

CALIFORNIA DEBT LIMIT ALLOCATION REGULATIONS  
(Updating 5000, 5020, 5022, 5035-5037, 5062, 5100, 5103, 5133, 5170, 5190,  
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**Section 5000. Definitions.**

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“Bond Regulatory Agreement” means the agreement between the Issuer, Project Sponsor, and any third party related to the ownership, financing, and management of a proposed Qualified Residential Rental Project ~~or Qualified Public Educational Facility Project~~ that binds the parties to the commitments made in the Application that resulted in the Allocation for the Project and any other requirements mandated by 26 U.S.C. section 142.

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~~“Qualified Public Educational Facility Bond Pool” means the reserve of Qualified Public Educational Facility Bonds established by the Committee for Qualified Public Educational Facilities pursuant to IRC section 142(k).~~

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“State Ceiling” means the amount of Qualified Private Activity Bonds that can be issued in California for each calendar year specified by 26 U.S.C. section 146(d), ~~the amount of Qualified Public Educational Facility Bonds that can be issued in California for each calendar year specified by 26 U.S.C. section 142(k)~~, and the amount reserved to California pursuant to sections 1112 and 1401 of the American Recovery and Reinvestment Act of 2009 as established by and announced by the Committee in accordance with article 2 of this chapter.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84, Government Code.

**Section 5020. Determination of State Ceiling Pools.**

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(a)(1)(B) Subsequent to the determination made pursuant to paragraph (1) of this subdivision, determine and announce whether a portion of the New Construction Pool, expressed as a dollar amount and as a percentage of the Qualified Residential Rental Project Pool shall be reserved in an Extremely Low/Very Low Income Set Aside to be available for allocation to New Construction Projects that have ~~for Allocation Rounds in 2021, an average AMI of 50% or below or have~~ received either of the following, and determine what amount, if any, shall be available in each Allocation Round: (i) an award of funding from the Department of Housing and Community Development (HCD). For purposes of this Set Aside, an award of funding from HCD shall include awards made directly by the department pursuant to the Multifamily Housing Program, the Affordable Housing and Sustainable Communities Program, the Transit Oriented Development Program, the Joe Serna Jr. Farmworker Housing Grant Program, the No Place Like Home Program, Housing for a Healthy California and the Veterans Housing and Homelessness Prevention Program. The income restrictions shall be at least as restrictive as those for which the applicant received an award from HCD. ~~Awards made directly by the department do not include Alternative County Process awards.~~ (ii) an award of public funds as defined in Section 10325(c)(9) of the CTCAC regulations equivalent to 15% or more of the Project’s total development cost, provided that the project meets the following criteria, as applicable: (aa) If the project receives points as a Large Family project pursuant to Section 5230(g) and is located in a High Segregation and Poverty Area as specified on CTCAC/HCD Opportunity Area Map, the project shall have income restrictions with a range of at least 30% AMI between the highest and lowest 10% of income-restricted units that meet the requirements of Section 5230(j)(1)(C). (bb) If the project receives points as a Large Family project pursuant to Section 5230(g) and is located in a High or Highest Resource Area as specified on CTCAC/HCD Opportunity Area Map, ~~at least 10% of tax credit units shall be restricted at 30% of area median income and an additional 10% of tax credits units shall be restricted at 50% of area median income~~ the project shall have income restrictions that meet the requirements of 5230(j)(1)(A). (cc) If the project does

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not receive points as a Large Family project pursuant to Section 5230(g) or is located in a Moderate (Rapidly Changing), Moderate, or Low Resource Area as specified on CTCAC/HCD Opportunity Area Map, the project receives maximum  
 .....

~~(j) Determine and announce what amount, expressed both as a percentage and as a dollar amount, of the Qualified Public Educational Facility Bonds State Ceiling that shall be available for allocation during the year and in each Allocation Round to the Qualified Public Educational Facility Bond Program.~~

~~(k)~~ The Committee shall sub-allocate resources to any particular pool in a manner that is consistent with maximizing public benefits associated with the use of allocation.

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.82 and 8869.84, Government Code.

**Section 5022. Geographic Apportionments.** For the purpose of allocating bonds available under the QRRP New Construction Pool, annual apportionments of bonds shall be made in approximately the amounts shown below:

<b>Geographic Region</b>	<b>Apportionment</b>
<b>Coastal Region</b> (Monterey, Orange, San Benito, San Diego San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura Counties)	<del>21</del> 20%
<b>City of Los Angeles</b>	<del>18</del> 17%
<b>Balance of Los Angeles County</b>	<del>17</del> 16%
<b>Bay Area Region</b> (Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara Counties)	<del>17</del> 21%
<b>Inland Region</b> (Fresno, Imperial, Kern, Kings, Madera, Merced, Riverside, San Bernardino, San Joaquin, Stanislaus, and Tulare Counties)	<del>17</del> 16%
<b>Northern Region</b> (Butte, El Dorado, Marin, Napa, Placer, Sacramento, Shasta, Solano, Sonoma, Sutter, Yuba, and Yolo Counties)	10%

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a), and 8869.85(b), Government Code.

**Section 5035. Preliminary Recommendations.**  
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- CDLAC will prepare rank ordering of the list of projects and evaluate the requested scoring based on information submitted in the application. CDLAC will only review those projects that are substantially complete, financially feasible and appear to score high enough to receive an

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Allocation. ~~Within thirty (30) calendar days after the application due date,~~Prior to publishing the preliminary recommendation list on its website, CDLAC shall notify Applicants and the developers/sponsors of their preliminary score and the reasons for any modifications from the Applicant's Self-Scoring Worksheet. Such notice, or a subsequent notice, may also contain completeness and/or feasibility defects determined during CDLAC's evaluation. CDLAC will only be required to send notices for projects that may appear to score high enough to receive an Allocation. Applicants will have five (5) calendar days to appeal their scores and/or completeness/feasibility defects, which appeals must be addressed to the Executive Director in writing per the instructions contained in the notice. The Executive Director shall then have ten (10) calendar days to issue a final determination. If an Applicant is unsatisfied with the final determination, the Applicant may appeal to the Committee per the instructions in the final determination notice.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), Government Code.

**Section 5036. Appeals to Preliminary Recommendations.** Any Applicant who wishes to appeal the preliminary recommendation or ranking as prescribed in section 5035 may file an appeal within five (5) business days of the date on which the preliminary list is posted. The appeal must set forth in reasonable detail the factual basis for the appeal. No new or additional information beyond that provided in the original Application may be provided to or considered in connection with the appeal. All appeals shall be made in writing and delivered to the ~~Committee~~Executive Director, no later than 5:00 p.m. (Pacific Time) on the last day specified for filing an appeal. The Executive Director will present the appeal to the Committee at the meeting for which Allocations will be awarded, prior to the Allocation approval process. An Applicant may only appeal the recommendation or ranking of its own Application(s). ~~Each Applicant who has submitted an appeal will be notified of the decision on the appeal pursuant to section 5037.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), Government Code.

