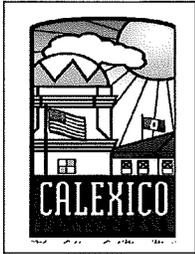


**AGENDA  
ITEM**

**2**



# AGENDA STAFF REPORT

**DATE:** November 16, 2016

**TO:** Mayor and City Council

**APPROVED BY:** Armando G. Villa, City Manager 

**PREPARED BY:** Julia R. Osuna, Interim Housing Manager and Economic Development Manager 

**SUBJECT:** Rent Limits on State Assisted Projects

=====

**Recommendation:**

None

**Background:**

Councilman Kim requested a listing of rents rolls for senior and or low income apartments. He asked why some people pay a lower rent amount for the same type of unit and why is there a difference in our county and other counties.

The City of Calexico has assisted Villa del Este, Villa Dorada, De Anza aka El Quintero and Villa Primavera with partial funding to build or rehabilitate apartments. Some of the units within these complexes are designated for low income seniors or families.

**Discussion & Analysis:**

Attached is a copy of the Annual Compliance Report with rent roll HOME assisted units for all assisted projects in the City of Calexico. These reports reflect the units assisted, the assistance amount, and the tenant's share. Rent charged is based on 30% of the tenant's annual income.

The Regulatory Agreement regulates all policies the assisted projects need to follow. It includes term of the agreement, the number of units assisted in the project, how to select the tenants, how the rents are set, maintenance, requirements of insurance, budgets, reserves and other requirements of the Regulatory Agreement.

The City is required on an annual basis to review the assisted units for compliance with the established rents based on the tenant's income, maintenance of units, insurance requirements, and requirements of the Regulatory Agreement.

**AGENDA  
ITEM  
2**

The sample Home Annual Monitoring Report is a report that is required by the State of California. The State reviews if the policies on the regulatory agreement were followed.

**Fiscal Impact:**

None.

**Coordinated With:**

City Manager's Office.

**Attachments:**

- Villa Del Este Regulatory Agreement
- Villa Del Este Annual Project Compliance Report with rent roll Home assisted units
- Villa Dorada Regulatory Agreement
- Villa Dorada Annual Project Compliance Report with rent roll HOME assisted units
- De Anza II aka El Quintero Regulatory Agreement
- De Anza II aka El Quintero Annual Compliance Report with rent roll HOME assisted units
- Villa Primavera Regulatory Agreement
- Blank sample of HOME Annual Monitoring Report
- 2015 U.S. Department of HUD 03/2015- State of California HOME Program Rent limits
- 2016 U.S. Department of HUD 04/2016- State of California HOME Program Rent limits
- State of California Income Limits 2015
- State of California Income Limits 2016

**Villa Del Este**

FIRST AMERICAN TITLE  
NCS-195806A-SF

Free Recording in accordance with  
California Government Code  
Section 6103 and 27383

Recording requesting by:  
and when recorded mail to:

City of Calexico  
608 Heber Avenue  
Calexico, CA 92231

Attn: ~~City Attorney~~ *Redevelopment Agency*

FIRST AMERICAN TITLE INSURANCE COMPANY  
HEREBY CERTIFIES THAT THIS IS A TRUE AND  
CORRECT COPY OF THE ORIGINAL DOCUMENT

BY: \_\_\_\_\_

RECORDED: *July 1, 2008*

SERIES NO.: *08-08308*

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 058-594-010 and 058-592-010

**REGULATORY AGREEMENT**

between

City of Calexico

&

HPD Villa Del Este LP, a California limited partnership

in respect to

**HOME INVESTMENT PARTNERSHIPS PROGRAM**

THIS REGULATORY AGREEMENT is made June 30, 2008, between HPD Villa Del Este LP, a California limited partnership, with its principal place of business located at 250 West Colorado Blvd., Suite 210, Arcadia, CA 91007 (hereinafter referred to as the "Borrower") and the City of Calexico, a political subdivision of the State of California (hereinafter referred to as the "City").

#### RECITALS

Pursuant to the Loan Agreement between the City and Borrower, with respect to the HOME Investment Partnerships Program, by and between the Borrower and the City dated as of June 30, 2008 (hereinafter referred to as the "Loan Agreement"), the City has agreed to loan to the Borrower an amount not to exceed One Million Three Hundred Sixty-Three Thousand Eight Hundred Eighty-Seven Dollars (\$1,363,887) (hereinafter referred to as the "Loan") for the purpose of assisting the Borrower in the rehabilitation of that certain real property located at 1100 Avenida de Oro, Calexico, California, and more particularly described in Exhibit "A", attached hereto and made a part hereof (hereinafter referred to as the "Property").

The Loan is being made pursuant to the HOME Investment Partnerships Program (hereinafter referred to as the "HOME Program") established and governed by the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended by the Housing and Community Development Act of 1992, as implemented by and subject to Title 24 Code of Federal Regulations Part 92.

The Loan is composed of an amount not to exceed One Million Three Hundred Sixty-Three Thousand Eight Hundred Eighty-Seven Dollars (\$1,363,887) received from the HOME Program. The Loan is evidenced by that certain promissory note (hereinafter referred to as the "Note") dated of even date herewith and is secured by that certain Deed of Trust of even date herewith.

As a condition of receiving Loan funds for the rehabilitation of 100 units, of which twenty (20) units are considered to be HOME-assisted (hereinafter referred to as the "Project"), the Borrower must agree to place specified restrictions upon the use and transfer of the Property found at 24 CFR 92.252. It is the intent of the parties hereto to evidence the Borrower's compliance with the Loan requirements of the HOME Program and place such restrictions upon the use and transfer of the Property, to ensure continued Project affordability, as are required by HOME Program regulations.

NOW THEREFORE, in consideration of the Loan and other valuable consideration, the parties hereto covenant and agree as follows:

1. HOME-Assisted Units & Unit Schedule.

a) Upon occupancy and for the entire Period of Affordability (as defined below), the Project shall have Twenty (20) HOME-assisted units. These units shall be designated as "Floating" units and shall be rented according to the schedule of units below.

	1 Bedroom	2 bedroom	3 bedroom	Total
30% AMI	5	4	3	12
35% AMI		4		4
40% AMI	2		1	3
45% AMI	1			1

b) Additionally, for units where the HOME restricted rents are higher than the actual rents currently paid by the tenants, the Borrower may not increase rents without prior written approval of the California Department of Housing and Community Development (the "Department") and USDA RD. Rents shall not be increased more than once annually.

2. Tenant Income Standards. During the Period of Affordability, a minimum of twelve (12) of the twenty (20) HOME-assisted project units shall be occupied by families whose annual incomes do not exceed, at the time of occupancy, thirty percent (30%) of the median family income as established by Department at rent levels that are consistent with 24 CFR 92.252, as amended, a minimum of four (4) of the twenty (20) HOME-assisted project units shall be occupied by households whose annual income do not exceed, at the time of occupancy, thirty-five percent (35%) of the median family income as established by Department at rent levels that are consistent with 24 CFR 92.252, as amended, a minimum of three (3) of the twenty (20) HOME-assisted project units shall be occupied by households whose annual income do not exceed, at the time of occupancy, forty (40%) of the median family income as established by Department at rent levels that are consistent with 24 CFR 92.252, as amended, and a minimum of one (1) of the twenty (20) HOME-assisted project units shall be occupied by households whose annual incomes do not exceed, at the time of occupancy, forty-five (45%) of the median family income as established by Department at rent levels that are consistent with 24 CFR 92.252, as amended.

3. Tenant Selection Standards. During the Period of Affordability the Borrower shall select tenants in conformance with HOME Program requirements and California Code of Regulations, Title 25, Division 1, Chapter 7, Subchapter 19, Section 8305.

(a) Borrower shall rent vacant HOME-assisted units in the Project only to eligible households in accordance with a management plan approved by the City (the "Management Plan"). Such Management Plan may be periodically altered and such alteration must be submitted to and approved by the City prior to use. The Management Plan shall include:

1. Reasonable criteria for selection or rejection of tenant applications which shall not discriminate in violation of any federal, state or local law governing discrimination, or any other arbitrary factor;
2. Prohibition of local residency requirements;
3. Prohibition of local residency preferences, except where accompanied by an equal preference for employment in the local area and applied to

areas not smaller than municipal jurisdictions or recognized communities within unincorporated areas;

4. Tenant selection procedures that include the following components, and that are available to prospective tenants upon request:

(A) Selection of tenants based on order of application, lottery or other reasonable method approved by the City;

(B) Notification to tenant applicants of eligibility for residency and, based on turnover history for HOME-assisted units in the Project, the approximate date when a HOME-assisted unit may be available;

(C) Notification of tenant applicants who are found ineligible to occupy an HOME-assisted unit of their ineligibility and the reason for the ineligibility, and of their right to appeal this determination;

(D) Maintenance of a waiting list of applicant households eligible to occupy HOME-assisted units and non-assisted units designated for various tenant income levels, which shall be made available to prospective tenants upon request;

(E) Targeting specific special needs populations in accordance with this Agreement and applicable laws; and

(F) Affirmative fair housing marketing procedures as specified in the Affirmative Fair Housing Marketing Plan Compliance Regulations of HUD, 24 CFR Part 200.620(a)-(c), or similar affirmative fair marketing housing plan as approved by the City.

(b) Borrower shall rent vacant units to households with no less than the number of people specified in the following schedule:

<u>Unit Size</u>	<u>Minimum Number of Persons in Household</u>
SRO	1
0-BR	1
1-BR	1
2-BR	2
3-BR	4
4-BR	6
5-BR	8

Borrower may assign tenant households to units of sizes other than those indicated as appropriate in the table above if the Borrower reasonably determines that special circumstances warrant such an assignment and the reasons are documented in the tenant's file. The Borrower's determination is subject to approval by the City. Through the Management Plan, Borrower may receive advance City approval of categorical exceptions to the above schedule.

4. Certification of Tenant Income & Household Size.

(a) The income and household size of all households occupying HOME-assisted units shall be certified by the Borrower prior to occupancy and recertified annually thereafter in a manner approved by the City and specified in the Project's Management Plan.

(b) If the income of a tenant upon re-certification exceeds the upper limit for Lower Income households, and there are no other requirements statutorily imposed by other state or federal funding sources or tax credit program, that tenant shall not have its lease terminated as a result thereof, but shall be charged rents as provided in Section 5.

(c) Where a tenant occupying a unit designated for occupancy by a Very Low Income household no longer qualifies to reside therein at re-certification, but qualifies as an otherwise eligible household, the rent level appropriate for that income level shall be charged pursuant to Section 5

(d) If at the time of re-certification a tenant's household size has changed and no longer meets the occupancy standards pursuant to Section 3(b), the Borrower may require the tenant to move to the next available appropriately sized unit.

5. Rent Limitations. Rents of HOME-assisted units shall not exceed the LOW and HIGH HOME rents allowed under 24 CFR 92.252, as amended, except as noted below.

(a) For units where the HOME restricted rents are higher than the actual rents currently paid by the tenants, the Borrower may not increase rents above the levels indicated in the Project Report without prior written approval of the HCD and USDA RD. Rents shall not be increased more than once annually.

(b) HOME-assisted units receiving state or federal project-based rental subsidies may exceed HIGH HOME rents if the household qualifies to reside in the unit based on income and household size and the tenant-based portion of the rent does not exceed Thirty percent (30%) of the household's adjusted income. The HOME-assisted unit's maximum rent (tenant contribution and project-based rental subsidy) becomes the rent allowable under the state or federal project-based subsidy.

(c) If the HOME-assisted units are designated as "Floating" units in Section 1 above, any household certified as an Eligible Household upon occupancy but whose income increases above the eligibility level must pay rent the lesser of the amount payable by the tenant under state or local law or 30 percent of the household's adjusted monthly income for rent and utilities; except that the rent may not exceed the market rent for comparable, unassisted units in the neighborhood. HOME-assisted units subject to low-income housing tax credit rules under Section 42 of the Internal Revenue Code shall be governed by such rules.

(d) If the HOME-assisted units are designated as "Fixed" units in Section 1 above, any household certified as an Eligible Household upon occupancy but whose income increases above the eligibility level must pay rent the lesser of the amount payable by the tenant under state or local law or 30 percent of the household's adjusted monthly income for rent and utilities; except that the rent may equal the market rent for comparable, unassisted units in the

neighborhood. HOME-assisted units subject to low-income housing tax credit rules under Section 42 of the Internal Revenue Code shall be governed by such rules.

6. Marketing Plan.

(a) Borrower shall prepare and implement a "Marketing Plan", subject to prior approval by the City, that specifies how the Borrower intends to market the project to prospective tenants in the Project's market area. The Marketing Plan shall specifically address how the Borrower intends to market the Project to underserved populations in the Project market area and the frequency of marketing efforts. The City agrees that the Borrower may utilize the HUD 935.2 Affirmative Fair Housing Marketing Plan for these purposes.

(b) Borrower agrees to evaluate the effectiveness of the Marketing Plan in reaching underserved populations on an annual basis and to revise it as necessary to better reach underserved populations that are not being reached. The revised Marketing Plan shall be submitted to the City for approval prior to implementation.

7. Assisted Unit Standards.

(a) HOME-assisted units shall not differ substantially in size or amenity level from non-HOME-assisted units with the same number of bedrooms, and units shall not differ in size or amenity level on the basis of income-level restrictions. HOME-assisted units shall not be segregated from non-HOME-assisted units, and units shall not be segregated from each other on the basis of income-level restrictions. The Borrower may, within these limits, change the designation of a particular unit from "Assisted" to "Non-Assisted" or from one income-restriction to another over time. For Projects involving rehabilitation or conversion, the Department may permit certain units to be designated as exclusively market-rate units where necessary for fiscal integrity and where all other Program requirements are satisfied.

(b) For the full loan term, the number, size, type, and amenity level of HOME-assisted units shall not be fewer than the number nor different from the size, type and amenity level described in Section 1 and Recitals Paragraph 4 above.

8. Rental Agreement and Grievance Procedures. The rental agreement and grievance procedures shall be in accordance with California Code of Regulations, Title 25, Division 1, Chapter 7, Subchapter 19, Section 8307.

(a) One-year Term All rental or occupancy agreements for HOME-assisted units shall be for a term of not less than one year unless by mutual agreement between the tenant and the Borrower.

(b) City Approval. All rental or occupancy agreements are subject to City approval; and shall include the following:

1. Provisions requiring good cause for termination of tenancy;
2. A provision requiring that the facts constituting the grounds for any eviction be set forth in the notice provided to the tenant pursuant to state law;

3. A notice of grievance procedures for hearing complaints of tenants and appeal of management action; and

4. A requirement that the tenant annually recertify household income and size.

(c) Termination of Tenancy. The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of an HOME-assisted unit except for serious or repeated violation of the terms and conditions of the Lease; for violation of applicable federal, state, or local law; for completion of transitional housing tenancy period; or for other good cause.

(d) Written Notice. To terminate or refuse to renew tenancy, the Borrower must serve written notice upon the tenant specifying the grounds for the action at least 30 days prior to the termination of the tenancy.

(e) "Good Cause". One or more of the following constitute "good cause":

1. Failure by the tenant to maintain applicable eligibility requirements under the Program or other eligibility requirements as imposed by the City or other state or federal funding sources or tax credits;

2. Material noncompliance by the tenant with the lease, including one or more substantial violations of the lease or habitual minor violations of the lease which:

(A) Adversely affect the health and safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related Project facilities;

(B) Substantially interfere with the management, maintenance, or operation of the Project; or

(C) Result from the failure or refusal to pay, in a timely fashion, Rent or other permitted charges when due. Failure or refusal to pay in a timely fashion is a minor violation if payment is made during the 3-day notice period;

3. Material failure by the tenant to carry out obligations under federal, state, or local law;

4. Subletting by the tenant of all or any portion of the HOME-assisted unit;

5. Any other action or conduct of the tenant constituting significant problems which can be reasonably resolved only by eviction of the tenant, provided that the Borrower has previously notified the tenant that the conduct or action in question would be considered cause for eviction. Examples of action or conduct in this category include the refusal of a tenant, after written notice, to accept reasonable rules or any reasonable changes in the lease or the refusal to recertify income or household size; or

6. For Transitional Housing, the end of the maximum term prescribed for tenant occupancy by the Program operated in a particular Transitional Housing Project.

(f) Prohibited Lease Provisions. The Lease may not contain any of the following provisions:

1. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower or Borrower's agent in a lawsuit brought in connection with the lease;

2. Agreement by the tenant that the Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The Borrower may dispose of this personal property in accordance with state law;

3. Agreement by the tenant not to hold the Borrower or Borrower's agent(s) legally responsible for any action or failure to act, whether intentional or negligent;

4. Agreement of the tenant that the Borrower or Borrower's agent may institute a lawsuit without notice to the tenant;

5. Agreement by the tenant that the Borrower or Borrower's agent may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

6. Agreement by the tenant to waive any right to a trial by jury;

7. Agreement by the tenant to waive tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

8. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(g) Rules of Conduct. The Borrower shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and HOME regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any changes shall become effective no fewer than 30 days after giving written notice thereof to each tenant household.

(h) Appeal & Grievance Procedures. The Borrower shall adopt an appeal and grievance procedure to resolve grievances filed by tenants and appeals of actions taken by Borrower with respect to tenants' occupancy in the Project, and prospective tenants' applications

for occupancy. The Borrower's appeal and grievance procedures shall be subject to the City's approval and, at a minimum, shall include the following:

1. A requirement for delivery to each tenant and applicant of a written copy of the appeal and grievance procedure;
2. Procedures for informal dispute resolution;
3. A right to a hearing before an impartial body, which shall consist of one or more persons with the power to render a final decision on the appeal or grievance; and
4. Procedures for the conduct of an appeal or grievance hearing and the appointment of an impartial hearing body.

9. Period of Affordability. The Borrower acknowledges that the Loan is being made to the Borrower under the terms and conditions of the HOME Program as part of a public program to ensure affordable housing for project tenants. To preserve affordability of the HOME-assisted Project units, the Borrower covenants that the HOME-assisted Project units shall remain affordable for a period of Fifty-Five (55) years (hereinafter referred to as the "Period of Affordability") from the date of "Project Completion" as specified at 24 CFR 92.2. It is intended by the parties to this Regulatory Agreement, that this covenant shall run with the land in accordance with the provisions of 24 CFR 92.252, with the benefit of this covenant running to the City, in order to preserve the public interest in maintaining the affordability of the HOME-assisted Project units. The Period of Affordability will remain without regard to the term of any mortgage or the transfer of the Property ownership, other than by foreclosure or deed in lieu of foreclosure.

10. Foreclosure after Project Completion. The Borrower promises, covenants, warrants and represents that it shall complete the Project. Whether or not the Project is in fact completed shall be solely determined by the City. Should the Project in fact have been completed, then the Period of Affordability shall terminate upon foreclosure or transfer in lieu of foreclosure, except that the Affordability restrictions shall be revived according to the original terms if, (a) during the original Period of Affordability, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or the Property, or if (b) the foreclosing entity or transferee in lieu of foreclosure assumes in writing and agrees to be bound by the terms of the HOME Agreement and the Loan Documents, as that term is defined in the HOME Agreement.

11. Restrictions on Sale or Transfer.

(a) Upon any sale or transfer, including transfer by gift, devise, decedent, foreclosure, assignment, deed in lieu of foreclosure, condemnation, and voluntary or involuntary bankruptcy, of the Property without the prior written approval of the City, all principal, interest and costs then owing upon the Loan will become immediately due and payable to the City of Calxico.

(b) The City of Calexico shall approve a sale, transfer or conveyance of the Property provided that all of the following conditions are met: (i) the existing Borrower is in compliance with this Regulatory Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of this Regulatory Agreement; (ii) the successor-in-interest to the Borrower agrees to assume all obligations of the existing Borrower pursuant to this Regulatory Agreement and the HOME Program; (iii) the successor-in-interest demonstrates to the City's satisfaction that it can own and operate the Project in full compliance with all HOME Program requirements; and (iv) any terms of the sale transfer or conveyance shall not threaten the City's security or the successor's ability to comply with all requirements of the HOME Program and this Regulatory Agreement.

(c) The Borrower agrees to secure advance written State HOME Program approval for any conversion to market rate housing, conversion to homeownership, demolition, or any other action that would prevent the full affordability period noted herein from being satisfied.

12. Restrictions on Encumbrances. The Borrower covenants that the Borrower has not, and shall not, enter into or execute any other agreement with provisions contrary to the provisions of this Regulatory Agreement, or contrary to the intent of maintaining the affordability of the Property for the full Period of Affordability described in Section 3, above; provided, however, that Borrower may, without the written consent of the City,<sup>1</sup> enter into regulatory agreements and deeds of trust with assignments of rents, security agreements and fixture filings for the benefit of the California Statewide Communities Development Authority and Washington Mutual Bank with regard to tax-exempt bond financing, the Department with regard to an MHP Loan and the USDA/RD with regard to its financing. In all cases, the provisions of 24 CFR 92.252(e) shall continue to apply to the Project.

✱ 13. Reserve for Replacement. Reserves for replacement shall be in accordance with the requirements of the HOME Program regulations and as required by the senior lenders. HOME Program's replacement reserve requirement for the Project shall be as follows: The initial deposit at permanent loan closing shall be in the amount of \$50,000. In Years 1 through 55, the annual deposit to the replacement reserve account shall increase by a minimum of 2.5% over the previous Year's amount. The required annual deposits for Years 1 through 15 are detailed in the Table below. Per UMR §8309(b)(3), the HOME Program reserves the right to periodically adjust the amount of required deposits to replacement reserves based on the results of reserve studies or other reliable indicators of the need for replacement reserve funds over time.

Required Replacement Reserves (Minimum Deposit)				
Year 1 \$51,250	Year 4 \$55,191	Year 7 \$59,434	Year 10 \$64,004	Year 13 \$68,926
Year 2 \$52,531	Year 5 \$56,570	Year 8 \$60,920	Year 11 \$65,604	Year 14 \$70,649
Year 3 \$53,845	Year 6 \$57,985	Year 9 \$62,443	Year 12 \$67,244	Year 15 \$72,415

14. Superiority of Regulatory Agreement. Except as set forth in Section 8 above, The Borrower covenants that the Borrower has not, and shall not, enter into or execute any other agreement with provisions contrary to the provisions of this Regulatory Agreement, or contrary to the intent of maintaining the affordability of the Property for the full Period of Affordability described in Section 3, above.

15. Violation of Regulatory Agreement by Borrower. In the event of a breach or violation of the provisions of this Regulatory Agreement, the City may give written notice to the Borrower thereof by certified mail or any express delivery service with a delivery receipt addressed to the Borrower at its principal place of business listed above. If the breach or violation is not cured to the satisfaction of the City within the time period specified in the notice, which shall not be less than 30 days, the City may declare a default and may seek legal remedies.

16. Interpretation of Affordability. It is the intention of the parties to this Regulatory Agreement that affordability be interpreted in view of the express goals of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended by the Housing and Community Development Act of 1992. It is the purpose of this Regulatory Agreement to limit and restrict use and resale of the Property in order to maintain the Property's affordability for the entire Period of Affordability.

17. Recordkeeping and Reports. The management agent designated by Borrower, and as approved by the City, will be responsible for recordkeeping and reports, including those required to comply with Fair Housing and Equal Opportunity requirements. The management agent will establish and maintain a comprehensive system of records, books, and accounts in a manner conforming to the directives of the Borrower in order to assist the City in meeting federal and state recordkeeping and reporting requirements. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the City.

18. Maintenance & Management.

(a) Borrower is specifically responsible for all maintenance, repair, and management functions for the Project, including without limitation, selection of tenants, certification and re-certification of household income and size, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower shall maintain units and common areas in a safe and sanitary manner in accordance with local health, building, and housing codes, HUD housing quality standards pursuant to 24 CFR 882.109.

(b) Borrower may contract with a management agent for the performance of the services or duties required in paragraph (a) above. However, doing so does not relieve the Borrower of responsibility for proper performance of said duties. Any such contract shall contain a provision allowing the Borrower to terminate the contract without penalty with no more than Thirty (30) days notice. Upon determination by the City and notice to the Borrower thereof that the City has determined that the contracted management agent has failed to operate the Project in accordance with this Agreement, the Borrower shall exercise such right of

termination forthwith and shall immediately make arrangements, subject to City's approval, for continuing performance of the requirements of this Agreement.

(c) If the Borrower operates the Project directly without contracting with a management agent and the City determines that the Project is not being operated in accordance with this Agreement, the City may provide notice to the Borrower thereof, and may require the Borrower to contract with a management agent to operate the Project, or to make such other arrangements as the City deems necessary to ensure performance of the requirements of this Agreement.

19. Inspections.

(a) Borrower shall allow the City access to the Project to conduct inspections on an annual basis, or more frequently, with Thirty (30) days advance written notice to Borrower.

(b) Borrower shall provide tenants with a minimum of Twenty-Four (24) hours written notice prior to seeking access to a tenant unit for inspection purposes. In said notice, Borrower shall clearly inform tenant of the purposes of the inspection.

20. Hazard & Liability Insurances.

(a) The Borrower shall at all times keep the development insured against loss by fire, flood (as required pursuant to 24 CFR 92.358), and other such hazards, casualties, liabilities and contingencies. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the City. Property insurance policies shall name the City as additionally insured in a manner approved by the City.

(b) Insurance proceeds and condemnation awards for any loss to or taking of the Project, or any portion thereof, shall be applied or utilized by Borrower as provided in the Deed of Trust, executed by Borrower and referred to in the Recitals hereof.

21. Governing Law. This Regulatory Agreement shall be construed in accordance with and be governed by the laws of the State of California.

22. Successors and Assigns. This Regulatory Agreement and all the covenants, promises, and agreements contained in it shall be binding on and inure to the benefit of the respective legal and personal representatives, devisees, heirs, successors, and assigns of the Borrower and the City.

23. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby unless, in the sole discretion of the City, the invalidity, or unenforceability of the provision negates the program purpose and/or threatens the security of the City.

24. Venue. If either party to this Regulatory Agreement initiates any legal or equitable action to enforce the terms of this Regulatory Agreement, to declare the rights of the

parties under this Regulatory Agreement, or which relates to this Regulatory Agreement in any manner, the City and the Borrower agree that the proper venue for any such action is the Superior Court of the State of California of and for the County of Imperial.

25. Costs of Enforcement. The Borrower agrees to pay any and all of the City's reasonable costs with respect to enforcement of this Regulatory Agreement, including the City's reasonable attorneys' fees, costs and expenses.

26. Counterparts/Originals. This Regulatory Agreement may be executed in counterparts, which together shall constitute one (1) entire Regulatory Agreement.

By SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Regulatory Agreement.

CITY OF CALEXICO:

By: *Luis Estrada*  
Name: LUIS ESTRADA  
Title: ACTING CITY MANAGER

HPD Villa Del Este LP,  
a California limited partnership

By: HPD Villa Del Este LLC,  
a California limited liability company,  
its Co-General Partner

By: Highland Property Development LLC,  
a California limited liability company,  
its Sole Member and Manager

By: \_\_\_\_\_  
William E. Rice  
Authorized Manager

By: Hearthstone Housing Foundation,  
a California nonprofit public benefit corporation,  
its Managing General Partner

By: \_\_\_\_\_  
Milly J. Dick  
Assistant Director

By SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Regulatory Agreement.

CITY OF CALEXICO:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

HPD Villa Del Este LP,  
a California limited partnership

By: HPD Villa Del Este LLC,  
a California limited liability company,  
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a California nonprofit public benefit corporation,  
its Managing General Partner

By: \_\_\_\_\_  
Milly J. Dick  
Assistant Director

By SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Regulatory Agreement.

CITY OF CALEXICO:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

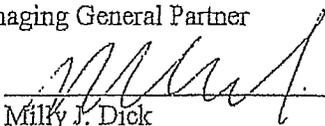
HPD Villa Del Este LP,  
a California limited partnership

By: HPD Villa Del Este LLC,  
a California limited liability company,  
its Co-General Partner

By: Highland Property Development LLC,  
a California limited liability company,  
its Sole Member and Manager

By: \_\_\_\_\_  
William E. Rice  
Authorized Manager

By: Hearthstone Housing Foundation,  
a California nonprofit public benefit corporation,  
its Managing General Partner

By:   
Milky J. Dick  
Assistant Director

State of CALIFORNIA

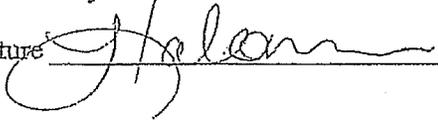
County of IMPERIAL

**PUBLIC**

On JUNE 26, 2008 before me, LILLIANA FALOMIR, NOTARY personally appeared LUIS ESTRADA who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(~~ies~~), and that by his/~~her~~/their signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



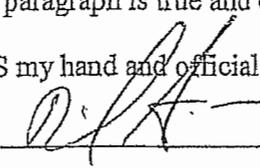
State of CALIFORNIA

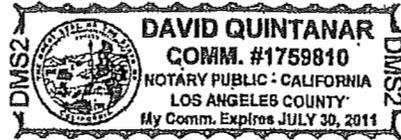
County of ORANGE

On 06/26/08 before me, <sup>notary</sup> DAVID QUINTANAR, PUBLIC personally appeared WILLIAM C. RICE who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



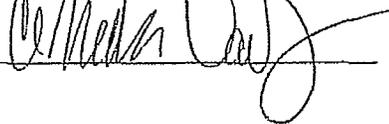
State of WA

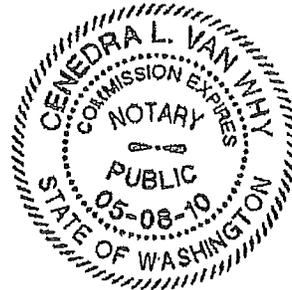
County of King

On June 26, 2008 before me, Ce Nedra Van Why personally appeared Milly S. Dick who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature  (Seal)



## Exhibit "A"

### Legal Description

Real property in the City of Calexico, County of Imperial, State of California, described as follows:

#### PARCEL 1:

THE FOLLOWING DESCRIBED LAND PARCEL IS SITUATED IN SECTION 12, TOWNSHIP 17 SOUTH, RANGE 14 EAST, S.B.B.&M. IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF:

COMMENCING AT THE SOUTHEAST MOST POINT OF VILLA DE ORO SUBDIVISION NO. 1, AS SHOWN IN THE MAP RECORDED IN BOOK 13, AT PAGE 20, FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY, CALIFORNIA; THENCE NORTH 89° 02' 29" EAST, 55.01 FEET, ALONG THE NORTH LINE OF STATE HIGHWAY 98; THENCE NORTH 01° 49' 51" WEST, 192.86 FEET, TO THE TRUE POINT OF BEGINNING; THENCE NORTH 01° 49' 51" WEST, 223 FEET; THENCE NORTH 88° 10' 09" EAST, 435.00 FEET; THENCE SOUTH 01° 49' 51" EAST 422.48 FEET, TO THE NORTH LINE OF STATE HIGHWAY 98; THENCE SOUTH 89° 02' 29" WEST, 292.53 FEET, ALONG SAID NORTH LINE OF HIGHWAY 98; THENCE NORTH 01° 49' 51" WEST, 187.53 FEET; THENCE NORTH 46° 49' 51" WEST 10.61 FEET; THENCE SOUTH 88° 10' 09" WEST, 135.00 FEET, TO THE POINT OF BEGINNING.

#### PARCEL 2:

THAT PORTION OF SECTION 12 AND 13, TOWNSHIP 17 SOUTH, RANGE 14 EAST, IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 1, VILLA DE ORO SUBDIVISION, AS SHOWN ON THE MAP RECORDED IN BOOK 13 PAGE 20 IN FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY, CALIFORNIA, THENCE; NORTH 88° 10' 09" EAST, 435.00 FEET, ALONG THE SOUTH LINE OF SAID BLOCK 1, TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH 01° 49' 51" EAST, 223.00 FEET, THENCE SOUTH 88° 10' 09" WEST, 135.00 FEET; THENCE SOUTH 43° 10' 09" WEST, 11.32 FEET, THENCE SOUTH 01° 49' 51" EAST, 180.98 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 98; THENCE SOUTH 89° 02' 19" WEST, 273.31 FEET; ALONG SAID RIGHT OF WAY LINE; THENCE SOUTH 88° 30' 29" WEST, 18.72 FEET ALONG SAID RIGHT OF WAY LINE TO THE INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE EAST LINE OF PAULIN SUBDIVISION AS SHOWN ON THE MAP RECORDED IN BOOK 1 PAGE 28 OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY, CALIFORNIA; THENCE NORTH 01° 49' 51" WEST, 407.71 FEET, MORE OR LESS ALONG SAID EAST LINE AND EXTENSION THEREOF, TO THE POINT OF BEGINNING.

**ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING**

State Recipient:  City  County of: Calexico HOME Contract #: 05 - HOME - 2162 Project City: Calexico Project County: Imperial

Owner Name: HDP Villa Del Este Project Name: Villa Del Este Project Address: 1103 Avenida De Oro # 101 Project Zip: 92231

Prepared by: Josefa Dumas Title of Report Preparer:  manager  agent  owner  Other: \_\_\_\_\_ Date Prepared: 11/1/2013 2015

Is this rental project also:  TCAC  HUD 811  HUD 202  USDA-RD  HUD project-based rental assistance  
 Transitional Housing  SRO Housing  Group Housing  Other: RHCP/RA

**RENT DESIGNATION SCHEDULE - Enter the number of HOME-Assisted Units for each rent limit.**

Total # Units: 100 # HOME Units: 20  fixed  floating Owner / Agent NOTE: \_\_\_\_\_

Federal HOME rent limits  
# of HOME units

SRO	group housing-FMR	50% Low	65% High
		19	1

20

State HOME rent limits  
# of HOME units

SRO	group housing-FMR	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
				12	4	3	1				

See Exhibit B of the HOME Regulatory Agreement

**PLEASE ATTACH THE FOLLOWING DOCUMENTS TO THIS REPORT and select the year(s) attached:**

- COPY OF THE RENT AND INCOME LIMIT CHART(S) USED FOR INCOME CERTIFICATION with effective dates noted select select
- COPY OF THE UTILITY ALLOWANCE SCHEDULE(S) USED FOR INCOME CERTIFICATION (form HUD-52667) with effective date(s) noted select select

**CERTIFICATIONS OF COMPLIANCE**

*(for all rental projects)*

I certify that the information in this report is true and correct.

1. Owner / Manager signature: [Signature] Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 6/13/2016

2. City / County signature: [Signature] Title: Imperial Housing Manager Date: 6/22/16

*(for rental projects with 5 or more HOME-assisted-units)*

I certify that at least 20% of the HOME-assisted units are occupied by households with incomes not exceeding 50% AMI and paying rents not exceeding the 50% HOME rent limit.

