



California Debt Limit Allocation Committee

**CDLAC**  
**Committee Meeting**  
**Wednesday, October 13, 2021**  
**9:00 AM**





## CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 311  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/cdlac](http://www.treasurer.ca.gov/cdlac)

### MEETING NOTICE

#### AGENDA

MEETING DATE:  
**October 13, 2021**

TIME:  
**9:00 AM**

LOCATION:  
**915 Capitol Mall, Room 587  
Sacramento, CA 95814**

**Public Participation Call-In Number\***  
**(888) 557-8511**  
**Participant Code:**  
**5651115**

The Committee may take action on any item.

Items may be taken out of order.

There will be an opportunity for public comment at the end of each item, prior to any action.

#### **1. Call to Order and Roll Call**

Action Item: **2. Approval of the Minutes of the September 29, 2021 Meeting**

#### **3. Executive Director's Report**

*Presented by: Nancee Robles*

Action Item: **4. Consideration of Request to Change Issuer for CA-21-639 Long Beach Senior**

*Presented by: Emily Burgos*

Action Item: **5. Consideration of Requests to Waive Forfeiture of Performance Deposit**

*Presented by: Nancee Robles*

<u>Project #</u>	<u>Project Name</u>
CA-21-005	Mannco Project
CA-21-510	Vermont Manchester Senior

Action Item: **6. Consideration of Extension Request for Qualified Residential Rental Project Allocated in 2021**

*Presented by: Nancee Robles*

<u>Project #</u>	<u>Project Name</u>
CA-21-530	The Brine

BOARD MEMBERS (voting)  
FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

ADVISORY MEMBERS (non-voting)  
GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON-HALL  
Executive Director of CalHFA

DIRECTOR  
NANCEE ROBLES  
Interim Executive Director





## CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

**Action Item: 7. Purchase of Vertosoft ESPER Contract Through Advanced Technical Solutions for \$309,637**

*Presented by: Nancee Robles*

**8. Discussion of How to Use and Apply Carryforward in 2022**

*Presented by: Nancee Robles*

**9. Discussion of Direction for Working Group in Regulation Development**

*Presented by: Nancee Robles*

**10. Discussion of Bond Allocation for Projects Requesting Limited State Tax Credits**

*Presented by: Nancee Robles*

**11. Public Comment**

**12. Adjournment**

### **FOR ADDITIONAL INFORMATION**

Nancee Robles, Interim Executive Director, CDLAC  
915 Capitol Mall, Room 485, Sacramento, CA 95814  
(916) 654-6340

*This notice may also be found on the following Internet site:*

[www.treasurer.ca.gov/cdlac](http://www.treasurer.ca.gov/cdlac)

\* Interested members of the public may use this number to call in to listen to and/or comment on items before the California Debt Limit Allocation Committee. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation but the Committee is not responsible for unforeseen technical difficulties that may occur. The Committee is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

The California Debt Limit Allocation Committee (CDLAC) complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the CDLAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact Tracy Sullivan of CDLAC no later than five calendar days before the meeting at (916) 653-1065 and Telecommunication Device for the Deaf (TDD) at (916) 654-9922.





## **AGENDA ITEM 2**

### **Approval of the Minutes of the September 29, 2021 Meeting**



## California Debt Limit Allocation Committee

915 Capital Mall, Conf Rm 587  
Sacramento, CA 95814

September 29, 2021

### Committee Meeting Minutes

#### 1. Agenda Item: **Call to Order and Roll Call**

The meeting was called to order at 11:01, virtually, and in the Jesse Unruh Building in Sacramento, CA, with the Treasurer chairing from the Ronald Regan Building in Los Angeles, CA.

Voting Members:	Fiona Ma, CPA, State Treasurer Tony Sertich for Betty T. Yee, California State Controller Gayle Miller for Governor Gavin Newsom
Advisory Members:	Gustavo Velasquez, Department of Housing and Community Development Tiena Johnson-Hall, California Housing Finance Agency

#### 2. Agenda Item: **Approval of September 8, 2021 Minutes**

##### **Committee Comments:**

There were no comments from the committee.

##### **Public Comments:**

There were no public comments.

**MOTION:** Miller moved to approve the September 8, 2021 meeting minutes. Sertich seconded the motion.

Motion passed unanimously via roll call vote.

#### 3. Agenda Item: **Executive Director's Report**

##### *Presented by Nancee Robles*

As of the first week of September, Sjoberg Evashenk Consulting had completed 106 hours toward the strategic planning project which is about 20% of the allotted time originally designated.

They completed interviews with over 70 staff to collect information to begin drafting organizational overviews.

The preliminary observations include:

- A growing workload with need for additional staff
- Information technology needs, with an emphasis on getting away from a paper process
- The need to update procedures in order to properly transfer institutional knowledge
- The need for specialized staff such as those with expertise in preparing regulations

Next steps are to examine the business processes, databases and record keeping to identify weaknesses and opportunities. To evaluate regulations to reflect changing priorities and operations, as well as the process in which they are tracked and monitored.



## California Debt Limit Allocation Committee

Committee Member Miller requested an update on carryforward at this meeting.

In the April 2021 update provided to the Committee, the carryforward reported included allocation that was carried from one year to the next, yet most was already dedicated to impending bond transactions. Since dedicated allocation is not an accurate reflection of carryforward, carryforward that is presently available to be used for future projects will be reported and is current as of September 27, 2021.

CDLAC staff reached out to the Issuers who have applied for bond allocation within the last four years to verify the amount of carryforward retained and available by each.

The Issuers were also asked to report on any 2021 Allocation they intend to return to the Committee before the end of the year. Allocation returned before November 24, when the agenda for the last Committee Meeting on December 8, 2021 will be posted, is put back into the pools in which they came from and added to the amount of allocation available for Round 3 applications. Any allocation returned to the Committee after November 24, 2021 will be reallocated by the Committee. This is called reversion. Allocation that is reverted to the Committee is reallocated to Issuers that the Committee is confident will utilize the allocation for “like projects” within the allotted time of three years.

As bonds issue for amounts less than previously allocated, allocation is either reverted or retained by the Issuer depending on the instruction in each Resolution. Generally, unused allocation with a bond issue expiration date prior to the last Committee meeting of the year is reverted by being returned to the committee to reallocate. Unused allocation with a bond issue expiration date that extends past the calendar year is retained by the Issuer due to IRS reporting requirements. This is called Carryforward.

Carryforward allocation retained by an Issuer is used on a first in, first out basis for “like projects”. This means an allocation originally for housing cannot use the carryforward for an exempt facility and vice versa. Staff tracks and collects carryforward statistics from issuers to reconcile to CDLAC records. On April 28, 2021 the Committee approved to adopt Emergency Regulations § 5133, consistent with the Title 26 IRS Code § 146 to ensure carryforward is used whenever legally possible before current year allocation is awarded to a project. This helps protect and fully utilize the scarce resource of State Volume Cap.

Currently only two issuers have prior year carryforward allocation. California Municipal Finance Authority holds \$35,498,916.00 of 2020 carryforward allocation and City and County of San Francisco holds \$12,245,505.00 of 2019 carryforward allocation for a total of \$47,744,421 outstanding.

Since the last meeting CDLAC was represented at the:

Arya Groundbreaking in Bay Area city of San Jose along with Mayer Sam Liccardo. This was a project that received over \$34 million in bond allocation and \$2.5 million in tax credits for an 87-unit low-income multifamily housing project.

