

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE REGULATIONS
(Adopted 11-30-2018)

“Extra Credit Teacher Home Purchase Program Pool” means the reserve of the State Ceiling established by the Committee for the Extra Credit Teacher Home Purchase Program.

“Federally Bond-Restricted Units” are Project units that are restricted pursuant to 26 U.S.C. Section 142 (d)(1)(A) or (B).

“General Project Pool” means a reserve within the Qualified Residential Rental Project Pool that may be established by the Committee that does not include either Rural Projects or Mixed Income Projects.

“Governmental Bond” means a Bond issued by or on behalf of a governmental entity that is not considered a Qualified Private Activity Bond.

“Investor Representation Letter” means a letter from initial investors of a Bond offering that includes but is not limited to a certification that they reasonably meet the standards of a Sophisticated Investor or Qualified Institutional Buyer, that they are purchasing Bonds for their own account, that they have the sophistication to evaluate the merits and risks of the investment and suffer a loss of the investment, that they have been furnished all the information which they and their advisers requested on the offering and have had an opportunity to ask questions relating to that information, and other such matters.

“Issuer” means an entity empowered to issue Bonds.

“Job Creation” means new permanent full-time jobs created by the Project Sponsor. The number of jobs created shall be calculated after deducting any jobs within the State that are eliminated by the company. Job Creation must be met within two (2) years following the completion of the Project. The Job Creation requirement may be monitored by CIEDB utilizing California Employment Development Department employment statistics.

“Job Wage” means the average hourly general manufacturing wage for the Metropolitan Statistical Area in which a Project is located, based on the Bureau of Labor Statistics Series Code from the California Employment Development Department. If a Project is not located in an area for which the Employment Development Department keeps hourly wage data or not located in a defined Metropolitan Statistical Area, the closest comparable area in which hourly wage is available may be used.

“LEED Certified” means Leadership in Energy & Environmental Design certification by the U.S. Green Building Council.

“Local Issuer” means a local government entity that issues Mortgage Revenue Bonds or Mortgage Credit Certificates for Single Family Housing Programs or small-issue industrial development Bonds or a joint powers authority that issues small-issue industrial development Bonds on behalf of a local government entity.

“Market Study” means a comprehensive document prepared by a third party which contains information related to the Project’s market area.

“Metropolitan Statistical Area” means the geographic entity defined by the U.S. Office of Management and Budget (OMB).

“Mixed Income Project Pool” means a reserve within the Qualified Residential Rental Project Pool that may be established by the Committee.

“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.

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Section 5082. Certification of Bond Issuance. Following the Committee's receipt of a Report of Action Taken as provided in section 5142, the State Treasurer or his or her designee shall provide the Applicant with a letter certifying that the Bond issue meets the requirements of 26 U.S.C. section 146. For Mortgage Credit Certificate Applicants, this certification letter shall be provided the time that the Committee Resolution is transmitted.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.83(b), 8869.84(c), 8869.86(c), and 8869.93 Government Code.

Article 8. Expiration of Allocations

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) Ninety (90) days for the issuance of Beginning Farmer Bonds, Mortgage Revenue Bonds, Small-Issue Industrial Development Bonds, Exempt Facility Bonds, Recovery Zone Facility Bonds, Recovery Zone Economic Development 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 during a Competitive Application Process shall be assigned an expiration date of ninety (90) days, one hundred (100) days or one hundred ten (110) days.~~

~~(ii)~~ (i) Projects receiving an allocation ~~during an Open Application Process~~ shall be assigned an expiration date of one-hundred eighty (180) days or one-hundred ninety-four (194) days.

~~(iii)~~ (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 5101. Extensions to Expiration Dates. Excluding Recovery Zone Facility Bonds, Recovery Zone Economic Development Bonds, and Mortgage Credit Certificates, for Allocations awarded during an Open Application Process, the Executive Director may grant extensions of up to ninety (90) days.

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

Section 5102. Recovery Zone Bond Extensions. The Committee may extend the expiration date for the issuance of Recovery Zone Facility Bonds or Recovery Zone Economic Development Bonds by an additional thirty (30) days. The Committee may delegate this authority to the Executive Director.

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

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be ranked together. Applications receiving the greatest number of points shall be awarded an Allocation from the Qualified Residential Rental Project Pool.

(d) If two or more Applications are awarded the same total number of points, these Applications will be ranked according to the lowest amount of requested Allocation per Restricted Rental Unit (Allocation amount requested divided by number of Restricted Rental Units).

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

Section 5232. Competitive Application Process Maximum Allocation Amount. (a) For projects subject to the Competitive Application Process, the Committee will allocate no more than fifty million dollars (\$50,000,000) for any proposed Qualified Residential Rental Project. Where a proposed Qualified Residential Rental Project is located within one-fourth (1/4) mile of another Qualified Residential Rental Project involving the same Project Sponsor or a Related Party to the Project Sponsor, the Allocation amounts for the Qualified Residential Rental Projects cannot, in the aggregate, exceed fifty million dollars (\$50,000,000) within a calendar year.

(b) The Committee may waive this maximum allocation amount if the Committee determines that the demand for allocation for Qualified Residential Rental Projects is such that the maximum allocation amount is not warranted. An Applicant requesting an Allocation in excess of fifty million dollars (\$50,000,000) may seek a waiver from the Committee based on the following factors:

- (1) The Qualified Residential Rental Project qualifies as a Federally Assisted At-Risk Project; or
- (2) Documentation is provided in the Application indicating why a Qualified Residential Rental Project cannot be developed in phases at a fifty million dollars (\$50,000,000) level. The documentation must be specific and may include, but is not limited to, a site plan detailing the layout of the subject property, unit mix per stage of the phase, any unique features of the property which inhibits phasing, a description of infrastructure costs, and a cost breakdown by phases.

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

Section 5233. Allocation Limits. (a) Limit CDLAC bond allocation on a per unit basis (adjusted by the number of bedrooms) in the General and Rural Multifamily Pools as follows:

Studio and SRO:	\$402,500
One-bedroom:	\$420,000
Two-bedroom:	\$447,500
Three-bedroom:	\$492,500
Four or more bedroom:	\$517,500

(b) Private Activity Bond allocation awards cannot exceed 60% of the aggregate basis of any building(s) and the land on which the building(s) is (are) located, without the express written consent of the Executive Director.

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

Article 9. Supplemental Allocation

Section 5240. Supplemental Allocation Process. (a) Requests for Supplemental Allocations may be submitted electronically during any Allocation Round. Staff shall review each request for Supplemental Allocation and make a recommendation to the Committee regarding any possible award of additional Allocation. Awards of Supplemental Allocations shall be memorialized in a Committee Resolution. Notwithstanding section 5241, all requirements imposed on the initial Allocation, including, but not limited to, expiration of Allocation, Bond issuance deadlines, extensions, transfers of Allocation, carry-forward elections and reporting will be equally applicable to Supplemental Allocations.

(b) Requests for Supplemental Allocation submitted during Allocation Rounds conducted under an Open Application Process may be made with a Supplemental Allocation Request Letter if the Project