

Housing Authority of the City of Los Angeles

Housing Conduit Bond Policy

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Housing Conduit Bond Policy

Introduction

The Housing Authority of the City of Los Angeles (“HACLA”) has authorized and established activities (the “Program”) by which HACLA will issue bonds for eligible qualified residential housing developments in the City of Los Angeles (the “City”). This Housing Conduit Bond Policy (the “Policy”) shall ensure compliance of the Program’s activities with federal, State of California (the “State”) and local laws and policy.

Program Description

Federal and State laws authorize the issuance of conduit mortgage revenue bonds (“Conduit Bonds” or “Bonds”) by certain local governmental agencies, including housing authorities, to finance the development, acquisition, construction and rehabilitation of multifamily rental projects defined in Section 142 of the Internal Revenue Code as “qualified residential rental projects” (“Projects”). Such State laws include Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (the “Act”) which permits housing authorities like HACLA to issue Conduit Bonds. The interest on the Conduit Bonds may be exempt from federal and State taxation. In addition, tax-exempt Conduit Bonds may qualify projects for allocations of federal or State low-income housing tax credits, which provide a significant portion of the funding necessary to develop affordable housing. HACLA’s Program is designed to use both taxable and tax-exempt Bonds to finance Projects creating and preserving affordable housing within the City.

Tax-exempt Bonds, not issued to refund other tax-exempt private activity bonds, which benefit a for-profit entity, require an allocation of private activity volume cap (“Volume Cap”) from the California Debt Limit Allocation Committee (“CDLAC”). Taxable Bonds, refunding Bonds and Bonds benefitting 501(c)(3) non-profit entities do not require an allocation of Volume Cap. The following sets forth HACLA’s policy and program requirements for issuing Bonds.

1. Eligible Projects

1.1. Location

Projects must be located in the City of Los Angeles.

1.2. Transaction Size

There is no maximum Bond issue size, however the minimum transaction amount is determined by the overall cost effectiveness of the financing and HACLA reserves the right to evaluate such cost-effectiveness in its sole discretion. The Bond issuance amount is based on Project costs, interest rates, and revenues available to pay debt service. Federal tax law limits the use of Bond proceeds to pay costs of issuance to 2% of the Bond proceeds. For smaller projects, the cost of issuance may substantially exceed the 2% restriction and the borrower will need to secure other sources of funding.

1.3. Priority Projects

HACLA supports the use of Bonds for multifamily affordable housing projects that contribute to community revitalization and provide long-term affordable housing for the City. HACLA will prioritize project financing based on readiness to proceed and whether the financing is related to HACLA’s own redevelopment and development Projects. However, if warranted, HACLA will prioritize the scheduling of Bond financings with the following characteristics: (a) Projects on HACLA-owned land; (b) Projects not on HACLA-owned land but with existing or new subordinate debt financing provided by HACLA; (c) Projects that leverage affordable housing resources from non-City or non-HACLA sources; or (d) other such financing as shall be approved by HACLA.

1.4. Use of Funds

Bond proceeds may be used by for-profit and nonprofit borrowers for costs of property acquisition (as allowed pursuant to applicable State law and federal tax law), construction, rehabilitation, improvements and soft costs, such as architectural and engineering services, loan interest and fees and other costs of the Project incurred within the time period allowed from the inducement date or as otherwise permitted by federal tax law.

1.5. Application Requirement

Borrowers must submit applications to HACLA for all Project financings in which HACLA will be the Bond issuer. Upon receipt of a completed application, an application fee as HACLA shall require from time to time and deposits required by CDLAC, HACLA will begin the volume cap application process with CDLAC (if required). Included in the process, if applicable, will be the noticing and holding of the public hearing required under the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”). The application requirement will apply to all new money issuances requiring an allocation of bond authority from CDLAC, new 501(c)(3) issuances, and all refundings of existing Bonds. HACLA will coordinate acquisition of the necessary approvals under TEFRA, required as part of any CDLAC application and any necessary HACLA internal requirements.

In financings in which the City of Los Angeles or other constituent agencies (the “City”) will participate as lender or other capital source, HACLA and the borrower will cooperate, at the borrower’s expense, with the City to include such participants in the financing. Such cooperation includes negotiating subordination and intercreditor agreements among the various financing participants.

2. Types of Bonds

HACLA may issue either tax-exempt or taxable Bonds. In general, taxable Bonds will only be issued in combination with tax-exempt Bonds.

2.1. Tax Exempt Private Activity Bonds (Non Refunding)

2.1.1. Non-501(c)(3) private activity Bonds.

Non-501(c)(3) private activity Bonds require an allocation of Volume Cap from CDLAC. To obtain the allocation, HACLA must submit an application to CDLAC on behalf of the applicant. Even though submittal of the application is at the discretion of HACLA, HACLA will endeavor to meet the project timelines. The applicant must pay all required CDLAC fees and post any CDLAC required deposits in advance of application submittal.

2.1.2. 501(c)(3) private activity bonds

HACLA may issue 501(c)(3) bonds on behalf of qualified not-for-profit organizations. These Bonds may be tax-exempt but do not require an allocation from CDLAC. These Bonds cannot be used in conjunction with the Low Income Housing Tax Credit (“LIHTC”) Program.

2.2. Taxable Bonds

Taxable Bond issues must meet all applicable requirements of the Policy and procedures listed herein, certain State law and rating agency requirements regarding Bond issuance. The interest on taxable Bonds is not exempt from federal income taxation. Taxable Bonds do not require an allocation from CDLAC and can be used in combination with certain LIHTCs.

2.3. Bond Refunding & Debt Restructuring

Refunding transactions involve issuing new debt in order to refund outstanding debt. HACLA will allow refunding of Bond issues that meet the following conditions:

2.3.1. Transaction Fees

The applicant agrees to cover all costs of HACLA including the Fees and Expenses set forth in Section 10.

2.3.2. Extended Affordability

The affordability and tenant income restrictions of the existing Bond regulatory agreement are subject to extension for the term of the refunding Bonds or such longer period as required by applicable State and/or federal law. HACLA may require additional public benefits in the form of deeper income targeting, additional rent restrictions, extension of the term of restrictions, additional number of restricted units or any combination thereof, in connection with refunding or debt restructuring of existing Bond issues.

2.3.3. Default Refunding Analysis

If the refunding is due to a refinancing initiated by the defaulting project owner, the default refunding application will require a default refunding analysis. A qualified third party firm selected by HACLA shall prepare the analysis and costs shall be borne by the applicant. In general, a default refunding analysis determines whether circumstances beyond the control of the project owner, such as poor market conditions or other extraordinary circumstances, caused the default.

2.3.4. Credit substitutions

Credit substitutions are the functional equivalent of a refunding and will be treated by HACLA in the same manner as refundings for purposes of this Policy.

3. Bond Sale Transaction Types

HACLA allows Bonds to be sold in a public sale transaction or through private placement.

