



## STAFF REPORT SAN CLEMENTE PLANNING COMMISSION

Date: May 8, 2013

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**PLANNER:** Cliff Jones, Associate Planner 

**SUBJECT:** Cultural Heritage Permit 13-021, Site Plan Permit 13-023, Serra Workforce Housing, a request to construct a three-story, 19-unit, affordable housing project located at 107-115 Avenida Serra. The project is located within the Mixed use Zoning District, and within the Architectural and Affordable Housing Overlays (MU3-A-AH).

### **REQUIRED FINDINGS**

To approve the proposed project, the following findings must be made. The draft Resolution, provided as Attachment 1, and analysis section of this report provide an assessment of the project's compliance with these findings.

#### ***Cultural Heritage Permit, Section 17.16.100(F): to allow a new structure within the Architectural Overlay abutting a historic resource.***

- a. The architectural treatment of the project complies with the San Clemente General Plan; and
- b. The architectural treatment of the project complies with any applicable specific plan and this title in areas including, but not limited to, height, setback color, etc.; and
- c. The architectural treatment of the project complies with the architectural guidelines in the City's Design Guidelines; and
- d. The general appearance of the proposal is in keeping with the character of the neighborhood;
- e. The proposal is not detrimental to the orderly and harmonious development of the City.
- f. For new structures and remodels in the Architectural Overlay District, one of the following findings shall be made:
  - i. The proposed project/use preserves and strengthens the pedestrian-orientation of the district and/or San Clemente's historic identity as a Spanish village; or
  - ii. The proposed project/use is a minor remodel and it is not practical or desirable, in this particular case, to attempt conversion to a pedestrian-orientation and/or Spanish Colonial Revival style. The proposed changes, however, improve the quality and architectural integrity of the proposed project.
- g. For projects reviewed because they are abutting or within three hundred (300) feet of an historic property, the following finding shall be made:

- i. The proposed project will not have negative visual or physical impacts upon the historic structure.
- h. For projects reviewed because they are in the Architectural Overlay District, the following finding shall be made: the proposed project complies with the purpose and intent of the Architectural Overlay District.

***Site Plan Permit, Section 17.16.050(F): to allow an increase in floor area.***

- a. The proposed development is permitted within the subject zone pursuant to the approval of a Site Plan Permit and complies with all the applicable provisions of this title (or the specific plan as appropriate), the goals, and objectives of the San Clemente General Plan, and the purpose and intent of the zone in which the development is being proposed.
- b. The site is suitable for the type and intensity of development that is proposed.
- c. The proposed development will not be detrimental to the public health, safety or welfare, or materially injurious to properties and improvements in the vicinity.
- d. The proposed development will not be unsightly or create disharmony with its locale and surroundings.
- e. The proposed development will minimize or eliminate adverse physical or visual effects which might otherwise result from unplanned or inappropriate development, design or location.

**BACKGROUND**

The applicant, National Community renaissance (“National CORE”), proposes an affordable housing development consisting of 19 one-bedroom units. The City Council endorsed conceptual drawings illustrating the general mass, scale, and unit count of the project at their June 15, 2010 meeting, Attachment 3-4, and authorized entering into a disposition and development agreement (DDA) with National CORE on June 12, 2012, Attachment 5-6. The DDA established the project’s financial, operational and procedural framework and specified that an affordable rental project consisting of the development of 19 one-bedroom units shall be developed on the 0.36 acre site. The DDA required the applicant, National CORE, to process the necessary discretionary permits (i.e. Cultural Heritage Permit and Site Plan Permit).

*Project Description*

The site includes four vacant lots located at 107-115 Ave Serra in a Mixed Use zone, MU3-A-AH. Affordable housing projects within the Affordable Housing (AH) Overlay are permitted uses. Surrounding land uses include a mix of residential, office, retail and restaurant uses. The building is designed in Spanish Colonial Revival (SCR) architectural style.

A Cultural Heritage Permit is required because the project is located within the Architectural Overlay district and abuts a historic property at 110 Avenida Serra, and a Site

Plan Permit is required to allow an increase in floor area. The project is located outside the Coastal Zone and consequently, no Coastal Development Permit is required.

### ***Development Management Team***

The City's Development Management Team (DMT) reviewed the applicant's request, determined it meets requirements, and recommends Conditions of Approval to ensure code compliance. The recommended conditions are shown on Attachment 1, Exhibit 1.

### ***Noticing***

Public notices were distributed and posted per City and State requirements. No public comments have been received to date.

### **PROJECT DESCRIPTION**

The building consists of 19 one-bedroom units, a multi-purpose room, laundry facilities, and a covered parking garage. Four units are sited at grade level and front Avenida Serra with separate entries and patios. Second level units are accessed via stairs or elevator from the garage and front a common courtyard that includes landscape, small barbeque area, and site furnishings. Additionally, a multipurpose resident's resource center is located off the second level courtyard. Third level units are accessed via stairs or elevator and overlook the courtyard. The third level is located towards the rear of the property to help reduce or step down the building mass in conjunction with the topography. The building has been designed to transition from two-stories along Avenida Serra to three-stories near the rear property line, which are partially set below grade to reduce apparent mass and scale.

### ***DDA Terms/Project Affordability***

The DDA granted the applicant approval to develop a 19-unit affordable housing development on the 0.36 acre site. Per the DDA, 18 apartments would be rented at levels affordable to low income households of no more than three persons with a cumulative income of not more than \$49,860 per year (net rent - \$998 per month at 60% area median income level), plus one manager's unit, affordable to a moderate income household of up to three persons with a cumulative income of not more than \$99,720. The manager would receive a rent free unit as part of his or her monthly compensation. The affordability requirements for the 19 units run for a minimum of 55 years.

### ***Architecture***

The building is designed in SCR architectural style, consistent with the Architectural Overlay, and the findings associated with a Cultural Heritage Permit. It utilizes materials called out in the Design Guidelines including red barrel mission tile, smooth white stucco walls, canvas awnings, and wrought iron balconies. Windows and doors are fiberglass finished in a dark brown color. The applicant proposes individual patios along Avenida

Serra and balconies at the rear of the building facing Avenida Cabrillo, enhancing the pedestrian environment of the Architectural and Pedestrian Overlay.

