



California Debt Limit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

January 17, 2024

CDLAC 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 1:10 p.m. with the following Committee members present:

Voting Members: Fiona Ma, CPA, State Treasurer
 State Controller Malia M. Cohen
 Evan Johnson for State Controller Malia M. Cohen
 Gayle Miller for Governor Gavin Newsom

Advisory Members: Department of Housing and Community Development (HCD) Director
 Gustavo Velasquez
 Kate Ferguson for Tiena Johnson Hall, Executive Director for the
 California Housing Finance Agency (CalHFA)

2. *Agenda Item: Approval of the Minutes of the December 6, 2023, Meeting – (Action Item)*

Chairperson Ma called for public comments:
None.

MOTION: Ms. Miller motioned to approve the minutes of the December 6, 2023, meeting, and Ms. Cohen seconded the motion.

The motion passed unanimously via roll call vote.

3. *Agenda Item: Program Updates*

Presented by: Ricki Hammett

Ricki Hammett, Deputy Executive Director, discussed the following topics:

Staffing Updates: Ms. Hammett welcomed CDLAC Interim Executive Director and CTCAC Executive Director Marina Wiant. Ms. Wiant was selected and appointed by the Treasurer, and her first day was January 10, 2024. She comes from the California Housing Consortium (CHC), where she has worked for the past 11 years, most recently as Vice President of Government Affairs. CHC is a statewide nonpartisan advocate for the production and preservation of housing affordable to low- and moderate-income Californians. At CHC, Ms. Wiant led a policy and advocacy team that secured the passage of a range of legislation, ballot measures, and budget resources, that have transformed the affordable housing industry. Staff is excited that she has been chosen to lead CDLAC and CTCAC.

Ms. Wiant thanked Chairperson Ma for the appointment, as well as the Committee for her hopeful confirmation. She is excited to work with the talented and professional team at CDLAC.

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Ms. Hammett stated that Emily Burgos, CDLAC Section Chief, will be leaving CDLAC for HCD. Ms. Burgos has been a great asset and has done a tremendous amount of work overseeing numerous regulation packages and affordable housing allocation rounds and has led a well-functioning team. Ms. Hammett thanked her for her leadership and expressed that she looks forward to working with her in a different capacity.

Ms. Burgos thanked Chairperson Ma for the opportunity and her continued support, as well as the CDLAC staff for their great work. She also thanked the HCD and CalHFA staff for their partnership. Additionally, she thanked CDLAC's local partners and members of the development community.

Chairperson Ma expressed that when she was elected five years ago, there was no CDLAC per se. After the \$500 million state Low-Income Housing Tax Credits (LIHTC) were received, the bond program became competitive for the first time. Nancee Robles, former CDLAC Interim Executive Director, advocated for Ms. Burgos to join the CDLAC team. Chairperson Ma expressed that Ms. Burgos has done a fabulous job building up CDLAC to where it is today; things are working seamlessly and the staff is flexible. Chairperson Ma expressed confidence that Ms. Burgos will be an asset to HCD.

Ms. Miller said that with Ms. Wiant as Interim Executive Director, there is a lot of knowledge and expertise at CDLAC now, and it is important that CDLAC represents the State of California. She expressed that it will be phenomenal for HCD to have Ms. Burgos on their team.

Mr. Velasquez expressed his excitement for Ms. Burgos to join the team at HCD. Also, he recently spoke to Ray Pearl at CHC, and Mr. Pearl expressed appreciation for Ms. Wiant's leadership. Mr. Velasquez said that Ms. Wiant has helped solve problems across the housing industry by making incredible recommendations, and he expects that she will be phenomenal at CDLAC.

Ms. Ferguson welcomed Ms. Wiant and said she will miss Ms. Burgos but will keep in touch.

Ms. Hammett said that the final staffing update to report today is the promotion of Danielle Stevenson from Executive Assistant to Analyst at CDLAC. Danielle is at the meeting today, calling roll and reading the phone script. Ms. Hammett congratulated her on her promotion.

Santa Fe Springs Village Update: The Santa Fe Springs Village project, which requested a transfer of allocation from the California Municipal Finance Authority (CMFA) to the Los Angeles County Development Authority (LACDA), has returned its allocation. The project was supposed to provide regular progress reports, so this will be the only report. The project cited increased construction costs, increased interest rates, and reduced tax credit pricing as the reasons it could not move forward. The allocation has been returned and the performance deposit has been forfeited.

Ms. Miller said that Chairperson Ma was correct in her assessment of the transfer of that allocation.

Application Dates and Deadlines: The dates and deadlines for submitting applications for the 2024 rounds have been posted. Those dates were shared at the December 6, 2023, meeting and can be found on the CDLAC website under 2024 Meeting Agendas, Schedules, and Materials.



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2023 Program Highlights: CDLAC held nine Committee meetings last year. In 2023, CDLAC was responsible for allocating over \$5.5 billion in tax-exempt bond authority, almost 4.7 billion in 2023 State Ceiling, and over \$800 million in prior year carryforward, with all but \$630 million set aside for multifamily affordable housing projects. \$4,454,334,197 was awarded for Qualified Residential Rental Projects (QRRP) to 127 projects, and \$311.5 million for Exempt Facility (EXF) and Industrial Development Bond (IBD) projects to five projects. The approved multifamily projects will help developers finance the creation or rehabilitation of 14,975 units of housing throughout California, 14,798 of which will be low-income affordable units.

Carryforward Update: There is a total of \$579,902,614 of allocation available for assignment in 2024. \$578,945,276 of allocation remains as of the end of 2023, which is made up of reverted and unallocated funding. \$136,691,947 is 2022 lump sum carryforward and \$442,253,329 was assigned as 2023 lump sum carryforward and was divided between CalHFA and the California Municipal Finance Authority (CMFA). The 2023 carryforward will be applied to future projects by priority to supplemental allocations, Homeless and Extremely Low-Income/Very Low-Income (ELI/VLI), and Mixed-Income QRRP, before current year allocation is awarded to these issuers.

Supplemental Allocation Update: In June 2022, CDLAC created a supplemental pool. In 2023, the supplemental allocation available was \$195,149,006, and 70 supplemental applications were approved for approximately \$159.3 million. At the end of 2023, the supplemental pool had \$35,872,530 remaining. This remaining amount was part of the 2023 lump sum carryforward allocated to the top two issuers for QRRP projects.

Chairperson Ma called for public comments:
None.

