

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**May 28, 2008**

**Approve the Transfer of 2007 ABAG Finance Authority for Nonprofit Corporations (“ABAG”) Carryforward Allocation to ABAG Projects Approved at the March 26, 2008 Allocation Meeting**

**ACTION:** Approve the Transfer of \$23,567,517 in 2007 ABAG Carryforward Allocation to ABAG Projects Approved at the March 26, 2008 Allocation Meeting.

**BACKGROUND**

On December 5, 2007, the Committee awarded \$97,500,000 in private activity bond allocation to the ABAG Finance Authority for Non-profit Corporations (“ABAG”) for the Montague Residence Apartments project (the “Project”) on a carryforward basis. On March 18, 2008, ABAG requested an extension of the expiration date to May 23, 2008 for the issuance of the bonds and staff granted the extension. On May 9, 2008, the Committee received a subsequent request from the Issuer to further extend the expiration date to the end of 2008; however, staff denied the request due to the limited amount of allocation currently available in the Committee’s 2008 Qualified Residential Rental Program pool. Staff has informed ABAG that unless the bonds are issued on or before May 23, 2008, the allocation will revert to the Committee and negative points as well as the forfeiture of the performance deposit will be assessed against the Project Sponsor.

To ensure the full utilization of the unused ABAG 2007 carryforward allocation, staff is recommending that the Committee approve the transfer of a portion of the allocation in the amount of \$23,567,517 to the three ABAG projects that were previously awarded current year allocation on March 26, 2008. Bonds have not been issued for these projects as of yet and if approved, staff will revise the current project resolutions to reflect the change in allocation thus preserving the current year allocation for other qualifying QRRP projects in 2008.

**RECOMMENDATION:** Approve the Transfer of \$23,567,517 in 2007 ABAG Carryforward Allocation to ABAG Projects Approved at the March 26, 2008 Allocation Meeting.

Prepared by, Misti Armstrong.