City of Ukiah

City Council

Special Meeting
AGENDA

Civic Center Council Chamber ♦ 300 Seminary Avenue ♦ Ukiah, CA 95482

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November 28, 2022 - 4:00 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

2. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda that is within the subject matter jurisdiction of the City Council, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

3. UNFINISHED BUSINESS

3.a. Approval of a $1.62 Million Loan through the Ukiah Housing Trust Fund to DANCO Communities for Development of the 71-Unit Mixed-Use Project at 210 East Gobbi Street; and Authorization for the City Manager to Execute Loan Documents and any Related Agreements Thereto; Approve Corresponding Budget Amendment.

Recommended Action: Approve a loan for $1.62 million to DANCO Communities through the Ukiah Housing Trust Fund for the development of the 71-unit mixed-use project at 210 East Gobbi Street and authorize the City Manager to execute loan documents and any related agreements thereto; approval of associated budget amendment, if necessary.

Attachments:
1. 4-3-19 Staff Report 210 E Gobbi
2. State Income Limits- 2022
3. DANCO-City Note and Deed

4. NEW BUSINESS

5. ADJOURNMENT

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 24 hours prior to the meeting set forth on this agenda.

Shannon Riley, Deputy City Manager
Dated: November 23, 2022

Agenda Item No: 3.a.
MEETING DATE/TIME: 11/28/2022
ITEM NO: 2022-2221

City of Ukiah

AGENDA SUMMARY REPORT

SUBJECT: Approval of a $1.62 Million Loan through the Ukiah Housing Trust Fund to DANCO Communities for Development of the 71-Unit Mixed-Use Project at 210 East Gobbi Street; and Authorization for the City Manager to Execute Loan Documents and any Related Agreements Thereto; Approve Corresponding Budget Amendment.

DEPARTMENT: Community Development

PREPARED BY: Craig Schlatter, Community Development Director, Shannon Riley, Deputy City Manager

PRESENTER: Shannon Riley, Deputy City Manager; Craig Schlatter, Community Development Director

ATTACHMENTS:
1. 4-3-19 Staff Report 210 E Gobbi
2. State Income Limits- 2022
3. DANCO-City Note and Deed

Summary: Council will consider approving a loan for $1.62 million to DANCO Communities through the Ukiah Housing Trust Fund for the development of the mixed-use project at 210 East Gobbi Street. Council will also consider authorizing the City Manager to execute loan documents, budget amendment, and any related agreements with DANCO Communities for this project.

Background: On April 3, 2019, Council authorized an Exclusive Negotiating Agreement (ENA) with DANCO for the development of a mixed-use commercial and affordable housing project at 210 East Gobbi Street; the associated staff report is provided as Attachment 1, and the video for this meeting is available on the City's website at https://www.cityofukiah.com/meetings.

This staff report utilizes terminology for market-rate and affordable housing, as defined below:

Market-rate housing: housing built without the use of federal, state, or local subsidies and that receives no ongoing subsidies, such as from the U.S. Department of Housing and Urban Development (HUD)'s Section 8 Project Based Vouchers program. Residents of all incomes can live in market-rate housing, provided they can afford what is normally a higher rent than affordable housing rents.

Affordable housing: housing built with the use of federal, state, or local subsidies and that may receive ongoing subsidies, such as from HUD's Section 8 Project Based Vouchers program. Affordable housing is restricted to residents with gross annual household incomes less than 30%, 50%, 60%, or 80% of the county Area Median Income, with income restrictions generally set depending on the competitiveness of the project for certain sources of federal or state funding. See Page 9 of Attachment 2 for income limits within Mendocino County. Subsidies provided for the financing of the project, and ongoing operating and tenant-based subsidies, enable rents to be set at a maximum of no more than 30% of the income of the household's income.

Discussion: As noted within the April 3, 2019 staff report, Staff's recommendation to Council was that the ENA be used to facilitate a similar transaction to that of the Norton-Main market-rate housing project, in which the City purchased the land and leased it back to the developer with lease payments paid by the developer into the City's housing trust fund. However, over the last three years and despite attempts by DANCO

Communities to develop a mixed-income and mixed-use project with a combination of market-rate, affordable, and commercial units, the developer was not able to secure funding for this style of project. DANCO Communities was able to secure funding for a mixed-use affordable/commercial project, but doing so would require a loan from the City's housing trust fund for 100% of the purchase price of the land, with no lease or lease to purchase options available due to the funding structure of the affordable housing project.

Council authorized $1.5 million, plus closing costs, through the Ukiah Housing Trust Fund for the facilitation of the project at 210 East Gobbi Street; however, Council did not specifically approve a loan to DANCO Communities for this amount. This recommendation completes that step, facilitating the development of 71 affordable housing and four commercial units on three vacant parcels.

In speaking with the President of DANCO Communities on November 21, 2022, Staff was informed that the closing date for the mixed-use project at 210 East Gobbi Street, Acorn Valley Plaza, must occur no later than December 7, 2022, in order to meet the deadlines of other funding sources secured for the project. Therefore, Staff scheduled this special meeting to meet the loan closing deadline for the project.

The City's leadership in facilitating this project and a possible loan of $1.62 million to DANCO Communities will fulfill a number of goals, policies and implementing programs within the City's 2019-2027 Housing Element. These include goals H2-H5, policies 2-2, 2-4, 2-5, 3-3, and 5-3, and implementing programs 2e, 2h, and 3e.

Staff requests Council approve a loan for $1.62 million to DANCO Communities through the Ukiah Housing Trust Fund for the development of the mixed-use project at 210 East Gobbi Street and authorize the City Manager to execute loan documents, a budget amendment (to account for the revenue from the loan), and any related agreements thereto with DANCO Communities for this project. Copies of the draft promissory note and deed of trust are included in Attachment 3.

Recommended Action: Approve a loan for $1.62 million to DANCO Communities through the Ukiah Housing Trust Fund for the development of the 71-unit mixed-use project at 210 East Gobbi Street and authorize the City Manager to execute loan documents and any related agreements thereto; approval of associated budget amendment, if necessary.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 24900000.10520.18389 (Loan Receivable): $0

PROPOSED BUDGET AMOUNT: 24900000.10520.183389 (Loan Receivable): $1,620,000

FINANCING SOURCE: Fund 249 Ukiah Housing Trust Fund

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Chris Dart, President, DANCO Communities

Approved: Sage Sangiacomo, City Manager

Agenda Item No.: 12b

MEETING DATE/TIME: 4/3/2019

PEAK ITEM NO: COU-647-2017

City of Ukiah

AGENDA SUMMARY REPORT

SUBJECT: Authorization for the City Manager to Negotiate and Execute the Agreement for the Acquisition of Approximately 2.4 Acres of Property Located at 210 East Gobbi Street (APNs 003-040-077, -078, and -079) for the Development of a Mixed-Use Project in an Amount not to Exceed $1.5 Million Plus Closing Costs; Authorize City Manager to Negotiate and Execute the Exclusive Negotiating Agreement for the Development of Said Project with Danco Communities.

DEPARTMENT: Economic Development **PREPARED BY:** Shannon Riley

ATTACHMENTS:

Attachment 1 - Purchase Agreement - 210 East Gobbi St Ukiah ID 340432

Attachment 2 ENA CityofUkiah Danco Communities

Summary: The Council will consider authorizing the City Manager to approve of the acquisition of approximately 2.4 acres located on East Gobbi Street at Village Circle, utilizing Ukiah Housing Trust Fund monies, in an amount not to exceed $1.5 million plus closing costs; also, authorize City Manager to execute an Exclusive Negotiating Agreement with Danco Communities for the development of a mixed-use project to include commercial and market-rate or a combination of market-rate and affordable (low-income) residential units.