4. **Agenda Item: Resolution No. 24-001, Discussion and Consideration of a Resolution Confirming the Interim Executive Director of the California Debt Limit Allocation Committee (Gov. Code §8869.83) – (Action Item)**
Presented by: Ricki Hammett

Ms. Hammett stated that this item is a discussion and consideration of a resolution confirming the Interim Executive Director of CDLAC. As Ms. Hammett stated previously, Marina Wiant has been selected and appointed by the Treasurer to serve as the Interim Executive Director of CDLAC. This resolution would confirm her appointment and designate her with such power and authority as necessary to carry out the duties imposed by law upon CDLAC.

Chairperson Ma called for public comments:
None.

MOTION: Ms. Miller motioned to adopt Resolution No. 24-001, and Ms. Cohen seconded the motion.

The motion passed unanimously via roll call vote.

5. **Agenda Item: Resolution No. 24-002, Adoption of the 2024 State Ceiling on Qualified Tax Exempt Private Activity Bonds (Gov. Code §8869.84 & Cal. Code Regs., tit. 4, §5010) – (Action Item)**



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Presented by: Ricki Hammett

Ms. Hammett explained that Government Code section 8869.84 requires CDLAC to determine and announce the state ceiling as soon as practicable after the start of each calendar year, and Section 146 of the Internal Revenue Code limits the amount of qualified tax-exempt private activity bond debt that may be issued in a state during a calendar year, also known as the Annual State Ceiling. Pursuant to Revenue Procedure 2023-34, published on November 9, 2023, by the Internal Revenue Service, the per capita multiplier, adjusted for inflation, is \$125. Section 146(j) of the Internal Revenue Code further requires that the calculation of the Annual State Ceiling be based on the most recent resident population estimate released by the U.S. Census Bureau before the beginning of the calendar year. On December 19, 2023, the U.S. Census Bureau issued Press Release #CB23-217, reporting California's estimated July 1, 2023, population as 38,965,193, which is used to set the 2024 Annual State Ceiling. The population decreased by 0.19%. Even with the population decrease, due to the increase in the per capita multiplier, the 2024 bond volume cap increased to \$4,870,649,125. In terms of dollars, this is a \$187,128,085 increase from the 2023 Annual State Ceiling. This resolution will adopt the 2024 Annual State Ceiling for qualified tax-exempt private activity bonds.

Ms. Ferguson asked Ms. Hammett to explain the reduction in the EXF pool and the recommended allocation to the Single-Family Housing (SFH) pool, including CalVet.

Ms. Hammett said that discussion would be suited for the next agenda item, whereas this item would just establish the 2024 State Ceiling.

Chairperson Ma called for public comments:
None.

MOTION: Ms. Miller motioned to adopt Resolution No. 24-002, and Ms. Cohen seconded the motion.

The motion passed unanimously via roll call vote.

6. Agenda Item: Resolution No. 24-003, Adoption of the State Ceiling Pools, Application Process (Cal. Code Regs., tit. 4, §5010, 5020, 5030) – (Action Item)

Presented by: Emily Burgos

Ms. Burgos explained that staff recommends that the allocation process this year be competitive. The Pool and Set-Aside Recommendation was included in the E-Binder as Exhibit A. To summarize what Ms. Hammett explained about the previous year allocations, just over \$90 million was left unallocated from QRRP in Round 3 last year, and there is approximately \$35.8 million of QRRP supplemental allocation from last year. After the end of Round 3, there was approximately \$133.7 million of QRRP reversion. In the EXF pool, there was \$144.5 million that was transferred to QRRP at the end of the EXF rounds. At the end of the year, there was a \$150 million in EXF reversion. Finally, there was approximately \$24 million in unused IDB allocation. In total, that leaves \$578.9 million of unused allocation from last year, which will be added to the total available allocation for this year. The total will be approximately \$5.45 billion. Staff recommends splitting that allocation among QRRP, SFH, and EXF/IDB projects.

For QRRP, staff recommends an allocation of \$4.79 billion. Compared to last year, the pools and set asides are all the same percentages, with the exception of Preservation and Other Rehabilitation. Staff

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recommends a 1% change to make Preservation slightly smaller and Other Rehabilitation slightly bigger. This is in response to the demand for Other Rehabilitation and requests for Other Rehabilitation to be more accessible throughout the year, as opposed to projects having to wait for a surplus at the end of the year. Staff believes there will be more than enough allocation for the Preservation projects that come in to get awarded.

Staff recommends an allocation of \$350,000 for SFH, although they recognize that the Committee still needs more education and time to decide how the SFH allocation should be divided, and they recommend making that decision at a later date, perhaps in February or March, but a meeting has not been scheduled yet. Staff has been in contact with CalVet, mortgage revenue bond issuers, and Mortgage Credit Certificate (MCC) issuers.

Additionally, staff recommends an allocation for EXF/IDB of \$310 million – \$300 million for EXF and \$10 million for IDB. The EXF pool has been under-allocated for the past couple of years, and this would give enough allocation for most projects to get awarded while still keeping the pool slightly competitive. The IDB pool would just be allocated \$10 million; last year, \$30 million was allocated to that pool, but there was only one allocation, which staff was excited about. Staff would like to leave \$10 million on the table for those projects in case there is an IDB project that comes in, but the pool was over-allocated last year.

Ms. Ferguson said she does not have a problem with the reduction in the EXF/IDB pools. However, she would like an explanation of CalVet's request.

Ms. Burgos clarified that CalVet requested \$100 million at the last meeting.

Ms. Ferguson asked if that request has changed.

Ms. Burgos said their request was revised to \$80 million.

Ms. Ferguson said she does not have a problem with that, and CDLAC should continue to support the work that CalVet does. It is a great use of the bond cap. However, if CalVet needs \$80 million, that leaves an additional \$270 million proposed for the SFH pool. The administration's priority continues to be the development of multifamily housing, so CalHFA would recommend putting more funding into some of the most competitive pools rather than SFH. While SFH is not a priority in the pools at CDLAC, the administration has provided significant funding for SFH over the past five years. CalHFA alone has funded \$85-100 million through its downpayment assistance programs since the 2019-2020 fiscal year. That funding has helped 33,000 low- to moderate-income families become homeowners. That is in addition to the Dream for All program, which CalHFA funded for Phase 1, and Phase 2 was included in the budget. That will provide another large amount of funding for SFH. Therefore, while there is no pool for SFH at CDLAC, it has not been deprioritized overall by the administration, and there have been significant resources put into SFH in the past five years. Ms. Ferguson asked the Committee to consider those points when deciding on whether to reallocate the \$270 million proposed for the SFH pool. She does not have any concerns about an allocation for CalVet, but the priority for the additional funds should be multifamily housing.



