

Comments to CDFI Bond Guarantee Program CDFI\_FRDOC\_0001-0004 due 4.8.2013

In larger urban areas such as the case in Los Angeles, the use of Targeted Populations is different than a rural or tribal area.

Targeted Populations bring Federal entitlements such as the Department of Housing and Urban Development Consolidated Plan and the Federal Transit Administration MAP-21. HUD funding is usually the original source of funding and Low-Income Population (Census) criteria.

CDFI is used to leverage these funds, so a non-profit CDFI is not such a limitation. Credit Ratings are not a limitation because of the municipal government involvement in projects, a local land use issue.

Though the State of California has eliminated Redevelopment Agencies, they are continuing in a different process. Instead of Tax Increments, projects can now receive Grants and Tax Credits.

Successor Agencies receive the projects approved by the State of California Department of Finance.

Those projects not approved, continue to carry on, cloaked under the laws that govern CDFI and the Community Reinvestment Act. In the case of Los Angeles, they approve transfer and continuation of a redevelopment project with or without the California State Department of Finance approval including Federal and State grants attached.

City of Los Angeles Mayor and City Council are in the process of creating a new ECONOMIC DEVELOPMENT DEPARTMENT EDD. Within that department, a private NON-PROFIT CORPORATION known as a CEDN Citywide Economic Development Nonprofit will work with developers under the guise "economic development." It is taken out of the public's hands, void of open public meeting laws and federal compliance issues (HUD Community Development Block Grants, Office of the Inspector General).

Those projects transferred to City agencies are now brought under a new EDD with powers for:

*conveyance of real property interests owned or controlled by the City for economic development,*

This is the Community Redevelopment Agency reborn.

You even state in this Final Rule, under Analysis of CDFI Fund Awardees:

*As a result, a cutoff point of a minimum of \$25 million in assets was established as a preliminary estimate of the threshold to participate in the CDFI Bond Guarantee Program.*

This is a Developers Dream with no regard to those Targeted Populations service. It just has to fit your six points of definition:

- (1) Has a population poverty rate of at least 20 percent;*
- (2) has an unemployment rate 1.5 times the national average;*
- (3) for a Metropolitan Area, has a median family income (MFI) at or below 80 percent of the greater of either the Metropolitan or national Metropolitan MFI;*
- (4) for a non-Metropolitan area, has an MFI at or below 80 percent of the greater of either the Statewide or national Non- Metropolitan MFI;*
- (5) is wholly located within an Empowerment Zone or Enterprise Community; or*
- (6) has a county population loss greater than or equal to 10 percent between the two most recent census periods for Metropolitan Areas or five percent over last five years for Non- Metropolitan areas.*

We have always questioned the granting of CDFI to Charter Schools. In the State of California, Charter Schools are part of California State Law, Article 9 in the California Constitution. We do not understand the Federal financing of Public Education in this program. Any land involved falls under the jurisdiction of the Governing Board of Education (Grantor of the Charter School, either Local, County or State) and is under State of California Successor Agency rules.

If the land is owned by a Non-Profit (not the Charter School Non-Profit) or a For-Profit Corporation, then rent is charged to the Charter School. Only the Charter School operations are under the guise of the Governing Board of Education (Grantor of the Charter School, either Local, County or State).

Non-Profit Corporations (non-Charter School) do adhere to Successor Agency Real Property disposal under the State of California.

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