1. Owner / Manager signature: [Signature] Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 06/13/16

2. City / County signature: [Signature] Title: Imperial Housing Manager Date: 6/22/16

*(for rental projects funded after September 29, 2003)*

not applicable, funded prior to 9/29/2003

I certify that rented vacant units met the minimum occupancy standards of the State's Uniform Multifamily Regulations (Title 25 Division 1 Ch 7 Subch 17 Article 3)

1. Owner / Manager signature: [Signature] Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 06/13/16

2. City / County signature: [Signature] Title: Imperial Housing Manager Date: 6/22/16

HOME Occupancy Standards: zero bdrm-1 to 2 people; one bdrm-1 to 4 people; two bdrm-2 to 6 people; three bdrm-4 to 8 people; four bdrm-6 to 10 people; five bdrm-8 to 12 people

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info.		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units				Recertification	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (lesser of FMR or 65% AMI) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) See Exhibit B of the HOME Regulatory Agreement	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (If applicable, enter amount of rental subsidy)	Enter the Unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu	Enter the Tenant (head-of-house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
	3 bdrm	50% Low \$	30% Low \$	\$	\$0	\$	\$	No		select	\$	select		select
	2 bdrm	50% Low \$663	30% Low \$391	\$302	\$0	\$89	\$391	No		2 persons	\$7200	30% VLI	1/8/2007	4/1/2016 select
	2 bdrm	50% Low \$663	35% Low \$456	\$367	\$0	\$89	\$456	No		3 persons	\$6492	35% VLI	8/1/2013	8/1/2015 select
	2 bdrm	50% Low \$663	35% Low \$456	\$397	-\$30	\$89	\$456	No		2 persons	\$19955	35% VLI	1/17/2007	10/1/2015 select
	3 bdrm	50% Low \$766	40% Low \$602	\$233	\$317	\$92	\$642	No		5 persons	\$22462	40% VLI	5/25/2007	4/1/2016 select
	2 bdrm	50% Low \$663	30% Low \$391	\$497	-\$195	\$89	\$391	No		3 persons	\$24377	30% VLI	8/9/2013	3/1/2016 select
	1 bdrm	50% Low \$553	45% Low \$489	\$408	\$0	\$58	\$466	No		1 person	\$11624	45% VLI	12/6/2006	10/1/2015 select
	2 bdrm	50% Low \$663	30% Low \$391	\$302	\$0	\$89	\$391	No		2 persons	\$13513	30% VLI	7/11/2013	7/1/2015 select
	1 bdrm	50% Low \$553	30% Low \$326	\$32	\$234	\$58	\$324	No		1 person	\$3600	30% VLI	11/30/2006	11/1/2015 select
	2 bdrm	50% Low \$663	35% Low \$456	\$190	\$180	\$89	\$459	No		2 persons	\$11224	35% VLI	3/23/2007	4/1/2016 select
	3 bdrm	50% Low \$766	30% Low \$459	\$449	-\$97	\$92	\$444	No		3 persons	\$22112	30% VLI	2/2/2007	6/1/2016 select
	1 bdrm	50% Low \$553	40% Low \$435	\$360	\$0	\$58	\$418	No		1 person	\$13823	40% VLI	6/18/2013	6/1/2016 select

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO-FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

Revised January 2009

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info.		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units			Recertification		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (65%) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) See Exhibit B of the HOME Regulatory Agreement	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (if applicable, enter amount of rental subsidy)	Enter the Unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total In (H) exceed the amount in (C) or (D)? Select from the drop down menu:	Enter the Tenant (head-of-house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
000	1 bdrm	50% Low \$553	30% Low \$326	\$199	\$67	\$58	\$324	No		1 person	\$10676	30% VLI	11/30/2006	4/1/2016 select
	3 bdrm	50% Low \$766	30% Low \$451	\$819	\$-467	\$92	\$444	No		3 persons	\$36854	30% VLI	3/23/2007	12/1/2015 select
	1 bdrm	50% Low \$553	30% Low \$326	\$261	\$5	\$58	\$324	No		1 person	\$13180	30% VLI	1/17/2007	4/1/2016 select
	1 bdrm	50% Low \$553	40% Low \$435	\$387	\$-27	\$58	\$418	No		2 persons	\$18202	40% VLI	12/15/2006	9/1/2015 select
	1 bdrm	50% Low \$553	30% Low \$326	\$195	\$71	\$58	\$324	No		1 person	\$10673	30% VLI	11/30/2006	9/1/2015 select
	2 bdrm	50% Low \$867	35% Low \$464	\$734	\$-364	\$89	\$459	No		4 persons	\$40269	60% low	7/11/2013	6/1/2016 select
	2 bdrm	50% Low \$663	30% Low \$391	\$162	\$151	\$89	\$402	No		2 persons	\$10915	30% VLI	1/8/2007	4/1/2015 select
	1 bdrm	50% Low \$553	30% Low \$391	\$205	\$61	\$58	\$326	No		1 person	\$10915	30% VLI	12/6/2006	4/1/2016 select
	select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select
	select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select
	select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select
	select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

Revised January 2009

# Villa Dorada

RECORDING REQUESTED BY

City of Calexico

WHEN RECORDED MAIL TO:

City of Calexico  
608 Heber Ave.  
Calexico, CA 92231

THE CITY OF CALEXICO

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

REGULATORY AGREEMENT

LOAN NUMBER 04-HOME-0709

THIS REGULATORY AGREEMENT (the "Agreement") is made and entered into as of November 1, 2006, by and among, Calexico II, L.P., a California limited partnership (the "Borrower"); and the City of Calexico, (the "City"), a political subdivision of the State of California.

Recitals

- A. The Borrower is or will be the owner of, or holder of a fee estate in, the real property located in the City of Calexico, California, and more fully described in Exhibit A (the "Property").
- B. The Borrower has proposed to develop the Property by constructing thereon an 80-unit rental housing development of which 48 units will be Assisted Units to be occupied by low and very low income households (the "Development" or the "Project").
- C. The Development will be financed in whole or in part and regulated by a permanent loan from the City of Calexico in a principal amount not to exceed Three Million Four Hundred Thousand Dollars (\$3,400,000) (the "Loan") from the Home Investment Partnerships Program (the "HOME Program"). The Loan will be provided to Borrower by the City of Calexico in accordance with 42 USC 12741 et seq., 24 CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code of Regulations, Sections 8200 through 8220, (together, the "HOME Regulations"). In consideration of the City of Calexico's commitment to make the Loan, the City of Calexico and the California Department of Housing and Community Development (the "Department") have entered into a Standard Agreement No. 04-HOME-0709. The proceeds of the loan

*Villa Dorada*

shall be disbursed, used and governed by a Loan Agreement by and among the City and Borrower dated as of the date hereof, herewith (the "Loan Agreement").

- D. The Standard Agreement and the Loan Agreement, including all exhibits and attachments thereto, are incorporated in full by reference into this Agreement. In the event of any inconsistencies between the terms set forth in the Loan Agreement and the terms of this Regulatory Agreement, the terms of this Regulatory Agreement shall prevail.
- E. Borrower agrees to abide by all provisions of the Standard Agreement and the Loan Agreement with respect to the Development and Borrower shall execute a promissory note evidencing its obligation to repay the Loan (the "Note") and a deed of trust in favor of the City to be recorded against the Property securing repayment of the Note (the "Deed of Trust"). Borrower agrees to be bound by all terms and conditions of the Note and Deed of Trust, the Standard Agreement, the Loan Agreement and this Agreement, These Documents are collectively referred to herein as the "Loan Documents".
- F. As further consideration for the Loan and in furtherance of the purposes of the HOME Program, Borrower has agreed to enter into this Agreement. The purpose of this Agreement is to regulate and restrict occupancy, rents, operations, ownership and management of the Development in compliance with the requirements of the HOME Program.

NOW, THEREFORE, the parties hereto agree as follows:

- 1. Recitals. The foregoing recitals are a part of this Agreement.
- 2. Property. The Development will be located on the Property identified in Exhibit A attached hereto.
- 3. Definitions. Unless the context requires otherwise, the terms used in this Agreement shall be governed by the definitions set forth in 24 CFR Part 92, and 25 California Code of Regulations Section 8201. All references to code sections refer to Title 25 of the California Code of Regulations, unless otherwise noted.

For the purposes of this Agreement the following additional definitions shall apply:

- a. "Assisted Unit" means a dwelling unit, the construction of which was assisted with proceeds of the Loan.
- b. "Eligible Households" means Lower Income Households or Very Low-Income households.
- c. "Fiscal Integrity" means that the total of Operating Income plus funds released pursuant to this Agreement from the operating reserve account is sufficient to (1) pay all current Operating Expenses, (2) pay all current approved debt service, (3) fully fund for at least twelve consecutive months all reserves established pursuant to this Agreement, and (4) pay other extraordinary costs permitted by this Agreement and the other financing documents. The ability to pay any or all of the

annual permitted distribution shall not be considered in determining fiscal integrity.

- d. "HOME Rents" means rents calculated annually by the Federal Department of Housing and Urban Development ("HUD") and are:
- (1) The lesser of the Fair Market Rents or a rent that does not exceed 30 percent of 60 percent of area median income (High HOME Rents); or
  - (2) 30 percent of 50 percent of area median income (Low HOME Rents).
- e. "Initial Operating Year" means the first year of operations, or portion thereof, of the newly constructed rental housing development beginning at the time of initial occupancy of an assisted unit and ending on the last day of the fiscal year of the Development.
- f. "Lower Income Household" means persons or families whose incomes (at the time of initial occupancy) are 80 percent or less of the area median income as determined by the Department of Housing and Urban Development (HUD).
- g. "Operating Expenses" means the amount approved by the City that is necessary to pay for the essential recurring expenses of the Development, such as utilities, maintenance, management, taxes, licenses, and mandatory direct or supportive tenant services but not including debt service, required reserve account deposits, or costs for voluntary direct or supportive tenant services.
- h. "Operating Income" means all income generated in connection with operation of the rental housing development including rental income from assisted and non-assisted units, rental income from nonresidential space, laundry or equipment rental fees, rental subsidy payments, and interest on any accounts related to the rental housing development. "Operating Income" does not include tenant security and equipment deposits, payments received from voluntary direct or supportive tenant services, or tax benefits received by the sponsor.
- i. "Rent" means all charges, other than deposits, paid by the tenant for the use and occupancy of an assisted unit and any mandatory charge for direct or supportive tenant services in a rental housing development, including a utility allowance in an amount determined by HUD.
- j. "Residual Receipts" means project funds remaining after payment of expenses as described in items 1 through 5 Section 21(b)
- k. "Very Low-Income Household" means low-income persons or families whose incomes are 50 percent or less of the area median income as determined by HUD.

4. Compliance with Program Requirements

- a. The Borrower agrees that at all times its acts regarding the Development and the use of funds provided herein shall be in conformity with all provisions of the HOME Program including the statutes, the HOME Regulations and such policies and procedures of the Department and of HUD pertaining thereto. The Borrower acknowledges that it is familiar with such applicable provisions and has been professionally advised to the extent necessary for the purpose of enabling the Borrower to fully comply with such provisions.
- b. The financial assistance provided under the HOME Program is governed by 24 CFR Part 92. With respect to the assistance, Borrower agrees to comply with all requirements and obligations as described in 24 CFR Part 92, as well as all provisions governing the use of HOME funds. Borrower agrees to comply with the directives of the City as necessary to ensure compliance with the obligations of the City as set forth in its agreements with HUD regarding the use of HOME funds.

5. Term of Agreement. The term of this Agreement shall commence upon its recordation in the office of the City Recorder for the City in which the Development is located and remain in full force and effect and shall apply to the Development through and including fifty-five (55) years from the date of such recordation regardless of any prepayment of the Loan or sale, assignment, transfer or conveyance of the Development, unless terminated earlier by the City pursuant to the terms of this Agreement or extended by the mutual consent of the parties thereto.

6. Intentionally Omitted.

7. Tenant Selection Standards. Borrower shall rent Assisted Units in the Development only to Eligible Households in accordance with the Management Plan approved by and on file with the City pursuant to Section 14 of this Agreement. Such Management Plan may be periodically altered and such alteration must be submitted to and approved by the City prior to use. At all times, 20 percent of the Assisted Units must be rented to Very Low-Income households and, for the first year of initial occupancy, no less than 90 percent of the Assisted Units shall be occupied by households whose incomes are at 60 percent and below of area median income as determined by HUD. The Management Plan shall among other things: (1) detail actions to be taken by Borrower to affirmatively market vacant units in a manner which ensures equal access to all persons in any category protected by federal, state or local laws governing discrimination, and regardless of any arbitrary factor; (2) specify reasonable criteria for determination of tenant eligibility, including household size in accordance with the minimum occupancy standard specified in the HOME Regulations; (3) require that eligible tenants be selected based on order of applications, lottery, or other reasonable method approved by the City; (4) specify procedures through which tenant applicants deemed to be ineligible shall be notified of the reason for their ineligibility and may appeal this determination; (5) require maintenance of a waiting list of eligible applicants; and (6) specify procedures for

obtaining information regarding prospective tenants' incomes as necessary to certify that such income does not exceed the lower or very low-income limit.

8. Nondiscrimination. Borrower shall not discriminate against any tenant or prospective tenant on the basis of race, religion, sex, age, disability, marital status, nor any other arbitrary factor in violation of any state, federal or local law governing discrimination in rental housing.
9. Rental Agreement and Occupancy Procedures (the "Lease").
  - a. Each eligible household selected to occupy a unit in the Development shall enter into a written rental agreement with the Borrower on a form approved by the City containing such provisions as are required by the HOME Regulations. The Lease shall be for a term of not less than one year unless by mutual agreement between tenant and owner.
  - b. The Lease may not contain any of the following provisions:
    - (1) Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower or the City in a lawsuit brought in connection with the lease;
    - (2) Agreement by the tenant that the Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The Borrower may dispose of this personal property in accordance with state law;
    - (3) Agreement by the tenant not to hold the Borrower or Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent;
    - (4) Agreement of the tenant that the Borrower or Borrower's agent may institute a lawsuit without notice to the tenant;
    - (5) Agreement by the tenant that the Borrower or Borrower's agent may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
    - (6) Agreement by the tenant to waive any right to a trial by jury;
    - (7) Agreement by the tenant to waive tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

(8) Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

- c. The Borrower shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and the HOME Regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any change shall become effective no fewer than 30 days after giving written notice thereof to each household.
- d. The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the Lease; for violation of tenancy period; or for other good cause. Any termination or refusal to renew a Lease shall be by the Borrower's service upon the tenant of a written notice in compliance with State law and specifying the grounds for the action.
- e. The Borrower shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

#### 10. Rents.

- a. For all Assisted Units, Rents shall not exceed high HOME Rents less a utility allowance. For Assisted Units that are set-aside for Very Low-Income Households, HOME rents shall not exceed Low HOME Rents less a utility allowance.
- b. A minimum of 20 percent of all Assisted Units shall be occupied by Very Low-Income Households at Rents that are no greater than the Low HOME Rents less a utility allowance.
- c. Any household certified as an Eligible Household upon occupancy but whose income increases above the eligibility level must pay as Rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted monthly income; except that, Assisted Units subject to low-income tax credit rules under section 42 of the Internal Revenue Code shall be governed by such rules.

#### 11. Security Deposits.

- a. Security deposits shall be required of tenants only in accordance with State law and this Agreement.
- b. Any security deposits collected by the Borrower or Borrower's agent shall be kept separate and apart from all other funds of the Development in a trust account with a depository insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or other comparable federal deposit insurance program, and shall be held and

disbursed in accordance with State law. The balance of such account shall at all times equal or exceed the aggregate of all outstanding obligations under said account, plus accrued interest thereon.

12. Certification of Tenant Income and Household Size.

- a. The income and household size of all households occupying Assisted Units shall be certified by the Borrower prior to occupancy and re-certified annually thereafter in a manner approved by the City and specified in the Development's Management Plan.
- b. If the income of a tenant upon re-certification exceeds the upper limit for Lower Income Households, and there are no other requirements statutorily imposed by another federal or State funding source or tax credit program, that tenant shall not have its Lease terminated as a result thereof, but shall be charged Rents as provided in Section 10 (c).
- c. Where a household occupying a unit designated for occupancy by a Very Low Income Household no longer so qualifies at the time of re-certification, but qualifies as an otherwise Eligible Household, the rents appropriate for that income level shall be charged.

13. Assisted Unit Substitutions.

- a. If, upon re-certification, the income of a household occupying an Assisted Unit reserved for occupancy by Lower Income Households exceeds the upper limit for said Unit, the Borrower may designate this household's unit as non-assisted, provided that all of the following conditions are satisfied:
  - (1) Not later than the date the Borrower designates the unit as non-assisted, the Borrower also makes available a comparable vacant unit previously designated as non-assisted to be designated as an Assisted Unit, or designates a previously non-assisted unit occupied by a Lower Income Household as an Assisted Unit, or agrees to occupy the next available unit with a Lower Income Household; and
  - (2) The rent charged for the newly designated Assisted Unit will not exceed the high HOME Rent.
- b. Where a household occupying an Assisted Unit reserved for occupancy by Very Low-Income Households no longer qualifies as Very Low-Income at the time of re-certification, but qualifies as a Lower Income Household, the following shall apply: Borrower shall designate the unit as an assisted unit for Lower Income Households
  - (1) Borrower may increase the household's Rent up to the High HOME Rent;

- (2) Borrower shall designate the next available comparable Assisted Unit reserved for Lower Income Households as an Assisted Unit reserved for Very Low-Income Households; and
- (3) The Rent charged for the newly designated Assisted Unit reserved for Very Low-Income Households shall not exceed the Low HOME Rent.

14. Maintenance and Management.

- a. Borrower is specifically responsible for all maintenance, repair, and management functions for the Development, including without limitation, selection of tenants, re-certification of household income and size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower shall maintain units and common areas in a safe and sanitary manner in accordance with local health, building, and housing codes, HUD housing quality standards pursuant to 24 CFR Section 882.109, and shall file and implement the Management Plan described in section 7, above.
- b. Borrower may, with the prior written approval of the City, contract with a management agent for the performance of the services or duties required in paragraph (a). However, such an arrangement does not relieve the Borrower of responsibility for proper performance of these duties. Such contract shall contain a provision allowing the Borrower to terminate the contract without penalty upon no more than thirty days (30) notice. Upon a determination by the City, and notice to the Borrower thereof that the contractor has failed to operate the Development in accordance with this Agreement and the Management Plan, the Borrower shall exercise such right of termination forthwith and shall make immediate arrangements, which shall be subject to City approval, for continuing performance of the requirements of this Agreement.
- c. Upon a determination by the City, and notice to the Borrower thereof, that the Borrower has failed to operate the Development in accordance with this Agreement, the City may require the Borrower to contract with a management agent to operate the Development, or to make such other arrangements as the City deems necessary to ensure performance of the requirements of this Agreement.

15. Hazard and Liability Insurance.

- a. The Borrower shall at all times keep the Development insured against loss by fire, flood, and such other hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as set forth in Exhibit B, attached and made a part hereof. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the City. Property insurance policies shall name the City as an additional loss payee and liability insurance policies shall name the City as additionally insured, as approved by the City.
- b. Insurance proceeds and condemnation awards for any loss to or taking of the Development, or any portion thereof, shall be applied or utilized by Borrower as

provided in the Deed of Trust executed by Borrower and referred to in the Recitals hereof.

16. Annual Report. The Borrower shall file with the City an annual report, as required by 24 CFR part 92 and 25 Cal. Code of Regulations, Section 8218(a)(2) no later than 60 days after the end of each fiscal year as established for the Development pursuant to Section 18(a) of this Agreement. The report shall contain a certification by the Borrower as to such information as the City may then require including, but not limited to the following:
- a. The fiscal condition of the Development, including a financial statement for the previous fiscal year that includes a balance sheet and a profit and loss statement indicating any surplus or deficit in operating accounts; a detailed itemized listing of income and expenses; the amounts of any fiscal reserves and the total amount of Residual Receipts received. Such financial statement shall be prepared in accordance with the requirements of the City. The City may require that the financial statement be audited at the Borrower's expense by an independent certified public accountant acceptable to the City or other person designed by the City.
  - b. The substantial physical defects in the Project, including a description of any major repair or maintenance work undertaken or needed in the previous and current fiscal years. Such statement shall describe what steps the Borrower has taken in order to maintain the Project in a safe and sanitary condition in accordance with applicable housing and building codes.
  - c. The occupancy of the Development indicating;
    - (1) The verified income of each current household; and
    - (2) The current rents charged each household and whether these rents include utilities.
  - d. General management performance, including tenant relations and other relevant information.
  - e. A summary of the information received from the re-certification of tenants' incomes.
  - f. Evidence of a currently paid hazard and flood insurance policy, with loss payable to the City in the amounts specified in Exhibit B.
  - g. Evidence of a currently paid liability insurance policy, naming the City as an additional loss payee in the amounts specified in Exhibit B.
  - h. Other information reasonably required by the City.

17. City Review and Inspections.

- a. Upon not less than 48 hours' notice to the Borrower, the City or its designee may, at any time during the term of the loan, enter and inspect the physical premises and inspect all accounting records pertaining to the construction or operation of the Development. Upon request by the City, the Borrower shall notify occupants of upcoming inspections of their units in accordance with State Law.
- b. The City may perform or cause to be performed audits of any and all phases of the Borrower's activities related to the Development. At the City's request, the Borrower shall provide, at its own expense, an audit of the financial condition of the project certified by an independent certified public accountant.
- c. The City may request any other information that it deems necessary to monitor compliance with requirements set forth in this Agreement and the Standard Agreement. The Borrower shall promptly provide such information.

18. Annual Operating Budget.

- a. The fiscal year for the Development shall commence on January 1 and conclude on December 31.
- b. No later than 60 days prior to the beginning of each subsequent fiscal year of the Development, the Borrower shall submit to the City a proposed annual operating budget on a form provided by the City. The proposed annual operating budget shall set forth the Borrower's estimate of the Development's income, operating expenses and debt service for the upcoming year, reserves, proposed rent adjustments, and a year-to-date operating statement. Annual operating budgets and rent adjustments are subject to approval by the City, which approval shall not be unreasonably withheld or delayed.
- c. Annual operating budgets are subject to written approval by the City. Increases of five percent (5%) or less in the total operating budget and increases in specific operating expense categories (i.e. renting expenses, administrative expenses, utility expenses, operations and maintenance expenses, taxes and insurance expenses) of five percent (5%) or less shall be deemed approved by the City. Borrower shall operate the Development in accordance with the approved annual budget.
- d. Annual rent adjustments are subject to written approval by the City. For the projects approved by the City using high HOME rents, rent increases that do not exceed the upper limits for High HOME rents less a utility allowance shall be deemed approved by the City. For projects approved by the City using Low HOME rents less a utility allowance, rent increases that do not exceed the upper limits for low HOME rents shall be deemed approved by the City. For projects approved by the City using rents below low HOME rents, rent increases, which do not exceed the most recently published annual Labor Statistics Consumer Price Index, Residential Rent for All Urban Consumers for the West (CPI) shall be

deemed approved by the City . In the event this particular CPI index is no longer published, the City shall select a similar index for this purpose.

- e. Borrower shall operate the Development in accordance with the First-Year Operating Budget approved by and on file with the City. Such budget shall show all anticipated income, debt service and expenses for management, operations, reserves and maintenance for the first fiscal year or portion thereof following initial occupancy.

19. Required Reserves.

- a. Commencing no later than the end of the second month following the initial occupancy of the Development or such other date, as the Department shall designate in writing, the Borrower shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally insured financial institution. The Borrower shall make annual deposits from Operating Income to the replacement reserve account in the amount of \$28,000.00 (\$350.00 per unit per year), such amount to be increased by 3.5% per year. Unless otherwise authorized by the Department, withdrawals from the replacement reserve account shall be made only upon the Department's written approval, which approval shall not be unreasonably withheld or delayed. Should the Department fail to take action on a request for an eligible withdrawal from the replacement reserve within thirty (30) days of documented receipt of the request, that request shall be deemed approved. Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Development that are reasonably required to preserve the Project. Notwithstanding the foregoing, as provided in the applicable HOME Regulations, the amount of required deposits to the replacement reserve account may be periodically adjusted by the Department based on the results of reserve studies or other reliable indicators of the need for replacement reserve funds over time.
- b. Commencing no later than the end of the second month following the initial occupancy of the Development, or such other date as the Department shall designate in writing, the Borrower shall establish an operating reserve account or sub account within the Project's general operating account. The Borrower shall deposit to said account an operating expense reserve (the "Operating Reserve"), which shall not be less than the total of the following: (1) Three months of projected Operating Expenses (excluding the cost of on-site supportive services coordination); (2) Three months of required replacement reserve deposits; and (3) Three months of non-contingent debt service. The Department shall approve or disapprove a request for withdrawal from the operating reserve account within 30 days of receipt of a written request. A written withdrawal request that is not disapproved within 30 days of receipt shall be deemed approved. Following any withdrawal, the Operating Reserve shall be replenished as provided in the Regulations. The Department may approve a reduction in the Operating Reserve as provided in the Regulations.

- c. The City acknowledges and agrees that the foregoing requirements shall be deemed satisfied to the extent of any amounts required to be deposited by the Borrower with any other lender or investor providing funds for the Development in accordance with the terms of the applicable financing documents.
20. Accounting Records. In a manner subject to City approval, Borrower shall maintain on an accrual or modified accrual basis, a general ledger accounting system that is posted monthly and that accurately and fully shows all assets, liabilities, income and expenses of the Development. All records and books relating to this system shall be kept for a period of at least seven years and in such a manner as to ensure that the records are reasonably protected from destruction or tampering. All records shall be subject to City inspection and audit.
21. Use of Income from Operations.
- a. The Borrower, or Borrower's management agent, shall promptly deposit all Operating Income in a segregated account controlled by the Borrower established exclusively for the Development with an F.D.I.C. or other comparable federally-insured financial institution.
- b. Withdrawals from the account shall be made only in accordance with the provisions of this Agreement, and the approved budget, and shall be disbursed, applied, or reserved and set aside for payment when due, in the following priority, to the extent available: (1) salaries, wages, and any other compensation due and payable to the employees or agents of the Borrower employed on site in connection with the maintenance, administration or operation of the Development, along with all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required in connection with such employees; (2) all charges incurred in the operation of the Development in connection with utilities, real estate taxes and assessments, and liability, fire and other hazard insurance; (3) payments of required interest, principal, impounds, fees and charges, if any, on loans other than the Loan which are secured by liens on the Property and which have been approved by the City; (4) all other expenses incurred to cover operating costs, including the fee of the managing agent and any extraordinary expenses, in accordance with the approved annual operating budget of the Development or as otherwise approved in advance by the City; (5) deposits to operating and replacement reserve accounts in amounts required under this Agreement or under the other financing documents and (6) payments as specified in clauses First through Sixth of Section 10.1A of the Borrower's Second Amended and Restated Agreement of Limited Partnership. The Borrower may depart from the foregoing priorities of payment only upon the express written approval of the City, which approval will not be unreasonably withheld or delayed.
- c. The balance of Operating Income remaining after the payments described in section 21.b. above shall be deemed Residual Receipts to be paid and applied as provided in Paragraph 23 below.

22. Non-assisted Units and Common Areas.

- a. Borrower shall establish and implement a rent structure for non-assisted residential units that ensure the fiscal integrity of the Development. Borrower shall estimate all income and expenses attributable to the non-assisted units in the annual operating budget described in Section 18 herein, and shall report all income and expenses attributable to non-assisted units in the Annual Report described in Section 16 herein.
- b. Borrower shall maintain and repair both assisted and non-assisted units equally without regard to their designation as assisted or non-assisted.
- c. Tenant selection practices for non-assisted units shall comply with State and federal nondiscrimination laws.
- d. The exterior walls, windows, lighting, walkways, mailboxes, landscaping, nonresidential space, and other common areas of the Development shall be safe, clean, well maintained, and in good working order.

23. Residual Receipts and Distributions.

- a. Residual Receipts shall first be applied to payments on the Loan as required by, and subject to the provisions of, the Note.
- b. "Distributions" shall refer to any amounts remaining after payment in full of expenses as provided in Paragraph 21.b. above and required payments on the Note. Distributions shall be available to be distributed to, or retained by, the Borrower or any party having a beneficial interest in Borrower or the Development.
- c. Borrower shall receive Distributions only once for each fiscal year of the Development and only: (1) upon approval by the City of the Annual Report submitted for that year in accordance with Section 16, which approval shall not be unreasonably withheld or delayed and (2) upon determination by the City that the Borrower is in compliance with this Agreement and all Program requirements, which determination shall not be unreasonably withheld or delayed.
- d. No distribution shall be made to Borrower in the following circumstances:
  - (1) When written notice of default has been issued by any entity with an equitable or beneficial interest in the Development and not subsequently withdrawn;
  - (2) When the City determines that the Borrower or the Borrower's management agent has failed to comply with the City's written notice of any reasonable requirement for proper maintenance of the Development;

(3) If all currently required debt service and operating expenses have not been paid; or

(4) If the replacement reserves account or other reserve accounts are not fully funded pursuant to this Agreement.

24. Restrictions on Sale, Encumbrance, and Other Acts.

- a. The Borrower shall not make any sale, encumbrance, hypothecations, assignment, refinancing, pledge, conveyance, or transfer in any other form of the Property or the Development or of any of its interest therein, except with the prior written approval of the City or except as permitted in this Section 24.
- b. Other than routine maintenance, the Borrower shall not add to, remodel, remove, reconstruct, or demolish any part of the Development without the prior written approval of the City.
- c. The Borrower shall not permit the use of the Development for any purpose other than that permitted by this Agreement without the prior written approval of the City.
- d. The Borrower shall not incur any liability or obligation in connection with the Development, other than for current operating, management and maintenance costs and for the indebtedness evidenced by the Note nor incur any liability, charge, assessment, or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrance on the Property or the Development, without the prior written approval of the City. The City may permit refinancing or additional financing secured by the Development only to the extent necessary to maintain or improve the Development's fiscal integrity, improve financial condition, or to maintain affordable rents.
- e. The Borrower shall not enter into any contract relating to rehabilitating or managing the Development, except as authorized by the City.
- f. Borrower shall not enter into any Lease for more than a single rental unit, ground lease of the Development or any interest therein without prior written approval of the City. The City may require that such lease allow for termination within 30 days upon request by the City.
- g. If the Borrower is a partnership, it shall not discharge or replace any general partner (except as permitted under the Second Amended and Restated Agreement of Limited Partnership) or amend, modify or add to its partnership agreement without prior written City approval, except that it may transfer or sell limited partnership interests without such approval. Notwithstanding the foregoing, City approval is not required for transfers of general partner interests in the Borrower to MMA Financial, LLC or any affiliate thereof in accordance with the terms of the Second Amended and Restated Agreement of Limited Partnership of the Borrower.

- h. The City may approve a sale, transfer or conveyance provided that all of the following conditions are met:
- (1) The existing Borrower is in compliance with this Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of the Agreement;
  - (2) The successor-in-interest to the Borrower agrees to assume all obligations of the existing Borrower pursuant to this Agreement and the Program, and meets any requirements, which may be in existence for CHDOs under the applicable regulations.
  - (3) The successor-in-interest demonstrates to the City's satisfaction that it can own and operate the Development in full compliance with all Program requirements; and
  - (4) Any terms of the sale, transfer or conveyance shall not threaten the City's security or the successor's ability to comply with all requirements of the HOME Program and this Agreement.
- i. The City shall grant its approval for a sale, transfer or conveyance subject to such terms and conditions as may be necessary to preserve or establish the Fiscal Integrity of the Development and to ensure compliance with HOME Program requirements and this Agreement. Such conditions may include the deposit of sales proceeds, or a portion thereof, to maintain required reserves or to offset negative cash flow, the recapture of syndication proceeds or other funds such other conditions as may be necessary to ensure compliance with the Program requirements.

25. Use of Syndication Proceeds. Borrower shall allocate, distribute and pay all net syndication proceeds described in Exhibit C in accordance with the Second Amended and Restated Agreement of Limited Partnership. The City may approve, in writing, future syndications of the Development where it determines that such syndication is in the best interest of the Development. All syndication proceeds not identified in Exhibit C shall be distributed only as approved in writing by the City.

26. Violation of Regulatory Agreement by Borrower.

- a. In the event of a breach or violation of the provisions of this Agreement, the City shall give written notice to the Borrower and the Investor Limited Partner thereof by certified mail or any express delivery service with a delivery receipt addressed to the Borrower and the Investor Limited Partner at the address stated in this Agreement. If the breach or violation is not cured to the reasonable satisfaction of the City within the time period specified in the notice, cure by the Investor Limited Partner being deemed cure by Borrower, which shall not be fewer than 30 days, the City may declare a default and may seek legal remedies including the following:

- (1) Collect all rents and income in connections with the operation of the Development and use the same and the reserve funds for the operation and maintenance of the Development.
- (2) Take possession of the Development and bring any action necessary to enforce any rights of the Borrower growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement until such time as the City, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement.
- (3) Apply to any court, State or federal, for specific performance of this Agreement or for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement or for such other relief as may be appropriate. It is agreed by the Borrower that the injury to the City arising from a default under any of the terms of this Agreement would be irreparable and that the amount of compensation that would provide adequate relief to the City, in light of the purposes of the Program, would be impossible to ascertain.
- (4) Accelerate all amounts, including outstanding principal and interest, due under the loan and demand immediate repayment thereof. Upon a failure to repay such accelerated amount in full, the City may proceed with a foreclosure in accordance with the provisions of the Deed of Trust and State law regarding foreclosures.

However, in the event of a nonmonetary breach which cannot reasonably be cured within the time period set forth in such notice, the loan may not be accelerated hereunder if within said designated time period Borrower or the Investor Limited Partner has given written notice to Lender of Borrower's or the Investor Limited Partner's intention to cure said breach, has commenced to cure such breach and has diligently prosecuted and effected such cure which shall be completed no later than 60 days from the date notice of such breach is given.

- (5) The City may seek such other remedies as may be available under law.
  - b. In the event that the breach or violation involves the rents to tenants or other charges in excess of those permitted under this Agreement, the City may demand, and seek as an additional remedy, the return of such excess rents or other charge to the affected household.
  - c. The tenants of the Assisted Rental Units shall be considered to be third-party beneficiaries of this Agreement, and shall have such rights and remedies to enforce the requirements of this Agreement as may be available to third-party beneficiaries under the law.

- d. The remedies of the City hereunder are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the City of any one or more of its other remedies.
27. Assignment of City Rights. The City retains the right at its sole discretion to assign all or part of its rights under this Agreement for the purpose of ensuring compliance and enforcement of Borrower's duties and obligations hereunder. In addition, the City may designate an agent to act on its behalf in monitoring compliance and enforcing the provisions hereof.
28. Amendment. This Agreement shall not be altered or amended except in writing, executed between or among all the parties.
29. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
30. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in the office of interest, and assigns, provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior written approval of the City.
31. Recording Agreement. This Agreement, and all amendments thereto, shall be executed by each of the parties. This Agreement, or memorandum thereof, shall be recorded against the subject Property in the official records of the county in which the Development is situated. The City agrees that the terms and conditions of this Agreement shall be subject to the Subordination Agreement recorded on or about the date of this Deed of Trust by and among The Bank of New York, as agent for the California Municipal Finance Authority, and the Trustor and the Beneficiary as identified therein.
32. Hold Harmless. Borrower and its successor in interest agree to indemnify, defend, and hold harmless the City and its respective agents, employees and officers from any and all claims, losses, liabilities or causes of action (including reasonable attorney's fees) arising from or in connection with Borrower's management, maintenance or operation of the Development.
33. Waiver. No waiver by the City of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereto or default hereunder.
34. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.
35. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

36. Notice. Written notices and other written communications by and between the parties hereto shall be addressed as set forth below unless and until a party hereto has, in writing, communicated a different address to the other party hereto.

City: City of Calexico  
608 Heber Ave.  
Calexico, CA 92231

Borrower: Calexico II, L.P.  
c/o Chelsea Investment Corporation  
725 South Coast Highway 101  
Encinitas, CA 92024  
Attention: Asset Management

Investor Limited  
Partner: MMA Calexico II, LLC  
c/o MMA Financial TC Corp.  
101 Arch Street  
Boston, MA 02110

37. Attorneys' Fees. The prevailing party in any action to enforce this Agreement, including the residents of assisted units, shall be entitled to reasonable attorneys' fees as determined by the tier of fact in that forum.

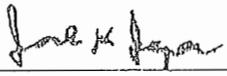
38. Special Conditions. The Borrower agrees to comply with the special conditions, if any, as set forth in Exhibit C, which is made a part hereof. In the event of any inconsistencies between the terms set forth in the Exhibit C Special Conditions of the Regulatory Agreement and the terms of this Agreement, the terms of the Special Conditions shall prevail.

39. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:

Exhibit A: Legal Description  
Exhibit B: Insurance Requirements  
Exhibit C: Special Conditions and Syndication Proceeds

**Calexico II, L.P.**, a California Limited Partnership

By: Pacific Southwest Community Development Corporation, a California nonprofit public benefit corporation, its General Partner

By: 

Name: Jack K. Jaynes

Title: Executive Director/President

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of SAN FRANCISCO

} ss.

On 11-2-06  
Date

before me,

LINDA WONG, NOTARY PUBLIC  
Name and Title of Officer (e.g., "Jane Doo, Notary Public")

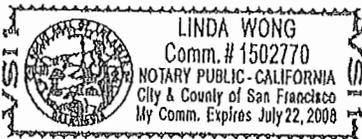
personally appeared

JACK K. JAMES

Name(s) of Signor(s)

personally known to me

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Linda Wong  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

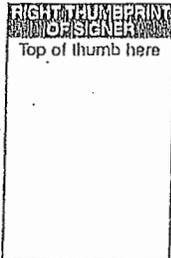
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of SAN FRANCISCO

} ss.

On 11-2-06  
Date

before me,

LINDA WONG, NOTARY PUBLIC

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

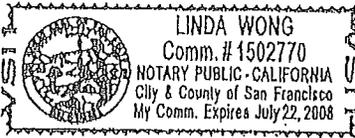
personally appeared

JACK K. JAYNES

Name(s) of Signer(s)

personally known to me

I proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

*Linda Wong*

Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

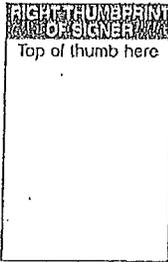
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Exhibit A to Regulatory Agreement

LEGAL DESCRIPTION

Real property in the City of Calexico, County of Imperial, State of California, described as follows: LOT 5, MEADOW VILLAGE SUBDIVISION NO. 2, IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 24, PAGE 74 OF FINAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF IMPERIAL COUNTY.  
APN: 058-832-017-000

Exhibit B To Regulatory Agreement

INSURANCE REQUIREMENTS

At close of escrow, the City must receive a one-year prepaid Certificate of Insurance policy (or a binder followed by a certificate within 30 days of loan closing) evidencing the following coverage:

1. HAZARD (PROPERTY)

- Perils: All risk; or Fire & Lightning, Extended Coverage, Vandalism & Malicious Mischief.
- Covered Property: Structure; and All risk contents coverage.
- Amount: Replacement value (or less if approved by City).
- Coinsurance: No less than 90 percent.
- Deductible: \$10,000 maximum deductible per occurrence; or \$1,000 maximum deductible per occurrence if the completed project value is less than \$300,000.
- Endorsement: Lenders Loss Payable Endorsement required insuring the City.

OTHER PROPERTY INSURANCE

- Flood Insurance Coverage required to 80 percent of replacement cost if the property is located in a 100-year flood plain.
- Steam Boiler & Related Machinery: (When applicable) 80 percent of replacement cost coverage is required.

2. COMPREHENSIVE GENERAL LIABILITY

- Minimum Amount: \$1,000,000 per occurrence; or \$2,000,000 per occurrence for buildings with elevators.

3. OTHER COVERAGE

- Workers Compensation: Required by State law if employees are involved.