**Section 5037. Final Recommendations.** (a) At least ten (10) calendar days before the Committee meeting for which Allocations will be awarded, the final list of Applicants for which Allocations will be recommended (and the amounts of those Allocations) will be posted. During competitive rounds, the list will be in ranked order. This list will reflect changes, if any, in ranking resulting from the appeals as provided in section ~~5036~~5035. The list shall be posted on the Committee's website as provided in section 5140.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), Government Code.

**Section 5062. Private Placement Sales.** (a) Subject to Section (b) below, applications for Bonds to be issued and sold through a private placement will be deemed to have provided satisfactory evidence of a Bond sale plan required in section 5060 if documentation from the Bond purchaser(s) includes the following:

- (1) Project Sponsor (borrower).
- (2) Project name and location.
- (3) Bond purchase amount.
- (4) Salient terms and conditions, including but not limited to the fee structure, term, rate, security, collateral, guarantee, and recourse of the commitment including the interest rate of the agreement.
- (5) Evidence that the lender is committed to move forward with the transaction if the terms and conditions in the commitment letter are met.

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~~(6) Acceptance of the terms and conditions of the commitment letter by the purchaser and Project Sponsor.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.

**Section 5100. Program Expiration Dates.**

(a) The expiration date of the Allocation shall be specified in the Committee Resolution and shall start from the date on which the Committee awards the Allocation.

(b) Notwithstanding extensions as provided in sections 5101, ~~5102~~ or 5103; the limitations prescribed by section 5104; or Allocations awarded on a carry-forward basis as provided in section 5131; the expiration dates for issuing Bonds or converting Bonds to Mortgage Credit Certificate authority shall be:

(1) One-Hundred Eighty (180) days for the issuance of Beginning Farmer Bonds, Mortgage Revenue Bonds, Small-Issue Industrial Development Bonds, Exempt Facility Bonds, ~~Qualified Public Educational Facility Bonds~~ and the conversion of Bonds to Mortgage Credit Certificate authority.

(2) One-hundred twenty (120) days for the issuance of Student Loan Bonds and for the issuance of at least one (1) Mortgage Credit Certificate.

(3) For Qualified Residential Rental Project Bonds, the following expiration dates shall be assigned randomly by a lottery drawing conducted by the Executive Director within five (5) business days following each Allocation Round:

- i. Projects receiving an allocation shall be assigned an expiration date of one-hundred eighty (180) days or one-hundred ninety-four (194) days.
- ii. A project's applicant may request an expiration date of less than one-hundred eighty (180) days by submitting a written request to the Executive Director. The request shall be submitted no later than the final posting date for the round in which the project is seeking an allocation.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), 8869.84(e), 8869.89, Government Code.

**Section 5103. Five Day Hardship Extensions.** The Committee may grant an extension to the expiration dates provided in sections 5100 ~~and 5101, 5101, and 5102~~ up to five (5) additional business days for extreme hardship cases. The Committee may delegate this authority to the Executive Director.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), 8869.84(e), and 8869.89, Government Code.

**Section 5133. Use of Carryforward.** Carryforward Pursuant to Section 5231, CDLAC shall establish a rank-order list of all projects to be allocated during a competitive round. CDLAC shall determine if the issuers for such projects that are scheduled to receive an allocation are in possession of any carry-forward allocation not otherwise reserved for a project that has received an allocation but has not issued bonds, and if such a condition exists, such carry-forward shall 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. The issuer's carryforward shall be applied to all projects recommended for an allocation until exhausted. Any carry-forward amounts allocated to a project shall not be considered when determining the amount available in a pool, set-aside or geographic region. The limitations in the preceding sentence shall not apply to the waiting list

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[procedures specified in Section 5231\(e\)\(4\).](#)

**Section 5170. Definitions.**

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~~“BIPOC entity” means an entity that is at least 51% owned by one or more Black, Indigenous, or Other People of Color or by a non-profit organization with a Black, Indigenous, or Other Person of Color executive director/Chief Executive Officer (CEO) and board membership that is comprised of at least 51% “BIPOC” refers to Black, Indigenous, and Other People of Color, and aims to emphasize the historic oppression of black and indigenous people. To be considered a qualifying BIPOC non-profit organization requires having a BIPOC ED/CEO and 51% of the organization’s board must be BIPOC. For purposes of this paragraph, Black, Indigenous, or Other People of Color means “a person who checked the Black or African American, American Indian and Alaska Native, Asian, or Native Hawaiian and Other Pacific Islanders race category or who answered yes to the Hispanic Origin question on the 2020 United States Census or [the most current publication of the, if that data is not yet publicly available, the 2010](#) United States Census.”~~

“BIPOC Project” means a Qualified Residential Rental Project for which the sponsor ~~entity~~ is a BIPOC ~~entity~~. A BIPOC Project may be a New Construction Project, Rural project, Preservation Project, or Other Rehabilitation Project. A BIPOC Project does not include a project for which ~~the qualifying sponsor or any principal, partner, or member of the~~ sponsor entity is eligible to receive maximum General Partner Experience points pursuant to Section 10325(c) (1) (A) of the CTCAC regulations unless those points are awarded to a ~~principle principal~~ of the BIPOC ~~entity~~ who no longer is employed by the developer of, or has an ownership interest in, the project(s) which form the basis of the experience points.

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“Preservation Project” – a QRRP project applying for an allocation of tax-exempt bonds that is not a New Construction project and meets at least one of the following: (1) has a pre-1999 HCD loan that is being restructured pursuant to Section 50560 of the Health and Safety Code (AB 1699 projects) ~~and has not previously received an allocation of Low Income Housing Tax Credits;~~ (2) any replacement or rehabilitation project approved by HUD pursuant to a Section 18 ~~or Section 22~~ Demolition/Disposition authorization; (3) an At-Risk project that is not subject to a regulatory agreement imposing a rent restriction with a remaining term that is greater than five years from the year in which the application is filed that restricts income and rents on the residential units to an average no greater than 60% of the area median income; (4) any project being rehabilitated under the HUD Rental Assistance Demonstration (RAD) Program, or (5) a project that meets all of the following: (a) the project (or projects, if more than one) is not currently encumbered with an existing CDLAC (via bond issuer), CTCAC, or other affordability regulatory agreement, with the exception of a regulatory agreement associated with a HUD Project-Based Section 8 or USDA Rental Assistance contract; (b) the project (or projects, if more than one) is subject to an existing project-based contract under Section 8 of the United States Housing Act of 1937 or any comparable rental assistance program that provides rental assistance to at least 50% of the units; and (c) the project ~~(or projects, if more than one)~~ shall be required to complete rehabilitation work at a minimum of \$60,000 in hard construction costs per unit, as defined in CTCAC Regulation Section 10302(u), subject to the provisions of IRC Section 42(e)(3)(A)(ii)(I).

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), Government Code.

**Section 5190. Readiness.** In its Application, the Project Sponsor must demonstrate its readiness to use the Allocation as set forth in this section.

