



REGULAR MEETING AGENDA

December 21, 2017 at 2:00 p.m.

**California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814**

Telephonic Locations:

27788 Hidden Trail Road
Laguna Hills, CA 92653

County of Butte
7 County Drive, Oroville, CA 95965

3252 Southern Hills Drive
Fairfield, CA 94534

County of Yuba
915 8th Street, Marysville, CA 95901

Town of Colma
1198 El Camino Real, Colma, CA 94014

247 Electric Street
Auburn, CA 95603

County of Kern
1115 Truxtun Avenue, Bakersfield, CA 93301

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

| | |
|---------------------------------|--------------------------------|
| _____ Dan Harrison, Chair | _____ Jordan Kaufman, Member |
| _____ Larry Combs, Vice Chair | _____ Dan Mierzwa, Member |
| _____ Kevin O'Rourke, Treasurer | _____ Irwin Bornstein, Member |
| _____ Tim Snellings, Secretary | _____ Brian Moura, Alt. Member |
2. Consideration of the Minutes of the December 14, 2017 Adjourned Regular Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:

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- a. UHC 0061 Morgan Hill, L.P. (The Crossings on Monterey), City of Morgan Hill, County of Santa Clara; issue up to \$15,000,000 in multifamily housing revenue bonds.
 - b. Centralia Affordable Communities, L.P. (Hawaiian Gardens Apartments), City of Hawaiian Gardens, County of Los Angeles; issue up to \$64,000,000 in multi-family housing revenue bonds.
 - c. El Centro Affordable Communities, L.P. (Desert Villas), City of El Centro, County of Imperial; issue up to \$12,000,000 in multi-family housing revenue bonds.
 - d. Seaview Affordable Communities, L.P. (Seaview Village Apartments), City of Seaside, County of Monterey; issue up to \$30,000,000 in multi-family housing revenue bonds.
6. Consider Adoption of Multifamily Housing Bond Policies.
 7. Consider Resolution Establishing the Time and Place for Scheduling Regular Meetings.
 8. Consider Moving Location of January 4, 2018 Annual Meeting to Quail Lodge, 8205 Valley Greens Drive, Carmel, California.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

9. Executive Director Update.
10. Staff Updates.
11. Adjourn.

NEXT MEETING: Thursday, January 4, 2017 at 2:00 p.m.
Quail Lodge
8205 Valley Greens Drive, Carmel, California

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Consent Calendar
 - a. Consideration of updated contracts for Renew Financial related to Commercial and Residential PACE.

December 21, 2017



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MINUTES

ADJOURNED REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 14, 2017

League of California Cities
1400 K Street, 3rd Floor, Sacramento, CA 95814

Commission Chair Dan Harrison called the meeting to order at 2:01 pm.

1. Roll Call.

Commission members present: Dan Harrison

Commission members participating via teleconference: Larry Combs, Tim Snellings, and Irwin Bornstein.

Others present: Jon Penkower, Bridge Strategic Partners; Norman Coppinger, League of California Cities; and Sandy Young, CSAC Finance Corporation.

Others participating via teleconference: Cathy Bando, CSCDA Executive; and James Hamill, Bridge Strategic Partners

2. Consideration of the Minutes of the December 7, 2017 Regular Meeting.

The commission approved the minutes.

Motion to approve by L. Combs. Second by D. Harrison. Unanimously approved by roll-call vote.

3. Consideration of the Consent Calendar.

The Commission approved the following items on the Consent Calendar:

- a. Approve and ratify the addition of the City of Milpitas and the Linda County Water District as CSCDA program participants.

Motion to approve consent calendar by I. Bornstein. Second by T. Snellings. Unanimously approved by roll-call vote.

4. Public Comment.

There was no public comment.

5. Consideration of the issuance of revenue bonds or other obligations to finance or refinance the following projects, the execution and delivery of related documents, and other related actions:
- a. Cienega Gardens Preservation Limited Partnership (Cienega Gardens Apartments), City of Covina, County of Los Angeles; issue up to \$63,000,000 in multifamily housing revenue bonds.

Executive Director Bando indicated that the financing of the Project complies with CSCDA's general and issuance policies, and recommends approval. The Project is an acquisition and rehabilitation of a 180 affordable units. 100% of the units will remain rent restricted for low-income tenants. This is PPD'S ninth financing with CSCDA.

Motion to approve by L. Combs. Second by T. Snellings. Unanimously approved by roll call vote.

- b. Santee Affordable Communities LP (Carlton Club Villas), City of Santee, County of San Diego; issue up to \$60,000,000 in multifamily housing revenue bonds.

Executive Director Bando indicated that the financing of the Project complies with CSCDA's general and issuance policies, and recommends approval. The Project is an acquisition and rehabilitation of a 130 affordable units. 100% of the units will remain rent restricted for low-income tenants and will be rent restricted for 55 years. This is Islas' 12th financing with CSCDA.

Motion to approve by T. Snellings. Second by I. Bornstein. Unanimously approved by roll call vote.

- c. Mission Trail LE, LP (Mission Trail Apartments), City of Lake Elsinore, County of Riverside; issue up to \$20,000,000 in multifamily housing revenue bonds.

Executive Director Bando indicated that the financing of the Project complies with CSCDA's general and issuance policies for unrated debt, and recommends approval. The Project is the new construction of an 81-rental housing project. 100% of the units will remain rent restricted for low-income tenants. This is C&C's third financing with CSCDA.

Motion to approve by I. Bornstein. Second by L. Combs. Unanimously approved by roll call vote.

- d. Vintage at Napa 2, LP (Vintage at Napa Senior Apartments), City of Napa, County of Napa; issue up to \$24,000,000 in multifamily housing revenue bonds.

Executive Director Bando indicated that the financing of the Project complies with CSCDA's general and issuance policies for unrated debt, and recommends approval. The Project is an acquisition and rehabilitation of a 115 affordable units. 100% of the units will remain rent restricted for low-income senior tenants. This is Vintage Housing's third financing with CSCDA.

Motion to approve by T. Snellings. Second by I. Bornstein. Unanimously approved by roll call vote.

- e. 360 Walnut Apartments LLC (003 Walnut Apartments), City of Greenfield, County of Monterey; issue up to \$50,000,000 in multifamily housing revenue bonds.

Item postponed until 12/21 Regular Meeting.

- f. UHC 0061 Morgan Hill, L.P. (The Crossings on Monterey), City of Morgan Hill, County of Santa Clara; issue up to \$15,000,000 in multifamily housing revenue bonds.

Item postponed until 12/21 Regular Meeting.

6. Executive Director Update.

Executive Director Bando provided a brief update about Tax Reform. Congress will vote early next week.

7. Staff Updates.

Jon Penkower stated that depending on the outcome of the Tax Reform Bill next week that some projects might come back to the Commission for re-approval next month with adjustments. He also assured the Commission that CSCDA's future was going to be okay with the new tax rules.

8. Adjourn.

The meeting was adjourned at 2:18 pm.

Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, December 21, 2017 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814



Agenda Item No. 3

Agenda Report

DATE: December 21, 2017
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

- a. Consideration of updated contracts for Renew Financial related to Commercial and Residential PACE.

Pursuant to the new regulatory requirements for PACE, Renew Financial is now required to separate out its commercial PACE operations from its residential operations. For consideration today is a request to separate its existing contract into two separate agreements and to make some minor clean-up amendments. Richards, Watson Gershon has reviewed and approved the form of the contracts.



Agenda Item No. 5b

Agenda Report

DATE: December 21, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Hawaiian Gardens Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Hawaiian Gardens, County of Los Angeles

AMOUNT: Not to Exceed \$64,000,000

EXECUTIVE SUMMARY:

Hawaiian Gardens Apartments (the “Project”) is an acquisition and rehabilitation of a 264-unit rental affordable housing project located in the City of Hawaiian Gardens. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 264-unit affordable rental housing facility located at 11950 Centralia Road in the City of Hawaiian Gardens.
- 10.8 acre site.
- 32 two-story residential buildings.
- Consists of 210 two-bedroom units, 52 three-bedroom units and two manager’s units.

PROJECT ANALYSIS:

Background on Applicant:

Islas Development, LLC (“Islas”) was formed by Mr. Ruben Islas in December 2001 as a vehicle to develop and provide affordable housing in the communities that need it most. Through Islas Development, Mr. Islas and his business partner, Mr. Jules Arthur of Suffolk Development, LLC have been able to acquire ownership interests in over 2900 affordable units across the Western United States, with the most significant holdings being in California. Islas has previously constructed or rehabilitated more than 18 multifamily properties including more than 15 financings with CSCDA.

Public Agency Approval:

TEFRA Hearing: Scheduled for December 20, 2017 at the City of Hawaiian Gardens. Staff will report to the Commission that TEFRA approval was granted during presentation of this agenda item.

CDLAC Approval: Expected December 20, 2017. Staff will report to the Commission that the project received an award of CDLAC allocation during presentation of this agenda item.

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (184 units) restricted to 60% or less of area median income households.
 - 10% (27 units) restricted to 50% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

| | |
|-------------------------|----------------------|
| Tax-Exempt Bonds: | \$ 64,000,000 |
| Seller Carry-Back Loan: | \$ 10,000,000 |
| Taxable Loan: | \$ 22,000,000 |
| Tax Credits: | \$ 669,637 |
| Deferred Developer Fee: | <u>\$ 13,550,370</u> |
| Total Sources: | \$ 110,220,007 |

Uses of Funds:

| | |
|---------------------|----------------------|
| Acquisition: | \$ 78,290,000 |
| Rehabilitation: | \$ 13,200,097 |
| Financing Costs: | \$ 1,972,483 |
| Soft Costs: | \$ 1,961,671 |
| Operating Reserves: | \$ 1,245,483 |
| Developer Fee: | <u>\$ 13,550,370</u> |
| Total Uses: | \$ 110,220,007 |

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Bond Purchaser: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: December 22, 2017

CSCDA Policy Compliance:

The financing for the Project complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. Photo of the Project (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project; contingent upon TEFRA approval and receipt of an award of CDLAC allocation;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A



ATTACHMENT B

RESOLUTION NO. 17H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$64,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS HAWAIIAN GARDENS APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Centralia Affordable Communities, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Hawaiian Gardens Apartments) 2017 Series RR (the “Note”) to assist in the financing of the acquisition, construction and development of a 264-unit multifamily housing rental development located in the City of Hawaiian Gardens, County of Los Angeles, California, and known as Hawaiian Gardens Apartments (the “Project”);

WHEREAS, on December 20, 2017, the Authority expected to receive an allocation in the amount of \$64,000,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Hawaiian Gardens is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$64,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project,

which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to Citibank, N.A. (the "Funding Lender"), as the initial holder of the Note;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the "Commission") the following documents required for the execution and delivery of the Note, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the "Funding Loan Agreement") to be entered into among the Funding Lender, the Authority and Wilmington Trust, National Association, a national banking association, as fiscal agent (the "Fiscal Agent");

(2) Borrower Loan Agreement (the "Borrower Loan Agreement") to be entered into between the Authority and Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") to be entered into among the Authority, the Borrower and the Fiscal Agent;

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Note (Hawaiian Gardens Apartments) 2017 Series RR" including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$64,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a "Member").

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond December 1, 2062), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such

documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 21, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 21, 2017.

By _____
Authorized Signatory



Agenda Item No. 5c

Agenda Report

DATE: December 21, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Desert Villas

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of El Centro, County of Imperial

AMOUNT: Not to Exceed \$12,000,000

EXECUTIVE SUMMARY:

Desert Villas (the “Project”) is an acquisition and rehabilitation of a 172-unit rental affordable housing project located in the City of El Centro. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 172-unit affordable rental housing facility located at 1755 West Main Street in the City of El Centro.
- 3.96 acre site.
- 11 two-story residential buildings.
- Consists of 171 two-bedroom units and one manager’s unit.

