State of California
Office of Administrative Law

In re:
California Debt Limit Allocation Committee

Regulatory Action:

Title 04, California Code of Regulations

Amend sections: **5000, 5033, 5035, 5037, 5054, 5060, 5101, 5102, 5120, 5144, 5170, 5191, 5212, 5230, 5240, 5250, 5540**
Repeal section: **5259**

NOTICE OF APPROVAL OF EMERGENCY REGULATORY ACTION

Government Code Sections 11346.1 and 11349.6

OAL Matter Number: 2018-0515-01EE

OAL Matter Type: Emergency Readopt (EE)

Government Code section 8869.84, subdivision (c), states, "The [California Debt Limit Allocation Committee] shall prepare application forms and announce procedures for receipt and review of applications from state and local agencies desiring to issue private activity bonds." The allocation system provides tax-exempt private activity bond allocation to state and local agencies. The changes in this emergency readopt provide additional clarity to existing regulations.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 5/31/2018 and will expire on 8/30/2018. The Certificate of Compliance for this action is due no later than 8/29/2018.

Date: May 25, 2018

Steven J. Escobar
Attorney

Original: John Chiang, State Treasurer
Copy: Felicity Wood

For: Debra M. Cornez
Director

STATE OF CALIFORNIA--OFFICE OF ADMINISTRATIVE LAW

NOTICE PUBLICATION/REGULATIONS SUBMISSION

EMERGENCY

(See instructions on reverse)

STD. 400 (REV. 01-2013)

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-		2018-0515-01EE

For use by Office of Administrative Law (OAL) only

2018 MAY 15 A 9:37

OFFICE OF ADMINISTRATIVE LAW

ENDORSED - FILED
In the office of the Secretary of State
of the State of California
MAY 25 2018
1:42 pm

NOTICE | REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
CA Debt Limit Allocation Committee

AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE

3. NOTICE TYPE	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
☐ Notice re Proposed Regulatory Action ☐ Other			

OAL USE ONLY	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE
	☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/ Withdrawn		

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)
Request Process for December 2017

1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2017-1121-02E

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) **(Including title 26, if toxics related)**

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)

ADOPT: None.

AMEND: See attached.

TITLE(S): 4

REPEAL: See attached.

3. TYPE OF FILING

- ☐ Regular Rulemaking (Gov. Code §11346)
- ☐ Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)
- ☐ Emergency (Gov. Code, §11346.1(b))
- ☐ Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
- ☐ Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
- ☒ Emergency Readopt (Gov. Code, §11346.1(h))
- ☐ File & Print
- ☐ Other (Specify) _____
- ☐ Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
- ☐ Print Only

per agency request 5/25/2018

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

- ☐ Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))
- ☐ Effective on filing with Secretary of State
- ☐ §100 Changes Without Regulatory Effect
- ☒ Effective other (Specify) 5/31/2018

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

- ☐ Department of Finance (Form STD. 399) (SAM §6660)
- ☐ Fair Political Practices Commission
- ☐ State Fire Marshal
- ☐ Other (Specify)

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
Felicity Wood	(916) 651-8484		fwood@treasurer.ca.gov

8. **I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.**

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE: 5/11/18

TYPED NAME AND TITLE OF SIGNATORY
Laura A. Whittall-Scherfee, Executive Director

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED
MAY 25 2018
Office of Administrative Law

Attachment to Form 400
List of sections (B.2.)

Sections Affected

ADOPT
None

AMEND
5000, 5033, 5035, 5037, 5054, 5060, 5101, 5102, 5120, 5144, 5170, 5191, 5212, 5230, 5240, 5250, and 5540

REPEAL
5259

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:

....

"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.

....

Note: Authority cited: Section 8869.94, Government Code. Reference: Section 8869.84(c), 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 adopted TEFRA Resolution. If the Applicant is a JPA, the jurisdiction issuing the TEFRA Resolution must be a member of the Applicant 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) 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.

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 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 Bonds Extensions.