3.1. Public Sale - Negotiated Bid

In this structure, HACLA “negotiates” the terms of the sale of the Bonds with the underwriting team and the borrower to structure the sale of the Bonds. Upon pricing of the Bonds, the issuer and underwriter execute a bond purchase agreement obligating the underwriter to purchase the Bonds. After purchasing the Bonds, the underwriter resells them to its individual customers. Certain bond structures may also have a remarketing agent appointed by, or with the consent of, HACLA. HACLA will maintain a list of qualified underwriting firms engaged through an RFQ process. Publicly sold Bonds must be credit enhanced pursuant to Section 4.3 and meet the rating requirement in Section 4.2.

3.2. Private Placement

A private placement usually involves a Bond sale to a single institutional buyer. These transactions often occur without the use of an underwriter (although occasionally include a placement agent). Because an underwriter is not involved, transaction costs may be significantly less, allowing for smaller transaction sizes.

3.3. Pricing Requirements for Projects Receiving HACLA Subordinate Financing

The permanent period interest rate for privately placed Bonds on projects receiving HACLA subordinate financing shall be within an acceptable market range compared with Bonds in like amount, terms and conditions if similar Bonds were to be purchased by comparable lenders.

4. Bond Requirements

4.1. Bond Security

HACLA issues Bonds pursuant to this Policy solely on a conduit basis. The repayment of principal or interest on Bonds issued by HACLA pursuant to this Policy will not be secured by assets of HACLA.

4.2. Bond Rating

HACLA requires that publicly sold Bonds for which it acts as issuer must (i) have a minimum rating in the “A” category by Standard and Poor’s, Fitch or Moody’s (or the equivalent from another bona fide agency rating acceptable to HACLA), or (ii) be privately placed as provided below.

4.3. Credit Enhancement

HACLA requires that publicly sold Bonds for which it acts as issuer must be credit enhanced. Credit enhancement may take any form, including a letter of credit (LOC), credit enhancement guaranty, bond insurance, collateral pledge or other security sufficient to secure the minimum rating described above and, if applicable, as approved by HACLA. The form of credit enhancement must be sufficient to meet the minimum rating criteria of this Policy. The Bond rating must be obtained before the closing of the Bond issue.

4.4. Privately Placed Bonds

For Bond issues that do not meet the minimum rating requirements noted above, such Bonds must be privately-placed with the following requirements:

- 4.4.1. There may not be more than one Bond owner at any one time unless, at its sole discretion, HACLA permits the issuance of Bonds in minimum denominations of at least \$250,000 and requires that there is always a majority Bond holder. Any Bonds held by a trust or similar entity must have a Bond holder representative who is authorized to take action on behalf of all Bond holders and is a majority Bond holder.
- 4.4.2. Each Bond shall be owned by an institutional “accredited investor,” i.e., an investor described in Sections (a)(1), (2), (3) or (8) (to the extent all equity owners are investors described in such Sections (a)(1), (2) or (3)) of Rule 501 promulgated under the Securities Act of 1933, or a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933.
- 4.4.3. All initial and subsequent purchasers must provide HACLA an investor letter in a form acceptable to HACLA wherein the investor acknowledges having sufficient knowledge and experience to evaluate the Bond investment and wherein the investor waives any due diligence obligation on the part of HACLA and certifies that such purchaser is an entity described in Section 4.4.2 above.
- 4.4.4. Any deviations from the CDLAC Resolution regarding Bond ownership, including transfers, must be approved by HACLA (and CDLAC, if required by the CDLAC Resolution).

- 4.4.5. The borrower must indemnify HACLA against any costs incurred by HACLA, including any lawsuit initiated by the Bond holder or any other party, regardless of whether HACLA is negligent.
- 4.4.6. The substantial user prohibition on municipal bonds does not allow a person who is a substantial user of a facility financed with qualified private activity bonds, or is a person related to such a user, to receive tax-exempt interest income as a holder of such Bonds. HACLA reserves its right to approve Bond issuances where the proposed Bond purchaser is a substantial user or related party to the Project owner.

4.5. Redemption provisions for Privately Placed Bonds

A default under any bond loan agreement between the borrower and HACLA will not be a Bond default, even though full payments are not being made on the Bonds. Redemption provisions would apply as follows:

- 4.5.1. The Bond holder would be free to work out a loan default situation with the current borrower or through foreclosure of the Project and its sale to a new owner, while keeping the Bonds and regulatory agreement outstanding.
- 4.5.2. In the event a workout cannot be achieved, the Bond financing documents would allow the Bond holder to cause a mandatory redemption of the Bonds through a deemed redemption mechanism.
- 4.5.3. If the interest on the Bonds were ever determined to be taxable, the Bond holder would have the right to cause a mandatory redemption of Bonds in whole.

4.6. Transfers of Privately Placed Bonds

Bond transfers may be allowed, provided that the purchaser provides an investor letter described in Section 4.4.3 and receives any approvals, if applicable, described in Section 4.4.4.

4.7. Alternative Bond Structures

The HACLA Board, at its discretion, may waive the Bond requirements outlined in this Policy if such waiver is compliant with State and federal law. Alternative Bond structure proposals will be reviewed and analyzed on a project-by-project basis. HACLA will consider alternative Bond structures if provided to HACLA for review in writing no less than 60 days prior to submitting the CDLAC application.

4.8. Affordability Requirements and Number of Affordable Units for Multifamily Housing Projects

To be eligible for tax-exempt Bond financing, Projects must meet the income and rent restrictions required by CDLAC, which currently require that a minimum of 10% of the units must have annual gross rents that are restricted to 30% of 50% of area median income. In addition, current federal law requires that the Project meet one of the following: (i) at least 20% of the units in each Project must be rented to or held available for rent to very low-income tenants (50% of median income, adjusted for household size) or (ii) at least 40% of the units in such Project must be rented to or held available for rent to tenants at or below 60% of median income. Project rents must be structured to maximize competitiveness under the CDLAC affordability requirements. HACLA reserves the right to impose additional affordability restrictions. Restricted units must meet: (i) CDLAC requirements regarding unit size and comparability; (ii) any such requirements of a Housing Assistance Payments Contract (“HAP Contract”) related to the Project; and (iii) the rent and income restrictions contained in the Act. Additionally, Projects must meet all applicable State

law requirements, including those restrictions set forth in Article 4 of Chapter 1 of Part 2 of Division 24 and Chapter 7 of Part 5 of Division 31 of the Health and Safety Code.

4.9. Term

The term of the affordability requirement is the longer of: (a) 15 years from the date of 50% occupancy as included in the definition of the Qualified Project Period contained in the Internal Revenue Code of 1986; (b) as long as the Bonds, or any refunding bonds, remain outstanding; (c) the date on which the Project no longer receives assistance under Section 8 of the National Housing Act of 1937; (d) such period as may be required in the opinion of bond counsel to meet federal or State law; or (e) such period as may be required by CDLAC. The rent of “in-place” tenants at the conclusion of the required affordability period will continue to be governed by the applicable affordability restriction, to the extent required by State or federal law.

