



California Debt Limit Allocation Committee

915 Capitol Mall, Conf Rm 587
Sacramento, CA 95814

And

County Administrative Center
4080 Lemon Street, 5th Floor, Conference Room D
Riverside, CA 92501

April 27, 2022
Committee Meeting Minutes

1. *Agenda Item: Call to Order and Roll Call*

The California Debt Limit Allocation Committee (CDLAC) meeting was called to order at 1:04 pm. Gayle Miller chaired the meeting until Treasurer Ma joined remotely. A quorum was confirmed, with the following committee members present:

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 (HCD) Sheena Kho for Tiena Johnson Hall for the California Housing Finance Agency (CalHFA)

2. *Agenda Item: Approval of February 23, 2022 Minutes*

MOTION: Ms. Miller motioned to approve the February 23, 2022 minutes. Mr. Sertich seconded the motion.

Ms. Miller called for public comments on Item #2.

Public Comments:
None

Motion passed unanimously via roll call vote.

3. *Agenda Item: Executive Director's Report – Presented by Nancee Robles*

Nancee Robles introduced herself as CDLAC's Interim Executive Director. She stated that it is Administrative Professionals Day and recognized JoAnn Rosen, Michelle Fadenipo, and Andrew Papagiannis and said that they all do a great job providing support to CDLAC and the California Tax Credit Allocation Committee (CTCAC) staff. She also announced a new CDLAC staff member, Jake



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Salle, who joined CDLAC as an analyst, in March. Jake has a Bachelor of Science in Civil Engineering from California State University. He previously worked as a forensic evidence technician specialist in the forensic engineering and fire investigation industry. Ms. Robles stated that on April 25, 2022, she used her delegated authority to initiate a recurring contract, which is an interagency grant agreement in the amount of \$222,162 for the STOs supportive and executive services such as accounting, personnel, budgets, legal, IT and business services. This is in a regular annual contract.

Ms. Robles gave an update on the CDLAC/CTCAC Strategic Plan. The consultant, Sjoberg Evashenk, working on the CDLAC/CTCAC strategic plan, is in the process of conducting their analysis and will have a final report and there will be a presentation at the June 15th meeting. On the outreach front, Ms. Robles attended several grand openings and groundbreakings in March. Ms. Robles stated that she attended a grand opening for Liberty Square in Stockton. This was an abandoned building that was repurposed for veteran housing. Attendees heard from the first tenant, a 74-year-old black female veteran who was grateful for her affordable housing apartment and for the great work put forth by the California Government. Ms. Robles attended a groundbreaking ceremony in Panorama City. This project has land donated from Los Angeles County. Ms. Robles also attended a groundbreaking in Farmersville, that is the first reportable housing project in that town and it will house farm workers, as part of the Joe Serna Farmworkers Program. In April, staff and Ms. Robles spoke at a 2022 Housing California annual conference, about how changes at CTCAC and CDLAC are affecting nonprofit developers. Ms. Robles stated that, at the end of this week, she and staff will attend and speak at the Novogradac Affordable Housing Conference in San Francisco. Under general business, the permanent regulation package for CDLAC that was approved at the January 19, 2022 meeting, received no public comment and is with the Office of Administrative Law for final review.

CDLAC received 111 applications for bond allocation request in the first round. The applications are being reviewed and the top competitors will be presented at the June 15, 2022 committee meeting. Ms. Robles spoke about legislation relevant to CDLAC, including AB 2305 (Grayson). This bill would require a study to be done to assess the feasibility of creating a coordinated affordable housing finance committee to allocate all state-controlled resources for affordable housing through a single process and competition. Another bill, AB 1288 (Quirk-Silva) would provide up to \$500 million in state low-income housing tax credits for the 2022 calendar year and each year after that, upon appropriation and the budget, which would pair with CDLAC bond allocation in oversubscribed and competitive years.

Ms. Miller called for public comments on Item #3.

Public Comments:

Ms. Miller thanked the CDLAC staff for all their work and wished staff Happy Administrative Professional Day and gave special recognition to Tracy Sullivan.

4. Agenda Item: Recommendation for Award of Allocation to Qualified Private Activity Bonds for Exempt Facility (EXF) Projects – Presented by Emily Burgos

Ms. Emily Burgos stated that it was decided that the exempt facility projects will now be submitted to the committee in rounds. In this first round there is about \$170 million in allocation. She stated that the applications here can use that allocation. There are two projects on the recommendation list totaling just under \$170 million and some carry forward is being applied to one of the projects.



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Just under \$94,400,000 in carry forward allocation is being recommended for these exempt facilities projects. Ms. Burgos stated that folks from one of the projects is in the room if there were any direct questions.

MOTION: Mr. Sertich motioned to approve the recommendation. Mr. Miller seconded the motion.

Treasurer Ma called for public comment on Item #4.

Public Comments:

None

Motion passed unanimously via roll call vote.

5. *Agenda Item: Emergency Regulations Draft Discussion* – Presented by Emily Burgos

Ms. Burgos provided clarification and background. This item is listed as an action item. She stated that CDLAC is not asking that the committee adopt these regulations at this time. It is listed as an action item in case the committee decided they wanted to vote on certain components of it. She acknowledged that there has been some confusion between the regulation process at CDLAC and the regulation process at CTCAC. CDLAC is required to follow the emergency regulation process outlined at the Office of Administrative Law (OAL). That means that prior to bringing emergency regulations for adoption, CDLAC is required to post them for a five day public comment period. She said that it was evident in the conversations that have been had over the last year that a five-day public comment period, with no time for staff to make adjustments, is not feasible in this environment. CDLAC committed to bring in a draft recommendation to the public and to the committee with more than enough time to receive comment and make adjustments, if necessary. CDLAC received hundreds and hundreds of comments over the last year, regarding these regulations. Many of the comments are in direct opposition to one another. But what was easy to identify was some certain themes, issues, or areas of improvement identified in the regulations. Staff reviewed the comments, looked at the priorities of the administration and the committee, and are bringing forth what was considered a good compromise that is programmatically feasible for CDLAC at this time. These are staff recommendations for the regulations for 2022. Emily reinforced that public comment does not need to be received at this meeting in order for it to be considered formal public comment. Public comment can be sent to the CDLAC email box. It will be collected and published online. This will be in advance of the five-day formal public comment period that will satisfy OAL's requirement. CDLAC will also be combining with CTCAC's public workshop to give a presentation and facilitate discussion on these changes. The workshop is tentatively scheduled for May 13, 2022, a Friday, at 10 a.m.. It will be both virtual and in person.

Treasurer Ma called for questions from the committee.

