

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

City of Palm Desert
73-510 Fred Waring Drive
Palm Desert, CA 92260-2578
Attn: _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**This Document is recorded for the benefit of the City of Palm Desert and is exempt
from recording fees pursuant to Sections 6103, 27383 and 27388.1
of the California Government Code.**

**HOUSING REGULATORY AGREEMENT WITH DECLARATION OF COVENANTS
AND RESTRICTIONS
(Density Bonus Agreement)**

by and between

the **CITY OF PALM DESERT,**

and

**SINATRA FAMILY HOUSING, L.P.,
A CALIFORNIA LIMITED PARTNERSHIP**

DATED AS OF _____, 2025

**HOUSING REGULATORY AGREEMENT WITH DECLARATION OF COVENANTS
AND RESTRICTIONS
(Density Bonus Agreement)**

THIS HOUSING REGULATORY AGREEMENT WITH DECLARATION OF COVENANTS AND RESTRICTIONS (the “Agreement”) is dated as of [____], 2025, and is by and between the CITY OF PALM DESERT, a municipal corporation (the “City”), and SINATRA FAMILY HOUSING, L.P., a California limited partnership (the “Owner”). City and Owner are sometimes referred to herein individually as a “Party” and collectively as “Parties”.

RECITALS

This Agreement is predicated upon the following facts:

A. The Owner is the owner of the land located at Cook Street and Frank Sinatra Drive, within the City of Palm Desert, California (APN: 694-200-021), as further described in “**Exhibit A**” attached hereto (the “Property”).

B. Owner proposes developing the Property as a 100% affordable housing residential development comprised of two hundred ninety-eight (298) apartments (including three (3) managers units) within six (6) multi-level buildings ranging from three (3) to four (4) stories, with related amenities (the “Project”), as further set forth in a Precise Plan Application and a Conditional Use Permit Application, each of which was submitted to the City on or about September 5, 2023. Owner submitted the Project to the City in accordance with Senate Bill 35 (Gov. Code § 65493) for ministerial approval.

C. Owner requested a density bonus pursuant to Government Code §65915. Under the City’s local zoning ordinance and General Plan, the base density for the Property would be seventeen (17) dwelling units per acre. Owner requested a density bonus under Government Code § 65915(f)(3)(D)(iii), which provides for no maximum control on density for projects that restrict one hundred percent (100%) of the units, with the exception of managers units, to extremely low, very low, and low income households income households for an affordable rent or California Tax Credit Allocation Committee, in accordance with Government Code § 65915, if the Project is located in a “very low vehicle travel area.”

D. In accordance with Government Code § 65915, and the City’s implementing ordinance, the City agrees to a density bonus for the Project, as requested by Owner, in accordance with the terms, conditions, covenants and restrictions as set forth in this Agreement, which shall be recorded upon the Property as an encumbrance for a period of fifty five (55) years from the completion of construction of the Project.

E. This Agreement is that density bonus restrictions agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Owner hereby agree as follows:

ARTICLE 1. DEFINITIONS AND INTERPRETATION.

1.1 Definitions.

Capitalized terms used herein shall have the following meanings unless the context in which they are used clearly requires otherwise.

“**Affordable Units**” shall mean two hundred ninety eight (298) units in the Project which shall be made available to and occupied by, or held vacant for occupancy only by, Extremely Low, Very Low, and Low Income Households and rented at an Affordable Rent per the following breakdown:

77 Units – Extremely Low Income

123 Units – Very Low Income

95 Units – Low Income

3 Units – Managers Units

“**Affordable Rent**” shall mean rent for a Low Income Household the maximum monthly rent, including a Reasonable Utility Allowance, shall be determined (a) pursuant to California Health and Safety Code Section 50053(b)(1) and the state regulations adopted by the California Department of Housing and Community Development (“HCD”) pursuant thereto. More specifically, the maximum monthly Affordable Rent, including a Reasonable Utility Allowance, for a Low Income Household may not exceed thirty percent (30%) of sixty percent (60%) of the AMI, adjusted for a Household Size Appropriate to the Affordable Unit, divided by twelve, or (b) for a rental housing development receiving Low Income Housing Tax Credits, pursuant to California Health and Safety Code Section 50053(b)(2) and in accordance with the CTCAC Regulatory Agreement and CTCAC rules and regulations, as amended from time to time; and

“**AMI**” shall mean the area median income for Riverside County as published by CTCAC, as adjusted for family size.

“**CTCAC**” means the California Tax Credit Allocation Committee.

“**CTCAC Regulatory Agreement**” means a regulatory agreement by and between CTCAC and Owner or its successor and/or assigns which restricts a minimum of eighty percent (80%) of residential project units (exclusive of managers units) to Low Income Households.

“**Extremely Low Income Household**” shall mean persons and families whose income does not exceed the standards set forth in California Health and Safety Code § 50079.5, which shall not exceed thirty percent (30%) of AMI, adjusted for actual family size, as published from time to time by the California Department of Housing and Community Development, and in accordance with Title 25 of the California Code of Regulations, including Section 6910, as such statute and regulations are amended from time to time.

“Household Size Appropriate to the Affordable Unit” in the absence of pertinent federal statutes or regulations applicable to the Project, shall have the meaning set forth in California Health and Safety Code Section 50052.5(h), as amended from time to time, and (b) if the Project is subject to a CTCAC Regulatory Agreement, Household Size Appropriate to the Affordable Unit shall be determined in accordance with CTCAC rules and regulations.

“Low Income Household” shall mean persons and families whose income does not exceed eighty percent (80%) of AMI.