- (a) Demonstrated site control. The Applicant shall provide evidence that the Project site is at the

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time of Application submission within the control of the Applicant or Project Sponsor. [Applicants shall provide information regarding the current owner of the project property, if other than the Project Sponsor. Except as provided below for reapplications, a](#) current preliminary or final title report, or, for projects that will be located on Native American Trust Lands, a Land Title Status Report from the Bureau of Indian Affairs or an attorney's opinion regarding chain of title and current title status, all of which shall be dated no more than ninety (90) days prior to Application deadline as provided in section 5030, shall be submitted with all applications for the purposes of this requirement. A commitment for the title insurance or a title insurance document are not acceptable substitutions for a preliminary report title report, final title report, or a title report. [The Committee may permit the site control title report of an unsuccessful application to be submitted, only once, in the reapplication cycle immediately following the unsuccessful application.](#)

(1) Site control may be evidenced by any of the following:

- (A) The Applicant or Project Sponsor holds fee title as evidenced by the current (within 90 days prior to the Application date) preliminary or final report;
- (B) An executed lease agreement or lease option for the length of time the Project will be regulated under this program between the Applicant or Project Sponsor and the owner of the subject property;
- (C) An executed disposition and development agreement for the length of time the Project will be regulated under this program between the Project Sponsor and a public agency; or
- (D) A valid, current, and enforceable contingent purchase and sale agreement or option agreement between the Project Sponsor and the owner of the subject property, including evidence that all extensions necessary to keep the agreement current through the date of the award of Allocation have been executed.
- (E) Valid, current and enforceable purchase and sale agreements, contingent purchase sale or option agreements in combination between the Project Sponsor, a third party and the owner of the subject property such that the Committee can determine that upon a grant of Allocation the Project Sponsor has a right to acquire the subject property.
- (F) The Executive Director may determine that site control has been demonstrated where a local agency has documented its intention to acquire the site, or portion of the site, through eminent domain proceedings as evidenced by order(s) of possession.

(b) Local Approvals and Zoning. The Project Sponsor shall provide evidence, no later than the application due date for the allocation round in which the Project is seeking an allocation, that ~~the project meets the requirements of Section 10325 (f)(4) of the CTCAC regulations the site is zoned for the Project, as proposed, and that all applicable local land use approvals that are subject to the discretion of local elected officials have been obtained. Additionally, if any land use approval is subject to public appeal, within no less than 5 calendar days prior to the first public posting of the Committee, the applicant must provide proof that either no appeals were received, or that any appeals received during that time period were resolved and the project is ready to proceed. Examples of such approvals include, but are not limited to, general plan amendments, re-zonings, and conditional use permits, but do not include design review approvals. The Applicant may include a completed Verification of Zoning and Local Approvals form signed by an appropriate local government planning official of the applicable local jurisdiction for the purpose of satisfying this requirement. Those Qualified Residential Rental Pool Projects with redevelopment related project financing that is subject to the approval of the Department of Finance (DOF) are required to have obtained a Final and Conclusive Determination Letter, or other written communication from DOF stating that DOF does not issue, or concludes is unnecessary, a Final and Conclusive Determination for this form of redevelopment financing obligation, prior to submitting an application to the Committee.~~

(c) [Project Sponsor and Project Developer. If not requesting experience points pursuant to section 5230\(f\), the application must include a summary of the Project Sponsor and Project Developer experience developing or rehabilitating housing with tax-exempt bond financing. A list of](#)



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~~projects must be included. The list may take the form of the CTCAC Experience Attachment. Applicant must submit CDLAC form, INFORMATION ON PROJECT SPONSOR, that provides information pertaining to the Project Sponsor identified in the Application. Applicant must submit CDLAC form, COLLECTIVE EXPERIENCE OF PROJECT SPONSOR AND ALL PARTNERS that provides information pertaining to the experience of the Project Sponsor (if different than the Developer). The Application must include CDLAC form, INFORMATION ON PROJECT DEVELOPER, that provides information pertaining to the Project Developer identified in the Application. The Application must include CDLAC form, EXPERIENCE OF PROJECT DEVELOPER that provides information pertaining to the experience of the Project Developer. The Project Developer's CTCAC Certificate of Previous Participation and a CTCAC Schedule A form may be submitted as EXPERIENCE OF PROJECT DEVELOPER in lieu of the CDLAC form. Applicant must submit a list of California projects which the Developer and Project Sponsor (if different than the Developer) has developed or rehabilitated with tax-exempt bond financing. The list shall include the cities and counties in which the projects are located. The list shall be labeled as Attachment W-5. Applicant shall submit CDLAC form, INFORMATION ON PROPOSED MANAGEMENT COMPANY that provides information pertaining to the property management company that will manage the proposed Project.~~

- (d) Legal Status of Project Sponsor and Developer. ~~Applicants shall provide information regarding the legal status of the Project Sponsor and Developer. If a separate sheet is used to respond to the following questions, the sheet shall be labeled Attachment Y.~~

(1) Financial Viability. Disclose any legal or regulatory action or investigation that may have a material impact on the financial viability of the project or the Project Sponsor and Developer. The disclosure should be limited to actions or investigations in which the applicant or the applicant's parent, subsidiary, or affiliate involved in the management, operation, or development of the project has been named a party. Not Applicable is an unacceptable response.

(2) Fraud, Corruption, or Serious Harm. Disclose any legal or regulatory action or investigation involving fraud or corruption, or health and safety where there are allegations of serious harm to employees, the public, or the environment. The disclosure should be limited to actions or investigations in which the Project Sponsor and Developer or the Project Sponsor's and Developer's current board member (except for volunteer board members of non-profit entities), partner, limited liability corporation member, senior officer, or senior management personnel has been named a defendant within the past ten years. Not Applicable is an unacceptable response.

(3) Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome. For a publicly-traded company, the relevant sections of the company's 10K, 8K, and 10Q most recently filed with the Securities and Exchange Commission may be attached in response to question #1. With respect to a response for question #2, previous 10K, 8K, and 10Q filings of the company may be attached if applicable.