Ms. Miller said that the Department of Finance has a number of questions on the regulations. She asked if it would be ok to give a really high level of some talking points and then submit a letter in writing. She stated the Treasurer's Team has been incredible and they have been working with HCD and Business, Consumer Services and Housing Agency (BCSH) colleagues. She said that they are hoping they can continue working on this and would like to give the highest level areas where they have concerns and would like an opportunity to review them, since the committee isn't taking



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action today and given time constraints. They could follow with a letter and work through another iteration.

Treasurer Ma said that would great.

Ms. Miller stated that she understands how difficult the task is and thanked Ms. Burgos specifically for her work. She stated that, most importantly, there are some big differences on the Affirmatively Furthering Fair Housing (AFFH) scoring and points and the additional point system so they would like to make sure that is included. She mentioned the extra point, as an example, and some of the other pieces that that the committee spent spend some time talking about. They would like to make sure that is reflected in the minutes. She also stated that in terms of the ELI/VLI set aside, the idea was that it was just public funds for the set aside and said again that this will all be sent in writing. Ms. Millers stated that any unused bonds at the end of round calendar be allocated to the ELI/VLI applicants with discretion to the chair or executive director as we previously discussed. She said that some of the defined terms they wanted to make sure were reflected, such as community revitalization, permanent supportive housing and, again, all for the next round so there is time to work through this. Also stated that they had agreed to some specifics on defined terms for preservation projects, to make sure they are reflected and there is a technical loophole on the preservation and other rehabilitation project priorities that we would like to make sure that that they're taking care of. Ms. Miller noted that there are about five points on the AFFH scoring category as this has been and remains the administration's biggest priority and that includes stating the soft cap. We had replaced removing the existing nine-point categories and replacing with projects that have an award of public funding for at least \$1 million and correcting the sunset dates. She said they would suggest a simplification of the nine point category this round, the use of the CTCAC definition for the homeless set aside, and for the tiebreaker to align with what was previously discussed in terms of walkable amenities to meet some of the climate goals. Those are the big areas, but again she explained they are in the process of reviewing these and we will continue to do so and then follow up with a letter and request that it gets posted on the website so that we're all able to see the same thing at the same time. Ms. Miller said these are suggestions for improvement. Ms. Miller asked if Mr. Velasquez if anything was missed.

Ms. Velasquez thanked Ms. Miller and said that he thought Ms. Miller's recommendation and approach was spot on. He said that a lot of the changes are likely technical corrections or omissions from previous discussions and suggestions from the committee as well as the administration memo that was circulated late last year. He stated that he though Ms. Miller did a great job in outlining some of the bigger issues, AFFH, the qualifying public funds under that 15% leverage for the ELI/VLI set aside, the alignment with the CTCAC definition based on the McKinney-Vento Act with homelessness, and the other aspect Ms. Miller did not mention is that the committee spent a lot of time talking about furthering climate goals with scoring and the tiebreaker. One aspect that he thought was omitted, not intentionally, is the factor of walkability in terms of the proximity to transit and the connection with location and the reduction of vehicle miles traveled, so walkability was one not there. Mr. Velasquez thought for them to explain in writing and engage staff to consider some of these of adjustments would be helpful. He stated Ms. Miller mentioned the community revitalization definition. He stated that they have talked about working together with HCD staff on that, so that definition, as well as, permanent supportive housing definition will be helpful to align. He stated HCD has been undergoing a lot of changes to consolidate programs on their legislation, under AB 434, which has launched new guidelines and a super NOFA combining six



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different programs into one. HCD has been intentional on aligning the guidelines with all of the changes that have happened with CDLAC and CTCAC. He advocated for continuing that alignment and some of those will be in the letter, to keep moving in the direction for clarity and uniformity in the development community to know that we have the same priorities across the entire affordable housing financing system.

Mr. Sertich stated that he had three things to discuss, one that Mr. Velasquez was discussing. HCD has done a lot of work in making sure their definitions are up to date and all of their, maybe not all, of the specific requirements for a lot of the high-level requirements are phrased in a way that meets today's housing needs. He stated that he wanted to make sure that the committee continues to work with HCD to make sure CDLAC regulations are aligned with HCD's, where appropriate, and as much as possible so, as well as ensuring alignment with CTCAC, so the programs work together as much as possible, as Ms. Miller had also mentioned. The other two pieces that Mr. Sertich mentioned were more specific and technical. One is the geographic allocations and he acknowledged the work that went into the pool changes and thinks some of them are good. However, he is concerned that specifically the coastal pool is too big. He stated that he thinks the reason we have the regional allocations are to ensure that every metropolitan area, or job center, is getting the affordable housing built. He stated that when San Diego County is lumped in with some of the Northern California counties like Napa and Sonoma, from a cost perspective there may be aligning to some extent, but from a ultimate goal of the way the regions are designed, it is getting away from that, so he thought taking a look in terms of how the region should be set up a little closer was needed. He stated he was interested in public feedback on this and the regional pools as well. Mr. Sertich stated he would like to push for a quantitative measure of how to how to size those pools, either in the regulations or clearly population or cost based to some extent, rather than just taking the numbers that have been used and rolling them forward. The other area Mr. Sertich expressed concerns about was the allocation method, specifically putting in some guardrails in place to make sure that we are not skipping over too many projects to get to smaller projects. He is concerned that skipping may cause some problems going forward because up to the day of the meeting things may keep moving around, due to application withdrawals, appeals are granted, or new carry forward comes in. He would like to take a closer look at these items over the next month. Mr. Sertich thanked staff for getting this done and all the work put in and understands for stakeholders these changes have been out for less than 24 hours publicly so he does not expect to have full comments today. He encouraged the public to submit comments over the coming weeks and that the committee will take them into account.

Ms. Burgos stated that the sooner comments are received the easier it will be to consider and be posted, as there were many comments on the regulations right before they were released with less than 10 days before the meeting.

Treasurer Ma stated again that there will be a virtual workshop on May 13, 2022. People can show up in in person or virtually and that will be another opportunity to comment.

Treasurer Ma called for public comment on item #5.

Cherene Sandidge thanked the committee for allowing the public to submit written comments on the regulations. She stated that one of the things she heard Ms. Miller mention is that the Black Developers Forum would have a problem with is the money that's not used in one pool would



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automatically roll down to the ELIVLI set aside. She stated that in the current regulations and in the past, she believed that any money remaining in the BIPOC pool rolls into the next BIPOC pool, not into some other pool, including geographic regions. She requested that be clarified.

Ms. Miller clarified that with the exception of the BIPOC pool, that was correct.