“Reasonable Utility Allowance” shall mean a utility allowance for utilities paid by a tenant (not including telephone, internet or cable service), as described in Title 25 of the California Code of Regulations, Section 6918, as determined by the utility allowance schedule published annually by the Housing Authority of the County of Riverside or the California Utility Allowance Calculator.

“Required Covenant Period” shall mean the period commencing on the date all units in the Project have been completed as evidenced by the City’s issuance of a final Certificate of Occupancy for the Project, and ending as of the fifty-fifth (55th) anniversary thereof.

“Very Low Income Household” shall mean persons and families whose income does not exceed the standards set forth in California Health and Safety Code § 50079.5, which shall not exceed fifty percent (50%) of AMI, adjusted for actual family size, as published from time to time by the California Department of Housing and Community Development, and in accordance with Title 25 of the California Code of Regulations, including Section 6910, as such statute and regulations are amended from time to time.

1.2 Rules of Construction.

1.2.1 The singular form of any word used herein, including the terms defined herein shall include the plural and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

1.2.2 Unless otherwise specified, references to articles, sections, and other subdivisions of this Agreement are to the designated articles, sections, and other subdivisions of this Agreement as originally executed. The words “hereof,” “herein,” “hereunder,” and words of similar import shall refer to this Agreement as a whole.

1.2.3 All of the terms and provisions hereof shall be construed to effectuate the purposes set forth in this Agreement and to sustain the validity hereof.

1.2.4 Headings or titles of the several articles and sections hereof and the table of contents appended to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of the provisions hereof.

ARTICLE 2. ONGOING PROJECT OBLIGATIONS.

2.1 Project and Affordable Units.

The Owner shall develop and construct the Project on the Property in conformity with the Entitlements. Thereafter, during the Required Covenant Period, the Owner agrees that not less than two hundred ninety eight (298) units in the Project shall be Affordable Units under this Agreement, meaning that such units shall be continually available to and occupied by, or held vacant for occupancy only by Extremely Low, Very Low, and Low Income Households in the following breakdown:

77 Units – Extremely Low Income

123 Units – Very Low Income

95 Units – Low Income

3 Units – Managers Units

All of the rental units in the Project shall be similarly constructed and all of the Affordable Units shall be generally constructed at the same time as those units which are available to other tenants, and distributed in terms of location throughout the Project. The Affordable Units shall be of comparable quality to those rental units in the Project which are available to other tenants. The Owner agrees that, to the extent commercially reasonable, Affordable Units will not be underutilized. Unless contrary to CTCAC rules and regulations, no persons shall be permitted to occupy any Affordable Unit in excess of applicable limit of maximum occupancy set by the City's Municipal Code and the laws of the State of California.

2.2 Residential Rental Property.

The Owner covenants to operate the Project as residential rental property. During the Required Covenant Period, the Affordable Units will be held and used for the purpose of providing residential living, and the Owner shall own, manage and operate, or cause the management and operation of, the Project to provide such affordable rental housing. All of the rental units in the Project with the exception of three (3) managers units will be available for rental on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the units in the Project, except as required under this Agreement or government agency regulatory agreement encumbering the Project. The Owner shall not convert any Affordable Unit(s) to condominiums or cooperative ownership or sell condominium or cooperative conversion rights to any Affordable Unit(s) during the term of this Agreement.

2.3 Low Income Households.

2.3.1 Income Qualification; Initial Certification. Subject to the applicable provisions hereof, throughout the Required Covenant Period, the Affordable Units restricted by this Agreement will be exclusively occupied by, or available for occupancy only by Extremely Low, Very Low and Low Income Households on a continuous basis. Prior to the rental or lease of an Affordable Unit and in accordance with Section 2.6 hereof, the Owner will obtain and maintain on file a Household Income Certification ("Income Certification") substantially in the form attached hereto as Exhibit "B" and incorporated herein by this reference or in the form required by CTCAC, as applicable, for each Extremely Low, Very Low and Low Income Household, and shall provide copies of same to the City at such times as the City may, from time to time, reasonably require.

The Income Certification shall be dated immediately prior to the applicable household's initial occupancy of an Affordable Unit. The Owner shall make a good faith effort to verify that the income provided by an applicant in an Income Certification is accurate by taking any one or more of the following steps as part of the verification process for all household members over the age of eighteen (18) as appropriate:

- (i) Obtain two (2) pay stubs for the two (2) most recent pay periods;
- (ii) Obtain a true copy of an income tax return for the most recent tax year in which a return was filed;
- (iii) Obtain an income verification form from the household member's current employer;
- (iv) Obtain an income verification form from the Social Security Administration and/or the State Department of Social Services, or its equivalent, if the household member receives assistance from either of those agencies;
- (v) If the household member is unemployed and has no tax return, obtain another form of independent verification; or
- (vi) Obtain such other documentation as may be reasonably acceptable pursuant to Title 25 of the California Code of Regulations, as amended from time to time, to verify income.

2.3.2 Certificate of Continuing Program Compliance; Annual Report. Throughout the Required Covenant Period, the Owner will prepare and submit to the City, at such periodic frequency as the City might reasonably require, but not more than once annually, a Certificate of Continuing Compliance in substantially the form attached hereto as Exhibit "C" and incorporated herein by this reference, and executed by the Owner. The Owner will also prepare and submit to the City on or before each anniversary date of the commencement of the Required Covenant Period, and for the preceding calendar year, a report in form and substance reasonably satisfactory to the City summarizing the vacancy rate of the Project, including the number of Affordable Units held vacant for occupancy by Extremely Low, Very Low and Low Income Households for such calendar year.

2.4 Affordable Rent. Throughout the Required Covenant Period, an Affordable Rent shall be charged to the Extremely Low, Very Low and Low Income Households occupants of Affordable Units, as more specifically described above.

