



California Debt Limit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

August 5, 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 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

Advisory Members:

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

2. *Agenda Item: Approval of the Minutes of the June 18, 2025, Meeting*

Chairperson Ma called for public comments:
None.

MOTION: Ms. Cohen motioned to approve the minutes of the June 18, 2025, meeting, and Ms. Perrault 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 later at today's meeting, regulations related to the implementation of the 'One Big Beautiful Bill,' which passed on July 4, 2025, will be presented to the Committee. The Treasurer and stakeholders have been pushing for those changes at the federal level for many years. Ms. Wiant commended the CDLAC staff for their quick and diligent work to bring forth regulations to the Committee within a month to implement major changes to the program. Additionally, staff will be presenting recommendations for Round 2 awards today.

Chairperson Ma said many people in the room today have been advocating for this change in the bond requirement, and it will allow for more projects to be done, including projects that the Committee has not been able to get to, as well as perhaps some more innovative housing types, if the bonds are not



California Debt Limit Allocation Committee

competitive and there are excess bonds. She thanked the staff for their hard work on getting these changes out for public comment. She also thanked the public for making comments.

Chairperson Ma called for public comments:

None.

4. ***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 extensions were entirely outside of the project sponsor's control. Regulation 5101(d) permits the Committee to grant any additional extensions beyond those granted by the Executive Director. Twelve projects are here today to request a bond allocation issuance deadline extension and waiver of forfeiture of the performance deposit.

Chairperson Ma said she talked to the staff, and they do not have any issue with any of the requests.

Ms. Cohen asked if the project sponsors were here today.

Ms. Vue said the sponsors should be in attendance on Teams.

Ms. Cohen declined to hear from the sponsors.

Chairperson Ma called for public comments:

None.

MOTION: Ms. Cohen motioned to approve the request to extend the bond allocation issuance deadline and waive forfeiture of the performance deposit for all 12 projects, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.

5. ***Agenda Item: Resolution No. 25-006, Adoption of Emergency Rulemaking for Amendments to the California Debt Limit Allocation Committee Regulations (Cal. Code Regs., tit. 4, § 5000 et seq.) (Gov. Code, § 8869.94.)***

Presented by: D.C. Navarrette

Mr. Navarrette explained that on July 22, 2025, CDLAC published a Notice of Proposed Emergency Rulemaking and opened a public comment period. The staff accepted public comments through July 29, 2025, and then reviewed all comments and finalized recommendations for consideration and adoption. The amendments include Sections 5033, 5101, 5233, 5240, and 5241. Any emergency rule or regulation

CDLAC Committee Meeting
August 5, 2025



California Debt Limit Allocation Committee

adopted by the Committee pursuant to Chapter 11.8 of the Government Health and Safety Code shall be conclusively presumed to be necessary for the immediate preservation of public peace, health, safety, or general welfare within the meaning or purposes of Section 11346.1 of the Government Code. The emergency rulemaking for amendments would take effect immediately upon adoption.

Chairperson Ma called for public comments:

Cherene Sandidge from the Black Developers Forum (BDF) said she truly understands where the staff was trying to go with these regulations, but it would be very concerning if they were implemented in the last round of this year. A lot of projects started work a couple of years ago, and this will make pricing worse. Investors are already pushing pricing down to around 80 cents, and this will cause another gap for projects. Also, banks will be increasing the taxable portion of the bond allocations to make up for some of the risk of having such a low amount of taxable debt. There will be gaps, and people will push back and say that they have gaps in their projects due to financing because the banks will want an increase in the interest reserves at the higher taxable rate. Developers have had so many difficulties getting investors to come to the table, which is probably why there is a list of 15 projects before the Committee today that could not get their financing in place. Ms. Sandidge said at a previous meeting that this was an issue, and now it is a bigger issue.

Ms. Sandidge said she understands that if the rate of bond allocation is capped, more projects will get through the system, and everyone wants to see that happen. Unfortunately, doing it so fast and without having an opportunity to strategically look at the effect is problematic for a lot of developers. Cities are trying to keep up, and there are a lot of unknown consequences that will happen as a result of this moving so fast. Perhaps it should happen more gradually to allow people to prepare themselves for the drastic changes. This will not make the situation better, except maybe politically. People want to house the homeless, and developers are moving as fast as they can. However, this particular bill is only going to make financial gaps that will be nearly impossible for developers to fill. Ms. Sandidge asked the Committee to slow down the process in terms of reducing the bond cap to 25-30% and to allow this to start sometime next year. This would provide an opportunity to study the impact of these changes.

