

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
September 22, 2010  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Crystal Alvarez

---

**Applicant:** California Statewide Communities Development Authority

---

**Allocation Amount Requested:**  
**Tax-exempt:** \$7,170,000

---

**Project Information:**  
**Name:** Las Serenas Apartments  
**Project Address:** 2090 Yosemite Avenue  
**Project City, County, Zip Code:** Simi Valley, Ventura, 93063-6615

---

**Project Sponsor Information:**  
**Name:** Las Serenas Senior Apartments, LP (USA Las Serenas, Inc. and Riverside Charitable Corporation)  
**Principals:** Geoffrey C. Brown, Edward R. Herzog, Stacie Altmann, Ken Robertson and Stewart Hall

---

**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Citibank, N.A. / Freddi Mac  
**Credit Enhancement Provider:** Citibank, N.A./ Freddie Mac  
**TEFRA Hearing Date:** June 7, 2010

---

**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 107, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Senior Citizens

---

**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
21% (22 units) restricted to 50% or less of area median income households.  
79% (85 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 & 2 bedrooms

---

**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

|   |    |            |                                     |
|---|----|------------|-------------------------------------|
| <b>Estimated Total Development Cost:</b>      | \$ | 11,052,456 |                                     |
| <b>Estimated Hard Costs per Unit:</b>         | \$ | 16,654     | (\$1,782,000 /107 units)            |
| <b>Estimated per Unit Cost:</b>               | \$ | 103,294    | (\$11,052,456 /107 units)           |
| <b>Allocation per Unit:</b>                   | \$ | 67,009     | (\$7,170,000 /107 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ | 67,009     | (\$7,170,000 /107 restricted units) |

| <b>Sources of Funds:</b> | <u>Construction</u>  | <u>Permanent</u>     |
|--------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds | \$ 7,170,000         | \$ 7,170,000         |
| Derred Fees and Cost     | \$ 232,652           | \$ 0                 |
| Developer Equity         | \$ 1,322,865         | \$ 598,861           |
| LIH Tax Credit Equity    | \$ 1,727,692         | \$ 2,610,499         |
| NOI                      | \$ 369,247           | \$ 443,096           |
| City of Simi Valley      | \$ 230,000           | \$ 230,000           |
| <b>Total Sources</b>     | <b>\$ 11,052,456</b> | <b>\$ 11,052,456</b> |

| <b>Uses of Funds:</b>        |                      |
|------------------------------|----------------------|
| Acquisition Cost             | \$ 6,500,000         |
| On & Off Site Costs          | \$ 83,700            |
| Hard Construction Costs      | \$ 1,698,300         |
| Architect & Engineering Fees | \$ 15,000            |
| Contractor Overhead & Profit | \$ 151,114           |
| Developer Fee                | \$ 1,171,751         |
| Relocation                   | \$ 8,100             |
| Cost of Issuance             | \$ 200,000           |
| Capitalized Interest         | \$ 380,695           |
| Other Soft Costs             | \$ 843,796           |
| <b>Total Uses</b>            | <b>\$ 11,052,456</b> |

**Legal Questionnaire:**

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

**Total Points:** 65.3 out of 118

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$7,170,000 in tax exempt bond allocation on a carryforward basis.

**ATTACHMENT A**

**EVALUATION SCORING:**

| Point Criteria  | Maximum Points Allowed for Non-Mixed Income Projects | Maximum Points Allowed for Mixed Income Projects | Points Scored |
|---|--|--|---------------|
| Federally Assisted At-Risk Project or HOPE VI Project   | 20   | 20   | 0             |
| Exceeding Minimum Income Restrictions:  | 35   | 15   | 30            |
| Exceeding Minimum Rent Restrictions<br>[Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10]   | [10]   | 10            |
| Gross Rents   | 5  | 5  | 5             |
| Large Family Units  | 5  | 5  | 0             |
| Leveraging  | 10   | 10   | 2.3           |
| Community Revitalization Area   | 15   | 15   | 0             |
| Site Amenities  | 10   | 10   | 5             |
| Service Amenities   | 10   | 10   | 10            |
| New Construction  | 10   | 10   | 0             |
| Sustainable Building Methods  | 8  | 8  | 3             |
| Negative Points   | -10  | -10  | 0             |
| <b>Total Points</b>   | <b>118</b>   | <b>98</b>  | <b>65.3</b>   |

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.