2.5 Rent Increases. Rents for Affordable Units may be increased not more than once per year and twelve (12) months must have elapsed since the date of the tenant's initial occupancy or the last rent increase. The rents charged following such an increase, or upon a vacancy and new occupancy by a Extremely Low, Very Low and Low Income Household shall not exceed an Affordable Rent. The Owner shall, consistent with applicable law, give proper written notice to tenants of all rent increases, and upon written request, provide the City with reasonable detail concerning the amount of and rationale for such rent increases.

2.6 Income Recertification of Affordable Units.

2.6.1 Annually, on the anniversary date of occupancy of an Affordable Unit by a Extremely Low, Very Low and Low Income Household, the Owner shall obtain and maintain on file an annual income certification, in form and substance reasonably satisfactory to the City, from each household occupying an Affordable Unit, based upon the current income of each household member over the age of eighteen (18). The Owner shall make a good faith effort to verify that the income provided by the household is accurate in accordance with Section 2.3.1, above.

2.6.2 A rental unit occupied by a household that qualifies as a Extremely Low, Very Low and Low Income Household at the time the household first occupies an Affordable Unit shall be deemed to continue to be so occupied until a recertification of such household's income demonstrates that such household no longer qualifies as a Extremely Low, Very Low and Low Income Household, as applicable. At such time as a household ceases to qualify as a Extremely Low, Very Low and Low Income Household based on income recertification, the Owner shall designate the next available unit (one that is not occupied by a tenant) with the same number of bedrooms as the occupied Affordable Unit and it shall be leased to a Extremely Low, Very Low and Low Income Household, as applicable, so that the number of Affordable Units occupied by or reserved for occupancy by Extremely Low, Very Low and Low Income Households will remain constant. For purposes of this Agreement, such designated unit will be considered an Affordable Unit if it is held vacant and available solely for occupancy by a Extremely Low, Very Low and Low Income Household and, upon occupancy, the income eligibility of the household as a Extremely Low, Very Low and Low Household is verified and the unit is rented at Affordable Rent.

2.7 Lease or Occupancy Agreement. Prior to the rental or lease of an Affordable Unit to a Extremely Low, Very Low and Low Income Household, the Owner shall require the tenant to execute a written lease or occupancy agreement. The Owner shall maintain on file throughout the Required Covenant Period and for a four (4) year period thereafter, the executed lease or occupancy agreement of each tenant occupying an Affordable Unit. The form of lease or occupancy agreement used by the Owner for the lease or rental of Affordable Units shall be that which is reasonable and customary in residential leasing. In addition, each lease or occupancy agreement for an Affordable Unit shall (i) provide that the tenants of such Affordable Unit shall be subject to annual recertification of income and subject to rental increases in accordance with Sections 2.5 and 2.6 of this Agreement, and (ii) contain a provision to the effect that the Owner has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Affordable Unit, and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or occupancy agreement.

2.7.1 The Owner shall refrain from restricting the rental or lease of Affordable Units on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information of that person.

2.7.2 The covenants established herein shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City, and its successors and assigns, and shall burden and run with the Property.

2.7.3 The City is deemed to be the beneficiary of the terms and provisions of the covenants herein, both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit these covenants running with the land have been provided.

2.8 Security Deposits. The Owner may require security deposits on Affordable Units in amounts which are consistent with applicable law.

2.9 Additional Information; Books and Records. The Owner shall provide any additional information concerning the Affordable Units reasonably requested by the City. The Owner will maintain complete and accurate records pertaining to the Affordable Units throughout the Covenant Period and for a four (4) year period thereafter. The City shall have the right upon written notice of no less than two (2) business days to the Owner, at any time during normal business hours of 9:00 am to 5:00 pm, to examine of all books, records or other documents maintained by the Owner or by any of the Owner's agents which pertain to any Affordable Unit, including all executed leases or occupancy agreements and all Income Certifications, and obtain copies of any requested executed leases, occupancy agreements and Income Certifications within ten (10) business days following such examination and the City's written request.

2.10 Specific Performance. The Owner hereby agrees that specific enforcement of the Owner's agreement to comply with the allowable rent and occupancy restrictions and covenants contained herein is one of the reasons and consideration for the City having granted a density bonus and that, in the event of the Owner's breach of such requirements, potential monetary damages to the City, as well as to existing and prospective Extremely Low, Very Low and Low Income Households, would be difficult, if not impossible, to evaluate and quantify. Therefore, in addition to any other relief to which the City may be entitled as a consequence of the breach hereof, the Owner agrees to the imposition of the remedy of specific performance against it in the case of any event of default by the Owner in complying with any provision of this Agreement beyond any applicable notice and cure period.

2.11 Audit. If the Project is not encumbered by a TCAC Regulatory Agreement, the City shall have the right to perform an audit of the Project to determine compliance with the provisions of this Agreement. Such audit shall not be undertaken more often than once each calendar year. All costs and expenses associated with the audit shall be paid by the Owner.

2.12 Management. The Owner and/or the management agent (if not the Owner) shall operate the Project in a manner that will provide decent, safe and sanitary residential facilities to the occupants thereof, and will comply with provisions of this Agreement. Upon the written request of the City, the Owner shall cooperate with the City in the periodic review (but not more than once each calendar year) of the management practices and financial status of the Affordable Units. The purpose of each periodic review will be to enable the City to determine if the Affordable Units are being operated and managed in accordance with the requirements and standards of this Agreement. Results of such City review shall be provided to the Owner, and the City shall have the authority to require the Owner to make modifications that are reasonably necessary to ensure the objectives of **this Agreement** are met.

2.13 Binding for Term. It is intended by the Parties that except as may be otherwise expressly provided herein, the provisions of this Agreement shall apply to the Project throughout the entire term hereof, as established in Section 3.1 below.