PROJECT ANALYSIS:

Background on Applicant:

Islas Development, LLC (“Islas”) was formed by Mr. Ruben Islas in December 2001 as a vehicle to develop and provide affordable housing in the communities that need it most. Through Islas Development, Mr. Islas and his business partner, Mr. Jules Arthur of Suffolk Development, LLC have been able to acquire ownership interests in over 2900 affordable units across the Western United States, with the most significant holdings being in California. Islas has previously constructed or rehabilitated more than 18 multifamily properties including more than 15 financings with CSCDA.

Public Agency Approval:

TEFRA Hearing: Scheduled for December 19, 2017 at the City of El Centro. Staff will report to the Commission that TEFRA approval was granted during presentation of this agenda item.

CDLAC Approval: Expected December 20, 2017. Staff will report to the Commission that the project received an award of CDLAC allocation during presentation of this agenda item.

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (153 units) restricted to 60% or less of area median income households.
 - 10% (18 units) restricted to 50% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

| | |
|-------------------------|---------------------|
| Tax-Exempt Bonds: | \$ 12,000,000 |
| Seller Carry-Back Loan: | \$ 4,000,000 |
| Taxable Loan: | \$ 3,600,000 |
| Deferred Developer Fee: | <u>\$ 2,114,321</u> |
| Total Sources: | \$ 21,714,321 |

Uses of Funds:

| | |
|---------------------|---------------------|
| Acquisition: | \$ 13,065,000 |
| Rehabilitation: | \$ 4,045,462 |
| Financing Costs: | \$ 600,936 |
| Soft Costs: | \$ 1,173,700 |
| Operating Reserves: | \$ 287,474 |
| Developer Fee: | <u>\$ 2,541,749</u> |
| Total Uses: | \$ 21,714,321 |

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Bond Purchaser: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: December 22, 2017

CSCDA Policy Compliance:

The financing for the Project complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. Photo of the Project (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project; contingent upon TEFRA approval and receipt of an award of CDLAC allocation;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A



ATTACHMENT B

RESOLUTION NO. 17H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS DESERT VILLAS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, El Centro Affordable Communities, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Desert Villas) 2017 Series QQ (the “Note”) to assist in the financing of the acquisition, construction and development of a 172-unit multifamily housing rental development located in the City of El Centro, County of Imperial, California, and known as Desert Villas (the “Project”);

WHEREAS, on December 20, 2017, the Authority expected to receive an allocation in the amount of \$12,000,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of El Centro is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$12,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the execution and delivery of the Note, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into among the Funding Lender, the Authority and Wilmington Trust, National Association, a national banking association, as fiscal agent (the “Fiscal Agent”);

(2) Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into among the Authority, the Borrower and the Fiscal Agent;

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Desert Villas) 2017 Series QQ” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$12,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the

Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond December 1, 2062), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any

such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 21, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 21, 2017.

By _____
Authorized Signatory



Agenda Item No. 5d

Agenda Report

DATE: December 21, 2017

TO: CSCDA COMMISSIONERS

FROM: Cathy Bando, Executive Director

PROJECT: Seaview Village Apartments

PURPOSE: Approve the Financing of Rental Affordable Housing Project Located in the City of Seaside, County of Monterey

AMOUNT: Not to Exceed \$30,000,000

EXECUTIVE SUMMARY:

Seaview Village Apartments (the “Project”) is an acquisition and rehabilitation of a 133-unit rental affordable housing project located in the City of Seaside. 100% of the units will remain rent restricted for low-income tenants.

PROJECT DESCRIPTION:

- Acquisition and rehabilitation of 133-unit affordable rental housing facility located at 1773 Waring Place in the City of Seaside.
- 8.55 acre site.
- 44 two-story residential buildings, laundry room and a community room.
- Consists of 16 one-bedroom units, 36 two-bedroom units, 39 three-bedroom units, 28 four-bedroom units and 14 five bedroom units, including two manager’s units.

PROJECT ANALYSIS:

Background on Applicant:

Islas Development, LLC (“Islas”) was formed by Mr. Ruben Islas in December 2001 as a vehicle to develop and provide affordable housing in the communities that need it most. Through Islas Development, Mr. Islas and his business partner, Mr. Jules Arthur of Suffolk Development, LLC have been able to acquire ownership interests in over 2900 affordable units across the Western United States, with the most significant holdings being in California. Islas has previously constructed or rehabilitated more than 18 multifamily properties including more than 15 financings with CSCDA.

Public Agency Approval:

TEFRA Hearing: December 7, 2017 – City of Seaside – unanimous approval

CDLAC Approval: Expected December 20, 2017. Staff will report to the Commission that the project received an award of CDLAC allocation during presentation of this agenda item.

Public Benefits:

- 100% of the units will be rent restricted for 55 years.
 - 90% (117 units) restricted to 60% or less of area median income households.
 - 10% (14 units) restricted to 50% or less of area median income households.
- The Project is in walking distance to recreational facilities, grocery stores, and public K-12 schools.

Sources and Uses:

Sources of Funds:

| | |
|-------------------------|---------------------|
| Tax-Exempt Bonds: | \$ 30,000,000 |
| Seller Carry-Back Loan: | \$ 7,300,000 |
| Taxable Loan: | \$ 12,200,000 |
| Tax Credit Equity: | \$ 462,101 |
| Deferred Developer Fee: | <u>\$ 7,001,506</u> |
| Total Sources: | \$ 56,963,607 |

Uses of Funds:

| | |
|---------------------|---------------------|
| Acquisition: | \$ 40,200,000 |
| Rehabilitation: | \$ 6,650,009 |
| Financing Costs: | \$ 1,086,479 |
| Soft Costs: | \$ 1,374,138 |
| Operating Reserves: | \$ 651,475 |
| Developer Fee: | <u>\$ 7,001,506</u> |
| Total Uses: | \$ 56,963,607 |

Finance Partners:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco

Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento

Bond Purchaser: Citibank

Finance Terms:

Rating: Unrated
Term: 35 years at a fixed interest rate
Structure: Private Placement
Estimated Closing: December 22, 2017

CSCDA Policy Compliance:

The financing for the Project complies with CSCDA's general and issuance policies.

DOCUMENTS: (as attachments)

1. Photo of the Project (Attachment A)
2. CSCDA Resolution (Attachment B)

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

1. Approves the issuance of the Bonds and the financing of the Project; contingent upon receipt of an award of CDLAC allocation;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

ATTACHMENT A



ATTACHMENT B

RESOLUTION NO. 17H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS SEAVIEW VILLAGE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE NOTE.

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds and execute and deliver revenue notes for the purpose of financing, among other things, the acquisition, construction, rehabilitation, and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, Seaview Affordable Communities, L.P., a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority execute and deliver its California Statewide Communities Development Authority Multifamily Housing Revenue Note (Seaview Village Apartments) 2017 Series SS (the “Note”) to assist in the financing of the acquisition, construction and development of a 133-unit multifamily housing rental development located in the City of Seaside, County of Monterey, California, and known as Seaview Village Apartments (the “Project”);

WHEREAS, on December 20, 2017, the Authority expected to receive an allocation in the amount of \$30,000,000 (such amount as finally approved, the “Allocation Amount”) from the California Debt Limit Allocation Committee in connection with the Project;

WHEREAS, the City of Seaside is a Program Participant (as defined in the Agreement) of the Authority and has authorized the execution and delivery of the Note;

WHEREAS, the Authority is willing to execute and deliver the Note in an aggregate principal amount not to exceed \$30,000,000, provided that the portion of such Note executed and delivered as federally tax-exempt obligations shall not exceed the Allocation Amount, and to loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Note will be executed and delivered to Citibank, N.A. (the “Funding Lender”), as the initial holder of the Note;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the execution and delivery of the Note, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Funding Loan Agreement (the “Funding Loan Agreement”) to be entered into among the Funding Lender, the Authority and Wilmington Trust, National Association, a national banking association, as fiscal agent (the “Fiscal Agent”);

(2) Borrower Loan Agreement (the “Borrower Loan Agreement”) to be entered into between the Authority and Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) to be entered into among the Authority, the Borrower and the Fiscal Agent;

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Funding Loan Agreement, and in accordance with the Housing Law, the Authority is hereby authorized to execute and deliver the Note in one or more series. The Note shall be designated as “California Statewide Communities Development Authority Multifamily Housing Revenue Note (Seaview Village Apartments) 2017 Series SS” including, if and to the extent necessary, one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$30,000,000; provided that the aggregate principal amount of any tax-exempt Notes executed and delivered shall not exceed the Allocation Amount. The Note shall be executed and delivered in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed on behalf of the Authority by the manual signature of any Authorized Signatory. The Note shall be secured in accordance with the terms of the Funding Loan Agreement presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and prepayment premium, if any, and interest on, the Note shall be made solely from amounts pledged thereto under the Funding Loan Agreement, and the Note shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Funding Loan Agreement in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 17R-4 of the

Authority, adopted on March 2, 2017) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Funding Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond December 1, 2062), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of prepayment and other terms of the Note shall be as provided in the Funding Loan Agreement as finally executed.

Section 4. The Borrower Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Borrower Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Authority is hereby authorized to execute and deliver the Note to the Funding Lender pursuant to the terms and conditions of the Funding Loan Agreement.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the execution and delivery of the Note are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust, an endorsement, allonge or assignment of any note and such other documents as described in the Funding Loan Agreement and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Note, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Note or any prepayment of the Note, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any

such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Funding Loan Agreement and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 21, 2017.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 21, 2017.

By _____
Authorized Signatory



Agenda Item No. 6

Agenda Report

DATE: December 21, 2017
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consideration of CSCDA Multifamily Affordable Housing Policies

BACKGROUND AND SUMMARY:

The California Debt Limit Allocation Committee (CDLAC) adopted revised regulations earlier this year that require conduit issuers including CSCDA to adopt written issuance policies by December 31, 2017. Per the attached letter included as Attachment B, Orrick, Herrington & Sutcliffe as Issuer Counsel has reviewed the policies' consistency with federal and state laws. In addition, CDLAC has reviewed and approved such policies.

Attachment A is a copy of the policies which are consistent with CSCDA's current multifamily housing bond issuance practices.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the attached multifamily affordable housing policies.

ATTACHMENT A

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY **MULTIFAMILY HOUSING BOND POLICIES**

INTRODUCTION

Under the provisions of the Act (as defined below), a number of California cities, counties and special districts (each, a “Program Participant” and collectively, the “Program Participants”) entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Statewide Communities Development Authority (the “Issuer”) was organized.

The Commission (the “Commission”) of the Issuer has adopted these Multifamily Housing Bond Policies (the “Policies”) on December 21, 2017 pursuant to Resolution No. 17H-[__] to establish policies and procedures in connection with tax-exempt and taxable bonds (the “Bonds”) issued by the Issuer for multifamily rental housing projects (“Projects”) located within the territorial limits of one or more of the Issuer’s Program Participants. The purpose of the Policies is to help ensure that the Applicable Requirements (defined below) are satisfied.

These Policies may be amended, and waivers from the requirements of these Policies may be granted by the Commission as it deems appropriate from time to time in the discretion of the Issuer with the advice of counsel.

These Policies are subject to revision by the Issuer at any time. Review the Issuer’s website to confirm the most up-to-date policy.

I. DEFINITIONS

The following terms, when capitalized herein, shall have the following meanings:

“Accredited Investor” has the meaning given in Rule 501 of Reg. D promulgated under the Securities Act of 1933.

“Act” means the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California.

“Agreement” means that certain Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the “Agreement”), among the Program Participants pursuant to which the Issuer was organized, as published and updated from time to time on the Issuer’s website.

“Applicable Requirements” means certain requirements of the Act, the Housing Law and applicable State law, the Code, the Issuer and the CDLAC Regulations.

“Approved Buyer” means an Accredited Investor or a Qualified Institutional Buyer.

