



California Debt Limit Allocation Committee

CDLAC

Committee Meeting

Wednesday, May 15, 2024

1:00 PM



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/cdlac

MEETING NOTICE AGENDA

MEETING DATE:
May 15, 2024

TIME:
1:00 p.m.

LOCATION:
State Treasurer's Office
901 P Street, Room 102
Sacramento, CA 95814

BOARD MEMBERS (voting)

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

GAVIN NEWSOM
Governor

ADVISORY MEMBERS (non-voting)

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON-HALL
Executive Director of CalHFA

DIRECTOR

MARINA WIAANT
Interim Executive Director

Members of the public are invited to participate in person, remotely via TEAMS, or by telephone.*

[Click here to join the TEAMS meeting \(full link below\)](#)

Public Participation Call-In Number
(888) 557-8511
Participant Code:
5651115

The California Debt Limit Allocation Committee (CDLAC) may take action on any item.
Items may be taken out of order.
There will be an opportunity for public comment at the end of each item, prior to any action.

- 1. Call to Order and Roll Call**
- Action Item:* **2. Approval of the Minutes of the April 3, 2024, Meeting**
- Informational:* **3. Executive Director's Report**
Presented by: Marina Wiant
- Action Item:* **4. Recommendation for Award of Allocation to Qualified Private Activity Bonds for Exempt Facility (EXF) Projects (Round 1)**
[EXF Preliminary Recommendation List](#)
Presented by: Christina Vue
- Action Item:* **5. Recommendation for Award of Allocation to the California Department of Veterans Affairs for Single Family Housing (SFH)**
[SFH Program Preliminary Recommendation List](#)
Presented by: Christina Vue

Action Item: **6. Request to Waive the Maximum Bond Allocation Amount (\$75,000,000) for Qualified Residential Rental Project (Cal. Code Regs., tit. 4 §5232)**

<u>Application Number</u>	<u>Project Name</u>
CA-24-432	Piper Family Apartments
CA-24-458	Block A Family Apartments
CA-24-499	Mandela Station Affordable
CA-24-515 & 516	Residency at Sky-Village Hollywood Phase I and Phase II
CA-24-521	View at San Bruno
CA-24-535	Casa Adelante 1515 South Van Ness

Presented by: D.C. Navarrette

Action Item: **7. Supplemental Bond Allocation Request Above the Executive Director’s Authority (Cal. Code Regs., tit. 4, §5240)**

<u>Application Number</u>	<u>Project Name</u>
CA-24-569	Southside Senior Housing
CA-24-576	U.S. VETS-WLAVA Building 210

Presented by: D.C. Navarrette

Action Item: **8. Request to Transfer Allocation to Another Applicant (Cal. Code Regs., tit. 4 §5120)**

<u>Application Number</u>	<u>Project Name</u>
CA-23-600, CA-24-404, (Supplemental) & CA-24-576 (Supplemental)	U.S. VETS-WLAVA Building 210
CA-24-402 (Supplemental)	Avenue 34 Apartments

Presented by: Christina Vue

Action Item: **9. Request to Extend the Bond Allocation Issuance Deadline for Qualified Residential Rental Project and Request to Waive Forfeiture of the Performance Deposit (Cal. Code Regs., tit. 4 §§5052, 5100, 5132)**

<u>Application Number</u>	<u>Project Name</u>
CA-23-556	Union Tower
CA-23-595	Gibson Drive Apartments
CA-23-600	U.S. VETS-WLAVA Building 210
CA-23-610	2880 Alum Rock Apartments
CA-23-612	West Harbor Park Affordable Apartments
CA-23-618	Vintage at Folsom Apartments
CA-23-620	440 Arden Way
CA-23-622	Lexington Green Apartments
CA-23-631	Mendocino at Talega II
CA-23-633	Mendocino at Talega I
CA-23-635	Giant Road Apartments
CA-23-645	Villa Plumosa
CA-23-646	Citrus Grove
CA-23-647	Lake Merritt BART Senior Affordable Housing
CA-23-650	Playa Del Alameda Apartments
CA-23-653	One San Pedro Phase I (aka 327 Harbor Apartments)
CA-23-656	Two Worlds Apartments
CA-23-657	St. Andrew’s Arms & Second Avenue Apartments

CA-23-658	Oceanview Gardens
CA-23-659	Panorama View Apartments
CA-23-660	All Hallows Apartments
CA-23-661	Bayview Apartments
CA-23-662	La Salle Apartments
CA-23-664	Shoreview Apartments
<u>CA-23-666</u>	<u>Auburn Park II</u>
CA-23-667	Patterson Point
CA-23-689	Avalon 1355 (Supplemental)

Presented by: D.C. Navarrette

Action Item: 10. Request to Waive Forfeiture of the Performance Deposit and Negative Points for the Return of Allocation for Qualified Residential Rental Project (Cal. Code Regs., tit. 4, §§5052, 5230)

<u>Application Number</u>	<u>Project Name</u>
CA-23-654	OTC by Vintage

Presented by: D.C. Navarrette

11. Public Comment

12. Adjournment

FOR ADDITIONAL INFORMATION

CDLAC
901 P Street, Suite 213A, Sacramento, CA 95814
(916) 654-6340

This notice may also be found on the following Internet site:

<https://www.treasurer.ca.gov/cdlac>

*Interested members of the public may use the call-in number or TEAMS to listen to and/or comment on items before CDLAC. Additional instructions will be provided to participants once they call the indicated number or join via TEAMS. The call-in number and TEAMS information are provided as an option for public participation.

CDLAC complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of CDLAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, please contact CDLAC staff no later than five calendar days before the meeting at (916) 654-6340. From a California Relay (telephone) Service for the Deaf or Hearing Impaired TDD Device, please call (800) 735-2929 or from a voice phone, (800) 735-2922.

Full TEAMS Link

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MjVlNzM4NjMtYTZlNC00GEzLTgyNGEtMDE3ZDNhYjk5ZjNi%40thread.v2/0?context=%7b%22Tid%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eae7534e%22%2c%22Oid%22%3a%22838e980b-c8bc-472b-bce3-9ef042b5569b%22%7d

California Debt Limit Allocation Committee

May 15, 2024

Page 3



AGENDA ITEM 2

Approval of the Minutes of

the April 3, 2024,

Meeting



California Debt Limit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

April 3, 2024

CDLAC Committee Meeting Minutes

1. *Agenda Item: Call to Order and Roll Call*

The California Debt Limit Allocation Committee (CDLAC) meeting was called to order at 2:00 p.m. with the following Committee members present:

Voting Members: Patrick Henning, Chief Deputy Treasurer, for Fiona Ma, CPA, State Treasurer
Evan Johnson for State Controller Malia M. Cohen
Michele Perrault for Governor Gavin Newsom

Advisory Members: Department of Housing and Community Development (HCD) Director Gustavo Velasquez
Tiena Johnson Hall, Executive Director for the California Housing Finance Agency (CalHFA)

2. *Agenda Item: Approval of the Minutes of the February 12, 2024, Meeting – (Action Item)*

Chairperson Henning called for public comments:
None.

MOTION: Ms. Perrault motioned to approve the minutes of the February 12, 2024, meeting, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

3. *Agenda Item: Executive Director's Report*

Presented by: Marina Wiant

Marina Wiant, Interim Executive Director, reported that since the last meeting, she attended the National Council of State Housing Agencies (NCSHA) Legislative Conference in Washington, D.C., along with Tiena Johnson Hall and her staff. Together, they met with members of Congress to educate them on the impact of federal housing programs in our local communities and thanked them for their support to lower the 50% test. The Tax Relief for Families and Workers Act, which passed the House of Representatives, includes provisions to lower the 50% test to 30% and restore the 12.5% increase in 9% tax credits. Now that the Senate has returned from spring recess, there is a very narrow window to take up the tax bill before the April 15 tax filing deadline. Ms. Wiant hopes that will happen.

Ms. Wiant also attended Housing California's annual conference in Long Beach and spoke on a panel discussing streamlining the state's affordable housing delivery system with Gustavo Velasquez. In February, Ms. Wiant attended a grand opening for an affordable senior and veteran housing project in Vacaville, Pony Express Senior Apartments, a PEP Housing project that constructed [59] new affordable homes.

CDLAC Committee Meeting
April 3, 2024



California Debt Limit Allocation Committee

Last month, the Treasurer, Ms. Wiant, and staff participated in a bus tour of Sacramento-area affordable housing projects, including the ribbon cutting for Cornerstone in South Sacramento, which includes a Mutual Housing hybrid 4%/9% project with 108 apartment homes alongside 18 single-family homes built by Habitat for Humanity.

Ms. Wiant congratulated D.C. Navarrette on his promotion to CDLAC Section Chief. D.C. has been with CDLAC for almost three years as a Program Manager, overseeing the award of tax-exempt private activity bonds. Prior to that, he worked as a manager in the Land Use and Planning Division at HCD. He also worked as a Senior Program Administrator for the San Diego Housing Commission. Prior to that, he worked at CTCAC as an analyst, so he brings a well-rounded background to the position.

This is the last week at CDLAC for Eddie Fairchild. Ms. Wiant thanked him for his great work.

Ricki Hammett, Deputy Executive Director, explained that Eddie has been with CDLAC since October 2022, and he will be leaving for a promotion to a manager position at HCD. Eddie has been responsible for reviewing applications for bond allocation and has assisted in the planning of CDLAC regulations changes. Ms. Hammett thanked him for his work and wished him the best.

Chairperson Henning called for public comments:

Matthew Callahan from Southern California Partners in Homeownership said that at the January meeting, the Committee considered staff recommendations to restore allocation in 2024 to the state's Mortgage Credit Certificate (MCC) Program, which was terminated by the Committee in 2020. The Committee agreed to revisit this recommendation at future meetings this year, and Mr. Callahan would like the Committee to restore the MCC Program at the next meeting. MCCs are an essential component of local homeownership programs because they help overcome the affordability barrier low-income individuals and families experience in buying homes.

Mr. Callahan said that MCCs leverage local affordable housing funds and attract millions of dollars in private mortgage capital. They are also an efficient use of the state's allocation cap because unlike tax-exempt mortgage revenue bonds, they can be delivered without any issuer fees, master servicers, investment banking costs, trustee fees, bond counsel charges, and financial advisor fees. Unlike mortgage revenue bonds, MCCs are always in the market and do not lose their value or benefit when interest rates change. Homebuyers can even request to have an MCC reissued when they refinance their mortgage to a lower interest rate. The MCC Program is also popular with local housing agencies; in January, there were speakers who supported restoring the MCC Program from the San Diego Housing Commission, the City and County of Los Angeles, Riverside County, the City and County of San Francisco, Santa Clara County, The Sacramento Housing and Redevelopment Agency, and member counties of the Golden State Finance Authority, which include San Bernardino County, Orange County, and all of the state's rural counties.

Mr. Callahan said it is his understanding that the Committee currently has hundreds of millions of dollars of carryforward allocation, so the MCC Program could be funded without any opportunity costs. The



California Debt Limit Allocation Committee

MCC allocation would immediately help low-income families experience the benefits of homeownership. Mr. Callahan asked when the MCC funding would be restored.

Chairperson Henning asked the staff to respond to Mr. Callahan after the conclusion of the meeting.

Chairperson Henning closed public comments.

4. **Agenda Item: Resolution No. 24-005, recommendation of a Resolution Authorizing the Interim Executive Director of the California Debt Limit Allocation Committee to sign Contracts and Interagency Agreements on behalf of the Committee, not to exceed \$500,000. – (Action Item)**
Presented by: Ricki Hammett

Chairperson Henning said similar resolutions have been approved by the majority of the committees at the State Treasurer's Office to keep up with inflation.

Ms. Hammett explained that this resolution would update Resolution No. 21-005, which was previously approved.

Chairperson Henning called for public comments:
None.

MOTION: Ms. Perrault motioned to adopt Resolution No. 24-005, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

5. **Agenda Item: Request to Extend the Bond Allocation Issuance Deadline for Qualified Exempt Facility Project and Request to Waive Forfeiture of the Performance Deposit (Cal. Code of Regs., tit. 4, §§5052, 5100) – (Action Item)**
Presented by: Ricki Hammett

Ms. Hammett explained that the applicant, California Municipal Finance Authority (CMFA), is requesting an extension of the issuance deadline for the McClellan Food Recovery Plant Upgrade Project (CA-23-106) from May 6, 2024, to December 31, 2024. This is a longer than usual extension because the project is in the process of obtaining a long-term purchase and sale agreement with a major petfood company for the additional output of their expansion. This is expected to be in place by the middle of this year, and the project would use the rest of the time to close out that transaction.

Chairperson Henning called for public comments:
None.

MOTION: Mr. Johnson motioned to approve the bond allocation issuance deadline extension and waiver of forfeiture of the performance deposit, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.