RECOMMENDED ACTION: Authorize the City Manager to negotiate and execute the agreement for the acquisition of approximately 2.4 acres located on East Gobbi Street at Village Circle, utilizing Ukiah Housing Trust Fund monies, in an amount not to exceed $1.5 million plus closing costs; also, authorize City Manager to negotiate and execute an Exclusive Negotiating Agreement with Danco Communities for the development of a mixed-use project to include commercial and market-rate or a combination of market-rate and affordable (low-income) residential units.

BUDGET AMENDMENT REQUIRED: Yes

CURRENT BUDGET AMOUNT: 0

PROPOSED BUDGET AMOUNT: $1,500,000, 24923400.80210

FINANCING SOURCE: Ukiah Housing Trust Fund, fund 249, unspent redevelopment housing bond proceeds

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Chris Dart, President, Danco Communities; Finance Department

Approved: Sage Sangiacomo, City Manager

Background: At the direction of the City Council, Staff has negotiated for the purchase of approximately 2.4 acres of land located on East Gobbi Street at Village Circle (APNs 003-040-077, -078, and -079). These infill parcels, zoned C-2 (Heavy Commercial), are ideal for a mixed-use development that includes commercial and housing due to their proximity to services, public transportation, and major employment centers.

In 2018, City Council authorized the pledge of $500,000 of Ukiah Housing Trust Fund monies to developer Danco Communities for an affordable housing project on this same site. Danco has been in escrow for this site since that time. However, roughly one year later, the project has not come to fruition, as the remaining funds necessary have not been secured.

During that same time, additional affordable housing (within and outside of the city limits) is in the process of being developed (Willow Terrace on East Gobbi at Leslie) and Brush Meadows (on Brush Street), and two more projects are in the pre-development phase--an affordable senior housing project behind Rite Aid on West Gobbi and another affordable project from RCHDC at the corner of Brush Street and Orchard Avenue. While this development is very encouraging, there remains a need for market-rate housing, and the City has committed to facilitating all types of housing.

Recently, the City successfully employed a model for the facilitation of market-rate housing on City-owned property located on North Main and Norton Streets. By structuring a long-term lease with an option to purchase (which prevented the need for up-front capital to purchase land), the developers were able to plan and build a 35-unit market-rate apartment complex that will begin leasing later this year. All proceeds from the land lease are returned to the City's affordable housing fund, which can then be utilized for future development of affordable housing or other related activities.

Discussion: Staff is recommending a similar approach for the subject properties on East Gobbi Street. By eliminating the need for the developer to purchase the property, it becomes more feasible to develop the project. With Council's authorization, Danco Communities will assign the purchase agreement to the City of Ukiah (Attachment #1), and Staff will complete the transaction for the acquisition of these parcels in an amount not to exceed $1.5 million plus closing costs.

The valuations for these parcels is consistent with other similar sites, as demonstrated in a recent appraisal for the City-owned parcels at Main and Norton Streets. Additionally, Danco Communities has commissioned a Phase One Environmental Review on the site, which determined that they are free of contamination and of any development restrictions.

Staff is recommending that Council authorize the City Manager to negotiate and execute the Assignment of Purchase Agreement and complete the site acquisition. Additionally, Staff recommends authorizing the City Manager to negotiate and execute an Exclusive Negotiating Agreement with Danco Communities for the development of a mixed-use project on these parcels, to consist of commercial and housing, either market-rate a combination of market-rate and affordable (low-income) (Attachment #2). As with the recent Norton-Main development, the proceeds from the lease or lease-option agreement with Danco will be returned to the Housing Trust Fund, thereby creating a revolving fund for affordable housing and returning the City's original investment in the properties. Once a specific project is proposed for these properties, additional details and a development agreement will be presented to the Council.

Currently, a community garden is located on one of the three parcels. As an addendum to the Purchase Agreement, Staff recommends restricting development activities through the end of 2019 in order to provide ample time for relocation efforts. Community gardens are an important asset to the neighborhood, and this garden has been in place since 2014.

Throughout this process, Staff has been working with Gardens Project employees and various property owners in an effort to identify alternative locations for the garden, preferably a more permanent site. Additionally, Danco

Communities has remained open to discussions regarding whether part of the garden may remain on site.

In summary, Staff is recommending Council's approval of the acquisition of approximately 2.4 acres located on East Gobbi Street at Village Circle, utilizing Ukiah Housing Trust Fund monies, in an amount not to exceed $1.5 million plus closing costs; also, authorize City Manager to execute an Exclusive Negotiating Agreement with Danco Communities for the development of a mixed-use project to include commercial and market-rate or a combination of market-rate and affordable (low-income) residential units.

Fiscal analysis: unspent redevelopment housing bond proceeds are proposed to be used for the acquisition of this property. The current amount of unspent bond proceeds is $2,818,175.55.

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
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May 13, 2022

MEMORANDUM FOR: Interested parties

FROM: Megan Kirkeby, Deputy Director
Division of Housing Policy Development

SUBJECT: **State Income Limits for 2022**

Attached are briefing materials and Revised State Income Limits for 2022 that are now in effect, replacing the previous 2021 State Income Limits. Income limits reflect updated median income and household income levels for acutely low -, extremely low-, very low-, low-, and moderate-income households for California's 58 counties. The 2022 State Income Limits are on the Department of Housing and Community Development (HCD) website at http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml.

State Income Limits apply to designated programs, are used to determine applicant eligibility (based on the level of household income), and may be used to calculate affordable housing costs for applicable housing assistance programs. Use of State Income Limits are subject to a particular program's definition of income, family, family size, effective dates, and other factors. In addition, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on the funding source and program, resulting in some programs using other income limits.

The attached briefing materials detail California's 2022 Income Limits and were updated based on: (1) changes to income limits the U.S. Department of Housing and Urban Development (HUD) released on April 19, 2022, for its Public Housing, Section 8, Section 202 and Section 811 programs and (2) adjustments HCD made based on State statutory provisions and its 2013 Hold Harmless (HH) Policy. Since 2013, HCD's HH Policy has held State Income Limits harmless from any decreases in household income limits and median income levels that HUD may apply to the Public Housing and Section 8 Income Limits. HUD determined its HH Policy was no longer necessary due to federal law changes in 2008 (Public Law 110-98) prohibiting rent decreases in federal or private activity bond funded projects.

For questions concerning State Income Limits, please see the Questions and Answers on page 5. You can also contact HCD staff at (916) 263-2911.

Overview

The Department of Housing and Community Development (HCD), pursuant to Health & Safety Code Section 50093(c), must file updates to its State Income Limits with the Office of Administrative Law. HCD annually updates these income limits based on U.S. Department of Housing and Urban Development (HUD) revisions to the Public Housing and Section 8 Income Limits that HUD most recently released on April 19, 2022.

HUD annually updates its Public Housing and Section 8 Income Limits to reflect changes in median family income levels for different size households and income limits for extremely low-, very low-, and low-income households. HCD, pursuant to statutory provisions, makes the following additional revisions: (1) if necessary, increase a county's area median income to equal California's non-metropolitan median income, (2) adjusts area median income and household income category levels to not result in any decrease for any year after 2009 pursuant to HCD's February 2013 Hold Harmless (HH) Policy (HCD's HH Policy was implemented to replace HUD's HH Policy, discontinued in 2009, to not decrease income limits and area median income levels below a prior year's highest level), and (3) determines income limits for California's acutely low-income and moderate-income category.

Following are brief summaries of technical methodologies used by HUD and HCD in updating income limits for different household income categories. For additional information, please refer to HUD's briefing materials at https://www.huduser.gov/portal/datasets/il//il22/IncomeLimitsMethodology-FY22.pdf

HUD Methodology

HUD Public Housing and Section 8 Income Limits begin with the production of median family incomes. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions in developing median incomes, which means developing median incomes for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. The 2022 FMR area definitions for California are unchanged from last year. HUD calculates Income Limits for every FMR area with adjustments for family size and for areas with unusually high or low family income or housing-cost-to-income relationships.