ALL POLICIES MUST INCLUDE THE FOLLOWING

- Named Insured: Borrower, Calexico II, L.P., a California Limited Partnership
- Additional Insured: The City of Calexico and its officers, agents, employees, and servants must be named as additional insured.
- Cancellation Clause: The City must be notified 30 days prior to cancellation of the insurance policy.
- HCD Notification: The City must be notified prior to cancellation or lapse of coverage or in the event of any claim.

The City should be identified on all insurance documents as follows:

**City of Calexico  
608 Heber Ave.  
Calexico, CA 92231**

Exhibit C To Regulatory Agreement

SPECIAL CONDITIONS

None

SYNDICATION PROCEEDS

The Borrower shall be permitted to apply syndication proceeds in the amount set forth in Section 5.1A of Borrower's Second Amended and Restated Agreement of Limited Partnership, (as such amount may be adjusted pursuant to Section 5.1B of the Borrower's Second Amended and Restated Agreement of Limited Partnership) without further approval by the City.

**ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING**

State Recipient:  City  County of: CALEXICO HOME Contract #: 04 - HOME - 0709 Project City: CALEXICO Project County: IMPERIAL  
 Owner Name: Calexico II, LP Project Name: VILLA DORADA Project Address: 1081 MEADOW DR Project Zip: 92231  
 Prepared by: Angie Carmona Title of Report Preparer:  manager  agent  owner  Other: \_\_\_\_\_ Date Prepared: 3/2/2016  
 Is this rental project also:  TCAC  HUD 811  HUD 202  USDA-RD  HUD project-based rental assistance  
 Transitional Housing  SRO Housing  Group Housing  Other: \_\_\_\_\_

**RENT DESIGNATION SCHEDULE - Enter the number of HOME-Assisted Units for each rent limit.**

Total # Units: 80 # HOME Units: 48  fixed  floating Owner / Agent NOTE: \_\_\_\_\_

Federal HOME rent limits # of HOME units	SRO	group housing- FMR	50% Low		65% High							
			10	38								
State HOME rent limits # of HOME units	SRO	group housing- FMR	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
									10			38

See Exhibit B of the HOME Regulatory Agreement

**PLEASE ATTACH THE FOLLOWING DOCUMENTS TO THIS REPORT and select the year(s) attached:**

- COPY OF THE RENT AND INCOME LIMIT CHART(S) USED FOR INCOME CERTIFICATION with effective dates noted select select
- COPY OF THE UTILITY ALLOWANCE SCHEDULE(S) USED FOR INCOME CERTIFICATION (form HUD-52667) with effective date(s) noted select select

**CERTIFICATIONS OF COMPLIANCE**

**(for all rental projects)**  
 I certify that the information in this report is true and correct.  
 1. Owner / Manager signature: \_\_\_\_\_ Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 3/2/2016  
 2. City / County signature: \_\_\_\_\_ Title: Executive Housing Manager Date: 6/28/15

**(for rental projects with 5 or more HOME-assisted units)**  
 I certify that at least 20% of the HOME-assisted units are occupied by households with incomes not exceeding 50% AMI and paying rents not exceeding the 50% HOME rent limit.  
 1. Owner / Manager signature: \_\_\_\_\_ Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 3/2/2016  
 2. City / County signature: \_\_\_\_\_ Title: Executive Housing Manager Date: 6/28/15

**(for rental projects funded after September 29, 2003)**  not applicable, funded prior to 9/29/2003  
 I certify that rented vacant units met the minimum occupancy standards of the State's Uniform Multifamily Regulations (Title 25 Division 1 Ch 7 Subch 17 Article 3)  
 1. Owner / Manager signature: \_\_\_\_\_ Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 3/2/2016  
 2. City / County signature: \_\_\_\_\_ Title: Executive Housing Manager Date: 6/28/15

HOME Occupancy Standards: zero bdrm-1 to 2 people; one bdrm-1 to 4 people; two bdrm-2 to 6 people; three bdrm-4 to 8 people; four bdrm-6 to 10 people; five bdrm-8 to 12 people  
 Revised January 2009

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info.		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units			Recertification		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's <u>High</u> (lesser of FMR or 65% AMI) or <u>Low</u> (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select <u>actual rent limit</u> designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (If applicable, enter amount of rental subsidy)	Enter the unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
	2 bdrm	65% high \$748	65% High \$748	\$216	\$429	\$46	\$691	No		1 person	\$10872	80% low	7/28/2007	7/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$650	\$95	\$66	\$811	No		5 persons	\$37560	80% low	6/12/2015	NEW
	3 bdrm	65% high \$945	65% High \$945	\$367	\$378	\$66	\$811	No		5 persons	\$10529	80% low	7/27/2007	7/1/2015 select
	2 bdrm	50% Low \$652	50% Low \$652	\$240	\$405	\$46	\$691	Yes-PBRA		3 persons	\$11108	50% VLI	9/25/2011	9/1/2015 select
	2 bdrm	65% high \$748	65% High \$748	\$645	\$	\$46	\$691	No		2 persons	\$30100	80% low	8/6/2007	8/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$393	\$352	\$66	\$811	Yes-PBRA		4 persons	\$25459	80% low	11/15/2013	11/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$446	\$299	\$66	\$811	No		4 persons	\$21446	80% low	4/10/2011	4/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$224	\$321	\$39	\$584	No		1 person	\$10915	80% low	8/10/2007	8/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$545	\$	\$39	\$584	No		1 person	\$29087	80% low	7/28/2007	7/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$218	\$327	\$39	\$584	No		1 person	\$10672	80% low	10/31/2014	10/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$495	\$50	\$39	\$584	No		2 persons	\$21767	80% low	7/28/2007	7/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$218	\$327	\$39	\$584	No		1 person	\$10681	80% low	7/28/2007	7/1/2015 select

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info.		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units				Recertification	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (65%) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (If applicable, enter amount of rental subsidy)	Enter the unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu:	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
	1 bdrm	65% high \$636	65% High \$636	\$383	\$162	\$39	\$584	No		2 persons	\$17268	80% low	4/11/2008	3/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$357	\$188	\$39	\$584	No		2 persons	\$16242	80% low	9/14/2010	9/1/2015 select
1A	2 bdrm	65% high \$748	65% High \$748	\$399	\$246	\$46	\$691	No		2 persons	\$18210	80% low	8/10/2007	8/1/2015 select
	2 bdrm	65% high \$748	65% High \$748	\$211	\$434	\$46	\$691	No		2 persons	\$10672	80% low	10/26/2012	10/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$288	\$457	\$66	\$811	No		5 persons	\$26644	80% low	10/12/2015	NEW
	2 bdrm	65% high \$748	65% High \$748	\$286	\$359	\$46	\$691	No		2 persons	\$13740	80% low	9/15/2011	9/1/2015 select
	2 bdrm	65% high \$748	65% High \$748	\$374	\$271	\$46	\$691	No		2 persons	\$17278	80% low	8/10/2007	8/1/2015 select
	2 bdrm	65% high \$748	65% High \$748	\$482	\$163	\$46	\$691	No		1 person	\$21510	80% low	8/10/2007	8/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$308	\$437	\$66	\$811	No		4 persons	\$16603	80% low	5/19/2015	5/19/2015 NEW
	2 bdrm	65% high \$748	65% High \$748	\$94	\$551	\$46	\$691	No		2 persons	\$6492	80% low	8/13/2007	8/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$610	\$135	\$66	\$811	No		3 persons	\$27979	80% low	7/27/2007	7/1/2015 select
	3 bdrm	50% Low \$753	50% Low \$753	\$345	\$400	\$66	\$811	Yes-PBRA		3 persons	\$17476	50% VLI ✓	9/11/2015	9/11/2015 NEW

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO Unit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

Revised January 2009

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info.		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units				Recertification	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (65%) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (If applicable, enter amount of rental subsidy)	Enter the Unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu:	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL-certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
	3 bdrm	65% high \$945	65% High \$945	\$628	\$117	\$66	\$811	No		4 persons	\$28623	80% low	7/27/2007	7/1/2015 select
	3 bdrm	50% Low \$753	50% Low \$753	\$340	\$405	\$66	\$811	Yes-PBRA		4 persons	\$17202	50% VLI ✓	7/27/2007	7/1/2015 select
	3 bdrm	50% Low \$753	50% Low \$753	\$703	\$42	\$66	\$811	Yes-PBRA		5 persons	\$32197	50% VLI	7/31/2007	7/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$573	\$172	\$66	\$811	No		4 persons	\$26993	80% low	5/25/2012	5/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$406	\$139	\$39	\$584	No		8 persons	\$18204	80% low	7/28/2007	7/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$545	\$	\$39	\$584	No		2 persons	\$30103	80% low	8/7/2007	8/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$224	\$321	\$39	\$584	No		1 person	\$10917	80% low	7/28/2007	7/1/2015 select
	1 bdrm	50% Low \$543	50% Low \$543	\$354	\$191	\$39	\$584	No		1 person	\$15722	50% VLI ✓	3/29/2011	3/1/2015 select
	3 bdrm	50% Low \$753	50% Low \$753	\$388	\$357	\$66	\$811	Yes-PBRA		5 persons	\$21021	50% VLI ✓	12/19/2014	12/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$690	\$55	\$66	\$811	No		5 persons	\$31602	80% low	9/15/2015	NEW
	3 bdrm	50% Low \$753	50% Low \$753	\$238	\$507	\$66	\$811	Yes-PBRA		5 persons	\$14003	50% VLI ✓	7/28/2007	7/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$425	\$320	\$66	\$811	No		4 persons	\$22163	80% low	6/28/2013	6/1/2015 select

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info.		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units			Recertification		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (65%) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select <u>actual rent limit</u> designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (if applicable, enter amount of rental subsidy)	Enter the unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu:	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
	2 bdrm	65% high \$748	65% High \$748	\$490	\$155	\$46	\$691	No		3 persons	\$21840	80% low	7/27/2007	7/1/2015 select
	2 bdrm	65% high \$748	65% High \$748	\$645	\$	\$46	\$691	No		3 persons	\$36832	80% low	7/31/2007	7/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$447	\$98	\$39	\$584	No		2 persons	\$19824	80% low	7/27/2007	7/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$420	\$125	\$66	\$611	No		1 person	\$18353	80% low	8/13/2015	NEW
	3 bdrm	50% Low \$753	50% Low \$753	\$542	\$203	\$66	\$811	Yes-PBRA		4 persons	\$25259	50% VLI ✓	8/5/2010	8/1/2015 select
	2 bdrm	65% high \$748	65% High \$748	\$561	\$84	\$46	\$691	No		5 persons	\$26117	80% low	12/14/2011	12/1/2015 select
	2 bdrm	65% high \$748	65% High \$748	\$217	\$428	\$46	\$691	No		2 persons	\$10913	80% low	3/1/2013	3/1/2015 select
	3 bdrm	65% high \$945	65% High \$945	\$201	\$549	\$73	\$823	No		6 persons	\$15304	80% low	1/4/2016	NEW
	3 bdrm	65% high \$945	65% High \$945	\$332	\$418	\$73	\$823	No		6 persons	\$18613	50% VLI ✓	3/1/2016	NEW
	3 bdrm	50% Low \$753	50% Low \$753	\$368	\$377	\$66	\$811	Yes-PBRA		4 persons	\$18779	80% low	7/17/2015	NEW
	1 bdrm	65% high \$636	65% High \$636	\$224	\$321	\$39	\$584	No		1 person	\$10912	80% low	7/27/2007	7/1/2015 select
	1 bdrm	65% high \$636	65% High \$636	\$212	\$333	\$39	\$584	No		2 persons	\$10912	80% low	9/3/2015	NEW

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

De Anza /  
El Quintero

RECORDED REQUEST OF FIRST AMERICAN TITLE  
SUBDIVISION MAPPING DEPARTMENT  
RECORDING REQUESTED BY

Recorded in Official Records, Imperial County

Chuck Storey  
County Clerk / Recorder

3/19/2012  
2:40 PM  
AG

City of Calexico

P Public

WHEN RECORDED MAIL TO:

Doc#: 2012-006022

Titles: 1 Pages: 27

City of Calexico  
608 Heber Avenue  
Calexico, California 92231  
Attention: City Manager



Fees	0.00
Taxes	0.00
Other	0.00
PAID	\$0.00

2670973-6

THE CITY OF CALEXICO

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

REGULATORY AGREEMENT

LOAN NUMBER 10-HOME-6476

THIS REGULATORY AGREEMENT (the "Agreement") is made and entered into as of February \_\_, 2012, by and among, De Anza II CIC, LP, a California limited partnership (the "Borrower"); and the City of Calexico (the "City"), a political subdivision of the State of California.

Recitals

- A. The Borrower is or will be the owner of, or holder of a fee estate in, the real property located in the City of Calexico, County of Imperial, California, and more fully described in Exhibit A (the "Property").
- B. The Borrower has proposed to develop the Property by constructing thereon a 54-unit rental housing development of which 41 units will be Assisted Units to be occupied by low and very low income households (the "Development" or the "Project").
- C. The Development will be financed in whole or in part and regulated by a construction and permanent loan from the City of Calexico in a principal amount not to exceed Five Million Dollars (\$5,000,000) (the "Loan") from the Home Investment Partnerships Program (the "HOME Program"). The Loan will be provided to Borrower by the City of Calexico in accordance with 42 USC 12741 et seq., 24 CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code of Regulations, Sections 8200 through 8220, (together, the "HOME Regulations"). In consideration of the City of Calexico's commitment to make the Loan, the City of Calexico and the California Department of Housing and Community Development (the "Department") have entered into a Standard Agreement No. 10-HOME-6476, as amended (the "Standard Agreement").

- D. The proceeds of the loan shall be disbursed, used and governed by a Loan Agreement by and among the City and Borrower dated as of the date hereof (the "Loan Agreement").
- E. The Standard Agreement and the Loan Agreement, including all exhibits and attachments thereto, are incorporated in full by reference into this Agreement. In the event of any inconsistencies between the terms set forth in the Loan Agreement and the terms of this Regulatory Agreement, the terms of this Regulatory Agreement shall prevail.
- F. Borrower agrees to abide by all provisions of the Standard Agreement and the Loan Agreement with respect to the Development and Borrower shall execute a promissory note evidencing its obligation to repay the Loan (the "Note") and a deed of trust in favor of the City to be recorded against the Property securing repayment of the Note (the "Deed of Trust"). Borrower agrees to be bound by all terms and conditions of the Note and Deed of Trust, the Standard Agreement, the Loan Agreement and this Agreement. These Documents are collectively referred to herein as the "Loan Documents".
- G. As further consideration for the Loan and in furtherance of the purposes of the HOME Program, Borrower has agreed to enter into this Agreement. The purpose of this Agreement is to regulate and restrict occupancy, rents, operations, ownership and management of the Development in compliance with the requirements of the HOME Program.

NOW, THEREFORE, the parties hereto agree as follows:

- 1. Recitals. The foregoing recitals are a part of this Agreement.
- 2. Property. The Development will be located on the Property identified in Exhibit A attached hereto.
- 3. Definitions. Unless the context requires otherwise, the terms used in this Agreement shall be governed by the definitions set forth in 24 CFR Part 92, and 25 California Code of Regulations Section 8201. All references to code sections refer to Title 25 of the California Code of Regulations, unless otherwise noted.

For the purposes of this Agreement the following additional definitions shall apply:

- a. "Assisted Unit" means a dwelling unit, the construction of which was assisted with proceeds of the Loan. All Assisted Units shall be floating units, meaning that the designated Assisted Units may change over time as long as the total number of Assisted Units in the Development remains constant. There are 41 floating Assisted Units in the Project.
- b. "Eligible Households" means Lower Income Households or Very Low-Income households.
- c. "Fiscal Integrity" means that the total of Operating Income plus funds released pursuant to this Agreement from the operating reserve account is sufficient to (1) pay all current Operating Expenses, (2) pay all current approved debt service, (3)

fully fund for at least twelve consecutive months all reserves established and required to be funded from operations pursuant to this Agreement, and (4) pay other extraordinary costs permitted by this Agreement and the other financing documents. The ability to pay any or all of the annual permitted distribution shall not be considered in determining fiscal integrity.

- d. "HOME Rents" means rents calculated annually by the Federal Department of Housing and Urban Development ("HUD") and are:
  - (1) The lesser of the Fair Market Rents or a rent that does not exceed 30 percent of 60 percent of area median income (High HOME Rents); or
  - (2) 30 percent of 50 percent of area median income (Low HOME Rents).
- e. "Initial Operating Year" means the first year of operations, or portion thereof, of the newly constructed rental housing development beginning at the time of initial occupancy of an assisted unit and ending on the last day of the fiscal year of the Development.
- f. "Lower Income Household" means persons or families whose incomes (at the time of initial occupancy) are 80 percent or less of the area median income as determined by the Department of Housing and Urban Development (HUD).
- g. "Operating Expenses" means the amount approved by the City that is necessary to pay for the essential recurring expenses of the Development, including, but not limited to utilities, maintenance, management, taxes, licenses, and mandatory direct or supportive tenant services but not including debt service, required reserve account deposits, or costs for voluntary direct or supportive tenant services.
- h. "Operating Income" means all income generated in connection with operation of the rental housing development including rental income from assisted and non-assisted units, rental income from nonresidential space, laundry or equipment rental fees, rental subsidy payments, and interest on any accounts related to the rental housing development. "Operating Income" does not include tenant security and equipment deposits, payments received from voluntary direct or supportive tenant services, or tax benefits received by the sponsor.
- i. "Rent" means all charges, other than deposits, paid by the tenant for the use and occupancy of an assisted unit and any mandatory charge for direct or supportive tenant services in a rental housing development, including a utility allowance in an amount determined by HUD.
- j. "Residual Receipts" means project funds remaining after payment of expenses as described in items 1 through 6 Section 21(b)
- k. "Very Low-Income Household" means low-income persons or families whose incomes are 50 percent or less of the area median income as determined by HUD.

4. Compliance with Program Requirements

- a. The Borrower agrees that at all times its acts regarding the Development and the use of funds provided herein shall be in conformity with all provisions of the HOME Program including the statutes, the HOME Regulations and such policies and procedures of the Department and of HUD pertaining thereto. The Borrower acknowledges that it is familiar with such applicable provisions and has been professionally advised to the extent necessary for the purpose of enabling the Borrower to fully comply with such provisions.
- b. The financial assistance provided under the HOME Program is governed by 24 CFR Part 92. With respect to the assistance, Borrower agrees to comply with all requirements and obligations as described in 24 CFR Part 92, as well as all provisions governing the use of HOME funds. Borrower agrees to comply with the directives of the City as necessary to ensure compliance with the obligations of the City as set forth in its agreements with HUD regarding the use of HOME funds.
- c. Allocation of HOME Funds. Any change in the allocation of HOME funds as submitted to and approved by the City and the HOME Program at HOME Set-Up must be approved in advance by the City. The City shall have 30 days from the receipt of requested changes to approve or disapprove changes to the allocation of HOME funds or adding or removing line items to be funded by HOME. The failure of the City to approve or disapprove of the changes within the time frames described above shall be deemed to be an approval of the changes.
- d. Changes in the Work to be Performed (Change Orders). No Change Orders that increase the overall contract price shall be allowed unless specifically stated in writing by the Owner or general contractor for the Development ("Contractor") and the City. Except for the purpose of being protected against an emergency endangering life or property, the Contractor shall make no changes that would increase the overall contract price unless pursuant to a written order from the Owner/Contractor and the City authorizing the change. No claim for an adjustment of contract price will be valid unless so approved in writing and in accordance with applicable law, including the Calexico Municipal Code.

Any Change Order shall include in its final form a detailed description of the proposed change in the work, a definitive statement as to the resulting change in the contract price and/or time of completion and the statement that all work involved in the changes are allowable under the HOME Investment Partnerships Program guidelines, and in accordance with the contract requirements except as modified by the Change Order.

All Change Order requests shall be submitted to both the City Manager and the City Clerk in writing and the City shall have 15 days from the receipt of the requested Change Order to approve or disapprove said Change Order requests.

Notwithstanding the foregoing, in no event shall the City funding for the contract exceed the Loan amount.

5. Term of Agreement. The term of this Agreement shall be for a period of the years as listed below beginning from the date of Project Completion as defined by 24 CFR 92.2 wherein the project must meet the affordability requirements contained herein. The period of years shall consist of the Federal period of affordability (the "Federal Period") and the State period of affordability (the "State Period") which shall run concurrently from the Commencement Date. The Federal Period is a term of 20 years, and the State Period is a term of 55 years. The Federal Period is established by HOME Federal Regulations (the "Final Rule"), 24 CFR 92.254(e), and the State Period is established by HOME Investment Partnership Program Regulations section 8208 in effect as of March 26, 1996..
6. Intentionally Omitted.
7. Tenant Selection Standards. Borrower shall rent Assisted Units in the Development only to Eligible Households in accordance with the Management Plan approved by and on file with the City pursuant to Section 14 of this Agreement. Such Management Plan may be periodically altered and such alteration must be submitted to and approved by the City prior to use. At all times, 20 percent of the Assisted Units ~~must~~ be rented to Very Low-Income households and, for the first year of initial occupancy, no less than 90 percent of the Assisted Units shall be occupied by households whose incomes are at 50 percent and below of area median income as determined by HUD. The Management Plan shall among other things: (1) detail actions to be taken by Borrower to affirmatively market vacant units in a manner which ensures equal access to all persons in any category protected by federal, state or local laws governing discrimination, and regardless of any arbitrary factor; (2) specify reasonable criteria for determination of tenant eligibility, including household size in accordance with the minimum occupancy standard specified in the HOME Regulations; (3) require that eligible tenants be selected based on order of applications, lottery, or other reasonable method approved by the City; (4) specify procedures through which tenant applicants deemed to be ineligible shall be notified of the reason for their ineligibility and may appeal this determination; (5) require maintenance of a waiting list of eligible applicants; and (6) specify procedures for obtaining information regarding prospective tenants' incomes as necessary to certify that such income does not exceed the lower or very low-income limit.
8. Nondiscrimination. Borrower shall not discriminate against any tenant or prospective tenant on the basis of race, religion, sex, age, disability, marital status, nor any other arbitrary factor in violation of any state, federal or local law governing discrimination in rental housing.
9. Rental Agreement and Occupancy Procedures (the "Lease").
  - a. Each eligible household selected to occupy a unit in the Development shall enter into a written rental agreement with the Borrower on a form approved by the City containing such provisions as are required by the HOME Regulations. The Lease

shall be for a term of not less than one year unless by mutual agreement between tenant and owner.

- b. The Lease may not contain any of the following provisions:
- (1) Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower or the City in a lawsuit brought in connection with the lease;
  - (2) Agreement by the tenant that the Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The Borrower may dispose of this personal property in accordance with state law;
  - (3) Agreement by the tenant not to hold the Borrower or Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent;
  - (4) Agreement of the tenant that the Borrower or Borrower's agent may institute a lawsuit without notice to the tenant;
  - (5) Agreement by the tenant that the Borrower or Borrower's agent may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
  - (6) Agreement by the tenant to waive any right to a trial by jury;
  - (7) Agreement by the tenant to waive tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
  - (8) Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- c. The Borrower shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and the HOME Regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any change shall become effective no fewer than 30 days after giving written notice thereof to each household.
- d. The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the Lease; for violation of tenancy period; or for other good cause. Any termination or refusal to renew a Lease shall be by

the Borrower's service upon the tenant of a written notice in compliance with State law and specifying the grounds for the action.

- e. The Borrower shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

10. Rents.

- a. For all Assisted Units, Rents shall not exceed High HOME Rents less a utility allowance. For Assisted Units that are set-aside for Very Low-Income Households, HOME rents shall not exceed Low HOME Rents less a utility allowance.
- b. A minimum of 20 percent of all Assisted Units shall be occupied by Very Low-Income Households at Rents that are no greater than the Low HOME Rents less a utility allowance.
- c. Any household certified as an Eligible Household upon occupancy but whose income increases above the eligibility level must pay as Rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted monthly income; except that, Assisted Units subject to low-income tax credit rules under section 42 of the Internal Revenue Code shall be governed by such rules.

11. Security Deposits.

- a. Security deposits shall be required of tenants only in accordance with State law and this Agreement.
- b. Any security deposits collected by the Borrower or Borrower's agent shall be kept separate and apart from all other funds of the Development in a trust account with a depository insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or other comparable federal deposit insurance program, and shall be held and disbursed in accordance with State law. The balance of such account shall at all times equal or exceed the aggregate of all outstanding obligations under said account, plus accrued interest thereon.

12. Certification of Tenant Income and Household Size.

- a. The income and household size of all households occupying Assisted Units shall be certified by the Borrower prior to occupancy and re-certified annually thereafter in a manner approved by the City and specified in the Development's Management Plan.
- b. If the income of a tenant upon re-certification exceeds the upper limit for Lower Income Households, and there are no other requirements statutorily imposed by another federal or State funding source or tax credit program, that tenant shall not

have its Lease terminated as a result thereof, but shall be charged Rents as provided in Section 10 (c).

- c. Where a household occupying a unit designated for occupancy by a Very Low Income Household no longer so qualifies at the time of re-certification, but qualifies as an otherwise Eligible Household, the rents appropriate for that income level shall be charged.

13. Assisted Unit Substitutions.

- a. If, upon re-certification, the income of a household occupying an Assisted Unit reserved for occupancy by Lower Income Households exceeds the upper limit for said Unit, the Borrower may designate this household's unit as non-assisted, provided that all of the following conditions are satisfied:

- (1) Not later than the date the Borrower designates the unit as non-assisted, the Borrower also makes available a comparable vacant unit previously designated as non-assisted to be designated as an Assisted Unit, or designates a previously non-assisted unit occupied by a Lower Income Household as an Assisted Unit, or agrees to occupy the next available unit with a Lower Income Household; and
- (2) The rent charged for the newly designated Assisted Unit will not exceed the high HOME Rent.

- b. Where a household occupying an Assisted Unit reserved for occupancy by Very Low-Income Households no longer qualifies as Very Low-Income at the time of re-certification, but qualifies as a Lower Income Household, the following shall apply: Borrower shall designate the unit as an assisted unit for Lower Income Households

- (1) Borrower may increase the household's Rent up to the High HOME Rent;
- (2) Borrower shall designate the next available comparable Assisted Unit reserved for Lower Income Households as an Assisted Unit reserved for Very Low-Income Households; and
- (3) The Rent charged for the newly designated Assisted Unit reserved for Very Low-Income Households shall not exceed the Low HOME Rent.

14. Maintenance and Management.

- a. Borrower is specifically responsible for all maintenance, repair, and management functions for the Development, including without limitation, selection of tenants, re-certification of household income and size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower shall maintain units and common areas in a safe and sanitary manner in accordance with local health, building, and housing codes, HUD housing quality

standards pursuant to 24 CFR Section 982.401, and shall file and implement the Management Plan described in section 7, above.

- b. Borrower may, with the prior written approval of the City, contract with a management agent for the performance of the services or duties required in paragraph (a). However, such an arrangement does not relieve the Borrower of responsibility for proper performance of these duties. Such contract shall contain a provision allowing the Borrower to terminate the contract without penalty upon no more than thirty days (30) notice. Upon a determination by the City, and notice to the Borrower thereof that the contractor has failed to operate the Development in accordance with this Agreement and the Management Plan, the Borrower shall exercise such right of termination forthwith and shall make immediate arrangements, which shall be subject to City approval, for continuing performance of the requirements of this Agreement.
- c. Upon a determination by the City, and notice to the Borrower thereof, that the Borrower has failed to operate the Development in accordance with this Agreement, the City may require the Borrower, at Borrower's sole cost, to contract with a management agent to operate the Development, or to make such other arrangements as the City deems necessary to ensure performance of the requirements of this Agreement.

15. Hazard and Liability Insurance.

- a. The Borrower shall at all times keep the Development insured against loss by fire, flood, and such other hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as set forth in Exhibit B, attached and made a part hereof. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the City. Property insurance policies shall name the City as an additional loss payee and liability insurance policies shall name the City as additionally insured, as approved by the City.
- b. Insurance proceeds and condemnation awards for any loss to or taking of the Development, or any portion thereof, shall be applied or utilized by Borrower as provided in the Deed of Trust executed by Borrower and referred to in the Recitals hereof.

16. Annual Report. The Borrower shall file with the City an annual report, as required by 24 CFR part 92 and 25 Cal. Code of Regulations, Section 8216 no later than 120 days after the end of each fiscal year as established for the Development pursuant to Section 18(a) of this Agreement. The report shall contain a certification by the Borrower as to such information as the City may then require including, but not limited to the following:

- a. The fiscal condition of the Development, including a financial statement for the previous fiscal year that includes a balance sheet and a profit and loss statement indicating any surplus or deficit in operating accounts; a detailed itemized listing of income and expenses; the amounts of any fiscal reserves and the total amount

of Residual Receipts received. Such financial statement shall be prepared in accordance with the requirements of the City. The City may require that the financial statement be audited at the Borrower's expense by an independent certified public accountant acceptable to the City or other person designed by the City.

- b. The substantial physical defects in the Project, including a description of any major repair or maintenance work undertaken or needed in the previous and current fiscal years. Such statement shall describe what steps the Borrower has taken in order to maintain the Project in a safe and sanitary condition in accordance with applicable housing and building codes.
- c. The occupancy of the Development indicating;
  - (1) The verified income of each current household; and
  - (2) The current rents charged each household and whether these rents include utilities.
- d. General management performance, including tenant relations and other relevant information.
- e. A summary of the information received from the re-certification of tenants' incomes.
- f. Evidence of a currently paid hazard and flood insurance policy, with loss payable to the City in the amounts specified in Exhibit B.
- g. Evidence of a currently paid liability insurance policy, naming the City as an additional loss payee in the amounts specified in Exhibit B.
- h. Other information reasonably required by the City.

17. Review and Inspections.

- a. Upon not less than 48 hours' notice to the Borrower, the City or its designee may, at any time during the term of the loan, enter and inspect the physical premises and inspect all accounting records pertaining to the construction or operation of the Development. Upon request by the City, the Borrower shall notify occupants of upcoming inspections of their units in accordance with State Law.
- b. The City may perform or cause to be performed audits of any and all phases of the Borrower's activities related to the Development. At the City's request, the Borrower shall provide, at its own expense, an audit of the financial condition of the project certified by an independent certified public accountant.

- c. The City may request any other information that it deems necessary to monitor compliance with requirements set forth in this Agreement and the Standard Agreement. The Borrower shall promptly provide such information.

18. Annual Operating Budget.

- a. The fiscal year for the Development shall commence on January 1 and conclude on December 31.
- b. No later than 60 days prior to the beginning of each subsequent fiscal year of the Development, the Borrower shall submit to the City a proposed annual operating budget on a form provided by the City. The proposed annual operating budget shall set forth the Borrower's estimate of the Development's income, operating expenses and debt service for the upcoming year, reserves, proposed rent adjustments, and a year-to-date operating statement. Annual operating budgets and rent adjustments are subject to approval by the City, which approval shall not be unreasonably withheld or delayed.
- c. Annual operating budgets are subject to written approval by the City. Increases of five percent (5%) or less in the total operating budget and increases in specific operating expense categories (i.e. renting expenses, administrative expenses, utility expenses, operations and maintenance expenses, taxes and insurance expenses) of five percent (5%) or less shall be deemed approved by the City. Borrower shall operate the Development in accordance with the approved annual budget.
- d. Annual rent adjustments are subject to written approval by the City. For the projects approved by the City using high HOME rents, rent increases that do not exceed the upper limits for High HOME rents less a utility allowance shall be deemed approved by the City. For projects approved by the City using Low HOME rents less a utility allowance, rent increases that do not exceed the upper limits for low HOME rents shall be deemed approved by the City. For projects approved by the City using rents below low HOME rents, rent increases, which do not exceed the most recently published annual Labor Statistics Consumer Price Index, Residential Rent for All Urban Consumers for the West (CPI) shall be deemed approved by the City. In the event this particular CPI index is no longer published, the City shall select a similar index for this purpose.
- e. Borrower shall operate the Development in accordance with the First-Year Operating Budget approved by and on file with the City. Such budget shall show all anticipated income, debt service and expenses for management, operations, reserves and maintenance for the first fiscal year or portion thereof following initial occupancy.

19. Required Reserves.

- a. Commencing no later than the end of the second month following the initial occupancy of the Development or such other date as the City shall designate in

writing, the Borrower shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally insured financial institution. The Borrower shall make annual deposits from Operating Income to the replacement reserve account in the amount of \$18,014.00 (\$333.60 per unit, per year). The Replacement Reserve shall be maintained at its initial City and HCD approved level for the entire State affordability period of 55 years and may not be distributed or taken from the project when the project is sold.

Unless otherwise authorized by the City, withdrawals from the replacement reserve account shall be made only upon the City's written approval, which approval shall not be unreasonably withheld or delayed. Should the City fail to take action on a request for an eligible withdrawal from the replacement reserve within thirty (30) days of documented receipt of the request, that request shall be deemed approved. Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Development that are reasonably required to preserve the Project.

- b. Commencing no later than the end of the second month following the initial occupancy of the Development, or upon repayment of the construction loan, whichever is earlier, the Borrower shall establish a Capitalized Operating Reserve ("Operating Reserve I") account or sub account within the Project's general operating account. The Borrower shall deposit to said account the amount of \$249,996 to be utilized to maintain positive cash flow for thirty (30) years. The City shall approve or disapprove a request for withdrawal from the operating reserve account within 30 days of receipt of a written request. A written withdrawal request that is not disapproved within 30 days of receipt shall be deemed approved. Following any withdrawal, the Operating Reserve shall be replenished as provided in the HOME Regulations. Operating Reserve I shall be the property of the Development and may not be distributed or taken from the Development when it is sold. The Operating Reserve I funds may not be disbursed to anyone nor used for any other purposes than to maintain positive cash flow for the Development.
- c. No later than the end of the first year following initial occupancy, the Borrower shall establish an Operating Reserve account ("Operating Reserve II") which shall be funded annually for the first three years from project cash flow in excess of the 12 percent of operating expenses as specified in the Uniform Multifamily Regulations Section 8310 (e)(2). Operating Reserve II is to be funded on a priority basis prior to payment of the Asset Management and Deferred Developer Fee. This reserve shall be used to fund project operating expense deficits and shall be used prior to use of the Operating Reserve I defined in Section b. above and shall be subject to the same conditions. At the end of the fifth full year of operations, any remaining balance shall be transferred to the Operating Reserve I account and shall be subject to all conditions of that account.
- d. The City acknowledges and agrees that the foregoing requirements shall be deemed satisfied to the extent of any amounts required to be deposited by the

Borrower with any other lender or investor providing funds for the Development in accordance with the terms of the applicable financing documents.

20. Accounting Records. In a manner subject to City approval, Borrower shall maintain on an accrual or modified accrual basis, a general ledger accounting system that is posted monthly and that accurately and fully shows all assets, liabilities, income and expenses of the Development. All records and books relating to this system shall be kept for a period of at least seven years and in such a manner as to ensure that the records are reasonably protected from destruction or tampering. All records shall be subject to City inspection and audit.
21. Use of Income from Operations.
- a. The Borrower, or Borrower's management agent, shall promptly deposit all Operating Income in a segregated account controlled by the Borrower established exclusively for the Development with an F.D.I.C. or other comparable federally-insured financial institution.
  - b. Withdrawals from the account shall be made only in accordance with the provisions of this Agreement, and the approved budget, and shall be disbursed, applied, or reserved and set aside for payment when due, in the following priority, to the extent available: (1) salaries, wages, and any other compensation due and payable to the employees or agents of the Borrower employed on site in connection with the maintenance, administration or operation of the Development, along with all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required in connection with such employees; (2) all charges incurred in the operation of the Development in connection with utilities, real estate taxes and assessments, and liability, fire and other hazard insurance; (3) payments of required interest, principal, impounds, fees and charges, if any, on senior loans other than the Loan and other residual receipts loans which are secured by liens on the Property and which have been approved by the City; (4) all other expenses incurred to cover operating costs, including the fee of the managing agent and any extraordinary expenses, in accordance with the approved annual operating budget of the Development or as otherwise approved in advance by the City; (5) deposits to operating and replacement reserve accounts in amounts required under this Agreement or under the other financing documents and (6) payments as specified in subsection (i) through (iv) of Section 11.01(a) of the Borrower's Amended and Restated Agreement of Limited Partnership. The Borrower may depart from the foregoing priorities of payment only upon the express written approval of the City, which approval will not be unreasonably withheld or delayed.
  - c. To the extent the Loan remains outstanding, the balance of Operating Income remaining after the payments described in section 21.b. above shall be deemed Residual Receipts to be paid and applied as provided in Paragraph 23 below.
22. Non-assisted Units and Common Areas.

- a. Borrower shall establish and implement a rent structure for non-assisted residential units that ensure the fiscal integrity of the Development. Borrower shall estimate all income and expenses attributable to the non-assisted units in the annual operating budget described in Section 18 herein, and shall report all income and expenses attributable to non-assisted units in the Annual Report described in Section 16 herein.
- b. Borrower shall maintain and repair both assisted and non-assisted units equally without regard to their designation as assisted or non-assisted.
- c. Tenant selection practices for non-assisted units shall comply with State and federal nondiscrimination laws.
- d. The exterior walls, windows, lighting, walkways, mailboxes, landscaping, nonresidential space, and other common areas of the Development shall be safe, clean, well maintained, and in good working order.

