

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****DIVISION OF FINANCIAL ASSISTANCE**

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December 18, 2008

**MEMORANDUM FOR:** HCD Customers

**THROUGH:** Lynn L. Jacobs  
Director

**FROM:** Chris Westlake  
Deputy Director

**SUBJECT:** Pooled Money Investment Board Actions on December 17, 2008

HCD Customers:

As many of you may have heard, the Pooled Money Investment Board (PMIB) voted yesterday to defer all bond expenditures from the Pooled Money Investment Account (PMIA) until the State's budget shortfall is resolved. In effect, this freezes any expenditures from the PMIA, until they meet again in early January. The PMIB is governed by a board consisting of three members; the Treasurer, the Controller and the Director of Finance. The Treasurer made this recommendation due to the continued decrease of available cash in the PMIA as well as the state's inability to sell bonds or obtain commercial paper. HCD's bond funded programs rely on PMIA loans to fund projects, including single-family homes, multifamily rental units, shelter spaces and infrastructure, during the interim time that bonds are sold.

This means there will be delays in our ability to provide expenditures for HCD bond awarded projects as of December 17<sup>th</sup>, 2008. At this time, we do not know when we will be able to provide expenditures. We do not expect that prior commitments and awards that have been made will be in jeopardy.

Until the PMIB begins loaning money again, HCD will have to temporarily suspend Notices of Funding Availability (NOFA). This means that the Infill Incentives Grant Program, Transit Oriented Development Program, MHP, CalHome Project, BEGIN, EHAP-CD and LHTF NOFAs are temporary being suspended or delayed until further notice. Current applications that are being rated and ranked may be delayed from being presented at the upcoming Loan and Grant meetings.

As soon as we have additional information, we will be posting it on our website, [www.hcd.ca.gov](http://www.hcd.ca.gov) and sending e-mail blasts to our stakeholders. If you have additional questions, please contact me at 916-322-1560.

Thank you.