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Mr. Velasquez echoed Ms. Ferguson's sentiments about CalVet and the administration's priority on multifamily housing. The table in Exhibit A shows that the Homeless and ELI/VLI pool is oversubscribed. Mr. Velasquez asked Ms. Burgos if that is correct, and if she could provide information on the breakdown of the demand between Homeless and ELI/VLI.

Ms. Burgos explained that Mr. Velasquez is looking at the Demand Survey, and often when the Demand Survey is completed, developers do not provide information on the pools and set asides they will apply for. When they do provide that information, they will often say that it will be either Homeless or ELI/VLI. Additionally, projects can compete in both the Homeless and ELI/VLI set asides.

Mr. Velasquez reminded the Committee that at the last meeting, he expressed that he wanted to look at the annual progress reports from all the jurisdictions that applied to HCD for funding to see how far they moved the needle in terms of meeting their targets. In that research, Mr. Velasquez came across 11,975 ELI/VLI permits for the current Regional Housing Needs Allocation (RHNA) cycle with a target of 651,200. In other words, only 2% of the goal was met for ELI/VLI housing during this RHNA cycle. Since 2023 data is missing from the jurisdictions, Mr. Velasquez estimates that the prorated percentage would be about 14.7% to 15%. However, the goal is still extremely high for ELI/VLI housing, and he feels that this data is relevant to the Committee's discussion today. Although the pools will remain the same percentagewise, it is mind blowing that the state continues to struggle to make reasonable progress toward the priorities of this Committee, especially for Homeless and ELI/VLI units. Mr. Velasquez will be meeting with the Governor tomorrow to commemorate the Homekey program, which has moved the needle on Homeless projects. They will be announcing tomorrow that they have met the 15,000-unit goal with the Homekey program. However, this is just a drop in the bucket in the context of what the state should be producing. The state is far behind where it needs to be.

Chairperson Ma asked if those progress reports are published, and which cities are doing better in terms of meeting their goals.

Mr. Velasquez responded that the information is searchable on HCD's data dashboard, and it is possible to filter by jurisdiction to see the progress by income level, such as ELI/VLI, moderate-income, market rate, etc. In previous RHNA cycles, about 40% of the goal was met for moderate-income housing, and anything below moderate-income was below 20%. HCD is seeing the same pattern in this cycle, although it is still early since the starting point was in 2021. However, in the first couple of years for which data is available, they are seeing the same slow progress for all housing below market rate.

Chairperson Ma asked how Mr. Velasquez sees things changing in terms of developers being able to make their projects work considering the past, current, and potential future interest rates.

Mr. Velasquez said that he does not see things changing in a positive direction other than the huge increase of public investment in affordable housing, which has helped tremendously. That will probably change in the next couple of years, but it has been a supportive way for the industry to maintain the pipeline. However, the interest rates and cost overruns have been seen in the supplemental allocation requests. The factors have changed and have made the situation stagnant in this cycle.



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Ms. Cohen asked for an explanation of the staff's proposed allocations. She asked if the funds proposed for the SFH pool would potentially go unused and end up as carryforward if they were moved into the QRRP pools as suggested by Ms. Ferguson.

Ms. Burgos said that year after year, those funds have ended up as carryforward.

Ms. Cohen asked how many years resulted in carryforward.

Ms. Burgos said that when she started in 2021, there was no carryforward. In 2022, there was \$875 million in carryforward. In 2023, there was \$578 million.

Ms. Cohen asked Ms. Burgos to explain why there was no carryforward in 2021, but there has been carryforward since then.

Ms. Burgos said the development community might be able to shed more light on this issue, but staff has seen that as the enhanced state tax credits have become scarcer, there have not been enough state credits to match the available bonds. That is why there has been less bond allocation used by housing projects. 2022 was the first year that the state tax credits ran out.

Ms. Wiant said that if the Committee were to enlarge the ELI/VLI pool in the first round and the state tax credits were all allocated in the first round, more state credits would likely be utilized in that pool before being made available in the regions. That would be the benefit of enlarging that pool. However, this is ultimately a state tax credit conversation because the credits will run out.

Ms. Ferguson said that the difference between 2021 and 2022 was that there was a huge influx of capital at the state level with SB-2 and AB-101 that came into the multifamily housing market, and development budgets were not as tight as they are now. Because interest rates have increased, carrying costs and construction loan costs have also increased, which has created gaps in the financing structures. There is not a natural way to fill that gap without additional capital being infused into the market. This is why state tax credits, which are one of the best ways to bring outside capital into housing developments, are so valuable; they actually help to fill that gap. Over the past five years, CalHFA has seen that initially, there was a very low-level need for state tax credits when interest rates were lower. Due to rising interest rates, the pandemic, and rising costs for labor and raw materials, gaps were created without the identification of any infill capital. The availability of state tax credits is what has caused so much competition in addition to driving CDLAC.

Chairperson Ma asked if the \$500 million state LIHTCs are in the budget.

Ms. Ferguson said yes, they are in the budget and accessible for 2024. However, in 2025, based on the current budget, the state tax credits will be decreased to \$150 million.

Ms. Wiant clarified that the Governor's budget proposes zero dollars for the enhanced state credits, and the amount in the budget is the statutory amount that currently goes to the 9% credits.



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Chairperson Ma said she has heard that at the federal level, there may be a change in the basis requirement from 50% to 30%.

Ms. Wiant said that is included in the bipartisan tax bill, as is a restoration of the 12.5% increase in the 9% credits. It will be helpful if that passes.

Ms. Ferguson said that if the 50% test decreases, that will increase the amount of bonds, and without additional gap financing, there will still be a need for more state tax credits to fill that gap. That has not happened yet, but it is a mismatch in timing from the advocacy that the Committee has been doing for so long.

Ms. Miller said that CDLAC is a couple of years behind, and the decrease from 50% to 30% was needed when CDLAC was more competitive. Now that there is a large amount of carryforward, state tax credits are needed.

Chairperson Ma asked if there would potentially be more carryforward.

Ms. Miller responded affirmatively.

Ms. Ferguson said this is the last year for the \$500 million state tax credits, based on the current budget. That is one of the reasons she thinks the administration is still a proponent of multifamily developments using the bond cap to the greatest extent possible.

Chairperson Ma asked if there will be a large amount of carryforward next year due to having fewer 4% state tax credits.

