

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 16, 2015

Consideration and Approval of Issuance Date Extensions
for Various Qualified Residential Rental Projects
(Agenda Item No. 6)

ACTION:

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

BACKGROUND:

Downtown Hayward Senior Apartments (15-325)

The Downtown Hayward Senior Apartments Project (“Project”) received an allocation award through the California Housing Finance Agency (“Applicant”) on May 20, 2015. The Project Sponsor is Downtown Hayward Sr. Apts., L.P. The Project’s initial deadline was August 28, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an 82-day extension of the allocation expiration date to December 7, 2015. The reasons for this request is due to unanticipated delays in obtaining signatures from HCD pertaining to the Project’s MHP, IIG, TOD, and AHSC funding sources. The extension will also align CDLAC’s bond issuance deadline with TCAC’s deadline for tax credits.

Allowing an extension of the issuance deadline to December 7, 2015 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 Hayward will lose the opportunity to rehabilitate 59 build senior/ special needs housing units.

John Burton Foundation Housing Complex Apartments (15-358)

The John Burton Foundation Housing Complex Apartments Project (“Project”) received an allocation award through the City and County of San Francisco Mayor’s Office of Housing and Community Development (“Applicant”) on May 20, 2015. The Project Sponsor is BTW Housing Partners LP. The Project’s initial deadline was August 18, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting a 90-day extension of the allocation expiration date to December 15, 2015. The reason for this request is due to an unanticipated change to the general contractor. The change has delayed the final pricing and has not given the lender and tax credit investor enough time for their internal due diligence.

Allowing an extension of the issuance deadline to December 15, 2015 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 and County of San Francisco will lose the opportunity to build 50 affordable family/ special needs housing units.

Jasmine Garden Apartments (fka Park Village Family Apartments) (15-012)

The Jasmine Garden Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority (“Applicant”) on May 20, 2015. The Project Sponsor is Park Village Family Apartments LP. The Project’s initial issuance deadline was August 28, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting a 12-day extension of the allocation expiration date to September 28, 2015. The reason for this request is due to the Project’s refinancing under the Freddie Mac Targeted Affordable Housing Tax Exempt Loan (TEL) program. The approvals and due diligence under the program have required additional time for their team to fund.

Allowing an extension of the issuance deadline to September 28, 2015 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 Compton will lose the opportunity to rehabilitate 164 affordable family housing units.

Seasons at Simi Valley Apartments (15-341)

The Seasons at Simi Valley Apartments Project (“Project”) received an allocation award through the Golden State Finance Authority (“Applicant”) on May 20, 2015. The Project Sponsor is Seasons Simi Valley AR, LP. The Project’s initial deadline was August 28, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting a 90-day extension of the allocation expiration date to December 15, 2015. The reason for this request is due to delays in seeking the City of Simi Valley (“City”) approvals on several documents that require City cooperation as part of the bond closing. According to the Applicant, it is anticipated that these approvals could go beyond the extended Committee deadline of September 16, 2015.

Allowing an extension of the issuance deadline to December 15, 2015 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 Simi Valley will lose the opportunity to rehabilitate 68 affordable senior housing units.

Dinuba Village (15-326)

The Dinuba Village Apartment Project (“Project”) received an allocation award through the California Statewide Communities Development Authority (“Applicant”) on May 20, 2015. The Project Sponsor is Self-Help Enterprises. The Project’s initial deadline was August 18, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an extension of the allocation expiration date to November 10, 2015. The Project has been unable to close due to a delay in the formation of the limited partnership. In addition, the California Housing and Community Development Department has been delayed in closing the Project’s HOME loan due to a funding gap that the Project Sponsor is working to fill.

Allowing an extension of the issuance deadline to November 10, 2015 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 Dinuba will lose the opportunity to rehabilitate 43 affordable housing units.

Mutual Housing at Foothill Farms Apartments (15-328)

The Mutual Housing at Foothill Farms Apartments Project (“Project”) received an allocation award through the Housing Authority of the County of Sacramento (“Applicant”) on May 20, 2015. The Project Sponsor is Foothill Plaza Housing Associates, L.P. The Project’s initial deadline was September 8, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting a 30-day extension of the allocation expiration date to October 16, 2015. The reason for the request is due to unanticipated delays in obtaining HUD approval for the assignment of Use Agreement and HAP contract to the new ownership entity.