Caleb Roope from the California Housing Consortium (CHC) said CHC had a working group meeting, and he would like to share the group's support for the state trying to get more allocation out the door and fund more projects. CHC wrote a comment letter to that effect. Mr. Roope suggested spreading out the closing deadlines because there will be a large volume for the state to process. There are a lot of appraisers, lenders, attorneys, and others involved in closing these transactions. HCD is doing a lot of projects and may have something to say about this. Spreading out the deadlines would help, and perhaps it could be handled administratively or through a future regulation change. It is a pressing issue to address how projects flow into the system as well as some of the issues Ms. Sandidge mentioned about the market's ability to adjust the tax credits and absorb the additional allocation. The good news is that Fannie Mae and Freddie Mac both announced a \$1 billion increase in the amount of equity they will put into the market to buy tax credits. That is a total investment of \$2 billion, which is meaningful in a \$25-30 billion market. California is doing a great job of being at the forefront of this.



California Debt Limit Allocation Committee

Louis Liss from Eden Housing thanked CDLAC for their hard work implementing the emergency regulations. Eden Housing appreciated the response to their comment letter about bifurcated closing, in which the staff indicated that bifurcated closing is not disallowed by the regulations and that they would provide guidance to developers. Eden Housing would like the guidance to be provided as soon as possible, especially if developers want to run it by their investors and be able to make a decision about voluntarily returning bonds by the end of the month.

William Leach from Kingdom Development thanked the Committee for considering the emergency regulation changes. This will provide a lot of extra resources that California can use, and it is a one-time only opportunity; if the Committee does not race now, the extra resources cannot be obtained. While it will be challenging for these bonds to clear the market, Mr. Leach would rather have them than not have them. He thanked the Committee and staff for considering this opportunity for projects to give resources back. He said his reading of the regulations is that if developers give back some of their bond allocation but cannot exactly meet 30%, there is an opportunity to demonstrate to the Executive Director's satisfaction why that is the case. If a project needs a 32% allocation for a tax counsel reason, the project may be able to display that. Mr. Leach believes it is written in the regulations. He thanked the Committee for their speed and flexibility. Kingdom Development will help some of its sponsors give some bonds back so they can be allocated in the future.

Mr. Leach said it has been increasingly challenging to place equity and meet the 180-day readiness deadline due to challenges with getting financing and permits ready on time. He understands that the Committee has been fatigued by developers asking for extensions, but he would like them to understand that it is getting more challenging to do this in a 180-day window. If developers have to promise they will meet that deadline in order to get the award, they will do so. In the future, the Committee might consider easing that requirement or providing different options. The more the closing process can be fanned out, the more the market, attorneys, and escrow companies can clear smoothly. Everyone meeting a 180-day readiness deadline in today's challenging environment will be increasingly tough. Mr. Leach said that although there is no action for the Committee to take on this immediately, he would like them to consider it.

Kent Neumann from Tiber Hudson, a law firm based in Washington, D.C., said his firm specializes in doing 4% tax credit deals around the country, with California being their top state for the past several years. He thanked the Committee and said there are concerns in the marketplace about transactions that are limited to the minimum amounts for tax-exempt debt going forward. In the current environment, taxable interest rates are significantly higher than tax-exempt interest rates. Mr. Neumann's firm has been advocating for allocating authorities to accept the higher of 30% of aggregate basis or permanent supportable debt to allow the full supportable transaction to be done at tax-exempt levels. When these changes were proposed several years ago, rates were much lower, and a lot of transactions were able to work at the lower interest rates, whether taxable or tax-exempt. In the current environment, adding even a relatively small portion of taxable debt to transactions can be very challenging and expensive. California has done an amazing job of implementing recycled bonds, so building out that program to be more robust as a supplement to private activity bonds would also be favorable in these conditions.



