

EXHIBIT 4.32 ARTICLE 34 COMPLIANCE

Applicants must submit documentation that shows the Project's compliance with or legal exemption from California Constitution, Art. 34, Sections 1 through 4 ("Article 34"). If a Project is subject to the prohibition found in Article 34, the County requires a legal opinion from the City that shows that there is Project approval as specified in Article 34 or is otherwise legally exempt. The City's legal counsel, or local government official, authorized to claim the project is exempt via referendum should prepare and sign the letter. A sample format letter, including all the required elements, is provided on the next page for your reference.

If a Project is statutorily exempt from the requirements set forth in Article 34, the County requires an Article 34 legal opinion from the Applicant's legal counsel. The legal opinion must demonstrate that the Applicant has considered both the legal requirements of Article 34 and the relevant facts of the Project (e.g., all funding provided by public bodies, including state, county, or city sources, the number of low-income restricted units, and the general content of any regulatory restrictions). Any conclusion that a Project is exempt from the prohibition found in Article 34 must be supported by facts and a specific legal theory for exemption that itself is supported by the Constitution, statute, and/or case law.

If the project is subject to, and is not legally exempt from, the requirements set forth in Article 34, the County of Orange may only assist up to 49% of the rental units. Subsidized units must be available for rent and income restrictions for a term of not less than 55 years.

SAMPLE CITY LETTER

[DATE]

Letter must be written on official city/county stationary of the locality in which the development is located.

[Developer Name, Contact Person, & Address]

SUBJECT: Article 34 Voter Approval

[Developer Name]:

The proposed development project, [Name of Development], is located within a jurisdiction, which has voter approval pursuant to the requirements set forth in . California Constitution, Art. 34, Sections 1 through 4 ("Article 34").

Proposed Development Site: [Name of Development]
[Address of Development]

Description: [Describe Project: Include number of units and affordability levels.
i.e.: Demolition/New Construction of 7, two and three-bedroom units affordable to persons/families whose income is at or below 50% of the AMI.]

On [Date], the voters in [City/Jurisdiction] enacted a low income housing authorization measure pursuant to Article 34. [##] units were approved under [name and date of proposition]. A copy of the referendum and a certified vote tally is attached. [##] units are available for allocation under the City's Article 34 authority. The City is committing [##] units (including/not including one manager's unit) to the Project.

If you need additional information, please contact me at [_____].

Sincerely,

[Name]
[Title]