“Bonds” means tax-exempt and taxable bonds, notes or any other evidence of indebtedness authorized to be issued pursuant to the Act for Projects.

“Bond Regulatory Agreement” means that certain Bond Regulatory Agreement in form and substance satisfactory to the Issuer, executed and delivered in connection with the issuance of the Bonds, as the same may be supplemented and amended from time to time.

“Borrower” means the entity, or affiliate thereof, using the proceeds of the Bonds to finance the Project.

“CDLAC” means the California Debt Limit Allocation Committee, or its successors and assigns.

“CDLAC Allocation” means the award of a portion of the State’s ceiling on private activity bonds as provided in the CDLAC Resolution.

“CDLAC Regulations” means the regulations of the California Debt Limit Allocation Committee, consisting of Division 9.5 of Title 4 of the California Code of Regulations, as the same may be amended from time to time.

“CDLAC Resolution” means a resolution adopted by CDLAC allocating a portion of the State’s ceiling on private activity bonds to the Issuer for the purpose of financing the Project.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commission” means the Board of Commissioners of the Issuer in its capacity as the governing body of the Issuer.

“CTCAC” means the California Tax Credit Allocation Committee.

“Federally Bond Restricted Units” means those certain Project units that are restricted pursuant to the Bond Regulatory Agreement and the Code.

“Fee Schedule” means the Issuer’s Fee Schedule as published and updated from time to time on the Issuer’s website.

“Housing Law” means Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State, as amended.

“Investor Letter” means a certification from the initial investor(s) of a Bond offering containing representations that (i) they are an Accredited Investor or a Qualified Institutional Buyer, (ii) they have no present intention of reoffering the Bonds in a subsequent offering, but may be allowed to subsequently transfer the Bonds to another permitted transferee subject to the provisions of the Bond documents, and (iii) such other representations, warranties and agreements as may be required by the Issuer.

“Issuer” means the California Statewide Communities Development Authority, or its successors and assigns, a joint powers agency organized pursuant to a Joint Powers Agreement among a number of California counties, cities and special districts entered into pursuant to the provisions relating to the joint exercise of powers contained in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code.

“Local Jurisdiction” means the jurisdiction of one or more Program Participants of the Issuer hosting the Project.

“Placement Agent Statement” means a written statement from the firm contracted to market the Bonds that includes a brief paragraph on the firm’s history and principals, a summary of the firm’s 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.

“Policies” means these Multifamily Housing Bond Policies, as they may be amended from time to time.

“Program Compliance Administrator” means Urban Futures Bond Administration, Inc. or its successors and assigns, acting in its capacity as Program Compliance Administrator for the Issuer.

“Program Manager” means Bridge Strategic Partners LLC, or its successors and assigns, acting in its capacity as program manager for the Issuer.

“Program Participant” or “Program Participants” means those certain California cities, counties and special districts entering into the Agreement pursuant to which the Issuer was organized, including any Local Jurisdiction.

“Project” or “Projects” means rental housing units and other appurtenant facilities authorized to be financed by Bonds pursuant to the Act and the Housing Law and situated in the Local Jurisdiction of one or more Program Participants.

“Qualified Institutional Buyer” has the meaning given in Rule 144A promulgated under the Securities Act of 1933.

“State” means the State of California.

II. GENERAL DEBT POLICIES

The Issuer has adopted debt policies intended to comply with Section 8855(i) of the California Government Code and addressing certain bond issuance and post issuance compliance topics as suggested by CDLAC. Such debt policies are attached hereto as Exhibit A and incorporated herein by reference. Exhibit A is subject to revision by the Issuer at any time. Review the Issuer’s website to confirm the most up-to-date debt policy.

III. ISSUER ISSUANCE POLICIES

The Issuer has adopted policies applying to all Bonds issued by the Issuer for Projects and addressing bond issuance topics as suggested by CDLAC, including those listed under the specific policies below. The Issuer's policies are subject to revision by the Issuer at any time. Review the Issuer's website to confirm the most up-to-date policies.

A. Issuance Policy. The Issuer's Issuance/Financing policy addresses topics including:

- (1) A requirement that the Local Jurisdiction must be a Program Participant.
- (2) Specific indemnification requirements with respect to the financing and the Project.
- (3) Requirements for offering materials and disclosure documents, including mandatory language and the Borrower's obligation to provide a 10b-5 opinion.
- (4) Requirements based on minimum bond ratings.
- (5) Minimum/maximum bond denominations requirements based on bond ratings.
- (6) Limitations on use of bond proceeds, including that no gaming facilities are to be financed.
- (7) Affordability requirements, including obligations to monitor affordability as set forth in the Bond Regulatory Agreement.
- (8) The CDLAC Resolution is included as part of the Bond Regulatory Agreement.
- (9) Local review and approval requirements, including a requirement the Local Jurisdiction approve the proposed Project, as required under the Code (if applicable) and as set forth in Section 9 of the Agreement.
- (10) Review procedures and requirements for financing structure, financing documents and tax exempt status (if applicable), including a requirement that Issuer's counsel conduct a review of the financing documents for consistency with the Issuer's policies and form documents.

B. General Policies. The Issuer's General Policies address topics including:

- (1) Specific indemnification requirements with respect to the financing.
- (2) Bond counsel selection criteria and procedures.
- (3) Public benefit requirement, including the requirement that the Project demonstrate tangible public benefits to the community in which it resides.

IV. CDLAC ISSUANCE POLICIES

The Bonds shall further satisfy the applicable requirements of the CDLAC Regulations as provided

below, including, without limitation, Sections 5061-5066, inclusive, thereof. The Commission, in its discretion, reserves the right to impose more restrictive requirements on any Bond issuance by the Issuer.

A. Minimum Credit Requirements.

Subject to the exceptions in Sections IV.B. and IV.C. below, Bond sale structures that include a credit rating shall be subject to the following minimum requirements as provided in Section 5060 of the CDLAC Regulations:

(1) Bonds with recourse to the corporate parent entity of the Borrower via a corporate guarantee must have an investment grade credit rating for the Project or for the source of the guarantee.

(2) Bonds without a governmental or corporate guarantee shall provide a credit rating specifically for the transaction.

(3) Bond issues with limited recourse (i.e. lease revenue Bonds, project-specific recourse, or certificates of participation) may provide either a credit rating specifically for the transaction or provide evidence of a current credit rating for an existing outstanding Bond with the same source of debt repayment.

(4) All Bond ratings shall include evidence that the credit rating has been provided within the last six (6) months, or that the current credit rating for outstanding Bond(s) has been substantiated via the most recent updated surveillance review completed by a rating agency within the last thirty six (36) months.

B. Credit Enhanced Bonds.

(1) Bonds to be issued and sold through a public sale with credit enhancement will be deemed to have satisfied Section IV.A., above, if the following conditions are satisfied as provided in Section 5061 of the CDLAC Regulations:

(a) The credit enhancer provides a commitment, signed by both the credit enhancer and the Borrower, to provide credit enhancement for the Bonds. The commitment letter shall include the Project sponsor, Project name and location, and amount of the credit enhancement, as well as salient terms and conditions of the agreement, including but not limited to the fee structure, term, rate, security, collateral, guarantee, and recourse of the commitment and evidence that the credit enhancer is committed to move forward with the transaction if the terms and conditions in the commitment letter are met.

(b) If Fannie Mae (a government-sponsored enterprise) or any additional or successor entity possessing a similar federal government charter is providing the credit enhancement, the commitment issued by a qualified lender under the Delegated Underwriting and Servicing (DUS) program of Fannie Mae will constitute acceptable proof of credit enhancement.

(2) If the Bonds are to be variable rate Bonds, the short term rating shall be no less than “A1” by Standard & Poor’s, “VMIG1” by Moody’s, or “F-1” by Fitch IBCA, Inc. or the equivalent.

(3) If the Bonds are to be fixed rate Bonds, the Bond rating shall be no less than an “A” category or the equivalent as rated by a nationally recognized credit rating agency. If the Bond rating is below an “A” category or the equivalent, the Application will be evaluated pursuant to Section IV.F.

C. Privately Placed Bonds. Bonds to be issued and sold through a private placement will be deemed to have satisfied Section IV.A., above, if the following conditions are satisfied as provided in Section 5062 of the CDLAC Regulations:

(1) The private placement purchaser provides a commitment, signed by both the bond purchaser and the Borrower, to purchase the Bonds in a private placement. The commitment letter shall include the Project sponsor, Project name and location, and amount of the credit enhancement, as well as salient terms and conditions of the agreement, including but not limited to the fee structure, term, rate, security, collateral, guarantee, and recourse of the commitment, including the interest rate of the agreement, and evidence that the bond purchaser is committed to move forward with the transaction if the terms and conditions in the commitment letter are met.

(2) Cash Flow Permanent Bonds (as defined in the CDLAC Regulations) to be issued and sold through a private placement including, without limitation, bonds purchased by a property seller in consideration of the provisions of a purchase and sale agreement, will be deemed to have satisfied the requirements of Section IV.A, above, if the provisions of paragraph (1) of this Section IV.C. have been satisfied and, additionally, if the bond purchaser agrees to:

(a) submit a Travelling Investor Representation Letter (as defined in the CDLAC Regulations) from an Approved Buyer due three (3) days prior to Bond issuance; or

(b) ensure a minimum Bond denomination of \$100,000.

D. Additional Requirements for Unenhanced Bonds Rated Single-A Category or Higher. Bonds to be issued with an unenhanced credit rating equivalent to an “A” category or higher as rated by a nationally recognized credit rating agency will be deemed to have satisfied the minimum Bond sale requirements required in Section IV.A. if the following are provided to the Issuer pursuant to Section 5063 of the CDLAC Regulations:

(1) a Placement Agent Statement; and

(2) Certifications of no current defaults under any bond-related agreements by the Issuer, the guarantor (if any) and the Project sponsor.

E. Additional Requirements Unenhanced Bonds Rated BBB Category.

(1) Bonds to be issued with an unenhanced credit rating equivalent to a “BBB” category or higher as rated by a nationally recognized credit rating agency will be deemed to have satisfied the minimum Bond sale requirements required in Section IV.A. if the following are provided to the Issuer pursuant to Section 5064 of the CDLAC Regulations::

- (a) a Placement Agent Statement;
- (b) Certifications of no current defaults under any bond-related agreements by the Issuer, the guarantor (if any) and the Project sponsor; and
- (c) a brief summary of the marketing plan.

(2) In addition, Bonds described in subdivision (1) of this Section will be subject to the following conditions:

- (a) The submission of an Investor Letter from an Approved Buyer due at Bond issuance; or
- (b) Minimum Bond denominations of \$100,000; and
- (c) The marketing plan and the CDLAC application should state which of requirement (a) or (b) above is preferred.

F. Additional Requirements Unenhanced Bonds Not Rated BBB Category or Higher.

(1) Bonds to be issued unrated or with unenhanced non-investment grade credit ratings will be deemed to have satisfied the minimum Bond sale requirements required in Section IV.A. if the following are provided to the Issuer pursuant to Section 5065 of the CDLAC Regulations:

- (a) a Placement Agent Statement;
- (b) Certifications of no current defaults under any bond-related agreements by the Issuer, the guarantor (if any) and the Project sponsor; and
- (c) a complete marketing plan.

(2) In addition, Bonds described in subdivision (1) of this Section will be subject to the following conditions:

- (a) The submission of a Travelling Investor Representation Letter due three (3) business days before issuance; or
- (b) Minimum Bond denominations as follows:
 - (i) \$100,000 for Bond issues equal to or less than \$100,000,000; or
 - (ii) \$250,000 for Bond issues over \$100,000,000; and
- (c) The marketing plan and the CDLAC application should state which of requirement (a) or (b) above is preferred.

G. Bond Defaults. Bond applications to CDLAC on behalf of a Borrower with a bond-related default or bankruptcy shall be subject to Section 5066 of the CDLAC Regulations and the Issuer's discretion.

