

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

September 20, 2017

REVISED

Consideration and Approval of an Amendment to the Proposed CDLAC Regulations for Submittal to the Office of Administrative Law for Emergency and Regular Rulemaking Consideration (Agenda Item No. 4)

ACTION:

Approval of an amendment to the proposed CDLAC Regulations changes related to the Qualified Public Educational Facility Bond (“QPEF”) Program for submittal to the Office of Administrative Law for emergency and regular rulemaking consideration.

BACKGROUND:

CDLAC will submit, if approved by Committee, a request for emergency approval of the proposed regulation changes to the Office of Administrative Law on September 28, 2017 with an anticipated approval and adoption date of October 9, 2017.

On July 19, 2017, the Committee approved proposed changes to the CDLAC Regulations related to the new QPEF program. Staff indicated that if any significant changes were made to the proposed regulations, staff would return to the Committee.

The purpose of the amendment described below is to ensure QPEF program applicants and sponsors comply with laws related to conflicts of interest.

PROPOSED REVISIONS:

Chapter 13. Qualified Public Educational Facility Bond (QPEFB) Program

Article 4. Reporting and Regulatory Requirements.

Section 5722. Eligibility requirement. Projects financed with an allocation of Qualified Public Education Facilities Bonds shall comply with the Political Reform Act, Government Code section 1090, and other state conflicts of interest laws at the time of application and throughout the life of the bonds.

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 term of the public-private partnership agreement or the bonds, whichever period is longer. 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 term of the public-private partnership agreement or the bonds, whichever is longer;
- (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 term of the regulatory agreement;
- (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.
- (g) Language reflecting that Projects financed with an allocation of Qualified Public Education Facilities Bonds shall comply with the Political Reform Act, Government Code section 1090, and other state conflicts of interest laws throughout the life of the bonds.

(g) Necessity: This subsection is added to ensure Applicants and Project Sponsors comply with laws related to conflicts of interest.

Forms to be Incorporated by Reference

“Application For an Allocation of the State Ceiling on Qualified Private Activity Bonds for a Qualified Public Educational Facility Bond Project”

Necessity: PART IX was added to require project sponsor compliance with laws related to conflicts of interest.

“APPLICATION DOCUMENTS CHECKLIST”

Necessity: Attachment K was added to the Checklist to ensure applicants complete and submit this new certification form with their application.

“OPEF CERTIFICATION OF COMPLIANCE” as Attachment K to the OPEF application

Necessity: Attachment K was added to require Project Sponsor’s signed certification of compliance with laws related to conflicts of interest.

DISCUSSION:

Should the Committee approve these proposed revisions, staff will submit the emergency rulemaking package to OAL immediately following the 5-day pre-notice period. A 5-day public comment period will commence on the day of submittal, with possible enactment of the regulations within 5 days thereafter. If approved as scheduled, the Emergency Regulations would be in place in time for the December 13, 2017 Application Round. All consequential public comment will be considered by staff and may result in reevaluation of the proposed regulations. Should this occur, staff will withdraw its emergency rulemaking package from OAL and provide updated proposed regulations to the Committee on November 15, 2017 for further consideration.

RECOMMENDATION:

Staff recommends approval of the proposed CDLAC Regulations for submittal to the Office of Administrative Law for emergency and regular rulemaking consideration.

Prepared by: Ruben Barcelo

FORMS



STATE OF CALIFORNIA

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

915 CAPITOL MALL, ROOM 311
SACRAMENTO, CA 95814
TELEPHONE: (916) 653-3255
FAX: (916) 653-6827
www.treasurer.ca.gov/cdlac

Laura Whittall-Scherfee
Executive Director

MEMBERS

John Chiang,
Chairman
State Treasurer

Edmund G. Brown Jr.
Governor

Betty Yee
State Controller

FOR CDLAC USE ONLY
Application No. _____
Analyst: _____

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A QUALIFIED PUBLIC EDUCATIONAL FACILITY BOND PROJECT

APPLICANT: _____

PROJECT SPONSOR (Borrower): _____

PROJECT NAME: _____

We, the undersigned, hereby make Application to The California Debt Limit Allocation Committee (“CDLAC”) for the purpose of providing a Qualified Public Educational Facility Bond (“QPEFB”), as described herein.

