September 1, 2016

Ms. Gina Paolini Community Development Department 17555 Peak Avenue Morgan Hill, CA 95037

Re: Measure C Competition – On-Going Project – Lantana-Wisteria Development

Dear Ms. Paolini,

City Council Policy CP-09-03 affords projects the opportunity to request "On-Going" status upon fulfillment of certain conditions. This year, the project known as Lantana-Wisteria expects to qualify as "On-Going" as it pulls 21 building permits for its first phase of development no later than September 15, 2016. The 21 building permits represent more than 50 percent of the project's first allocation award, which was 41 units. CalAtlantic is in compliance with its approved development schedule. Grading and improvements are underway at the project site.

The project will be requesting 52 allocations in the 2016 competition to achieve a full build-out of 135 units. The Applicant would be interested in offsetting its Open Market request by the number of "On-Going" allocations that it's awarded, should an "On-Going" allocation be awarded to the project. Since the overall project request for the 2016 competition exceeds the maximum per-project allocation in the On-going Projects set-aside, the Applicant will also submit a competitive application for additional building allotments.

Thank you for your consideration.

Bridgit Koller CalAtlantic Group, Inc.