Zeenat Hassan, staff attorney at Disability Rights, California, stated that they are disappointed to see that the draft regulations continue to leave out provisions that are necessary to ensure bond financed housing is accessible to low income Californians with disabilities. Last month, they and the National Housing Law Project wrote a letter to CDLAC explaining the many barriers disabled renters face when trying to access housing. The letter explained how CDLAC could remove those barriers through revisions to its regulations. She stated that it was discouraging to see virtually none of those recommendations reflected in the draft regulations. There were similar problems with HCD's program guidelines until last month when HCD revised their guidelines to ensure housing providers comply with their fair housing and tenant rights obligations. She thanks HCD for making those revisions and asked the CDLAC and CTCAC follow suit. She stated there is a legislative mandate for alignment across the state's housing agencies that alignment must include consistency in the application and enforcement of fair housing and tenants' rights laws. Ms. Hassan stated that revising the regulations is important not only for alignment, but also for fulfilling the agency statutory duty to affirmatively further fair housing.

Doug Shoemaker, with Mercy Housing, asked if there would be a statement of reason released with the draft regulations.

Mr. Burgos stated that the statement of reason would be presented at the public workshop.

Dara Schur, Council for Disability Rights California stated she wanted to support Zeenat Hassan's comments and the comments made by Mr. Velasquez and Mr. Sertich about the importance of alignment with HCD final guidelines and NOFA. He stated there are a very large number of issues that we previously commented on that are very important for full inclusion in reaching underrepresented groups of many kinds, particularly people with disabilities and ensuring appropriate transparency aligning with the HCD final guidelines include accessible construction standards and priorities, definitions of key terms such as supportive housing and disability, inclusion of basic tenants' rights, and all projects requirements for nondiscrimination and compliance with Fair Housing and disability rights laws, and simplified scoring in deeper targeting to the lowest income groups and special needs housing. Ms. Schur was struck by how little of this money is targeted for special needs housing, particularly special needs housing other than those who are homeless. She strongly urged in this next round that alignment with HCD be much deeper and much more consistent to meet all of the goals for alignment, transparency, and efficiency.

Ms. Miller mentioned that participants were commenting using the chat function of the meeting. She recommended that if participants wanted to comment for the record, they need to make a comment through the Chairperson rather than comment in the chat.

General Counsel Spencer Walker confirm that was correct.

Ms. Sandidge thanked Ms. Miller and thanked Mr. Sertich for bringing up the coastal geographic



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pool and that it does need a broader, closer, look because the economics and the conditions for building are two different spheres.

Treasurer Ma closed the public comment and encouraged the public to continue to submit comments in writing to the committee and that they would have an opportunity to attend and speak at the public workshop on May 13, 2022.

There was one more public comment.

Alexis stated that with updated comments and discussion on May 13, 2022 and the application deadline being early July, she suggested the committee consider moving the application deadline for this next round. She said it is currently scheduled for three weeks after the round one awards and there are a lot of changes for this next round, which will create a lot of confusion if either the dates are not changed or if it is agreed to use the current regulations for the next upcoming round.

Treasurer Ma stated they have had extensive discussions on this, because the regulation changes are quite extensive that we were going to continue to use the current regulations, which all should have some familiarity with, for this year and hopefully next year there won't be that many regulation changes and they can go back to three rounds.

Mr. Sertich clarified that the new regulations would apply to the second round applications with a deadline soon after adoption of the regulation changes and agreed the question should be taken up at some point.

Treasurer Ma asked Ms. Robles for comment on the date.

Ms. Robles stated that the date has been chosen to align the best way for when the regulations will be submitted. She explained staff has been careful throughout the last year to make sure that we have the dates right and have given the development community plenty of advanced notice.

Treasurer Ma said that we seek everyone's input so if there are difficulties to let staff know and it can be revisited.

There was no further public comment.

6. Agenda Item: Discussion of Volatile Market Conditions Affecting Qualified Residential Rental Projects - Presented by Nancee Robles

Mr. Robles said that this presentation was originally to be given by Marina Wiant. However, Ms. Wiant had to leave the meeting so Mr. Shoemaker will present in her absence.

Mr. Shoemaker stated that Ms. Wiant got called into a legislative hearing today and so he is going to read her notes on behalf of the California Housing Consortium (CHC), not him personally, although he agrees with many of them. He stated there is a lot of volatility, right now, in both the financial markets and construction markets. Inflation is at a 40 year high and the volatility within the construction markets around commodities pricing. They are hearing that everything is up to a 1% per month inflation rate in construction. Mr. Shoemaker stated estimates vary with labor and other



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human capital shortages, causing increases in operating costs. He added that interest rates have spiked over 100 basis points in the last six weeks and although it has not happened yet, there are some concerns that tax credit pricing will also decline as a result of those interest rates. The outcome for many projects is significant budget overruns. Mr. Shoemaker said that general contractors, are unable to hold on to their GMPs, suppliers are unable to deliver, and most subcontractors are only able to hold prices for two weeks at a time. Folks are going to the extraordinary measures of actually buying out subcontractor contracts and supplies in advance. Permanent conventional financing proceeds are being reduced with interest rate spikes and a growing number of projects have become less feasible or infeasible, depending on the project so from CHCs perspective, he wanted to ask that given that these disruptions are industry wide and not specific to anyone developer beyond their control in many cases of most project sponsors, what would the committee consider doing or perhaps giving by way of direction to the industry, to staff or whoever it is in those regards. They are going to have projects, in full transparency, that are likely to move faster than new projects that are getting awards later. There will be people coming forward with potential returns of bonds or allocations that are off by relatively small amounts in the grand scheme of things, maybe 1%. Mr. Shoemaker stated that some folks thought of this further out or had a sense of their cost overruns earlier and submitted applications for supplemental allocations so there will be some of those coming before the committee. Some ideas that were raised around relief, one is to think about whether or not to direct, the industry, staff or talk amongst the Committee on whether or not additional time is warranted. He explained the wood market has dropped dramatically in the last 30 days and indication of what a little bit of time can do for some projects. New AMIs have been released and new appraisals coming out that are able to close some of the sources and uses problems on newer projects. He thought the committee should think about is whether supplemental bond allocations ought to be thought about in a more systematic way as opposed to whoever throws it over the threshold. They talked about over-the-counter versus a supplemental allocation round because there will not be another Qualified Residential Rental Project (QRRP) round for consideration until October. Mr. Shoemaker noted two meetings for exempt facilities and maybe there is a possibility of over-the-counter round or at least small allocation requests or supplemental requests that come in during those periods, around the 5-10% range over. He added that some projects have state tax credits, and those projects don't have the availability, as he understood because an extension is not available to them, that they would need to return the credits and the suggestion was to receive a new allocation to restart the legislatively mandated 180 day construction start deadline. The last comment Mr. Shoemaker noted was relief from negative points and forfeited performance deposit. He stated the staff and the committee have been very thoughtful about this. There are an extraordinary number of projects that are struggling, right up to the last minute, to see if they can close gaps and the like, just being thoughtful of sponsors being able to return bonds and state tax credits without penalty or adverse consequence.

