

California Debt Limit Allocation Committee (CDLAC)

Jesse Unruh Building
915 Capitol Mall, Room 587
Sacramento, CA 95814

December 14, 2011 – Meeting Minutes

1. Call to Order and Roll Call

Bettina Redway, Chairperson, called the California Debt Limit Allocation Committee meeting to order at 1:05 p.m.

Members present were Alan Gordon for State Controller John Chiang, Pedro Reyes for Governor Edmund G. Brown, Jr., and Bettina Redway for State Treasurer Bill Lockyer.

Advisory Members present were Bob Deaner for Cal-HFA and there was no representative present for HCD.

2. Approval of the Minutes of the November 16, 2011 Meeting

There were no comments or questions and Pedro Reyes moved for approval of the minutes of the November 16, 2011 meeting. Alan Gordon seconded the motion. The approval of the November 16, 2011 meeting minutes was unanimously approved.

3. Executive Director's Report

Sean Spear reported that the staff has once again extended the HUD Forward Commitment Program for 2012. The program helps facilitate FHA-insured and HUD-funded QRRP projects attempting to use those programs with tax-exempt bonds. CDLAC provides a Staff Recommendation Letter to the Project Sponsor after an initial application review; with the project then returning to CDLAC for Committee consideration once the HUD Firm Commitment Letter is received. CDLAC will continue to actively market this program with HUD to build on the relationship via some new initiatives over the coming year.

Mr. Spear noted that at the last meeting there was some last minute written public comments requesting that the Committee deny the issuance deadline extension for the Samoa Avenue Apartments project in Los Angeles. The neighbors cited that the project did not have its Planning Approvals as required under our Regulations. The Committee approved the extension, but with the caveat that Staff would investigate the situation and report back to the Committee on its findings. Mr. Spear advised that the Staff confirmed that the application back in May did in-fact meet CDLAC requirements at the time, but that the Project Sponsor applied for some discretionary planning actions after the Committee approved the allocation award in July. These changes were actually in response to some neighborhood concerns about the project. With last month's extension, the Issuer and Project Sponsor believe they will secure the new planning approvals and return to CDLAC for a supplemental award request as early as March. Staff is thus not recommending any changes to the previous approvals by the Committee.

Lastly, Mr. Spear advised that CDLAC's Emergency Regulations were approved by OAL last Friday. This means that the March 2012 Round applications will be subject to the new requirements. Mr. Spear encouraged potential applicants to familiarize themselves with the changes; which can be found on the CDLAC website now.

There were no comments or questions.

4. Consideration and Approval of an Issuance Date Extension and Carryforward Authorization for Various Qualified Residential Rental Program Projects – Qualified Residential Rental Program:

Crystal Alvarez reported that Staff recommends approval of issuance date extensions for the following: The Slauson Station Apartments Project to February 15; The Courtyard at La Brea Apartments Project to January 30, 2012; The Mid-Celis Apartments Project to February 25, 2012; The San Clemente Senior Apartments Project to February 29, 2012; The Evergreen Apartments – 1528 Freeman Avenue Project

to March 13, 2012; The Hallmark Apartments to March 26, 2012; The Las Villas de Paseo Nuevo Apartments to March 26, 2012; The 3rd Street Residential Development Apartments to March 26, 2012; and the San Fernando Community Housing Apartments to February 15, 2012.

Alan Gordon moved for approval, Bettina Redway seconded the motion. Mr. Gordon and Ms. Redway voted aye; Pedro Reyes abstained. The motion was passed 2-0-1 for issuance date extensions for the following:

11-108 Slauson Station Apartments	February 15, 2012
11-112 Courtyard at La Brea Apartments	January 30, 2012
11-113 Mid-Celis Apartments	February 25, 2012
11-117 San Clemente Senior Apartments	February 29, 2012
11-089 Evergreen Apartments – 1528 Freeman Avenue	March 13, 2012
11-119 Hallmark Apartments	March 26, 2012
11-114 Las Villas de Paseo Nuevo	March 26, 2012
11-124 3 rd Street Residential Apartments	March 26, 2012
11-109 San Fernando Community Housing Apartments	February 15, 2012

5. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Single Family Housing Programs and Awards of Allocation

Sarah Lester reported that the Committee received three (3) applications and Staff recommends approval of \$296,020,406 to fund three (3) programs in the Single Family Housing Program.

Pedro Reyes moved for approval and Alan Gordon seconded the motion. The motion to approve the 3 applications for a total of \$296,020,406 was unanimously approved.

11-157	City and County of San Francisco Mayor's Office of Housing	\$5,537,757
11-167	California Housing Finance Agency	\$270,000,000
11-174	County of Orange	\$20,482,649

6. Consideration of Appeals and Applications for an Allocation of the State Ceiling on Qualified Private Activity Bonds for Qualified Residential Rental Projects and Awards of Allocation

Richard Fischer reported that Staff recommends approval of \$25,700,000 to fund three (3) projects in the Rural Pool and approval of \$202,809,328 to fund nineteen (18) projects in the General Pool.

Pedro Reyes requested the Committee vote for approval on all recommended projects except 11-070, 11-137, 11-163, 11-164, 11-168, and 11-177. Chair Bettina Redway agreed to split the vote. Pedro Reyes moved for approval of the recommended applications except for those he previously noted. Alan Gordon seconded the motion and the applications were unanimously approved.

Alan Gordon moved for approval of 11-070, 11-137, 11-163, 11-164, 11-168, and 11-177. Bettina Redway seconded the motion. Mr. Gordon and Ms. Redway voted aye. Pedro Reyes abstained. The motion for approval was approved 2-0-1.

