

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

March 25, 2009

Consideration and Approval of \$1.865 million in additional 2009 tax-exempt bond allocation for Lincoln Anaheim Phase B Apartments (Anaheim Housing Authority)

ACTION:

Approve the award of \$1.865 million in 2009 tax-exempt bond allocation to the Anaheim Housing Authority for the Lincoln Anaheim Phase B Apartments.

BACKGROUND:

On January 28, 2009, the California Debt Limit Allocation Committee (the "Committee") awarded the Anaheim Housing Authority (the "Applicant") \$23.5 million in allocation for the Lincoln Anaheim Phase B Apartments project. As a portion of this award, the Applicant was authorized to use \$1.865 million of its unused 2007 Carryforward Allocation. The balance of the award in the amount of \$21,635,000 was transferred from the 2009 State Ceiling on Qualified Private Activity Bonds.

On March 9, 2009, staff was notified that the Carryforward Election (the "Election") associated with the original December 5, 2007 award of \$24.215 million in allocation to the Anaheim Housing Authority for the Bel Age Manor Apartments project did not specify the full amount of the award as required. Instead, the Election erroneously specified the "issued" amount of bonds for the project in the amount of \$22.35 million. As a result, \$1.865 million in unused 2007 allocation was not preserved as was previously documented by the Committee and later transferred to Lincoln Anaheim Phase B Apartments project.

A Carryforward Election as authorized by Internal Revenue Service (IRS) is necessary to preserve the use of current year allocation in a future year. It is unclear at this time whether or not the IRS will allow an amendment to the Election filed for the Bel Age Manor Apartments project. However, the Applicant is currently required to issue bonds for the Lincoln Anaheim Phase B Apartments project no later than May 18, 2009. Because of this time constraint, staff recommends that the Committee approve an additional award of allocation to replace the 2007 Carryforward Allocation previously awarded to the Lincoln Anaheim Phase B Apartments project. This will enable the Applicant to issue bonds within the Committee's required timeframe.

Please note: The Applicant has also requested a supplemental award of allocation for the Anaheim Phase B Apartments project in the amount of \$450,000 - March 25, 2009 Agenda Item 6.20.

RECOMMENDATION:

Staff recommends the award of \$1.865 million in 2009 tax-exempt bond allocation to the Anaheim Housing Authority for the Lincoln Anaheim Phase B Apartments.

Prepared by Misti Armstrong