

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 18, 2018

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

ACTION:

Approval of proposed CDLAC Regulations for submittal to the Office of Administrative Law for regular rulemaking consideration. This is to make permanent two sets of previously approved emergency, temporary regulations.

BACKGROUND:

CDLAC will submit, if approved by Committee, a request for approval of the proposed regulation changes to the Office of Administrative Law on August 9 with an anticipated approval and adoption date of September 21.

The purpose of these regulation changes is to make permanent two sets of previously approved Emergency Regulations. The first established a new program within CDLAC in October 2017 - the Qualified Public Educational Facility Bond (“QPEF”) Program. QPEFs are tax-exempt private activity bonds issued to finance the construction, renovation, and furnishing of primary and secondary school facilities. This form of financing reduces the cost of financing for schools as interest earned by the lender is tax exempt. The second set of previously approved Emergency Regulations were established in December 2017 to simplify aspects of Qualified Residential Rental Project applications. Specifically the method by which applications for Qualified Residential Rental Project scattered sites are evaluated was simplified, the timeliness of inspections for Acquisition and Rehabilitation projects was clarified, and the use of the California Utility Allowance Calculator (CUAC) was expanded. In addition, in December 2017 the Committee approved Emergency Regulations allowing for a special allocation meeting and process in order to maximize allocation activity in advance of a potential elimination of Private Activity Bonds by Congress. The regulation package presented to Committee today repeals that section.

PROPOSED REVISIONS:

Forms to be Incorporated by Reference

“Annual Applicant Public Benefits and Ongoing Compliance Self-Certification”

Necessity: The form requires modification for consistency with the addition of the newly proposed Qualified Educational Facility Program.

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

Necessity: The form has been created to provide a method for applicants to apply to CDLAC to receive an allocation of Qualified Public Educational Facility Bond Allocation.

“Certification of Compliance II for Non-Qualified Residential Rental Projects”

Necessity: The form requires modification for consistency with the addition of the newly proposed Qualified Educational Facility Program.

“Standard QRRP Application”

Necessity:

- Page 1: Remove the letterhead. The information contained in the letterhead is more frequently updated on CDLAC’s website.
- Pages 2, 36 and 39: Allow a designee of the Applicant’s Senior Official to sign on behalf of the Senior Official. This will allow those individuals with delegated signature authority by a joint powers authority to sign without having to name the designee a Senior Official.
- Page 5, item #4: Add confirmation that valid bond issuance and post-issuance compliance policies, approved within the past ten years, have been submitted to CDLAC. If the policies have not been submitted to CDLAC, the Applicant is required to provide an explanation. This information is necessary because CDLAC added a requirement to the regulations. See Section 5031(c).
- Page 7, item #6: Include the manager’s unit in the CDLAC application for high-cost calculations. The manager’s unit is now included in the estimated per unit cost because it is part of the cost of construction.
- Page 11, item #6: Delete a clause requiring scattered site projects to submit separate tables for each location. This change is necessary to be consistent with the amendment to Section 5250.
- Page 12, Table 1: Remove an extraneous “of” from the sentence beginning “Projects currently subject...” Also add a closed parenthesis following “Section 5230(b)(3)” for proper punctuation formatting.
- Page 23 to 24: On the documents checklist, in the document description regarding Attachment C, C-1, *etc.*, the statement regarding providing Tables 1 and 2 for each location for scattered site projects is being repealed due to the repeal of this requirement elsewhere in this rulemaking. Attachments D, or D-1, D-2, *etc.*, require the Commitment Letter to include the lender’s letterhead as evidence of authenticity. Attachment E-3 the document description is being revised to more accurately describe the information required on this attachment. Lastly, to reconcile with other instances in the regulations the distance CDLAC requires a QRRP project to be from a public transit corridor for points, item T-1 is being revised from ¼ mile to 1/3 of a mile. This was partially addressed in the prior round of regulation revisions. The corresponding item on the documents checklist needs to be updated accordingly.
- Page 27: This attachment requires the Applicant to provide information regarding the disposition of current outstanding liens, including the lender/loan, the amount, the disposition, and the corresponding exception number from Title. The information requested in this attachment is needed to reconcile outstanding liens recorded against the property and listed in the development budget.
- Pages 36 and 39: Information was added to clarify that, for the purpose of the licensed architect’s certification, the word “certify” has the same meaning as set forth in Business and Professions Code Section 5536.26.
- Additionally, other non-substantive grammatical and punctuation changes were made for consistency and formatting purposes.

“26 CFR Section 1.42-10” (4-1-17)

Necessity: As part of updates to CDLAC’s usage of the California Utility Allowance Calculator in Section 5230. Evaluation Criteria, subsection (d)(1)(B)2., regulations state that “revised utility allowances shall be validated by”... “A current utility allowance estimate consistent with 26 CFR section 1.42-10”. Therefore that portion of the Code of Federal Regulations (CFR) is incorporated by reference into CDLAC’s regulations.

Chapter 1, Article 1, Section 5000. Definitions

“Annual Applicant Public Benefits and Ongoing Compliance Self-Certification (Revised 9/20/17)”

Necessity: The existing form was modified for consistency with the addition of the newly proposed Qualified Educational Facility Bond Program. The revised date of the form was updated to 09-20-17 to ensure that only the most recent edition of the form is used for compliance verification.

“Bond Regulatory Agreement” means the agreement between the Issuer, Project Sponsor, and any third party related to the ownership, financing, and management of a proposed Qualified Residential Rental Project or Qualified Public Educational Facility Project that binds the parties to the commitments made in the Application that resulted in the Allocation for the Project and any other requirements mandated by 26 U.S.C. section 142.

Necessity: The amendment of this definition is required to ensure the regulatory agreement associated with all Qualified Public Education Facility transactions is included in the broader definition of a regulatory agreement.

“Certification of Compliance II for Non-Qualified Residential Rental Projects”

Necessity: The existing form was modified for consistency with the addition of the newly proposed Qualified Educational Facility Bond Program. The revised date of the form has been updated to 09-20-17 to ensure that only the most recent edition of the form is used for compliance verification.

“CSFA” means the California School Finance Authority.

Necessity: To define an acronym used throughout these regulations in relation to the Qualified Public Educational Facility Bond program.

“Placement Agent or Underwriter Statement”

Necessity: Added the words “or Underwriter” to the definition, and “non-binding” in the phrase “a summary of the firm’s non-binding initial underwriting review”. The first change is proposed to address instances where it would be appropriate for an underwriter as opposed to a placement agent to provide a summary of the proposed bond structure. Therefore the existing Placement Agent Statement term has been expanded to include “or Underwriter Statement”. The second change, incorporating “non-binding” is to clarify that this is an initial, non-committal underwriting review. This proposed change is made in response to requests from Issuers during outreach meetings.

“Qualified Public Educational Facility Bond Pool” means the reserve of Qualified Public Educational Facility Bonds established by the Committee for Qualified Public Educational Facilities pursuant to IRC section 142(k).

Necessity: The proposed language introduces the concept of creating a pool of resources specific to the Qualified Public Educational Facility Bond Pool for the purposes of allocating the resource.

“State Ceiling” means the amount of Qualified Private Activity Bonds that can be issued in California for each calendar year specified by 26 U.S.C. section 146(d), the amount of Qualified Public Educational Facility Bonds that can be issued in California for each calendar year specified by 26 USCA section 142(k), and the amount reserved to California pursuant to sections 1112 and 1401 of the American Recovery and Reinvestment Act of 2009 as established by and announced by the Committee in accordance with article 2 of this chapter.

Necessity: The amendment of this definition provides clarity that the Qualified Public Educational Facility allocation to be incorporated into the definition of State Ceiling.

Article 3. State Ceiling Pools

Section 5020. Determination of State Ceiling Pools.

(j) Determine and announce what amount, expressed both as a percentage and as a dollar amount, of the Qualified Public Educational Facility Bonds State Ceiling that shall be available for allocation during the year and in each Allocation Round to the Qualified Public Educational Facility Bond Program.

~~(j)~~(k) The Committee shall sub-allocate resources to any particular pool in a manner that is consistent with maximizing public benefits associated with the use of allocation.

Necessity: Subsection (j) is being amended to provide that CDLAC will determine the State Ceiling for and Qualified Public Educational Facility Bonds State Ceiling available for allocation during the calendar year. The original subsection (j) is being renamed subsection (k) as it follows the new subsection.

Section 5033. Minimum Application Requirements

Necessity: In subsection (b)(5)(C) CDLAC proposes moving the words “copy of the” from after to before the words “fully executed” for clarification on requirements regarding a TEFRA Resolution. In the next sentence, beginning with “If the Applicant is a JPA”, CDLAC proposes striking “at the” as it is duplicated.

Section 5035. Preliminary Recommendations

Necessity: The phrase “During competitive rounds, the list will be” is proposed to be added prior to “in ranked order”. The reason for the change is that during non-competitive rounds, the ranking of applications by points does not provide information of value, so long as those applications passed the threshold requirement for points.

Section 5037. Final Recommendations

Necessity: The sentence “During competitive rounds the list will be in ranked order.” is proposed to be added. The reason for the change is that during non-competitive rounds, the ranking of applications by points does not provide information of value, so long as those applications passed the threshold requirement for points.

Section 5054. Filing Fees.

Necessity: Insert a comma in the fee “\$1200” for consistency with application forms.

Section 5060(1). Minimum Requirements

Necessity: CDLAC proposes revising the word “issues” to “issued” as it was a misspelling in this context.

Article 8. Expiration of Allocations

Section 5100. Program Expiration Dates.

(b)(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, Qualified Energy Conservation Bonds and the conversion of Bonds to Mortgage Credit Certificate authority.

Section 5101. Extensions to Expiration Dates

Necessity: Revise wording by adding the word “for” before “Allocations” as it’s currently awkward.

Section 5102. Recovery Zone Bond Extensions

Necessity: The proposed regulations will clarify the existing 30-day extension option.

Section 5120. Transfer Requirements

Necessity: The text has been expanded to specify the conditions of a transfer of Allocation between Applicants for the same Project and the requirements for doing so. It is CDLAC's expectation that Applicants that obtain an award of allocation via a transfer allocation from another Issuer have met all CDLAC minimum threshold requirements of the program associated with the award of allocation.

Section 5144. Annual Applicant Public Benefits and On-going Compliance Self Certification

Necessity: The following sentences are proposed to be added to subsection (a): "The new Issuer takes responsibility of reporting on projects that have resyndicated after Year 15. Upon request, CDLAC will review and approve a termination of the original bond regulatory agreement with the requirement that the new agreement includes affordability requirements that are at least as restrictive as those in the original agreement." The tax credit compliance period indicates that a project can't resyndicate until after Year 15.

The sentences are in response to a major issuer commenting to CDLAC staff that once a project has resyndicated it's not clear if the first issuer has compliance responsibilities. The new issuer bears responsibility for affordability restrictions. CDLAC management also wanted to clarify that in such a case CDLAC approves the termination of the old bond regulatory agreement.

Section 5170. Definitions

"Standard QRRP Competitive Application"

Necessity: This definition was struck from the regulations as part of a non-substantive regulation change in March 2018. Applicants will be able to use the same application form, regardless of whether a round is Competitive or Open.

"Standard QRRP ~~Open~~ Application"

Necessity: This definition was updated as part of a non-substantive regulations change in March 2018 to reflect changes and a revision date of March 15, 2018. Applicants will be able to use the same application form, regardless of whether a round is Competitive or Open. The application previously known as "Open" was modified to include questions specific to applications in a Competitive round. The revision date of 03-15-2018 is a correction from 05-31-2018 listed in Westlaw.

"Supplemental Allocation Request Letter"

Necessity: CDLAC is revising this definition to clarify that the term "Supplemental Allocation Request Letter" is a written request *from the Applicant* that is also signed *by the Applicant*. This change is necessary because some supplemental allocation request letters have been coming from project sponsors, which is not CDLAC's intent.

"Table 1"

Necessity: Term will be repealed in regulations due to proposed elimination of Section 5250(a)(1) requirement.

"Table 2"

Necessity: Term will be repealed in regulations due to proposed elimination of Section 5250(a)(1) requirement.

Section 5191(c). Utility Allowance Evidence.

Necessity: Points will no longer be awarded to Projects subject to the use of Gross Rent as defined by Section 5170. In addition, the utility allowance evidence previously used to validate Gross Rent Points, will now be a threshold requirement. This evidence will be used to confirm that the Gross Rent figures identified in the QRRP application are consistent with local government utility allowance limits and tax credit rent limits and do not result in an overpayment of tenant-paid rent.

Section 5212. Capital Needs Assessment.

Necessity: To ensure the Capital Needs Assessment contains the most current outline of project rehabilitation needs, the proposed regulations will now require that both the report and the inspection date of the property be within 180 days of the application deadline. This requirement is also consistent with the current California Tax Credit Allocation Committee (TCAC) requirement.

Section 5230(d)(1).

Necessity: Gross Rent points will no longer be awarded to projects that are required to utilize Gross Rent as defined in Chapter 2, Article 1, Section 5170. Instead, the utility allowance evidence previously provided under this point category will be a CDLAC threshold requirement as specified in Section 5191(c) of these proposed regulations. Given that the specified projects are already required to use Gross Rent when calculating maximum rents, it is important that the evidence be provided to CDLAC staff in the application so that it can be confirmed that the applicant has not overstated the amount of rent that may be collected.

Section 5230(d)(1)(B)2.

Necessity: The California Utility Allowance Calculator (CUAC) is a tool to establish utility allowances that are project-specific based on the energy efficiency and energy generation of a project. The current regulations restrict use of the CUAC to new construction projects and to those projects in the existing TCAC portfolio that receive Multifamily Affordable Solar Housing (MASH) program awards and offset tenant loads. The regulations also require submittal of a CUAC to a TCAC-contracted quality control review at placed in service.

The proposed changes direct Applicants to the Tax Credit Allocation Committee's (TCAC) aligning requirements for bond and 4% tax credit projects while also expanding the universe of projects that may use the CUAC to 1) all rehabilitation projects seeking a new or renewed reservation of tax credits (i.e., both resyndication and first-time syndication projects), and 2) projects in the existing TCAC portfolio with new photovoltaics installed through a municipal utility or joint powers authority solar program, which offset tenant loads. Allowing these projects to use the CUAC will facilitate greater energy efficiency and the increased usage of on-site energy generation. The CUAC is designed to set a more accurate project-specific utility allowance for more sustainable projects (all rehabilitation projects must improve energy efficiency by at least 10%), which in turn increases the portion of the gross rent that can be leveraged to finance improvements. The tenants continue to benefit from a utility allowance that is appropriate to their units.

Like projects that may already use the CUAC, the proposed regulations require all projects using the CUAC to submit the CUAC at Placed in Service (PIS) for quality control review and pay a fee to cover the cost. While not a requirement, TCAC highly encourages rehabilitation projects seeking tax credits also to submit their inputs relevant to the existing conditions of the building for quality control review at application (for which the cost will also be charged to the applicant but which will not delay the review of the application or reservation of credits). This will avoid a situation in which the applicant makes design and expenditure decisions based on projected CUAC allowances that later prove to be inaccurate as a result of the PIS quality control review. TCAC reports that the assumptions selected for the existing building conditions often require adjustment. In the absence of a quality control review at application, the

applicant bears full risk for a change in the CUAC allowances based on the PIS quality control review. TCAC will not approve CUAC allowances other than those substantiated by the quality control review. Similarly, the proposed changes expand the requirement to notify tenants in advance of changes in the utility allowance and to report actual rent increases to TCAC on changes in the rehabilitation projects. The proposed changes do not subject rehabilitation projects seeking tax credits to the cash flow requirements as these projects already must meet the cash flow parameters of Section 10327(g)(6).

The proposed changes allow CUAC projects with existing buildings (i.e., rehabilitation projects seeking tax credits and existing building with awards from the specified programs) to use either of two calculators to determine solar values: 1) the CEC Photovoltaic Calculator already cited, and 2) the Expected Performance Based Buydown (EPBB) calculator, in which case the applicant shall use monthly tables to be determined by TCAC to convert annual values to monthly values. The EPBB calculator is not appropriate for new construction projects. The language is being repealed because it's now a TCAC standard.

Section 5230(k)(1) and Section 5230(k)(2) – Sustainable Methods

Necessity: At the request of the licensed architect community, a reference to the Business and Professions Code's definition of "certification" has been added to clarify that certification by a licensed architect does not constitute a warranty or guarantee. Instead, the licensed architect's certification constitutes a professional opinion regarding the facts and/or findings that are the subject of the certification.

Section 5240. Supplemental Allocation Process

Necessity: Subsection (a) is proposed to have the word "electronically" added to ensure requests for supplemental allocations are submitted by that means. QRRP applications are already required to be submitted electronically. This makes the supplemental process conform with the original applications for consistency. Subsection (b) would have the additional words "submitted by the Applicant and" to mirror CDLAC's intent that Issuers, not project sponsors, submit requests for supplemental allocations. Subsection (b) also would list two additional requirements, Attachment N and Attachment Y. These attachments are requested for the same projects for consistency to ensure have all relevant information. These are Attachment N: Evidence of local approvals and zoning (form provided by CDLAC). (See Section 5190(b) of the CDLAC Regulations.) Attachment Y: Responses to PART V – Legal Status of Applicant and Project Sponsor. Subsection (b)(6) was updated to reflect the QRRP application name adopted on March 15, 2018.

Section 5250(a) – Scattered Site Application requirements

Necessity: This subsection proposes that project sites within a Scattered Site Application are no longer required to meet Section 5191 of the CDLAC regulations as individual project sites. Instead the scattered site application and all sites within it will be evaluated as a single project. This is consistent with the existing CA Tax Credit Allocation Committee evaluation methodology and reflects CDLAC's understanding that from an underwriting prospective, the property portfolio or "Scattered Site" project is evaluated by various funding sources as a single project for financing and debt service purposes. To require individual site evaluation contradicts this idea. As a result of the removal of what had been the language comprising subsection 5250(a)(1), the subsequent numerical subsections of Section 5250(a), subsections (2) through (6) were moved "up" to subsections (1) through (5).

Section 5259. Allocation Request Requirements.

Necessity: This Section was originally adopted to allow for an additional allocation round with a modified application and award process that occurred in December 2017. Subdivision (f) of this section states, "This section shall remain in effect until January 1, 2018 and as of that date is repealed." Pursuant to subdivision (f), Section 5259 is now being repealed.

Section 5540(f)(3). Evaluation Criteria

Necessity: The term "Renewable Energy" should be capitalized because it is a defined term in the CDLAC regulations.

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

Article 1. Definitions

Section 5700 Definitions. To the extent any of these definitions conflict with definitions set forth in Government Code section 8869.82 and Chapter 1 of these regulations, the definitions contained in this section 5700 shall apply to this Chapter 13:

“Chartering Authority” means a State educational agency, local education agency, or other public entity that has the authority pursuant to State to authorize or approve a Charter School.

Necessity: This definition is necessary to clarify for lenders and borrowers what agency may authorize or approve a charter school.

“Qualified Public Educational Facility Project Sponsor” means a private, for-profit corporation that undertakes the financing or refinancing of a qualified public education facility in conjunction with a school district, charter school, county office of education, or community college district in compliance with IRC section 142(k).