Keith Bloom, with Mutual Housing California in Sacramento, reiterated all the comments that were previously mentioned and supports all of the recommendations. Mutual Housing has a 150 unit project in downtown Sacramento that is prepared to close and begin construction this June. He explained that their team has spent over \$1 million in predevelopment funding to get the project ready for construction and their financing is just about ready to close. Mr. Bloom said that they, like many other developers, are facing increasing construction costs not anticipated. He supported Mr. Shoemaker's recommendation in providing a supplemental bond allocation to those projects that



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received an allocation in December of 2021 along with an extension of the 180 day closing deadline by 90 days.

Geoffrey Morgan, with First Community Housing, said that he supports Mr. Shoemaker's statement. He explained that they have a project with a large bond allocation that represents 220 units of affordable housing. Mr. Morgan said they have experienced 15% cost increases related to supply chain issues, Ukraine, and gas prices. The soft debt lenders have all stepped up to see the project move forward, yet there is a legislative process and they are up against this wall. With the additional time, Mr. Morgan said an extension would immediately allow hundreds of units of additional housing. He advocated for no negative points for those that do not hit that goal because there are thousands of units and millions of dollars of funds that have already been allocated to projects that are waiting. He urged an extension of bond issuance deadline and no negative points.

Ms. Sandidge said if it is hard for the traditional folks to get financing in this volatile market, you can imagine obstacles the Black Developers Forum members have been facing. She said they couldn't even put money to the table to make them come to the table. There has been a closing down of the markets. Those investors are only working with those entities where they feel comfort that there is a risk that they understand and which is against what they have been working for in the last two years. She said they appreciate the state and the Treasurer's leadership and also thanked Mr. Velasquez. She said the other side of the market is not coming forward. She said someone is going to get funded because 111 applications have been submitted. She thinks it should go punitive. Ms. Sandidge recommended that in order for an investor to participate, they have to show, just like the banks did with CRA, and demonstrate at least three BIPOC projects in the state of California. They heard of work in other states, but they are supportive of an investment commitment in the state of California for housing. She said they need other large nonprofits who have these relationships to encourage the investors and the investor pool to work with them. She stated they need to come to the table and encourage the investors to work with emerging developers. If they need a 90 day extension, as a BIPOC developer, they will also need 90 day extension. Ms. Sandidge stated that there will need to be some sort of a punitive penalty for not working with BIPOC developers.

Jackson Loop, with the Southern California Association of Nonprofit Housing (SCANPH), seconded all the recommendations from CHC, including a 90 day extension to all the awardees from round 3 in 2021, and for the committee to consider more systemic supplemental bonding. Mr. Loop explained that at least 1/3 of the round 3 deals in the SCANPH region have come under debilitating construction costs increases since they received their initial bond allocation in December ranging from 10% to 38%. The Bureau of Labor Statistics is saying that multifamily construction costs have jumped by 12.5% since December and permanent loan rates have increased by 1.2% during that same time frame. He stressed that they believe this is truly a severe and statewide emergency which differs from previous extension requests and acknowledged the committee's apprehension to grant extensions previously. However, Mr. Loop said this is a unique circumstance, so if the committee is unable to make a decision today, he recommended the committee consider convening an emergency meeting for a more in depth discussion dedicated to this serious problem. He stated that if no extensions are granted, CDLAC should not penalize organizations from round 3 that are forced to return their allocations. Mr. Loop stated that the committee will establish a serious precedent, not only for round three, but for the deals throughout this year because they expect cost issue will continue to be a problem as inflation rises more in the coming months. He recommended the



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committee take this emergency seriously and use all of its available options. Mr. Loop thanked the committee for their time and consideration.

Lara Regis, with Abode Communities, stated that like many of her peers they have done dozens of bond and tax credit projects and this was the first time they find themselves in the situation of potentially not meeting their June readiness deadline in June due to the spike in construction costs. Their project received a bid from their contractor a few weeks ago that increased prices 15% (\$8 million) since the estimate in December 2021. She stated that their team is quickly working to identify how extensively they can change the design in order to reduce some costs but it will take more than just that. In addition to needing time to secure additional permanent financing sources from their public and private partners, they will also need a supplemental bond allocation along with a 90 day extension to the readiness deadline. Ms. Regis urged the committee to consider the recommendations and also take action quickly on them so developers can have certainty about the path is between now and the June closing. She also supported the request to the committee to allow developers to return allocations without a penalty so that they can prepare for a reapplication down the road to get the projects under construction.

Daniel Huynh, with the Los Angeles Housing Department, stated the City of Los Angeles will be working on closing eight projects consisting of 556 units by the June 6, 2022 deadline. Of these projects, four of them have seen significant increases to their hard costs with two seeing more than a 15% increase. Mr. Huynh stated that one of the projects is heavily considering returning their allocation with potentially more in these unusual circumstances. The producer price index (PPI) increased by 11.2% from March 2021 to March 2022, which he stated was the largest ever seen. Developers are considering value engineering, cutting their own developer fee, offering other ways to fill this gap, meanwhile having to meet the 50% bond test. Mr. Huynh urged the committee to quickly use the same emergency authority as they did in April of 2020 to grant 90 day extensions for round three deals and consider providing a small or over the counter supplemental allocation of tax-exempt bonds. He thanked the committee for their consideration.

Sophie Hayward, with the Nonprofit Housing Association of Northern California (NPH), representing more than 750 developers advocates and stakeholders echoed the concerns and the suggestions of the previous speakers, and specifically request the committee to grant a 90 day extension to all awardees, from the 2021 round three allocation. Their member organizations have expressed concern over those same issues as previous speakers such as the construction costs and interest rate increases since projects received their commitments this past December. Projects receiving a bond allocation in 2021 attempting to close before June are faced with gaps that require time and scrambling to fill and even just a 3 month extension provides a critical window of time needed to work with their partners to fill gaps without reapplying which would cost them another 6 months and further delays during a time prices could continue to rise. Ms. Hayward stated that this climate is putting hundreds if not thousands, of affordable housing units at risk of delay and fear of losing them altogether. She explained that nonprofit sponsors of projects that are unable to meet the deadlines would be assessed negative points on competitive bond allocations under current CDLAC rules, which would not only affect their ability to reapply for funding for existing projects, but it would also impact their ability to fund future projects. Ms. Hayward asked the committee to consider the same emergency authority as it has in the past to grant a 90 day extension to all of the 2021 round three projects. She thanked the committee for their time and giving them time to speak.