23. Residual Receipts and Distributions.

- a. Fifty percent (50%) of Residual Receipts shall be applied to the Loan.
- b. "Distributions" shall refer to any amounts remaining after payment in full of expenses as provided in Paragraph 21.b. and 23.a. above. Distributions shall be available to be distributed to, or retained by, the Borrower or any party having a beneficial interest in Borrower or the Development.
- c. Borrower shall receive Distributions only once for each fiscal year of the Development and only upon approval by the City of the Annual Report submitted for that year in accordance with Section 16, which approval shall not be unreasonably withheld or delayed .
- d. No distribution shall made to Borrower in the following circumstances:
  - (1) When written notice of default has been issued by any entity with an equitable or beneficial interest in the Development and not subsequently withdrawn;
  - (2) When the City determines that the Borrower or the Borrower's management agent has failed to comply in any material respect with the City's written notice of any reasonable requirement for proper maintenance of the Development;
  - (3) If all currently required debt service and operating expenses have not been paid prior to delinquency; or
  - (4) If the replacement reserves account or other reserve accounts are not fully funded pursuant to this Agreement.

24. Restrictions on Sale, Encumbrance, and Other Acts.

- a. Except as permitted in Section 2.9 of the Loan Agreement, the Borrower shall not make any sale, encumbrance, hypothecations, assignment, refinancing, pledge, conveyance, or transfer in any other form of the Property or the Development or of any of its interest therein, except with the prior written approval of the City.
- b. After completion of construction, and other than routine maintenance, the Borrower shall not add to, remodel, remove, reconstruct, or demolish any part of the Development without the prior written approval of the City.
- c. The Borrower shall not permit the use of the Development for any purpose other than that permitted by this Agreement without the prior written approval of the City.
- d. The Borrower shall not incur any liability or obligation in connection with the Development, other than for current operating, management and maintenance costs and for the indebtedness evidenced by the Note nor incur any liability, charge, assessment, or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrance on the Property or the Development, without the prior written approval of the City. The City may permit refinancing or additional financing secured by the Development only to the extent necessary to maintain or improve the Development's fiscal integrity, improve financial condition, or to maintain affordable rents.
- e. The Borrower shall not enter into any contract relating to rehabilitating or managing the Development, except as authorized by the City.
- f. Borrower shall not enter into any Lease for more than a single rental unit, ground lease of the Development or any interest therein without prior written approval of the City. The City may require that such lease allow for termination for cause within 30 days upon request by the City.
- g. If the Borrower is a partnership, it shall not discharge or replace any general partner (except as permitted under its partnership agreement) or amend, modify or add to its partnership agreement without prior written City approval, except that it may transfer or sell limited partnership interests, either directly or indirectly, without such approval. Notwithstanding the foregoing, City approval is not required for (i) transfers of general partner interests in the Borrower to one or more of the limited partners of Borrower or any affiliate thereof in accordance with the terms of the partnership agreement of the Borrower, or (ii) replacement of the non-profit general partner of Borrower with another qualified non-profit general partner in accordance with the terms of the partnership agreement of the Borrower.
- h. The City shall approve a sale, transfer or conveyance provided that all of the following conditions are met:

- (1) The existing Borrower is in compliance with this Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of the Agreement;
- (2) The successor-in-interest to the Borrower agrees to assume all obligations of the existing Borrower pursuant to this Agreement and the Program.
- (3) The successor-in-interest demonstrates to the City's satisfaction that it can own and operate the Development in full compliance with all Program requirements; and
- (4) Any terms of the sale, transfer or conveyance shall not threaten the City's security or the successor's ability to comply with all requirements of the HOME Program and this Agreement.

i. The City shall grant its approval for a sale, transfer or conveyance subject to such terms and conditions as may be necessary to preserve or establish the Fiscal Integrity of the Development and to ensure compliance with HOME Program requirements and this Agreement. Such conditions may include the deposit of sales proceeds, or a portion thereof, to maintain required reserves or to offset negative cash flow, the recapture of syndication proceeds or other funds such other conditions as may be necessary to ensure compliance with the Program requirements.

25. Use of Syndication Proceeds. Borrower shall allocate, distribute and pay all net syndication proceeds described in Exhibit C in accordance with the Amended and Restated Agreement of Limited Partnership of Borrower. The City may approve, in writing, future syndications of the Development where it determines that such syndication is in the best interest of the Development. All syndication proceeds not identified in Exhibit C shall be distributed only as approved in writing by the City.

26. Violation of Regulatory Agreement by Borrower.

a. In the event of a breach or violation of the provisions of this Agreement, the City shall give written notice to the Borrower and Borrower's limited partner thereof by certified mail or any express delivery service with a delivery receipt addressed to the Borrower and Borrower's limited partner at the address stated in this Agreement. If the breach or violation is not cured to the reasonable satisfaction of the City within the time period specified in the notice, which shall not be fewer than 30 days, the City may declare a default and may seek legal remedies including the following:

- (1) Collect all rents and income in connections with the operation of the Development and use the same and the reserve funds for the operation and maintenance of the Development.
- (2) Take possession of the Development and bring any action necessary to enforce any rights of the Borrower growing out of the operation of the

Development, and operate the Development in accordance with the terms of this Agreement until such time as the City, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement.

- (3) Apply to any court, State or federal, for specific performance of this Agreement or for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement or for such other relief as may be appropriate. It is agreed by the Borrower that the injury to the City arising from a default under any of the terms of this Agreement would be irreparable and that the amount of compensation that would provide adequate relief to the City, in light of the purposes of the Program, would be impossible to ascertain.
- (4) Accelerate all amounts, including outstanding principal and interest, due under the loan and demand immediate repayment thereof. Upon a failure to repay such accelerated amount in full, the City may proceed with a foreclosure in accordance with the provisions of the Deed of Trust and State law regarding foreclosures.

However, in the event of a nonmonetary breach which cannot reasonably be cured within the time period set forth in such notice, the loan may not be accelerated hereunder if within said designated time period Borrower or Borrower's limited partner has given written notice to City of Borrower's or Borrower's limited partner's intention to cure said breach, has commenced to cure such breach and has diligently prosecuted and effected such cure which shall be completed no later than 60 days from the date notice of such breach is given.

- (5) The City may seek such other remedies as may be available under law.
  - b. In the event that the breach or violation involves the rents to tenants or other charges in excess of those permitted under this Agreement, the City may demand, and seek as an additional remedy, the return of such excess rents or other charge to the affected household.
  - c. The tenants of the Assisted Rental Units shall be considered to be third-party beneficiaries of this Agreement, and shall have such rights and remedies to enforce the requirements of this Agreement as may be available to third-party beneficiaries under the law.
  - d. The remedies of the City hereunder are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the City of any one or more of its other remedies.

27. Assignment of City's Rights. The City retains the right at its sole discretion to assign all or part of its rights under this Agreement for the purpose of ensuring compliance and enforcement of Borrower's duties and obligations hereunder. In addition, the City may

designate an agent to act on its behalf in monitoring compliance and enforcing the provisions hereof.

28. Amendment. This Agreement shall not be altered or amended except in writing, executed between or among all the parties.
29. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
30. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in the office of interest, and assigns, provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior written approval of the City.
31. Recording Agreement. This Agreement, and all amendments thereto, shall be executed by each of the parties. This Agreement, or memorandum thereof, shall be recorded against the subject Property in the official records of the City in which the Development is situated.
32. Indemnity. Borrower agrees and promises to protect, defend, indemnify, and hold harmless the City and its elected and appointed officers, agents, employees and representatives from any and all liabilities, losses, damages or causes of action (including reasonable attorney's fees) that arise from the City's approval of this Project, operation, rehabilitation and construction of the Property, including, but not limited to, claims for injury or death to any person occurring on the Property or Project, contracts executed by Borrower, and any losses from the Property and the Project, including monetary losses such as negative cash flows; provided, however, that Borrower shall not be obligated to indemnify the City with respect to any claim arising solely from the gross negligence or willful misconduct of the City. It is expressly understood that Borrower is solely and exclusively responsible for any and all problems, claims, work, construction, clean up efforts and the like associated with the construction of the Project and any alleged toxic contamination or waste on the Property. The City of Calexico has no obligation whatsoever regarding these issues.
33. Waiver. No waiver by the City of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereto or default hereunder.
34. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.
35. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

36. Notice. Written notices and other written communications by and between the parties hereto shall be addressed as set forth below unless and until a party hereto has, in writing, communicated a different address to the other party hereto.

City: City of Calexico  
608 Heber Avenue  
Calexico, California 92231  
Attn: City Manager

Borrower: De Anza II CIC, LP  
c/o Chelsea Investment Corporation  
5993 Avenida Encinas, Suite 101  
Carlsbad, CA 92008  
Attention: Asset Management

Investor Limited  
Partner: USA De Anza II LLC  
340 Pemberwick Road  
Greenwich, Connecticut 06831  
Attention: Joanne D. Flanagan, Esq.

Rabobank: Rabobank, N.A.  
618 W. Main Street  
Visalia, CA 93291  
Attention: Debi Engelbrecht

37. Attorneys' Fees. The prevailing party in any action to enforce this Agreement, including the residents of assisted units, shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.
38. Special Conditions. The Borrower agrees to comply with the special conditions, if any, as set forth in Exhibit C, which is made a part hereof. In the event of any inconsistencies between the terms set forth in the Exhibit C Special Conditions of the Regulatory Agreement and the terms of this Agreement, the terms of the Special Conditions shall prevail.
39. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:

Exhibit A: Legal Description  
Exhibit B: Insurance Requirements  
Exhibit C: Special Conditions and Syndication Proceeds

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Borrower and the City have executed this Agreement as of the date first set forth above.

CITY:

CITY OF CALEXICO

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

BORROWER:

DE ANZA II CIC, LP, a California limited partnership

By: Pacific Southwest Community Development Corporation, a California nonprofit public benefit corporation, its Managing General Partner

By: 

Name: Robert W. Laing

Title: President / Executive Director

By: CIC De Anza II, LLC, a California limited liability company, its Administrative General Partner

By: Chelsea Investment Corporation, a California corporation, its Manager

By: 

Name: Cheri Hoffman

Title: President

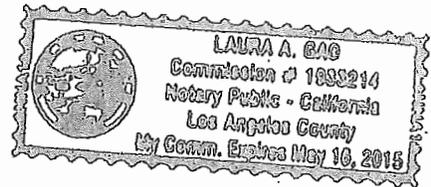
STATE OF CALIFORNIA            )  
  ) ss  
COUNTY OF LOS ANGELES    )

On February 22, 2012 before me, Laura A. Gao, Notary Public, personally appeared Robert W. Laing who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature           *Laura A. Gao*           [SEAL]



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Los Angeles

On February 22, 2012 before me, Laura A. Gao, Notary Public

Here Insert Name and Title of the Officer

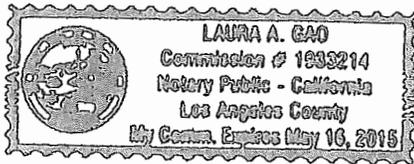
personally appeared Cheri Hoffman

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature: Laura A. Gao  
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: The City of Calexico Home Investment Partnerships Program

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_  Corporate Officer — Title(s): \_\_\_\_\_

Individual  Partner —  Limited  General  Individual  Partner —  Limited  General

Attorney in Fact  Attorney in Fact

Trustee  Trustee

Guardian or Conservator  Guardian or Conservator

Other: \_\_\_\_\_  Other: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signer Is Representing: \_\_\_\_\_ Signer Is Representing: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Exhibit A to Regulatory Agreement

LEGAL DESCRIPTION

PARCEL "A" AS SHOWN ON NOTICE OF LOT MERGER NO. CLX-LM 01-12 AND CERTIFICATE OF COMPLIANCE RECORDED JANUARY 26, 2012 AS INSTRUMENT NO. 2012-001689 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

LOTS 4 THROUGH 7, INCLUSIVE, BLOCK 6 OF BANTA'S SUBDIVISION, IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1 PAGE 22 OF OFFICIAL RECORDS OF THE IMPERIAL COUNTY RECORDER, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 5, BLOCK 6; THENCE NORTH 89°38'54" EAST A DISTANCE OF 149.49 FEET TO THE NORTHEAST CORNER OF SAID LOT 5; THENCE NORTH 89°38'54" EAST A DISTANCE OF 49.83 FEET TO THE NORTHEAST CORNER OF SAID LOT 4, BLOCK 6; THENCE SOUTH 00°01'17" WEST A DISTANCE OF 150.31 FEET TO THE SOUTHEAST CORNER OF SAID LOT 4; THENCE SOUTH 89°44'44" WEST A DISTANCE OF 49.81 FEET TO THE SOUTHWEST CORNER OF SAID LOT 4; THENCE SOUTH 89°44'44" WEST A DISTANCE OF 149.44 FEET TO THE SOUTHWEST CORNER OF SAID LOT 7, BLOCK 6; THENCE NORTH A DISTANCE OF 49.99 FEET TO THE NORTHWEST CORNER OF SAID LOT 7; THENCE NORTH 49.99 FEET TO THE NORTHWEST CORNER OF SAID LOT 6, BLOCK 6; THENCE NORTH 49.99 FEET TO THE POINT OF BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 5.

Exhibit B To Regulatory Agreement

INSURANCE REQUIREMENTS

At close of escrow, the City must receive a one-year prepaid Certificate of Insurance policy (or a binder followed by a certificate within 30 days of loan closing) evidencing the following coverage:

1. HAZARD (PROPERTY)

- Perils: All risk; or Fire & Lightning, Extended Coverage, Vandalism & Malicious Mischief.
- Covered Property: Structure; and All risk contents coverage.
- Amount: Replacement value (or less if approved by City).
- Coinsurance: No less than 90 percent.
- Deductible: \$10,000 maximum deductible per occurrence; or \$1,000 maximum deductible per occurrence if the completed project value is less than \$300,000.
- Endorsement: Lenders Loss Payable Endorsement required insuring the City.

OTHER PROPERTY INSURANCE

- Flood Insurance Coverage required to 80 percent of replacement cost if the property is located in a 100-year flood plain.
- Steam Boiler & Related Machinery: (When applicable) 80 percent of replacement cost coverage is required.

2. COMPREHENSIVE GENERAL LIABILITY

- Minimum Amount: \$1,000,000 per occurrence; or \$2,000,000 per occurrence for buildings with elevators.

3. OTHER COVERAGE

- Workers Compensation: Required by State law if employees are involved.

ALL POLICIES MUST INCLUDE THE FOLLOWING

- Named Insured: Borrower, De Anza II CIC, LP, a California Limited Partnership
- Additional Insured: The City of Calexico and its officers, agents, employees, and servants must be named as additional insured.
- Cancellation Clause: The City must be notified 30 days prior to cancellation of the insurance policy.
- HCD Notification: The City must be notified prior to cancellation or lapse of coverage or in the event of any claim.

The City should be identified on all insurance documents as follows:

City of Calexico  
608 Heber Avenue  
Calexico, CA 92231

Exhibit C To Regulatory Agreement

SPECIAL CONDITIONS

Notwithstanding anything else contained in this Agreement or any other documents applicable to the Loan, throughout the term of the HOME regulatory agreement, unit rents shall not exceed the applicable rents from the Multifamily Housing Program rent chart, or its successor, for the applicable percentage of area median income, as specified in the Loan and Grant Committee Project Report. The breakdown of Assisted Units and the applicable rent and income levels shall be as follows:

# of Bedrooms	30% AMI	40% AMI	50% AMI	Manager	Total	HOME-assisted Units
0/Studio	6	17	30	1	54	41

SYNDICATION PROCEEDS

\$3,098,324

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

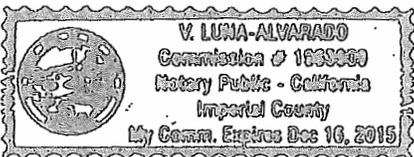
State of California

County of Imperial

On 3/15/12 before me, V. Luna-Alvarado Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Osca B. Rodriguez  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: The City of Calexico Home Regulatory Agreement

Document Date: 2/22/12 Number of Pages: 20

Signer(s) Other Than Named Above: Robert W. Laing and Cheri Hoffman

**Capacity(ies) Claimed by Signer(s)**

- Signer's Name: \_\_\_\_\_
- Individual
  - Corporate Officer — Title(s): \_\_\_\_\_
  - Partner —  Limited  General
  - Attorney in Fact
  - Trustee
  - Guardian or Conservator
  - Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

- Signer's Name: \_\_\_\_\_
- Individual
  - Corporate Officer — Title(s): \_\_\_\_\_
  - Partner —  Limited  General
  - Attorney in Fact
  - Trustee
  - Guardian or Conservator
  - Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

160  
C177E-1

RECORDED REQUEST OF FIRST AMERICAN TITLE  
SUBDIVISION MAPPING DEPARTMENT  
RECORDING REQUESTED BY

Recorded in Official Records,  
IMPERIAL COUNTY  
Doc#: 2013008435  
04/17/2013 02:15 PM

City of Calexico

WHEN RECORDED MAIL TO:

City of Calexico  
608 Heber Avenue  
Calexico, California 92231  
Attention: City Manager

Accom - 6

THE CITY OF CALEXICO

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

REGULATORY AGREEMENT ADDENDUM

LOAN NUMBER 10-HOME-6476

THIS REGULATORY AGREEMENT ADDENDUM (the "Addendum") is made and entered into as of March 1, 2013, by and among, De Anza II CIC, LP, a California limited partnership (the "Borrower"); and the City of Calexico (the "City"), a political subdivision of the State of California.

Recitals

- A. The Borrower is the owner of, or holder of a fee estate in, the real property located in the City of Calexico, County of Imperial, California, and more fully described in Exhibit A (the "Property").
- B. The Borrower and the City have recorded a Regulatory Agreement (the "Regulatory Agreement") dated as of February 2012 and recorded March 19, 2012 as instrument no. 2012-006022 in the official records of Imperial County.
- C. The Borrower has entered into an Amended and Restated Agreement of Limited Partnership dated as of February 10, 2012 to (i) continue the Partnership; (ii) admit USA De Anza II LLC, a Delaware limited liability company to the Partnership as the Investment Partnership and The Richman Group Capital Corporation, a Delaware corporation as the Special Limited Partner; (iii) withdraw the Initial Limited Partner from the Partnership; (iv) reassign Interests in the Partnership; (v) admit Southern California Housing Collaborative, a California nonprofit public benefit corporation as the Class B Limited Partner; and (vi) set forth all of the provisions governing the Partnership.
- D. The Standard Agreement, the Loan Agreement and the Regulatory Agreement, including all exhibits and attachments thereto, are incorporated in full by reference into this Addendum. In the event of any inconsistencies between the terms set forth in the Loan

Agreement or Regulatory Agreement and the terms of this Regulatory Agreement Addendum, the terms of this Regulatory Agreement Addendum shall prevail.

NOW, THEREFORE, the parties hereto agree as follows:

1. Recitals. The foregoing recitals are a part of this Addendum.
2. Insert the following definition into Section 3. Definitions.

“Period of Affordability” means a period of the years as listed below beginning from the date of Project Completion as defined by 24 CFR 92.2 wherein the project must meet the affordability requirements contained herein. The period of years shall consist of the Federal period of affordability (the "Federal Period") and the State period of affordability (the "State Period") which shall run concurrently from the Commencement Date. The Federal Period is a term of 20 years, and the State Period is a term of 55 years. The Federal Period is established by HOME Federal Regulations (the “Final Rule”), 24 CFR 92.254(e), and the State Period is established by HOME Investment Partnership Program Regulations section 8208 in effect as of March 26, 1996.

3. Replace Section 6 with the following:

6. HOME Units. The Project shall have 41 HOME Assisted Units. The breakdown of HOME Assisted Units and income levels shall be as follows:

#Bedrooms	30%	40%	50%	Total
0	6	17	18	41

4. Replace Section 19 in its entirety with the following:

19. Required Reserves.

a. Commencing no later than the end of the second month following the initial occupancy of the Development or such other date as the City shall designate in writing, the Borrower shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally insured financial institution. The Borrower shall make annual deposits from Operating Income to the replacement reserve account in the amount of \$18,014 (\$333.60 per unit per year). The Replacement Reserve shall be maintained at its initial City and HCD approved level for the entire Period of Affordability, as defined herein, and shall not be distributed nor taken from the project when the project is sold or the composition of the limited partnership changes.

Unless otherwise authorized by the City, withdrawals from the Replacement Reserve account shall be made only upon the City’s written approval, which approval shall not be unreasonably withheld or delayed. Should the City fail to take action on a request for an

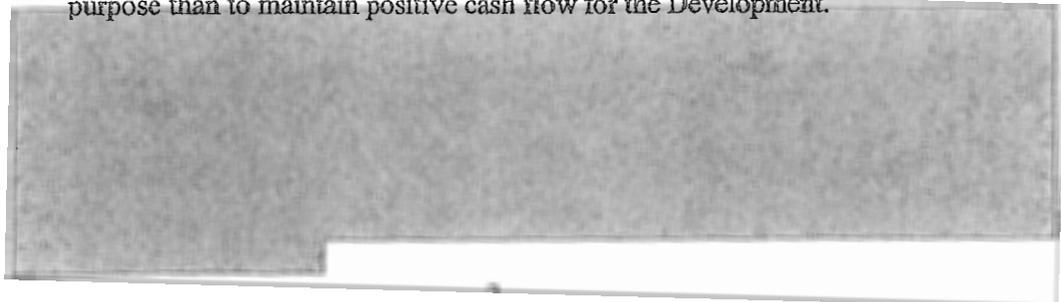
eligible withdrawal from the replacement reserve within thirty (30) days of documented receipt of the request, that request shall be deemed approved. Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Development that are reasonably required to preserve the Project.

b. Commencing no later than the end of the second month following the initial occupancy of the Development, or upon repayment of the construction loan, whichever is earlier, the Borrower shall establish a Capitalized Operating Reserve (Operating Reserve I) account or sub-account within the Project's general operating account. The Borrower shall deposit to said account the amount of \$49,996 to be utilized to maintain positive cash during the Period of Affordability. This Operating Reserve shall only be used after the depletion of the Operating Reserve II account established in Section 19c. below.

The City shall approve or disapprove a request for withdrawal from the operating reserve account within 30 days of receipt of a written request. A written withdrawal request that is not disapproved with in 30 days of receipt shall be deemed approved. Following any withdrawal, the Operating Reserve shall be replenished as provided in the HOME Regulations. This Operating Reserve I shall be the property of the Development and may not be distributed nor taken from the Development when it is sold or the limited partnership composition changes. Operating Reserve I funds may not be disbursed to any person or entity nor used for any other purpose than to maintain positive cash flow for the Development.

c. Commencing no later than the end of the second month following the initial occupancy of the Development, or upon repayment of the construction loan, whichever is earlier, the Borrower shall establish a Capitalized Operating Reserve (Operating Reserve II) account or sub-account within the Project's general operating account. The Borrower shall deposit to said account the amount of \$200,000 to be utilized to maintain positive cash during the Period of Affordability. This Operating Reserve II shall be used first and in its entirety prior to use of the Operating Reserve I established per Section 19b. above.

The City shall approve or disapprove a request for withdrawal from the operating reserve account within 30 days of receipt of a written request. A written withdrawal request that is not disapproved with in 30 days of receipt shall be deemed approved. Withdrawals from this account are not required to be replenished. This Operating Reserve II shall be the property of the Development and may not be distributed nor taken from the Development when it is sold or the limited partnership composition changes. Operating Reserve II funds may not be disbursed to any person or entity nor used for any other purpose than to maintain positive cash flow for the Development.



[REDACTED] on a priority basis prior to payment of the Asset Management Fee, Deferred Developer Fee and any other allowable fees or Distributions.

5. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:

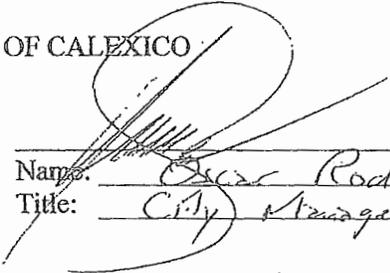
Exhibit A: Legal Description

IN WITNESS WHEREOF, the Borrower and the City have executed this Agreement as of the date first set forth above.

CITY:

CITY OF CALEXICO

By:

  
Name: Oscar Rodriguez

Title: City Manager

BORROWER:

DE ANZA II CIC, LP, a California limited partnership

By: Pacific Southwest Community Development Corporation, a California nonprofit public benefit corporation, its Managing General Partner

By:

  
Name: Robert W. Laing

Title: President / Executive Director

By: CIC De Anza II, LLC, a California limited liability company, its Administrative General Partner

By: Chelsea Investment Corporation, a California corporation, its Manager

By:

  
Name: Cheri Hoffman

Title: President

ACKNOWLEDGMENT

STATE OF CALIFORNIA            }  
COUNTY OF IMPERIAL        }ss.

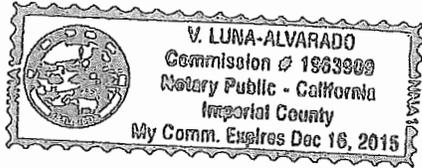
On 3/28/13, before me, V. Luna-Alvarado Notary Public,  
personally appeared Oscar G. Rodriguez,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
SIGNATURE OF NOTARY PUBLIC



ACKNOWLEDGMENT

STATE OF CALIFORNIA }

COUNTY OF SAN DIEGO }

On February 28, 2013 before me,

G.R. Withers, Notary Public, personally appeared

Cheri Hoffman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies) and that ~~his/her/their~~ signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

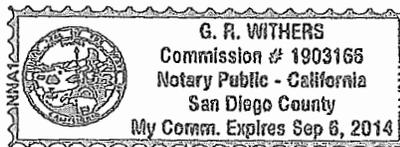
WITNESS my hand and official seal.

Signature

G.R. Withers

My Commission Expires: 9/06/2014

*This area for official notarial seal*



ACKNOWLEDGMENT

STATE OF CALIFORNIA }

COUNTY OF SAN DIEGO }

On March 4, 2013 before me,

G.R. Withers, Notary Public, personally appeared

Robert W. Laing, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies) and that his/~~her~~/~~their~~ signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

G.R. Withers

My Commission Expires: 9/06/2014

*This area for official notarial seal*

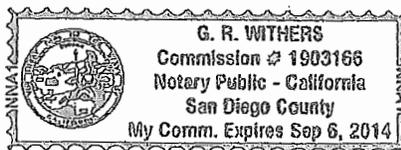


Exhibit A to Regulatory Agreement Addendum

LEGAL DESCRIPTION

The following described property in the City of Calexico, County of Imperial, State of California:

PARCEL "A" AS SHOWN ON NOTICE OF LOT MERGER NO. CLX-LM 01-12 AND CERTIFICATE OF COMPLIANCE RECORDED JANUARY 26, 2012 AS INSTRUMENT NO. 2012-001689 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 4 THROUGH 7, INCLUSIVE, BLOCK 6 OF BANTA'S SUBDIVISION, IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 1, PAGE 22 OF OFFICIAL RECORDS OF THE IMPERIAL COUNTY RECORDER, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 5, BLOCK 6; THENCE NORTH 89°38'54" EAST A DISTANCE OF 149.49 FEET TO THE NORTHEAST CORNER OF SAID LOT 5; THENCE NORTH 89°38'54" EAST A DISTANCE OF 49.83 FEET TO THE NORTHEAST CORNER OF SAID LOT 4, BLOCK 6; THENCE SOUTH 00°01'17" WEST A DISTANCE OF 150.31 FEET TO THE SOUTHEAST CORNER OF SAID LOT 4; THENCE SOUTH 89°44'44" WEST A DISTANCE OF 49.81 FEET TO THE SOUTHWEST CORNER OF SAID LOT 4; THENCE SOUTH 89°44'44" WEST A DISTANCE OF 149.44 FEET TO THE SOUTHWEST CORNER OF SAID LOT 7, BLOCK 6; THENCE NORTH A DISTANCE OF 49.99 FEET TO THE NORTHWEST CORNER OF SAID LOT 7; THENCE NORTH 49.99 FEET TO THE NORTHWEST CORNER OF SAID LOT 6, BLOCK 6; THENCE NORTH 49.99 FEET TO THE POINT OF BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 5.

**ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING**

State Recipient:  City  County of: Calexico HOME Contract #: 10 - HOME - 6476 Project City: Calexico Project County: Imperial  
 Owner Name: ConAm Management Project Name: El Quintero Project Address: 444 Rockwood Avenue Project Zip: 92231  
 Prepared by: Angie Carmona Title of Report Preparer:  manager  agent  owner  Other: \_\_\_\_\_ Date Prepared: 2/22/2016  
 Is this rental project also:  TCAC  HUD 811  HUD 202  USDA-RD  HUD project-based rental assistance  
 Transitional Housing  SRO Housing  Group Housing  Other: \_\_\_\_\_

**RENT DESIGNATION SCHEDULE - Enter the number of HOME-Assisted Units for each rent limit.**

Total # Units: 54 # HOME Units: 41  fixed  floating Owner / Agent NOTE: \_\_\_\_\_

Federal HOME rent limits  
# of HOME units

SRO	group housing- FMR	50% Low	65% High
		41	

State HOME rent limits  
# of HOME units

SRO	group housing- FMR	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
				6		17		18			

See Exhibit B of the HOME Regulatory Agreement

**PLEASE ATTACH THE FOLLOWING DOCUMENTS TO THIS REPORT and select the year(s) attached:**

- COPY OF THE RENT AND INCOME LIMIT CHART(S) USED FOR INCOME CERTIFICATION with effective dates noted select select
- COPY OF THE UTILITY ALLOWANCE SCHEDULE(S) USED FOR INCOME CERTIFICATION (form HUD-52667) with effective date(s) noted select select

**CERTIFICATIONS OF COMPLIANCE**

(for all rental projects)

I certify that the information in this report is true and correct.

1. Owner / Manager signature: \_\_\_\_\_ Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 2/22/2016  
 2. City / County signature: \_\_\_\_\_ Title: El Quintero Assistant Housing Manager Date: 2/22/16

(for rental projects with 5 or more HOME-assisted units)

I certify that at least 20% of the HOME-assisted units are occupied by households with incomes not exceeding 50% AMI and paying rents not exceeding the 50% HOME rent limit.

1. Owner / Manager signature: \_\_\_\_\_ Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 2/22/2016  
 2. City / County signature: \_\_\_\_\_ Title: El Quintero Assistant Housing Manager Date: 2/22/16

(for rental projects funded after September 29, 2003)

not applicable, funded prior to 9/29/2003

I certify that rented vacant units met the minimum occupancy standards of the State's Uniform Multifamily Regulations (Title 25 Division 1 Ch 7 Subch 17 Article 3)

1. Owner / Manager signature: \_\_\_\_\_ Title:  manager  agent  owner  other: \_\_\_\_\_ Date: 2/22/2016  
 2. City / County signature: \_\_\_\_\_ Title: El Quintero Assistant Housing Manager Date: 2/22/16

HOME Occupancy Standards: zero bdrm-1 to 2 people; one bdrm-1 to 4 people; two bdrm-2 to 6 people; three bdrm-4 to 8 people; four bdrm-6 to 10 people; five bdrm-8 to 12 people

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info.		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units				Recertification	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (lesser of FMR or 65% AMI) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (if applicable, enter amount of rental subsidy)	Enter the unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
	zero-studi	50% Low \$507	30% Low \$304	\$240	\$0	\$64	\$304	No		1 person	\$10919	30% VLI	11/30/2012	11/1/2015 select
	zero-studi	50% Low \$507	30% Low \$304	\$240	\$0	\$64	\$304	No		1 person	\$8977	30% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	30% Low \$304	\$240	\$0	\$64	\$304	No		1 person	\$10678	30% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	30% Low \$304	\$240	\$0	\$64	\$304	No		2 persons	\$9600	30% VLI	6/3/2013	6/1/2015 select
	zero-studi	50% Low \$507	30% Low \$304	\$240	\$0	\$64	\$304	No		2 persons	\$10918	30% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	30% Low \$304	\$240	\$0	\$64	\$304	No		1 person	\$21668	30% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10673	40% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10673	40% VLI	1/14/2014	1/1/2016 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		2 persons	\$18209	40% VLI	12/5/2013	12/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10707	40% VLI	3/12/2014	3/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$13364	40% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10673	40% VLI	11/29/2012	11/1/2015 select

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

State of California – HOME PROGRAM

## ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units			Recertification		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (85%) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (if applicable, enter amount of rental subsidy)	Enter the unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu:	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		2 persons	\$10673	40% VLI	11/30/2014	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		2 persons	\$16514	40% VLI	10/7/2013	10/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		2 persons	\$14028	40% VLI	11/30/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		2 persons	\$18473	40% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10676	40% VLI	12/26/2012	12/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10673	40% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$6000	40% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		2 persons	\$10919	40% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10673	40% VLI	11/29/2012	11/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10614	40% VLI	10/24/2014	10/1/2015 select
	zero-studi	50% Low \$507	40% Low \$406	\$342	\$0	\$64	\$406	No		1 person	\$10920	40% VLI	11/30/2012	11/1/2015 select
	zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No		1 person	\$16400	50% VLI	6/12/2015	NEW

Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

State of California – HOME PROGRAM

### ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info		Rent Information for HOME-Assisted Units						Income Information for HOME-Assisted Units				Recertification		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (65%) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (if applicable, enter amount of rental subsidy)	Enter the unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu:	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select Income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No.	Juana Moreno		\$10913	50% VLI	12/21/2012	12/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Raquel Leal		\$10920	50% VLI	11/29/2012	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$292	\$151	\$64	\$507	No	Ramiro Garcia		\$13409	50% VLI	11/30/2012	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Juan M. Lopez		\$15541	50% VLI	3/17/2014	3/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Amparo Chavez		\$10673	50% VLI	2/26/2014	2/1/2016 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Ramon Sanchez		\$9931	50% VLI	2/10/2014	2/1/2016 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Nelly Rodriguez		\$10916	50% VLI	11/30/2012	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Armida Guzman		\$10959	50% VLI	3/8/2013	3/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Leonardo Villanueva		\$11551	50% VLI	3/25/2014	3/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Jose L. Vargas		\$18919	50% VLI	11/25/2014	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No	Jorge Esparza		\$17634	50% VLI	11/29/2012	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$203	\$248	\$64	\$515	No	Amalia Velarde		\$10553	50% VLI	9/24/2014	9/1/2015 NEW	

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

State of California – HOME PROGRAM

### ANNUAL PROJECT COMPLIANCE REPORT: RENTAL HOUSING

This report is to be completed by the project owner or manager

General Info		Rent Information for HOME-Assisted Units							Income Information for HOME-Assisted Units				Recertification	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Enter the HOME Unit #	Select the number of bedrooms for the HOME unit from the drop down menu	FEDERAL HOME RENT LIMIT Select HUD's High (65%) or Low (50%) HOME Rent Limit Amount and enter the corresponding dollar amount (amount includes a utility allowance)	STATE HOME RENT LIMIT Select actual rent limit designation used in certification and enter the corresponding dollar amount (amount includes a utility allowance) <i>See Exhibit B of the HOME Regulatory Agreement</i>	Enter the Tenant's Share of Rent	RENTAL ASSISTANCE (if applicable, enter amount of rental subsidy)	Enter the unit's Utility Allowance (U/A)	Enter the Total of Columns (E+F+G)	Does the total in (H) exceed the amount in (C) or (D)? Select from the drop down menu:	Enter the Tenant (head-of house) Name	Select the Number of persons in the Household from the drop down menu:	ANNUAL GROSS INCOME  Enter the ACTUAL certified Household Income	INCOME LIMIT %  Select income level of household from the drop down menu:	Enter the Initial Occupancy Date  (date field formatted)	Enter the Eff. Date of Last "Annual" Income Certification  (date field formatted)
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No		2 persons	\$18204	50% VLI	11/30/2012	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$173	\$278	\$64	\$515	No		1 person	\$10913	50% VLI	1/31/2014	1/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No		1 person	\$10918	50% VLI	11/30/2012	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No		1 person	\$10924	50% VLI	11/30/2012	11/1/2015 select	
zero-studi	50% Low \$507	50% Low \$507	\$443	\$0	\$64	\$507	No		2 persons	\$13204	50% VLI	11/30/2012	11/1/2015 select	
select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select	
select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select	
select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select	
select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select	
select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select	
select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select	
select	select \$	select \$	\$	\$	\$	\$	select		select	\$	select		select	

NOTE: Columns C and D: If a single-room occupancy (SRO) unit has neither kitchen nor bathroom, or only one, select "SRO FMR limit" and enter the appropriate amount (75% of FMR for 0 bdrm unit)

NOTE: Columns C and D: group home rents are based on the FMR for the unit size; select "group housing FMR" and enter the appropriate amount

NOTE: Columns C and D: the "Rent Limit Amount" entered should reflect the same year in column O "Date of Last Annual Income Certification."

NOTE: Column I definitions: Yes-OOC (out of compliance); Yes-OI (over income); Yes-PBRA (project based rental assistance)

**VillaPrimavera**

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608 Heber Avenue  
Calexico, California 92231  
Attention: City Manager  
3788898-6

THE CITY OF CALEXICO

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

REGULATORY AGREEMENT

LOAN NUMBER 13-HOME-8612

THIS REGULATORY AGREEMENT (the "Agreement") is made and entered into as of November 1, 2014, by and among, Villa Primavera CIC, LP, a California limited partnership (the "Borrower"); and the City of Calexico (the "City"), a political subdivision of the State of California.