Extremely Low-Income
In determining the extremely low-income limit, HUD uses the Federal Poverty Guidelines, published by the Department of Health and Human Services. The poverty guidelines are a simplified version of the federal poverty thresholds used for administrative purposes — for instance, determining financial eligibility for certain federal programs. HUD compares the appropriate poverty guideline with 60% of the very low-income limit and chooses the greater of the two as the extremely low-income limit. The value may not exceed the very low-income level.

Very Low-Income
The very low-income limits are the basis for the extremely low- and low-income limits. The very low-income limit typically reflects 50 percent of median family income (MFI), and HUD's MFI figure generally equals two times HUD's 4-person very low-income limit. However, HUD may adjust the very low-income limit for an area or county to account for conditions that warrant special considerations. As such, the very low-income limit may not always equal 50% MFI.

Low-Income
In general, most low-income limits represent the higher level of: (1) 80 percent of MFI or, (2) 80 percent of state non-metropolitan median family income. However, due to adjustments that HUD sometimes makes to the very low-income limit, strictly calculating low-income limits as 80 percent of MFI could produce unintended anomalies inconsistent with statutory intent (e.g., very low-income limits being

higher than low-income limits). Therefore, HUD's briefing materials specify that, with some exceptions, the low-income limit reflect 160 percent of the very low-income limit. HUD may apply additional adjustments to areas with unusually high or low housing-costs-to-income relationships and for other reasons. This can result in low-income limits exceeding MFI in certain counties.

Median Family Income/Area Median Income

HUD references and estimates the MFI in calculating the income limits. California law and State Income Limits reference Area Median Income (AMI) that, pursuant to Health & Safety Code 50093(c), means the MFI of a geographic area, estimated by HUD for its Section 8 Program.

HUD's calculations of Income Limits begin with the production of MFI estimates. This year, MFI estimates use the 2019 American Community Survey. HUD then adjusts the survey data to account for anticipated income growth by applying the Consumer Price Index inflation forecast published by the Bureau of Labor Statistics through the fiscal year 2022. Previously, HUD has relied on inflation forecasts from the Congressional Budget Office (CBO) in updating ACS estimates. However, at the time of FY 2022 median family income calculation, CBO had not issued an updated CPI forecast suitable for use by HUD. The inflation factor, representing the cumulative change in the CPI from 2019 through February 2022, is approximately 1.1116. HUD uses the MFI to calculate very low-income limits, used as the basis to calculate income limits for other income categories. MFIs are calculated at the family level only, not the per person level as is done for income limits. The average family size is over 3, so, by convention, HUD equates the median family income for an area with a four-person family for the purposes of calculating income limits. For additional information, please see HUD's methodology describing 2022 MFI's at
https://www.huduser.gov/portal/datasets/il/il22/Medians-Methodology-FY22.pdf.

Adjustment Calculations

HUD may apply adjustments to areas with unusually high or low family income, uneven housing-cost-to-income relationship, or other reasons. For example, HUD applies an increase if the four-person very low-income limit would otherwise be less than the amount at which 35 percent of it equals 85 percent of the annualized two-bedroom Section 8 FMR (or 40^{th} percentile rent in 50^{th} percentile FMR areas). The purpose is to increase the income limit for areas where rental-housing costs are unusually high in relation to the median income.

In certain cases, HUD also applies an adjustment to the income limits based on the state non-metropolitan median family income level. In addition, HUD restricts adjustments, so income limits do not increase more than five percent of the previous year's very low-income figure OR twice the increase in the national MFI as measured from the 2018 to the 2019 American Community Survey, whichever is greater. For the 2022 income limits, the maximum increase is 11.89% from the previous year. This adjustment does not apply to the extremely low-income limits.

Please refer to HUD briefing materials for additional information on the adjustment calculations.

Income Limit Calculations for Household Sizes Other Than 4-Persons

The income limit statute requires adjustments for family size. The legislative history and conference committee report indicates that Congress intended that income limits should be higher for larger families and lower for smaller families. The same family size adjustments apply to all income limits, except extremely low-income limits, which are set at the poverty income threshold. They are as follows:

Number of Persons in Household:	1	2	3	4	5	6	7	8
Adjustments:	70%	80%	90%	Base	108%	116%	124%	132%

Income Limit Calculations for Household Sizes Greater Than 8-Persons

For households of more than eight persons, refer to the formula at the end of the table for 2022 Income Limits. Due to the adjustments HUD can make to income limits in a given county, table data should be the only method used to determine program eligibility. Arithmetic calculations are applicable only when a household has more than eight members. Please refer to HUD's briefing material for additional information on family size adjustments.

HCD Methodology

State law (see, e.g., Health & Safety Code Section 50093) prescribes the methodology HCD uses to update the State Income Limits. HCD utilizes HUD's Public Housing and Section 8 Income Limits. HCD's methodology involves: (1) if necessary, increasing a county's median income established by HUD to equal California's non-metropolitan county median income determined by HUD, (2) applying HCD's HH Policy, in effect since 2013, to not allow decreases in area median income levels and household income category levels, (3) applying to the median income the same family size adjustments HUD applies to the income limits, and (4) determining income limit levels applicable to California's moderate-income households defined by law as household income not exceeding 120 percent of county area median income.

Area Median Income and Income Category Levels

HCD, pursuant to federal and State law, adjusts median income levels for all counties so they are not less than the non-metropolitan county median income established by HUD ($80,300 for 2022). Next, HCD applies its HH policy to ensure area median income and income limits for all household income categories do not fall below any level achieved in the prior year. Health and Safety Code section 50093 requires HCD to adjust the AMI for family size in accordance with adjustment factors adopted by HUD and illustrated on the previous page. This establishes that the MFI published by HUD equals the four-person AMI for California counties.

Acutely low-Income Levels

Chapter 345, Statues of 2021 (Assembly Bill 1043) established California's acutely low-income levels. See Health & Safety Code, § 50063.5. After calculating the 4-person area median income (AMI) level as previously described, HCD sets the maximum acutely low-income limit to equal 15 percent of the county's AMI, adjusted for family size.

Moderate-Income Levels

HCD is responsible for establishing California's moderate-income limit levels. After calculating the 4-person area median income (AMI) level as previously described, HCD sets the maximum moderate-income limit to equal 120 percent of the county's AMI, adjusted for family size.

Applicability of California's Official State Income Limits

Applicability of the State Income Limits are subject to particular programs as program definitions of factors such as income, family, and household size vary. Some programs, such as Multifamily Tax Subsidy Projects (MTSPs), use different income limits. For MTSPs, separate income limits apply per provisions of the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289). Income limits for MTSPs are used to determine qualification levels as well as set maximum rental rates for projects funded with tax credits authorized under Section 42 of the Internal Revenue Code (Code). In addition, MTSP income limits apply to projects financed with tax-exempt housing bonds issued to provide qualified residential rental development under Section 142 of the Code. These income limits are available at http://www.huduser.org/datasets/mtsp.html.

Questions and Answers

In Los Angeles, as well as several other counties in the state, why does the very low-income limit not equal 50% of the AMI (or the low-income limit not equal 80% of the AMI)?

There are many exceptions to the arithmetic calculation of income limits. These include adjustments for high housing cost relative to income, the application of state nonmetropolitan income limits in low-income areas, and national maximums in high-income areas. **In Los Angeles County, as well as several others, the magnitude of these adjustments results in the low-income limit exceeding the AMI.** These exceptions are detailed in the FY 2022 Income Limits Methodology Document, https://www.huduser.gov/portal/datasets/il//il22/IncomeLimitsMethodology-FY22.pdf.