Necessity: This definition is necessary to clarify for lenders and borrowers who may be considered a Project Sponsor for purposes of the Program.

“Qualified Public Educational Facility Bond Application” form means the Application titled “Application for an Award of Qualified Public Education Facility Bond Allocation” (7-19-17), which is hereby incorporated by reference.

Necessity: The form has been created to provide a method for applicants to apply to CDLAC to receive an allocation of Qualified Public Education Facility Bond Allocation. The application will be dated 07-19-17.

“Public elementary school” means a nonprofit institutional day or residential school, including a public elementary charter school, which provides elementary education, as determined under State law.

Necessity: This definition is necessary to clarify for lenders and borrowers what types of schools are eligible for participation in the Program.

“Public secondary school” means a nonprofit institutional day or residential school, including a public secondary charter school, which provides secondary education, as determined under State law, except that such term does not include any education beyond grade 12.

Necessity: This definition is necessary to clarify for lenders and borrowers what types of schools are eligible for participation in the Program.

“Qualified Public Educational Facility Bonds” (QPEFB’s) are tax-exempt private activity bonds issued to finance the construction, rehabilitation, refurbishment, or equipping of a Qualified Public Education Facility.

Necessity: This definition is necessary to describe for lenders and borrowers the subject matter of the Program.

“Qualified Public Educational Facility” means 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 § 142(k)(2).

Necessity: This definition is necessary to describe for lenders and borrowers what types of facilities are eligible for enrollment in the Program.

“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 § 168 applies or would apply but for section 179, for use in such a facility.

Necessity: This definition is necessary to clarify for lenders and borrowers what type of buildings are eligible for participation in the Program.

Article 2. Applications.

Section 5710. Application Process. Applications for an Allocation of the Qualified Public Educational Facility Pool shall be considered in accordance with the provisions of Chapter 1 and the submission of a Qualified Public Educational Facility Bond (QPEFB) Program Application (Application).

Necessity: This section describes the Application process and required Application form.

Section 5711. Allocations.

- a) The Committee may award a Qualified Public Educational Facility Bond Allocation to the California School Finance Authority (“CSFA”) for the purposes of:
 - (1) administering the Qualified Public Educational Facility Bond Pool. In awarding the Allocation to CSFA, the Committee will authorize CSFA to allocate portions of the award to Project Sponsors for purposes of issuing Bonds; or
 - (2) sub-awarding Qualified Public Educational Facility Bond Allocation to Applicants on behalf of the Committee. In awarding the Allocation to CSFA, the Committee will authorize CSFA to transfer portions of the Allocation to Local Issuers and the CIEDB for purposes of issuing bonds under the Qualified Public Educational Facility Bond Program.
- b) The Committee may also directly award a Qualified Public Educational Facility Bond Allocation to Applicants for purposes of issuing bonds in connection with a specific project in compliance with this Chapter.

Necessity: This sections describes the contemplated allocations under the Program. Subsection a(1) describes an award of a Qualified Public Educational Facility Bond Allocation from CDLAC to CSFA for the purposes of administering the Qualified Public Educational Facility Bond Pool, whereby CSFA is authorized to allocate portions of the award to Project Sponsors for purposes of issuing Bonds. Subsection a(2) describes an award of a Qualified Public Educational Facility Bond Allocation from CDLAC to CSFA in which CSFA is authorized to transfer portions of the Allocation to local issuers and the California Infrastructure and Economic Development Bank (CIEDB) for purposes of issuing bonds under

the Program. Subsection b describes direct awards from CDLAC to Applicants in connection with a specific project.

Article 3. Eligibility.

Section 5720. Project Readiness. The Applicant must provide evidence of project readiness to the satisfaction of CSFA. The Applicant must provide the following readiness information as applicable:

- (a) A description of the project(s) that will be financed with the bond proceeds;
- (b) Estimated beginning and ending date of project construction;
- (c) Evidence of site control as described in section 5190;
- (d) For projects involving charter schools, a copy of the charter or other evidence that a charter is in place, and evidence that the school is in good standing with its Chartering Authority; and
- (e) Evidence of a public-private partnership agreement for the project that complies with the requirements of Internal Revenue Code section 142(k)(2).

Necessity: This section requires Applicants to provide evidence of project readiness to the satisfaction of CSFA. Subsection (a) requires Applicants to provide a description of the project(s) to be financed with bond proceeds. Subsection (b) requires Applicants to provide the estimated beginning and ending date of project construction. Subsection (c) requires Applicants to provide evidence of site control as described in section 5190. Subsection (d) requires, for projects involving charter schools, a copy of the charter or other evidence that a charter is in place, and evidence that the school is in good standing with its Chartering Authority. Subsection (e) requires Applicants to provide evidence of a public-private partnership agreement for the project that complies with the requirements of Internal Revenue Code section 142(k)(2).

Section 5721. Permits. The Applicant must provide documentation of the applicable discretionary use permits and approvals from local planning agencies, as described in section 5190(b), for the proposed Project at the time of Application.

Necessity: This section clarifies that Applicants must provide documentation of applicable discretionary use permits and approvals from local planning agencies, as described in section 5190(b), for the proposed Project at the time of Application.

Section 5722. Eligibility Requirement

Necessity: To emphasize the Committee's priority of ensuring projects comply with the Political Reform Act and Government Code Section 1090, this section has been added.

Article 4. Reporting and Regulatory Requirements.

Section 5730. Specific Reports. CSFA will report each transfer of Allocation to the Executive Director of the Committee. Applicants receiving Allocation, including CSFA where it serves as the issuer, under the Program shall comply with the reporting requirements contained in article 11 of chapter 1.

Necessity: Specific Reports. This section describes the reporting requirements for the Program. CSFA will report each transfer of Allocation to the CDLAC Executive Director. In addition, Applicants receiving an Allocation, including CSFA when it serves as the issuer, shall comply with the reporting requirements described in existing Article 11 of Chapter 1.

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 life of the bonds. 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 bonds;
- (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 life of the bonds;
- (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; and
- (g) Language reflecting that Projects financed with an allocation of Qualified Public Education Facilities Bonds shall comply with the Political Reform Act and Government Code section 1090 throughout the life of the bonds.

Necessity: This section sets forth the required regulatory compliance for the Program. Applicants receiving an Allocation 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 agreement must be recorded against the property and include the following:

- (a) Necessity: This subsection includes language to ensure the CDLAC allocation resolution is incorporated into the regulatory agreement and all of its terms and conditions by reference.
- (b) Necessity: The subsection requires the regulatory agreement to incorporate a term longer than either the CDLAC allocation resolution, the term of the public-private partnership agreement, or the bonds.
- (c) Necessity: This subsection clarifies all applicable requirements contained in 26 U.S.C. section 142 and Education Code section 17170, *et seq.* will be incorporated into the regulatory agreement.
- (d) Necessity: This subsection clarifies a requirement that the project be maintained for public school purposes during the term of the agreement.
- (e) Necessity: This subsection designates CDLAC to receive notice of changes in ownership, issuer, school utilizing the project, and project name; and
- (f) Necessity: This subsection designates CDLAC to receive all notices of default associated with the bonds.

DISCUSSION:

All consequential public comment will be considered by staff and may result in reevaluation of the proposed regulations. Should this occur, staff will provide updated proposed regulations to the Committee on September 19, 2018 for additional consideration.

RECOMMENDATION:

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

Prepared by: Felicity Wood

Proposed Regulations Text

Chapter 1. General Provisions

Article 1. Definitions

Section 5000. Definitions. In addition to the definitions set forth in Government Code section 8869.82 and unless otherwise required by the context, the following terms as used in this division are defined as follows:

....

“Annual Applicant Public Benefits and Ongoing Compliance Self-Certification (~~12-15-15~~ Revised 9/20/17)”, hereby incorporated by reference, means the document in the online compliance certification system to be completed by the Issuer in which the Issuer certifies that the Project is in compliance with all of the terms and conditions set forth in the Committee Resolution.

....

“Bond Regulatory Agreement” means the agreement between the Issuer, Project Sponsor, and any third party related to the ownership, financing, and management of a proposed Qualified Residential Rental Project or Qualified Public Educational Facility Project that binds the parties to the commitments made in the Application that resulted in the Allocation for the Project and any other requirements mandated by 26 U.S.C. section 142.

....

“Certification of Compliance II for Non-Qualified Residential Rental Projects” (Revised 9/20/17), hereby incorporated by reference, is a form for Applicant/Issuers awarded allocation in 2017 forward. Applicant/Issuers retain the Certification form for a period of three years in place of the Certification of Compliance I (11-16-16) to ensure that the Project Sponsor is reporting all relevant compliance and possible changes to the Project or program to the Applicant.

....

“CSFA” means the California School Finance Authority.

....

“Placement Agent or Underwriter Statement” means the statement provided by the firm contracted to market the Bonds proposed in the Application that includes a brief paragraph on the firm’s history and principals, a summary of the firm’s non-binding initial underwriting review, an overview of proposed issuance structure including anticipated debt service coverage ratio, and a statement certifying that the proposed transaction has been initially underwritten and meets the firm’s standards for participation.

....

“Qualified Public Educational Facility Bond Pool” means the reserve of Qualified Public Educational Facility Bonds established by the Committee for Qualified Public Educational Facilities pursuant to IRC section 142(k).

....

“Standard Permanent Bonds” means Bonds issued for the purposes of providing permanent project financing which (i) meet CDLAC’s Debt Service Coverage Ratio requirement in Section 5193 or (ii) are not Cash Flow Permanent Bonds.

“State Ceiling” means the amount of Qualified Private Activity Bonds that can be issued in California for each calendar year specified by 26 U.S.C. section 146(d), the amount of Qualified Public Educational Facility Bonds that can be issued in California for each calendar year specified by 26 USCA section 142(k), and the amount reserved to California pursuant to sections 1112 and 1401 of the American Recovery and Reinvestment Act of 2009 as established by and announced by the Committee in accordance with article 2 of this chapter.

....

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

....

Article 3. State Ceiling Pools

Section 5020. Determination of State Ceiling Pools. As soon as practicable after the beginning of each calendar year, and before any Applications are considered, the Committee will:

....

(j) Determine and announce what amount, expressed both as a percentage and as a dollar amount, of the Qualified Public Educational Facility Bonds State Ceiling that shall be available for allocation during the year and in each Allocation Round to the Qualified Public Educational Facility Bond Program.

~~(j)~~(k) The Committee shall sub-allocate resources to any particular pool in a manner that is consistent with maximizing public benefits associated with the use of allocation.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.82 and 8869.84, Government Code.

....

Section 5033. Minimum Application Requirements.

....

(b) Unless specifically exempted, the following items must accompany all Applications:

....

(5) For all Applications other than those relating to a Mortgage Credit Certificate Program pursuant to chapter 3, a Recovery Zone Economic Development Bond Project, or a Qualified Energy Conservation Bond Project (governmental bond only), the following shall be provided to the Committee no less than four (4) calendar days prior to the first public posting of Committee recommendations as provided in section 5035 of the CDLAC Regulations:

....

(C) In the event that a fully executed copy of an adopted TEFRA Resolution cannot be provided within the timeframe set forth in subdivision (b)(5) of this section, the Applicant shall provide:

1. within the timeframe set forth in subdivision (b)(5) of this section, written certification of the date, time, location, and outcome of the public hearing, the approval of the issuance of Bonds by the applicable elected representative, and that the actions comply with the provisions of 26 U.S.C. section 147(f); and
2. no less than twenty-four (24) hours prior to the scheduled commencement of the Committee meeting at which the project is seeking an allocation, a copy of the fully executed ~~copy of the~~ adopted TEFRA Resolution. If the Applicant is a JPA, the jurisdiction issuing the TEFRA Resolution must be a member of the Applicant at the at the time the Resolution is adopted or must have approved becoming a member of the Applicant at or prior to the time the Resolution is adopted.

....

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.84(e), 8869.85(a), 8869.85(b) and 8869.90, Government Code.

....

Section 5035. Preliminary Recommendations. (a) At least twenty-five (25) calendar days prior to any meeting at which the Committee will award Allocations, the Executive Director will post a preliminary list of Applicants for which the Executive Director expects to recommend an Allocation (and the amount of those Allocations). During competitive rounds, the list will be in ranked order. The list will be posted on the Committee's website as provided in section 5140.

(b) For the Qualified Residential Rental Program, the list will identify the points earned by each Applicant in all categories for which points are awarded, including the Applicant's aggregate total points.

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

....

Section 5037. Final Recommendations. (a) At least ten (10) calendar days before the Committee meeting for which Allocations will be awarded, the final list of Applicants for which Allocations will be recommended (and the amounts of those Allocations) ~~in ranked order~~ will be posted. During competitive rounds, the list will be in ranked order. This list will reflect changes, if any, in ranking resulting from the appeals as provided in section 5036. The list shall be posted on the Committee's website as provided in section 5140.

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

....

Section 5054. Filing Fees. Each Applicant shall submit a filing fee in an amount equal to the product of the amount of Allocation actually used to issue Bonds, or Mortgage Credit Certificates multiplied by .00035. The payment of the fee shall be in two installments as follows:

(a) Initial filing fee. A check in the amount of \$1,200 payable to the California Debt Limit Allocation Committee shall accompany the filing of an Application to cover the Committee's costs associated with reviewing Applications. This portion of the filing fee is not refundable under any circumstances but shall be credited against the total filing fee.

....

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c) and 8869.90, Government Code.

Section 5060. Minimum Requirements. (a) Applicants, other than Applicants for a Mortgage Credit Certificate Program, shall provide evidence of a plan to privately place or publicly sell the proposed Bonds with or without Credit Enhancement for an amount no less than the amount requested in the Application. Bond sale structures that include a credit rating shall be subject to the following:

(1) Governmental Bond issued with full recourse to, or guaranteed by a general obligation of a governmental entity with taxing authority or Qualified Private Activity Bonds with recourse to the corporate parent entity of the Project Sponsor via a corporate guarantee must have an investment grade credit rating for the Project or the source of the aforementioned guarantee for the Project.

....

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

(b)(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, Qualified Energy Conservation 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.

....

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 ~~an~~ additional 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 ~~to~~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.

....

Section 5120. Transfer Requirements. (a) Except for the reversion of unused Allocation pursuant to section 5106, Allocations are not transferable unless expressly authorized in writing by the Committee. The Committee may permit transfers of Allocation as follows: (1)-The Committee may permit transfers of ~~including~~ carryforward Allocations to the highest scoring Application on a waiting list or, if a waiting list does not exist, the highest scoring Project in queue in a current Allocation Round. (2) The Committee may permit transfers of Allocation between Applicants for the same Project. Prior to the transfer of an Allocation between Applicants for the same Project, the new Applicant must demonstrate that both the Minimum Application Requirements outlined in Section 5033 and the specified program threshold requirements have been met prior to the Committee's approval of the transfer.

(b) Where the Applicant is administering a Single Family Housing Program for itself and other participating jurisdictions, the use of Allocation within the participating jurisdictions listed in the Committee Resolution is not considered a transfer. For purposes of this subdivision, participating jurisdictions means those entities that have provided written assignment of their rights to secure an Allocation to the Applicant. The Applicant shall submit copies of the assignments with the Application.

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.85(c), 8869.85(d) and 8869.86(a)(3), Government Code.

....

Section 5144. Annual Applicant Public Benefits and On-Going Compliance Self Certification. (a) All Projects that receive an Allocation and are within an existing regulatory period and/or compliance period shall be monitored for compliance with the applicable terms and conditions of the Committee Resolution by the Applicant (Issuer) and CDLAC. The new Issuer takes responsibility of reporting on projects that have resyndicated after Year 15. Upon request, CDLAC will review and approve a termination of the original bond regulatory agreement with the requirement that the new agreement include affordability requirements that are at least as restrictive as those in the original agreement.

(b) The self-certification must be submitted by the Applicant to CDLAC no later than March 1 of each year (or at such other time as requested by the Committee). The requirement shall be enforceable by the Committee through an action for specific performance or other available remedy affecting the Applicant including but not limited to disqualification from the program.

- (1) For Projects receiving an Allocation prior to December 31, 2016, the Applicant shall complete and submit the Annual Applicant Public Benefits and On-going Compliance Self Certification, via the online compliance certification system annually for the longer of the period the bonds remain outstanding or the period of restriction for QRRP projects outlined in Section 5192.
- (2) For Projects receiving allocation after December 31, 2016, the Applicant shall complete and submit the Annual Applicant Public Benefits and On-going Compliance Self Certification via the online compliance certification system every year until the completion of the project and then if

the project is subject to a Regulatory Period and/or Compliance Period every three years thereafter or sooner upon a termination of the Regulatory Period and/or Compliance Period.

(~~b~~c) For all QRRP projects receiving allocations after December 31, 2016, Sponsors will be required to utilize TCAC's Compliance Manual specifically Section VI: Qualify Tenants for Low Income Housing Tax Credit Units, to verify tenant income in conjunction with initial occupancy. No less than every three years after the project is completed, the Sponsor must collect and retain the following income and verification documentation related to all the Federally Bond-Restricted units identified in the Committee Resolution or Restricted Rental Units as defined in Section 5000: TCAC Tax Income Calculation (TIC) or equivalent documentation, all associated source income documentation, and evidence of the verifying income computation. Additionally Project Sponsors will be required to prepare and forward a TCAC Project Status Report (PSR) or equivalent documentation to the Applicant annually in conjunction with the Annual Applicant Public Benefits and On-going Compliance Self Certification. Sponsors must retain information pertaining to the income verification process for 10 years.

(~~e~~d) For all QRRP projects receiving allocation after December 31, 2016, compliance with the income and rental requirements of the Federally Bond-Restricted Units identified in the Committee Resolution and the Bond Regulatory Agreement must be demonstrated by the Applicants initial review of 20% of all management files associated with the Federally Bond-Restricted units and subsequent review every three years of 20% of all management files associated with the Federally Bond-Restricted units. Federally Bond-Restricted units will include a distribution of unit locations, sizes and income levels (if applicable) and must be identified in the PSR. For this 20% of files, Applicants must review each initial or subsequent occupant/s and their associated TIC in conjunction with the supporting income verification documentation of each occupant's initial occupancy and make a determination if the project is complying with the income and affordability standards. Additionally, Applicants must ensure a lease is in place and executed. This review may be performed on-site or may be performed through an electronic file audit. Completion of this task in addition to a valid Certification of Compliance II or equivalent form will provide Issuers with the ability to report annually to CDLAC regarding compliance with the Federally Bond-Restricted unit restrictions. Information pertaining to the income verification process will be kept on file for 10 years. Applicants must retain documentation memorializing review and determination of income eligibility for 10 years. Source income documentation must be retained for 1 year. These guidelines rely on the compliance monitoring process and procedures in place for TCAC. To the extent TCAC is to alter their compliance policies and procedures, these guidelines shall be reviewed by CDLAC for consistency and changes made where appropriate.

(~~d~~e) For all QRRP projects receiving allocation after December 31, 2016, Sponsors requesting an allocation of bonds absent the receipt of a TCAC reservation will be identified at the time of application and will have the following compliance options which will be represented in the Committee Resolution:

(1) Applicants that can demonstrate to the Executive Director's satisfaction experience and current capacity to conduct on-site physical and file inspections through their Compliance Policies will be required to conduct the 20% review of the Federally Bond-Restricted units files on-site and perform a site inspection consistent with their Bond Compliance Policy every 3 years after the Qualified Project Period has commenced.