We agree it is our responsibility to provide CDLAC with a complete application submitted in .pdf format via e-mail to cdlac@treasurer.ca.gov, accompanied by a check made payable to CDLAC in the amount of \$1200, and a completed Performance Deposit Certification form. We understand that succinct answers providing the requested information are required. We understand that if additional space is required, each additional page will be clearly labeled. We agree that it is also our responsibility to provide all information that is deemed by CDLAC to be necessary to evaluate our Application. We understand that CDLAC may verify information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. We recognize that we have a duty to inform CDLAC when any information in the Application or supplemental materials is no longer true and to supply CDLAC with accurate information.

We represent that we have read all Government Code sections relevant to the CDLAC Regulations Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (“Regulations”). We acknowledge that CDLAC recommends that we seek advice from bond counsel.

We acknowledge that all materials and requirements are subject to change by enactment of federal or state legislation.

In carrying out the development and operation of the proposed project, we agree to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all CDLAC program requirements. We acknowledge that our Application will be evaluated based on federal and state statutes and regulations pertaining to Qualified Private Activity Bonds for Qualified Public Educational Facility Projects and the CDLAC

Regulations, which identify the minimum requirements, evaluation criteria, priorities and other standards which will be employed to evaluate Applications.

We acknowledge the information submitted to CDLAC in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. We understand that CDLAC may make such information public. CDLAC will maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Project Sponsor declares under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of its knowledge and belief. The Applicant declares that the information contained in PARTS I and II of the Application is true and correct to the best of its knowledge and belief, and as to information contained in the Application, exhibits, attachments, and further or supplemental documentation provided by the Project Sponsor, the Applicant is not aware of any information that would cause the Applicant to believe that the Application contains any untrue information or omits to state any material information. We understand that misrepresentation may result in the cancellation of an Allocation, and other actions which CDLAC is authorized to take.

The Project Sponsor certifies that the project can be completed within the development budget and the development timetable set forth in our Application. The Project Sponsor further certifies that the proposed project can be operated in the manner proposed within the operating budget set forth in the Application.

The Applicant certifies that it is in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of its business.

We agree to hold CDLAC, its members, officers, agents, and employees harmless from any matters arising out of or related to the awarded Allocation.

We acknowledge that all Application materials are to be submitted **by 4:00 p.m.** on the appropriate date.

The California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

Signature of Applicant's Senior Official

Signature of Project Sponsor

Print Name

Print Name

Title

Title

Date _____

Date _____

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac.htm> or by calling the Committee at (916) 653-3255

The California Debt Limit Allocation Committee complies with the Americans with Disabilities Act (ADA). If you need additional information or assistance, please contact the Committee at (916)653-3255 or TDD 916/654

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A QUALIFIED PUBLIC EDUCATIONAL FACILITY BOND PROJECT

All references to federal statute are cited for information only. Bond Counsel must be consulted as the requirements are subject to change.

PART I – FINANCING TEAM INFORMATION

1. ISSUER (APPLICANT) OF BONDS

Name of Issuing Agency:

Name of Senior Official:

Title of Senior Official:

Mailing Address:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

Issuer's Federal Identification No.:

ISSUER CONTACT (staff person who can answer questions regarding this application)

Name of Staff Person:

Title of Staff Person:

Name of Agency (if different from #1 above):

Mailing Address:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

FOR QUESTION CONCERNING COMPLIANCE

Name of Staff Person:

Title of Staff Person:

Name of Agency (if different from #1 above):

Mailing Address:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

2. BOND COUNSEL

Name of Firm:

Name of Attorney:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

3. BOND UNDERWRITER

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

4. PRIVATE PLACEMENT AGENT (IF APPLICABLE)

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

5. PRIVATE PLACEMENT BOND PURCHASER (IF APPLICABLE)

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

6. CREDIT ENHANCEMENT PROVIDER

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

7. FINANCIAL ADVISOR/CONSULTANT

Name of Firm:

Name of Contact:

Mailing Address of Firm:

City:

State:

Zip Code:

Telephone: ())

Fax: ())

E-Mail:

PART II – ALLOCATION/BOND ISSUE INFORMATION

1. Amount of allocation requested: \$

2. Proposed date of bond issuance:

3. Date of inducement:

Attach (**Attachment “A”**) a copy of the adopted resolution. (See Section 5033.5 of CDLAC Regulations.)

