urged the Committee to not allocate any funding since Poseidon does not need it, and the lobbyists and the communities don't need it.

Alejandro, a youth activist with Sunrise Movement and a resident of Orange County, calling in from Berkeley, California, wanted to urgently remind the committee that tax-exempt debt should be used primarily to help low-income Californians through affordable housing. California is in a state of crisis, and this is something we have to do. In Berkeley, there is a multi-family home on Martin Luther King

Junior Way near Malcolm X Elementary School that sold in 2002 for $500,000. The rent is $6,000 though the mortgage payment is $2,000, showing injustices are happening near the streets and elementary schools named in honor of leaders who fought against such injustices. There is a need to remember the primary interests faced in California right now is the high rent. In Orange County, the average low-income family pays 73% of their total income to rent. He asked how they are supposed to pay for rent, their kids to go to school, survive, eat healthy, or get ahead if they are paying 73% of their income to rent only. Mr. Alejandro opined there are other facilities who are complete wastes of money who are applying for tax exempt bonds such as Poseidon, who is applying for $1.1 billion, even though their Carlsbad plant is owned by a private equity firm in the UK. The tax dollars of families who are already poor and barely getting by are now feeding the profits of a few people in the UK. Additionally, houses in OC owe tons of money in water bills. Low-income houses already cannot pay their current water bills, and now water companies are beginning to shut them off, limiting access to our precious life-source, which is water. Water has been free for most of human history, except for the last 100-200 years, and with Poseidon, those rates would continue to go up, meaning these families who are already behind in their payments would not stand a chance. Local government, meaning the City of Anaheim and City of Santa Ana, would have to subsidize the water rates because constituents are low-income, so would ask local government to get them through the crisis. Mr. Alejandro reiterated his request to not fund Poseidon water plant for $1.1 billion and instead put as much money as possible to affordable housing.

Ann Chen of the Unity Council in Oakland, California, reiterated what many other speakers have said, which is to focus on affordable housing, and that this allocation be dedicated to multi-family affordable housing projects. While it is recognized a great need for infrastructure and funding for that infrastructure, there is also a homelessness crisis occurring and has been increasing over the past several decades, contributing to the infrastructure burdens being seen. As people without homes have their property becoming consumed as trash in the streets, as they are unable to develop their lives into a greater contribution for the California community. She asked for clarification on the geographic regions, and if the published proposed allocation regarding Round One pools for housing funding or Round Two, or if the Round Two proposals has not been brought up yet.

Treasurer Ma verified it has been discussed but not voted on.

Ms. Chen asked when it would be up for vote.

Treasurer Ma responded to Ms. Chen, saying a date has not been set for that, but will talk about that today.

Ms. Chen thanked Treasurer Ma.

Caleb Smith of the City of Oakland, California, echoed what many of the other people from the Bay Area communities have been saying, elevating the importance of keeping the Bay Area regional allocation to at least 21%, and engaging in a transparent process moving forward to develop an evidence-based allocation that meets the needs of each community based upon the level of need. This is important from an equity perspective to direct funds to where it is needed the most as the Bay Area currently has the largest number and largest percentage of unfunded projects, especially Oakland, where the per capita rate of homelessness is twice the statewide average. Focusing on need is very important from an equity perspective. Mr. Smith wanted to also address the question of affordable housing versus other possible bond uses. He sympathized with the challenging trade-offs the Committee faces with regard to housing versus other categories of public infrastructure. Those are trade-offs the City of Oakland has to also undertake. However, he strongly recommended the Committee dedicate 100% of available bond capacity to multi-family affordable housing, because in the City of Oakland, that is where there is the greatest need and opportunity for impact, after considering federal leverage. Mr. Smith expressed thanks for the current proposal for Round Two maintaining 21% allocation for the Bay Area Region and looks forward to working with the Committee as they consider longer-term regulations, which would help govern the regional pools heading in to 2023 and beyond.