California Debt Limit Allocation Committee

William Wilcox from the San Francisco Mayor's Office of Housing and Community Development (MOHCD) asked the Committee to think about requiring projects closing in 2026 to resize their bonds. This could leverage a lot more allocation, and all of MOHCD's projects closing in 2026 will return bonds. It would be more efficient and effective to push more projects to come back in and it would fund many more projects. CDLAC was oversubscribed by 4:1 in the last round, so the proposed changes in the upcoming round will not address the oversubscription. The incentives offered are a great way to get people to the table, and the developer fee in particular should still be included to offset costs. It would also be helpful to expand those incentives to 2024 Round 2 projects that might have an October closing deadline and are still in the process. MOHCD has a project that could return over \$30 million in bonds, which is about two projects' worth. This is worth considering in order to make the best use of these resources. He thanked the staff for working nimbly on this because it is a huge opportunity.

Nevada Merriman from MidPen Housing said her organization participates in CHC's working group. She echoed Mr. Roope's and Mr. Liss's comments. For the past decade, federal tax credit expansion has been number one on MidPen's agenda in terms of systems reform to increase production. This is a momentous moment, and the staff has stepped up. She thanked them for working quickly, and she envisions that these changes will require a considerable amount of staff time. She appreciates the energy and dedication to affordable housing that has been demonstrated.

Tommy Beadel from HVN Development applauded the staff for their quick efforts. At the June 18, 2025, CDLAC meeting, Ms. Wiant shared that Round 3 would be reallocated if the 'One Big Beautiful Bill' was passed. Mr. Beadel appreciates the creativeness to get bonds back from projects that are going to close in 2026 so that CDLAC can allocate more projects. With more projects being allocated in 2026 and all the challenges with tax credit pricing that other commenters have mentioned, Mr. Beadel would like to encourage the staff to consider providing more time to close these deals. The infrastructure behind the developers, including the attorneys, market study companies, tax preparing firms, and audit firms, are limited in their ability to do more projects. The number of projects they take on will double across the U.S. with this change in bond allocation. This is not just an issue of readiness to proceed; it is a capacity constraint on the industry from all the support necessary to effectuate the closing of a tax credit project. As the staff reviews regulations going into 2026, Mr. Beadel encourages them to allow more time for closing these deals.

Melvin Cowan from BDF and Enough Housing thanked the Committee for their ongoing efforts to balance fiscal integrity, regulatory fairness, and creating housing in California. He said he would like to uplift Legacy Village at Maria's Place, a shovel-ready project in Vallejo designed to meet the moment. This project will deliver 55 units of permanent supportive housing, a behavioral health urgent care drop-in center, a universal basic income pilot for unhoused residents, workforce development, and peer employment pathways, all of which are supported by deep collaboration with community agencies and service providers in the community. This matters because communities are facing compounding prices, housing insecurity, behavioral health disconnect, and economic fragility. Developers like Mr. Cowan and his black, indigenous, and emerging peers, are met with an underwriting system that demands \$8 million in liquid assets and institutional backing that too few of them are afforded.



California Debt Limit Allocation Committee

Mr. Cowan echoed the comments made by BDF leadership; investors are pulling back, equity pricing is dropping, and the underwriting environment increasingly shuts off developers of color and community-based projects. Legacy Village has everything needed to proceed except the institutional capital and upfront public funding that projects in higher-resource areas often receive by default. That gap is not about merit or vision; it is structural. The project is politically supported by local and state leaders and backed by a county-wide network of service providers and systems partners, and it is designed to bring a \$4 return for every \$1 invested through reduced emergency system costs, public health improvements, and local job creation.

Mr. Cowan asked the Committee to integrate equity-centered readiness metrics into the upcoming emergency rulemaking to reflect the reality and strength of shovel-ready, community-rooted projects that may not have pre-committed capital but are demonstrating deep regional alignment and feasibility. Also, behavioral health infrastructure and wrap-around services should be recognized as readiness assets rather than risks. These components are essential to long-term housing stability and should be scored accordingly. Mr. Cowan also asked the Committee to reconsider deposit requirements and points penalties that disproportionately affect developers who are locked out of the traditional financing system through no fault of their own. Lastly, Mr. Cowan asked the Committee to plan ahead for the 2025 percent test reduction, which could further saturate a market already inaccessible to smaller developers. Without safeguards, there is a risk of expanding eligibility while narrowing access. Mr. Cowan is not asking for any favors; he is offering real, replicable, solutions. His project is shovel-ready, community-led, and equity-aligned. With the right capital structure and regulatory support, projects like his and others can pave a pathway forward.

