

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

March 16, 2011

Consideration and Approval of a Revision to CDLAC Resolution 09-74 for the Vendome Palms Apartments (09-033)
(Agenda Item No. 7)

ACTION:

Approve the revision to the CDLAC Resolution 09-74 for the purpose of releasing the performance deposit without forfeit.

BACKGROUND:

Over time, the Committee has awarded private activity bond allocation to multiple Projects that have recently issued their bonds. However, some of these Projects, like the Vendome Palms Apartments (09-033) do not issue 100% of the awarded allocation amount, yet greater than 80% of the allocation awarded. Under Section 8869.84(e) of the California Government Code, for any awarded allocation amount not issued, a proportional share of the applicant/issuer's performance deposit shall be subject to forfeiture to CDLAC.

DISCUSSION:

Projects often encounter justifiable reasons for issuing bonds in amounts slightly less than the original awarded allocation amounts from CDLAC. To avoid a forfeit, staff recommends revising the current CDLAC Resolution for the Vendome Palms Apartments to reflect the actual amount used.

RECOMMENDATIONS:

Staff recommends approval of a revision to CDLAC Resolution 09-74 for the Vendome Palms Apartments, revising the resolution amount to \$6,260,000.

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