Ms. Miller said there are six months left of the \$500 million state tax credits. CDLAC should maximize the state tax credits to match with the CDLAC allocation for multifamily projects. In July, there is a potential that there will not be the additional \$500 million. The Committee indicated previously that those funds would not be ongoing. The question now is whether the Committee should consider an allocation to SFH when the 4% state tax credits are no longer maximized. The idea is that the 4% state tax credits, plus the CDLAC allocation, private dollars, and local funding – all of which have billions of dollars – create a capital stack. The biggest leverage that can be achieved in that capital stack is with multifamily projects. An allocation to SFH would not leverage the dollars; it would just use the dollars for tax-exempt financing. There is less bang for the buck. Ms. Miller would like to have a period of time where CDLAC continues to focus on multifamily projects in order to frontload the additional state tax credits with as much bond allocation as possible, and then if there is no change in the budget in July and there is no additional allocation of state tax credits available, the Committee can start to look at other ways to use the bond allocation. Otherwise, there will be a larger amount of carryforward. The Committee can still decide on an allocation to the pools today, but the focus should be on multifamily projects. The Committee can continue to have a conversation about SFH, especially because there is no reason to leave allocation on the table. If the bonds are frontloaded to maximize leverage ability while the Committee waits for the new budget, it provides a better opportunity to use the bond allocation more efficiently.



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Chairperson Ma said she understands that, but if there are not enough state tax credits at the end of the year and the federal law changes regarding the basis requirement, she would like to know how the bonds can be used. She asked if they could be used for tax-exempt private activity.

Ms. Wiant responded affirmatively. Additionally, the allocation could be used for SFH. The fundamental question is how the state tax credits should be allocated, which would be a conversation for the CTCAC meeting. How and where those credits are allocated will determine the outcome the Committee is discussing. It is very unlikely that all the bond allocation would be used, including the \$350 million that is being discussed for SFH. The Committee could allocate the \$350 million to SFH and then have a subsequent discussion about how to break that down, and at that point, the Committee could also choose to reallocate that amount to multifamily projects.

Ms. Ferguson asked the Committee to consider having a conversation about how to best use the SFH allocation if they choose to go that direction because there are a variety of different executions.

Ms. Miller said the Committee is committed to having that discussion. The question for Ms. Wiant is what CTCAC should do to ensure that the multifamily allocation is maximized. The Committee should also continue the conversation on SFH, because if it is not allocated wisely, more of the allocation could be used up if the Committee does not strategically combine it with the tax credits. That is why CDLAC did not provide very much allocation to SFH when the allocation was so competitive.

Chairperson Ma expressed that in the past, it was difficult to move allocation around because the Committee had not anticipated certain things. The regulations give the Committee flexibility to be able to use the bonds, and Chairperson Ma does not want to have a large amount of carryforward. It is imperative for the Committee to have flexibility to move the allocation around if needed, since it is important to use the bonds if possible.

Ms. Burgos said the Committee has the flexibility to amend the pools and set asides at a meeting. It has been done before without issue. The Committee will be able to be nimble and make adjustments. However, members of the Committee have expressed support for CalVet, which has a program currently running. In order to not have a gap in that program, CalVet would need an allocation sooner rather than later. Waiting until the next fiscal year for an allocation would cause a gap in the program. CalVet has expressed that continuity in its program is important, so it would be preferable for that program to receive an allocation sooner rather than later.

Chairperson Ma asked for confirmation that CalVet requested \$80 million.

Ms. Burgos confirmed that is correct.

Chairperson Ma asked if CalVet could still continue its program at a less robust pace if it received an allocation of less than \$80 million.

Ms. Burgos said that CalVet originally requested \$100 million and has since reduced its request. The program would benefit from any allocation, but it would end up costing more money to issue two smaller



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bonds than to issue one bond for the requested amount upfront. However, that decision is at the discretion of the Committee.

Ms. Ferguson reminded the Committee that within multifamily projects, there are also Preservation and Other Rehabilitation pools. As the Committee discusses this issue over the next year, regardless of what happens today, those pools should be considered. The 4% tax credits can have a huge impact on those projects, and from a carryforward perspective, there was a good response from developers who were able to act quickly when CDLAC made bonds available to those projects this past fall. The Committee should think about what to do for those projects, since there is a large number of units that could use rehabilitation, and they have not been prioritized for years.

Chairperson Ma said she wants to remain flexible so that the Committee does not get stuck with too many bonds at the end of the year.

Ms. Burgos said it sounds like the Committee is on board with Exhibit A, but the question is when to consider SFH, in order to focus on the multifamily pools. She asked if that is an accurate summarization.

Chairperson Ma said yes, but the Committee is sympathetic to CalVet's program.

Ms. Ferguson said that with the exception of CalVet, CalHFA would like to prioritize multifamily projects.

Chairperson Ma said that there is nothing in Exhibit A specifying an allocation to CalVet. She asked if that is still to be determined.

Ms. Burgos responded affirmatively; staff recommends carving out an allocation for SFH while continuing to educate the Committee and conducting more research. The Committee can determine how to split that allocation at a later date.

Chairperson Ma asked if that determination could be made next month.

Ms. Wiant said yes; staff intended to schedule another meeting February or early March to break up the \$350 allocation for SFH, at which point the Committee could choose to allocate \$80 million to CalVet and reallocate the remainder to the ELI/VLI pool, per the administration's recommendation.

Mr. Velasquez asked if the Committee would table the CalVet allocation until next month.

Ms. Miller said her understanding is that there is no allocation proposed for CalVet at this meeting.

Ms. Burgos said that is correct; this agenda item would just establish the pools today.

Ms. Miller said the Committee could set aside \$350 million for SFH, assuming that there will be some carryforward. Next month, the Committee could discuss how that SFH allocation would be used, and how to prioritize ELI/VLI.



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Ms. Wiant said she hopes to have a separate conversation about the state tax credit allocation at the CTCAC meeting. That discussion would happen simultaneously with the discussion on the bond allocation.

Chairperson Ma called for public comments:

Michelle Stephens from the California Enterprise Development Authority (CEDA) expressed support for staff's recommendation to allocate \$10 million to the IDB pool. CEDA was the issuer for the sole IDB last year, and they would like to keep those types of projects in front of the Committee. Additionally, Ms. Stephens supports the multi-pronged efforts to provide for Californians both with housing and quality manufacturing jobs.