- (e) ~~Current Owner of Property Information. Applicants shall provide information regarding the current owner of the project property, if other than the Project Sponsor, by submitting CDLAC Attachment INFORMATION ON CURRENT OWNER OF PROPERTY. Reserved.~~
- (f) Legislative Districts and Census Tracts. Applicants shall provide (a) Federal Congressional District in which the proposed Project is located (b) State Senate District in which the proposed Project is located (c) State Assembly District in which the proposed Project is located (d) Census Tract in which the proposed Project is located.
- (g) (1) Prior Tax-Exempt Allocation Award. The Application will provide answer "Yes" or "No" to the questions, Has the proposed Project received a CDLAC allocation in the past? Was the allocation

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~~used to issue the bonds for the project? Have bond proceeds been used or drawn down? If "YES", Applicant will submit a narrative explanation of the circumstances surrounding the prior allocation and why additional allocation is being requested. The narrative must include the amount of the previous allocation, the month and year it was awarded, the CDLAC resolution number, the status of the bonds, the balance of bond proceeds, and a justification for the additional allocation. The narrative must be labeled as Attachment J.~~

~~(2) Use of 4% Low Income Housing Tax Credits. If applicable, Application must include date when application will be made to the California Tax Credit Allocation Committee (TCAC).~~

- (h) Project Description. Applicant shall submit a narrative description of the proposed Project, ~~labeled as Attachment K.~~ The description must contain, at a minimum, the following details: 1) the number of acres of the site (include topography and special features), 2) a description of the surrounding neighborhood, 3) the targeted population for the project (i.e., large families, seniors, etc.), 4) the expected start and completion date of construction/rehabilitation, 5) physical features of the project (i.e., description of buildings, grounds, project amenities, etc.), 6) unit configuration, 7) unit amenities, 8) scope of rehabilitation work, and 9) if applicable, a description of other unique features of the project. 10) ~~(a) If the Application is submitted under a non-competitive process, the Application~~ must include a checklist description of the Project Type and Characteristics, including the construction type and proposed tenant population pursuant to Section 5000 of the CDLAC Regulations. (b) If the Application is submitted under a competitive process, Project Type and Characteristics documentation must be included pursuant to Section 5000 and 5170 of the CDLAC Regulations. ~~with the Applicant checking as many items as are applicable to the proposed Project. (A)(i) The Project has an existing HAP contract. Please attach existing contract as Attachment L, L-1, L-2, etc. (ii) The proposed Project is an At-Risk Project as defined in Section 5170 of the CDLAC Regulations. (iii) The proposed Project is a Low Income Housing Tax Credit Resyndication Project. (B) The proposed Project is a Mixed Income Project as defined in Section 5000 of the CDLAC Regulations. (C) The proposed Project is a Rural Project as defined in Section 5000 of the CDLAC Regulations. DO NOT CHECK if item (B), above, has been checked. (D) The proposed Project is a Preservation Project. (E) The proposed Project is a New Construction Project as defined in Section 5170 of the CDLAC Regulations. DO NOT CHECK if item (C), above, has been checked. (F) The proposed Project is a single room occupancy (SRO) rental project. (G) The proposed Project is a senior citizens rental project. (H) The proposed Project is an assisted living rental project. (I) The proposed Project is a special needs housing rental project. (J) The proposed Project is eligible for the Homeless Set Aside. (K) The proposed Project is eligible for the Extremely Low/Very Low Income Set Aside. (L) The proposed Project is a BIPOC Project.~~
- (i) Detailed Unit Affordability Information. (1) The application will include the Federal Bond-Election of 20% at 50% Area Median Income, or 40% at 60% Area Median Income. (2) For At-Risk projects and 4% low income housing tax credit projects, this shall mean that the Project units must have Gross Rents that are restricted to households whose incomes must be 50% or less of the AMI; or Gross Rents that are restricted to households whose incomes must be 60% or less of the AMI. Applications not meeting this minimum requirement will be deemed incomplete. (3) The Application will include tables with the following information on the Restricted Rental Units: Number of Bedrooms/Number of Bathrooms, Unit Size in square feet, number of units in subtotals and total, total square feet per unit type in subtotals and total, proposed monthly tenant-paid rent per unit (excluding utilities), proposed monthly rental subsidy per unit, proposed monthly income per unit, monthly utility allowance, monthly gross rent, percent of Area Median Income based on monthly gross rent, and annualized total rental income. The Application will include another table, Market Rate Units, including number of bedrooms, unit square feet in subtotal and total, number of units, proposed monthly tenant-paid rent per unit (excluding utilities), total proposed tenant paid rent and annualized total rental income. Application will include a table, "Managers' Units" Restricted or Market Rate. The table will include columns for number of bedrooms, unit square feet in subtotal and total, number of units, proposed monthly manager-paid rent per unit, total proposed monthly manager-paid rent and annualized total rental income. Application will include a table with total number of units (excluding manager units), total number of restricted units,



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percent of total restricted units, number of units at or below 50% AMI, percent of units at or below 50% AMI, number of units above 50% to 60% AMI, percent of units above 50% to 60% AMI, number of restricted rental units with 3 or more bedrooms, and percent of restricted rental units with 3 or more bedrooms.

Applicants shall provide a breakdown of Project unit types, size, number of units, proposed tenant- paid rent, monthly utility allowances (if any), subsidies (if any) and unit percentage of Area Median Income (AMI) level based on monthly Gross Rent.

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a), and 8869.85(b), Government Code.

**Section 5194. Project Sources & Uses and Project Costs.** (a) Applications shall submit an itemized breakdown of the complete sources of construction financing, ~~including but not limited to the following items, labeled as Attachment E-1: tax exempt bond proceeds, taxable debt proceeds, developer equity, Low Income Housing Tax Credit (LIHTC) equity, direct and indirect public funds and seller carryback note and all liens to be included in the proposed financing, itemized;~~ and

(b) Applications shall include a listing of permanent sources and uses or complete and submit TCAC's Form Sources and Uses Budget or comparable documentation ~~as Attachment E-2;~~ and (c) All liens to be included in the proposed financing should be itemized and a list of all liens to be paid off at closing ~~should must~~ be provided ~~as Attachment E-3;~~ Disposition of Current Outstanding Liens. All non-assumed liens to be paid off at closing shall separately listed including lender/loan, amount, disposition and corresponding exception number from the Title Report; and

(d) ~~For rehabilitation projects,~~ Applicants shall submit an itemized breakdown of hard construction costs, ~~on a Committee-provided template, labeled as Attachment H or H-1. Hard Construction/Rehabilitation costs shall consist of structure costs only; and~~

~~(e) Applications with Projects where total project costs exceed \$500,000 per unit must include an explanation for why costs are beyond these levels and demonstrate that such costs are justified. Applications with high project costs may be presented to the Committee individually from the balance of recommended Projects.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.

**Section 5211. Tenant Relocation.** Applicants proposing rehabilitation or demolition of occupied housing shall ~~comply with Section 10322(h)(28) of the CTCAC regulations provide a detailed description of the relocation plan with the costs included in the Project's budget. Where existing low income tenants will receive a rent increase exceeding five percent (5%) of their current rent, Applicants shall provide a relocation plan addressing economic displacement. Where applicable, the Applicant shall provide evidence that the relocation plan is consistent with the Uniform Relocation Assistance and Real Property Acquisition Policy Act (42 U.S.C. chapter 61) and has been submitted to the appropriate local agency.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a), and 8869.85(b), Government Code.

