

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 21, 2014

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

ACTION:

Approve Issuance Date Extensions for Various Qualified Residential Rental Projects as noted.

BACKGROUND:

Minerva Manor Apartments (13-129)

The Minerva Manor Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority (“Applicant”) on December 11, 2013. The Project’s original issuance deadline was March 21, 2014; which the Executive Director extended to the Committee meeting date of May 21, 2014.

The Applicant is now requesting a 90-day extension of the allocation expiration date to August 19, 2014. Due to delays in securing building permits for the Project by the assigned Committee deadline, the Project requires additional time to complete the financing of the Project.

Allowing an extension of the issuance deadline to August 19, 2014 will ensure the issuance of the bonds for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the City of Fontana will lose the opportunity to construct 62 affordable senior housing units.

Park 20th Apartments (13-106)

The Park 20th Apartments Project (“Project”) received an allocation award through the Housing Authority of the County of Kern (“Applicant”) on December 11, 2013. The Project’s original issuance deadline was April 1, 2014; which the Executive Director extended to the Committee meeting date of May 21, 2014.

The Applicant is now requesting a 40-day extension of the allocation expiration date to June 30, 2014. This additional time is requested due to a delayed HCD award letter for the Park 20th MHP loan, which was not issued until February 14, 2014. Based on the steps required to achieve compliance with HCD’s loan conditions and receive HCD approval and close the bond financing, the Project needs the additional time in order to complete the closing process.

Allowing an extension of the issuance deadline to June 30, 2014 will ensure the issuance of the bonds for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the City of Bakersfield will lose the opportunity to construct 55 affordable family housing units.

Park Plaza Apartments (14-008)

The Park Plaza Apartments Project (“Project”) received an allocation award through the City of Los Angeles (“Applicant”) on January 15, 2014. The Project’s original issuance deadline was April 25, 2014; which the Executive Director extended to the Committee meeting date of May 21, 2014.

The Applicant is now requesting a 90-day extension of the allocation expiration date to August 19, 2014. This additional time is necessary in order to address the following items which are taking longer than was anticipated at the time of application for a bond allocation: a) the residents need to be income certified, b) a lot line adjustment is in process to separate a portion of the parcel for a city park, and c) the architectural plans are being refined.

Allowing an extension of the issuance deadline to August 19, 2014 will ensure the issuance of the bonds

for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the City of Los Angeles will lose the opportunity to rehabilitate 78 affordable family housing units.

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 below are otherwise in full compliance and eligible for an issuance deadline extension under the CDLAC Regulations.

13-129	Minerva Manor Apartments	August 19, 2014
13-106	Park 20th Apartments	June 30, 2014
14-008	Park Plaza Apartments	August 19, 2014

RECOMMENDATION:

Staff recommends the approval of extensions of the issuance deadline, up to ninety days, for all three Projects noted above.

Prepared by Sarah Lester & Leslie J. Campaz