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LAURA A. WHITTALL-SCHERFEE

To: Qualified Residential Rental Program (QRRP) Applicants

From: Laura Whittall-Scherfee, Executive Director

Date: December 21, 2017

RE: Expiring 2015 Difficult Development Area ("DDA")/Qualified Census Tract ("QCT")

The purpose of this memo is to provide all 2015 DDA/QCT applicants with an update to the memo issued on April 8, 2016 by Jeree Glasser-Hedrick (the Memo). The California Debt Limit Allocation Committee ("CDLAC") wants to provide 2015 DDA/QCT projects additional time to request an allocation while preserving their status.

The Memo provided clarity on the review and approval process of the 2015 Expiring DDA/QCT application in the 2016 calendar year. The following changes are being made to the Memo:

Item #2 of the Memo outlined the allocation rounds in which applicants and sponsors could request allocation. CDLAC has extended the eligible allocation rounds to include the first two rounds of 2018, the rounds scheduled for allocation on March 21st and on May 16th. These two allocation rounds are being added with the understanding that the Federal deadline of 730 days from the CDLAC application submission date is still the date by which bonds must be issued.

Item #9 of the Memo is being expanded. Because there will not be the usual 180 days during which projects may issue bonds, sponsors must carefully consider whether they can request an allocation and still meet the Federal deadline. Projects requesting allocation during the first two rounds in 2018 will be required to issue bonds by the Federal deadline or the allocation will revert to CDLAC and the sponsor will forfeit their performance deposit and be subject to negative points pursuant to CDLAC regulations.

Thank you.

Happy Holidays to you and your family!