Shannon Dodge with the San Francisco Bay Area Rapid Transit district, better known as BART. They are the largest owner of developable public land in the Bay area and is with BART’s property development group where they advance equitable transit-oriented development (TOD) on BART’s property. She is also the lead on BART’s participation in Affordable Housing and Sustainable Communities, or the AHSC Program. Ms. Dodge urged the Committee to increase allocation to the Bay Area to the Controller’s proposal of 22.5%, which she believes is the only allocation approach relying on data-based methodology. The Bay Area Pool had the largest number and percentage of unfunded projects in the state. According to the CDLAC bond demand survey this past year, 79 projects applied in the Bay Area pool, but only 25 projects were funded via the set asides of ELI, homeless, and MIP pools. BART developer partners rely on bond from CDLAC to advance TODs at our stations, allowing lower income households superior access to jobs while lowering their climate impact. CDLAC is not only essential to the TOD on BART-owned properties, it also needs to advance the AHSC projects that they participate in. Projects located throughout the communities served by BART. In Round 5, they were a partner on 8 successful AHSC applications, and in the most recent Round 6, another 6 of their applications were recommended for funding. Between those two rounds, $75 million in AHSC funds were committed to BART’s transportation components. Ms. Dodge shared that $75 million cannot be unlocked unless they partner with the affordable housing developers who are able to access tax exempt bonds for the affordable housing component. She stated some of the more worthy projects they have partnered with have faced long delays and multiple re-applications due to the oversubscription of the Bay Area Pool. She urged the Committee to recognize the urgency of the Bay Area affordable housing projects, and increase the allocation to their region to 22.5%, relying on the data-based allocation method that was proposed by the Controller. Ms. Dodge agreed that 100% of the bonds should be allocated to multi-family housing, giving the profound need for affordable housing throughout the state, with thousands of shovel-ready units needing tax-exempt bonds. She thanked the committee for their ongoing partnership on TOD.

Theresa Gunn with Calvet requested to comment.

Treasurer Ma asked Ms. Gunn to wait until the end of the item to comment since she had some questions.

Ms. Gunn agreed to this.

Raymond Hiemstra requested the committee to support diversion of tax-exempt bonds to the veterans' program. He stated it is a better use of scarce funds than the corporate welfare of the Poseidon desalination project. Mr. Hiemstra reiterated all of the very worth previously mentioned projects should be prioritized over funding Poseidon.

Corey Smith, on behalf of the Housing Action Coalition, asked to be associated with the other members of the Bay Area community who have spoken up in appreciation for continuing the Round 2 allocation for the region at 21%. He encouraged the Committee to continue the transparent, data driven process around future allocations, and appreciated Staff clarifying this earlier in the meeting.

Justine Marcus, the Policy Director of Enterprise Community Partners, associated herself with some of the comments regarding the great need to allocate 100% of the bond capacity toward affordable housing, and finding other ways to fund exempt facilities as well as other infrastructure needed in the communities. Bonds are essential to the successful implementation of the other housing investments the Governor and his administration have put forward in their draft budget. Like the affordable Housing and Sustainable Communities program, the Infrastructure Grant program, all those projects are going to need bonds and tax credits to move forward. Ms. Marcus stated without taking action to increase the bonds for affordable housing and leverage those credits to the greatest extent, there is a risk of worsening the backlog of new affordable housing. As they try to meet this crisis with urgency, the pipeline of shovel-ready projects should not sit on the shelf while California families are suffering on the streets. Her organization is active in the federal advocacy to address the bond cap issue, lowering the test from 50% to 25%. The reality is there is a lot of uncertainty on how that will move forward, so urged the Committee to take the opportunity to do what they can by prioritizing the use of bonds for affordable housing.

Nathan Ho, Senior Advisor for Housing and Homelessness for Mayor Sam Liccardo, thanked the Committee for addressing the state's housing affordability and homeless crisis. Mr. Ho wanted to comment on the three proposals put forward by the committee members regarding future rounds of allocation apportionment, including Round 2 for this year. Mayor Liccardo, as well as Oakland's Mayor Schaaf and San Francisco's Mayor Breed in ensuring the Bay Area has enough access to bond allocation to continue the hard work of permanently housing their unhoused neighbors and providing affordable housing in the communities. The Bay Area represents almost 34% of the statewide demand yet does not receive the same percentage in the geographic pools. In Round 1 late year, San Jose, Oakland, and San Francisco, the Bay Area big cities, did not have one single project initially recommended for award, as the Bay Area allocation was only 17%. He thanked the committee for deciding last spring to increase the Bay Area allocation to 21%, so San Jose, San Francisco, and Oakland did see projects awarded in rounds 2 and 3. Mr. Ho expressed they were reassured by the increase of allocation to 21%, as well as the state housing accelerator fund through the budget, thanks to the Governor and state legislature. Their cities are aggressively moving forward with affordable housing and homeless housing projects, and respectfully requested maintaining the apportionment of at least 21% for the Bay Area. If changes must be made, he recommended the apportionment from the Controller's office, which is based on regional housing needs and costs. He requested postponing any changes to the regional apportionment until a transparent methodology can be developed based upon data such as regional needs and housing costs. Mr. Ho also asked to postpone any changes to the county makeup of the of the regions until an analysis could be conducted examining how such changes might impact future allocations. He thanked the Committee again for their dedicated public service and looks forward to continuing the partnership for moving forward affordable housing and homeless housing.