Recitals

- A. The Borrower is or will be the owner of, or holder of a fee estate in, the real property located in the City of Calexico, County of Imperial, California, and more fully described in Exhibit A (the "Property").
- B. The Borrower has proposed to develop the Property by constructing thereon a 48-unit rental housing development of which 47 units will be Assisted Units to be occupied by low and very low income households (the "Development" or the "Project").
- C. The Development will be financed in whole or in part and regulated by a construction and permanent loan from the City of Calexico in a principal amount not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) (the "Loan") from the Home Investment Partnerships Program (the "HOME Program"). The Loan will be provided to Borrower by the City of Calexico in accordance with 42 USC 12741 et seq., 24 CFR Part 92, California Health and Safety Section 50896 and Title 25, California Code of Regulations, Sections 8200 through 8220, (together, the "HOME Regulations"). In consideration of the City of Calexico's commitment to make the Loan, the City of Calexico and the California Department of Housing and Community Development (the "Department") have entered into a Standard Agreement No. 13-HOME-8612, as amended (the "Standard Agreement").

- D. The proceeds of the loan shall be disbursed, used and governed by a Loan Agreement by and among the City and Borrower dated as of the date hereof (the "Loan Agreement").
- E. The Standard Agreement and the Loan Agreement, including all exhibits and attachments thereto, are incorporated in full by reference into this Agreement. In the event of any inconsistencies between the terms set forth in the Loan Agreement and the terms of this Regulatory Agreement, the terms of this Regulatory Agreement shall prevail.
- F. Borrower agrees to abide by all provisions of the Standard Agreement and the Loan Agreement with respect to the Development and Borrower shall execute a promissory note evidencing its obligation to repay the Loan (the "Note") and a deed of trust in favor of the City to be recorded against the Property securing repayment of the Note (the "Deed of Trust"), Borrower agrees to be bound by all terms and conditions of the Note and Deed of Trust, the Standard Agreement, the Loan Agreement and this Agreement. These Documents are collectively referred to herein as the "Loan Documents".
- G. As further consideration for the Loan and in furtherance of the purposes of the HOME Program, Borrower has agreed to enter into this Agreement. The purpose of this Agreement is to regulate and restrict occupancy, rents, operations, ownership and management of the Development in compliance with the requirements of the HOME Program.

NOW, THEREFORE, the parties hereto agree as follows:

1. Recitals. The foregoing recitals are a part of this Agreement.
2. Property. The Development will be located on the Property identified in Exhibit A attached hereto.
3. Definitions. Unless the context requires otherwise, the terms used in this Agreement shall be governed by the definitions set forth in 24 CFR Part 92, and 25 California Code of Regulations Section 8201. All references to code sections refer to Title 25 of the California Code of Regulations, unless otherwise noted.

For the purposes of this Agreement the following additional definitions shall apply:

- a. "Assisted Unit" means a dwelling unit, the construction of which was assisted with proceeds of the Loan. All Assisted Units shall be floating units, meaning that the designated Assisted Units may change over time as long as the total number of Assisted Units in the Development remains constant. There are 47 floating Assisted Units in the Project.
- b. "Eligible Households" means Low Income Households or Very Low-Income households.
- c. "Fiscal Integrity" means that the total of Operating Income plus funds released pursuant to this Agreement from the operating reserve account is sufficient to (1) pay all current Operating Expenses, (2) pay all current approved debt service, (3)

- fully fund for at least twelve consecutive months all reserves established and required to be funded from operations pursuant to this Agreement, and (4) pay other extraordinary costs permitted by this Agreement and the other financing documents. The ability to pay any or all of the annual permitted distribution shall not be considered in determining fiscal integrity.
- d. "HOME Rents" means rents calculated annually by the Federal Department of Housing and Urban Development ("HUD") and are:
- (1) The lesser of the Fair Market Rents or a rent that does not exceed 30 percent of 60 percent of area median income (High HOME Rents); or
  - (2) 30 percent of 50 percent of area median income (Low HOME Rents).
- e. "Initial Operating Year" means the first year of operations, or portion thereof, of the newly constructed rental housing development beginning at the time of initial occupancy of an assisted unit and ending on the last day of the fiscal year of the Development.
- f. "Low Income Household" means persons or families whose incomes (at the time of initial occupancy) are 80 percent or less of the area median income as determined by the Department of Housing and Urban Development (HUD).
- g. "Operating Expenses" means the amount approved by the City that is necessary to pay for the essential recurring expenses of the Development, including, but not limited to utilities, maintenance, management, taxes, licenses, and mandatory direct or supportive tenant services but not including debt service, required reserve account deposits, or costs for voluntary direct or supportive tenant services.
- h. "Operating Income" means all income generated in connection with operation of the rental housing development including rental income from assisted and non-assisted units, rental income from nonresidential space, laundry or equipment rental fees, rental subsidy payments, and interest on any accounts related to the rental housing development. "Operating Income" does not include tenant security and equipment deposits, payments received from voluntary direct or supportive tenant services, or tax benefits received by the sponsor.
- i. "Period of Affordability" means a period of the years as listed below beginning from the date of Project Completion as defined by 24 CFR 92.2 wherein the project must meet the affordability requirements contained herein. The period of years shall consist of the Federal period of affordability (the "Federal Period") and the State period of affordability (the "State Period") which shall run concurrently from the Commencement Date. The Federal Period is a term of 20 years, and the State Period is a term of 55 years. The Federal Period is established by HOME Federal Regulations (the "Final Rule"), 24 CFR 92.254(e), and the State Period is established by HOME Investment Partnership Program Regulations Section 8208 in effect as of March 26, 1996.

- j. "Rent" means all charges, other than deposits, paid by the tenant for the use and occupancy of an assisted unit and any mandatory charge for direct or supportive tenant services in a rental housing development, including a utility allowance in an amount determined by either (i) HUD, or (ii) the California Utility Allowance Calculator and approved by the California Tax Credit Allocation Committee.
- k. "Residual Receipts" means project funds remaining after payment of expenses as described in items 1 through 6 of Paragraph 21.b.
- l. "Very Low-Income Household" means low-income persons or families whose incomes are 50 percent or less of the area median income as determined by HUD.

4. Compliance with Program Requirements

- a. The Borrower agrees that at all times its acts regarding the Development and the use of funds provided herein shall be in conformity with all provisions of the HOME Program including the statutes, the HOME Regulations and such policies and procedures of the Department and of HUD pertaining thereto. The Borrower acknowledges that it is familiar with such applicable provisions and has been professionally advised to the extent necessary for the purpose of enabling the Borrower to fully comply with such provisions.
- b. The financial assistance provided under the HOME Program is governed by 24 CFR Part 92. With respect to the assistance, Borrower agrees to comply with all requirements and obligations as described in 24 CFR Part 92, as well as all provisions governing the use of HOME funds. Borrower agrees to comply with the directives of the City as necessary to ensure compliance with the obligations of the City as set forth in its agreements with HUD regarding the use of HOME funds.
- c. Allocation of HOME Funds. Any change in the allocation of HOME funds as submitted to and approved by the City and the HOME Program at HOME Set-Up must be approved in advance by the City. The City shall have 30 days from the receipt of requested changes to approve or disapprove changes to the allocation of HOME funds or adding or removing line items to be funded by HOME. The failure of the City to approve or disapprove of the changes within the time frames described above shall be deemed to be an approval of the changes.
- d. Changes in the Work to be Performed (Change Orders). No Change Orders that increase the overall contract price shall be allowed unless specifically stated in writing by the Owner or general contractor for the Development ("Contractor") and the City. Except for the purpose of being protected against an emergency endangering life or property, the Contractor shall make no changes that would increase the overall contract price unless pursuant to a written order from the Owner/Contractor and the City authorizing the change. No claim for an adjustment of contract price will be valid unless so approved in writing and in accordance with applicable law, including the Calexico Municipal Code.

Any Change Order shall include in its final form a detailed description of the proposed change in the work, a definitive statement as to the resulting change in the contract price and/or time of completion and the statement that all work involved in the changes are allowable under the HOME Investment Partnerships Program guidelines, and in accordance with the contract requirements except as modified by the Change Order.

All Change Order requests shall be submitted to both the City Manager and the City Clerk in writing and the City shall have 15 days from the receipt of the requested Change Order to approve or disapprove said Change Order requests. Notwithstanding the foregoing, in no event shall the City funding for the contract exceed the Loan amount.

5. Term of Agreement. The term of this Agreement shall be for a period of the years as listed below beginning from the date of Project Completion as defined by 24 CFR 92.2 wherein the project must meet the affordability requirements contained herein. The period of years shall consist of the Federal period of affordability (the "Federal Period") and the State period of affordability (the "State Period") which shall run concurrently from the Commencement Date. The Federal Period is a term of 20 years, and the State Period is a term of 55 years. The Federal Period is established by HOME Federal Regulations (the "Final Rule"), 24 CFR 92.254(e), and the State Period is established by HOME Investment Partnership Program Regulations Section 8208 in effect as of March 26, 1996.

6. HOME Units. The Project shall have 47 HOME Assisted Units. The breakdown of HOME Assisted Units and income levels shall be as follows:

#Bedrooms	30%	40%	50%	60%	Total
0	0	0	0	0	0
1	2	6	4	0	12
2	2	9	6	3	20
3	3	3	6	3	15
Totals	7	18	16	6	47

7. Tenant Selection Standards. Borrower shall rent Assisted Units in the Development only to Eligible Households in accordance with the Management Plan approved by and on file with the City pursuant to Paragraph 14 of this Agreement. Such Management Plan may be periodically altered and such alteration must be submitted to and approved by the City prior to use. At all times, 20 percent of the Assisted Units must be rented to Very Low-Income households and, for the first year of initial occupancy, no less than 87 percent of the Assisted Units shall be occupied by households whose incomes are at 50 percent and

below of area median income as determined by HUD. The Management Plan shall among other things: (1) detail actions to be taken by Borrower to affirmatively market vacant units in a manner which ensures equal access to all persons in any category protected by federal, state or local laws governing discrimination, and regardless of any arbitrary factor; (2) specify reasonable criteria for determination of tenant eligibility, including household size in accordance with the minimum occupancy standard specified in the HOME Regulations; (3) require that eligible tenants be selected based on order of applications, lottery, or other reasonable method approved by the City; (4) specify procedures through which tenant applicants deemed to be ineligible shall be notified of the reason for their ineligibility and may appeal this determination; (5) require maintenance of a waiting list of eligible applicants; and (6) specify procedures for obtaining information regarding prospective tenants' incomes as necessary to certify that such income does not exceed the lower or very low-income limit.

8. Nondiscrimination. Borrower shall not discriminate against any tenant or prospective tenant on the basis of race, religion, sex, age, disability, marital status, nor any other arbitrary factor in violation of any state, federal or local law governing discrimination in rental housing.

9. Rental Agreement and Occupancy Procedures (the "Lease").

a. Each eligible household selected to occupy a unit in the Development shall enter into a written rental agreement with the Borrower on a form approved by the City containing such provisions as are required by the HOME Regulations. The Lease shall be for a term of not less than one year unless by mutual agreement between tenant and owner.

b. The Lease may not contain any of the following provisions:

(1) Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Borrower or the City in a lawsuit brought in connection with the lease;

(2) Agreement by the tenant that the Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The Borrower may dispose of this personal property in accordance with state law;

(3) Agreement by the tenant not to hold the Borrower or Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) Agreement of the tenant that the Borrower or Borrower's agent may institute a lawsuit without notice to the tenant;

- (5) Agreement by the tenant that the Borrower or Borrower's agent may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
  - (6) Agreement by the tenant to waive any right to a trial by jury;
  - (7) Agreement by the tenant to waive tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
  - (8) Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- c. The Borrower shall establish reasonable rules of conduct and occupancy. Such rules shall be consistent with state law and the HOME Regulations. Said rules shall be in writing and shall be given to each tenant upon occupancy. Any change shall become effective no fewer than 30 days after giving written notice thereof to each household.
  - d. The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the Lease; for violation of tenancy period; or for other good cause. Any termination or refusal to renew a Lease shall be by the Borrower's service upon the tenant of a written notice in compliance with State law and specifying the grounds for the action.
  - e. The Borrower shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

10. Rents.

- a. For all Assisted Units, Rents shall not exceed High HOME Rents less a utility allowance. For Assisted Units that are set-aside for Very Low-Income Households, HOME rents shall not exceed Low HOME Rents less a utility allowance.
- b. A minimum of 20 percent of all Assisted Units shall be occupied by Very Low-Income Households at Rents that are no greater than the Low HOME Rents less a utility allowance.
- c. Any household certified as an Eligible Household upon occupancy but whose income increases above the eligibility level must pay as Rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted monthly income; except that, Assisted Units subject to low-income tax credit rules under Section 42 of the Internal Revenue Code shall be governed by such rules.

11. Security Deposits.

- a. Security deposits shall be required of tenants only in accordance with State law and this Agreement.
- b. Any security deposits collected by the Borrower or Borrower's agent shall be kept separate and apart from all other funds of the Development in a trust account with a depository insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or other comparable federal deposit insurance program, and shall be held and disbursed in accordance with State law. The balance of such account shall at all times equal or exceed the aggregate of all outstanding obligations under said account, plus accrued interest thereon.

12. Certification of Tenant Income and Household Size.

- a. The income and household size of all households occupying Assisted Units shall be certified by the Borrower prior to occupancy and re-certified annually thereafter in a manner approved by the City and specified in the Development's Management Plan.
- b. If the income of a tenant upon re-certification exceeds the upper limit for Low Income Households, and there are no other requirements statutorily imposed by another federal or State funding source or tax credit program, that tenant shall not have its Lease terminated as a result thereof, but shall be charged Rents as provided in Paragraph 10.c.
- c. Where a household occupying a unit designated for occupancy by a Very Low Income Household no longer so qualifies at the time of re-certification, but qualifies as an otherwise Eligible Household, the rents appropriate for that income level shall be charged.

13. Assisted Unit Substitutions.

- a. If, upon re-certification, the income of a household occupying an Assisted Unit reserved for occupancy by Low Income Households exceeds the upper limit for said Unit, the Borrower may designate this household's unit as non-assisted, provided that all of the following conditions are satisfied:
  - (1) Not later than the date the Borrower designates the unit as non-assisted, the Borrower also makes available a comparable vacant unit previously designated as non-assisted to be designated as an Assisted Unit, or designates a previously non-assisted unit occupied by a Low Income Household as an Assisted Unit, or agrees to occupy the next available unit with a Low Income Household; and
  - (2) The rent charged for the newly designated Assisted Unit will not exceed the high HOME Rent.

b. Where a household occupying an Assisted Unit reserved for occupancy by Very Low-Income Households no longer qualifies as Very Low-Income at the time of re-certification, but qualifies as a Low Income Household, the following shall apply: Borrower shall designate the unit as an assisted unit for Low Income Households

- (1) Borrower may increase the household's Rent up to the High HOME Rent;
- (2) Borrower shall designate the next available comparable Assisted Unit reserved for Low Income Households as an Assisted Unit reserved for Very Low-Income Households; and
- (3) The Rent charged for the newly designated Assisted Unit reserved for Very Low-Income Households shall not exceed the Low HOME Rent.

14. Maintenance and Management.

- a. Borrower is specifically responsible for all maintenance, repair, and management functions for the Development, including without limitation, selection of tenants, re-certification of household income and size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower shall maintain units and common areas in a safe and sanitary manner in accordance with local health, building, and housing codes, HUD housing quality standards pursuant to 24 CFR Section 982.401, and shall file and implement the Management Plan described in Paragraph 7, above.
- b. Borrower may, with the prior written approval of the City, contract with a management agent for the performance of the services or duties required in paragraph (a). However, such an arrangement does not relieve the Borrower of responsibility for proper performance of these duties. Such contract shall contain a provision allowing the Borrower to terminate the contract without penalty upon no more than thirty days (30) notice. Upon a determination by the City, and notice to the Borrower thereof that the contractor has failed to operate the Development in accordance with this Agreement and the Management Plan, the Borrower shall exercise such right of termination forthwith and shall make immediate arrangements, which shall be subject to City approval, for continuing performance of the requirements of this Agreement.
- c. Upon a determination by the City, and notice to the Borrower thereof, that the Borrower has failed to operate the Development in accordance with this Agreement, the City may require the Borrower, at Borrower's sole cost, to contract with a management agent to operate the Development, or to make such other arrangements as the City deems necessary to ensure performance of the requirements of this Agreement.

15. Hazard and Liability Insurance.

- a. The Borrower shall at all times keep the Development insured against loss by fire, flood, and such other hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as set forth in Exhibit B, attached and made a part hereof. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the City. Property insurance policies shall name the City as an additional loss payee and liability insurance policies shall name the City as additionally insured, as approved by the City.
  - b. Insurance proceeds and condemnation awards for any loss to or taking of the Development, or any portion thereof, shall be applied or utilized by Borrower as provided in the Deed of Trust executed by Borrower and referred to in the Recitals hereof.
16. Annual Report. The Borrower shall file with the City an annual report, as required by 24 CFR part 92 and 25 Cal. Code of Regulations, Section 8216 no later than 120 days after the end of each fiscal year as established for the Development pursuant to Paragraph 18.a. of this Agreement. The report shall contain a certification by the Borrower as to such information as the City may then require including, but not limited to the following:
- a. The fiscal condition of the Development, including a financial statement for the previous fiscal year that includes a balance sheet and a profit and loss statement indicating any surplus or deficit in operating accounts; a detailed itemized listing of income and expenses; the amounts of any fiscal reserves and the total amount of Residual Receipts received. Such financial statement shall be prepared in accordance with the requirements of the City. The City may require that the financial statement be audited at the Borrower's expense by an independent certified public accountant acceptable to the City or other person designed by the City.
  - b. The substantial physical defects in the Project, including a description of any major repair or maintenance work undertaken or needed in the previous and current fiscal years. Such statement shall describe what steps the Borrower has taken in order to maintain the Project in a safe and sanitary condition in accordance with applicable housing and building codes.
  - c. The occupancy of the Development indicating:
    - (1) The verified income of each current household; and
    - (2) The current rents charged each household and whether these rents include utilities.
  - d. General management performance, including tenant relations and other relevant information.
  - e. A summary of the information received from the re-certification of tenants' incomes.

- f. Evidence of a currently paid hazard and flood insurance policy, with loss payable to the City in the amounts specified in Exhibit B.
- g. Evidence of a currently paid liability insurance policy, naming the City as an additional loss payee in the amounts specified in Exhibit B.
- h. Other information reasonably required by the City.

17. Review and Inspections.

- a. Upon not less than 48 hours' notice to the Borrower, the City or its designee may, at any time during the term of the loan, enter and inspect the physical premises and inspect all accounting records pertaining to the construction or operation of the Development. Upon request by the City, the Borrower shall notify occupants of upcoming inspections of their units in accordance with State Law.
- b. The City may perform or cause to be performed audits of any and all phases of the Borrower's activities related to the Development. At the City's request, the Borrower shall provide, at its own expense, an audit of the financial condition of the project certified by an independent certified public accountant.
- c. The City may request any other information that it deems necessary to monitor compliance with requirements set forth in this Agreement and the Standard Agreement. The Borrower shall promptly provide such information.

18. Annual Operating Budget.

- a. The fiscal year for the Development shall commence on January 1 and conclude on December 31.
- b. No later than 60 days prior to the beginning of each subsequent fiscal year of the Development, the Borrower shall submit to the City a proposed annual operating budget on a form provided by the City. The proposed annual operating budget shall set forth the Borrower's estimate of the Development's income, operating expenses and debt service for the upcoming year, reserves, proposed rent adjustments, and a year-to-date operating statement. Annual operating budgets and rent adjustments are subject to approval by the City, which approval shall not be unreasonably withheld or delayed.
- c. Annual operating budgets are subject to written approval by the City. Increases of five percent (5%) or less in the total operating budget and increases in specific operating expense categories (i.e. renting expenses, administrative expenses, utility expenses, operations and maintenance expenses, taxes and insurance expenses) of five percent (5%) or less shall be deemed approved by the City. Borrower shall operate the Development in accordance with the approved annual budget.

- d. Annual rent adjustments are subject to written approval by the City. For the projects approved by the City using high HOME rents, rent increases that do not exceed the upper limits for High HOME rents less a utility allowance shall be deemed approved by the City. For projects approved by the City using Low HOME rents less a utility allowance, rent increases that do not exceed the upper limits for low HOME rents shall be deemed approved by the City. For projects approved by the City using rents below low HOME rents, rent increases, which do not exceed the most recently published annual Labor Statistics Consumer Price Index, Residential Rent for All Urban Consumers for the West (CPI) shall be deemed approved by the City. In the event this particular CPI index is no longer published, the City shall select a similar index for this purpose.

Within 60 days of the date that all senior loans to the Project have converted to permanent financing, and each year thereafter that this Agreement is in effect, Borrower shall submit an updated California Utility Allowance Calculator calculation ("CUAC") to the City to establish the Utility Allowance for the following year, said year beginning within 60 days of submission of the updated CUAC to the City.

- e. Borrower shall operate the Development in accordance with the First-Year Operating Budget approved by and on file with the City. Such budget shall show all anticipated income, debt service and expenses for management, operations, reserves and maintenance for the first fiscal year or portion thereof following initial occupancy.

19. Required Reserves.

- a. Commencing no later than the end of the second month following the initial occupancy of the Development or such other date as the City shall designate in writing, the Borrower shall establish a segregated interest-bearing replacement reserve account in an F.D.I.C. or other comparable federally insured financial institution. The Borrower shall make annual deposits from Operating Income to the replacement reserve account in the amount of \$28,800 (\$600.00 per unit per year). The Replacement Reserve shall be maintained at its initial City and HCD approved level for the entire Period of Affordability, as defined herein, and shall not be distributed nor taken from the project when the project is sold or the composition of the limited partnership changes.

Unless otherwise authorized by the City, withdrawals from the Replacement Reserve account shall be made only upon the City's written approval, which approval shall not be unreasonably withheld or delayed. Should the City fail to take action on a request for an eligible withdrawal from the replacement reserve within thirty (30) days of documented receipt of the request, that request shall be deemed approved. Withdrawals shall only be made for capital improvements, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Development that are reasonably required to preserve the Project.

- b. Commencing no later than the end of the second month following the initial occupancy of the Development, or upon repayment of the construction loan, whichever is earlier, the Borrower shall establish a Capitalized Operating Reserve (Operating Reserve I) account or sub-account within the Project's general operating account. The Borrower shall deposit to said account the amount of \$68,173 to be utilized to maintain positive cash during the Period of Affordability. This Operating Reserve I shall only be used after the depletion of the Operating Reserve II account established in Paragraph 19.c. below.

The City shall approve or disapprove a request for withdrawal from the operating reserve account within 30 days of receipt of a written request. A written withdrawal request that is not disapproved within 30 days of receipt shall be deemed approved. Following any withdrawal, the Operating Reserve I shall be replenished from cash flow prior to the payment of any unpaid developer fee in accordance with the terms and conditions of that certain Amended and Restated Agreement of Limited Partnership of the Borrower dated as of September 30, 2014, as amended (collectively, the "Partnership Agreement"). This Operating Reserve I shall be the property of the Development and may not be distributed nor taken from the Development when it is sold or the limited partnership composition changes. Operating Reserve I funds may not be disbursed to any person or entity nor used for any other purpose than to maintain positive cash flow for the Development.

- c. Commencing no later than the end of the second month following the initial occupancy of the Development, or upon repayment of the construction loan, whichever is earlier, the Borrower shall establish a Capitalized Operating Reserve (Operating Reserve II) account or sub-account within the Project's general operating account. The Borrower shall deposit to said account the amount of \$200,000 to be utilized to maintain positive cash during the Period of Affordability. This Operating Reserve II shall be used first and in its entirety prior to use of the Operating Reserve I established per Paragraph 19.b. above.

The Development will be financed in whole or in part and regulated by a permanent loan from the Department of Housing & Community Development (the "DHCD") in a principal amount not to exceed Two Million Seven Hundred Ninety Thousand Dollars (\$2,790,000) (the "MHP Loan").

The DHCD shall approve or disapprove a request for withdrawal from the operating reserve account within 30 days of receipt of a written request. A written withdrawal request that is not disapproved within 30 days of receipt shall be deemed approved. Withdrawals from this account are not required to be replenished. This Operating Reserve II shall be the property of the Development and may not be distributed nor taken from the Development when it is sold or the limited partnership composition changes. Operating Reserve II funds may not be disbursed to any person or entity nor used for any other purpose than to maintain positive cash flow for the Development.

The DHCD will monitor the Operating Reserve II account and may modify its determination as to the continued necessity or funding level of the account and may: (a) determine that the Operating Reserve II account is no longer necessary or the funding level is excessive and require funds to be used for project costs or to pay down residual receipt loans, or; (b) require that the Operating Reserve II account be maintained and continue to operate as set up herein. The Operating Reserve II may not be eliminated nor reduced below the initial funding level of \$200,000 prior to Year 16; provided, however, subject to the prior approval of the DHCD and CREA SLP, LLC, the Operating Reserve II account may be reduced below the initial funding level during the Compliance Period (as defined in the Partnership Agreement), without any requirements that the Operating Reserve II account be replenished by the Borrower.

20. Accounting Records. In a manner subject to City approval, Borrower shall maintain on an accrual or modified accrual basis, a general ledger accounting system that is posted monthly and that accurately and fully shows all assets, liabilities, income and expenses of the Development. All records and books relating to this system shall be kept for a period of at least seven years and in such a manner as to ensure that the records are reasonably protected from destruction or tampering. All records shall be subject to City inspection and audit.

21. Use of Income from Operations.

- a. The Borrower, or Borrower's management agent, shall promptly deposit all Operating Income in a segregated account controlled by the Borrower established exclusively for the Development with an F.D.I.C. or other comparable federally-insured financial institution.
- b. Withdrawals from the account shall be made only in accordance with the provisions of this Agreement, and the approved budget, and shall be disbursed, applied, or reserved and set aside for payment when due, in the following priority, to the extent available: (1) salaries, wages, and any other compensation due and payable to the employees or agents of the Borrower employed on site in connection with the maintenance, administration or operation of the Development, along with all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required in connection with such employees; (2) all charges incurred in the operation of the Development in connection with utilities, real estate taxes and assessments, and liability, fire and other hazard insurance; (3) payments of required interest, principal, impounds, fees and charges, if any, on senior loans other than the Loan and other residual receipts loans which are secured by liens on the Property and which have been approved by the City; (4) all other expenses incurred to cover operating costs, including the fee of the managing agent and any extraordinary expenses, in accordance with the approved annual operating budget of the Development or as otherwise approved in advance by the City; (5) deposits to operating and replacement reserve accounts in amounts required under this Agreement or under the other financing documents and (6) payments as specified in items First

through Sixth of Section 4.1(a) of the Borrower's Amended and Restated Agreement of Limited Partnership. The Borrower may depart from the foregoing priorities of payment only upon the express written approval of the City, which approval will not be unreasonably withheld or delayed.

- c. To the extent the Loan remains outstanding, the balance of Operating Income remaining after the payments described in Paragraph 21.b. above shall be deemed Residual Receipts to be paid and applied as provided in Paragraph 23 below.

22. Non-assisted Units and Common Areas.

- a. Borrower shall establish and implement a rent structure for non-assisted residential units that ensure the fiscal integrity of the Development. Borrower shall estimate all income and expenses attributable to the non-assisted units in the annual operating budget described in Paragraph 18 herein, and shall report all income and expenses attributable to non-assisted units in the Annual Report described in Paragraph 16 herein.
- b. Borrower shall maintain and repair both assisted and non-assisted units equally without regard to their designation as assisted or non-assisted.
- c. Tenant selection practices for non-assisted units shall comply with State and federal nondiscrimination laws.
- d. The exterior walls, windows, lighting, walkways, mailboxes, landscaping, nonresidential space, and other common areas of the Development shall be safe, clean, well maintained, and in good working order.

23. Residual Receipts and Distributions.

- a. Twenty-eight and fifty hundredths percent (28.50%) of Residual Receipts shall be applied to the Loan.
- b. "Distributions" shall refer to any amounts remaining after payment in full of expenses as provided in Paragraph 21.b. and 23.a. above. Distributions shall be available to be distributed to, or retained by, the Borrower or any party having a beneficial interest in Borrower or the Development.
- c. Borrower shall receive Distributions only once for each fiscal year of the Development and only upon approval by the City of the Annual Report submitted for that year in accordance with Paragraph 16, which approval shall not be unreasonably withheld or delayed.
- d. No distribution shall made to Borrower in the following circumstances:
  - (1) When written notice of default has been issued by any entity with an equitable or beneficial interest in the Development and not subsequently withdrawn;

- (2) When the City determines that the Borrower or the Borrower's management agent has failed to comply in any material respect with the City's written notice of any reasonable requirement for proper maintenance of the Development;
- (3) If all currently required debt service and operating expenses have not been paid prior to delinquency; or
- (4) If the replacement reserves account or other reserve accounts are not fully funded pursuant to this Agreement.

24. Restrictions on Sale, Encumbrance, and Other Acts.

- a. Except as permitted in Section 2.9 of the Loan Agreement, the Borrower shall not make any sale, encumbrance, hypothecations, assignment, refinancing, pledge, conveyance, or transfer in any other form of the Property or the Development or of any of its interest therein, except with the prior written approval of the City.
- b. After completion of construction, and other than routine maintenance, the Borrower shall not add to, remodel, remove, reconstruct, or demolish any part of the Development without the prior written approval of the City.
- c. The Borrower shall not permit the use of the Development for any purpose other than that permitted by this Agreement without the prior written approval of the City.
- d. The Borrower shall not incur any liability or obligation in connection with the Development, other than for current operating, management and maintenance costs and for the indebtedness evidenced by the Note nor incur any liability, charge, assessment, or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrance on the Property or the Development, without the prior written approval of the City. The City may permit refinancing or additional financing secured by the Development only to the extent necessary to maintain or improve the Development's fiscal integrity, improve financial condition, or to maintain affordable rents.
- e. The Borrower shall not enter into any contract relating to rehabilitating or managing the Development, except as authorized by the City.
- f. Borrower shall not enter into any Lease for more than a single rental unit, ground lease of the Development or any interest therein without prior written approval of the City. The City may require that such lease allow for termination for cause within 30 days upon request by the City.
- g. If the Borrower is a partnership, it shall not discharge or replace any general partner (except as permitted under its partnership agreement) or amend, modify or add to its partnership agreement without prior written City approval, except that it may transfer or sell limited partnership interests, either directly or indirectly,

without such approval. Notwithstanding the foregoing, City approval is not required for (i) transfers of general partner interests in the Borrower to one or more of the limited partners of Borrower or any affiliate thereof in accordance with the terms of the Partnership Agreement, or (ii) replacement of the non-profit general partner of Borrower with another qualified non-profit general partner in accordance with the terms of the Partnership Agreement.

h. The City shall approve a sale, transfer or conveyance provided that all of the following conditions are met:

- (1) The existing Borrower is in compliance with this Agreement or the sale, transfer or conveyance will result in the cure of any existing violations of the Agreement;
- (2) The successor-in-interest to the Borrower agrees to assume all obligations of the existing Borrower pursuant to this Agreement and the Program.
- (3) The successor-in-interest demonstrates to the City's satisfaction that it can own and operate the Development in full compliance with all Program requirements; and
- (4) Any terms of the sale, transfer or conveyance shall not threaten the City's security or the successor's ability to comply with all requirements of the HOME Program and this Agreement.

i. The City shall grant its approval for a sale, transfer or conveyance subject to such terms and conditions as may be necessary to preserve or establish the Fiscal Integrity of the Development and to ensure compliance with HOME Program requirements and this Agreement. Such conditions may include the deposit of sales proceeds, or a portion thereof, to maintain required reserves or to offset negative cash flow, the recapture of syndication proceeds or other funds such other conditions as may be necessary to ensure compliance with the Program requirements.

25. Use of Syndication Proceeds. Borrower shall allocate, distribute and pay all net syndication proceeds described in Exhibit C in accordance with the Amended and Restated Agreement of Limited Partnership of Borrower. The City may approve, in writing, future syndications of the Development where it determines that such syndication is in the best interest of the Development. All syndication proceeds not identified in Exhibit C shall be distributed only as approved in writing by the City.

26. Violation of Regulatory Agreement by Borrower.

a. In the event of a breach or violation of the provisions of this Agreement, the City shall give written notice to the Borrower and Borrower's limited partner thereof by certified mail or any express delivery service with a delivery receipt addressed to the Borrower and Borrower's limited partner at the address stated in this Agreement. If the breach or violation is not cured to the reasonable satisfaction of

the City within the time period specified in the notice, which shall not be fewer than 30 days, the City may declare a default and may seek legal remedies including the following:

- (1) Collect all rents and income in connections with the operation of the Development and use the same and the reserve funds for the operation and maintenance of the Development.
- (2) Take possession of the Development and bring any action necessary to enforce any rights of the Borrower growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement until such time as the City, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement.
- (3) Apply to any court, State or federal, for specific performance of this Agreement or for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement or for such other relief as may be appropriate. It is agreed by the Borrower that the injury to the City arising from a default under any of the terms of this Agreement would be irreparable and that the amount of compensation that would provide adequate relief to the City, in light of the purposes of the Program, would be impossible to ascertain.
- (4) Accelerate all amounts, including outstanding principal and interest, due under the loan and demand immediate repayment thereof. Upon a failure to repay such accelerated amount in full, the City may proceed with a foreclosure in accordance with the provisions of the Deed of Trust and State law regarding foreclosures.

However, in the event of a nonmonetary breach which cannot reasonably be cured within the time period set forth in such notice, the loan may not be accelerated hereunder if within said designated time period Borrower or Borrower's limited partner has given written notice to City of Borrower's or Borrower's limited partner's intention to cure said breach, has commenced to cure such breach and has diligently prosecuted and effected such cure which shall be completed no later than 60 days from the date notice of such breach is given.

- (5) The City may seek such other remedies as may be available under law.
- b. In the event that the breach or violation involves the rents to tenants or other charges in excess of those permitted under this Agreement, the City may demand, and seek as an additional remedy, the return of such excess rents or other charge to the affected household.
- c. The tenants of the Assisted Rental Units shall be considered to be third-party beneficiaries of this Agreement, and shall have such rights and remedies to

enforce the requirements of this Agreement as may be available to third-party beneficiaries under the law.

- d. The remedies of the City hereunder are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the City of any one or more of its other remedies.

27. Assignment of City's Rights. The City retains the right at its sole discretion to assign all or part of its rights under this Agreement for the purpose of ensuring compliance and enforcement of Borrower's duties and obligations hereunder. In addition, the City may designate an agent to act on its behalf in monitoring compliance and enforcing the provisions hereof.
28. Amendment. This Agreement shall not be altered or amended except in writing, executed between or among all the parties.
29. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
30. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in the office of interest, and assigns, provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior written approval of the City.
31. Recording Agreement. This Agreement, and all amendments thereto, shall be executed by each of the parties. This Agreement, or memorandum thereof, shall be recorded against the subject Property in the official records of the City in which the Development is situated.
32. Indemnity. Borrower agrees and promises to protect, defend, indemnify, and hold harmless the City and its elected and appointed officers, agents, employees and representatives from any and all liabilities, losses, damages or causes of action (including reasonable attorney's fees) that arise from the City's approval of this Project, operation, rehabilitation and construction of the Property, including, but not limited to, claims for injury or death to any person occurring on the Property or Project, contracts executed by Borrower, and any losses from the Property and the Project, including monetary losses such as negative cash flows; provided, however, that Borrower shall not be obligated to indemnify the City with respect to any claim arising solely from the gross negligence or willful misconduct of the City. It is expressly understood that Borrower is solely and exclusively responsible for any and all problems, claims, work, construction, clean up efforts and the like associated with the construction of the Project and any alleged toxic contamination or waste on the Property. The City of Calexico has no obligation whatsoever regarding these issues.
33. Waiver. No waiver by the City of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereto or default hereunder.

34. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.
35. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.
36. Notice. Written notices and other written communications by and between the parties hereto shall be addressed as set forth below unless and until a party hereto has, in writing, communicated a different address to the other party hereto.

City: City of Calexico  
608 Heber Avenue  
Calexico, CA 92231  
Attn: City Manager

Borrower: Villa Primavera CIC, LP  
c/o Chelsea Investment Corporation  
5993 Avenida Encinas, Suite 101  
Carlsbad, CA 92008  
Attention: Asset Management

Investor Limited Partner: CREA Villa Primavera, LLC  
30 South Meridian Street, Suite 400  
Indianapolis, IN 46204  
Attention: Asset Management

Special Limited Partner: CREA SLP, LLC  
30 South Meridian Street, Suite 400  
Indianapolis, IN 46204  
Attention: Asset Management

Rabobank: Rabobank, N.A.  
618 W. Main Street  
Visalia, CA 93291  
Attention: Debi Engelbrecht

37. Attorneys' Fees. The prevailing party in any action to enforce this Agreement, including the residents of assisted units, shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.
38. Special Conditions. The Borrower agrees to comply with the special conditions, if any, as set forth in Exhibit C, which is made a part hereof. In the event of any inconsistencies between the terms set forth in the Exhibit C Special Conditions of the Regulatory Agreement and the terms of this Agreement, the terms of the Special Conditions shall prevail.

