



AGENDA

Industrial Development
Authority Regular Meeting

Tuesday, December 10, 2019

6:30 PM

Community Meeting Center,
11300 Stanford Avenue, Garden Grove,
CA 92840

John R. O'Neill
Chair

Kim B. Nguyen
Vice Chair

George S. Brietigam
Member

Patrick Phat Bui
Member

Steven R. Jones
Member

**Stephanie
Klopfenstein**
Member

Thu-Ha Nguyen
Member

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the Authority, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The Authority may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Authority Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Authority meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the Authority are requested to complete a pink speaker card indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications," and should be limited to matters under consideration and/or what the Authority has jurisdiction over. Persons wishing to address the Authority regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the Industrial Development Authority Members: After being called by the Chair, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Authority. All remarks and questions should be addressed to the Authority as a whole and not to individual Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Authority shall be called to order by the Chair. If such conduct continues, the Chair may order the person barred from addressing the Authority any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the Authority on the same subject matter, the Chair may request a

spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Authority's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

Open Session

ROLL CALL:

MEMBER BRIETIGAM, MEMBER BUI, MEMBER JONES, MEMBER KLOPFENSTEIN, MEMBER T. NGUYEN, VICE CHAIR K. NGUYEN, CHAIR O'NEILL

1. ORAL COMMUNICATIONS

2. REORGANIZATION

2.a. Selection of Chair and Vice Chair. *(Action Item)*

3. CONSENT ITEMS

(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by an Industry Development Authority Member.)

3.a. Receive and file the annual report for the Industrial Development Authority.
(Action Item)

3.b. Receive and file minutes from the meeting held on December 11, 2018.
(Action Item)

4. MATTERS FROM AUTHORITY MEMBERS

5. ADJOURNMENT

The next Regular Industrial Development Authority Meeting will be held Tuesday, December 8, 2020, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community & Economic Development
Subject:	Receive and file the annual report for the Industrial Development Authority. <i>(Action Item)</i>	Date:	12/10/2019

OBJECTIVE

The purpose of this report is to provide the Garden Grove Industrial Development Authority (IDA) an annual report on the activities of the California Debt Limit Allocation Committee (CDLAC), formerly handled by the California Industrial Development Financing Advisory Commission (CIDFAC) for 2019.

BACKGROUND

In 1982, the City of Garden Grove formed the IDA. Under the State of California guidelines, the IDA acts as the official local coordinating body for low-cost development bonds for industrial companies seeking expansion. The IDA's role is to assist industrial-related businesses by facilitating their request for tax-exempt Industrial Development Bonds (IDB).

Although the IDA can call a Special Meeting promptly to facilitate IDB financing, the IDA must meet yearly as stated in its By-Laws. At the annual meeting, the IDA reviews actions of the CDLAC, which administers the tax-exempt activity bond program for California and approves the issuance of IDB's as a partner with local government, and the actions of the California Debt and Investment Advisory Committee (CDIAC), which provides policy guidance with respect to public debt and investment activities.

The City has not had any IDB applicants over the last several years.

DISCUSSION

The IDA can assist the issuance of tax-exempt bonds provided that the company uses the bond proceeds to:

- Foster job expansion or job development;
- Fund industrial, manufacturing, or agricultural projects that create tangible

- products for sale;
- Fund land, building construction, new equipment or furnishings; and
- Fund cost of architects, engineers, attorneys and permits.

As of November 20, 2019, the IDA has had no request for IDB financing assistance.

Staff recommends the continuation of the IDA program as an economic development tool offering industrial and manufacturing businesses alternative sources of financing for land acquisition, construction, and rehabilitation, and infrastructure improvements for businesses in the city of Garden Grove. Economic Development staff will continue to promote the IDA program as part of its economic development strategy.

FINANCIAL IMPACT

None. If an industrial company applied for IDB financing, the IDA would only act as a liaison in the State bond process. Therefore, there is no financial impact to the City.

RECOMMENDATION

It is recommended that the Industrial Development Authority:

- Receive and file the 2019 update of the California Debt Limit Allocation Committee, the 2019 update of the California Debt and Investment Advisory Committee, and the 2019 Industrial Development Bond Project Program Summary.