The Committee may extend the expiration date for the issuance of Recovery Zone Facility Bonds or Recovery Zone Economic Development Bonds 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 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. ~~In this instance~~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.

(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.

(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.
(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~~05-31-2018), 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.

....

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 ~~p~~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 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. 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.

(a) The following criteria will be used to evaluate and rank all Applications whether for Mixed Income Projects, Rural Projects or other Qualified Residential Rental Projects. Any points awarded in this section shall be rounded to the nearest one-tenth decimal place unless otherwise stated in this section. Each of the items in this section shall be memorialized in the Committee Resolution.

....

(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 to define Restricted Rental Units as evidenced by one of the following:

(A) 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.

(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).

(e) Exceeding the Minimum Rent Restrictions (10 points maximum). One (1) point will be awarded for each percentage point the highest rental rate of each Restricted Rental Unit type (defined by bedroom count) is more than twenty percent (20%) below the average adjusted rental rates of comparable units as demonstrated by each applicable Rent Comparability Matrix. The average of all Restricted Rental Unit type percentage points beyond 20% will be used to determine the number of awarded points. All unit types must be more than twenty percent (20%) below the average adjusted rental rates of comparable units as demonstrated by each applicable Rental Comparability Matrix to qualify for points under this category. Where sizes (defined by square footage) vary among those units with the highest rent, the smallest or these units shall be the basis for this comparison. When family comparables are used in addition to senior comparables (outside the 1-mile radius) points will be calculated using the family matrices. Applications receiving points under subdivision (b) of this section shall be ineligible to receive points under this subdivision.

....

(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 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 Standard QRRP Application. ~~CDLAC Application For An Allocation Of The State Ceiling On Qualified Private Activity Bonds For A Qualified Residential Rental Project (QRRP) (Revised 03-05-2018).~~
(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.

(c) Supplemental Allocation requests for Projects that have received Allocation more than thirty six (36) months prior or are submitted during a Competitive Application Process must comply with the process for filing a new complete Application pursuant to article 4 of chapter 1 and the appropriate provisions of this chapter.

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) A Capital Needs Assessment report may combine information for all Project sites in one report.
(2) 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.
(3) 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:
....
(4) Evidence of site control shall be required for each site.
(5) 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: cdlac@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 (1/4) mile of a Public Transit Corridor evidenced by a scaled-for-distance map showing the location of the Project is within a one-quarter (1/4) 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 Renewable Energy sources. Reduced energy usage shall be compared to the following benchmarks:

....

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

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)

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.

_____	_____
Signature of Applicant's Senior Official or Designee	Signature of Project Sponsor Officer
_____	_____
Print Name	Print Name
_____	_____
Title	Title
Date _____	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 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:
   Title of Senior Official:
   Telephone #: ( )
   Fax #: ( )
   E-mail:

   For questions concerning application:

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

   For questions concerning compliance:

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

2. Name of Bond Counsel Firm:

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

3. Name of Bond Underwriter Firm:

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

4. Name of Financial Advisor Firm:

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

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

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

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

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

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

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

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

8. Name of Project Sponsor (Borrower entity):

Name of Senior Officer:
Title of Senior Officer:
Mailing Address:
City, State, Zip Code:

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

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:
Title of Senior Officer:
Mailing Address:
City, State, Zip Code:

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

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)

ALLOCATON 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.

5. ~~4.~~ 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.	☐	☐
If "**YES**", submit documentation requesting an exception based on the following factors: • 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):

	Rating	Date Rating Anticipated
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, 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))

	YES	NO
Has the proposed Project received a CDLAC allocation in the past?	☐	☐
Was the allocation used to issue the bonds for the project?	☐	☐
Have bond proceeds been used or drawn down?	☐	☐
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. The proposed Project is a Federally Assisted At-Risk Project as defined in Section 5170 of the CDLAC Regulations. The proposed Project is a Low Income Housing Tax Credit Resyndication Project.	☐ ☐ ☐
b. The proposed Project is a Mixed Income Project as defined in Section 5000 of the CDLAC Regulations.	☐
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.**	☐
d. The proposed Project is an Acquisition & Rehabilitation Project.	☐
e. The proposed Project is a New Construction Project or Adaptive Reuse as defined in Section 5170 of the CDLAC Regulations.	☐
f. The proposed Project is a single room occupancy (SRO) rental project.	☐
g. The proposed Project is a senior citizens rental project.	☐
h. The proposed Project is an assisted living rental project.	☐
i. The proposed Project is a special needs housing rental project.	☐

