



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

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FOR CDLAC USE ONLY
Application No. \_\_\_\_\_
Analyst: \_\_\_\_\_

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THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)

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

ISSUER (Applicant): \_\_\_\_\_
PROJECT SPONSOR: \_\_\_\_\_
PROJECT NAME: \_\_\_\_\_
PROPOSED MEETING DATE: \_\_\_\_\_

FHA Forward Commitment Request [ ] Yes [ ] No
Scattered Site [ ] Yes [ ] No

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.

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 \$6001,200 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 ~~delivered to the address below~~, submitted by 4:00 p.m. on the appropriate date.

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

\_\_\_\_\_  
Signature of Applicant's Senior Official

\_\_\_\_\_  
Signature of Project Sponsor Officer

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Date \_\_\_\_\_

Date \_\_\_\_\_

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac/> 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

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:

Telephone #: (     )     )  
Fax #: (     )     )

City, State, Zip Code:

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

### ALLOCATION INFORMATION

1. Amount of tax-exempt bond allocation requested: \$
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)(6) 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/>

### BOND ISSUE INFORMATION

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

~~3. Will the bonds carry a variable or fixed interest rate?~~

~~*If bonds carry a variable rate:*~~

~~Identify the index:~~

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

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

If bonds carry a variable rate:

Identify the index: \_\_\_\_\_

Identify the variable rate at time of application:

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

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

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

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

**5. Bond Sale Structure**  
(See Sections 5061 or 5062 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 credit provider:

B. Indicate permanent financing credit provider:

C. Indicate whether the bond structure includes financing on a draw-down basis:

*If a Draw-down Bond Issuance, provide the estimated draw-down schedule and amount of distributions:*

**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**

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

PROJECT FINANCING INFORMATION

1. Sources – Construction Financing

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

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.

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

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 (not 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—Estimated total hard costs per unit: \$ \_\_\_\_\_ (Total hard costs per unit shall consist of New Construction/ Rehabilitation and On & Off Site costs shown in either sections 5 or 6 divided by the number of all units, excluding Manager’s Units)  
(See Section 5210(e) of the CDLAC Regulations.)

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.

~~Projects involving the rehabilitation of existing buildings must complete a minimum of \$15,000 in hard construction costs per unit with the exception of at risk projects that do not receive an award of tax credit. Federally Assisted At Risk Projects that receive only an award of bond authority and do not receive low income housing tax credit must spend the minimum amount required by 26 U.S.C. Section 147(d)(2). Projects not meeting this minimum requirement will be deemed incomplete. Submit an itemized breakdown of hard construction costs, labeled as Attachment H or H-1.~~

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

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

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