

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 16, 2012

Consideration and Approval of an Issuance Date Extension for Various Qualified Residential Rental Program Projects
(Agenda Item No.5)

ACTION

Approve a set of bond issuance date extensions for Taylor Yard Apartments (11-127), Oakridge Family Homes Project (11-050), 1180 4th Street (11-163), Aspens at South Lake Tahoe Apartments (11-177), Shelter Hill Apartments (11-173), San Clemente Senior Apartments (11-117 & 12-004), 2525 El Camino Senior Apartments (12-010), Oak Center Homes Apartments (12-012), The Crossings at Cherry Orchard (12-002), Linda Vista Apartments (11-159), Fickett Tower Apartments (12-005), and Ramona Park Senior Apartments (11-137).

BACKGROUND:

Taylor Yard Apartments Project (11-127)

The Taylor Yard Apartments Project (“Project”) received an allocation award through the City of Los Angeles on December 14, 2011. The Project’s original issuance deadline was April 2, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

The Project requires an extension of allocation expiration date in order to allow the City of Los Angeles Housing Department (LAHD) to participate as a co-grantee and subsequent lender for the \$15,094,990 Infill Infrastructure Grant (IIG) Funds. LAHD is to receive the IIG funds and lend the proceeds for the development of the Project. Additionally, documentation for LAHD’s subordinate loan has been delayed in order to accommodate the use of Neighborhood Stabilization Program (NSP) funds in lieu of HOME Funds for the Project. LAHD and the Project sponsor are requesting an extension to allow all issues to be addressed within sufficient time in order to move forward with the project.

Allowing an extension of the issuance date to August 14, 2012 will ensure the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Los Angeles will lose the opportunity to create 67 new units of new affordable housing.

Oakridge Family Homes Project (11-050)

The Oakridge Family Homes Project (“Project”) received an allocation award through the City of Los Angeles on December 14, 2011. The Project’s original issuance deadline was March 23, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

The Project’s tax-exempt private placement provider, California Community Reinvestment Corporation (CCRC), is unable to commit to purchasing the permanent phase bonds at this time. CCRC has exhausted the pool of funds it has available to purchase permanent bonds at this time. However, CCRC is in the process of selling some of its existing bonds to the secondary market so that it may move forward with the Oakridge Family Homes Project. The Project sponsor is requesting an extension to allow the private placement provider sufficient time to move forward with the project.

Allowing an extension of the issuance date to August 14, 2012 will ensure the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Los Angeles will lose the opportunity to retain and revitalize 59 units of affordable housing.

1180 4th Street Apartments Project (11-163)

The 1180 4th Street Apartments Project (“Project”) received an allocation award through the City and County of San Francisco Mayor’s Office of Housing (MOH) on December 14, 2011. The Project’s original issuance deadline was March 13, 2012; which the Committee extended to the date of May 30, 2012 (60-day extension).

The dissolution of the San Francisco Redevelopment Agency (SFRA) required several processes to be created for advance sites not previously under the City’s jurisdiction. Over the last few months the City has made progress including transferring all SFRA housing assets to MOH; securing confirmation from the newly created Oversight Board that the project’s financing is confirmed and finalizing the ownership structure of the land. The remaining tasks for the Project are to finalize document negotiations and secure final approval.

Allowing an additional 30-day extension of the issuance date to June 29, 2012 will ensure the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City and County of San Francisco will lose the opportunity to retain and revitalize 149 units of affordable special needs housing.

Aspens at South Lake Tahoe Apartments (11-177)

The Aspens at South Lake Tahoe Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on December 14, 2011. The Project’s original issuance deadline was April 2, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

The Project is has been experiencing delays with the committed South Lake Tahoe Redevelopment Agency (RDA) funds. The loan is included on the City’s Enforceable Obligations list. Both the project Sponsor and the City are committed to moving the project forward. However, the team will need additional time to close due to the RDA issue.

Allowing an extension to the issuance date to August 14, 2012 will ensure the completion of all the loan processing and the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of South Lake Tahoe will lose the opportunity to create 47 new units of new affordable housing.

Shelter Hill Apartments (11-173)

The Shelter Hill Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (CMFA) on December 14, 2011. The Project’s original issuance deadline was March 23, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

The project is partially financed with various HUD program funds. HUD must provide a number of approvals of the refinancing and CMFA does not expect the approvals will be given before the current bond issuance deadline. The financing team has been diligently working towards closing, but the issues are out of their control.

Allowing an extension to the issuance date to August 14, 2012 will ensure the completion of all the loan processing and the issuance of the bonds for the Project. If the issuance date is not extended, the Project

will lose its allocation and the City of Mill Valley will lose the opportunity to create 65 new units of new affordable housing.

San Clemente Senior Apartments (11-117 & 12-004)

The San Clemente Senior Apartments Project (“Project”) received an allocation award through the County of Orange (County) on September 28, 2011 and a supplemental award on January 18, 2012. The Project’s original issuance deadline was April 27, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

The Project is currently under subsidy layering review (SLR) by the California Tax Credit Allocation Committee (TCAC) and is scheduled for completion on or about May 14, 2012. Once TCAC has completed their review, the Project will need an additional amount of time for its lenders and investor to complete their final review and approval.

Allowing an extension to the issuance date to August 14, 2012 will ensure the completion of the SLR processing, loan processing for the Project, and issuance of bonds. If the issuance date is not extended, the Project will lose its allocation and the City of San Clemente will lose the opportunity to create 75 new units of new affordable senior housing.

2525 El Camino Senior Apartments (12-010)

The 2525 El Camino Senior Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority (CSCDA) on January 18, 2012. The Project’s original issuance deadline was April 27, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

The Project is currently working with the City of Santa Clara for the approval of the final building permit.