For further information on the exact adjustments made to an individual area of the country, please see HUD's FY 2022 Income Limits Documentation System. The documentation system is available at https://www.huduser.gov/portal/datasets/il.html#2022_query. Once the area in question is selected, a summary of the area's median income, Very Low-Income, Extremely Low-Income, and Low-Income Limits are displayed. Detailed calculations are obtained by selecting the relevant links.

Why don't the income limits for my area reflect recent gains?

Although HUD uses the most recent data available concerning local area incomes, there is still a lag between when the data are collected and when the data are available for use. For example, FY 2022 Income Limits are calculated using 2015-2019 5-year American Community Survey (ACS) data, and one-year 2019 data where possible. This is a three-year lag, so more current trends in median family income levels are not available.

How does HUD calculate Median Family Income (MFI)?

HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The basis for HUD's median family incomes is data from the American Community Survey, table B19113 - MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS. A Consumer Price Index (CPI) forecast as published by the Bureau of Labor Statistics is used in the trend factor calculation to bring the 2018 ACS data forward to FY 2022.

For additional details concerning the use of the ACS in HUD's calculations of MFI, please see HUD's FY 2022 Median Family Income methodology document, at https://www.huduser.gov/portal/datasets/il.html#2022_data.

Additionally, full documentation of all calculations for Median Family Incomes are available in the FY 2022 Median Family Income and the FY 2022 Income Limits Documentation System. These systems are available at https://www.huduser.gov/portal/datasets/il.html#2022_query.

Why didn't the income limits for my county change from last year?

HCD's Hold Harmless Policy likely prevented the income limits from decreasing from last year's levels and has maintained them despite a decrease in median income and/or income limits published by HUD.

Why do the income limits or area median income for my county not match what was published by HUD?

HCD adjusts each county's area median income to at least equal the state non-metropolitan county median income, as published by HUD. Further, HCD's Hold Harmless Policy prevents any decrease in income limits or median family income published by HUD to be applied to State Income Limits.

Section 6932. 2022 Income Limits

Number of Persons in Household:		1	2	3	4	5	6	7	8

Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent

		1	2	3	4	5	6	7	8
Alameda County Area Median Income: $142,800	Acutely Low	15000	17100	19250	21400	23100	24800	26550	28250
	Extremely Low	30000	34300	38600	42850	46300	49750	53150	56600
	Very Low Income	50000	57150	64300	71400	77150	82850	88550	94250
	Low Income	76750	87700	98650	109600	118400	127150	135950	144700
	Median Income	99950	114250	128500	**142800**	154200	165650	177050	188500
	Moderate Income	119950	137100	154200	171350	185050	198750	212450	226200
Alpine County Area Median Income: $94,900	Acutely Low	10000	11400	12850	14250	15400	16550	17650	18800
	Extremely Low	19100	21800	24550	27750	32470	37190	41910	46630
	Very Low Income	31800	36350	40900	45400	49050	52700	56300	59950
	Low Income	50900	58150	65400	72650	78500	84300	90100	95900
	Median Income	66450	75900	85400	**94900**	102500	110100	117700	125250
	Moderate Income	79750	91100	102500	113900	123000	132100	141250	150350
Amador County Area Median Income: $86,600	Acutely Low	9100	10400	11700	13000	14050	15100	16100	17150
	Extremely Low	18200	20800	23400	27750	32470	37190	41910	46630
	Very Low Income	30350	34650	39000	43300	46800	50250	53700	57200
	Low Income	48550	55450	62400	69300	74850	80400	85950	91500
	Median Income	60600	69300	77950	**86600**	93550	100450	107400	114300
	Moderate Income	72750	83100	93500	103900	112200	120500	128850	137150
Butte County Area Median Income: $85,000	Acutely Low	8950	10200	11500	12750	13750	14800	15800	16850
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	59500	68000	76500	**85000**	91800	98600	105400	112200
	Moderate Income	71400	81600	91800	102000	110150	118300	126500	134650
Calaveras County Area Median Income: $90,000	Acutely Low	9450	10800	12150	13500	14600	15650	16750	17800
	Extremely Low	18900	21600	24300	27750	32470	37190	41910	46630
	Very Low Income	31500	36000	40500	45000	48600	52200	55800	59400
	Low Income	50400	57600	64800	72000	77800	83550	89300	95050
	Median Income	63000	72000	81000	**90000**	97200	104400	111600	118800
	Moderate Income	75600	86400	97200	108000	116650	125300	133900	142550
Colusa County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Contra Costa County Area Median Income: $142,800	Acutely Low	15000	17100	19250	21400	23100	24800	26550	28250
	Extremely Low	30000	34300	38600	42850	46300	49750	53150	56600
	Very Low Income	50000	57150	64300	71400	77150	82850	88550	94250
	Low Income	76750	87700	98650	109600	118400	127150	135950	144700
	Median Income	99950	114250	128500	**142800**	154200	165650	177050	188500
	Moderate Income	119950	137100	154200	171350	185050	198750	212450	226200

Number of Persons in Household:		1	2	3	4	5	6	7	8
Del Norte County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
El Dorado County Area Median Income: $102,200	Acutely Low	10750	12300	13800	15350	16600	17800	19050	20250
	Extremely Low	21300	24350	27400	30400	32850	37190	41910	46630
	Very Low Income	35500	40550	45600	50650	54750	58800	62850	66900
	Low Income	56750	64850	72950	81050	87550	94050	100550	107000
	Median Income	71550	81750	92000	**102200**	110400	118550	126750	134900
	Moderate Income	85850	98100	110400	122650	132450	142250	152100	161900
Fresno County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Glenn County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Humboldt County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Imperial County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Inyo County Area Median Income: $82,700	Acutely Low	8700	9900	11150	12400	13400	14400	15400	16350
	Extremely Low	17400	19850	23030	27750	32470	37190	41910	46630
	Very Low Income	28950	33100	37250	41350	44700	48000	51300	54600
	Low Income	46350	52950	59550	66150	71450	76750	82050	87350
	Median Income	57900	66150	74450	**82700**	89300	95950	102550	109150
	Moderate Income	69500	79400	89350	99250	107200	115150	123050	131000

Number of Persons in Household:		1	2	3	4	5	6	7	8
Kern County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Kings County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Lake County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Lassen County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16900	19300	23030	27750	32470	37190	41910	46630
	Very Low Income	28150	32150	36150	40150	43400	46600	49800	53000
	Low Income	45000	51400	57850	64250	69400	74550	79700	84850
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Los Angeles County Area Median Income: $91,100	Acutely Low	9550	10900	12300	13650	14750	15850	16950	18000
	Extremely Low	25050	28600	32200	35750	38650	41500	44350	47200
	Very Low Income	41700	47650	53600	59550	64350	69100	73850	78650
	Low Income	66750	76250	85800	95300	102950	110550	118200	125800
	Median Income	63750	72900	82000	**91100**	98400	105700	112950	120250
	Moderate Income	76500	87450	98350	109300	118050	126800	135550	144300
Madera County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Marin County Area Median Income: $166,000	Acutely Low	17450	19900	22400	24900	26900	28900	30900	32850
	Extremely Low	39150	44750	50350	55900	60400	64850	69350	73800
	Very Low Income	65250	74600	83900	93200	100700	108150	115600	123050
	Low Income	104400	119300	134200	149100	161050	173000	184900	196850
	Median Income	116200	132800	149400	**166000**	179300	192550	205850	219100
	Moderate Income	139450	159350	179300	199200	215150	231050	247000	262950