Rick Gosalvez with SV At Home, the voice of affordable housing in Silicon Valley, echoed many of the sentiments and desires expressed regarding allocations and general proposals moving forward. They support the proposed updates and wanted to highlight the importance of CDLAC developing a transparent data-driven methodology that helps regional allocations be determined based upon needs and costs. As they move forward, working through open discussions reviewing the year's regulatory considerations, he asked the committee to allocate 100% of the bonds to multi-family housing in 2022. It is extremely important, given the profound need for affordable housing throughout the state and thousands of shovel-ready units needing tax exempt bonds. Mr. Gosalvez supported the updates to the tiebreaker framework as well as recommendations to preserve the Bay Area geographical allocation to 21% or more. However, that still leaves them significantly short of what is actually needed. The Bay Area pool, as a region, has the largest number of unfunded applications per CDLAC's recent bond demand report. The need for affordable housing is great and closing the Bay Area's housing gap is an important opportunity for the Committee to prioritize in 2022. He suggested prioritizing closing the gap, and thanked Staff for the 14 meetings last year, highlighting the importance of the reports provided.

Elizabeth Colomello, with the Office of Community Investment in Infrastructure in San Francisco, spoke on behalf of her colleagues at the Mayor's Office of Housing and Community Development in San Francisco. She echoed the comments regarding the Bay Area. The Bay Area region currently receives a 21% set aside in the geographic pool but remains the most underserved and oversubscribed by geographic apportionments, representing almost 34% of statewide demand. Additionally, altering the county makeup of the regions could further impact the Bay Area's ability to secure allocations. She requested, if changes must be made, to support the recommended apportionment of the Controller's office, which would be based on regional needs and housing costs. Ms. Colomello also requested postponing any changes to the regional apportionment until a transparent methodology can be developed based on data, such as regional needs and housing costs. She further requested postponing any changes to the county makeup of the regions until an analysis is conducted to examine how such changes impact allocations.

Alice Talcott with MidPen supports the staff recommendation of the pools and allocations but doing a 1/3 and 2/3 ration between the two rounds makes more sense and reminded the committee to consider CTCAC and how to allocate the state credits between the rounds. She encouraged a similar ration be used when looking at state credits, given there would be more bonds left in the second round. Ms. Talcott stated the regional allocations were confusing, given the one table in there, which speaks to the need to look at developing a clearer methodology for what is done. She hopes CDLAC would consider that this year, basing it upon regional needs and cost to build housing in those regions. She further stated, in light of what Mr. Sertich mentioned about how the carryforward is accounted for, she is unsure she heard the numbers correctly, that $63 million of carryforward is coming in to 2022. She suggested that amount is added to the state ceiling amount and get allocated to the pools now, that increasing the total in the pools is the last missing piece that would make that clear, that money is available to be reserved this year. The suggestion to use some of that for CalVet was brought up, accounting for that could be in the pools and set asides now. Ms. Talcott thanked staff for the 14 meetings last year, with all of the projects staff processed, which was a heavy workload to move those forward.

Greg Gossard, President of The Hampstead Companies, asked if it would continue to be the policy of the Committee to reallocate returned facilities, either exempt facilities or Qualified Residential Rental Projects to specific set asides for homeless and ELI / VLI, or if they will be spread across the allocations.

Shreya Shah thanked staff for their work last year, with a lot of applications needing to be reviewed as well as a lot of meetings. She echoed the sentiments from some of her Bay Area colleagues, that they are the most underserved and oversubscribed region. She stated it would be good for CDLAC to commit to developing a clear and transparent, data-driven methodology of allocating the pools. She echoed the support of keeping the Bay Area allocation at 21% or increasing it to 22.5% as suggested in the Controller's proposal.

Beilul Naizghi from the Nonprofit Housing Association of Northern California expressed support for the Bay Area allocation remaining at least 21%, given how the CDLAC 2021 bond report indicated how oversubscribed the region is. She also encouraged the committee to create a transparent methodology based on regional needs and costs and encouraged the committee to hold off on making any changes to the regional allocation until that is set. She echoed her favor of 100% of bonds going to multi-family housing program in 2022 given the profound need for affordable housing and how uncertain the bond fix is in the Build Back Better is.

Rich Wallach asked to speak specifically about the reallocation of Sonoma Napa County to the Coastal Region. He expressed surprise to see that since it is mostly a Southern California coast, especially after moving Santa Cruz to the Bay Area region. He is unsure if that is a benefit to Sonoma Napa since looking at the 2021 allocation at the last round, every project was in a high resource area, which Sonoma Napa are sorely lacking in high resource areas. He requested the Committee to reconsider keeping them in that Northern Region or some other form of allocation.

