

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 13, 2017

**Consideration of Staff's Recommendation to Approve a Change of Issuer for Various
Projects**
Agenda Item No. 7

ACTION:

Consider the approval of a change of Issuer for 1296 Shotwell Senior Housing Apartments (17-419) and One Church Street Apartments (17-411) ("Projects") from the original issuer, City and County of San Francisco ("City") to the new issuer, the California Municipal Finance Authority ("CMFA").

BACKGROUND:

1296 Shotwell Senior Housing Apartments is a 94 unit new construction Project for seniors located in the City of San Francisco. The Project Sponsor is 1296 Shotwell Housing, LP. The City is requesting a bond allocation of \$32,483,000.

One Church Street Apartments is an existing 93 unit Project located in the City and County of San Francisco. The City is requesting a bond allocation of \$29,500,000. The Project Sponsor is Bridge Housing Corporation.

The CDLAC Applicant and original bond issuer, City and County of San Francisco are scheduled to receive an award of allocation for both projects on December 13, 2017.

Due to the proposed tax reform and uncertainty regarding the future of private activity bonds, the sponsor is looking to have bonds issued prior to December 31, 2017. Since the City does not have the ability to issue the bonds prior to December 31, 2017, the City is requesting to transfer the bond allocations to an issuer who can meet the year-end deadline. CMFA, a Joint Powers Authority ("JPA") can issue the bonds by December 31, 2017. Both projects have a valid TEFRA which will be transferred from the City to the new issuer, CMFA.

DISCUSSION:

Under California Code, Government Code - GOV § 8869.85 – "(d) and Section 5120 of the CDLAC Regulations, no allocation made to a state agency or a local agency pursuant to this section may be transferred by the initial recipient thereof to any other state agency or local agency unless the committee expressly permits the transfer. *"With the committee's permission, any state or local agency may, by resolution, transfer to any other local agency or to any state agency or back to the committee all or any portion of the agency's private activity bond limit."* As such, CDLAC has the authority to permit the transfer from City and County of San Francisco to CMFA.

CDLAC has received letters of authorization agreeing to the allocation transfer and signed by the applicant (original issuer), the sponsor and the new issuer. The letters acknowledge these are one time transfer requests, and that the new issuer agrees to adhere to all terms and conditions in the original resolution, including the expiration date of the allocation and TEFRA requirements.

RECOMMENDATION:

In light of the circumstances described above, Staff recommends the approval of the change in issuer for 1296 Shotwell Senior Apartments (17-419) and One Church Street Apartments (17-411) from the City and County of San Francisco to CMFA.

Prepared by Shirley Hom