



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

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MEMBERS

FIONA MA, CPA, CHAIR
State Treasurer

GAVIN NEWSOM
Governor

BETTY T. YEE
State Controller

EXECUTIVE DIRECTOR
JUDITH BLACKWELL

A G E N D A

Wednesday, June 17, 2020

TIME:

1:30PM or Upon Adjournment of the TCAC meeting

Jesse Unruh Building
915 Capitol Mall, Room 587
Sacramento, CA 95814

Public Participation Call-In Number*
(888) 557-8511
Participant Code: 5651115**

OPEN SESSION

1. Call to Order and Roll Call
2. Approval of the Minutes of the May 15, 2020 and May 20, 2020 Meetings (Action Item)
3. Policy Discussion for Updating CDLAC Regulations (Action Item)
4. Public Comment
5. Adjournment

FOR ADDITIONAL INFORMATION:

Judith Blackwell, Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814
(916) 653-3255

The Agenda is also available on our website: <http://www.treasurer.ca.gov/cdlac>

*** Interested members of the public may use this number to call in to listen to and/or comment on items before the CA Debt Limit Allocation Committee. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation but the Committee is not responsible for unforeseen technical difficulties that may occur. The Committee is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

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THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

June 17, 2020

Policy Discussion for Updating CDLAC Regulations
(Agenda Item No. 3)

ACTION:

Prioritize regulation revision items and direction on incorporating State and Committee goals and objectives into the CDLAC regulations update process.

DISCUSSION:

Our goal is to go through all of our CDLAC regulations and bring them into alignment with the housing goals and strategies of the Treasurer and the Governor and the Legislature. They have been very clear about what the goals are generally, but the current scoring system reflects goals from many years ago, and although the current scoring is not completely inconsistent with the current goals, we still need to change some of the emphasis. CDLAC is about to embark on a full regulations revision package under the standard OAL rulemaking process. Although we have been able to make temporary changes to our regulations over the past year by relying on OAL's emergency rulemaking process, we have not been able to change any scoring criteria through this process. It is important that any regulation revisions align with State and Committee goals and objectives and this has prompted this policy discussion. This will help clarify what types of changes are needed in the regulations.

CDLAC Policy Questions for 6/17/20

The following questions are not meant to be exhaustive, but are merely initial suggestions designed to focus our policy discussion on some broad issues in order to give CDLAC staff some guidance as we begin to focus on the task of updating CDLAC's regulations.

1. What factors should distinguish projects that get funded vs. projects that don't, all else being equal? Possible factors include but are not limited to:
 - Cost efficiency by exceeding regionally adjusted benchmarks (i.e. CTCAC basis limits)
 - Number of units produced
 - Efficient use of state and/or local resources on a per unit basis
 - Amount and type of public funding present
 - TOD or job-centered projects
 - Location in High Resource Areas
 - Should new pools be created that specifically support homeless and extremely low/very low-income targeted projects?
2. Should CDLAC seek, wherever possible, to align definitions and scoring with the CTCAC program regulations, or should CDLAC seek to maintain meaningful differences?
3. Should a geographic system be utilized to assure that a meaningful portion of CDLAC's resources are distributed throughout the state?
4. Should larger projects (100 units+) be incentivized? For example, in urban centers, near TOD's, or where this would be consistent with other local development?

5. Should CDLAC equally weight and incentivize the value of private and philanthropic capital (i.e. big-tech companies, large employers, foundations, etc.) in its scoring system as it currently does regarding public funding?
6. Should CDLAC consider incentivizing High-Density Housing (i.e. 50 units per acre or more)?
7. Transit-oriented developments (TOD's) are not incentivized in the current CDLAC scoring system except with a minor incentive through the site amenities category, but these points can also be obtained by being proximate to other amenities, such as grocery stores and medical clinics. Should TOD's be given a meaningful scoring incentive?
8. The current tie-breaker is a relatively blunt instrument in that it doesn't account for unit type variances (i.e. a 1-bedroom unit and a 4-bedroom unit are granted the same weight) nor does it consider regional cost differences (i.e. San Francisco vs. Fresno). The tie-breaker favors projects that have smaller unit types and areas of the state where building and land costs are lower. Do you agree that these weighting and cost issues should be remedied?
9. Should CDLAC incentivize projects with limited funding sources (i.e. not more than 3 gap financing loans/grants)?
10. Should CDLAC give scoring incentives for projects that otherwise meet most CDLAC public policy objectives but have been unsuccessful in prior rounds?

Thank you in advance for your thoughts and guidance on these issues.

Sincerely,

*Judith Blackwell
Executive Director, CDLAC*