Hans Johnson from the APD, wanted to ensure their opposition letter to any allocation for the disastrous Poseidon scheme is noted and on the record. He asked the Committee to not proceed with any allocation from CDLAC given the housing crisis and the urgency of spending in that regard.

Theresa Gunn with CalVet asked if she should comment first, or answer Treasurer Ma's question.

Treasurer Ma asked if CalVet has any carryforward, and if they need the allocation this year or next year, and what programs this would be for.

Ms. Gunn stated it was very small and is technically out of funds right now. She has $300,000 in authority to issue bonds, which does not make much sense to try to issue those bonds. Ms. Gunn stated they need the allocation this year, and the sooner the better since they have had to stop working with veterans who only qualify for these bond funds since she did not have the authority to fund them. Ms. Gunn stated these bonds would be for the Farm and Home Loan Program, which is single-family housing, and only for veterans. They have primarily 2 different funding sources for this program. These revenue bonds, and the General Obligation (GO) bonds that are approved by the voters when a bond measure goes on the ballot. GO bonds can only serve veterans who have been discharged within the last 25 years, which is not a problem if veterans get out of the military in their mid-20's. However, some are in their 50's, and tend to be lower income, so many of them cannot afford to purchase a home during those years, since they simply don't have the money. CalVet has been working for the last decade, fixing the backlog that the Federal Government has had in getting through veteran claims for disability and pensions. Because of this, they have been seeing a large number of veterans outside of that 25-year threshold coming to CalVet because they resolved their claim status with the federal government and have gotten a settlement payment, which has a down payment with it and a stable income, so they are now ready to buy a home. Approximately 1/3 of the loans are for people over 65. Many of the veterans served in Desert Storm, in the 1990's, and none of those veterans qualify for the GO bond program. No veteran who left service prior to 1990 would qualify right now. The veterans CalVet tends to serve in this program are low income, under the 80% or lower AMI threshold, taking hundreds of veterans out of affordable housing by this program, into a permanent home, with a foreclosure rate is at 0.037%, which is remarkably low. That means out of about 400 veterans, only about 14 homes are taken back. Since CalVet's mission is to keep them in their home, CalVet works hard to keep them there. Providing a permanent home for these veterans is doing a couple of different things. It moves them out of the affordable housing that they're in, which frees up space for other homeless to move into that affordable housing. It builds generational wealth, moving these veterans into a very stable future. Based on studies, it helps their children to become stable or have a more stable future and not be not fall into affordable housing. Consider it is freeing up hundreds of affordable housing units, and assuming the affordable housing units cost about $500,000 to build, in essence, it is getting a match of around $200,000,000 for the 400 veterans, by affordable housing units that are already built. Ms. Gunn urged the Committee to provide these funds, otherwise those veterans will remain in affordable housing because no other lender will help these veterans.

Treasurer Ma asked what the CalVet backlog is, and why Administration is recommending the $89.6 million, instead of more or less.

Ms. Gunn stated there technically is no backlog because they tell veterans up front, they don't qualify for any of their funding. The amount requested becomes an economy of scale. She can work with $90 million and prefers $100 million but could work with the $90 million to get to the next apportionment year, and too much below that, the economies for selling the bonds become too expensive. CalVet is 100% financed by the veterans who borrow this money and so that includes the cost of issuance, all of the staff's time for selling the bonds, for monitoring, for issuing warrants. All of that is 100% paid out all of CalVet's staff 's time, out of the veterans who are borrowing these monies. The means there is a need to keep cost of issuance costs down as low as possible. Right around that $100 million tends to be the sweetest point for keeping those monies down, getting the best bang for the veterans' buck.

Treasurer Ma noted others have talked about the Mortgage Credit Certificate program, but the veteran's programs are different as they are tailored only to veterans who are not able to access traditional financing, making this a safety net for veterans.

Mr. Sertich shared they have known about the CalVet loan program for a long time. Many other single family bond programs that were originally funded by CDLAC have transitioned into other funding mechanisms. He asked if it was a possibility that this program could do that as well and wants to make sure the program gets funded.

Ms. Gunn stated they are trying to resolve some issues to be able to try and transition into other programs to potentially do this. Unlike other programs, there are no backup monies, so programs like the Ginnie Mae Program, if a veteran does not fulfill their mortgage commitment, then CalVet would need to make them whole. It becomes a little more problematic because all the other veterans participating have to carry that weight. It means it means building bigger reserve in trying to support that, as well as a few other logistics being worked on. They have not been able to step forward with the potential risk of lower income veterans, due to the financial structure, they are harder to sell. With CalVet being so small, they are working on getting through that process, but are not able to do that, though are trying to see if it can be done, and transition veterans to that and how it would work in the market.