The Treasurer along with the CDLAC Executive Director attended a Grand Opening Ceremony at Foon Lok, which means “Joyous Community” in Cantonese, in Oakland. This 130 multi-family affordable project received \$59 million in bond allocation from CDLAC. Secretary Castro Ramirez, Assembly members Buffy Wicks and David Chiu were also in attendance. This event was where HCD Director Gustavo Velasquez announced his CA Housing Accelerator Program.



## California Debt Limit Allocation Committee

For the third year in a row, Emily Burgos and Executive Director Robles assisted CalED by instructing a full day course on Financing Economic Development for its Accredited Certification in Economic Development (ACE Program). This is a California Certification, hosted by Fresno State. Anthony Zeto represented CDLAC and CTCAC at the CA Council of Affordable Housing conference and the Non-Profit Housing (NPH), Affordable Housing Conference by speaking on panel discussions.

In Legislative News, the infrastructure bill has many items of interest affecting CDLAC, yet one that is not expected to change is the State Volume Cap. The State volume cap is a calculation of a dollar amount (set by the IRS) per person within a State's population. Historically, the amount goes up slightly each year, however could remain stagnant or even go down from the previous year, depending on the population of a state.

A potential change that would affect CDLAC is the possibility of the 50% test lowering to 25%. The Treasurer's letters of support were extremely influential in this legislation moving forward. We will find out in the days to come if this change will take place. If it does it will not affect the third round of applications to be awarded in December, it would likely go into effect for 2022.

CDLAC received 103 applications for bond allocation requests. Staff are reviewing the applications to be prepared to present them to the Committee at its December 8, 2021 meeting.

### ***Committee Comments:***

Sertich appreciated the carryforward update and expressed the need to have this handled more formally in the next meeting in regard to next year. He pointed out the need to have regulations ready with the potential change from the 50% test to a 25% test.

Miller expressed the benefit of distinguishing between reversion and carryforward and requested additional transparency regarding carryforward. Reports on new allocations, reversion and carryforward as identified by issuers at each meeting or quarterly may be beneficial.

The Treasurer has previously asked for a demand survey to identify reversions and carryforward, which may help identify regional needs.

Robles specified when resolutions are sent to issuers, reversion funds are identified. Issuers don't have control over reversion because it is the committee who reallocates it. Regulations were changed in April to ensure the carryforward is being placed on highest ranking project so is used first. Currently there is no carryforward from 2018 remaining. 2019 has \$12 million. 2020 has the remaining amounts. This has been carefully tracked and issuers are frequently asked to report. The process has been working thus far and there will be a point where there is no additional carryforward.

Sertich asked if there are updates on regulation changes though understands there will be some comments on it on Agenda Item 7. Robles assured him though there are no dates to provide at this time, the team is active in the working group for these regulations.

### ***Public Comments:***

Matt Callahan with Southern California Partners of Home Ownership is requesting the Mortgage Credit Certificate program be reinstated since it was suddenly defunded, though had been



## California Debt Limit Allocation Committee

beneficial.

Ben Barker with CMFA wanted to clarify the \$85 million carryforward mentioned at the previous committee meeting was a combination of carryforward from 2020. When they became aware of the possibility of projects not moving forward, they notified CDLAC as soon as possible so reversions could be reallocated in a timely manner.

#### 4. *Agenda Item: Consideration of Extension Requests for Qualified Residential Rental Projects Allocated in 2021*

*Presented by Nancee Robles*

CA-21-439 Maison's Village I has requested a 90-day extension.

Ben Barker with CMFA speaking on behalf of Maison's Village I, is requesting a 90 day extension due to extenuating circumstances. Joshua trees are now protected, which caused an issue since there are some on the property being developed in the Palmdale/Lancaster area. The team has been working with the group who put the trees on the list, and the group will be moving the trees within the next 90 days. This was put in to play after the allocation had been awarded. It is a big process as some areas of the states have more trees than others. The remediation plans and removal have all been put in place, and the developer can still close.

##### ***Committee Comments***

Sertich is sympathetic to the cause. When there are issues on the administrative side, he is less likely to be sympathetic. He specified this is different circumstances than the committee has heard over the last few months. Miller is also sympathetic to the situation.

##### ***Public Comments:***

There are no public comments.

**MOTION:** Miller moved to approve the extension request. Sertich seconded the motion. Motion passed unanimously via roll call vote.

#### 5. *Agenda Item: Discussion of Black Indigenous and People of Color (BIPOC) Regulations*

*Presented by Emily Burgos*

The Treasurer wanted to know if the program is working, to hear from the developers, and if they can apply under the regulations as they are.

##### ***Public Comments:***

Cherene Sandidge, President of Black Developers Forum (BDF) expressed appreciation for the Treasurer and the state's stance [on emerging BIPOC developers], and is now seeing this being discussed in other states. This is still a new pool. There is a misconception on what the pool is intended for as there is an assumption that just being BIPOC makes you eligible. It was intended for emerging developers to work in their community; who lack the experience to compete in the general pool. It is necessary to have continued dialogue to make recommendations for clarification, not only behind closed doors, but in a way for others to know this is a team effort to create an equal opportunity to get state funding.

The Treasurer requested the recommended changes be written and sent in so they can be taken into consideration. Miller urgently expressed support of the growth of this pool and to get





## California Debt Limit Allocation Committee

regulations in place quickly to support it, while specifying unused allocations set aside for that pool revert back to the pool if unused, unless it is at the very end of the year.

Mike Miller, Executive Director of Bold Communities, which is a BIPOC based in Los Angeles, launched the program this year because of the BIPOC set aside, as a path in to the industry. Though the community is encouraged, there are specific challenges ahead, and will be submitting recommendations regarding that accordingly. He expressed thanks for the opportunity, understands there will be growing pains, but looks forward to working with the committee on expanding the pool.

Reese Jarrett in San Diego is also part of BDF and echoes Sandidge's comments. Jarrett recognized there will be some ramp up for developers to put those projects in place so the pool can be utilized. It is not that there is no interest, there may simply be time needed to set the projects in motion. He is part of the team that scored well in Round Three and may therefore have the opportunity to provide housing from that round. There are some amendments and adjustments that can make it more usable for the intended purpose. He wanted to congratulate the committee on putting it in place to give the opportunity to those who were previously locked out of it.

Sophia De Anda is not part of any organization but is concerned about BIPOC and identifies as a transgender Native American disabled veteran. De Anda articulated concerns over compliance not being enforced in regards to discrimination against these protected classes in the community. The Treasurer echoed the need to have these questions answered.

Regina Davis, a member of BDF, supports Sandidge's comments. She is working on an assessment and measurement of the pool from this year with Jarrett.

Todd Clater with Tabernacle Construction and a member of BDF, wanted to further articulate agreement with what's been said. There are still growing pains, and there are things they still desperately need help with in making progress on with ramping up the pool. This includes pre-development funding in order to pitch projects. He does not yet have the experience to graduate to the general pool, but needs to have the opportunity to get there. The goal being to make up for lost time, to help get the BIPOC community there.

John Gilmore with Community Housing Corporation, works with the BDF and wants to echo the same comments. The process is working like it was supposed to and anticipated there would be a lag in submitting the applications. There will be some ebb and flow as the pool gets off the ground. There is a graduation process to compete in the general pool where there is some equity. He is thankful and encouraged by how the program has been embraced and will continue to have recommendations as the pool grows and matures.