California Debt Limit Allocation Committee

6. **Agenda Item: Request to Extend the Bond Allocation Issuance Deadline for Qualified Residential Rental Project and Request to Waive Forfeiture of the Performance Deposit (Cal. Code Regs., tit. 4 §§5052, 5100, 5132) – (Action Item)**

Presented by: D.C. Navarrette

Mr. Navarrette explained that 803 E 5th St. (CA-23-401 and CA-23-679) was originally allocated \$28 million in Round 1 of 2021, which has closed. The project has since received a \$6.9 million supplemental allocation, which was approved by the Committee on February 6, 2023, and a second supplemental allocation of \$5.1 million, which was approved by the Committee on November 8, 2023. The project is requesting a 90-day extension to close both supplemental allocations simultaneously. This would move the due date from May 6, 2024, to August 4, 2024. This project will provide 95 special needs units in the City of Los Angeles. The applicant is the City of Los Angeles, and the developer is the Coalition for Responsible Community Development.

Chairperson Henning called for public comments:
None.

MOTION: Ms. Perrault motioned to approve the bond allocation issuance deadline extension and waiver of forfeiture of the performance deposit, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

7. **Public Comment**

Kim Pipkin, Executive Director of the Black Developers Forum (BDF), spoke in response to CTCAC's proposed regulations changes published in February. Ms. Pipkin said that BDF cannot support the upcoming developer fee changes until they have had a meeting with the Executive Director.

Ms. Wiant said Ms. Pipkin's comments pertain to CTCAC, not CDLAC.

Chairperson Henning said the CTCAC meeting would be held after the CDLAC meeting, and the Committee would notate her opposition. He invited Ms. Pipkin to either finish her comments or wait to speak at the CTCAC meeting.

Ms. Pipkin said she would wait to speak at the CTCAC meeting.

Cherene Sandidge, Chair of BDF, said Ms. Pipkin was correct in wanting to speak about this issue at both the CDLAC and CTCAC meetings. BDF has not had the privilege of enjoying a meeting with the new Executive Director to discuss the significant changes to the CTCAC regulations, which can only be understood by the individuals with boots on the ground. Ms. Sandidge asked Ms. Wiant to make it a priority to meet with BDF to discuss the changes. She expressed disapproval of the proposed CTCAC regulations published in February and opposes the changes. Ms. Sandidge expressed that the Committee cannot go back to holding backroom, silent meetings. BDF has put a lot of work into developing a relationship with CDLAC and CTCAC, and while she understands that there have been changes, CDLAC and CTCAC cannot go back to changing regulations without some sort of sounding board from the people who will be most affected.

8. **Adjournment**

The meeting was adjourned at 2:16 p.m.



AGENDA ITEM 3

Executive Director's Report

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AGENDA ITEM 4

Recommendation for Award of Allocation to Qualified Private Activity Bonds for Exempt Facility (EXF) Projects (Round 1)

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
Exempt Facilities Program 2024 Round 1
Recommendation List

App. No.	Applicant	Project Name	Requested Amount	Recommended Amount	Round 1
Round 1 Allocation					\$300,000,000
24-101	California Pollution Control Financing Authority	Marborg Industries	\$44,500,000	\$44,500,000	
Remaining allocation being rolled into Round 2					\$255,500,000
Total Available for Round 2					\$255,500,000

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2024
Staff Report
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT***

Prepared by: Anthony Wey

Applicant: California Pollution Control Financing Authority

Allocation Amount Requested: \$44,500,000

Project Information:

Name: MarBorg Industries
Project Addresses: Various, CA
Project Cites, Zip Codes: Santa Barbara, CA 93103
County: Santa Barbara

Project Sponsor Information:

Name: MarBorg Industries

Address: 728 Yanonali Street, Santa Barbara, CA 93103
Principals: Derek Carlson

Contact: Derek Carlson
Phone: (805) 963-1852

Project User Information:

Name: Same as Project Sponsor
Address: Same as Project Sponsor
Contact: Same as Project Sponsor
Phone: Same as Project Sponsor

Project Financing Information:

Bond Counsel: Orrick, Harrington & Sutcliffe LLP
Financial Advisor Firm: Piper Sandler & Co.
Private Placement Purchaser: Umpqua Bank

Project Sponsor's Principal Activity:

Acquiring waste containers and CNG powered waste collection vehicles.

First Tier Business (Yes/No): Yes

Regulatory Mandate (Yes/No): Yes

Details of Project Financing**Sources of Funds:**

Tax-Exempt Bond Proceeds	\$	44,500,000
Total Sources	\$	44,500,000

Uses of Funds:

Acquisition of Land	\$	9,000,000
Rehabilitaion of Existing Buildings	\$	3,500,000
Site Preparation	\$	8,000,000
Construction of New Buildings	\$	5,000,000
Acquisition/Installation of New Equipment	\$	18,000,000
Bond Issuance Expenses (Including Discount)	\$	450,000
Contingency Funds	\$	550,000
Total Uses	\$	44,500,000

Description of Proposed Project:

MarBorg Industries intends to acquire CNG powered collection vehicles as additions to its current fleet, and bins/containers to be used to service customers throughout Santa Barbara County. In addition, MarBorg Industries intends to purchase, upgrade and improve an existing solid waste recycling and processing facility at 1850 W Betteravia Rd., Santa Maria, CA, develop and increase vehicle/equipment yard storage and to construct a new operations depot.

Environmental Impact:

- 1) Air Quality:
SB 1383 improvements will help establish the methane emission reduction targets issued by the state. Additionally, the use of CNG as a fuel will eliminate particulate matter as compared to the operation of other fossil fuels.
- 2) Water Quality:
The CNG fueled vehicles will create less particulate matter as compared to a diesel fueled vehicle which will reduce particulate pollution.
- 3) Energy Efficiency:
New MRF equipment is more energy efficient with increased material throughput. Additionally, the use of CNG vehicles help reduce dependence upon other fossil fuels and has a lower carbon footprint.
- 4) Recycling of Commodities:
Upgrades and improvements to the Project Sponsor's MRF should increase the amount of material that is recycled and thus increases waste diversion from the landfill.
- 5) Safety and Compliance:
The Project will be compliant with all State and local mandates.
- 6) Consumer Costs Savings and Efficiencies:
In determining the Project Sponsor's proposed rate structure for its Franchise Cities its capital cost considered the use of tax-exempt financing. The lower cost of tax-exempt financing and the increase in operating efficiency of the new MRF equipment will provide greater flexibility as far as future rate structures.

Local Government Support:

The Applicant provided a letter of support from the government entity where their company is currently located.

Legal Questionnaire:

No information was disclosed that raised any question regarding the financial viability or legal integrity of the Project Sponsor.

Recommendation:

Staff recommends approval of \$44,500,000 in tax exempt bond allocation.



AGENDA ITEM 5

**Recommendation for Award
of Allocation to the
California Department of
Veterans Affairs for Single
Family Housing (SFH)**

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

CalVET Program 2024

Recommendation List

App. No.	Applicant	Project Name	Requested Amount	Recommended Amount	
Round 1 Allocation					\$80,000,000
24-102	California Department of Veterans Affairs	Single Family Veterans Home Loan Program	\$80,000,000	\$80,000,000	
Remaining Allocation					\$0

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

May 15, 2024

Staff Report

**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
SINGLE FAMILY HOUSING BOND PROGRAM***Prepared by: Sarah Lester***Applicant:** California Department of Veteran Affairs (CalVet)**Contact Information:**

Name: Eric Tiche
Address: 1227 O Street
 Sacramento, CA 95814
Phone: (916) 503-8004

Allocation Amount Requested: \$80,000,000**Participating Jurisdictions:** Statewide**Program Financing Information:**

Proposed Issuance Date: Fall 2024
Bond Counsel: Hawkins, Delafield & Wood LLP
Underwriter: To be determined
Credit Enhancement Provider: To be determined
Private Placement Provider: Not Applicable

Allocation Information:**Program Status:** Existing**Type of housing units to be assisted/average mortgage amount:**

New construction units:	41 units (17%) with an average mortgage amount of \$340,000
Existing resale units:	185 units (78%) with an average mortgage amount of \$340,000
Rehabilitated units:	<u>11</u> units (5%) with an average mortgage amount of \$288,000
Total units:	237 units with and average mortgage amount of \$337,586

The above numbers of units are: X Estimates
 Actual requirements imposed by the Issuer

Past Performance:

The application indicates the applicant met the 2022 minimum performance requirement that at least 40% of the program participants are lower-income households or located in a Qualified Census Tract. The Applicant did not apply for an allocation in 2023.

The application indicates the applicant expects to meet the 2024 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve the requested amount of \$80,000,000 in 2024 tax-exempt bond allocation to the California Department of Veterans Affairs for the Single Family Housing Bond Program.

DESCRIPTION OF PROPOSED PROGRAM:

- ***Population to be served by the proposed Program (family size, income levels, etc.):***

According to the Applicant, the target market for CalVet Home Loans is Veterans. All veterans who desire to purchase a home in California who have served a minimum of 90 days of active duty and have received an honorable discharge or are currently serving honorably are eligible. Although income is not a restriction on eligibility, a significant portion of the veteran population falls into the low and moderate income definition that applies to QMB funds. That would include veterans currently on active duty, retired military, and disabled veterans.

- ***Estimated number of first-time homebuyers to be assisted:*** 237

- ***Housing stock to be purchased (types, unit sizes, etc.):***

According to the Applicant, the The CalVet Home Loans program purchases single family residences including condominiums and manufactured housing permanently attached to a home site. They lend on both new and existing homes. CalVet also has a construction loan program, which allows the veteran to purchase a home site and have a home constructed. They also state that they have a rehabilitation program, which allows veterans to purchase a home and rehabilitate it. The rehabilitation program provides funds for needed repairs and renovations to bring the property up to contemporary living standards. The maximum loan is 125% of the Fannie Mae conforming loan limit. CalVet does not have a maximum purchase price other than those imposed by the QMB limits.

- ***Specific reservations of MRBs for purposes such as low-income targeting, new construction, etc.:***

According to the Applicant, CalVet does not impose any specific reservations on bond proceeds of other funding sources for sub-groups of the veteran population. The Applicant further states that 20% of the bond proceeds will be reserved for IRS-designated target areas.

- ***Program interest rates, downpayment requirements, and other fees:***

Interest Rates: According to the application, based upon current market conditions, the current rate at time of application was 6.375%.

Fees: None, statute prohibits them from earning a profit on the loans to veterans.

Downpayment Requirements: CalVet allows the use of most local homebuyer assistance programs. The CalVet Home Loans program has operated historically on 50bp over the cost of funds.

- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***

CalVet allows the use of most local homebuyer assistance programs.

- ***Additional features unique to the proposed Program:***

According to the Applicant CalVet:

- Is a direct lender
- Not credit score driven
- Has no underwriting, loan processing, credit report, document preparation, or wire transfer fees
- Has low cost fire and hazard insurance that provides a guaranteed replacement cost coverage.
- Has affordable disaster insurance program with low loss deductibles
- Has “expanded” underwriting guidelines that allow us to assist veterans with unique needs
- Has a “stated income” loan that is particularly valuable to self employed veterans

PURCHASE PRICE INFORMATION:

The proposed maximum limits are: Maximum purchase prices will vary from county to county, and are based on the IRS safe harbor limitations as published.

Expected average sales price of the estimated units to be assisted:

New units	\$340,000
Existing units	\$340,000
Rehabilitated units	\$288,000

MAXIMUM INCOME LIMITATIONS:

Maximum income limits will vary from county to county and are based on the higher of the 2023 Statewide median income or the county median income as published by HUD, and adjusted for family size by the California Department of Housing and Community Development.

Area median income on which maximum program limits are based: Various

Applicable standard that defines the area median income:

☐ HUD statewide median ☒ HUD county MSA median
☐ Local median as determined by a special study

Percent of MRBs reserved for IRS-designated target areas in the jurisdiction(s): 20%

DESCRIPTION OF PUBLIC BENEFITS:**Past Program Performance:**

<u>Year</u>	<u>Amount of Allocation</u>	<u>Amount of Allocation Used</u>	<u>Number of Loans Originated</u>	<u>Amount of Allocation Unused</u>
2021	Did Not Apply	N/A	N/A	N/A
2022	\$89,600,000	\$89,594,818	432	\$5,182
2023	Did Not Apply	N/A	N/A	N/A

Amount of CDLAC Allocation Not Used = \$5,182 (Not enough to issue a loan)

According to the Applicant, to date, \$89,594,818 of the 2022 QMB Allocation has been used, thus leaving \$5,182 remaining. This remaining amount was reverted to CDLAC, per CDLAC Resolution authorizing any unused allocation to be returned to CDLAC.

Pursuant to Section 5269 of the CDLAC Regulations, the Applicant has:

- 1 Demonstrated that all proceeds from a Bond Issuance in the calendar year three (3) years prior to the current year has been unused (other than minor amounts not to exceed \$1 million); and
- 2 Certified that any remaining Bond proceeds remaining from the year prior to the current year will be used before the use of new Allocation.



AGENDA ITEM 6

Request to Waive the Maximum

Bond Allocation (\$75,000,000)

for Qualified Residential

Rental Project

(Cal. Code Regs., tit. 4 §5232)

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE*May 15, 2024***Request to Waive the Maximum Bond Allocation (\$75,000,000) Amount for Qualified Residential Rental Project (Cal. Code Regs., §5232)**

(Agenda Item No. 6)

ACTION:

Approve waiving the maximum bond allocation (\$75,000,000) amount for Qualified Residential Rental Projects (QRRP) that applied in Round 1 of 2024. This does not guarantee the projects will be recommended for or awarded bond allocation.