**Development Standards**

Per the Affordable Housing Overlay (AH), Section 17.56.090, affordable housing projects located in the MU3 mixed-use zone shall conform to the MU3 development standards for mixed-use projects with the exception of incentives, concessions and density bonuses as required by State Law (Government Code § 65915). Additionally, the AH allows affordable housing projects by right in the MU3 outside of the Coastal Zone, such as the proposed development, to be located at street level. Table 1 outlines how the project complies with the Mixed Use (MU3-A-AH) development standards.

**Table 1 - Development Standards**

	<b>Required/Allowed</b>	<b>Proposed</b>
Building Height Maximum	45'; Three Stories	36'4"; Three Stories
Setbacks (Minimum):		
Front	0'	10'
Side Yard	0'	10' left & 5' right
Rear Yard	0'	5'
Lot Coverage (Maximum)	100%	75%
Floor Area Ratio	1.5	1.74*
Urban Open Area	30%** 25% plant material	36% 25%
Street Trees	6 trees	6 trees
Density	51.35 du/ac***	51.35 du/ac
Required Parking (Minimum):	19 spaces****	21 spaces
Minimum Lot Area	6,000	16,000

\* The Zoning Ordinance allows affordable housing projects to receive concessions from development standards to achieve affordable housing densities and needs. The increased FAR is an incentive, which complies with 17.24.070, Density Bonuses and Other Incentives for Affordable and Senior Housing Projects.

\*\* Courtyards, pedestrian walkways, and outdoor seating areas accentuated with landscaping satisfy the urban open area code requirements.

\*\*\* DDA specifies an exception to MU3 standard allowing a density of 51.35 dwelling units per acre, which is consistent with 17.24.070, Density Bonuses and Other Incentives for Affordable and Senior Housing Projects.

\*\*\*\* Per the DDA, State Law, and the Zoning Ordinance, Section 17.24.070, Density Bonuses and Other Incentives for Affordable and Senior Housing Projects, the parking requirement for the project is one on-site parking space per unit. Per the DDA residents will be limited in their leases to owning only one vehicle.

**Density Bonus**

The DDA, approved by City Council on June 12, 2012, specifies an exception to MU3 standard allowing a density of 51.35 dwelling units per acre, which is consistent with

17.24.070, *Density Bonuses and Other Incentives for Affordable and Senior Housing Projects* and State law, and State Law [Government Code Section 65915-65918]. A total density bonus of 113 percent (35 percent bonus allowed by right, plus an additional 78 percent density bonus) is required for the affordable housing project.

### ***Density Bonus Incentive - Floor Area Ratio***

The Zoning Ordinance, specifically 17.24.070, *Density Bonuses and Other Incentives for Affordable and Senior Housing Projects*, allows affordable housing projects to receive concessions or incentives from development standards or Zoning Code requirements to achieve affordable housing densities and needs. The applicant requests a concession for this project for a 1.75 Floor Area Ratio (FAR), which is .25 greater than the 1.5 FAR standard of the MU3 Zone. The requested concession is necessary to achieve the density/unit count of the project specified in the DDA.

### ***Parking***

The project meets City parking requirements for affordable housing. The project provides one on-site parking space per unit and residents will be limited in their leases to owning only one vehicle. The DDA has a provision to allow a second vehicle if the City Community Development Director approves an off-site parking lease agreement for a specific tenant and vehicle on privately owned property. National CORE has a full-service property management division to assure tenant parking restrictions are enforced. National CORE has parking management experience as well, with 22 years of affordable housing management experience and over 69 affordable projects. To assure parking restrictions are enforced 24-hours a day, the on-site manager is tasked with providing parking and tenant oversight.

According to State Density Bonus law, upon the request of a developer, no City shall require a vehicular parking ratio, inclusive of handicapped and guest parking, of a development meeting the requirements of the density bonus code to exceed one on-site parking space for zero to one bedroom. Section 17.24.070, *Density Bonuses and Other Incentives for Affordable and Senior Housing Projects*, of the Zoning Ordinance mirrors state law requiring affordable housing developments to have no more than one parking space per one bedroom apartment, including handicapped and guest parking, or 19 parking spaces for Serra Workforce Housing. Under the DDA, the City has the authority to actively monitor and enforce tenant income eligibility and parking requirements, including the ability to assess fines for non-compliance.

## **PROJECT ANALYSIS**

### ***Site Plan Permit***

The Zoning Ordinance requires approval of a Site Plan Permit for increases in floor area per 17.24.100, *Floor Area Ratios, Increases in*. The increased floor area is a concession, which complies with 17.24.070, *Density Bonuses and Other Incentives for Affordable and Senior Housing Projects*. The Zoning Ordinance allows affordable housing projects to

receive concessions from development standards to achieve affordable housing densities and needs.

The project meets the required findings for a site plan permit. The site is suitable for the density and intensity of the development, which exceeds setback standards, meets parking requirements, and is almost 10 feet below the height limitations for the Zone. As demonstrated by the on-site story poles, the site is suitable for three-story development because it is located at the lowermost point of the 100 block of Avenida Serra surrounded by buildings that are at a higher elevation, which furthers the projects compatibility with the scale and mass of the neighborhood. The three story mass is located towards the rear of the site to reduce apparent mass and scale from Avenida Serra and the first floor of the building is built into the rear of the site to reduce mass and scale viewed from Avenida Cabrillo. The development is not detrimental to the public health, safety or welfare, or materially injurious to properties within the area because development of affordable residential use is permitted, encouraged per the General Plan, and development of the vacant lot will eliminate visual blight. The development is not unsightly and does not create disharmony with its locale and surroundings because it is designed in SCR architecture respecting San Clemente’s Spanish heritage, the SCR architectural style of the Downtown, and the historic resources of the Downtown. Lastly, the affordable housing project conforms to the Zoning Ordinance and General Plan with the approval of the density bonus and concession for added floor area.

**Cultural Heritage Permit**

The proposed project meets the CHP finding for consistency with the Design Guidelines as summarized in Table 2 below.