William Leach with Kingdom Development is a financial adviser and co-developer for emerging and established developers. They don't have any acquisitions and are only catalysts to get things done. By the nature of what they do, they are able to assist BIPOC developers and have some recommendations on how to improve. He recommends partnering emerging developers with experienced developers so they can get the opportunity to compete in the general pool if they can't compete in BIPOC. He also recommends awarding BIPOC last so if BIPOC would have won in the general pool, they would not need to take funds from the BIPOC pool affording another BIPOC entity an opportunity compete.

### **Committee Comments:**

Sertich wants to verify what the goals are for BIPOC so changes in the regulations will produce the



## California Debt Limit Allocation Committee

desired outcomes. The #1 stakeholder is the tenant and focus on them as much as possible. The point of this pool is to support more inclusion, to assist emerging developers, and being mindful of the community. There needs to be adequate time given so desired outcome can be achieved. Additionally, there are needs for other funding, such as pre-funding, and challenged entities like HFA and HCD to help toward these goals since CDLAC cannot help with that. Velasquez stated AB 434 made HCD consolidate some programs starting next year. Guidelines will be revised so the issue of incentives for BIPOC can be front and center for this review. HCD is willing to work with CDLAC since they are doing this review right now. This will help emerging BIPOC get that experience they need. HCD will be coming out with a proposal to align the whole housing system to not go too far off the course, but those conversations are not yet complete.

### 6. *Agenda Item: Reassign 2018 Carryforward Allocated to Resolution Number 21-157 Barry Apartments*

*Presented by Emily Burgos*

CA-21-542 Barry Apartments was awarded allocation at the August 11, 2021 Committee meeting. In compliance with the CDLAC regulations, City of Los Angeles' available carryforward was applied to its highest ranked project, CA-21-542 Barry Apartments. The award included \$5,815,376 in 2018 carryforward allocation, \$14,332,715 in 2019 carryforward allocation, and no current year allocation. Resolution number 21-157 was issued for the project with an issuance deadline in 2022. Staff is recommending the swap of \$5,815,376 in 2018 carryforward with current year allocation between CA-21-542 Barry Apartments and CA-21-546 Lumina.

#### ***Committee Comments:***

There were no committee comments.

#### ***Public Comments:***

Cristina Martinez with General Housing, on behalf of Barry, agrees with staff's recommendations. Andre Perry with the City of Los Angeles give support of the reassignment of allocation.

**MOTION:** Sertich motioned to approve the reassignment of allocations to CA-21-157 Barry Apartments. Gayle seconded the motion.  
Motion passed unanimously via roll call vote.

### 7. *Agenda Item: Recommendation for Adoption of Emergency Regulations*

*Presented by Nancee Robles*

California has been allocated \$4.3 billion in bond authority for 2021 of which \$3.9 billion has been allocated by the Committee for tax-exempt bond authority for affordable housing projects. The schedule for awards includes a Committee Meeting on December 8, 2021 by which time these emergency regulations must be in effect in order to allocate the prescribed \$1.5 billion allocation remaining for affordable housing in a manner that complies with all statutory requirements and also provides fair and consistent requirements for applicants. Timely allocation will address the existence of an affordable housing crisis in California as proclaimed by the Governor and the State Legislature. The amendments proposed by this promulgation will assist the Committee to meet those goals.





## California Debt Limit Allocation Committee

All of the regulation changes being proposed today have already been approved by this Committee at its October 16, 2019 meeting and its May 20, 2020 meeting. The Emergency Regulations were approved by the Committee and filed with the Office of Administrative Law (OAL). Due to staff error the final step of completion, the filing of a permanent regulation packet, was not performed during the required timeframe causing expiration and necessitates the re-adoption of these Emergency Regulations.

### ***Committee Comments:***

Miller requested a consolidated red-lined version of recommended changes and to submit the package all at once in this manner. Robles clarified OAL does not allow agencies to proceed that way. Johnson-Hall stressed a need for more time and information to review all the regulations so there are no unintended consequences, so respectfully requested to carry the conversation to the October 20<sup>th</sup> meeting.

Miller asked if the packages could wait and be approved with other packages so the dates sync up. Robles clarified there is not three weeks to wait to submit these changes without consequences in Round Three. The goal is to reserve the November meeting in case there needs to be additional voting on regulations. As it stands, there are 5 packages of emergency regulations needing to be made permanent. Approving regulations on an emergent basis puts them in effect immediately, but it takes about 6 months to make them permanent. OAL is incredibly specific to the language that is being changed. They are only concerned with the language added or removed, and some of those sentences and definitions are on a different time frame. The goal is to align them all so they can work with only one package starting next year.

The Treasure asked if the emergency regulations are not made, if the guidelines will revert to last year's. Burgos identified that is the case, but the goal is to have the emergency regulations passed and continue with the most current changes and not revert. Staff have been working to make sure the package submitted is what has been passed at the board and applicants are applying for in Round Three. If this is not done, round 3 will have different regulations to abide by than the other two rounds.

Sertich did a quick search on mixed income and restricted rental units. Definitions in the board package takes income averaging into consideration, which is not accurate in Westlaw, so needs to be updated. Burgos clarified one of the reverted packages hasn't been input into Westlaw by OAL and is still reflected in Westlaw.

Johnson-Hall asked if it is the board's intention to submit current package to OAL. Burgos stated the only change recommended was to include the CalHFA program, otherwise there are no other changes and are the most current practices.

Miller requested a complete redline next time since there was some confusion which may be that the only thing presented are very specific to what is being changed some confusion surrounding it, so abstains from the vote since it wasn't clear in writing.

### ***Public Comments:***

Caleb Roope with Pacific Companies supports the passing of the emergency regulations. The applicants are operating off of what is currently understood.



## California Debt Limit Allocation Committee

Mark Stivers with California Housing Partnership is in favor of adopting the regulations, since applicants have been working under these regulations.

Cherene Sandidge with BDF stated she is glad the committee is in support of the emergency regulations since the consequences of changing it at this time would have a huge impact for BIPOC and would hate to see it falter due to some definition of regulations. She wants to enact the regulations in order to keep BIPOC intact, and as a developer, wants to make sure regulations are received and approved expeditiously.

Sophia De Anda stated she is used to having the emergency regulations posted online and wants to be able to see them in order to maintain transparency for general public.

**MOTION:** Sertich motioned to approve the emergency regulations. Treasurer seconded the motion. Miller abstained from vote.

Motion passed with 2/3 majority via roll call vote.

### 8. Agenda Item: **Public Comment**

Darren Bobrowsky with USA Properties Fund inquired about the allocation of state credits in third round, based upon the possibility of credits running out, and how it is addressed with the committee. He stated the regulations are clear on where the cascade starts and how projects move down, going from largest to smallest until each has its allocation amounts. Because of this, the state credits run out after the first couple rounds. The concern is if projects would be skipped, or if there is an ability to fund from the next year's credits.

Sertich agreed the process needs to be nailed down prior to awards for next round.

Caleb Roope of Pacific Companies is part of the working group engaged in developing regulation recommendation. The working group is requesting feedback from the committee on what direction to take. One area in question is regarding tiebreakers and if public benefit produced should be taken into consideration. Another is potentially capping allocations to a certain percentage to allow others opportunities for awards since some tend to receive far more allocations than others. Additionally, there are certain jurisdictions who feel they don't get an opportunity to receive funding. These questions and more would benefit in the steering of the workgroup.

Sertich requested to have the processes be as transparent as possible and would like this topic brought to the committee so the direction can be discussed.

Sophia De Anda requested information on how the agencies handle developers who engage in discrimination, causing harm to the public. De Anda also requested to be contacted by the compliance team and provided her email address. The goal is to prevent evicting tenants due to discrimination.