(2) Applicants that cannot demonstrate to the Executive Director's satisfaction capacity to conduct on-site physical and file inspections through their Compliance Policies will be required to enter into an agreement with a private third party compliance firm, approved by CDLAC, who must conduct the 20% review of Federally Bond-Restricted units files on-site and perform a site inspection consistent with their current policies and procedures every 3 years after the Qualified Project Period has commenced.

(3) A Sponsor can enter into contract with CDLAC or a designee to monitor the Federally Bond-Restricted units for consistency with the bond regulatory agreement and the Committee Resolution. The

charge for this service will be equivalent to the compliance fee charged by TCAC at the time the project submits their application to CDLAC.

(4) The election of the option will be included in the Committee Resolution.

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.84(c), 8869.85(a), 8869.85(b) and 8869.86(c), Government Code.

....

Section 5170. Definitions. In addition to the definitions set forth in Government Code section 8869.82 and unless otherwise required by the context, the following terms as used in this chapter are defined as follows:

....

“Standard QRRP Application” means the Application for an Allocation of the Qualified Residential Rental Project Pool titled “Application for an Allocation of the State Ceiling on Qualified Private Activity Bonds for a Qualified Residential Rental Project (QRRP)” (Revised [03-15-2018](#)), which is hereby incorporated by reference.

....

“Supplemental Allocation Request Letter” means the written request [from the Applicant](#) for Supplemental Allocation for Projects having been awarded Allocation within the last thirty six (36) months that may be submitted in lieu of a complete Application. The letter must be signed [by the Applicant](#) and include information about the Project including the date and amount of prior Allocation, the current status of the Project, revised sources and uses of funds, justification for the request for additional Allocation, and any additional information the Committee or Executive Director deems necessary.

....

~~“Table 1” means the table included in the Applications for a Qualified Residential Rental Project that itemizes the proposed number of units, square footage, rent, utility allowance, and the income restriction each unit or other characteristics deemed appropriate by the Committee for the subject Project.~~

~~“Table 2” means the table included in the Applications for a Qualified Residential Rental Project that itemizes the proposed total of all units, all restricted units, the number and percentage of units restricted for households at or below 50% of AMI, at or below 60% of AMI, or other characteristics deemed appropriate by the Committee for the subject Project.~~

....

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

....

Section 5191. Income and Rent Restrictions. All Qualified Residential Rental Projects must meet the following minimum income and rent restrictions, which will be included in the Committee Resolution.

....

(b) Minimum Rent Restrictions. Except for projects subject to an existing Residential Rental Regulatory Agreement that propose tenant paid rents and income targeting not exceeding one hundred-five percent (105%) of the current rents and targeting and operate with a vacancy rate of no more than five percent (5%), for single room occupancy and special needs housing a vacancy rate of no more than ten percent (10%) as demonstrated by a market study completed pursuant to 26 U.S.C. Section 42(m)(1)(A)(iii); the proposed tenant paid rents for each Restricted Rental Unit type (defined by bedroom count) in the proposed development shall be at least ten percent (10%) below the weighted average rent for comparable market rate units and each Restricted Rental Unit's value ratio (dollars per square foot) shall be at or below the weighted average unit value ratio for comparable market rate units as demonstrated in a Rent Comparability Matrix meeting the requirements of article 4 of this chapter.

(c) Utility Allowance Evidence. All Projects subject to the use of Gross Rent as defined by Section 5170 shall provide evidence in one of the following forms:

(1) A letter from the local public housing authority that includes a current utility allowance schedule, certifies that the proposed Project is located within its jurisdiction and itemizes which components of the utility allowance schedule applies to the Project. Projects that are subject to a Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments Program do not require a housing authority certification and may rely solely on the utility allowance included in a HUD rent schedule provided the schedule specifically identifies the name of the Project.

(2) If a Project is to be substantially retrofitted for energy conservation or will be newly constructed with substantial energy conservation, the Applicant may submit revised utility allowances based on the projected reduction in utility costs after construction or retrofit. The revised utility allowances shall be validated by either of the following:

(A) A letter from the public utility or housing authority having jurisdiction over the Project that validates the revised utility allowances based on the proposed use of energy conservation materials, or

(B) A current utility allowance estimate consistent with 26 CFR section 1.42-10 (4-1-17), which is hereby incorporated by reference. The Applicant must indicate which components of the utility allowance schedule apply to the Project. For buildings that are using an energy consumption model utility allowance estimate, the estimate shall be calculated using the most recent version of the California Utility Allowance Calculator (CUAC) developed by the California Energy Commission; and in accordance with the California Tax Credit Allocation Committee's minimum requirements for utility allowance estimates, Title 4, Division 17, Chapter 1, Section 10322(h)(21).

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

....

Section 5212. Capital Needs Assessment. The Applicant shall submit a Capital Needs Assessment with report and inspection dates performed within 180 days prior to the Application deadline that details the condition and remaining useful life of the building's major structural components, all necessary work to be undertaken and its associated costs, as well as the nature of the work, and distinguishing between immediate and long term repairs. ~~If more than twelve (12) months has passed since the earliest inspection date, then a new Capital Needs Assessment is required.~~ The Capital Needs Assessment shall also include a fifteen (15) year reserve study, indicating anticipated dates and costs of future replacements of all major

building components that are not being replaced immediately and the reserve contributions needed to fund those replacements. The Capital Needs Assessment shall be prepared by the Project's architect, as long as the architect has no identity of interest with the Project Sponsor or other member of the development team; or by a qualified independent third party who has no identity of interest with any of the members of the development team. The Capital Needs Assessment is not required if the Project, within the immediately preceding three (3) years, received an Allocation and this requirement was satisfied in the original Application.

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

....

Section 5230. Evaluation Criteria.

....

(d) Gross Rents (5 points).

(1) Five (5) points will be awarded to Projects that are not subject to the use of Gross Rents but voluntarily do so which utilize Gross Rents to define Restricted Rental Units as evidenced by one of the following:

...

(B) If a Project is to be substantially retrofitted for energy conservation or will be newly constructed with substantial energy conservation, the Applicant may submit revised utility allowances based on the projected reduction in utility costs after construction or retrofit. The revised utility allowances shall be validated by either of the following:

1. A letter from the public utility or housing authority having jurisdiction over the Project that validates the revised utility allowances based on the proposed use of energy conservation materials, or
2. A current utility allowance estimate consistent with 26 CFR section 1.42-10. The Applicant must indicate which components of the utility allowance schedule apply to the Project. For buildings that are using an energy consumption model utility allowance estimate, the estimate shall be calculated using the most recent version of the California Utility Allowance Calculator (CUAC) developed by the California Energy Commission; and in accordance with the California Tax Credit Allocation Committee's minimum requirements for utility allowance estimates, Title 4, Division 17, Chapter 1, Section 10322(h)(21). The CUAC estimate shall be signed by a California Association of Building Energy Consultants (CABEC) Certified Energy Analyst (CEA). Measures that are used in the CUAC that require field verification shall be verified by a certified HERS Rater, in accordance with current HERS regulations. Use of the CUAC is limited to new construction projects and existing tax credit projects with Multifamily Affordable Solar Housing (MASH) program awards that offset tenant area electrical load.

...

(k) Sustainable Methods (10 points maximum).

(1) Points will be awarded provided that the Project Sponsor and the licensed Project architect each submit a certification indicating which items, commencing with subdivision (k)(3) of this section, will be included in the Project's design and any relevant specifications. For the purposes of this paragraph,

“certification” by the Project Architect has the same meaning as set forth in Business and Professions Code Section 5536.26.

(2) The Project Sponsor shall submit a certification at Project completion from the Project’s licensed architect that the design elements that formed the basis for any award of points pursuant to subdivision (k) have been met or exceeded. For the purposes of this paragraph, “certification” by the Project Architect has the same meaning as set forth in Business and Professions Code Section 5536.26. A Project Sponsor may be subject to monitoring for compliance with this certification. A Project Sponsor receiving points under subdivision (k) who fails to meet this requirement will be subject to negative points under subdivision (n) of this section.

....

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

....

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 has received Allocation within the past thirty six (36) months. Supplemental Allocation Request Letters must be submitted by the Applicant and accompanied ~~with~~ by the following requirements:

(1) Posting of a performance deposit pursuant to section 5050.

(2) Payment of a filing fee pursuant to section 5054.

(3) Evidence of the Bond sale structure pursuant to article 6 of chapter 1.

(4) An inducement resolution pursuant to section 5033(b)(4).

(5) A TEFRA Resolution pursuant to section 5033(b)(5).

(6) Updated sources and uses sections of pages 7-9 with associated attachments E, G, and H of the ~~CDLAC~~ Standard QRRP.

~~(7) An original and copy of the material noted in sub-section (b)(1) through (b)(6) must be submitted in a three ring binder no later than the applicable application deadline.~~

(7) Verification of Zoning and Local Approvals pursuant to section 5190(b).

(8) An updated Attachment Y of the Standard QRRP Application.

(9) An original and copy of the material noted in sub-section (b)(1) through (b)(8) must be submitted electronically to cdlac@treasurer.ca.gov no later than the applicable application deadline.

...

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

....

Section 5250. Application Requirements. (a) Applications for Scattered Site Projects shall provide all information required for each site. Additional stipulations are as follows:

~~(1) Data in Table 1 or low income units table and Table 2, as defined in section 5170, shall be provided for each site and as a combined total. Each site must independently meet the Committee's income and rent restriction requirements as required in section 5191.~~

~~(2)~~ A Capital Needs Assessment report may combine information for all Project sites in one report.

~~(3)~~ A Market Study may combine information for all Project sites in one report; however the Market Study shall have separate Rent Comparability Matrices for each site.

~~(4)~~ Acquisition/Rehabilitation Projects where each location is subject to an existing Residential Rental Regulatory Agreement or a federal, state, or local operating or rental assistance agreement may provide, as an alternative to providing a market study and affordability matrices consistent with Sections 5200(a) and 5250(a)(3), a comprehensive market study consistent with 26 U.S.C. Section 42(m)(1)(A)(iii). The study must be a written statement certified by a third party market analyst and the project must meet at least one of the following requirements:

....

~~(5)~~ Evidence of site control shall be required for each site.

~~(6)~~ Any maps provided shall include each site.

(b) An Applicant may seek a waiver of the Scattered Site five (5) location limit. A written request describing how the project will benefit from waiver of the location limit must be submitted no later than the application due date for the allocation round in which the Project is seeking an allocation.

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

....

~~Article 13. Qualified Residential Rental Project Allocation Request Process for December 2017~~

Section 5259. Allocation Request Requirements. ~~(a) Notwithstanding any other provision of these regulations, between the effective date of this section and January, 1 2018, requests for Qualified Residential Rental Project Allocation shall be made by submitting a written request not less than 14 days prior to the meeting at which the request for allocation will be considered. The letter must be submitted and signed by the Issuer and Project Sponsor and include the following information:~~

~~(1) The Project's physical address;~~

~~(2) Satisfactory evidence of site control;~~

~~(3) A statement of sources and uses for the Project;~~

- ~~(4) The total amount of allocation requested;~~
- ~~(5) An adopted TEFRA resolution, evidence that a TEFRA hearing was held, or evidence that TEFRA has been scheduled and is noticed to occur prior to January 1, 2018;~~
- ~~(6) Whether the Project is for acquisition/rehabilitation or New Construction;~~
- ~~(7) Name of the Issuer;~~
- ~~(8) Name of the proposed property manager for the Project;~~
- ~~(9) Signed term sheet from lender/underwriter;~~
- ~~(10) Name of subject property's current owner;~~
- ~~(11) Project Inducement resolution;~~
- ~~(12) Payment of \$1,200 initial CDLAC fee;~~
- ~~(13) Performance Deposit Certification Form;~~
- ~~(14) Signed CDLAC Certification;~~
- ~~(15) Total number of units, number of units at 50% AMI and 60% AMI, number of market rate units, and number of manager's units; and~~
- ~~(16) Whether the Project is a Rural, Mixed Income, or General Pool request.~~
- ~~(b) The completed request from the Issuer must be accompanied by a performance deposit consistent with Section 5050 of the CDLAC regulations.~~
- ~~(c) Requests shall be submitted electronically by the Issuer via PDF to the following email address: edlac@treasurer.ca.gov. Upon receipt of the Allocation request, initial CDLAC fee, and Performance Deposit Certification, CDLAC will review the Allocation request for completeness and forward a recommendation to the Committee for consideration at the next meeting for which the Project can be properly noticed.~~
- ~~(d) In the event Allocation requests are received for an amount greater than the amount of state ceiling available, Allocation requests will be considered pursuant to the 2017 Qualified Residential Rental Project Pools, and among those pools, recommendations will be made in the order in which the Allocation requests were received.~~
- ~~(e) Allocations made subject to this section will remain in effect through December 31, 2017 and will expire thereafter if bonds are not issued.~~
- ~~(f) This section shall remain in effect until January 1, 2018 and as of that date is repealed.~~

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

....

Section 5540. Evaluation Criteria. CDLAC staff will perform all calculations for confirmation of eligibility based on the census tract(s) provided by the Applicant.

(a) Community Economic Need (25 points maximum). Applications will be awarded points for Projects that are located in communities according to the following:

....

(f) Land Use/Energy Efficiency (20 points maximum)

(1) Six (6) points will be awarded to Projects that reuse the following:

(A) Vacant or abandoned buildings; or

(B) Vacant or abandoned land with developed infrastructure (excluding land whose immediate prior use was agricultural, open space, or other similar use).

(2) Seven (7) points will be awarded to Applications with Projects located within one-quarter (¼) mile of a Public Transit Corridor evidenced by a scaled-for-distance map showing the location of the Project is within a one-quarter (¼) mile radius of a Public Transportation Corridor. In areas where there is no public transportation system, seven (7) points will be awarded to Applications where the Applicant has an adopted transportation system management plan.

(3) Seven (7) points will be awarded to Projects that 1) utilize designs, materials or techniques to reduce energy usage by at least fifteen percent (15%) or 2) generate at least fifteen percent (15%) of the Project's total usage through ~~r~~Renewable ~~e~~Energy sources. . . .

....

Note: Authority cited: Section 8869.94, Government Code. Reference: Sections 8869.82(a)(11)(B) and 8869.84(c), Government Code.

....

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

Article 1. Definitions

Section 5700 Definitions. To the extent any of these definitions conflict with definitions set forth in Government Code section 8869.82 and Chapter 1 of these regulations, the definitions contained in this section 5700 shall apply to this Chapter 13:

“Chartering Authority” means a State educational agency, local education agency, or other public entity that has the authority pursuant to State to authorize or approve a Charter School.

“Public elementary school” means a nonprofit institutional day or residential school, including a public elementary charter school, which provides elementary education, as determined under State law.

“Public secondary school” means a nonprofit institutional day or residential school, including a public secondary charter school, which provides secondary education, as determined under State law, except that such term does not include any education beyond grade 12.

“Qualified Public Educational Facility” means 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 § 142(k)(2).

“Qualified Public Educational Facility Bond Application” (hereafter “Application”) means the Application for an Allocation of the State Ceiling on Qualified Private Activity Bonds for a Qualified Public Educational Facility Bond Project” (QPEFB Revised 3-15-2018), which is hereby incorporated by reference.

“Qualified Public Educational Facility Bonds” (QPEFB’s) are tax-exempt private activity bonds issued to finance the construction, rehabilitation, refurbishment, or equipping of a Qualified Public Education Facility.

“Qualified Public Educational Facility Project Sponsor” means a private, for-profit corporation that undertakes the financing or refinancing of a qualified public education facility in conjunction with a

school district, charter school, county office of education, or community college district in compliance with IRC section 142(k).

“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 § 168 applies or would apply but for section 179, for use in such a facility.

....

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

Article 2. Applications.

Section 5710. Application Process. Applications for an Allocation of the Qualified Public Educational Facility Pool shall be considered in accordance with the provisions of Chapter 1 and the submission of a Qualified Public Educational Facility Bond (QPEFB) Program Application (Application).

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

Section 5711. Allocations.

- b) The Committee may award a Qualified Public Educational Facility Bond Allocation to the California School Finance Authority (“CSFA”) for the purposes of:
 - (3) administering the Qualified Public Educational Facility Bond Pool. In awarding the Allocation to CSFA, the Committee will authorize CSFA to allocate portions of the award to Project Sponsors for purposes of issuing Bonds; or
 - (4) sub-awarding Qualified Public Educational Facility Bond Allocation to Applicants on behalf of the Committee. In awarding the Allocation to CSFA, the Committee will authorize CSFA to transfer portions of the Allocation to Local Issuers and the CIEDB for purposes of issuing bonds under the Qualified Public Educational Facility Bond Program.
- c) The Committee may also directly award a Qualified Public Educational Facility Bond Allocation to Applicants for purposes of issuing bonds in connection with a specific project in compliance with this Chapter.

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84, Government Code.

Article 3. Eligibility.

Section 5720. Project Readiness. The Applicant must provide evidence of project readiness to the satisfaction of CSFA. The Applicant must provide the following readiness information as applicable:

- (f) A description of the project(s) that will be financed with the bond proceeds;
- (g) Estimated beginning and ending date of project construction;
- (h) Evidence of site control as described in section 5190;

- (i) For projects involving charter schools, a copy of the charter or other evidence that a charter is in place, and evidence that the school is in good standing with its Chartering Authority; and
- (j) Evidence of a public-private partnership agreement for the project that complies with the requirements of Internal Revenue Code section 142(k)(2).

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

Section 5721. Permits. The Applicant must provide documentation of the applicable discretionary use permits and approvals from local planning agencies, as described in section 5190(b), for the proposed Project at the time of Application.

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

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

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

Article 4. Reporting and Regulatory Requirements.

Section 5730. Specific Reports. CSFA will report each transfer of Allocation to the Executive Director of the Committee. Applicants receiving Allocation, including CSFA where it serves as the issuer, under the Program shall comply with the reporting requirements contained in article 11 of chapter 1.

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 life of the bonds. 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 bonds;
- (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 life of the bonds;
- (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; and
- (g) Language reflecting that Projects financed with an allocation of Qualified Public Education Facilities Bonds shall comply with the Political Reform Act and Government Code section 1090 throughout the life of the bonds.

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

Proposed Forms Incorporated by Reference

Annual Applicant Public Benefits and Ongoing Compliance Self-Certification “Self-Certification”

ACKNOWLEDGMENT: The California Debt Limit Allocation Committee (“CDLAC” or “Committee”) does not expect to hold an Applicant (Issuer) responsible for conditions they are not aware of; only for the Applicant to confirm their understanding of the status of the project/program based upon their own post-issuance compliance procedures. CDLAC will not review the Applicant’s procedures and in good faith will assume that the Applicant has in-place procedures they judge to adequately satisfy their post-issuance responsibilities as defined under the Internal Revenue Code and CDLAC Regulations. An Applicant is free to request project information from the Project Sponsor and rely on that information if they believe it satisfies their own compliance procedures and responsibilities. That information can then serve as the basis for the Applicant’s response to the questions within this certification.