By: Monica Covarrubias
Project Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
2019 CDLAC Program Summary	11/20/2019	Backup Material	2019_CDLAC_Program_Summary.pdf
2019 CDIAC Program Summary	11/20/2019	Backup Material	2019_CDIAC_Program_Summary.pdf
2019 Industrial Development Bond Project Program Summary	11/20/2019	Backup Material	2019_Industrial_Development_Bond_Project_Program_Summary.pdf



California State Treasurer
Fiona Ma, CPA



[Home](#) | [Open Government](#) | [Careers](#) | [Contact](#)

Search



[Home](#) [CDLAC Home](#) [Contacts](#) [Compliance](#)

[Home](#) ->> [CDLAC](#) ->> [Current Program](#)



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Current Program

CDLAC administers the tax-exempt private activity bond program for California. Federal and state revenues are not utilized in this program. Bonds issued are purchased by the private sector and repayment is not an obligation of the state or of the federal government. The 2019 State Ceiling for qualified private activity bonds is \$4,153,489,725.

Agencies and organizations authorized to issue tax-exempt private activity bonds or mortgage credit certificates must receive an allocation from CDLAC.

Programs currently administered by CDLAC include the following:

Qualified Residential Rental Project Program Description

State and local governmental agencies and joint powers authorities can issue tax-exempt housing revenue bonds. These bonds assist developers of multifamily rental housing units to acquire land and construct new units or purchase and rehabilitate existing units. The tax-exempt bonds lower the interest rate paid by the developers. The developers in turn produce market rate and affordable rental housing for low and very low-income households by reducing rental rates to these individuals and families. Projects that receive an award of bond authority have the right to [apply for non-competitive 4% tax credits](#).

Bond authority for Rental Projects is awarded to three sub-pools: the General Pool (Projects having more than 50% of total units designated as Restricted Rental Units); the Mixed Income Pool (Projects having 50% or fewer of total units designated as Restricted Rental Units); and the Rural Project Pool (Projects located in a rural area as defined by California Health and Safety Code Section 50199.21 but shall not include a Mixed Income Project).

Industrial Development Bond Project Program Description

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt private activity bonds that are issued through state and local governmental agencies to assist manufacturing facilities finance capital expenditures. Today, most IDBs support expansions of existing manufacturing. IDBs offer interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

Exempt Facility Program Description

Exempt Facility Bonds are tax-exempt private activity bonds that are issued by state and local governmental agencies to finance solid waste disposal and waste recycling facilities. The tax-exempt bonds provide facility owners with low cost financing in the form of below market interest rate loans. The interest rate savings enable the project owners to maintain lower customer rates or minimize customer rate increases, while at the same time assisting the communities they serve meet their mandated requirements to protect and enhance the environment. Exempt facility projects also benefit the communities by creating new jobs.

Single-Family Housing Program Description

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to assist first-time homebuyers to purchase homes. These agencies and authorities may issue MRBs, the proceeds of which back below market interest rate mortgages. As an alternative to issuing MRBs, state and local governmental agencies and joint powers authorities may issue MCCs. Homebuyers use the MCC to reduce their federal tax liability by applying the credit to their net tax due. Homebuyers may purchase single-family homes, either free-standing detached, condominiums or townhouses. Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

Qualified Public Educational Facility Bond Program Description

The Qualified Public Educational Facility Bond Program (QPEFB) provides tax-exempt private activity bond allocation to state and local bond-issuing agencies to provide public elementary and secondary schools with financing for the construction or improvement of their facilities. These bonds are designed to provide tax-exempt conduit financing for turnkey private development of public elementary and secondary school facilities. The California School Finance Authority (CSFA) can serve as a qualified applicant to CDLAC and is an issuer and facilitator of QPEFB bonds.

Home Improvement and Rehabilitation Program Description

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to help low- to moderate-income households secure qualified home improvement or qualified rehabilitation loans. These agencies and authorities may issue MRBs to finance loans that are below market rates. These entities may also issue MCCs that can be used to reduce the homeowner's federal tax liability. Program participants must meet income limits, and qualifying loans must adhere to federal requirements.

Extra Credit Home Purchase Program Description

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to assist teachers, principals and other credentialed school staff purchase homes. These agencies and authorities may issue MRBs, the proceeds of which back below market interest rate mortgages. As an alternative to issuing MRBs, state and local governmental agencies and joint powers authorities may issue MCCs. Homebuyers use the MCC to reduce their federal tax liability by applying the credit to their net tax due.

