

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 21, 2012

Consideration and Approval of an Issuance Date Extension for Various Qualified Residential Rental Program Projects
(Agenda Item No. 5)

ACTION

Approve a set of bond issuance date extensions for Trans Pacific Gardens Apartments (11-141), Palmdalia Family Apartments (11-149), Logan Place Apartments (11-172), Casa Rita Apartments (11-129), Colonial House Apartments (11-154), Heritage Commons Apartments (11-138), 1180 4th Street Apartments (11-163), Mono Hilltop Apartments (11-151), Wasco Arms Apartments (11-152), McCarty Manor Apartments (11-144), Shady Lane Apartments (11-123), and Broadway Villas Apartments (11-017).

BACKGROUND

Trans Pacific Gardens II Apartments (11-141)

The Trans Pacific Gardens II Apartments Project (“Project”) received an allocation award through the California Affordable Housing Agency on November 16, 2011. The Project’s original issuance deadline was February 14, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The Project Sponsor (DHI Trans Pacific Gardens Associates, L.P.) is requesting an extension to permit the U.S. Department of Housing and Urban Development (“HUD”) to complete its approval process including the modification of the existing HUD Use Agreement to complete the transaction.

Allowing an extension of the issuance date to June 19, 2012 will ensure 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 Chico will lose the opportunity to retain and revitalize 162 units of affordable housing.

Palmdalia Family Apartments (11-149)

The Palmdalia Family Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on November 16, 2011. The Project’s original issuance deadline was February 14, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The Project Sponsor (Palmdalia Family Apartments, L.P.) is requesting an extension to permit the U.S. Department of Housing and Urban Development (“HUD”) to complete its approval and financing process.

Allowing an extension of the issuance date to June 19, 2012 will ensure 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 Palmdale will lose the opportunity to retain and revitalize 63 units of affordable housing.

Logan Place Apartments (11-172)

The Logan Place Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority on December 14, 2011. The Project’s original issuance deadline was March 13, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The issue the Project is confronting is coordinating the State HOME award and Subsidy Layering Review for the Section 8 Project Based Vouchers with the local Housing Authority, HCD, and TCAC. The applicant is making progress and is confident of completing the requisite approvals, but needs more time.

Allowing an extension of the issuance date to June 19, 2012 will ensure 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 Bakersfield will lose the opportunity to create 58 new units of affordable housing.

Casa Rita Apartments (11-129)

The Casa Rita Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority on September 28, 2011. The Project’s original issuance deadline was December 27, 2011. The Executive Director later approved the applicant’s request for a 130-day expiration deadline of February 6, 2012 as permitted by Regulation for TCAC-applying projects. The applicant subsequently requested that the Executive Director extend the deadline to the Committee meeting date of March 21, 2012.

The issue the Project is confronting is securing the City of Huntington Park’s approval to subordinate the existing Regulatory Agreement to Bank of America’s loan. The applicant is making progress and is confident of securing the requisite approval, but needs more time.

Allowing an extension of the issuance date to June 19, 2012 will ensure 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 Huntington Park will lose the opportunity to revitalize 101 units of affordable housing.

Colonial House Apartments (11-154)

The Colonial House Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on November 16, 2011. The Project’s original issuance deadline was February 14, 2012, which the Executive Director extended to the Committee meeting date of March 21, 2012.

The issue the Project is confronting is working through the details of the \$4.2 million RDA loan. The applicant has provided evidence that the Project is listed on the Enforceable Obligations list. The applicant states that although financing sources are committed, the finance team will need additional time to close on its bonds due to the RDA issue.

Allowing an extension of the issuance date to June 19, 2012 will ensure 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 Oxnard will lose the opportunity to create 43 new units of affordable housing.

Heritage Commons Apartments (11-138)

The Heritage Commons Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on September 28, 2011. The Project’s original issuance deadline was December 27, 2011; which the Executive Director extended to April 2, 2012.

Current timing issues are confronting the project regarding the coordination of the HOME award and the project is requesting an extension in order to comply with State-HOME’s processing timelines.