Number of Persons in Household:		1	2	3	4	5	6	7	8
Mariposa County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Mendocino County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16900	19300	23030	27750	32470	37190	41910	46630
	Very Low Income	28150	32150	36150	40150	43400	46600	49800	53000
	Low Income	45000	51400	57850	64250	69400	74550	79700	84850
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Merced County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Modoc County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Mono County Area Median Income: $81,200	Acutely Low	8550	9750	11000	12200	13200	14150	15150	16100
	Extremely Low	17050	19500	23030	27750	32470	37190	41910	46630
	Very Low Income	28450	32500	36550	40600	43850	47100	50350	53600
	Low Income	45300	51800	58250	64700	69900	75100	80250	85450
	Median Income	56850	64950	73100	**81200**	87700	94200	100700	107200
	Moderate Income	68200	77950	87700	97450	105250	113050	120850	128650
Monterey County Area Median Income: $90,100	Acutely Low	9450	10800	12150	13500	14600	15650	16750	17800
	Extremely Low	23900	27300	30700	34100	36850	39600	42300	46630
	Very Low Income	39800	45500	51200	56850	61400	65950	70500	75050
	Low Income	63700	72800	81900	91000	98300	105600	112850	120150
	Median Income	63050	72100	81100	**90100**	97300	104500	111700	118950
	Moderate Income	75650	86500	97300	108100	116750	125400	134050	142700
Napa County Area Median Income: $119,400	Acutely Low	12550	14300	16100	17900	19350	20750	22200	23650
	Extremely Low	26500	30300	34100	37850	40900	43950	46950	50000
	Very Low Income	44150	50450	56750	63050	68100	73150	78200	83250
	Low Income	70550	80600	90700	100750	108850	116900	124950	133000
	Median Income	83600	95500	107450	**119400**	128950	138500	148050	157600
	Moderate Income	100300	114650	128950	143300	154750	166250	177700	189150

Number of Persons in Household:		1	2	3	4	5	6	7	8
Nevada County Area Median Income: $98,400	Acutely Low	10350	11800	13300	14750	15950	17100	18300	19450
	Extremely Low	20650	23600	26550	29500	32470	37190	41910	46630
	Very Low Income	34450	39400	44300	49200	53150	57100	61050	64950
	Low Income	55100	63000	70850	78700	85000	91300	97600	103900
	Median Income	68900	78700	88550	**98400**	106250	114150	122000	129900
	Moderate Income	82650	94500	106300	118100	127550	137000	146450	155900
Orange County Area Median Income: $119,100	Acutely Low	12500	14300	16050	17850	19300	20700	22150	23550
	Extremely Low	28500	32550	36600	40650	43950	47200	50450	53700
	Very Low Income	47450	54200	61000	67750	73200	78600	84050	89450
	Low Income	75900	86750	97600	108400	117100	125750	134450	143100
	Median Income	83350	95300	107200	**119100**	128650	138150	147700	157200
	Moderate Income	100050	114300	128600	142900	154350	165750	177200	188650
Placer County Area Median Income: $102,200	Acutely Low	10750	12300	13800	15350	16600	17800	19050	20250
	Extremely Low	21300	24350	27400	30400	32850	37190	41910	46630
	Very Low Income	35500	40550	45600	50650	54750	58800	62850	66900
	Low Income	56750	64850	72950	81050	87550	94050	100550	107000
	Median Income	71550	81750	92000	**102200**	110400	118550	126750	134900
	Moderate Income	85850	98100	110400	122650	132450	142250	152100	161900
Plumas County Area Median Income: $82,400	Acutely Low	8650	9900	11100	12350	13350	14350	15300	16300
	Extremely Low	17150	19600	23030	27750	32470	37190	41910	46630
	Very Low Income	28600	32700	36800	40850	44150	47400	50700	53950
	Low Income	45750	52300	58850	65350	70600	75850	81050	86300
	Median Income	57700	65900	74150	**82400**	89000	95600	102200	108750
	Moderate Income	69250	79100	89000	98900	106800	114700	122650	130550
Riverside County Area Median Income: $87,400	Acutely Low	9150	10500	11800	13100	14150	15200	16250	17300
	Extremely Low	18500	21150	23800	27750	32470	37190	41910	46630
	Very Low Income	30800	35200	39600	44000	47550	51050	54600	58100
	Low Income	49300	56350	63400	70400	76050	81700	87300	92950
	Median Income	61200	69900	78650	**87400**	94400	101400	108400	115350
	Moderate Income	73450	83900	94400	104900	113300	121700	130100	138450
Sacramento County Area Median Income: $102,200	Acutely Low	10750	12300	13800	15350	16600	17800	19050	20250
	Extremely Low	21300	24350	27400	30400	32850	37190	41910	46630
	Very Low Income	35500	40550	45600	50650	54750	58800	62850	66900
	Low Income	56750	64850	72950	81050	87550	94050	100550	107000
	Median Income	71550	81750	92000	**102200**	110400	118550	126750	134900
	Moderate Income	85850	98100	110400	122650	132450	142250	152100	161900
San Benito County Area Median Income: $105,100	Acutely Low	11050	12600	14200	15750	17000	18250	19550	20800
	Extremely Low	22100	25250	28400	31550	34100	37190	41910	46630
	Very Low Income	36800	42050	47300	52550	56800	61000	65200	69400
	Low Income	58900	67300	75700	84100	90850	97600	104300	111050
	Median Income	73550	84100	94600	**105100**	113500	121900	130300	138750
	Moderate Income	88250	100900	113500	126100	136200	146300	156350	166450

Number of Persons in Household:		1	2	3	4	5	6	7	8
San Bernardino County Area Median Income: $87,400	Acutely Low	9150	10500	11800	13100	14150	15200	16250	17300
	Extremely Low	18500	21150	23800	27750	32470	37190	41910	46630
	Very Low Income	30800	35200	39600	44000	47550	51050	54600	58100
	Low Income	49300	56350	63400	70400	76050	81700	87300	92950
	Median Income	61200	69900	78650	**87400**	94400	101400	108400	115350
	Moderate Income	73450	83900	94400	104900	113300	121700	130100	138450
San Diego County Area Median Income: $106,900	Acutely Low	11250	12850	14450	16050	17350	18600	19900	21200
	Extremely Low	27350	31250	35150	39050	42200	45300	48450	51550
	Very Low Income	45550	52050	58550	65050	70300	75500	80700	85900
	Low Income	72900	83300	93700	104100	112450	120800	129100	137450
	Median Income	74850	85500	96200	**106900**	115450	124000	132550	141100
	Moderate Income	89800	102650	115450	128300	138550	148850	159100	169350
San Francisco County Area Median Income: $166,000	Acutely Low	17450	19900	22400	24900	26900	28900	30900	32850
	Extremely Low	39150	44750	50350	55900	60400	64850	69350	73800
	Very Low Income	65250	74600	83900	93200	100700	108150	115600	123050
	Low Income	104400	119300	134200	149100	161050	173000	184900	196850
	Median Income	116200	132800	149400	**166000**	179300	192550	205850	219100
	Moderate Income	139450	159350	179300	199200	215150	231050	247000	262950
San Joaquin County Area Median Income: $85,000	Acutely Low	8950	10200	11500	12750	13750	14800	15800	16850
	Extremely Low	17400	19900	23030	27750	32470	37190	41910	46630
	Very Low Income	29000	33150	37300	41400	44750	48050	51350	54650
	Low Income	46350	53000	59600	66200	71500	76800	82100	87400
	Median Income	59500	68000	76500	**85000**	91800	98600	105400	112200
	Moderate Income	71400	81600	91800	102000	110150	118300	126500	134650
San Luis Obispo County Area Median Income: $109,200	Acutely Low	11500	13100	14750	16400	17700	19000	20350	21650
	Extremely Low	23000	26250	29550	32800	35450	38050	41910	46630
	Very Low Income	38300	43800	49250	54700	59100	63500	67850	72250
	Low Income	61250	70000	78750	87500	94500	101500	108500	115500
	Median Income	76450	87350	98300	**109200**	117950	126650	135400	144150
	Moderate Income	91750	104850	117950	131050	141550	152000	162500	173000
San Mateo County Area Median Income: $166,000	Acutely Low	17450	19900	22400	24900	26900	28900	30900	32850
	Extremely Low	39150	44750	50350	55900	60400	64850	69350	73800
	Very Low Income	65250	74600	83900	93200	100700	108150	115600	123050
	Low Income	104400	119300	134200	149100	161050	173000	184900	196850
	Median Income	116200	132800	149400	**166000**	179300	192550	205850	219100
	Moderate Income	139450	159350	179300	199200	215150	231050	247000	262950
Santa Barbara County Area Median Income: $100,100	Acutely Low	10500	12000	13500	15000	16200	17400	18600	19800
	Extremely Low	29350	33550	37750	41900	45300	48650	52000	55350
	Very Low Income	48900	55900	62900	69850	75450	81050	86650	92250
	Low Income	78350	89550	100750	111900	120900	129850	138800	147750
	Median Income	70050	80100	90100	**100100**	108100	116100	124100	132150
	Moderate Income	84050	96100	108100	120100	129700	139300	148900	158550