**Table 2 – Project Evaluation**

Design Guideline	Project Consistency
Building scale, mass, and form compatible w/ adjacent development (Design Guidelines II.B.3)	<p>Consistent. Three-story buildings are permitted within the MU3-A Zone. The building has been designed to transition from two-story along Avenida Serra, similar to existing 2-story development along the street, to three-story near the rear property line, which is closer to the large buildings of the Downtown core. The third level is setback 38 to 64 feet from Avenida Serra. The third story is also partially below grade, appearing like a 2-story development with underground parking from Avenida Cabrillo. The third story is setback 105 feet from Avenida Cabrillo.</p> <p>Since the proposed project is located across the street and does not obscure the view of the historic structure from the public right-of-way, the proposed project will not adversely impact the historic resource</p>

	and maintains views of the historic structure from the public right-of-way.
<b>Design Guideline</b>	<b>Project Consistency</b>
Building and site design should follow basic principles of Spanish Colonial Revival (SCR) architecture (Design Guidelines II.C.2)	Consistent. Building forms, materials, colors and architectural details generally follow SCR style.
The building's forms are one-, two- and three-stories with low-pitched, red tile hip, gable and shed roofs. The building forms often step to the topography. (Design Guidelines II.C.2)	Consistent. The building includes varied low-pitched roofs, and the building steps up with topography.
Step back the third story at least 10 feet from the street-facing property line. (Design Guidelines II.C.3)	Consistent. The third level is setback between 38' to 64' from Avenida Serra.
Incorporate defined outdoor spaces, including courtyards, patios, plazas and courtyards (Design Guidelines II.C.3)	Consistent. Large outdoor patios are provided in the center of the building and on the second floor. Along Avenida Serra, small landscaped courtyards are provided. Outdoor areas are consistent with the City's Landscape Urban Open Area requirements.

The architectural treatment of the project complies with the San Clemente General Plan and Zoning Ordinance, meeting development standards (with the requested incentives), exceeding setback standards, and meeting parking and height requirements. The SCR building respects San Clemente's Spanish heritage, the SCR architectural style, and historic resources of the Downtown. The appearance of the project is in keeping with the character of the neighborhood and SCR structures adjacent to the project site, as discussed in Table 2 above, and the development will be an enhancement to the area over the existing mix of buildings and architectural styles.

The affordable residential development is permitted per the site's Zoning and encouraged per the General Plan as summarized in Table 4 below. Development of the vacant lot will eliminate visual blight. The proposed project will not have negative visual or physical impacts upon the abutting historic structure because the project is located across the street preserving the view of the historic resource, reflects the SCR architectural style of the historic building, and appears as a two-story development viewed from Avenida Serra.

***Design Review Subcommittee (DRSC)***

DRSC review of the project was required to ensure development in the Architectural Overlay is compatible and harmonious with the surrounding neighborhood, and uphold the Design Guidelines. Table 3 summarizes DRSC concerns and how they were addressed:

**Table 3 - DRSC concerns and project modifications**

<b><i>DRSC Concerns</i></b>	<b><i>Project modifications</i></b>
Stairs along Avenida Serra could benefit from the addition of ceramic tile to add color and richness to the building.	Ceramic tiles added.
Taller trees should be provided along the front elevation as depicted in renderings.	Mexican fan palms ( <i>Washingtonia Robusta</i> ) added to landscape plans as depicted in renderings.
Rear elevation lacks articulation. The rear of the building backs up to a public parking lot and is visible from Avenida Cabrillo, a Downtown street with a high degree of pedestrian activity. To create more visual interest and more pedestrian interaction along this elevation, staff and DRSC recommend the applicant consider small recessed balconies, awnings, lintels or adding other architectural features.	Wrought-iron balconies, awnings, and lighting were added along the rear elevation.

**GENERAL PLAN CONSISTENCY**

Table 4 summarizes how the proposed use is consistent with adopted policies outlined in the City of San Clemente General Plan.



**Table 4 - General Plan Consistency**

Policies and Objectives	Consistency Finding
<p>Allow for development of housing types intended to meet the special needs of senior citizens, the physically challenged, and low- and moderate-income households in areas designated for multi-family residential, commercial, and mixed-use on the Land Use Plan Map, in accordance with the Housing Element and provided that they are designed to be compatible with adjacent residential structures and other areas designated for other categories of use provided that no adverse impacts will occur.</p> <p>City of San Clemente General Plan Residential Land Use Policies (Land Use Policy IV.A.2.1.2.h)</p>	<p><b>Consistent.</b> This project will result in the development of an affordable workforce housing project that: 1) will serve low-income households; and 2) is consistent with the Land Use and Housing Element of the General Plan; and 3) is designed almost 10 feet below height limitations, appears two-story in height, and exceeds setback standards to assure it remains compatible with surrounding uses. The project is designed to be compatible with the adjacent one-story development in that the landscape architect chooses trees species that will soften the elevation and transition mass.</p>
<p>Accommodate the development of a mix of residential and commercial uses in areas designated as "MU".</p> <p>City of San Clemente General Plan Commercial and Mixed Use Land Use Policies (Land Use Policy IV.A.3.1.3.4)</p>	<p><b>Consistent.</b> The project provides affordable housing opportunities Downtown.</p>
<p>Require that projects be designed and developed to achieve a high level of quality, distinctive character, and compatibility with existing land uses and development in accordance with this [Land Use] Element and the Urban Design Element.</p> <p>City of San Clemente General Plan Commercial and Mixed Use Land Use Policies (Land Use Policy IV.A.3.1.3.6)</p>	<p><b>Consistent.</b> The project is designed in Spanish Colonial Revival architecture with high quality materials and design, consistent with the character of the Downtown Architectural Overlay and the abutting historic resource as prescribed within the Land Use and Urban Design Element.</p>

Policies and Objectives	Consistency Finding
Incorporation of landscape which visually distinguishes the site and structure (planter beds, planters, window boxes, and other elements). City of San Clemente General Plan Pedestrian-Oriented Overlay Zone (Land Use Policy IV.A.1.10.2.d)	<b>Consistent.</b> Proposed landscape is consistent with City’s Landscape requirements.
Amend the Affordable Housing Overlay to identify and/or include additional sites including the City owned sites of Avenida Serra and 100 Avenida Presidio . City of San Clemente Genral Plan Housing Element (Housing Program 3.a.)	<b>Consistent.</b> The site is included within the Affordable Housing Overlay as prescribed per the Housing Element.