4. Date of TEFRA hearing:

Submit (**Attachment “B”**) proof of TEFRA (public approval process required by 26 U.S.C. Section 147(f)). (See Chapter 1, Article 6 of the CDLAC Regulations)

5. Indicate whether bonds will be sold in a public offering or in a private placement:

Indicate whether the bonds will be variable or fixed rate:

If bonds carry a variable rate:

a. Identify the index:

b. How frequently will the bonds be re-marketed and by whom?

c. Is there a feature to allow a conversion to a fixed rate at some time in the future? If so, under what conditions and when?

6. Indicate by a “**YES**” or “**NO**” whether the bond issuance will be used to convert taxable debt to tax-exempt debt:

If “**YES**”, provide the date, if applicable, on which the proposed Project will lose its ability to use tax-exempt bond financing:

7. Briefly describe credit enhancement structure or private placement transaction (include, at a minimum, the construction or interim financing, if applicable, the amount, closing deadlines, security/collateral provided, guaranties, anticipated closing date, etc.):

Attach (**Attachment “C”**), if more than one commitment, label Attachments in sequential order as “**C-1**, **C-2**”, etc.) the credit enhancement commitment or commitment to purchase privately placed bonds. (See Sections 5061-5064 of the CDLAC Regulations.)

(If there will be no Credit Enhancement for the bonds, CDLAC staff may require that the Project Sponsor submit an engineering or economic feasibility study, or both. In cases where the Project Sponsor has completed such studies, the CDLAC staff may request that a review by an independent consultant, who has been approved by the CDLAC Executive Director, be completed. The Project Sponsor shall pay the fees of such independent consultant.)

8. Anticipated bond rating (see Section 5061 of the CDLAC Regulations):

	<u>Rating</u>	<u>Date Rating Anticipated</u>	
Fitch			
Moody's			
Standard & Poor's			
			Other

9. Indicate the amount of taxable bonds and other means of financing, in addition to the cash equity required by the Credit Enhancer, that will be utilized in conjunction with the requested allocation of tax-exempt bonds (See Section 5433 of the CDLAC Regulations). \$

Attach (**Attachment “D”**) documentation demonstrating that the proceeds of the taxable bonds and other means of financing, in addition to the cash equity required by the Credit Enhancer, will be used towards project expenses that are directly related to the acquisition, construction/rehabilitation, equipment purchase/installment, or operation of the proposed Project.

PART III – PROJECT SPONSOR INFORMATION

1. Please answer the following questions for both the Project Sponsor (“Borrower”) and the user of the facility, if different:

A. Official business name, address, telephone number, fax number, e-mail address and contact person:

BORROWER:

USER:

B. Any “Doing Business As” names:

C. Address of Project Sponsor’s headquarters, if different from address in “A” above:

D. Other operating locations in California:

E. The legal structure of the Project Sponsor i.e. (corporation, partnership or sole proprietorship):

Complete the appropriate section below:

Corporation

1) Officers of the Corporation

2) Major Shareholders (10% or more)

3) Date and place of incorporation

4) For publicly held corporations, stock exchange on which the company is listed. If traded over the counter or on NASDAQ, please indicate the market makers.

Partnership

1) Names and addresses of general and limited partners, and share of ownership.

2) Date of partnership.

Sole Proprietorship

1) Date and place of establishment.

F. Federal Tax Identification Number for Project Sponsor and user, including IRS Office where tax returns are filed:

G. Description of present physical facilities, including size and use of facility:

H. Other tax-exempt financings currently outstanding:

2. If the Project Sponsor or user is an owner, subsidiary or affiliated directly or indirectly with any other business or organization, indicate the relationship.

PART IV – PROJECT INFORMATION

1. Project Name:

2. Project Street Address:

City:

County:

Zip Code:

(The zip code must be included. If the project site does not yet have a street address, contact the local United States Post Office for an approximate zip code.)