2.14 Waiver. Pursuant to Government Code § 65915, provided that Owner complies with the affordability covenants as set forth in this Agreement, Owner is granted a waiver from the City's pad elevation requirements to allow for a deviation from the required pad elevations as follows:

(A) Palm Desert Municipal Code (PDMC) Section 27.12.045 Control of building pad elevation requires that "Where the existing grade is at or below street elevation, {...} the maximum finished pad height shall be no more than twelve inches above the top of curb elevation, measured at the lowest point along the lot frontage curb line, and be compatible with surrounding adjacent properties, as determined by the city engineer".

(B) The Applicant requests a deviation of approximately 29 feet, 6 inches from the requirement in PDMC Section 27.12.045. The approved finished pad height would be consistent with the project plans as approved under Precise Plan 23-0019, with the following general information: The northeast corner of the site is the lowest point of the site at an elevation of 223'-6", and the southwest corner of the site is the highest point at an elevation of 260'. Adherence to PDMC 27.12.045 would require a maximum finished pad height of 224'-6". The Waiver request is for a maximum finished pad height of 254', a deviation of 29'-6".

No Other Concessions, Incentives, or Waivers. Owner agrees and acknowledges that no other concessions, incentives, or waivers are requested for the Project, except as set forth in this Section 2.14.

ARTICLE 3. TERM AND RECORDATION.

3.1 Term of Agreement. This Agreement shall remain in full force and effect for the Required Covenant Period, unless the Owner and the City agree, in writing, to terminate this Agreement prior to the expiration of the Required Covenant Period. Unless terminated earlier pursuant to the prior sentence of this Section 3.1, or Section 3.3 below, the Parties intend that the provisions and effect of this Agreement and specifically of Article 2 hereof, shall remain in full force and effect for the entire Required Covenant Period.

3.2 Agreement to Record. The Owner represents, warrants, and covenants that this Agreement will be recorded in the real property records of Riverside County.

3.2 Suspension of Restrictions. Notwithstanding the generality of the foregoing provisions of this Article 3 or any other provisions hereof, this Agreement and all of the terms and restrictions contained herein shall be suspended for any period of involuntary noncompliance as a result of unforeseen events such as fire or act of God which leaves the entire Project uninhabitable (and the proceeds of insurance available to the Owner as a result thereof are insufficient to reconstruct the Project), or a change in a federal or state law or an action by the federal government, the State or a court of competent jurisdiction, after the date of recordation hereof, that prevents the City from enforcing the provisions of this Agreement, or a condemnation or a similar event.

ARTICLE 4. DEFAULT; REMEDIES.

4.1 An Event of Default. Each of the following shall constitute an “Event of Default” by the Owner under this Agreement:

4.1.1 Failure by the Owner to duly perform, comply with and observe any of the conditions, terms, or covenants of this Agreement, if such failure remains uncured thirty (30) days after written notice of such failure from the City to the Owner in the manner provided herein or, with respect to a default that cannot be cured within thirty (30) days, if the Owner fails to commence such cure within such thirty (30) day period or thereafter fails to diligently and continuously proceed with such cure to completion. However, if a different period or notice requirement is specified under any other section of this Agreement, then the specific provision shall control.

4.1.2 Any representation or warranty contained in this Agreement or in any application, financial statement, certificate, or report submitted by the Owner to the City proves to have been intentionally incorrect in any material respect when made.

4.1.3 INTENTIONALLY DELETED.

4.2 Intentionally Deleted.

4.3 City Remedies. The City shall have the right to mandamus or other suit, action or proceeding at law or in equity to require the Owner to perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions hereof, provided that in any such case the City has first provided the required notice of any alleged default and the Owner has had the requisite opportunity to cure pursuant to Section 4.1.1, above.

4.4 Investor Cure Rights. The Owner’s investor limited partner and/or special limited partner shall have the right, but not the obligation, to cure any default of Owner under this Agreement.

4.5 Action at Law; No Remedy Exclusive. The City may take whatever action at law or in equity as may be necessary to enforce performance and observance of any obligation, agreement or covenant of the Owner under this Agreement. No remedy herein conferred upon or reserved by the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of such right or power, but any such right or power may be exercised from time to time and as often as the City may deem expedient. In order to entitle the City to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be herein otherwise expressly required or required by law to be given.

ARTICLE 5. GENERAL PROVISIONS.

5.1 Limitations on Recourse. Notwithstanding anything to the contrary contained in this Agreement, except in the event of fraud, waste, or illegal acts, recourse under this Agreement shall

run solely to the Owner and (i) no partner, member, officer or director, as applicable, of the Owner (each, an "Owner Affiliate") shall have any direct, indirect or derivative personal liability for the obligations of the Owner under this Agreement, and (ii) the City shall not exercise any rights or institute any action against any Owner Affiliate directly, indirectly or derivatively for the payment of any sum of money that is or may become payable hereunder.

5.2 Maintenance, Repair, Alterations. The Owner shall maintain and preserve the Project in good condition and repair and in a prudent and businesslike manner, and shall otherwise comply with all laws, ordinances, rules, regulations, covenants, conditions, restrictions, and orders of any governmental authority now or hereafter affecting the conduct or operation of the Project or any part thereof or requiring any alteration or improvement to be made thereon. The Owner shall not commit, suffer, or permit any act to be done in, upon, or to the Project or any part thereof in violation of any such laws, ordinances, rules, regulations, or orders. The Owner hereby agrees that the City may conduct from time to time through representatives, upon reasonable notice of no less than twenty-four (24) hours, on-site inspections and observation of: (i) the maintenance and repair of the Project, including a review of all maintenance and repair programs and practices and all reports and records pertaining thereto, including records of expenditures relating thereto; and (ii) such other facilities, practices, and records of the Owner relating to the Affordable Units as the City reasonably deems to be necessary or appropriate in order to monitor the Owner's compliance with the provisions of this Agreement.

