



California Debt Limit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

April 8, 2025

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 1:04 p.m. with the following Committee members present:

Voting Members:

Fiona Ma, CPA, State Treasurer, Chairperson
Malia M. Cohen, State Controller
Michele Perrault for Gavin Newsom, Governor – ABSENT

Advisory Members:

Gustavo Velasquez, Department of Housing and Community Development (HCD) Director
Stephanie McFadden for VACANT, California Housing Finance Agency (CalHFA) Executive Director

2. *Agenda Item: Approval of the Minutes of the March 4, 2025, Meeting*

Chairperson Ma called for public comments:
None.

MOTION: Ms. Cohen motioned to approve the minutes of the March 4, 2025, meeting, and Chairperson Ma seconded the motion.

The motion passed unanimously via roll call vote.

3. *Agenda Item: Executive Director's Report*

Presented by: Marina Wiant

Marina Wiant, Interim Executive Director, said that today marks the end of the Qualified Residential Rental Project (QRRP) Program Round 1. She commended the staff for their work on this round. They received many applications and did a thorough job of reviewing the projects and implementing the new regulations that were approved in December.

Ms. Wiant explained that pursuant to CDLAC Resolution 24-005, she is authorized to enter into contracts and interagency agreements without the Committee's approval up to \$500,000, but she must alert the Committee to any contracts and interagency agreements over \$10,000. CDLAC has entered into an interagency agreement with the State Treasurer's Office (STO) in the amount of \$249,457 for the next year.



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Chairperson Ma called for public comments:
None.

4. **Agenda Item: Request to Approve 2025 State Ceiling Allocation of Qualified Private Activity Bonds for Qualified Residential Rental Projects to Replace Expired 2021 Carryforward Allocation Subscribed in 2024 Round 2 Award of Allocation of Qualified Private Activity Bonds for Qualified Residential Rental Projects (Gov. Code, § 8869.85; Cal. Code Regs., tit. 4, § 5133)**
Presented by: D.C. Navarrette

Mr. Navarrette explained that on December 11, 2024, CDLAC awarded Kooser Apartments (CA-24-738) \$72,751,517 of the 2024 state ceiling and \$956,650 of the issuer's 2021 carryforward allocation. On December 31, 2024, the carryforward allocation expired. The project is requesting that the Committee authorize replacement bonds from the 2025 state ceiling. The project originally received an award from the Homeless Set Aside in December 2024. Staff is now recommending that \$956,650 of the 2025 State Ceiling from the Homeless Set Aside Pool be transferred to Kooser Apartments. The additional allocation would be reflected by amending the current resolution to reflect the revised allocation years to Kooser Apartments (CA-24-738).

Chairperson Ma called for public comments:
None.

MOTION: Ms. Cohen motioned to approve the request, and Chairperson Ma seconded the motion.

The motion passed unanimously via roll call vote.

5. **Agenda Item: Request to Extend the Bond Allocation Issuance Deadline for Qualified Residential Rental Projects and Request to Waive Forfeiture of the Performance Deposit (Cal. Code Regs., tit. 4, §§ 5052, 5101, 5132, 5230)**
Presented by: Christina Vue

Ms. Vue explained that CDLAC Regulation 5101 permits the Executive Director to grant extensions of up to 90 days upon demonstration that the circumstances necessitating the extension were entirely outside the project sponsor's control. Subdivision (d) of Regulation 5101 permits the Committee to grant any additional extension beyond the extension granted by the Executive Director. Two projects awarded on August 6, 2024, are here today to request a bond issuance deadline extension and waiver of the forfeiture of the performance deposit. The sponsors are here to answer any questions the Committee may have.

Chairperson Ma invited a representative from Sandstone Valley Apartments (CA-24-481) to speak.

Vig Kamath from CRP Affordable Housing and Community Development said he is joined virtually by Russell Morris, the project's land use attorney, along with Jack Burlison and Seth Sterneck from the transaction team. To summarize, the project has been entitled since early 2023 and has been trying to work with the City of Murrieta to get the project permitted. Unfortunately, since the time of



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entitlement, the City of Murrieta has continually created insurmountable obstacles to the final approval. The project has formally requested that HCD review the matter, and the case is now with HCD and the Governor's Office. The project hoped to receive HCD's ruling before the meeting but has not received it yet. The project is requesting a 45-day extension to allow HCD sufficient time to provide a ruling to determine the next steps for the project.