Allowing an extension of the issuance deadline to October 16, 2015 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 Sacramento will lose the opportunity to rehabilitate 97 affordable housing units.

Springville Apartments (15-347)

The Springville Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on May 20, 2015. The Project Sponsor is Springville at Camarillo, LP. The Project’s initial issuance deadline was August 18, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an 8-day extension of the allocation expiration date to September 24, 2015. The reason for this request is due to an unanticipated change in general contractor. Additionally, there has been a delay in closing because the project sponsor anticipated that the Master Developer would donate approximately \$2.4 million in infrastructure improvements. However, because of the complex issues involved with the donation, their tax credit investor was not comfortable with the donation of infrastructure improvements and accordingly the donation had to be restructured into a Master Developer land donation. The value for the land will be approximately \$2.4 million, to the nonprofit general partner. Unfortunately, the Master Developer's counsel has given the opinion that the transfer cannot occur until after the one year anniversary from when the Master Developer purchased the property, which will be September 24, 2014.

Allowing an extension of the issuance deadline to September 24, 2015 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 Camarillo will lose the opportunity to build 59 affordable family units.

Virginia Terrace Apartments (15-355)

The Virginia Terrace Apartments Project ("Project") received an allocation award through the California Housing Finance Agency ("Applicant") on May 20, 2015. The Project Sponsor is SFC-VT LP. The Project's initial issuance deadline was August 28, 2015 which the Executive Director extended to the Committee meeting date of September 30, 2015.

The Applicant is now requesting a 75-day extension of the allocation expiration date to December 15, 2015. This additional extension will allow for pooling of more projects to lower the cost of issuance with a larger public bond transaction.

Allowing an extension of the issuance deadline to December 15, 2015 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 Barstow will lose the opportunity to rehabilitate 75 affordable family housing units.

T. Bailey Manor Apartments (15-331)

The T. Bailey Manor Apartments ("Project") received an allocation award through the City of Los Angeles on May 20, 2015. The Project Sponsor is Women Organizing Resources Knowledge & Services (W.O.R.K.S). The project's initial issuance deadline was August 18, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an additional 90-day extension to December 15, 2015. The additional extension will allow sufficient time for the City's building department to issue its plan check Ready-to-Issue Letter which will allow Citibank ("Lender") and the National Equity Fund ("Tax Credit Investor") to complete project underwriting and obtain final credit approvals.

Allowing an extension of the issuance deadline to December 15, 2015 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 45 affordable housing units.

Leaster Apartments (15-307)

The Leaster Apartments Project ("Project") received an allocation award through the City of Los Angeles ("Applicant") on March 18, 2015. The Project Sponsor is Leaster Apartments, L.P. The Project's initial issuance deadline was July 27, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting a 90-day extension of the allocation expiration date to December 15, 2015. The Project Sponsor is currently awaiting review and approval of certain items by HUD, including repayment of the existing 202 loan and approval of post-rehabilitation rents. The Sponsor has submitted documentation to HUD for its review; HUD has not yet provided a specific time frame for

approval. The requested extension is necessary in order to provide sufficient time for HUD's review and approval.

Allowing an extension of the issuance deadline to December 15, 2015 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 131 affordable housing units.

Samoa Avenue Apartments (15-353)

The Samoa Avenue Apartment Project ("Project") received an allocation award through the California Statewide Communities Development Authority on May 20, 2015. The Project Sponsor is Samoa Avenue Housing, L.P. The Project's initial issuance deadline was September 8, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an extension of the allocation date to December 8, 2015. The Project Sponsor is changing the structure of the financing and will require additional time to send the appropriate documents to the relevant financing agencies.

Allowing an extension of the issuance deadline to December 8, 2015 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 Tujunga will lose the opportunity to rehabilitate 47 affordable housing units.

Pilgrim Tower Apartments (15-346)

The Pilgrim Tower Apartments Project ("Project") received an allocation award through the City of Los Angeles ("Applicant") on May 20, 2015. The Project Sponsor is Pilgrim Tower Apartments, LLC. The Project's initial issuance deadline was September 8, 2015, which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an additional 90-day extension of the allocation expiration date to December 16, 2015 to allow the City of Los Angeles and the U.S. Department of Housing and Urban Development ("HUD") further time to complete their necessary requirements to allow for the issuance of the bonds and closing of the construction financing. Approvals by the City Council, the Mayor and HUD are expected to be completed by the mid-September.