### **Committee Comments:**

The Treasurer identified October 13, 2021 may be an option for a follow up committee meeting. Sertich and Miller verified they are available on the specified date.

### 9. Agenda Item: **Adjournment**





California Debt Limit Allocation Committee

**AGENDA ITEM 3**

**Executive Directors Report**

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## **AGENDA ITEM 4**

### **Request to Change Issuer for CA-21-639 Long Beach Senior**



**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**October 13, 2021**

**Consideration of Request to Change Issuer for CA-21-639 Long Beach Senior**  
**Agenda Item No. 4**

**BACKGROUND:**

CA-21-639 Long Beach Senior was awarded allocation at the August 11, 2021 Committee meeting. At the time of award, the bond issuer was listed as California Municipal Finance Agency (CMFA). On September 27, 2021 CMFA requested that the issuer be changed to Los Angeles Community Development Authority (LACDA).

**DISCUSSION:**

According to CMFA, it applied as the bond issuer for CA-21-639 Long Beach Senior “as a matter of expediency,” however in order to contribute LACDA funds to the Project, LACDA will need to be the issuer of the bond.

Other than the Issuer of the bonds, no other aspect of the Project or its financial structure shall change because of this request.

**RECOMMENDATION:**

Staff is recommending approval to change the issuer of the bond for CA-21-639 from CMFA to LACDA.

*Prepared by Emily Burgos*



Tax-Exempt Financing  
Throughout California

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2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

September 27, 2021

Ms. Nancee Robles  
Interim Executive Director  
California Debt Limit Allocation Committee  
915 Capitol Mall, Room 31  
Sacramento, CA 95814

Re: Long Beach Senior (CDLAC Application No. CA-21-639 and Resolution No. 21-198  
Request for transfer of Allocation from California Municipal Finance Authority (CMFA) to  
Los Angeles County Development Authority (LACDA)

Dear Ms. Robles:

On August 11, 2021, CDLAC awarded the CMFA a tax-exempt bond allocation pursuant to the above-referenced Resolution for the benefit of Long Beach Senior (the Project). The CMFA submitted the application for bond allocation to CDLAC as a matter of expediency for the Project Sponsor (Mercy Housing California 95, L.P.). Nevertheless, by policy of the Los Angeles Community Development Authority (LACDA), they have declared that they will be the issuer of the bonds for Long Beach Senior in order to continue to contribute LACDA funds to the Project.

Other than the Issuer of the bonds, no other aspect of the Project or its financial structure (including affordability, expected issue amount, etc.) shall change because of this request.

In order to help the Project Sponsor move forward with the financing of the Project and be able to retain the LACDA funds, the CMFA will agree to transfer the allocation to LACDA to act as the issuer of the allocation.

Please indicate your approval (and/or additional conditions) under separate cover – including a revised Resolution reflecting the change of Issuer.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "John P. Stoecker".

John P. Stoecker  
Financial Advisor  
**California Municipal Finance Authority**



California Debt Limit Allocation Committee

## **AGENDA ITEM 5**

### **Request to Waive Forfeiture of Performance Deposit**





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September 29, 2021

Nancee Robles  
Executive Director  
California Debt Limit Allocation Committee  
915 Capital Mall, Room 311  
Sacramento, CA 95814

RE: Returning Allocation for Mannco Project and Requesting a CDLAC Waiver of Forfeiture of  
Performance Deposit for the (CDLAC Application No. 21-005)

Dear Ms. Robles:

I am writing on behalf of the California Municipal Finance Authority to return \$50,660,000 of volume cap allocation awarded to the Mannco Biosolids Drying and Pyrolysis with Electricity Generation project (Resolution No. 21-105) which received allocation on April 28, 2021 and to request a waiver of forfeiture of the performance deposit. The Project Sponsor Mannco Soil Solutions LLC has been working diligently towards close with the financing team, but the financing team was not able to get the offering document completed in time to market and sell the bonds before the allocation expired.

The project is still moving forward, and we are resubmitting an application for volume cap allocation.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "John P. Stoecker".

John P. Stoecker  
Financial Advisor  
**California Municipal Finance Authority**



Tax-Exempt Financing  
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September 24, 2021

Ms. Nancee Robles  
Interim Executive Director  
California Debt Limit Allocation Committee  
915 Capitol Mall, Room 31  
Sacramento, CA 95814

Re: Requesting a waiver of forfeiture of performance deposit and negative points for the Vermont Manchester Senior Apartments Project (CDLAC Application No. 21-510)

Dear Ms. Robles:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a waiver of forfeiture of performance deposit and negative points for the Vermont Manchester Senior Apartments Project. The CMFA is returning the allocation that was awarded to the Project at the April 28, 2021, CDLAC allocation meeting.

The return of allocation is a result of not being able to move forward with the project because the ability to carryforward with construction on the Senior portion of this project was dependent on the Family portion receiving an allocation as well. An extension of the closing deadline was requested of CDLAC. The extension would have enabled the currently allocated bonds and credits for the Project to be retained and aligned with the Vermont Manchester Family funding that is still being pursued through both CDLAC and HCD. The extension request was denied.

Because this project was dependent on the Vermont Manchester Family project also receiving an allocation, the Project Sponsor can no longer move forward with the financing until both projects receive an allocation within the same allocation round.

For this reason, we request to the CDLAC Board to have negative points waived and a waiver of the forfeiture of the performance deposit.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "John P. Stoecker".

John P. Stoecker  
Financial Advisor  
**California Municipal Finance Authority**



## **AGENDA ITEM 6**

### **Consideration of Extension Request for Qualified Residential Rental Project Allocated in 2021**



Ann Sewill, General Manager  
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager  
Anna E. Ortega, Assistant General Manager  
Luz C. Santiago, Assistant General Manager

## City of Los Angeles



**Eric Garcetti, Mayor**

## LOS ANGELES HOUSING DEPARTMENT

1200 West 7th Street, 9th Floor  
Los Angeles, CA 90017  
Tel: 213.808.8808  
[housing.lacity.org](http://housing.lacity.org)

October 1, 2021

Nancee Robles, Executive Director  
California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

**Re: The Brine Residential Project (Application No.21-530 and Resolution No. 21-137)  
Request for a 30 Day Extension and Waiver of the Forfeiture of the Performance Deposit**

Dear Ms. Robles:

On behalf of the sponsors for the Brine Residential (the "Project"), the City of Los Angeles (the "City") requests, per Section 5103 of the California Debt Limit Allocation Committee ("CDLAC") Regulations, a 30-day extension of the allocation expiration date from October 25, 2021 to November 24, 2021.

The City's request is based upon sponsor's written request (see attached letter from sponsor) which is due to uncontrollable and unforeseeable circumstances beyond the Developer's control:

- The unexpected withdrawal of CIT bank as a construction lender during the month of September
- The latter, caused the Developer to reinitiate the final parcel map review and delayed the processing with various City and LA County departments.

The City and the project development team are working diligently to resolve all outstanding matters in order to close the financing and comply with the CDLAC's bond issuance deadline. In light of the foregoing, we respectfully request a 30-day extension of City's bond closing deadline through November 24, 2021, and a waiver of the forfeiture of performance deposit.

The City of Los Angeles very much appreciates your consideration of our request. Please indicate your approval (and/or additional conditions) under separate cover. If you have any questions related to this matter, you can contact Francisco Lopez of my staff at (213) 808-8656.