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 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 Bathrms	(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
Restricted Rental Units									
				$	$	$	$	$	%
				$	$	$	$	$	%
				$	$	$	$	$	%
				$	$	$	$	$	%
				$	$	$	$	$	%
				$	$	$	$	$	%
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 ~~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?

Market Rate Units				
(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))**	$

Managers' Units ☐ Restricted ☐ 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.	☐
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.	☐
An executed disposition and development agreement between the Project Sponsor and a public agency.	☐
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.	☐
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.	☐
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.)	☐

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.	☐
Letter from a local planning official that verifies all of the information requested by the CDLAC Zoning and Local Approval Verification Form.	☐
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.	☐

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, 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 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 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)

20 points maximum. Projects meeting the following criteria shall receive the following points: **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.	☐
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.	☐
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 Table 1 in Item #6 of this PART III must show the same proposed rents as the market study and table(s).	☐
Supporting documentation for Preservation Project points shall be submitted as Attachment L, L-1, L-2, etc.	

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.	

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.:

(1) documentation showing that the Project is/will be located in at least one of the following areas:

Characteristics of a Community Revitalization Area	Check here
Any Qualified Census Tract or equivalent geographic area defined by the Census Bureau in which at least fifty percent (50%) of the households have an income of less than sixty percent (60%) AMI	☐

A Federal Promise Zone as defined in Section 5170 of the CDLAC Regulations	☐

(2) a letter from a local government official demonstrating that the development will contribute to a concerted Community Revitalization Plan and that delineates the community revitalization efforts, including but not limited to:

(a) community enhancement services in the neighborhood, including but not limited to, job training or after-school enrichment programs;

(b) funds, not including funds for the proposed Project, that have been expended in the past three (3) years, that are being expended or that are committed to be expended to improve the community infrastructure; including, but not limited to, parks, storm water systems, sewer systems, or street improvements of the overall area;

(c) projects, including but not limited to, retail, office and housing that contributes to community revitalization that have been completed within the past three (3) years, are underway or are committed to be completed; and

(d) how the project would contribute to the community's revitalization.

16. Site Amenities Point Category (Section 5230(j)(2) of the CDLAC Regulations)

10 points maximum. The Project Sponsor must certify on **Attachment T Site Amenities** as to the amenities that are applicable to the proposed Project. A project may earn points for each amenity that is properly documented and certified to be applicable to the proposed Project.

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.**

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 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.)

~~A.~~

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 ☐
Adaptive Re-Use	☐
Substantial Renovation	☐

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.)	
	Signed Performance Deposit Certification Form. (See Section 5050 of CDLAC Regulations.)	
	Proof of Performance Deposit (Section 5050)	
	Completed and signed 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**
	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.	**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 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**

California Debt Limit Allocation Committee

Attachment E-2

Permanent Sources and Uses

SOURCES AND USES BUDGET					Permanent Sources													
	TOTAL PROJECT COST	RES. COST	COM'L. COST	TAX CREDIT EQUITY	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)	SUBTOTAL	70% PVC for New Const/ Rehab	30% PVC for Acquisition
Subtotals Forward																		
LEGAL FEES																		
Lender Legal Paid by Applicant																		
Other: (Specify)																		
Total Attorney Costs																		
RESERVES																		
Rent Reserves																		
Capitalized Rent Reserves																		
3-Month Operating Reserve																		
Total Reserve Costs																		
APPRAISAL																		
Total Appraisal Costs																		
Total Contingency Cost																		
OTHER PROJECT COSTS																		
TCAC 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																		
Broker Fees Paid to a Related Party																		
Const. Oversight by Developer																		
Other: (Specify)																		
Total Developer Costs																		
TOTAL PROJECT COSTS																		