Mr. Sertich reiterated he wants to make sure the program continues since it is an important program, but also wants to make sure state funds are being used as efficiently as possible. If it could be done in a different way, without using these resources that can be leveraged on the multi-family housing, that would be preferable. He expressed the importance of the program and continuing to make sure we are able to house all the veterans who need housing.

Ms. Gunn agreed that it would be great if the program could get there and no longer rely on this funding source. She pointed out their request is around 2%, so is not a huge ask. It is still assisting in affordable housing by freeing up units for people to move in, therefore recycling affordable units.

Treasurer Ma asked why Desert Storm veterans don't qualify.

Ms. Gunn answered they have likely left service more than 25 years ago.

Mr. Sertich asked if they would qualify for this bond program, since they don't qualify for the existing program.

Ms. Gunn confirmed Mr. Sertich's understanding, they don't qualify under the General Obligation (GO) bond funding source but would qualify under this revenue bond funding source.

Treasurer Ma asked if there is a great need for these veterans.

Ms. Gunn confirmed there is a great need none of the Vietnam veterans qualify for the GO bonds program either and tend to be the ones coming to CalVet for assistance right now, though there is a fair mix from Desert Storm and ILF, and other acronyms for Iraqi Freedom and Operational Freedom.

Treasurer Ma closed public comments for this agenda item and stated there are two items to vote on: front loading CalHFA, and whether the Committee wants to allocate any private activity bonds to CalVet.

Mr. Sertich appreciated the public comment. He recounted he had two take-aways. First, regarding the geographical pools. The proposal from the Controller's office has numbers, but there needs to be a data-driven measure allocating the geographic regions. The two pieces needing to be taken into account are about some levels of population and some levels of cost. The numbers proposed were the initial proposal but believes the Committee needs to get there. There needs to be a metric to measure how allocations are made. Secondly, regarding regulations and pools, the best projects are not necessarily being awarded. As there are set asides for projects already receiving other state funds that are not necessarily the best projects. The Committee is creating set-asides that are not producing additional public benefit. He cautioned to examine this more closely as the Committee moves forward, to create pools that are hard driving public benefit and the most efficient use of resources.

Treasurer Ma agreed with Mr. Sertich.

Ms. Miller stated the only change she would make is regarding the addition of the $89.6 million, that she would motion for the contents of Exhibit A and make a second motion for the tax-exempt pool.

Ms. Robles confirmed the need to vote on the apportionments for Round One, that it would be beneficial to vote on the allocations for exempt facilities for Round One allocation. There can also be a motion to change the exempt facility pool to include CalVet.

Ms. Miller expressed she would also be comfortable making a motion regarding a single allocation to CalHFA, adopt Exhibit A in its entirety which could include that allocation, and do the exempt facility set aside with the allocation to the CalVet program. She expressed the need to make an additional motion on allocation before the second round.

Spencer Walker stated it was a good motion.

MOTION: Ms. Miller motioned to adopt Exhibit A for round one, to include the front-loading allocation for CalHFA. Ms. Miller made a second motion to allocate $510.4 million to exempt facilities and made a third motion to allocate $89.6 million to the CalVet Homeowner Program.

Treasurer Ma seconded the motion

Motion passed by 2/3 majority via roll call vote, with Mr. Sertich voting no.

9. Agenda Item: **Adoption of the Qualified Residential Rental Program (QRRP) Minimum Point Threshold for the 2022 Program Year**
– Presented by Emily Burgos
Under Section 5010(c) of the Committee regulations, the Committee shall establish a minimum point threshold for Qualified Residential Rental Projects (QRRP). Currently, Staff recommends a minimum points threshold of 105 points, with the exception of the Other Rehabilitation pool, which is being recommended with a minimum points threshold of 99 points. The 105 points minimum threshold represents 80% of the total points that can be awarded to any QRRP. Staff recommends a minimum points threshold of 99 points for Other Rehabilitation projects because there are certain point categories that they can only achieve if they are preserving affordability, and Staff certainly wants to give preference to those projects. However, it is acknowledged there may be other rehabilitation projects that are worthy projects that may not be able to score those points, which is why the 99-point threshold is being recommended only for that category.

Committee Comments:
There were no committee comments.

MOTION: Mr. Sertich motioned to approve the minimum point threshold. Ms. Miller seconded the motion.

Treasurer Ma called for public comments.

Public Comments:
There were no public comments.

Motion passed unanimously via roll call vote.

