

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

October 16, 2020

Proposed Emergency Regulations

Action Item

(Agenda Item No. 4)

ACTION:

A group consisting of developers, CDLAC Applicants, and other key stakeholders is requesting that CDLAC adopt emergency regulations in advance of the planned overhaul next spring, to extend allocation expiration dates and to set limits on the amount of allocation available to QRRPs in anticipation that 2020 QRRP allocation rounds may be competitive.

BACKGROUND:

As a follow-up to the Treasurer's 10-City Tour, CDLAC staff held conversations with several development groups, applicants and other key stakeholders to discuss the need for changes to the CDLAC regulations. While everyone understands that CDLAC is planning a comprehensive overhaul of its regulations in the spring of 2020 for 2021, many felt that emergency regulations for 2020 are necessary in light of the high likelihood that allocation rounds in 2020 may be competitive.

DISCUSSION

These changes are non-controversial in nature and are necessary for 2020 should we go to a competitive process. It is very important that the changes be generally acceptable in order to receive expedited OAL review.

- Change to Section 5000: "Mixed-Income Project" means a Qualified Residential Rental Project having 50% or fewer of its total units designated as Restricted Rental Units, or is financed under the California Housing Finance Agency Mixed-Income Program.
- Change to Section 5100: (b) (3) (i) "Projects receiving an allocation shall be assigned an expiration date of one-hundred eighty (180) days or one-hundred ninety-four (194) days.
- Change to Section 5233 to add: (b) "Private Activity Bond allocation awards cannot exceed 60% of the aggregate basis of any building(s) and the land on which the building(s) is (are) located, without the express written consent of the Executive Director."

CDLAC has posted the proposed emergency regulations on our website pursuant to a five- day public comment period. If approved by the CDLAC Board at the October meeting, staff will submit the emergency regulations to OAL for final review.

Recommendation:

Staff recommends approval of the 2020 Emergency Regulations.

Prepared by Larry Flood