4.10. Income Limits

Total household income for income-restricted Project units may not exceed 50% or 60% of the Area Median Income, as applicable, adjusted by household size, as set by the U.S. Department of Housing and Urban Development (“HUD”) and subject to the provisions of Section 4.12 hereof. These limits will be adjusted periodically when HUD adjusts its area median-income amounts.

4.11. Rent Limits

The maximum rents for all the rent-restricted affordable units are adjusted based on the percentage increase in the HUD-determined median-income for Los Angeles County. These rents are based on 1/12 of 30% of the appropriate income limits, assuming one person in a studio, two persons in a one-bedroom, three persons in a two-bedroom and four persons in a three-bedroom unit. These assumptions differ for projects using Low Income Housing Tax Credits (LIHTC). In the event tax-exempt Bonds are used with LIHTCs, the more restrictive rents apply.

4.12. Annual Certification of Tenant Income

Each borrower must certify tenant eligibility annually. If at the annual certification a tenant’s income exceeds 1.4 times the current income limit for initial occupancy, the borrower must rent the next available unit of comparable or smaller size to a new income-eligible tenant. In Projects that include market rate units, the borrower may raise the rent of a unit occupied by an over income tenant to market rents after the next available unit is occupied by a low-income or very low income household, as applicable, and such new tenant is eligible to be counted toward meeting the Project’s affordable unit requirements. As an alternative to these requirements, borrowers may elect to comply with the “Deep Rent Skewing” requirements under federal law. The borrower shall provide to HACLA and CDLAC, as applicable: (i) a certificate of completion of Project construction or rehabilitation in form acceptable to HACLA; (ii) a certificate of continuing program compliance in form acceptable to HACLA based upon tenant initial income certifications and annual recertification in forms acceptable to HACLA; (iii) a certificate of CDLAC program compliance in form acceptable to CDLAC; and (iv) a borrower self-certification certificate in form acceptable to CDLAC.

4.13. Enforcement of Bond Regulatory Agreements

HACLA shall monitor compliance with the terms of each regulatory agreement entered into in connection with a Bond issuance (a “Bond Regulatory Agreement”). HACLA shall have the authority to enforce the terms of each Bond Regulatory Agreement through actions for mandamus or other suit in law or in equity or such other actions as may be necessary to enforce the obligations of the borrower thereunder. Such enforcement may be subject to the requirements of federal lending

programs administered by the U.S. Department of Housing and Urban Development. Such enforcement shall be at the sole expense of the borrower. CDLAC, as a third-party beneficiary of each Bond Regulatory Agreement, shall have the right to enforce the CDLAC Requirements contained in each Bond Regulatory Agreement.

4.14. Compliance with CDLAC Requirements

The resolution of CDLAC granting Volume Cap to finance a Project (the “CDLAC Resolution”) shall be attached to and fully incorporated by reference to each Bond Regulatory Agreement in connection with the issuance of HACLA’s Bonds. CDLAC shall be an express third-party beneficiary of each Bond Regulatory Agreement with the full power to enforce all requirements contained in the CDLAC allocation resolution (the “CDLAC Requirements”). HACLA shall have the obligation to monitor compliance with the CDLAC Requirements for the term thereof and shall submit to CDLAC a certificate of program compliance and borrower self-certification certificate as required by CDLAC. Each Bond Regulatory Agreement shall require the borrower to make such reports to CDLAC as shall be set forth in the CDLAC allocation resolution and other rules, regulations and policies of CDLAC as they may be adopted and amended from time to time.

4.15. Payment of HACLA Initial and Ongoing Fees

Ownership of HACLA Bonds by parties related to the borrower of Bond proceeds may, under certain circumstances, limit HACLA’s ability to charge and collect its initial and ongoing fees as set forth in Sections 8.3 and 8.4 hereof. If bond counsel concludes that HACLA’s ability to collect such fees is impaired or restricted by the contemplated ownership of HACLA Bonds by the borrower or an affiliate of the borrower, HACLA shall not be required to issue Conduit Bonds for the Project in question, and the borrower shall remain liable for the costs and expenses incurred by HACLA in connection with such Project despite HACLA’s election not to issue the related Conduit Bonds.

5. Legal Requirements

5.1. Compliance with Federal, State and Applicable Local Laws

Any Project utilizing Conduit Bonds issued by HACLA must comply with all applicable laws of the United States of America, the State, and the City’s policies, if applicable.

5.2. City’s New Business Policies

Prior to any TEFRA hearing, the applicant must evidence compliance with the City’s New Business Policies adopted by City Council on April 16, 2003 (CF99-1272) by delivery to HACLA of a certificate from the City stating that none of the borrower, its related entities, and other partnerships having common general partners are out of compliance with current City loan obligations. Noncompliance may include, but is not limited to nonpayment of loan amounts due, failure to complete projects on time, failure to abide by current regulatory and land use covenant agreements, having a City loan written off as uncollectible, and failing to correct any building deficiency noted by any governmental agency in a timely manner. An application is deemed ineligible to compete for funding if any member of the applicant’s ownership entity has an interest in a current project or projects that is in monetary or non-monetary default.

5.3. Borrower Background Check

HACLA will conduct a background check review upon receiving a completed background check form from the applicant (See Exhibit B – Background Check Form) and background check fee (See Exhibit C – Fee Schedule). HACLA will use its best efforts to approve or disapprove a Project within 45 days following the receipt of an application.

5.4. Compliance with Federal ADA Requirements

All residential projects financed with Bonds through HACLA, shall be developed and the properties shall be maintained to comply with all applicable federal, State, and local requirements for access to individuals with disabilities. The Bond Regulatory Agreement will contain language requiring compliance with Title II of the Americans with Disabilities Act.

5.5. Compliance with Wage Requirements

The borrower's contractor is responsible for ascertaining and complying with all current general prevailing wage rates for crafts and Davis Bacon rates, as applicable, and any rate changes that occur during the life of the contract. HACLA shall have the right to monitor compliance with such wage requirements as set forth in the Bond Regulatory Agreement. Current wage rate information can be found at the California State Department of Industrial Relations web site, www.dir.ca.gov/dlsr/statistics_research.html.

5.6. Relocation

Any applicant requesting multifamily housing Bonds for a Project that may result in the temporary or permanent displacement of tenants or businesses will be required to comply with applicable local, State, and federal relocation laws.

5.7. Occupancy Monitoring

HACLA will monitor compliance with the affordability requirements as set forth in the Bond Regulatory Agreement. An annual monitoring fee will be charged in accordance with the attached fee schedule (See Exhibit C – Fee Schedule).