V. ISSUANCE PROCEDURES

The Issuer has adopted procedures applying to all Bonds issued by the Issuer for Projects and addressing bond issuance topics as suggested by CDLAC, including those listed below. Such procedures are subject to revision by the Issuer at any time. Review the Issuer's website to confirm the most up-to-date procedures.

A. Application and supporting document requirements; review and approval requirements.

In order to apply for Bond financing of a Project, the Borrower shall complete the Issuer's on-line housing application form. Thereafter, the Issuer and the Borrower may file an application with CDLAC to secure a CDLAC Allocation for tax-exempt Bonds for the Project. Issuer staff will guide the Borrower through the CDLAC volume cap application process.

The Issuer shall further complete the following approval process before any Bond is issued for a Project:

(1) The Program Manager shall review the application and shall make a determination that the Project and the Borrower will satisfy all Issuer requirements for Bond financing, and that the Program Manager is prepared to recommend approval of the Bonds and the Project to the Commission.

(2) For purposes of complying with Section 147(f) of the Code (if applicable) and Section 9 of the Agreement, the Program Participant for the Local Jurisdiction shall conduct a public hearing regarding the Bonds and the Project after publication of a notice of such hearing in such Local Jurisdiction and shall thereafter provide preliminary approval for the Project. The Local Jurisdiction may delegate the responsibility of conducting the hearing to its staff.

(3) The Commission shall declare its official intent to issue tax-exempt Bonds (if applicable) to reimburse Project expenditures, for purposes of 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations, and shall authorize the Issuer's officers and/or the Program Manager to submit an application to CDLAC for a CDLAC Allocation for the Project.

(4) After receipt of preliminary approval from the Program Participant for the Local Jurisdiction and the declaration of official intent from the Commission (if applicable), the Issuer's officers and/or the Program Manager, with the Borrower's cooperation and at the Borrower's expense, may submit an application to CDLAC for a CDLAC Allocation for tax-exempt Bonds.

(5) After receipt of a CDLAC Allocation for tax-exempt Bonds (if applicable), the Commission shall adopt a resolution at a regular meeting thereof granting final approval of the issuance of the Bonds for the Project, including authorizing substantially final forms of any offering documents for the Bonds and of the principal legal documents to be executed and delivered by the Issuer.

This Section V.A. is descriptive of the Issuer application process and the approvals that must be obtained prior to the issuance of the Bonds. Notwithstanding any mandatory language used in this Section V.A., the Issuer is under no obligation to the Borrower to consider or grant any such approval. Each of the foregoing approvals shall be considered and granted at the sole discretion of the Issuer. Any approval described herein shall not be construed to be an approval of the Project or the Bonds for any other purpose, and shall not obligate the Issuer to grant any other approval of the Project or the Bonds.

B. Fee Structure for issuance and ongoing administration; breakdown of fee structure.

The application for Bond financing shall be accompanied by an issuance fee deposit (the “Issuance Fee Deposit”) as provided in the Fee Schedule, which shall be applied to the initial issuance fee described below. The Issuance Fee Deposit is nonrefundable unless the Issuer, CDLAC or the Local Jurisdiction Program Participant decline the proposed financing. All other Issuer fees shall be collected as described below, except for the volume cap issuance fees for application to CDLAC for a CDLAC Allocation, if any, which will be collected at the time of application submission to CDLAC. If the volume cap application is withdrawn prior to an award of allocation, all fees except the Issuance Fee Deposit are refundable. The entire Issuance Fee Deposit is also forfeited if the financing fails once the Project receives a CDLAC Allocation.

In addition, the Borrower will pay to the Issuer the following Issuer fees as provided in the Bond Regulatory Agreement:

(1) An initial issuance fee pursuant to the Issuer’s Fee Schedule, which shall be paid on or before the issuance of the Bonds as provided in the Bond Regulatory Agreement. The Issuance Fee Deposit paid pursuant to Section V.B., above, shall be credited against the issuance fee payable on the issuance of the Bonds.

(2) An annual administration fee pursuant to the Issuer’s Fee Schedule, which shall be calculated annually on the date of issuance of the Bonds and on each anniversary thereof in an amount as provided in the Bond Regulatory Agreement, including Section 20 thereof, regarding payment of fees, executed in connection with issuance of the Bonds.

A copy of the Issuer’s model Bond Regulatory Agreement, including Section 20 thereof regarding payment of fees, is attached hereto as Exhibit B and incorporated herein by reference.

VI. POST-ISSUANCE COMPLIANCE PROCEDURES

The Issuer has adopted post-issuance compliance procedures applying to all Bonds issued by the Issuer for Projects and addressing post-issuance compliance topics as suggested by CDLAC, including those listed below. Such procedures are subject to revision by the Issuer at any time. Review the Issuer’s website to confirm the most up-to-date procedures.

A. Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds.

The Issuer and the Borrower shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that tax-exempt Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Bond Regulatory Agreement and the tax documents for tax-exempt Bonds, including the provisions of Issuer's "Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds (Multifamily Housing)" attached hereto as Exhibit C and incorporated herein by reference. Exhibit C is subject to revision by the Issuer at any time. Review the Issuer's website to confirm the most up-to-date procedures.

B. Remaining Post-Issuance Compliance Procedures.

The Issuer's remaining post-issuance compliance procedures shall be governed by the Applicable Requirements, as provided in the provisions of the Bond Regulatory Agreement for the Project. These shall include, in form and substance, the Applicable Requirements contained in the Issuer's model Bond Regulatory Agreement, attached as Exhibit B hereto, including, but not limited to, Sections 3(h), 4(c), (d), (e), (f) and (g) and Sections 5, 7, 17, 23, 28 and 29 thereof, or such equivalent provisions contained in the Bond Regulatory Agreement for the Project.

In addition, for any Project receiving a CDLAC Allocation after December 31, 2016, the following additional Applicable Requirements for monitoring affordability shall apply as provided in as provided in Sections 5144(b) and (c) of the CDLAC Regulations:

(1) Borrowers shall utilize CTCAC'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 Borrower shall collect and retain the following: (i) income and verification documentation related to all of the Federally Bond Restricted Units identified in the CDLAC Resolution or the "Restricted Rental Units" as defined in Section 5000: CTCAC Tax Income Calculation ("TIC") or equivalent documentation, (ii) all associated source income documentation, and (iii) evidence of the verifying income computation. Borrowers shall retain information pertaining to the income verification process for 10 years.

(2) The Issuer shall verify compliance with the income and rental requirements of the Federally Bond Restricted Units identified in the CDLAC Resolution and the Bond Regulatory Agreement by an 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) as identified in the CTCAC Project Status Report ("PSR") or equivalent documentation required or provided by CDLAC pursuant to the provisions of Section 29(a) of the Bond Regulatory Agreement, or such equivalent section contained therein. For this 20% of files, the Issuer shall review each initial or subsequent occupants 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, the Issuer shall ensure that a lease is in place and executed. The Issuer reserves the right to perform the review on-site or through an electronic file audit. The Issuer will retain information pertaining to the income verification process on file for ten years. The Issuer shall retain documentation memorializing review and determination of income eligibility for ten years. Source income documentation shall be retained for one year.

(3) For any Borrower requesting CDLAC Allocation absent the receipt of a CTCAC reservation, the Issuer shall abide by the post-issuance compliance procedures as provided in the CDLAC Resolution.

C. Issuer Program Manager and Program Compliance Administrator.

Pursuant to the requirements of Section 5031(c) of the CDLAC Regulations, the Issuer contracts with the Program Manager for purposes of providing program development and management services for the Issuer, including services associated with implementation of these Policies. The Issuer also contracts with the Program Compliance Administrator for purposes of monitoring Projects for compliance with these Policies after the issuance of Bonds Program Manager and Program Compliance Administrator fees and obligations are outlined in services agreement approved by the Issuer.

EXHIBIT A

DEBT POLICIES

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY LOCAL DEBT POLICY

A. DEFINITIONS

“Act” shall mean the Joint Exercise of Powers Act, being Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500.

“Agreement” shall mean that certain Amended and Restated Joint Exercise of Powers Agreement relating to the California Statewide Communities Development Authority, dated as of June 1, 1988.

“Authority” shall mean the California Statewide Communities Development Authority.

“Debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

“Policy” shall mean this Local Debt Policy.

B. PURPOSES OF DEBT

The Authority will consider Debt financing for the construction, acquisition, rehabilitation, replacement, or expansion of physical assets, including real and personal property, equipment, furnishings, and improvements, and any other uses authorized by the Agreement, for the following purposes:

1. To assist a member of the Authority in financing public facilities, services or programs, including but not limited to short-term borrowing needs and access to capital for public improvements and infrastructure.
2. To assist certain private entities in financing a project or program that produces public benefits.

3. To refinance outstanding debt in order to produce debt service savings or to restructure debt for other benefits.
4. To finance a project or program intended to provide public benefits to any local community, including its residents, business, or institutions, including but not limited to promoting economic development.

C. TYPES OF DEBT

1. The following types of debt are allowable under this Debt Policy:
 - a) conduit revenue bonds or notes
 - b) general obligation bonds
 - c) bond or grant anticipation notes
 - d) leases, lease revenue bonds, installment sale or purchase agreements, certificates of participation and lease-purchase transactions
 - e) revenue bonds
 - f) tax and revenue anticipation notes
 - g) land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment acts, including PACE financings
 - h) any other type of debt permitted under the Agreement and authorized by law.
2. For purposes of this section, the term “bonds” may include notes, warrants, leases, installment purchase agreements, certificates of participation, financing agreements or any other evidence of an obligation to pay or repay money.

3. The Authority may from time to time find that other types of debt would be beneficial to further its purposes and may approve such debt without an amendment of this Debt Policy.

D. RELATIONSHIP OF DEBT TO CAPITAL IMPROVEMENT PROGRAM

The Authority does not have a capital improvement program because its primary purpose is to provide financing to promote economic development for California communities.

E. POLICY GOALS RELATED TO PLANNING GOALS AND OBJECTIVES

The Authority's goals and objectives are to provide financing programs under the Act or other applicable provisions of law to promote economic development for California communities. This Debt Policy provides flexibility for the Authority to provide financing programs for economic development opportunities in California's diverse communities.

F. INTERNAL CONTROL PROCEDURES CONCERNING USE OF PROCEEDS OF DEBT

One of the Authority's priorities in the management of debt is to assure that the proceeds of the debt will be directed to the intended use for which the debt has been issued. In furtherance of this priority, the following procedures shall apply:

1. A copy, which may be an electronic copy, of all debt-related records shall be retained at 1100 K Street, Suite 100, Sacramento California 95814. At minimum, these records shall include all official statements, bond legal documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). Such records shall be retained while any debt of an issue is outstanding and during the three-year period following the final maturity or redemption of the bond issue or, if later, while any bonds that refund bonds of that original issue are outstanding and for the three year period following the final maturity or redemption date of the latest refunding bond issue.
2. The Executive Director shall retain, for the applicable period specified in the above paragraph 1 of this Policy, a copy of each annual report filed with the California Debt and Investment Advisory Commission (CDIAC) pursuant to Section 8855(k) of the California Government Code concerning (1) debt authorized during the applicable reporting period (whether issued or not), (2) debt outstanding during the reporting period,

and (3) the use during the reporting period of proceeds of issued debt.

3. In connection with the preparation of each annual report to be filed with CDIAC pursuant to Section 8855(k) of the California Government Code, the Executive Director or the designee of the Executive Director shall keep a record of the original intended use for which the debt has been issued, and indicate whether the proceeds spent during the applicable one-year reporting period for such annual report comport with the intended use (at the time of original issuance or as modified pursuant to the following sentence). If a change in intended use has been authorized subsequent to the original issuance of the debt, the Executive Director or the designee of the Executive Director shall indicate in the record when the change in use was authorized and whether the Authority authorized the change in intended use.
4. If the debt has been issued to finance a capital project and the project timeline or scope of project has changed in a way that all or a portion of the debt proceeds cannot be expended on the original project, the member of the Authority for whom the debt was issued shall consult with legal counsel (which may be bond counsel, if applicable, or the general counsel to the member) to determine an appropriate alternative for the expenditure of the remaining debt proceeds (including prepayment of the debt).