Michelle Ota from Blue Vista Mortgage said the MCC Program had been around at least since 2006, but it was stopped four years ago, and it has been missed by first-time homebuyers. The program allowed families to purchase properties, and it was implemented for many years and could be reinstated very quickly for the bonds to be utilized quickly. The Committee should not forget that program in this conversation.

Sujata Raman, Vice President of Single-Family Housing Finance at the San Diego Housing Commission (SDHC), encouraged the Committee to allocate funding to allow agencies statewide, including SDHC, to issue MCCs to assist low- to moderate-income first-time homebuyers and buyers purchasing in qualified census tracts. SDHC has administered first-time homebuyer programs for the City of San Diego since 1988, assisting more than 6,000 households to achieve the dream of homeownership. Through these programs, SDHC has issued MCCs to more than 3,700 families; however, CDLAC has not funded the MCC Program since January 2020, which has resulted in homeownership becoming even more challenging in a high-cost region such as San Diego. MCCs are an important resource for efforts to expand access to homeownership, particularly for first generation homebuyers and those from communities that have historically faced systemic barriers to homeownership. Ms. Raman expressed hope that the Committee would allocate funding to the MCC Program at the next meeting in February or March.

Chairperson Ma asked staff if any extra bonds leftover at the end of the year could be allocated to the MCC Program.

Ms. Burgos said that would be possible, but the timeline for using that allocation would be one year behind, so it would be a disadvantage.

Chairperson Ma said that nothing has been allocated to the MCC Program for four years.

Ms. Wiant asked Ms. Burgos to further explain the timing issue and why it would be harder for issuers to use bonds allocated to the MCC Program at the end of the year versus the beginning of the year.

Ms. Burgos said that an allocation to the MCC Program could be used for either two or three years; she cannot recall the exact timeframe. However, if an allocation is given to that program at the end of 2024,



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the issuers have essentially lost a year. If an allocation is awarded at the beginning of the year, the issuers have the entire year, plus the additional years, to use it.

Ms. Raman said that the big issuers, such as SDHC, Los Angeles, and San Francisco, would be able to use any allocation they received, and it would not be a challenge.

Ms. Ferguson asked if this would be part of the conversation the Committee would have at the February or March meeting.

Ms. Burgos responded affirmatively. Public commenters are just supporting an allocation for SFH at this point.

Chairperson Ma asked if the MCC Program is part of SFH.

Ms. Burgos said that is correct.

Deanna Hamelin, Bond Program Manager at the California Pollution Control Financing Authority (CPCFA), informed the Committee that due to a miscommunication, CPCFA's pipeline was omitted from the EXF allocation. She said that CPCFA has approximately \$165 million in the pipeline for EXF bonds for this year. Although CPCFA is supportive of the \$300 million for SFH, they would also like to have their pipeline considered. Additionally, Ms. Hamelin asked if the meeting dates and application due dates for the EXF rounds would be announced, since the published schedule only includes rounds for QRRP projects at this time.

Ms. Burgos explained that Exhibit A states that, if approved, the application dates would be set by CDLAC. Staff recommends three application dates with the allocation frontloaded, so there would be three opportunities to apply, but all of the allocation would be available at the beginning of the year. The dates have not been released yet; if the Committee approves an allocation for EXF, staff will release the application dates. Staff does not need the Committee's approval to establish the application dates; Committee approval is only required to establish the award dates.

William Leach from Kingdom Development said that Ms. Ferguson's comments were very insightful about the 2023 allocation made available to Other Rehabilitation projects in the third round. Kingdom Development serves as a financial advisor in the industry to many different sponsors, and they helped seven applicants apply in the third round. However, not all applicants were prepared to apply given the short notice that Other Rehabilitation projects would be considered in the final round. In 2024, Mr. Leach believes that as soon as the Committee signals that Other Rehabilitation projects can apply, many projects will apply. Twelve applicants have already contacted Mr. Leach about applying as soon as the allocation is made available for those projects to receive an allocation from the waiting list like in 2023. Mr. Leach speculated that if more bonds were made available to QRRP projects, many Acquisition and Other Rehabilitation projects would be ready to use the allocation to recapitalize properties and extend the life of their portfolio. It is probable that the allocation could be used and not have to be carried forward to 2025. The Committee's conversation on state tax credits was very focused on new construction and the ability to catalyze new construction, and Mr. Leach appreciates the extent to which the administration and the budget has supported that, but Acquisition and Other Rehabilitation projects can usually be successful



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in all interest rate environments. Historically, 30-40% of the bond allocation was used for Acquisition and Other Rehabilitation projects on an annual basis.

Chairperson Ma asked Mr. Leach what he predicts the federal government will do.

Mr. Leach expressed uncertainty.

Chairperson Ma said that depending on what the federal government does, there may be bonds available for Other Rehabilitation projects.

Caleb Smith from the City of Oakland Department of Housing and Community Development thanked the Committee for the thoughtful conversation on how best to put tax-exempt bonds to use in 2024. Oakland has seen a strong demand for rehabilitation opportunities, similar to Mr. Leach's comments previously. There are a lot of older buildings with elevator issues, and those projects have been reluctant to apply over the past couple of years because there has been such a small allocation available for Other Rehabilitation. With the changing environment, Mr. Leach believes that if a significant amount of Other Rehabilitation allocation were made available, particularly during one round, it could draw a lot more interest. The Demand Survey has demonstrated some of that interest. Although the City of Oakland is committed to expanding homeownership opportunities, they believe an allocation for Other Rehabilitation projects is a higher priority for the time being, especially since there are limited resources elsewhere in the state budget for the type of rehabilitation work needed to maintain the affordability of older projects. The City of Oakland recommends that if the Committee wishes to maintain flexibility, they should perhaps consider committing a large portion of the \$270 million on the table for Other Rehabilitation projects in Round 1. Then, if that allocation does not receive as much demand as expected, the Committee could consider moving it to the SFH pool. This would allow the Committee to try to tackle the high priority rehabilitation needs first, and then if there were funds remaining, explore options for SFH. That would also give the Committee more time to consider the different SFH options.

Aneka Harrell from the San Francisco Mayor's Office of Housing and Community Development (MOHCD) expressed support for an allocation to the MCC Program. In previous years, MOHCD used all of its MCC allocations within the first six months of receiving those funds. MOHCD would definitely be able to use those funds, even within a shorter timeframe. The MCC Program has provided a significant opportunity for first-time homebuyers in the City of San Francisco.