Sincerely,

André C. Perry  
Manager, Affordable Housing Bond Program



September 30, 2021

**VIA ELECTRONIC MAIL [ann.sewill@lacity.org], ORIGINAL WILL NOT BE SENT**

Ms. Ann Sewill  
General Manager  
Los Angeles Housing Department  
1200 W. Seventh Street, Eighth Floor  
Los Angeles, California 90071

**Re: Brine Residential (the "Project")**

Dear Ms. Sewill:

This letter is sent to respectfully request that the Los Angeles Housing Department submit a request to the California Debt Limited Allocation Committee ("**CDLAC**") on behalf of Decro Corporation (the "**Developer**"), for a 30-day extension in which to close on the issuance of the tax-exempt bonds for the Project. As discussed in this letter, the Developer has encountered certain conditions that were "unforeseen and beyond its control" and make it problematic that the Developer will be able to meet the CDLAC bond issuance deadline of October 25, 2021.

**I. Factual Background**

**A. The Project**

The Project is a 97-unit permanent supportive and affordable housing project that will be part of a mixed-use development. In turn, this development is also part of a unified project concept comprised of four buildings across a 97,000 square foot campus designed to meet the housing and health needs of the Lincoln Heights community.

**B. Project Entitlements**

As reflected in the attached Los Angeles City Planning Commission Letter of Determination dated June 16, 2020, and a Letter of Correction dated September 8, 2021, the City approved the entitlements here based on a unified site development concept. This could be accomplished by either a lot-tie of all parcels composed of the entire development, including, but not limited to, the Project, or the recordation of a parcel map incorporating a single ground parcel and three air space parcels. Under the latter scenario, the Project would be located on one air rights parcel owned by Brine Residential, L.P. The ground parcel and other air space parcels would be owned by The Brine, L.P., the current landowner.

Ms. Ann Sewill  
General Manager  
Los Angeles Housing Department  
September 30, 2021  
Page 2

### **C. Project Financing**

In April 2021, CDLAC approved an allocation of approximately \$26 million in tax-exempt bonds for the Project and the Tax Credit Allocation Committee concurrently approved an allocation of 4% low-income housing tax credits of \$25,559,996 for the Project.

On or about August 25, 2021, Red Stone Equity Partners ("**Red Stone**") issued a commitment letter to syndicate the Project's LIHTCs. Red Stone subsequently notified the Developer that CIT Bank would be the tax credit investor and as a condition of making this investment, the bank required that it be the Project's construction lender. The Developer entered into the attached Commitment Letter with CIT Bank dated September 8, 2021, to be this lender. Citibank, N.A. ("**Citibank**") committed to be the permanent lender.

When the Developer and CIT Bank entered into the letter, CIT Bank was informed that the Developer was proceeding to record a parcel map in order to subdivide the parcels. This subdivision was required to meet the separate ownership requirement of LIHTCs and New Market Tax Credits. Accordingly, CIT Bank was aware that its construction loan would be secured by a fee simple interest in an air rights parcel.

### **II. The "Unforeseen and Beyond the Developer's Control" Circumstances**

As CIT Bank began its due diligence process, the bank told the Developer that it could not accept a security interest in such a parcel. The Developer immediately restructured the land ownership concept from a parcel map to one involving a lot-tie of all parcels composed of the entire development. Brine Residential, L.P., would have been the owner of these tied parcels and it would have then entered into a long-term ground lease with The Brine, L.P., for all parcels excluding those on which the mixed-use development will be built. During construction of the residential units and commercial shell, CIT Bank would have had a security interest in the parcels for the entire unified project, not just those related to the mixed-use development.

On September 21, 2021, despite the Developer having taken action to address CIT Bank's stated requirements, CIT Bank notified the Developer, Red Stone, LAHD, LACDA, and all other involved parties that the bank was withdrawing as the construction lender. Since then, the Developer has successfully negotiated with Citibank to be this lender.

### **III. The Developer's Extension Request**

Citibank is committed to meeting CDLAC's current deadline by closing on a lot tie of the parcels and a ground lease from The Brine, L.P., to Brine Residential, L.P., of the several residential parcels; however, Citibank has stated that it ultimately wants its security interest to be limited to the air rights

Ms. Ann Sewill  
General Manager  
Los Angeles Housing Department  
September 30, 2021  
Page 3

parcel on which the housing project will be built. Given the latter, the Developer has reinitiated the final parcel map review and processing with the various City and Los Angeles County departments. The Developer is seeking a 30-day extension on the bond closing deadline based on its land use consultant's expectation that the parcel map will be ready to record in late November 2021 which will enable the Developer to satisfy Citibank's security interest requirement. By granting this extension, this will enable the Developer to avoid the cost, expense, and time involved in duplicate closings; that is, the first for the lot-tie and the other for the parcel map.

#### **IV. Conclusion**

The Developer is making a conscientious and diligent effort to meet CDLAC's deadline of October 25th; however, it is respectfully requesting this extension out of an abundance of caution related to the time required to finalize the parcel map process and to obtain building permits from the Los Angeles Department of Building and Safety upon the close of financing.

If you or staff would like to discuss this request further, please contact Laura Vandeweghe at (310) 595-4421 [laura@decro.org] or me at (310) 702-7228 [thandel@decro.org].

Thank you in advance for your favorable consideration of the Developer's request.

Sincerely,



Ted M. Handel  
Chief Executive Officer

#### **Attachments**

cc: Laura Vandeweghe  
Tricia Keane  
Ed Gipson  
Andre Perry  
Francisco Lopez  
Erin Foreman  
Steve Strain, Esq.  
Jeff McConnell  
Gary Townsend  
Terri Dickerhoff





**AGENDA ITEM 7**  
**Purchase of Vertosoft ESPER**  
**Contract Through**  
**Advanced Technical Solutions**  
**For \$309,637**

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**October 13, 2021**

**Purchase of Vertosoft ESPER Contract through Advanced Technical Solutions for**  
**\$309,637**  
**Agenda Item No. 7**

**BACKGROUND:**

CDLAC and CTCAC intend to utilize the services of Esper Regulatory Technologies, Inc., as the pilot tester for the eventual use for all STO Boards, Commissions and Authorities. The proposed contract is for Esper to provide a Policy Performance System to streamline the internal regulatory review process, leverage data analytics, AI and NLP-driven data analytics, and to support data-driven rulemaking. This will allow CDLAC and CTCAC to collate regulatory data into a centralized database system and provide a set of workflow capabilities to internal users. These capabilities include data analysis, rule drafting and collaboration, as well as tracking and reporting tools for internal users, detailed in Exhibit A. The costs include a one year software license for the two agencies, professional services and training.

This process will provide operational visibility at all stages of the rulemaking process to allow rule writers, drafters, and executives alike to track progress on administrative rulemaking across regulatory bodies, from initial filing to final rulemaking.

**DISCUSSION:**

With the support of CDLAC and CTCAC's executive office, we were asked to pilot this program with the confidence it will be a useful tool for STO. CDLAC has demonstrated challenges with its administrative piece of rulemaking. The services this contract provides will assist in a smoother more organized process whereby making the rulemaking process more efficient, effective and cut out high amounts of staff time and labor.

**RECOMMENDATION:**

Staff is recommending approval to enter into a contract with Esper Regulatory Technologies, Inc., for an amount no greater than \$309,637.

