



California Debt Limit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

September 30, 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 1:02 p.m. with the following Committee members present:

Voting Members:

Patrick Henning for Fiona Ma, CPA, State Treasurer, Chairperson
Evan Johnson for Malia M. Cohen, State Controller
Michele Perrault for Gavin Newsom, Governor

Advisory Members:

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

2. *Agenda Item: Approval of the Minutes of the August 5, 2025, Meeting*

Chairperson Ma called for public comments:

None.

MOTION: Mr. Johnson motioned to approve the minutes of the August 5, 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, explained that at the August 5, 2025, meeting, the Committee approved a resolution to encourage a voluntary reduction and return of bond allocation for projects that could qualify for the 25% test. As a result of that incentive, CDLAC received over \$600 million in returned bonds and was able to quickly make them available for the Round 3 application period. That resulted in nearly \$2 billion in bonds being available for Round 3 applicants. Applications were due on September 9, and CDLAC received 165 applications. The staff expects close to 100 awards from that pool of applicants. Ms. Wiant thanked the Committee for their quick action and interest in approving that resolution. She also commended the staff at CDLAC and CTCAC for all their additional project reviews during this new process. There were 42 projects that opted to return bond allocations. This will be a very large round, and Ms. Wiant appreciates the staff's hard work processing over 100 project reviews over the next few weeks.



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Ms. Wiant said the award meeting for Round 3 is scheduled for November 19, 2025, but if the review process takes longer than expected, those awards may need to be moved to the December 10, 2025, meeting to accommodate the large volume. The staff will keep the Committee members and the public apprised of that progress.

Ms. Wiant said the staff is continuing the typical fall regulations package process, and they expect to put draft regulations out for public comment in early October. As per usual, there will be at least a 21-day public comment period and a public hearing before the final regulations package is presented to the Committee. The final package is expected to be presented at the December 10, 2025, meeting.

Mr. Johnson thanked the staff moving quickly to make sure tax credits were not left on the table.

Chairperson Henning echoed Mr. Johnson's comments.

Chairperson Henning called for public comments:

William Leach from Kingdom Development thanked the Committee and staff for all their hard work. These efforts will allow more housing to be built in the same time frame and with the same federal resources.

Chairperson Henning closed public comments.

4. Agenda Item: Round 3 Award of Allocation of Qualified Private Activity Bonds for Other Exempt Facility (EXF) Projects (Cal. Code Regs., tit. 4, §5440)

Presented by: Christina Vue

Ms. Vue explained that pursuant to Government Code 8869.84 and 8869.85, CDLAC is allowed to determine the allocation of bonds for certain categories and determine the entities that can apply for allocations. Section 5440 of the CDLAC regulations explains the ranking process for EXF projects. CDLAC received three applications for EXF Round 3, and the staff is recommending award of allocation to Poso Creek Family Dairy, LLC for \$3,500,000, AggrePlex of Modesto for \$11,495,000, and Republic Services, Inc. Project for \$100,000,000. After this round, there will be \$59,500,000 left for Round 4.

Chairperson Henning called for public comments:

Reba asked if non-competitive projects have the same requirements under Section 10325 [of the CTCAC regulations] as 9% tax credit projects.

Chairperson Henning said Reba's question does not pertain to this agenda item, but if there is a quick answer, Ms. Wiant may respond. Otherwise, this should be handled offline.



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Ms. Wiant said she believes Reba's question is related to the Qualified Residential Rental Program (QRRP), which is paired with 4% tax credits. She said the answer would be lengthy and asked Reba to provide her email address in the Teams chat so the staff could get back to her.

Chairperson Henning closed public comments.

MOTION: Ms. Perrault motioned to approve the Round 3 award of allocation of qualified private activity bonds for EXF projects, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

5. ***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: D.C. Navarrette

Chairperson Henning said that before moving onto this agenda item, the Committee needs to decide whether to add an extension request to this item that came in after the agenda was posted. He asked Ms. Wiant to explain.

Ms. Wiant explained that the Bagley-Keene Open Meeting Act requires that the agenda is posted at least 10 days prior to the Committee meeting. By law, the Committee can only add an item if 2/3 of the members present vote 'yes.' The Committee also has to determine that there is a need for immediate action, and this need only came to the Committee's attention after the agenda was posted under the 10-day notice rule. Representatives of this project are online to answer questions. The request did not come in prior to the agenda being posted, and the project's current allocation deadline is in October, prior to the next Committee meeting. Therefore, if the Committee does not hear this request and does not grant an extension, the bonds will expire next month. That is why immediate action is needed.

Chairperson Henning asked Ms. Wiant to concisely state the agenda item that would allow this to continue to move forward.

Ms. Wiant said Sutter Street Apartments (CA-24-494) would be added to the list of projects requesting extensions.

Mr. Johnson asked why this request was not submitted to Ms. Wiant in time to be added to the agenda.

Ms. Wiant said the bond issuer or the applicant could address that question. Sutter Street Apartments is a CalHFA project.

Ms. Franklin said CalHFA heard about the need for the extension after the filing date. There was a timing issue between the project communicating the need to CalHFA and then CalHFA submitting the request to CDLAC. CalHFA would like to have the extension approved and follow the guidelines and laws, but the project may not need the extension. However, they wanted to be transparent about the potential need.



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Chairperson Henning asked if CalHFA would be supportive of the extension.

Ms. Franklin said CalHFA would be very supportive.

Ms. Perrault asked for clarification that the Committee would just be taking action to add this request to the agenda.