G. INTERPRETATION/WAIVER

This Debt Policy is intended to be interpreted in a manner consistent with the Authority's existing policies and program guidelines and shall be subject to any contrary provisions thereof. The Authority Commission may, by resolution, waive any provision of this Debt Policy, with respect to a particular debt issue.

EXHIBIT B

MODEL BOND REGULATORY AGREEMENT

WHEN RECORDED RETURN TO:
[Bond Counsel]
[Bond Counsel Address]
Attention: [Bond Counsel Contact]

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

By and Among

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

and

**[Owner]
a California [Corporate Status]**

Dated as of [As of Date]

Relating to

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
([Project] Apartments)
[Series]**

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REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this "Regulatory Agreement") is made and entered into as of [As of Date], by and among the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "Issuer"), WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking corporation organized and existing under and by virtue of the laws of the United States of America, as trustee (together with any successor in such capacity, the "Trustee"), in its capacity as Trustee under the Indenture (as hereinafter defined), and [Owner], a California [Corporate Status], duly organized, validly existing and in good standing under the laws of the State of California (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Owner").

W I T N E S S E T H:

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act") and in compliance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the "Housing Law"), the Issuer proposes to issue its Multifamily Housing Revenue Bonds ([Project] Apartments) [Series] (the "Bonds") under a Trust Indenture, dated as of [As of Date] (as supplemented and amended from time to time, the "Indenture"), between the Issuer and the Trustee;

WHEREAS, the proceeds of the Bonds will be used to fund a loan (the "Loan") to the Owner pursuant to the Loan Agreement, dated as of [As of Date], between the Issuer and the Owner (as supplemented and amended from time to time, the "Loan Agreement"), to provide, in part, financing for the [acquisition, rehabilitation] and development of the multifamily rental housing project known as [Project] Apartments, located on the real property site described in Exhibit A hereto (as further described herein, the "Project");

WHEREAS, in order to assure the Issuer and the owners of the Bonds that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), and to satisfy the public purposes for which the Bonds are authorized to be issued under the Act and the Housing Law, and to satisfy the purposes of the Issuer in determining to issue the Bonds, certain limits on the occupancy of units in the Project need to be established and certain other requirements need to be met;

NOW, THEREFORE, in consideration of the issuance of the Bonds by the Issuer and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer, the Trustee and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1, or in the Indenture.

“Administrator” means the Issuer or any administrator or program monitor appointed by the Issuer to administer this Regulatory Agreement, and any successor administrator appointed by the Issuer.

“Area” means the Metropolitan Statistical Area or County, as applicable, in which the Project is located, as defined by the United States Department of Housing and Urban Development.

“Available Units” means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the issue date of the Bonds is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

“CDLAC” means the California Debt Limit Allocation Committee or its successors.

“CDLAC Conditions” has the meaning given such term in Section 29(a).

“CDLAC Resolution” means CDLAC Resolution No. [CDLAC Resolution Number] attached hereto as Exhibit D, adopted on [CDLAC Resolution Date] and relating to the Project, as such resolution may be modified or amended from time to time, [including as amended by the letter(s) dated [_____] and modified by the extension letter(s) dated [_____]].

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Owner with the Administrator, on behalf of the Issuer, and the Trustee pursuant to Section 4(f) hereof, which shall be substantially in the form attached as Exhibit C hereto or in such other comparable form as may be provided by the Issuer to the Owner, or as otherwise approved by the Issuer.

“City” means the [City], California.

“Closing Date” means [Closing Date], the date the Bonds are issued and delivered to the initial purchaser thereof.

“Compliance Period” means the period beginning on the first day of the Qualified Project Period and ending on the later of the end of the Qualified Project Period or such later date as set forth in Section 29(c) of this Regulatory Agreement.

“County” means the County of [County], California.

“Deed of Trust” means the Multifamily Deed of Trust, Assignment of Rents Security Agreement and Fixture Filing dated as of [As of Date], by the Owner to a deed of trust trustee for the benefit of the Issuer, as assigned to the Trustee, as the same may be modified, amended or supplemented from time to time, or any deed of trust (or similar security instrument) containing a power of sale clause reflecting a valid, perfected first priority lien on the fee interest in the Project delivered by the Owner to secure the Owner's obligations to a third-party lender.

“Gross Income” means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed in under section 8 of the United States Housing Act of 1937.

“Housing Act” means the United States Housing Act of 1937, as amended, or its successor.

“Housing Law” means Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended.

“Income Certification” means a Tenant Income Certification and a Tenant Income Certification Questionnaire in the form attached as Exhibit B hereto or in such other comparable form as may be provided by the Issuer to the Owner, or as otherwise approved by the Issuer.

“Lender” means [Lender] and any successor entity serving in such capacity under the Indenture.

"Low Income Tenant" means a tenant occupying a Low Income Unit.

“Low Income Unit” means any Available Unit if the aggregate Gross Income of all tenants therein does not exceed limits determined in a manner consistent with determinations of “low-income families” under Section 8 of the Housing Act, provided that the percentage of median gross income that qualifies as low income hereunder shall be sixty percent (60%) of median gross income for the Area, with adjustments for family size. A unit occupied by one or more students shall only constitute a Low Income Unit if such students meet the requirements of Section 142(d)(2)(C) of the Code. The determination of an Available Unit's status as a Low Income Unit shall be made by the Owner upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

“Manager” means a property manager meeting the requirements of Section 28 hereof. _____ is hereby approved as the initial Manager.

“Project” means the [Units]-unit multifamily rental housing development (including one manager's unit) to be located in the City of [City] on the real property site described in Exhibit A hereto, consisting of those facilities, including real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the [acquisition, rehabilitation] and development of which facilities is to be financed, in whole or in part, from the proceeds of the sale of the Bonds or the proceeds of any payment by the Owner pursuant to the Loan Agreement, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of the facilities described in the Loan Agreement.

“Qualified Project Period” means the period beginning on [the first day on which at least 10% of the units in the Project are first occupied [NEW CONST]] [the Closing Date [ACQ/REHAB]] and ending on the later of the following:

(A) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied;

(B) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding; or

(C) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates.

[provided, that if at least 10% of the residential units in the Project are Available Units at all times within 60 days after the later of (1) the date the Project is acquired by the Owner, or (2) the issue date of the Bonds, then the Qualified Project Period shall begin on the date one year after the issue date of the Bonds and end on the later of (i) the date that is fifteen (15) years after such date or (ii) the later of the dates specified in sub-paragraphs (A), (B) and (C) above. [ACQ/REHAB DEALS ONLY]]

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

“Regulatory Agreement” means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

“Rental Payments” means the rental payments paid by the occupant of a unit, excluding any supplemental rental assistance to the occupant from the State, the federal government, or any other public agency, but including any mandatory fees or charges imposed on the occupant by the Owner as a condition of occupancy of the unit.

“Tax-Exempt” means with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for federal income tax purposes; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“Transfer” means the conveyance, assignment, sale or other disposition of all or any portion of the Project; and shall also include, without limitation to the foregoing, the following: (1) an installment sales agreement wherein Owner agrees to sell the Project or any part thereof for a price to be paid in installments; and (2) an agreement by the Owner leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Representations, Covenants and Warranties of the Owner.

(a) The Owner hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Owner contained in the Tax Certificate and the Loan Agreement relating to the Project.

(b) The Owner hereby represents and warrants that the Project is located entirely within the City.

(c) The Owner acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Bonds to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Bonds in order to provide funds to assist the Owner in constructing and developing the Project.

Section 3. Qualified Residential Rental Project. The Owner hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Compliance Period. To that end, and for the term of this Regulatory Agreement, the Owner hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be [rehabilitated], developed and operated for the purpose of providing multifamily residential rental property. The Owner will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act and the Housing Law, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project (except for not more than one unit set aside for a resident manager or other administrative use) will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of this Regulatory Agreement.

(d) No part of the Project will at any time during the Compliance Period be owned by a cooperative housing corporation, nor shall the Owner take any steps in connection with a conversion to such ownership or use, and the Owner will not take any steps in connection with a conversion of the Project to condominium ownership during the Compliance Period (except that

the Owner may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with the City).

(e) All of the Available Units in the Project will be available for rental during the period beginning on the date hereof and ending on the termination of the Compliance Period on a continuous, "first-come, first-served" basis to members of the general public; which for purposes of this Regulatory Agreement means the [general senior population], and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units.

(f) The Project consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Owner; provided, however, that if the Project contains five or more dwelling units, this provision shall not be construed to prohibit occupancy of not more than one dwelling unit by a resident manager or maintenance personnel, any of whom may be the Owner.

(h) [[NEW CONST] The Owner shall deliver to the Administrator and the Lender, (i) within 30 days after the date on which 10% of the dwelling units in the Project are occupied, a written notice specifying such date, and (ii) within 30 days after the date on which 50% of the dwelling units in the Project are occupied, a written notice specifying such date.]

[[ACQ/REHAB] The Owner hereby represents that, as of the Closing Date, not less than 50% of the dwelling units in the Project are occupied and at least 10% of the residential units in the Project are expected to be Available Units at all times within 60 days after the Closing Date.]

Section 4. Low Income Tenants; Reporting Requirements. Pursuant to the requirements of the Code, the Owner hereby represents, warrants and covenants as follows:

(a) During the Compliance Period, no less than 40% of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such Low Income Tenant increases to exceed the qualifying limit for a Low Income Unit. However, should the aggregate Gross Income of tenants in a Low Income Unit, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Unit occupied by the same number of tenants, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Low Income Tenant(s). The unit occupied by such tenants whose aggregate Gross Income exceeds such applicable income limit shall continue to be treated as a Low Income Unit for purposes of the 40% requirement of Section 4(a) hereof unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants.

(c) For the Compliance Period, the Owner will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the unit and a second Income Certification dated one year after the Low-Income Tenant's initial move-in date, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant. [[100% AFFORDABLE PROJECTS ONLY] In lieu of obtaining the annual Income Certifications required by clause (ii) of the preceding sentence, the Owner may, with respect to any particular twelve-month period ending [RE-CERT DATE], deliver to the Administrator no later than fifteen days after such date a certification that as of [RE-CERT DATE], no residential unit in the Project was occupied within the preceding twelve months by a new resident whose income exceeded the limit applicable to Low Income Tenants upon admission to the Project. The Administrator may at any time and in its sole and absolute discretion notify the Owner in writing that it will no longer accept certifications of the Owner made pursuant to the preceding sentence and that the Owner will thereafter be required to obtain annual Income Certifications for tenants.] The Owner will also provide such additional information as may be required in the future by the Code, the State or the Issuer, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Issuer, copies of Income Certifications for Low Income Tenants commencing or continuing occupation of a Low Income Unit shall be submitted to the Administrator or the Issuer, as requested.

(d) The Owner shall make a good faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Issuer.

(e) The Owner will maintain complete and accurate records pertaining to the Low Income Units, and will permit any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Owner pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(f) The Owner will prepare and submit to the Administrator, on behalf of the Issuer, not less than annually, commencing not less than one year after the Closing Date, a Certificate of Continuing Program Compliance executed by the Owner in substantially the form attached hereto as Exhibit C. During the Compliance Period, the Owner shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project, to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code).

(f) For the Compliance Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement and the Deed of Trust. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low

Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Owner, the Trustee, the Issuer or the Administrator on behalf of the Issuer, and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Owner has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of a Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) and that if upon any such certification the aggregate Gross Income of tenants in such unit exceeds the applicable income limit under Section 4(b), the unit occupied by such tenant may cease to qualify as a Low Income Unit and such unit's rent may be subject to increase.