Number of Persons in Household:		1	2	3	4	5	6	7	8
Santa Clara County Area Median Income: $168,500	Acutely Low	17700	20250	22750	25300	27300	29350	31350	33400
	Extremely Low	35400	40450	45500	50550	54600	58650	62700	66750
	Very Low Income	59000	67400	75850	84250	91000	97750	104500	111250
	Low Income	92250	105400	118600	131750	142300	152850	163400	173950
	Median Income	117950	134800	151650	**168500**	182000	195450	208950	222400
	Moderate Income	141550	161750	182000	202200	218400	234550	250750	266900
Santa Cruz County Area Median Income: $119,300	Acutely Low	12550	14300	16100	17900	19350	20750	22200	23650
	Extremely Low	32700	37350	42000	46650	50400	54150	57850	61600
	Very Low Income	54450	62200	70000	77750	84000	90200	96450	102650
	Low Income	87350	99800	112300	124750	134750	144750	154700	164700
	Median Income	83500	95450	107350	**119300**	128850	138400	147950	157500
	Moderate Income	100200	114500	128850	143150	154600	166050	177500	188950
Shasta County Area Median Income: $89,800	Acutely Low	9400	10750	12100	13450	14550	15600	16700	17750
	Extremely Low	16700	19050	23030	27750	32470	37190	41910	46630
	Very Low Income	27800	31800	35750	39700	42900	46100	49250	52450
	Low Income	44450	50800	57150	63500	68600	73700	78750	83850
	Median Income	62850	71850	80800	**89800**	97000	104150	111350	118550
	Moderate Income	75450	86200	97000	107750	116350	125000	133600	142250
Sierra County Area Median Income: $90,000	Acutely Low	9450	10800	12150	13500	14600	15650	16750	17800
	Extremely Low	18900	21600	24300	27750	32470	37190	41910	46630
	Very Low Income	31500	36000	40500	45000	48600	52200	55800	59400
	Low Income	50400	57600	64800	72000	77800	83550	89300	95050
	Median Income	63000	72000	81000	**90000**	97200	104400	111600	118800
	Moderate Income	75600	86400	97200	108000	116650	125300	133900	142550
Siskiyou County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Solano County Area Median Income: $108,700	Acutely Low	11400	13050	14650	16300	17600	18900	20200	21500
	Extremely Low	22850	26100	29350	32600	35250	37850	41910	46630
	Very Low Income	38050	43450	48900	54300	58650	63000	67350	71700
	Low Income	60800	69450	78150	86800	93750	100700	107650	114600
	Median Income	76100	86950	97850	**108700**	117400	126100	134800	143500
	Moderate Income	91300	104350	117400	130450	140900	151300	161750	172200
Sonoma County Area Median Income: $112,800	Acutely Low	11850	13500	15200	16900	18250	19600	20950	22300
	Extremely Low	25000	28550	32100	35650	38550	41400	44250	47100
	Very Low Income	41600	47550	53500	59400	64200	68950	73700	78450
	Low Income	66550	76050	85550	95050	102700	110300	117900	125500
	Median Income	78950	90250	101500	**112800**	121800	130850	139850	148900
	Moderate Income	94750	108300	121800	135350	146200	157000	167850	178650

Number of Persons in Household:		1	2	3	4	5	6	7	8
Stanislaus County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16750	19150	23030	27750	32470	37190	41910	46630
	Very Low Income	27900	31900	35900	39850	43050	46250	49450	52650
	Low Income	44650	51000	57400	63750	68850	73950	79050	84150
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Sutter County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Tehama County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Trinity County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Tulare County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200
Tuolumne County Area Median Income: $84,300	Acutely Low	8850	10100	11400	12650	13650	14650	15700	16700
	Extremely Low	17500	20000	23030	27750	32470	37190	41910	46630
	Very Low Income	29150	33300	37450	41600	44950	48300	51600	54950
	Low Income	46600	53250	59900	66550	71900	77200	82550	87850
	Median Income	59000	67450	75850	**84300**	91050	97800	104550	111300
	Moderate Income	70800	80900	91050	101150	109250	117350	125450	133500
Ventura County Area Median Income: $115,400	Acutely Low	12100	13850	15550	17300	18700	20050	21450	22850
	Extremely Low	26350	30100	33850	37600	40650	43650	46650	49650
	Very Low Income	43900	50200	56450	62700	67750	72750	77750	82800
	Low Income	70250	80300	90350	100350	108400	116450	124450	132500
	Median Income	80800	92300	103850	**115400**	124650	133850	143100	152350
	Moderate Income	96950	110800	124650	138500	149600	160650	171750	182800

Number of Persons in Household:		1	2	3	4	5	6	7	8
Yolo County Area Median Income: $106,600	Acutely Low	11200	12800	14400	16000	17300	18550	19850	21100
	Extremely Low	20850	23800	26800	29750	32470	37190	41910	46630
	Very Low Income	34700	39650	44600	49550	53550	57500	61450	65450
	Low Income	55550	63450	71400	79300	85650	92000	98350	104700
	Median Income	74600	85300	95950	**106600**	115150	123650	132200	140700
	Moderate Income	89550	102300	115100	127900	138150	148350	158600	168850
Yuba County Area Median Income: $80,300	Acutely Low	8450	9650	10850	12050	13000	14000	14950	15900
	Extremely Low	16350	18700	23030	27750	32470	37190	41910	46630
	Very Low Income	27300	31200	35100	38950	42100	45200	48300	51450
	Low Income	43650	49850	56100	62300	67300	72300	77300	82250
	Median Income	56200	64250	72250	**80300**	86700	93150	99550	106000
	Moderate Income	67450	77100	86700	96350	104050	111750	119450	127200

Instructions:

Eligibility Determination:

Use household size income category figures in this chart. Determine eligibililty based on actual number of persons in household and total of gross income for all persons.

Determination of Income Limit for Households Larger than Eight Persons:

Per person (PP) adjustment above 8: (1) multiply 4-person income limit by eight percent (8%),
(2) multiply result by number of persons in excess of eight,
(3) add the amount to the 8-person income limit, and (4) round to the nearest $50.

Nine Person Calculation - Example County

E X A M P L E	4 persons	8% PP Adj	+ 8 person	=9 persons
Acutely Low	12,050	964	15,900	16,850
Extremely Low	27,750	2220	46,630	48,850
Very Low Income	38,950	3116	51,450	54,550
Lower Income	62,300	4984	82,250	87,250
Moderate Income	96,350	7708	127,200	134,900

Ten Person Calculation - Example County

4 persons	8 person +	8% Adj x 2	=10 persons
12,050	15,900	1928	17,850
27,750	46,630	4440	51,050
38,950	51,450	6232	57,700
62,300	82,250	9968	92,200
96,350	127,200	15416	142,600

Calculation of Housing Cost and Rent:

Refer to Heath & Safety Code Sections 50052.5 and 50053. Use benchmark household size and multiply against applicable percentages defined in H&SC using Area Median Income identified in this chart.