Chairperson Henning responded affirmatively.

Chairperson Henning called for public comments:

Patrick McNerney from Martin Building Company spoke on behalf of Sutter Street Apartments. He said he does not think the extension will be needed since there is a closing date scheduled for October 9, 2025. The bonds should be sold at the beginning of next week. The project does not anticipate needing the extension, but with the possibility of a government shutdown, the project is requesting an extension of a couple of weeks just in case it is needed.

Chairperson Henning summarized that the project does not need the extension but wants it.

Mr. McNerney said he would like the extension just in case it is needed.

Chairperson Henning closed public comments.

MOTION: Ms. Perrault motioned to amend Agenda Item 5 to add Sutter Street Apartments for consideration for an extension, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

Chairperson Henning said the Committee can now move on and consider the extension requests under this agenda item. He asked Mr. Navarrette to present the item.

Mr. Navarrette explained that Section 5100 of the CDLAC regulations states that there are certain expiration dates for issuing QRPP bonds depending on the circumstances at the time of allocation, subject to extensions permitted in Section 5101. That section permits the Executive Director to grant extensions up to 90 days. Any extensions beyond that require Committee approval, at the discretion of the Committee. The Committee may grant the approval, and they may also assess negative points in connection with any extensions granted under this section. Historically, the Committee has waived the forfeiture of the performance deposit with any extension requests. There are five projects requesting extensions, including Sutter Street Apartments, which was just added to the list. The staff has reviewed every request and recommends them for approval.

Mr. Johnson asked for confirmation that if the extensions were approved, all the projects would still close by the end of the year.



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Ms. Wiant said all the projects except Sandstone Valley Apartments (CA-24-481) would close by the end of the year. Sandstone Valley Apartments is a CalHFA project, and the staff has heard that this project is in the unique circumstance of waiting for technical assistance from HCD related to the actions of a local government. It is unclear if that issue will be resolved in time for closing in 2025. The other four projects are requesting more standard extensions and are expected to close in 2025.

Mr. Johnson asked if the staff would provide an update on the status of that closing before the end of the year.

Ms. Wiant asked Mr. Navarrette if Sandstone Valley Apartments' current request is to extend the deadline to the November 19, 2025, meeting.

Mr. Navarrette responded affirmatively.

Ms. Wiant said it may be necessary to extend the deadline by an extra 20 days, just in case the November meeting is cancelled.

Chairperson Henning called for public comments:

Seth Sterneck from CRP Affordable Housing and Community Development, the developer of Sandstone Valley Apartments, said Russell Morse, the land use counsel on the project, can speak on this issue. Mr. Sterneck asked if it would be possible to get an extension until the December 10 meeting, in case the November 19 meeting is cancelled.

Russell Morse from Meyers Nave said he is the outside land use counsel for CRP Affordable Housing and Community Development. He said the project is entitled, but they are dealing with a snag in post-entitlement issues related to the city. They have engaged HCD's Housing Accountability Unit and have been working with the great members of that team who have issued a technical assistance letter to the city. The city recently responded to that letter, but it was an insufficient response. HCD has scheduled a meeting with the local jurisdiction in the coming days, so there should be updates soon. Mr. Morse hopes there will be a resolution soon, but the project is requesting an extension to help resolve this post-entitlement issue.

Mr. Velasquez confirmed that HCD issued the letter and is hoping for a positive resolution with the city.

Chairperson Henning closed public comments.

Chairperson Henning asked if the bond allocation issuance deadlines would be extended until December 10 for all the projects.

Ms. Wiant said no; the extension request dates are articulated in the agenda, but Mr. Navarrette can summarize. Sandstone Valley Apartments would be extended until December 10.

Mr. Navarrette said the two JFM projects, Villas Family and Senior (CA-24-638 and CA-24-639), are requesting 45-day extensions and will still close in 2025. Seventh Street Apartments (CA-24-648) is



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requesting 60 days and will also still close in 2025. Sutter Street Apartments (CA-24-494) is requesting 45 days and will close in 2025. Sandstone Valley Apartments is currently requesting 50 days, which would extend the deadline to November 19, 2025. In order to extend that deadline to the December 10 meeting, 22 days would need to be added to that request.

Chairperson Henning asked if Sandstone Valley Apartments would be extended until December 10.

Mr. Navarrette responded affirmatively. The extension request should be amended to 72 days, or 75 days to provide a buffer.

Chairperson Henning said the extension should be 75 days; he does not like continuing to adjust these deadlines.

MOTION: Ms. Perrault motioned to approve the requests to extend the bond allocation issuance deadline for Qualified Residential Rental Projects and waive forfeiture of the performance deposit, including the amendment to the request for Sandstone Valley Apartments, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

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

Presented by: D.C. Navarrette

Mr. Navarrette explained that Section 5248 of the CDLAC regulations permits projects to submit requests for supplemental allocations during an allocation round throughout the year. The Executive Director is granted the authority to approve up to 10% of the Committee-approved allocation and within 52% of the aggregate depreciable basis plus land. Requests above these limits require Committee approval. There are two projects requesting supplemental bond allocations above the Executive Director's authority today. Staff has reviewed both projects and recommends them for approval.

Chairperson Henning called for public comments:

None.

MOTION: Mr. Johnson motioned to approve the supplemental bond allocation requests above the Executive Director's authority, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.

7. **Public Comment**

There were no public comments.

8. **Adjournment**



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The meeting was adjourned at 1:28 p.m.