



STATE OF CALIFORNIA

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

915 CAPITOL MALL, ROOM 311
SACRAMENTO, CA 95814
TELEPHONE: (916) 653-3255
FAX: (916) 653-6827
www.treasurer.ca.gov

Sean L. Spear
Executive Director

MEMBERS

John Chiang, Chairman
State Treasurer
Edmund G. Brown Jr.
Governor
Betty Yee,
State Controller

FOR CDLAC USE ONLY
Application No.: _____
Analyst: _____

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A VETERAN’S HOME LOAN PROGRAM

APPLICANT (Issuer): _____

The Applicant hereby makes Application to the California Debt Limit Allocation Committee (“CDLAC” or “Committee”) for the purpose of providing a veteran’s home loan program as described herein.

The Applicant agrees that it is the Applicant’s responsibility to provide the Committee with one original and one duplicate copy of the complete Application, accompanied by a check made payable to the Committee in the amount of ~~\$600~~1200 and a completed Performance Deposit Certification form. The Applicant understands that succinct answers providing the requested information are required and if additional space is required, each additional page will be clearly labeled. The Applicant agrees that it is also the Applicant’s responsibility to provide all other information that is deemed by the Committee to be necessary to evaluate the Application. The Applicant understands that the Committee may verify the information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. The Applicant recognizes that it has a duty to inform the Committee when any information in the Application or supplemental materials is no longer true and to supply the Committee with accurate information.

The Applicant represents that it has read all Government Code sections relevant to the CDLAC Regulations Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (“Regulations”). The Applicant acknowledges that the Committee recommends that the Applicant seek advice from bond counsel.

The Applicant acknowledges that all materials and requirements are subject to change by enactment of federal or state legislation.

In carrying out the development and operation of the proposed program, the Applicant agrees to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all Committee program requirements.

The Applicant acknowledges that the Application will be evaluated based on federal and state statutes and regulations pertaining to Qualified Private Activity Bonds for Veteran Home Loan programs and the Regulations,

which identify the minimum requirements, evaluation criteria, priorities and other standards which will be employed to evaluate Applications.

The Applicant acknowledges that the information submitted to the Committee in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. The Applicant understands that the Committee may make such information public. The Committee will maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Applicant declares under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of its knowledge and belief. The Applicant understands that misrepresentation may result in the cancellation of an Allocation, and other actions which the Committee is authorized to take.

The Applicant agrees to hold the Committee, its members, officers, agents, and employees harmless from any matters arising out of or related to the awarded Allocation.

The Applicant certifies that it is in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of its business.

The Applicant acknowledges that all Application materials are to be submitted delivered to the address below, by **4:00 p.m.** on the appropriate date, ~~at the following address:~~

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

Signature of Applicant's Senior Official

Print Name

Title

Date _____

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac.htm> or by calling the Committee at (916) 653-3255.

The California Debt Limit Allocation Committee complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the California Debt Limit Allocation Committee in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact the California Debt Limit Allocation Committee at (916) 653-3255 or TDD (916) 654-9922.

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A VETERAN'S HOME LOAN PROGRAM

All references to federal statute are cited for information only. Bond counsel must be consulted as the requirements are subject to change.

PART I – FINANCING TEAM INFORMATION

1. Name of Applicant (entity issuing bonds):

Mailing Address:
City, State, Zip Code:

Federal Identification No.:

For mailing of official documents:

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

For questions concerning application:

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

2. Name of Bond Counsel Firm:

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

3. Name of Tax Counsel Firm (if applicable):

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

4. Name of Bond Underwriter Firm:

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

5. Name of Financial Advisor Firm:

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

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

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

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

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

PART II – ALLOCATION/BOND ISSUE INFORMATION

1. Amount of allocation requested: \$
2. Proposed date of bond issuance:
3. Attach (**Attachment “A”**) issuer’s adopted resolution(s) approving the Program and authorizing application to the Committee. (Section 5033(b)(5) of CDLAC Regulations.)

4. Date of TEFRA approval:

Submit (**Attachment “B”**) proof of TEFRA (public approval process required by 26 U.S.C. Section 147(f)). (See Section 5033(b)(6) of the CDLAC Regulations.)

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

5. Indicate whether bonds will be sold in a public offering or in a private placement:

Indicate whether the bonds will be variable or fixed rate:

If bonds carry a variable rate:

- A. Identify the index:
- B. How frequently will the bonds be re-marketed and by whom?
- C. Is there a feature to allow a conversion to a fixed rate at some time in the future? If so, under what conditions and when?

6. Briefly describe the bond sale structure (include, at a minimum, the amount, closing deadlines, security/collateral provided, guaranties, anticipated closing date, etc.):

Attach (**Attachment “C”**, if more than one commitment, label Attachments in sequential order as “**C-1, C-2**”, etc.) the credit enhancement commitment or commitment to purchase privately placed bonds. (See **Article 6 of Chapter 1** of the CDLAC Regulations.)