QRRP Revised ~~03-15-2018~~ 05-31-2018

California Debt Limit Allocation Committee

Attachment E-2

Permanent Sources and Uses

SOURCES AND USES BUDGET					*Permanent Sources*													
	TOTAL PROJECT COST	RES. COST	COM'L. COST	TAX CREDIT EQUITY	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)	SUBTOTAL	70% PVC for New Const/ Rehab	30% PVC for Acquisition
LAND COST/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																		
Total Land Cost/ Acquisition Cost																		
REHABILITATION																		
Site Work																		
Structures																		
General Requirements																		
Contractor Overhead																		
Contractor Profit																		
Prevailing Wages																		
General Liability Insurance																		
Total Rehabilitation Costs																		
Total Relocation Expenses																		
NEW CONSTRUCTION																		
Site Work																		
Structures																		
General Requirements																		
Contractor Overhead																		
Contractor Profit																		
Prevailing Wages																		
General Liability Insurance																		
Total New Construction Costs																		
ARCHITECTURAL FEES																		
Design																		
Supervision																		
Total Architectural Costs																		
Total Survey & Engineering																		
CONSTRUCTION INTEREST & FEES																		
Construction Loan Interest																		
Origination Fee																		
Credit Enhancement/Application Fee																		
Bond Premium																		
Taxes																		
Insurance																		
Title & Recording																		
Other: (Specify)																		
Other: (Specify)																		
Total Construction Interest & Fees																		
PERMANENT FINANCING																		
Loan Origination Fee																		
Credit Enhancement/Application Fee																		
Title & Recording																		
Taxes/Insurance/Other																		
Other: (Specify)																		
Other: (Specify)																		
Total Permanent Financing Costs																		

QRRP Revised ~~03-15-2018~~ 05-31-2018

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT E-3

Disposition of Current Outstanding Liens

(Section 5194(c~~30 of the same~~)

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

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.

	"X"	*Amount*
HOME Investment Partnership Act (HOME)	☐	$
Community Development Block Grant (CDBG)	☐	$
RHS 514, 515, 516, 538	☐	$
Century Housing Corporation	☐	$
Redevelopment Set-aside	☐	$
HCD's Multifamily Housing Program	☐	$
Federal Home Loan Bank AHP Funds	☐	$
Other (Specify)	☐	$

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		**$** _____

Other (specify)		
_____	$_____	
_____	$_____	
Total Other		$_____
Total Annual Residential Operating Expenses		$_____
Total Real Estate Taxes		$_____
Total Reserves (operating & replacement)		$_____
Annual Commercial Operating Expenses (if applicable)		$_____
Total Commercial Space Expenses (if applicable)		$_____
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: _____

ATTACHMENT T

SITE AMENITIES

(Section 5230 Evaluation Criteria. (j) Site Amenities)

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

Site Amenity	*Check here if amenity currently exists*	*Check here if amenity is proposed, but not currently existing*
A. **2.5 points** for **one** of the following: The proposed Project is located within: (1) one-third (1/3) mile of a Public Transit Corridor a transit station, rail station, commuter rail station, bus station or bus stop; or	☐	☐
(2) one-half (1/2) mile of a High Quality Transit stop or station; or	☐	☐
(3) the proposed Project is a Rural Project as defined in Section 5000 of the CDLAC Regulations **and** is using a van or dial-a-ride service due to the lack of a public transportation system available in that Rural Area.	☐	☐
B. Projects eligible for Transit Corridor, High Quality Transit or van/dial-a-ride service points under Section 5320(j)(2)(A)(1) or (2) will receive additional points for committing to provide to residents monthly passes for the transit amenity for which the project received points at no cost or priced at no more than half of retail 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:		
(1) **3 points** for at least one pass per rent-restricted unit; or	☐	☐
(2) **1.5 points** for at least one pass per each 2 Rent-Restricted units.	☐	☐
C. **2.5 points.** The proposed Project is located within ½ mile of a park or recreational facility.	☐	☐
D. **2.5 points** for **one** of the following: The proposed Project is located within close proximity of groceries and other essential shopping needs. (Grocery means a full service store or supermarket that provides food staples; fresh meats, poultry, dairy products, and produce; as well as other personal and household products. For CDLAC purposes, convenience stores and mini-marts/markets are not considered full service stores or supermarkets). Select one of the following:		
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.	☐	☐
2. The proposed Project is within ¼ mile of a neighborhood market of at least 5,000 gross interior feet. For Rural Projects, within ½ mile.	☐	☐
E. **2.5 points** for **one** of the following:		