39. Annual Monitoring Fee. Commencing in 2016, no later than May 1 of each fiscal year of the Development, the Borrower shall pay to the City an annual monitoring fee of \$4,000. Upon receipt of the annual monitoring fee, the City shall remit to the State of California Department of Housing and Community Development, Division of Financial Assistance/HOME Program located at 2020 West El Camino Avenue, Sacramento, CA 95833, ten (10%) percent of such payment (\$400), to reimburse the Department for a portion of its monitoring costs incurred in connection with the Loan.
40. Incorporation. The following Exhibits, all attached hereto, are hereby incorporated into this Agreement:

Exhibit A: Legal Description

Exhibit B: Insurance Requirements

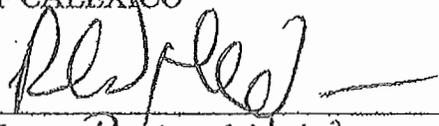
Exhibit C: Special Conditions and Syndication Proceeds

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IN WITNESS WHEREOF, the Borrower and the City have executed this Agreement as of the date first set forth above.

CITY:

CITY OF CALEXICO

By: 

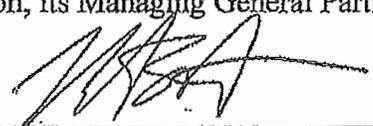
Name: Richard N. Warner

Title: Interim City Manager

BORROWER:

VILLA PRIMAVERA CIC, LP, a California limited partnership

By: Southern California Housing Collaborative, a California nonprofit public benefit corporation, its Managing General Partner

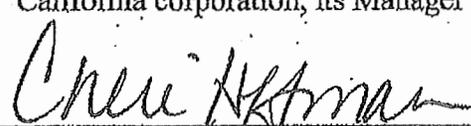
By: 

Name: Nathan E. Schmid

Title: Executive Director

By: CIC Villa Primavera, LLC, a California limited liability company, its Administrative General Partner

By: Chelsea Investment Corporation, a California corporation, its Manager

By: 

Name: Cheri Hoffman

Title: President

ACKNOWLEDGMENT

STATE OF CALIFORNIA }

COUNTY OF SAN DIEGO }

On November 4, 2014 before me,

Lee-Ann Z. Connor, Notary Public, personally appeared

Nathan E. Schmid, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies) and that his/~~her~~/~~their~~ signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

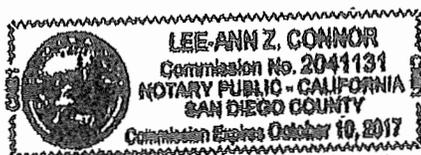
WITNESS my hand and official seal.

Signature

Lee-Ann Z. Connor

My Commission Expires: October 10, 2017

*This area for official notarial seal*



ACKNOWLEDGMENT

STATE OF CALIFORNIA }

COUNTY OF SAN DIEGO }

On November 4, 2014 before me,

Lee Ann Z. Connor, Notary Public, personally appeared

Cheri Hoffman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Lee Ann Z. Connor

My Commission Expires: October 10, 2017

*This area for official notarial seal*

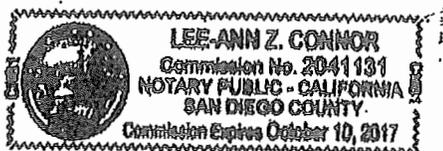


Exhibit A to Regulatory Agreement

LEGAL DESCRIPTION

Real property in the City of Calexico, County of Imperial, State of California, described as follows:

PARCEL B OF PARCEL MAP NO. 058-832-018, IN THE CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP ON FILE IN BOOK 13, PAGE 54 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER ON IMPERIAL COUNTY, FILED ON DECEMBER 29, 2010.

APN: 058-832-040-000

Exhibit B To Regulatory Agreement

INSURANCE REQUIREMENTS

At close of escrow, the City must receive a one-year prepaid Certificate of Insurance policy (or a binder followed by a certificate within 30 days of loan closing) evidencing the following coverage:

1. HAZARD (PROPERTY)

- Perils: All risk; or Fire & Lightning, Extended Coverage, Vandalism & Malicious Mischief.
- Covered Property: Structure; and All risk contents coverage.
- Amount: Replacement value (or less if approved by City).
- Coinsurance: No less than 90 percent.
- Deductible: \$10,000 maximum deductible per occurrence; or \$1,000 maximum deductible per occurrence if the completed project value is less than \$300,000.
- Endorsement: Lenders Loss Payable Endorsement required insuring the City.

OTHER PROPERTY INSURANCE

Flood Insurance Coverage required to 80 percent of replacement cost if the property is located in a 100-year flood plain.

Steam Boiler & Related

Machinery: (When applicable) 80 percent of replacement cost coverage is required.

2. COMPREHENSIVE GENERAL LIABILITY

Minimum Amount: \$1,000,000 per occurrence; or \$2,000,000 per occurrence for buildings with elevators.

3. OTHER COVERAGE

Workers Compensation: Required by State law if employees are involved.

ALL POLICIES MUST INCLUDE THE FOLLOWING

- Named Insured: Borrower, Villa Primavera CIC, LP, a California Limited Partnership
- Additional Insured: The City of Calexico and its officers, agents, employees, and servants must be named as additional insured.
- Cancellation Clause: The City must be notified 30 days prior to cancellation of the insurance policy.
- HCD Notification: The City must be notified prior to cancellation or lapse of coverage or in the event of any claim.

The City should be identified on all insurance documents as follows:

City of Calexico  
608 Heber Avenue  
Calexico, CA 92231

Blank  
HOME  
Annual Monitoring  
Report

**Please Complete All Fields and Answer All Questions**

<b>HOME – Annual Monitoring Report Questionnaire</b>		<b>MULTI-FAMILY RENTAL HOUSING PROJECT (Projects with 5 or more total units)</b>	
State Recipient - <input type="checkbox"/> City <input type="checkbox"/> County <input type="checkbox"/> Town of _____		Total # units: _____	# HOME assisted units: _____
HOME Contract Number: _____ - HOME - _____		Project Name: _____	
Project Address: _____		Identify Type of Housing (check all that apply): <input type="checkbox"/> acquisition <input type="checkbox"/> rehabilitation <input type="checkbox"/> new construction <input type="checkbox"/> manufactured <input type="checkbox"/> mobile home <input type="checkbox"/> farm worker <input type="checkbox"/> SRO <input type="checkbox"/> transitional <input type="checkbox"/> group home <input type="checkbox"/> other: _____	
Identify the State Recipient "Long-Term Monitor": <u>Unit &amp; Property Inspections</u> - <input type="checkbox"/> City/County/Town Employee OR: <input type="checkbox"/> Third-Party Contractor <u>On-Site Tenant File Review</u> - <input type="checkbox"/> City/County/Town Employee OR: <input type="checkbox"/> Third-Party Contractor <u>Desk Review</u> - <input type="checkbox"/> City/County/Town Employee OR: <input type="checkbox"/> Third-Party Contractor			

**Affordable Housing Programs - please check all that apply to this project:**

<b>California State Housing Programs</b>				
<input type="checkbox"/> HCD: MHP	<input type="checkbox"/> CalHFA	<input type="checkbox"/> CDLAC	<input type="checkbox"/> CTCAC	
<input type="checkbox"/> HCD: RHCP	<input type="checkbox"/> HCD: _____	<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____	
<b>Federal Housing Programs</b>				
<input type="checkbox"/> HUD 202 PRAC-Seniors	<input type="checkbox"/> HUD 236 RAP	<input type="checkbox"/> HUD 811PRAC-Disabled	<input type="checkbox"/> S8 Moderate Rehab	
<input type="checkbox"/> Shelter Plus Care	<input type="checkbox"/> HUD-Section 8 project based assistance		<input type="checkbox"/> Special S8 Voucher Program	
<input type="checkbox"/> Public Housing	<input type="checkbox"/> Transitional Housing	<input type="checkbox"/> FHLB-AHP / SHP	<input type="checkbox"/> Other: _____	
<b>USDA / Rural Housing Services</b>				
<input type="checkbox"/> USDA-515 Rural rental housing loan	<input type="checkbox"/> USDA-514 Farm labor loan	<input type="checkbox"/> USDA-516 Farm labor grant	<input type="checkbox"/> USDA-521 Rural rental assistance	<input type="checkbox"/> Other: _____

<b>Property Management</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Who is the "managing entity" for this property? <input type="checkbox"/> Housing Authority <input type="checkbox"/> Property Management Company <input type="checkbox"/> Owner <input type="checkbox"/> On-Site Manager: unit # _____ <input type="checkbox"/> Other: _____			_____
2. What is the full name of the above entity? Name: _____			_____
3. Who is the Housing Authority or Management Company <i>contact person</i> ? Name: _____ E-mail: _____			_____ <input type="checkbox"/> Not applicable
4. Was the management entity newly hired within the last 12 months?  <u>If Yes, please describe why:</u> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>owner is manager</i>
5. Has the owner and management agent entered into a property Management Agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>owner is manager</i>
6. Has the Agreement been extended or revised in any way within the last 12 months?  <u>If Yes</u> , did the State Recipient request a copy for review?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>owner is manager</i>

<b>Annual Project Compliance Report (PCR)</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Within the last twelve months, did the owner / manager submit a Project Compliance Report to the "State Recipient Long-Term Monitor?"	<input type="checkbox"/>	<input type="checkbox"/>	_____

**Please Complete All Fields and Answer All Questions**

<b>Annual Project Compliance Report (PCR)</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
2. <b>If Yes</b> , was it submitted to the State Recipient by the requested due date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>new project in first year of lease-up</i>
3. <b>If No</b> , why wasn't the Report submitted? _____			_____
4. Did the "State Recipient Long-Term Monitor" check the Annual PCR for errors and non-compliance issues?  <b>If No</b> , why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Were any Compliance Report errors discussed with the owner / property manager?  <b>If Yes</b> , please describe: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>no Compliance Report errors</i>
6. Did the "State Recipient Long-Term Monitor" provide any income eligibility or HOME Program <u>Technical Assistance</u> during the last twelve months?  <b>If Yes</b> , please identify: <input type="checkbox"/> resident manager <input type="checkbox"/> property management agent <input type="checkbox"/> owner  <b>Training / Technical Assistance subject(s):</b> a. _____ b. _____ c. _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Did the "State Recipient Long-Term Monitor" sign and date the Report to signify the owner's compliance with HOME requirements and the State Recipient's approval of the Report?  <b>If No</b> , please explain: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____

<b>Owner / Agent Reports</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. In the last twelve months did the owner / property manager provide the "State Recipient Long-Term Monitor" with a copy of the project's: a. rent roll? b. annual rent and tenant income report? c. current property & liability insurance certificates? d. maintenance / capital improvement schedule? e. proposed operating budget? f. annual audit / financial statements? g. Management Agreement (if revised)? h. Management Plan (if revised)?	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/> f. <input type="checkbox"/> g. <input type="checkbox"/> h. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/> f. <input type="checkbox"/> g. <input type="checkbox"/> h. <input type="checkbox"/>	_____
2. What other reports did the owner / property manager submit to the "State Recipient Long-Term Monitor" within the last twelve months? a. utility allowance schedule(s) b. Annual Affirmative Marketing Analysis Report c. copy of management company monthly report to owner d. vacancy, occupancy, unit turnover report e. Other: _____	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/>	_____



**Please Complete All Fields and Answer All Questions**

<b>Financial Management</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
Was there a new Replacement Reserve deposit amount determined during this PNA? What is the current deposit amount? \$ _____ What is the owner's assessment of the financial health of the project? Excellent ___ Good ___ Fair ___ Poor ___ What is your (city/county) assessment of the financial health of the project? Excellent ___ Good ___ Fair ___ Poor ___ What is the project's cash flow available for distribution \$ _____	<input type="checkbox"/>	<input type="checkbox"/>	

<b>Occupancy Standards</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Was this project awarded funds <u>prior to</u> 9/29/03?	<input type="checkbox"/>	<input type="checkbox"/>	<i>Projects funded prior to 9/29/03 may use the S8 standard of two per sleeping area or the informal standard of 2+1</i>
2. Was this project awarded funds <u>after</u> 9/29/03?	<input type="checkbox"/>	<input type="checkbox"/>	<i>Funds awarded after 9/29/03 must conform to State UMRs, Section 8305</i>
3. Does the owner's Tenant Selection Plan (TSP) contain the project's occupancy standards?  <b>If Yes</b> , in the table below, <u>enter the minimum &amp; maximum number of people for each bedroom size unit in the project:</u>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Unit Size	Minimum	Maximum
SRO	_____	_____
0-bedroom	_____	_____
1-bedroom	_____	_____
2-bedroom	_____	_____
3-bedroom	_____	_____
4-bedroom	_____	_____
5-bedroom	_____	_____
6-bedroom	_____	_____

**initial lease up & at recertification if a change in family size**

Occupancy standards serve to prevent the over- or under utilization of units that can result in an inefficient use of housing assistance. Occupancy standards also ensure that tenants are treated fairly and consistently and receive adequate housing space. *Occupancy standards must be included in the owner's Tenant Selection Plan.*

4. <b>If No</b> , (the TSP doesn't contain <u>minimum &amp; maximum</u> occupancy standards), explain why: _____			_____
5. During the last twelve months, has the owner / manager granted an exception to the occupancy standards?	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. <b>If Yes</b> , an exception was granted, were the special circumstances well documented in the tenant's file?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: none granted
7. Did the "State Recipient Long-Term Monitor" review the <i>Annual Project Compliance Report</i> for Occupancy Standards compliance?	<input type="checkbox"/>	<input type="checkbox"/>	_____

<b>Evictions</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. How many tenant households were evicted during the last twelve months? <b>Enter the # households:</b> _____			_____
2. What were the reasons for tenant eviction? <input type="checkbox"/> serious or repeated lease violation <input type="checkbox"/> violation of applicable Federal, State, or local law <input type="checkbox"/> transitional housing tenancy completed <input type="checkbox"/> for other good cause: _____ <input type="checkbox"/> Other: _____			24 CFR 92.253  <input type="checkbox"/> Not applicable: no HOME tenant served termination/eviction notice
3. Was each tenant served a written notice with the termination or refusal to renew tenancy grounds specified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: no HOME tenant served termination/eviction notice

**Please Complete All Fields and Answer All Questions**

<b>Vacancy</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. In the last twelve months, did the "State Recipient Long-Term Monitor" examine the project for vacancy issues?  <b>If No</b> , why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. At the time of the State Recipient's <u>most recent site visit</u> , was the vacancy rate for this property <u>greater than 5%</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	Date of site visit: _____ Vacancy rate: ____%
3. Per the property's <u>current rent roll</u> , is the vacancy rate <u>greater than 5%</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	Date of rent roll: _____ Vacancy rate: ____%
4. Based on the interview with the owner, agent, or the on-site staff, what factors contributed to a vacancy problem? <i>(check all that apply)</i> <input type="checkbox"/> security problems <input type="checkbox"/> non-competitive amenities <input type="checkbox"/> inadequate or slow marketing <input type="checkbox"/> reputation of development <input type="checkbox"/> location of development <input type="checkbox"/> poor maintenance <input type="checkbox"/> poor curb appeal <input type="checkbox"/> rents too high <input type="checkbox"/> some bedroom sizes hard to rent <input type="checkbox"/> Other: _____			<input type="checkbox"/> Not applicable: <i>no high vacancy issues</i>  _____
5. Has the "State Recipient Long-Term Monitor" required the owner / manager to take specific actions for resolution of any vacancy issues?  <b>If Yes</b> , please describe: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>no high vacancy issues</i>

<b>Unit Turnover</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. In the last twelve months, did the "State Recipient Long-Term Monitor" examine the project for unit turnover issues?  <b>If No</b> , why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	<i>Slow unit turnover results in a loss of income for the property.</i>
2. Are vacant units rented within 14 days of vacancy?  <b>If No</b> , why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	
3. Based on the interview with the owner, agent, or the on-site staff, what factors contributed to a unit turnover problem? <i>(check all that apply)</i> <input type="checkbox"/> maintenance staffing issues <input type="checkbox"/> vendor issues (cleaning, safety, flooring, etc.) <input type="checkbox"/> little or no follow up on maintenance work orders <input type="checkbox"/> not enough cash reserves for cleaning, repairs, painting <input type="checkbox"/> inadequate or slow marketing <input type="checkbox"/> slow processing of application, income verifications, etc. <input type="checkbox"/> Other: _____			<input type="checkbox"/> Not applicable: <i>no slow turnover issues</i>  _____
4. Has the "State Recipient Long-Term Monitor" required the owner / manager to take specific actions for resolution of unit turnover issues?  <b>If Yes</b> , please describe: _____			<input type="checkbox"/> Not applicable: <i>no slow turnover issues</i>

**Please Complete All Fields and Answer All Questions**

<b>Project Monitoring</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. In the last twelve months, was an on-site visit conducted by the "State Recipient Long-Term Monitor?"  <b><u>If Yes, enter data for most recent visit:</u></b> a. date of site visit: _____ b. number of Findings: _____ c. number of Concerns: _____ d. date Summary letter sent: _____ e. date <u>Clearance letter</u> sent: _____ <input type="checkbox"/> Not applicable; no F/C	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. <b><u>If No</u></b> , why not? a. project 5-25 units: desk review only required this report period b. site visit scheduled late by State Recipient monitor c. <u>Other</u> : _____	a. <input type="checkbox"/>  b. <input type="checkbox"/>	a. <input type="checkbox"/>  b. <input type="checkbox"/>	<u>Not applicable</u> a. <input type="checkbox"/> b. <input type="checkbox"/>
3. Please identify the third-party Contractor hired for monitoring of HOME-assisted units:  Name: _____ Address: _____ City: _____ Zip: _____ Email address: _____			<input type="checkbox"/> Not applicable: no third party hired
4. Identify third-party contractor tasks: <input type="checkbox"/> sent notification of site-visit letter <input type="checkbox"/> conducted entrance interview <input type="checkbox"/> tenant file review <input type="checkbox"/> unit and property inspections <input type="checkbox"/> conducted exit interview <input type="checkbox"/> prepared monitoring summary letter <input type="checkbox"/> prepared monitoring clearance letter (if Findings/Concerns) <input type="checkbox"/> Other: _____			<input type="checkbox"/> Not applicable: no third party hired
5. Please identify the State Recipient's monitoring staff person or contact person:  Name: _____ Email address: _____  Name: _____ Email address: _____			_____
6. Did the "State Recipient Long-Term Monitor" or "third-party contractor" verify that all HOME-assisted households: a. were given adequate written notice by the owner or manager of a possible unit inspection? b. had a copy of the notice in the tenant file?	a. <input type="checkbox"/>  b. <input type="checkbox"/>	a. <input type="checkbox"/>  b. <input type="checkbox"/>	_____ <u>Not applicable</u> a. <input type="checkbox"/> b. <input type="checkbox"/>

<b>Property Standards</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. In the last twelve months, which inspection form did the "State Recipient Long-Term Monitor" use? <input type="checkbox"/> State Recipient form <input type="checkbox"/> property management company form <input type="checkbox"/> HUD 52580-A form <input type="checkbox"/> REAC-Uniform Physical Condition Standards form <input type="checkbox"/> HOME Program form <input type="checkbox"/> Other: _____			_____
2. Did the "State Recipient Long-Term Monitor" complete a form for each unit inspected?	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. After a unit and property inspection by the "State Recipient Long-Term Monitor," does the owner / property manager complete repairs within the prescribed timeline?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: no Findings or Concerns noted during last site inspection

**Please Complete All Fields and Answer All Questions**

<b>Property Standards</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
4. In the last twelve months, did the <u>owner or property manager</u> conduct an inspection of: a. each unit at this property? b. all common/public areas? c. all building exteriors? d. all of the grounds? If No, why not? _____	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/>	_____
5. Has the property been cited for any violation of health and safety code within the past twelve months? If Yes, describe citations and how they were addressed: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Are maintenance requests and repairs documented and processed per the owner's policies and procedures specified in the Management Plan? If No, why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Did the "State Recipient Long-Term Monitor" complete and attach the " <b>Physical Condition Report</b> " to this questionnaire?	<input type="checkbox"/>	<input type="checkbox"/>	_____

**HOME Rent Limits for Special Types of HOME Units:** For certain types of properties (where more than one funding source is invested in the property) or for certain types of special projects, the HOME Rent Limits may vary from the general guidance provided in the Contract Management Manual.

<b>Rents and Utility Allowance</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. On page 1, did you identify this affordable housing project as: a. tax credit (CTCAC)? b. project-based rental assistance (PBRA)? c. project rental assistance contract (PRAC)? d. farm worker housing? e. SRO housing?	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/>	_____
2. During the last twelve months, did the owner / property manager: a. determine the maximum allowable rent for each of the funding programs? b. use the lowest rent figure? c. remain in compliance with all funding programs?	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/>	<input type="checkbox"/> Not applicable: HOME is the only funding source  <input type="checkbox"/> Not applicable: Project receives PBRA
3. Did the "State Recipient Long-Term Monitor" or third-party contractor verify that the correct HOME rent limit(s) were entered in the Annual Project Compliance Report?	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. In the last twelve months, who provided a utility allowance schedule to the owner / property manager for rent calculations? (check all that apply & enter allowance effective date) <input type="checkbox"/> local housing authority – effective date: _____ <input type="checkbox"/> HUD (i.e., 202, 811 projects) – effective date: _____ <input type="checkbox"/> USDA – effective date: _____ <input type="checkbox"/> HCD-RHCP – effective date: _____ <input type="checkbox"/> Other: _____ – effective date: _____			<input type="checkbox"/> Not applicable: utility allowance is zero since owner pays all utilities  _____
5. Did the "State Recipient Long-Term Monitor," verify that the correct utility allowance amounts were entered in "Column G" of the Annual Project Compliance Report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> \$0 entered because owner pays all utilities
6. In the last twelve months, did the owner / property manager use the correct utility allowance amount(s) to calculate maximum rent levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: utility allowance is zero since owner pays all utilities

**Please Complete All Fields and Answer All Questions**

<b>Income Eligibility</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. In the last twelve months, did the owner / property manager use the correct HOME Income limits?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Did the owner / property manager use the "Part 5 definition" of annual income for initial and on-going eligibility for all HOME-assisted units? <b>If No, why not?</b> _____	<input type="checkbox"/>	<input type="checkbox"/>	24 CFR Part 5 (formerly known as the Section 8 Program definition)  _____
3. In the last twelve months, did the owner / property manager recertify income eligibility for each HOME-assisted household <u>on time</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>new project in first year of lease-up</i>
4. <i>Regarding each sampled tenant file:</i> did the owner / property manager collect all necessary verifications and adequately document income eligibility?	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. <i>Regarding each sampled tenant file:</i> was the income certification signed and dated by the appropriate parties?	<input type="checkbox"/>	<input type="checkbox"/>	_____

<b>Occupancy Eligibility – 5 or more HOME Units</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. On the date that the Annual Project Compliance Report was prepared, were at least 20% of the HOME units occupied by "Very Low" income households paying rents not exceeding the allowable "Low" HOME rent limit?	<input type="checkbox"/>	<input type="checkbox"/>	<b>Enter:</b> ____ # of HOME units ____ #at 50% VLI / Low HOME Rent ____ % (enter percentage)
2. Did the "State Recipient Long-Term Monitor" or "Third Party Contractor" sign the applicable "Certification of Compliance" on page 1 of the Annual Project Compliance Report?	<input type="checkbox"/>	<input type="checkbox"/>	

<b>Tenant Leases</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Was there a copy of the lease in each sampled tenant file?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Was each sampled lease properly executed?	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. In each sampled tenant file, was the lease free of the HUD prohibited provisions contained in <u>24 CFR 92.253 (b)</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Was the initial lease term in compliance with the HOME Final Rule? <u>What was the length of the lease term?</u> <input type="checkbox"/> 6 months by mutual agreement <input type="checkbox"/> 12 months	<input type="checkbox"/>	<input type="checkbox"/>	92.253(a) <i>The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.</i>
5. Does the tenancy of HOME-assisted household's become month-to-month after the initial lease?	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Does the project lease (or attached lease addendum) contain the following provisions?  a. HH must allow inspections at least annually b. HH requirement for annual income certification c. deliberately providing false information can result in termination d. HOME rent limit restrictions e. rent increase frequency and notification f. minimum 30 day notice of rent increase – 24 CFR 92.252 (f) (3) g. eviction for violation of lease, law, or good cause – 24 CFR 92.253 (c) h. lead based paint statement	<b>Yes</b> a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/> f. <input type="checkbox"/> g. <input type="checkbox"/> h. <input type="checkbox"/>	<b>No</b> a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/> f. <input type="checkbox"/> g. <input type="checkbox"/> h. <input type="checkbox"/>	          h. <input type="checkbox"/> Not applicable: <i>property built after 1978</i>

**Please Complete All Fields and Answer All Questions**

<b>Fair Housing</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Did the "State Recipient Long-Term Monitor" verify that a Fair Housing Poster was prominently displayed at the: <input type="checkbox"/> project's rental / manager's office? <input type="checkbox"/> or wherever applications are available?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	24 CFR 110.15 <input type="checkbox"/> Not applicable: no on-site office
2. Does the owner / manager display the logo in all: a. printed advertising b. electronic advertising c. brochures d. notices / posters e. forms distributed to the public (i.e., applications) f. Tenant Selection Plan (TSP)	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/> f. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d. <input type="checkbox"/> e. <input type="checkbox"/> f. <input type="checkbox"/>	Not Applicable: b. <input type="checkbox"/> no electronic advertising c. <input type="checkbox"/> no brochures produced
3. Is a copy of the project's Tenant Selection Plan posted in the office, attached to application, or available to prospective tenants upon request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: no on-site office <input type="checkbox"/> TSP attached to application <input type="checkbox"/> TSP posted in rental/mgr's office
4. Have any formal written Fair Housing complaints been filed with HUD or DFEH against the owner, manager, or management company?  <b>If Yes</b> , what was the reason for the discrimination complaint? <input type="checkbox"/> race <input type="checkbox"/> color <input type="checkbox"/> religion <input type="checkbox"/> sex <input type="checkbox"/> national origin <input type="checkbox"/> disability <input type="checkbox"/> familial status (families with children under 18)	<input type="checkbox"/>	<input type="checkbox"/>	_____

<b>Affirmative Marketing</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Does the owner / agent have an approved Affirmative Fair Housing Marketing Plan (AFHMP) on-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: no on-site office
2. Has the owner / agent <u>reviewed</u> the AFHMP within the last five years to ensure that the information is current and applicable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: new project within last three years
3. What is the date of the last AFHMP update?  Date: _____			_____
4. In the last twelve months, did the owner / agent collect data using form HUD-27061-H?  <b>If No</b> , why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. In the last twelve months, has the owner / agent maintained files which contain up-to-date records of the race, ethnicity, gender, disability and age on the following:  a. applicants? b. project residents? c. rejected applicants?	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/>	As required by the federal HOME regulations, information must be collected not only at the time of initial occupancy, but as an ongoing affirmative marketing activity.  Sources: applications, form HUD-27061-H for each household member
6. In the last twelve months, did the owner / agent prepare and submit an "Annual Affirmative Marketing Analysis Report" to the "State Recipient Long-Term Monitor"?  <b>If No</b> , why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Did the "State Recipient Long-Term Monitor" evaluate the "Annual Affirmative Marketing Analysis Report" for compliance with HOME requirements?  <b>If No</b> , why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. Has the "State Recipient Long-Term Monitor" required the owner / agent to take specific actions for resolution of any Affirmative Marketing non-compliance issues?  <b>If Yes</b> , please describe: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: no non-compliance issues

**Please Complete All Fields and Answer All Questions**

<b>Section 504 Accessibility</b>		<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Does the Tenant Selection Plan contain the owner's policy for assigning accessible units?  If No, why not? _____		<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Does the owner / manager assign available units in the following order: • current tenant with disability • next qualified applicant on wait list needing an accessible unit • a non-disabled applicant on the wait list  If No, why not? _____		<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Does the project's lease contain a special provision stating that if a family requires the accessible features of the unit, the non-disabled tenant <u>may</u> be required to move to a comparable non-accessible unit? <i>Note: provision not required</i>		<input type="checkbox"/>		<input type="checkbox"/> provision not included in lease
4. Does this rental project contain units with "adaptable" features?  If Yes, does each adaptable unit contain a UFAS list of "Consumer Information" for Adaptable units (4.34.4)?		<input type="checkbox"/>	<input type="checkbox"/>	To ensure that occupants know the existence of adaptable features, UFAS requires that consumer information be provided in each adaptable dwelling unit available for occupancy.
		<input type="checkbox"/>	<input type="checkbox"/>	
5. Have the project employees received accessibility compliance training within the last twelve months?		<input type="checkbox"/>	<input type="checkbox"/>	_____
6. What is the date of the last training received? a. Section 504 accessibility: _____ b. Fair Housing Act accessibility: _____				
7. Does the owner / manager display the accessibility logo as required? If No, why not? _____		<input type="checkbox"/>	<input type="checkbox"/>	(i.e., posters, advertising, notices, forms, brochures, and signs)
8. Identify the Unit Numbers for Section 504 <b>accessible and adaptable</b> units:				<b>Check the type of rental housing development:</b> <input type="checkbox"/> New Construction 5+ units (minimum requirement is 5% & 2%) <input type="checkbox"/> Substantial Rehab 15+ units (minimum requirement is 5% & 2%) <input type="checkbox"/> Other Alterations – non substantial rehab project of any size (minimum requirement is 5% only)
Mobility Units (greater of 5% or 1 unit)	_____ ; _____ ; _____ ; _____ ; _____			
Sensory Units (an additional 2%)	_____ ; _____ ; _____ ; _____ ; _____			
9. Within the last twelve months has the owner / manager received written request for a reasonable: a. accommodation b. modification If Yes, please describe: _____		a. <input type="checkbox"/> b. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/>	_____

<b>Partnership and Ownership</b>		<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Is the Borrower a partnership?		<input type="checkbox"/>	<input type="checkbox"/>	
2. If "Yes", in the last twelve months has the partnership changed?  Enter date of change: _____ Enter reason for change: _____  Enter new partner information: <input type="checkbox"/> General Partner <input type="checkbox"/> Limited Partner Name: _____ Address: _____ E-mail address: _____		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>no partnership</i>
3. Did the State Recipient provide a copy of the new Partnership Agreement to HOME?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>no partnership</i>

**Please Complete All Fields and Answer All Questions**

<b>Partnership and Ownership</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
4. In the last twelve months, was the property sold or transferred?  If Yes, date of change: _____ reason for change: _____  If Yes, who is the new owner(s)?  Name: _____ Address: _____ E-mail address: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. If property ownership changed, did the State Recipient: <ul style="list-style-type: none"> <li>a. enforce the affordability of the HOME-assisted rental unit(s)?</li> <li>b. educate the new owner about HOME program requirements?</li> <li>c. provide a copy of all new or amended Agreements to HOME?</li> </ul>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>no ownership change</i> _____
6. Identify the legal document entered by the State Recipient and the property owner(s) of this project: <ul style="list-style-type: none"> <li><input type="checkbox"/> HOME Regulatory Agreement</li> <li><input type="checkbox"/> HOME Rent Limitation Agreement</li> <li><input type="checkbox"/> Other: _____</li> </ul>			_____
7. Is the above referenced Agreement recorded in the County that the property is located?	<input type="checkbox"/>	<input type="checkbox"/>	_____

<b>Lead-Based Paint</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Is the year of construction for the HOME-assisted units <u>prior to 1978</u> ?  Project Completion Date: _____ Project Rehab Date: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. <b>If yes to question 1:</b> do any major exemptions to HUD's lead-based paint requirements apply to this property?  <b>If Yes, identify:</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Rehabilitation that did not disturb a painted surface</li> <li><input type="checkbox"/> Single Room Occupancy (SRO) units (or other zero-bedroom dwelling units)</li> <li><input type="checkbox"/> Elderly and disabled housing (where no child less than six years old resides or is expected to reside)</li> <li><input type="checkbox"/> Housing found by certified inspection to be free of LBP</li> <li><input type="checkbox"/> Housing in which all LBP has been properly identified and removed</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	
3. <b>If yes to question 1:</b> did each sampled tenant file contain: <ul style="list-style-type: none"> <li>a. lead based paint disclosure?</li> <li>b. verification tenant received copy of pamphlet "Protect Your Family from Lead in Your Home" ?</li> </ul> If Not, why? _____	a. <input type="checkbox"/> b. <input type="checkbox"/>	a. <input type="checkbox"/> b. <input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>rental project completed after 1978</i>
4. <b>If yes to question 1:</b> is the property in compliance with all lead-based paint requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: <i>rental project completed after 1978</i>

**Please Complete All Fields and Answer All Questions**

<b>State Recipient Requirements</b>	<b>Yes</b>	<b>No</b>	<b>NOTES</b>
1. Did " <i>State Recipient Long-Term Monitor</i> " sign & date the Annual Monitoring Report (questionnaire) prior to submission to the State?  If No, why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Within the last twelve months, did the State Recipient <u>review</u> its written " <i>Long-Term Monitoring Policies &amp; Procedures</i> " to ensure that they are current and applicable?  If No, why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Within the last twelve months, did the " <i>State Recipient Long-Term Monitor</i> " <u>follow</u> the written monitoring policies and procedures?  If No, why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. After conducting an on-site monitoring, did the " <i>State Recipient Long-Term Monitor</i> " send the owner / manager a "Monitoring Summary Letter?"  letter #1 – date sent: _____  letter #2 – date sent: _____  If No, why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	See HOME's website for a sample monitoring summary letter  _____
5. Did the " <i>State Recipient Long-Term Monitor</i> " send a "Monitoring Clearance Letter" to the owner / manager once all issues were resolved?  letter #1 – date sent: _____  letter #2 – date sent: _____  If No, why not? _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Not applicable: no Findings or Concerns noted in summary letter  See HOME's website for a sample monitoring clearance letter

**State Recipient Certification**

I certify that the above information is true and accurate.