For purposes of this Section 4, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

Section 5. Tax-Exempt Status of Bonds. The Owner and the Issuer, as applicable, each hereby represents, warrants and agrees as follows:

(a) The Owner and the Issuer will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt nature of the interest on the Bonds and, if either of them should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Owner and the Issuer will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee (with a copy to the Owner), in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

Section 6. Requirements of the Housing Law. In addition to the other requirements set forth herein, the Owner hereby agrees that it shall comply with each of the requirements of Section 52080 of the Housing Law, including the following:

(a) Not less than 40% of the total number of units in the Project shall be Low Income Units. The units made available to meet this requirement shall be of comparable quality and offer a range of sizes and numbers of bedrooms comparable to the units that are available to other tenants in the Project.

The Rental Payments for the Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or any other public agency to those tenants or on behalf of those units) shall not exceed 30% of an amount equal to 60% of the median adjusted gross income for the Area.

The Owner shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent

subsidies pursuant to the existing program under Section 8 of the Housing Act. The Owner shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that is more burdensome than the criteria applied to all other prospective tenants.

The units reserved for occupancy as required by Section 4(a) shall remain available on a priority basis for occupancy at all times on and after the Closing Date and continuing through the Compliance Period.

During the three (3) years prior to the expiration of the Compliance Period, the Owner shall continue to make available, to eligible households, Low Income Units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(f) Following the expiration or termination of the Compliance Period, except in the event of foreclosure and redemption of the Bonds, deed in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, units reserved for occupancy as required by subsection (a) of this Section shall remain available to any eligible tenant occupying a reserved unit at the date of such expiration or termination, at the rent determined by subsection (b) of this Section, until the earliest of (1) the household's income exceeds 140% of the maximum eligible income specified above, (2) the household voluntarily moves or is evicted for good cause (as defined in the Housing Law), (3) 30 years after the date of the commencement of the Compliance Period, or (4) the Owner pays the relocation assistance and benefits to households as provided in Section 7264(b) of the California Government Code.

(g) Except as set forth in Section 13 hereof, the covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Owner.

(h) This Regulatory Agreement shall be recorded in the office of the County recorder, and shall be recorded in the grantor-grantee index under the name of the Owner as grantor and under the name of the Issuer as grantee.

Section 7. Requirements of the Issuer. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4 through 6 hereof, the Owner hereby agrees to comply with each of the requirements of the Issuer set forth in this Section 7, as follows:

(a) For the duration of the Compliance Period, notwithstanding any retirement of the Bonds or termination of the Loan Agreement, the Owner will pay to the Issuer all of the amounts required to be paid by the Owner under the Loan Agreement and will indemnify the Issuer and the Trustee as provided in Section 9 and, with respect to the Trustee, Section 18, of this Regulatory Agreement.

(b) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner and shall be maintained as required by the Issuer, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer upon reasonable advance notice to the Owner.

(c) The Owner acknowledges that the Issuer has appointed the Administrator to administer this Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements hereof. The Owner shall comply with any reasonable request made by the Administrator or the Issuer to deliver to any such Administrator, in addition to or instead of

the Issuer, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Issuer. The fees and expenses of the Administrator shall be paid by the Issuer.

(d) For purposes of Section 6(b), the base rents shall be adjusted for household size, to the extent permitted by law.

(e) [ASSISTED LIVING ONLY] The rent limits set forth in Section 6(b) shall apply to all Low Income Units. In no event shall the aggregate of all charges with respect to any Low Income Unit for rent, meals and the services (except services for which charges are made only to the extent used) exceed in any month 1/12 of 75% of 50% of median gross income for the Area for a household of the family size occupying such unit.

Any of the foregoing requirements of the Issuer contained in this Section 7 may be expressly waived by the Issuer, in its sole discretion, in writing, but (i) no waiver by the Issuer of any requirement of this Section 7 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Issuer has received an opinion of Bond Counsel that any such provision is not required by the Act and the Housing Law and may be waived without adversely affecting the exclusion from gross income of interest on the Bonds for federal income tax purposes; and (ii) any requirement of this Section 7 shall be void and of no force and effect if the Issuer and the Owner receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bonds to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act, the Housing Law or any other state or federal law.

Section 8. Modification of Covenants. The Owner, the Trustee and the Issuer hereby agree as follows:

(a) To the extent any amendments to the Act, the Housing Law, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Owner, retroactively impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement, and if such requirements are applicable to the Project and compliance therewith is necessary to maintain the validity of, or the Tax-Exempt status of interest on the Bonds, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) To the extent that the Act, the Housing Law, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Owner, impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, at its sole discretion, the Trustee and the Owner, with the consent of the Lender, and only upon receipt by the Issuer and the Trustee of the written opinion of Bond Counsel to the effect that such amendment will not affect the Tax-Exempt status of interest on the Bonds or violate the requirements of the Housing Law, and otherwise in accordance with Section 22 hereof.

(c) The Owner, the Issuer and, if applicable, the Trustee, shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 8, and each of the Owner and the Issuer hereby appoints the Trustee as its true

and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if either the Owner or the Issuer defaults in the performance of its obligations under this subsection (c); provided, however, that unless directed in writing by the Issuer or the Owner, the Trustee shall take no action under this subsection without first notifying the Owner or the Issuer, or both of them, as is applicable, and without first providing the Owner or the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 8. Nothing in this subsection (c) shall be construed to allow the Trustee to execute an amendment to this Regulatory Agreement on behalf of the Issuer or the Owner.

Section 9. Indemnification; Other Payments. To the fullest extent permitted by law, the Owner agrees to indemnify, hold harmless and defend the Issuer and each of its officers, governing members, directors, officials, employees, attorneys, agents, and program participants (collectively, the “Indemnified Parties”), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Bonds, the Indenture, Loan Agreement, this Regulatory Agreement, or the Tax Certificate and all documents related thereto, or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale, resale or remarketing of the Bonds;

(ii) any act or omission of the Owner or any of its agents, contractors, servants, employees or licensees in connection with the Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, construction or rehabilitation of, the Project or any part thereof;

(iii) any lien or charge upon payments by the Owner to the Issuer or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer in respect of any portion of the Project;

(iv) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof;

(v) the defeasance and/or redemption, in whole or in part, of the Bonds;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering statement or disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(vii) any declaration of taxability of interest on the Bonds, or allegations (or regulatory inquiry) that interest on the Bonds is taxable for federal tax purposes;

except to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Owner shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Owner if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel. In addition to the foregoing, the Owner shall pay upon demand all of the fees and expenses paid or incurred by the Trustee and/or the Issuer in enforcing the provisions hereof.

In addition thereto, the Owner will pay upon demand all of the fees and expenses paid or incurred by the Trustee and/or the Issuer in enforcing the provisions hereof, as more fully set forth in the Loan Agreement.

The provisions of this Section 9 shall survive the final payment or defeasance of the Bonds and this Regulatory Agreement; provided, however, the provisions of this Section shall, in the case of the Trustee, survive the term of this Regulatory Agreement or the resignation or removal of the Trustee, but only as to claims arising from events occurring during the term of this Regulatory Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the Issuer, survive the term of this Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

Section 10. Consideration. The Issuer has agreed to issue the Bonds to provide funds to lend to the Owner to finance the Project, all for the purpose, among others, of inducing the Owner to acquire, construct, develop and operate the Project. In consideration of the issuance of the Bonds by the Issuer, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 11. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons, including but not limited to the Administrator and Trustee, interested in the legality and validity of the Bonds, in the exemption from California personal income taxation of interest on the Bonds and in the Tax-Exempt status of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer, the Administrator and the Trustee may rely upon statements and certificates of the Low Income Tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Owner exists under this Regulatory Agreement, the Trustee shall not be required to conduct any investigation into or review of the operations or records of the Owner and may rely solely on any written notice or certificate delivered to the Trustee by the Owner or the Issuer with respect to the occurrence or absence of a default.

Section 12. Transfer of the Project. For the Compliance Period, the Owner shall not Transfer the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed if the following conditions are satisfied: (A) the receipt by the Issuer of evidence acceptable to the Issuer that (1) the Owner shall not be in default hereunder or under the Loan Agreement, if in effect (which may be evidenced by a Certificate of Continuing Program Compliance), or the transferee undertakes to cure any defaults of the Owner to the reasonable satisfaction of the Issuer; (2) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement; (3) either (a) the transferee or its Manager has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the transferee agrees to retain a Manager with the experience and record described in subclause (a) above, or (c) the transferring Owner or its management company will continue to manage the Project, or another management company reasonably acceptable to the Issuer will manage, for at least one year following such Transfer and, if applicable, during such period the transferring Owner or its management company will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units; and (4) the person or entity that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the transferee of any document reasonably requested by the Issuer with respect to the assumption of the Owner's obligations under this Regulatory Agreement and the Loan Agreement (if then in effect), including without limitation an instrument of assumption hereof and thereof, and delivery to the Issuer of an opinion of such transferee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that any such Transfer will not adversely affect the Tax-Exempt status of interest on the Bonds; (D) receipt by the Issuer of all fees and/or expenses then currently due and payable to the Issuer by the Owner; and (E) receipt by the Issuer of evidence of satisfaction of compliance with the provisions of Section 29(d)(i) related to notice to CDLAC of transfer of the Project.

It is hereby expressly stipulated and agreed that any Transfer of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. The written consent of the Issuer to any Transfer of the Project shall constitute conclusive evidence that the Transfer is not in violation of this Section 12. Nothing in this Section shall affect any provision of any other document or instrument between the Owner and any other party which requires the Owner to satisfy certain conditions or obtain the prior written consent of such other party in order to Transfer the Project. Upon any Transfer that complies with this Regulatory Agreement, the Owner shall be fully released from its obligations hereunder to the extent such obligations have been fully assumed in writing by the transferee of the Project.

The foregoing notwithstanding, the Project may be transferred pursuant to a foreclosure, exercise of power of sale or deed in lieu of foreclosure or comparable conversion under the Deed of Trust without the consent of the Issuer or compliance with the provisions of this Section 12. The Issuer hereby approves the transfer of limited partnership interests in the Owner to affiliates

of the investor limited partner of the Owner, including, without limitation, the transfer of membership interests in the Owner from the investor limited partner and non-managing membership interests in the limited partner of Owner.

For the Compliance Period, the Owner shall not: (1) encumber any of the Project or grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) encumbrances permitted under the Deed of Trust, or (B) a Transfer in accordance with the terms of this Regulatory Agreement, in each case upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that such action will not adversely affect the Tax-Exempt status of interest on the Bonds (provided that such opinion will not be required with respect to any encumbrance, lease or transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily housing developments similar to the Project); (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except to the extent that what is demolished or removed is replaced with comparable property or such demolition or removal is otherwise permitted by the Loan Agreement or the Deed of Trust; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

Section 13. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Compliance Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bonds and discharge of the Indenture and the Loan Agreement.

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, [CDLAC CASH FLOW PERMANENT BONDS] [subject in each case to the terms of Section 29(g)], change in a federal law or an action of a federal agency after the Closing Date, which prevents the Issuer and the Trustee from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Owner hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Owner nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes.

Notwithstanding any other provision of this Regulatory Agreement, this Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee and the Owner, with the consent of CDLAC, upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution

and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 14. Covenants to Run With the Land. Notwithstanding Section 1461 of the California Civil Code, the Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 15. Burden and Benefit. The Issuer and the Owner hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The Issuer and the Owner hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 16. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

Section 17. Default; Enforcement. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Issuer, the Lender or the Trustee to the Owner, or for a period of 60 days from the date the Owner should, with reasonable diligence, have discovered such default, then the Issuer or the Trustee shall declare an "Event of Default" to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds. The Issuer and the Trustee shall have the right to enforce the obligations of the Owner under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary to insure compliance with the Housing Law or the Code.