5.3 Notices. A copy of all notices delivered to Owner shall be concurrently delivered to Owner's investor limited partner at the address set forth below or such alternate address specified by Owner in writing. All notices (other than telephone notices), certificates or other communications (other than telephone communications) required or permitted hereunder shall be sufficiently given and should be deemed given when sent by certified mail, postage prepaid, or twenty-four (24) hours following delivery of such notice to Federal Express or similar commercial carrier for next business day or overnight delivery, addressed as follows:

If to the City:

City of Palm Desert
73-510 Fred Waring Drive
Palm Desert, CA 92260-2578
Attn: Housing Division

If to the Owner

Sinatra Family Housing, L.P.
c/o Affirmed Housing Group, Inc.
13520 Evening Creek Dr N, Suite 160
San Diego, CA 92128
Attention: President

With copies to:

CFAH Housing LLC

c/o Compass for Affordable Housing
13520 Evening Creek Dr N, Suite 560
San Diego, CA 92128
Attention: Executive Director

Katten Muchin Rosenman LLP
2121 Avenue of the Stars, Suite 1100
Los Angeles, CA 90067
Attention: David Cohen, Esq.
Email: david.cohen@katten.com

Hobson Bernardino
Ernst & Young Plaza
6060 Center Drive, Floor 10
Los Angeles, CA 90045
Attention: Jason Hobson

And with copies to Owner's Investor Limited Partner:

[INSERT TAX CREDIT INVESTOR INFO WHEN AVAILABLE]

5.4 Relationship of Parties. Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the City and the Owner or the Owner's agents, employees or contractors, and the Owner shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement for the operation of the Project. The Owner has and hereby retains the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance of services hereunder. In regards to the on-site operation of the Project, the Owner shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding and all other laws and regulations governing such matters. The Owner agrees to be solely responsible for its own acts and those of its agents and employees.

5.5 No Claims. Nothing contained in this Agreement shall create or justify any claim against the City by any person the Owner may have employed or with whom the Owner may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the operation of the Affordable Units.

5.6 Conflict of Interests. No member, official or employee of the City shall make any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No officer or employee of the Owner shall acquire any interest in conflict with or inimical to the interests of the City.

5.7 Non-Liability of City Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to the Owner, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Owner or successor in connection with this Agreement or on any obligation of the City under the terms of this Agreement.

5.8 Unavoidable Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder that relates to a construction obligation shall not be deemed to be in default where it is due to an “Unavoidable Delay.” “Unavoidable Delay” means a delay due to the elements (including unseasonable weather), fire, earthquakes or other acts of God, strikes, pandemics, labor disputes, lockouts, shortages of construction materials experienced generally in the construction industry in the local area, acts of the public enemy, riots, insurrections or governmental regulation of the sale or transportation of materials, supply or labor; provided, however, that to the extent a delay is caused by any other reason that the Owner reasonably believes is beyond its control, the Owner may request, on a case-by-case basis, that the City excuse any such delay as an Unavoidable Delay and the City shall make its determination as to whether such delay constitutes an Unavoidable Delay using its reasonable judgment.

5.9 Indemnity. The Owner shall indemnify, defend and hold harmless the City and all officials, employees and agents of City (with counsel reasonably satisfactory to the City) against any costs, liabilities, damages or judgments arising from claims or litigation of any nature whatsoever brought by third parties and directly or indirectly arising from the Owner’s ownership or operation of the Project, or the Owner’s performance of its obligations under this Agreement, and in the event of settlement, compromise or judgment hold the City free and harmless therefrom. Notwithstanding the foregoing, the indemnity provisions contained in this Section 5.9 shall not apply with respect to any costs, liabilities, damages or judgments arising directly or indirectly from the City’s rental of units within the Project as described in Section 4.2 hereof. The provisions of this Section 5.9 shall survive the term of this Agreement.

5.10 Rights and Remedies Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise or failure to exercise one or more of such rights or remedies by either Party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default by the other Party. No waiver of any default or breach by the Owner hereunder shall be implied from any omission by the City to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the City to or of any act by the Owner requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or a waiver of any default under this Agreement, nor shall it invalidate any act done pursuant to notice of default, or prejudice the City in the exercise of any right, power, or remedy hereunder or under any agreements ancillary or related hereto.

5.11 Applicable Law. This Agreement shall be interpreted under and pursuant to the laws of the State of California.

5.12 Severability. If any term, provision, covenant or condition of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

5.13 Legal Actions. In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorneys' fees and costs incurred in such action (including all legal fees incurred in any appeal or in any action to enforce any resulting judgment), as awarded by a court of competent jurisdiction.

5.14 Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of the permitted heirs, administrators, executors, successors in interest and assigns of each of the Parties. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any successor, heir, administrator, executor or assign of such Party who has acquired an interest in compliance with the terms hereof or under law.

5.15 Time of the Essence. In all matters under this Agreement, time is of the essence.

5.16 Approvals by the City. Any approvals required under this Agreement shall be made by the City Manager or his or her designee, and shall not be unreasonably withheld, conditioned, delayed or made, except where it is specifically provided herein that another standard applies, in which case the specified standard shall apply.

5.17 Complete Understanding of the Parties. This Agreement and the attached Exhibits constitute the entire understanding and agreement of the Parties with respect to the matters described herein.