Homebuyers may purchase single-family homes, either free-standing detached homes, condominiums or townhouses. Participants must be employed at a low-performing school (a California K-12 public school that is ranked in the bottom 50% of all the schools based on the most recent Academic Performance Index (API), i.e. schools receiving an API Statewide Ranking of 1, 2, 3, 4 or 5) and make a commitment to work at a low performing school for at least three years. In addition, Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

Student Loan Program Description

Student Loan Bonds are tax-exempt private activity bonds issued by authorized agencies for the purpose of either financing direct loans to college students and their parents or purchasing bundles of already-originated loans on the secondary market. When used for direct lending programs, tax-exempt bond allocation allows lenders to pass on interest rate savings to needy students via below market interest rate loans. Needy students are borrowers for whom the cost to attend college exceeds their ability to pay, as determined by their school's financial aid office. Currently, three agencies are authorized to issue tax-exempt bonds for student loan programs in California: ALL Student Loan Corporation, Chela Financial, Inc. and the California Educational Facilities Authority.

Beginning Farmer Program Description

Beginning Farmer Bonds are used to help farmers finance construction or improvements on their property and to purchase agricultural land, breeder livestock or equipment. Under the program, a conduit bond issuer applies to CDLAC for an allocation of Beginning Farmer Bonds. Once CDLAC approves allocation, the issuer coordinates with farmers, financial institutions, contract sellers or investors to negotiate terms of a transaction. The issuer then sells the bonds to finance the loan, sale or investment. Eligibility, permissible items and loan limits are set by Internal Revenue Code.

CDLAC has adopted Procedures for allocating the annual state ceiling. The Procedures provide priority for projects or programs that provide the greatest public benefits.

[Home](#) | [Comments](#) | [Disclosure Notice](#) | [Privacy Notice](#) | [Accessibility Statement](#) | [Unclaimed Property](#) | [Site Map](#) | [Download Adobe Reader](#)
© 2019 California State Treasurer's Office



California State Treasurer
Fiona Ma, CPA



[Home](#) | [Open Government](#) | [Careers](#) | [Contact](#)

Search



[Home](#) [CDIAC Home](#) [Contacts](#) [Register for a Seminar or Webinar](#)

[Home](#) -> [CDIAC](#) -> Introduction



CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

About CDIAC

- [Introduction](#)
- [Commission](#)
 - [Members](#)
 - [Commission Meetings](#)
- [Programs](#)

Introduction

The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on debt issuance and public fund investments to local public agencies and other public finance professionals. The Commission was created in 1981 with the passage of Chapter 1088, Statutes of 1981 (Assembly Bill (AB) 1192, Costa). This legislation established the California Debt Advisory Commission as the State's clearinghouse for public debt issuance information and required it to assist state and local agencies with the monitoring, issuance and management of public debt. The Commission's name was changed to the California Debt and Investment Advisory Commission with the passage of Chapter 833, Statutes of 1996 (AB 1197, Takasugi), and its mission was expanded to cover public investments. Among other functions specified in statute, CDIAC:

- Collects information on all State and local debt issuance in California and serves as a statistical clearinghouse.
- Provides technical assistance and continuing education to state and local government officials on the practices and strategies for public debt issuance and investing public funds.
- Undertakes or commissions studies on methods to reduce the costs of debt and improve credit ratings.
- Publishes a monthly newsletter.
- Recommends legislative changes to improve the sale and servicing of state and local debt.
- Collects reports of annual fiscal status, bond reserve draws and bond defaults for Mello-Roos Community Facilities Districts and Marks-Roos Bond Pools
- Assists State financing authorities and commissions to carry out their responsibilities.

[Back to Top](#)

The Commission Members

The Commission consists of nine members, including the State Treasurer, the Governor or the Director of Finance, the State Controller, two local government finance officials, two Assembly Members, and two Senators. The State Treasurer serves as the Chairperson and appoints the two local government officials. The Speaker of the Assembly appoints the Assembly representatives and the Senate Rules Committee appoints the Senate representatives. Appointed members serve four-year terms, or at the pleasure of their appointing power. The Commission directs the activities of the staff.