5.8. HACLA Review of Construction Expenditures

HACLA, at its sole discretion, may enter into an intercreditor agreement or otherwise provide in the financing documents provisions for disbursement of Bond proceeds for construction costs. The documents will ensure that HACLA may review all construction costs prior to disbursement for compliance with applicable wage requirements. A lack of response by HACLA to a disbursement request for five business days shall constitute a consent by HACLA to such disbursement. If HACLA and the applicable lender cannot arrive at an agreement as to a disbursement following good faith efforts, the disbursement shall be deemed approved and be funded. HACLA has prepared a standard form of agreement that will be used in all projects; any deviations from the form will require the approval of HACLA. HACLA may elect to use an outside consulting firm to monitor wage compliance. The fees for such monitoring shall be borne by the borrower. (See Exhibit C – Fee Schedule)

At the time of Intake Application (See Exhibit A – Intake Application), applicants must submit the following:

- 5.8.1. A relocation summary, which includes a description of the intended relocation activities and an estimated relocation budget.
- 5.8.2. A tenant rent roll (residential and/or commercial), which includes the unit number, name, unit type and size, rent (including any Section 8 subsidies), utilities paid by tenant, total number of occupants in each unit, and tenant income.

At the time of the submittal of the CDLAC application, the following must be submitted, if applicable:

- 5.8.3. A relocation plan prepared by a third-party consultant. The relocation plan must reference all financing sources and the requirements for each, along with a relocation budget, which should be included in the total development costs. NOTE: No over-income tenants shall be required to move even though the result may impact the loss of tax-credits.

5.9. Trustee/ Fiscal Agent Requirement

HACLA will require the use of a HACLA-approved Trustee or Fiscal Agent to disburse all Bond proceeds. HACLA will select a Trustee/Fiscal Agent panel of firms through a request for qualifications procurement or similar process. For each Bond issuance, the Trustee/Fiscal Agent selection will be made by selecting a Trustee or Fiscal Agent from the HACLA-approved panel. Bond disbursements shall be outlined in an indenture of trust, funding loan agreement or similar agreement to be entered into by the selected trustee, HACLA and Bond purchaser, if applicable.

6. Closing Requirements

HACLA requires delivery of the following items prior to the issuance of the Bonds:

- 6.1. All required permits, including building, demolition and special permits and all waivers and variances must be issued by the City and all other agencies having jurisdiction over the Project. As an alternative, HACLA, in its sole discretion, may permit the borrower to deliver a ready-to-issue letter (RTI) before closing.
- 6.2. An executed construction or rehabilitation contract which encompasses all major components of the construction or rehabilitation of the Project.
- 6.3. All financing for the acquisition, rehabilitation, and construction of the Project shall be in place and available; all necessary documentation shall have been entered into and there shall be no contingencies for funding other than normal and standard requirements relating to dutiful progress of the Project. So called “dry closings” will not be allowed.
- 6.4. A requirement in the financing documents wherein the borrower agrees to pay HACLA’s costs related to the financing, including all third party costs and costs of issuance in addition to any deposit amounts.
- 6.5. The borrower’s agreement in the financing documents to indemnify HACLA for all costs or liabilities related to the proposed Bond transaction including an indemnification for hazardous materials on the Project site before and after closing.

Under no circumstances will any costs of fees be refundable if the borrower decides not to proceed with the transaction.

7. Transfers of Ownership

HACLA reserves the right to approve any voluntary change in ownership (i) that results in a transfer of 50% or more of the total equity interests in a borrower or (ii) that results in a transfer of any general partner or managing member interest in the borrower. Such approval to transfer ownership shall be at the discretion of HACLA. Transfers made by a limited partner tax credit investor to its affiliates are exempted from this requirement.

In addition, the current borrower must not be in default under the Bond documents or applicable HAP Contract and satisfactory evidence must be presented to HACLA that the purchaser has at least three years’ experience in the ownership, operation and management of affordable rental housing.

7.1. Managerial Review

HACLA shall review management practices of the proposed owner's current and previously owned properties. HACLA may initiate additional inspections to verify findings when any proposed owner (including individuals within an ownership group) whose currently owned properties have been found to have deficiencies in governmental housing inspection programs, including but not limited to HACLA, the City Department of Building and Safety, the City Attorney, the Fire Department or the County Health Department.

7.2. Non Approved Ownership

Any proposed owner (including individuals within an ownership group) whose previously or currently owned properties indicate a pattern of deficiencies may not assume ownership of any Bond financed Project.

HACLA shall review financial statements and credit histories of the proposed owner or all individuals within an ownership entity. Applicants whose financial statements do not meet with HACLA's satisfaction may not assume ownership of a Bond financed Project.

8. Fees and Expenses

8.1. Borrower's Agreement

At initial approval of the application and notification to the applicant, the applicant must agree, in writing, to pay all costs of issuing the Bonds, including all fees of HACLA, its financial advisor, in-house counsel and bond counsel, in the amounts and at the times indicated below. Such costs to the extent incurred must be paid whether or not the Bond issue closes. Each application shall include a deposit of \$25,000, which shall be applied to such costs at the issuance of the Bonds or such earlier date upon which the financing is abandoned.

8.2. Costs of Issuance

Borrowers shall pay all costs of issuance at Bond closing or upon forfeiture of any CDLAC deposit or expiration of any TEFRA approval, if earlier, including, but not limited to, fees of bond counsel, in-house counsel, underwriter, trustee and financial advisor, as well as rating agency fees. Only 2% of the proceeds of a tax-exempt Bond issue may be used to pay costs of issuance. Costs in excess of such 2% must be paid from other sources secured by the borrower including, potentially, the proceeds of taxable Bonds.

8.3. Initial Issuer Fee

Borrowers shall pay an initial issuer fee ("Initial Issuer Fee") of 25 basis points (0.25%) of the maximum Bond amount. This fee is paid at the Bond closing and is designed to reimburse HACLA for its administrative costs as Bond issuer.

8.4. Annual Issuer Fee

During the construction period, the borrower shall pay an annual issuer fee ("Annual Issuer Fee") in advance (adjusted for partial periods), of 12.5 basis points (0.125%) of the original principal amount of the Bonds. Notwithstanding the foregoing, in transactions involving a reduction in the Bond principal amount upon completion of construction or rehabilitation and conversion of financing to permanent, the borrower shall pay an annual issuer fee in advance (adjusted for partial periods), that is the greater of 12.5 basis points (0.125%) of the outstanding amount (balance at conversion) or a minimum of \$4,000. This fee must be paid until the later of: (a) the date no Bonds remain outstanding; (b) the Bond Regulatory Agreement terminates; or (c) the end of the CDLAC

compliance period. The borrower shall pay the present value of this fee upon prepayment of the Bonds in full prior to the last date upon which the Annual Issuer Fee would otherwise be due.

8.5. In-Take Application Processing Fee

A non-refundable fee of \$3,000 must accompany each application. This fee shall apply for all applications, irrespective of the issuer.

