

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

July 16, 2014

**Consideration and Approval of a Revision to CDLAC Resolution 14-65
for the Charlotte Drive Family Apartments Project (14-065)**

(Agenda Item No. 7)

ACTION:

Approve the revisions to CDLAC Resolution 14-65 for the purpose of changing the total count of restricted units from 189 to 198, and changing the affordable units from 65 at 50% AMI to 20 at 50% AMI and 124 at 60% AMI to 178 at 60% AMI for the Charlotte Drive Family Apartments Project (14-065).

BACKGROUND:

On May 21, 2014 CDLAC approved a resolution which granted an award of allocation to the California Statewide Communities Development Authority (“Applicant”) for the Charlotte Drive Family Apartments Project (“Project”) in the amount of \$36,000,000. The approved affordability mix at the time of the award of allocation was 65 units at 50% AMI and 124 units at 60% AMI. The Project is new construction on vacant land in the San Jose area and will contribute to the affordable units needed in the community.

DISCUSSION:

Originally awarded allocation for a total 189 units the Project Sponsor has increased the total number of units for the Project and is requesting a revision to the resolution to reflect that total unit increase. Staff mistakenly captured AMI commitments in the original resolution at the level of the current rents represented in the application. However the applicant did not intend for these affordability levels to be captured long term. Instead, they stated that the rents should be captured at 19 units at 50% AMI and 170 units at 60% AMI. The Revised Resolution with the increase in the total units will change the unit mix to correctly reflect the original intent of the project sponsor with the unit mix percentages of 20 units at 50% AMI and 178 units at 60% AMI.

It should be noted that this allocation award was made in a non-competitive CDLAC round, and the Applicant’s CDLAC allocation eligibility would not have been impacted by this change.

RECOMMENDATIONS:

Staff recommends approval of revisions to CDLAC Resolution 14-65 for the purpose of changing the total count of restricted units from 189 to 198, and changing the unit affordability mix from 65 at 50% AMI to 20 at 50% AMI and 124 at 60% AMI to 178 60% AMI for the Charlotte Drive Family Apartments Project (14-065).

Prepared by Richard Fischer