**Section 5212. Capital Needs Assessment.** ~~The Except as provided below for reapplications, the~~ Applicant shall submit a Capital Needs Assessment with report and inspection dates within 180 days prior to the Application deadline that details the condition and remaining useful life of the building's major structural components, all necessary work to be undertaken and its associated costs, as well as the nature of the work, and distinguishing between immediate and long term repairs. The Capital Needs Assessment shall also include a fifteen (15) year reserve study, indicating anticipated dates and costs of future replacements of all major building components that are not being replaced immediately

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and the reserve contributions needed to fund those replacements. The Capital Needs Assessment shall be prepared by the Project's architect, as long as the architect has no identity of interest with the Project Sponsor or other member of the development team; or by a qualified independent third party who has no identity of interest with any of the members of the development team. The Capital Needs Assessment is not required if the Project, within the immediately preceding three (3) years, received an Allocation and this requirement was satisfied in the original Application. [The Committee may permit the Capital Needs Assessment of an unsuccessful application to be submitted, only once, in the reapplication cycle immediately following the unsuccessful application.](#)

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.

**Section 5230. Evaluation Criteria.**

The following criteria will be used to evaluate and rank all Qualified Residential Rental Project applications. Each of the items in this section shall be memorialized in the Committee Resolution.

(b) Preservation and Other Rehabilitation Project Priorities (20 points maximum). Preservation and Other Rehabilitation Projects meeting the following criteria shall receive points in the highest scoring category only:

(1) An At Risk Project, or a project in which lower-income rent and income restrictions on at least 50 percent of the total units pursuant to a regulatory agreement with a public entity will terminate or be eligible for termination within five years of application with no other rent and income restrictions remaining, or any replacement or rehabilitation project approved by HUD pursuant to a Section 18 or 22 Demolition/Disposition authorization, or any [component one](#) project being rehabilitated under the ~~first component of the~~ HUD Rental Assistance Demonstration (RAD) Program shall receive 20 points.

(2) A project that meets at least one of the following shall receive 14 points:

(A) ~~A replacement or rehabilitation project approved by HUD pursuant to a Section 18 or Section 22 Demolition/Disposition authorization;~~

~~(B)~~ A [component two](#) project being rehabilitated under the HUD Rental Assistance Demonstration (RAD) Program; or

~~(C)~~ A project with a pre-1999 HCD loan that is being restructured pursuant to Section 50560 of the Health and Safety Code (AB 1699) that has not previously received an allocation of Low-Income Housing Tax Credits.

(3) A project that receives governmental assistance on at least 50 percent of the units pursuant to any of the following and that has not previously received an allocation of Low-Income Housing Tax Credits shall receive 6 points:

(A) Project-Based Section 8 or Rent Supplement,

(B) USDA Rent Supplement,

(C) Section 236 Financing,

(D) Section 221(d)(3) Financing, or

(E) USDA 514 or 515 Financing, ~~or~~

~~(F) Department of Housing and Community Development Financing (including AB 1699 projects that has not previously received an allocation of Low Income Housing Tax Credits).~~

[\(4\) A project that receives governmental assistance on at least 50 percent of the units including AB 1699 funding that have previously been syndicated are eligible for 6 preservation priority points.](#)

(c) New Construction Density and Local Incentives (10 points maximum). A New Construction Project that meets any of the following shall receive 10 points:

(1) The local jurisdiction has approved the project pursuant to Section 65913.4 of the Government Code, at a density greater than that allowed by the site's zoning through the use of a density bonus allowed by Government Code Section 65915 or a local ordinance, or

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with concessions and/or waivers granted pursuant to Government Code Section 65915;

(2) The project is being developed at a per net acre density that meets one of the following criteria:

- (A) 100 bedrooms per net acre in a metropolitan county;
- (B) 60 bedrooms per net acre in a suburban jurisdiction;
- (C) 40 bedrooms per net acre in all other areas.

*[For the purposes of this paragraph, "net acre" is defined as the acreage within the parcel boundaries after subtracting any area affected by the dedication of public right-of-way, the presence of restrictive easements, and non-buildable areas.*

*"Metropolitan county" and "suburban jurisdiction" shall have the same meaning as in Section 65583.2 of the Government Code. Projects with land-use approvals obtained prior to January 1, 2022 shall earn full points in this category.]*

(3) The project is located in a city or unincorporated portion of a county for which HCD has designated the city or county, respectively, as pro-housing pursuant Section 65589.9(c) of the Government Code.

(d) Exceeding Minimum Income Restrictions (20 points maximum). A project shall receive points in either of the following manners:

- (1) 2 points for each full percent that the average affordability of tax credit units is less than 60% of area median income subject to the Gross Rent definition; or
- (2) 20 points if the average affordability of tax credit units is less than or equal to 60% of area median income, provided that at least 10% of tax credit units are restricted at or below 30% of area median income and an additional 10% of tax credits units are restricted at or below 50% of area median income, subject to the Gross Rent definition.

(e) Exceeding Minimum Rent Restrictions (10 points maximum). A project shall receive one point for each full percent that the average affordability of tax credit units is more than ten percent (10%) below the average adjusted rental rates of comparable units as demonstrated by each applicable Rent Comparability Matrix. This percentage shall be calculated separately for units of each bedroom count, and the score shall be based solely on the lowest percentage difference from the average adjusted rental rates of comparable units.

(f) General Partner and Management Company Experience (10 points maximum).

(1) A project shall receive general partner experience points in one of the following manners:

(A) The number of general partner experience points for which it is eligible pursuant to Section 10325(c)(1)(A) of the CTCAC regulations.

(B) 7 points if the project is a joint venture between an entity which receives maximum general experience points pursuant to Section 10325(c)(1)(A) of the CTCAC regulations and a BIPOC, provided that the partnership agreement (i) allocates a share of the developer fee, cash flow, and net sale proceeds to the BIPOC that is equal to or greater than the share to the entity with maximum general experience points and (ii) provides the BIPOC Developer an option to purchase the development.

(C) 7 points if the sole sponsor is a BIPOC that (i) is a general partner in at least one Low-Income Housing Tax Credit development that has received a certificate of occupancy, or if a rehabilitation project, completed rehabilitation, within five years of the date of application, (ii) submits the certification from a third party certified public accountant referred to in Section 10325(c)(1)(A)(i) of the CTCAC regulations for that development, (iii) demonstrates to the satisfaction of the Executive Director adequate in-house or contracted knowledge, skills, experience, and financial capacity to successfully develop, own and operate the proposed project, and (iv) completes training as prescribed by CTCAC prior to a project's placing in service.

(2) A project shall receive management company experience points in one of the following manners:

(A) The number of management company points for which it is eligible pursuant to

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Section 10325(c)(1)(B) of the CTCAC regulations.

(B) 3 points if the management company will be the BIPOC for which the project receives general partner experience points pursuant to paragraph (1)(C).

(g) Housing Types (10 points maximum). A New Construction Project that meets any of the following criteria shall receive 10 points:

- (1) The project meets the criteria for any of the housing types described in Section 10325(g) of the CTCAC regulations. Points will be awarded only in one housing type
- (2) The project meets the requirements of subdivision (c) of this section or is a New Construction Project that obtained all land use approvals prior to January 1, 2022.

