

MINUTES

**California Pollution Control Financing Authority
801 Capitol Mall, Room 150
Sacramento, California
February 20, 2018**

1. CALL TO ORDER & ROLL CALL

Steve Juarez, Chairperson, called the California Pollution Control Financing Authority (CPCFA) meeting to order at 10:59 a.m.

Members Present: Jacqueline Wong-Hernandez for Michael Cohen, Director of Finance
Alan LoFaso for Betty T. Yee, State Controller
Steve Juarez for John Chiang, State Treasurer

Staff Present: Reneè Webster-Hawkins, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Juarez asked if there were any questions or comments concerning the meeting minutes from the meeting held January 23, 2018. There were none. Mr. Juarez asked if there was anyone with comments on the telephone, staff confirmed there was not.

Ms. Wong-Hernandez moved approval of the minutes; upon a second, the minutes were approved.

The item was passed by the following vote:

Jacqueline Wong-Hernandez for the Director of Finance	Aye
Alan LoFaso for the State Controller	Abstain
Steve Juarez for the State Treasurer	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Webster-Hawkins greeted the members of the Board and started with the news that the California Debt Limit Allocation Committee adjusted its meeting schedule to accommodate exempt facility deals as CPCFA transitions to CDLAC issuing the allocation for future projects. This will result in two additional CDLAC meetings as well as extending the application deadline for the April 2018 CPCFA Board meeting. All of the newly relevant dates will be reflected on CPCFA's website.

Mr. Juarez asked if the April 18, 2018 CDLAC meeting will be exclusively for exempt facilities while the June meeting will be more general.

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Ms. Webster-Hawkins said she understood that to be the case and suggested that the meetings may also take on other relevant business.

Mr. Juarez asked if the CPCFA Board should anticipate meetings on Wednesdays in April and June of 2018.

Ms. Webster-Hawkins answered that currently the meetings are noticed for Tuesdays but that the authority has not officially decided yet.

Mr. Hedrick, general counsel for the State Treasurer's Office, clarified that the CDLAC April 18 meeting will be for exempt facility applications only and that the June 20 meeting date will be open to all applicant pools.

Ms. Webster-Hawkins updated the Board on legislative matters. AB 1547 was amended on January 3, 2018 to include improvements that were recommended by CPCFA staff to the author to improve and expand the CalCAP ADA program and seems to have some good support in the Assembly. AB 2211 was introduced on February 12, 2018 and this bill would enact legislation that would expand the CalCAP program.

Under her delegated authority, Ms. Webster-Hawkins sent a Request For Information, or RFI, to law firms on January 22, 2018 in order to seek out interested parties in becoming issuer's counsels. Currently the Attorney General's office serves as issuer's counsel for all of the authority's deals. In the event of a conflict we can turn to a pool of interested firms that can serve as a backup representative.

CPCFA is also planning to issue a request for proposals to seek a contractor to provide audit services to CPCFA pursuant to SB 99. The current contract is due to expire after the current cycle and we are therefore seeking new bids to fulfill the role.

Ms. Webster-Hawkins asked the Board if they had any questions.

Mr. Juarez expressed his appreciation to the CDLAC staff for approving the extended dates so that we may continue to serve all of our stake holders.

Mr. Juarez asked if there were any questions or comments in the audience or on the telephone. There were none.

4. BUSINESS ITEMS

A. REQUEST TO APPROVE INITIAL RESOLUTION REFLECTING OFFICIAL INTENT TO ISSUE REVENUE BONDS

Presented by: Kris Luoma, Staff Services Analyst

Staff introduced Robert Martz of Westhoff, Cone & Holmstedt, and Greg Stangl of North Fork Community Power, LLC

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North Fork Community Power, LLC and/or its affiliates request approval of an Initial Resolution for an amount not to exceed \$14,250,000 comprised of tax-exempt bonds (\$9,305,000) and taxable bonds (\$4,945,000), to finance the construction of a forestry residue fueled biomass power plant. Staff recommended approval of Initial Resolution No. 18-01 for North Fork Community Power, LLC and/or its affiliates for an amount not to exceed \$14,250,000.

Mr. Juarez asked if there were any comments from the presenters.

Mr. Stangl responded that the town of North Fork is very grateful to have the opportunity to have assistance to get the project over the finish line.

Mr. Juarez asked if there were any questions from the Board. After the other members declined, he asked if this project was planned to come back to CDLAC in March 2018. Ms. Webster-Hawkins confirmed that to be the correct.

