

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 16, 2013
REVISED

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:

12-081 Broadway-Sansome Apartments

The Broadway-Sansome Apartments Project (“Project”) received an allocation award through the City & County of San Francisco on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, Broadway-Sansome Associates, LP, is closing new financing with the San Francisco Metropolitan Transportation Authority that is new to the financing team and has a certain set of complex requirements that necessitate more in-depth review and analysis than that which is normally experienced. Accordingly, the project sponsor is making the extension request for ninety days.

Allowing an initial extension of the current issuance date to April 16, 2013 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 and County of San Francisco will lose the opportunity to create 74 new units of affordable housing.

12-117 Gridley Springs Apartments

The Gridley Springs Apartments Project (“Project”) received an allocation award through the California Affordable Housing Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, DHI Gridley Springs Associates, L.P., is requesting a ninety-day extension due to the fact that there have been delays in the approvals from the State Department of Housing and Community Development (“HCD”) and USDA-Rural Development. The project sponsor has been assured by all parties that this new deadline can be met for closing.

Allowing an initial extension of the current issuance date to April 16, 2013 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 Gridley will lose the opportunity to rehabilitate 31 units of affordable housing.

12-118 Valencia Grove Apartments (Formerly Lugonia Avenue Apartments)

The Valencia Grove Apartments Project (“Project”) received an allocation award through the California Affordable Housing Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, Housing Partners I, Inc., is requesting a ninety-day extension due to the fact that there have been delays in the approvals from the State Department of Housing and Community Development (“HCD”) and the City of Redlands.

Allowing an initial extension of the current issuance date to April 16, 2013 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 Redlands will lose the opportunity to create 84 new units of affordable housing.

12-111 Gold Country Village Apartments

The Gold Country Village Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, GVGCV Investors, is requesting a ninety-day extension due to the fact that they are in the process of replacing the Project lender. This will require additional time since the new lender will need to perform their own due diligence and loan underwriting before agreeing to close on the transaction.

Allowing an initial extension of the current issuance date to April 16, 2013 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 Grass Valley will lose the opportunity to create 79 new units of affordable senior housing.

12-096 COMM22 Family Housing Apartments

The COMM22 Family Housing Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, COMM22 Family Housing, LP (aka BRIDGE), is requesting a ninety-day extension due to the fact that they have been delayed by the contractors employed by the local utility companies. The infrastructure has been completed and accepted by the City of San Diego (the “City”). Unfortunately, while all of the utility relocation work BRIDGE is responsible for has been completed, the third party work by AT&T and San Diego Gas & Electric (“SDG&E”) has been delayed due to their reduced staffing and existing workload. SDG&E and AT&T are expected to complete the work in late January/early February 2013. However, the uncertainty surrounding the utility companies’ relocation efforts and corresponding release of permits by the City leads to a ninety-day extension request to provide timing flexibility for the project.

Allowing an initial extension of the current issuance date to April 16, 2013 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 San Diego will lose the opportunity to create 128 new units of affordable housing.

12-098 9th & Broadway Apartments

The 9th & Broadway Apartments Project (“Project”) received an allocation award through the Housing Authority of the City of San Diego on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, Broadway Upper Tower Associates, L.P., is requesting a ninety-day extension due to a recent Department of Finance inquiry into the enforceability of the disposition and development agreement and added difficulty resulting from the mixed financing of the Project (9% tax credits on floors 1-7 and 4% tax credits on floors 8-17).

Allowing an initial extension of the current issuance date to April 16, 2013 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 San Diego Housing Department will lose the opportunity to create 120 new units of affordable housing.

12-077 Marygold Apartments

The Marygold Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, Marygold, LP, is requesting a sixty-one day extension due to the fact that they have been delayed in securing a 20-year HAP contract with HUD and the loan is still in the process of being underwritten.

Allowing an initial extension of the current issuance date to March 25, 2013 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 Fontana will lose the opportunity to rehabilitate 80 units of affordable housing.

12-070 Columbia Apartments

The Columbia Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, Columbia One, LP, is requesting an extension due to the delayed they have encountered in securing a 20-year HAP contract with HUD. Additionally, the loan is currently in the process of being underwritten.

Allowing an initial extension of the current issuance date to March 25, 2013 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 rehabilitate 127 units of affordable housing.

12-113 Wagon Wheel Family Apartments

The Wagon Wheel Family Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, CRFL Family Apartments, LP, is requesting an extension to allow for the completion of all due diligence requirements by the lender. The project anticipates closing in late January.

Allowing an initial extension of the current issuance date to February 15, 2013 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 rehabilitate 119 units of affordable housing.

12-106 Casa De La Paloma Apartments

The Casa De La Paloma Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The Applicant is requesting an additional ninety-day extension due to unexpected delays in their HUD approval to close. Allowing this extension of the current issuance date to April 16, 2013 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 Glendale will lose the opportunity to rehabilitate 166 units of affordable senior housing.

12-076 Water Gardens Apartments

The Water Gardens Apartments Project (“Project”) received an allocation award through the California Statewide Communities Development Authority on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The project sponsor, Water Gardens, LP, is requesting an extension due to the delayed they have encountered in securing a 20-year HAP contract with HUD. Additionally, the loan is currently in the process of being underwritten.

Allowing an initial extension of the current issuance date to March 25, 2013 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 rehabilitate 62 units of Federally At-Risk affordable housing.

12-084 Taylor Terrace Apartments

The Taylor Terrace Apartments Project (“Project”) received an allocation award through the Housing Authority of the City of Sacramento (“Applicant”) on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The Applicant is requesting an additional ninety-day extension due to delays stemming from an extended credit approval process by the senior lender and extended documentation review by the State Department of Housing and Community Development (“HCD”), which is a subordinate lender on the Project. Furthermore, the Applicant’s offices were closed from December 19, 2012 to January 1, 2013 due to budget limitations.

Allowing this extension of the current issuance date to April 16, 2013 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 rehabilitate 167 units of affordable housing.

12-089 Round Walk Village Apartments

The Round Walk Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on September 26, 2012. The Project’s original issuance deadline was December 26, 2012; which the Executive Director extended to the Committee meeting date of January 16, 2013.

The Applicant is requesting an additional ninety-day extension due to unexpected delays with the City of Petaluma’s planning review and permitting process. Allowing this extension of the current issuance date to April 16, 2013 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 Petaluma will lose the opportunity to rehabilitate 127 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 below are otherwise in full compliance and eligible for an issuance deadline extension under the CDLAC Regulations.

12-081 Broadway-Sansome Apartments	April 16, 2013
12-117 Gridley Springs Apartments	April 16, 2013
12-118 Valencia Grove Apartments (FKA Lugonia Avenue Apartments)	April 16, 2013
12-111 Gold Country Village Apartments	April 16, 2013
12-096 COMM22 Family Housing Apartments	April 16, 2013
12-098 9th & Broadway Apartments	April 16, 2013
12-070 Columbia Apartments	March 25, 2013
12-113 Wagon Wheel Family Apartments	February 15, 2013
12-106 Casa De La Paloma Apartments	April 16, 2013
12-076 Water Gardens Apartments	March 25, 2013
12-084 Taylor Terrace Apartments	April 16, 2013
12-089 Round Walk Village Apartments	April 16, 2013
12-077 Marygold Apartments	March 25, 2013

RECOMMENDATION:

Staff recommends the approval of extensions of the issuance deadline, up to ninety days, for all Projects noted above.

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