7. Anticipated bond rating (see Article 6 of Chapter 1 of the CDLAC Regulations):

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

8. Indicate the amount of taxable bonds and other taxable securities that will be issued in conjunction with the proposed tax-exempt bonds: \$

9. Indicate the number of loans expected to be originated:

10. Indicate the number and type of homes expected to be financed and the average mortgage amounts:

<u>Home Type</u>	<u>Number of Homes</u>	<u>% of Total</u>	<u>Average Mortgage Amount</u>
New Unit	_____	_____ %	\$ _____
Resale Unit	_____	_____ %	\$ _____
Rehabilitated Unit	_____	_____ %	\$ _____
Totals	_____	_____ %	\$ _____

Indicate if the above numbers of homes are estimates or actual program requirements imposed by the Issuer:

PART III - PROGRAM INFORMATION

1. Proposed Program Description.

Attach (**Attachment "D"**) a narrative of the proposed Program that, at a minimum, must include all of the following:

- A. A description of the targeted population to be served, including but not limited to family size, income levels and ethnicity.
- B. A description of the housing stock expected to be purchased. That is, the type (detached, condominiums, etc), units sizes (square footage, bedroom/bath sizes, etc.), and purchase prices.
- C. A description of any specific reservation(s) of bond proceeds for specific purposes that target lower household incomes, lower purchase prices, new construction units or developments, certain census tracts or neighborhoods, or specific segments of the population to be served. If the program is a "forward commitment program", include a description of how the program manages the bond allocation during the loan origination process to ensure all bond proceeds are used. If the program contains a reservation for new construction, include: **a**) a schedule of when new homes or developments are expected to become available and **b**) a description of the mechanism that is in place to use the allocation if construction is postponed or otherwise delayed.
- D. An indication of the expected length of time that the proposed bond proceeds will be available to fund mortgages and the anticipated monthly rate of loan originations over the expected term. Include an explanation of the basis for the anticipated origination rate and a description of the factors that could influence such rate, either positively or negatively.
- E. A description of the Program's interest rates, down-payment requirements, and fees charged to homebuyers.
- F. A description of other homebuyer assistance programs that will be made available to program participants in conjunction with the proposed Program.
- G. A description of any other special features that are unique to the proposed Program.

2. Provide the following demand/supply information:

- A. Total number of home sales in program jurisdiction during the past 12 months: _____
- B. Total number of above home sales that met program purchase price limits: _____
- C. Average sales price of homes in the Program's jurisdiction: _____
- D. Total number of for-sale units currently on the market in the program jurisdiction: _____
- E. Total number of above for-sale units that meet the program purchase price limits: _____
- F. Average sales price of the homes currently on the market in the Program jurisdiction: _____

Additional relevant information may be provided (**Attachment "G"**) that explains the number of loans anticipated to be originated and the type of housing expected to be available.

3. Attach (**Attachment "H"**) a description of marketing program to promote program to eligible program participants, including a listing of names and addresses of participating lenders.

4. Maximum Purchase Prices. For purchase price requirements, refer to Internal Revenue Code Section 143(e). The proposed maximum limits are:

Home Type	Average Area Purchase Price*	Non-Target Area Maximum Purchase Price	Target Area Maximum Purchase price
New Homes	\$	\$	\$
Existing Homes	\$	\$	\$

*This is established by (check one):

- IRS safe harbor limitations (26 CFR 601.201)
 As determined by special survey - attach (**Attachment "I"**) a copy of survey along with tax counsel confirmation that survey methodology complies with federal law

5. What are the expected average sales prices of the estimated homes to be assisted?

New units	\$
Existing units	\$
Rehabilitated units	\$

6. Maximum Income Limitations. For income requirements refer to Internal Revenue Code Section 143 and California Health & Safety Code Section 34312.4(d) if the Issuer is a local housing authority, or California Health & Safety Code Section 52020(d) if the Issuer is a city or county. Where differences between federal and state law occur, the more stringent law takes precedence. Provide the information requested below.

A. Indicate the HUD area median income on which maximum program limits are based: \$
Indicate the applicable standard from below that defines the HUD area median income:

- HUD statewide median HUD county MSA median
 Local median as determined by a special study – attach (**Attachment "J"**) a copy of the study along with tax counsel’s confirmation that the study methodology complies with federal law.)

B. Answer “**YES**” or “**NO**” to indicate if there are IRS-designated target areas in the jurisdiction(s):
 Yes No

If “**YES**”, indicate the percent of bond proceeds reserved for target areas: %

California Health & Safety Code Sections 34312.4(3) and 52020 (d) require that ½ of the funds allocated to existing unit mortgages be reserved for household incomes at or below 80% of the area median income, or 90% of area median income upon certain findings by the housing authority or the legislative body of the applicable city or county. If using 90% of area median income for this purpose, attach (**Attachment "K"**) a copy of the adopted resolution required by the Sections 34312.4(d)(2) and 52020(d)(2) of the California Health & Safety Code.