Gloria Torres from the City of Los Angeles Housing Department (LAHCD) expressed support for an allocation for SFH, specifically for the MCC Program. The City of Los Angeles successfully obtained an allocation for the MCC Program between 1994 and 2019. In 2019, the allocation was approximately \$22.8 million. The program is very popular in the City of Los Angeles and helps hardworking, deserving, low- to moderate-income families secure permanent housing through homeownership. It provides a positive and powerful benefit and allows homebuyers to qualify for higher mortgages, thereby increasing purchasing power. First-time homebuyers need all the assistance they can get because interest rates are high and home prices continue to increase. The MCC Program was widely utilized and popular.

Chairperson Ma closed public comments.



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At approximately 2:20 p.m., Ms. Cohen excused herself from the meeting, and Mr. Johnson joined the meeting on her behalf.

Mr. Johnson asked staff what information the Committee could expect to receive at the next meeting that may help inform the decision on the allocation.

Ms. Wiant said the fundamental question for the Committee to consider is whether to set aside funds for SFH today; if that is the Committee's decision, staff's recommendation could be approved, and there would be a subsequent meeting to decide how best to allocate the SFH pool. Otherwise, if the Committee decides not to allocate any funds to SFH at the beginning of the year and instead opts to wait until later in the year, that might negate a need for a February meeting. The Committee could instead allocate either the entire \$350 million, or \$270 million as previously discussed, to the QRRP pool, the ELI/VLI pool, or the Other Rehabilitation pool, instead of the SFH pool.

Mr. Johnson said that if the Committee creates the SFH pool, additional information will be needed at the next meeting to inform a decision on how to allocate that pool. He wants to ensure that the Committee will have that information at the next meeting.

Chairperson Ma said she would prefer to allocate the SFH pool later in the year to allow time to see if there are changes at the federal level and to see what happens with interest rates. That would give the Committee a better sense of how the allocation could be used.

Ms. Miller said she is comfortable with Chairperson Ma's suggestion, as long as an allocation can be provided to CalVet now, since there is carryforward. There is a demand for the CalVet program and there would be a cost if it had to be restarted. This would be a different conversation if there were no carryforward, but since the Committee knows CalVet needs \$80 million, that could be allocated today. Ms. Miller is happy to consider the rest of the SFH conversation at a later time.

Chairperson Ma asked if Ms. Miller would support allocating the entire \$80 million to CalVet now.

Ms. Miller said yes, she would support allocating the entire \$80 million because the carryforward is available. Therefore, she would amend staff's recommendation to give an allocation of \$80 million to CalVet and wait to have the rest of the discussion about SFH later.

Ms. Burgos asked if Ms. Miller would support leaving \$270 million in the SFH pool to be discussed at a later date.

Ms. Miller said that is up to Chairperson Ma's preference.

Chairperson Ma said she wants to help veterans anytime and is supportive of the allocation to CalVet.

Ms. Wiant clarified that if the Committee chooses to allocate \$80 million to CalVet today, the question remains whether to allocate the additional \$270 million to multifamily housing today and then potentially move the allocation later.



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Ms. Ferguson said that is what CalHFA recommends.

Ms. Miller said \$80 million would be allocated to CalVet, and the remaining \$270 million from staff's \$250 million recommendation for the SFH pool would be allocated to the QRRP pool instead.

Chairperson Ma clarified that there would be no allocation to the MCC Program for now unless extra allocation became available.

Mr. Velasquez asked for clarification that the next Committee would decide at the next meeting how to allocate the \$270 million.

Ms. Wiant said that is correct, but the Committee could also allocate \$80 million to CalVet today and keep the remaining \$270 million in SFH, subject to a later discussion on how to break up that allocation – either to mortgage revenue bonds or the MCC Program, or to ELI/VI or Other Rehabilitation.

Chairperson Ma said the Committee can either make a decision today and forego a February meeting or make half the decision today and schedule another meeting in February.

Mr. Velasquez said he understood that the distribution of the \$270 million would just be for multifamily housing.

Ms. Wiant said that is what the Committee needs to decide today. Staff's recommendation was to divide the \$350 million at a later meeting.

Ms. Ferguson clarified that staff's recommendation was to divide up the \$350 million among SFH.

Ms. Wiant said the Committee could either decide to allocate that amount to SFH upfront today or allocate a portion of it to QRRP and a portion to CalVet.

Ms. Ferguson restated that CalHFA's recommendation is to allocate \$80 million to CalVet and allocate the remaining \$270 million to multifamily, to be used for the highest used and most oversubscribed pool. Since Mr. Velasquez recommended allocating that amount to the ELI/VI pool, Ms. Ferguson believes that is likely the most oversubscribed pool.

Mr. Velasquez agreed with Ms. Ferguson, but his understanding was that the Committee would decide how to allocate the \$270 million at a later meeting.

Ms. Miller explained that the Committee can decide between allocating those funds to the QRRP, SFH, IDB, and/or EXF pools. The question before the Committee today is whether to set aside funds for SFH, but the more finite allocations are not necessarily being discussed today. The chances of carryforward are very high, and it is likely that the Committee will need to consider SFH in the future in order to fully use the allocation. However, Ms. Miller suggests that the Committee adopts staff's recommendation with one amendment: remove the allocation for SFH, allocate an additional \$270 million to the QRRP pool, and allocate \$80 million to CalVet. The remainder of staff's recommended allocations would remain the same, but the Committee would reserve the right to discuss an allocation for SFH at a future meeting. She



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suggested adding the SFH allocation discussion to the agenda at a future meeting so that the Committee could receive the necessary education on the MCC Program and other options.

Ms. Burgos asked Ms. Miller to clarify if the \$270 million should be allocated to QRRP and broken down by percentage, or if it should be allocated to a specific pool.

Ms. Miller said it should be allocated to QRRP and distributed by percentage to the various pools within QRRP.

Mr. Johnson asked for confirmation that the SFH issue would be added to the agenda at a future meeting and discussed at some point later in the year that would be timely enough to make a decision.

Ms. Burgos said the next meeting is currently scheduled for May.

Ms. Wiant said that based on the discussion today, it sounds like the Committee would like to have the discussion after Round 1 in order to judge the demand and likelihood of carryforward.

Chairperson Ma asked if that timing would align with the May meeting.

Ms. Burgos said yes; Round 1 awards are in May.

Ms. Wiant said this discussion could also take place sometime in the summer before Round 2.

Chairperson Ma agreed with that plan.