**ENVIRONMENTAL REVIEW/COMPLIANCE (CEQA):**

In accordance with the California Environmental Quality Act (CEQA), the City Council determined on June 12, 2012 that the project is categorically exempt from CEQA under Article 12.5, Section 15194, Affordable Housing Exemption of CEQA Guidelines, and that no further environmental review is required.

The Planning Division has completed an initial environmental assessment of the above matter in accordance with the California Environmental Quality Act (CEQA) and recommends that the Planning Commission determine the previous environmental determination made by City Council on June 12, 2012 is still applicable in that no substantial changes have occurred to the project and no new information of substantial importance exists within the record.

**CALIFORNIA COASTAL COMMISSION REVIEW**

The project is located outside of the Coastal Zone and consequently, no Coastal Development Permit is required.

**ALTERNATIVES; IMPLICATIONS OF ALTERNATIVES**

1. The Planning Commission can concur with staff and recommend approval of the proposed project.

*This action would result in the applicant being able to move forward with the construction of a three-story, 19-unit, affordable housing project located at 107-115 Avenida Serra.*

2. The Planning Commission can, at its discretion, add, modify or delete provisions of the proposed project or conditions.

*The Planning Commission could determine that additional architectural features or site enhancements are necessary to make the project compatible with the Downtown Architectural Overlay and the required findings for a Cultural Heritage Permit.*

3. The Planning Commission can recommend denial of the proposed project.

*This action would result in the denial of the project and the applicant would not be able to move forward with the project. The applicant could appeal to the City Council.*

### **RECOMMENDATION**

**STAFF RECOMMENDS THAT** the Planning Commission approve CHP 13-021/SPP 13-023, Serra Workforce Housing, subject to the attached Resolution and Conditions of Approval.

### **Attachments:**

1. Resolution No. 13-019  
Exhibit 1 - Conditions of Approval
2. Location Map
3. City Council Meeting Minutes of June 15, 2010 (excerpted)
4. City Council Conceptual Approval Documents dated June 15, 2010
5. City Council Meeting Minutes of June 12, 2012 (excerpted)
6. City Council DDA Agenda Report dated June 12, 2012 (excerpted)

## RESOLUTION NO. PC 13-019

### **A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SAN CLEMENTE, APPROVING CULTURAL HERITAGE PERMIT (CHP) 13-021, SITE PLAN PERMIT (SPP) 13-023, SERRA WORKFORCE HOUSING, A REQUEST TO CONSTRUCT A THREE-STORY, 19-UNIT, AFFORDABLE HOUSING PROJECT LOCATED AT 107-115 AVENIDA SERRA**

**WHEREAS**, on June 15, 2010, the City Council analyzed three different conceptual designs for the site and endorsed conceptual design #3, showing a Spanish Colonial Revival style, two- and three-story building with 19 one-bedroom, affordable workforce apartments and directed staff to solicit developer proposals; and

**WHEREAS**, on January 18, 2011, the City Council considered three different non-profit housing developers' qualifications and proposals for the site and selected National Community Renaissance ("National CORE") as the top-ranked developer and directed staff to prepare a Disposition and Development Agreement with National CORE leading to the site's transfer and development for affordable housing, consistent with Council's previous direction; and

**WHEREAS**, pursuant to state law, the RDA was dissolved and site ownership has been transferred to the City of San Clemente as Successor Agency to the former San Clemente Redevelopment Agency; and

**WHEREAS**, on June 12, 2012 at a duly noticed regular meeting, the City Council approved a Disposition and Development Agreement for the 19-unit affordable housing development on the 0.36 acre lot located at 107-115 Avenida Serra; and

**WHEREAS**, on June 12, 2012 at a duly noticed regular meeting, the City Council determined the project is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article 12.5, Section 15194, Affordable Housing Exemption of CEQA Guidelines, and that no further environmental review is required; and

**WHEREAS**, on September 25, 2012, an application was submitted, and deemed complete on April 9, 2013, by National Core, 9065 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, to construct a three-story, 19-unit, affordable housing project located at 107-115 Avenida Serra, within the Mixed use Zoning District, and within the Architectural and Affordable Housing Overlays (MU3-A-AH), the legal description being Lots 7, 8, 9, and 10 of Block 4, of Tract 779, Assessor's Parcel Number 058-073-18 and 058-073-46; and

**WHEREAS**, on October 4, 2012, January 24, 2013, and March 28, 2013 the City's Development Management Team reviewed the application for compliance with the General Plan, Zoning Ordinance, and other applicable requirements; and

**WHEREAS**, on November 14, 2012 and February 27, 2013, the proposed project

was reviewed by the Design Review Subcommittee which supported the design of the project; and

**WHEREAS**, the Planning Division has completed an initial environmental assessment of the above matter in accordance with the California Environmental Quality Act (CEQA) and recommends that the Planning Commission determine the previous environmental determination made by City Council on June 12, 2012 is still applicable in that no substantial changes have occurred to the project and no new information of substantial importance exists within the record; and

**WHEREAS**, on May 8, 2013, the Planning Commission of the City of San Clemente held a duly noticed public hearing on the subject application, and considered evidence presented by the applicant, City staff, and other interested parties.

**NOW THEREFORE**, the Planning Commission of the City of San Clemente hereby resolves as follows:

**Section 1:** The City Council determined on June 12, 2012 that the project is categorically exempt from CEQA under Article 12.5, Section 15194, Affordable Housing Exemption of CEQA Guidelines, and that no further environmental review is required.

