

DEPARTMENT OF INSURANCE

CALIFORNIA ORGANIZED INVESTMENT NETWORK (COIN)
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**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION
CERTIFICATION**

June 1, 2004

San Luis Obispo County Housing Trust Fund
Mr. Gerald L. Rioux, Executive Director
4111 Broad Street, Suite A-6
San Luis Obispo, CA 93401

Dear Mr. Rioux:

This letter is to notify you that your application for certification as a Community Development Financial Institution, (CDFI), pursuant to California Revenue and Taxation Code (R&TC) Section(s) 17053.57, 23657, or 12209 has been reviewed and accepted, based on the information and documentation contained in your application (including but not limited to your representation that your organization is a private financial institution located in this State), and to advise you of the following:

- COIN has certified your eligibility as a Community Development Financial Institution qualified to receive "Qualified Investments" under the COIN administered California CDFI Tax Credit Program. Continuation of certification as a CDFI is contingent on continuing to meet the legal definition of a CDFI which is contained in the R&TC statutes. COIN reserves the right to request information reasonably needed to confirm continuing eligibility for certification.
- "Qualified Investment" means: 1) a deposit or loan that does not earn interest, 2) an equity investment, 3) or an equity-like debt instrument that conforms to the specifications for these instruments as prescribed by the U.S. Department of the Treasury CDFI Fund, or its successor. All qualified investments must be equal to or greater than \$50,000 and for a minimum of sixty months in exchange for a 20% tax credit during the year in which the investment was made.
- If a "Qualified Investment" is *withdrawn* before the end of the 60th month and not redeposited or reinvested in another CDFI within 60 days, there shall be added to the "net tax" or "tax" as defined in R&TC Section 17039, Section 23036, or Section 28 of Article XIII of the California Constitution, for the taxable or income year in which the withdrawal occurs, the entire amount of any credit previously allowed under R&TC Sections 17053.57 or 23657, (requiring the CDFI to notify COIN *and* the Franchise Tax Board), and Section 12209, (requiring the CDFI to notify COIN *and* the Board of Equalization).

- If a "Qualified Investment" is *reduced* before the end of the 60th month, but not below fifty thousand dollars (\$50,000), there shall be added to the "net tax" as defined in Section 17039, Section 23036, or Section 28 of Article XIII of the California Constitution, for the taxable or income year in which the reduction occurs, an amount equal to 20 percent of the total reduction for the taxable or income year. Sections 17053.57 and 23657 require the CDFI to notify COIN *and* the Franchise Tax Board of the reduction, and Section 12209 requires the CDFI to notify COIN *and* the Board of Equalization.

Sincerely,



Delores McKinnon
Director, COIN Program
California Department of Insurance

State of California
Department of Insurance

CALIFORNIA ORGANIZED INVESTMENT NETWORK

**Community Development
Financial Institution Certificate**

This is to certify that

**San Luis Obispo County
Housing Trust Fund**

organized under the laws of California, subject to its Articles of Incorporation or other fundamental organizational documents, has been reviewed and accepted, based on the information and documentation contained in its application (including but not limited to your representation that your organization is a private financial institution located in this State), and is hereby certified as a Community Development Financial Institution pursuant to California Revenue and Taxation Code (R&TC) Sections 17053.57, 23657, or 12209.

This certificate is expressly conditioned upon the holder hereof now and hereafter being in full compliance with all, and not in violation of any, of the applicable laws and lawful requirements made under authority of the laws of the State of California as long as such laws or requirements are in effect and applicable, and as such laws and requirements now are, or may hereafter be changed or amended. Continuation of certification as a CDFI is contingent on continuing to meet the legal definition of a CDFI which is contained in the R&TC statutes. COIN reserves the right to request information reasonably needed to confirm continuing eligibility for certification.



In witness whereof, and in commemoration of the certification of said entity on June 1, 2004, I have hereunto set my hand and caused this official seal to be affixed on this 1st day of June 1, 2004.

Delores A. McKinnon

Delores A. McKinnon, Director
California Organized Investment Network