5.18 Covenants to Run With the Land. The Owner hereby subjects the Project to the covenants, reservations, and restrictions set forth in this Agreement. The City and the Owner hereby declare their express intent that the covenants, reservations, and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. No breach of any of the provisions of this Agreement shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value encumbering the Property or any interest of the Owner therein.

5.19 Burden and Benefit. The City and the Owner hereby declare their understanding and intent that: (i) the burden of the covenants, reservations, restrictions, and agreements set forth herein touch and concern the Property and the Project, in that Owner's legal interest in the Project is

rendered less valuable thereby, (ii) the covenants, reservations, restrictions, and agreements set forth herein directly benefit the Property and the Project (a) by enhancing and increasing the enjoyment and use of the Project by certain Extremely Low, Very Low and Low Income Households, the intended beneficiaries of such covenants, reservations, restrictions, and agreements, (b) by making possible the obtaining of advantageous financing for the Property and the Project, and (c) by furthering the public purposes advanced by the City, and (iii) the covenants, reservations, restrictions and agreements set forth herein shall run with the Property and shall be binding for the benefit of and enforceable by the City and its successors and assigns for the entire Term of this Agreement.

5.20 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

5.21 Amendments. This Agreement may be amended only by the written agreement of the City and the Owner.

5.22 This Agreement must be senior in priority to any other liens or encumbrances on the Property. The City may require as a precondition to entering into this Agreement that all pre-existing lienholders enter into a subordination agreement, in a form reasonably acceptable to the City, that subordinates the private liens or encumbrances of such lienholders to this Agreement. Notwithstanding the foregoing, if required by CTCAC, this Agreement may be subordinated to any CTCAC Regulatory Agreement on CTCAC's standard form, provided that the City has not less than thirty days to review and approve a proposed subordination agreement.

[SIGNATURES FOLLOW ON NEXT PAGE]

WHEREFORE, the undersigned has executed this Agreement as of the date first-above written.

OWNER:

SINATRA FAMILY HOUSING, L.P., a
California limited partnership

By: AHG PALM DESERT, LLC,
a California limited liability company,
its Administrative General Partner

By: Affirmed Housing Group Inc.,
a Delaware corporation,
its Manager

By: _____
Name: James P. Silverwood
Its: President

By: CFAH Housing LLC,
a California limited liability company,
its Managing General Partner

By: Compass for Affordable Housing,
a Delaware corporation,
its Manager

By: _____
Name: Robin Martinez
Its: Executive Director

CITY:

CITY OF PALM DESERT

By: _____

Print Name: _____

Title: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____, 2025, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
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)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____, 2025, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
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)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____, 2025, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
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 OF THE PROPERTY

Real property in the City of Palm Desert, County of Riverside, State of California, described as follows:

PARCEL 1:

THOSE CERTAIN PARCELS OF LAND SITUATED IN THE CITY OF PALM DESERT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING PORTIONS OF PARCELS 16 AND 17 OF PARCEL MAP NO. 31730, AS SHOWN IN PARCEL MAP BOOK 211 PAGES 63-75, DATED JANUARY 31, 2005 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF FRANK SINATRA DRIVE AND COOK STREET, AS SHOWN ON SAID MAP OF "PARCEL MAP NO. 31730,

THENCE NORTH 01° 12' 38" EAST 851.22 FEET ALONG THE CENTERLINE OF COOK STREET;

THENCE NORTH 88° 47' 22" WEST 67.00 FEET TO THE TRUE POINT OF BEGINNING.

THENCE, ALONG THE WESTERLY RIGHT OF WAY LINE OF COOK STREET AS SHOWN ON SAID MAP, THE FOLLOWING THREE COURSES:

SOUTH 01° 12' 38" WEST 558.74 FEET; THENCE NORTH 88° 47' 22" WEST 4.00 FEET; THENCE SOUTH 01° 12' 38" WEST 200.71 FEET TO THE NORTHERLY LINE OF FRANK SINATRA DRIVE AS SHOWN ON SAID MAP; THENCE ALONG SAID NORTHERLY LINE OF THE FOLLOWING FOUR COURSES: SOUTH 45° 31' 25" WEST 32.13 FEET; THENCE SOUTH 89° 50' 06" WEST 35.90 FEET; THENCE SOUTH 84° 03' 10" WEST 158.81 FEET; THENCE SOUTH 89° 50' 06" WEST 360.56 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 17; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 17 NORTH 00° 10' 01" WEST 288.62 FEET; THENCE NORTH 45° 00' 00" EAST 724.78 FEET; THENCE SOUTH 88° 47' 21" EAST 85.75 FEET TO THE TRUE POINT OF BEGINNING.

PURSUANT BY A CERTIFICATE OF COMPLIANCE WAIVER OF PARCEL MAP PMW07-12 RECORDED JUNE 23, 2008 AS INSTRUMENT NO. 08-340135 OF OFFICIAL RECORDS.

PARCEL 2:

AN EASEMENT FOR PEDESTRIAN AND VEHICULAR INGRESS, EGRESS AND REGRESS, AS SHOWN ON THE EASEMENT AGREEMENT DA TED JUNE 23, 2008 AS INSTRUMENT NO. 2008-340132, OF OFFICIAL RECORDS.

Assessor's Parcel Number: **694-200-021**

EXHIBIT "B"

HOUSEHOLD INCOME CERTIFICATION

(Attached)

**AFFORDABLE HOUSING
HOUSEHOLD INCOME CERTIFICATION**

Applicant (s) Name: _____

Address: _____ Unit No. _____ # Bedrooms: _____

Program Eligibility and Affordability verifications for Low Income Households shall be performed as required by Title 25 subject to eligibility verification procedures and requirements described therein, and as amended from time to time. The following outlines how annual income is calculated to determine household income eligibility, which is required in order to determine a person, family or Household to be a "Qualified Household" as established by the Program and Redevelopment Law.