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Ben Barker, with California Municipal Finance Authority (CMFA), stated that they are receiving calls on equity and debt from both lenders and tax credit investors on the projects moving forward to see if other lenders and equity are changing their pricing or pulling out of the deals completely. He stated that in the next few weeks, as closings get closer, they will have a large amount of deals that need to either return their allocation or need additional time to switch equity and debt providers. Mr. Barker expects it will get worse with the June deadlines coming up.

Treasurer Ma asked if this was statewide or trend or across the board.

Mr. Barker stated that it really seems to be statewide as the deals that are getting closer to the deadline. He believes it seems to be universal without regard to geographic area. Mr. Barker added that there is going to be a large number of projects that have to return their allocation and reapply in the next round because they will not be able to get a supplemental allocation in time.

Tyler Monroe, with Thomas Safran and Associates, thanked the committee for their time and wanted to echo the sentiments of other commenters as they are seeing significant increases in construction prices and interest rates which is having a dramatic impact on project feasibility across the board. Mr. Monroe encouraged the committee to consider all the requests for extensions, supplemental bond allocations, processes, etc. to help alleviate this during this pretty exceptional period of time.

Paul Beesemyer, with the California Housing Partnership, said that those 2021 round three award recipients have deadlines in early June. He said some deals can solve their gap problems through the assistance of local government and so on, but a significant amount of them will need supplemental bond allocations to pencil. Mr. Beesemyer suggested that if the committee is inclined to consider giving extensions, the extension needs to be long enough to get the award of a supplemental bond allocation, which would be more than 90 days. He recommended a minimum of 120 days as he doesn't think in all cases 90 days is quite enough.

Robin Zimbler, with Freebird Development Company, was responding to an earlier agenda item regarding the regulations and asked whether the regulation changes would apply to the July round or not.

Ms. Burgos confirmed the regulation changes would be applicable for the July round and that CDLAC received her written comment.

Rochelle Mills, from Innovative Housing Opportunities, echoed everything that has been said before. She appreciated Paul Beesemyer comment that 90 days is wonderful but may not be enough time if a supplemental bond allocation is considered. She pointed out a concern, as a minority led developer of 500 units in the pipeline in the next year, that if negative points are received for something beyond their control, that would effectively shut down our organization. Over the last couple of years, she stated there has been an unrepresented response from the public in supporting ballot measures to increase housing without the understanding of what it takes to get from the ballot box to folks moving in. Ms. Mills expressed her concern that if the situation is not fixed now, support of the voters may be lost because they won't understand the reasons for the delays and



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need for more resources. She encouraged the committee and thanked the Treasurer for considering their position that requires extraordinary measures.

Ms. Sandidge asked Mr. Velasquez what would happen to a project that gets funding through HCD's Super NOFA but does not get a bond allocation. She asked if the HCD funds would need to be returned or would it have to be built into a large term extension process as well.

Mr. Velasquez said that he would probably entertain an extension but did not want to definitively say that now. He stated that he would have to confer with the team.

Ms. Miller said this is outside of the jurisdiction of the committee so she would encourage the committee to not discuss this today.

Andre Perry, with the City of Los Angeles, appreciated the comments from the other speakers with respect to the extensions. He talked about the impact of inflation with the previously awarded CDLAC projects. Mr. Perry suggested that it might be helpful for the committee and staff to revisit the 55% cap on applications. His concern is that if the cap was at 60%, some of the supplemental bond applications would likely not be necessary because the 60% would be enough to weather the storm of rising costs. Mr. Perry recommended changing the cap of the 55% back to 60% in CDLAC regulation section 5233.

Patrick Sabelhaus, with California Council for Affordable Housing, supported the comments made by Mr. Shoemaker made on behalf of CHC. He said they take a similar position and believe things are so volatile at this point that it's almost impossible to predict what costs are going to ultimately be. He stated the 2022 rents increased will mitigate some of the damage in some areas, but not all, and so he supported the recommendations that many have made to give an automatic extension to those requesting it, for at least 90 days, to see if they can make their project come together. He asked the committee to give real consideration to the possibility of not only allowing for supplemental bond requests of 5-10% to be granted to not violate and lose projects because of the 50% test and secondly consideration of the supplemental state tax credits from the \$500 million in state credit approved in the Governor's budget. He thought it was worthy of consideration in an effort to not lose these projects currently underway and those projects in the first round that may have miscued in terms of estimating the interest rate for the permanent financing. Many projects anticipated a 4% to 4.25% and that rate, now in many instances, has jumped up to 5.5% to 6%. Mr. Sabelhaus provided an example demonstrating that instead of a \$1 million, only \$776,000 may be borrowed. The supplemental bond allocation alone may not be able to make up that shortfall on the permanent side. If not a significant number, Mr. Sabelhaus stated it would be worthy for the committee to consider the possibility of using supplemental state tax credits to make up part of the deficit and keep the project financially feasible to continue forward towards meeting the housing production goals the Governor and others have set.

Mr. Sertich thanked the public for their comments. He said that committee has been reluctant to grant extensions over the past couple years, but since the competitive process has started, the committee has tried to make sure that all developers are on equal footing during the competitions while holding everyone accountable for what they agreed to when they submitted their application. The committee's goal always is to get as much housing built for the funds that we have available and to get at that the funds out as quickly as possible. Mr. Sertich stated the committee is unable to take



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action at this meeting. He supported thinking about this and maybe at the next meeting to determine what the right time frame is and the appropriate way to deal with the supplemental bond requests in addition to the statutory deadline associated with the state tax credits at CTCAC. He added that the committee has been reluctant to issue negative points to developers are acting in good faith. Mr. Sertich said if a developer returns their allocation when it is clear that their project will not move forward, CDLAC has held the performance deposit but not granting negative points, so he was not taking that off the table.

Ms. Miller said she understood what Mr. Sertich is saying in terms of a blanket extension versus a one off. She understands that market circumstances have changed and also understands that readiness points were awarded based on the ability to handle market changes. This is not the first time developers have had to deal with changes. Ms. Miller stated that there are two asks, one for extensions and one for supplemental bond allocation. She said these projects were ready with their financing lined up so when the project jumps ahead of every other project in line for the \$12 billion dollars in demand, it is not just a question of an extension. Ms. Miller said there are three asks on the table, two of which are to revisit the regulations as they have done over the last 18 months. Ms. Miller that she would appreciate an understanding of the ask before the committee because one would just be the market conditions are so very different that a time extension is warranted, which confined like that is more understandable. She said she was also hearing a change to the pools and supplemental bond allocations relating to predevelopment costs. Ms. Miller stated this committee is charged with one piece and that is the bond allocation in order to get as much housing built as quickly as possible. The reason the committee has been so strict on the timing is because those readiness points would not have been awarded had the project not been ready to begin the building. She asked if that was rough justice to which she responded absolutely. She said this is not an easy process and understands that bids are coming back higher but she does not think this is a confined ask to time. She is loathed to continue to extend time when what we need are these projects to be built. Ms. Miller stated if the committee is going to consider kind of a blanket extension, she would like to put over the appeals that are the next item. She did not think the appeals could be treated differently than everyone else, if in fact the committee is considering a longer period of time, which can't be done today because it wasn't entirely clear of what the ask was. Ms. Miller explained that if a blanket extension was given, it would not be enough. She stated that last time the committee did something similar was during COVID, during a global pandemic. Even if if the committee was to consider 90 days, then the committee would also have to consider the supplemental allocation in order to make these projects pencil. Ms. Miller said if they are to consider extensions, the appeals need to be put over while it is considered because they can't go through the process of appeals while considering extensions for everyone else.