- [Commission Member Biographies](#)

[Back to Top](#)

Commission Meetings

- [Meeting Agendas, Staff Reports, and Minutes](#)

[Back to Top](#)

CDIAC Programs

In performance of its mission, CDIAC engages in a range of activities classified into three general program areas: data collection and analysis, policy research, and education.

Data Collection and Analysis

As the State's clearinghouse for public debt issuance information, CDIAC has compiled data on all public debt issued in California since January 1, 1982. All issuers of state and local government debt are required to report issue-specific information to CDIAC 30 days prior to the proposed sale date and again, no later than 21 days from the actual sale date. In addition, issuers of Mello-Roos and Marks-Roos debt are required to submit annual fiscal status reports to CDIAC. In total, CDIAC receives 2,500 to 4,000 individual reports annually, a range dependent on state and local issuance activity and municipal market conditions.

Data from these reports are maintained in the California Debt Issuance Database and forms the basis for the debt information and statistical analysis released by CDIAC. Details on the public debt that has been proposed for sale and debt that has been sold are published on a monthly basis in the Calendar of Debt Issuance within *Debt Line*, CDIAC's monthly newsletter. In addition, CDIAC uses the data it collects to prepare numerous reports of debt issuance trends and statistics during the year and at year-end.

Policy Research

CDIAC works to improve the marketability of public debt issued in California and the safety and performance of municipal investment portfolios by undertaking or commissioning studies on various aspects of the debt and investment markets, providing guidance to state and local debt issuers and investment managers, and recommending legislative changes in matters affecting debt issuance and public funds investing.

CDIAC examines issues that are of current interest and have practical relevance to public finance officials. Typically, projects are designed to:

- Raise the general level of understanding among public issuers and investors of the key elements of debt issuance and public funds investing.
- Apprise issuers and investors of emerging trends in public finance.
- Inform local officials of financing and investing options.
- Preserve the integrity and viability of the public finance market by alerting policy makers to potential problem areas.

Research staff stays abreast of developments and events in the municipal and other financial markets and works in conjunction with the Executive Director, with input and advice from Commission members, to determine the topic areas of research and analysis. CDIAC's research draws on information from the California Debt Issuance Database, public and private experts throughout the municipal industry, public and private finance groups, periodicals and journals, and numerous public and private data sources. Research staff prepares their findings and recommendations in the forms of Issue Briefs, technical reports, guidelines, and articles for the Debt Line monthly newsletter.

Education

Since 1984, CDIAC has organized educational seminars focusing on public finance matters and the debt issuance process. Public funds investment was added to the curriculum in 1996. Offered throughout the year at various locations in the State, CDIAC seminars are aimed at public finance officials and designed to:

- Introduce the basic debt and investment concepts to those new to these fields.
- Strengthen the expertise of the more experienced practitioners.
- Inform officials of current debt and investment topics arising from changing market conditions or policy considerations.
- Apprise officials of the most current best practices and guidelines for the management of public debt and investments.

CDIAC places a high priority on making its data and expertise available to public agencies in useful forms. Accessibility is the crux of its technical assistance program. In 2011, CDIAC began to make a wide array of educational programming available through webinars. The webinar format allows CDIAC to bring topical information to public agencies in a more timely and convenient fashion.

In addition to its own educational seminars and webinars, CDIAC has acted as co-sponsor of public finance-related conferences, symposia, and seminars conducted by private companies and statewide associations. These partnerships allow CDIAC to efficiently target its educational programming, increase contacts with experts from public and private sectors, and keep abreast of current matters affecting public finance.

[Back to Top](#)



California State Treasurer
Fiona Ma, CPA



[Home](#) | [Open Government](#) | [Careers](#) | [Contact](#)

Search



[Home](#) [CDLAC Home](#) [Contacts](#) [Compliance](#)