Following the declaration of an Event of Default hereunder, the Issuer or the Trustee, at the written direction of Issuer, subject to the terms of the Indenture, may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

- (i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project;

(iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder; and

(iv) with the consent of the Lender, which consent shall not be unreasonably withheld, declare a default under the Loan Agreement, as applicable, and proceed with any remedies provided therein.

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Issuer may fully obtain the benefits of this Regulatory Agreement made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder.

The Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent or approval of the Issuer, but with the consent of the Lender, which consent shall not be unreasonably withheld, to exercise any or all of the rights or remedies of the Issuer hereunder; provided that prior to taking any such action the Trustee shall give the Issuer written notice of its intended action. After the Indenture has been discharged, the Issuer may act on its own behalf to declare an "Event of Default" to have occurred and to take any one or more of the steps specified hereinabove to the same extent and with the same effect as if taken by the Trustee.

The Issuer and the Trustee hereby agree that cure of any Event of Default made or tendered by any partner of the Owner shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

All reasonable fees, costs and expenses (including reasonable attorney's fees) of the Trustee and the Issuer incurred in taking any action pursuant to this Section shall be the sole responsibility of the Owner; provided, however, that in the event that any action arises hereunder in which the Owner and the Trustee are adversaries, the prevailing party, if any, shall be entitled to recover legal fees and costs from the other party.

Section 18. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture and may exercise such additional powers as are reasonably incidental hereto and thereto. The Trustee shall have no duty to act with respect to enforcement of the Owner's performance hereunder as described in Section 17 unless it shall have knowledge of any such default as provided in Section 17. The Trustee may act as the agent of and on behalf of the Issuer, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee. In connection with any such performance, the Trustee is acting solely as Trustee under the Indenture and not in its individual capacity, and, except as expressly provided herein, all provisions of the Indenture relating to the rights, privileges, powers and protections of the Trustee shall apply with equal force and effect to all actions taken (or omitted to be taken) by the Trustee in connection with this Regulatory Agreement. Neither the Trustee nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith except for its or their own gross negligence or willful misconduct.

No provision of this Regulatory Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Issuer shall be (or shall cause the Administrator to be) responsible for the monitoring of the Owner's compliance with the terms of this Regulatory Agreement. The Trustee shall not be responsible for such monitoring.

After the date on which no Bonds remain Outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Trustee in this Regulatory Agreement shall be deemed references to the Issuer.

Section 19. Recording and Filing. (a) The Owner shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County, and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

(b) The Owner and the Issuer will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Bond Counsel, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Owner hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and, except in the case of a foreclosure or comparable involuntary conversion of the Deed of Trust, whereby the Trustee becomes the owner of the Project, to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 20. Payment of Fees. Notwithstanding any prepayment of the Loan and discharge of the Indenture, the Owner shall continue to pay (or, to the extent allowed under the Code, shall prepay the present value at such time of) the fees of the Issuer as provided in this Section 20, unless such prepayment is made in connection with a refunding of the Bonds.

The Owner agrees to pay to the Issuer (i) an initial issuance fee pursuant to the Issuer's established payment schedule, which shall be paid on or before the Closing Date, (ii) the Issuer's annual administration fee (the "Annual Administration Fee"), which shall be calculated annually on the Closing Date and on each anniversary thereof (each a "Calculation Date") in an amount equal to the greater of \$5,000 or 0.05% of the aggregate principal amount of the Bonds outstanding as of such Calculation Date, and shall be payable commencing on the Closing Date and [annually on each _____ 1 thereafter] [semi-annually on each _____ 1 and each _____ 1 thereafter] [OWNER'S OPTION], and continuing throughout the Qualified Project Period, and (iii) within 30 days after receipt of request for payment thereof, all reasonable out-of-pocket expenses of the Issuer (not including salaries and wages of Issuer employees) related to the Bonds, the Project and the financing thereof, including, without limitation, legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project or the Bonds.

Notwithstanding any provision herein to the contrary, it shall be the responsibility of the Owner to notify the Issuer timely in writing (with confirmation from the trustee for the Bonds, if any, or the servicer of the Loan) of the aggregate principal amount of Bonds outstanding from time to time. The Owner and Issuer hereby agree that the Issuer shall on each Calculation Date calculate the Annual Administration Fee to be paid in advance for the next year solely based on the most recent information received from the Owner pursuant to this paragraph, or based on the original par amount of the Bonds if the Owner has never provided any such information, and that the Issuer shall be under no obligation to attempt to obtain such information from the Owner on or prior to any such Calculation Date.

In the event that the Qualified Project Period terminates prior to the termination of the Compliance Period (other than by reason of the issuance of refunding bonds), and provided that the conditions of this Section are satisfied, the Owner shall thereafter and for the remainder of the Compliance Period pay to the Issuer annually in advance an amount equal to the Issuer's "Ongoing Compliance Monitoring Fee" as published and updated from time to time on the Issuer's website. The full Annual Administration Fee shall continue to be payable unless and until the Issuer has confirmed receipt of all amounts then due and payable in arrears by the Owner to the Issuer in connection with the Bonds, at which point the Ongoing Compliance Monitoring Fee shall become effective.

If the Owner fails to make payment of the Ongoing Compliance Monitoring Fee for a period of two consecutive years or more, the Issuer may, in its sole discretion, declare the total amount of the Ongoing Compliance Monitoring Fee through the end of the Compliance Period immediately due and payable, such amount to be discounted at a rate equal to the then current market rate for U.S. Treasury obligations of a maturity equal to the remaining term of the Compliance Period.

Section 21. Governing Law; Venue. This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Regulatory Agreement shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Issuer in writing) be filed and maintained in the Superior Court of California, County of Sacramento.

Section 22. Amendments; Waivers. Except as provided in Sections 8(a) and 29(e) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of [County], California, and only upon (i) receipt by the Issuer and the Trustee of an opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Bonds and is not contrary to the provisions of the Housing Law and (ii) the written consent of the Lender, who shall receive a copy of any such amendment.

(b) Anything to the contrary contained herein notwithstanding, the Issuer, the Trustee and the Owner hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Bond Counsel, in order that interest on the Bonds remains Tax-Exempt. The parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such proposed amendment to Bond Counsel and a request that Bond Counsel render to the Issuer and the Trustee an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Bonds. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(c) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

Section 23. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses specified in the Indenture, or at such other addresses as may be specified in writing by the parties hereto. Unless otherwise specified by the Administrator, the address of the Administrator is:

Urban Futures Bond Administration
Attention: Raette Frazeur
3111 N. Tustin Avenue, Suite 110
Orange, CA 92865

Unless otherwise specified by CDLAC, the address of CDLAC is:

California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814
Attention: Executive Director

The Issuer, the Administrator, the Trustee, CDLAC and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; provided that any telecopy or other electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day. A copy of each notice of default provided to the Owner hereunder shall also be provided to the Investor and the Lender at the addresses set forth in the Indenture.

A copy of each notice sent by or to the Owner shall also be sent to the Manager at the address of the Manager provided by the Owner to the Administrator; but such copies shall not constitute notice to the Owner, nor shall any failure to send such copies constitute a breach of this Regulatory Agreement or a failure of or defect in notice to the Owner.

The Owner shall notify the Issuer and the Administrator in writing of any change to the name of the Project or any change of name or address for the Owner or the Manager. The Owner shall further notify CDLAC in writing of any event provided in Section 29(d) hereof.

Section 24. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 25. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 26. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Owner

under this Regulatory Agreement to any person or entity, including, but not limited to, the Lender, the Trustee or the Issuer and their successors and assigns, is limited to the Owner's interest in the Project, the Trust Estate and the amounts held in the funds and accounts created under the Indenture, or any rights of the Owner under any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Owner under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to any Project or any other agreement securing the Owner's obligations under this Regulatory Agreement), shall be rendered against the Owner, the assets of the Owner (other than the Owner's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Indenture, any rights of the Owner under the Indenture or any other documents relating to the Bonds or any rights of the Owner under any guarantees relating to the Project), its partners, members, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement and the Indenture or any agreement securing the obligations of the Owner under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding, except to the extent provided in the Loan Agreement.

Section 27. Third-Party Beneficiary. The [City/County] and CDLAC are intended to be and shall each be a third-party beneficiary of this Regulatory Agreement. The [City/County] shall have the right (but not the obligation) to enforce, separately or jointly with the Issuer and/or the Trustee or to cause the Issuer or the Trustee to enforce, the terms of this Regulatory Agreement and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof. CDLAC shall have the right (but not the obligation) to enforce the CDLAC Conditions and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 17 hereof, provided that any such action or remedy shall not materially adversely affect the interests and rights of the Holders of the Bonds.

Section 28. Property Management. The Owner agrees that at all times the Project shall be managed by a property manager (i) approved by the Issuer in its reasonable discretion and (ii) who has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects (the "Manager"). The Owner shall submit to the Issuer from time to time such information about the background, experience and financial condition of any existing or proposed Manager as the Issuer may reasonably require to determine whether such Manager meets the requirements for a Manager set forth herein. The Issuer reserves the right to conduct periodic reviews of the management practices and of the Manager to determine if the Project is being operated and managed in accordance with the requirements and standards of this Agreement. The Owner agrees to cooperate with the Issuer in such reviews.

Replacement of Manager. If the Issuer determines in its reasonable judgment that the Project is not being operated and managed in accordance with one or more of the material requirements or standards of this Agreement, the Issuer may deliver notice to the Owner, the Trustee and the Lender requesting replacement of the Manager, which notice shall state clearly the reasons for such request. The Owner agrees that, upon receipt of such notice, it shall within

60 days submit to the Issuer, with copies to the Trustee and the Lender, a proposal to engage a new Manager meeting the requirements of this Section 28. Each of the Issuer and the Lender shall respond within 30 days to such proposal or such approval shall be deemed given. Upon receipt of such consent or deemed consent, the Owner shall within 60 days terminate the existing Manager's engagement and engage the new Manager. If such proposal is denied by either the Issuer or the Lender, the Owner agrees that upon receipt of notice of such denial, it shall within 60 days submit to the Issuer, with copies to the Lender, a proposal to engage another new Manager meeting the requirements of this Section 28, subject to the Issuer's and Lender's consent or deemed consent pursuant to the terms hereof.

Notwithstanding any other provision of this Section 28 to the contrary, the Lender may at any time by written instruction to the Issuer, the Trustee and the Owner deny the Issuer's request for a replacement Manager and direct that the existing Manager be retained.

Section 29. Requirements of CDLAC. In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4 through 6 hereof, the Owner hereby agrees to comply with each of the requirements of CDLAC set forth in this Section 29, as follows:

(a) The Owner shall comply with the CDLAC Resolution attached hereto as Exhibit D and the CDLAC Conditions set forth in Exhibit A thereto (collectively, the "CDLAC Conditions"), which conditions are incorporated herein by reference and made a part hereof. The Owner will prepare and submit to the Issuer, not later than February 1 of each year, until the Project is completed, and on February 1 every three years thereafter until the end of the Compliance Period, a Certificate of Compliance II for Qualified Residential Rental Projects, in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Owner. The Certificate of Compliance II for Qualified Residential Rental Projects shall be prepared pursuant to the terms of the CDLAC Conditions. Additionally, the Owner will prepare and submit to the Issuer, a Certificate of Completion, in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Owner certifying among other things to the substantial completion of the Project. Following the submission of the Certificate of Completion, the Owner will prepare and submit to the Issuer, not later than February 1 every three years thereafter until the end of the Compliance Period, a California Tax Credit Allocation Committee Project Status Report or equivalent documentation in substantially the form required or otherwise provided by CDLAC from time to time. Compliance with the terms of the CDLAC Conditions not contained within this Regulatory Agreement, but referred to in the CDLAC Conditions are the responsibility of the Owner to report to the Issuer.