10. Agenda Item: **Adoption of Permanent Regulations**
– Presented by Emily Burgos
Staff is bringing a regular rulemaking package to the committee to permanently establish what staff has been using as current regulations. These are regulations that were adopted in 2020 and further enhanced and changed into what was used for Rounds 2 and 3 of last year and Round 1 for 2022. Everything in the package has already been discussed and approved by the committee with the exception of a couple minor changes that were needed in order to use them again for the first round in 2022. Staff recommends the approval of the proposed regulation language to permanently establish current regulations.

Treasurer Ma called for public comments.

Public Comments:
Zeenat Hassan, attorney at Disability Rights, California (DRC), sought clarification on the regulations, that they do not seem to require compliance with CTCAC's minimum construction standards on accessible units. Specifically, Section 5205, the section on minimum requirements. This section requires a certification of compliance with CTCAC Section 10325.7.F.7(a-j), but excludes subsection k, which is the requirements on units with accessibility features for people with disabilities. Ms. Hassan asked if these requirements for accessibility are address elsewhere and if there could be clarification on this. She went on to state if her understanding is correct, DRC strongly objects the exclusion of TCAC accessibility requirements in these regulations. In the interest of program alignment, and the obligation to affirmatively further fair housing, the regulations need to incorporate those minimum accessibility standards. There is no reason to forgo compliance with those when there's a statewide shortage of affordable accessible housing for people with disabilities. As an example of how big the shortfall is, Ms. Hassan pointed to the City of Los Angeles which has over 20,000 people on the waitlist for accessible units. There is also increased liability for CDLAC and developers because the failure to comply with accessibility requirements is considered discrimination on the basis of disability under multiple state and federal fair housing laws. In light of this, she asked CDLAC revise section 5205 A to require compliance with the minimum accessibility standards in CTCAC regulations Section 103325.F.7(k)

Ms. Burgos stated she would be following up with Ms. Hassan. She clarified this regulation process is longer and diverges for the emergency regulation process the committee is accustomed to. Ms. Burgos stated they will be accepting public comment for the next few months, so can make changes on what is being approved in this meeting should there be a need.

Committee Comments:
Mr. Velasquez asked for the office of the general counsel to weigh in on this matter. Accessibility requirements can be a serious legal impediment for some people protected under the Fair Housing Act, and it is state law.

Mr. Walker offered to weigh in on this with the CDLAC team.

Public Comment continued:

Cherene Sandidge of the Black Developer's Forum asked if they were waiting on the vote to adopt the permanent regulations for Rounds 2 and 3 before who was awarded in those rounds is published. Ms. Sandidge stated she was unclear if the CDLAC team was going to wait until the passage of the regulations to post what projects were accepted in Rounds 2 and 3.

Ms. Burgos responded the awards have been posted on the website and offered to send Ms. Sandidge a link.

Caleb Roope of Pacific Companies and the working group pointed out there are conflicting deadlines in the CDLAC regulations regarding bond issuance deadlines being 180 or 194 days. He pointed out these variances exist, so the marketplace has capacity to close those projects in a staggered way, so it is not a burden with everyone closing on the same day. However, the readiness requirements for points are limited to 180 days. This means, even with a 194-day closing deadline, developers still need to meet the readiness requirements of 180 days. This produces quite a few conflicts in the process, closing, and the timing of permits since those are not in sync. Mr. Roope recommended some minor tweaks could be made to this permanent set of regulations to sync up the deadlines so there are no conflicts on deadlines. Ultimately it is just cleaning up the regulations to sync up the readiness deadline and the bond issuance deadline. This affects projects closing in February, with some having a bond closing deadline of February 7 or 21, but a readiness deadline of February 7 for everyone.

Ms. Robles stated the only solution to line those up is to make all of the deadlines 180 days. The package being submitted is so far into the process, it would be difficult to make any changes now, as it would stall the process of the permanent packet. Stalling the packet could be detrimental to the development community.

Ms. Burgos pointed out changing this packet would not affect the projects reaching their February closing dates. Changing that would require another emergency packet to make that change, before this packet, then would need to add that emergency packet into this packet.

Ms. Robles reiterated this is something CDLAC is trying to avoid.

Mr. Roope agreed, and restated it is something that can be cleaned up in the future, perhaps in the next round of regulations. Changing it to reflect 180 may not be helpful since certain developers have relied on organizing around 194, so making it all 180 may not matter. It comes down to pulling permits and doing all of this at 180 days, which is two weeks ahead of the closing when the developers get their money to do those things, which is the conflict.

Mr. Sertich agreed this is something that can be addressed in the upcoming regulations and have one reference the other to help make that happen.

Treasurer Ma called for additional public comment.

MOTION Mr. Sertich motioned to approve the regulation changes. Ms. Miller seconded the motion. Motion passed unanimously via roll call vote.