INSTRUCTIONS: Per the CDLAC Regulations, all Projects/Programs within an existing bond regulatory period and/or CDLAC compliance period shall be monitored for compliance with the terms and conditions of the Committee Resolution by the Applicant (Issuer). Mortgage Credit Certificate Single Family Housing Programs with outstanding authority shall be monitored for the same requirements. The Applicant shall complete and submit the Annual Applicant Public Benefits and On-going Compliance Self Certification via the CDLAC Online Compliance Certification System. The self-certification must be submitted by the Applicant to CDLAC no later than March 1 of each year (or at such other time as defined in the CDLAC Regulations or requested by the Committee).

ALL APPLICANTS: Applicant/Issuer Certification of Delivery of Public Benefits

(All) Applicant/Issuer Name:

(All) Project Name (N/A for Single Family Housing Programs):

(All) Program Type (QRRP, SFH, EXEMPT, IDB, Etc.):

(All) Application Number(s):

(All) Resolution Number(s):

(All) Property Address (N/A for Single Family Housing Programs):

(All Prior to 2017) Project Completion Date (For QRRP Projects: Enter Placed in Service Date or program completion date):

(QRRP 2017 and BEYOND) Commencement of Qualified Project Period Date (Enter the date of the Qualified Project Period commenced)

(NON-QRRP 2017 and BEYOND) Project Completion Date (Enter Placed in Service Date or program completion date).

(QRRP PRIOR TO 2017) Has the Applicant received the Project Sponsor’s complete Compliance Certification for this reporting period? (Applicable to projects awarded allocation after 2000) If no, please explain or indicate “Not Applicable.”

(All 2017 and BEYOND) Has the Applicant received the Project Sponsor’s complete Compliance Certification II for this reporting period?

(All 2017 and BEYOND) If the Project Sponsor/Borrower indicated in the Certification of Compliance II or like form:

- a. A change in project name, please provide the new project name.
- b. A change in ownership affecting the CDLAC resolution, please provide contact information for the new owner.
- c. A change in Issuer, please provide the new Issuer name.
- d. All bonds have been redeemed, please provide the redemption notice.
- e. A notice or event of default or of foreclosure, please explain.

(ALL 2017 AND BEYOND) *Please note if any of these circumstances have occurred, request revision to the CDLAC resolution

(QRRP PRIOR TO 2017) Has the project satisfied the following requirements as memorialized in the Exhibit A of the CDLAC Resolution and bond regulatory agreement?

- ~~1.~~ QRRP ONLY: Has the Applicant received the Project Sponsor's complete Compliance Certification for this reporting period? (Applicable to projects awarded allocation after 2000.) If no, please explain or indicate "Not Applicable".
- ~~2.~~ 1. QRRP PRIOR TO 2017 ONLY: Has the project satisfied all of the income rent requirements memorialized in the Exhibit A (Applicable to projects awarded allocation after 2000)? If no, please explain or indicate "Not Applicable."
- ~~3.~~ 2. ALL QRRP ONLY: Has the project satisfied all of the income rent requirements memorialized in the bond regulatory agreement? If no, please explain.
- ~~4.~~ 3. QRRP PRIOR TO 2017 ONLY: Is the Project currently providing service amenities on a regular and ongoing basis? (Note: services must be provided for the minimum committed term beginning after the project has been placed in service.) If no, please explain or indicate "Project did not commit to Service amenities;" or "Project has completed term of commitment."
- ~~5.~~ 4. ALL PRIOR TO 2017: Has the project/program satisfied all other requirements as memorialized in the Exhibit A? If no, please explain.
- ~~6.~~ 5. QRRP ONLY 2017 and BEYOND: If the Project Sponsor/Borrower indicated in the Certification of Compliance II or like form:
 - a. Has the regulatory agreement has been terminated, if yes, please explain.
 - b. Are the number of Federal Bond Restricted Units and Other Restricted Units consistent with the CDLAC resolution, if not, please explain.
 - c. Is the 10% at 50% general distribution requirement being met in a matter consistent with the CDLAC resolution, if no, please explain.
 - d. Are the service amenities being provided in a manner consistent with the CDLAC resolution, if no, please explain.
- ~~7.~~ 6. IDB 2017 and BEYOND ONLY: If the Project Sponsor/Borrower indicated jobs had been created or retained, please report on how many jobs were created or retained.

8. 7. SINGLE FAMILY 2017 and BEYOND ONLY: Has the single family program met the income and geographical targets identified in the CDLAC resolution? If no, please explain.
9. 8. ALL QPEFB ONLY: Has the project satisfied all requirements memorialized in the bond regulatory agreement? If no, please explain.
10. 9. ALL QPEFB ONLY: Has the bond regulatory agreement been terminated? If yes, please explain.

Certification of Compliance II
for Non-Qualified Residential Rental Projects

1. Project Name Change: _____ No _____ Yes _____

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

New: _____ Original: _____

2. CDLAC Application No.: _____

3. Bond Issuer Change: _____ No _____ Yes _____

(If Bond Issuer has changed since the award as a result of refinancing or refunding of an allocation, please note the new Issuer as well as the original Issuer.)

New: _____ Original: _____

Address: _____

Phone #: _____

Email: _____

4. Change in Borrower: _____ No _____ Yes _____

(If Borrower has changed since the award affecting the CDLAC resolution, please note the new Borrower as well as the original Borrower.)

New: _____ Original: _____

Address: _____

Phone #: _____

Email: _____

5. Has the project been completed and placed in service? _____ No _____ Yes _____

(If yes, please submit Completion Certification (one time only).)

Already submitted certification

6. Has any of the following events occurred associated with the bond allocation: a change in use, a Bond Default, or a Qualified Bond Default.

No _____ Yes _____ If yes, please describe and explain.

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 \$1,200, 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

Print Name

Title

Date _____

Signature of Project Sponsor

Print Name

Title

Date _____

[Forms, regulations and a](http://www.treasurer.ca.gov/cdlac.htm) 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 \$1,200 Initial Filing Fee Made Payable to CDLAC (See Section 5033(b)(2) of CDLAC Regulations)	
	<u>Signed</u> Performance Deposit Certification Form (pages 17-18 of Application) (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
	Certification of Compliance with Conflict of Interest Requirements	K
	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 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 (QPEFB) project

QPEF CERTIFICATION OF COMPLIANCE

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

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)

**~~NON-COMPETITIVE~~
APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED
PRIVATE ACTIVITY BONDS FOR A QUALIFIED RESIDENTIAL RENTAL
PROJECT (QRRP)**

ISSUER (Applicant): _____

PROJECT SPONSOR: _____

PROJECT NAME: _____

PROPOSED MEETING DATE: _____

FHA Forward Commitment Request Yes No ([Section 5255](#))

Scattered Site Yes No ([Section 5250](#))

We, the undersigned, hereby make an Application to the California Debt Limit Allocation Committee (“CDLAC”) for the purpose of providing rental housing as described herein. ([Sections 5032, 5033, 5050, 5054](#))

We agree it is our responsibility to provide CDLAC with one original and one duplicate copy of a complete Application, accompanied by a check made payable to the Committee in the amount of \$1,200 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 the 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 Residential Rental Projects and the CDLAC Regulations, which identify the minimum requirements, evaluation criteria, priorities, and other standards that will be employed to evaluate Applications.

We acknowledge that 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 after a final decision by CDLAC has been made on the Application. 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 or
Designee

Print Name

Title

Date _____

Signature of Project Sponsor Officer

Print Name

Title

Date _____

Unless otherwise noted, references to "Sections" throughout the application refer to CDLAC regulations. Additional information including regulations and forms may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac/> or by calling the Committee at (916) 653-3255.

The California Debt Limit Allocation Committee complies with the Americans ~~W~~with Disabilities Act (ADA). If you need additional information or assistance, please contact the Committee at 916/653-3255 or TDD 916/654-9922

PART I – FINANCING TEAM INFORMATION

(Section 5190 Readiness.)

1. Name of Applicant (Entity Issuing Bonds):

Mailing Address:
City, State, Zip Code:

Federal Identification No.:

For mailing of official documents:

Name of Applicant's Senior Official:	Telephone #: ())
Title of Senior Official:	Fax #: ())
	E-mail:

For questions concerning application:

Name of Applicant's Staff Contact Person:	Telephone #: ())
Title of Contact Person:	Fax #: ())
Mailing Address:	E-mail:
City, State, Zip Code:	

For questions concerning compliance:

Name of Applicant's Staff Contact Person:	Telephone #: ())
Title of Contact Person:	Fax #: ())
Mailing Address:	E-mail:
City, State, Zip Code:	

2. Name of Bond Counsel Firm:

Name of Attorney:	Telephone #: ())
Mailing Address:	Fax #: ())
City, State, Zip Code:	E-mail:

3. Name of Bond Underwriter Firm:

Name of Agent:	Telephone #: ())
Mailing address:	Fax #: ())
City, State, Zip Code:	E-mail:

4. Name of Financial Advisor Firm:

Name of Agent:	Telephone #: ())
Mailing Address:	Fax #: ())
City, State, Zip Code:	E-mail:

5. Name of Private Placement Agent Firm (if applicable):

Name of Agent:
Mailing Address:
City, State, Zip Code:

Telephone #: ())
Fax #: ())
E-mail:

6. Name of Private Placement Purchaser #1 (if applicable):

Name of Agent: Telephone #: ()
Mailing Address: Fax #: ()
City, State, Zip Code: E-mail:

Name of Private Placement Purchaser #2 (if applicable):

Name of Agent: Telephone #: ()
Mailing Address: Fax #: ()
City, State, Zip Code: E-mail:

7. Name of Credit Enhancement Provider (if applicable):

Name of Agent: Telephone #: ()
Mailing Address: Fax #: ()
City, State, Zip Code: E-mail:

8. Name of Project Sponsor (Borrower entity):

Name of Senior Officer: Telephone #: ()
Title of Senior Officer: Fax #: ()
Mailing Address: E-mail:
City, State, Zip Code:

Name of Contact Person (if different from Senior Officer):

Title of Contact Person: Telephone #: ()
Fax #: ()
E-mail:

9. Name of Developer Firm:

Name of Senior Officer: Telephone #: ()
Title of Senior Officer: Fax #: ()
Mailing Address: E-mail:
City, State, Zip Code:

Name of Contact Person (if different from Senior Officer):

Title of Contact Person: Telephone #: ()
Fax #: ()
E-mail:

PART II – ALLOCATION/BOND ISSUE/PROJECT FINANCING INFORMATION

(Section 5194)

ALLOCATION INFORMATION

1. Amount of tax-exempt bond allocation requested: \$ (Section 5060)
2. Date of project inducement:
Submit a copy of the adopted inducement resolution labeled as **Attachment A**. Applications submitted without this documentation will be deemed incomplete. (See Section 5033(b)(5) of the CDLAC Regulations)
3. Date of TEFRA approval:
Submit proof of TEFRA (public approval process required by 26 U.S.C. Section 147(f)) labeled as **Attachment B**.
(See Section 5033(b)(5) of the CDLAC Regulations.)

For an open application process, see time lines posted on the Committee’s web site.

<http://www.treasurer.ca.gov/cdlac/>

4. Have the Applicant’s (Issuer) Bond Issuance and Post Issuance Compliance Policies, approved within the past 10 years, been submitted to CDLAC? (Section 5031(c))

No. Please explain.

Yes.

- 4- 5. During Competitive Rounds only: Exceeding the Maximum Allocation Amount for Qualified Residential Rental Projects (See Section 5232(b) of the CDLAC Regulations.)

	YES	NO
The Project Sponsor is requesting an exception to the \$50 million allocation award limit.	<input type="checkbox"/>	<input type="checkbox"/>
If “YES”, submit documentation requesting an exception based on the following factors:		
<ul style="list-style-type: none"> • The proposed Project qualifies as a Federally Assisted At-Risk Project; or • The proposed Project cannot be developed in phases at a \$50 million level. 		
The documentation must be labeled as Attachment C . 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 phase, any unique features of the property which inhibit phasing, a description of infrastructure costs, and a cost breakdown by phases.		

BOND ISSUE INFORMATION

(Sections 5060 and 5061)

1. Indicate anticipated bond issuance date:
2. Indicate whether bonds will be sold as:
 - a. a public offering with credit enhancement
 - b. a private placement; or

c. a cash collateralized public offering

3. If a fixed rate, what is the fixed interest rate?

If bonds carry a variable rate:

Identify the index:

Identify the variable rate (or underwritten rate) at time of application:

Is there a feature to allow a conversion to a fixed rate at some time in the future? Under what conditions and when?

4. Anticipated bond rating: (See Sections 5063, 5064 or 5065 of the CDLAC Regulations):

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

If the anticipated bond rating is BBB or less or is unrated, does the Applicant favor an award requiring an Investment Representation Letter or with minimum denomination requirements?

5. Bond Sale Structure

(See Sections 5061, ~~or 5062~~, and 5194 of the CDLAC Regulations.)

Submit a brief description of the bond sale structure labeled as **Attachment D**. The description must include, at a minimum, the construction or interim financing, if applicable, the amount, closing deadlines, security/collateral provided, investors, guaranties, conditions for closing, anticipated closing date, etc. Also, submit proof of all firm commitment(s) from credit enhancement provider(s) and private placement bond purchaser(s), labeled sequentially as **Attachment D-1, D-2**, etc. For FHA financed projects not seeking a Forward Commitment, a HUD Acknowledgement Letter must be included with the Attachment D documents.

A. Indicate interim or construction period lender:

B. Indicate permanent financing lender:

6. Prior Bond Default or Bankruptcy

(See Section 5066 of the CDLAC Regulations.)

Project Sponsors and Bond Issuers may submit an appeal for a waiver of the Bond Sale Structure restrictions associated with a prior Bond Default or bankruptcy in Attachment D. "Not Applicable, or "N/A" is not an acceptable answer to 6.A and 6.B. If the answer is none, indicate "None".

A. Indicate any prior Bond Defaults or bankruptcies on behalf of a Project Sponsor or Borrower within the last 3 years:

B. Indicate any prior Bond Defaults in the last 5 years on behalf of the Bond Issuer/Applicant:

7. Redevelopment Agency Funding ([Section 5190\(b\)](#))

Are there any direct or indirect committed public funds related to Redevelopment Agency resources in existence prior to the dissolution of Redevelopment Agencies on February 1, 2012?

No

Yes. Provide the below information:

RDA Assistant Approval Date:

Tax Increment Year:

Amount:

Cash-On-Hand (answer Yes or No):

On RDA Obligation List (answer Yes or No):

Department of Finance Date of Enforceable RDA Obligation List:

Successor Entity Committed Date:

Current Status of Project (Pending Oversight Boards Issues of DOF issues, etc.):

Has a final Letter of Determination or an approved Housing Asset Transfer List (if applicable) been obtained?

Yes No

8. Seller Carryback Loan ([Section 5194](#)) Yes No

If yes, what is the term, interest rate, and repayment schedule?

--

PROJECT FINANCING INFORMATION

1. Sources – Construction Financing ([Section 5194\(a\)](#))

Submit an itemized breakdown of the complete sources of construction financing, including but not limited to the following items, labeled as **Attachment E-1**: Tax-Exempt Bond Proceeds, Taxable Debt Proceeds, Developer Equity, Low Income Housing Tax Credit Equity, Direct & Indirect Public Funds and Seller Carryback Note. **Please itemize all liens to be included in the proposed financing.**

2. Sources and Uses – Permanent Financing ([Section 5194\(b\)](#))

Complete Attachment E-2 or complete and submit TCAC's Form in Section IV: Sources and Uses Budget: Part 1: Sources and Uses Budget or comparable documentation as Attachment E-2. **Please itemize all liens to be included in the proposed financing and provide a list of all liens to be paid off at closing as Attachment E-3.**

3. Use of 4% Low Income Housing Tax Credits

If applicable, please respond. ([Section 5190\(g\)](#))

Date when application will be made to the California Tax Credit Allocation Committee (TCAC):	
--	--

4. Leveraging Point Category

(See Section 5230(h) of the CDLAC Regulations.)

Projects will earn points for committed public funds and taxable debt financing that are part of the permanent financing of the proposed Project. Submit CDLAC form, **Attachment F**, that provides a breakdown of the

amount and type of direct and indirect public funds and the amount and source of taxable debt. In order to receive points for the committed public funds, submit proof of the commitments from the applicable sources. In order to receive points for taxable debt financing that is in the form of conventional loans, list lenders in the space provided on **Attachment F** and submit proof of the commitments from the applicable sources. The commitments for public funds and taxable debt, other than taxable bonds, are to be labeled sequentially as **Attachment F-1, F-2**, etc., as needed.

5. Relocation (Section 5211. Tenant Relocation.)
Applicants proposing the rehabilitation or demolition of occupied housing shall include the cost of any tenant relocation in **Attachment E-2** and provide a detailed description of the relocation plan, labeled as **Attachment G, G-1 or G-2**.
6. Estimated per unit cost (including Manager's Units): \$
An application requesting allocation with total project costs that appear to be high for the geographic area in which the project is located will be requested to provide an explanation for why costs are high and demonstrate that such costs are justified. Submit the high cost explanation as Attachment G-1.
(See Section 5194 of the CDLAC Regulations.)
7. Itemized Hard Construction Costs (Section 5194(d))
Submit an itemized breakdown of hard construction costs, labeled as **Attachment H or H-1**. Hard Construction/ Rehabilitation costs shall consist of structure costs only.
8. Capital Needs Assessment (See Section 5212 of the CDLAC Regulations.)
Projects involving the rehabilitation of existing buildings must submit a Capital Needs Assessment performed no more than 180-days prior to application deadline, labeled as **Attachment H-2**. The Capital Needs Assessment shall not apply if the project received an Allocation within the past five years and these requirements were met in the original application. Please indicate "Not Applicable" if a Capital Needs Assessment is not required.
9. Allocation per Restricted Rental Unit: \$ (See Section 5231(d) of the CDLAC Regulations.)
If two or more Applications receive the same total number of points, the Applications will be ranked according to the lowest amount of requested Allocation per Restricted Rental Unit.

10. **Debt Service Coverage Ratio (Section 5193(b))**

Complete the following information relating to the Debt Service Coverage Ratio contained in the commitment for credit

enhancement or private placement purchase of bonds, using annualized pro-forma figures:

a. Potential Gross Income	\$
b. Less Vacancy Rate @ %*	-\$
c. Effective Gross Income (a minus b)	\$
d. Less Operating Expenses (include Operating & Replacement Reserves)	-\$
e. Net Operating Income (c minus d)	\$
f. Principal plus Interest (Debt Service)	\$
g. Debt Service Coverage (e divided by f)**	\$

*Use market area vacancy rate or appraised vacancy rate, but in no event use less than 5%. If less than 5% is being used, please provide a written explanation as to the reason below.

**Cannot be less than 1.15 pursuant to Section 5193 of the CDLAC Regulations except for FHA/HUD projects, RHS projects or projects financed by the California Housing Finance Agency.

Submit CDLAC form, **Attachment I** that provides an itemized breakdown of the Operating Expenses.

11. **Federal Bond Election (Section 5190(i))**

- 20% at 50% Area Median Income
- 40% at 60% Area Median Income

PART III – PROJECT INFORMATION/EVALUATION CRITERIA

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.]