The proposed Project is located within close proximity of public schools (K-12 grades), (proposed projects that are restricted to residents 55 years or older shall not be eligible for points under this criterion). 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. 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.	☐ ☐	☐ ☐
F. **2.5 points** for **one** of the following: The proposed Project is located within: (i) 1/2 mile (for Rural set-aside projects, 1 mile) of a medical clinic: (I) that has a physician, physician's assistant, or nurse practitioner onsite for a minimum of 40 hours each week, and (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 (ii) 1 mile (for Rural set-aside projects, 1 ½ miles) of a hospital (not merely a private doctor's office); or (iii) 1/2 mile (for Rural projects, 1 mile) of a pharmacy.	☐	☐
G. **2.5 points.** The proposed Project is located within ½ mile of a public library	☐	☐
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.	☐	☐

To earn points in this category, the Project Sponsor **must 1)** complete the certification provided below; **2)** if applicable, submit evidence of a Public Transit Corridor or van or dial-a-ride service (such as a time schedule or route map that clearly demonstrates the Project is within 1/3 mile of a transit station, rail station, commuter rail station, bus station or bus stop), labeled as **Attachment T-1**; **3)** submit a **scaled-for-distance** map, labeled **Attachment T-2**, showing the proposed Project and the other applicable site amenities (the map must be legible and must clearly show the proposed Project at the center of a circle with a 1 mile radius (1½ miles for rural projects) and the locations of the claimed amenities within distance radii applicable to each amenity); and **4)** for site amenities that do not currently exist, a letter from the controlling entity, signed by an authorized individual representing the entity, labeled as **Attachment T-3,** that states the funds for the amenity are committed and the amenity is planned (Future WiFi service is excluded from the letter requirement); in case of the bus stop that does not currently exist, the letter must show 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 (2) years after the development is placed in service.

CERTIFICATION

"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. (l) 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.	☐
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).	☐
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.	☐
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.	☐
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.)	☐

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

_____ _____

_____ _____

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).

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.
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.
C. Roofs. Roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufacturer's warranty.
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.
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.
F. Window Coverings. Window coverings shall be provided and may include fire retardant drapes or blinds.
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.
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 or Designee

_____, 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)	☐
Green Communities	☐
Passive House Institute US (PHIUS)	☐
Passive House	☐
Living Building Challenge	☐
Green Point Rated Multifamily Guidelines.	☐
National Green Building Standard ICC/ASRAE – 700 or higher rating	☐
2011 Enterprise Green Communities	☐
1 point: WELL (when not combined with the programs above)	☐

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	☐
12 percent	5 points	☐

2. Energy Efficiency with renewable energy:

Offset of Tenants' Load		Check here
20 percent	3 points for Low-Rise/4 points for High-Rise	☐
30 percent	4 points for Low-Rise/5 points for High-Rise	☐
40 percent	5 points for Low-Rise only	☐

C. Rehabilitation Projects:

Improvement Over Current	Points	Check here
15%	3 points	☐
20%	5 points	☐

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	☐
(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	☐

(iii) Solar hot water for all tenants who have individual water meters	☐
B. **2 points**. The Project will individually meter or sub-meter currently master-metered gas, electricity, or central hot water systems for all tenants.	☐
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.	☐

