

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 5035, Preliminary Recommendations
- Title 4, Section 5180, Application Process

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).

Pursuant to Title 4, § 5610 applicants must meet minimum requirements to receive a bond allocation. Those minimum requirements are self-scored in terms of points. CDLAC encourages all applicants to use the QRRP Self-Scoring Worksheet that is provided on the CDLAC website. In competitive rounds, scores are used to rank order applications to award allocation until the round limit is met. Applicants and developers, have asked to see the score ranking as an early preliminary posting so they could see if their projects have a better chance a getting selected for an award. During a Competitive Application process an applicant can be awarded additional points based on additional criteria.

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Application scoring currently exist, however, the name of the worksheet is not mentioned in any section of CDLAC regulations. CDLAC is proposing changes to Title 4, § 5035 to name the worksheet. Inserting the name of the worksheet in the regulations would reinforce existing staff practices of encouraging applicants to use all available resources to benefit their application.

During open rounds, CDLAC staff communicate with the applicants to help provide sufficient application information to recommend a project to the committee. In competitive rounds, CDLAC staff communication with applicants is limited. CDLAC recognizes that all application items may be available from the applicant that may not have been initially received and therefore, with these items available at hand, 1 business day should be sufficient time to accommodate identified application deficiencies and provide a complete application for the applicants and allow CDLAC staff to execute a complete project review. CDLAC is proposing changes to Title 4, § 5180 to allow 1 additional business day to applicants to cure any identified application deficiencies.

In collaboration with the changes to Section 5180 CDLAC is proposing changes to Title 4, § 5000 to eliminate and replace the following statement:

“The Committee will not consider documentation for an award of points submitted after the Application deadline, nor will the Committee review an incomplete Application except to determine whether the Application is complete.”

Eliminating the existing statement and replacing with the proposed change will provide a more consistent, complete and clear explanation as to what an incomplete application is and how it's deemed incomplete.

CDLAC believes these proposed changes will benefit each applicant and consequently California residents in need of affordable housing. The proposed changes to Sections 5035, 5000, and 5180 are compatible and consistent with the existing CDLAC regulations.

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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

The Executive Director of the Committee has determined that the 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 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. 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.

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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. The California School Financing Authority maintains that its facility funding programs do not have any private sector cost impacts.

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**