BACKGROUND:

CDLAC regulation, California Code of Regulations, title 4, section 5232(a), limits the bond allocation to no more than \$75,000,000 for any proposed Qualified Residential Rental Project (QRRP) during a Competitive Application Process. Where a QRRP is located within one-fourth mile of another QRRP involving the same Project Sponsor or Related Party to the Project Sponsor, the Allocation amount, in the aggregate, cannot exceed \$75,000,000 within a calendar year.

Additionally, CDLAC regulation Section 5232(b) states:

“The Committee may waive the maximum allocation amount if the Committee determines that the demand for allocation for QRRPs is such that the maximum allocation amount is not warranted. An Applicant requesting an Allocation in excess of seventy-five million dollars (\$75,000,000) may seek a waiver from the Committee based on the following factors:

(1) The Qualified Residential Rental Project qualifies as an At-Risk Project [as defined in California Code of Regulations, title 4, section 5170]; or

(2) Documentation is provided in the Application indicating why a QRRP cannot be developed in phases at a \$75,000,000 level. The documentation must be specific and may include, but is not limited to, a site plan detailing the layout of the subject property, unit mix per stage of the phase, any unique features of the property which inhibits phasing, a description of infrastructure costs, and a cost breakdown by phases.”

DISCUSSION:

The projects below are requesting a waiver and meet the requirements pursuant to CDLAC regulation section 5232(b).

APPLICATION NUMBER	NAME	TOTAL ALLOCATION	TIMEFRAME
CA-24-432	Piper Family Apartments	\$76,500,000	Applied in current round
CA-24-458	Block A Family Apartments	\$99,000,000	Applied in current round
CA-24-499	Mandela Station Affordable	\$116,000,000	Applied in current round

CA-24-515 & CA-24-516	Residency at Sky-Village Hollywood Phase I and Phase II	\$145,000,000	Applied in current round
CA-24-521	View at San Bruno	\$125,000,000	Applied in current round
CA-24-535	Casa Adelante 1515 South Van Ness	\$82,142,319	Applied in current round

April 17, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Re: Waiver Request – Competitive Application Process Maximum Allocation Amount
Attachment 35-A
Green Valley Corporation dba Swenson
Piper Family Apartments
1256 Piper Drive
Milpitas, CA 95035

Dear Ms. Wiant,

As sole member of the Administrative General Partner for Piper Family Apartment (to be formed LP), we respectfully request a waiver of the \$75,000,000 maximum bond allocation (limit) for the Piper Family Apartments project (“Project”). The Project is a 100% affordable family project in Milpitas, California, located in the County of Santa Clara.

Phasing the Project’s construction would make the project cost prohibitive and is not feasible given the project’s design.

The key reasons for this request are as follows:

- 1) The project’s design and entitlement process was undertaken before the bond limit regulations were instituted. It was not feasible to forego the work that had been completed to create a smaller project that would be able to meet the current bond limit requirement.
- 2) The projects consists of one building, which makes phasing the project impossible from a construction perspective.
- 3) If we were forced to divide the project into two buildings/projects, we would lose economies of scale, which would increase our already high construction costs.
- 4) At this point, interest rates are likely to increase in the future, which would put further pressure on the project by increasing overall costs.

Due to the timing of our entitlements process, which was undertaken prior to the bond cap limit, the inability to phase the project due to design, and the insurmountable financial consequences of delaying the project to redesign, we are asking for a waiver of the maximum bond allocation amount.

Sincerely,

Green Valley Corporation dba Swenson
a California corporation
its Administrative General Partner

By: 

Case Swenson, President

April 17, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Re: Waiver Request – Competitive Application Process Maximum Allocation Amount
Attachment 35-A
Green Valley Corporation dba Swenson
Block A Family Apartments
860 W. San Carlos Street
San Jose, CA 95126

Dear Ms. Wiant,

As sole member of the Administrative General Partner for Block A Family Apartment (to be formed LP), we respectfully request a waiver of the \$75,000,000 maximum bond allocation (limit) for the Block A Family Apartments project (“Project”). The Project is a 100% affordable family project in San Jose, California, located in the County of Santa Clara.

Phasing the Project’s construction would make the project cost prohibitive and is not feasible given the project’s design.


The key reasons for this request are as follows:

- 1) The project’s design and entitlement process was undertaken before the bond limit regulations were instituted. It was not feasible to forego the work that had been completed to create a smaller project that would be able to meet the current bond limit requirement.
- 2) The projects consists of one building, which makes phasing the project impossible from a construction perspective.
- 3) If we were forced to divide the project into two buildings/projects, we would lose economies of scale, which would increase our already high construction costs.
- 4) At this point, interest rates are likely to increase in the future, which would put further pressure on the project by increasing overall costs.

Due to the timing of our entitlements process, which was undertaken prior to the bond cap limit, the inability to phase the project due to design, and the insurmountable financial consequences of delaying the project to redesign, we are asking for a waiver of the maximum bond allocation amount.

Sincerely,

Green Valley Corporation dba Swenson
a California corporation
its Administrative General Partner

By: 
Case Swenson, President

Mandela Station Affordable LP, a California Limited Partnership

430 E. State Street, Suite 100
Eagle, ID 83616
Phone: 208.461.0022
Fax: 208.461.3267

April 23, 2024

Emily Burgos
Senior Program Manager
California Debt Limit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814


RE: Mandela Station Affordable
Oakland, Alameda County, California
Bond Allocation Greater Than \$75,000,000

The Project Sponsor is requesting an exception to the \$75,000,000 allocation limit (Section 5232 of the CDLAC Regulations). The bond request of \$116,000,000 is necessary to ensure the development meets the 50% test, as the total development costs for the project are approximately \$216,000,000. The project is being built in an extremely high cost area, the Bay Area (Alameda County) and includes a level of podium parking. The project also is also required to pay state prevailing wages and follow local hire guidelines, which drives up costs.

Mandela Station Affordable, a California Limited Partnership

By: TPC Holdings IX, LLC, General Partner

By: Pacific West Communities, Inc.,
an Idaho corporation
Its: Manager

By: 
Caleb Roope, President and CEO

Residency at Sky Village Hollywood - Phase I
&
Residency at Sky Village Hollywood - Phase II

April 21, 2024

Request for Executive Directors discretion from *CDLAC Regulation 5232 Competitive Application Process Maximum Allocation Amount*.

Residency at Sky-Village Hollywood (Phase I & II) is a proposed **high-rise project** comprised of a combined **482-Units** of 100% affordable housing designated for Seniors in the heart of Hollywood (Los Angeles). Fifty-percent (50%) of the units have been set-aside for Special Needs and to target Homeless Housing and Veterans.

The developer has partnered up with experienced Service Provider Partners ('The People Concern') and Special Needs Property Management company ('Hyder Property Mgmt') to bring together a team extremely capable of managing projects of this scale.

The project is applying for an allocation of Tax-Exempt Bonds and 4% Tax Credits in Round 1 FY2024 and is being proposed **in two (2) phases with each Phase requesting less than the maximum \$75MM** allowable in an effort to meet the maximum limits imposed by the CDLAC Regulation 5232 Competitive Application Process Maximum Allocation Amount;

- A. Residency at SkyVillage Phase I (237-Units) Requested Bond Amount **\$74MM**
- B. Residency at SkyVillage Phase II (245-Units) Requested Bond Amount **\$71MM**

The phases are proposed as a combined vertical high-rise construction, with the phases vertically stacked, thus both phases are within 1/4th Mile of each-other and the project is subject to the paragraph section:

"..Where a proposed Qualified Residential Rental Project is located within one-fourth (1/4) mile of another Qualified Residential Rental Project involving the same Project Sponsor or a Related Party to the Project Sponsor, the Allocation amounts for the Qualified Residential Rental Projects cannot, in the aggregate, exceed seventy-five million dollars (\$75,000,000) within a calendar year. "

This request for a waiver from this section of the regulation is **needed only if both submitted phases score high to be eligible for a competitive award.**

In case both submitted phases are deemed eligible for an award, we are humbly requesting a waiver from the combined \$75MM annual limit for a developer because:

- A. The project is a High-Rise and even though we have been able to phase the financing applications, it would be very difficult to add additional the second phase/additional floors at a later stage if the second phase is not financed and approved at the same time as the first phase.
- B. This would mean very likely that only approximately half of the available density (Single phase) would get developed resulting in a drastic waste of available density on an entitled site.
- C. The current need in Los Angeles for high-density projects is extreme, It is very hard if not impossible to get such density entitled along-with the ability to go vertical. We must address this crisis with larger projects. We feel strongly that the \$75MM annual limit needs to addressed in an effort to get any traction to the housing crisis.

In an effort to support this request:

- 1. The project drawings included with the application depict a high-rise project with the two phases being demarcated.
- 2. Detailed Budgets for each Phase have been submitted with the application.
- 3. The infrastructure costs are primarily built into the Residency at SkyVillage Phase I Budget, which is why the per unit total development cost of Phase is (\$639K/Unit) compared to the Phase II TDC of \$\$594K/Unit.
- 4. The Hard Cost budget incl. contingency Phase I is \$81MM; per unit Hard Cost of \$341K/Unit.
- 5. The Hard Cost budget incl. contingency Phase-II is \$77MM; per unit Hard Cost of \$315K/Unit.
- 6. Phase I is a higher budget because additional infrastructure costs which include a deeper foundation, larger structural needs of the high-rise project of approximately \$4MM.
- 7. When both phases are combined, the TDC \$297MM for the proposed 482-Units translates to a competitive \$615K/Unit for Los Angeles and a competitive hard cost of \$327K/Unit for a Class-A type I concrete structure.

Thanking you for your consideration.

Residency at Sky Village I, LP
Residency at Sky Village II, LP

By: ABS Properties,
Inc. Its: General
Partner

By: _____
Samir Srivastava, President

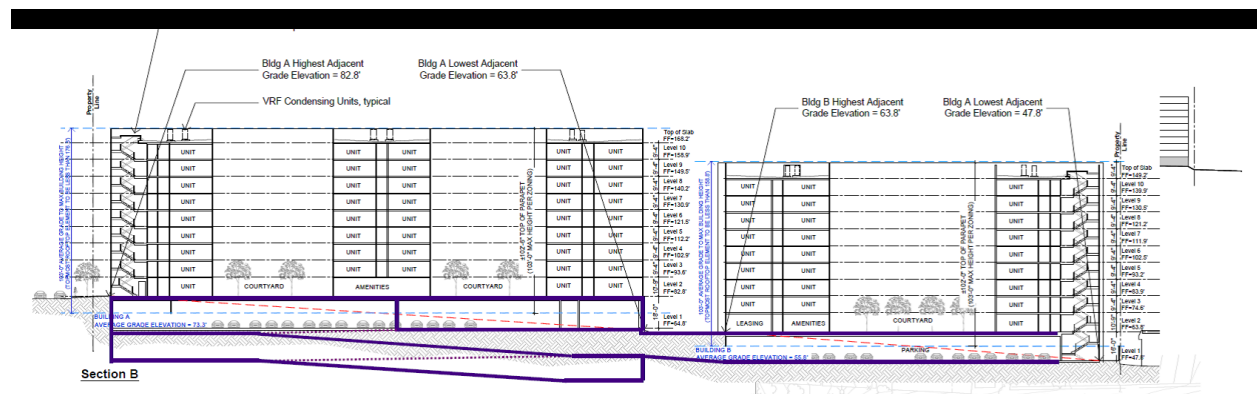
CDLAC
901 P Street, Suite 213A
Sacramento, CA 95814
Submitted via email

Re: View at San Bruno – 22-725 – Waiver Request to Bond Cap

To Whom It May Concern:

I would like to request a waiver to the \$75,000,000 bond allocation limit for the View at San Bruno project. This project was previously submitted for DDA preservation and was given application #22-725. View at San Bruno is a 341-unit project in the City of San Bruno in the County of San Mateo. It will be the largest affordable housing project in the region serving a severely housing constrained market. The project has 2 buildings on top of a shared podium with 1.5 levels of underground parking that slope with the grade of the street and site. The buildings are 9 and 10 stories and will be Type 1 construction. Due to the buildings being on top of a single podium with a single shared driveway and shared parking, it would be economically infeasible and highly inefficient to phase this project. Therefore, we are requesting an allocation request in the amount of \$125,000,000.

1. The project is 100% affordable serving incomes ranging from 30% AMI – 70% AMI.
2. The project is Type 1 concrete construction, which increases costs and difficulty of construction.
3. The buildings are 9 and 10 stories tall with leasing in one building and most of the amenity spaces in the adjacent building.
4. 25% of the units will be 3 bedrooms serving Large Families.
5. The project previously received a DDA preservation, which will expire in December if bonds are not issued by the end of 2024.
6. Below is a screenshot of a cut through section of the 2 buildings sitting on top of a single podium and connected parking garage. The initial access point is through Building A and exiting is through Building B along San Bruno Avenue. Plans have been submitted in our application.



Thank you,

Jonathan Emami

2024 CDLAC & TCAC Joint Application
Casa Adelante 1515 South Van Ness
Attachment 35-A: Bond Allocation Greater Than \$75M

Please see the attached letter and documentation outlining the Project Sponsor's request for a bond allocation greater than \$75MM.