(b) The Owner acknowledges that the Issuer and the Administrator shall monitor the Owner's compliance with the terms of the CDLAC Conditions. The Owner acknowledges that the Issuer will prepare and submit to CDLAC, not later than March 1 of each year, until the Project is completed, and on March 1 every three years thereafter until the end of the Compliance Period, a Self-Certification Certificate in the form provided by CDLAC. The Owner will cooperate fully with the Issuer in connection with such monitoring and reporting requirements.

(c) Except as otherwise provided in Section 13 of this Regulatory Agreement, this Regulatory Agreement shall terminate on the date 55 years after the date on which at least fifty percent (50%) of the units in the Project are first occupied or otherwise after the commencement of the Qualified Project Period.

(d) The Owner shall notify CDLAC in writing of: (i) any change in ownership of the Project, (ii) any change in the Issuer, (iii) any change in the name of the Project or the Manager; (iv) any material default under the Indenture, the Loan Agreement or this Regulatory Agreement, including, but not limited to, such defaults associated with the Tax-Exempt status of the Bonds, and the income and rental requirements as provided in Sections 4 and 6 hereof and the CDLAC Conditions; or (v) termination of this Regulatory Agreement.

(e) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Owner after the Closing Date, at any time; that are not more restrictive than the original CDLAC Conditions; provided however, that, with the prior written consent of the [Lender], which will not be unreasonably withheld: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of the County of a regulatory agreement between Owner and the California Tax Credit Allocation Committee ("TCAC Regulatory Agreement") shall be limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Owner or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26 and/or 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by Owner and approved by CDLAC. The Issuer may, in its sole and absolute discretion, require the Owner enter into an amendment to this Regulatory Agreement reflecting the revised CDLAC Conditions, which amendment shall be executed by the parties hereto or their successor in title and duly recorded in the real property records of the County. The Owner shall pay any costs and expenses in connection therewith and provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

[(f) [CDLAC CASH FLOW PERMANENT BONDS (i.e. exceed 5% of total project costs, fail to meet CDLAC's debt service coverage requirements of no less than 1.15, payable from available cash flows and intended as permanent financing)] Notwithstanding anything to the contrary herein, and except as otherwise required by law, all Available Units within the Project shall be subject to the Income and Rental Restrictions as provided in Section [15] of the CDLAC Conditions (the "CDLAC Income and Rental Restrictions"). Except as otherwise required by law, the Rental Payments paid by tenants shall not exceed thirty percent (30%) of Gross Income, assuming an occupancy standard of 1.5 persons per bedroom for the determination of applicable Rental Payments.]

[(g) [TERMINATION OF REGULATORY AGREEMENT - CDLAC CASH FLOW PERMANENT BONDS] For purposes of this Section 29(g), "Cash Flow Permanent Bonds" shall mean those certain [_____]. The parties to this Regulatory Agreement hereby agree and acknowledge that, except with the prior written consent of CDLAC, this Regulatory Agreement and each of its provisions shall survive any foreclosure or transfer of title by deed in lieu of foreclosure undertaken or given in connection with such Cash Flow Permanent Bonds].

Any of the foregoing requirements of the CDLAC contained in this Section 29 may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC of any requirement of this Section 29 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Issuer has received an opinion of Bond Counsel that any such provision is not required by the Act and the Housing Law and may be waived without adversely affecting the exclusion from gross income of interest on the Bonds for federal income tax purposes; and (ii) any requirement of this Section 29 shall be void and of no force and effect if the Issuer and the Owner receive a written opinion of Bond Counsel to the effect

that compliance with any such requirement would cause interest on the Bonds to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act, the Housing Law or any other state or federal law.

Section 30. Annual Reporting Covenant. No later than January 31 of each calendar year (commencing January 31, 20[]), the Owner, on behalf of the Issuer, agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a copy to the Issuer, the annual report information required by Section 8855(k)(1) of the California Government Code. This covenant shall remain in effect until the later of the date (i) the Bonds are no longer outstanding or (ii) the proceeds of the Bonds have been fully spent.

IN WITNESS WHEREOF, the Issuer, the Trustee and the Owner have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Member

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[Execution Page to Regulatory Agreement and Declaration of Restrictive
Covenants Dated as of [As of Date]]

OHSUSA:19664424.33

[Owner Signature Block]

[Execution Page to Regulatory Agreement and Declaration of Restrictive
Covenants Dated as of [As of Date]]

OHSUSA:19664424.33

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

EXHIBIT B

FORM OF INCOME CERTIFICATION

EXHIBIT C

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

EXHIBIT D
CDLAC RESOLUTION

EXHIBIT C

POST-ISSUANCE TAX COMPLIANCE PROCEDURES FOR TAX-EXEMPT BONDS (MULTIFAMILY HOUSING)

California Statewide Communities Development Authority Post-Issuance Tax Compliance Procedures For Tax-Exempt Bonds (Multifamily Housing)

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds (the “Bonds”) issued by the California Statewide Communities Development Authority (the “Authority”) so as to maximize the likelihood that all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds are met. The Authority reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The Authority also reserves the right to change these policies and procedures from time to time.

General

Inasmuch as the Authority is a responsible conduit issuer authorizing the issuance of Bonds for borrowers that own and/or operate qualified residential rental projects (each, a “Borrower”), the Authority now identifies post-issuance tax compliance procedures for all Bonds authorized by the Authority, as well as the Authority’s expectations of all Bond borrowers concerning these procedures.

Post-Issuance Compliance Requirements

External Advisors / Documentation

The Authority and the Borrower shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the tax certificate and agreement (“Tax Certificate”) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and certain other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The Borrower also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance

requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets.

The Authority shall encourage or require the Borrower to engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in

respect of the investment of Bond proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds.

Unless otherwise provided by the indenture relating to the Bonds, unexpended Bond proceeds shall be held by a trustee or other financial institution, and the investment of Bond proceeds shall be managed by the Borrower. The Borrower shall prepare (or cause the trustee to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the Authority if it so requests.

Arbitrage Rebate and Yield

Unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds, it is the Authority's policy that the Borrower shall be responsible for:

- either (a) engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, causing the trustee or other financial institution to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider, or (b) undertaking rebate calculations itself and retaining or obtaining periodic statements concerning the investment of Bond proceeds;
- providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitoring efforts of the Rebate Service Provider;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Bonds; and
- retaining copies of all arbitrage reports, investment records and trustee statements as described below under "Record Keeping Requirements" and, upon request, providing such copies to the Authority.

The Borrower, in the Tax Certificate relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above (unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds).

Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

It is the Authority's policy that the Borrower shall be responsible for:

- monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of the Project throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond proceeds as described below under "Record Keeping Requirements";
- consulting with bond counsel and other legal counsel and advisers in the review of any change in use or transfer of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate or the Regulatory relating to the Bonds;
- at least annually reviewing the income certifications of Project tenants to confirm that the low-income set-aside requirements are satisfied; and
- to the extent that the Borrower discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to preserve the tax-exempt status of the bonds.

The Borrower, in the Tax Certificate or the Regulatory Agreement relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirement

It is the Authority's policy that the Borrower shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Borrower at or in connection with closing of the issue of Bonds;
- Documentation evidencing that the low-income set-aside requirements set forth the Regulatory Agreement have been continuously satisfied;

- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

The Borrower, in the Tax Certificate relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to retain the records listed above.

ATTACHMENT B

RESOLUTION NO. _____

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY ADOPTING MULTIFAMILY HOUSING
BOND POLICIES**

RECITALS:

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) has issued revenue bonds and executed and delivered revenue notes for the purpose of financing, among other things, qualified residential rental projects in the State of California (collectively, “Housing Bonds”) based on allocations by the California Debt Limit Allocation Committee (“CDLAC”) for such projects pursuant to the 1986 Federal Tax Reform Act and Section 8869.80 et seq. of the California Government Code (together, the “Act”); and

WHEREAS, pursuant to CDLAC Regulation 5031(c), adopted December 15, 2016, issuers of Housing Bonds pursuant to the Act, including the Authority, must submit written bond issuance and post issuance compliance policies (the “Policies”) to remain eligible to receive CDLAC allocations from the state ceiling pool established by CDLAC for qualified residential rental projects (the “QRRP Pool”); and

WHEREAS, issuers that have received a CDLAC allocation after January 2013 must submit such Policies to CDLAC no later than December 31, 2017; and

WHEREAS, the Policies must be accompanied by a resolution (the “Resolution”) signed by the governing body of the issuer formally adopting such Policies; and

WHEREAS, for applicants to the QRRP Pool, the Policies must also be reviewed by counsel having expertise with the federal and state laws pertaining to the issuance or conversion and post-closing compliance of private activity conduit bonds for consistency with applicable and federal state laws, and such review must be documented via a letter from such counsel indicating such review has occurred (the “Letter of Counsel”); and

WHEREAS, the Authority has received CDLAC allocations since 2013 and is therefore required to submit Policies to CDLAC no later than December 31, 2017; and

WHEREAS, the Authority has applied to the QRRP Pool and is therefore required to submit a Letter of Counsel to CDLAC; and

WHEREAS, the Authority may also, in the future, seek to be eligible to receive CDLAC allocations including through the QRRP Pool; and

WHEREAS, to facilitate the Authority’s eligibility for future CDLAC allocations, including through the QRRP Pool, and to comply with CDLAC Regulation 5031(c), the Authority desires to adopt the Policies, as set forth in Exhibit A hereto, via this Resolution and to accept the Letter of Counsel, executed by Orrick, Herrington & Sutcliffe LLP, as set forth in Exhibit B hereto; and

NOW, THEREFORE, THE COMMISSION OF THE AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Policies, as set forth in Exhibit A, are hereby approved and adopted and shall be made applicable to all Housing Bonds issued by or on behalf of the Authority.

Section 3. The Letter of Counsel, as set forth in Exhibit B, is hereby accepted.

Section 4. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and the Executive Director are each hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution, to implement the Policies, to deliver such Resolution, Policies and Letter of Counsel to CDLAC and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. This Resolution shall take effect immediately upon adoption.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on this 21st day of December, 2017.

By: _____
Authorized Signatory



Agenda Item No. 7

Agenda Report

DATE: December 21, 2017
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consider Resolution Establishing the Time and Place for Scheduling Regular Meetings.

BACKGROUND AND SUMMARY:

It came to the attention of staff and CSCDA's General Counsel that pursuant to the CSCDA Joint Powers Agreement the Commission had not adopted a resolution establishing the time and place for regular meetings.

The attached resolution was prepared by CSCDA's General Counsel establishing the current time and place for regular meetings.

RECOMMENDED ACTION:

CSCDA's Executive Director recommends approval of the attached resolution establishing the time and place for scheduling regular meetings.

ATTACHMENT A

RESOLUTION NO. _____

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ESTABLISHING THE TIME AND PLACE FOR HOLDING REGULAR MEETINGS

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), a number of California cities, counties and special districts entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Statewide Communities Development Authority (the “Authority”) was organized; and

WHEREAS, the Agreement provides for the Commission to fix by resolution the date, hour and place for holding regular meetings; and

NOW, THEREFORE, BE IT RESOLVED, by the Commission of the California Statewide Communities Development Authority as follows:

Section 1. The Commission shall hold regular meetings as follows: (i) on the first and third Thursday of each calendar month, (ii) at 2:00 p.m. California time, or as soon thereafter as practicable, (iii) with the location for the first meeting of each month to be the offices of the League of California Cities (the “League”), currently located at 1400 K Street, Sacramento, California, 95814, and the location for the second meeting of each calendar month to be the offices of California State Association of Counties (“CSAC”), currently located at 1100 K Street, Sacramento, California, 95814, or (iv) at any such other day, time or location approved by the Commission.

Section 2. The time and place for regular meetings established by this Resolution shall supersede and replace any and all conflicting provisions previously adopted by any action of this Council.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 21st day of December, 2017.