Determination of Household Size:

For projects with no federal assistance, household size is set at number of bedrooms in unit plus one.
For projects with federal assistance, household size may be set by multiplying 1.5 by the number of bedrooms in unit.

HUD Income Limits release: 4/19/2022

HUD FY 2022 California median incomes:
State median income: $101,600
Metropolitan county median income: $102,100
Non-metropolitan county median income: $80,300

Note: Authority cited: Section 50093, Health and Safety Code. Reference: Sections 50063.5, 50079.5, 50093, 50105 and 50106, Health and Safety Code.

<u>PROMISSORY NOTE</u>
<u>(City Loan)</u>

$1,620,000 **__________ __, 2022**

For value received, Ukiah Gobbi Street LP, a California limited partnership (hereinafter referred to as "<u>Maker</u>"), promises to pay to the order of The City of Ukiah, a municipal corporation (together with any future holders of this Note, "<u>Holder</u>"), at 300 Seminary Avenue, Ukiah, CA 95482, or as directed otherwise in writing by Holder, the principal sum of One Million Six Hundred Twenty Thousand Dollars ($1,620,000). This Note is secured by the Deed of Trust (as defined below) on real property upon which Maker intends to construct a 71-unit multifamily apartment complex and related improvements (the "<u>Project</u>"). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Maker's Amended and Restated Agreement of Limited Partnership dated as of _______, 2022 ("<u>Partnership Agreement</u>").

1. <u>The Loan</u>. This Promissory Note (the "<u>Note</u>") evidences the obligation of the Maker to the Holder for the repayment of funds loaned to the Holder by the Maker (the "<u>Loan</u>") as a seller carryback to pay Project property acquisitions costs.

2. <u>Interest</u>. This Promissory Note ("<u>Note</u>") shall bear simple interest at 3% annually.

3. <u>Payments</u>. Annually each year during the term of this Note commencing on the first Payment Date following the Final Closing, Maker shall pay to Holder the 80% of Net Cash Flow remaining after payment of items noted as clauses (__) through (__) of Section [_____] of the Partnership Agreement. Accompanying each payment of Net Cash Flow, Maker shall provide Holder with a detailed accounting of all revenue sources and expenses used to calculate Net Cash Flow. Maker shall maintain accurate financial records in compliance with Generally Accepted Accounting Principals ("GAAP") which are auditable and available to the Holder to review, copy and audited during regular business hours. If any audit or review of such revenues and expenses establishes that Net Cash Flow was greater than reported to Maker, Holder shall pay all costs incurred by Maker to conduct the Audit in addition to liquidated damages of __% of the understated amount.

4. <u>Maturity Date</u>. The principal amount of this Note along with all accrued and unpaid interest and/or other amounts due shall be due and payable on the fifty-fifth (55) anniversary of the date of issuance of certificates of occupancy for the Project (the "<u>Maturity Date</u>"); *provided, however,* that the Maturity Date may be accelerated in accordance with the terms and provisions of this Note.

5. <u>Security</u>. Payment of the indebtedness evidenced by this Note is secured by that certain Subordinated Deed of Trust (the "<u>Deed of Trust</u>"), of even date herewith, and made by Maker, as trustor, to Commonwealth Land Title Insurance Company, as trustee, for the benefit of Holder, as beneficiary, which encumbers real property in the County of Mendocino, State of California, as

more particularly described in Exhibit A to the Deed of Trust, together with the improvements located thereon.

6. Default. If any of the following events ("Events of Default") shall occur:

(a) a default in the payment when due of any amount hereunder and such payment is not made within 10 business days after Maker received written notice thereof;

(b) failure to pay all outstanding principal and accrued interest on the indebtedness evidenced by this Note on the Maturity Date; or

(c) any breach or default under the Deed of Trust past any applicable notice and cure period,

then, subject to the provisions of the Deed of Trust, all sums of interest and principal remaining outstanding under this Note shall be deemed automatically and immediately due and payable, without any declaration or other determination by Holder and without notice of default, presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Maker. The rights of Holder under this Section 6 are in addition to other rights and remedies which Holder may have.

7. Notice and Cure. [_____________] (the "Limited Partner") or any other successor entity in such entity's capacity as a limited partner of the Maker, shall have the right, but not the obligation, to cure any defaults hereunder following 10 business days notice (with respect to monetary defaults) and 30 business days notice (with respect to non-monetary defaults). In the event such default requires the removal of the general partner of Maker, the Limited Partner shall have such additional time as is reasonably necessary to effectuate such removal and cause such cure. Any default cure tendered by the Maker's Limited Partner shall be accepted or rejected as if tendered by the Maker. In the event Maker is provided notice by Holder under the Loan Documents, Holder shall provide the Limited Partner with simultaneous written notice at the following address:

[_______________]

8. Prepayment. The principal amount of this Note may be prepaid, in whole or in part, at any time without penalty.

9. Interest Rate After Acceleration or Maturity. When this Note becomes due in full, whether by acceleration (upon an Event of Default or otherwise), by the occurrence of the Maturity Date, or in any other manner, if Maker fails to pay all amounts due the unpaid principal and interest (if any) balance and costs incurred (and any judgment or decree with respect thereto) shall, from and after the date due, bear interest until paid at an annual rate of ten percent (10%) per annum.

10. Waivers by Holder. Holder shall not by any act of omission or commission be deemed to waive any of its rights or remedies hereunder unless such waiver be in writing and signed by Holder, and then only to the extent specifically set forth therein. A waiver as to any one event

shall not be construed as continuing or as a bar to or waiver of such right or remedy as to the same event on any other occasion or as to a different event on the same or any other occasion.

11. Waivers by Maker. Maker waives presentment for payment, demand, notice of non-payment, notice of protest, and protest of this Note and all of the notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note. Maker consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Holder with respect to the payment or other provisions of this Note, and to the release of the collateral or any part thereof with or without substitution and agree that additional makers, endorsers, guarantors, or sureties may become parties hereto without notice to them and without affecting their liability hereunder.

12. Application of Payments. All payments under this Note shall be made in lawful money of the United States of America. Payments shall be credited first against any costs or expenses due under this Note, then to any accrued interest (if any), and finally to principal.

13. Interest Rate Limitation. In no event shall the interest rate charged under this Note exceed the maximum rate permitted under applicable law. In calculating whether any interest exceeds the lawful maximum, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Maker to Holder, and if through any contingency or event, Holder receives or is deemed to receive interest in excess of the lawful maximum, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Maker to Holder, or if there is no such indebtedness, shall immediately be returned to Maker.

14. No Acceleration Upon Transfer or Refinancing. The Maker shall be permitted to sell or refinance the Project or any interest therein, and, provided such transferee agrees to assume Maker's obligations under this Note, the Note shall not become due and payable.

15. Non-Recourse. This Note shall be non-recourse to the Maker, the partners of Maker, and its or their successors or assigns, and Holder shall look solely to the Property (as such term is defined in the Deed of Trust) and other collateral granted to the Holder under and pursuant to the Deed of Trust for satisfaction of its obligations under this Note.

16. Enforcement Costs. Should suit on this Note or foreclosure of the Deed of Trust be commenced, Maker agrees to pay the costs of foreclosure and such additional sums as a court may adjudge reasonable as attorneys fees in any suit.

17. Governing Law. Maker hereby agrees and acknowledges that this Note shall be construed in accordance with the laws of the State of California. Any alteration, change or modification of or to this Note, in order to become effective, shall be made by written instrument executed by both Maker and Holder.

[Signature Page Follows]

IN WITNESS WHEREOF, Maker has executed this Note as of the date first written above.