*Prepared by Nancee Robles*



Esper Regulatory Technologies, Inc.  
&  
CA State Treasurer's Office  
(California Debt Limit Allocation Committee and  
California Tax Credit Limit Committee)  
Statement of Work

## Table of Contents

<b>Introduction</b>	<b>2</b>
<b>1. Objective</b>	<b>2</b>
1.1 Solution Overview	2
1.1.1 Data Platform	
1.1.2 Rulemaking Module	
1.1.3 Executive Dashboard	3
1.1.4 Workspace	3
1.1.5 Documents	
<b>2. Scope</b>	<b>4</b>
2.1 Policy Performance Solution	
2.2 Project Scope	6
2.3 Project Timeline	7
<b>3. Implementation Approach</b>	<b>7</b>
3.1 Phase I - Discovery and Consultation	7
3.2 Phase II - Configuration and Validation	7
3.3 Phase III - Launch & Training	7
<b>4. Maintenance and Support; Updates and Upgrades</b>	<b>8</b>
4.1 Customer	
4.2 Esper	
<b>5. Training</b>	<b>8</b>
5.1 Technical Support Training	
5.2 Other Training and Consulting Services	
<b>6. Responsibilities of the Supplier</b>	<b>8</b>
<b>7. Responsibilities of the Customer</b>	<b>9</b>
<b>8. Software and Services</b>	<b>11</b>

## Introduction

The following proposed Statement of Work describes the deliverables and services provided by Esper Regulatory Technologies, Inc., with offices at 3000 East Cesar Chavez Street Suite 200 Austin, TX 78702 (“Esper” or “The Supplier”) and the Customer executing an agreement to procure and furnish Esper’s goods and services (“the Customer”).

### 1. Objective

The purpose of this Statement of Work (SOW) is to define the scope, resources, timeline and activities required by both Esper, Inc. (“Esper” or “The Supplier”) and the California State Treasurer’s Office (“the Customer”) and particularly the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (CTCAC) to enable the deployment of the Esper Policy Performance Solution for the Customer in support of a modern and data-driven regulatory process.

#### 1.1 Solution Overview

The Customer creates and updates a complex and broad scope of regulatory policy for California. The Customer is interested in the implementation of a centralized technology platform to coordinate and streamline regulatory and administrative responsibilities.

Esper’s Policy Performance Solution is the first cloud-based technology platform designed to support agencies’ regulatory and administrative workflows and ameliorate current clearance tracking, drafting, and analysis challenges. Specifically, Esper collates regulatory policy from different agencies and teams into a centralized database and workflow system. Internal users have unlimited access to AI and NLP-driven data analytics, robust internal management and control of policy process, and metric-driven reporting tools.

The Customer is interested in Esper’s Policy Performance System to streamline the internal regulatory review process and leverage data analytics, AI, and NLP to support data-driven rulemaking. The Customer is interested in collating regulatory data into a centralized database system and providing a set of workflow capabilities to internal users. These capabilities include data analysis, rule drafting and collaboration, and reporting tools for internal users.

The tables in Section 2 list specific deliverables associated with the Policy Performance Solution.

##### 1.1.1 Data & Research Module

Esper’s data platform allows you to search and find full text of state administrative code by keyword, citation number, authorizing agency, as well as the rules, laws, and regulations from across other states, and the Federal government. By ingesting all of this data, Esper allows you to find and compare similar policies in other jurisdictions both at the state and federal level. Esper’s data analysis automatically identifies similar



regulations based on the policy you are viewing. Esper's data platform also allows you to view references to repealed statutory authority and regulation, as well as to regulations with broken links to other administrative codes.

### **1.1.2 Rulemaking Module**

The rulemaking module allows users to create, amend, and repeal regulations within Esper. Each user has access to a personalized workspace where they can easily view the tasks assigned to them, and determine where they are in the process to completion. Within the rulemaking module, users can collaborate with their team, allowing them to assign drafting and review to their colleagues. Resident to the system, as well, is the ability to view an activity log of all actions taken on a regulation, allowing for institutional knowledge, and the ability to ensure version control. To assist with rulemaking, Esper includes a milestone work backwards plan to ensure that you stay on track with your rulemaking. Along with many other features within the rulemaking module, you can also readily complete and share supporting documentation to add to a rulemaking, and tag policies with industry codes using the North American Industrial Classification System (NAICS).

### **1.1.3 Executive Dashboard**

The Executive Dashboard provides monthly and total reporting on your office's and state-wide regulatory activity to facilitate better internal communication, alignment, and collaboration on administrative rulemaking. The Dashboard provides operational visibility at all stages of the rulemaking process so rule writers, drafters, and executives alike can track progress on administrative rulemakings across regulatory bodies, from initial filing to final rulemakings.

In addition to the STO's administrative code analytics, the Dashboard allows you to compare regulatory metrics across different state governments and drill into agency-level detail.

This functionality enables the Customer to significantly improve their internal reporting needs especially related to current agency requirements in regulatory agendas and regulatory reporting requirements.

### **1.1.4 Workspace**

Esper's Workspace solution provides users and agencies with project management tools to ensure that all relevant team activity and individual tasks are documented and tracked. Team collaboration lives in the Workspace with the ability to create and edit rulemakings and tasks straight from your team's board.

Existing agency processes require high amounts of time and labor to complete the tracking and administration of policy. The Workspace allows the Customer to more efficiently visualize and track internal team progress on custom goals specific to the regulatory process.

### 1.1.5 Documents

Esper's Documents platform allows users to create and manage all non-regulatory policies from a single place. Presently, non-regulatory policy, including sub-regulatory guidance, memos, and correspondence, are stored and managed in disparate systems. Esper's Documents supports the upload of past and currently-effective versions of policies, and the creation of new policy drafts all from a single source of truth. Users can tag policies with references to regulations and legislation. Additionally, policies can have multiple collaborators and move through a workflow to support the review and clearance of policies before finalized.

The Documents feature mirrors commercial document editing software functionality, but adds the benefit of workflow, real-time collaboration, and document management all within Esper.

## 2. Scope

Esper's Policy Performance Solution will be configured and delivered to the Customer in Phases 2 & 3 (see Implementation Approach below). The specific functions of the Policy Performance Solution are listed in the table below.

### 2.1 Policy Performance Solution

Feature	Capabilities
Regulatory Workspace	<ul style="list-style-type: none"> <li>• Initiate rulemaking tasks for your workflow, from research to the rulemakings and their supporting documents</li> <li>• Bookmark policies of interest and access them from the workspace</li> <li>• Assign tasks and rulemakings to team members</li> <li>• Set due dates for rulemakings and tasks</li> <li>• Visualize progress of rulemakings in your organization</li> <li>• Receive notifications of updates or comments on rulemakings</li> <li>• Receive notifications for rulemakings that are past due</li> <li>• Filter and sort rulemakings by assignee, due date, and status</li> <li>• Flag and track administrative process deadlines especially as they relate to Customer's regulatory agenda specifications</li> </ul>

Data Platform	<ul style="list-style-type: none"> <li>• Search and find full text of policy/administrative code by keyword, citation number, authorizing agency</li> <li>• Automatically access hyperlinks to cited policies</li> <li>• See relevant dates to the policy, including date created, amended, repealed, and last reviewed</li> <li>• Find similar policies in other jurisdictions (state and federal). Esper's data analysis automatically identifies similar legislation and regulation based on the policy you are viewing</li> <li>• Receive system notifications to alert you to tasks</li> <li>• Detect references to repealed statutory authority and regulation</li> <li>• Detect instances of legalese or other agency-prohibited language</li> </ul>
Rulemaking Module	<ul style="list-style-type: none"> <li>• Access personalized workspace for each user</li> <li>• Assign drafting and review to teammates</li> <li>• Use milestone work backwards plan to stay on track</li> <li>• Milestone calendar integration</li> <li>• Complete and share supporting documentation for a rulemaking</li> <li>• Tag policies with industry codes using the North American Industrial Classification System (NAICS)</li> <li>• Analyze policies based on metrics important to your government like reading level, complexity, and character count</li> <li>• Utilize ingested rulemaking forms</li> <li>• Edit and share version-controlled regulatory drafts</li> <li>• View an activity log of all actions taken on a regulation and user archives</li> <li>• Edit regulatory text</li> <li>• Share regulatory text with colleagues for review</li> <li>• Add comments to regulatory text</li> <li>• Add suggestions to regulatory text</li> <li>• Save versions of the regulatory text</li> <li>• Compare versions to see changes in the text</li> </ul>
Regulatory Templates & Integration	<ul style="list-style-type: none"> <li>• Customized templates to aid in the preparation of rulemakings</li> <li>• Indicate which documents are required and optional for filing</li> <li>• Manage documents and versions of paperwork with rulemaking filing</li> <li>• Complete required paperwork in Esper's Policy Builder</li> </ul>

