

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

September 23, 2009

Consideration of an Issuance Period Extension to Certain Qualified Residential Rental Program Projects Approved on May 27, 2009 and July 22, 2009 and in Receipt of TCAC August 26, 2009 ARRA Funding Awards
(Agenda Item No. 6)

ACTION:

Approve the extension of the issuance expiration date to December 31, 2009 for May 27, 2009 and July 22, 2009 CDLAC allocation recipients that received ARRA financing from the California Tax Credit Allocation Committee (TCAC) on August 26, 2009.

BACKGROUND:

The American Recovery and Reinvestment Act of 2009 (ARRA) has created opportunities to assist 4% tax credit projects that either have been unable to secure an equity investor, or have a committed equity partner yet still have a funding gap. For 2009, TCAC 4% tax credit applicants may compete for either cash in lieu of tax credit or gap financing. In addition, 4% tax credit projects awarded a California Department of Housing and Community Development (HCD) permanent loan commitment may also apply for and receive an HCD loan guarantee from TCAC.

DISCUSSION:

On August 26, 2009, TCAC awarded ARRA funds to a total of 11 multi-family projects previously awarded tax-exempt bond allocation in May and July of this year. According to CDLAC procedures, these projects were given a deadline to issue no later than September 14, 2009 and November 9, 2009 respectively. In an effort to provide these projects adequate time to take advantage of the ARRA funds and finalize project financing, staff recommends the Committee **extend the current issuance deadlines to December 31, 2009**. This is the latest date allowed under IRS tax code for projects not awarded allocation on a carry-forward basis in 2009.

RECOMMENDATIONS:

Staff recommends the approval of an extended issuance expiration date of December 31, 2009 for the following projects:

09-056 Hudson Park I and II Apartments
09-060 Desert View Apartments
09-062 San Jacinto Senior Apartments
09-048 Tonner Hills Apartments
09-052 St. Joseph's Senior Apartments
09-057 Desert Oak Apartments

09-059 Creekside Apartments
09-084 2235 Third Street Apts.
09-013 Tassafaronga Village Apts.
09-041 Camellia Place Apts.
09-073 36th and Broadway Apts.

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