Federal Congressional District in which the proposed Project is located:

State Senate District in which the proposed Project is located:

State Assembly District in which the proposed Project is located:

Census Tract in which the proposed Project is located:

3. Attach (**Attachment “E”**) a description of current improvements on the site, including age, current use and size; include pictures. If this site is currently vacant, please describe prior use.

4. Description of Proposed Project (**Attachment “F”**). Please include all of the following:

A. Brief narrative describing the purpose of project, explaining the business rationale and economic benefit to be achieved from the project.

B. Description of the project, including whether it constitutes a renovation or new construction, the number of acres to be acquired, the number of square feet to be constructed/renovated, the type of equipment being purchased, and any other pertinent information.

C. Estimated time of construction or renovation, including start date and completion date.

D. The communities to be served by the proposed facility.

E. Any other special feature of the proposed Project (i.e., new technology).

4. Costs of the Project. State the total costs associated with the acquisition of the site and construction of the proposed project, including any utilities and proposed machinery and equipment purchases. Separate the costs based on their financing sources: the left column should total the bond amount; the sum of both columns should equal the total project costs.

	To Be Paid From Bond Proceeds	To Be Paid From All Other Sources
Acquisition of Land	\$	\$
Acquisition of Existing Buildings		
Fees and Other Charges Related to Sale		
Rehabilitation of Existing Building(s)		
Site Preparation		
Construction of New Building(s)		
Utilities Connection		
Acquisition and Installation of Used Equipment		
Acquisition and Installation of New Equipment		
(a) Invoice		
(b) Installation		
(c) Other (please explain)		
Engineering/Architecture		
Legal, Permits, etc.		
Bond Issuance Expenses (including discount)		
Letter of Credit or Bond Insurance Fee		
Interest During Construction		
From to		
Interest Income During Construction		
From to		
Other (please explain)		
	Total Bond Amount	Total Other Costs
	\$	\$

PART V – MINIMUM REQUIREMENTS

Applicants are advised to read Sections 5720-5721. of the CDLAC Regulations regarding Qualified Public Educational Facility Projects before answering the following questions.

1. For projects involving charter schools, attach (**Attachment “G”**) a copy of a valid charter and evidence that the charter is in place and that the school is in good standing with its Authorized Public Chartering Agency.
2. Attach (**Attachment “H”**), if more than one attachment, label each attachment in sequential order as **“H-1, H-2”** etc.) evidence of all relevant approvals or permits relating to the project (i.e. conditional use permit, zoning variances, etc.) from federal, state or local planning agencies, other than ministerial approvals, in one or more of the following forms (identify the form of evidence by responding **“YES”** to the appropriate item):
 - A. Copies of local land use approvals which allow the discretion of local elected officials to be applied (General Plan amendments, rezoning, conditional use permits, etc.):
 - B. Documentation by a local agency that clearly demonstrates the agency’s intentions to acquire the Project Site, or a portion of the Project Site, through eminent domain proceedings:
 - C. A copy of the permit certification letter submitted to the California Pollution Control Financing Authority (CPCFA) (if used, the form should be labeled **Attachment “H”**).

PART VI – EVALUATION CRITERIA

Applicants are advised to read Section 5700 of the CDLAC Regulations regarding Qualified Public Educational Facility Projects before answering the following questions.

Section 5700 of the CDLAC Regulations defines a “Qualified Public Educational Facility” as 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 Section 142(k)(2). “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 section 168 applies or would apply but for section 179, for use in such a facility.

1. Past Program Performance

For each allocation round, programs will be evaluated based on the percentage of the previous year’s allocation used by each applicant in comparison to the percentage of the previous year’s allocation used by the other applicants in the allocation round. Provide the information requested below **and** provide evidence documenting the Program’s performance over the past three years. Applicants must demonstrate that Qualified Public Educational Facility Program Allocation from the past year has been used to issue Qualified Public Educational Facility bonds. **(Attachment I)**

Input the total allocation awarded in the previous calendar year and the total allocation used in the previous calendar year in the chart below.

a. Total allocation awarded in the previous calendar year:	
b. Total allocation used in the previous calendar year:	
c. Percentage of previous year’s allocation used (a/b):	0%

2. Proposed interest rate vs. actual interest rate

For each allocation round, programs will be evaluated and ranked based on each applicant’s deviation between the currently proposed and previous year’s actual average interest rates in comparison to the allocation round’s other applicants’ proposed and previous year’s actual average interest rates.