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 ☐

F. **2 points.** Non-Smoking Policy.

Multi-building project having at least one nonsmoking building	Check here ☐
Single building project having a policy prohibiting smoking in contiguous designated units	☐

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 ☐

☐ "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 or Designee

_____, 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				%	☐
Partner #2				%	☐
Partner #3				%	☐
Partner #4				%	☐

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:**	
In the past 5 years, number of projects developed/rehabilitated:	
In the past 5 years, number of units developed/rehabilitated in above projects:	
In the past 5 years, number of projects developed/rehabilitated in **California:**	
In the past 5 years, 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:	
In the past 5 years, total number of projects financed with tax-exempt bonds:	
In the past 5 years, total number of units financed with tax-exempt bonds:	
In the past 5 years, total number of **California** projects financed with tax-exempt bonds:	
In the past 5 years, 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	☐		Partnership	☐		Governmental entity	☐
Corporation	☐		Nonprofit entity	☐		Joint Venture	☐

Identify the entities comprising Project Developer.

	Corporate Name	Corporate Address	Role	% Ownership	Check if Nonprofit Entity
Partner #1				%	☐
Partner #2				%	☐
Partner #3				%	☐
Partner #4				%	☐

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:**	
In the past 5 years, number of projects developed/rehabilitated:	
In the past 5 years, number of units developed/rehabilitated in above projects:	
In the past 5 years, number of projects developed/rehabilitated in **California:**	
In the past 5 years, 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:	
In the past 5 years, total number of projects financed with tax-exempt bonds:	
In the past 5 years, total number of units financed with tax-exempt bonds:	
In the past 5 years, total number of **California** projects financed with tax-exempt bonds:	
In the past 5 years, 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 X

INFORMATION ON PROPOSED MANAGEMENT COMPANY

(Section 5190(c))

1. Name and business address of the management company(s) that will manage the proposed Project:

2. Length of time the **Project Developer** has done business with **management company(s)** identified above:

3. Provide a brief description of the experience level of the property management company:

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

ATTACHMENT Z

INFORMATION ON CURRENT OWNER OF PROPERTY

(Section 5190(e))

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

   Business Street Address:

   City:

   State:

   Zip code:

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

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

the amount necessary to assure the project's feasibility. Accordingly, in making the determination under section 42(m)(2), an Agency may use an applicable percentage that is less, but not greater than, the appropriate percentage for the month the building is placed in service, or the month elected by the taxpayer under section 42(b)(2)(A)(ii)(II).

(4) *Procedures*—(i) *Taxpayer.* The taxpayer must provide the original notarized election statement to the Agency before the close of the 5th calendar day following the end of the month in which the bonds are issued. If an authority other than the Agency issues the tax-exempt bonds, the taxpayer must also give the Agency a signed statement from the issuing authority that certifies the information described in paragraphs (b)(1)(iii) and (iv) of this section. The taxpayer must also 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. For purposes of the preceding sentence, if the cost of a particular utility for a residential unit is paid pursuant to an actual-consumption submetering arrangement within the meaning of paragraph (e)(1) of this section, then that cost is treated as being paid directly by the tenant(s) and not by or through the owner of the building. 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 regulated by HUD (HUD-regulated buildings), 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 determine the appropriate utility allowance for a rent-restricted unit, then the appropriate utility allowance for the unit 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, design and materials, mechanical systems, appliances, characteristics of the building location, and available historical data. The utility consumption estimates must be calculated by a properly licensed engineer or other qualified professional. The qualified professional and the building owner must not be related within the meaning of section 267(b) or 707(b). If a qualified professional is not a properly licensed engineer and if the building owner wants to utilize that qualified professional to calculate utility consumption estimates, then the owner must obtain approval from the Agency that has jurisdiction over the building. Further, regardless of the type of qualified professional, the Agency may approve or disapprove of the energy consumption model or require information before permitting its use. In addition, 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.

(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).

