

California Debt Limit Allocation Committee

Jesse Unruh Building
Room 587
915 Capitol Mall
Sacramento, CA 95814
June 16, 2021
Meeting Minutes

OPEN SESSION

1. Call to Order and Roll Call

State Treasurer Fiona Ma, CPA, called the California Debt Limit Allocation Committee (CDLAC) meeting to order at 11:03 a.m.

Members Present: State Treasurer Fiona Ma, CPA
Gayle Miller for Gavin Newsom, Governor
Anthony Sertich for Betty T. Yee, State Controller

Advisory Members Present: Kate Ferguson for the California Housing Finance Agency (CalHFA)
Jennifer Seeger for the Department of Housing and Community Development (HCD)

2. Approval of the Minutes of the April 28, 2021 Meeting (Action Item)

Anthony Sertich moved approval of the minutes for the April 28, 2021 meeting. Upon a second by Gayle Miller, the minutes passed 3-0 with the following votes: Anthony Sertich: Aye; Gayle Miller: Aye; Fiona Ma, CPA: Aye.

3. Executive Director's Report (Informational Item)

Nancee Robles welcomed the Committee Members and the in-person audience acknowledging that it had been a while since there were attendees in the meeting room.

Robles stated, since CDLAC's last meeting, staff have been working diligently on the next round of applications for allocation for the qualified residential rental projects (QRRP) pool. She reminded the applicants, that accurate and complete applications are essential to CDLAC staffs' ability to process those applications in a timely manner. Once the list was published, staff took numerous calls and emails from applicants stating that they had made errors in their applications. This blocks staffs ability to rank the applications until the errors are corrected. Staff prides itself in doing the best work possible to allocate California's bond cap. She thanked everyone in advance for providing staff with the proper tools to do so.

Robles continued; the second round of applications have arrived. Staff received 129 applications which is six (6) more than the prior round. CDLAC is 3.5 times oversubscribed for this round with requests totaling approximately \$3.7 billion. Staff is in the process of analyzing the applications and recommendations will be presented at the August 11, 2021 Committee meeting. Preliminary recommendations will be posted on July 16, 2021.

Staff understands that putting the applications together is hard work and time consuming; therefore, staff is taking steps to optimize the performance of the CDLAC online application system. In addition, with the gracious assistance of William Leach, staff is participating in implementing a universal data model which will help unify data amongst the State Treasurer's Office (STO), HCD and CalHFA among others. Ms. Robles thanked Mr. Leach for introducing us to and taking the lead on this project that will surely create some efficiencies within the State agencies.

Treasurer Ma, reiterated that applicants were checking the wrong boxes in terms of categories and set aside pools. When staff posts the preliminary scoring, and then staff receives several calls from applicants stating that they checked the wrong boxes, it is not helpful to the process. Treasurer Ma stressed the importance of having the correct information uploaded in order to make the system as sufficient and transparent as possible. The Treasurer asked that the applicants please double check the boxes in the application before submitting the online application as it would be very helpful to the process.

4. Recommendation for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Exempt Facility (EXF) Projects and Awards of Allocation (Action Item)

- a. 21-006 Specialty Solid Waste & Recycling**
- b. 21-007 Northern Recycling, LLC Project**

Anthony Wey reported there were changes to the two (2) EXF project applications in the uses of bonds section of the staff reports. The changes to the staff reports were administrative only and had no effect on the projects. The applications were submitted by the California Pollution Control Financing Authority (CPCFA).

The first project, Specialty Solid Waste & Recycling, requested \$18,300,000 of 2021 bond allocation. The second project, Northern Recycling, LLC, requested \$23,677,224 of 2020 carryforward allocation and \$4,422,776 of 2021 bond allocation for a total request of \$28,100,000. The total 2021 bond allocation for the two (2) projects is \$22,722,776 with an aggregate total of \$46,400,000 of bond allocation for the two (2) projects.

Staff recommended approval of the two (2) EXF projects in the amount of \$22,722,776 of 2021 bond allocation, and \$23,677,224 of 2020 carryforward allocation for an aggregate amount of \$46,400,000 of bond allocation.

Anthony Sertich asked if staff knew how much allocation remained in the EXF pool; an estimated amount would suffice. Nancee Robles stated that she believed it was \$544 million. (Ms. Robles later noted she misspoke and the amount was approximately \$400 million) Mr. Sertich asked if that included the set aside for the high speed rail project. Ms. Robles replied in the affirmative.

Treasurer Ma, CPA, asked if there were any questions or comments from the public. Seeing none, please call the roll.

Anthony Sertich moved approval of staff's recommendation. Upon a second by Gayle Miller, the minutes passed 3-0 with the following votes: Anthony Sertich: Aye; Gayle Miller: Aye; Fiona Ma, CPA: Aye.

5. Public Comment

There was no public comment.

6. Adjournment

The Chairperson adjourned the meeting at approximately 11:15 a.m.