

**FINDING OF EMERGENCY
CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)**

Finding of Emergency

Pursuant to Section 8869.94 of the California Government Code (the “Code”), the regulations being amended by the California Debt Limit Allocation Committee (the “Committee”) as emergency regulations (the “Emergency Regulations”) are, by legislative mandate, necessary for the immediate preservation of the public peace, health and safety, and general welfare.

The California Debt Limit Allocation Committee has complied with the requirements to provide notice of proposed rulemaking action pursuant to Government code section 11346.1(a) (2).

Authority and Reference

Authority: Section 8869.94, California Government Code. Section 8869.94 of the Code authorizes the Committee to adopt regulations relating to an allocation system to administer the state unified volume ceiling as emergency regulations and instructs the Office of Administrative Law to consider such regulations to be “necessary for the immediate preservation of the public peace, health and safety or general welfare.”

Reference: California Government Code Sections 8869.80-8869.94 8869.82, 8869.84, 8869.84(c), 8869.85(a), 8869.85(b), and 8869.87.

Statement of Reasons/Informative Digest

List of regulations to be modified:

- Title 4, Section 5000. Definitions
- Title 4, Section 5033. Minimum Application Requirements
- Title 4, Section 5170. Definitions

The Committee is authorized to adopt regulations relating to an allocation system to administer the state unified volume ceiling as emergency regulations (California Government Code 8869.94).

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Pursuant to Title 4, § 5000 “Mixed Income Project” means a Qualified Residential Rental Project having 50% or fewer of its total units designated as Restricted Rental Units or are part of the California Housing Finance Agency Mixed-Income Program.

For CDLAC purposes, changing the definition of “Mixed Income Project” closes a loophole in the regulations that unintentionally would have allowed non-CalHFA projects which are 100% affordable and using Income Averaging to compete in the Mixed Income Pool.

CDLAC is eliminating the requirement for proof of public notice of the Tax Equity and Fiscal Responsibility Act (TEFRA) in Title 4, § 5033. TEFRA is required for a bond closing therefore a redundant element in CDLAC regulations.

CDLAC is amending the definitions in Title 4, § 5170 for “Preservation Pool” and “Other Affordable Pool”. The new definition for “Preservation Pool” expands the types of projects that may compete in the Preservation Pool by including federal and state priorities and programs applicable to older projects.

The new definition for “Other Affordable Pool” limits the ability for projects to apply to CDLAC during competitive rounds that already have an existing CDLAC or CTCAC regulatory agreement. This will prevent projects with light rehabilitation needs (*below the threshold listed in item 5 of the “Preservation Pool” definition*) from qualifying in the “Other Affordable Pool”.

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**Other Matters Prescribed by Statutes Applicable to the Specific State Agency
or to any Specific Regulation or Class of Regulations**

No other matters are prescribed by statute applicable to the Committee or to any specific regulation or class of regulation pursuant to Section 11346.1(b) or 11346.5(a)(4) of the California Government Code pertaining to the Emergency Regulations or to the Committee.

Mandate on Local Agencies or School Districts

The Executive Director of the Committee has determined that the Emergency Regulations do not impose a mandate on local agencies or school districts.

Fiscal Impact

Pursuant to Government Code 11346.1(b)(2) and 11346.5(a)(6) the Executive Director of CDLAC and the Committee have determined that these Emergency Regulations do not impose any additional cost or savings requiring reimbursement under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the California Government Code, any other non-discretionary cost or savings to any local agency or any cost or savings in federal funding to the State. Pursuant to the State Administrative Manual Section 6680, a Fiscal Impact Statement (Form 399) is submitted.

Application for and participation in CDLAC's Programs is discretionary and the proposed revisions pertain to program definitions. Neither the proposed revisions nor the CDLAC Regulations as a whole require any person or entity to take any action, make any monetary expenditure, or refrain from taking any action or making any expenditure. The proposed revisions will not have an effect on the creation or elimination of jobs within the State of California, the creation of new businesses or the elimination of existing business within the State of California, the expansion of businesses currently doing business within the State of California, or on small businesses. These proposed changes are solely to create a better understanding of the Qualified Residential Rental Project (QRRP) Program.

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Creation or Elimination of Jobs within the State of California

The proposed revisions will not have an effect on the creation or elimination of jobs within the State of California. Application for and participation in CDLAC's Programs is discretionary and the proposed revisions pertain to program eligibility, compliance and administration issues. Neither the proposed revisions nor the CDLAC Regulations as a whole require any person or entity to take any action, make any monetary expenditure, or refrain from taking any action or making any expenditure.

Creation of New or Elimination of Existing Businesses Within the State of California

The proposed revisions will not have an effect on the creation of new businesses or the elimination of existing business within the State of California, the expansion of businesses currently doing business within the State of California, or on small businesses.

Benefits of the Regulations

The benefits derived by these proposed regulations include the fair, efficient and equitable administration of the Qualified Residential Rental Project (QRRP) Program in compliance with state and federal law.

Fiscal Impact Estimates

Cost or savings to any State agency: **None**

Cost to any local agency or school district that is required to be reimbursed Part 7 (commencing with Section 17500) of Division 4: **None**

Other nondiscretionary cost or savings imposed on local agencies: **None**

Cost or savings in federal funding to the State: **None**