

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 19, 2014

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

ACTION:

Approve Issuance Date Extensions for Various Qualified Residential Rental Projects as noted.

BACKGROUND:

Laurel Village Apartments (13-093)

The Laurel Village Apartments Project (“Project”) received an allocation award through the City of Los Angeles (“Applicant”) on November 13, 2013. The Project’s original issuance deadline was March 3, 2014; which the Executive Director extended to the Committee meeting date of March 19, 2014.

The Applicant is now requesting a 90-day extension of the allocation expiration date to June 17, 2014 due to the change in the Project’s permanent lender, Union Bank, N.A. (the “Bank”). The Project requires an extension of the allocation expiration date in order to provide for the Bank’s review and approval process, and for the City to complete its final review and approval of the bond issuance.

Allowing an extension of the issuance deadline to June 17, 2014 will ensure the issuance of the bonds for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the City of Los Angeles will lose the opportunity to rehabilitate 79 affordable housing units.

Bayview Senior Housing Apartments (13-103)

The Bayview Senior Housing Apartments Project (“Project”) received an allocation award through the City & County of San Francisco (“Applicant”) on November 13, 2013. The Project’s original issuance deadline was February 11, 2014; which the Executive Director extended to the Committee meeting date of March 19, 2014.

The Applicant is now requesting an additional 30-day extension to April 19, 2014 on behalf of the Project Sponsor. The Project requires an extension of the allocation expiration date in order to allow final authorization by the Board of Supervisors for the City to enter into a ground lease with the Borrower, approve the Health & Safety Code Section 33433 report with respect to disposition of the leasehold interest to the Borrower (pursuant to a ground lease) and receipt by the Borrower of excavation and “Addenda I” permits to be issued by the San Francisco Department of Building Inspection. These permits are necessary in order to start construction upon the financial and bond closing.

Allowing an extension of the issuance deadline to April 19, 2014 will ensure the issuance of the bonds for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the City & County of San Francisco will lose the opportunity to construct 120 affordable housing units.

Alpha Square Apartments (13-117)

The Alpha Square Apartments Project (“Project”) received an allocation award through the Housing Authority of the City of San Diego (“Applicant”) on December 11, 2013. The Project’s original issuance deadline was March 11, 2014; which the Executive Director extended to the Committee meeting date of March 19, 2014.

The Applicant is requesting an additional seven-day extension of the allocation expiration date to March 26, 2014 in order to complete the closing process. Alpha Square Apartments consists of a combined tax exempt bond project and 9 percent low-income housing tax credit project, with construction financing

commitments requiring a concurrent closing. The 9 percent tax credit project has a 180-day readiness deadline of March 24, 2014, the basis for the Housing Authority's request.

Allowing an extension of the issuance deadline to March 26, 2014 will ensure the issuance of the bonds for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the Housing Authority of the City of San Diego will lose the opportunity to construct 53 affordable housing units.

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 below are otherwise in full compliance and eligible for an issuance deadline extension under the CDLAC Regulations.

13-093	Laurel Village Apartments	June 17, 2014
13-103	Bayview Senior Housing Apartments	April 19, 2014
13-117	Alpha Square Apartments	March 26, 2014

RECOMMENDATION:

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

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