April 23, 2024

Ms. Marina Wiant
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall C-15
Sacramento, CA 95814

Re: 1515 South Van Ness Project: Waiver Request for Bond Allocation in Excess of \$75MM

Dear Ms. Wiant:

Casa Adelante SVN Housing, L.P. (**Sponsor** or **Project Sponsor**) is requesting a bond allocation for the 1515 South Van Ness project (**1515 South Van Ness** or the **Project**) beyond the \$75 million cap per Qualified Residential Rental Project (**QRRP**) as established in CDLAC regulation Section 5232. In this case, the Project Sponsor is seeking a total bond allocation of \$82,142,319 of bond allocation.

The need for affordable housing for very low to moderate income families in the City and County of San Francisco, including formerly homeless households, is critical. It is especially critical in the Mission neighborhood, which has experienced substantial rent increases over the past decade. The Project's need for a higher bond request stems mainly from high construction costs, which MEDA and CCDC have worked diligently to manage. The total development cost for the residential building at 1515 South Van Ness is \$163,430,862 or \$852 per square foot, based on 200,343 GSF of building area, including residential and commercial space. The building will be 9-stories with 168 units with per-unit cost of approximately \$972,803.

The Project is not a viable candidate for multiple phases of construction due to the relative scale of the building, as well as the logistical issues of building on this infill site. Constructing the project in multiple phases would lead to overall cost increases and lost efficiencies due to the need for duplicate building systems, circulation, exterior cladding, and waterproofing. Proceeding as a single phased project should lead to lower contractor general conditions due to less time under construction. Similarly, by locking in a single-phase construction timeline in the near term, labor costs and escalation are less exposed to market fluctuations that would likely lead to large cost increases.

The Project's location in the City and County of San Francisco equates to very high construction costs. The following narrative discusses the site-specific attributes and infrastructure costs driving the single-phase construction of 1515 South Van Ness.

San Francisco Specific Conditions

The City and County of San Francisco has the highest construction costs in its Metropolitan Statistical Area (**MSA**) and one of the highest average prices per acre in the country, second only to New York City. Due to the fierce pace of construction in San Francisco, there are fewer subcontractors with capacity to bid on jobs, which is driving up pricing. Local hiring and Small Business Enterprise (**SBE**) requirements also limit the pool of eligible subcontractors available to bid on projects, which further exacerbates this problem.

Prevailing Wage & Local Hire

This project falls under the State Prevailing Wage Program and is required to pay prevailing wages. Given that this project is partially funded by the City and County of San Francisco, it is also subject to specific contracting requirements. These requirements include maximizing Small Local Business Enterprises participation in construction, as well as Workforce Hiring Goals to maximize local labor force on the project. These programs result in added costs for subcontractors, both in time seeking applicants and time spent training local workforce candidates. Added costs are also incurred by the General Contractor, who must implement, track, and support these programmatic goals. San Francisco Construction and Labor costs in general are historically higher than most other areas of the state and add a premium to the overall cost of development. It is estimated that Prevailing Wage requirements alone add approximately 20% to the cost of construction. Local Hiring requirements add another 5% to the cost of construction, as some subcontractors attach a premium for Local Hiring compliance.

San Francisco Arts Commission

Since the City and County of San Francisco requires a portion of the construction cost to be allocated to art, 1515 South Van Ness is required to allocate and to deliver \$272,683 of artwork associated with the Project.

Calle 24 Cultural District

The building is located within the Calle 24 Latino Cultural District, which requires design review and approval of specific cultural features intended to celebrate the neighborhood's cultural heritage. This project has met the requirements of the Calle 24 Cultural District via the following additions to the project: benches, planters at sidewalks, a step-down of the building height in one location, brick exterior cladding at corners, a rounded volume at one corner of the building, canted bays, deep-set windows, metal screens and gates, and storefront at the ground floor. These features have a total cost of approximately \$1 million.

Emergency Response Radio Call System (ERRCS)

In the City and County of San Francisco, the Fire Department requires a system to be installed in all new construction that enhances the radio signal for emergency first responders. Typically, the signal can be repeated with equipment placed on the lower floors of buildings but given the nature of this construction (a fully concrete structure), a fully distributed system is needed. This system requires the addition of rated shafts and enclosures to provide fire rated protection for conduit distribution, supporting the antenna system, and/or additional fireproofing, as well as modifications to the Fire Life Safety System, all of which add costs.

Site Specific/Infrastructure Conditions

Site Logistics

The Project is located adjacent to and on high traffic and busy streets, including a major thoroughfare along South Van Ness with public transportation, requiring coordination with the San Francisco Metropolitan Transportation Authority (**SFMTA**). There are also high voltage power lines along 26th street, requiring coordination with Pacific Gas and Electric (**PG&E**) and special protections on the project scaffolding.

Site Conditions

This Project's site has topographical constraints that require mitigation. The site has an approximately 10-foot height elevation difference from North to South and similarly from West to East. This site condition requires extra excavation and an engineered shoring systems along the higher north and east elevations to safely retain the existing side walls. The soil also requires compaction to enhance soil properties to support a building of this scale. Additionally, the site has a high water table that necessitates dewatering and foundation waterproofing.

Construction in Fully Developed Area

Staging construction in a fully developed area increases costs for items like security, specialized crane set up and operation, a personnel hoist, and scaffold and swing stage mobilization to construct the project without disturbing adjacent properties.

Demolition

The project development involves the demolition and abatement of an existing commercial building of approximately 16,000 sq. ft. The cost of the demolition is \$1,005,308 and includes the following: Building Demo: \$480,000; Onsite Civil Demo: \$144,320; Offsite Demo Sidewalks and Curbs: \$102,000; Pothole filling at building foundations at 5 locations: \$15,000; Demo of retaining wall at Shotwell building; \$155,800; Pedestrian and Traffic Coordination: \$87,293; Safety Coordination and Clean up; \$45,032; Traffic Control; \$4,160 and Hazardous Materials abatement and Dust Monitoring: \$100,000.

Structural Foundation

The soil conditions on site are insufficient to adequately support the new building load and seismic forces. The unique geology of this location in San Francisco requires a deeper, thicker mat foundation with a large volume of reinforcing and structural improvements required by the 2022 California Building Code The new provision (Section 19.10.3.1) of the 2022 California Building Code required substantial amplification of the earthquake shear forces for design. In some cases, the design shear force may be more than double the design shear force from previous codes. This results in a significant increase in concrete and rebar costs for concrete buildings under the 2022 code.

- a. the shear wall length increased 25% in length and 40% in thickness, resulting in 75% more shear wall concrete.
- b. The shear wall reinforcement increased approximately 50%.
- c. The foundations thickened to accommodate the increased loads.

This dramatic increase in the structure size, makes buildings safer, but is also increases costs across all projects of 1515 South Van Ness's size and construction type.

Soil Conditions

Pursuant to our Geotechnical report identified the presence of weak compressible soils which is subject to lateral spreading during an earthquake. To prevent lateral spreading we are adding extensive shoring to correct the slope of the site and a thick mat slab foundation mentioned above. These ground improvement systems will reduce potential liquefaction and lateral spreading on the site. Additionally, a Soil Management Plan (**SMP**) will be implemented to minimize soil run-off and exposure of constituents in the soil to construction workers at the site, nearby residents, and pedestrians.

Exterior Building Maintenance System

Due to the height of the building, a system is required for access to clean and maintain the building's exterior. This system is comprised of steel davit bases designed into the structural slabs to enable this maintenance. Some of the unquantifiable costs of this system are structural modifications in the design to accommodate this system and the imposed loads. In addition, there are clearances necessary from all other rooftop equipment & assemblies that require the overlay of system designs to be tightly coordinated to enable the roof davit arms to be maneuvered around the roof, amid the other stationary rooftop elements.

Added Requirements for 9-story Construction

The team is maximizing the building height and number of units at 1515 South Van Ness, constructing a 9-story, 168-unit Type I structure. The building systems required to support this height and scale add costs to the project. In order to move water to the highest point of the building, large pumps are required for both the domestic water system and the fire sprinkler / standpipe system. These pumps also increase the demand on the building's electrical system, which then requires larger electrical equipment.

This proposed project, including the \$82 million bond allocation, will deliver much-needed affordable housing along with comprehensive and high-quality social services in the long-term to the under-served populations in the costly City and County of San Francisco.

If you have any questions about the proposed project, please feel free to reach out to me at any time. I may be reached at 925-206-0018 or writter@medasf.org. We thank you for your careful consideration of our request and your commitment to supporting affordable housing.

Sincerely,

Warren Ritter

Warren Ritter

Associate Director of Housing Development
Mission Economic Development Agency



AGENDA ITEM 7

Supplemental Bond Allocation Request Above the Executive Director's Authority (Cal. Code Regs., tit. 4, §5240)

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2024
Supplemental Bond Allocation Request Above the Executive Director's Authority
(Cal. Code Regs., tit. 4, §5240)
(Agenda Item No. 7)

BACKGROUND:

Pursuant to California Code of Regulations, title 4, section 5240(a), requests for Supplemental Allocations for Qualified Residential Rental Projects may be submitted to the California Debt Limit Allocation Committee (CDLAC) during any Allocation Round throughout the year. Staff is required to review each request for Supplemental Allocation and make a recommendation to CDLAC regarding any possible award of additional Allocation. CDLAC has delegated authority to the CDLAC Executive Director to award Supplemental Allocation to projects where the total supplemental request is no more than 10 % of the project's original allocation and no more than 52% of the aggregate depreciable basis plus land basis, pursuant to California Code of Regulations, title 4, section 5240(b). The CDLAC Executive Director oversees the administration of CDLAC and is responsible for ensuring the various functions of CDLAC are carried out. Awards of Supplemental Allocations are required to be memorialized in a CDLAC resolution. All applicable requirements imposed on the associated initial project Allocation, including, but not limited to, the expiration of the Allocation, bond issuance deadlines, extensions, transfers of Allocation, carry-forward elections, and reporting will be equally applicable to Supplemental Allocations.

DISCUSSION:

Two project applicants are requesting a Supplemental Allocation above the Executive Director's authority. Staff have reviewed the applications for compliance and accuracy. The project applicants have submitted letters to support their requests.

APPLICATION NUMBER	NAME	APPLICANT	TOTAL SUPPLEMENTAL REQUEST	COMMITTEE APPROVED ALLOCATION	TOTAL ALLOCATION	SUP %	BASIS
CA-24-569	Southside Senior Housing	City of Los Angeles	\$2,291,000	\$15,120,422	\$17,411,422	15.15%	51.28%
CA-24-576	U.S. VETS-WLAVA Building 210	California Municipal Finance Authority	\$5,500,000	\$14,219,583 + \$4,936,246 (supplemental)	\$24,655,829	28.71	51.83%

RECOMMENDATION:

Staff recommend approval of the Supplemental Allocation requests above the Executive Director authority.



April 30, 2024

DC Navarrette
California Debt Limit Allocation Committee (CDLAC)
901 P Street, Room 213A
Sacramento, CA 95814

**Re: Southside Seniors/Serenity – Request for Supplemental Bonds
(Application ID: 4352)**

Dear Mr. Navarrette,

On behalf of Southside LA Housing Partners, LP, we are requesting an additional \$2,291,000 in supplemental tax exempt bond proceeds. This request is over 10% of the original bond allocation, which exceeds the Director's approval and requires Committee approval. The additional \$2,291,000 in tax exempt bond proceeds will help fill our current financing gap caused by weather-related delays, high construction material and labor costs, and prevailing wages. It will also help this project to meet the 50% test for the tax exempt bonds.

Southside Seniors/Serenity is a mixed-use project, located at 1623 W Manchester Avenue, in Los Angeles, California. It will provide 50 multifamily units: 36 designated for homeless households at or below 30% of area median income, 13 designated for low-income households at or below 60% of area median income, and 1 manager's unit. Additionally, it will feature roughly 1,500 sq.ft. of ground floor commercial space.

Southside Seniors / Serenity meets significant demand for new construction housing, as the neighborhood has not experienced much new construction housing development in years. The project also meets significant demand for some of the most vulnerable populations: homeless seniors and low-income seniors. Southside Seniors / Serenity was funded, in part, with \$9.22 million in proceeds from Los Angeles Proposition HHH.

On December 8, 2021, Southside Seniors/Serenity received a resolution for the allocation of Series 2022P-1 Tax Exempt Bonds in the amount of \$15,120,000 (Resolution No. 21-266). Southside Seniors/Serenity also received an allocation of Series 2022P-2 Taxable Bonds in the amount of \$4,790,000. The original construction financing sources closed on June 1, 2022.

Since the project began construction in August 2023, the Total Development Cost has

increased from \$35,582,017.17 to \$41,135,582. This is the result of weather-related delays as the result of record-setting rainfall experienced at the site from December 2022 to present. This has delayed the construction completion from its originally anticipated completion date of December 31, 2023, to August 31, 2024. In addition to weather-related delays, other factors impacting high development costs includes prevailing wages, the cost of the concrete podium garage to provide parking for low-income households, and permitting expenses for urban infill in the City of Los Angeles.

