

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 13, 2013
Consideration and Approval of Issuance Date Extensions
for Various Qualified Residential Rental Projects
(Agenda Item No. 5)

ACTION:

Approve Issuance Date Extensions for Tulare Arms Apartments (13-049) and Andres Duarte Terrace II Apartments (13-065).

BACKGROUND:

Tulare Arms Apartments (13-049)

The Tulare Arms Apartments Project (“Project”) received an allocation award through the Housing Authority of the County of Kern (“Applicant”) on July 17, 2013. The Project’s original issuance deadline was November 4, 2013; which the Executive Director extended to the Committee meeting date of November 13, 2013.

The Applicant is now requesting a 90-day extension of the allocation expiration date to February 11, 2014. This additional time is necessary while the Project Sponsor awaits the local USDA office’s submittal of the transfer application to the USDA National Office. The Project anticipates issuing bonds by February 1, 2014.

Allowing an extension of the issuance deadline to February 11, 2014 will ensure the issuance of the bonds for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the County of Kern will lose the opportunity to rehabilitate 47 affordable housing units.

Andres Duarte Terrace II Apartments (13-065)

The Andres Duarte Terrace II Apartments Project (“Project”) received an allocation award through the California Municipal Finance Authority (“Applicant”) on July 17, 2013. The Project’s original issuance deadline was November 4, 2013; which the Executive Director extended to the Committee meeting date of November 13, 2013.

Due to the federal government shutdown, HUD was unable to meet its processing deadline related to the project. The Applicant is now requesting a 28-day extension of the allocation expiration date to December 11, 2013 in order to complete the closing process.

Allowing an extension of the issuance deadline to December 11, 2013 will ensure the issuance of the bonds for the Project. If the issuance deadline is not extended, the Project will lose its allocation and the City of Duarte will lose the opportunity to construct 42 affordable HUD subsidized senior housing units.

DISCUSSION:

The CDLAC Regulations state that if an Allocation was awarded during an Open Allocation Round, the Committee may extend a Project or Program’s expiration date up to the next regularly scheduled meeting at which time the Committee may elect to grant an additional extension up to ninety (90) days. The Projects below are otherwise in full compliance and eligible for an issuance deadline extension under the CDLAC Regulations.

13-049 Tulare Arms Apartments

February 11, 2014

13-065 Andres Duarte Terrace II Apartments

December 11, 2013

RECOMMENDATION:

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

Prepared by Sarah Lester