



February 25, 2019

VIA EMAIL

Matt Pressey  
Finance Director  
City of Salinas  
200 Lincoln Avenue  
Salinas, CA 93901

Re: Public Hearing Request for Salinas Pointe Apartments

Dear Matt:

KDF Communities, LLC (the "Applicant") has submitted to the California Statewide Communities Development Authority (the "Authority") an application for the financing of the Salinas Pointe Apartments through the issuance of tax-exempt obligations in an aggregate principal amount not to exceed \$35 million. The purpose of this letter is to request the assistance of the City of Salinas (the "City") in conducting a public hearing with respect to the proposed financing. It is our understanding that the City will conduct the public hearing on **March 19, 2019**.

The Authority is a joint exercise of powers authority comprised of over 530 California cities, counties and special districts, including the City. The Authority, pursuant to its Amended and Restated Joint Exercise of Powers Agreement is authorized to assist in the financing of facilities for multifamily housing projects. In order to initiate such a financing, the member participant of the Authority in which the proposed facilities will be located must (i) conduct a public hearing and (ii) approve the Authority's issuance of indebtedness. Therefore, although the Authority will be the issuer of the tax-exempt revenue obligations for the Applicant, the financing cannot proceed without the City's approval of the financing.

You will be receiving shortly a letter from Orrick, Herrington & Sutcliffe, LLP, (Orrick) serving as bond counsel, describing the public hearing process and the requirements under state and federal laws, including the Tax Equity and Fiscal Responsibility Act (TEFRA). This letter will include for your review the form of Notice of Public Hearing and the form of the City Council Resolution evidencing that the City has approved the financing.

Thank you for your assistance in this matter. Please let me know if you require any additional information concerning the scheduling of the public hearing or if I can be of any other assistance.

Sincerely,

James Hamill  
Managing Director