To fill the new gap of \$5,553,564, Southside Seniors/Serenity is requesting \$2,291,000 in supplemental tax exempt bond proceeds. Our investor, R4 Capital Funding, has committed to providing \$2,291,000 in supplemental construction period financing to facilitate the direct purchase of these tax-exempt mortgage revenue bonds. The project has also received a resolution for an additional \$2,300,000 from the City of Los Angeles, as part of their Fast Track Loan Program. The request for \$2,291,000 in additional annual supplemental tax exempt bonds will not only help fill our funding gap, but will also help this project meet its 50% tax-exempt bond requirement.

Sincerely,

A handwritten signature in black ink, appearing to be 'Saki Middleton', with a stylized, cursive-like script.

Saki Middleton
Authorized Signatory

CC: Jeremy Johnson, LAHD

April 30th, 2024

Marina Wiant, Deputy Executive Director
California Debt Limit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Re: Request for approval for a second supplemental bonds above the Executive Director's Authority (Cal. Code regs., title 4, section 05240(b)(1))

Project: U.S. VETS-WLAVA Building 210

Developer: U.S. VETS Housing Corporation

Application Number: CA-23-600

Dear Ms. Wiant:

On December 6, 2023, the California Tax Credit Allocation Committee ("CTCAC") and the California Debt Limit Allocation Committee ("CDLAC") awarded the project a reservation of 4% low-income housing tax credits and an allocation of tax-exempt bonds. The project's original CDLAC resolution awarded \$14,219,583.00 of tax-exempt bonds, and a supplemental allocation was approved in the amount of \$4,936,246 in February 2024 for a total approved amount of \$19,155,829.

After the Project's request for a supplemental bond allocation was approved, the Project's GC finished bidding out the Project with a minimum of 3 subcontractors per trade. After determining the final contract amount for the project, it has been determined that the \$19,155,829 in bonds awarded to the project will not be sufficient to pass the 50% test. As such, the applicant is requesting a second supplemental allocation of \$5,500,000. With the approval of a second supplemental bond allocation, the project will finance 52% of the aggregate basis with tax-exempt bonds. In accordance with CDLAC regulations, committee approval is required for a total supplemental request that exceeds 10% of the project's committee-approved allocation.

Please accept this letter as a formal request to obtain authorization to exceed the limit so that the project can move forward with the revitalization of a dilapidated building on the VA's Los Angeles Campus and provide 37 units to veterans in need.

Thank you for your consideration, and I will remain available to address any further questions or concerns.

Sincerely,

WLAVA Building 210, LP,
a California limited Partnership

By: U.S. VETS-WLAVA BUILDING 210, LLC,
a California limited liability company
its managing general partner

By: Kingdom Development, Inc.,
a California nonprofit public benefit corporation,
its managing member

By: 

William Leach, President



AGENDA ITEM 8

Request to Transfer Allocation to

Another Applicant

(Cal. Code Regs., tit. 4 §5120)

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2024

Request to Transfer Allocation to Another Applicant (Cal. Code Regs., tit. 4 §5120)
(Agenda Item No. 8)

ACTION:

Consider the approval of a change of Issuer for the following Projects:

1. U.S. VETS-WLAVA Building 210 Project (Application No. 23-600, 24-404 (Supplemental) & 24-576 (Supplemental); Resolution No. 23-244 & 24-103). To transfer the Allocation from the original issuer, California Municipal Finance Authority (CMFA) to the new issuer, the California Housing Finance Agency (CalHFA).
2. Avenue 34 Apartments (Application No. 24-402 (Supplemental); Resolution No. 24-104). To transfer the Allocation from the original issuer, California Statewide Communities Development Authority (CSCDA) to the new issuer, the California Housing Finance Agency (CalHFA).

BACKGROUND:

U.S. VETS-WLAVA Building 210 is a 38-unit Special Needs New Construction project located in the City of Los Angeles. The CDLAC Applicant and original bond issuer, CMFA, received an award of allocation for the project at the Committee's December 6, 2023, meeting. CMFA and CalHFA are jointly requesting a transfer of the Application thereby resulting in the transfer of the original bond allocation of \$14,219,583 and a supplemental bond allocation of \$4,936,246.

Avenue 34 Apartments is a 66-unit Large Family New Construction project located in the City of Los Angeles. The CDLAC Applicant and original bond issuer, CSCDA, received a supplemental bond allocation for the project on February 6, 2024. CSCDA and CalHFA are jointly requesting a transfer of the supplemental bond allocation of \$1,400,000.

DISCUSSION:

The Committee was informed by CMFA that the U.S. VETS-WLAVA Building is under the jurisdiction of the County of Los Angeles. The County of Los Angeles will not join CMFA's Joint Powers Authority to coordinate a TEFRA hearing. To keep the Project moving along, CMFA is seeking approval to transfer the Allocation to CalHFA, who can hold a TEFRA hearing at the State level. The TEFRA hearing will satisfy Section 147(f) of the Internal Revenue Code, documenting the public approval process.

The Committee was informed by CSCDA that the supplemental allocation for Avenue 34 Apartments needed to be transferred to CalHFA. After CSCDA's original issuance of bonds for the original allocation, CalHFA issued tax-exempt recycling bonds and a taxable tail for the Project. In order to retire previously issued taxable bonds issued by CalHFA, CalHFA needs to be the Bond Issuer for the supplemental allocation.

Under California Government Code - GOV §8869.85 – and per Section 5120(a)(2) of the CDLAC Regulations, "(2) The Committee may permit transfers of Allocation between Applicants for the same

Project. Prior to the transfer of an Allocation between Applicants for the same Project, the new Applicant must demonstrate that both the Minimum Application Requirements outlined in Section 5033 and the specified program threshold requirements have been met prior to the Committee's approval of the transfer." As such, CDLAC has the authority to permit the transfer.

CDLAC received correspondence and letters by both original issuers and the new issuer mutually agreeing to the allocation transfers.

RECOMMENDATION:

Staff recommend the approval of the change in issuer and transfer of allocation for the U.S. VETS-WLAVA Building 210 Project and transfer of supplemental allocation for the Avenue 34 Apartments Project.



Tax-Exempt Financing
Throughout California

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April 8, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting the Transfer of Bond Allocation of the U.S. VETS-WLAVA Building 210 Apartments
(CDLAC Resolution No. 23-244)

Dear Ms. Wiant:

On behalf of WLAVA Building 210, LP (CDLAC Application No. 23-600) the CMFA is requesting the transfer of bond allocation (CDLAC Resolution No. 23-244) to the California Housing Finance Agency or an entity thereof.

This project was originally thought to be in the jurisdiction of the City of Los Angeles. As attempts were made to coordinate a TEFRA hearing with the City, it was discovered that the property is under the jurisdiction of the County of Los Angeles.

The County of Los Angeles refuses to join the CMFA's Joint Powers Authority and coordinate a TEFRA hearing.

To ensure the creation of Affordable Housing and to ensure that this project move forward, the CMFA respectfully requests the transfer of bond allocation to the California Housing Finance Agency which can hold a TEFRA hearing at the State level.

John P. Stoecker
Financial Advisor
California Municipal Finance Authority



April 24, 2024

VIA EMAIL

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

Re: Allocation Transfer Request (Avenue 34 Apartments)

Dear Ms. Wiant:

In order to facilitate the issuance of the \$1,400,000 of supplemental Qualified Private Activity Bonds (“Bonds”) for Avenue 34 Apartments awarded through Resolution No. 24-104 on February 6, 2024, California Statewide Communities Development Authority (“CSCDA”), in conjunction with the project owner R Cap Avenue 34 LLC, requests the bonds be transferred to California Housing Finance Agency (“CalHFA”) at the California Debt Limit Allocation Committee’s meeting on May 15, 2024. The request is in light of the fact that the Bonds will be used to retire previously issued taxable bonds by CalHFA for the Avenue 34 project.

Thank you very much for your consideration of this request. Please let me know if you require any additional information.

Sincerely,

Jon Penkower
Managing Director



AGENDA ITEM 9

**Request to Extend the Bond
Allocation Issuance Deadline for
Qualified Residential
Rental Project and Request to
Waive Forfeiture of the
Performance Deposit
(Cal. Code Regs., tit. 4 §§5052,
5100, 5132)**

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2024

Request to Extend the Bond Allocation Issuance Deadline for
Qualified Residential Rental Project and Request to Waive the Forfeiture of the Performance Deposit
(Cal. Code Regs., tit. 4, §§5052, 5100, 5132)
(Agenda Item No. 9)

Action:

Approve bond issuance deadline extension requests and waiver of the forfeiture of the performance deposit on listed projects.

BACKGROUND:

Pursuant to California Code of Regulations, title 4, section 5100, the expiration date for issuing Qualified Residential Rental Project Bonds is either 180 days, 194 days, or 208 days depending on the circumstances at the time of allocation.

Per section 5052 of the CDLAC Regulations, an extension of the expiration date for Qualified Residential Rental Bonds granted pursuant to Section 5101 or 5132 will result in forfeiture of the Project's performance deposit to the extent that the performance deposit has not previously been forfeited.

DISCUSSION

The applicants for the projects below are requesting a bond issuance deadline extension and waiver of the performance deposit forfeiture outside of the Executive Director's authority. The original allocations and a supplemental allocation for the projects were all awarded on December 6, 2023, except the 23-556 Union Tower allocation, which was awarded on August 23, 2023. This is Union Tower's second 90-day request. The first request was granted on February 12, 2024 by the Committee members.

Project No.	Project Name	Project Type	No. of Units	Allocation	Location	Issuance Deadline	Extension Requested
CA-23-556	Union Tower	New Construction ELI/VLI	93	\$35,823,312	National City	6/4/2024	90 days
CA-23-595	Gibson Drive Apartments	New Construction, Large Family	356	\$74,978,500	Roseville	6/3/2024	90 days
CA-23-600	U.S. VETS- WLAVA Building 210	New Construction, Homeless	38	\$14,219,583	Los Angeles	6/3/2024	90 days
CA-23-610	2880 Alum Rock Avenue Apartments	New Construction, Non-targeted	164	\$52,500,000	San Jose	6/3/2024	90 days
CA-23-612	West Harbor Park Affordable Apartments	New Construction, Non-targeted	25	\$3,925,000	Vallejo	6/3/2024	90 days

Agenda Item No. 9
May 15, 2024

CA-23-618	Vintage at Folsom Apartments	New Construction, Seniors	136	\$21,612,924	Folsom	6/3/2024	90 days
CA-23-620	440 Arden Way	New Construction ELI/VLI	122	\$47,430,100	Sacramento	6/17/2024	90 days
CA-23-622	Lexington Green Apartments	Other Rehab, Non-targeted	144	\$42,910,000	El Cajon	6/3/2024	90 days
CA-23-631	Mendocino at Talega II	Other Rehab, Large Family	62	\$9,910,368	San Clemente	6/17/2024	90 days
CA-23-633	Mendocino at Talega I	Other Rehab, Large Family	124	\$18,883,000	San Clemente	6/17/2024	90 days
CA-23-635	Giant Road Apartments	Other Rehab, Large Family	86	\$30,502,828	San Pablo	6/17/2024	90 days
CA-23-645	Villa Plumosa	Other Rehab, Large Family	76	\$20,609,881	Yorba Linda	6/3/2024	90 days
CA-23-646	Citrus Grove	Other Rehab, Large Family	152	\$32,895,715	Rialto	6/17/2024	90 days
CA-23-647	Lake Merritt BART Senior Affordable Housing	New Construction, Seniors	97	\$49,392,351	Oakland	6/17/2024	90 days
CA-23-650	Playa Del Alameda Apartments	Other Rehab, Non-targeted	40	\$14,370,000	Alameda	6/3/2024	30 days
CA-23-653	One San Pedro Phase I (aka 327 Harbor Apartments)	New Construction, Large Family	47	\$22,460,305	Los Angeles	6/17/2024	90 days
CA-23-656	Two Worlds Apartments	Other Rehab, Non-targeted	96	\$15,800,000	Los Angeles	6/17/2024	90 days
CA-23-657	St. Andrews Arms & Second Avenue Apartments	Other Rehab, Non-targeted	65	\$12,900,000	Los Angeles	6/17/2024	90 days
CA-23-658	Oceanview Gardens	Other Rehab, Non-targeted	62	\$24,000,000	Berkeley	6/3/2024	30 days
CA-23-659	Panorama View Apartments	Other Rehab, Seniors	89	\$20,000,000	Panorama City	6/17/2024	90 days
CA-23-660	All Hallows Apartments	Other Rehab, Large Family	157	\$73,000,000	San Francisco	6/17/2024	60 days
CA-23-661	Bayview Apartments	Other Rehab, Large Family	146	\$57,000,000	San Francisco	6/17/2024	60 days
CA-23-662	La Salle Apartments	Other Rehab, Large Family	145	\$63,500,000	San Francisco	6/17/2024	60 days

Agenda Item No. 9
May 15, 2024

CA-23-664	Shoreview Apartments	Other Rehab, Large Family	156	\$71,000,000	San Francisco	6/17/2024	60 days
CA-23-666	Auburn Park II	Other Rehab, Large Family	69	\$11,700,000	San Diego	6/3/2024	90 days
CA-23-667	Patterson Point	New Construction, Homeless	24	\$12,720,240	Goleta	6/17/2024	90 days
CA-23-689	Avalon 1355 (Supplemental)	New Construction, Homeless	54	\$600,643	Los Angeles	6/3/2024	30 days

The applicants have submitted formal extension requests and the bond issuers and/or the project sponsors will be available to speak on behalf of the project.