(e) *Actual-consumption submetering arrangements*—(1) *Definition.* For purposes of this section, an actual-consumption submetering arrangement for a utility in a residential unit possesses all of the following attributes:

(i) The utility consumed in the unit is described in paragraph (e)(1)(i)(A) of this section or in § 1.42–10T(e)(1)(i)(B);

(A) The utility is purchased from or through a local utility company by the building owner (or its agent or other party acting on behalf of the building owner).

(B) [Reserved]. For further guidance see § 1.42–10T(e)(1)(i)(B) through (e)(1)(i)(C)(*3*).

(ii) The tenants in the unit are billed for, and pay the building owner (or its agent or other party acting on behalf of the building owner) for, the unit's consumption of the utility;

(iii) The billed amount reflects the unit's actual consumption of the utility. In the case of sewerage charges, however, if the unit's sewerage charges are combined on the bill with water charges and the sewerage charges are determined based on the actual water consumption of the unit, then the bill is treated as reflecting the actual sewerage consumption of the unit; and

(iv) The rate at which the building owner bills for the utility satisfies the following requirements:

(A) To the extent that the utility consumed is described in paragraph (e)(1)(i)(A) of this section, the utility rate charged to the tenants of the unit does not exceed the rate incurred by the building owner for that utility; and

(B) To the extent that the utility consumed is described in § 1.42–10T(e)(1)(i)(B), the utility rate charged to the tenants of the unit does not exceed the rate described in § 1.42–10T(e)(1)(iv)(B).

(2) *Administrative fees.* If the owner charges a unit's tenants a fee for administering an actual-consumption submetering arrangement, the fee is not considered gross rent for purposes of section 42(g)(2). The preceding sentence, however, does not apply unless the fee is computed in the same manner for every unit receiving the same submetered utility service, nor does it apply to any amount by which the aggregate monthly fee or fees for all of the unit's utilities under one or more actual-consumption submetering arrangements exceed the greater of—

(i) Five dollars per month;

(ii) An amount (if any) designated by publication in the Internal Revenue Bulletin (see §601.601(d)(2)(ii) of this chapter); or

(iii) The lesser of—

(A) The dollar amount (if any) specifically prescribed under a State or local law; or

(B) A maximum amount (if any) designated by publication in the Internal Revenue Bulletin (see §601.601(d)(2)(ii) of this chapter).

[T.D. 8520, 59 FR 10073, Mar. 3, 1994, as amended by T.D. 9420, 73 FR 43867, July 29, 2008; T.D. 9755, 81 FR 11109, Mar. 3, 2016]

§1.42–10T Energy obtained directly from renewable sources (temporary).

(a) through (e)(1)(i)(A) [Reserved]. For further guidance see §1.42–10(a) through (e)(1)(i)(A).

(B) *Utility not purchased from or through a local utility company.* The utility is not described in §1.42–10(e)(1)(i)(A) and is produced from a renewable source (within the meaning of paragraph (e)(1)(i)(C) of this section).

(C) *Renewable source.* For purposes of paragraph (e)(1)(i)(B) of this section, a utility is produced from a renewable source if—

(*1*) It is energy that is produced from energy property described in section 48;

(*2*) It is energy that is produced from property that is part of a facility described in section 45(d)(1) through (4), (6), (9), or (11); or

(*3*) It is a utility that is described in guidance published for this purpose in the Internal Revenue Bulletin (see §601.601(d)(2)(ii) of this chapter).

(ii) through (iv)(A) [Reserved]. For further guidance see §1.42–10(e)(1)(ii) through (e)(1)(iv)(A).

(B) The rate described in this paragraph (e)(1)(iv)(B) is the rate at which the local utility company would have charged the tenants in the unit for the utility if that entity had provided it to them.

(2) [Reserved]

(f) *Date of applicability.* This section applies to a building owner's taxable years beginning on or after March 3, 2016. A building owner may apply the provisions of this section to the building owner's taxable years beginning before March 3, 2016.

(g) *Expiration date.* The applicability of this section expires on March 1, 2019.

[T.D. 9755, 81 FR 11110, Mar. 3, 2016]

§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