MAKER:

UKIAH GOBBI STREET LP,
a California limited partnership

By: Ukiah Gobbi Street LLC,
a California limited liability company,
its Administrative General Partner

By: Danco Communities,
a California corporation,
its Manager

By: ____________________
Daniel Johnson
President

By: Community Revitalization and Development Corporation, a California nonprofit public benefit corporation, its Managing General Partner

By: ______________________________
David Rutledge
President

Recording Requested by and
After Recording Return to:

Ukiah Gobbi Street LP
c/o Danco Communities
5251 Ericson Way
Arcata, CA 95521

DEED OF TRUST
(CITY LOAN)

NOTE: This deed of trust contains a subordination clause which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument.

THIS DEED OF TRUST is made as of ____________, 2022 by Ukiah Gobbi Street LP, a California limited partnership ("Trustor"), in favor of COMMONWEALTH LAND TITLE INSURANCE COMPANY ("Trustee"), for the benefit of THE CITY OF UKIAH (together with any successor to its rights, duties and obligations), a municipal corporation and existing under the laws of the State of California ("Beneficiary").

TRUSTOR, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, that real property located in the County of Mendocino, State of California as more fully described in Attachment A ("Real Property").

TOGETHER with all the improvements now or hereafter erected on the Real Property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities given herein to Beneficiary to collect and apply such rents), all of which shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property and the Real Property are hereinafter referred to as the "Property".

TO SECURE to Beneficiary the payment of the indebtedness evidenced by a Promissory Note, of even date herewith, and extensions and renewals thereof (herein "Note"), in the principal sum of $1,620,000.

Trustor covenants that it is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that, to the best of Trustor's knowledge, the Property is unencumbered except for encumbrances of record. Trustor warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

A. <u>To protect the security of this Deed of Trust, Trustor agrees as follows</u>:

1. <u>Preservation and Maintenance of Property</u>. Trustor agrees to keep the Property in good condition and repair; not to remove or demolish any building thereon; to the extent of available insurance proceeds to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or knowingly permit any act upon the Property in violation of law or which constitutes a nuisance under applicable law.

2. <u>Charges; Liens</u>. Trustor shall pay at least ten days before delinquency all taxes and assessments affecting the Property; when due, all encumbrances, charges, and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Deed of Trust. Trustor shall give sufficient notice to Beneficiary of any default under any mortgage, deed of trust or other security agreement with a lien on the Property to provide Beneficiary with adequate time to protect its legal interests.

3. <u>Hazard Insurance</u>. Trustor shall keep the improvements and personal property now existing or hereafter erected on the Property insured against loss by fire, vandalism and malicious mischief by a policy of standard fire and extended all-risk insurance with sufficient policy limits to cover the full costs of repair or replacement.

Subject to the rights of senior mortgagees, the insurance policy shall be issued in the name of the Trustor and the Beneficiary, as their interests appear. The insurance policy shall contain an endorsement which provides that any proceeds shall be disbursed and used to repair or rebuild any such improvements so damaged or destroyed.

The full replacement value of the improvements to be insured hereunder shall be determined by the company issuing the policy at the time the policy is initially obtained.

4. <u>Defense of Security</u>. Trustor agrees to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

5. <u>Reimbursement of Costs</u>. Trustor agrees to pay immediately and without demand all reasonable sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the maximum amount allowed by law in effect at the date hereof.

6. <u>Right to Cure</u>. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and with 10 business days (for payment defaults) and 30 days (for non payment defaults) notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such

manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel, and pay reasonable attorneys' fees. Beneficiary may make or cause to be made reasonable entries upon and inspections of the Property, subject to tenant leases, provided that Beneficiary shall give Trustor notice prior to any such inspection specifying reasonable cause therefor related to Beneficiary's interest in the Property, provided, however, that Beneficiary and Trustee will provide Trustor's limited partners with written notice and a reasonable opportunity to cure upon receipt of such written notice. In the event the limited partner tenders a cure for Trustor's default, such cure shall be accepted or rejected on the same basis as if made or tendered by Trustor.

B. It is mutually agreed that:

1. Condemnation Award. Subject to the rights of senior mortgagees, any proceeds of any insurance on the Property or award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply such moneys received by it to any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Notwithstanding anything herein to the contrary, if the Trustor is not then in default and proceeds are sufficient therefor, or additional funds are made available to be sufficient therefor, such proceeds shall be applied to the restoration of the Property.

2. Late Payment. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. Release and Subordination. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and Note for endorsement, Trustee may reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, upon surrender of this Deed of Trust and the Note to Trustee for cancellation, and upon payment of its fees, Trustee shall reconvey, without warranty, the Property. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof.

5. Rents, Issues, and Profits. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of these Trusts,

to collect the rents, issues, and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues, and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Trustor provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail return receipt requested addressed to Trustor at Ukiah Gobbi Street LP, c/o Danco Communities, 5251 Ericson Way, Arcata, CA 95521 Attn: President, with copies to: [_______INVESTOR____________]
Attention: [________________], or at such other address as Trustor may designate by notice to Beneficiary as provided herein, and (b) any notice to Beneficiary shall be given by certified mail return receipt requested to Beneficiary's address stated herein or to such other address as Beneficiary may designate by notice to Trustor as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given in the manner designated herein two (2) days after deposit into the United States Mail, or on the date when personally served on the Trustor or Beneficiary.

7. Assignment. Trustor shall be permitted to assign the Note and this Deed of Trust and provided such transferee agrees to assume Trustor's obligations under the Note and this Deed of Trust, the Note shall not become due and payable.

8. Powers of Sale. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, after the expiration of applicable notice and cure periods, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary may employ counsel to enforce payment of the obligations secured hereby, and shall execute or cause the Trustee to execute a written notice of such default and of its election to cause to be sold the Property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each county wherein the Property or some part thereof is situated.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the Property described herein, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Deed of Trust, including cost of evidence of title and reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

9. Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust due to Trustor's breach, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under this Deed of Trust if the Note had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

10. Successors and Assigns. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the holder and owner of the Note secured hereby; or, if the Note has been pledged, the pledgee thereof. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

11. Other Sales, Actions, or Proceedings. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

12. Substitution of Trustee. Beneficiary may from time to time or at any time substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the Property is situated, it shall be conclusive evidence of the appointment of such Trustee or Trustees, and such new Trustee or Trustees shall succeed to all of the powers and duties of the Trustee or Trustees named herein.

15. Subordination. Trustor's indebtedness evidenced by the Note is and shall be subordinate in right of payment to the prior payment in full of all amounts then due and payable (including, but not limited to, all amounts due and payable by virtue of any default or acceleration or upon maturity) with respect to: (i) a loan from Pacific Western Bank.

16. Extended Use Agreement. In order to receive an allocation of federal low-income housing tax credits, Trustor will be required to record against the Real Property in the real property records of the County in which the Property is located, an "extended low-income housing commitment" (as defined in Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended ("Code")) ("Extended Use Agreement"). Beneficiary acknowledges and agrees that, in the event of a foreclosure of its interest under this Deed of Trust or delivery by the Trustor of a deed in lieu thereof (collectively, a "Foreclosure"), Beneficiary agrees to comply with the following rule contained in Section 42(h)(6)(E)(ii) of the Code: For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Extended Use Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

[***Signatures appear on next page***]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date set forth above.

TRUSTOR:

UKIAH GOBBI STREET LP,
a California limited partnership

By: Ukiah Gobbi Street LLC,
a California limited liability company,
its Administrative General Partner

By: Danco Communities,
a California corporation,
its Manager

By: ___________________
Daniel Johnson
President

By: Community Revitalization and Development Corporation, a California nonprofit public benefit corporation, its Managing General Partner

By: ______________________________
David Rutledge
President

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 the document.

STATE OF CALIFORNIA)
)
COUNTY OF _______________)

On ___________________, 2022, before me, _______________________________, notary public, personally appeared ____________________________________, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person 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)

ATTACHMENT A
LEGAL DESCRIPTION OF THE PROPERTY