April 30th, 2024

Ricki Hammett

Deputy Executive Director

California Debt Limit Allocation Committee 901 P Street, Suite 213 A

Sacramento, CA 95814

RE: CA-23-600/U.S.VETS WLAVA Building 210

790 Bonsall Avenue, Los Angeles, CA, 90049 Dear Ms. Hammett,

Please accept this letter as our request for the Committee to grant a 90-day extension to the above referenced Project's readiness deadline of June 3rd, 2024. The Project has experienced unforeseen challenges related to the extensive seismic testing of the building, the final determination of the scope of work to repurpose an historic building on the VA's Los Angeles Campus and the necessary VA and SHPO approvals related to the Project's historic restoration.

These unexpected events have caused delays to our anticipated timeframe allocated for meeting the Project's readiness deadline. During the final stages of obtaining building permits, it became evident that the Project needed complete seismic upgrades, which required the

Project's design team to revise the plans to accommodate the additional scope. Also, the Project's scope of work includes the complete historic restoration of a building on the VA's Los Angeles campus and needed additional approvals from the SHPO and NPS. After the submittal of the Historic Tax Credit Part 1 it was discovered that the campus was divided into historic districts and the initial finding from NPS was that all buildings within a district were to be

considered as a single project. It took significant time and effort to document for SHPO and NPS that each building is in fact a separate project and therefore qualify for historic tax credits individually. Collectively, the Project's design team has helped navigate the design changes and expects that the Project will have all necessary approvals to pull permits in the middle of June

2024.

As a result, of the unforeseen nature of these challenges and their impact on the project readiness timeline, we respectfully request the Committee consider granting a 90-day extension to the project's CDLAC readiness deadline. Additionally, we kindly request a waiver

of forfeiture of the performance deposit and assignment of negative points, as these circumstances were

beyond our control.

Thank you for your understanding and consideration of our request. Sincerely,

WLAVA Building 210, LP,

William Leach, President

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May 2, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the 2880 Alum Rock
Apartments Project (CDLAC Application No. 23-610)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the 2880 Alum Rock Apartments project. The Project (Resolution No. 23-253) was awarded allocation on December 6, 2023, with a closing deadline of June 3, 2024.

The project has seen significant cost increases since the time of CDLAC application. The construction contract has increased which had the additional impact of increasing the construction loan interest during a period of historically high interest rates.

The project has applied for a supplemental bond allocation to address the cost increases. However, additional time is needed to underwrite and approve the increase in funds.

This letter also requests a waiver of forfeiture of the performance deposit and negative points.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

April 12, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the West Harbor Park
Apartments Project (CDLAC Application No. 23-612)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the West Harbor Park Apartments project. The Project (Resolution No. 23-255) was awarded allocation on December 6, 2023, with a closing deadline of June 3, 2024.

As the project was finalizing the budget with the proposed contractor, it received an extremely sharp increase in construction costs that has created a gap in the sources and uses. In addition, the project has incurred further increases in interest rates. The developer is working with its engineer, architect, contractor, and subcontractors to reduce costs with value engineering. The value engineering changes are also causing a delay in finalizing the plans with the City of Vallejo. The project recently submitted its plans for the 4th plan check cycle due to value engineering changes. The additional time will allow the Developer to continue to reduce project costs through value engineering and clear the revised plans with the City of Vallejo to be able to issue a building permit.

In consideration of the project Sponsor's significant efforts to achieve the bond deadline, its long-term commitment to this project, we ask that the bond deadline for West Harbor Park Apartments be extended by 90 days to September 2, 2024.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221.

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

May 6, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the Union Tower & Union Tower Supplemental Apartments Project (CDLAC Application Nos. 23-556 & 24-407)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the Union Tower & Union Tower Supplemental Apartments Project. The Project (Resolution Nos. 23-200 & 24-107) was awarded allocation on August 23, 2023, with a closing deadline of March 4, 2024. An extension was granted, extending the deadline to June 4, 2024.

The development was fully funded at the time of the CDLAC TCAC joint application but has seen significant cost increases in the last 9 months. The construction contract has increased by approximately \$5,000,000 which had the additional impact of increasing the construction loan interest during a period of historically high interest rates bringing the total cost increase to approximately \$6,500,000.

The project has applied for numerous cost reduction strategies and has recently been awarded VASH 24 VASH vouchers from the County of San Diego and a new \$1,500,000 HOME-ARP loan from the City of National City Housing Authority to help balance the sources and uses. VASH and HOME-ARP funds require NEPA approval which is anticipated to be complete soon but potentially not before the June 4th CDLAC closing deadline. The project submitted a building permit application to the City of National City on December 20, 2022, and is permit ready. The financial closing and start of construction will occur as soon as the NEPA process is complete.

This letter also requests a waiver of forfeiture of the performance deposit and negative points.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority



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May 2, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the Gibson Drive Apartments Project (CDLAC Application No. 23-595)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the Gibson Drive Apartments project. The Project (Resolution No. 23-240) was awarded allocation on December 6, 2023, with a closing deadline of June 3, 2024.

The project has encountered a potential unforeseen delay beyond the control of the Project Sponsor pertaining to the parcel map. The purpose of the extension is to provide additional time to allow the parcel map to be recorded, which is merging 5 parcels into a single parcel. The City Council of Roseville had previously provided discretionary approval to merge the parcels subject to technical review of the map. The map has now gone through technical review and is scheduled on the consent calendar for City Council approval on May 15, 2024. After consent approval, the Project Sponsor will need adequate time to allow the parcel map to be recorded by the County Recorder which is a process that the Project Sponsor cannot control the timing of. We are also requesting that CDLAC consider and approve a waiver so that the Good Faith Deposit is not forfeited and can be returned to the Project Sponsor upon successful bond closing.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221.

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority



April 16, 2024

VIA EMAIL

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

Re: Request for Extension (Vintage at Folsom Apartments)
CDLAC Resolution 23-261 (Application 23-618)

Dear Ms. Wiant:

Please accept this letter as our request for the Committee to grant a 90-day extension to the above referenced Project's readiness deadline of June 3, 2024. The steep rise in long-term permanent interest rates have created a gap in the Project's Sources and Uses. In order to close the gap, the sponsor has decided to use an alternative permanent financing structure (a Fannie Mae bond credit enhancement). This change in structure will add an additional 90 days to process as Citibank will need to process the request with Fannie Mae and the underwriter Stifel will need to market the bonds for sale. The sponsor team has used this financing structure before, so there is certainty of execution.

As a result of the unforeseen nature of the situation and being completely out of the sponsor's control, we respectfully request the Committee to consider granting a 90-day extension to the Project's CDLAC readiness deadline. In addition, we respectfully request a waiver of forfeiture of the performance deposit and assignment of negative points.

Thank you very much for your consideration of this request. Please let me know if you require any additional information.

Sincerely,

Jon Penkower
Managing Director

March 25, 2024

VIA EMAIL

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

Re: Request for Extension (Lexington Green Apartments)
CDLAC Resolution 23-264 (Application 23-622)

Dear Ms. Wiant:

We are writing to request a 90-day extension for Lexington Green Apartments which has a current closing deadline of June 6, 2024. Under this proposed extension, the new deadline to close Lexington Green Apartments would be September 4, 2024. The necessity for the 90-day extension is due to recent communication from the Tax Credit Investor stating that they will have to delay the closing of their LIHTC fund from May until August. Email communication from the Investor is included below as an exhibit.

Thank you very much for your consideration of this request. Please let me know if you require any additional information.

Sincerely,

Jon Penkower
Managing Director

Thursday, March 21, 2024 at 12:38:25 Eastern Daylight Time

Subject: Lexington Green
Date: Thursday, March 21, 2024 at 12:22:46 PM Eastern Daylight Time
From: Anand Kannan
To: Seth Gellis, Evan Cramer
Attachments: image001.gif

Hi Seth/Evan,

We are looking to the successful acquisition and rehabilitation of Lexington Green apartments and appreciate the continued partnership.

Although we are aware of your bond issuance deadline in mid-June, we would respectfully request if you could obtain an extension until mid August from CDLAC in order to secure the investor equity to complete this transaction.

Our investors and fund is coming together for this transaction but a few of our larger investors are unable to close into the fund until after their CRA exam cycle ends on June 30th. These specific investors have a strong need in San Diego County where Lexington Green is located, and they have committed to closing soon after their CRA cycle is over.

Please let me know if you have any questions but would appreciate the consideration for an extension with CDLAC in order to preserve the funds allocated for this transaction.

Thanks
Anand

ANAND KANNAN
President
17782 Sky Park Circle, Irvine, California 92614-6404
T 714-300-5235
wncinc.com

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

May 6, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the 440 Arden Way Apartments Project (CDLAC Application No. 23-620)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the 440 Arden Way Apartments Project. The Project (Resolution No. 23-563) was awarded allocation on December 6, 2023, with a closing deadline of June 17, 2024.

The Project is at risk of not meeting the closing deadline due to an unforeseen review process for a road access easement. In order for the building permit to be issued by the City of Sacramento, the Project's Ground Lessor, State of CA, must enter into a road access easement with SacRT. SacRT staff failed to inform the Project Developer of the appropriate timelines for review and approval of the easement. As a result, the project is at risk of not getting this easement signed in time to pull permits and therefore meet the readiness deadline. The Project Developer repeatedly requested timelines for SacRT internal approvals and were not given clear answers on the actual review time. The Project Developer has explored other avenues with SacRT staff to work around this issue to no avail and therefore the Project is at the mercy of a timeline of the Developer's control.

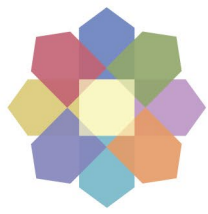
This letter also requests a waiver of forfeiture of the performance deposit and negative points.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority



Jamboree

April 26, 2024

DC Navarette
Senior Program Manager
901 P Street, Suite 213A
Sacramento, CA 95814

RE: Mendocino at Talega I – Resolution 23-274
Mendocino at Talega II – Resolution 23-272

Dear Mr. Navarette:

We are formally requesting a 90 day extension to the bond issuance date (June 17, 2024) for the above mentioned projects.

The initial Tax Credit Investor selection process took longer than is typical due to the softening in the credit market for bond deals. We struggled to identify an investor who was able to provide the credit pricing that is necessary to make both of these projects financially feasible and this unfortunately, has shortened the amount of time needed to negotiate terms with the Investor. Additionally, these projects have existing State HCD financing that will need to be subordinated and restructured through the Loan Portfolio Restructuring Program (“LPR”) which has several layers of approvals from various departments prior to a legal handoff to draft new loan documents. The delay in investor selection consequently delayed the starting time that HCD requires for its process, and they too have indicated that they are heavily impacted by the various Round 3 CDLAC/TCAC projects. Lastly, in addition to State HCD, we also have soft financing from the County of Orange and City of San Clemente that is being restructured and requires approval from their approving bodies (County Board of Supervisors and City Council) which unfortunately has taken longer than anticipated to complete.

Please feel free to reach out with any questions. I can be reached at 310-279-9989 or tkelly@jamboreehousing.com.

Thank you,

Tish Kelly
Senior Vice President, Development

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

April 15, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the Giant Road Apartments
Project (CDLAC Application No. 23-635)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the Giant Road Apartments project. The Project (Resolution No. 23-275) was awarded allocation on December 6, 2023, with a closing deadline of June 17, 2024.

The planned rehabilitation of Giant Road Apartments includes critical work to repair major water intrusion issues that have impacted the 86 families/individuals who live at the property, as well as other key building upgrades.

The Project Sponsor has taken all reasonable measures to ensure the project will close on its construction financing prior to the bond issuance deadline set forth by CDLAC of June 17, 2024. However, in March, the project received an allocation of additional federal funds from the Community Project Funding program, which requires the project to undergo National Environmental Policy Act (NEPA) environmental clearance. The Project Sponsor started working immediately with its environmental consultant and the County of Contra Costa to expedite NEPA approval and obtain Authority to Use Grant Funds (AUGF) from HUD, which is required prior to construction closing.

In consideration of the Project Sponsor's significant efforts to achieve the bond deadline, the critical nature of the planned rehabilitation work, and the newly imposed NEPA requirements, we ask that the bond issuance deadline for Giant Road Apartments be extended by 90 days to September 15, 2024.

This letter also requests a waiver of forfeiture of the performance deposit and negative points.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority



April 16, 2024

VIA EMAIL

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

Re: Request for Extension (Villa Plumosa Apartments)
CDLAC Resolution 23-283 (Application 23-645)

Dear Ms. Wiant:

Please accept this letter as our request for the Committee to grant a 90-day extension to the above referenced Project's readiness deadline of June 3, 2024, due to unforeseen challenges in building permitting and third-party design consultant retention. The project Civil Engineer unexpectedly withdrew from the sponsor's contract due to staffing shortages. This unfortunate event caused major delays to the anticipated timeframe allocated for completing plan check and obtaining the necessary building permits. The sponsor was not aware of the staffing difficulties of its third-party Civil Engineer but tried every measure possible to bring a new Civil Engineer onboard as quick as possible. The project has a unique scope of work that includes soil pressure grouting which unexpectedly required an additional component to the plan check process that is outside of the ordinary building safety review. Unfortunately, the timing of onboarding a new Civil Engineer with the additional complexity to the project, caused the sponsor's other third-party design consultants to temporarily pause efforts on some design elements that required a Civil Engineer review of specifications and sign off.