3. Legislative Districts and Census Tract ([Section 5190\(f\)](#))

a. Federal Congressional District in which the proposed Project is located:	
b. State Senate District in which the proposed Project is located:	
c. State Assembly District in which the proposed Project is located:	
d. Census Tract in which the proposed Project is located:	

4. Prior Tax-Exempt Allocation Award ([Section 5190\(g\)](#))

	<u>YES</u>	<u>NO</u>
Has the proposed Project received a CDLAC allocation in the past?	<input type="checkbox"/>	<input type="checkbox"/>
Was the allocation used to issue the bonds for the project?	<input type="checkbox"/>	<input type="checkbox"/>
Have bond proceeds been used or drawn down?	<input type="checkbox"/>	<input type="checkbox"/>
If “YES”, submit a narrative explanation of the circumstances surrounding the prior allocation and why additional allocation is being requested. The narrative must include the amount of the previous allocation, the month and year it was awarded, the CDLAC resolution number, the status of the bonds, the balance of bond proceeds, and a justification for the additional allocation. The narrative must be labeled as Attachment J .		

5. Project Type and Characteristics

(Section 5190. Readiness. (h) Project Description.)

Submit a narrative description of the proposed Project, labeled as **Attachment K**. The description must contain, at a minimum, the following details: **1)** the number of acres of the site (include topography and special features), **2)** a description of the surrounding neighborhood, **3)** the targeted population for the project (i.e., large families, seniors, etc.), **4)** the expected start and completion date of construction/rehabilitation, **5)** physical features of the project (i.e., description of buildings, grounds, project amenities, etc.), **6)** unit configuration, **7)** unit amenities, **8)** scope of rehabilitation work, and **9)** if applicable, a description of other unique features of the project.

Respond by checking as many items as are applicable to the proposed Project.

Project Type and Characteristics	Check here
a. The Project has an existing HAP contract. Please attach existing contract as Attachment L, L-1, L-2, etc.	<input type="checkbox"/>
The proposed Project is a Federally Assisted At-Risk Project as defined in Section 5170 of the CDLAC Regulations.	<input type="checkbox"/>
The proposed Project is a Low Income Housing Tax Credit Resyndication Project.	<input type="checkbox"/>
b. The proposed Project is a Mixed Income Project as defined in Section 5000 of the CDLAC Regulations.	<input type="checkbox"/>
c. The proposed Project is a Rural Project as defined in Section 5000 of the CDLAC Regulations. DO NOT CHECK if item “b”, above, has been checked.	<input type="checkbox"/>
d. The proposed Project is an Acquisition & Rehabilitation Project.	<input type="checkbox"/>
e. The proposed Project is a New Construction Project or Adaptive Reuse as defined in Section 5170 of the CDLAC Regulations.	<input type="checkbox"/>
f. The proposed Project is a single room occupancy (SRO) rental project.	<input type="checkbox"/>
g. The proposed Project is a senior citizens rental project.	<input type="checkbox"/>
h. The proposed Project is an assisted living rental project.	<input type="checkbox"/>
i. The proposed Project is a special needs housing rental project.	<input type="checkbox"/>

6. Complete the following tables (Section 5230). Scattered site projects must complete the following Tables 1 and 2 for the project as a whole and also submit a separate Table 1 and 2 for each location as **Attachment C, C-1**, etc. The information provided in the tables must be consistent with a market study completed pursuant to Section 5200 (a) of the CDLAC Regulations (as applicable), with the responses to Items 9, 10 and 11, which follow, and between the two tables. If the rent shown in column “d” of Table 1 will be subsidized, provide a brief explanation of the subsidy in the blank space below. If Potential Gross Income is significantly higher than Monthly Gross Rent, then CDLAC may ask the applicant to identify other sources of Potential Gross Income to ascertain that these other sources are allowed (Section 5193(a)(4)).

Table 1.

(a) # of Bdrms/ # of Bathrooms	(b) Unit Size (sq.ft.)	(c) # of Units	(d) Total sq.ft. per unit type (b x c)	(e) Proposed Monthly Tenant-Paid Rent per Unit (excluding utilities)	(f) Proposed Monthly Rental Subsidy per Unit	(g) Proposed Monthly Income per Unit (excluding utilities) (e+f)	(h) Monthly Utility Allowance	(i) Monthly Gross Rent (e+h)	(j) % of Area Median Income Based on Monthly Gross Rent	
<i>Restricted Rental Units</i>										
				\$	\$	\$	\$	\$	%	
				\$	\$	\$	\$	\$	%	
				\$	\$	\$	\$	\$	%	
				\$	\$	\$	\$	\$	%	
				\$	\$	\$	\$	\$	%	
				\$	\$	\$	\$	\$	%	
TOTAL										
Annualized Total Rental Income (SUM(c x g) x 12							\$			

Projects currently subject to Hold Harmless Rents pursuant to the 2008 Federal Housing and Economic Recovery Act may continue to use Hold Harmless Rents in ~~Column (d)~~ of Table 1 when rents are below federal set-aside limits and applicable state requirements ([Section 5230\(b\)\(3\)](#)).

Is your project currently subject to Hold Harmless Rents? Yes No

If "Yes" what year was your project placed in service?

<i>Market Rate Units</i>				
(a) # of Bedrooms	(b) Unit sq.ft.	(c) # of Units	(d) Proposed Monthly Tenant- Paid Rent per Unit (excl. utilities)	(e) Total Proposed Monthly Tenant-Paid Rent (c x d)
			\$	\$
			\$	\$
			\$	\$
Total sq.ft. of Units (SUM (b x c))			Annualized Total Rental Income (SUM (e))	\$

<i>Managers' Units</i> <input type="checkbox"/> Restricted <input type="checkbox"/> Market Rate				
(a) # of Bedrooms	(b) Unit sq.ft.	(c) # of Units	(d) Proposed Monthly Mgr-Paid Rent per Unit	(e) Total Proposed Monthly Mgr-Paid Rent (c x d)
			\$	\$
			\$	\$
			\$	\$
Total sq.ft. of Mgr Units (SUM (b x c))			Annualized Total Rental Income (SUM (e))	\$

Table 2.

(a) Total No. of Units (excluding Mgr. Units)	(b) Total No. of Restricted Units	(c) Percent of Total Restricted Units (b ÷ a)	(d) No. of Units at or below 50% AMI	(e) Percent of Units at or below 50% AMI (d ÷ a)	(f) No. of Units above 50% to 60% AMI	(g) Percent of Units above 50% to 60% AMI (f ÷ a)	(h) No. of Restricted Rental Units with 3 or more Bdrms.	(i) Percent of Restricted Rental Units with 3 or more Bdrms. (h ÷ b)
		%		%		%		%

7. Site Control

(See Section 5190(a) **and (e)** of the CDLAC Regulations.)

A current title report (completed no more than 90 days prior to application), labeled as Attachment M, shall be submitted with all applications for the purposes of this threshold requirement. As a condition of meeting this minimum requirement, the Project Sponsor must submit evidence of site control demonstrating its readiness to use the allocation. Applications not meeting this minimum requirement will be deemed incomplete. The evidence of site control must take at least one of the following forms. Evidence that is in addition to the mandatory title report must be labeled as **Attachment M-1, M-2**, etc.

Respond by checking as many forms as are applicable to the proposed Project.

Form of Evidence	Check here
The Applicant or Project Sponsor holds fee title as evidenced by the title report.	<input type="checkbox"/>
An executed lease agreement or lease option for the length of time the Project will be regulated under this program between the Project Sponsor and the owner of the subject property.	<input type="checkbox"/>
An executed disposition and development agreement between the Project Sponsor and a public agency.	<input type="checkbox"/>
A valid, current, enforceable contingent purchase and sale agreement or option agreement between the Project Sponsor and the owner of the subject property, including evidence that all extensions necessary to keep agreement current through the date of the award of allocation have been executed.	<input type="checkbox"/>
Valid, current and enforceable purchase and sale agreements, contingent purchase sale or option agreements in combination between the Project Sponsor, a third party and the owner of the	

subject property such that the Committee can determine that upon a grant of Allocation the Project Sponsor has a right to acquire the subject property.	<input type="checkbox"/>
Documentation from a local agency demonstrating its intention to acquire the site, or a portion of the site, through eminent domain proceedings. (In this instance, the CDLAC Executive Director has sole discretion to determine whether such documentation clearly demonstrates site control.)	<input type="checkbox"/>

8. Local Approvals and Zoning
(See Section 5190(b) of the CDLAC Regulations.)

The project Sponsor shall provide evidence, no later than the application due date for the allocation round in which the project is seeking an allocation, that the site is zoned for the Project, as proposed, and that all applicable local land use approvals that are subject to the discretion of local elected officials have been obtained. Additionally, if any land use approval is subject to public appeal, within no less than 5 calendar days prior to the first public posting of the Committee, the applicant must provide proof that either no appeals were received, or that any appeals received during that time period were resolved and the project is ready to proceed. Examples of such approvals include, but are not limited to, general plan amendments, re-zonings, and conditional use permits, but do not include design review approvals. The evidence of discretionary local approvals and zoning must be labeled as **Attachment N** or **N-1, N-2**, etc. and take at least one of the following forms.

Respond by checking as many forms as are applicable to the proposed Project.

Form of Evidence	Check here
CDLAC Zoning and Local Approval Verification Form bearing the signature of a local planning agency representative.	<input type="checkbox"/>
Letter from a local planning official that verifies all of the information requested by the CDLAC Zoning and Local Approval Verification Form.	<input type="checkbox"/>
Documentation from 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.	<input type="checkbox"/>

9. Income Restriction
(See Sections [5190\(i\)](#), 5191 and Section 5192 of the CDLAC Regulations.)

Minimum Requirement

A minimum of ten percent (10%) of the units in a Qualified Residential Rental Project must have Gross Rents that are restricted to households with incomes no greater than fifty percent (50%) of the Area Median Income (AMI). All of the rent restricted units that meet this requirement, with the exception of Mixed Income Pool projects and units located on the upper level floors of high-rise developments, shall be generally distributed in terms of location and number of bedrooms throughout the project. All such units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those units that are available to other tenants.

For federally assisted at-risk projects and 4% low income housing tax credit projects, this shall mean that the Project units must have Gross Rents that are restricted to households whose incomes must be 50% or less of the AMI; or Gross Rents that are restricted to households whose incomes must be 60% or less of the AMI. (Consult Section 5170 of the CDLAC Regulations for the definition of “Gross Rents”.) Applications not meeting this minimum requirement will be deemed incomplete. Complete the tables in Item #6 of this PART III. The percentage in column “e” and “g” of Table 2 will be used to determine if the Project meets this minimum requirement.

If the Project is to be substantially retrofitted for energy conservation or will be newly constructed with substantial energy conservation, utility allowances based upon the lower utility cost projected after construction or retrofit may be submitted. Such lower utility allowances must be validated by a public utility letter or public housing authority letter, which provides estimates that are adjusted for significant energy conservation sources.

Exceeding the Minimum Income Restrictions Point Category (Section 5230(c) of the CDLAC Regulations)
(35 points maximum for non-Mixed Income Projects and 15 points maximum for Mixed Income Projects)

Projects will earn points for the percentage of units that are restricted to household incomes at or below 50% of the AMI and between 51% and 60% of the AMI. Federally assisted at-risk projects and 4% low income housing tax credit project will earn points for the percentage of units that have **Gross Rents** restricted to household incomes at or below 50% of the AMI and between 51% and 60% of the AMI. The percentages in columns “e” and “g” of Table 2 in Item #6 of this PART III will be used to determine the points earned in this category.

10. Gross Rents Point Category (Section 5230(d) of the CDLAC Regulations)

All projects that are subject to the use of Gross Rents will earn 5 points in this category. All proposed projects that are not subject to the use of Gross Rents but voluntarily do so will earn 5 points in this category.

Evidence of utility allowances shall be satisfied with a letter from the local housing authority that includes:

- a. A certification that the proposed Project is located within its jurisdiction. (ref: IRS Final Regulations T.D. 8520)
- b. A current utility allowance schedule.
- c. An itemization of which components of the utility allowance schedule apply to the Project.

The documentation evidencing a utility allowance must be labeled **Attachment O**, or if more than one document, as **O-1**, **O-2**, etc. In addition, ~~columns “e”, “f” and “g”~~ of Table 1 in Item #6 of this PART III will be used to determine if points are earned in this category.

11. Large Family Units Point Category (Section 5230(g) of the CDLAC Regulations)

Projects where at least 25% of the Restricted Rental Units are three-bedroom or larger units will earn points. The percentage in column “i” of Table 2 in Item #6 of this PART III will be used to determine the points earned in this category.

12. Market Study (Sections 5200 and 5250 of the CDLAC Regulations)

All Qualified Residential Rental Project applicants are required to submit a market study, labeled as **Attachment P**, as required by Section 5200 of the CDLAC Regulations. The market study must be prepared by an independent third party having no identity of interest with the development’s partners, intended partners, or general contractor and must be submitted with the Application. Scattered Site projects must also meet the requirements of Section 5250 of the CDLAC Regulations. Market studies for projects subject to Section 5200(a) of the CDLAC Regulations must be prepared within 180 days of the application filing deadline and include a 1-2 page summary of its findings, particularly with regard to comparable rental properties.

Acquisition/Rehabilitation projects subject to an existing Residential Rental Regulatory Agreement or a federal, state, or local operating or rental assistance agreement, and meeting the requirements of Section 5200(e)(1) or (2), may submit a market study meeting the requirements of Section 5200(e) of the CDLAC Regulations.

For projects submitting a market study meeting the requirements of Section 5200(a) of the CDLAC Regulations, the market study will be used to determine compliance with the minimum rent restriction requirement that restricted rents must be at least 10% below market rents (Section 5191(b) of the CDLAC Regulations). Please read the CDLAC Regulations posted on the Committee’s web site. Note: The unit rents and square footages of the subject property used throughout the Market Study, including all Rent Comparison matrices, must be consistent with the same information shown in Table 1 in this application.

13. Rent Restrictions

Minimum Requirement (Section 5191(b) of the CDLAC Regulations)

Except for Acquisition/Rehabilitation projects eligible to submit a market study meeting the requirements of Section 5200(e) of the CDLAC Regulations, the proposed tenant paid rents for each tax-exempt bond unit type in the proposed development will be at least ten percent (10%) below rents for the same unit types in the comparable market rate rental properties, as demonstrated by the market study (Attachment P) and the market study's Rent Comparability Matrix, labeled as **Attachment R**. The information in ~~columns "c", "d", and "e"~~ of Table 1 in Item #6 of this PART III must show the same proposed rents as the market study and will be used to determine if the Project meets this minimum requirement. Acquisition/Rehabilitation projects submitting a market study pursuant to Section 5200(e) of the CDLAC Regulations are not required to submit Rent Comparability Matrices unless the Project is seeking points for exceeding minimum income restrictions pursuant to Section 5230(e) of the CDLAC Regulations.

Exceeding the Minimum Rent Restriction Point Category (Section 5230(e) of the CDLAC Regulations)

Projects will earn points when the Restricted Rents for each tax-exempt bond unit types are at least 20% below the market rents for the same unit types, as demonstrated by the market study (Attachment P) and the market study's Rent Comparability Matrix (Attachment R). Preservation Projects that receive points for average rents that are at least 20% below market rents are not eligible for the points described in this point category. The information in ~~columns "c", "d", and "e"~~ of Table 1 in Item #6 of this PART III must show the same proposed rents as the market study and will be used to determine the points earned in this category.

Acquisition/Rehabilitation projects submitting a market study pursuant to Section 5200(e) of the CDLAC Regulations that are also seeking points for exceeding minimum income restrictions must submit a Rent Comparability Matrix for each restricted rental unit type.

Preservation Projects Point Category (Section 5230(b) of the CDLAC Regulations)

<p>20 points maximum. Projects meeting the following criteria shall receive the following points:</p> <p>10 points. A project subject to a residential rental regulatory agreement or a local, state or federal rental or operating assistance contract; or a project subject to an expired residential rental agreement that continues the rental structure prescribed by the expired residential rental agreement, as demonstrated by a copy of the executed agreement or contract, shall receive ten (10) points.</p> <p>10 additional points. A Project eligible for points under Section 5230(b)(1) of the CDLAC Regulations shall receive an additional ten (10) points if it receives state or federal rental assistance or a state, federal, or local operating subsidy and, as a result, the rents are limited in at least fifty percent (50%) of the project’s tenant units to no more than thirty percent (30%) of each such unit’s tenants’ income, as demonstrated by a copy of the executed agreement or contract.</p> <p>10 additional points. A Project eligible for points under subdivision Section 5230(b)(1) of the CDLAC Regulations shall receive an additional ten (10) points if it has income restricted tenant paid rents for each Restricted Rental Unit type that on average are at least twenty percent (20%) below rents for the same unit types in comparable market rate rental properties, as demonstrated in a market study meeting the requirements of section 5200(e), attached as Attachment P, and in a Rent Comparability Matrix, attached as Attachment R, utilizing three (3) market comparable properties for each restricted unit type in the Project. The information in columns “e”, “d”, and “e” of Table 1 in Item #6 of this PART III must show the same proposed rents as the market study and table(s).</p> <p>Supporting documentation for Preservation Project points shall be submitted as Attachment L, L-1, L-2, etc.</p>	<p style="text-align: right;"><input type="checkbox"/></p> <p style="text-align: right;"><input type="checkbox"/></p> <p style="text-align: right;"><input type="checkbox"/></p>
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Submit a **scaled-for-distance** map, labeled as **Attachment Q**, showing the location of the proposed Project and the comparable market rental properties. The map must be legible and must clearly show the proposed Project at the center of a circle with a 1-mile radius.

14. Term of Income and Rent Restrictions (Sections 5192 and 5230(f) of the CDLAC Regulations)

Minimum Term of Restrictions

The Qualified Project Period for the Project must be for at least 30 years. Projects that maintain the Qualified Project Period for longer than thirty (30) years will be awarded two (2) points for every five (5) years of affordability beyond thirty (30) years up to fifty-five (55) years.

If the round in which an Application is being considered has been established under an Open Application Process, the Committee shall increase the minimum term of restriction to fifty-five (55) years following the date on which fifty percent (50%) occupancy is achieved or otherwise commencement of the Qualified Project Period. (Section 5192(c))

Consult the CDLAC Procedures for the definition of a Qualified Project Period. Applications not meeting this minimum requirement will be deemed incomplete.