8.6. TEFRA Hearing Fee

A non-refundable fee for TEFRA notice publication, currently in the amount of \$3,000 per Project must accompany each TEFRA request.

8.7. Expedited Bond Closing Deposit

HACLA will develop a Bond closing schedule with the applicant during the initial intake process. If the applicant requests an expedited Bond closing process as described in Section 13.2, the applicant shall pay ½ of the Initial Issuer Fee directly to HACLA as a performance deposit. If the terms of the Bond resolution and Bond documents are materially modified, as outlined below, the expedited request is voided and the performance deposit shall be forfeited to HACLA. The borrower shall be required to pay the entire Initial Issuer Fee at the time that the approval process of the modified terms are approved and the Bonds are issued. If the expedited service is not interrupted due to changes in terms, the borrower shall only be required to pay the balance of the Initial Issuer Fee due at the time of the Bonds close. Any additional costs that may be required to expedite the process, such as increased costs for Bond Team entities, shall be the responsibility of the applicant. Fees and costs will be quoted at the time of the request for an expedited Bond process.

8.8. Consent, Approval, Transfer, Amendment, and Waiver Fee

HACLA will charge a processing fee equal to the greater of \$5,000 or 0.125% of the permanent principal amount of the relevant Bond issue (as amortized, if applicable), plus all related expenses, for any consent, approval, transfer, amendment, or waiver requested of HACLA.

8.9. Bond Prepayment Fee

In the event of any payment or prepayment of the tax-exempt Bonds in whole prior to the later of the termination of the Bond Regulatory Agreement or the end of the CDLAC compliance period, the borrower shall pay to HACLA, on or before such payment, an amount equal to the present value of the remaining HACLA fees payable hereunder, as calculated by HACLA. The present value calculation shall use a discount rate equal to the rate on the United States treasury security maturing on the date nearest the end of the later of (1) the end of the “Qualified Project Period” contained in the Bond Regulatory Agreement or (2) the termination of the CDLAC resolution conditions, or such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the Bonds from gross income for federal income tax purposes.

9. The Bond Finance Team

HACLA selects, at its sole and absolute discretion, the bond financing team (“Bond Team”) to be utilized through a RFQ process, including bond counsel, co-bond counsel (if any), disclosure counsel (if any), issuer’s counsel, financial advisor, trustee/ fiscal agent and investment banker. HACLA from time to time may promulgate policies regarding the selection of its Bond Team. The borrower and other parties may, at their own expense, add additional members to the finance team to represent their interests.

10. HACLA Review and Procedures/Timetable

All Projects seeking Bond financing or significant modifications to existing Bond financings are subject to HACLA review. Projects must submit an application for review. Upon successful review and initial approval of the application, financing of the Project will be contingent upon, as required, payment of fees and expenses, adoption of an inducement resolution, TEFRA hearing, adoption of a Bond resolution, submittal of an application to CDLAC and award of a Bond allocation from CDLAC. The following outlines the procedural steps from application to closing for a Bond financed transaction. Applications may be received on an on-going basis at the discretion of HACLA according to the criteria below. Applicants shall submit a separate application for each project.

10.1. Application

HACLA requires that its application be submitted at least 60 days prior to the CDLAC application deadline. During this review period, HACLA has no obligation to initiate or conclude any discretionary action regarding the Bonds, including Project inducement or TEFRA hearings. Upon completion of its review, HACLA will notify the applicant of its initial approval and intent to proceed with the financing or its disapproval of the application.

10.2. Background Review

During the Intake review period, the HACLA will conduct a background check based on the information provided to determine if there are any outstanding violations with each compliance program. The compliance check may include, but is not limited to, a review of compliance with City loan repayments, HACLA loan repayments, HUD debarment status, regulatory agreement compliance, financial statements, unpaid property taxes, lapsed insurance or outstanding cited habitability violations, and/or if the property is in any of the City's compliance programs due to unabated habitability violations (i.e., REAP). Failure to disclose all applicable properties may result in disqualification of the application.

10.3. Meetings of the Staff, Finance Team and Development Team

HACLA may require that the applicant and relevant members of the development team meet with HACLA staff and/or the Bond Team to review the application.

10.4. Inducement Letter

After initial approval, staff then recommends approval by HACLA's President and Chief Executive Officer. Following execution, the Inducement Letter is delivered to the applicant.

10.5. TEFRA Hearing and Approval

After initial approval, HACLA will notice and schedule the TEFRA hearing. A notice of the TEFRA hearing must be published 14 days prior to the scheduled hearing date. The TEFRA hearing may occur concurrently with the adoption of the bond resolution. HACLA staff may prepare the TEFRA notice for publication, but the notice shall be reviewed by HACLA counsel and bond counsel. HACLA will process the TEFRA approval, culminating in a TEFRA resolution from HACLA and approval from the Mayor of the City of Los Angeles.

10.6. CDLAC Application Review and Evaluation

HACLA requires submittal of the CDLAC application(s) 30 days prior to the CDLAC submittal deadline. Applications should be submitted in substantially final form so that HACLA staff may begin to review. Applications should be finalized no later than 10 days prior to submittal to CDLAC, in order to complete the process of inducement approval by the HACLA Board of Commissioners and President and Chief Executive Officer of HACLA, and obtaining the Mayor's

authorization to adopt the TEFRA resolution and TEFRA hearing minutes. Applications not requiring CDLAC approval must be submitted at least 120 days prior to desired Bond closing date.

10.7. Additional Time for Refunding

The default analysis that is required of default refunding applications will add an additional 20 days to the application review period. No such time periods are guaranteed. The above periods are minimums subject to change.

10.8. Deposit and Commitment to Pay Fees

Upon notification to applicant of HACLA initial approval, the applicant will be required to acknowledge and agree to pay all of HACLA's costs related to the financing, including all third party costs and costs of issuance in addition to any deposit amounts. The borrower shall further indemnify HACLA for all costs or liabilities related to the proposed bond transaction. Under no circumstances will fees be refundable if the borrower decides not to proceed with the transaction.

11. Preparation and Submittal of the CDLAC Application

New-money tax-exempt private activity Bond issues (except 501(c)(3) issues) require application to and Volume Cap allocation from CDLAC. The application to CDLAC is from HACLA, not the applicant. Therefore, while the applicant may prepare the application, it must be completed to the satisfaction of and reviewed by HACLA before submittal. In order to submit the application, the following must be completed:

- 11.1. A completed CDLAC application (plus required copies) must be submitted to HACLA at least 30 days prior to the relevant CDLAC application deadline.
- 11.2. The CDLAC application must be reviewed and approved by HACLA.
- 11.3. All previously required fees must have been paid and submitted, including:
- 11.4. A deposit amount required by CDLAC, currently in the amount of one-half of one percent (0.5%) of the allocation amount requested up to a maximum of \$100,000. The deposit shall be delivered to HACLA as a cashier's check payable to the Housing Authority of the City of Los Angeles.
- 11.5. The CDLAC filing fee (currently in the amount of \$1,200) made payable to CDLAC.