- a. Proposed interest rate:
- b. Previous actual average interest rate:

PART VII – LEGAL STATUS OF PROJECT SPONSOR

*If a separate sheet is used to respond to the following questions, the sheet shall be labeled **Attachment J**.*

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.

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the project sponsor that is involved in the management, operation, or development of the project.

2. Disclose any civil, criminal, or regulatory action in which the project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

PART VIII – SELLER OF PROPERTY INFORMATION

PART VIII is to be completed if bond proceeds will finance the acquisition of property.

1. Name of Property Seller:
Business Street Address:
City:
State:
Zip code:
Telephone number: ()

2. Principals, business addresses and telephone numbers of each partner comprising the Seller:

3. When is sale of property expected to close escrow?

PART IX – COMPLIANCE WITH CONFLICT OF INTEREST REQUIREMENTS

Projects financed with an allocation of Qualified Public Education Facilities Bonds shall comply with the Political Reform Act, Government Code section 1090, and other state conflicts of interest laws at the time of application and throughout the life of the bonds. By signing Attachment K, the Sponsor acknowledges compliance with these laws and agrees to include this compliance requirement in the Regulatory Agreement.

APPLICATION DOCUMENTS CHECKLIST

This checklist is provided to assist you in making sure that a completed application package is filed with the Committee. If an attachment does not apply, please write N/A in the space provided.

Your application package must contain the following:

Check Box	Document Description	Attachment Name
	Copy of \$1200 Initial Filing Fee Made Payable to CDLAC (See Section 5033(b)(2) of CDLAC Regulations)	
	<u>Signed</u> Performance Deposit Certification Form (See Section 5033(b)(1) of CDLAC Regulations)	
	Evidence of Performance Deposit (See Section 5033(b)(1) of CDLAC Regulations)	
	<u>Signed</u> Application Acknowledgment (page 2 of Application)	
	Adopted Inducement Resolution (See Section 5033 (b) (5) of CDLAC Regulations.)	A
	Evidence of TEFRA Hearing (either Adopted Resolution or Certification) (See Section 5033 (b) (6). of CDLAC Regulations.)	B
	Evidence of Credit Enhancement or Bond Purchase Commitment (See Section 5061 of CDLAC Regulations.)	C
	Evidence of Leveraging (Section 5433 of CDLAC Regulations)	D
	Description of Current Improvements on the Site	E
	Description of Proposed Project CDLAC Form	F
	Valid Charter and Evidence of Good Standing with Chartering Authority	G
	Evidence of Permits and Approvals Documentation (Section 5422 of CDLAC Regulations)	H
	Evidence of Past Program Performance (Section 5346 of CDLAC Regulations)	I
	Legal Status of Applicant and Project Sponsor	J
	<u>Certification of Compliance with Conflict of Interest Requirements</u>	<u>K</u>
	This application should be submitted in .pdf format via an e-mail to cdlac@treasurer.ca.gov	

**PERFORMANCE DEPOSIT CERTIFICATION FORM
FOR AN APPLICATION FOR AN ALLOCATION OF QUALIFIED
PRIVATE ACTIVITY BONDS**

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)
915 Capitol Mall, Room 311
Sacramento, CA 95814
(916) 653-3255

CERTIFICATION OF THE (Applicant)
REGARDING AN APPLICATION FOR QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION

In connection with the following Qualified Private Activity Bond Application:

APPLICANT:

AMOUNT OF ALLOCATION REQUESTED: \$

PROJECT NAME/PROJECT TYPE:

The undersigned officer of the (Applicant) hereby certifies as follows:

1. I, (Name), am the (Title) of the (Applicant), and am duly authorized to make the deposit required below.
2. The (Applicant) has collected and has placed on deposit in an account in a financial institution \$, dollars (write out dollar amount in words), which **equals one half of one percent** of the amount of the Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000.**
3. The deposit will be held until receipt of a written notification from the California Debt Limit Allocation Committee that the deposit is authorized to be released or forfeited, in whole or in part, pursuant to Article 5 of Chapter 1 of the Committee's Regulations.
4. To the extent that any portion of the deposit is forfeited, the Applicant agrees to send the required amount in a check made payable to "The California Debt Limit Allocation Committee." Such check shall be mailed to the Committee at the address noted above immediately upon receipt of the written notification from the Committee.
5. The undersigned has read the Regulations of the California Debt Limit Allocation Committee and understands that if a Qualified Private Activity Bond Allocation is not used for the purpose for which it was granted, the performance deposit must be forfeited to the Committee.