Executive Dashboard	<ul style="list-style-type: none"> <li>• Analyze rulemaking process and identify areas of excellence and room for improvement in real-time agency view for activity across Customer's organization</li> <li>• Interactive visualizations of agency regulatory activity togglable by stage</li> <li>• Drill down to specific rulemakings by clicking on a particular stage or agency</li> </ul>
User Administration	<ul style="list-style-type: none"> <li>• Create new users</li> <li>• Edit user information</li> <li>• Delete existing users</li> <li>• Reset passwords</li> <li>• Assign users specific sets of permissions</li> <li>• Modify permissions as needed</li> <li>• Note: Esper is able to integrate with Single Sign On as the agency allows</li> </ul>
System Integration	<ul style="list-style-type: none"> <li>• Reduce duplicative data entry via system-to-system interaction</li> <li>• Ingest data entry for Paperwork Reduction Act and rulemaking activities</li> <li>• Partner with agency to meet specific integration needs</li> </ul>
User Interface	<ul style="list-style-type: none"> <li>• ADA compliant user interface</li> <li>• Comply with any necessary agency or federal regulations regarding website design</li> </ul>
Security & Support	<ul style="list-style-type: none"> <li>• Integrate and comply with necessary security tools and procedures</li> <li>• Provide direct support and change procedure protocols</li> <li>• Access to specified Esper staff for trainings, questions, and other inquiries</li> </ul>

## 2.2 Project Scope

The following implementation services are included in this Statement of Work:

- Provision up to 25 user accounts for the Data and Rulemaking modules
- Conduct discovery and standard product configuration for CDLAC and CTCAC Workflows
- Configuration of customized Milestones for each Workflow

- Configuration of Forms associated with your Rulemakings
- Configuration of Roles and Permissions for up to 25 users
- Ingesting of California Secretary of State formatting
- Conduct onboarding and training sessions for up to 25 users

## 2.3 Project Timeline

The software will be configured and deployed in a series of three (3) phases beginning with client consultation in July, 2021. We recommend rolling out in a series of discrete phases designed to allow stakeholders to adopt new technology with ease.

## 3. Implementation Approach

### 3.1 Phase I - Discovery and Consultation

Esper assigns a dedicated Program Manager to conduct virtual or face to face meetings with key stakeholders in your office. We recommend including everyone in your office involved in the rulemaking process, from rule writers to executive directors that ultimately approve rulemakings. We gather information on your current rulemaking process, identify internal challenges, and develop a strategy for configuration and implementation. Initial user accounts will also be provisioned during this phase which will allow immediate access to the Data module for research capabilities.

- Duration: 1 month
- Deliverables: User Account Provisioning, Implementation Roadmap submitted to the Customer Executive Sponsor and the Customer Project Manager

### 3.2 Phase II - Configuration and Validation

Esper configures the software to meet the requirements outlined in the Implementation Roadmap. This includes mapping Esper's product to meet Customer-specific rulemaking needs and incorporating solutions to any challenges presented in the Consultation phase.

- Duration: 1 month
- Deliverable: Fully-configured and functional software platform validated by end users in the agency or Office.

### 3.3 Phase III - Launch & Training

Esper hosts a workshop with end users to onboard them onto Esper. In the workshop, user accounts will be created and users will be guided through a curriculum designed to help them successfully transition to using Esper for rulemaking. There will be open time for questions and the ability to get immediate feedback and support from the Esper team.

- Duration: 2 weeks
- Deliverable: Onboarded users and support documentation



## 4. Maintenance and Support; Updates and Upgrades

**4.1 Customer** - The Customer will provide First Line Support.

**4.2 Esper** - Esper will provide Second Line Support services as set forth in this Statement of Work consisting of the following: (a) assistance related to questions on the installation and operational use of the Esper Solution, and questions related to the integration of the Esper Solution with the Customer's systems; (b) assistance in identifying and verifying the causes of suspected errors in the Esper Solution; and (c) providing workarounds for identified Esper Solution errors or malfunctions as described below, provided that Customer will ensure that only employees properly trained in the operation and usage of the Esper Solution will utilize the support. Upon request, the Customer will allow the use of online diagnostics of the Esper Solution during error diagnosis.

Esper will use commercially reasonable efforts to provide to Customer all Updates and Upgrades to the Esper Solution developed by Esper during the term of this Agreement within thirty (30) days from the date that Esper first makes such Updates and Upgrades generally available to its Customers.

## 5. Training

**5.1 Technical Support Training** - As outlined in the Statement of Work Esper will provide training sessions to Customer's administrative personnel at Customer's offices, or via the Internet, on a mutually agreed date with the content of such training as mutually agreed by the parties.

**5.2 Other Training and Consulting Services** - Additional training and/or consulting services requested by the Customer will be provided by Esper at an hourly rate of \$200 (two hundred USD). Such training and/or consulting services, if any, shall be authorized pursuant to written work orders as agreed to and executed by Customer and Esper. Such work orders shall be made via a written amendment. See contract for details.

## 6. Responsibilities of the Supplier

ESPER	
ESPER Role	Responsibilities
Executive Sponsor (ES)	<ul style="list-style-type: none"><li>• Responsible and accountable for the success of the program and the relations with the Customer.</li><li>• Responsible for the on-going business relations between Esper and the Customer and for helping the Customer maximize value from their program with Esper.</li></ul>

	<ul style="list-style-type: none"> <li>• Provides support and updates for key milestones.</li> <li>• Serves as the point of contact for any project escalations.</li> </ul>
Technologist	<ul style="list-style-type: none"> <li>• Responsible for systems architecture design and deployment of technology solution</li> <li>• Main point of contact for systems dysfunction or technology questions</li> </ul>
Customer Success Manager (CSM)	<ul style="list-style-type: none"> <li>• Main point of contact for the Customer pre-deployment and post-deployment.</li> <li>• Ensures Esper is providing value to the Customer.</li> <li>• Provides regular touchpoints.</li> <li>• Responsible for identifying additional use cases for the platform to expand usage and value for the Customer.</li> <li>• Performs Administrator Training.</li> <li>• Performs User Training.</li> </ul>

## 7. Responsibilities of the Customer

Customer	
Customer Role	Responsibilities
Customer Executive Sponsor (CES)	<ul style="list-style-type: none"> <li>• Acts as an internal advocate for Esper to promote usage and engagement.</li> <li>• Serves as a point of contact for any project escalations.</li> <li>• Maintains the strategic business direction of the program</li> </ul>
Customer Project Manager (CPM)	<ul style="list-style-type: none"> <li>• Serves as the primary contact for Esper deployment, launch, and ongoing platform development.</li> <li>• Coordinates meetings and schedules.</li> <li>• Directs the customer resources and enables access to additional resources as needed for the project's success.</li> <li>• Controls communication between the Customer and Esper project teams.</li> <li>• Coordinates launch planning and execution including User training.</li> </ul>