**Section 2:** With regard to Cultural Heritage Permit (CHP) 13-021, the Planning Commission finds as follows:

- A. The architectural treatment of the project complies with the San Clemente General Plan in that the building has been designed to be a Spanish Colonial Revival building.
- B. The architectural treatment of the project complies with the Zoning Ordinance in areas including, but not limited to, height, setback color, etc. in that the project exceeds setback standards, meets parking requirements, is almost 10 feet below the height limitations for the Zone, is consistent with the applicable development standards with the requested incentives, and is consistent with City's Design Guidelines.
- C. The architectural treatment of the project complies with the architectural guidelines in the City's Design Guidelines in that the building is Spanish Colonial Revival architecture and is consistent with the City's Design Guidelines.
- D. The general appearance of the proposal is in keeping with the character of the neighborhood in that there are other Spanish Colonial Revival structures adjacent to the project site, and the development will be an enhancement to the area over the existing mix of buildings and architectural styles. Furthermore, the building has been designed to transition from a two-story mass along Avenida Serra, similar to existing 2-story development along the street, to a three-story

mass near the rear property line, which is closer to the large buildings of the Downtown core.

- E. The proposal is not detrimental to the orderly and harmonious development of the City in that the development of affordable residential use is permitted, encouraged per the General Plan, development of the vacant lot will eliminate visual blight, and the Spanish Colonial Revival building respects San Clemente's Spanish heritage and historic resources of the Downtown.
- F. The proposed project/use preserves and strengthens the pedestrian-orientation of the district and/or San Clemente's historic identity as a Spanish village in that the project incorporates outdoor patios and balconies to encourage pedestrian interactions on Avenida Serra and Avenida Cabrillo, provides affordable housing opportunities within the Downtown area, and the architecture reflects the City's Spanish village identity.
- G. The proposed project will not have negative visual or physical impacts upon the historic structure in that the project is located across the street preserving the view of the historic resource, reflects the Spanish Colonial Revival architectural style of the historic building, and viewed from Avenida Serra appears as a two-story development.
- H. The proposed project complies with the purpose and intent of the Architectural Overlay District in that it is designed in Spanish Colonial Revival architectural style and has a pedestrian orientation incorporating outdoor patios and balconies to encourage pedestrian interactions on Avenida Serra and Avenida Cabrillo.

**Section 3:** With regard to Site Plan Permit (SPP) 11-512, the Planning Commission finds as follows:

- A. The proposed development is permitted within the subject zone pursuant to the approval of a Site Plan Permit and complies with all the applicable provisions of this title, the goals, and objectives of the San Clemente General Plan, and the purpose and intent of the zone in which the development is being proposed in that the affordable housing project is a permitted use within the affordable housing overlay, the Land Use element of the General Plan encourages affordable housing developments within mixed use designations, and the Site Plan provides appropriate circulation and parking to serve the affordable housing development.
- B. The site is suitable for the type and intensity of development that is proposed in that the project is a 2 to 3-story development that exceeds setback standards,

meets parking requirements, is a permitted use within the AH Overlay, and is almost 10 feet below the height limitations for the Zone.

- C. The proposed development will not be detrimental to the public health, safety or welfare, or materially injurious to properties and improvements in the vicinity in that the development of affordable residential housing is a permitted use, encouraged per the General Plan, and development of the vacant lot will eliminate visual blight in the downtown.
- D. The proposed development will not be unsightly or create disharmony with its locale and surroundings in that the project has been designed in Spanish Colonial Revival architecture consistent with City's Design Guidelines, respecting San Clemente's Spanish heritage, the SCR architectural style of the Downtown, and the historic resources of the Downtown.
- E. The proposed development will minimize or eliminate adverse physical or visual effects which might otherwise result from unplanned or inappropriate development, design or location in that the project height, massing, and scale were carefully reviewed and endorsed by City Council on June 15, 2010, again with the approval of the Disposition and Development Agreement approved by Council on June 12, 2012, and the project meets all applicable development standards with approval of the requested incentives.
- F. The project will provide 100 percent affordability;
- G. The project will be affordable for at least 55 years (30 years is the minimum affordability term otherwise);
- H. The project is located on a legal, conforming lot, has a total site area of less than one acre and is located within the MU 3 zones.
- I. With the added density bonus, the project is architecturally compatible with surrounding development in that the project height, massing and scale conform to zoning regulations and similar to nearby two and three story buildings of the downtown MU3 zoning, with landscaping provided to modulate building scale and provide screening where appropriate.
- J. The project complies with Zoning Ordinance requirements for the zone in which it is located with the approval of the requested affordable housing incentives of a density bonus and increased floor area ratio.

K. The site is owned by the City of San Clemente (as successor agency to the former San Clemente Redevelopment Agency) and the City has a disposition and development agreement to sell the property to a non-profit housing provider for the purpose of providing affordable housing.

**Section 4:** The Planning Commission of the City of San Clemente hereby approves CHP 13-021/SPP 13-023, Serra Workforce Housing, subject to the above Findings, and the Conditions of Approval attached hereto as Exhibit 1.

**PASSED AND ADOPTED** at a regular meeting of the Planning Commission of the City of San Clemente on May 8, 2013.

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Chair

**TO WIT:**

I **HEREBY CERTIFY** that the foregoing resolution was duly adopted at a regular meeting of the Planning Commission of the City of San Clemente on May 8, 2013, and carried by the following roll call vote:

**AYES:            COMMISSIONERS:**  
**NOES:            COMMISSIONERS:**  
**ABSTAIN:        COMMISSIONERS:**  
**ABSENT:         COMMISSIONERS:**

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Secretary of the Planning Commission



