



The California Statewide Communities Development Authority welcomes the decision by the Joint Legislative Audit Committee. We're glad the committee agreed to evaluate multiple conduit issuers, including those operated by the State Treasurer's Office, which will provide a more comprehensive snapshot and apples-to-apples comparison.

For 25 years, California Communities has helped local governments and eligible private entities access tax exempt bonds to finance affordable housing, hospitals, school facilities, manufacturing facilities, and other projects. California Communities provides these entities a faster, less-bureaucratic and often more cost-effective alternative to access the tax exempt bond market to fund projects that benefit local residents.

All projects funded through California Communities go through exhaustive review to ensure eligibility and worthiness, including approval by the local elected leaders of the city or county in whose jurisdiction the project resides. In fact, after 25 years and after assisting with thousands of bond finances, we've had only one default.

Like most conduit financiers, California Communities receives a fee based on the bonds issued. We've contended all along that the State Treasurer's Office is using this process to gain a competitive advantage over other conduit issuers. Nonetheless, we plan to work closely with the State Auditor's office to help them complete their evaluation.