The sponsor has been in touch with its third-party consultants and have attempted to expedite the process. Despite its efforts to expedite the process, due to the necessity of onboarding a new Civil Engineer, the temporary pause of efforts, and the complexity of the project, they were advised obtaining the necessary buildings permits by the CDLAC readiness deadline in June would not be attainable.

As a result of the unforeseen nature of the situation and being completely out of the sponsor's control despite its efforts to expedite, we respectfully request the Committee to consider granting a 90-day extension to the Project's CDLAC readiness deadline. In addition, we respectfully request a waiver of forfeiture of the performance deposit and assignment of negative points, as the circumstances were outside of the sponsor's control. Thank you very much for your consideration of this request. Please let me know if you require any additional information.

Sincerely,

Jon Penkower
Managing Director

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

May 6, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the 440 Arden Way Apartments Project (CDLAC Application No. 23-620)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the 440 Arden Way Apartments Project. The Project (Resolution No. 23-563) was awarded allocation on December 6, 2023, with a closing deadline of June 17, 2024.

The Project is at risk of not meeting the closing deadline due to an unforeseen review process for a road access easement. In order for the building permit to be issued by the City of Sacramento, the Project's Ground Lessor, State of CA, must enter into a road access easement with SacRT. SacRT staff failed to inform the Project Developer of the appropriate timelines for review and approval of the easement. As a result, the project is at risk of not getting this easement signed in time to pull permits and therefore meet the readiness deadline. The Project Developer repeatedly requested timelines for SacRT internal approvals and were not given clear answers on the actual review time. The Project Developer has explored other avenues with SacRT staff to work around this issue to no avail and therefore the Project is at the mercy of a timeline of the Developer's control.

This letter also requests a waiver of forfeiture of the performance deposit and negative points.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority



April 16, 2024

VIA EMAIL

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
915 Capitol Mall, Room 311
Sacramento, CA 95814

Re: Request for Extension (Citrus Grove Apartments)
CDLAC Resolution 23-284 (Application 23-646)

Dear Ms. Wiant:

Please accept this letter as our request for the Committee to grant a 90-day extension to the above referenced Project's readiness deadline of June 17, 2024 due to unforeseen extended processing time of the County of San Bernardino Board of Supervisors' requirements and final authorization on the reinvestment of their funds into the project. At the time of the CDLAC application submittal, The Board of Supervisors acknowledged support of the project and agreed to amend the loan agreement subject to meeting all San Bernardino County requirements. To the sponsor's surprise, the Board of Supervisors standard process in 2024 is taking twice as long then in prior years due to changes within the County operations. The sponsor was recently informed the County of San Bernardino review process will be potentially extended an additional 14 weeks, which includes a third-party consultant review and County Counsel review, prior to final Board approval. This process is longer than anticipated per previous discussions with San Bernardino County staff.

The sponsor made several requests for an expedited review process, all of which have been unsuccessful. They are continuing to work with County staff by answering questions and providing additional information as requested in a timely manner, in hopes to aid the County's requirements and standard process to have our Project listed the County agenda as soon as possible.

As a result of the unforeseen nature of the situation and County staff's advisement there are no options to expedite the County's standard process due to limited resources within the County, we respectfully request the Committee to consider granting a 90-day extension to the Projects CDLAC readiness deadline. In addition, we respectfully request a waiver of forfeiture of the performance deposit and assignment of negative points, as the circumstances were outside of the sponsor's control. Thank you very much for your consideration of this request. Please let me know if you require any additional information.

Sincerely,

Jon Penkower
Managing Director

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

March 13, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the Lake Merritt BART Senior Affordable Housing Apartments Project (CDLAC Application No. 23-647)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the Lake Merritt BART Senior Affordable Housing Apartments project. The Project (Resolution No. 23-285) was awarded allocation on December 6, 2023, with a closing deadline of June 17, 2024.

Lake Merritt BART Senior Affordable Housing is an important project on BART-owned land, located right next to the Lake Merritt BART Station in Oakland Chinatown. The project will provide 97 units of affordable housing, including 44 permanent supportive housing (PSH) units. The construction and tunneling of the BART system in the 1960s resulted in the displacement of numerous Oakland Chinatown businesses and homes at the current location of the Lake Merritt BART Station. Over the past two decades, BART and a coalition of neighborhood organizations (including EBALDC) have worked together through station area planning processes and through this development opportunity to provide healing to the community. EBALDC has served as the developer Sponsor since being awarded through a competitive Request for Proposals (RFP) from BART in 2018. EBALDC is excited to see this long-awaited project come to fruition and provide affordable homes at a critically important location in Oakland and for the entire region.

The Project Sponsor has taken all reasonable measures to ensure the project will close on its construction financing prior to the bond issuance deadline set forth by CDLAC of June 17th, 2024. However, additional time is required for rigorous structural engineering design review and approvals by both BART and the City of Oakland.

The project is unique in that it is a very high-density project on a small infill site, built only a few feet away from an active underground BART station. The BART tunnel and station is particularly shallow at this site, as compared to other underground BART stations in the region (such as those in Downtown San Francisco and Berkeley). The building will feature over 100 double-cased deep piles and a complex foundation system to ensure that structural loads do not over burden the existing BART tunnel. BART has strict structural requirements for building next to their tunnel, and recently brought on a third-party consultant to assist with their review and approval process. The Project Sponsor has moved forward with an early release design-build piles sub-contractor, to enable the project to move quickly from permitting, approvals, and mobilization. If the project is able to move quickly through this structural review process – in such a way that allows the project to issue a Notice to Proceed (NTP) and pull the other required permits – then there is a strong likelihood that it will not need to use the full 90-day extension. The Project Sponsor has already budgeted for expedited and overtime plan check with the City of Oakland for all other permits necessary to start construction.

At further risk to the Project Sponsor is the loss of additional leveraged funds should the project not close in the calendar year. The California Department of Housing and Community Development (HCD) awarded the project AHSC funds of over \$24 million (over \$16.5 million to this specific project), which could be lost should the project not close before 2025.

In consideration of the project Sponsor's significant efforts to achieve the bond deadline, its long-term commitment to this project and the City of Oakland, and the potential loss of significant leverage financial resources, we ask that the bond deadline for Lake Merritt BART Senior Affordable Housing be extended by 90 days to September 17, 2024.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221.

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority

May 2, 2024

California Debt Limit Allocation Committee

901 P Street, Room 102

Sacramento, CA 95814

Attn: Marina Wiant, Executive Director

Re: Request for 30-Day Hardship Extension to Bond Issuance Deadline

Project Name: Playa del Alameda Apartments

CDLAC Resolution#: 23-287

CDLAC App#: 23-650

Dear Ms. Wiant,

On May 1, 2024, CalHFA was asked by Orbach Affordable Housing, the Developer on the above-mentioned project, to request a 30-day hardship extension to the bond issuance deadline of June 3, 2024.

As described in the attached letter from the Developer dated May 2, 2024, the developer needs additional time to close the transaction due to unforeseen delays in the extended processing time of the City of Alameda's Regulatory Agreement and delay in obtaining approval for the mark up to market from HUD.

CalHFA formally requests a 30-day hardship extension to the bond issuance deadline from June 3, 2024, to July 3, 2024.

CalHFA also requests that CDLAC waive any forfeiture of the performance deposit or assignment of negative points to the Project Sponsor that could be imposed by this request. These circumstances were outside of the Project Sponsor's control.

Please contact Ashley Carroll at 916-326-8810 or acarroll@calhfa.ca.gov if you have any questions related to this request.

Thank you,

Kate Ferguson

Director of Multifamily Programs

May 2, 2024

Ricki Hammet
Deputy Executive Director
California Debt Limit Allocation
Committee 901 P Street, Suite
213 Sacramento, CA 95814

RE: CA-23-650 / Playa Del Alameda Apartments
148 Crolls Garden Court, Alameda, CA 94501

Dear Ms. Hammet,

Please accept this letter as our request for the Committee to grant a 30-day extension to the above referenced Project's readiness deadline of June 3, 2024, due to unforeseen extended processing time of the City of Alameda Regulatory Agreement and the delay in obtaining approval for the mark up to market from HUD. We have been in consistent contact with the City of Alameda and are confident in the resolution of the approvals. Additionally, HUD is currently reviewing the projects mark up to market but has been unable to give a definitive approval date. Although we are confident in the resolution of the previously mentioned delays, the timing of said resolutions are in the near future they are currently undetermined.

As a result of the unforeseen nature of the situation, we respectfully request the Committee to consider granting a 30-day extension to the Projects CDLAC readiness deadline. In addition, we respectfully request a waiver of any assignment of negative points, as the circumstances were outside of our control.

Thank you for your consideration.

Sincerely,

By: _____

Jay Reinhard



April 25, 2024

VIA EMAIL

Marina Wiant, Interim Executive Director
California Debt Limit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Re: One San Pedro Phase I (aka 327 Harbor Apartments) - Resolution No. 23-290

Dear Ms. Wiant:

I am writing to request waiver of negative points and waiver of the forfeiture of performance deposit, and a ninety (90) day extension to issue the tax-exempt bonds for 327 Harbor Apartments (the "Project").

The Project is in the San Pedro area of the City of Los Angeles and is the first offsite phase of a proposed 1,600-unit mixed use community that will replace a 1940's public housing development know as Rancho San Pedro that consists of 478 housing units. The Housing Authority of the City of Los Angeles (HACLA) has partnered with National Community Renaissance of California (National CORE), Century Housing Corporation and The Richman Group (together the "Developer"), to demolish and replace the public housing units with new mixed finance residential units. The Developer has acquired the Project site and will be permit ready to begin construction this summer. HACLA will take title of the land prior to closing the construction financing and will provide a long-term ground lease on which the project will be built.

The Developer and HACLA applied in September 2023 for an allocation of QRRP tax-exempt private activity bonds and 4% federal tax credits and received an allocation in December 2023. The current deadline to issue the bonds is June 17th. HACLA, together with Developer, respectfully request a ninety (90) day extension until September 15, 2024, for the following reason:

- The permitting process with the City of Los Angeles is complex and requires the involvement and oversight of a multitude of departments, beyond what is typical for the region. Design drawings for the 327 N Harbor project were initiated in July 2022 with an initial plan check submittal in December 2023. After completing two rounds of plan check review, it was determined by the Department of Building and Safety that the approach to the mitigation of the complex soil conditions at the Project site, including high liquefaction, high ground water, undisclosed fill, and remediation, is not sufficient and will require an unexpected redesign. The redesign includes changes to the building foundation, structural plans, and consequently the low impact development (LID) strategies. It will also require review by additional City departments not typically involved in the review process due to the City's unique LID requirements. The plans are in the process of being modified and submitted for expedited plan check approval, however the redesign is expected to add a minimum of 8 weeks to the permitting schedule.



9692 Haven Avenue, Suite 100
Rancho Cucamonga, CA 91730

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Based on the above item, which was unforeseen and outside of Developer's control, we are requesting that CDLAC approve a 90-day extension.

Please let me know if you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "mRaune".

Michael Raune
President
National Community Renaissance of California



May 2, 2024

California Debt Limit Allocation Committee

901 P Street, Room 102

Sacramento, CA 95814

Attn: Marina Wiant, Executive Director

Re: Request for 30-Day Hardship Extension to Bond Issuance Deadline

Project Name: Oceanview Garden Apartments

CDLAC Resolution#: 23-295

CDLAC App#: 23-658

Dear Ms. Wiant,

On May 1, 2024, CalHFA was asked by Orbach Affordable Housing, the Developer on the above-mentioned project, to request a 30-day hardship extension to the bond issuance deadline of June 3, 2024.

As described in the attached letter from the Developer dated May 2, 2024, the developer needs additional time to close the transaction due to delays regarding the assumption and pending amendment to the ground lease. The Lessor is the City of Berkeley and the updates to the ground lease require going through the proper approval channels that take the City of Berkeley time and can't be expedited.

CalHFA formally requests a 30-day hardship extension to the bond issuance deadline from June 3, 2024, to July 3, 2024.

CalHFA also requests that CDLAC waive any forfeiture of the performance deposit or assignment of negative points to the Project Sponsor that could be imposed by this request. These circumstances were outside of the Project Sponsor's control.

Please contact Ashley Carroll at 916-326-8810 or acarroll@calhfa.ca.gov if you have any questions related to this request.