MOTION: Ms. Miller motioned to adopt Resolution No. 24-003, with the following amendments: reallocate \$270 million from the SFH pool to QRRP, to be divided among the QRRP pools by percentage; and allocate the remaining \$80 million in the SFH pool to CalVet. Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

7. **Agenda Item: Resolution No. 24-004, Adoption of the Qualified Residential Rental Program Minimum Points Threshold for the 2024 Program Year (Cal. Code of Regs., tit. 4, §5010) – (Action Item)**
Presented by: Emily Burgos

Ms. Burgos explained that staff is recommending a minimum points threshold for the QRRP pools as follows: 105 points for the New Construction, Rural, and BIPOC pools; 95 points for the Preservation pool; and 89 points for the Other Rehabilitation pool for the 2024 program year. This recommendation is the same as last year.

Mr. Johnson asked if that threshold has been used in the past year.

Ms. Burgos it has been used, but it does not happen often. Applicants typically will not apply if they know they will not score high enough to be awarded because they know it is a competitive process. Typically, staff receives approximately three to five applications per year that are below the minimum points threshold.



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Mr. Johnson asked if that was also the case in the past year.

Mr. Burgos responded affirmatively.

Chairperson Ma called for public comments:

None.

MOTION: Mr. Johnson motioned to adopt Resolution No. 24-004, and Ms. Miller seconded the motion.

The motion passed unanimously via roll call vote.

8. ***Agenda Item: Discussion of Round 3 Award of Allocation of Qualified Private Activity Bonds for Qualified Residential Rental Projects (Gov. Code §8869.85) – (Action Item)***

Presented by: Emily Burgos and D.C. Navarrette

Ms. Burgos explained that staff is presenting a unique situation to the Committee today. Staff does not have a recommendation on this issue, but they will present options to the Committee. In Round 3 last year, Two Worlds Apartments (CA-23-656) was awarded an allocation of approximately \$13 million, but the project actually needed \$15 million. Staff missed the opportunity to catch the error, and the project did not appeal the incorrect information that was posted on the final recommendation list. Therefore, staff was unable to correct it at the meeting and does not have the authority to correct it now. The Committee has two options: correct the allocation amount to the \$15 million needed, which staff recommends taking from the 2024 supplemental pool since there is no 2023 allocation remaining; or the Committee can take no action and the project can request the difference as a supplemental allocation later in this meeting under Agenda Item 10. However, the project may not want to request the supplemental allocation since it would then be subject to a tiebreaker reduction and would lose out on a portion of the developer fee. That is why the project has requested a correction to the error.

Mr. Navarrette explained that Two Worlds Apartments is a 96-unit acquisition/rehabilitation project in the City of Los Angeles. The project was allocated \$13,660,000 and is now requesting \$15,800,000, which is a difference of \$2,140,000. The bond issuer for the project is the California Statewide Communities Development Authority (CSCDA) and the developer is Preservation Partners.

Ms. Burgos said this was a missed opportunity for both the project and staff. However, it would not have changed the awards for any other projects, and staff does not have the authority to correct the error.

Chairperson Ma asked Ms. Wiant for her recommendation.

Ms. Wiant recommended that the Committee approve the correction.

Chairperson Ma said the Committee could either approve the correction or the project would have to request a supplemental allocation, which would impact the developer fee.

Ms. Burgos added that the project would also be penalized with a tiebreaker reduction.



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Ms. Wiant said that a supplemental allocation for this project would be a larger, percentagewise, than the Committee has previously awarded.

Ms. Miller said the supplemental allocation process makes more sense for this situation, but she will defer to Ms. Wiant.

Mr. Johnson said it seems odd that this error was not caught on either side, and hopefully the sponsor and staff are more aware next time. The option to correct the error and pull the additional allocation from the 2024 supplemental allocation pool makes sense.

Chairperson Ma said there are four sets of eyes on these applications, and everyone needs to do their checks and balances to ensure everything is correct. However, mistakes happen, and this will not impact anything that was done previously.

Chairperson Ma called for public comments:
None.

Ms. Miller said that in general, if carryforward were not available, a supplemental allocation request would be the best path for projects to receive an additional allocation in these circumstances.

MOTION: Ms. Miller motioned to approve the correction to the allocation amount, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

9. ***Agenda Item: Request to Waive Forfeiture of the Performance Deposit for the Return of Allocation for Exempt Facility Project (Cal. Code Regs., tit. 4, §5052) – (Action Item)***
Presented by: Emily Burgos

Ms. Burgos explained that TPI-Holloway Lost Hills Recycling Project (CA-23-102), which received a bond allocation issuance deadline extension until the end of 2023, was unable to close the bonds and returned its allocation. The California Public Finance Authority (CalPFA) is requesting a waiver of the performance deposit following the return of the allocation.

Mark Huddle from Ice Miller, bond counsel for the project, explained that the project received an allocation early last year and worked diligently throughout the year to close on time, and they appreciate the issuance deadline extension the Committee granted to the project in August. However, the project encountered a permitting issue. The sponsor began the process of obtaining the permit in early 2022, but for a variety of reasons, it was not obtained until November 2023. That is a salient date because a contractor could not be obtained until it was certain that the permit would be approved. Therefore, a contract could not be negotiated with the contractor, and the seven weeks from the time the permit was obtained to the bond issuance deadline at the end of the year was not enough time to accomplish the contracting, negotiating with the contractor, finding the buyers after marketing, negotiating the terms with the buyers, and then closing. Therefore, the project reluctantly returned its allocation and intends to reapply for a new allocation this year, since the permit issue has been resolved. At this point, it is just a matter of obtaining the contractor and proceeding to closing. Many of the bond documents have already been drafted.



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Brian Maxted from the Holloway Group explained that the county was doing the best it could to meet the deadlines, but this is a large and complicated project. Ultimately, the project was able to get the permits, but due to the number of pieces involved in this project, closing before the end of the year was untenable. The project is extremely strong and will be able to close in 2024. The market is even more ripe for this project this year than last year, so the sponsor is excited to bring the project back this year for another allocation. This is a great project that will be great for the state.

Chairperson Ma expressed support for garbage and recycling projects, and she anticipates that the project will have an opportunity to apply again this year. However, the Committee tries to encourage projects to apply when they are ready. The permits were not ready, and the project took an allocation that could have potentially been awarded to another project. That is the dilemma with these types of situations.

Mr. Maxted said he fully understands what Chairperson Ma is saying, and these projects require millions of dollars in development fees to even get to this point. It is a great project, and the sponsor is looking forward to moving forward. Although the project was aiming to close last year and was on track to do so, sometimes large projects take longer. This is not the first project that this team has closed; their Knoxville, Tennessee, project closed on time and on budget last year, and additional projects are underway in Tampa and Atlanta, both of which are on time and on budget. These are successful projects, and the sponsor is excited to bring this project to California.