Treasurer Ma thought Ms. Miller was right and to consider how would extensions and supplemental allocation would interfere with all of the other funding sources, such as tax credits and HCD funding.

Mr. Velasquez echoed the sentiment of Ms. Miller. HCD has been receiving a lot of concerning messages around cost, which is much more difficult because they have an award. He said they just released the statewide housing plan that calls for the creation of 2.5 million new homes between now and 2030, so this is very difficult. Mr. Velasquez agreed with Ms. Miller that everybody is adjusting. He said that it is easier to request a supplemental bond allocation from committee. Mr. Velasquez encouraged these projects to check with their local governments for additional funds understanding that it requires engaging heavily with local governments to see whether some of



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those local allocations can be fruitful. He said that there is a lot of monies out there from philanthropic organization and thought it would be a great opportunity for them to step up and support so that these projects come to fruition quickly. Mr. Velasquez thought this was an opportunity for those private nonprofit groups to step up. He confirmed HCD was experiencing the same issues.

Mr. Sertich stated there was a good point earlier that gets to Ms. Velasquez's point, that the 55% cap established where in normal instances there is not a 10% to 15% inflation on costs, which is one of the causes for the supplemental bond allocations. He understood Ms. Miller's points earlier that developers are aware of the risks and thinks that if the committee considers granting supplemental bond allocation requests, there needs to be a limit following review. Mr. Sertich thought there were technical measures that need to be looked at to get to the best outcome for everybody in terms of getting the housing built, which is not as simple as saying that the local government provide more money to this project or the allocation of more state tax credits. If projects were given 60 day extensions and there is certainty the project will close, the outcome would be better in the short term than taking money back resources and re-awarding them thereby starting another 180 day period. However, he said that we also want to make sure that the developers know that 180 days is generally going to be the deadline so that we don't always have 240 days of issuance deadline. He said a discussion needs to take place with clear recommendations on the table.

Mr. Shoemaker, with Mercy Housing, stated that he does not think anyone in the audience will disagree with the general statements made. For a variety of reasons, he explained that taking this up as an action item in May as opposed to waiting in June, is absolutely critical. Mr. Shoemaker thinks signaling to the development community whether or not the committee is willing to consider extensions that don't require supplemental bond allocations or is willing to consider both is important. He thinks if the committee were to say they are only going to do extensions and not going to consider any supplemental bond allocations, there will be a number of supplemental bond allocations coming up. Mr. Shoemaker appreciated Ms. Miller's comments stating that if the committee is willing to consider a blanket extension, they are willing to being moved to a different agenda date. He appreciated Mr. Sertich 's comment and does not think this industry has ever encountered a situation where the requested bond amount dropped down to 55% as a matter of policy timed with the current market volatility. His concern is that they simply can't meet the 50% test without a supplemental bond allocation. To Mr. Velasquez's point, they could find additional money and increases in supportable debt with the AMI increases. Mr. Shoemaker concluded that while there are actually solutions that we're all used to solving for, they have just never had the situation come together in quite this way.

Darren Bobrowsky, with USA Properties Fund, thanked the committee for the opportunity to share his thoughts. They have two projects that have a June 6, 2022 closing deadline, both of which have state tax credits so they are going to close those deals. He said the projects are stressed with the 50% test and they are going to make them work. Mr. Bobrowsky stated that they want to be treated the same as everyone else with regard to extensions and supplemental bond allocations since they are aware of the risks when they accept a bond allocation. He recognized that not all developers are as well capitalized as their company and thinks that the committee should recognize that especially emerging developers or other nonprofits need those developer fees. Mr. Bobrowsky also reiterated Mr. Shoemaker comment that it would be helpful to have some indication of where the committee is landing as early as possible for a May closing. He concluded that it would make a difference and



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everyone is working very hard to get to a closing date. Mr. Bobrowsky thanked the committee for sharing his thoughts.

Mr. Morgan stated that in their case, an extension would provide them enough time just for a legislative process to really ease some pressures. He said they have a lot of local commitment and of course, having the additional bond allocation would be very helpful. Mr. Morgan stated they just need an extension to allow them to go ahead and produce housing where otherwise they are running up against some other deadlines.

Ms. Kho stated that she was honored to be here today on behalf of CalHFA and Tiena Johnson Hall. She wanted to share comments received by CalHFA from their developer partners. She said they are also experiencing similar situations with the market pressures first hand, specifically the interest rate volatility and the construction budget. Ms. Kho said staff is working closely with the developers for deals currently in the pipeline to execute as quickly as possible. She noted that these projects include the remaining 2021 Mixed Income Program (MIP) projects awarded back by CDLAC and CTCAC in December 2021. Ms. Kho shared that they have been hearing consistent messages from their developer partners.

Christopher Ramirez, with Mac, said that their project requested an extension back in January from a previous round, as they were unable to meet their February deadline. He appreciated the good feedback and thought Mr. Sertich made some comments about supporting waiver of forfeiture of their performance deposit and negative points for our project, which we are seeking in our in the next agenda item. By not allowing any kind of extensions, Mr. Ramirez stated this will set these projects back about a year, which will delay much needed housing for the folks that need it.

Ms. Miller stated that the idea that they are setting back developers that applied and received readiness points so that they can start developing as they are shovel ready. She understands that there are some extenuating circumstances and that is what they are trying to work through. Ms. Miller added that developers make a commitment to the people in the state of California to build affordable housing, when there are applications totaling \$12 billion and they get awards above others to build said housing. This is not about any individual project.

Mr. Sertich requested to have an action item for this at some point in May to provide clarity to the development community on this.

Treasurer Ma if the desire of the committee was to schedule another meeting as Mr. Sertich requested.

Ms. Miller said Mr. Sertich's idea makes sense and the consideration is for the blanket extension, though it sounds like the extension is not sufficient. Following an extension, the supplemental bond requests will be the next request. Ms. Miller stated that one off supplemental bond requests are one thing, but blanket supplemental bond requests are something else. Looking to the Executive Director, Ms. Millers said it may make sense to have to time to analyze this with the newest information, looking at the applications for a May meeting, although with the regulations she stated this is not a small ask for the team and she had concerns with that.