Proposed Term of Restrictions.	
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15. Community Revitalization Criteria (Section 5230(i) of the CDLAC Regulations)

5 points. Projects located in a Community Revitalization area will qualify for five (5) points provided the following is submitted with the application as **Attachment S, S-1**, etc.:

<p>_____ which the project received points at no cost or priced at no more than half of retail</p> <p>_____ cost. Passes shall be made available on a first come, first served basis to all tenants _____ of rent restricted units for at least 15 years:</p> <p>(1) 3 points for at least one pass per rent restricted unit; or</p> <p>(2) 1.5 points for at least one pass per each 2 Rent Restricted units.</p>	<input type="checkbox"/> <input type="checkbox"/>
<p>C. _____ 2.5 points.</p> <p>_____ The proposed Project is located within ½ mile of a park or recreational facility.</p>	<input type="checkbox"/>
<p>D. _____ 2.5 points for one of the following:</p> <p>_____ The proposed Project is located within close proximity of groceries and other</p> <p>_____ essential shopping needs. (Grocery means a full service store or supermarket that</p> <p>_____ provides food staples; fresh meats, poultry, dairy products, and produce; as well as</p> <p>_____ other personal and household products. For CDLAC purposes, convenience stores</p> <p>_____ and mini marts/markets are not considered full service stores or supermarkets).</p> <p>_____ Select one of the following:</p> <p>1. _____ The proposed Project is within ½ mile of a full scale grocery store/supermarket of at least 25,000 gross interior square feet. For Rural Projects, within 1 mile.</p> <p>2. _____ The proposed Project is within ¼ mile of a neighborhood market of at least 5,000</p> <p>_____ gross interior feet. For Rural Projects, within ½ mile.</p>	<input type="checkbox"/> <input type="checkbox"/>
<p>E. _____ 2.5 points for one of the following:</p> <p>_____ The proposed Project is located within close proximity of public schools (K-12</p> <p>_____ grades), (proposed projects that are restricted to residents 55 years or older shall not</p> <p>_____ be eligible for points under this criterion).</p> <p>1. _____ Within ¼ mile of a public elementary school; ½ mile of a public middle school, or 1 mile of a public high school that children living in the development may attend and that the site is within the attendance area of that school.</p> <p>2. _____ For Rural Projects, an additional ½ mile for each public school type that children living in the development may attend and that the site is within the attendance area of that school.</p>	<input type="checkbox"/> <input type="checkbox"/>

<p>F. 2.5 points for one of the following:</p> <p>_____ The proposed Project is located within:</p> <p>(i) 1/2 mile (for Rural set aside projects, 1 mile) of a medical clinic:</p> <p>(I) that has a physician, physician's assistant, or nurse practitioner onsite for a minimum of 40 hours each week, and</p> <p>(II) that accepts Medi-Cal and Medicare payments, or Health Care for the Homeless for projects housing homeless populations, or that has an equally comprehensive subsidy program for low-income patients; or</p> <p>(ii) 1 mile (for Rural set aside projects, 1 ½ miles) of a hospital (not merely a private doctor's office); or</p> <p>(iii) 1/2 mile (for Rural projects, 1 mile) of a pharmacy.</p>	<input type="checkbox"/>
<p>G. 2.5 points. The proposed Project is located within ½ mile of a public library</p>	<input type="checkbox"/>
<p>H. 2.5 points. The proposed Project will provide high speed internet or wireless “WiFi” service connection to each unit. Service will be available by the placed in service date. High speed internet service, with a minimum average download speed of 768 kilobits/second must be made available to each unit for a minimum of 15 years, free of charge to the tenants, and available at the time of the project's placed in service date.</p>	<input type="checkbox"/>

To earn points in this category, the amenity must already exist, with the following exception: Applicants requesting points for site amenities that do not currently exist must include a letter from the controlling entity, signed by an authorized individual representing the entity, that states the funds for the amenity are committed, and the amenity is planned. Future WiFi service is excluded from the letter requirement. In the case of a bus stop that does not currently exist, points will be awarded where it is shown that the bus provider and municipality have agreed on and approved the site for the stop and it will be in existence no later than two years after the development is placed in service. The Project Sponsor must complete **Attachment T** and provide the required evidence specified in Attachment T.

17. Service Amenities Point Category (Section 5230(l) of the CDLAC Regulations)

10 points maximum. The Project Sponsor must complete the certification in **Attachment U Service Amenities** as to the amenities that are applicable to the proposed Project. A project may earn 5 points, up to a maximum of 10 points, for each amenity that is properly documented and certified to be applicable to the proposed Project.

Service amenities must be appropriate to the tenant population served and committed to for a minimum of 15 years. Programs must be of a regular, ongoing nature and provided to tenants free of charge, except for day care services. Services must be designed to generate positive changes in the lives of tenants, such as increasing tenant knowledge of and access to available services, helping tenants maintain stability and prevent eviction, building life skills, increasing household income and assets, increasing health and well-being, or improving the educational success of children and youth. Services must be provided on-site except that Projects may use off-site services within 1/2 mile (1 ½ miles for Rural projects) of the development provided that they have a written agreement with the service provider at the time of Application enabling the development's tenants to use the services free of charge (except for day care and any charges required by law) and that demonstrate that provision of on-site services would be duplicative. Referral services will not be eligible for points. Contracts with service providers, service provider experience, and evidence that physical space will be provided on- or off-site must be documented within the application. Projects may use off-site services located more than one-half (½) mile from the Project (one and one-half (1½) miles for Rural projects) provided that they additionally submit a written agreement demonstrating that tenants will be provided with free of charge round-trip transportation between the development and the off-site services. Documentation must be provided for each category of services for

which the applicant is claiming service amenity points and must state the name and address of the organization or entity that will provide the services; describe the services to be provided; state annual value of the services; commit that services will be provided for a period of at least one (1) year; name the project to which the services are being committed. Evidence shall take the form of a contract for services, Memorandum of Understanding (MOU), or commitment letter on agency letterhead. Services delivered by the on-site Property Manager of other property management staff will not be eligible for points under any category. All organizations providing services for which the project is claiming points must document that they have at least 24 months of experience providing services to the project's target population. Experience of individuals may not be substituted for organizational experience.

The application must propose a combined annual value of at least \$10,000, or \$5,000 for Projects of 20 units or fewer, for those services. In addition, any donated services must be assigned a dollar value by the provider of those services. All anticipated income and expenses associated with the Project's service amenities program(s) shall be included in **Attachment I Annual Operating Expenses**.

Amenity	Check here
<p>A. Five (5) points will be awarded to Family Projects with after school programs of an ongoing nature. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities. The programs shall be provided weekdays throughout the school year for at least 10 hours per week.</p>	<input type="checkbox"/>
<p>B. Five (5) points will be awarded to Projects with instructor led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. The classes shall be provided at a minimum of 84 hours per year (drop in computer labs, monitoring or technical assistance shall not qualify).</p>	<input type="checkbox"/>
<p>C. Five (5) points will be awarded to Projects with licensed childcare providing 20 hours or more per week (Monday through Friday) to residents of the development.</p>	<input type="checkbox"/>
<p>D. Five (5) points will be awarded to Projects with health and wellness services and programs. Such services and programs shall provide individualized support for tenants (not group classes) but need not be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. The services shall be provided at a minimum of 100 hours per year.</p>	<input type="checkbox"/>
<p>E. Five (5) points will be awarded to Projects with a bona fide service coordinator/social worker available provided that the experience of the coordinator, the duties of the coordinator, and a budget to pay for the coordinator are included labeled as Attachment U-1. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)</p>	<input type="checkbox"/>

18. Minimum Sustainable Building Standards (Section 5205 of the CDLAC Regulations)

The Applicant, Project Sponsor and the Project's Architect shall complete the certification in Attachment V-1 **Minimum Sustainable Building Standards Certification** that the following minimum specifications will be

incorporated into the project design for all new construction and rehabilitation projects. The requirements of CDLAC Regulations Section 5205(a)(2) through (9) are only applicable when investment in such elements is proposed in the Project's scope of work and/or the Capital Needs Assessment. Please note that if seeking tax credits, please consider CTCAC's workbook requirements when developing your CDLAC application. (Section 10325 (f)(7)(A) of CTCAC regulations.)

<p>A. All rehabilitation projects shall have improved energy efficiency above the modeled energy consumption based on existing conditions, with at least a ten percent (10%) post-rehabilitation improvement over existing conditions. Scattered-site rehabilitation projects shall also have at least a five percent (5%) improvement over existing conditions at each location.</p>
<p>B. Landscaping. A variety of plant and tree species that require low water use shall be provided in sufficient quantities based on landscaping practices in the general market area and low maintenance needs. Projects shall follow the requirements of the State's Model Water Efficient Landscape Ordinance (Title 23, California Code of Regulations, Section 490 et seq.) (http://www.water.ca.gov/wateruseefficiency/landscapeordinance/) unless a local landscape ordinance has been determined to be at least as stringent as the current model ordinance.</p>
<p>C. Roofs. Roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufacturer's warranty.</p>
<p>D. Exterior Doors. Insulated or solid core, flush, paint or stain grade exterior doors shall be made of metal clad, hardwood faces, or fiberglass faces; with all six sides factory primed and subject to a standard one-year guarantee.</p>
<p>E. Appliances. Refrigerators, dishwashers, clothes washers and clothes dryers provided or replaced within low income units and/or in on-site community facilities shall be ENERGY STAR rated appliances unless waived by the Executive Director.</p>
<p>F. Window Coverings. Window coverings shall be provided and may include fire retardant drapes or blinds.</p>
<p>G. Water Heater. For units with individual tank-type water heaters, minimum capacities are to be 28 gallons for one-bedroom and two-bedroom units and 38 gallons for three-bedroom and larger units.</p>
<p>H. Floor Coverings. A hard, water resistant, cleanable surface shall be required for all kitchen and bath areas. Carpeting shall comply with U.S. Department of Housing and Urban Development/ Federal Housing Administration UM44D.</p>
<p>I. Insulation. All fiberglass-based insulation shall meet the Greenguard Emission Criteria for Children and Schools as required by the California Tax Credit Allocation Committee Title 4, Division 17, Chapter 1, Section 10325.</p>

Compliance and Verification: Projects that receive an award of low income housing tax credits (LIHTC) shall submit evidence of compliance to TCAC with the Placed in Service Application. Projects that receive a Qualified Residential Rental Bond allocation, and do not receive a LIHTC award, shall submit evidence of compliance to CDLAC as an attachment to the first Certification of Compliance (the form of which is attached to the project resolution and which is required to be submitted on March 1 of each year). For projects not yet placed in service, the information is due following receipt of the verification, but in no event shall this documentation be submitted more than two years after the issuance of bonds.

- (1) The project sponsor with rehabilitation projects must submit the California Energy Commission HERS II energy consumption and analysis report which shows the pre- and post-rehabilitation HERS II estimated annual energy use demonstrating the required improvement, in their placed-in-service package.
- (2) The project sponsor shall submit third party documentation from one of the following sources confirming the existence of items, measures, and/or project characteristics:
 - o A certified HERS Rater
 - o A certified GreenPoint Rater; or
 - o A US Green Building Council Certification.

19. 10 points maximum. Sustainable Methods (Section 5230(k) of the CDLAC Regulations)

Sustainable Methods points will be awarded provided that the Project Sponsor and the licensed Project architect each submit a certification indicating which items will be included in the Project’s design and any relevant specifications.

To receive points for Sustainable Methods, the Project Sponsor and Architect must both sign the certification form (**Attachment V-2**).

The certifications shall attest that the applicable design elements described in this section will be included in the project’s design and specifications and shall include the signature, the printed name, the title of the person making the certification and the date of signature. The signature of the Architect must indicate the appropriate license registration number.

If your application is approved, compliance will be demonstrated by the submission of the appropriate third party verification documentation showing the project has met the requirements for the relevant program. Projects that receive an award of low income housing tax credits (LIHTC) shall submit the third party verification to TCAC with the Placed in Service Application. Projects that receive a Qualified Residential Rental Bond allocation, and do not receive a LIHTC award, shall submit the third party verification to CDLAC as an attachment to the first Certification of Compliance (the form of which is attached to the project resolution and which is required to be submitted on March 1 of each year). See section 5230 of the CDLAC Regulations for specific third party verification required for each sustainable building point category.

20. 10 points. New Construction, Adaptive Re-Use and Substantial Rehabilitation Projects (Section 5230(m) of the CDLAC Regulations).

Points will be awarded to New Construction, Adaptive Re-Use and Substantial Renovation projects.

New Construction	Check here <input type="checkbox"/>
Adaptive Re-Use	<input type="checkbox"/>
Substantial Renovation	<input type="checkbox"/>

21. 10 points maximum. Foregone Developer Fee (Section 5230(n))

In Competitive Rounds only, one point will be awarded for each one percent (1%) of foregone eligible developer fee, as determined by TCAC Regulation section 10327, up to a maximum of ten (10) points.

PART IV – PROJECT SPONSOR/DEVELOPER/PROPERTY MANAGER INFORMATION

[\(Section 5190\(c\)\)](#)

PROJECT SPONSOR

Submit CDLAC form, **Attachment W-1**, that provides information pertaining to the Project Sponsor identified in PART I, Item #8, of this Application.

Submit CDLAC form, **Attachment W-2**, that provides information pertaining to the experience of the Project Sponsor (if different than the Developer). The Project Sponsor's CTCAC Certificate of Previous Participation and a CTCAC Schedule A form may be submitted as Attachment W-2 in lieu of the CDLAC form.

PROJECT DEVELOPER

Submit CDLAC form, **Attachment W-3**, that provides information pertaining to the Project Developer identified in PART I, Item #9, of this Application.

Submit CDLAC form, **Attachment W-4**, that provides information pertaining to the experience of the **Project Developer**. The Project Developer's CTCAC Certificate of Previous Participation and a CTCAC Schedule A form may be submitted as Attachment W-4 in lieu of the CDLAC form.

PROJECT SPONSOR AND DEVELOPER

Submit a list of California projects which the Developer and Project Sponsor (if different than the Developer) has developed or rehabilitated with tax-exempt bond financing. The list shall include the cities and counties in which the projects are located. The list shall be labeled as **Attachment W-5**.

PROJECT MANAGEMENT COMPANY

Submit CDLAC form, **Attachment X** that provides information pertaining to the property management company that will manage the proposed Project.

PART V – LEGAL STATUS OF PROJECT SPONSOR AND DEVELOPER

(Section 5190(d))

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

1. Financial Viability

Disclose any legal or regulatory action or investigation that may have a material impact on the financial viability of the project or the Project Sponsor and Developer. The disclosure should be limited to actions or investigations in which the applicant or the applicant's parent, subsidiary, or affiliate involved in the management, operation, or development of the project has been named a party.

Response (Not Applicable is an unacceptable response):

2. Fraud, Corruption, or Serious Harm

Disclose any legal or regulatory action or investigation involving fraud or corruption, or health and safety where there are allegations of serious harm to employees, the public, or the environment. The disclosure should be limited to actions or investigations in which the Project Sponsor and Developer or the Project Sponsor's and Developer's current board member (except for volunteer board members of non-profit entities), partner, limited liability corporation member, senior officer, or senior management personnel has been named a defendant within the past ten years.

Response (Not Applicable is an unacceptable response):

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.

PART VI – CURRENT OWNER OF PROPERTY INFORMATION

(Section 5190(e))

Please provide information regarding the current owner of the project property, if other than the Project Sponsor, by submitting CDLAC **Attachment Z**.

QRRP APPLICATION DOCUMENTS CHECKLIST

This checklist is provided to ensure 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
	\$1,200 initial filing fee. (See Section 5054 of CDLAC Regulations.)	
	<u>Signed</u> Performance Deposit Certification Form. (See Section 5050 of CDLAC Regulations.)	
	Proof of Performance Deposit (Section 5050)	
	Completed and <u>signed</u> application form. (Section 5032)	
	Adopted Inducement Resolution. (See Section 5033(b)(4) CDLAC Regulations.)	A
	Evidence of TEFRA process and noticing. (See Section 5033(b)(5) of CDLAC Regulations.)	B
	Scattered-site Projects only. Tables 1 and 2 for each location. Competitive rounds only: Documentation supporting the request for an exception to the maximum allocation amount for Qualified Residential Rental Projects. (See Section 5232 of CDLAC Regulations.)	C, C-1, etc.
	Commitment(s) on letterhead for credit enhancement or private placement bond purchase. If FHA non-Forward Commitment, HUD Acknowledgement letter must be included. (See Sections 5060, 5061 and 5062 of CDLAC Regulations.)	D or D-1, D-2 etc.
	Itemized breakdowns of the complete sources of funds for construction. (Section 5194.)	E-1
	Itemized breakdowns of the complete sources and uses of funds for permanent financing. Submit CDLAC Attachment E-2, or TCAC Application Section IV Sources and Uses Budget Part1, or comparable document. (Section 5194.)	E-2
	Itemized list of all liens to be paid off at closing. Disposition of current outstanding liens. (Section 5194.)	E-3
	Breakdown of the amount and type of direct and indirect public funds (form provided by CDLAC). (See Section 5230(h) of the CDLAC Regulations.)	F
	Commitment(s) or other evidence of direct and indirect public funds. (See Section 5230(h) of CDLAC Regulations.)	F-1, F-2 etc.
	Relocation Plan, if Acquisition and Rehabilitation project. (Section 5211. Tenant Relocation.)	G or G-1
	High per-unit cost justification (Section 5194.(e))	G, G-1 or G-2
	Itemized breakdown of the hard construction costs. (Section 5194.(d))	H or H-1
	Capital Needs Assessment. (See Section 5212 of CDLAC Regulations)	H-2
	Itemized breakdown of operating expenses (form provided by CDLAC). (Section 5193(d))	I
	Narrative of prior allocation award and reason for new request. (Section 5190. Readiness. (g) Prior Tax-Exempt Allocation Award.)	J
	Narrative description of the proposed Project. (Section 5190. Readiness. (h) Project Description.)	K

	Evidence of Preservation Project and HAP contract, if applicable. (See Section 5230(b) of the CDLAC Regulations.)	L or L-1, L-2 etc.
	Evidence of site control. (See Section 5190(a) of the CDLAC Regulations.)	M, M-1, M-2 etc.
	Evidence of local approvals and zoning (form provided by CDLAC). (See Section 5190(b) of the CDLAC Regulations.)	N or N-1, N-2 etc.
	Justification or validation of utility allowance. (See Section 5230(d) of the CDLAC Regulations.)	O
	Market Study. (See Section 5200 of the CDLAC Regulations.)	P
	Scaled-for-distance map showing the proposed Project at the center of a circle that encompasses the comparable market rental properties. (Section 5230(b)(3) and Section 5153. Measurement of Distance.)	Q
	Rent Comparability Matrix (See Section 5200 of CDLAC Regulations.) Eligible Projects submitting a Market Study pursuant to Section 5200(e) of the CDLAC Regulations are exempt from submitting Rent Comparability Matrices unless requesting points for below market rents pursuant to Section 5230(b)(3) of the CDLAC Regulations. Scattered-site Projects only. Application Tables 1 and 2 for each location.	R
	Documentation confirming Community Revitalization Area designation and activities. (See Section 5230(i) of the CDLAC Regulations.)	S, S-1, etc.
	Project Sponsor's certification that the site amenities are existing and are appropriate for the population being served. (See Section 5230(j)(1) and (2) of the CDLAC Regulations.)	T
	Public transit or van or dial-a-ride service time schedule and route map showing the proposed Project is within ¼ 1/3 mile of a Public Transit Corridor. (Section 5230. Evaluation Criteria (j) Site Amenities and Section 5153. Measurement of Distance.)	T-1
	Scaled-for-distance map showing the proposed Project at the center of a circle with a ½-mile radius and the location of the applicable site amenities within such radius. (Section 5230. Evaluation Criteria (j) Site Amenities and Section 5153. Measurement of Distance.)	T-2
	A letter from the controlling entity, signed by an authorized individual representing the entity, that states the funds for the amenity are committed and the amenity is planned (Section 5230(j)(1))	T-3
	Project Sponsor's certification that the service amenities are appropriate for the population being served. (See Section 5230(l)(1)(A) of the CDLAC Regulations.)	U
	Experience and duties of the bona fide service coordinator/social worker and minimum 1-year contract for services, MOU, or commitment letter on agency letterhead (Section 5230(l)(2)(E))	U-1
	Detailed budget displaying all anticipated income and expenses associated with the Project's service amenities and evidence of the combined annual value of the service amenities. (Section 5230(l)(1)(D))	U-2
	Scaled-for-distance map showing the location of off-site service amenities, if any, within ¼ mile of the proposed Project. (Section 5153. Measurement of Distance.)	U-3
	Minimum Sustainable Building Standards certification by the Project Sponsor, Project Architect, and Applicant (See Section 5205 of the CDLAC Regulations).	V-1

