

REVISED
THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

December 16, 2009

Consideration of an Award of Carryforward Allocation for Various Qualified Residential Rental Program Projects Previously Awarded 2009 Allocation
(Agenda Item No. 6)

ACTION:

Approve an award of 2009 carryforward allocation for various Qualified Residential Rental Program (QRRP) projects in receipt of previously awarded 2009 allocation, which have recently received an award of ARRA financial support from the California Tax Credit Allocation Committee (TCAC).

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 facing these types of situations were eligible to compete for either cash in lieu of tax credit or gap financing.

TCAC has awarded ARRA funds to various multifamily housing projects previously awarded tax-exempt bond allocation in 2009. On September 23, 2009, the Committee granted each 2009 project identified below an extended issuance deadline of December 31, 2009 to accommodate ARRA loan closing deadlines. However, TCAC has since indicated that the ARRA loan closing for these projects will not take place until early 2010.

In an effort to provide the 2009 projects below adequate time to take advantage of the ARRA funds and finalize project financing in 2010, staff recommends the Committee grant an award of 2009 carryforward allocation to St. Joseph's Senior Apartments (09-052) and Windsor Redwoods Apartments (09-024) in place of each project's outstanding current year allocation. Staff also recommends a CDLAC bond issuance deadline consistent with each project's TCAC ARRA award closing deadline.

INFORMATIONAL:

Under the CDLAC Procedures, the CDLAC Executive Director has the authority to approve an issuance extension for projects in receipt of a carryforward allocation. In alignment with the two projects mentioned above, the CDLAC Executive Director will grant such an extension to the following projects to the project specific TCAC ARRA award closing deadline:

09-084 2235 Third Street Apts.	\$50,000,000 (2007 carryforward)
09-073 36th and Broadway Apts.	\$5,700,000 (2008 carryforward)
09-048 Tonner Hills Apts.	\$21,000,000 (2008 carryforward)
08-180 Morgan Hill Apts.	\$4,800,000 (2008 carryforward)

RECOMMENDATION:

Staff recommends Committee approval of a 2009 carryforward allocation for the following projects and a bond issuance deadline consistent with each project's TCAC ARRA award closing deadline:

09-052 St. Joseph's Senior Apts.	\$27,700,000
09-024 Windsor Redwoods Apts.	\$14,100,511