12. Document preparation and approval (including Bond resolution).

Bond counsel and HACLA may begin work on Bond documents after the Volume Cap allocation has been approved and received from CDLAC. If approval from CDLAC is not required, bond counsel and HACLA may begin work on Bond documents, at the sole and absolute discretion of HACLA, after initial approval of the application and after the agreement to proceed (including any required fee) has been received from the applicant. No deemed consent is given for any document amendment. Primary bond and other financing documents require approval by HACLA's Board of Commissioners ("Board"). Document amendments may also require Board approval and, if required by federal income tax law, further TEFRA approval.

13. Scheduling and Approval of the Bond Resolution

The transaction may not close without the adoption of the Bond resolution. Bond counsel prepares the Bond resolution with review by HACLA's counsel. The Bond resolution is adopted, and the bond documents are approved concurrently by HACLA and its Board. In order for any resolution to be approved, the following must occur:

13.1. If the resolution under consideration is the final Bond resolution, commitments from credit enhancers or Bond purchasers and substantially final Bond documents must be provided to HACLA.

13.2. Expedited Bond Closing.

Upon HACLA approval, HACLA may expedite the preparation of Bond documents and the Bond resolution approval process. After submittal of the CDLAC application and after the proof of TEFRA deadline, HACLA may begin the preparation of Bond documents and the Bond resolution simultaneously with the CDLAC review process and pending a CDLAC allocation. The applicant shall agree to accept the terms outlined in the application and in the draft Bond documents to be true and correct and shall agree that if the terms that have been presented are materially modified, the expedited request is forfeited, and changes may cause a delay in closing. Nullification of the expedited process will result in a loss of the Initial Issuer fee deposit.

13.3. Bond Sale and Closing

Except as provided below, the following may occur, in the approximate order presented, only after the HACLA Board adopts the Bond resolution and approves the bond documents.

- Mail the Preliminary Official Statement (POS)
- Bond Pricing
- Pricing call with underwriter, HACLA staff, financial advisor and borrower. Final pricing occurs with the approval of HACLA.
- Execution of Bond Purchase Agreement (BPA)
- Pre-closing
- The parties should allow approximately five business days to obtain required HACLA approvals and signatures.
- Closing In order to effect a closing of an issue of Bonds, HACLA requires: (i) funding of the Bonds in an amount sufficient to constitute an issuance of Bonds for federal tax purposes; (ii) expenditure of at least \$50,001 of such funds for capital costs; (iii) recordation of the Bond Regulatory Agreement and Memorandum of Ground Lease, if applicable, consistent with the program requirements stated herein; and (iv) payment of all costs of issuance of the bonds, from a source other than Bond proceeds (to the extent in excess of 2% of the amount funded and expended at closing).

14. EXHIBITS

Exhibit A – Intake Application

Exhibit B – Background Check Form

Exhibit C – Current Bond Program Fee Schedule

EXHIBIT A
INTAKE APPLICATION

Application for Program Financing Form
 Multifamily Bond Program, Housing Authority of the City of Los Angeles

Please complete Parts 1-8 below and email this Form and all attachments (other than the check for the Application Fee and HACLA Deposit) to _____.

Part 1. General Project Information		
Date		
Project Name <i>Use the name that will appear on the CDLAC Application</i>		
Project Address(es) <i>Include ALL addresses associated with the Block(s)/Lot(s) below</i>		
Project Block(s)/Lot(s) <i>From Assessor-Recorder's Office maps</i>		
Scope of Construction	<input type="checkbox"/> New Construction	<input type="checkbox"/> Acquisition/Rehabilitation
Unit Count <i>Required for TEFRA Notice; May be approximate</i>		
Size and Use of Commercial Space <i>Use square feet; Describe all tenants</i>		<input type="checkbox"/> N/A
Total Development Cost ("TDC") Estimate	\$	TDC Per Unit: \$
General Contractor		<input type="checkbox"/> Not yet selected - Proposed selection date:
Architect of Record		<input type="checkbox"/> Not yet selected - Proposed selection date:

Part 2. Project Sponsor and Borrower		
Please identify the Project Sponsor and Borrower for the Project described in Part 1 of this Form.		
Project Sponsor(s) <i>List the entity completing the CDLAC Application and all partners/co-owners and principal contact/Project Manager.</i>		
Borrower <i>List the entity name (typically an LP or LLC) exactly as it appears on the formation document (e.g., the LP-1 for California limited partnerships); Required for TEFRA Notice</i>	<input type="checkbox"/> Not yet formed - Proposed formation date:	
Does/will the Borrower entity include a non-profit entity ("NPE") with a significant presence and a positive track record of affordable housing development and management in Los Angeles?		
<input type="checkbox"/> Yes - NPE Name and Date of agreement with NPE:		
<input type="checkbox"/> No - Explain:		

Housing Authority of the City of Los Angeles
 Multifamily Bond Program
 Exhibit A: Application Form

Part 3. Proposed Financing Terms			
Please provide the following information related the proposed financing structure of the Program Issue.			
Debt Structure <i>Choose one and identify the associated lender, purchaser, or underwriter</i>	<input type="checkbox"/> Direct Loan <i>Also known as a "back-to-back loan"</i>	Funding Lender:	<input type="checkbox"/> Structure not yet selected - Proposed selection date:
	<input type="checkbox"/> Private Placement <i>Bonds placed with a single investor or small group of investors in lieu of being offered for sale to the public</i>	Private Purchaser:	
	<input type="checkbox"/> Public Issue <i>Bonds offered for sale to the public</i>	Underwriter:	
LIHTC Equity Investor <i>Provide name</i>		Is this entity part of or affiliated with the Funding Lender or Private Purchaser? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> NA/None <input type="checkbox"/> Not yet selected - Proposed selection date:
Issue Amounts <i>Provide the following dollar amounts for the City-issued debt</i>	Tax-Exempt Debt (i.e., the CDLAC Allocation Amount): \$	Taxable Debt (if applicable): \$	Total Debt (Tax-Exempt + Taxable): \$
Interest Rate <i>As set at Closing</i>	<input type="checkbox"/> Fixed - Current rate estimate:	<input type="checkbox"/> Variable - Hedge provider and credit rating, if applicable:	<input type="checkbox"/> Terms not yet selected - Proposed selection date:
Credit/Liquidity Enhancement	If structured as a Public Issue, provide Credit/Liquidity Enhancer name: If structured as a Public Issue with no Credit/Liquidity Enhancement, explain:		<input type="checkbox"/> Enhancer not yet selected - Proposed selection date:
Drawdown Structures	Is the Issue a Drawdown Structure? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not yet determined - Proposed determination date:	