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_

**COMMENTS:**

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2015 & 2016

State

HOME

Program Rent Limits

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Bakersfield-Delano, CA MSA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	631	636	826	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	631	636	832	1220	1474	1695	1916
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
<b>Chico, CA MSA</b>							
LOW HOME RENT LIMIT	513	550	661	763	851	939	1027
HIGH HOME RENT LIMIT	527	660	837	959	1050	1140	1229
For Information Only:							
FAIR MARKET RENT	527	660	870	1242	1541	1772	2003
50% RENT LIMIT	513	550	661	763	851	939	1027
65% RENT LIMIT	649	696	837	959	1050	1140	1229
<b>El Centro, CA MSA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	523*	636*	748	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	476	579	748	1102	1325	1524	1723
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
<b>Fresno, CA MSA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	640	676	826	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	649	676	853	1199	1399	1609	1819
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
<b>Hanford-Corcoran, CA MSA</b>							
LOW HOME RENT LIMIT	504	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	504	596	807	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	504	596	807	1147	1206	1387	1568
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
<b>Los Angeles-Long Beach, CA HUD Metro FMR Area</b>							
LOW HOME RENT LIMIT	738	791	948	1096	1222	1349	1475
HIGH HOME RENT LIMIT	913	1034	1242	1426	1571	1716	1859
For Information Only:							
FAIR MARKET RENT	913	1103	1424	1926	2145	2467	2789
50% RENT LIMIT	738	791	948	1096	1222	1349	1475
65% RENT LIMIT	964	1034	1242	1426	1571	1716	1859

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Orange County, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	843	903	1083	1252	1397	1541	1685
HIGH HOME RENT LIMIT	1076	1154	1387	1594	1759	1922	2085
For Information Only:							
FAIR MARKET RENT	1117	1283	1608	2250	2505	2881	3257
50% RENT LIMIT	843	903	1083	1252	1397	1541	1685
65% RENT LIMIT	1076	1154	1387	1594	1759	1922	2085
Madera-Chowchilla, CA MSA							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	640	651	826	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	647	651	881	1280	1404	1615	1825
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
Merced, CA MSA							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	507*	587*	759	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	498	577	759	1118	1344	1546	1747
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
Modesto, CA MSA							
LOW HOME RENT LIMIT	542	581	697	806	900	992	1085
HIGH HOME RENT LIMIT	583	720	886	1014	1111	1208	1305
For Information Only:							
FAIR MARKET RENT	583	720	923	1360	1578	1815	2051
50% RENT LIMIT	542	581	697	806	900	992	1085
65% RENT LIMIT	686	736	886	1014	1111	1208	1305
Napa, CA MSA							
LOW HOME RENT LIMIT	765	819	982	1135	1266	1397	1527
HIGH HOME RENT LIMIT	902	1044	1254	1440	1588	1733	1879
For Information Only:							
FAIR MARKET RENT	902	1131	1513	2159	2166	2491	2816
50% RENT LIMIT	765	819	982	1135	1266	1397	1527
65% RENT LIMIT	973	1044	1254	1440	1588	1733	1879
Oxnard-Thousand Oaks-Ventura, CA MSA							
LOW HOME RENT LIMIT	793	850	1020	1178	1313	1450	1585
HIGH HOME RENT LIMIT	969	1125	1352	1554	1714	1872	2031
For Information Only:							
FAIR MARKET RENT	969	1158	1555	2148	2486	2859	3232
50% RENT LIMIT	793	850	1020	1178	1313	1450	1585
65% RENT LIMIT	1049	1125	1352	1554	1714	1872	2031

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Redding, CA MSA							
LOW HOME RENT LIMIT	516	553	663	767	856	944	1032
HIGH HOME RENT LIMIT	651	699	842	964	1055	1146	1236
For Information Only:							
FAIR MARKET RENT	702	722	907	1337	1490	1714	1937
50% RENT LIMIT	516	553	663	767	856	944	1032
65% RENT LIMIT	651	699	842	964	1055	1146	1236
Riverside-San Bernardino-Ontario, CA MSA							
LOW HOME RENT LIMIT	586	628	753	871	972	1072	1172
HIGH HOME RENT LIMIT	743	797	958	1099	1206	1312	1418
For Information Only:							
FAIR MARKET RENT	788	908	1153	1629	1987	2285	2583
50% RENT LIMIT	586	628	753	871	972	1072	1172
65% RENT LIMIT	743	797	958	1099	1206	1312	1418
Sacramento--Arden-Arcade--Roseville, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	666	713	856	989	1103	1218	1331
HIGH HOME RENT LIMIT	717*	806	1012	1252	1378	1501	1625
For Information Only:							
FAIR MARKET RENT	676	806	1012	1491	1792	2061	2330
50% RENT LIMIT	666	713	856	989	1103	1218	1331
65% RENT LIMIT	846	908	1092	1252	1378	1501	1625
Yolo, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	673	721	866	1000	1116	1231	1345
HIGH HOME RENT LIMIT	757	818	1105	1290	1419	1547	1676
For Information Only:							
FAIR MARKET RENT	757	818	1105	1628	1899	2184	2469
50% RENT LIMIT	673	721	866	1000	1116	1231	1345
65% RENT LIMIT	871	935	1124	1290	1419	1547	1676
Salinas, CA MSA							
LOW HOME RENT LIMIT	635	680	816	942	1051	1160	1268
HIGH HOME RENT LIMIT	846	908	1092	1254	1379	1502	1627
For Information Only:							
FAIR MARKET RENT	879	987	1244	1814	2029	2333	2638
50% RENT LIMIT	635	680	816	942	1051	1160	1268
65% RENT LIMIT	846	908	1092	1254	1379	1502	1627
San Diego-Carlsbad-San Marcos, CA MSA							
LOW HOME RENT LIMIT	708	759	911	1053	1175	1296	1417
HIGH HOME RENT LIMIT	931	999	1202	1379	1519	1657	1796
For Information Only:							
FAIR MARKET RENT	964	1060	1390	2021	2462	2831	3201
50% RENT LIMIT	708	759	911	1053	1175	1296	1417
65% RENT LIMIT	931	999	1202	1379	1519	1657	1796

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Oakland-Fremont, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	818	876	1052	1215	1356	1496	1636
HIGH HOME RENT LIMIT	1039	1168	1404	1614	1780	1946	2111
For Information Only:							
FAIR MARKET RENT	1039	1260	1585	2213	2716	3123	3531
50% RENT LIMIT	818	876	1052	1215	1356	1496	1636
65% RENT LIMIT	1089	1168	1404	1614	1780	1946	2111
San Francisco, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	1026	1099	1318	1523	1700	1876	2051
HIGH HOME RENT LIMIT	1256	1409	1693	1947	2153	2357	2561
For Information Only:							
FAIR MARKET RENT	1256	1635	2062	2801	3386	3894	4402
50% RENT LIMIT	1026	1099	1318	1523	1700	1876	2051
65% RENT LIMIT	1314	1409	1693	1947	2153	2357	2561
San Jose-Sunnyvale-Santa Clara, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	931	997	1196	1382	1542	1701	1860
HIGH HOME RENT LIMIT	1165	1250	1502	1727	1906	2085	2264
For Information Only:							
FAIR MARKET RENT	1213	1419	1809	2551	2892	3326	3760
50% RENT LIMIT	931	997	1196	1382	1542	1701	1860
65% RENT LIMIT	1165	1250	1502	1727	1906	2085	2264
San Benito County, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	698	748	898	1037	1157	1277	1396
HIGH HOME RENT LIMIT	761	945	1157	1327	1461	1594	1726
For Information Only:							
FAIR MARKET RENT	761	945	1279	1885	2265	2605	2945
50% RENT LIMIT	698	748	898	1037	1157	1277	1396
65% RENT LIMIT	896	962	1157	1327	1461	1594	1726
San Luis Obispo-Paso Robles, CA MSA							
LOW HOME RENT LIMIT	675	723	867	1002	1118	1234	1349
HIGH HOME RENT LIMIT	877	952	1144	1313	1445	1576	1707
For Information Only:							
FAIR MARKET RENT	877	1014	1309	1929	2011	2313	2614
50% RENT LIMIT	675	723	867	1002	1118	1234	1349
65% RENT LIMIT	888	952	1144	1313	1445	1576	1707
Santa Barbara-Santa Maria-Goleta, CA MSA							
LOW HOME RENT LIMIT	702	752	902	1043	1163	1283	1403
HIGH HOME RENT LIMIT	893	958	1151	1321	1454	1586	1718
For Information Only:							
FAIR MARKET RENT	1060	1218	1460	1951	2259	2598	2937
50% RENT LIMIT	702	752	902	1043	1163	1283	1403
65% RENT LIMIT	893	958	1151	1321	1454	1586	1718

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Santa Cruz-Watsonville, CA MSA</b>							
LOW HOME RENT LIMIT	863	925	1110	1281	1430	1578	1725
HIGH HOME RENT LIMIT	1073	1181	1419	1632	1800	1968	2136
For Information Only:							
FAIR MARKET RENT	1073	1298	1756	2263	2525	2904	3283
50% RENT LIMIT	863	925	1110	1281	1430	1578	1725
65% RENT LIMIT	1101	1181	1419	1632	1800	1968	2136
<b>Santa Rosa-Petaluma, CA MSA</b>							
LOW HOME RENT LIMIT	723	775	930	1074	1198	1322	1445
HIGH HOME RENT LIMIT	898	988	1187	1362	1500	1637	1774
For Information Only:							
FAIR MARKET RENT	898	1047	1370	2019	2367	2722	3077
50% RENT LIMIT	723	775	930	1074	1198	1322	1445
65% RENT LIMIT	920	988	1187	1362	1500	1637	1774
<b>Stockton, CA MSA</b>							
LOW HOME RENT LIMIT	581	622	746	862	962	1061	1160
HIGH HOME RENT LIMIT	638*	721	946	1087	1193	1297	1403
For Information Only:							
FAIR MARKET RENT	605	721	946	1394	1675	1926	2178
50% RENT LIMIT	581	622	746	862	962	1061	1160
65% RENT LIMIT	735	789	948	1087	1193	1297	1403
<b>Vallejo-Fairfield, CA MSA</b>							
LOW HOME RENT LIMIT	723	775	930	1074	1198	1322	1445
HIGH HOME RENT LIMIT	765	964	1187	1362	1500	1637	1774
For Information Only:							
FAIR MARKET RENT	765	964	1207	1779	2115	2432	2750
50% RENT LIMIT	723	775	930	1074	1198	1322	1445
65% RENT LIMIT	920	988	1187	1362	1500	1637	1774
<b>Visalia-Porterville, CA MSA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	577	592	771	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	577	592	771	1136	1321	1519	1717
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
<b>Yuba City, CA MSA</b>							
LOW HOME RENT LIMIT	520	557	668	772	862	951	1039
HIGH HOME RENT LIMIT	551	664	847	970	1063	1154	1245
For Information Only:							
FAIR MARKET RENT	551	664	850	1228	1454	1672	1890
50% RENT LIMIT	520	557	668	772	862	951	1039
65% RENT LIMIT	656	704	847	970	1063	1154	1245

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Alpine County, CA							
LOW HOME RENT LIMIT	595	674	912	1019	1253	1383	1512
HIGH HOME RENT LIMIT	595	674*	912*	1019	1320	1518	1716
For Information Only:							
FAIR MARKET RENT	595	605	818	1019	1320	1518	1716
50% RENT LIMIT	756	810	972	1123	1253	1383	1512
65% RENT LIMIT	964	1034	1243	1427	1573	1717	1861
Amador County, CA							
LOW HOME RENT LIMIT	633	678	813	940	1048	1157	1265
HIGH HOME RENT LIMIT	644*	729	986	1260	1386	1511	1635
For Information Only:							
FAIR MARKET RENT	587	729	986	1308	1592	1831	2070
50% RENT LIMIT	633	678	813	940	1048	1157	1265
65% RENT LIMIT	851	913	1098	1260	1386	1511	1635
Calaveras County, CA							
LOW HOME RENT LIMIT	615	658	790	913	1018	1123	1228
HIGH HOME RENT LIMIT	672*	699	882	1220	1341	1461	1581
For Information Only:							
FAIR MARKET RENT	642	699	882	1300	1562	1796	2031
50% RENT LIMIT	615	658	790	913	1018	1123	1228
65% RENT LIMIT	824	884	1063	1220	1341	1461	1581
Colusa County, CA							
LOW HOME RENT LIMIT	513	550	661	763	851	939	1027
HIGH HOME RENT LIMIT	569	573	775	992	1088	1181	1275
For Information Only:							
FAIR MARKET RENT	569	573	775	1142	1373	1579	1785
50% RENT LIMIT	513	550	661	763	851	939	1027
65% RENT LIMIT	671	721	867	992	1088	1181	1275
Del Norte County, CA							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	613	617	826	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	613	617	835	1230	1343	1544	1746
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
Glenn County, CA							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	570	574	777	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	570	574	777	1121	1376	1582	1789
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Humboldt County, CA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	630	692	869	996	1091	1186	1280
For Information Only:							
FAIR MARKET RENT	630	692	933	1375	1600	1840	2080
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	674	723	869	996	1091	1186	1280
<b>Inyo County, CA</b>							
LOW HOME RENT LIMIT	626	670	805	930	1037	1144	1251
HIGH HOME RENT LIMIT	728	758	901	1201	1320	1438	1557
For Information Only:							
FAIR MARKET RENT	728	758	901	1328	1596	1835	2075
50% RENT LIMIT	626	670	805	930	1037	1144	1251
65% RENT LIMIT	811	871	1047	1201	1320	1438	1557
<b>Lake County, CA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	626	630	826	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	626	630	853	1257	1270	1461	1651
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
<b>Lassen County, CA</b>							
LOW HOME RENT LIMIT	607	651	781	902	1007	1111	1214
HIGH HOME RENT LIMIT	646	683	924	1182	1297	1415	1530
For Information Only:							
FAIR MARKET RENT	646	683	924	1292	1297	1492	1686
50% RENT LIMIT	607	651	781	902	1007	1111	1214
65% RENT LIMIT	799	857	1031	1182	1299	1415	1530
<b>Mariposa County, CA</b>							
LOW HOME RENT LIMIT	542	581	697	805	898	991	1083
HIGH HOME RENT LIMIT	611	621	840	1046	1153	1253	1354
For Information Only:							
FAIR MARKET RENT	611	621	840	1046	1356	1559	1763
50% RENT LIMIT	542	581	697	805	898	991	1083
65% RENT LIMIT	710	763	917	1050	1153	1253	1354
<b>Mendocino County, CA</b>							
LOW HOME RENT LIMIT	507	543	652	754	841	928	1015
HIGH HOME RENT LIMIT	640	688	827	947	1036	1125	1214
For Information Only:							
FAIR MARKET RENT	811	869	1147	1580	1910	2197	2483
50% RENT LIMIT	507	543	652	754	841	928	1015
65% RENT LIMIT	640	688	827	947	1036	1125	1214

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Modoc County, CA</b>							
LOW HOME RENT LIMIT	468	542	643	753	840	926	1013
HIGH HOME RENT LIMIT	468	542	643	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	468	542	643	948	1131	1301	1470
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
<b>Mono County, CA</b>							
LOW HOME RENT LIMIT	711	761	913	1055	1177	1299	1421
HIGH HOME RENT LIMIT	842	962	1141	1420	1564	1707	1851
For Information Only:							
FAIR MARKET RENT	842	962	1141	1421	1842	2118	2395
50% RENT LIMIT	711	761	913	1055	1177	1299	1421
65% RENT LIMIT	959	1029	1237	1420	1564	1707	1851
<b>Nevada County, CA</b>							
LOW HOME RENT LIMIT	671	719	863	997	1112	1228	1342
HIGH HOME RENT LIMIT	853	914	1099	1261	1388	1512	1637
For Information Only:							
FAIR MARKET RENT	1016	1023	1355	1997	2309	2655	3002
50% RENT LIMIT	671	719	863	997	1112	1228	1342
65% RENT LIMIT	853	914	1099	1261	1388	1512	1637
<b>Plumas County, CA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	512	636	834	955	1046	1136	1226
For Information Only:							
FAIR MARKET RENT	512	636	861	1072	1416	1628	1841
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	646	694	834	955	1046	1136	1226
<b>Sierra County, CA</b>							
LOW HOME RENT LIMIT	616	660	791	914	1020	1125	1230
HIGH HOME RENT LIMIT	757	769	1013	1162	1278	1391	1504
For Information Only:							
FAIR MARKET RENT	757	769	1040	1533	1679	1931	2183
50% RENT LIMIT	616	660	791	914	1020	1125	1230
65% RENT LIMIT	785	843	1013	1162	1278	1391	1504
<b>Siskiyou County, CA</b>							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	522	622	794	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	522	622	794	1158	1303	1498	1694
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Tehama County, CA							
LOW HOME RENT LIMIT	491	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	491*	580	785	945	1035	1123	1212
For Information Only:							
FAIR MARKET RENT	467	580	785	1107	1269	1459	1650
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	640	687	826	945	1035	1123	1212
Trinity County, CA							
LOW HOME RENT LIMIT	507	543	652	753	840	926	1013
HIGH HOME RENT LIMIT	551	554	741	950	1041	1130	1219
For Information Only:							
FAIR MARKET RENT	551	554	741	1092	1312	1509	1706
50% RENT LIMIT	507	543	652	753	840	926	1013
65% RENT LIMIT	643	690	831	950	1041	1130	1219
Tuolumne County, CA							
LOW HOME RENT LIMIT	581	623	747	863	963	1063	1162
HIGH HOME RENT LIMIT	613*	704	952	1095	1201	1307	1413
For Information Only:							
FAIR MARKET RENT	580	704	952	1403	1408	1619	1830
50% RENT LIMIT	581	623	747	863	963	1063	1162
65% RENT LIMIT	740	794	956	1095	1201	1307	1413

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
 For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Bakersfield, CA MSA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	601	639	826	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	601	639	826	1194	1442	1658	1875
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
<b>Chico, CA MSA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	622	713	867	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	622	713	907	1318	1584	1822	2059
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
<b>El Centro, CA MSA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	517	643	836	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	517	643	836	1173	1460	1679	1898
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
<b>Fresno, CA MSA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	662	690	862	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	662	690	862	1216	1430	1645	1859
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
<b>Hanford-Corcoran, CA MSA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	607	611	818	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	607	611	818	1133	1293	1487	1681
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
<b>Los Angeles-Long Beach-Glendale, CA HUD Met</b>							
LOW HOME RENT LIMIT	760	814	977	1128	1258	1389	1519
HIGH HOME RENT LIMIT	947	1086	1306	1499	1653	1805	1957
For Information Only:							
FAIR MARKET RENT	947	1154	1490	2009	2227	2561	2895
50% RENT LIMIT	760	814	977	1128	1258	1389	1519
65% RENT LIMIT	1013	1086	1306	1499	1653	1805	1957

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Santa Ana-Anaheim-Irvine, CA HUD Metro FMR							
LOW HOME RENT LIMIT	853	914	1097	1267	1413	1560	1706
HIGH HOME RENT LIMIT	1123	1204	1447	1663	1835	2007	2178
For Information Only:							
FAIR MARKET RENT	1161	1324	1672	2327	2532	2912	3292
50% RENT LIMIT	853	914	1097	1267	1413	1560	1706
65% RENT LIMIT	1123	1204	1447	1663	1835	2007	2178
Madera, CA MSA							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	671	704	867	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	699	704	942	1368	1546	1778	2010
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
Merced, CA MSA							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	517	601	784	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	517	601	784	1135	1369	1574	1780
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
Modesto, CA MSA							
LOW HOME RENT LIMIT	542	581	697	806	900	992	1085
HIGH HOME RENT LIMIT	634	717	889	1018	1116	1213	1310
For Information Only:							
FAIR MARKET RENT	634	717	936	1337	1615	1857	2100
50% RENT LIMIT	542	581	697	806	900	992	1085
65% RENT LIMIT	689	739	889	1018	1116	1213	1310
Napa, CA MSA							
LOW HOME RENT LIMIT	765	820	983	1136	1267	1398	1529
HIGH HOME RENT LIMIT	925	1096	1317	1514	1669	1822	1977
For Information Only:							
FAIR MARKET RENT	925	1145	1500	2186	2368	2723	3078
50% RENT LIMIT	765	820	983	1136	1267	1398	1529
65% RENT LIMIT	1021	1096	1317	1514	1669	1822	1977
Oxnard-Thousand Oaks-Ventura, CA MSA							
LOW HOME RENT LIMIT	817	876	1051	1214	1355	1495	1634
HIGH HOME RENT LIMIT	994	1183	1421	1633	1803	1970	2138
For Information Only:							
FAIR MARKET RENT	994	1197	1602	2264	2489	2862	3236
50% RENT LIMIT	817	876	1051	1214	1355	1495	1634
65% RENT LIMIT	1103	1183	1421	1633	1803	1970	2138

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Redding, CA MSA							
LOW HOME RENT LIMIT	516	553	663	767	856	944	1032
HIGH HOME RENT LIMIT	660	663	868	995	1090	1184	1278
For Information Only:							
FAIR MARKET RENT	660	663	871	1269	1484	1707	1929
50% RENT LIMIT	516	553	663	767	856	944	1032
65% RENT LIMIT	673	722	868	995	1090	1184	1278
Riverside-San Bernardino-Ontario, CA MSA							
LOW HOME RENT LIMIT	586	628	753	871	972	1072	1172
HIGH HOME RENT LIMIT	748	802	964	1105	1214	1321	1427
For Information Only:							
FAIR MARKET RENT	798	945	1187	1672	2056	2364	2673
50% RENT LIMIT	586	628	753	871	972	1072	1172
65% RENT LIMIT	748	802	964	1105	1214	1321	1427
Sacramento--Roseville--Arden-Arcade, CA HUD							
LOW HOME RENT LIMIT	666	713	856	989	1103	1218	1331
HIGH HOME RENT LIMIT	707	815	1026	1257	1383	1507	1632
For Information Only:							
FAIR MARKET RENT	707	815	1026	1495	1791	2060	2328
50% RENT LIMIT	666	713	856	989	1103	1218	1331
65% RENT LIMIT	850	912	1096	1257	1383	1507	1632
Yolo, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	673	721	866	1000	1116	1231	1345
HIGH HOME RENT LIMIT	864	870	1124	1290	1419	1547	1676
For Information Only:							
FAIR MARKET RENT	864	870	1164	1672	2032	2337	2642
50% RENT LIMIT	673	721	866	1000	1116	1231	1345
65% RENT LIMIT	871	935	1124	1290	1419	1547	1676
Salinas, CA MSA							
LOW HOME RENT LIMIT	666	713	856	989	1103	1218	1331
HIGH HOME RENT LIMIT	890	955	1148	1317	1450	1581	1712
For Information Only:							
FAIR MARKET RENT	961	1114	1399	2039	2181	2508	2835
50% RENT LIMIT	666	713	856	989	1103	1218	1331
65% RENT LIMIT	890	955	1148	1317	1450	1581	1712
San Diego-Carlsbad, CA MSA							
LOW HOME RENT LIMIT	743	796	956	1105	1232	1360	1487
HIGH HOME RENT LIMIT	979	1050	1262	1450	1598	1744	1891
For Information Only:							
FAIR MARKET RENT	1040	1153	1499	2167	2329	2678	3028
50% RENT LIMIT	743	796	956	1105	1232	1360	1487
65% RENT LIMIT	979	1050	1262	1450	1598	1744	1891

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Oakland-Fremont, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	853	914	1097	1267	1413	1560	1706
HIGH HOME RENT LIMIT	1144	1227	1474	1695	1871	2047	2222
For Information Only:							
FAIR MARKET RENT	1380	1663	2103	2932	3268	3758	4248
50% RENT LIMIT	853	914	1097	1267	1413	1560	1706
65% RENT LIMIT	1144	1227	1474	1695	1871	2047	2222
San Francisco, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	1076	1153	1383	1599	1783	1968	2152
HIGH HOME RENT LIMIT	1380	1480	1778	2046	2263	2478	2694
For Information Only:							
FAIR MARKET RENT	1412	1814	2289	2987	3556	4089	4623
50% RENT LIMIT	1076	1153	1383	1599	1783	1968	2152
65% RENT LIMIT	1380	1480	1778	2046	2263	2478	2694
San Jose-Sunnyvale-Santa Clara, CA HUD Metr							
LOW HOME RENT LIMIT	977	1046	1256	1451	1618	1786	1953
HIGH HOME RENT LIMIT	1224	1313	1577	1814	2004	2192	2381
For Information Only:							
FAIR MARKET RENT	1348	1582	1994	2777	3098	3563	4027
50% RENT LIMIT	977	1046	1256	1451	1618	1786	1953
65% RENT LIMIT	1224	1313	1577	1814	2004	2192	2381
San Benito County, CA HUD Metro FMR Area							
LOW HOME RENT LIMIT	698	748	898	1037	1157	1277	1396
HIGH HOME RENT LIMIT	925	1011	1216	1395	1536	1677	1817
For Information Only:							
FAIR MARKET RENT	925	1025	1353	1972	2362	2716	3071
50% RENT LIMIT	698	748	898	1037	1157	1277	1396
65% RENT LIMIT	943	1011	1216	1395	1536	1677	1817
San Luis Obispo-Paso Robles-Arroyo Grande,							
LOW HOME RENT LIMIT	675	723	867	1002	1118	1234	1349
HIGH HOME RENT LIMIT	864	999	1202	1379	1519	1657	1796
For Information Only:							
FAIR MARKET RENT	864	1009	1310	1909	2249	2586	2924
50% RENT LIMIT	675	723	867	1002	1118	1234	1349
65% RENT LIMIT	931	999	1202	1379	1519	1657	1796
Santa Cruz-Watsonville, CA MSA							
LOW HOME RENT LIMIT	863	925	1110	1281	1430	1578	1725
HIGH HOME RENT LIMIT	989	1198	1492	1715	1894	2071	2248
For Information Only:							
FAIR MARKET RENT	989	1198	1604	2124	2376	2732	3089
50% RENT LIMIT	863	925	1110	1281	1430	1578	1725
65% RENT LIMIT	1158	1241	1492	1715	1894	2071	2248

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Santa Maria-Santa Barbara, CA MSA							
LOW HOME RENT LIMIT	737	790	947	1095	1221	1348	1473
HIGH HOME RENT LIMIT	938	1006	1209	1389	1530	1669	1809
For Information Only:							
FAIR MARKET RENT	1065	1226	1451	1995	2311	2658	3004
50% RENT LIMIT	737	790	947	1095	1221	1348	1473
65% RENT LIMIT	938	1006	1209	1389	1530	1669	1809
Santa Rosa, CA MSA							
LOW HOME RENT LIMIT	723	775	930	1074	1198	1322	1445
HIGH HOME RENT LIMIT	934	1022	1228	1410	1554	1696	1838
For Information Only:							
FAIR MARKET RENT	934	1090	1414	2061	2469	2839	3210
50% RENT LIMIT	723	775	930	1074	1198	1322	1445
65% RENT LIMIT	953	1022	1228	1410	1554	1696	1838
Stockton-Lodi, CA MSA							
LOW HOME RENT LIMIT	581	622	746	862	962	1061	1160
HIGH HOME RENT LIMIT	616	735	948	1087	1193	1297	1403
For Information Only:							
FAIR MARKET RENT	616	735	967	1409	1688	1941	2194
50% RENT LIMIT	581	622	746	862	962	1061	1160
65% RENT LIMIT	735	789	948	1087	1193	1297	1403
Vallejo-Fairfield, CA MSA							
LOW HOME RENT LIMIT	723	775	930	1074	1198	1322	1445
HIGH HOME RENT LIMIT	830	1019	1226	1407	1550	1691	1833
For Information Only:							
FAIR MARKET RENT	830	1024	1284	1871	2242	2578	2915
50% RENT LIMIT	723	775	930	1074	1198	1322	1445
65% RENT LIMIT	950	1019	1226	1407	1550	1691	1833
Visalia-Porterville, CA MSA							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	580	584	758	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	580	584	758	1105	1244	1431	1617
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
Yuba City, CA MSA							
LOW HOME RENT LIMIT	520	557	668	772	862	951	1039
HIGH HOME RENT LIMIT	628	661	861	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	628	661	861	1255	1503	1728	1954
50% RENT LIMIT	520	557	668	772	862	951	1039
65% RENT LIMIT	671	721	867	994	1089	1182	1277

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Alpine County, CA</b>							
LOW HOME RENT LIMIT	615	663	882	1123	1253	1383	1512
HIGH HOME RENT LIMIT	615	663	882	1260	1432	1647	1861
For Information Only:							
FAIR MARKET RENT	615	663	882	1260	1432	1647	1862
50% RENT LIMIT	756	810	972	1123	1253	1383	1512
65% RENT LIMIT	964	1034	1243	1427	1573	1717	1861
<b>Amador County, CA</b>							
LOW HOME RENT LIMIT	633	678	813	940	1048	1157	1265
HIGH HOME RENT LIMIT	649	787	1053	1260	1386	1511	1635
For Information Only:							
FAIR MARKET RENT	649	787	1053	1504	1729	1988	2248
50% RENT LIMIT	633	678	813	940	1048	1157	1265
65% RENT LIMIT	851	913	1098	1260	1386	1511	1635
<b>Calaveras County, CA</b>							
LOW HOME RENT LIMIT	615	658	790	913	1018	1123	1228
HIGH HOME RENT LIMIT	645	713	925	1220	1341	1461	1581
For Information Only:							
FAIR MARKET RENT	645	713	925	1348	1615	1857	2100
50% RENT LIMIT	615	658	790	913	1018	1123	1228
65% RENT LIMIT	824	884	1063	1220	1341	1461	1581
<b>Colusa County, CA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	524	701	850	1043	1144	1243	1343
For Information Only:							
FAIR MARKET RENT	524	701	850	1239	1358	1562	1765
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	705	757	911	1043	1144	1243	1343
<b>Del Norte County, CA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	671	721	867	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	726	731	922	1344	1610	1852	2093
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
<b>Glenn County, CA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	611	615	823	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	611	615	823	1144	1336	1536	1737
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Humboldt County, CA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	668	748	913	1047	1148	1248	1348
For Information Only:							
FAIR MARKET RENT	668	748	999	1444	1713	1970	2227
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	708	759	913	1047	1148	1248	1348
<b>Inyo County, CA</b>							
LOW HOME RENT LIMIT	630	675	810	936	1045	1152	1260
HIGH HOME RENT LIMIT	734	739	938	1262	1389	1514	1639
For Information Only:							
FAIR MARKET RENT	734	739	938	1349	1522	1750	1979
50% RENT LIMIT	630	675	810	936	1045	1152	1260
65% RENT LIMIT	853	915	1101	1262	1389	1514	1639
<b>Lake County, CA</b>							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	671	721	867	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	684	726	972	1402	1444	1661	1877
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
<b>Lassen County, CA</b>							
LOW HOME RENT LIMIT	607	651	781	902	1007	1111	1214
HIGH HOME RENT LIMIT	621	723	968	1182	1299	1415	1530
For Information Only:							
FAIR MARKET RENT	621	723	968	1378	1690	1944	2197
50% RENT LIMIT	607	651	781	902	1007	1111	1214
65% RENT LIMIT	799	857	1031	1182	1299	1415	1530
<b>Mariposa County, CA</b>							
LOW HOME RENT LIMIT	560	600	720	831	927	1023	1118
HIGH HOME RENT LIMIT	657	705	943	1104	1211	1318	1425
For Information Only:							
FAIR MARKET RENT	657	705	943	1182	1596	1835	2075
50% RENT LIMIT	560	600	720	831	927	1023	1118
65% RENT LIMIT	746	801	963	1104	1211	1318	1425
<b>Mendocino County, CA</b>							
LOW HOME RENT LIMIT	533	571	686	791	883	975	1065
HIGH HOME RENT LIMIT	673	722	868	995	1090	1184	1278
For Information Only:							
FAIR MARKET RENT	733	789	1056	1505	1609	1850	2092
50% RENT LIMIT	533	571	686	791	883	975	1065
65% RENT LIMIT	673	722	868	995	1090	1184	1278

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----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Modoc County, CA							
LOW HOME RENT LIMIT	459	553	658	766	855	943	1030
HIGH HOME RENT LIMIT	459	569	658	959	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	459	569	658	959	1132	1302	1472
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
Mono County, CA							
LOW HOME RENT LIMIT	711	761	913	1055	1177	1299	1421
HIGH HOME RENT LIMIT	872	1029	1237	1420	1564	1707	1851
For Information Only:							
FAIR MARKET RENT	872	1090	1262	1566	2048	2355	2662
50% RENT LIMIT	711	761	913	1055	1177	1299	1421
65% RENT LIMIT	959	1029	1237	1420	1564	1707	1851
Nevada County, CA							
LOW HOME RENT LIMIT	671	719	863	997	1112	1228	1342
HIGH HOME RENT LIMIT	792	908	1154	1325	1459	1591	1723
For Information Only:							
FAIR MARKET RENT	792	908	1216	1772	2123	2441	2760
50% RENT LIMIT	671	719	863	997	1112	1228	1342
65% RENT LIMIT	895	960	1154	1325	1459	1591	1723
Plumas County, CA							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	607	711	870	1005	1101	1197	1292
For Information Only:							
FAIR MARKET RENT	607	711	870	1109	1351	1554	1756
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	680	730	878	1005	1101	1197	1292
Sierra County, CA							
LOW HOME RENT LIMIT	616	660	791	914	1020	1125	1230
HIGH HOME RENT LIMIT	785	843	1013	1162	1278	1391	1504
For Information Only:							
FAIR MARKET RENT	836	901	1199	1513	1946	2238	2530
50% RENT LIMIT	616	660	791	914	1020	1125	1230
65% RENT LIMIT	785	843	1013	1162	1278	1391	1504
Siskiyou County, CA							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	524	666	849	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	524	666	849	1236	1399	1609	1819
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277

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----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Tehama County, CA							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	517	626	838	994	1089	1182	1277
For Information Only:							
FAIR MARKET RENT	517	626	838	1156	1160	1334	1508
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	671	721	867	994	1089	1182	1277
Trinity County, CA							
LOW HOME RENT LIMIT	516	553	663	766	855	943	1030
HIGH HOME RENT LIMIT	629	633	847	999	1095	1189	1284
For Information Only:							
FAIR MARKET RENT	629	633	847	1148	1479	1701	1923
50% RENT LIMIT	516	553	663	766	855	943	1030
65% RENT LIMIT	675	725	872	999	1095	1189	1284
Tuolumne County, CA							
LOW HOME RENT LIMIT	581	623	747	863	963	1063	1162
HIGH HOME RENT LIMIT	733	747	956	1095	1201	1307	1413
For Information Only:							
FAIR MARKET RENT	733	747	1000	1365	1516	1743	1971
50% RENT LIMIT	581	623	747	863	963	1063	1162
65% RENT LIMIT	740	794	956	1095	1201	1307	1413

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

**2015 & 2016**

**State**

**Income Income Limits**

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Alameda County</b> 4-Person Area Median Income: <b>\$93,500</b>	Extremely Low	19650	22450	25250	28050	30300	32570	36730	40890
	Very Low Income	32750	37400	42100	46750	50500	54250	58000	61750
	Low Income	50150	57300	64450	71600	77350	83100	88800	94550
	<b>Median Income</b>	65450	74800	84150	<b>93500</b>	101000	108450	115950	123400
	Moderate Income	78550	89750	101000	112200	121200	130150	139150	148100
<b>Alpine County</b> 4-Person Area Median Income: <b>\$94,900</b>	Extremely Low	18150	20750	23350	25900	28410	32570	36730	40890
	Very Low Income	30250	34600	38900	43200	46700	50150	53600	57050
	Low Income	46100	52650	59250	65800	71100	76350	81600	86900
	<b>Median Income</b>	66450	75900	85400	<b>94900</b>	102500	110100	117700	125250
	Moderate Income	79750	91100	102500	113900	123000	132100	141250	150350
<b>Amador County</b> 4-Person Area Median Income: <b>\$72,300</b>	Extremely Low	15200	17400	20090	24250	28410	32570	36730	40890
	Very Low Income	25350	28950	32550	36150	39050	41950	44850	47750
	Low Income	40500	46300	52100	57850	62500	67150	71750	76400
	<b>Median Income</b>	50600	57850	65050	<b>72300</b>	78100	83850	89650	95450
	Moderate Income	60700	69400	78100	86750	93700	100650	107550	114500
<b>Butte County</b> 4-Person Area Median Income: <b>\$58,700</b>	Extremely Low	12350	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20550	23500	26450	29350	31700	34050	36400	38750
	Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	<b>Median Income</b>	41100	46950	52850	<b>58700</b>	63400	68100	72800	77500
	Moderate Income	49300	56350	63400	70450	76100	81700	87350	93000
<b>Calaveras County</b> 4-Person Area Median Income: <b>\$70,200</b>	Extremely Low	14750	16850	20090	24250	28410	32570	36730	40890
	Very Low Income	24600	28100	31600	35100	37950	40750	43550	46350
	Low Income	39350	44950	50550	56150	60650	65150	69650	74150
	<b>Median Income</b>	49150	56150	63200	<b>70200</b>	75800	81450	87050	92650
	Moderate Income	58950	67400	75850	84250	91000	97750	104450	111200
<b>Colusa County</b> 4-Person Area Median Income: <b>\$58,700</b>	Extremely Low	12350	15930	20090	24250	28410	32570	36400	38750
	Very Low Income	20550	23500	26450	29350	31700	34050	36400	38750
	Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	<b>Median Income</b>	41100	46950	52850	<b>58700</b>	63400	68100	72800	77500
	Moderate Income	49300	56350	63400	70450	76100	81700	87350	93000
<b>Contra Costa County</b> 4-Person Area Median Income: <b>\$93,500</b>	Extremely Low	19650	22450	25250	28050	30300	32570	36730	40890
	Very Low Income	32750	37400	42100	46750	50500	54250	58000	61750
	Low Income	50150	57300	64450	71600	77350	83100	88800	94550
	<b>Median Income</b>	65450	74800	84150	<b>93500</b>	101000	108450	115950	123400
	Moderate Income	78550	89750	101000	112200	121200	130150	139150	148100
<b>Del Norte County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>El Dorado County</b> 4-Person Area Median Income: <b>\$76,100</b>	Extremely Low	16000	18300	20600	24250	28410	32570	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	<b>Median Income</b>	53250	60900	68500	<b>76100</b>	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500

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County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Fresno County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Glenn County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Humboldt County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Imperial County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Inyo County</b> 4-Person Area Median Income: <b>\$71,500</b>	Extremely Low	15050	17200	20090	24250	28410	32570	36730	40890
	Very Low Income	25050	28600	32200	35750	38650	41500	44350	47200
	Low Income	40050	45800	51500	57200	61800	66400	70950	75550
	<b>Median Income</b>	50050	57200	64350	<b>71500</b>	77200	82950	88650	94400
	Moderate Income	60050	68650	77200	85800	92650	99550	106400	113250
<b>Kern County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Kings County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Lake County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Lassen County</b> 4-Person Area Median Income: <b>\$69,400</b>	Extremely Low	14600	16650	20090	24250	28410	32570	36730	40890
	Very Low Income	24300	27800	31250	34700	37500	40300	43050	45850
	Low Income	38850	44400	49950	55500	59950	64400	68850	73300
	<b>Median Income</b>	48600	55500	62450	<b>69400</b>	74950	80500	86050	91600
	Moderate Income	58300	66650	74950	83300	89950	96650	103300	109950