Chairperson Ma asked Mr. Velasquez to comment on this project.

Mr. Velasquez said the project is currently under review by HCD's Housing Accountability Unit. They are investigating, and it is a sensitive matter, so he does not have a timeframe yet. HCD is working closely with the developer, and 30 days may be a reasonable timeframe.

Chairperson Ma said the developer is requesting 45 days.

Mr. Velasquez said the investigation will probably be done before then, but 45 days would give HCD a cushion.

Ms. Wiant said the goal is to get the project an extension until the next Committee meeting, at which point there should be more information about the state of the project and its viability at that point.

Ms. McFadden said CalHFA is the issuer and permanent lender, as this is a Mixed Income Program (MIP) 2024 deal. CalHFA supports this extension until the next meeting to bridge the gap while HCD does its work.

The Committee agreed to vote on each project separately.

MOTION: Ms. Cohen motioned to grant the request to extend the bond allocation issuance deadline for Sandstone Valley Apartments (CA-24-481), and Chairperson Ma seconded the motion.

The motion passed unanimously via roll call vote.

Chairperson Ma invited a representative from Pacific Street Apartments (CA-24-553) to speak.

Jeanne Blake from Community HousingWorks said the developer is requesting a 90-day extension for Pacific Street Apartments, which is a portion of a 110-unit hybrid project in Rocklin in Placer County. In October, the developer came before the Committee to appeal the disqualification of their second round 9% application. Since it is a hybrid project, it requires both the 4% and 9% portions in order to move forward. At that time, the developer was unsuccessful in appealing the 9% disqualification, so they needed time to move forward with the 9% first round. They requested and received a 90-day extension from Ms. Wiant, which was the maximum extension possible at the Executive Director's level. It was always the developer's intention to come back to the Committee for a further extension to allow for the determination of the 9% awards. The 9% application has been submitted, and it is top-ranked and appears to be positioned to receive the 9% award. The developer is requesting a 90-day extension,



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which would allow for the 9% award and give them some extra breathing space in case something unexpected were to happen with that award.

Ms. Wiant said staff recommends granting the extension.

Chairperson Ma called for public comments:

None.

MOTION: Ms. Cohen motioned to grant the request to extend the bond allocation issuance deadline for Pacific Street Apartments (CA-24-553), and Chairperson Ma seconded the motion.

The motion passed unanimously via roll call vote.

6. **Agenda Item: Supplemental Bond Allocation Request Above the Executive Director's Authority (Cal. Code Regs., tit. 4, § 5240)**

Presented by: D.C. Navarrette

Mr. Navarrette explained that at the July 20, 2022, CDLAC meeting, the Committee delegated authority to the Executive Director to award supplemental allocations where the total delegated supplemental requests are no more than 10% of the project's Committee-approved allocation and no more than 52% of the aggregate depreciable basis plus land basis. For amounts above this, the applicant must request Committee approval, and five projects are requesting Committee approval today. All the projects are within the 52% aggregate basis test and above the 10% test by varying amounts. Things seem typical with these projects and staff recommends them for approval.

Chairperson Ma clarified that the projects requesting supplemental allocations are Shiloh Crossing (CA-25-504), Meridian at Corona Station (CA-25-505), Casa Aliento (CA-25-506), Vermont Manchester Senior (CA-25-507), and Vermont Manchester Family (CA-25-508).

Chairperson Ma called for public comments:

None.

MOTION: Ms. Cohen motioned to approve the supplemental bond allocation requests above the Executive Director's authority, and Chairperson Ma seconded the motion.