Part 4. Proposed Affordability Structure								
Please described the proposed maximum Tenant income limits (as percentage of the Area Median Income applicable to the City of Los Angeles) by Unit type for the Project.								
	30%	50%	60%	80%	120%	Market Rate	Other - Specify:	Total (Row)
SRO								
Studio								
1-Bedroom								
2-Bedroom								
3-Bedroom								
4-Bedroom								
5-Bedroom +								
Total (Column)								
Does the Project's rent structure assume that (1) existing residential tenants will not be evicted due to the financing based solely on their failure to meet a financing-related income standard at the time of the Issuance or during the Qualified Project Period and (2) that annual rent increases for such tenants will be limited to the percentage change in City Median Income for such year?						<input type="checkbox"/> Yes <input type="checkbox"/> N/A - New construction <input type="checkbox"/> No - explain:		

Part 5. Proposed Timeline		
Please provide the following dates.		
CDLAC Application Deadline		<input type="checkbox"/> Approximate Date or <input type="checkbox"/> Hard Deadline - Explain:
CDLAC Allocation Meeting		<input type="checkbox"/> Approximate Date or <input type="checkbox"/> Hard Deadline - Explain:
TCAC Application Deadline		<input type="checkbox"/> Approximate Date or <input type="checkbox"/> Hard Deadline - Explain:
TCAC Allocation Meeting		<input type="checkbox"/> Approximate Date or <input type="checkbox"/> Hard Deadline - Explain:
Closing Date		<input type="checkbox"/> Approximate Date or <input type="checkbox"/> Hard Deadline - Explain:
Construction Start Date		<input type="checkbox"/> Approximate Date or <input type="checkbox"/> Hard Deadline - Explain:
Construction Completion Date		<input type="checkbox"/> Approximate Date or <input type="checkbox"/> Hard Deadline - Explain:

Part 6. Attachments		
Please attach the following files, except the check for Application Fee and HACLA Deposit, to the email in which this Form is submitted. Please submit the Application Fee and HACLA Deposit to the following address:		
Project Description Template	The Bond Manager (or other HACLA staff) will provide a Word version of the template (see form at the end of this Application). The finished template should be submitted to HACLA as an editable Word document.	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No - Explain:
Borrower Organizational Chart	This chart must include the hierarchical relationships, ownership percentages, official names, entity types, and state of formation for all entities that have ownership and/or control interests in the Borrower entity as of City Application submission or will have such interests as of Closing.	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No - Explain:
Narrative Description of Project Sponsor Experience	Project Sponsors must provide a written description of (i) the expected ownership and management structure of the Project after Closing and (ii) the experience of the Project Sponsor, as well as any joint venture partners, in managing similar affordable residential projects. These descriptions may be provided in the Project Description Template or as part of the Borrower Organizational Chart discussed above.	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No - Explain:
Preliminary Title Report	The Applicant shall provide a preliminary title report for the subject property. The report must have been issued no more than 90 days before the date of application.	
Preliminary Distribution List	This document should include the contact information (including physical address, phone number, email address, and role in the transaction) for all known transaction parties as of City Application submission. The document should be submitted to HACLA as an editable Word document.	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No - Explain:

Housing Authority of the City of Los Angeles
 Multifamily Bond Program
 Exhibit A: Application Form

Deposit	Has a check for \$25,000 (HACLA Deposit) payable to the order of “the Housing Authority of the City of Los Angeles” (and referencing both the Project name and the words “HACLA Deposit”) been sent to the attention of the Bond Manager?	<input type="checkbox"/> Yes <input type="checkbox"/> No - Explain:
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Part 7. Project Sponsor Certification	
<p>The party or parties* executing this certification on behalf of the Borrower entity or (if such entity is not yet formed) the Project Sponsor described in Part 2 of this Form (the “Signatory”) hereby certifies that (1) the information provided in this Form is true and correct to the best of the Signatory’s knowledge and (2) the Borrower or Project Sponsor, as applicable, has read and is familiar with the Housing Conduit Bond Policy of HACLA dated __, 2018 (the “Policy”), and agrees to adhere to the policies, procedures, terms, and conditions related to Issuance under the Program, including (without limitation) provisions regarding fees, other costs of issuance, and indemnification as set forth in the Policy.</p>	
	Name
	Title
	Date
	<i>*Attach a signature page for additional signatures if necessary.</i>

Project Description
Multifamily Bond Program
Housing Authority of the City of
Los Angeles

[Project Name]

Overview

The funds described in the “Financing Structure” section below will be used to finance the [acquisition and rehabilitation/development] of [Project Name], a [# of Units]-unit affordable multifamily housing project [located/to be located] at [Address including ZIP] in the City of Los Angeles (the “Project”).
[ADD ADDITIONAL OVERVIEW AS NECESSARY]

[Following rehabilitation/Upon completion], the Project will include approximately [Total Sqft.] square feet of gross floor area, comprised of [Residential Sqft.] square feet of residential area and [Non-residential Sqft.] square feet of non-residential area. Non-residential spaces will include [LIST NON-RESIDENTIAL SPACES].

Total project costs, including the cost to acquire the land and [construct/rehabilitate] [existing/new] buildings, will be approximately [TDC], or [TDC/unit] per dwelling unit.

The residential unit distribution, which will include [# of superintendent units] [Bedroom #]-bedroom superintendent unit[s], is:

<u>Unit type</u>	<u>Number of units</u>	<u>Average Square Footage</u>
SRO	[#]	
Studio	[#]	
1-Bedroom	[#]	
2-Bedroom	[#]	
3-Bedroom	[#]	
4-Bedroom	[#]	
5-Bedroom	[#]	

[Percentage of affordable units] percent of the residential units will serve households earning less than [AMI Percentage 1] percent of the Area Median Income (AMI) Applicable to the City of Los Angeles (AMI), while the balance of units will [serve households earning less than [AMI Percentage 2] percent of AMI/be rented at market rates].

[Include other rent-level information—e.g., maximum rents in the event of subsidy loss.]

Residents

No residents will be displaced as [the site is currently a vacant lot/all residents will have the right to return after any temporary relocation that might be required].

[INCLUDE ANY OTHER IMPORTANT INFORMATION ON RESIDENTS/RELOCATION]

Site Description and Scope of Work

Address: [ALL Applicable Addresses, Including ZIP]
Block/Lot: [Block/Lot for All Lots Applicable to the Site]

[The scope of work for the rehabilitation/Property amenities] will include:
[INSERT BULLETED LIST OF REHAB SOW OR NEW CONSTRUCTION AMENITIES]

Development and Management Team

Project Sponsor[s]: [Name (usually non-profit completing CDLAC Application and partner)]
General Contractor: [Name]
Architect of Record: [Name]
Property Manager: [Name]

Project Ownership Structure

Borrower Entity: [Name (typically an LP or LLC)]
[Managing General Partner/
Managing Member]: [Name]

An investor [limited partner/member] will own a 99.99% interest in the borrower entity.