Ben Barker from California Municipal Finance Authority (CMFA) said everything is great and regulations are going well. Mr. Neumann brought up the topic of the spread between taxable and tax-exempt financing. As soon as the regulations came out, every deal CMFA was working on was looking for recycled bonds. Everyone receiving a bond allocation, regardless of who the issuer is, needs to be actively working to preserve all the allocation. When recycled bonds can be used instead of taxable financing, it provides a huge portion of gap filling. There is about a 105 basis point difference between recycled and tax-exempt bonds right now. Developers are reducing their bond allocation to 30%, so the additional 20% bond allocation that they would have had needs to be filled. Right now, the only opportunity is to fill it with taxable debt, which increases the overall capital stack and makes projects less efficient. It is important for the entire industry to look for the opportunity to preserve previous bond allocation with whatever programs are available so they can be reused and put into new projects to lower their cost of capital. Spreading out the closing dates is also important, which Mr. Barker thinks can be done administratively.

Ms. Wiant said the staff is proposing an automatic 120-day extension for Round 2 projects that elect to return bonds. This will be discussed in Agenda Item 6. The staff appreciates the comments and will take them into consideration for the fall regulations package. They will rethink what readiness should mean moving forward.



California Debt Limit Allocation Committee

Mr. Barker said it should not be expected that recycled bonds will fill the 20% gap on every deal. This is an industry-wide effort, and everyone needs to work toward preserving whatever allocation they have right now.

Jacob Martin from Kingdom Development said he appreciates the staff's diligence in getting these regulations out in a timely manner and for the resolution for projects previously awarded in Round 1 and Round 2 of 2025. He asked if projects seeking a reduction in bonds, based on the resolution, would be eligible to request the waiver for 40% of the project's aggregate basis.

Ms. Wiant responded affirmatively. The updated final draft resolution that was shared last Friday cross-references the regulations section that discusses the 30-40% bond allocation amount.

Chairperson Ma asked Ms. Wiant if she would like to address the public comments.

Ms. Wiant said the staff received public comments from stakeholders who wanted CDLAC to be more aggressive and mandate that Round 2 projects reduce their bond allocation to 30%. The staff also received comments from stakeholders who had concerns about CDLAC moving too quickly. With this regulations package, the staff tried to balance the industry writ large to make the most efficient use of the resources. The incentive is limited to 2025 projects in the proposed resolution because the staff felt that 2024 projects should be closing. Even though CDLAC is incentivizing and encouraging projects that are able to return their bond awards to get down to the 30-40% range, they also want projects that are on time and ready to close to move forward and close so that units can be built in a timely manner. Those factors were all considered when the staff put this package together. Ms. Wiant acknowledged that there are credit pricing challenges in the industry; even prior to these regulations, there were already credit pricing challenges. The staff reduced the minimum credit pricing amount in the application earlier this year because the credit pricing was going down. They generally want projects to be able to close on time if they can.

Ms. Wiant said the Committee has also demonstrated their willingness to accommodate when necessary. Prior to the program becoming competitive, when it was run as an over-the-counter program, projects only came in for bond allocation when they were ready to go and could close almost immediately after getting their award. The reason CDLAC kept the tight readiness prioritization once the program went competitive was because, given the demand, they wanted to make sure the allocation would be used efficiently and quickly. They do not want to get into a situation where they are losing carryforward. If a project received a 2024 award when it was not really ready, and CDLAC continues to give extensions, there is always a risk that at some point, those bonds will be lost because they can only be carried forward for three years. The staff considered all these factors as they were putting forth the regulations and trying to balance all those interests.

Chairperson Ma asked for clarification that the regulations package is up for a vote today.

Ms. Wiant responded affirmatively.



California Debt Limit Allocation Committee

Chairperson Ma asked what would happen if the Committee did not vote for the regulations package and if there would be an opportunity to change anything today.