Allowing an extension to the issuance date to June 15, 2012 will ensure the issuance of the final building permit and issuance of bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Santa Clara will lose the opportunity to create 47 new units of new affordable senior housing.

Oak Center Homes Apartments (12-012)

The Oak Center Homes Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority (“CSCDA”) on January 18, 2012. The Project’s original deadline was April 17, 2012, which the Executive Directed extended to the Committee meeting date of May 16, 2012.

The Project Sponsor is still working with the City of Oakland on a modification to a deed restriction that is encumbering the property. The committee meeting and public hearing for this item are scheduled for the end of May, which means the Project will not be able to close by the current deadline.

Allowing an extension to the issuance date to July 16, 2012 will ensure the modification to a deed restriction to be heard by the City’s committee and the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Oakland will lose the opportunity to retain and revitalize 89 units of affordable housing.

The Crossings at Cherry Orchard Apartments (12-002)

The Crossings at Cherry Orchard Apartments Project (“Project”) received an allocation award through the Anaheim Housing Authority (AHA) on January 18, 2012. The Project’s original deadline was April 27, 2012, which the Executive Director extended to the Committee meeting date of May 16, 2012.

The Anaheim Community Development Department (“ACCD”) is comprised of the Anaheim Redevelopment Agency (the “Agency”) and the Anaheim Housing Authority (“AHA”) making the AHA and the Agency staff members effectively one and the same. Since AB1x26 was enacted, ACCD has experienced a high degree of staff layoffs which included staff members assigned to the Project. In addition, existing manpower has been reassigned to primarily deal with issues pertaining to redevelopment dissolution. Both issues have delayed the closing of the Project. AHA’s bond financial advisor is currently working on the issuance and expects the Project to close no later than August 10, 2012.

Please note, the Project was approved by the Agency prior to the passing of AB1x26 and the property is an asset of Agency. The Agency’s contribution to the Project is land, pre-development work, and project-based vouchers (Section 8). For these reasons, AHA did not include the Project in the Agency’s ROPs or EOPs as a funding-related obligation.

Allowing an extension to the issuance date to August 10, 2012 will ensure the completion of all the loan processing and the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Anaheim will lose the opportunity to create 44 new units of new affordable housing.

Linda Vista Apartments (11-159)

The Linda Vista Apartments Project (“Project”) received an allocation award through the City of Los Angeles on December 14, 2011. The Project’s original deadline was April 23, 2012, which the Executive Director extended to the Committee meeting date of May 16, 2012.

The City currently anticipates that the bond closing will occur on or about May 11, 2012. However, the City is requesting the extension out of an abundance of caution as the lenders and investors have not yet completed all approvals and document reviews.

Allowing an extension to the issuance date to August 14, 2012 will ensure the completion of all the loan processing and the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Los Angeles will lose the opportunity to create 22 new units of new affordable housing.

Ramona Park Senior Apartments (11-137)

The Ramona Park Senior Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on December 14, 2011. The Project’s original deadline was March 23, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

The Project Sponsor is requesting an extension to allow the finance team to enter into a new commitment with the City of Long Beach. The Project has \$12.4 million committed by the Long Beach Development Company. The City of Long Beach and the Project Sponsor are committed to moving the Project

forward; however, there have been some delays with the enforceability of the City's current commitment. The parties will need to enter into a new agreement to make the funding of the \$12.4 million possible.

Allowing an extension to the issuance date to August 14, 2012 will ensure the completion of the loan processing and the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Long Beach will lose the opportunity to create 60 units of affordable housing.

Fickett Tower Apartments (12-005)

The Fickett Tower Apartments Project ("Project") received an allocation award through the City of Los Angeles on January 18, 2012. The Project was given an issuance deadline of May 7, 2012; which the Executive Director extended to the Committee meeting date of May 16, 2012.

Initially, the Project Sponsor submitted a Citibank Private Placement Purchaser commitment for the purchase of bonds. However, the financing structure has since changed. As a result, the Project now requests an extension while awaiting its HUD 223(f) firm commitment for FHA insurance. The additional time will allow for the drafting of HUD documents and the issuance of bonds by the City of Los Angeles.

Allowing an extension of the issuance date to August 14, 2012 will ensure the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Los Angeles will lose the opportunity to rehabilitate and preserve 195 units of affordable housing.

DISCUSSION:

The CDLAC Regulations state that if an Allocation was awarded during an Open Allocation Round, the Committee may extend a Project or Program's expiration date up to the next regularly scheduled meeting at which time the Committee may elect to grant an additional extension up to ninety (90) days. The Projects mentioned above are otherwise in full compliance and eligible for an extension under the CDLAC Regulations.

RECOMMENDATION:

Staff recommends the approval of the following allocation carryforward and issuance date extensions:

11-127 Taylor Yard Apartments	August 14, 2012
11-050 Oakridge Family Homes Project	August 14, 2012
11-163 1180 4 th Street Apartments	June 29, 2012
11-177 Aspens at South Lake Tahoe Apts.	August 14, 2012
11-173 Shelter Hills Apartments	August 14, 2012
11-117 & 12-004 San Clemente Senior Apartments	August 14, 2012
12-010 2525 El Camino Senior Apartments	June 15, 2012
12-012 Oak Center Homes Apartments	July 16, 2012
12-002 The Crossings at Cherry Orchard Apartments	August 10, 2012
11-159 Linda Vista Apartments	August 14, 2012
11-137 Ramona Park Senior Apartments	August 14, 2012
12-005 Fickett Towers Apartments	August 14, 2012

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