Alan Gordon asked about the toxic remediation for the Taylor Yard Apartments. Antonio Bermudez Project Manager at McCormack Baron Salazar 801 S Grand Avenue, Suite 780, Los Angeles, CA 90017, 213-236-2660, addressed Mr. Gordon's concern and stated that the land is owned by the MTA and the land was approved for construction when purchased. The developer is conducting an additional assessment to assure the land falls within the required approval for construction and they have purchased an environmental liabilities insurance policy. Mr. Gordon had no further questions.

Alan Gordon moved for approval of allowing the 1180 Fourth Street Apartments for the over \$30,000,000 limit. Bettina Redway seconded. Mr. Gordon and Ms. Redway voted aye and Pedro Reyes abstained. The motion was approved 2-0-1.

11-165	McCarty Manor Apartments	Ukiah	\$3,400,000
11-175	Manzanita Place Apartments	Unincorp. Monterey	\$13,300,000
11-177	Aspens at South Lake Tahoe Apts.	South Lake Tahoe	\$9,000,000
11-017	Broadway Villas Apartments	Los Angeles	\$7,479,629
11-050	Oak Ridge Family Homes	Los Angeles	\$7,000,000
11-127	Taylor Yard Apartments	Los Angeles	\$11,000,000
11-131	Key Largo Apartments	El Cajon	\$16,400,000
11-137	Ramona Park Senior Apartments	Long Beach	\$11,487,945
11-142	Vineland Avenue Senior Housing Apts.	Los Angeles	\$17,625,055
11-158	Evergreen Apartments 1801 & 1823 E. 68th Street	Long Beach	\$2,341,500
11-159	Linda Vista Apartments	Los Angeles	\$5,288,149
11-160	Canyon Crest Family Apartments	Fresno	\$6,180,000
11-163	1180 Fourth Street Apartments	San Francisco	\$48,155,000
11-164	La Palma Apartment Homes	Buena Park	\$12,500,000
11-168	The Post Apartments	Imperial Beach	\$4,200,000
11-169	Birch Birch Apartments	Santa Ana	\$400,000
11-170	Kenneth Henry Court Apartments	Oakland	\$3,800,000
11-171	Drasnin Manor Apartments	Oakland	\$4,500,000
11-172	Logan Place Apartments	Petaluma	\$15,172,020
11-173	Shelter Hills Apartments	Mill Valley	\$18,280,030
11-176	School House Station & Vista Grande Apts.	Daly City	\$11,000,000

7. Consideration of Staff's Recommendation to Transfer and Award Unused 2011 Allocation to Various Issuers

Sarah Lester reported that after this meeting's allocations have been made; there will be a 2011 volume cap balance of approximately \$2,539,000,000 remaining. This amount is likely to increase as projects that have received bond authority may issue only a portion of their allocation or fail to issue bonds entirely. Staff surveyed the 12 most active issuers that were contacted for the 2010 lump sum carryforward analysis. Four of these issuers responded with interest in receiving a lump sum 2011 carryforward allocation. Additionally, CalHFA expressed an interest in receiving allocation for their anticipated re-introduction of their Multifamily Mortgage Revenue Bond Program.

Ms. Lester continued that in order to ensure that no amount of 2011 allocation is lost, staff is recommending that the remaining allocation as of December 14, 2011 be made available to the following issuers in the following amounts:

NAME OF ISSUER	RECOMMENDED TRANSFER AMOUNT
City of Los Angeles	\$200,000,000*
California Statewide Communities Development Authority	\$600,000,000*
California Housing Finance Agency - MRB	\$250,000,000*
California Housing Finance Agency - QRRP	\$400,000,000*
California Municipal Finance Authority	\$400,000,000*
California Pollution Control Financing Authority	Remaining balance

* This carryforward allocation will be applied to future individual QRRP and MRB requests for allocation made by the issuer to the Committee until the amounts are exhausted.

Pedro Reyes moved for approval and Alan Gordon seconded the motion. The motion to transfer and award unused 2011 allocation to the various issuers was unanimously approved.

8. Consideration of a Request for a Waiver of the Forfeited Performance Deposit for Various Projects – Qualified Residential Rental Program

Misti Armstrong reported that the Project Sponsors for the Projects noted below have each returned their initial award of 2011 allocation and are requesting a waiver of the forfeiture of the performance deposit and the negative points penalty.

App.	Project
11-049	School House Station & Vista Grande Apartments
11-057	Manzanita Apartments

11-087 Kenneth Henry Court Apartments
11-066 Aspens at South Lake Tahoe Apartments
11-090 Drasnin Manor Apartments

Ms. Armstrong noted that awards of allocation for each Project were granted well before the RDA lawsuit and the Supreme Court Stay were issued; evidencing that the circumstances experienced by each Project were unforeseen and outside the control of the Applicant and Project Sponsor. Ms. Armstrong advised that Staff recommends the approval of the waiver of the performance deposit forfeiture and a waiver of negative points.

Alan Gordon moved for approval and Bettina Redway seconded the motion. Mr. Gordon and Ms. Redway voted aye and Pedro Reyes abstained. The motion was approved 2-0-1 for the School House Station & Vista Grande Apartments Project (11-049), Manzanita Apartments (11-057), Kenneth Henry Court Apartments (11-087), Aspens at South Lake Tahoe Apartments (11-066), and Drasnin Manor Apartments (11-090).

9. Public Comment

There were no comments or questions from the public.

10. Adjournment

The Chairperson adjourned the meeting at 1:25 p.m.