Mr. Sertich circled back, saying he wanted to ensure the issue brought up by the caller earlier needs to be fixed, assuming it could be a typo, and wanted to ensure it was looked in to.

Ms. Burgos stated Staff will report back to the Committee regarding their findings and make adjustments if need be.

11. Agenda Item: **2022 Regulations Discussion**
– Presented by Nancee Robles
This Regulation Discussion Item was placed on the agenda to continue discussions to update the competitive application process for Qualified Residential Rental Projects (QRRP) allocations awarded after the first round of 2022. It is listed as an Action Item on the Agenda to afford the Committee the opportunity to vote on any additional items necessary during the discussion yet is intended to provide a summary of events. To date, the Committee has agreed on the tiebreaker framework displayed in EXHIBIT 11a. Also attached is EXHIBIT 11b.; the comparison of each Committee Member's proposals for Apportionment of the set-asides updated as of January 18, 2022. At previous meetings the following items were discussed and voted on. At the November 29, 2021, and the December 8, 2021, meeting the Committee agreed to the terms identified in the Tie-Breaker calculation sheet EXHIBIT 11a. At the December 22nd meeting, the Committee decided the first round of allocation will follow the current regulations, the leverage point category will remain, and the Treasurer asked the working group to reconvene, review the proposed pools and set asides, and provide feedback on items that have been raised in previous committee meetings. Those items were:

- Codifying the allocation process to decrease discussion of how award state credits are going to work, such as if a bond doesn't receive state tax credits, should they be awarded or be deemed feasible, which could affect the award process
- With the Build Back Better Bill, possibly changing the 50% test to 25%, determine the bond percentages, which refers to regulation 5233, required to receive the full tax credit allocation. There was a suggestion that it be kept very general such as "if the federal law changes, then 'X' will occur", keeping the regulations ahead of the curve if that does change;
- Revise the skipping rule for allocating bonds as that is creating structural issues with the allocation process causing projects to fall out.
- Redefine preservation projects (item #5) and remove the piece that allows Section 8 projects that do not have CDLAC/CTCAC regulatory agreements on them to receive qualified preservation.
- Revise the definitions in the community revitalization areas perhaps by leveraging the distressed community definition.
- Engage the environmental side and sustainability side so that scoring is calibrated correctly.
- Creating methodologies for apportionment based on population and allowing for population change.
- Realigning the geographic apportionments, such as; group high FMR counties together
- How carryforward allocation is to be used, such as; have carryforward used in ELI/VLI
- Homeless prioritization to decrease to 49%.
- Broadening definition of homelessness
- Revise Supplemental bond requests
- Refine point changes for consistency
- AFFH point

This is not to say Staff are making changes to these items, only that these areas were discussed at meetings and the Committee requested the items be looked in to. The working group should also take into consideration all public comment made regarding the regulations. Staff has been keeping close track of the emails and letters, as well as public comments in meetings, and are tracking them on a matrix the working group can use. Staff will be using this when it comes time to making recommendations for these regulations. Once Staff reviews the recommendations of the working group and the comments from the public, they will prepare recommendations in the form of revised regulations to present to the Committee. Staff has also agreed to have a workshop and to extend the legally required public comment period so they can adopt the proposed regulation changes.

Committee Comments:
Treasurer Ma asked if excess allocations coming back were mentioned, and how it will be allocated because this has often been discussed.

Ms. Robles clarified she may have said “carryforward” when she could have said “reversion”.

Mr. Sertich pointed out one issue that has come to light, especially with having only two rounds this year, is the requirement for market studies being within 6 months and extending it out to make it more reasonable. He believes this should be looked at, so people are not getting multiple market studies if they don’t win one round, to make it 9 months or so.

Ms. Robles agreed, stating this has been part of recent conversation, so it is on Staff’s radar.

Treasurer Ma called for public comment.

Public Comments:
William Leach of Kingdom Development asked if it was possible for the working group to share their responses with the public or share meeting minutes with the public so the general public can know what is being discussed and recommended.

Darren Bobrowsky of USA Properties and the working group stated during the December 8, 2021, meeting, the Committee members expressed that one of their goals was to ensure projects can provide high quality housing for the residents that are well maintained over the long term. When receiving a CDLAC bond allocation or low-income housing tax credit, projects enter into a 55-year regulatory agreement to provide the needed affordable housing over the long term, projects need to be soundly financially structured so they can maintain this high-quality environment for the residents and not rely on having to re-syndicate their projects after the initial 15-year compliance period. With limited public resources to develop affordable housing, the best use of these limited resources is to develop new housing and not to financially restructure projects after the 15th year. Currently, CDLAC and CTCAC require sponsors to provide a 15-year cashflow proforma with their applications with the requirement the projects not have negative cashflow within this 15-year period. Mr. Bobrowsky stated 15 years is not sufficient to determine a long-term financial viability of a project. With the goal of the project being financially structured to maintain a high-quality, well-maintained home for residents of these communities, he recommended both CDLAC and CTCAC require a 30-year cashflow proforma instead of the current 15 year, and to demonstrate long-term viability of these projects. He stated he does not believe this change would be opposed as it demonstrates a long-term viability of these projects and looks forward to participating in the 2022 regulation adoption process.