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Ms. Robles acknowledged it is a huge ask and they already have applications in for supplemental bond requests for the time frame being discussed so she does not know that in an additional meeting in May and the decision made at that point is going to have a very fair effect. She explained that this would affect the ones that have already submitted their supplemental bond requests and the next round.

Treasurer Ma acknowledged that there would be a cascading effect.

Mr. Sertich stated his concern is that if they wait until the next scheduled June meeting then they are essentially denying the extensions for the projects, at least those not on the agenda. That is in itself is a decision and he asked that they not do that.

Ms. Miller said that to reiterate the negative points, that the committee has been very consistent and not assessing those and wanted to make that really clear because there are four issues, two of which we have not addressed as a policy including the timing and the supplemental bond requests. The negative points, they absolutely have and then the rolling pool, that would take another request and then a funding source from somewhere else for supplemental or predevelopment costs. She said they have not addressed that so she wanted to clarify the issues before the committee, a blanket extension by policy, the supplemental question, and the negative points, which she thinks has been addressed.

Mr. Velasquez stated Mr. Sertich was sympathetic on the extensions. He asked Mr. Sertich for clarification on the extension as far as timing.

Mr. Sertich said that he thinks that currently the bond issuance deadline for these projects is early to mid-June and that the June meeting is probably after the initial deadline. If no meeting takes place before then, those projects will not meet their issuance deadlines. He understood Ms. Miller and Mr. Velasquez comments regarding the 10 points they received for being ready to start construction within 180 days understands that they have been holding the line. Mr. Sertich requested they be thoughtful about this given the market disruption that is a little bigger than normal, though not as big as the COVID disruption. He is willing to have a more formal discussion about a specific resolution to move forward, but will do no good at the June meeting since the deadline will have passed.

Mr. Velasquez asked how many projects we are talking about.

Mr. Miller stated that it is unknown and that is the problem because there are three on the agenda that need resolution ahead of the June 6, 2022 deadline. She said she did not feel comfortable approving individual extensions because she it needs to be done as a policy as she does not want to set a precedent. Ms. Miller said she thinks the issue is that in order to do any type of extension by policy, being discussed now, it would have to be done ahead of June 6, 2022 to avoid missing the required deadline. She added that she would be happy to entertain supplemental bond requests per the guidelines and regulations, but not by policy. If the will of the committee is to consider this at a meeting in May, which she reiterated is a lot to put on the team given the regulations, she thought the regulations could be pushed out a little bit. Ms. Miller suggested a one item agenda in May and recommended a time limit for that meeting.



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Treasurer Ma asked staff if a discussion at a May meeting could be scheduled.

Ms. Robles suggested pushing out the July deadline.

Ms. Burgos said that would push out the regulations and provide additional time for the regulations.

Ms. Miller stated she thought that was reasonable because the regulation process itself is sort of the domino effect. She said if we do extensions by policy, we can push out the July deadline for the second round. This would allow staff to spend the next three weeks analyzing the extensions. Ms. Miller thought it was reasonable given the extraordinary circumstances of the cost of construction and the volatility in the market. She supported pushing those other deadlines.

Mr. Sertich agreed. He emphasized that time is of the essence but they need to be done right. Mr. Sertich deferred to staff to make those decisions as to what can get done.

Ms. Robles stated that in speaking of the domino effect they are getting comments in the chat and imagine there will be some developers unhappy with moving the schedule.

Treasurer Ma said that if another meeting is scheduled, everything will be pushed back.

Ms. Miller confirmed that was correct with the ultimate flexibility for the staff because it is difficult to keep pushing things back. She said to have a May meeting on a blanket extensions given the market volatility and circumstances, followed by an update on the postponed application deadline for the second round as well as the update on the regulatory process.

7. Agenda Item: Request to Waive Forfeiture of Performance Deposit and Negative Points - Crest on Imperial (21-580) Presented by Nancee Robles

Ms. Robles stated that when items for requesting waiver of performance deposit or extensions come up, the issuer of the project that would present.

Mr. Ramirez, with Mac and co-developer on the Crest on Imperial project (CA-21-580), thanked the committee for the time to express support for our request to waive the forfeiture of performance deposit and negative points for their project. The committee did not support their original request for a 90 day extension to the bond issuance deadline at the January 19, 2022 meeting. Mr. Ramirez appreciated the discussion about an expression of support for a future request to waive the assessment of negative points and forfeiture of the performance deposit. He said they look forward to the committee keeping that sentiment, which was reiterated today. Mr. Ramirez expressed appreciation for the support of Elyse W. Lowe, Director Development Services, at the City of San Diego and the acknowledgement of the challenges the city was having and its impact to their project, which were beyond their control. He thanked the committee for expressing their understanding of the challenges that can arise and is hopeful of support for their request to waive forfeiture of the performance deposit and negative points. Mr. Ramirez thanked the committee for their consideration of their request.

Treasurer Ma called for questions from the committee members



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Ms. Miller asked for clarification that negative points were not assessed to this project so the request is to waive the performance deposit forfeiture.

Mr. Sertich clarified that in general when these projects have not performed when the developers are acting in good faith they have not assessed negative points but they have held the performance deposit because that performance deposit was full performance and this holds it in that same model following the past decisions of the committee that the performance deposit would not be returned to the developer in this case.

There was no motion made.

Treasurer Ma confirmed the performance deposit will be kept and no negative points assessed.

Kevin Brown, with the issuer CalHFA, stated that the committee declined to extend the deadline on this project at the last meeting and that the delay was caused by the City of San Diego and the change in their processing for the plans so the delay was completely outside of the developer's control. He said that if he recalled correctly at that meeting CDLAC agreed to consider waiving the performance deposit forfeiture and assignment of negative points if this was requested by the developer at this meeting.

Ms. Robles stated the opportunity to bring a request was at this meeting and there was a discussion about the negative points and that they would not be assessed negative points since it was no fault the applicant.

Treasurer Ma said as a committee, they have not given back performance deposits.

Treasurer Ma called for public comments.

Public Comments:

None

8. Agenda Item: Request for Extension of Bond Allocation Issuance Deadline for Qualified Residential Rental Projects Presented by Nancee Robles

Ms. Miller said if a blanket extension is being considered at a May meeting then it may make sense to wait on all of them until the May meeting.

Ms. Robles said unless one is expiring before the end of May.

Ms. Burgos stated there are not any but that a few applicants have asserted that their extension requests are not based on market volatility so it is up to the discretion of the committee if they want to hear them today.

