

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

Applicant: California Statewide Communities Development Authority

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

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

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

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

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:

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

Sources of Funds:	Construction	Permanent
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
Total Sources	\$ 16,900,886	\$ 16,900,886

Uses of Funds:	
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
Total Uses	\$ 16,900,886

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.

Analyst Comments:

Not Applicable

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: 100.5 out of 118

[See Attachment A]

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
Total Points	118	98	100.5

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.