

Form Letter to Qualified Entities

Government Code Section 65863.11

(use owner's business letterhead)

Date

Name of Qualified Entity
Address of Qualified Entity

Reference: **Notice of Opportunity to Submit an Offer to Purchase**

Dear *Qualified Entity*:

The purpose of this notice is to inform **Qualified Entities** of an opportunity to submit an offer to purchase (*insert project name*), a privately owned government-assisted multifamily project, located at (*insert project address*) and owned by (*insert owners and agents names, addresses, telephone and fax numbers, and/or email addresses*) for 180 days from the date of this letter and prior to mortgage prepayment and/or termination of rental subsidies (opt-out).

(*Select one of the two options below*):

Your organization is identified as a **Qualified Entity** from the list maintained by the State Department of Housing and Community Development **OR** your organization has directly contacted the owner, and has evidenced interest in purchasing at-risk projects in the area where this project is located.

(*Select one of the three applicable descriptions below*):

The owner intends to end participation in _____ (*insert the mortgage financing program - Section 221(d)(3), Section 236, Section 202/811, Section 515 or IRS Section 42*) federal mortgage program through mortgage prepayment or termination AND terminate the contract for project-based Section 8 rental assistance, when it expires (opt-out).

OR

The owner intends to end participation in _____ (*insert the applicable mortgage financing program - Section 221(d)(3), Section 236, Section 202/811, Section 515 or IRS Section 42*) federal mortgage program through mortgage prepayment or termination.

OR

The owner intends to terminate the contract for project-based Section 8 rental assistance when it expires (opt-out).

Prepayment and/ or Termination Date

The owner intends to prepay the mortgage on _____, **AND/OR** terminate rent subsidies (opt-out) on _____ (*indicate applicable date(s), twelve-months from date of this letter*).

Project Information

The owner is required to provide the following project information, within fifteen (15) business days via certified mail, return receipt requested, to any requesting or qualified entity on the Department of Housing and Community Development's list interested in submitting an offer to purchase:

- Terms of any assumable financing.
- Terms of any subsidy contracts.
- Any proposed improvement to the project to be made by the owner in connection with the sale.

- Itemized lists of monthly operating expenses.
- Itemized lists of capital improvements within the last two years.
- Amount of project reserves.
- Two most recent financial and physical inspection reports filed on the project with federal, state or local agencies, if any.
- Most recent rent roll listing rent paid for each unit and the subsidy, if any, paid by a government agency as of the date of the twelve-month Notice of Intent (Government Code Section 65863.10).

To request the above project information and to submit an offer to purchase, contact the owner and/or our agents at the addresses above.

Qualified Entities that intend to make an offer to purchase must identify themselves by type of organization (i.e. tenant association, nonprofit organization, public agency or profit-motivated organization or individual) and certify that the individual or organization meets the all qualified entity criteria pursuant to Government Code 65863.11.

Qualified Entities that make a bona fide offer to purchase have a right of first refusal to submit a counteroffer that meets the terms and conditions of any other pending offer for an additional 180 days.

Sincerely,

Owner and/or his/her agent of federally assisted multifamily housing development

Note: A copy of this Notice has been posted in the common area of the development