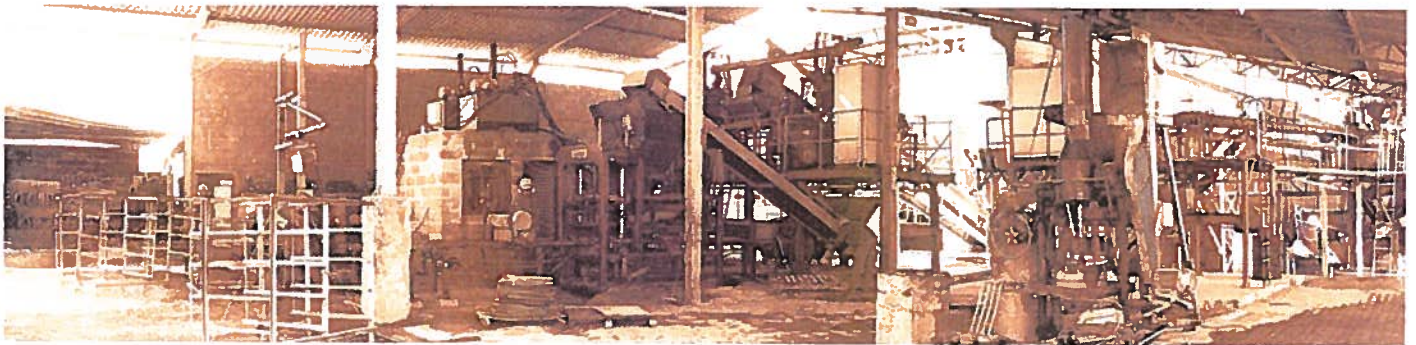
[Home](#) -> [CDLAC](#) -> Industrial Development Bond Project



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Industrial Development Bond Project Program

Designed to assist manufacturing facilities to finance capital expenditures.



Contact Information

If you have any questions about the Industrial Development Bond Program, please [contact CDLAC](#).

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt, private-activity bonds that are issued to provide financing for construction or expansion of manufacturing facilities, or the purchase of new equipment. Today, most IDBs support the expansion of existing manufacturing to retain and create jobs in communities. IDBs do this by offering interest rate savings to small and midsize manufacturers compared to conventional loans.

Please Note: On an annual basis, all CDLAC applicants are required to complete the [Annual Applicant Public Benefits and Ongoing Compliance Self-Certification Form](#) for each project within an existing bond regulatory period and/or CDLAC compliance period. Please contact CDLAC directly should you have any questions regarding this requirement.

Quick Links

[Sign Up to Receive CDLAC Information](#)

- [Industrial Development Bond Application](#)
- [Report of Action Taken Form For Bonds](#)
- [Certification of Compliance II Non-QRRP Form](#)
- [Certificate of Completion Non-QRRP Form](#)

Connect With Us



[Home](#) | [Comments](#) | [Disclosure Notice](#) | [Privacy Notice](#) | [Accessibility Statement](#) | [Unclaimed Property](#) | [Site Map](#) | [Download Adobe Reader](#)
© 2019 California State Treasurer's Office

MINUTES
GARDEN GROVE INDUSTRIAL DEVELOPMENT AUTHORITY
Regular Meeting
Tuesday, December 11, 2018
Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE MEETING

At 8:10 p.m., Chair O'Neill convened the meeting in the Council Chamber.

ROLL CALL PRESENT: (7) Chair O'Neill, Member Brietigam, Member T. Nguyen, Member Jones, Member Bui, Member Klopfenstein, Member K. Nguyen

 ABSENT: (0) None

ORAL COMMUNICATIONS

Speakers: Baraa Alkhiyami, Tony Flores, Tom Raber, Craig Durfey, Joe Laricchia, Bob Donelson, Pam Donelson, Leland Sisk

RECESS MEETING

At 8:43 p.m., the meeting was recessed.

RECONVENE MEETING

At 8:46 p.m., the meeting was reconvened with all Members present.

SELECTION OF CHAIR AND VICE CHAIR

It was moved by Member Jones, seconded by Member Brietigam that Chair O'Neill be selected as Chair, and Vice Chair K. Nguyen be selected as Vice Chair.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen, Jones

Noes: (0) None

RECEIVE AND FILE THE ANNUAL REPORT OF THE INDUSTRIAL DEVELOPMENT AUTHORITY (F: I-128.1)

It was moved by Member K. Nguyen, seconded by Member Bui that:

The 2018 update of the California Industrial Development Financing Advisory Commission, and the 2018 update of the California Debt and Investment Advisory Committee, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,
Jones
Noes: (0) None

RECEIVE AND FILE MINUTES (F: Vault)

It was moved by Member K. Nguyen, seconded by Member Bui that:

The minutes of the meeting held December 12, 2017, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,
Jones
Noes: (0) None

ADJOURNMENT

At 8:47 p.m., Chair O'Neill adjourned the meeting.

Teresa Pomeroy, CMC
Secretary