Allowing an extension of the issuance deadline to December 15, 2015 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 the opportunity to rehabilitate 108 affordable senior housing units.

St. Timothy's Tower and Manor Apartments (15-335)

The St. Timothy's Tower and Manor Apartments Project ("Project") received an allocation award through the California Statewide Communities Development Authority ("Applicant") on May 20, 2015. The Project Sponsor is St. Timothy's Preservation, LP. The Project's initial issuance deadline was August 18, 2015, which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an additional 90-day extension of the allocation expiration date to December 16, 2015 to allow the City of Los Angeles and the U.S. Department of Housing and Urban Development ("HUD") further time to complete their necessary requirements to allow for the issuance of the bonds and closing of the construction financing. Approvals by the City Council, the Mayor and HUD are expected to be done by the middle of September.

Allowing an extension of the issuance deadline to December 15, 2015 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 Compton will the opportunity to rehabilitate 133 affordable senior housing units.

Beverly Terrace Apartments (15-349)

The Beverly Terrace Apartments Project (“Project”) received an allocation award through the City of Los Angeles (“Applicant”) on May 20, 2015. The Project Sponsor is Supportive Housing LLC and St. Anne’s Maternity Home. The Project’s initial issuance deadline was September 8, 2015, which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an additional 90-day extension of the allocation expiration date to December 16, 2015 due to delays related to the completion of the City’s Building and Safety plan check and permit process. The Project Sponsor is working diligently to complete the aforementioned plan check and permit process in order to commence construction.

Allowing an extension of the issuance deadline to December 15, 2015 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 the opportunity to build 39 affordable special needs housing units.

Villa la Esperanza Apartments (15-354)

The Villa la Esperanza Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on May 20, 2015. The Project Sponsor is Villa La Esperanza, LP. The Project’s initial issuance deadline was August 18, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting a 90-day extension of the allocation expiration date to December 15, 2015. The Project has been unable to close due to a delayed 20-year HAP approval by HUD.

Allowing an extension of the issuance deadline to December 16, 2015 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 Goleta will lose the opportunity to rehabilitate 81 affordable housing units.

Park Plaza Apartments (15-013)

The Park Plaza Apartment Project (“Project”) received a supplemental allocation award through the City of Los Angeles on May 20, 2015 and an initial award on January 15, 2014. The Project Sponsor is Vermont Park Plaza, L.P. The Project’s initial deadline was September 8, 2015 which the Executive Director extended to the Committee meeting date of September 16, 2015.

The Applicant is now requesting an additional 90-day extension of the allocation expiration date to December 16, 2015. The City of Los Angeles needs more time to obtain approvals from the City Council and the Mayor to issue bonds. The City requested bond issuance authority in July 2015 but the City Council was on recess for most of that month and was not able to take up the bond request. The City Council and the Mayor are expected to approve the bond issuance authority mid-September 2015. The proposed request will allow the City of Los Angeles more time to gather these approvals and complete the financing on the Project.

Allowing an extension of the issuance deadline to December 15, 2015 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 the opportunity to rehabilitate 78 affordable 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.

15-325	Downtown Hayward Senior Apartments	December 7, 2015
15-358	John Burton Foundation Housing Complex Apartments	December 7, 2015
15-012	Park Village Family Apartments	September 28, 2015
15-338	Seasons at Simi Valley Apartments	December 15, 2015
15-326	Dinuba Village Apartments	November 10, 2015
15-328	Mutual Housing at Foothill Farms Apartments	October 16, 2015
15-347	Springville Apartments	September 24, 2015
15-355	Virginia Terrace Apartments	December 15, 2015
15-331	T. Bailey Manor Apartments	December 15, 2015
15-307	Leaster Apartments	December 15, 2015
15-353	Samoa Avenue Apartments	December 8, 2015
15-346	Pilgrim Tower Apartments	December 15, 2015
15-335	St. Timothy's Tower and Manor Apartments	December 15, 2015
15-349	Beverly Terrace Apartments	December 15, 2015
15-354	Villa la Esperanza Apartments	December 15, 2015
15-013	Park Plaza Apartments	December 15, 2015

RECOMMENDATION:

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

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