Financing Structure

The following sources of capital financing are expected to be utilized [ADD OR DELETE SOURCES AS NECESSARY]:

- tax-exempt bonds issued by HACLA;
- 4% low income housing tax credits (LIHTC);
- seller carryback financing from [Entity];
- a conventional first mortgage; and
- soft debt (identify providers).

The sale of LIHTC will generate equity financing for the Project. The amount of private activity tax-exempt bonds used during construction will be sized at least to meet the 50% of aggregate basis test required for the LIHTC.

Schedule

Financing is anticipated to close between [Date] and [Date], with construction commencing within [#]

days closing. All construction is scheduled to be completed by [Date].

[Tenants are expected to be temporarily relocated for approximately [# of weeks] weeks during each phase of the rehabilitation].

EXHIBIT B
BACKGROUND CHECK FORM

Housing Authority of the City of Los Angeles
 Multifamily Bond Program
 Exhibit B: Background Check Forms

The information provided below will be used to determine if properties that received CDD, CRA, LAHD/HCIDLA, OR HACLA funding are in compliance with HACLA Policy, including: 1) whether any of such funding has any outstanding/unpaid monetary obligation(s); 2) if there are any unpaid property taxes; 3) if evidence of adequate insurance coverage has been provided to the HACLA.

All residential rental properties within City of Los Angeles limits must be disclosed, regardless of funding source, to determine: 1) whether any property has any outstanding Rent Registration or Code (SCEP) fees due the City; 2) if there are outstanding cited habitability violations and; 3) if any property is in any of the City's compliance programs due to unabated habitability violations.

List ALL residential income properties, located within Los Angeles City limits, that the applicant and the applicant's partners and/or principals have (or previously had) a vested interest in, including all properties currently or previously owned by any of the aforementioned parties. For projects that received CDD, CRA, LAHD, HCIDLA, OR HACLA funding, indicate the loan amount(s) and the loan and project numbers associated with each project.

LIST EACH 10-DIGIT APN SEPARATELY (i.e., 1111-222-333, 1111-222-334, 1111-222-335).

PROJECT NAME: _____

Project Address: _____ Other General Partner/s: _____

Developer/Project Owner: _____ Additional Partner: _____

Managing General Partner: _____

DO NOT LIST PROPERTIES LOCATED OUTSIDE THE CITY OF LOS ANGELES

Applicant/Partner* (List the name of entity who currently owns/ is vested in the listed property)	APN(s)* (All APN's associated with each location)	Property Name*	Property Address/es*	City/Community*	Zip Code*	Lender (Check all that apply)*					Loan Number(s)	Loan Amount(s)	# of Units*	Year Built*	Date of Purchase*	Tenant Occupied at Date of Purchase? (Y or N)*
						CDD	CRA	LAHD/HCIDLA	HACLA	OTHER						

* Required field. If additional sheets are necessary, photocopy this form and complete all required information.

EXHIBIT C
CURRENT BOND PROGRAM FEE SCHEDULE

BOND PROGRAM FEE SCHEDULE

1. Borrower's Agreement

At initial approval of the application and notification to the applicant, the applicant must agree, in writing, to pay all costs of issuing the Bonds, including all fees of HACLA, its financial advisor, in-house counsel and bond counsel (as may be further described in the HACLA Housing Conduit Bond Policy). Such costs to the extent incurred must be paid whether or not the Bond issues close. Each application shall include a deposit of \$25,000, which shall be applied to such costs at the issuance of the Bonds or such earlier date upon which the financing is abandoned.

2. Initial Issuer Fee

Borrowers shall pay an initial issuer fee ("Initial Issuer Fee") of 25 basis points (0.25%) of the maximum Bond amount. This fee is paid at the Bond closing and is designed to reimburse HACLA for its administrative costs as Bond issuer.

3. Annual Issuer Fee

During the construction period, the borrower shall pay HACLA an annual issuer fee ("Annual Issuer Fee") in advance (adjusted for partial periods), of 12.5 basis points (0.125%) of the original principal amount of the Bonds in order to compensate HACLA for its monitoring and other administrative costs incurred during the term of the Bond Regulatory Agreement. Notwithstanding the foregoing, in transactions involving a reduction in the Bond principal amount upon completion of construction or rehabilitation and conversion of financing to permanent, the borrower shall pay HACLA an annual issuer fee in advance (adjusted for partial periods), that is the greater of 12.5 basis points (0.125%) of the outstanding amount (balance at conversion) or a minimum of \$4,000. This fee must be paid until the later of: (a) the date no Bonds remain outstanding; (b) the Bond Regulatory Agreement terminates; or (c) the end of the CDLAC compliance period. The borrower shall pay the present value of this fee upon prepayment of the Bonds in full prior to the last date upon which the Annual Issuer Fee would otherwise be due.

4. In-Take Application Processing Fee

A non-refundable fee of \$3,000 must accompany each application.

5. TEFRA Hearing Fee

A non-refundable fee for TEFRA notice publication, currently in the amount of \$3,000 per Project must accompany each TEFRA request.

6. Expedited Bond Closing Deposit

HACLA will develop a Bond closing schedule with the applicant during the initial in take process. If the applicant requests an expedited Bond closing process as described in Section 13.2 of the HACLA Housing Conduit Bond Policy, the applicant shall pay ½ of the Initial Issuer Fee directly to HACLA as a performance deposit. If the terms of the Bond resolution and Bond documents are materially modified, as outlined below, the expedited request is voided and the performance deposit shall be forfeited to HACLA. The borrower shall be required to pay the entire Initial Issuer Fee at the time that the approval process of the modified terms are approved and the Bonds are issued. If the expedited service is not interrupted due to changes in terms, the borrower shall only be required to pay the balance of the Initial Issuer Fee due at the time of the Bonds close. Any additional costs that may be required to expedite the process, such as increased costs for Bond Team entities, shall be the responsibility of the applicant. Fees and costs will be quoted at the time of the request for an expedited Bond process.

7. Consent, Approval, Transfer, Amendment, and Waiver Fee

HACLA will charge a processing fee equal to the greater of \$5,000 or 0.125% of the permanent principal amount of the relevant Bond issue (as amortized, if applicable), plus all related expenses, for any consent, approval, transfer, amendment, or waiver requested of HACLA.

8. Bond Prepayment Fee

In the event of any payment or prepayment of the tax-exempt Bonds in whole prior to the later of the termination of the Bond Regulatory Agreement or the end of the CDLAC compliance period, the borrower shall pay to HACLA, on or before such payment, an amount equal to the present value of the remaining HACLA fees payable hereunder, as calculated by HACLA. The present value calculation shall use a discount rate equal to the rate on the United States treasury security maturing on the date nearest the end of the later of (1) the end of the "Qualified Project Period" contained in the Bond Regulatory Agreement or (2) the termination of the CDLAC Compliance Period, or such lesser amount as shall be necessary in the opinion of Bond Counsel to preserve the exemption of interest on the Bonds from gross income for federal income tax purposes.