Signature of Senior Official

Print or Type Name

Title

Date

1. Each Applicant for a Qualified Private Activity Bond Allocation must submit evidence to the Committee that it has on deposit in an account in a financial institution an amount **equal to one half of one percent** of the amount of Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000**. Applicants are advised to read Article 5 of Chapter 1 of the Committee's Regulations.
2. The Performance Deposit Certification Form (see other side) must be filed with the Committee in conjunction with the filing of an Application and by the Application Deadline.
3. The Committee will authorize release or require forfeiture of the deposit as follows:
 - a. If the Committee provides no Allocation, or grants an amount lower than requested by the Applicant, the Committee will authorize release of the deposit or release of a pro rata amount of the deposit so that only one-half of one percent (0.5%) of the Allocation granted is on deposit;
 - b. If the Applicant uses only a portion of the Allocation granted to issue bonds (or convert the Allocation to mortgage credit certificate authority), the Committee will authorize the release of the deposit in accordance with the conditions imposed at the time of Allocation. The Committee will approve the Allocation with the deposit fully refundable if 80% or more of the Allocation is used to issue bonds prior to the expiration date. If less than 80% of the Allocation is used to issue bonds prior to the expiration date, the refundable performance deposit will be pro-rated. For Mortgage Credit Certificate Programs, if 80% or more of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the performance deposit will be refunded in full. If less than 80% of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the refundable performance deposit will be pro-rated.
 - c. If the Applicant does not use any of the Allocation to issue bonds prior to the expiration date (or convert the Allocation to mortgage credit certificate authority and issue at least one mortgage credit certificate prior to the expiration date), the entire deposit will be forfeited; and
 - d. If the Applicant or the Project Sponsor withdraws the Application in writing prior to the Committee's consideration of the Application, the performance deposit shall be automatically released and no written authorization from the Committee shall be necessary.
4. If the Applicant forfeits all or a part of a deposit pursuant to Article 5 of Chapter 1 of the Committee's Regulations, the Applicant shall send the required amount to the Committee in a check made payable to "The California Debt Limit Allocation Committee". Amounts received will be deposited in the Committee's Fund.
5. Project Sponsors bear the risk of forfeiting all or part of their performance deposit if the Allocation is not used in accordance with the conditions and timeframes set forth in the Committee Resolution.

ATTACHMENT F

DESCRIPTION OF THE PROPOSED PROJECT

The description must include:

A. Brief narrative describing the purpose of project, explaining the business rationale and economic benefit to be achieved from the project.

B. Description of the project, including whether it constitutes a renovation or new construction, the number of acres to be acquired, the number of square feet to be constructed/renovated, the type of equipment being purchased, and any other pertinent information.

C. Estimated time of construction or renovation, including start date and completion date.

D. The communities to be served by the proposed facility.

E. Any other special feature of the proposed project (e.g., new technology)

ATTACHMENT K

The following certification must be included by the Project Sponsor with an application for an allocation of the state ceiling on Qualified Private Activity Bonds for a Qualified Public Educational Facility Bond (QPEF) Project

CONFLICTS OF INTEREST CERTIFICATION

Project Name: _____

(If project has changed named since the award of allocation, please note the original project name as well as the new project name.)

Name of Project Sponsor: _____

I, _____, an Officer of the Project Sponsor, hereby certify under penalty of perjury that, as of the date of this Certification, the development of this project is in compliance with the Political Reform Act, Government Code section 1090, and other state conflicts of interest laws at the time of application and throughout the life of the bonds.

Signature of Officer _____ Date

Printed Name of Officer

Title of Officer

Phone Number