	Sustainable Methods Certification by the Project Sponsor, Project Architect, and Applicant (See Section 5230(k) of the CDLAC Regulations).	V-2
	Information pertaining to the Project Sponsor. (Section 5190(c))	W-1
	Information pertaining to the Project Sponsor's experience (form provided by CDLAC). (Section 5190(c))	W-2
	Information pertaining to the Project Developer. (Section 5190(c))	W-3
	Information pertaining to the Project Developer's experience (form provided by CDLAC). (Section 5190(c))	W-4
	A list of the Project Sponsor's and Developer's California projects with applicable cities and counties that were developed or rehabilitated with tax-exempt bond financing. (Section 5190(c))	W-5
	Information pertaining to the proposed property management company (form provided by CDLAC). (Section 5190(c))	X
	Responses to PART V – Legal Status of Applicant and Project Sponsor. (Section 5190 (d))	Y
	Responses to PART VI, if applicable, pertaining to Current Owner of property (form provided by CDLAC). (Section 5190(e))	Z

**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.~~

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT E-2

Permanent Sources And Uses

LAND USES BUDGET					Permanent Sources											
	TOTAL PROJECT COST	RES. COST	COM'L	TAX CREDIT	1	2	3	4	5	6	7	8	9	10	11	SUBTOTAL
ACQUISITION																
Land Cost or Value																
Demolition																
Legal																
Land Lease Rent Prepayment																
Total Land Cost or Value																
Existing Improvements Value																
Off-Site Improvements																
Total Acquisition Cost																
Land Cost/ Acquisition Cost																
RELOCATION																
Site Work																
Structures																
General Requirements																
Contractor Overhead																
Contractor Profit																
Prevailing Wages																
General Liability Insurance																
Total Relocation Costs																
Total Relocation Expenses																
CONSTRUCTION																
Site Work																
Structures																
General Requirements																
Contractor Overhead																
Contractor Profit																
Prevailing Wages																
General Liability Insurance																
Total New Construction Costs																
CONSTRUCTION FEES																
Design																
Supervision																
Total Architectural Costs																
Total Survey & Engineering																
CONSTRUCTION INTEREST & FEES																
Construction Loan Interest																
Origination Fee																
Enhancement/Application Fee																
Bond Premium																
Taxes																
Insurance																
Title & Recording																
Other (Specify)																
Other (Specify)																
Construction Interest & Fees																
PERMANENT FINANCING																
Loan Origination Fee																
Enhancement/Application Fee																
Title & Recording																
Tax/Insurance/Other																
Other (Specify)																
Other (Specify)																
Permanent Financing Costs																
Subtotals Forward																
RESERVE COSTS																
Lender Legal Paid by Applicant																
Other (Specify)																
Total Attorney Costs																
Rent Reserves																
Capitalized Rent Reserves																
3-Month Operations Reserve																
Total Reserve Costs																
OTHER COSTS																
Total Appraisal Costs																
Total Contingency Cost																
PROJECT COSTS																
App/Allocation/Monitoring Fees																
Environmental Audit																
Local Development Impact Fees																
Permit Processing Fees																
Capital Fees																
Marketing																
Furnishings																
Market Study																
Accounting/Reimbursables																
Soft Cost Contingency																
Other (Specify)																
Other (Specify)																
Total Other Costs																
SUBTOTAL PROJECT COST																
DEVELOPER COSTS																
Developer Overhead/Profit																
Consultant/Processing Agent																
Project Administration																
Travel Fees Paid to a Related Party																
Const. Oversight by Developer																
Other (Specify)																
Total Developer Costs																
TOTAL PROJECT COSTS																

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT E-3

**Disposition of Current Outstanding
Liens**

(Section 5194)

<u>Lender/Loan</u>	<u>Amount</u>	<u>Disposition</u>	<u>Corresponding Exception Number from Title</u>
<u>Example: City of San Jose loan dated 5/10/96</u>	<u>\$2,250,000</u>	<u>To be assumed</u>	<u>8</u>

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT F

PUBLIC LOAN AND GRANT SUBSIDIES

(Section 5194. Project Sources & Uses and Project Costs.)

If one or more of the following subsidies are proposed indicate with an "X", state the amount, and include a copy of the commitment.

	<u>"X"</u>	<i>Amount</i>
HOME Investment Partnership Act (HOME)	<input type="checkbox"/>	\$
Community Development Block Grant (CDBG)	<input type="checkbox"/>	\$
RHS 514, 515, 516, 538	<input type="checkbox"/>	\$
Century Housing Corporation	<input type="checkbox"/>	\$
Redevelopment Set-aside	<input type="checkbox"/>	\$
HCD's Multifamily Housing Program	<input type="checkbox"/>	\$
Federal Home Loan Bank AHP Funds	<input type="checkbox"/>	\$
Other (Specify)	<input type="checkbox"/>	\$

TAXABLE DEBT FINANCING

List below the taxable debt lenders.

Name of Lender	Term in Months	Interest Rate	Amount of Funds
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
Total Taxable Debt			\$

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT I

ANNUAL OPERATING EXPENSES

(Section 5193(c))

General Administrative

Advertising	\$ _____	
Legal	\$ _____	
Accounting/Audit	\$ _____	
Security	\$ _____	
Other _____	\$ _____	
Total General Administrative		\$ _____

Management Fee

\$ _____

Utilities

Fuel	\$ _____	
Gas	\$ _____	
Water/Sewer	\$ _____	
Other _____	\$ _____	
Total Utilities		\$ _____

Payroll/Payroll Taxes

On-site Manager	\$ _____	
Maintenance Personnel	\$ _____	
Insurance	\$ _____	
Other _____	\$ _____	
Total Payroll/Payroll Taxes		\$ _____

Maintenance

Painting	\$ _____	
Repairs	\$ _____	
Trash Removal	\$ _____	
Exterminating	\$ _____	
Grounds	\$ _____	
Elevator	\$ _____	
Other _____	\$ _____	
Total Maintenance		\$ _____

Service Amenities Budget

Service Coordinator/Social Worker	\$ _____	
Other _____	\$ _____	
Total Service Amenities		\$ _____

<u>Other (specify)</u>		
_____	\$ _____	
_____	\$ _____	
Total Other		\$ _____
<u>Total Annual Residential Operating Expenses</u>		\$ _____
<u>Total Real Estate Taxes</u>		\$ _____
<u>Total Reserves (operating & replacement)</u>		\$ _____
<u>Annual Commercial Operating Expenses (if applicable)</u>		\$ _____
<u>Total Commercial Space Expenses (if applicable)</u>		\$ _____
TOTAL OPERATING EXPENSES		\$ _____

ATTACHMENT N

VERIFICATION OF ZONING AND LOCAL APPROVALS

(Section 5190. Readiness (b) Local Approvals and Zoning.)

(Questions #3, #4 and #5 are not applicable to Acquisition/Rehabilitation projects)

PROJECT NAME:

PROJECT ADDRESS:

ASSESSOR PARCEL NUMBER (S):

PLANNING FILE NUMBER:

PROJECT CITY:

PROPOSED NUMBER OF UNITS:

HOUSING TYPE:

The entire parcel upon which the above-described project will be located is zoned _____, which allows for a Qualified Residential Rental Project (multifamily housing) development of no greater than _____ units per acre.

1. Does the project currently comply with all applicable local land use and zoning ordinances (If no, please explain)?
2. Please describe the current zoning and maximum per unit density allowed for the site.
3. a. Has the project sponsor (developer) obtained all local approvals (other than a building permit and design review) that are subject to the discretion of local elected officials? If no, please explain.

b. Are any local approvals subject to public appeal? If yes, provide the date that each appeals period will lapse. **If any land use approval is subject to public appeal, within no less than 5 calendar days prior to the first public posting of the Committee, the applicant must provide proof that either no appeals were received, or that any appeals received during that time period were resolved and the project is ready to proceed.**
4. Are there any outstanding approvals required by the Planning Commission, City Council, Board of Supervisors or other discretionary voting body for land use entitlements (If yes, please explain)?
5. Are you aware of any state land use related approvals which may be required (If yes, please explain)?

DATED: _____

STATEMENT COMPLETED BY: _____
(Please Print)

SIGNATURE: _____

TITLE: _____

TELEPHONE: _____ FAX: _____ E-MAIL: _____

“As the Project Sponsor, I certify that the (name of project) will have the amenities checked above and that these amenities are existing or proposed, and appropriate for the population being served.”

Signature of Project Sponsor Officer

Print Name of Project Sponsor Officer

ATTACHMENT U SERVICE AMENITIES

(Section 5230 Evaluation Criteria. (I) Service Amenities)

10 points maximum. Check as many amenities as are applicable to the proposed Project.

Amenity	Check box
A. Five (5) points will be awarded to Family Projects with after school programs of an ongoing nature. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities. The programs shall be provided weekdays throughout the school year for at least 10 hours per week.	<input type="checkbox"/>
B. Five (5) points will be awarded to Projects with instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. The classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring or technical assistance shall not qualify).	<input type="checkbox"/>
C. Five (5) points will be awarded to Projects with licensed childcare providing 20 hours or more per week (Monday through Friday) to residents of the development.	<input type="checkbox"/>
D. Five (5) points will be awarded to Projects with health and wellness services and programs. Such services and programs shall provide individualized support for tenants (not group classes) but need not be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. The services shall be provided at a minimum of 100 hours per year.	<input type="checkbox"/>
E. Five (5) points will be awarded to Projects with a bona fide service coordinator/social worker available provided that the experience of the coordinator, the duties of the coordinator, and a budget to pay for the coordinator are included labeled as Attachment U-1 . The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)	<input type="checkbox"/>

To earn points in the category, the Project Sponsor must complete the certification provided below and provide evidence that the combined annual value of service amenities is at least \$10,000, or \$5,000 for Projects of twenty (20) units or fewer, labeled as **Attachment U-2**. If service amenities are to be located off-site, submit a **scaled-for-distance** map labeled as **Attachment U-3** that clearly shows the location(s) of the applicable amenity(s) are within ½ mile (1½ mile for Rural projects) of the proposed Project.

CERTIFICATION

“As the Project Sponsor, I certify that the (name of project) will provide the amenities checked above and that these amenities are **(1)** appropriate for the population being served; **(2)** committed for a minimum of 15 years; **(3)** free of charge (with the exception of licensed childcare) to the tenants; and **(4)** have a combined annual value of at least \$10,000, or \$5,000 for Projects of twenty (20) units or fewer. I further certify that the Project has space available for the amenities, or that the service amenity is located within ½ mile (1½ mile for Rural projects) of the proposed Project, or that tenants will be provided with free of charge round-trip transportation between the Project and all off-site services located more than one-half (½) mile from the Project (one and one-half (1½) miles for Rural projects).”

Signature of Project Sponsor Officer

Print Name of Project Sponsor Officer

Title

Date

California Debt Limit Allocation Committee

ATTACHMENT V-1

MINIMUM SUSTAINABLE BUILDING STANDARDS CERTIFICATION

(Section 5205. Minimum Requirements.)

The following minimum specifications shall be incorporated into the project design when investment in such elements is proposed in the Project's scope of work and/or the Capital Needs Assessment. Please note that if seeking tax credits, please consider CTCAC's workbook requirements when developing your CDLAC application (Section 10325 (f)(7)(A) of CTCAC regulations).

<p>A. All rehabilitation projects shall have improved energy efficiency above the modeled energy consumption based on existing conditions, with at least a ten percent (10%) post-rehabilitation improvement over existing conditions. Scattered-site rehabilitation projects shall also have at least a five percent (5%) improvement over existing conditions at each location.</p>
<p>B. Landscaping. A variety of plant and tree species that require low water use shall be provided in sufficient quantities based on landscaping practices in the general market area and low maintenance needs. Projects shall follow the requirements of the State's Model Water Efficient Landscape Ordinance (Title 23, California Code of Regulations, Section 490 et seq.) (http://www.water.ca.gov/wateruseefficiency/landscapeordinance/) unless a local landscape ordinance has been determined to be at least as stringent as the current model ordinance.</p>
<p>C. Roofs. Roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufacturer's warranty.</p>
<p>D. Exterior Doors. Insulated or solid core, flush, paint or stain grade exterior doors shall be made of metal clad, hardwood faces, or fiberglass faces; with all six sides factory primed and subject to a standard one-year guarantee.</p>
<p>D. Appliances. Refrigerators, dishwashers, clothes washers and clothes dryers provided or replaced within low-income units and/or in on-site community facilities shall be ENERGY STAR rated appliances unless waived by the Executive Director.</p>
<p>F. Window Coverings. Window coverings shall be provided and may include fire retardant drapes or blinds.</p>
<p>G. Water Heater. For units with individual tank-type water heaters, minimum capacities are to be 28 gallons for one-bedroom and two-bedroom units and 38 gallons for three-bedroom and larger units.</p>

H. Floor Coverings. A hard, water resistant, cleanable surface shall be required for all kitchen and bath areas. Carpeting shall comply with U.S. Department of Housing and Urban Development/ Federal Housing Administration UM44D.

I. Insulation. All fiberglass-based insulation shall meet the Greenguard Emission Criteria for Children and Schools as required by the California Tax Credit Allocation Committee Title 4, Division 17, Chapter 1, Section 10325.

___ Waiver Requested (please attach proof of waiver approval)

“I certify that the project rehabilitation or construction project will include the minimum sustainable building requirements as specified above in items A through I. As the project sponsor I have read the CDLAC regulations Section 5205 (b) through (c) and will provide the appropriate verification that the minimum requirements have been achieved as required by Section 5205(c) of the CDLAC Regulations.”

_____, Signature of Project Sponsor

_____, Printed Name

_____, Title

_____, Date

“As the licensed Project Architect, I certify* that the project will be designed to be in compliance with minimum sustainable building requirements as outline above in items A through I. Compliance with this requirement will be demonstrated by submission of the energy performance certificate and appropriate third party verification to CDLAC as required by Section 5205(c) of the CDLAC Regulations.”

*For the purposes of the licensed Project Architect certification, “certify” has the same meaning as set forth in Business and Professions Code Section 5536.26.

_____, Signature of Project Architect, California License # C _____

_____, Printed Name

_____, Company Name

_____, Company Address

_____, Company Phone Number

_____, Date

“I am aware that all rehabilitation or construction projects are required to meet the minimum sustainable building requirements as specified above in items A through I. As the Applicant/Issuer I have read the CDLAC regulations Section 5205 (b) through (c) and will assist in providing the appropriate verification that the minimum requirements have been achieved as required by Section 5205(c) of the CDLAC Regulations.”

_____, Signature of Applicant’s Senior Official

_____, Printed Name

_____, Title

_____, Date

California Debt Limit Allocation Committee

ATTACHMENT V-2

SUSTAINABLE METHODS CERTIFICATION

(Section 5230 Evaluation Criteria. (k) Sustainable Methods)

10 points maximum. Check as all items that are applicable to the proposed Project and design, verification of compliance will be required. Check only one box in each applicable category.

A. 5 total possible points.

Energy Efficiency Certification	Check here
Leadership in Energy & Environmental Design (LEED for Homes)	<input type="checkbox"/>
Green Communities	<input type="checkbox"/>
Passive House Institute US (PHIUS)	<input type="checkbox"/>
Passive House	<input type="checkbox"/>
Living Building Challenge	<input type="checkbox"/>
Green Point Rated Multifamily Guidelines.	<input type="checkbox"/>
National Green Building Standard ICC/ASRAE – 700 or higher rating	<input type="checkbox"/>
2011 Enterprise Green Communities	<input type="checkbox"/>
1 point: WELL (when not combined with the programs above)	<input type="checkbox"/>

B. New Construction or Adaptive Reuse Projects:

1. Energy efficiency beyond the requirements in Title 24, Part 6, of the California Building Code:

Percentage Better than the 2016 Standards		Check here
7 percent	3 points	<input type="checkbox"/>
12 percent	5 points	<input type="checkbox"/>

2. Energy Efficiency with renewable energy:

Offset of Tenants' Load		Check here
20 percent	3 points for Low-Rise/4 points for High-Rise	<input type="checkbox"/>
30 percent	4 points for Low-Rise/5 points for High-Rise	<input type="checkbox"/>
40 percent	5 points for Low-Rise only	<input type="checkbox"/>

C. Rehabilitation Projects:

Improvement Over Current	Points	Check here
15%	3 points	<input type="checkbox"/>
20%	5 points	<input type="checkbox"/>

D. Additional Points for Rehabilitation Projects:

A. 2 points. Photovoltaic generation or solar energy as described in TCAC Regulations §10325(c)(6)(E):	Check only one box for items i-iii
---	------------------------------------

(i) The Project will include photovoltaic (PV) generation that offsets tenant loads; or	<input type="checkbox"/>
(ii) PV that offsets either 50 percent (50%) of common area load (if the combined available roof area of the project structures, including carports, is insufficient for provision of 50% of annual common area electricity use, then the project shall have onsite renewable generation based on at least 90 percent (90%) of the available solar accessible roof area); or	<input type="checkbox"/>
(iii) Solar hot water for all tenants who have individual water meters	<input type="checkbox"/>
B. 2 points. The Project will individually meter or sub-meter currently master-metered gas, electricity, or central hot water systems for all tenants.	<input type="checkbox"/>
C. 2 points. The Project will implement sustainable building management practices that include: (i) Development of a project-specific maintenance manual including replacement specifications and operating information of all energy and green building features; and (ii) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate.	<input type="checkbox"/>

E. 5 points. Irrigation

No irrigation; or Reclaimed, Grey or Rainwater Irrigation per TCAC specifications as described in TCAC Regulations §10325(c)(6)(F)	Check here <input type="checkbox"/>
--	--

F. 2 points. Non-Smoking Policy.

Multi-building project having at least one nonsmoking building	Check here <input type="checkbox"/>
Single building project having a policy prohibiting smoking in contiguous designated units	<input type="checkbox"/>

G. 2 points. Parking Ratio

Parking Ratio equivalent to or less than 1 parking stall per single room occupancy or one-bedroom restricted rental unit and 1.5 parking stalls per two-bedroom or larger restricted rental unit.	Check here <input type="checkbox"/>
---	--

"I certify that the project rehabilitation or construction will include sustainable building methods and energy efficiency as indicated above in items A through G. As the project sponsor I have read the CDLAC regulations Section 5230(k) and will provide the necessary verification that the above items have been implemented as an attachment to the first Annual Certification of Compliance.

_____, Signature of Project Sponsor

_____, Printed Name

_____, Title

_____ Date

“As the licensed Project Architect, I certify* that the project will be designed to be in compliance with items A through G. Compliance with this requirement will be demonstrated by submission of the energy performance certificate and appropriate third party verification to CDLAC as an attachment to the first Certification of Compliance.”