Allowing an extension of the issuance date to April 18, 2012 will ensure 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 Dixon will lose the opportunity to create 59 new units of senior affordable housing.

1180 4th Street Apartments (11-163)

The 1180 4th Street Apartments Project (“Project”) received an allocation award through the City and County of San Francisco on December 14, 2011. The Project’s original issuance deadline was March 13, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The extension request reflects additional time necessary to satisfactorily resolve a land transfer issue, as well as secure final approval by the City & County’s Board of Supervisors.

Allowing an extension of the issuance date to May 30, 2012 will ensure the issuance of the bonds for the Project. If the issuance date is not extended, the Project will lose its allocation and the City & County of San Francisco will lose the opportunity to create 149 new units of family /special needs affordable housing.

Mono Hilltop Apartments (11-151)

The Mono Hilltop Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on November 16, 2011. The Project’s original issuance deadline was March 5, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The extension request reflects additional time necessary to complete the financing for the Project. The Project is still awaiting the executed HAP contract from HUD, which has delayed the closing.

Allowing an extension of the issuance date to April 20, 2012 will ensure 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 Fresno will lose the opportunity to revitalize and preserve 149 units of affordable senior housing currently endanger of losing its affordability.

Wasco Arms Apartments (11-152)

The Wasco Arms Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on November 16, 2011. The Project’s original issuance deadline was March 5, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The extension request reflects additional time necessary to complete the financing for the Project. The Project is still awaiting the OAH loan, which has delayed the closing.

Allowing an extension of the issuance date to April 20, 2012 will ensure 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 Wasco will lose the opportunity to revitalize and preserve 77 units of affordable family housing.

McCarty Manor Apartments (11-165)

The McCarty Manor Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority on December 14, 2011. The Project’s original issuance deadline was March 13, 2012, which the Executive Director extended to the Committee meeting date of March 21, 2012.

The Project’s financing includes an USDA-RD 515 loan. USDA must provide approval of the refinancing, and the applicant is unsure whether their approval will be given before the current CDLAC bond issuance deadline. The finance team will need additional time to close on its bonds due to the USDA approval issue.

Allowing an extension of the issuance date to June 19, 2012 will ensure 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 Ukiah will lose the opportunity to create 40 new units of affordable housing.

Shady Lane Apartments (11-123)

The Shady Lane Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on November 16, 2011. The Project’s original issuance deadline was February 14, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The extension request reflects additional time necessary to complete the financing for the Project. The Project changed lenders after the allocation was awarded and is still finalizing the draft documents.

Allowing an extension of the issuance date to April 20, 2012 will ensure 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 Anderson will lose the opportunity to revitalize and preserve 33 units of affordable housing.

Broadway Villas Apartments (11-017)

The Broadway Villas Apartments Project (“Project”) received an allocation award through the City of Los Angeles on December 14, 2011. The Project’s original issuance deadline was March 13, 2012; which the Executive Director extended to the Committee meeting date of March 21, 2012.

The Project requires an extension of the allocation expiration date in order to allow the City, as successor entity for the housing assets of the Community Redevelopment Agency of the City of Los Angeles, to make certain necessary modifications to the Disposition and Development Agreement and Loan Agreement to reflect the current transaction.

Allowing an extension of the issuance date to June 19, 2012 will ensure 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 Los Angeles will lose the opportunity to provide 48 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 allocation carryforward and issuance date extensions:

11-141 Trans Pacific Gardens II Apartments	June 19, 2012
11-149 Palmdalia Family Apartments	June 19, 2012
11-172 Logan Place Apartments	June 19, 2012
11-129 Casa Rita Apartments	June 19, 2012
11-154 Colonial House Apartments	June 19, 2012
11-138 Heritage Commons Apartments	April 18, 2012
11-163 1180 4 th Street Apartments	May 30, 2012
11-151 Mono Hilltop Apartments	April 20, 2012
11-152 Wasco Arms Apartments	April 20, 2012
11-165 McCarty Manor Apartments	June 19, 2012

11-123 Shady Lane Apartments
11-017 Broadway Villas Apartments

April 20, 2012
June 19, 2012

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