

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 18, 2011**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Crystal Alvarez*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$9,367,458

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**Project Information:**  
**Name:** FAME Santa Monica Senior Apartments  
**Project Address:** 1924-1930 Euclid Street, 1753 18th Street, 1754 19th Street  
**Project City, County, Zip Code:** Santa Monica, Los Angeles, 90404

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**Project Sponsor Information:**  
**Name:** FAME Santa Monica Senior Apartments, L.P. (Squier Properties, LLC and FAME Santa Monica Apartments, LLC)  
**Principals:** Gary Squier and Anita Landecker for Squier Properties, LLC; John Bowman and Reverend Reuben W. Ford for FAME Santa Monica Apartments, LLC

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Private Placement Purchaser:** Citibank, N.A. (construction) / California Community Reinvestment Corporation (permanent)  
**TEFRA Hearing Date:** April 12, 2011

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 47, plus 2 manager units  
**Type:** New Construction  
**Type of Units:** Senior Citizens

FAME Senior Housing is a 49 unit senior development on three sites in the Pico Neighborhood. Every site includes a community dining/assembly room and elevator access. The neighborhood is well serviced with a variety of retail and multiple bus lines providing access to medical centers, downtown Santa Monica and the Los Angeles Region.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (47 units) restricted to 50% or less of area median income households.  
**Unit Mix:** Studios

Forty-two of the units are large, approximately 600 square foot loft-like studios with balconies. In addition, the project includes six one-bedroom and one two-bedroom apartments. The project sponsor has committed to providing high-speed internet service in each unit, educational classes and a contract with a service coordinator/social worker for a period of 10 years.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	16,900,886	
<b>Estimated Hard Costs per Unit:</b>	\$	185,168	(\$8,702,875 /47 units)
<b>Estimated per Unit Cost:</b>	\$	359,593	(\$16,900,886 /47 units)
<b>Allocation per Unit:</b>	\$	199,308	(\$9,367,458 /47 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	199,308	(\$9,367,458 /47 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 9,367,458	\$ 720,000
Deferred Developer Fee	\$ 381,101	\$ 0
LIH Tax Credit Equity	\$ 50,000	\$ 4,705,886
Direct & Indirect Public Funds	\$ 7,102,327	\$ 11,475,000
<b>Total Sources</b>	<b>\$ 16,900,886</b>	<b>\$ 16,900,886</b>

<b>Uses of Funds:</b>	
Land Purchase	\$ 4,269,000
On & Off Site Costs	\$ 1,100,000
Hard Construction Costs	\$ 7,602,875
Architect & Engineering Fees	\$ 784,305
Contractor Overhead & Profit	\$ 498,585
Developer Fee	\$ 732,080
Cost of Issuance	\$ 195,296
Capitalized Interest	\$ 362,951
Other Soft Costs (Marketing, etc.)	\$ 1,355,794
<b>Total Uses</b>	<b>\$ 16,900,886</b>

**Description of Financial Structure and Bond Issuance:**

Citibank will directly purchase the tax-exempt bonds with a "back-to-back" loan. During construction the bonds will carry a variable interest rate at a predetermined spread to the SIFMA index. California Community Reinvestment Corporation will provide the permanent loan with a fixed rate of 5.80% or the 15-year AAA muni bond index plus 175 bps for 17 years. The permanent loan will be amortized for 30 years.

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**Analyst Comments:**

Not Applicable

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**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.

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**Total Points:** 100.5 out of 118  
[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$9,367,458 in tax exempt bond allocation.

**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	35
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	10
Community Revitalization Area	15	15	5
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>100.5</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.