Ms. Wiant said the Committee could make a recommendation to approve the regulations with changes made on the dais. However, there was a public comment period, and the staff responded to the public comments in the final proposed version that is before the Committee today.

Chairperson Ma asked if there were a lot of public comments.

Ms. Wiant responded affirmatively.

Mr. Velasquez asked Ms. Wiant to clarify the timing of the fall regulations package versus the package presented today.

Ms. Wiant said the staff typically puts forth a fall regulations package around the last meeting of the year to propose changes for the next year. They welcome comments proactively from stakeholders. The emergency regulations are being presented to the Committee today to take quick action based on federal changes. The staff is still considering what additional changes will be necessary for 2026. Ms. Wiant has made note of many of the public comments today and will consider them for the package that would take effect in 2026.

Chairperson Ma asked when the regulations presented to the Committee today would take effect.

Ms. Wiant said they would take effect upon Committee approval. The regulations package for 2026 will be presented later this fall. The staff normally puts out draft regulations in September or October with a longer public comment period and then presents the final recommendations to the Committee at the December meeting. Those regulations would also take effect immediately upon Committee approval, but they would generally impact 2026 projects.

Mr. Velasquez said he asked Ms. Wiant to explain that timing because of Chairperson Ma's question about when the regulations would take effect. If the Committee were to approve the regulations package today, there would still be an opportunity for the Committee to make revisions for the fall package.

Ms. Wiant said this package would take effect immediately. The biggest change being proposed is to set a new maximum bond request amount of 30%, or 40% if a project is carrying the bonds into its permanent financing. This would begin in Round 3 this year, for which applications are due in September. These changes will be permanent from now on, but there is an opportunity to make changes.

Ms. Perrault asked Ms. Wiant to confirm the dates for Round 3.

Ms. Wiant said applications are due on September 9 and awards will be made at the November 19 meeting.



California Debt Limit Allocation Committee

Ms. Perrault said there would also be some flexibility in the regulations for 2025 Round 2 projects to reduce their bond allocation percentage.

Ms. Wiant said that is correct, but that will be discussed in Agenda Item 6. That item is a resolution to incentivize voluntary return of bond allocation for projects awarded today.

Ms. Cohen said she is glad Ms. Wiant had an opportunity to respond to public comments. She is listening to the public comments here today, but she did not read all of the public comments that were received previously. She asked Ms. Wiant to reflect on her initial reactions to the public comments received during the public comment period.

Ms. Wiant said the comments were generally very similar to what was heard today. The comments were very supportive overall, with very few minor concerns.

Ms. Cohen said there is a proposed incentive for a deadline extension and tiebreaker benefit for a future project. She asked Ms. Wiant if that future tiebreaker benefit would support the development of less competitive projects.

Ms. Wiant said yes, it arguably would support those projects. That resolution is Agenda Item 6.

Joe Boniwell, counsel for CDLAC, said the Committee could decide to discuss Agenda Item 6 together with Agenda Item 5, as long as there was a separate public comment period before the vote for Agenda Item 6.

The Committee decided to discuss Agenda Item 6 separately.

Chairperson Ma closed public comments.

MOTION: Ms. Cohen motioned to adopt Resolution No. 25-006, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.

6. Agenda Item: Resolution No. 25-007, Incentivizing Voluntary Return of Excess Bond Allocation
Presented by: Marina Wiant

Ms. Wiant explained that the staff did not feel that it was appropriate to make it compulsory for Round 2 projects to have to change their bond requests, but in order to preserve additional resources for projects that are unlikely to close prior to 2026, the staff created a resolution to incentivize the voluntary return of excess bonds for Round 1 and Round 2 projects. Anyone who wants to take advantage of this policy should let the staff know by August 31. The staff is already working on guidance, which should hopefully be posted this week, so that applicants can start preparing the required documentation. The reason the schedule is tight is so the staff will know how many bonds are being returned so those bonds can be made available for Round 3.



