

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 14, 2012

Consideration and Approval of Issuance Date Extensions
for Various Qualified Residential Rental Projects
(Agenda Item No. 4)

ACTION:

Approve various Issuance Date Extensions for the following projects:

BACKGROUND:

12-063 University Village Apartments

The University Village Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority on July 18, 2012. The Project’s original issuance deadline was November 5, 2012; which the Executive Director extended to the Committee meeting date of November 14, 2012.

The City of Marina (the “City”) and the Marina Coast Water District (“MCWD”) will be unable to furnish all the approvals needed for closing prior to November 14, 2012. The fact that the current land owner (and specific plan master developer, Marina Community Partners) was revising their final map and various public easements up until recently, has prevented the Project Sponsors’ engineers from finalizing plans that would then go to the agencies for review. The Agencies now have what they believe are final submittal sets, but the agencies will need to review them and finalize the improvement agreements and then schedule them for council/board approval. This item is likely to go to the November 13th meeting for MCWD and the November 7th or 20th meeting for the City.

Allowing an initial extension of the current issuance date to February 12, 2013 will provide sufficient time for 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 Marina will lose the opportunity to create 107 new units of affordable housing.

12-065 Loma Linda Terrace Apartments

The Loma Linda Terrace Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority on July 18, 2012. The Project’s original issuance deadline was October 16, 2012; which the Executive Director extended to the Committee meeting date of November 14, 2012.

The Project is going through the parcel map process which had a significant delay. This delay took place after the Project received an allocation and has caused a delay in the financing. The finance team is moving forward with the project, however, due to this delay the City needs to shift the closing date back to accommodate the Investor's review of all title work.

Allowing an initial extension of the current issuance date to December 14, 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 Loma Linda will lose the opportunity to create 49 new units of senior affordable housing.

12-064 Township Nine Apartments

Township Nine Apartments (Project) received a transfer of 2009 carryforward allocation through the Housing Authority of the County of Sacramento on July 18, 2012. The Project’s original issuance deadline was November 5, 2012; which the Executive Director extended to the Committee meeting date of November 14, 2012.

The project's financing has experienced delays due to the replacement of the tax credit investor and late delivery of the project construction costs for the lender's review. Allowing an initial extension of the current issuance date to December 14, 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 Sacramento will lose the opportunity to create 178 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 noted above are otherwise in full compliance and eligible for an extension under the CDLAC Regulations.

RECOMMENDATION:

Staff recommends the approval of extensions of the issuance deadline for all Projects noted above.

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