7. **Agenda Item: 2025 Round 1 Award of Allocation of Qualified Private Activity Bonds for Qualified Residential Rental Projects (Gov. Code, § 8869.85; Cal. Code Regs., tit. 4, § 5080)**

Presented by: D.C. Navarrette

Mr. Navarrette reported that staff received 91 applications on January 28, 2025. The final list of recommendations includes 38 awards totaling \$1,240,672,798 in bond allocation, 4,352 total units, 4,298 affordable units, and 419 units for homeless individuals. Staff reviewed all projects for federal and state requirements and recommends them for approval.

Chairperson Ma called for public comments:



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Anthony Allman, Executive Director of Vets Advocacy, said his organization was founded as part of a 2015 settlement to engage in a master planning effort for VA's West Los Angeles Campus (West LA VA). Beyond that, Mr. Allman served on the federal advisory committee for six years, which was created by Congress to provide advice and recommendations to the VA Secretary on campus redevelopment. Mr. Allman's organization supports U.S. VETS-WLAVA Building 256 (CA-25-434). The project is properly situated in the North Village supportive housing neighborhood and adds 40 veteran units to the 767 units open or currently under construction. There has been incredible growth in the North Village area, thanks to the Committee's support. However, there is an issue that requires warning. Mr. Allman advises extreme caution as it relates to making commitments to West LA VA- Building 409 (CA-25-457) and VA Building 408 (CA-25-427) outside of the North Village supporting housing district. In Mr. Allman's opinion, CDLAC should not be used as an unwitting accomplice in VA's attempt to shift the cost of its master plan to housing developers in a way that violates federal law.

Mr. Allman encouraged CDLAC, as a steward of California's precious resources, to get a formal legal opinion from VA's Office of General Counsel prior to acting not only on buildings 408 and 409, but also on buildings 407, 410, and 13. All five buildings have known challenges considering the West LA Leasing Act of 2016 and its guardrails on leasing activity with outside parties. A legal opinion is required to provide certainty as to whether the West LA Veteran Collective's plans for mixed-use development, including supportive housing for veteran residents above ground floor activity that is intended to serve both resident and non-resident veterans from across the campus and the region, complies with Section 2(b)1 of the Leasing Act.

Mr. Allman said that on November 18, 2021, the Deputy Director of VA's Medical Center confirmed in public session that the agency did not have the authority to execute preliminary plans for buildings 408, 409, and other buildings associated with the town center concept proposed by the West LA Veteran Collective. In March 2022, VA Secretary McDonough approved those plans anyway, despite having knowledge that VA would be operating outside of its authority. That same authority under the Leasing Act remains unchanged today. Earlier this morning, the Ninth Circuit Court of Appeals heard oral argument in VA's appeal of the U.S. District Court order mentioned in building 408's reexamination last December. The State of California must understand that VA has a long and complex history of engaging in illegal leases on campus, some of which will be adjudicated by the three-judge panel following Judge Carter's district ruling. Mr. Allman urged the Committee to protect itself from VA's continued negligence regarding land use at West LA VA, get a legal opinion from the VA's Office of General Counsel, and do its own investigation before it is too late.

Caleb Smith from the City of Oakland Department of Housing and Community Development said there are many strong projects that the Committee intends to fund today, and there are many other strong projects that were just short of receiving an allocation. During this challenging time, Mr. Smith thinks the Committee should consider taking action to potentially move some of the allocation from Round 3 to Round 1 and/or Round 2. There is a confluence of unique circumstances that would justify such an unconventional maneuver. First, everyone is aware of the increasing tariff pressures, which seem to be escalating daily if not by the minute. Also, Mr. Smith is concerned about the potential for an economic



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recession. During the Great Recession, the cash value of the tax credits declined to as little as 60 to 68 cents on the dollar, which would have fairly dire implications if it were repeated today. Mr. Smith hopes there will not be an economic downturn of that magnitude in the near future, but he thinks it is important to be mindful that there are discussions about a wide-ranging federal tax cut package that could potentially pass through Congress, which could also have a downward effect on the future value of the tax credits.