The following questions will assist you in completing the HOUSEHOLD INCOME CERTIFICATION. When answering the questions answer "Yes" if any of the information requested or income source pertains to any person, co-applicant, or adult individual member of the household (Individuals 18 years and older) during the 12 months following the date of the certification.

HOUSEHOLD COMPOSITION (List all members of the household including yourself that will occupy the unit applied for.)			
Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)
		Self	
TOTAL HOUSEHOLD MEMBERS:			#

PART I. HOUSEHOLD INCOME INFORMATION

YES	NO	All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section	MONTHLY AMOUNT
<input type="checkbox"/>	<input type="checkbox"/>	1 EMPLOYMENT (wages, overtime, etc.) <i>List name of employer: _____</i>	(use <u>gross</u> income; amount before any pay deductions) \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	2 SELF EMPLOYED <i>List nature of self employment: _____</i>	(use <u>net</u> income from business) \$ _____
<input type="checkbox"/>	<input type="checkbox"/>	3 OTHER EMPLOYMENT RELATED COMPENSATION (i.e.; tips, bonuses)	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	4 SOCIAL SECURITY INCOME	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	5 SUPPLEMENTAL SECURITY INCOME (SSI)	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	6 CASH CONTRIBUTIONS <i>(i.e.; From third parties including gifts for rent or utility payments)</i>	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	7 PUBLIC ASSISTANCE INCOME <i>(Welfare, food stamps, foster care assistance)</i>	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	8 UNEMPLOYMENT BENEFITS	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	9 VETERAN'S BENEFIT/INCOME	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	10 DISABILITY OR DEATH BENEFITS OTHER THAN SSI	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	CHILD SUPPORT/ALIMONY/SPOUSAL SUPPORT PAYMENTS <i>(Received by any and all household members. Note for how many children did you receive support: _____)</i>	\$ _____

Rev 3/12/10

YES	NO	INCOME INFORMATION (CONTINUED)		MONTHLY AMOUNT
		All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section		
<input type="checkbox"/>	<input type="checkbox"/>	12	TRUSTS PAYMENTS, ANNUITY PAYMENTS, RETIREMENT PAYMENTS, WORKERS COMPENSATION PAYMENTS, SEVERANCE PAYMENTS, LOTTERY WINNINGS OR OTHER INCOME. <i>List sources:</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	13	RENTAL, REAL OR PERSONAL PROPERTY INCOME	\$ _____
TOTAL MONTHLY INCOME (BOX A)				\$ _____

PART II. HOUSEHOLD ASSET INFORMATION

YES	NO	All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section		CASH VALUE
<input type="checkbox"/>	<input type="checkbox"/>	1	CHECKING ACCOUNT(S): <i>List bank(s):</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	2	SAVINGS ACCOUNT(S): <i>List bank(s):</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	3	TRUST ACCOUNT(S): <i>List bank(s):</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	4	REAL ESTATE: <i>Provide description:</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	5	STOCKS, BONDS, OR TREASURY BILLS: <i>List sources/bank names:</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	6	CERTIFICATES OF DEPOSIT (CD) OR MONEY MARKET ACCOUNT(S): <i>List Sources/bank names:</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	7	IRA/LUMP SUM PENSION/KEOGH ACCOUNT/401 K: <i>List bank(s):</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	8	LIFE INSURANCE POLICY CASH VALUE: <i>How many policies:</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	9	DISPOSED OF ASSETS (i.e. gave away money/assets for less than the fair market value in the past 2 years) <i>List items and date disposed:</i> _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	10	OTHER ASSETS OR CAPITAL INVESTMENTS <i>Describe source:</i> _____	\$ _____
TOTAL ASSET VALUE (BOX B)				\$ _____

PART III. HOUSEHOLD STUDENT STATUS

YES	NO		All sources are to be disclosed below for all household members who are STUDENTS unless otherwise excluded by Title 25 Section	AMOUNT
<input type="checkbox"/>	<input type="checkbox"/>	1	IS ANY HOUSEHOLD MEMBER A FULL-TIME STUDENT <i>(i.e.; College/University, trade school, etc.)</i>	
<i>IF QUESTION NO. 1 IS NO, SKIP TO PART IV</i>				
<input type="checkbox"/>	<input type="checkbox"/>	2	DOES STUDENT FILE A JOINT TAX RETURN WITH OTHER HOUSEHOLD MEMBERS	
<input type="checkbox"/>	<input type="checkbox"/>	3	IS STUDENT A DEPENDENT OF ANOTHER INDIVIDUAL <i>Explain: _____</i>	
<input type="checkbox"/>	<input type="checkbox"/>	4	DOES STUDENT RECEIVE FINANCIAL AID. IF YES ENTER AMOUNT <i>(i.e.; Public or private, not including student loans).</i>	\$ _____
<i>IF QUESTION NO. 4 IS NO, SKIP TO PART IV</i>				
<input type="checkbox"/>	<input type="checkbox"/>	5	DOES STUDENT RECEIVE FINANCIAL AID THAT INCLUDES HOUSING/SHELTER ALLOWANCE. IF YES ENTER AMOUNT.	\$ _____
TOTAL FINANCIAL AID ASSISTANCE (BOX C)				\$ _____