Caleb Roope of Pacific Companies and the working group stated the working group had not met since the Committee was having meetings, so has not done any work together. Now that there is some resolution on the regulation policy direction, as well as the tiebreaker and allocation round, he stated they will survey the members and the California Housing Consortium leadership, then get back to working on the recommendations. If not the whole group, at least a group of committee people who can turn things quickly. Mr. Roope stated it is a commitment and wanted to check in with Ms. Robles and Ms. Burgos, and potentially Mr. Walker, since the current schedule says they are trying to get draft regulations to the Committee for observation or consideration on April 27. He asked if there was a particular date Staff were organizing around to allow time to post regulations publicly, and what the process for the adoption of the regulations to be used by the applicants for Round 2.

Ms. Burgos stated it is fluid and wants to give ample opportunity for public comment. Even though they are emergency regulations, even though there is only a requirement to have it up for 5 days before going to OAL and the board, Staff wanted to allow more time since there has been so much discussion. If these regulations are going to the April meeting for discussion, there is plenty of time for workshops and adjustments, and these could be voted on for adoption at the June 15th allocation meeting. Ms. Burgos stated she would then walk them directly over to the Office of Administrative Law and they would be in effect 10 days later.

Mr. Roope thanked Ms. Burgos. He followed up by stating they are happy to develop a set of consensus regulations and can get those to CDLAC to be posted on the website so the public can see what the group has determined.

Mr. Velasquez requested to remind everyone how important the work of the Committee is for affordable housing, with many stakeholders. The Governor revealed his proposed budget last week, called the California Blueprint. The backdrop of this includes an importance on the RHNA numbers. The State is setting ambitious housing targets for every region in the state. In a few weeks, HCD plans to release a statewide housing plan identifying the number of units local governments are required to build between now and 2030. This is a much larger RHNA target for every jurisdiction going forward for what is referred to as the “stick cycle”. The Governor has been very forthright since last year with the California Comeback Plan, where he proposed $22 billion for his housing budget, $12 billion for homelessness, and another $10 billion for affordable housing programs. Last week he released the blueprint that adds another $2 billion. The Governor continues to reflect the urgency on addressing homelessness on a more proactive oversight of local governments that sometimes refuse to abide to state housing laws in creating more housing opportunities. It is streamlining the funding programs across the systems, with the same goal, and ameliorating the effects of climate change. There is a big focus in the budget on advancing housing goals and climate goals simultaneously. He highlighted the $500 million in state tax credits and gave credit to Ms. Miller and her team at the Department of Finance with their herculean effort to get the budget out. $500 million in state tax credits, $500 million in the Infill Infrastructure Grant Program to focus on infill parcels, including brownfields in rural, urban, and suburban areas where there can reduce vehicle use, lowering harmful gas emissions. $300 million for the Affordable Housing and Sustainable Communities Program that HCD administers on behalf of the Strategic Growth Council, focused on excess sights and converting commercial facilities into housing, with $100 million focused on that, $200 million proposed to preserve units in low vehicle use areas to continue he focus on housing and climate. $100 million for physical improvements and legal certainty of mobile homes and manufactured housing across the state. There are many proposals that are in line with the work of the Committee, including $100 million toward putting state excess land into housing. $200 million in a one-time general fund to provide loans to developers for mixed income rental housing. Mr. Velasquez reiterated there were many important line items in the proposed budget by Governor Newsom, so wanted to provide some highlights. He stated the agencies are rowing in the same direction, making sure as much affordable housing is produced in the next few years as possible.

Treasurer Ma thanked Mr. Velasquez for the recap and asked if there was a press release or on the website, so the public can be directed on where to find the information shared.

Mr. Velasquez said they have been amplifying the release of the detail from the Governor's website. The press release is available on the Governor's website with all of the budget line items specifically for housing. This is also available on the HCD website where there is a news release that details all of those budget items specifically for housing.

12. Agenda Item: **Public Comment**
Treasurer Ma called for public comments regarding things not discussed on the agenda.

There were no additional public comments.

13. Agenda Item: **Adjournment**
The meeting was adjourned at 1:54pm.