Mr. Smith said that due to these unusual circumstances, where developers are facing a potentially radical increase in costs over the next couple of years, as well as a potential deterioration in the value of Low-Income Housing Tax Credits, it would be wise for the Committee to consider trying to frontload allocation to the maximum extent possible. A number of the projects that fell a little bit short in this round are likely to apply again in the next round and potentially the round after that, potentially with higher costs. If the Committee were to move to release the allocation earlier, either in this round or potentially in the next round, it would result in more units being funded, rather than just having the units delivered faster, as has occurred in previous years. Mr. Smith knows this is an unconventional suggestion, but these are unconventional times. From the perspective of efficiency and maximizing the impacts of these resources, he urges the Committee to consider frontloading the allocation to some of the projects that were waitlisted for this round, and/or potentially increasing the amount that is available in the following round.

Chairperson Ma said she is concerned about the fires in Southern California and has asked the staff to see whether any returned bonds may be allocated first to projects closest to the fires so that housing can be created sooner rather than later. She is also thinking outside the box in terms of other things that are happening, and the Committee is used to pivoting and adjusting, depending on what is happening in the ecosystem. She thanked Mr. Smith for his comments.

Chairperson Ma closed public comments.

Chairperson Ma asked Ms. Wiant to comment on the West LA VA buildings mentioned by Mr. Allman. She asked if only one of those buildings is on the agenda today.

Ms. Wiant said all those projects are being recommended for an allocation today.

Chairperson Ma asked for clarification on the lawsuit that Mr. Allman spoke about.

Ms. Wiant said staff evaluates the applications based on the information provided to them. Based on the applications submitted, the projects meet the requirements and have scored high enough to be awarded. If there were a reason the projects the projects were not able to move forward, or if they could not meet their 180-day closing deadline, the allocation would be returned at that point. It is outside of staff's purview to hold up the applications.

MOTION: Ms. Cohen motioned to approve the 2025 Round 1 award of allocation of qualified private activity bonds for Qualified Residential Rental Projects, and Chairperson Ma seconded the motion.



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The motion passed unanimously via roll call vote.

8. Public Comment

Cherene Sandidge from the Black Developers Forum (BDF) thanked the staff who attended BDF's breakfast. It showed the partnership between staff, the local stakeholders, and everyone else who attended. At that breakfast, Ms. Sandidge announced that BDF is working with Secretary Moss's group in Southern California on the Pasadena and Altadena rebuilding effort. One of the things that continues to come up is the size of the units, and BDF is asking staff to take the lead in establishing a public comment period. The size of the units needs to be brought down from the requirements that are currently in the regulations. This applies to HCD as well. More needs to be done with the little bit of land available in order to house as many people as possible. BDF is asking for a public comment period so that this can be added to the regulations.

Ms. Sandidge said BDF supports the removal of the 75% qualification requirement per project in the BIPOC Pool. BDF is trying to do more with less, and that particular requirement prohibits BDF from using 100% of the pool to the maximum amount possible. If it is not used, it is dropped into the general pool, which has been happening with big chunks of allocation. BDF is asking staff to help work on the two issues Ms. Sandidge mentioned, and BDF is also talking to other stakeholders. Clearly, more needs to be done with less, and 1,000 square foot units are a thing of the past. Ms. Sandidge asked for the Committee's support.

Victor Cyrus-Franklin, Pastor at Holman United Methodist Church in Los Angeles and Supervising Pastor for Affordable Housing Development at Inglewood First United Methodist Church, said he is joined today by Inglewood residents, church members, and the District Superintendent. He thanked the Committee and staff for their recommendation and approval of the allocation for Community Hub at Inglewood First UMC (CA-25-471). The developer for the project is BMB Company, an emerging BIPOC development group. The development team is a member of PICO California and LA Voice, a multi-faith, multi-racial, community organizing federation. They believe that creating affordable housing is a cornerstone of creating a state of belonging grounded in all their sacred traditions. This partnership with CDLAC is rebuilding and healing the community, and Mr. Cyrus-Franklin looks forward to more faith-based developments being supported and funded.

Chairperson Ma said she looked at the Community Hub at Inglewood First UMC project, and it is situated on an entire block and will revitalize the neighborhood. She congratulated Mr. Cyrus-Franklin on the accomplishment.

9. Adjournment

The meeting was adjourned at 1:32 p.m.