PART IV. HOUSEHOLD UNUSUAL EXPENSES

YES	NO		All sources are to be disclosed below for all household members unless otherwise excluded by Title 25 Section	AMOUNT
<input type="checkbox"/>	<input type="checkbox"/>	1	MEDICAL EXPENSES NOT COVERED BY INSURANCE EXCEEDING 25% OF THE GROSS HOUSEHOLD ANNUAL INCOME INCLUDING INSURANCE MONTHLY PREMIUM <i>Describe _____</i>	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	2	UNUSUAL EXPENSES PAID BY HEAD OF HOUSEHOLD UNUSUAL FOR THE CARE OF MINORS UNDER 13 YEARS OF AGE, DISABLED, OR HANDICAPPED HOUSEHOLD MEMBERS NECESSARY FOR GAINFUL EMPLOYMENT <i>Describe _____</i>	\$ _____
TOTAL ANNUAL UNUSUAL EXPENSES (BOX D)				\$ _____
<i>(Explanation of Benefits must be provided as proof and all receipts for the non-covered medical expenses.)</i>				

TOTAL NET ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES
(Box (A + B + C) - (D) = total) \$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum household income eligibility. I/we have provided each person(s) set forth in Part I acceptable verification of current anticipated annual income. I/we agree to notify immediately upon any changes in income, household size or composition, or any other information.

Under penalty of perjury of the laws of the State of California, I/we certify that the information presented in the Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____ Signature	_____ Date	_____ Signature	_____ Date
_____ Signature	_____ Date	_____ Signature	_____ Date

[https://palmdesertcity.org/personal/cob/mw_djyc/palmdesert_org/Documents/Desktop/Household Income Certification Form Celine Edt 9.1.22.doc](https://palmdesertcity.org/personal/cob/mw_djyc/palmdesert_org/Documents/Desktop/Household%20Income%20Certification%20Form%20Celine%20Edt%209.1.22.doc)

EXHIBIT "C"

CERTIFICATE OF CONTINUING COMPLIANCE

(Attached)

CITY OF PALM DESERT
OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

To: City of Palm Desert
73-510 Fred Waring Drive
Palm Desert, CA 92260
ATTN: HOUSING DIVISION

Report Date: _____

Certification Dates: From: _____

To: _____

Project Name: _____

Project No.: _____

Project Address: _____

City: _____ Zip: _____

Tax ID # of Ownership Entity: _____

The undersigned _____ on behalf of _____ (the "Owner"), hereby certifies that:

- No buildings have been placed in service.
- At least one building has been placed in service, but owner elects to begin credit period in the following year.

If either of the above applies, please check the appropriate box, and proceed to page 3 to sign and date this form.

All buildings ARE in service.

1. The Project meets the minimum requirements of (as outlined in the Agreement):

- _____
- _____

2. Has there been a change in any building in the Project?

- No Change Change

If "Change", list the applicable change in the project for the certification year on page 4.

3. The Owner has received an annual Household Income Certification from each low-income resident and documentation to support that certification, at their initial occupancy and annually.

- Yes No

4. Each low-income unit in the Project has been rent-restricted pursuant to Section _____ of the Agreement:

- Yes No

5. Has there been a finding of discrimination under the Fair Housing Act, 42 U.S.C. 3601-3619, for this Project? A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C. 3616a(a)(1), or an adverse judgment from a federal court:

No Finding Finding

If "Finding", state the nature of the finding on page 4.

6. Each building in the Project is and has been suitable for occupancy, taking into account local health, safety and building codes (or other habitability standards), and the state or local government unit responsible for making building code inspections did not issue a report of a violation for any building or low-income unit in the project:

Yes No

If "No," state the nature of violation on page 4 and attach a copy of the violation report and any documentation of correction.

7. Has there been a **change in the eligible basis** (as defined in _____ of the Agreement) of any building in the project since last certification submission?

No Change Change

If "Change," state nature of change on page 4 (e.g., a common area has become commercial space, a fee is now charged for a tenant facility formerly provided without charge, or the project owner has received federal subsidies with respect to the project which had not been disclosed).

8. All tenant facilities included, such as swimming pools, other recreational facilities, parking areas, washer/dryer hookups and appliances were provided on a comparable basis without charge to all tenants in the buildings:

Yes No

9. If a low-income unit in the Project has been vacant during the year, reasonable attempts were, or are being, made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units were or will be rented to tenants not having a qualifying income:

Yes No

10. If the income of tenants of a low-income unit in any building increased above the limit, the next available unit of comparable or smaller size in that building was or will be rented to residents having a qualifying income:

Yes No

11. An extended low-income housing commitment, wherein an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437s. Owner has not refused to lease a unit to an applicant based solely on their status as a holder of a Section 8 voucher:

Yes No N/A

12. The owner has complied with and not evicted or terminated the tenancy of an existing tenant of any low-income unit other than for good cause:

Yes No

13. Has there been a change in the ownership or management of the Project?

No Change

Change

If "Change," complete page 4 detailing the changes in ownership or management of the project.

NOTE: Failure to complete this form in its entirety will result in noncompliance with the program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form.

The project is otherwise in compliance with Affordable Housing Agreement No. _____ and all other applicable laws, rules, and regulations. This Certification and any attachments are made **UNDER PENALTY OF PERJURY** of the Laws of the State of California.

Signature: _____

Name: _____

Title: _____

Date: _____

PLEASE EXPLAIN ANY ITEMS THAT WERE ANSWERED "NO," "CHANGE" OR "FINDING ON QUESTIONS 1-15.

Question #	Explanation (if applicable)
2	
5	
6	
7	
13	

CHANGES IN OWNERSHIP OR MANAGEMENT
(To be completed **ONLY** if "CHANGE" marked for Question 15 above)

TRANSFER OF OWNERSHIP:

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
General Partnership:	
Status of Partnership (LLC, etc.):	

CHANGE IN OWNER CONTACT:

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Email:	

CHANGE IN MANAGEMENT CONTACT

Date of Change:	
Management Co. Name:	
Management Address:	
Management city, state, zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Email:	