

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:

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

Sources of Funds:	<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
Total Sources	\$ 11,052,456	\$ 11,052,456

Uses of Funds:	
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
Total Uses	\$ 11,052,456

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 [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
Total Points	118	98	65.3

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.