## EXHIBIT 1

**CONDITIONS OF APPROVAL\***  
**CHP 13-021/SPP 13-023, Serra Workforce Housing**

1. The applicant or the property owner or other holder of the right to the development entitlement(s) or permit(s) approved by the City for the project, if different from the applicant (herein, collectively, the "Indemnitor") shall indemnify, defend, and hold harmless the City of San Clemente and its elected city council, its appointed boards, commissions, and committees, and its officials, employees, and agents (herein, collectively, the "Indemnitees") from and against any and all claims, liabilities, losses, fines, penalties, and expenses, including without limitation litigation expenses and attorney's fees, arising out of either (i) the City's approval of the project, including without limitation any judicial or administrative proceeding initiated or maintained by any person or entity challenging the validity or enforceability of any City permit or approval relating to the project, any condition of approval imposed by City on such permit or approval, and any finding or determination made and any other action taken by any of the Indemnitees in conjunction with such permit or approval, including without limitation any action taken pursuant to the California Environmental Quality Act ("CEQA"), or (ii) the acts, omissions, or operations of the Indemnitor and the directors, officers, members, partners, employees, agents, contractors, and subcontractors of each person or entity comprising the Indemnitor with respect to the ownership, planning, design, construction, and maintenance of the project and the property for which the project is being approved. The City shall notify the Indemnitor of any claim, lawsuit, or other judicial or administrative proceeding (herein, an "Action") within the scope of this indemnity obligation and request that the Indemnitor defend such Action with legal counsel reasonably satisfactory to the City. If the Indemnitor fails to so defend the Action, the City shall have the right but not the obligation to do so and, if it does, the Indemnitor shall promptly pay the City's full cost thereof. Notwithstanding the foregoing, the indemnity obligation under clause (ii) of the first sentence of this condition shall not apply to the extent the claim arises out of the willful misconduct or the sole active negligence of the City. *[Citation – City Attorney Legal Directive/City Council Approval June 1, 2010]*  
(PInG.) \_\_\_\_\_
2. The owner or designee shall develop the approved project in conformance with the site plan, floor plans, elevations, and any other applicable submittals approved by the Planning Commission on May 8, 2013.

Any deviation from the above approved resolution and site plan and or other approved submittal shall require that the owner or designee submit modified plans and any other applicable materials as required by the City for review and obtain the approval of the City Planner or designee. If the City Planner or designee determines that the deviation is significant, the owner or designee shall be

required to apply for review and obtain the approval of the Zoning Administrator.  
(PIng.) \_\_\_\_\_

- 3. CHP 13-021/SPP 13-023 shall become null and void if the use is not commenced within three (3) years from the date of the approval thereof. Since the use requires the issuance of a building permit, the use shall not be deemed to have commenced until the date that the building permit is issued for the development. *[Citation - Section 17.12.150.A.1 of the SCMC]* (PIng.)\_\_\_\_\_

A use shall be deemed to have lapsed, and CHP 13-021/SPP 13-023 shall be deemed to have expired, when a building permit has been issued and construction has not been completed and the building permit has expired in accordance with applicable sections of the California Building Code, as amended. *[Citation - Section 17.12.150.C.1 of the SCMC]* (PIng.)\_\_\_\_\_

- 4. The owner or designee shall have the right to request an extension of CHP 13-021/SPP 13-023 if said request is made and filed with the Planning Division prior to the expiration date as set forth herein. The request shall be subject to review and approval by the final decision making authority that ultimately approved or conditionally approved the original application. *[Citation - Section 17.12.160 of the SCMC]* (PIng.)\_\_\_\_\_

- 5. Prior to issuance of building permits, the owner or designee shall submit for review and obtain approval of the City Planner or designee for plans indicating the following:  
  - (PIng.)\_\_\_\_\_

- A. Two-piece clay tile roofing shall be used with booster tiles on the edges and ridges and random mortar packing. The mortar shall be packed on 100 percent of the tiles in the first two rows of tiles and along any rake and ridgeline, and shall be packed on 25 percent of the tiles on the remaining field. Mortar packing shall serve as bird stops at the roof edges. The volume of mortar pack to achieve the appropriate thickness shall be equivalent to a 6 inch diameter sphere of mortar applied to each tile. *[Citation – City of San Clemente Design Guidelines, November 1991]*

- B. Stucco walls with a ‘steel, hand trowel’ (no machine application), smooth Mission finish and slight undulations (applied during brown coat) and bull-nosed corners and edges, including archways (applied during lathe), with no control/expansion joints. The applicant shall not use a stucco finish that produces a high gloss sheen. *[Citation – City of San Clemente Design Guidelines, November 1991]*

- 6. Prior to the issuance of building permits, the owner or designee shall submit written consent to all of these imposed conditions to the Community Development Director or designee. The owner or designee understands that the resolution will

be of no force or effect, nor shall permits be issued, unless such written consent is submitted to the City. (PIng.) \_\_\_\_\_

7. Signage is not part of this review. Any signage for this proposed development shall require the owner or designee to submit for review and obtain approval of a Sign Permit or Master Sign Program in accordance with the City's Sign Ordinance.  
*[Citation - Section 17.16.240.D& 17.16.250.D of the SCMC]* (PIng.)\_\_\_\_\_

8. Prior to issuance of grading and/or building permits, the owner or designee shall submit for review and approval by the Community Development Director and Director, Beaches, Parks and Recreation or designees, a detailed landscape and irrigation plan incorporating drought tolerant plants, for medians, parkways, public trails, fuel modification areas, common areas, and slopes, and other landscaped areas, prepared by a registered landscape architect, and in compliance with all pertinent requirements including, but not limited to guidelines contained in the City's Master Landscape Plan of Scenic Corridors. *[Citation - Section 17.68.020.B.2 of the SCMC]* (PIng.)\_\_\_\_\_ (B,P&R) \_\_\_\_\_

9. Prior to issuance of certificates of occupancy, the owner or designee shall submit a letter, signed by a registered landscape architect, to the Community Development Director or designee, stating that all materials for all landscaped areas have been installed in accordance with the approved plans, and shall demonstrate to the satisfaction of the Community Development Director or designee, in consultation with the Beaches, Parks and Recreation Director or designee, that all landscaped areas have been landscaped per the approved landscape plans. *[Citation - Master Landscape Plan for Scenic Corridors, May 1992]* (PIng.) \_\_\_\_\_(B,P&R)\_\_\_\_\_

10. Prior to the issuance Certificates of Occupancy, the owner or designee shall demonstrate to the satisfaction of the City Planner or designee that all exterior lighting is designed, arranged, directed or shielded per the approved plans, and in such a manner as to contain direct illumination on site, thereby preventing excess illumination onto adjoining site(s) and/or street(s). *[Citation - Section 17.24.130 of the SCMC]* (PIng.)\_\_\_\_\_

11. Prior to issuance of building permits, the applicant shall submit for approval of the building division and City Planner a lighting plan showing consistency with California Green Code requirements and ensure lighting will not be excessive on-site. Additionally, prior to issuance of building permit, the City Planner, or his designee, shall approve the design and scale of all decorative lighting.  
 ■ ■ (PIng.)\_\_\_\_\_

12. Prior to certificate of occupancy, applicant shall paint the backflow and fire connection device green to fit in with the surrounding landscaping, other than the

required OCFA connection component that must be painted red.