California Debt Limit Allocation Committee

Ms. Wiant explained that in exchange for voluntarily reducing their allocation, projects would be eligible for an automatic 120-day extension and an option to choose either a tiebreaker benefit or a developer fee increase. The developer fee is guided by the CTCAC regulations, so that will be discussed later. For the tiebreaker benefit, the staff is proposing that for every 5% of returned bonds, the developer would receive a 1% tiebreaker benefit for one project in either Round 3 of 2025 or a project in 2026 not requesting state credits. The staff is attempting to not give a double benefit to a project. If a developer had multiple projects returning bonds, the benefits would be combined to apply to only one project. This would allow a lower-scoring project to get a much higher score. This is balanced by the public benefit of other projects in future rounds receiving an allocation due to more bonds being available in Round 3. This item received the most public comments. The reason the staff wanted to provide a choice of either a developer fee increase or a tiebreaker benefit is that there are some projects that will not be able to benefit from a developer fee increase, and the staff wanted to provide an option for them as well. There are also developers who may not have a robust pipeline, so a tiebreaker benefit might not benefit them, whereas a developer fee increase would be a benefit. That is why it was important to provide both options. Most of the public comments received were from stakeholders who were less supportive of a tiebreaker benefit.

Chairperson Ma called for public comments:

William Leach said he is supportive, but he wants to add one piece of context. In some cases, some people might opt for the developer fee increase not to actually collect the developer fee, but to get extra tax credits that are generated by the developer fee. That might help offset the increased construction interest they may pay because they are using taxable debt instead of tax-exempt debt. The developer fee is often thought of as compensation, but many times, the developers are not collecting the fee and instead turning it into tax credits so that it can cover the rest of the gap.

Caleb Smith from the City of Oakland Department of Housing and Community Development said he supports what CDLAC is doing to encourage more projects to opt into the reduced basis test, and it is very good that the staff has taken such swift action on this front. In their comment letter, the City of Oakland encouraged the Committee to consider making this mandatory to maximize the change, but they understand that the Committee is not going in that direction today, and they are still glad to see this voluntary action. Mr. Smith asked why the staff chose not to create a waiting list of projects that were not funded in Round 2. That could be an opportunity to move projects more efficiently through the process because there were a lot of strong projects in Round 2 that narrowly missed out on a bond allocation.

Chairperson Ma said she did not understand the question.

Ms. Wiant said Mr. Smith asked why staff did not go further into the sort for Round 2 applicants and fund more of those projects. The challenge was a staff capacity issue. Since Round 3 is about to begin in a month, the staff does not have the capacity to review Round 2 applications on top of the changes to the applications for projects returning bonds. At a minimum, the applications will have to be re-



California Debt Limit Allocation Committee

reviewed to confirm feasibility for those projects. The staff will be working on that leading up to the beginning of Round 3, and they do not have the capacity to also review Round 2 applications.

Cherene Sandidge said she is confused by the proposed incentives. The tiebreaker calculation is based on public and private funding sources. Bringing down the tax-exempt debt also brings down the tiebreaker score. Ms. Sandidge does not see how giving a project a 1% tiebreaker bump for turning in bonds is an incentive. Also, a lot of cities and counties already have developers deadlocked on the developer fee. Ms. Sandidge had to spend hours with Contra Costa County asking for the BIPOC bump, and they are making the project hold back on the developer fee. She does not anticipate that cities will allow for an extra developer fee. She appreciates the effort to give more of a developer fee because developers need more, but a lot of lenders are underwriting based on the developer fee and how much they are able to hold back from the developer until the 8609 is issued. She does not understand how either of these options is an incentive to return bonds.

Ms. Wiant clarified that a future project would have a tiebreaker score that would be a percentage. The project would get an additional 1-5% added onto that score depending on how many bonds were returned on a previous project.

Ms. Sandidge said that in order to calculate the tiebreaker, there has to be a public or private benefit. She asked if that would still be part of the tiebreaker calculation.

Ms. Wiant said leverage is part of the tiebreaker score, but it is not all of the score.

Ms. Sandidge said that since the tax-exempt portion of the debt is being truncated, the tiebreaker leverage score will be reduced. She does not understand how the project will still be competitive before adding on the incentive for returned bonds.