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County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Los Angeles County</b> 4-Person Area Median Income: <b>\$64,800</b>	Extremely Low	17950	20500	23050	25600	28410	32570	36730	40890
	Very Low Income	29900	34200	38450	42700	46150	49550	52950	56400
	Low Income *	47850	54650	61500	68300	73800	79250	84700	90200
	<b>Median Income</b>	45350	51850	58300	<b>64800</b>	70000	75150	80350	85550
	Moderate Income	54450	62200	70000	77750	83950	90200	96400	102650
<i>* Low income exceeding median income is an anomaly for this county due to HUD historical adjustments to median income. Household lower income figures are derived from very-low income figures that are not adjusted by HUD for exceptions.</i>									
<b>Madera County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Marin County</b> 4-Person Area Median Income: <b>\$103,000</b>	Extremely Low	24650	28150	31650	35150	38000	40800	43600	46400
	Very Low Income	41050	46900	52750	58600	63300	68000	72700	77400
	Low Income	65700	75100	84500	93850	101400	108900	116400	123900
	<b>Median Income</b>	72100	82400	92700	<b>103000</b>	111250	119500	127700	135950
	Moderate Income	86500	98900	111250	123600	133500	143400	153250	163150
<b>Mariposa County</b> 4-Person Area Median Income: <b>\$61,900</b>	Extremely Low	13000	15930	20090	24250	28410	32570	36730	40890
	Very Low Income	21700	24800	27900	30950	33450	35950	38400	40900
	Low Income	34650	39600	44550	49500	53500	57450	61400	65350
	<b>Median Income</b>	43350	49500	55700	<b>61900</b>	66850	71800	76750	81700
	Moderate Income	52000	59450	66850	74300	80250	86200	92150	98100
<b>Mendocino County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12200	15930	20090	24250	28410	32570	36000	38300
	Very Low Income	20300	23200	26100	29000	31350	33650	36000	38300
	Low Income	32500	37150	41800	46400	50150	53850	57550	61250
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Merced County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Modoc County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Mono County</b> 4-Person Area Median Income: <b>\$81,200</b>	Extremely Low	17050	19500	21950	24350	28410	32570	36730	40890
	Very Low Income	28450	32500	36550	40600	43850	47100	50350	53600
	Low Income	44750	51150	57550	63900	69050	74150	79250	84350
	<b>Median Income</b>	56850	64950	73100	<b>81200</b>	87700	94200	100700	107200
	Moderate Income	68200	77950	87700	97450	105250	113050	120850	128650
<b>Monterey County</b> 4-Person Area Median Income: <b>\$68,700</b>	Extremely Low	15250	17400	20090	24250	28410	32570	36730	40890
	Very Low Income	25400	29000	32650	36250	39150	42050	44950	47850
	Low Income	40600	46400	52200	58000	62650	67300	71950	76600
	<b>Median Income</b>	48100	54950	61850	<b>68700</b>	74200	79700	85200	90700
	Moderate Income	57700	65950	74200	82450	89050	95650	102250	108850

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County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Napa County</b> 4-Person Area Median Income: <b>\$86,100</b>	Extremely Low	18350	21000	23600	26200	28410	32570	36730	40890
	Very Low Income	30600	34950	39300	43650	47150	50650	54150	57650
	Low Income	48900	55850	62850	69800	75400	81000	86600	92150
	<b>Median Income</b>	60250	68900	77500	<b>86100</b>	93000	99900	106750	113650
	Moderate Income	72300	82650	92950	103300	111550	119850	128100	136350
<b>Nevada County</b> 4-Person Area Median Income: <b>\$73,500</b>	Extremely Low	16100	18400	20700	24250	28410	32570	36730	40890
	Very Low Income	26850	30700	34550	38350	41450	44500	47600	50650
	Low Income	42950	49050	55200	61300	66250	71150	76050	80950
	<b>Median Income</b>	51450	58800	66150	<b>73500</b>	79400	85250	91150	97000
	Moderate Income	61750	70550	79400	88200	95250	102300	109350	116400
<b>Orange County</b> 4-Person Area Median Income: <b>\$87,200</b>	Extremely Low	20250	23150	26050	28900	31250	33550	36730	40890
	Very Low Income	33750	38550	43350	48150	52050	55900	59750	63600
	Low Income	53950	61650	69350	77050	83250	89400	95550	101750
	<b>Median Income</b>	61050	69750	78500	<b>87200</b>	94200	101150	108150	115100
	Moderate Income	73250	83700	94200	104650	113000	121400	129750	138150
<b>Placer County</b> 4-Person Area Median Income: <b>\$76,100</b>	Extremely Low	16000	18300	20600	24250	28410	32570	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	<b>Median Income</b>	53250	60900	68500	<b>76100</b>	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500
<b>Plumas County</b> 4-Person Area Median Income: <b>\$62,000</b>	Extremely Low	13050	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	21700	24800	27900	31000	33500	36000	38450	40950
	Low Income	34750	39700	44650	49600	53600	57550	61550	65500
	<b>Median Income</b>	43400	49600	55800	<b>62000</b>	66950	71900	76900	81850
	Moderate Income	52100	59500	66950	74400	80350	86300	92250	98200
<b>Riverside County</b> 4-Person Area Median Income: <b>\$65,000</b>	Extremely Low	14100	16100	20090	24250	28410	32570	36730	40890
	Very Low Income	23450	26800	30150	33500	36200	38900	41550	44250
	Low Income	37550	42900	48250	53600	57900	62200	66500	70800
	<b>Median Income</b>	45500	52000	58500	<b>65000</b>	70200	75400	80600	85800
	Moderate Income	54600	62400	70200	78000	84250	90500	96700	102950
<b>Sacramento County</b> 4-Person Area Median Income: <b>\$76,100</b>	Extremely Low	16000	18300	20600	24250	28410	32570	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	<b>Median Income</b>	53250	60900	68500	<b>76100</b>	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500
<b>San Benito County</b> 4-Person Area Median Income: <b>\$81,100</b>	Extremely Low	17050	19500	21950	24350	28410	32570	36730	40890
	Very Low Income	28400	32450	36500	40550	43800	47050	50300	53550
	Low Income	45100	51550	58000	64400	69600	74750	79900	85050
	<b>Median Income</b>	56750	64900	73000	<b>81100</b>	87600	94100	100550	107050
	Moderate Income	68100	77850	87550	97300	105100	112850	120650	128450
<b>San Bernardino County</b> 4-Person Area Median Income: <b>\$65,000</b>	Extremely Low	14100	16100	20090	24250	28410	32570	36730	40890
	Very Low Income	23450	26800	30150	33500	36200	38900	41550	44250
	Low Income	37550	42900	48250	53600	57900	62200	66500	70800
	<b>Median Income</b>	45500	52000	58500	<b>65000</b>	70200	75400	80600	85800
	Moderate Income	54600	62400	70200	78000	84250	90500	96700	102950

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County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>San Diego County</b> 4-Person Area Median Income: <b>\$75,900</b>	Extremely Low	17350	19850	22300	24800	28410	32570	36730	40890
	Very Low Income	28900	33050	37150	41300	44600	47900	51200	54500
	Low Income	46250	52900	59500	66100	71400	76700	81950	87250
	<b>Median Income</b>	53150	60700	68300	<b>75900</b>	81950	88050	94100	100200
	Moderate Income	63750	72900	82000	91100	98400	105700	112950	120250
<b>San Francisco County</b> 4-Person Area Median Income: <b>\$103,000</b>	Extremely Low	24650	28150	31650	35150	38000	40800	43600	46400
	Very Low Income	41050	46900	52750	58600	63300	68000	72700	77400
	Low Income	65700	75100	84500	93850	101400	108900	116400	123900
	<b>Median Income</b>	72100	82400	92700	<b>103000</b>	111250	119500	127700	135950
	Moderate Income	86500	98900	111250	123600	133500	143400	153250	163150
<b>San Joaquin County</b> 4-Person Area Median Income: <b>\$66,300</b>	Extremely Low	13950	15950	20090	24250	28410	32570	36730	39350
	Very Low Income	23250	26550	29850	33150	35850	38500	41150	43800
	Low Income	37150	42450	47750	53050	57300	61550	65800	70050
	<b>Median Income</b>	46400	53050	59650	<b>66300</b>	71600	76900	82200	87500
	Moderate Income	55700	63650	71600	79550	85900	92300	98650	105000
<b>San Luis Obispo County</b> 4-Person Area Median Income: <b>\$77,100</b>	Extremely Low	16250	18550	20850	24250	28410	32570	36730	40890
	Very Low Income	27000	30850	34700	38550	41650	44750	47850	50900
	Low Income	43200	49400	55550	61700	66650	71600	76550	81450
	<b>Median Income</b>	53950	61700	69400	<b>77100</b>	83250	89450	95600	101750
	Moderate Income	64750	74000	83250	92500	99900	107300	114700	122100
<b>San Mateo County</b> 4-Person Area Median Income: <b>\$103,000</b>	Extremely Low	24650	28150	31650	35150	38000	40800	43600	46400
	Very Low Income	41050	46900	52750	58600	63300	68000	72700	77400
	Low Income	65700	75100	84500	93850	101400	108900	116400	123900
	<b>Median Income</b>	72100	82400	92700	<b>103000</b>	111250	119500	127700	135950
	Moderate Income	86500	98900	111250	123600	133500	143400	153250	163150
<b>Santa Barbara County</b> 4-Person Area Median Income: <b>\$75,400</b>	Extremely Low	16850	19250	21650	24250	28410	32570	36730	40890
	Very Low Income	28100	32100	36100	40100	43350	46550	49750	52950
	Low Income	44950	51350	57750	64150	69300	74450	79550	84700
	<b>Median Income</b>	52800	60300	67850	<b>75400</b>	81450	87450	93500	99550
	Moderate Income	63350	72400	81450	90500	97750	105000	112200	119450
<b>Santa Clara County</b> 4-Person Area Median Income: <b>\$106,300</b>	Extremely Low	22350	25550	28750	31900	34500	37050	39600	42150
	Very Low Income	37250	42550	47850	53150	57450	61700	65950	70200
	Low Income	59400	67900	76400	84900	91650	98450	105250	112050
	<b>Median Income</b>	74400	85050	95650	<b>106300</b>	114800	123300	131800	140300
	Moderate Income	89300	102050	114800	127550	137750	147950	158150	168350
<b>Santa Cruz County</b> 4-Person Area Median Income: <b>\$87,000</b>	Extremely Low	21200	24200	27250	30250	32700	35100	37550	40890
	Very Low Income	35300	40350	45400	50400	54450	58500	62500	66550
	Low Income	56500	64550	72600	80650	87150	93600	100050	106500
	<b>Median Income</b>	60900	69600	78300	<b>87000</b>	93950	100900	107900	114850
	Moderate Income	73100	83500	93950	104400	112750	121100	129450	137800
<b>Shasta County</b> 4-Person Area Median Income: <b>\$59,000</b>	Extremely Low	12400	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20650	23600	26550	29500	31900	34250	36600	38950
	Low Income	33050	37800	42500	47200	51000	54800	58550	62350
	<b>Median Income</b>	41300	47200	53100	<b>59000</b>	63700	68450	73150	77900
	Moderate Income	49550	56650	63700	70800	76450	82150	87800	93450

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County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Sierra County</b> 4-Person Area Median Income: <b>\$71,800</b>	Extremely Low	14800	16900	20090	24250	28410	32570	36730	40890
	Very Low Income	24650	28150	31650	35150	38000	40800	43600	46400
	Low Income	39400	45000	50650	56250	60750	65250	69750	74250
	<b>Median Income</b>	50250	57450	64600	<b>71800</b>	77550	83300	89050	94800
	Moderate Income	60300	68900	77550	86150	93050	99950	106850	113700
<b>Siskiyou County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Solano County</b> 4-Person Area Median Income: <b>\$82,600</b>	Extremely Low	17400	19850	22350	24800	28410	32570	36730	40890
	Very Low Income	28950	33050	37200	41300	44650	47950	51250	54550
	Low Income	45500	52000	58500	65000	70200	75400	80600	85800
	<b>Median Income</b>	57800	66100	74350	<b>82600</b>	89200	95800	102400	109050
	Moderate Income	69350	79300	89200	99100	107050	114950	122900	130800
<b>Sonoma County</b> 4-Person Area Median Income: <b>\$82,600</b>	Extremely Low	17400	19850	22350	24800	28410	32570	36730	40890
	Very Low Income	28950	33050	37200	41300	44650	47950	51250	54550
	Low Income	45500	52000	58500	65000	70200	75400	80600	85800
	<b>Median Income</b>	57800	66100	74350	<b>82600</b>	89200	95800	102400	109050
	Moderate Income	69350	79300	89200	99100	107050	114950	122900	130800
<b>Stanislaus County</b> 4-Person Area Median Income: <b>\$62,000</b>	Extremely Low	13050	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	21700	24800	27900	31000	33500	36000	38450	40950
	Low Income	34750	39700	44650	49600	53600	57550	61550	65500
	<b>Median Income</b>	43400	49600	55800	<b>62000</b>	66950	71900	76900	81850
	Moderate Income	52100	59500	66950	74400	80350	86300	92250	98200
<b>Sutter County</b> 4-Person Area Median Income: <b>\$59,400</b>	Extremely Low	12500	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20800	23800	26750	29700	32100	34500	36850	39250
	Low Income	33250	38000	42750	47500	51300	55100	58900	62700
	<b>Median Income</b>	41600	47500	53450	<b>59400</b>	64150	68900	73650	78400
	Moderate Income	49900	57050	64150	71300	77000	82700	88400	94100
<b>Tehama County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Trinity County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750
<b>Tulare County</b> 4-Person Area Median Income: <b>\$57,900</b>	Extremely Low	12150	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20300	23200	26100	28950	31300	33600	35900	38250
	Low Income	32450	37050	41700	46300	50050	53750	57450	61150
	<b>Median Income</b>	40550	46300	52100	<b>57900</b>	62550	67150	71800	76450
	Moderate Income	48650	55600	62550	69500	75050	80600	86200	91750

See instructions on last page to use these income limits to determine applicant eligibility and calculate affordable housing cost and rent.

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Tuolumne County</b> 4-Person Area Median Income: <b>\$66,700</b>	Extremely Low	13950	15950	20090	24250	28410	32570	36730	40890
	Very Low Income	23250	26600	29900	33200	35900	38550	41200	43850
	Low Income	37200	42500	47800	53100	57350	61600	65850	70100
	<b>Median Income</b>	46700	53350	60050	<b>66700</b>	72050	77350	82700	88050
	Moderate Income	56050	64050	72050	80050	86450	92850	99250	105650
<b>Ventura County</b> 4-Person Area Median Income: <b>\$89,300</b>	Extremely Low	19050	21800	24500	27200	29400	32570	36730	40890
	Very Low Income	31750	36250	40800	45300	48950	52550	56200	59800
	Low Income	50750	58000	65250	72500	78300	84100	89900	95700
	<b>Median Income</b>	62500	71450	80350	<b>89300</b>	96450	103600	110750	117900
	Moderate Income	75000	85700	96450	107150	115700	124300	132850	141450
<b>Yolo County</b> 4-Person Area Median Income: <b>\$76,900</b>	Extremely Low	16150	18450	20750	24250	28410	32570	36730	40890
	Very Low Income	26950	30800	34650	38450	41550	44650	47700	50800
	Low Income	43050	49200	55350	61500	66450	71350	76300	81200
	<b>Median Income</b>	53850	61500	69200	<b>76900</b>	83050	89200	95350	101500
	Moderate Income	64600	73850	83050	92300	99700	107050	114450	121850
<b>Yuba County</b> 4-Person Area Median Income: <b>\$59,400</b>	Extremely Low	12500	15930	20090	24250	28410	32570	35300	37600
	Very Low Income	20800	23800	26750	29700	32100	34500	36850	39250
	Low Income	33250	38000	42750	47500	51300	55100	58900	62700
	<b>Median Income</b>	41600	47500	53450	<b>59400</b>	64150	68900	73650	78400
	Moderate Income	49900	57050	64150	71300	77000	82700	88400	94100

**Instructions:**

**Eligibility Determination:**

Use household size income category figures in this chart. Determine eligibility based on actual number of persons in household and total of gross income for all persons.

**Determination of Income Limit for Households Larger than Eight Persons:**

Per person (PP) adjustment above 8: (1) multiply the 4-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the 8-person income limit, and (4) round to the nearest \$50.

E X A M P L E	Yuba County							
	Income Category	4 persons	8% PP Adj	+8 persons	=9 persons	8 person+	8% Adj x2=	10 persons
	Extremely Low	24,250	1940	32,000	33,950	32,000	3880	35,900
	Very Low Income	29,700	2376	39,200	41,600	39,200	4752	43,950
	Lower Income	47,500	3800	62,700	66,500	62,700	7600	70,300
	Moderate Income	71,300	5704	94,100	99,800	94,100	11408	105,500

**Calculation of Housing Cost and Rent:**

Refer to Health & Safety Code Sections 50052.5 and 50053. Use benchmark household size and multiply against applicable percentages defined in H&SC using Area Median Income identified in this chart.

**Determination of Household Size:**

For projects with no federal assistance, household size is set at number of bedrooms in unit plus one. For projects with federal assistance, household size may be set by multiplying 1.5 against the number of bedrooms in unit.

HUD release: 3/6/2015

Authority cited: Health and Safety Code (H&SC) Section 50093.

Reference: H&SC Sections 50079.5, 50093, 50105, and 50106.

Section 6932. 2016 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Alameda County</b> 4-Person Area Median Income: <b>\$93,600</b>	Extremely Low	20500	23400	26350	29250	31600	33950	36730	40890
	Very Low Income	34150	39000	43900	48750	52650	56550	60450	64350
	Low Income	52650	60150	67650	75150	81200	87200	93200	99200
	<b>Median Income</b>	65500	74900	84250	<b>93600</b>	101100	108600	116050	123550
	Moderate Income	78600	89850	101050	112300	121300	130250	139250	148250
<b>Alpine County</b> 4-Person Area Median Income: <b>\$94,900</b>	Extremely Low	18150	20750	23350	25900	28440	32580	36730	40890
	Very Low Income	30250	34600	38900	43200	46700	50150	53600	57050
	Low Income	46100	52650	59250	65800	71100	76350	81600	86900
	<b>Median Income</b>	66450	75900	85400	<b>94900</b>	102500	110100	117700	125250
	Moderate Income	79750	91100	102500	113900	123000	132100	141250	150350
<b>Amador County</b> 4-Person Area Median Income: <b>\$72,300</b>	Extremely Low	15200	17400	20160	24300	28440	32580	36730	40890
	Very Low Income	25350	28950	32550	36150	39050	41950	44850	47750
	Low Income	40500	46300	52100	57850	62500	67150	71750	76400
	<b>Median Income</b>	50600	57850	65050	<b>72300</b>	78100	83850	89650	95450
	Moderate Income	60700	69400	78100	86750	93700	100650	107550	114500
<b>Butte County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Calaveras County</b> 4-Person Area Median Income: <b>\$70,200</b>	Extremely Low	14750	16850	20160	24300	28440	32580	36730	40890
	Very Low Income	24600	28100	31600	35100	37950	40750	43550	46350
	Low Income	39350	44950	50550	56150	60650	65150	69650	74150
	<b>Median Income</b>	49150	56150	63200	<b>70200</b>	75800	81450	87050	92650
	Moderate Income	58950	67400	75850	84250	91000	97750	104450	111200
<b>Colusa County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Contra Costa County</b> 4-Person Area Median Income: <b>\$93,600</b>	Extremely Low	20500	23400	26350	29250	31600	33950	36730	40890
	Very Low Income	34150	39000	43900	48750	52650	56550	60450	64350
	Low Income	52650	60150	67650	75150	81200	87200	93200	99200
	<b>Median Income</b>	65500	74900	84250	<b>93600</b>	101100	108600	116050	123550
	Moderate Income	78600	89850	101050	112300	121300	130250	139250	148250
<b>Del Norte County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300

Section 6932. 2016 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>El Dorado County</b> 4-Person Area Median Income: <b>\$76,100</b>	Extremely Low	16000	18300	20600	24300	28440	32580	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	<b>Median Income</b>	53250	60900	68500	<b>76100</b>	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500
<b>Fresno County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Glenn County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Humboldt County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Imperial County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Inyo County</b> 4-Person Area Median Income: <b>\$72,000</b>	Extremely Low	15150	17300	20160	24300	28440	32580	36730	40890
	Very Low Income	25200	28800	32400	36000	38900	41800	44650	47550
	Low Income	40350	46100	51850	57600	62250	66850	71450	76050
	<b>Median Income</b>	50400	57600	64800	<b>72000</b>	77750	83500	89300	95050
	Moderate Income	60500	69100	77750	86400	93300	100200	107150	114050
<b>Kern County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Kings County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300

Section 6932. 2016 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Lake County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Lassen County</b> 4-Person Area Median Income: <b>\$69,400</b>	Extremely Low	14600	16650	20160	24300	28440	32580	36730	40890
	Very Low Income	24300	27800	31250	34700	37500	40300	43050	45850
	Low Income	38850	44400	49950	55500	59950	64400	68850	73300
	<b>Median Income</b>	48600	55500	62450	<b>69400</b>	74950	80500	86050	91600
	Moderate Income	58300	66650	74950	83300	89950	96650	103300	109950
<b>Los Angeles County</b> 4-Person Area Median Income: <b>\$64,800</b>	Extremely Low	18250	20850	23450	26050	28440	32580	36730	40890
	Very Low Income	30400	34750	39100	43400	46900	50350	53850	57300
	Low Income *	48650	55600	62550	69450	75050	80600	86150	91700
	<b>Median Income</b>	45350	51850	58300	<b>64800</b>	70000	75150	80350	85550
	Moderate Income	54450	62200	70000	77750	83950	90200	96400	102650
* Low income exceeding median income is an anomaly for this county due to HUD historical adjustments to median income. Household lower income figures are derived from very-low income figures that are not adjusted by HUD for exceptions.									
<b>Madera County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Marin County</b> 4-Person Area Median Income: <b>\$107,700</b>	Extremely Low	25850	29550	33250	36900	39900	42850	45800	48750
	Very Low Income	43050	49200	55350	61500	66450	71350	76300	81200
	Low Income	68950	78800	88650	98500	106400	114300	122150	130050
	<b>Median Income</b>	75400	86150	96950	<b>107700</b>	116300	124950	133550	142150
	Moderate Income	90500	103400	116350	129250	139600	149950	160250	170600
<b>Mariposa County</b> 4-Person Area Median Income: <b>\$63,900</b>	Extremely Low	13450	16020	20160	24300	28440	32580	36730	40890
	Very Low Income	22400	25600	28800	31950	34550	37100	39650	42200
	Low Income	35800	40900	46000	51100	55200	59300	63400	67500
	<b>Median Income</b>	44750	51100	57500	<b>63900</b>	69000	74100	79250	84350
	Moderate Income	53700	61350	69050	76700	82850	88950	95100	101250
<b>Mendocino County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12800	16020	20160	24300	28440	32580	36730	40200
	Very Low Income	21350	24400	27450	30450	32900	35350	37800	40200
	Low Income	34100	39000	43850	48700	52600	56500	60400	64300
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Merced County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300

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County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Modoc County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Mono County</b> 4-Person Area Median Income: <b>\$81,200</b>	Extremely Low	17050	19500	21950	24350	28440	32580	36730	40890
	Very Low Income	28450	32500	36550	40600	43850	47100	50350	53600
	Low Income	44750	51150	57550	63900	69050	74150	79250	84350
	<b>Median Income</b>	56850	64950	73100	<b>81200</b>	87700	94200	100700	107200
	Moderate Income	68200	77950	87700	97450	105250	113050	120850	128650
<b>Monterey County</b> 4-Person Area Median Income: <b>\$68,700</b>	Extremely Low	16000	18300	20600	24300	28440	32580	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	<b>Median Income</b>	48100	54950	61850	<b>68700</b>	74200	79700	85200	90700
	Moderate Income	57700	65950	74200	82450	89050	95650	102250	108850
<b>Napa County</b> 4-Person Area Median Income: <b>\$86,100</b>	Extremely Low	18350	21000	23600	26200	28440	32580	36730	40890
	Very Low Income	30600	35000	39350	43700	47200	50700	54200	57700
	Low Income	48950	55950	62950	69900	75500	81100	86700	92300
	<b>Median Income</b>	60250	68900	77500	<b>86100</b>	93000	99900	106750	113650
	Moderate Income	72300	82650	92950	103300	111550	119850	128100	136350
<b>Nevada County</b> 4-Person Area Median Income: <b>\$73,500</b>	Extremely Low	16100	18400	20700	24300	28440	32580	36730	40890
	Very Low Income	26850	30700	34550	38350	41450	44500	47600	50650
	Low Income	42950	49050	55200	61300	66250	71150	76050	80950
	<b>Median Income</b>	51450	58800	66150	<b>73500</b>	79400	85250	91150	97000
	Moderate Income	61750	70550	79400	88200	95250	102300	109350	116400
<b>Orange County</b> 4-Person Area Median Income: <b>\$87,200</b>	Extremely Low	20500	23400	26350	29250	31600	33950	36730	40890
	Very Low Income	34150	39000	43900	48750	52650	56550	60450	64350
	Low Income	54600	62400	70200	78000	84250	90500	96750	103000
	<b>Median Income</b>	61050	69750	78500	<b>87200</b>	94200	101150	108150	115100
	Moderate Income	73250	83700	94200	104650	113000	121400	129750	138150
<b>Placer County</b> 4-Person Area Median Income: <b>\$76,100</b>	Extremely Low	16000	18300	20600	24300	28440	32580	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	<b>Median Income</b>	53250	60900	68500	<b>76100</b>	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500
<b>Plumas County</b> 4-Person Area Median Income: <b>\$62,000</b>	Extremely Low	13050	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	21700	24800	27900	31000	33500	36000	38450	40950
	Low Income	34750	39700	44650	49600	53600	57550	61550	65500
	<b>Median Income</b>	43400	49600	55800	<b>62000</b>	66950	71900	76900	81850
	Moderate Income	52100	59500	66950	74400	80350	86300	92250	98200

Section 6932. 2016 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Riverside County</b> 4-Person Area Median Income: <b>\$65,000</b>	Extremely Low	14100	16100	20160	24300	28440	32580	36730	40890
	Very Low Income	23450	26800	30150	33500	36200	38900	41550	44250
	Low Income	37550	42900	48250	53600	57900	62200	66500	70800
	<b>Median Income</b>	45500	52000	58500	<b>65000</b>	70200	75400	80600	85800
	Moderate Income	54600	62400	70200	78000	84250	90500	96700	102950
<b>Sacramento County</b> 4-Person Area Median Income: <b>\$76,100</b>	Extremely Low	16000	18300	20600	24300	28440	32580	36730	40890
	Very Low Income	26650	30450	34250	38050	41100	44150	47200	50250
	Low Income	42650	48750	54850	60900	65800	70650	75550	80400
	<b>Median Income</b>	53250	60900	68500	<b>76100</b>	82200	88300	94350	100450
	Moderate Income	63900	73050	82150	91300	98600	105900	113200	120500
<b>San Benito County</b> 4-Person Area Median Income: <b>\$81,100</b>	Extremely Low	17050	19500	21950	24350	28440	32580	36730	40890
	Very Low Income	28400	32450	36500	40550	43800	47050	50300	53550
	Low Income	45100	51550	58000	64400	69600	74750	79900	85050
	<b>Median Income</b>	56750	64900	73000	<b>81100</b>	87600	94100	100550	107050
	Moderate Income	68100	77850	87550	97300	105100	112850	120650	128450
<b>San Bernardino County</b> 4-Person Area Median Income: <b>\$65,000</b>	Extremely Low	14100	16100	20160	24300	28440	32580	36730	40890
	Very Low Income	23450	26800	30150	33500	36200	38900	41550	44250
	Low Income	37550	42900	48250	53600	57900	62200	66500	70800
	<b>Median Income</b>	45500	52000	58500	<b>65000</b>	70200	75400	80600	85800
	Moderate Income	54600	62400	70200	78000	84250	90500	96700	102950
<b>San Diego County</b> 4-Person Area Median Income: <b>\$75,900</b>	Extremely Low	17850	20400	22950	25500	28440	32580	36730	40890
	Very Low Income	29750	34000	38250	42500	45900	49300	52700	56100
	Low Income	47600	54400	61200	68000	73450	78900	84350	89800
	<b>Median Income</b>	53150	60700	68300	<b>75900</b>	81950	88050	94100	100200
	Moderate Income	63750	72900	82000	91100	98400	105700	112950	120250
<b>San Francisco County</b> 4-Person Area Median Income: <b>\$107,700</b>	Extremely Low	25850	29550	33250	36900	39900	42850	45800	48750
	Very Low Income	43050	49200	55350	61500	66450	71350	76300	81200
	Low Income	68950	78800	88650	98500	106400	114300	122150	130050
	<b>Median Income</b>	75400	86150	96950	<b>107700</b>	116300	124950	133550	142150
	Moderate Income	90500	103400	116350	129250	139600	149950	160250	170600
<b>San Joaquin County</b> 4-Person Area Median Income: <b>\$66,300</b>	Extremely Low	13950	16020	20160	24300	28440	32580	36730	39350
	Very Low Income	23250	26550	29850	33150	35850	38500	41150	43800
	Low Income	37150	42450	47750	53050	57300	61550	65800	70050
	<b>Median Income</b>	46400	53050	59650	<b>66300</b>	71600	76900	82200	87500
	Moderate Income	55700	63650	71600	79550	85900	92300	98650	105000
<b>San Luis Obispo County</b> 4-Person Area Median Income: <b>\$77,100</b>	Extremely Low	16250	18550	20850	24300	28440	32580	36730	40890
	Very Low Income	27000	30850	34700	38550	41650	44750	47850	50900
	Low Income	43200	49400	55550	61700	66650	71600	76550	81450
	<b>Median Income</b>	53950	61700	69400	<b>77100</b>	83250	89450	95600	101750
	Moderate Income	64750	74000	83250	92500	99900	107300	114700	122100

Section 6932. 2016 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>San Mateo County</b> 4-Person Area Median Income: <b>\$107,700</b>	Extremely Low	25850	29550	33250	36900	39900	42850	45800	48750
	Very Low Income	43050	49200	55350	61500	66450	71350	76300	81200
	Low Income	68950	78800	88650	98500	106400	114300	122150	130050
	<b>Median Income</b>	75400	86150	96950	<b>107700</b>	116300	124950	133550	142150
	Moderate Income	90500	103400	116350	129250	139600	149950	160250	170600
<b>Santa Barbara County</b> 4-Person Area Median Income: <b>\$77,100</b>	Extremely Low	17700	20200	22750	25250	28440	32580	36730	40890
	Very Low Income	29500	33700	37900	42100	45500	48850	52250	55600
	Low Income	47150	53900	60650	67350	72750	78150	83550	88950
	<b>Median Income</b>	53950	61700	69400	<b>77100</b>	83250	89450	95600	101750
	Moderate Income	64750	74000	83250	92500	99900	107300	114700	122100
<b>Santa Clara County</b> 4-Person Area Median Income: <b>\$107,100</b>	Extremely Low	23450	26800	30150	33500	36200	38900	41550	44250
	Very Low Income	39100	44650	50250	55800	60300	64750	69200	73700
	Low Income	59400	67900	76400	84900	91650	98450	105250	112050
	<b>Median Income</b>	74950	85700	96400	<b>107100</b>	115650	124250	132800	141350
	Moderate Income	89950	102800	115650	128500	138800	149050	159350	169600
<b>Santa Cruz County</b> 4-Person Area Median Income: <b>\$87,000</b>	Extremely Low	21200	24200	27250	30250	32700	35100	37550	40890
	Very Low Income	35300	40350	45400	50400	54450	58500	62500	66550
	Low Income	56500	64550	72600	80650	87150	93600	100050	106500
	<b>Median Income</b>	60900	69600	78300	<b>87000</b>	93950	100900	107900	114850
	Moderate Income	73100	83500	93950	104400	112750	121100	129450	137800
<b>Shasta County</b> 4-Person Area Median Income: <b>\$59,000</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29500	31900	34250	36600	38950
	Low Income	33050	37800	42500	47200	51000	54800	58550	62350
	<b>Median Income</b>	41300	47200	53100	<b>59000</b>	63700	68450	73150	77900
	Moderate Income	49550	56650	63700	70800	76450	82150	87800	93450
<b>Sierra County</b> 4-Person Area Median Income: <b>\$71,800</b>	Extremely Low	14800	16900	20160	24300	28440	32580	36730	40890
	Very Low Income	24650	28150	31650	35150	38000	40800	43600	46400
	Low Income	39400	45000	50650	56250	60750	65250	69750	74250
	<b>Median Income</b>	50250	57450	64600	<b>71800</b>	77550	83300	89050	94800
	Moderate Income	60300	68900	77550	86150	93050	99950	106850	113700
<b>Siskiyou County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Solano County</b> 4-Person Area Median Income: <b>\$82,600</b>	Extremely Low	17400	19850	22350	24800	28440	32580	36730	40890
	Very Low Income	28950	33050	37200	41300	44650	47950	51250	54550
	Low Income	45500	52000	58500	65000	70200	75400	80600	85800
	<b>Median Income</b>	57800	66100	74350	<b>82600</b>	89200	95800	102400	109050
	Moderate Income	69350	79300	89200	99100	107050	114950	122900	130800

Section 6932. 2016 Income Limits

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Sonoma County</b> 4-Person Area Median Income: <b>\$82,600</b>	Extremely Low	17400	19850	22350	24800	28440	32580	36730	40890
	Very Low Income	28950	33050	37200	41300	44650	47950	51250	54550
	Low Income	46150	52750	59350	65900	71200	76450	81750	87000
	<b>Median Income</b>	57800	66100	74350	<b>82600</b>	89200	95800	102400	109050
	Moderate Income	69350	79300	89200	99100	107050	114950	122900	130800
<b>Stanislaus County</b> 4-Person Area Median Income: <b>\$62,000</b>	Extremely Low	13050	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	21700	24800	27900	31000	33500	36000	38450	40950
	Low Income	34750	39700	44650	49600	53600	57550	61550	65500
	<b>Median Income</b>	43400	49600	55800	<b>62000</b>	66950	71900	76900	81850
	Moderate Income	52100	59500	66950	74400	80350	86300	92250	98200
<b>Sutter County</b> 4-Person Area Median Income: <b>\$59,400</b>	Extremely Low	12500	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20800	23800	26750	29700	32100	34500	36850	39250
	Low Income	33250	38000	42750	47500	51300	55100	58900	62700
	<b>Median Income</b>	41600	47500	53450	<b>59400</b>	64150	68900	73650	78400
	Moderate Income	49900	57050	64150	71300	77000	82700	88400	94100
<b>Tehama County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Trinity County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Tulare County</b> 4-Person Area Median Income: <b>\$58,900</b>	Extremely Low	12400	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20650	23600	26550	29450	31850	34200	36550	38900
	Low Income	33000	37700	42400	47100	50900	54650	58450	62200
	<b>Median Income</b>	41250	47100	53000	<b>58900</b>	63600	68300	73050	77750
	Moderate Income	49500	56550	63650	70700	76350	82000	87650	93300
<b>Tuolumne County</b> 4-Person Area Median Income: <b>\$66,700</b>	Extremely Low	13950	16020	20160	24300	28440	32580	36730	40890
	Very Low Income	23250	26600	29900	33200	35900	38550	41200	43850
	Low Income	37200	42500	47800	53100	57350	61600	65850	70100
	<b>Median Income</b>	46700	53350	60050	<b>66700</b>	72050	77350	82700	88050
	Moderate Income	56050	64050	72050	80050	86450	92850	99250	105650
<b>Ventura County</b> 4-Person Area Median Income: <b>\$89,300</b>	Extremely Low	19600	22400	25200	28000	30250	32580	36730	40890
	Very Low Income	32700	37400	42050	46700	50450	54200	57950	61650
	Low Income	52300	59800	67250	74700	80700	86700	92650	98650
	<b>Median Income</b>	62500	71450	80350	<b>89300</b>	96450	103600	110750	117900
	Moderate Income	75000	85700	96450	107150	115700	124300	132850	141450

**Section 6932. 2016 Income Limits**

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
<b>Yolo County</b> 4-Person Area Median Income: <b>\$76,900</b>	Extremely Low	16150	18450	20750	24300	28440	32580	36730	40890
	Very Low Income	26950	30800	34650	38450	41550	44650	47700	50800
	Low Income	43050	49200	55350	61500	66450	71350	76300	81200
	<b>Median Income</b>	53850	61500	69200	<b>76900</b>	83050	89200	95350	101500
	Moderate Income	64600	73850	83050	92300	99700	107050	114450	121850
<b>Yuba County</b> 4-Person Area Median Income: <b>\$59,400</b>	Extremely Low	12500	16020	20160	24300	28440	32580	36550	38900
	Very Low Income	20800	23800	26750	29700	32100	34500	36850	39250
	Low Income	33250	38000	42750	47500	51300	55100	58900	62700
	<b>Median Income</b>	41600	47500	53450	<b>59400</b>	64150	68900	73650	78400
	Moderate Income	49900	57050	64150	71300	77000	82700	88400	94100

**Instructions:**

**Eligibility Determination:**

Use household size income category figures in this chart. Determine eligibility based on actual number of persons in household and total of gross income for all persons.

**Determination of Income Limit for Households Larger than Eight Persons:**

Per person (PP) adjustment above 8: (1) multiply 4-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the 8-person income limit, and (4) round to the nearest \$50.

**Yuba County**

<b>E X A M P L E</b>	4 persons	8% PP Adj	+ 8 persons	=9 persons	8 person +	8% Adj x 2	=10 persons
Extremely Low	24,300	1944	32,100	34,050	<u>32,100</u>	<u>3888</u>	<u>36,000</u>
Very Low Income	29,700	2376	39,200	41,600	<u>39,200</u>	<u>4752</u>	<u>43,950</u>
Lower Income	47,500	3800	62,700	66,500	<u>62,700</u>	<u>7600</u>	<u>70,300</u>
Moderate Income	71,300	5704	94,100	99,800	<u>94,100</u>	<u>11408</u>	<u>105,500</u>

**Calculation of Housing Cost and Rent:**

Refer to Health & Safety Code Sections 50052.5 and 50053. Use benchmark household size and multiply against applicable percentages defined in H&SC using Area Median Income identified in this chart.

**Determination of Household Size:**

For projects with no federal assistance, household size is set at number of bedrooms in unit plus one.

For projects with federal assistance, household size may be set by multiplying 1.5 against the number of bedrooms in unit.

**HUD release: 3/28/2016**

*Authority cited: Health and Safety Code (H&SC) Section 50093.*

*Reference: H&SC Sections 50079.5, 50093, 50105, and 50106.*