Mr. Huddle said that a detailed outline of the permitting timeline was previously submitted to the Committee, and there was a period last year or in 2022 when the sponsor was informed that the county would be drafting a detailed document, but for internal reasons, they determined several months later that they wanted Mr. Maxted's team to draft the document instead. Mr. Maxted found a company to draft the document, and it was so good that the county had very few questions at the end of last year. The permit was issued without a problem, but losing those three or four months was critical. It is in the state's interest for applicants to submit projects that are ready to close, but the team believed in good faith that that was the case for this project. They were not aware of the impact this delay would have, and they probably only missed the deadline by about a month or two. As Mr. Maxted stated, the project in Knoxville, Tennessee, is on track and ready to get started, and there are numerous other projects that this team is involved in.

Mr. Maxted said that after speaking with Ziegler, the bond underwriter for this project, it was determined that it was possible to go to the market without having the engineering, procurement, and construction (EPC) contract ready, but ultimately, because bond conditions had deteriorated at that time, the launch would not have been as successful without that completed for the potential bond buyers. This was another driving force that was an unexpected change due to market conditions. This will be a great project for Kern County and the State of California.

Ms. Miller reiterated Chairperson Ma's previous comments. There are always extenuating circumstances, and Ms. Miller is grateful that this important project will be coming back this year. However, the Committee has been consistent in denying requests for the waiver of forfeiture of performance deposits, and it is important to maintain that consistency.



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Mr. Johnson agreed with Ms. Miller's comments and expressed that the pressure added throughout the process is really important to maintain. He would support extensions when necessary, but maintaining the pressure with regard to the performance deposit is important to maintain the integrity of the system.

Chairperson Ma called for public comments:
None.

There was no motion.

10. Agenda Item: Supplemental Bond Allocation Request Above the Executive Director's Authority (Cal. Code Regs., tit. 4, §5240) – (Action Item)
Presented by: D.C. Navarrette

Mr. Navarrette explained that North Housing Senior Apartments (CA-24-401) is a 64-unit new construction project for seniors in Alameda. The project was allocated \$25,184,366 at the May 10, 2023, Committee meeting and is now requesting a supplemental allocation to address hard cost increases. The supplemental request is for \$2 million, which is 7.94% of the Committee-approved allocation and 54.77% of the aggregate basis, which exceeds the Executive Director's authority of 52%. The applicant is CMFA and the developer is Island City Development.

Paris Howze from Island City Development explained that North Housing Senior Apartments experienced an increase in hard costs since the time of the application and award, and in order to maintain the current anticipated closing date, which is prior to the March 4 readiness deadline, the project is requesting a \$2 million supplemental bond allocation to meet the 50% test.

The Committee discussed this project.

Chairperson Ma called for public comments:
None.

MOTION: Mr. Johnson motioned to approve the supplemental bond allocation request, and Ms. Miller seconded the motion.

The motion passed unanimously via roll call vote.

11. Agenda Item: Request to Extend the Bond Allocation Issuance Deadline for Qualified Residential Rental Project and Request to Waive Forfeiture of the Performance Deposit (Cal. Code Regs., tit. 4 §§5052, 5100, 5132) – (Action Item)
Presented by: D.C. Navarrette

Chairperson Ma asked if any of the projects requesting bond allocation issuance deadline extensions have any extenuating circumstances that need to be discussed individually.

Mr. Navarrette said that there were originally eleven projects on the list, but with the approval of the supplemental allocation for North Housing Senior Apartments (CA-23-542), there are only ten projects that need deadline extensions now.



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Ms. Miller asked Ms. Ferguson to explain the reason for the delays in these projects.

Ms. Ferguson explained that CalHFA is the issuer on about seven of the projects on this list, and there are two issues that have caused delays. The primary issue is that CalHFA receives HUD risk share on every one of its permanent loans, and that has to be committed prior to the closing of the construction loan. HUD is somewhat backed up, and if the government shuts down, it will be impossible for CalHFA to receive those commitments prior to the deadline for any of these projects. The other issue impacting some of these projects has been the delayed receipt of due diligence, and processing the applications has been more complex than usual.

Ms. Johnson asked if there is anything CDLAC can do proactively in terms of its timelines to avoid these delays in the future.

Ms. Ferguson said the biggest concern for CalHFA is the potential government shutdown, because if that were to happen, the timelines would not be met. That is a concern, and although it is looking better today, there is no guarantee. Additionally, there are two CDLAC issuance deadlines for these projects – February 19, 2024, and March 4, 2024 – which backs up all of the projects to basically the same time period. From an underwriting and documentation due diligence perspective, this causes a bit of a jam. The primary issues have been due to process, and although there are no issues specific to CDLAC or CTCAC, these projects are just taking longer to put together now. CalHFA has been working hard to meet closing deadlines, but going forward, it may be necessary for CDLAC to revisit the six-month timeline for closing. These delays were caused by two issues, including the potential for HUD to close down.

Mr. Johnson said these issues do not seem particularly extenuating since it is now the norm for government shutdowns to be a possibility. This is not necessarily an issue that needs to be addressed now, but the Committee should keep an eye on the deadlines and consider whether they need to be adjusted in the future. The Committee should not be in a position of having to continually grant extensions pro forma. The Committee should have some control over that process, which could include extending the upfront deadline. Mr. Johnson asked staff to be aware of this.

Ms. Wiant expressed that similar concerns about deadlines arose at the last Committee meeting, and there were concerns from stakeholders that when there are only two rounds, it creates a burden similar to what is being discussed now. The regulations have a provision that when more than 50% of bonds are allocated in any one round, there will be three closing deadlines. That will address some of the concern, but staff has also been discussing the need to stretch the closing deadlines out a little bit more. Staff might propose that change to the Committee.

Ms. Ferguson said that it is not just a concern for staff; it also creates a waterfall effect with appraisers, environmental consultants, construction review consultants, and other consultants that are frequently used for these projects. It creates a backup, and it takes longer to process everything at the same time than if the applications were spread out over two or three rounds.

Chairperson Ma called for public comments:

None.

MOTION: Ms. Miller motioned to approve all the bond allocation issuance deadline extensions with the exception of North Housing Senior Apartments (CA-23-542), and Mr. Johnson seconded the motion.

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The motion passed unanimously via roll call vote.

12. **Public Comment**

There was no public comment.

13. **Adjournment**

The meeting was adjourned at 2:59 p.m.