Thank you,

Kate Ferguson

Director of Multifamily Programs



May 2, 2024

Ricki Hammett
Deputy Executive Director
California Debt Limit Allocation Committee
901 P Street, Suite 213 A
Sacramento, CA 95814

RE: CA-23-658 / Oceanview Gardens
819 Hearst Avenue Berkeley, CA 94710

Dear Ms. Hammett,

Please accept this letter as our request for the Committee to grant a 30-day extension to the above referenced Project's readiness deadline of June 3, 2024, due to unforeseen delays regarding the assumption and pending amendment to the ground lease. At closing, the lending parties disclosed discomfort with the term of the ground lease and have required its extension. All correspondence with the Lessor (the City of Berkeley) regarding said updates have been positive and are expected to be accepted but must flow through the proper approval channels. Said channels will take time and run the risk of resolving on a date that is past the project's readiness deadline.

As a result of the unforeseen nature of the situation and City of Berkeley staff's advisement there are no options to expedite the County's standard process, we respectfully request the Committee to consider granting a 30-day extension to the Projects CDLAC readiness deadline. In addition, we respectfully request the waiver of any assignment of negative points, as the circumstances were outside of our control.

Thank you for your consideration.

Sincerely,

By: _____

Jay Reinhard

Orbach Affordable Housing Solutions

May 1, 2024

California Debt Limit Allocation Committee

901 P Street, Room 102

Sacramento, CA 95814

Attn: Marina Wiant, Executive Director

Re: Request for 60-Day Hardship Extension to Bond Issuance Deadline

Project Name: All Hallows Apartments

CDLAC Resolution#: 23-297

CDLAC App#: 23-660

Dear Ms. Wiant,

On May 1, 2024, CalHFA was asked by Related Affordable, the Developer on the above-mentioned project, to request a 60-day hardship extension to the bond issuance deadline of June 17, 2024.

As described in the attached letter from the Developer dated May 1, 2024, the developer needs additional time to close the transaction due to delays in securing a tax credit equity investor and bond credit enhancement.

CalHFA formally requests a 60-day hardship extension to the bond issuance deadline from June 17, 2024, to August 16, 2024.

CalHFA also requests that CDLAC waive any forfeiture of the performance deposit or assignment of negative points to the Project Sponsor that could be imposed by this request. These circumstances were outside of the Project Sponsor's control.

Please contact Ashley Carroll at 916-326-8810 or acarroll@calhfa.ca.gov if you have any questions related to this request.

Kate Ferguson

Director of Multifamily Programs

May 1, 2024

Ashley Carroll
California Housing Finance Agency
500 Capitol Mall, STE 400
Sacramento, CA 95814

RE: Request for a 60-day extension to the readiness deadline for:
All Hallows 23-297
Bayview 23-298
La Salle 23-299
Shoreview 23-644

Ashley,

Please accept this request for a 60-day extension to the readiness deadline for the above reference projects. As discussed below, this extension is required due to (i) delays in securing the close to \$200 million in tax credit equity in a year when many investors cut back on their planned tax credit investments and (ii) delays in securing bond credit enhancement and the additional time needed to close in the event we have to switch to a different financing structure.

Low Income Housing Tax Credit Equity

As experienced around the country this year, large projects had a significantly harder time signing up equity than in prior years. At the end of last year, our proposed equity investor Wells Fargo reduced the amount of equity investment available for 2024. We have now signed up three different investors to fund these four projects and are on the path to closing but it took significantly longer than expected. A further delay was caused by the fact that moving to these other investors required the use of short-term equity bridge loans during construction, which we were not anticipating.

Debt Financing

We have had delays in securing the proposed Fannie Mae credit enhancement for these four projects due to tightening underwriting standards across the board but primarily related to accounts receivable.

Coming out of COVID these four projects had had close to 50 residents not receiving subsidy due to failure to recertify and almost 200 residents not paying their portion of the rent. This had a significant impact on operations and dramatically increased our accounts receivable balance, which lenders do not like to see.

Over the past twelve months our management team has done an incredible amount of outreach, working with residents to trim these numbers to approximately 10 residents not receiving subsidy and less than 50 residents not paying their portion of the rent. This has been accomplished without resorting to evictions and with the help of our past due rent forgiveness program that aims to eliminate a resident's delinquent balance within 12 months.

The 60-day extension will provide (i) more time to continue to improve these numbers and reduce our accounts receivable balance and (ii) time to switch to another financing structure if we are unable to come to terms with Fannie Mae on three of the four projects (we have already switched to Freddie Mac on Shoreview).

These projects desperately need the level of renovation we are proposing so please consider this request.

Sincerely,

Wes Larmore
Senior Vice President
Related Affordable
(310) 869-5804
wlarmore@related.com

April 16, 2024

Marina Wiant

Executive Director

California Debt Limit Allocation Committee 915 Capitol Mall, Room 311

Sacramento, CA 95814

Dear Ms. Wiant:

Please accept this letter as our request for the Committee to grant a 90-day extension to the each of the above referenced projects' readiness deadline of June 17, 2024. As the sponsor was diligently working with its architect and third-party consultants to meet the closing deadline, an unimaginable and unexpected situation occurred with a critical member of their design team. This individual was involved in a head-on collision on a highway in the State of New Mexico. It was reported that he was under the influence and unfortunately casualties occurred from the accident. Because of this incident and this individual not being allowed to leave the state, the sponsor had to shift to another architectural company to complete, and to some degree a redraw, the required drawings.

This delayed the submittal to the City of Los Angeles to start the permitting process, the submittal and review of the required CASP report, and the lenders' architectural drawing review and HUD approvals for the projects.

As a result of the unforeseen nature of the situation and being completely out of the sponsor's control, we respectfully request the Committee to consider granting a 90-day extension to the Project's CDLAC readiness deadline. In addition, we respectfully request a waiver of forfeiture of the performance deposit and assignment of negative points.

Thank you very much for your consideration of this request. Please let me know if you require any additional information.

Sincerely,

Jon Penkower Managing Director

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

May 7, 2024

Marina Wiant
Executive Director
California Debt Limit Allocation Committee
901 P Street, Room 213A
Sacramento, CA 95814

Re: Requesting a 90-day CDLAC closing deadline extension for the Auburn Park II Apartments Project (CDLAC Application No. 23-666)

Dear Ms. Marina Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request a 90-day CDLAC deadline extension for the Auburn Park II Apartments Project. The Project (Resolution No. 23-303) was awarded allocation on December 6, 2023, with a closing deadline of June 3, 2024.

The Project is receiving a loan from the City which is currently at 3% simple interest. However, the investor may need the City to use the Applicable Federal Rate (AFR) in order to obtain a tax opinion. This will require City approval and the next available City Council meeting does not take place until after the current closing deadline. Therefore, we are requesting a 90 CDLAC deadline extension.

This letter also requests a waiver of forfeiture of the performance deposit and negative points.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1221

Thank you for your consideration.

Sincerely,

John P. Stoecker
Financial Advisor
California Municipal Finance Authority



Administrative Office
815 West Ocean Avenue • Lompoc, CA 93436
P.O. Box 397 • Lompoc, CA 93438-0397
O 805.736.3423 F 805.735.7672
TDD 800.545.1833 Ext. 594

hasbarco.org   

April 26, 2024

Ms. Marina Wiant
Executive Director
California Debt Limit Allocation Committee (CDLAC)
901 P Street, Suite 213A
Sacramento, CA 95814

Re: Patterson Point (the “Project”) – CA-23-667
Extension Request

Dear Ms. Wiant,

The Housing Authority of the County of Santa Barbara (HASBARCO) is requesting a 90-day extension to our CDLAC deadline currently set for June 17, 2024 for the project referenced above.

The County of Santa Barbara has very recently changed which entity oversees Soil Management Plans and Site Mitigation Plans (Plans) for sites that have any history of Leaking Underground Storage Tanks (LUST sites). The change is from Santa Barbara County Environmental Health Services to the Santa Barbara County Regional Water Quality Control Board (RWQCB) and unfortunately the latter is still developing its procedures for evaluation of Plans associated with the development of LUST sites. The RWQCB has also advised that based on its current staffing levels, review by the RWQCB of the subject project’s Plans will delay the issuance of building permits past the June 17, 2024 deadline, which is why we are requesting an extension. At the time of our application, we did not anticipate this change in entities performing the review and the impact it would have on our schedule.

We believe a 90-day extension will provide sufficient time to complete the review successfully and allow us to move forward.

If you have any questions or comments regarding this request, please contact me at bobhavlicek@hasbarco.org or 805-588-8532.

Sincerely,

Robert P. Havlicek Jr
Executive Director

CC:
Milton John, Senior Project Manager

Santa Maria
Housing Office

200 West Williams
Santa Maria, CA 93458
O 805.925.4393
F 805.922.9608

Lompoc
Housing Office

817 West Ocean Avenue
Lompoc, CA 93436
O 805.735.8351
F 805.735.9263

Goleta
Housing Office

5575 Armitos Avenue
Goleta, CA 93117
O 805.967.3402
F 805.964.0027

Avalon 1355 Partners, L.P.

May 2, 2024

Conny Griffith
Finance Development Officer II
Housing Development Bureau
Development & Finance Division
Los Angeles Housing Department
1910 Sunset Blvd 3rd floor, Suite 300
Los Angeles, CA 90026

Re: Avalon 1355 Apartments
California Debt Limit Allocation Committee ("CDLAC") Extension Request – Thirty (30) Days
& Request for waiver of forfeiture of performance deposit and negative points.

Dear Ms. Griffith,

Thank you for confirming that LAHD agrees to submitting the Avalon 1355 Apartments to CDLAC for consideration of an extension to our readiness deadline for our 2nd Supplemental Bond Allocation. In preparation for the CDLAC committee meeting on May 15, 2024, we humbly submit this appeal.

The current bond issuance deadline for the Avalon 1355 Apartments is June 3, 2024. As you know from our closing calls our process is hindered by high interest rates and the time to get commitments from the lenders which delayed the process to close on the supplemental bond. Additionally, and what I can only label as an endemic industry issue: the lenders, investor, and City and County agencies and their staff and most importantly the collective third party consultants and attorneys are simply overburdened with other LIHTC and Bond closings. While we still have time between now and our current deadline, out of an abundance of caution, we simply want to request an extension at the CDLAC hearing on May 15, 2024 for a failsafe if it becomes necessary.

For these reasons, in collaboration with LAHD, we are requesting a 30-day extension to our readiness deadline so that we can establish a reasonable buffer to work with all other government agencies involved in the 2nd Supplemental Bond closing for the Avalon 1355 Apartments.

Sincerely,

Rick Westberg
Avalon 1355 Partners, L.P.



AGENDA ITEM 10

**Request to Waive Forfeiture of the
Performance Deposit and Negative
Points for the Return of Allocation
for Qualified Residential**

Rental Project

(Cal. Code Regs., tit. 4 §§5052, 5230)

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2024

**Request to Waive Forfeiture of the Performance Deposit and Negative Points for the Return of
Allocation for Qualified Residential Rental Project
(Cal. Code Regs., tit. 4, §§5052, 5230)**
(Agenda Item No. 10)

Action:

Consider the request to waive the forfeiture of the performance deposit for the OTC by Vintage Project, application CA-23-654, following the return of the allocation.

BACKGROUND:

Pursuant to California Code of Regulations, title 4, section 5052, applicants bear the risk of forfeiting all or part of the performance deposit if the allocation is not used in accordance with the conditions and/or timeframes set forth in the CDLAC Resolution.

DISCUSSION:

The OTC by Vintage Project received an allocation of \$45,599,495 on December 6, 2023, which was returned on May 2, 2024, and will result in a forfeiture of the performance deposit. The housing sponsor, Vintage Housing Holdings, LLC, is requesting a waiver of the forfeiture of the performance deposit of \$100,000 and a waiver of negative points.

The bond issuer, California Municipal Finance Authority, and the project sponsor will speak on behalf of the project.



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May 2, 2024

Ms. Marina Wiant
Interim Executive Director
California Debt Limit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Re: Requesting the return of Village Apartments by Vintage (CDLAC Application No. 23-654)

Dear Ms. Wiant:

I am writing on behalf of the California Municipal Finance Authority (the "Authority") to request the return of allocation for the Village Apartments by Vintage FKA Olympic Training Center Apartments (Resolution No. 23-291) and request the waiver of negative points and to waive the forfeiture of the performance deposit.

When the application was submitted to by the sponsor, there was an understanding that the city has a preference for athletes at the to be constructed Olympic Training Center Apartments. Once the project received an allocation, the city communicated that the award needs to state that there is a restriction for only athletes at the Olympic Training Center Apartments. The restriction was not communicated by the city to the sponsor. The project sponsor has worked diligently to identify a legal method for imposing such a restriction that would be in compliance with fair housing laws, the general public use rule and the other laws and regulations governing the bonds and tax credits but the process for implementing such a restriction is lengthy and not able to be completed by the current readiness deadline. Due to the unforeseen city restrictions on the project it is outside the developers control to move forward with the construction of the project. The sponsor does intend to continue to move forward with the project but is electing to return its allocation of bonds and requesting CDLAC waive forfeiture of the performance deposit and negative points.

Should you have any questions or need further information, please don't hesitate to contact me. I can be reached at (760) 930-1266.

Thank you for your consideration.

Sincerely,

Benjamin M. Barker
Financial Advisor
California Municipal Finance Authority



California Debt Limit Allocation Committee

AGENDA ITEM 11

Public Comment



California Debt Limit Allocation Committee

AGENDA ITEM 12

Adjournment