(h) Leveraged Soft Resources (8 points maximum). A project shall receive 1 point for each full percent that leveraged soft resources defraying residential costs represent as a percentage of total residential project development costs, except that a New Construction Project that receives points as a Large Family, or Special Needs project pursuant to the conditions specified in Section 5230(j)(1)(A) and is located in a High or Highest Resource Area as specified on the CTCAC/HCD Opportunity Area Map shall receive 2 points for each full percent of leveraged soft resources. For purposes of this subdivision, leveraged soft resources shall have the same meaning as in Section 10325(c)(9) of the CTCAC regulations.

(i) Readiness to Proceed (10 points maximum). A project shall receive the number of points for which it is eligible pursuant to Section 10325(c)(7) of the CTCAC regulations, except that the applicant shall commit to commence construction within 180 days of the bond allocation. Projects that receive the maximum number of points pursuant to this subdivision shall submit within that time period, evidence of the issuance of building permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design-build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin), or the applicable tribal documents, and notice to proceed delivered to the contractor that meets the requirements of Section 10325(c)(7) of the CTCAC regulations. Failure to meet the 180-day due date shall result in rescission of the bond allocation or negative points.

(j) Affirmatively Furthering Fair Housing (20 points maximum).

(1) A project shall receive points in only one of the following manners:

(A) 20 points if the project receives points as a Large Family project or Special Needs project pursuant to Section 5230(g) (except the Special Needs project shall have at least 50% of its units set aside as permanent supportive housing for the homeless), is located in a High or Highest Resource Area as specified on the CTCAC/HCD Opportunity Area Map, and at least 10% of tax credit units shall be restricted at or below 30% of area median income and an additional 10% of tax credits units shall be restricted at or below 50% of area median income (except Special Needs projects shall be exempt from this 50% AMI requirement).

(B) 9 points if the project receives points as a Large Family project pursuant to Section 5230(g), is located in a Moderate (Rapidly Changing) or Moderate Resource Area as specified on the CTCAC/HCD Opportunity Area Map, and at least 10% of tax credit units shall be restricted at or below 30% of area median income and an additional 10% of tax credits units shall be restricted at or below 50% of area median income. In addition, the project shall receive up to 10 site amenity points for which it is eligible pursuant to Section 10325(c)(4)(A) of the CTCAC regulations.

(C) 9 points if the project receives points as a Large Family project pursuant to Section 5230(g), is located in a Low Resource or High Segregation and Poverty Area as specified on the CTCAC/HCD Opportunity Area Map, has income and rent restrictions:

- a) with at least a 40% AMI spread between the lowest restricted unit, which shall be no lower than 30%

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AMI, and the highest restricted unit with at least 10% of the units at the upper end of the range, provided that these upper-end restricted rents are at least 10% below market rents, and if this condition is not achievable as evidenced by the market study, or if the Low Resource or High Segregation and Poverty Area in which the project is located is adjacent to a High or Highest Resource Area, the project shall be permitted to reduce the AMI spread from 40% to 30%, but in no case shall the upper-end restricted units drop below 60% AMI, or

b) consistent with the restrictions of a public funding source that was awarded prior to December 31, 2020 and either

(i) the sponsor is one of the following:

- 1) a BIPOC that has maintained a headquarters or office within five miles of the project for a period of five years prior to the application;
- 2) a Community Housing Development Organization (CHDO) as certified by the local participating jurisdiction in which the QRRP will be located;
- 3) a sponsor who has previously developed affordable housing within the community in which the QRRP will be located in the past 20 years; or
- 4) a sponsor who has continually, during the prior 10 years preceding the application date, provided educational, health or economic development services to the community in which the QRRP will be located; or

(ii) the project is one of the following:

- 1) located within a Community Revitalization Area, or
- 2) the project is funded in part with an award from the California Department of Housing and Community Development prior to December 31, 2020.

In addition, the project shall receive up to 10 site amenity points for which it is eligible pursuant to Section 10325(c)(4)(A) of the CTCAC regulations.

(D) 9 points if the project does not receive points [as a Large Family project](#) pursuant to Section 5230~~(g)~~(j)(1)(A) through (C) and receives the maximum points for exceeding minimum income restrictions pursuant to subdivision (d). In addition, the project shall receive up to 10 site amenity points for which it is eligible pursuant to Section 10325(c)(4)(A) of the CTCAC regulations.

(2) For purposes of subparagraphs (A) to (C), a project located in a resource area designated on the CTCAC/HCD Opportunity Area Map as "Missing/Insufficient Data" shall be considered to have the designation of the adjacent resource area that shares the longest common boundary with the resource area in which the project is located.

(k) Service Amenities (10 points maximum). A project shall receive the number of points for which it is eligible pursuant to Section 10325(c)(4)(B) of the CTCAC regulations, except that projects not meeting one of the housing types specified in 10325(g) of the CTCAC regulations shall be able to choose the services provided without regard to the housing type conditions within the service amenity categories.

(l) Cost Containment (12 points maximum). A project shall receive 1 point for each full percent that the project's eligible basis is less than the project's CDLAC adjusted threshold basis limit, except that a New Construction Project that receives points as a Large Family or Special Needs project pursuant to the conditions specified in Section 5230(j)(1)(A) and is located in a High or Highest Resource Area as specified on the CTCAC/HCD Opportunity Area Map shall receive 2 points for each full percent that the project's eligible basis is less than the project's CDLAC adjusted threshold basis limit. For purposes of this subdivision, a project's CDLAC adjusted threshold basis limit shall be the project's threshold basis limit as determined pursuant to Section 10327(c)(5) of the CTCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the CTCAC regulations shall be limited to 80%.

(m) Negative Points (no maximum). (1) The Committee may deduct points for an Application involving a Project Sponsor that has been or is a Related Party to a Project Sponsor (i.e. in the

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ownership structure) for which an Allocation has been awarded as follows:

(A) Ten (10) points may be deducted for each failure to fully utilize the leveraged soft resources for which points were awarded in connection with the prior Allocation, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control or the amount not utilized is not material, or is the result of voluntarily returning leveraged soft resources due to the project being over-sourced, or if a change in federal or state law provides additional financial resources that result in a reduction in leveraged soft resources. This deduction may be assessed against the Project Sponsor for a period of up to two (2) calendar years (10 points each year) from the date on which the prior Allocation was awarded.

(B) Ten (10) points may be deducted for each failure to issue Bonds that results in the full amount of the Allocation reverting back to the Committee, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control. This deduction may be assessed against the Project Sponsor for a period of up to two (2) succeeding years (10 points each year) following the year Allocation was awarded.

(C) Ten (10) points may be deducted for each failure to spend the proceeds of Bonds issued pursuant to an Allocation in full, or in accordance with the terms and conditions of the Committee Resolution, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control, the amount not spent is not material or is consistent with the requirements of Section 5052(b), or the deviation from the terms and conditions of the Committee Resolution is not material. This deduction may be assessed against the Project Sponsor for a period of up to three (3) calendar years (10 points each year) from the date of determination of failure to spend proceeds.

(D) Ten (10) points may be deducted for failure to comply with any provision of the Committee Resolution, unless it can be demonstrated that the failure was unforeseen and entirely outside of the Project Sponsor's control. This deduction may be assessed for a period of up to three (3) calendar years (10 points each year) from the date of determination of non-compliance with the Committee Resolution.