Ms. Wiant said projects that will be returning bonds have already been awarded and have already been scored. Everyone will be in the same tiebreaker scheme in the future with the 30% test. For future projects, everyone will be on the same playing field in terms of the tiebreaker numerator and denominator. That calculation will result in a percentage score, and then an additional incentive will be added on top of that. The concept is similar to the supplemental allocation penalty where there is a percentage reduction in the tiebreaker. This incentive would be adding a percentage.

Ms. Sandidge said this needs to be studied more. She likes to see boots on the ground, and she likes to see how things will actually be affected. The developer fee sounds good, but it will hinder developers. She would like to see a drawing of the tiebreaker calculation to see if there is any benefit, especially as a developer who received a bond allocation in Round 2.

Ms. Wiant said that if Ms. Sandidge does not see a benefit, she will not be compelled to return bonds.

Chairperson Ma said it is an incentive that may be applied to a future project.

Chairperson Ma closed public comments.



California Debt Limit Allocation Committee

MOTION: Ms. Perrault motioned to adopt Resolution No. 25-007, and Ms. Cohen seconded the motion.

The motioned passed unanimously via roll call vote.

7. **Agenda Item: 2025 Round 2 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 on May 20, 2025, the staff received 129 applications. They are recommending 50 applications for allocation, totaling \$2,021,132,158. This represents 7,265 total units, 7,187 of which are low-income units and 602 are homeless units. The staff has reviewed the applications for compliance with federal and state requirements and recommends the list for approval.

Chairperson Ma called for public comments:
None.

MOTION: Ms. Cohen motioned to approve staff's recommendation, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.

8. **Supplemental Bond Allocation Request Above the Executive Director's Authority (Cal. Code Regs., tit. 4, § 5240)**
Presented by: Marina Wiant

Chairperson Ma asked Ms. Wiant if she has any issues with any of the supplemental bond allocation requests.

Ms. Wiant said she does not have any issues, but she would like to flag that three of the four projects – all except Larkin Pine (CA-25-662) – are certainly closing in 2025, and they need the supplemental allocations to meet the 50% test. Larkin Pine has also requested an extension and is planning to do a bifurcated closing. If the bifurcated closing works out and the project opts to return bonds, it will also return the supplemental allocation.

Chairperson Ma called for public comments:

Tommy Beadel asked if any of these projects could just reduce their allocation to meet the 25% test and not require additional bonds.

Ms. Wiant said the projects would have to delay their closing until 2026 for that to work, and the staff has confirmed that they are on track for a 2025 closing.

Mr. Beadel asked if that includes the projects allocated in Round 1 of 2025.



California Debt Limit Allocation Committee

Ms. Wiant said that is what the staff was told by the developers, except for Larkin Pine, which is likely going to opt into returning bonds. If the project did opt in, the supplemental allocation would be returned.

Mr. Beadel asked if the projects could take this additional allocation and then give it back within the next 25 days.

Ms. Wiant said the staff confirmed with them prior to the meeting that they were planning to close in 2025.

Chairperson Ma closed public comments.

MOTION: Ms. Perrault motioned to approve the supplemental bond allocation requests, and Ms. Cohen seconded the motion.

The motion passed unanimously via roll call vote.

9. Public Comment

Cherene Sandidge thanked Chairperson Ma for attending BDF's 'Rebuild Black Altadena' event. She presented Chairperson Ma with a certificate of appreciation. She also presented a certificate to Mr. Velasquez for providing a video for BDF's website. BDF has many projects applying for bond allocations that will be submitted by the August 21 deadline. Ms. Sandidge attended a call with all the political and philanthropic organizations involved with the rebuilding effort. She encouraged anyone who has not gone down to Pasadena to see what happened to go see it because it is almost like being in another country. The fire was so consuming, and the issue is so emotional. She can understand the community wanting to take their time to move through this process. BDF wanted to provide training and show that their political leadership had the will and the support to rebuild black Altadena.

Chairperson Ma said it was a great convening. Efforts are being made to figure out how to rebuild faster. She heard on the radio last week that there is a master plan developer that is going to rebuild faster and more efficiently and hopefully get insurance quicker. One proposal for how communities could rebuild faster was to use one contractor and have a couple of options for housing layouts. Chairperson Ma does not know how many homes are going to be rebuilt that way, but it is promising.

10. Adjournment

The meeting was adjourned at 1:57 p.m.