

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 20, 2016
Consideration and Approval of Issuance Date Extensions
for Various Qualified Residential Rental Projects
(Agenda Item No. 6)

ACTION:

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

BACKGROUND:

Ocean View Manor Apartments (15-383)

The Ocean View Manor Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on October 21, 2015. The Project Sponsor is Ocean View Manor, LP. The Project’s initial deadline was January 19, 2016, which the Executive Director extended to the Committee meeting date of January 20, 2016. The Applicant is now requesting a 90-day extension of the allocation expiration date to April 19, 2016.

All Project tenants receive project-based rental assistance. The Project submitted a renewal request for the contract and was informed by the Department of Housing and Urban Development (HUD) that the renewal would be processed no later than September 2015. However, processing has been delayed. Currently, the contract has been approved by HUD and is in the final stages of the renewal process. This delay was unforeseen and outside of the Project Sponsor’s and Developer’s control.

Allowing an extension of the issuance deadline to April 19, 2016 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 San Luis Obispo will lose the opportunity to rehabilitate 39 affordable senior housing units.

American Gold Star Manor Apartments (15-425)

The American Gold Star Manor Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on October 21, 2015. The Project Sponsor is Abode Communities. The Project’s initial deadline was January 19, 2016.

American Gold Star Manor was awarded 139 project based vouchers through the Rental Assistance Demonstration Program (RAD) and 209 project based vouchers through the HUD 2015-07 Notice which are collectively being administered by the Long Beach Housing Authority (LBHA). Because these two voucher programs are new to LBHA and because LBHA lacks staff capacity due to HUD budget cuts in recent years, the process for the income qualifications and inspections has taken much longer than anticipated.

Due to these factors, the HAP contracts will not be issued prior to the original issuance deadline. This delay by LBHA was unforeseen by the developer and has delayed their closing timeline. Because of the delay, the timing is outside the developer’s control and was not caused by the project sponsor.

Allowing an extension of the issuance deadline to February 29, 2016 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 Long Beach will lose the opportunity to rehabilitate 350 senior 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.

15-383 Ocean View Manor Apartments
15-425 American Gold Star Manor Apartments

April 19, 2016
February 29, 2016

RECOMMENDATION:

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

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