



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

915 Capitol Mall, Room 311
Sacramento, CA 95814
p (916) 653-3255
f (916) 653-6827
cdlac@treasurer.ca.gov
www.treasurer.ca.gov/cdlac

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EXECUTIVE DIRECTOR
Sean L. Spear

To: Interested Parties
From: Sean L. Spear, Executive Director
Date: August 2, 2013

Re: GUIDANCE FOR HUD 223(f)-LIHTC PILOT PROGRAM PROJECTS APPLYING TO CDLAC FOR BOND ALLOCATION

Last year, CDLAC adopted permanent regulations designed to facilitate QRRP projects seeking to make use of both HUD financing programs and private activity tax-exempt bonds under the Qualified Residential Rental Program (QRRP). Sections 5255 and 5256 of the CDLAC Regulations provide for CDLAC to review qualifying HUD financed projects applying in an open-competitive period to undergo an over-the-counter application review and receive a staff-issued Forward Commitment Letter for inclusion in the project's final HUD assistance application. Once HUD approves the project, the project will be considered for final approval at the next available CDLAC Meeting.

With the recent introduction of the HUD 223(f)-LIHTC Pilot Program, project applicants under this program are not required by HUD to have a CDLAC Forward Commitment Letter included in their application, and HUD may often times approve the project in less than 60 days. These facts may present an unnecessary delay to the project following the HUD approval since the CDLAC application deadline and subsequent CDLAC Meeting date may occur several weeks later. To avoid this delay, the Applicant and Project Sponsor(s) of these projects are strongly encouraged to follow these steps:

1. Schedule & Hold the HUD Concept Meeting for the subject project;
2. Secure the MAP Lender 'Commitment Letter';
3. Submit a Complete CDLAC Application *at the same time* as the HUD Application Submission – **Be sure to identify the Application as a Forward Commitment Request (check the box on Page 1 of the QRRP Application);**
4. CDLAC & TCAC will attempt to review in time for the next available Committee

meeting (approximately 4 weeks) and issue a standard Forward Commitment Letter for the Project Sponsor's reference (confirming that the application is ready to be considered at the next available CDLAC Meeting); and

5. Immediately forward the HUD Firm Commitment Letter to CDLAC and TCAC once it is received – CDLAC & TCAC will agendaize the project for Committee Approval.

Following this process will ensure that the CDLAC approval follows the HUD Firm Commitment as closely as possible. As a result, the project will have the best possibility of issuing its bonds by the HUD closing deadline.

Should you have questions regarding the information, please do not hesitate to contact the CDLAC office at (916) 653-3255.