

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
March 16, 2016  
**Consideration and Approval of Issuance Date Extensions**  
**for Various Qualified Residential Rental Projects**  
**(Agenda Item No. 4)**

**ACTION:**

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

**BACKGROUND:**

**Green Gardens Apartments (15-381)**

The Green Gardens Apartments Project (“Project”) received an allocation award through the Housing Authority of the County of Kern (“Applicant”) on September 16, 2015. The Project Sponsor is Golden Empire Affordable Housing, Inc. II. The Project’s initial deadline was January 28, 2016, which the Executive Director extended to the Committee meeting date of March 16, 2016. The applicant is requesting an extension of the allocation expiration date to April 27, 2016.

The Housing Authority applied to the CDLAC allocation for Green Gardens at the same time as the application for competitive 4% with State credits. The competitive tax credit application was not successful so the applicant, Golden Empire Affordable Housing, Inc. II, had to apply for non-competitive 4% credits at a later round. This delayed the Project as the 4% credits were not awarded until October 2015. An extension provides additional time needed to close the construction financing and issue the bonds.

Allowing an extension of the issuance deadline to April 27, 2016 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 County of Kern will lose the opportunity to construct 102 affordable family housing units.

**Casa De Oro Apartments (15-423) & Los Ositos Apartments (15-426)**

The Casa De Oro & Los Ositos Apartments Projects (“Projects”) received an allocation award through the Housing Authority of the County of Monterey (“Applicant”) on October 21, 2015. The Project Sponsor is HA RAD LLC1. The Projects' initial deadline was January 29, 2016 and February 8, 2016 respectively, which the Executive Director extended to the Committee meeting date of March 16, 2016. The Applicant is requesting an extension of the allocation expiration date to April 28, 2016.

The bonds for Casa de Oro and Los Ositos will be issued under a single plan of finance (with a single-partnership borrower) , and the Project is also one of five HACM projects converting from public housing under HUD’s Rental Assistance Demonstration (RAD) program (four of which will be tax credit and bond projects). The four tax credit and bond projects all have a common investor and lender, and are expected to close on or about the same date. Due to the complexity of the financing, additional time is required in order to allow the lender (Wells Fargo/CCRC), investor (National Equity Fund) and HUD to complete their respective underwriting and obtain final approvals.

Allowing an extension of the issuance deadline to April 28, 2016 will ensure the issuance of the bonds for both Projects. If the issuance deadline is not extended, the Projects will lose their allocation and the County of Monterey will lose the opportunity to rehabilitate 68 affordable senior housing units.

**East Bluff Apartments (15-442)**

The East Bluff Apartment Project (“Project”) received an allocation award through the County of Contra Costa (“Applicant”) on December 16, 2015. The project sponsor is EB L.P. The project's initial deadline was March 15, 2016 which the Executive Director extended to the Committee meeting date of March 16, 2016. The Applicant is requesting an extension of the allocation expiration date to April 15, 2016.

The extension is being requested to allow sufficient time to coordinate the financing with the lender and tax credit investor. Additional coordination is required between the soft lender and the new lenders/investor. The project also requires added time to coordinate with the City of Pinole, the Successor Agency, on the pay-off of existing bonds and to revise/modify the existing loan documents. This additional coordination is crucial to synchronizing all of the financing partners on the project.

Allowing an extension of the issuance deadline to April 15, 2016 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 County of Contra Costa will lose the opportunity to rehabilitate 144 affordable housing units.

**Columbia Park Apartments (15-457)**

The Columbia Park Apartments Project (“Project”) received an allocation award through the City and County of San Francisco. The project sponsor is Mercy Housing California 67, L.P. The project's initial deadline was March 15, 2016 which the Executive Director extended to the Committee meeting date of March 16, 2016. The Applicant is requesting an extension of the allocation expiration date to April 30, 2016.

The extension is being requested because the tax credit investor selection process was delayed by protracted negotiations with the project's tax credit syndicator. Using this particular syndicator unexpectedly extended the selection process by four to six weeks due to its protocols and processes. Also, this project will include an option and required right of first refusal structure for the City of San Francisco ensuring long-term affordability and that project related resources are not distributed at the conclusion of the partnership agreement. As a result, document drafting and negotiation among the parties is taking longer than expected.

Allowing for an extension of the issuance deadline to April 30, 2016 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 rehabilitate 50 affordable housing units.

**DISCUSSION:**

The CDLAC Regulations, applicable to these projects, 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.

<b>15-381 Green Gardens Apartments</b>	<b>April 27, 2016</b>
<b>15-423 Casa De Oro Apartments</b>	<b>April 28, 2016</b>
<b>15-426 Los Ositos Apartments</b>	<b>April 28, 2016</b>
<b>15-442 East Bluff Apartments</b>	<b>April 15, 2016</b>
<b>15-457 Columbia Park Apartments</b>	<b>April 30, 2016</b>

**RECOMMENDATION:**

Staff recommends the approval of extensions of the issuance deadlines, up to ninety (90) days, for all Projects noted above.

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