

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 16, 2011**

**Consideration and Approval of an Issuance Date Extension
for Gateway Terrace Apartments, Market Park Apartments, Avila Avenue Apartments and Samoa
Avenue Apartments (Agenda Item No. 4)**

ACTION:

Approve a bond issuance date extension for Gateway Terrace Apartments (11-096), Market Park Apartments (11-024), Avila Avenue Apartments (11-098) and Samoa Avenue Apartments (11-042).

BACKGROUND:

Gateway Terrace Apartments Project (11-096)

The Gateway Terrace Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority (Applicant) on July 20, 2011. The Project’s original issuance deadline was October 28, 2011; which the Executive Director extended to the Committee meeting date of November 16, 2011 as permitted under CDLAC regulations.

The Project has been delayed due to the housing authority and HUD requiring more time to confirm the availability of Section 8. Each financing source has its own loan review process and the financing team has been working diligently to meet all necessary timelines. Although all financing sources are committed, the additional lead time now required by these funding sources has the Project’s financing team concerned that they may not be able to secure approvals from all the sources prior to the current issuance deadline. Therefore, the Applicant is requesting an extension to the current deadlines as a precautionary measure.

Allowing an extension of the issuance date to December 27, 2011 will ensure the completion of all the loan processing and the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Merced will lose the opportunity to create 65 new units of affordable housing.

Market Park Apartments Project (11-024)

The Market Park Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority (CSCDA) on July 20, 2011. The Project’s original issuance deadline was October 18, 2011; which the Executive Director extended to the Committee meeting date of November 16, 2011 as permitted under CDLAC regulations.

Due to delays in the financing, the Project will not be able to close by the revised deadline of November 16, 2011. CSCDA notified the Project Sponsor that on September 30, 2011 the Project had been allocated New Issue Bond Program allocation. In order for the Project Sponsor to comply with the CSCDA final issuance date of December 15, 2011, CSCDA and the Project Sponsor need additional time from the previously extended expiration date to allow this bond transaction to close.

Allowing an extension to the issuance date to December 27, 2011 will ensure the issuance of the bonds for the Project under the New Issue Bond Program. If the issuance date is not extended, the Project will lose its allocation and the City of Inglewood will lose the opportunity to create 49 new units of affordable housing.

Avila Avenue Apartments (11-098)

The Avila Avenue Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on July 20, 2011. The Project’s original issuance

deadline was October 18, 2011, which the Executive Director extended to the Committee meeting date of November 16, 2011 as permitted under CDLAC regulations.

The lender, Rabobank, is experiencing delays due to capacity issues. However, they are on track for approval and funding in December of this year.

Allowing an extension to the issuance date to December 31, 2011 will ensure the completion of the funding approval process and the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City of Parlier will lose the opportunity to create 32 new units of affordable housing.

Samoa Avenue Apartments (11-042)

The Samoa Avenue Apartments Project (“Project”) received an allocation award through the City of Los Angeles on July 20, 2011. The Project’s original issuance deadline was October 28, 2011; which the Executive Director extended to the Committee meeting date of November 16, 2011 as permitted under CDLAC regulations.

The project sponsor of the Samoa Avenue Apartments Project has determined, in conjunction with consultation with lenders and investors, that the Project requires bond proceeds in excess of the \$11,000,000 of current CDLAC allocation for the Project. The City of Los Angeles is preparing to submit a supplemental application for additional allocation once all City approvals have been received.

Allowing an extension to the issuance date to February 14, 2012 will allow the project the ability to receive a supplemental award of allocation. If the issuance date is not extended, the Project will lose its allocation and the City of Los Angeles will lose the opportunity to create 63 new units of affordable housing.

DISCUSSION:

The CDLAC Regulations state that if an Allocation was awarded during an Open Allocation Round, the Committee may extend a Project or Program’s expiration date up to the next regularly scheduled meeting at which time the Committee may elect to grant an additional extension up to ninety (90) days.

The Projects mentioned above are otherwise in full compliance and eligible for an extension under the CDLAC Regulations.

RECOMMENDATION:

Staff recommends the approval of the following issuance date extensions:

11-096 Gateway Terrace Apartments	December 27, 2011
11-024 Market Park Apartments	December 27, 2011
11-098 Avila Avenue Apartments	December 31, 2011
11-042 Samoa Avenue Apartments	February 14, 2012

Prepared by Richard Fischer / Sarah Lester/ Crystal Alvarez/Annie Ong