■ ■ (Plng.)\_\_\_\_\_

13. All above and belowground utilities shall be shown on the final landscaping plan.

■ ■ (Plng.)\_\_\_\_\_

**Building**

14. A separate Building Permit is required. Plans to construct new building, add or alter the existing building configuration, change in use, add or alter structural, mechanical, electrical or plumbing features of the project must be reviewed and approved through a separate building plan check / permit process.

(Bldg.)\_\_\_\_\_

*[S.C.M.C – Title 8 – Chapter 8.16- Fire Code, Title 15 Building Construction - Chapters 15.08, 15.12, 15.16, 15.20]*

15. Prior to issuance of building permits, applicant shall secure all utility agencies approvals for the proposed project.

(Bldg.)\_\_\_\_\_

*[S.C.M.C – Title 15 Building Construction]*

16. Building permits shall not be issued unless the project complies with all applicable codes, ordinances, and statutes including, but not limited to, the Zoning Ordinance, Grading Code, Security Ordinance, Transportation Demand Ordinance, Water Quality Ordinance, Title 24 of the California Code of Regulations as adopted by the City including, but not limited to the California Administrative, Building, Electrical, Plumbing, Mechanical, Energy, Green, and Fire Codes.

(Bldg.)\_\_\_\_\_

*[S.C.M.C – Title 8 – Chapter 8.16 – Fire Code, Title 15 Building and Construction Chapters 15.08, 15.12, 15.16, 15.20, 15.21, Title 16 Subdivisions, Title 17 Zoning ]*

17. Prior to the issuance of building permits, the owner or designee shall pay all applicable development fees in effect at the time, which may include, but are not limited to, Regional Circulation Financing and Phasing Program (RCFPP), park acquisition and development, water and sewer connection, drainage, Public Facility Construction, transportation corridor, Avenida La Pata Supplemental Road Fee and school fees, etc.

(Bldg.)\_\_\_\_\_

*[S.C.M.C. – Title 15 Building and Construction, Chapters 15.52, 15.56, 15.60, 15.64, 15.68, 15.72]*

18. Prior to issuance of building permits, the owner or designee shall submit a copy of the City Engineer approved soils and geologic report, prepared by a registered geologist and/or soil engineer, which conforms to City standards and all other applicable codes, ordinances, statutes and regulations. The soils report shall accompany the building plans, engineering calculations, and reports.

(Bldg.)\_\_\_\_\_

*[S.C.M.C – Title 15 – Chapter 15.08 – Appendix Chapter 1 – Section 106.1.4]*

- 19. Prior to the Building Division's approval to pour foundations, the owner or designee shall submit evidence to the satisfaction of the City Building Official or designee that a registered civil engineer that is licensed to do surveying or land surveyor has certified that the forms for the building foundations conform to the front, side and rear setbacks are in conformance to the approved plans.

*[S.C.M.C – Title 15 – Chapter 15.08, Title 17- Chapter 17.24]* (Bldg.)\_\_\_\_\_

- 20. Prior to the Building Division's approval of the framing inspection, the owner or designee shall submit evidence to the satisfaction of the City Building Official or designee that a registered civil engineer that is licensed to do surveying or land surveyor has certified that the height of all structures are in conformance to the approved plans.

*[S.C.M.C – Title 15 – Chapter 15.08, Title 17- Chapter 17.24]* (Bldg.)\_\_\_\_\_

- 21. Fire sprinkler system required throughout the Group R occupancies, including the parking garage.

*[S.C.M.C – Title 15 – Chapter 15.08]* (Bldg.)\_\_\_\_\_

- 22. Under ground utilities are required for all properties developed with new building(s). Overhead wiring shall not be installed outside on private property.

*[S.C.M.C – Title 15 – Chapter 15.12-Electrical Code]* (Bldg.)\_\_\_\_\_

**Engineering**

**Fees and Plan Check Deposit**

- 23. Prior to the review of plans, soils report and documents for issuance of Grading Permits, the owner or designee shall deposit minimum \$5,000.00 for Engineering Department plan check. *[Citation – Fee Resolution No. 08-81]* (Eng.)\_\_\_\_\_

- 24. Prior to issuance of the building permit, the owner shall pay all applicable development fees, which may include, but are not limited to, City Attorney review, park acquisition and development, water and sewer connection, drainage, grading, RCFPP, transportation corridor etc. *[Citation – Fee Resolution No. 08-81& S.C.M.C. Title 15, Building and Construction, Sections 15.52, 15.56, 15.60, 15.64, 15.68, 15.72]* (Eng.)\_\_\_\_\_

**Reports –Soils and Geologic, Hydrology**

- 25. Prior to issuance of grading permits, the owner or designee shall submit for review, and shall obtain the approval of the City Engineer or designee for, a soils and geologic report prepared by a registered geologist and/or geotechnical

engineer which conforms to City standards and all other applicable codes, ordinances and regulations. *[Citation – Section 15.36 of the SCMC]* (Eng.)\_\_\_\_\_

26. Prior to issuance of grading permits, the owner or designee shall submit for review, and shall obtain the approval of the City Engineer or designee for a hydrology and hydraulic study prepared by a registered civil engineer to determine the sizes and locations of all on-site drainage facilities in accordance with all applicable City regulations and standards. *[Citation – Section 15.36 of the SCMC]* (Eng.)\_\_\_\_\_