C. The proposed maximum income limits are:

Household Size	Non-Target Area		Target Area	
	New Unit	Existing Unit	New Unit	Existing Unit
1-2 persons	\$	\$	\$	\$
3+ persons	\$	\$	\$	\$
Select one of the following:				
80% of area median		\$		\$
90% of area median		\$		\$

SFHBP APPLICATION DOCUMENTS CHECKLIST

This checklist is provided to ensure that a completed application package is filed with the Committee. If an attachment does not apply, please write N/A in the space provided.

Your application package must contain the following:

Check Box	Document Description	Attachment Name
<input type="checkbox"/>	\$ 600 1200 initial filing fee. (See Section 5033(b)(3) of CDLAC Regulations.)	N/A
<input type="checkbox"/>	Signed Performance Deposit Certification Form. (See Section 5033(b)(1) of CDLAC Regulations.)	N/A
<input type="checkbox"/>	<u>Evidence of Performance Deposit</u> <u>See Section 5050 of CDLAC Regulations</u>	N/A
<input type="checkbox"/>	Completed and <u>signed</u> application form.	N/A
<input type="checkbox"/>	Issuer's Adopted Resolution(s) authorizing Program & CDLAC Application (See Section 5033(b)(5) of CDLAC Regulations.)	A
<input type="checkbox"/>	Evidence of TEFRA process. (See Section 5033(b)(6) of CDLAC Regulations.)	B
<input type="checkbox"/>	Evidence of Credit Enhancement or Bond Purchase Commitment. (See Article 6 of Chapter 1of CDLAC Regulations.)	C
<input type="checkbox"/>	Program description narrative	D
<input type="checkbox"/>	Outline of Proposed Bond Structure (See Article 6 of Chapter 1of CDLAC Regulations.)	E
<input type="checkbox"/>	Estimated Sources and Uses of Bond Proceeds	F
<input type="checkbox"/>	Additional demand/supply documentation, if applicable	G
<input type="checkbox"/>	List of participating developers and lenders, if applicable	H
<input type="checkbox"/>	Special Survey regarding average area purchase prices with certification, if applicable (Section 143(d) of the Internal Revenue Code)	I
<input type="checkbox"/>	Special Survey regarding area median income with certification, if applicable (Section 143(f) of the Internal Revenue Code)	J
<input type="checkbox"/>	Resolution regarding existing units for lower incomes, if applicable (Cal. Health & Safety Code Sections 34312.4(d)(2) and 52020(d)(2))	K
<input type="checkbox"/>	Duplicate copy of CDLAC Application with Attachment [NOTE: Any subsequent mailings of additional application materials should be in <u>duplicate</u> .]	

1. Each Applicant for a Qualified Private Activity Bond Allocation must submit evidence to the Committee that it has on deposit in an account in a financial institution an amount **equal to one half of one percent** of the amount of Qualified Private Activity Bond Allocation being requested, **not to exceed \$100,000**. Applicants are advised to read Article 5 of Chapter 1 of the Committee's Regulations.
2. The Performance Deposit Certification Form (see other side) must be filed with the Committee in conjunction with the filing of an Application and by the Application Deadline.
3. The Committee will authorize release or require forfeiture of the deposit as follows:
 - a. If the Committee provides no Allocation, or grants an amount lower than requested by the Applicant, the Committee will authorize release of the deposit or release of a pro rata amount of the deposit so that only one-half of one percent (0.5%) of the Allocation granted is on deposit;
 - b. If the Applicant uses only a portion of the Allocation granted to issue bonds (or convert the Allocation to mortgage credit certificate authority), the Committee will authorize the release of the deposit in accordance with the conditions imposed at the time of Allocation. The Committee will approve the Allocation with the deposit fully refundable if 80% or more of the Allocation is used to issue bonds prior to the expiration date. If less than 80% of the Allocation is used to issue bonds prior to the expiration date, the refundable performance deposit will be pro-rated. For Mortgage Credit Certificate Programs, if 80% or more of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the performance deposit will be refunded in full. If less than 80% of the Allocation is converted to mortgage credit certificate authority and at least one mortgage credit certificate is issued prior to the expiration date, the refundable performance deposit will be pro-rated.
 - c. If the Applicant does not use any of the Allocation to issue bonds prior to the expiration date (or convert the Allocation to mortgage credit certificate authority and issue at least one mortgage credit certificate prior to the expiration date), the entire deposit will be forfeited; and
 - d. If the Applicant or the Project Sponsor withdraws the Application in writing prior to the Committee's consideration of the Application, the performance deposit shall be automatically released and no written authorization from the Committee shall be necessary.
4. If the Applicant forfeits all or a part of a deposit pursuant to Article 5 of Chapter 1 of the Committee's Regulations, the Applicant shall send the required amount to the Committee in a check made payable to "The California Debt Limit Allocation Committee". Amounts received will be deposited in the Committee's Fund.
5. Project Sponsors bear the risk of forfeiting all or part of their performance deposit if the Allocation is not used in accordance with the conditions and timeframes set forth in the Committee Resolution.