

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 18, 2015

Consideration and Approval of Issuance Date Extensions
for Various Qualified Residential Rental Projects
(Agenda Item No. 5)

ACTION:

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

BACKGROUND:

Atmosphere II Apartments (#14-303)

The Atmosphere II Apartments Project (“Project”) received an allocation award through the Housing Authority of the City of San Diego (“Applicant”) on December 10, 2014. The Project’s original issuance deadline was March 10, 2015; which the Executive Director extended to the Committee meeting date of March 18, 2015.

The Applicant is now requesting a 5-day extension of the allocation expiration date to March 23, 2015. Atmosphere is being financed as two bifurcated projects in one high-rise building. Atmosphere (with 9 percent tax credits) and Atmosphere II (with 4 percent tax credits plus tax exempt multifamily housing mortgage revenue bonds). The Atmosphere II 4% project is being financed by the same investor and permanent/construction lenders and developed concurrently with the Atmosphere 9% project. Due to the complex nature of these multi-phase high-rise developments, the developer, Wakeland Housing & Development, may need additional time to close. The Atmosphere 9% project has a March 23, 2015 tax credit closing deadline.

Allowing an extension of the issuance deadline to March 23, 2015 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 Diego will lose the opportunity to construct 103 new affordable housing units.

Rancho California Apartments (#14-131)

The Rancho California Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on November 12, 2014. The Project’s original issuance deadline was February 20, 2015; which the Executive Director extended to the Committee meeting date of March 18, 2015.

The Applicant is now requesting a 90-day extension of the allocation expiration date to June 16, 2015. The Project Sponsor is requesting the extension in order to complete the financing that has been delayed due to the finalizing the 20 year HAP agreement and the review of the HUD closing package. Due to an unanticipated high number of projects to be reviewed by HUD, the closing documents will not be ready in time to meet the Applicant’s existing deadline of March 18, 2015.

Allowing an extension of the issuance deadline to June 16, 2015 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 Temecula will lose the opportunity to rehabilitate 54 affordable family housing units.

Stevenson House Apartments (#14-125)

The Stevenson House Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on November 12, 2014. The Project’s original issuance deadline was March 2, 2015; which the Executive Director extended to the Committee meeting date of March 18, 2015.

The Applicant is now requesting a 30-day extension of the allocation expiration date to April 15, 2015. The Project Sponsor is requesting the extension in order to complete the financing that has been delayed by HUD's closing package review process, which is being caused by a backup with the unanticipated high number of projects to be reviewed.

Allowing an extension of the issuance deadline to April 15, 2015 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 Palo Alto will lose the opportunity to rehabilitate 119 affordable 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.

14-303	Atmosphere II Apartments	March 23, 2015
14-131	Rancho California Apartments	June 16, 2015
14-125	Stevenson House Apartments	April 15, 2015

RECOMMENDATION:

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

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