(2) Where CTCAC has determined an Application for tax credits involving a Project Sponsor that has been or is a Related Party to a Project Sponsor who is subject to negative points under its regulations, CDLAC will deduct an equal amount of points for an equal period of time from tax exempt bond applications involving the Project Sponsor or a Related Party to the Project Sponsor.

(3) Where CTCAC has determined an Applicant for tax credits involving a Project Sponsor that has been a Related Party to a Project sponsor who is subject to any type of determination of ineligibility, CDLAC will recognize the length of ineligibility and apply it to the tax exempt bond applications involving the Project Sponsor or Related Party to the Project Sponsor.

(4) Multiple or repeated failures of paragraph (1) may result in the Committee finding Applications involving the Project Sponsor ineligible for consideration of an Allocation.

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.

**Section 5231. Ranking.**

After all of Applications for Qualified Residential Rental Projects are evaluated pursuant to section 5230, the Applications will be ranked and may be awarded an Allocation as follows:

(a) Applications for Rural Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for Rural Projects awarded the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the Rural Pool. Applications for Rural Projects not receiving an Allocation will not be eligible for consideration for an Allocation under subdivisions (b) (c)



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or (e) of this section.

(b) Applications for Preservation Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for Preservation Projects awarded the greatest number of points shall be awarded an Allocation from the Preservation Project Pool. Applications for Preservation Projects not receiving an Allocation pursuant to this subdivision will not be eligible for consideration for an Allocation under subdivision (a), (c) or (e) of this section.

(c) Applications for Other Rehabilitation Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for Other Rehabilitation Projects awarded the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the Other Rehabilitation Pool. Applications for Other Rehabilitation Projects not receiving an Allocation pursuant to this subdivision will not be eligible for consideration for an Allocation under subdivisions (a), (b) or (e) of this section.

(d) Applications for BIPOC Projects will be ranked amongst themselves, and separately from Applications for all other Qualified Residential Rental Projects. Applications for BIPOC Projects awarded the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the BIPOC Pool. Applications for BIPOC Projects not receiving an Allocation pursuant to this subdivision shall be eligible for consideration for an Allocation under subdivisions (a), (b), (c), and (e) of this section.

(e) Applications for Qualified Residential Rental Projects that are New Construction Projects, exclusive of Rural Projects will then be ranked together. Applications receiving the greatest number of points after factoring in the tie breaker pursuant to Section 5231(g), as applicable, shall be awarded an Allocation from the New Construction Pool in the following manner.

(1)(A) Set Aside application selection. Except as provided in (B), beginning with the top-ranked application from the Homeless Set Aside, followed by the Extremely Low/Very Low Income Set Aside, and the Mixed Income Set Aside, the highest scoring applications shall be awarded an Allocation. A project that meets the criteria of both the Homeless Set Aside and the Extremely Low/Very Low Income Set Aside shall be eligible for an allocation from either Set Aside. All New Construction Projects, exclusive of Rural Projects, that do not receive an allocation from a Set Aside shall be eligible for an allocation from their respective geographic region pursuant to paragraph (2). (B) For purposes of the Homeless Set Aside only, applications for projects in which 100% of the tax credit units are designated for homeless households as defined in Section 10315(b)(1) of the CTCAC regulations at affordable rents consistent with Section 10325(g)(3) of the CTCAC regulations shall be awarded an Allocation prior to any other application eligible for the Set Aside provided that such projects earn at least 95% (rounded down to the nearest whole number) of the maximum available points pursuant to Section 5230.

(2) Geographic region application selection. Bonds available in the New Construction Pool that are not reserved to a Set Aside shall be allocated to the highest ranking applications according to the geographic allocation described in Section 5022. Projects receiving an allocation in the Rural, Preservation, Other Rehabilitation, or BIPOC Pools or in the Homeless, Extremely Low/Very Low Income, and Mixed Income Set Asides shall not be counted towards the geographic apportionments.

(3) In the final allocation round of the year, any bonds remaining in any QRRP pool, Set Aside or geographic region shall be allocated to the highest ranking New Construction Project or Projects, exclusive of Rural Projects. Any such amounts shall not be added to the respective QRRP pool, Set Aside, or geographic region in the following year, nor shall any allocations pursuant to this paragraph be subtracted from the geographic allocations in the following year.

(4) At the last allocation meeting of the year, the Committee shall establish a waiting list of new Construction Projects, exclusive of Rural Projects, that have not received an allocation in the final allocation round, ordered from highest to lowest ranking. In the event that allocations are returned after the final allocation meeting and prior to the end of the calendar year, the Executive

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Director may allocate bonds to projects on the waiting list in order.

(f) If the last project allocation in a Pool, Set Aside or geographic region requires more than the bonds remaining in that Pool, Set Aside or geographic region, such overages will be subtracted from that Pool, Set Aside or geographic region in determining the amount available in the Pool, Set Aside or geographic region for the subsequent allocation round. In no case will the last project to be allocated in a Pool, Set Aside or geographic region receive an Allocation unless at least 80% of the requested Allocation for that project is remaining in that Pool, Set Aside or geographic region for that round. No project that is unable to satisfy this condition shall be skipped in favor of awarding a project that meets this condition.

Notwithstanding the foregoing, when the first or next highest-ranking project does not meet the 80% rule above, that project, as well as any subsequent projects in rank order that also do not meet the 80% rule, may be skipped over to the next highest-ranking project that meets the 80% rule. If bonds within a Pool, Set Aside or geographic region remain unallocated at the end of an allocation round, they will be added to the subsequent round amounts in the same Pool, Set Aside or geographic region. In the final allocation round of the year, the allocations within a Pool, Set Aside or geographic region shall not exceed the amount of bonds available in the Pool, Set Aside or geographic region.

(g) If two or more Applications are awarded the same total number of points, these Applications will be ranked according to the lowest amount of cost-adjusted Bond and State Credit Allocation per bedroom-adjusted units targeted at or below 100% AMI, so long as such units are rent restricted and regulated for a period of at least 30 years.

(1) The cost-adjusted Bond and State Credit Allocation shall be calculated by subtracting the product of the unadjusted Bond and State Credit Allocation request and the sum of the statewide basis delta for the county in which the project is located and the higher resource area bonus from the unadjusted Bond and State Credit Allocation request. At least ten days prior to the first application deadline of each calendar year, the Committee shall publish the statewide basis delta for each county, which shall represent the percentage difference between the two-bedroom 4% tax credit threshold basis limit for the county and the lowest-median two-bedroom 4% tax credit threshold basis limit for any county in the state as those limits are determined by CTCAC pursuant to Section 10302(rr) of the CTCAC regulations, except that the percentage difference shall not exceed 30%. A New Construction Project that receives points as a Large Family project pursuant to the conditions specified in Section 5230(j)(1)(A) and is located in a High or Highest Resource Area as specified on the CTCAC/HCD Opportunity Area Map shall receive a higher resource area bonus equal to 20%. In addition, a project that receives points as a Special Needs project pursuant to Section 5230(g) and in which at least 50% of the tax credit units are designated for homeless households as defined in Section 10315(b)(1) of the CTCAC regulations at affordable rents consistent with Section 10325(g)(3) of the CTCAC regulations shall also receive a bonus equal to 20%.