Mr. Juarez asked if there were any questions in the audience or on the telephone. There were none.

Ms. Wong-Hernandez moved approval of the item; there was a second.

The item was passed by the following vote:

Jacqueline Wong-Hernandez for the Director of Finance	Aye
Alan LoFaso for the State Controller	Aye
Steve Juarez for the State Treasurer	Aye

B. REQUEST TO AMEND INFILL GRANT DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) REMEDIATION PROGRAM

Resolution No. 18-03-002, Truckee Development Associates, LLC, Request to Extend the Term of the Grant and Modify the Infill Development Project.

Presented by: Jason Bradley, Treasury Program Manager

Truckee Development Associates, LLC requested approval of an amendment to extend the term of the Infill Grant Agreement until March 31, 2024 under the CALReUSE Remediation Program, and to change the number of affordable and market rate housing units from 250 units (38 affordable) to 190 units (71 affordable).

On November 19, 2008, the Authority approved a grant in the amount of \$1,585,724 for the remediation of a brownfield site that previously supported railroad and sawmill operations in the town of Truckee.

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The remediation of the brownfield site was completed in 2014 which included the removal of approximately 5,000 tons of heavy fuel impacted materials. The Grantee has received all of the funds allocated to the project and there is no funding left on the award.

The changes are necessary as the project was delayed for multiple reasons including the following:

Following the unanimous approval of the project master plan and Environmental Impact Report, a group of individuals filed a California Environmental Quality Act lawsuit. Although the town of Truckee and Grantee were victorious on all counts, it took two years to resolve the lawsuit. The entire larger project required significant infrastructure improvements, including new roadways and relocation of the Union Pacific Railroad facilities. Although the project was originally fully financed, the dissolution of the Redevelopment Agencies forced the Grantee to begin anew.

The Grantee is set to begin construction on Phase 1 of the Infill Development Project, the Truckee Artist Lofts, in the summer of 2018. Financing for Phase 1 has been obtained through local, state, and private sources, and will consist of 90 rental units (71 affordable), which is nearly double the number of affordable units currently required by the Infill Grant Agreement. Phase 2 will be split into two 50 unit for-sale market rate housing projects. Phase 2-Project 1 will begin construction in May 2020 to be completed by November 2021. Phase 2-Project 2 will begin construction in May 2022 to be completed by November 2023. Although financing for Phase 2 is not yet in place, the Grantee is confident they will have funding in place to begin construction at the timelines referenced above.

Staff recommended approval of the attached Resolution No. 18-03-002 to amend the number of housing units from 250 (38 affordable) to 190 (71 affordable), and to extend the term of the Infill Grant Agreement until March 31, 2024.

Mr. Juarez asked if there were any questions from the Board members. Mr. LoFaso asked if the proposal to reduce the number of units was an outgrowth of the CEQA lawsuit. Mr. Bradley was uncertain if that was the case but assured the Board that the question would be relayed to the project proponent. Mr. LoFaso then asked if the CALReUSE program is supplying the financing for expanding the amount of affordable housing units. Mr. Bradley answered that CALReUSE provided the funding to remediate the contaminated site to allow for the production of the housing. Mr. LoFaso then asked if the project sponsor had to apply for bond, tax credit, or local funding for the project. Mr. Bradley answered affirmatively.

Mr. Juarez asked if anyone was on the phone representing the Truckee project. There was not. He then commented that Mr. LoFaso presented a good point when he suggested that the ratio of total number of units to affordable units sounds very much like a CEQA compromise and that having more affordable housing is always a welcomed outcome.

Mr. Juarez asked if there were any further questions from the Board. There were none.

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Mr. Juarez asked if there were any questions in the audience or on the telephone. There were none.

Ms. Wong-Hernandez moved approval of the item; there was a second.

The item was passed by the following vote:

Jacqueline Wong-Hernandez for the Director of Finance	Aye
Alan LoFaso for the State Controller	Aye
Steve Juarez for the State Treasurer	Aye

5. PUBLIC COMMENT

Mr. Juarez asked if there were any comments from the Board or public.

Mr. Juarez asked if there were any questions on the telephone. There were none.

Mr. Juarez commented for the record that the March Board meeting will take place on a Wednesday the 21st instead of Tuesday.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 11:19 a.m.

Respectfully submitted,

Reneé Webster-Hawkins
Executive Director