

**LETTER TO QUALIFIED ENTITIES FROM OWNERS
NOTICE OF OPPORTUNITY TO SUBMIT AN OFFER TO PURCHASE
Pursuant to Government Code Section 65863.11**

Date this letter is served and posted: _____

Name of Qualified Entity: _____

Address of Qualified Entity: _____

RE: Notice of Opportunity to Submit an Offer to Purchase

Dear _____:

The purpose of this notice is to inform **Qualified Entities** of their opportunity, either individually or in combination to purchase _____ (*insert name of assisted housing development*) (Property), a privately owned government-assisted multifamily project, for 270 days from the date of this letter. Qualified Entities have until _____ (*insert the date counting 270 days from this letter*), within 270 days from the date of this letter to make a bona fide offer to purchase the Property. Property details listed below:

Property Address _____
Owner/Agent Name (Owner) _____
Owner/Agent Name Address _____
Owner/Agent Phone Number _____
Owner/Agent Email Address _____

Your organization either has been identified from the list maintained by the state Department of Housing and Community Development (HCD) as a Qualified Entity, or has directly contacted the Owner expressing interest in purchasing at-risk projects in the area where this project is located.

Affordability End Date and Owner's Intention

- ☐ The Owner intends to end participation in _____ (*insert the applicable financing program listed in Government Code section 65863.10(a)(3)*) financing program through on _____ (*insert date affordability ends*), that would impact affordability.
- ☐ The Owner intends to terminate the contract for Project-Based Section 8 rental assistance when it expires (opt-out) on _____ (*indicate applicable date(s), at least twelve-months from date of this letter*).

- ☐ The Owner intends to sell the property AND is eligible for prepayment of mortgage assistance, or termination of subsidy within five years, or rental restrictions are scheduled to expire within five years of _____ (***insert date affordability ends***),

The Owner _____ an interest in selling the property.

The Owner _____ maintain the current number of _____ (***insert current number of affordable units***) affordable units at _____ (***insert current level of affordability***) beyond _____ (***insert date affordability ends***).

- ☐ The Owner has executed a contract or agreement with a public entity to continue or replace subsidies to the property and to maintain an equal or greater number of units at an equal or deeper level of affordability for _____ (***insert length of contract or agreement***).
- ☐ The Owner has not executed a contract or agreement with a public entity to continue or replace subsidies to the property and to maintain an equal or greater number of units at an equal or deeper level of affordability.

Project Information

- ☐ 25 percent or less of the units on the property are subject to affordability restrictions or a rent or mortgage subsidy contract.
- ☐ More than 25 percent of the units on the property are subject to affordability restrictions or a rent or mortgage subsidy contract.

(Note: The project information requirement noted below only applies to properties with more than 25 of the units on the property are affordable.)

The Owner is required to provide the following project information, within fifteen (15) business days via certified mail, return receipt requested, to Qualified Entities on the HCD's list interested in submitting an offer to purchase:

- Itemized lists of monthly operating expenses for the property.
- Capital improvements, as determined by the Owner, made within each of the two preceding calendar years at the property.
- The amount of project property reserves.
- Copies of the two most recent financial and physical inspection reports on the property, if any, filed with a federal, state, or local agency.
- The most recent rent roll for the property listing the rent paid for each unit and the subsidy, if any, paid by a governmental agency as of the date the notice of intent was made pursuant to Section 65863.10.
- A statement of the vacancy rate at the property for each of the two preceding calendar years.

- The terms of assumable financing, if any, the terms of the subsidy contract, if any, and proposed improvements to the property to be made by the Owner in connection with the sale, if any.

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

Satisfaction of Noticing Requirements

The Owner certifies that it has satisfied all notice requirements relating to affected tenants and affected public entities pursuant to Government Code section 65863.10(b).

(Note: the above certification does not apply if the property is being sold prior to the three years prior to the end of affordability.)

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 all qualified entity criteria pursuant to Government Code section 65863.11.

Qualified Entities (tenant associations, local nonprofit organizations, public agencies, profit-motivated organizations or individuals, or any combination of these entities that have been certified by HCD) have the right to purchase the development under Government Code section 65863.11.

Sincerely,

Government Code section 65863.11(g) requires the actions listed below to be completed. A filled-out checkbox indicates the action has been or will be completed.

- ☐ The Notice of Opportunity to Submit an Offer to Purchase has been posted in a conspicuous place in the common area of the development.
- ☐ The Notice of Opportunity to Submit and Offer to Purchase has been sent to all the qualified entities on the HCD's list that indicated interest in the county where the property is located, HCD, and those qualified entities that directly contacted the Owner by registered or certified mail, return receipt requested.
- ☐ When a bona fide offer from one or more Qualified Entities is received within the 270 days from the date of this letter, the Owner will notify the department of all such offers within 90 days.

I acknowledge the requirements noted above and attest to completing the required actions noted in Government Code section 65863.11(g).

Owner or Agent Name: _____

By (Print Name): _____

Signature: _____

Date: _____