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MEMORANDUM

To: Interested Parties

From: California Debt Limit Allocation Committee (“CDLAC” or “Committee”)

Date: December 27, 2024

RE: BIPOC Pool Prequalification Process

Through rulemaking in 2020, the Committee established the Black, Indigenous, or Other People of Color (“BIPOC”) Pool within the Qualified Residential Rental Project (QRRP) set-aside after identifying a need to create an equitable path to affordable housing development capital for historically marginalized developers.

To compete in the BIPOC Pool, CDLAC Regulations require applicants to prequalify as a BIPOC Project¹ by submitting a complete BIPOC Pool Prequalification Request Form (“Form”) at least fifteen (15) business days prior to the applicable QRRP application due date. The CDLAC Executive Director will respond to complete Forms within 10 business days and may request clarification or additional documentation as needed. You are encouraged to review the full regulatory requirements of the prequalification process in CDLAC Regulation 5231. The Form is attached here and available on the CDLAC website at: <https://www.treasurer.ca.gov/cdlac/py.asp?year=2025>.

A prequalification approval letter must be included in any application submitted for a QRRP allocation round where the applicant intends to compete in the BIPOC pool. The prequalification will remain effective for future applications provided the project, Project Sponsor, General Partners, and Developer(s) listed in the BIPOC Prequalification Request Form are the same. CDLAC reserves the right to rescind any prequalification approval letter upon receipt or discovery of information demonstrating the applicant no longer qualifies for the BIPOC pool.

Please reach out to CDLAC@treasurer.ca.gov with any questions.

¹ As defined in CDLAC Regulation 5170.



BIPOC Pool Prequalification Request Form

At least 15 business days prior to the Qualified Residential Rental Project (QRRP) application due date for an allocation round in which an applicant intends to compete as a BIPOC Project, the applicant shall submit this BIPOC Pool Prequalification Request Form (“Form”) and supporting documentation certifying the Project Sponsor is a BIPOC Entity and the project is a BIPOC Project.² Forms must be submitted via e-mail to the attention of the CDLAC Executive Director at CDLAC@treasurer.ca.gov.

Project Information:

Project Sponsor:

General Partners:

Developer(s):

Project Name:

Allocation Round:

BIPOC Entity Certification:

A BIPOC Entity is at least 51% owned, managed, and controlled by one or more Black, Indigenous, or Other People of Color (“BIPOC”) or by a non-profit organization with a BIPOC Executive Director/Chief Executive Officer and board membership that is at least 51% BIPOC (***initial next to each item***).

The Project Sponsor is a BIPOC Entity.

The BIPOC Entity/Project Sponsor is not owned, managed, or controlled by a non-BIPOC Entity, regardless of legal relationship between the entities.

Please submit either of the following to confirm the Project Sponsor is a BIPOC Entity:

- 1) The 2020 U.S. Census form that identifies the relevant person(s) 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.

Census forms **must** be provided for the individuals constituting the “at least 51%” ownership, manager, or controller requirement or, for non-profits, the Executive Director/CEO and board membership requirement

² As these terms are defined in CDLAC Regulation 5170.



and be accompanied by a narrative explaining how these persons constitute at least 51% of the entity's leadership; or

- 2) Minority Business Enterprise (MBE) Certification for the BIPOC Entity from one of the organizations listed below, or an alternate organization subject to Executive Director approval:
 - California Public Utilities Commission (<https://sch.thesupplierclearinghouse.com/>).
 - National Minority Supplier Development Council, Inc. (<https://wrmsdc.org/certified-mbe/>).
 - City and County of San Francisco Local Business Enterprise (<https://www.sf.gov/get-certified-lbe>).
 - City of Los Angeles Bureau of Contract Administration (https://bca.lacity.gov/Uploads/cca/MBE_WBE_CERT_Application.pdf).

BIPOC Project Certification (*initial next to each item*):

This is a Qualified Residential Rental Project that is either a New Construction Project, Rural Project, Preservation Project, or Other Rehabilitation Project, as defined in the CDLAC Regulations.

The project's partnership agreement will allocate at least 51% developer fee, cash flow, and net sale proceeds to the BIPOC Entity.

The project's partnership agreement will provide the BIPOC Entity an option to purchase the development.

CDLAC staff will be notified if there are any changes to the ownership structure, including additions of any special limited partnerships.

The project meets one of the following three general partner experience requirements (*initial only one*):

This project does not include any principal, partner, affiliate, parent organization, or member of the sponsor entity that is eligible to receive maximum General Partner Experience points pursuant to Section 10325(c)(1)(A) of the California Tax Credit Allocation Committee regulations.

A principal of the BIPOC Entity is eligible to receive maximum General Partner Experience points, but is no longer employed by the developer of, or no longer has an ownership interest in, the project(s) which form the basis of their maximum General Partner Experience points.



The nonprofit managing general partner receiving maximum General Partner Experience points is (1) eligible under 501(c)(3) of the Internal Revenue Code, (2) not receiving more than 10% of the economic interests of the Project, which include developer fee, cash flow, and net sale proceeds, and (3) the BIPOC Entity qualifies for General Partner experience points pursuant to CDLAC Regulation Section 5230(f)(1)(C).

CERTIFICATION:

To the best of my knowledge, I certify the information provided herein is accurate and complete and the above-named project qualifies as a BIPOC Project under the CDLAC Regulations. I further understand that providing false or misleading information may result in disqualification from the allocation round, rescission of a bond allocation made pursuant to representations contained herein, and/or the issuance of negative points in future allocation rounds.

Name of Project Sponsor

Signature of Project Sponsor Representative

Printed Name

Title

Date