



## California Debt Limit Allocation Committee

901 P Street, Room 102  
Sacramento, CA 95814

February 12, 2024

### 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 11:05 a.m. with the following Committee members present:

Voting Members: Patrick Henning, Chief Deputy Treasurer, for Fiona Ma, CPA, State Treasurer  
Evan Johnson for State Controller Malia M. Cohen  
Gayle Miller for Governor Gavin Newsom – ABSENT

Advisory Members: Department of Housing and Community Development (HCD) Director Gustavo Velasquez  
Tiena Johnson Hall, Executive Director for the California Housing Finance Agency (CalHFA)

#### 2. *Agenda Item: Approval of the Minutes of the January 17, 2024, Meeting – (Action Item)*

Chairperson Henning called for public comments:  
None.

**MOTION:** Mr. Johnson motioned to approve the minutes of the January 17, 2024, meeting, and Chairperson Henning 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, explained that the House of Representatives passed the Tax Relief for American Families and Workers Act of 2024 on January 30, 2024. The legislation includes two key provisions from the Affordable Housing Credit Improvement Act: lowering the 50% test to 30% and reinstating the 12.5% increase for the 9% tax credit program from 2023-2025. Ms. Wiant is eager to see the Senate take action on that bill. She will be joining Ms. Johnson Hall at the National Council of State Housing Agencies (NCSHA) 2024 Legislative Conference in March where the provisions of the bill will be discussed. Staff has been closely tracking and discussing how the provisions would be implemented if the Senate were to take action on the bill, particularly regarding how the 30% test would be implemented to maximize bond utilization and housing production as well as leaving allocation for other purposes. This would require a change to the regulations, and staff is working on a regulations package that would be proposed between Round 1 and Round 2.

Chairperson Henning called for public comments:  
None.

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4. **Agenda Item: Request to Extend the Bond Allocation Issuance Deadline for Qualified Residential Rental Project and Request to Waive Forfeiture of the Performance Deposit (Cal. Code Regs., tit. 4 §§5052, 5100, 5132) – (Action Item)**

*Presented by: D.C. Navarrette*

Mr. Navarrette reported that four projects are requesting bond allocation issuance deadline extensions and waiver of forfeiture of their performance deposit.

East 12<sup>th</sup> Street (CA-23-527) is a new construction, 91-unit, non-targeted project in Oakland. The project was allocated \$49,542,000 in Round 2 of 2023 and is requesting a 90-day extension, which would change the bond allocation issuance deadline from March 4, 2024, to June 3, 2024. The applicant is CMFA and the developer is East Bay Asian Local Development Corporation.

Maison's Sierra (CA-23-541) is a new construction, 196-unit, non-targeted project in Lancaster. The project was allocated \$35,000,000 in Round 2 of 2023 and is requesting a 90-day extension, which would change the bond allocation issuance deadline from March 4, 2024, to June 3, 2024. The applicant is CalHFA and the developer is Ravello Holdings, Inc.

Ms. Johnson Hall said CalHFA has been apprised by the developer of Maison's Sierra that the 90-day extension should be sufficient to close this project.

Mr. Navarrette reported that Union Tower (CA-23-556) is a new construction, 94-unit project in National City. The project was allocated \$35,823,312 in Round 2 of 2023 and is requesting a 90-day extension, which would change the bond allocation issuance deadline from March 4, 2024, to June 3, 2024. The applicant is CMFA and the developer is Wakeland Housing & Development Corporation.

Santa Monica & Vermont Apartments (CA-23-586) is a new construction, 187-unit, special needs project in Los Angeles with 94 homeless units. The project received a \$2,845,000 supplemental allocation on August 4, 2023 in addition to its original allocation of \$56,000,000 in Round 2 of 2021. The project is requesting a 90-day extension, which would change the bond allocation issuance deadline for the supplemental allocation from February 20, 2024, to May 20, 2024. The applicant is the City of Los Angeles and the developer is Little Tokyo Service Center.

Mr. Johnson asked for clarification that the original allocation for Santa Monica & Vermont Apartments was awarded in 2021 and the project received a subsequent supplemental allocation that extended the issuance deadline.

Mr. Navarrette responded affirmatively.

Mr. Johnson asked if there was also another extension granted due to the pandemic.

Mr. Navarrette said he believes an extension was granted due to the pandemic.



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Mr. Johnson asked staff if this extension would establish a precedent for granting three extensions to a project.

Mr. Navarrette said this would not necessarily set a precedent. There have been a few projects that have requested similar extensions, and they have generally been in the City of Los Angeles area. There have been a lot of moving pieces with those projects, and some of them were rehabilitation projects that discovered more work to be done. Projects with soil issues also needed several extensions. Santa Monica & Vermont Apartments is trying to get everything lined up so it can close. Timing issues are mainly causing these extension requests.

Chairperson Henning expressed that he shares Mr. Johnson's concerns regarding the number of projects requesting extensions.

Mr. Johnson said he is concerned that the Committee continues to push out deadlines, and they should keep an eye on this.

Mr. Velasquez said the Committee is interested in getting projects moving quickly. He suggested that a representative from Santa Monica & Vermont Apartments should explain the reason for the extension requests.

Elizabeth Selby, Director of Development and Finance at the City of Los Angeles Housing Department (LAHD), explained that the original delay was related to the pandemic. The project is now requesting a 90-day extension, but LAHD anticipates that it will close well before then. The project is complicated, but it will be ready to close once it is approved by the City Council.

Ms. Johnson Hall said she is aware that Maison's Sierra, for which CalHFA is the issuer, is expected to close within 60 days, but a 90-day extension was requested to ensure the deadline would be met.

Ms. Wiant said the extension request for Santa Monica & Vermont Apartments was a concern for her also since the project applied in 2021, but part of the issue is that an extension is needed for the supplemental allocation versus the original allocation.

Chairperson Henning called for public comments:

None.

**MOTION:** Mr. Johnson motioned to approve the bond allocation issuance deadline extension and waiver of forfeiture of the performance deposit for all the projects, and Chairperson Henning seconded the motion.

The motion passed unanimously via roll call vote.

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

*Presented by: D.C. Navarrette*

Mr. Navarrette reported that U.S. VETS-WLAVA Building 210 (CA-24-404) is requesting a supplemental bond allocation above the Executive Director's authority. The project is a 38-unit, adaptive



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reuse, special needs project in Los Angeles. It was originally allocated \$14,219,583 as CA-23-600 in Round 3 of 2023 and is now requesting a supplemental allocation of \$4,936,246, which is within 52% of the aggregate basis limit but is 34.71% of the Committee-approved allocation. The applicant is CMFA and the developer is U.S. VETS Housing Corporation.

Chairperson Henning called for public comments:  
None.

**MOTION:** Mr. Johnson motioned to approve the supplemental bond allocation request, and Chairperson Henning seconded the motion.

The motion passed unanimously via roll call vote.

### 6. **Public Comment**

There was no public comment.

### 7. **Adjournment**

The meeting was adjourned at 11:20 a.m.