(2) To calculate a project's per bedroom adjusted units, the Committee shall first multiply the number of units of each bedroom count by the adjustment factor for units of that bedroom count. A project's per bedroom adjusted units shall be the sum of each of these products. The adjustment factors shall be:

- (A) .9 for a studio unit.
- (B) 1 for a 1-bedroom unit.
- (C) 1.25 for a 2-bedroom unit.
- (D) 1.5 for a 3-bedroom unit up to no more than 30% of the total units, then such additional units shall be counted as 2-bedroom units
- (E) 1.75 for a 4-bedroom or larger unit up to no more than 10% of the total units, then such additional units shall be counted as 2-bedroom units

(3) For Allocations made in 2022 and beyond, the provisions in this Section (f) shall be amended to a formula which will measure the total amount of State of California investment in the Project relative to the public benefit produced by the Project.

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c),

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8869.85(a), and 8869.85(b), Government Code.

**Section 5700-Definitions.** ~~To the extent any of these definitions conflict with definitions set forth in Government Code section 8869.82 and Chapter 1 of these regulations, the definitions contained in this section 5700 shall apply to this Chapter 13:~~

~~“Chartering Authority” means a State educational agency, local education agency, or other public entity that has the authority pursuant to State law to authorize or approve a Charter School.~~

~~“Public elementary school” means a nonprofit institutional day or residential school, including a public elementary charter school, which provides elementary education, as determined under State law.~~

~~“Public secondary school” means a nonprofit institutional day or residential school, including a public secondary charter school, which provides secondary education, as determined under State law, except that such term does not include any education beyond grade 12.~~

~~“Qualified Public Educational Facility” means any school facility which is part of a Public Elementary School or Public Secondary School, and owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local education agency pursuant to Internal Revenue Code § 142(k)(2).~~

~~“Qualified Public Educational Facility Bond Application” (hereafter “Application”) means the “Application for an Allocation of the State Ceiling on Qualified Private Activity Bonds for a Qualified Public Educational Facility Bond Project” (QPEFB Revised 3-15-2018), which is hereby incorporated by reference.~~

~~“Qualified Public Educational Facility Bonds” (QPEFB’s) are tax-exempt private activity bonds issued to finance the construction, rehabilitation, refurbishment, or equipping of a Qualified Public Education Facility.~~

~~“Qualified Public Educational Facility Project Sponsor” (hereafter “Project Sponsor”) means a private, for-profit corporation that undertakes the financing or refinancing of a qualified public education facility in conjunction with a school district, charter school, county office of education, or community college district in compliance with IRC section 142(k).~~

~~“School Facility” means any school building; any functionally related and subordinate facility and land with respect to such building, including any stadium or other facility primarily used for school events; and any property to which Internal Revenue Code § 168 applies or would apply but for section 179, for use in such a facility.~~

~~Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.~~

**Section 5710-Application Process.** ~~Applications for an Allocation of the Qualified Public Educational Facility Bond Pool shall be considered in accordance with the provisions of Chapters 1 and 13 the submission of an Application.~~

~~Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.~~

**Section 5711-Allocations.**

- (a) ~~The Committee may award a Qualified Public Educational Facility Bond Allocation to the California School Finance Authority (“CSFA”) for the purposes of:
  - (1) ~~administering the Qualified Public Educational Facility Bond Pool. In awarding the Allocation to CSFA, the Committee will authorize CSFA to allocate portions of the~~~~

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~~award to Project Sponsors for purposes of issuing Bonds; or~~  
~~(2) sub-awarding Qualified Public Educational Facility Bond Allocation to Applicants on behalf of the Committee. In awarding the Allocation to CSFA, the Committee will authorize CSFA to transfer portions of the Allocation to Local Issuers and the CIEDB for purposes of issuing bonds under the Qualified Public Educational Facility Bond Program.~~

~~(b) The Committee may also directly award a Qualified Public Educational Facility Bond Allocation to Applicants for purposes of issuing bonds in connection with a specific project in compliance with this Chapter.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84, Government Code.

**Section 5720. Project Readiness.** ~~The Applicant must provide evidence of Project readiness to the satisfaction of CSFA. The Applicant must provide the following readiness information as applicable:~~

- ~~(a) A description of the Project(s) that will be financed with the bond proceeds;~~
- ~~(b) Estimated beginning and ending date of Project construction;~~
- ~~(c) Evidence of site control as described in section 5190;~~
- ~~(d) For Projects involving charter schools, a copy of the charter or other evidence that a charter is in place, and evidence that the school is in good standing with its Chartering Authority; and~~
- ~~(e) Evidence of a public-private partnership agreement for the Project that complies with the requirements of Internal Revenue Code section 142(k)(2).~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.

**Section 5721. Permits.** ~~The Applicant must provide documentation of the applicable discretionary-use permits and approvals from local planning agencies, as described in section 5190(b), for the proposed Project at the time of application.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.

**Section 5722. Eligibility Requirement.** ~~Projects financed with an allocation of Qualified Public Education Facilities Bonds shall comply with the Political Reform Act and Government Code section 1090 at the time of application and throughout the life of the bonds.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), Government Code.

**Section 5730. Specific Reports.** ~~CSFA will report each transfer of Allocation to the Executive Director of the Committee. Applicants receiving Allocation, including CSFA where it serves as the issuer, under the Program shall comply with the reporting requirements contained in article 11 of chapter 1.~~

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.

**Section 5731. Regulatory Compliance.** ~~An Applicant that receives an allocation of Qualified Public Educational Facility Bonds must enter into a regulatory agreement with the Project Sponsor that requires the Project to be used for public school purposes for the life of the bonds. At a minimum, the regulatory agreement shall be recorded against the property and include the following:~~

- ~~(a) Language incorporating by reference the CDLAC allocation resolution and all of its terms and conditions;~~
- ~~(b) A term consistent with the CDLAC allocation resolution and, at a minimum, be no less than the~~

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~~term of the bonds;~~

- ~~(c) Include all applicable requirements contained in 26 U.S.C. section 142 and Education Code section 17170, et seq.;~~
- ~~(d) A requirement that the Project be maintained for public school purposes during the life of the bonds;~~
- ~~(e) Designate CDLAC to receive notice of changes in ownership, Issuer, school that utilizes the Project, and Project name; and~~
- ~~(f) Designate CDLAC to receive all notices regarding defaults associated with the bonds; and~~
- ~~(g) Language reflecting that Projects financed with an allocation of Qualified Public Education Facilities Bonds shall comply with the Political Reform Act and Government Code section 1090 throughout the life of the bonds.~~

~~Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a) and 8869.85(b), Government Code.~~