



GOLDEN STATE FINANCE AUTHORITY MULTI-FAMILY HOUSING BOND PROGRAM

Section 1 – GENERAL INFORMATION

Golden State Finance Authority (the “Authority”) is now accepting applications for the Multi-Family Housing Bond Program (the “Program”). The Authority intends to issue tax-exempt and taxable obligations to finance the acquisition, construction, reconstruction and/or rehabilitation of qualified multi-family rental housing developments for persons and/or families of low and moderate income. Successful applicant(s) will be recommended to the California Debt Limit Allocation Committee (the “CDLAC”) for an allocation of tax-exempt volume cap for the issuance of Multi-Family Housing Bonds using a process that is described below, pursuant to the policy guidelines of the Authority as described in these Program materials.

The Authority is a duly constituted public entity and Authority of the State of California (the “State”), the mission of which is to provide affordable housing to residents and contribute to the social and economic welfare of residents of those counties.

The Authority will consider providing tax-exempt and/or taxable financing for those qualified multi-family rental housing projects that meet and promote the goals of the Authority, facilitate the Authority mission and comply with applicable Federal and State law. Bonds issued by the Authority are required to be (i) of at least investment grade (which generally requires the use of “credit enhancement”) or (ii) placed with a qualified institutional buyer(s) or accredited investor(s) (as each such term is more fully described in these Program materials). Accordingly, the successful issuance of bonds is largely dependent on the ability of the Applicant to secure either credit enhancement or a qualified purchaser for the bonds. In addition, the ability of the Authority to issue tax-exempt bonds is subject to receipt of an allocation from CDLAC.

CONTACT

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AVAILABLE FUNDS

The maximum amount of tax-exempt Private Activity Bonds that will be available for multi-family development in eligible counties is ultimately determined by CDLAC. Applicants may supplement any award of tax-exempt volume cap by issuing taxable bonds. The Authority will approve any request for taxable bond financing and will assist the Applicant in determining the appropriate amount. Further, if at any time the availability of tax-exempt volume cap is

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significantly less than the demand for such volume cap, the Authority may require Applicants to issue taxable bonds to decrease the amount of tax-exempt volume cap any one project requires.

ADDENDA

In the event it becomes necessary to amend or supplement any part of these Program materials, a copy of such amendment or supplement will be provided to each individual that has requested a copy of these Program materials as of the date such amendment or supplement is mailed.

APPLICATIONS

To be considered, Applicants must complete the application form provided in Section 2 of these Program materials, in either hard copy or by electronic mail submission, and pay the appropriate fees as described in these Program materials application. If an Applicant submits its application in hard copy form, such application shall include no less than three (3) copies of the completed application including any attachments and be distributed as follows: Original application to the Authority, one (1) copy to Phil Harloff, Structuring Agent/Financial Advisor, and one (1) copy to the Authority's Bond Counsel.

Prior to review or approval by the Authority, the "Application Fee" which includes the "TEFRA Hearing Fee" described in Section 4 of these Program materials must be received by the Authority.

IT IS THE RESPONSIBILITY OF THE APPLICANT TO ENSURE THAT THE APPLICATION IS COMPLETE.

TEFRA HEARING

In accordance with the Internal Revenue Code of 1986 (the "Code"), the Authority is required to conduct a Tax Equity & Fiscal Responsibility Act (the "TEFRA") hearing for each application. The time and place of the hearing will be established by the Authority. The applicant may be required to attend the TEFRA hearing to respond to questions from the public.

The TEFRA hearing must be approved by an elected official in the jurisdiction of the project to be financed prior to the issuance of the bonds. A public notice setting forth the location of the project, the principal amount of the bonds, the owner of the project and other relevant data about the proposed financing and citing the date, time and location of the TEFRA hearing must be published at least fourteen (14) days prior to the TEFRA hearing. Other than providing an opportunity for the public to be heard, no official action will be taken at the TEFRA hearing.

The individual or entity (i.e., the Applicant) named in the TEFRA notice must be the initial owner or affiliate of the initial owner of the project, as approved by the Authority and must continue in such capacity for a period commencing from the date of initial application through and including one year from completion of the project, or such other period of time as required by the Authority.

EVALUATION OF PROPOSALS

Applications will be evaluated and selected for funding using the following process.

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1. Each application will be reviewed to determine if the application is complete and consistent with the program guidelines.
2. The Authority's Structuring Agent/Financial Advisor will review and prepare an analysis of the strengths and weaknesses of each application. Copies of this analysis will be provided to the Authority's staff.
3. Each application will be reviewed to determine how it facilitates the goals and purposes of the Authority.

Following such evaluation, the Authority's staff will conduct the required TEFRA hearings and summarize the public comments received at those hearings. The Authority will then recommend successful applications to its Board or the Board's Multi-Family Review and Approval Action Team as the Board's Delegates for approval. (Reference in these Program materials to Board action and Board meetings include actions and meetings of the Board's Delegates on behalf of the Board.) The Applicant may be required to attend the Board meeting when the application is considered to answer any questions from the Board.

AWARD

The Board will make the final selection as to which application(s) will be selected for recommendation to CDLAC as a project supported by the Authority and for which the Authority will act as the issuer of tax-exempt bonds. The decision of the Board is final and may not be further appealed.

The official action of the Board is not an assurance that CDLAC will award tax-exempt volume cap to the project, or that if bonds are issued that they will be marketable. Rather, it is an indication that the Authority believes that the application complies with the requirements of the Authority's Program and that if certain conditions are met the Authority would be willing to act as the issuer of bonds. Conditions to the issuance of bonds include the following: (i) receipt of an award of tax-exempt volume cap from CDLAC, (ii) evidence of a commitment from a qualified purchaser of bonds or a credit enhancer, (iii) evidence of a proposed financing structure that is acceptable to the Authority, and (iv) the existence of market conditions and terms acceptable to the Authority and to its Professionals.

COMPLIANCE WITH PROGRAM GUIDELINES AND POST-ISSUANCE COMPLIANCE PROCEDURES

All projects financed with bonds of the Authority must comply with all requirements of Federal and State law, including but not limited to the requirements summarized in Section 4, Program Guidelines, and in Section 5, Post-Issuance Compliance Procedures for Tax-Exempt Bonds (Multi-Family Housing).