*For the purposes of the licensed Project Architect certification, “certify” has the same meaning as set forth in Business and Professions Code Section 5536.26.

_____, Signature of Project Architect, California License # C _____

_____, Printed Name

_____, Company Name

_____, Company Address

_____, Company Phone Number

_____ Date

“I am aware that the project sponsor is receiving sustainable building points as specified above in items A through G. As the project sponsor I have read the CDLAC regulations Section 5230(k) and will assist in providing the evidence of compliance as required with the first Annual Certification of Compliance.”

_____, Signature of Applicant’s Senior Official

_____, Printed Name

_____, Title

_____ Date

California Debt Limit Allocation Committee

ATTACHMENT W-1

INFORMATION ON PROJECT SPONSOR **(POST CLOSING OWNERSHIP)**

(Section 5190(c))

The information provided in this form must relate to the Project Sponsor as defined in the CDLAC regulations.

Date & place formed:

Partners comprising Project Sponsor

	Corporate Name	Corporate Address	Role	% Ownership	Check if Nonprofit Entity
Partner #1				%	<input type="checkbox"/>
Partner #2				%	<input type="checkbox"/>
Partner #3				%	<input type="checkbox"/>
Partner #4				%	<input type="checkbox"/>

Names and titles of the individuals who are the principals or officers of Partner #1: **Please provide an organizational chart of the entity.**

Names and titles of the individuals who are the principals or officers of Partner #2: **Please provide an organizational chart of the entity.**

Names and titles of the individuals who are the principals or officers of Partner #3: **Please provide an organizational chart of the entity.**

Names and titles of the individuals who are the principals or officers of Partner #4: **Please provide an organizational chart of the entity.**

If applicable, please provide additional information that may be pertinent to this Application:

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT W-2

**COLLECTIVE EXPERIENCE OF PROJECT SPONSOR
AND ALL PARTNERS**

(If different than Developer)

(Section 5190(c))

General experience

Total number of years of experience developing/rehabilitating multifamily rental housing:	
Total number of projects developed/rehabilitated:	
Total number of units developed/rehabilitated in above projects:	
Total number of years of experience developing/rehabilitating projects in California :	
Total number of projects developed/rehabilitated in California :	
Total number of units developed/rehabilitated in California :	
<i>In the past 5 years</i> , number of projects developed/rehabilitated:	
<i>In the past 5 years</i> , number of units developed/rehabilitated in above projects:	
<i>In the past 5 years</i> , number of projects developed/rehabilitated in California :	
<i>In the past 5 years</i> , number of units developed/rehabilitated in California :	
Indicate the total number of units that are currently under ownership of Developer:	
Indicate the total number of units that are currently under management of Developer:	

Tax-exempt bond experience

Total number of projects financed with tax-exempt bonds:	
Total number of units financed with tax-exempt bonds:	
Total number of California projects financed with tax-exempt bonds:	
Total number of California units financed with tax-exempt bonds:	
<i>In the past 5 years</i> , total number of projects financed with tax-exempt bonds:	
<i>In the past 5 years</i> , total number of units financed with tax-exempt bonds:	
<i>In the past 5 years</i> , total number of California projects financed with tax-exempt bonds:	

<i>In the past 5 years</i> , total number of California units financed with tax-exempt bonds:	
In the past 5 years, number of projects and number of units in California financed with tax-exempt bonds:	

California Debt Limit Allocation Committee

ATTACHMENT W-3

INFORMATION ON PROJECT DEVELOPER

[\(Section 5190\(c\)\)](#)

The information provided in this form must relate to the Project Developer identified in PART I, Item #9, of this Application.

Date & place formed:

Check appropriate business type of the Project Developer.

Individual	<input type="checkbox"/>	Partnership	<input type="checkbox"/>	Governmental entity	<input type="checkbox"/>
Corporation	<input type="checkbox"/>	Nonprofit entity	<input type="checkbox"/>	Joint Venture	<input type="checkbox"/>

Identify the entities comprising Project Developer.

	Corporate Name	Corporate Address	Role	% Ownership	Check if Nonprofit Entity
Partner #1				%	<input type="checkbox"/>
Partner #2				%	<input type="checkbox"/>
Partner #3				%	<input type="checkbox"/>
Partner #4				%	<input type="checkbox"/>

Names and titles of the individuals who are the principals or officers of Partner #1: **Please provide an organizational chart of the entity.**

Names and titles of the individuals who are the principals or officers of Partner #2: **Please provide an organizational chart of the entity.**

Names and titles of the individuals who are the principals or officers of Partner #3: **Please provide an organizational chart of the entity.**

Names and titles of the individuals who are the principals or officers of Partner #4: **Please provide an organizational chart of the entity.**

If applicable, please provide additional information that may be pertinent to this Application:

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT W-4

EXPERIENCE OF PROJECT DEVELOPER

(Section 5190(c))

General experience

Total number of years of experience developing/rehabilitating multifamily rental housing:	
Total number of projects developed/rehabilitated:	
Total number of units developed/rehabilitated in above projects:	
Total number of years of experience developing/rehabilitating projects in California :	
Total number of projects developed/rehabilitated in California :	
Total number of units developed/rehabilitated in California :	
<i>In the past 5 years</i> , number of projects developed/rehabilitated:	
<i>In the past 5 years</i> , number of units developed/rehabilitated in above projects:	
<i>In the past 5 years</i> , number of projects developed/rehabilitated in California :	
<i>In the past 5 years</i> , number of units developed/rehabilitated in California :	
Indicate the total number of units that are currently under ownership of Developer:	
Indicate the total number of units that are currently under management of Developer:	

Tax-exempt bond experience

Total number of projects financed with tax-exempt bonds:	
Total number of units financed with tax-exempt bonds:	
Total number of California projects financed with tax-exempt bonds:	
Total number of California units financed with tax-exempt bonds:	
<i>In the past 5 years</i> , total number of projects financed with tax-exempt bonds:	
<i>In the past 5 years</i> , total number of units financed with tax-exempt bonds:	

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT Z

INFORMATION ON CURRENT OWNER OF PROPERTY

(Section 5190(e))

4. Name(s) of Current Owner of Property:

Business Street Address:

City:

State:

Zip code:

5. Names and titles of the individuals who are the principals of the entities comprising the Current Owner of Property:

6. When is sale or transfer of property expected to close escrow?

retain a copy of the election statement.

(ii) *Agency.* The Agency must retain the original of the election statement and a copy of the Form 8609 that reflects the election statement. The Agency must file an additional copy of the Form 8609 with the Agency's Form 8610 that reflects the calendar year the Form 8609 is issued.

[T.D. 8520, 59 FR 10071, Mar. 3, 1994, as amended by T.D. 9110, 69 FR 504, Jan. 6, 2004]

§ 1.42-9 For use by the general public.

(a) *General rule.* If a residential rental unit in a building is not for use by the general public, the unit is not eligible for a section 42 credit. A residential rental unit is for use by the general public if the unit is rented in a manner consistent with housing policy governing non-discrimination, as evidenced by rules or regulations of the Department of Housing and Urban Development (HUD) (24 CFR subtitle A and chapters I through XX). See HUD Handbook 4350.3 (or its successor). A copy of HUD Handbook 4350.3 may be requested by writing to: HUD, Directives Distribution Section, room B-100, 451 7th Street, SW., Washington, DC 20410.

(b) *Limitations.* Notwithstanding paragraph (a) of this section, if a residential rental unit is provided only for a member of a social organization or provided by an employer for its employees, the unit is not for use by the general public and is not eligible for credit under section 42. In addition, any residential rental unit that is part of a hospital, nursing home, sanitarium, lifecare facility, trailer park, or intermediate care facility for the mentally and physically handicapped is not for use by the general public and is not eligible for credit under section 42.

(c) *Treatment of units not for use by the general public.* The costs attributable to a residential rental unit that is not for use by the general public are not excludable from eligible basis by reason of the unit's ineligibility for the credit under this section. However, in calculating the applicable fraction, the unit is treated as a residential rental unit that is not a low-income unit.

[T.D. 8520, 59 FR 10073, Mar. 3, 1994]

§ 1.42-10 Utility allowances.

(a) *Inclusion of utility allowances in gross rent.* If the cost of any utility (other than telephone, cable television, or Internet) for a residential rental unit is paid directly by the tenant(s), and not by or through the owner of the building, the gross rent for that unit includes the applicable utility allowance determined under this section. This section only applies for purposes of determining gross rent under section 42(g)(2)(B)(ii) as to rent-restricted units.

(b) *Applicable utility allowances—(1) Buildings assisted by the Rural Housing Service.* If a building receives assistance from the Rural Housing Service (RHS-assisted building), the applicable utility allowance for all rent-restricted units in the building is the utility allowance determined under the method prescribed by the Rural Housing Service (RHS) for the building (whether or not the building or its tenants also receive other state or federal assistance).

(2) *Buildings with Rural Housing Service assisted tenants.* If any tenant in a building receives RHS rental assistance payments (RHS tenant assistance), the applicable utility allowance for all rent-restricted units in the building (including any units occupied by tenants receiving rental assistance payments from the Department of Housing and Urban Development (HUD)) is the applicable RHS utility allowance.

(3) *Buildings regulated by the Department of Housing and Urban Development.* If neither a building nor any tenant in the building receives RHS housing assistance, and the rents and utility allowances of the building are reviewed by HUD on an annual basis (HUD-regulated building), the applicable utility allowance for all rent-restricted units in the building is the applicable HUD utility allowance.

(4) *Other buildings.* If a building is neither an RHS-assisted nor a HUD-regulated building, and no tenant in the building receives RHS tenant assistance, the applicable utility allowance for rent-restricted units in the building is determined under the following methods.

(i) *Tenants receiving HUD rental assistance.* The applicable utility allowance for any rent-restricted units occupied

by tenants receiving HUD rental assistance payments (HUD tenant assistance) is the applicable Public Housing Authority (PHA) utility allowance established for the Section 8 Existing Housing Program.

(ii) *Other tenants*—(A) *General rule*. If none of the rules of paragraphs (b)(1), (2), (3), and (4)(i) of this section apply to any rent-restricted units in a building, the appropriate utility allowance for the units is the applicable PHA utility allowance. However, if a local utility company estimate is obtained for any unit in the building in accordance with paragraph (b)(4)(ii)(B) of this section, that estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. This local utility company estimate procedure is not available for and does not apply to units to which the rules of paragraphs (b) (1), (2), (3), or (4)(i) of this section apply. However, if a local utility company estimate is obtained for any unit in the building under paragraph (b)(4)(ii)(B) of this section, a State or local housing credit agency (Agency) provides a building owner with an estimate for any unit in a building under paragraph (b)(4)(ii)(C) of this section, a cost estimate is calculated using the HUD Utility Schedule Model under paragraph (b)(4)(ii)(D) of this section, or a cost estimate is calculated by an energy consumption model under paragraph (b)(4)(ii)(E) of this section, then the estimate under paragraph (b)(4)(ii)(B), (C), (D), or (E) becomes the applicable utility allowance for all rent-restricted units of similar size and construction in the building. Paragraphs (b)(4)(ii)(B), (C), (D), and (E) of this section do not apply to units to which the rules of paragraphs (b)(1), (2), (3), or (4)(i) of this section apply.

(B) *Utility company estimate*. Any interested party (including a low-income tenant, a building owner, or an Agency) may obtain a local utility company estimate for a unit. The estimate is obtained when the interested party receives, in writing, information from a local utility company providing the estimated cost of that utility for a unit of similar size and construction for the geographic area in which the building containing the unit is located. In the

case of deregulated utility services, the interested party is required to obtain an estimate only from one utility company even if multiple companies can provide the same utility service to a unit. However, the utility company must offer utility services to the building in order for that utility company's rates to be used in calculating utility allowances. The estimate should include all component deregulated charges for providing the utility service. The local utility company estimate may be obtained by an interested party at any time during the building's extended use period (see section 42(h)(6)(D)) or, if the building does not have an extended use period, during the building's compliance period (see section 42(i)(1)). Unless the parties agree otherwise, costs incurred in obtaining the estimate are borne by the initiating party. The interested party that obtains the local utility company estimate (the initiating party) must retain the original of the utility company estimate and must furnish a copy of the local utility company estimate to the owner of the building (where the initiating party is not the owner), and the Agency that allocated credit to the building (where the initiating party is not the Agency). The owner of the building must make available copies of the utility company estimate to the tenants in the building.

(C) *Agency estimate*. A building owner may obtain a utility estimate for each unit in the building from the Agency that has jurisdiction over the building provided the Agency agrees to provide the estimate. The estimate is obtained when the building owner receives, in writing, information from the Agency providing the estimated per-unit cost of the utilities for units of similar size and construction for the geographic area in which the building containing the units is located. The Agency estimate may be obtained by a building owner at any time during the building's extended use period (see section 42(h)(6)(D)). Costs incurred in obtaining the estimate are borne by the building owner. In establishing an accurate utility allowance estimate for a particular building, an Agency (or an agent or other private contractor of the Agency that is a qualified professional within

the meaning of paragraph (b)(4)(ii)(E) of this section) must take into account, among other things, local utility rates, property type, climate and degree-day variables by region in the State, taxes and fees on utility charges, building materials, and mechanical systems. If the Agency uses an agent or other private contractor to calculate the utility estimates, the agent or contractor and the owner must not be related within the meaning of section 267(b) or 707(b). An Agency may also use actual utility company usage data and rates for the building. However, use of the Agency estimate is limited to the building's consumption data for the twelve-month period ending no earlier than 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section and utility rates used for the Agency estimate must be no older than the rates in place 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section. In the case of newly constructed or renovated buildings with less than 12 months of consumption data, the Agency (or an agent or other private contractor of the Agency that is a qualified professional within the meaning of paragraph (b)(4)(ii)(E) of this section) may use consumption data for the 12-month period of units of similar size and construction in the geographic area in which the building containing the units is located.

(D) *HUD Utility Schedule Model.* A building owner may calculate a utility estimate using the "HUD Utility Schedule Model" that can be found on the Low-Income Housing Tax Credits page at <http://www.huduser.org/datasets/lihtc.html> (or successor URL). Utility rates used for the HUD Utility Schedule Model must be no older than the rates in place 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section.

(E) *Energy consumption model.* A building owner may calculate utility estimates using an energy and water and sewage consumption and analysis model (energy consumption model). The energy consumption model must, at a minimum, take into account specific factors including, but not limited to, unit size, building orientation, de-

sign and materials, mechanical systems, appliances, and characteristics of the building location. The utility consumption estimates must be calculated by either a properly licensed engineer or a qualified professional approved by the Agency that has jurisdiction over the building (together, qualified professional), and the qualified professional and the building owner must not be related within the meaning of section 267(b) or 707(b). Use of the energy consumption model is limited to the building's consumption data for the twelve-month period ending no earlier than 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section, and utility rates used for the energy consumption model must be no older than the rates in place 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section. In the case of newly constructed or renovated buildings with less than 12 months of consumption data, the qualified professional may use consumption data for the 12-month period of units of similar size and construction in the geographic area in which the building containing the units is located.

(c) *Changes in applicable utility allowance—(1) In general.* If, at any time during the building's extended use period (as defined in section 42(h)(6)(D)), the applicable utility allowance for units changes, the new utility allowance must be used to compute gross rents of the units due 90 days after the change (the 90-day period). For example, if rent must be lowered because a local utility company estimate is obtained that shows a higher utility cost than the otherwise applicable PHA utility allowance, the lower rent must be in effect for rent due at the end of the 90-day period. A building owner using a utility company estimate under paragraph (b)(4)(ii)(B) of this section, the HUD Utility Schedule Model under paragraph (b)(4)(ii)(D) of this section, or an energy consumption model under paragraph (b)(4)(ii)(E) of this section must submit copies of the utility estimates to the Agency that has jurisdiction over the building and make the estimates available to all tenants in the building at the beginning of the 90-day period before the utility allowances

can be used in determining the gross rent of rent-restricted units. An Agency may require additional information from the owner during the 90-day period. Any utility estimates obtained under the Agency estimate under paragraph (b)(4)(ii)(C) of this section must also be made available to all tenants in the building at the beginning of the 90-day period. The building owner must pay for all costs incurred in obtaining the estimates under paragraphs (b)(4)(ii)(B), (C), (D), and (E) of this section and providing the estimates to the Agency and the tenants. The building owner is not required to review the utility allowances, or implement new utility allowances, until the building has achieved 90 percent occupancy for a period of 90 consecutive days or the end of the first year of the credit period, whichever is earlier.

(2) *Annual review.* A building owner must review at least once during each calendar year the basis on which utility allowances have been established and must update the applicable utility allowance in accordance with paragraph (c)(1) of this section. The review must take into account any changes to the building such as any energy conservation measures that affect energy consumption and changes in utility rates.

(d) *Record retention.* The building owner must retain any utility consumption estimates and supporting data as part of the taxpayer's records for purposes of § 1.6001-1(a).

[T.D. 8520, 59 FR 10073, Mar. 3, 1994, as amended by T.D. 9420, 73 FR 43867, July 29, 2008]

§ 1.42-11 Provision of services.

(a) *General rule.* The furnishing to tenants of services other than housing (whether or not the services are significant) does not prevent the units occupied by the tenants from qualifying as residential rental property eligible for credit under section 42. However, any charges to low-income tenants for services that are not optional generally must be included in gross rent for purposes of section 42(g).

(b) *Services that are optional—(1) General rule.* A service is optional if payment for the service is not required as a condition of occupancy. For example,

for a qualified low-income building with a common dining facility, the cost of meals is not included in gross rent for purposes of section 42(g)(2)(A) if payment for the meals in the facility is not required as a condition of occupancy and a practical alternative exists for tenants to obtain meals other than from the dining facility.

(2) *Continual or frequent services.* If continual or frequent nursing, medical, or psychiatric services are provided, it is presumed that the services are not optional and the building is ineligible for the credit, as is the case with a hospital, nursing home, sanitarium, lifecare facility, or intermediate care facility for the mentally and physically handicapped. See also § 1.42-9(b).

(3) *Required services—(i) General rule.* The cost of services that are required as a condition of occupancy must be included in gross rent even if federal or state law requires that the services be offered to tenants by building owners.

(ii) *Exceptions—(A) Supportive services.* Section 42(g)(2)(B)(iii) provides an exception for certain fees paid for supportive services. For purposes of section 42(g)(2)(B)(iii), a supportive service is any service provided under a planned program of services designed to enable residents of a residential rental property to remain independent and avoid placement in a hospital, nursing home, or intermediate care facility for the mentally or physically handicapped. For a building described in section 42(i)(3)(B)(iii) (relating to transitional housing for the homeless) or section 42(i)(3)(B)(iv) (relating to single-room occupancy), a supportive service includes any service provided to assist tenants in locating and retaining permanent housing.

(B) *Specific project exception.* Gross rent does not include the cost of mandatory meals in any federally-assisted project for the elderly and handicapped (in existence on or before January 9, 1989) that is authorized by 24 CFR 278 to provide a mandatory meals program.

[T.D. 8520, 59 FR 10074, Mar. 3, 1994, as amended by T.D. 8859, 65 FR 2328, Jan. 14, 2000]