Customer Technical Lead (CTL)	<ul style="list-style-type: none"> <li>• Coordinate any technical questions from Esper</li> <li>• Provide context and information regarding security, FedRAMP, and other important pieces of information</li> <li>• Serve as the lead for any technical needs at Customer's agency</li> </ul>
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A successful deployment between Esper and the Customer will result from the following assumptions and requirements:

1. The Customer will provide all personnel outlined in the Roles and Responsibilities section and facilitate access to appropriate technical and financial personnel as needed. Failure to provide personnel in a timely manner may cause delays in the delivery schedule.
2. The Customer will be responsible for ensuring that all meetings and training sessions are attended by personnel, as scheduled.
3. The Customer will be responsible for any infrastructure required to access Esper. Please note, Esper software is optimized for Google Chrome.
4. The Customer will be responsible for transmitting payment information including necessary points of contact, procurement processes, and all additional information required for invoicing and approval.
5. The solution will be configured based on Esper's best practices and standards to ensure a streamlined onboarding process and optimal user experience.
6. An appropriate work environment must be provided to Esper personnel if working on-site. The location should be co-located or near the locations of the work to be performed. Esper personnel will require Internet and telephone service (to include teleconference compatible telephones). Esper agrees to follow applicable Customer's Acceptable Use policies and/or guidelines for appropriate use of the Customer infrastructure (e.g., Internet, network, etc.).
7. The Customer will extract appropriate regulatory data from their existing regulatory database to support the project. Esper will provide data requirements in the Initiate phase.
8. The Customer will be responsible for the scheduling of meeting rooms, training facilities, and requisite equipment.
9. The Customer will communicate and review outstanding items in a timely manner. The timeliness of communication and review will directly affect Esper's ability to meet agreed upon schedule deadlines.
10. All deliverables will be signed-off on within five business days of notification that the deliverable is complete.
11. Any changes requested to the scope documented in this Statement of Work will be handled via a written contract amendment. See contract for details.

## 8. Software and Services

SOFTWARE LICENSE	
Package Detail	Feature Included
<b>Data Platform</b>	
Administrative Code Search	X
Policy Page Detail	X
Regulatory Discovery	X
Administrative Code Dashboard	X
System Notifications	X
User Administration	X
Data Quality/QA	X
<b>Rulemaking Module</b>	
Personalized Workspace	X
Workspace Project Management	X
Policy Builder	X
Collaborative Text Editor	X
Rulemaking Forms	X
Internal Clearance and Approval Diagram	X
Version Control for Editing	X
Milestone Calendar Integration	X
Milestone Work Backwards Plan	X
Document Export	X
<b>Documents Module</b>	
Guidance Document Ingestion	X
Guidance Document Management	X
Guidance Document Analysis	X

Standard	<p>Implementation services included with the subscription are as follows:</p> <ul style="list-style-type: none"> <li>• Provision up to 25 user accounts for the Data and Rulemaking modules</li> <li>• Conduct discovery and standard product configuration for up to 3 Workflows</li> <li>• Configuration of customized Milestones for each Workflow</li> <li>• Configuration of up to 3 custom Forms associated with your Rulemakings</li> <li>• Configuration of Roles and Permissions</li> <li>• Ingestion of California Secretary of State formatting</li> <li>• Conduct onboarding and training sessions for users</li> </ul> <p>Post-Launch support services included with the subscription are as follows:</p> <ul style="list-style-type: none"> <li>• Access to Esper's Resource Center</li> <li>• Unlimited technical support</li> <li>• Monthly check-ins with Esper staff</li> <li>• Post-deployment services including training for new hires, monthly office hours, and consultations</li> <li>• Dedicated Forward Deployed Engineer</li> </ul>	





# **AGENDA ITEM 8**

## **Discussion of How to Use and Apply Carryforward in 2022**

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**October 13, 2021**

**Discussion of How to Use and Apply Carryforward in 2022 Agenda**  
**Item No. 8**

**BACKGROUND:**

In April 2021 the Committee voted to adopt regulation Section 5133 to address how carryforward be used. In this adoption it was agreed that during competitive rounds, prior year carryforward would be “subscribed to the projects in rank order which are scheduled to be awarded an allocation in the current round, starting with the highest ranking project[...]until exhausted”. This was done to be sure carryforward was utilized “first in first out” before current year allocation which is consistent with the IRS rules for carryforward.

CDLAC tracks issuer carryforward at the staff level and also requests periodic updates from issuers, yet there is no mandate for issuers to provide this documentation other than annually on February 1<sup>st</sup>. At the last committee meeting of the year, any unused Volume Cap or reverted allocation must be assigned to an issuer who will then carry the allocation forward into the next year.

**DISCUSSION:**

The Committee requested a discussion to see if CDLAC could improve on the process even more. One issue is that three year old carryforward may be assigned to a project that is not scheduled to close its bond transaction before that portion of allocation expires. Another issue is that an issuer with carryforward may not be competitive in the round therefore not having the ability to use the carryforward.

Another part of the discussion is how the Committee will disburse any remaining allocation or reverted allocation before the end of the calendar year. Since the Committee cannot carry allocation forward to the next year, it must be assigned to an issuer in order to be utilized as next year carryforward.

*Prepared by Nancee Robles*



**AGENDA ITEM 9**  
**Discussion of Direction for**  
**Working Group in**  
**Regulation Development**

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**October 13, 2021**

**Discussion of Direction for Working Group in Regulation**  
**Development Agenda Item No. 9**

**BACKGROUND:**

The Treasurer convened a Working Group of Stakeholders led by Caleb Roope of The Pacific Companies and Doug Shoemaker of Mercy Housing to assist CDLAC with the regulation process for its first competitive rounds of tax exempt bond allocation in decades. After the initial set of regulations were published, it was recognized that adjustments needed to be made to produce the most equitable outcomes for California, and the working group continued to convene.

**DISCUSSION:**

Before any recommendations for changes are made for 2022, the working group is looking for direction from the Committee as it relates to the State's policy priorities.

*Prepared by Nancee Robles*



## **AGENDA ITEM 10**

### **Discussion of Bond Allocation for Projects Requesting Limited State Tax Credits**



**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**October 13, 2021**

**Discussion of Bond Allocation for Projects Requesting Limited State Tax  
Credits Agenda Item No. 10**

**BACKGROUND:**

The California Debt Limit Allocation Committee Tax Exempt Bond Allocation for Affordable Housing in the competitive rounds are usually tied to a joint application with the California Tax Credit Allocation Committee (CTCAC) for state tax credits. Both resources are competitive and scarce.

**DISCUSSION:**

There has been concern as to the disposition of Round 3 bond allocation should the tax credits run out. There will be a discussion at the CTCAC meeting on October 20, 2021 for the tax credit conversation. In the meantime, CDLAC proposes to allocate to those projects that qualify for the remaining 2021 Volume Cap and any carryforward available. CDLAC regulations determine the ranking of awards based on points and tiebreaker. If the allocation is made and there are no state tax credits available, CDLAC regulations allow 90 days for the project to fill the financing gap without risking performance deposit forfeiture or negative points.

*Prepared by Nancee Robles*



California Debt Limit Allocation Committee

## **AGENDA ITEM 11**

### **Public Comment**



California Debt Limit Allocation Committee

## **AGENDA ITEM 12**

### **Adjournment**