Mr. Sertich said that they can hear the appeal and agrees with Ms. Miller but will leave it up to the applicants.

Mr. Shoemaker stated that they are fine with delaying the requests for theirs until the May meeting.



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Reese Jarrett, with E. Smith & Company, Inc., and partners with the Urban Core Development in the proposed Poppy Grove I (CA-21-682) and Poppy Grove III (CA-21-705) projects before the committee. He introduced his partner Michael Johnson. Mr. Jarrett stated they articulated a clear and concise reasons for their extension in their memorandum. First, he said it was clear to them and competing in the BIPOC pool that the committee lowered the barrier for entry to these public accessible dollars to deliver and build affordable housing in communities that they represented and look like the people that were developing. Mr. Jarrett thanked the committee for their foresight in that endeavor. However, in applying for the bond allocations in the December round, they were unable to secure bond allocation for Poppy Grove II. He explained that the allocation was exhausted in the BIPOC pool and so Poppy Grove II competed in the geographic pool and were not able to secure the requested state tax credits resulting in them reapplying in this March round. Without the state tax credits, Mr. Jarrett stated they returned the bond allocation prior to the end of the year so it could be redeployed to another project. Having reapplied in the March round, they along with their investors are confident they will be able to align the Poppy Grove I, II, and III projects. He said they recognized how these market conditions that have impacted developments and they took a proactive effort to request supplemental bond requests in the March round for Poppy Grove I and III to balance the budget along with value engineering to ensure the 50% test is met. Mr. Jarrett stated the applications are pending and it appears they will be successful in receiving the supplemental bond allocations. He said they are now at a point where they are ready to take their team of committed lenders and equity investors and move the project forward. Having competed in the BIPOC pool, Mr. Jarrett felt it was necessary to demonstrate that this was a necessary tool that the state created to allow access to these funds for those who have been unable to compete due to the high bar set. He requested a 60 day extension to complete this task and having stood up the BIPOC pool, it is important the committee stand behind it and allow them the opportunity to compete in this pool.

Michael Johnson, with Urban Core Development, and 50/50 partners with E. Smith & Company, Inc., on this project. He stated he has been doing tax credit affordable housing for better part of three decades all the way back to 1991 when they sold tax credits at 42 cents on a dollar to Enterprise, who at the time was one of the few equity investors in the market. Mr. Johnson said their ability to continue working on these types of transactions over these three decades was made possible by partnering and joint ventures with majority firms. He said this is the first project that he will have an opportunity to actually joint venture with another BIPOC developer and only made possible by the committee's foresight and creativity to create a BIPOC pool. Mr. Johnson expressed appreciation and stated the Black Developers Forum has been galvanized around the success giving other emerging developers some foresight of what they can accomplish in the future. He mentioned the history because he said they are on an island by themselves. Mr. Johnson appreciated the comments and recognized the challenges developers are experiencing to move their projects forward. He asked the committee to take into consideration their need and their extensions because there are no BIPOCs being considered at the May meeting so it would not penalize anyone, but will allow them a little cushion in their schedule to complete the closing. Mr. Johnson stated they have invested a lot and this will be one of the largest tax credit transactions done by a BIPOC developer in the country, not just California. The extension will allow them all to be very proud of what they were able to accomplish. He requested up to a 60 day extension and they can finalize and close and get this project underway and make everyone proud. Mr. Johnson thanked the committee for their time and that it is always a pleasure to come to Sacramento to see everyone.



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Mr. Jarrett close stating they are grateful for the opportunity to be here and thinks this is a real opportunity to do something to move forward the goals of delivering affordable housing that the state and that this is a partnership that works. He thanked the committee for their time and ready to answer any questions.

Treasurer Ma called for questions from the committee.

Ms. Miller stated that she would love to do one off extensions and understands why the BIPOC pool is so important and proud of the committee and the state for having it, but said it was important for the committee to do it in a systematic way that creates no confusion. Ms. Miller agreed with some points, about the BIPOC pool in general, which would take a regulation change. She stated that it is somewhat ironic that they are discussing market volatility when the barriers to entry for the BIPOCs have been so great that they have been subject to market volatility way before the market. Ms. Miller explained that given how complicated this process is, waiting the two to three weeks for the next meeting and having some consistency and certainty this will be done as a matter in a really deliberate way at the next meeting. She does not want there to be any confusion for any other developers. Ms. Miller stated her preference would be to wait until the next meeting notwithstanding, the great points that were made and to potentially grant the extensions all at the same time, if that is the committee's preference. She said it is important that the committee do it systematically so that folks that are not used to this process have an equal opportunity to understand it. Ms. Miller hoped they could take that back to their investors in terms of the extension and asked that they wait a couple more weeks.

Mr. Jarrett stated they would like to take back the ticket of an extension to the investor and confirm this is a done deal. He understood the complexity of the decision-making process and understands that it is difficult and even pushing the date out complicates matters for some developers. Mr. Jarrett said they will accept the committee's process and appreciated the responsiveness.

Mr. Sertich appreciated the discussion and agreed with Ms. Miller and that the regulation change within the BIPOC pool would be important to really magnify the reasons that that pool is developed and to ensure that emerging BIPOC developers have the resources and have the tools to help get these deals through. From a procedural and systematic standpoint, he said it does make more sense to wait until next month and that he would like to have these individual extensions on the agenda next month, as a sort of carry forward this item, along with the other items discussed.

Treasurer Ma called for public comment

Ms. Sandidge said she wanted to acknowledge Mr. Jarrett and Mr. Johnson as great examples of developers coming through the BIPOC pool. She stated that they only ask for a level playing field so if the will of the committee is to push the extension to the May meeting, she would like to recommend as early in May as possible. Ms. Sandidge said they have several other excellent BIPOC projects applying in the next round and would be amenable to move the round back if necessary.

This item will be tabled until a May meeting.



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9. **Agenda Item: Request for Extension of Bond Allocation Issuance Deadline for Qualified Residential Rental Project and Request to Transfer the California Municipal Finance Authority (CMFA) Allocation and the Project to the California Housing Finance Agency (CalHFA) - Northstar Courts (21-735)** Presented by: Nancee Robles

This item was pulled from the agenda.

10. **Agenda Item: Public Comment**

Treasurer Ma called for public comments.

Public Comments:

Ms. Sandidge asked for clarification because tabling the issue over to May is only affecting the projects identified in Item #8 (a-d). She also asked if the regulations would be added so the extensions can be discussed in a more uniform way.

Mr. Sertich said there will be more of a discussion on the regulations. In addition, he said there will be a new item for the larger extensions and how we're going to manage in addition to the tabling of the item specific for the 4 projects.

There was no further public comment.

11. **Agenda Item: Adjournment**

The committee meeting adjourned at 3:20 pm.