### **Grading**

27. Prior to issuance of any permits, the owner shall submit for review, and obtain the approval of the City Engineer or designee, a precise grading plan as required by the City Grading Manual and Ordinance. *[Citation – Section 15.36 of the SCMC]* (Eng.)\_\_\_\_\_
28. Prior to issuance of grading permits, the City Engineer shall determine that development of the site shall conform to general recommendations presented in the geotechnical studies, including specifications for site preparation, treatment of cut and fill, soils engineering, and surface and subsurface drainage. *[Citation – Section 15.36 of the SCMC]* (Eng.)\_\_\_\_\_

### **Improvements**

29. Prior to issuance of any grading permits, the owner or designee shall submit for review, and shall obtain the approval of the City Engineer or designee for frontage improvement plans, including but not limited to the following provisions: *[Citation – Section 15.36, 12.08.010, and 12.24.050 of the SCMC]* ■ (Eng.)\_\_\_\_\_
- A. Per City Municipal Code Section 12.08.010 (A), when building permit valuations exceed \$50,000, the owner or designee shall construct sidewalk along the property frontage. This includes construction of compliant sidewalk up and around drive approaches to meet current City standards when adequate right-of-way exists. Since the right-of-way may not be adequate according to the current plans, a sidewalk easement may be required if deemed necessary by the City Engineer.
- B. An Engineering Department Encroachment Permit will be required for all work in the public right-of-way. The frontage improvement plan shall include detailed topographic construction detail to show that current city standards are to be met including but not limited to, the construction of sidewalk up and around drive approaches, where applicable, with a minimum width of 4 feet at no more than 2% cross fall.

**Land Use & Easements**

- 30. Prior to the issuance of any permits, the owner or its designee shall submit for review, approval, and recordation a lot merger with the adjoining parcel in order to meet the requirements of the Engineering, Planning, and Building Departments. The lot merger certificate shall be recorded at the Orange County Recorder's Office prior to issuance of the building permit. *[Citation – Section 16.44 of the SCMC]* ■ (Eng.)\_\_\_\_(Pln.)\_\_\_\_
- 31. Prior to issuance of any grading permits, the owner shall provide documentation confirming that all applicable easements conflicting with the proposed improvements have been quit claimed or relocated to the satisfaction of the easements' owners, or that the easement holder approves of the improvements within their easement(s). All documents shall be approved by City Engineer or designee. *[Citation – Section 15.36 of the SCMC]* (Eng.) \_\_\_\_
- 32. Prior to final release of any grading permits, the owner shall, if required by the City Engineer, grant necessary sidewalk easements to the City for sidewalk to go up and around the drive approaches. *[Citation – Section 15.36, 12.08.010, and 12.24.050 of the SCMC]* ■ (Eng.)\_\_\_\_

**Drainage**

- 33. All storm water shall be conveyed directly to an approved storm drain system. No storm water from newly paved parking areas or structures shall sheet flow over the driveways or sidewalks. *[Citation – Section 15.36 of the SCMC]* (Eng.)\_\_\_\_

**NPDES**

- 34. Prior to issuance of any grading permit, the owner shall demonstrate to the satisfaction of the City Engineer that the project meets all requirements of the Orange County National Pollutant Discharge Elimination System (NPDES) Storm Drain Program, and Federal, State, County and City guidelines and regulations, in order to control pollutant run-off. The owner shall submit for review, and shall obtain approval of the City Engineer for, plans for regulation and control of pollutant run-off by using Best Management Practices (BMP's). *[Citation – Section 13.40 of the SCMC]* (Eng.)\_\_\_\_
- 35. Prior to issuance of any grading permit, the owner or designee shall submit for review a project binder containing the following documents: *[Citation – Section 13.40 of the SCMC]* (Eng.)\_\_\_\_
  - A. For all projects that are greater than one (1) acre, a Notice of Intent (NOI) for coverage under the General Construction Storm Water Permit must be filed with the State Water Resources Control Board <http://www.waterboards.ca.gov/stormwtr/construction.html> and a copy

of the NOI, a WDID number and a copy of the Storm Water Pollution Prevention Plan (SWPPP) must be filed with the City.

- B. If the project is determined to be a "Priority Project" at the time of permit issuance (as defined by the Orange County Municipal Storm Water Permit available at <http://www.waterboards.ca.gov/sandiego/programs/ocstormwater.html> a final Water Quality Management Plan (WQMP) must be recorded with the Orange County Recorder's Office and filed with the City. Design features of the WQMP shall be incorporated into the Grading Plans. Trash enclosures may be required to be covered if required by the City Engineer.

**Financial Security**

- 36. Prior to issuance of any grading permits, the owner or designee shall provide separate improvement bonds or irrevocable letters of credit, as determined by the City Engineer, if required by the project, for 100% of each estimated improvement cost, as prepared by a registered civil engineer as required and approved by the City Attorney and the City Engineer or their designees, for each, but not limited to, the following: rough grading; precise grading; frontage improvements; sidewalks; sewer lines; water lines; storm drains; and erosion control. In addition, the owner or designee may be required, if deemed necessary by the City Engineer, to provide separate labor and material bonds or irrevocable letters of credit for 100% of the above estimated improvement costs. *[Citation – Section 15.36 of the SCMC]* (Eng.)\_\_\_\_\_

**Noise**

- 37. Prior to the issuance of grading permit, the owner or designee shall provide evidence acceptable to the City Engineer that all construction vehicles or equipment, fixed or mobile, operated within 1,000 feet of a dwelling shall be equipped with operating and maintained mufflers. *[Citation – Sections 8.48 & 10.48 of the SCMC]* (Eng.)\_\_\_\_\_

**CONDITIONS TO BE SATISFIED PRIOR TO CERTIFICATES OF OCCUPANCY**

- 38. Prior to issuance of certificates of occupancy, the owner shall demonstrate to the satisfaction of the City Engineer and City Maintenance Manager or their designees that all frontage improvements have been completed and accepted and that any damage to new or existing street right-of-way during construction have been repaired/replaced. *[Citation – Title 12 of the SCMC]* (Eng.)\_\_\_\_\_(Maint.)\_\_\_\_\_

**CONDITIONS TO BE SATISFIED PRIOR TO RELEASE OF FINANCIAL SECURITY**



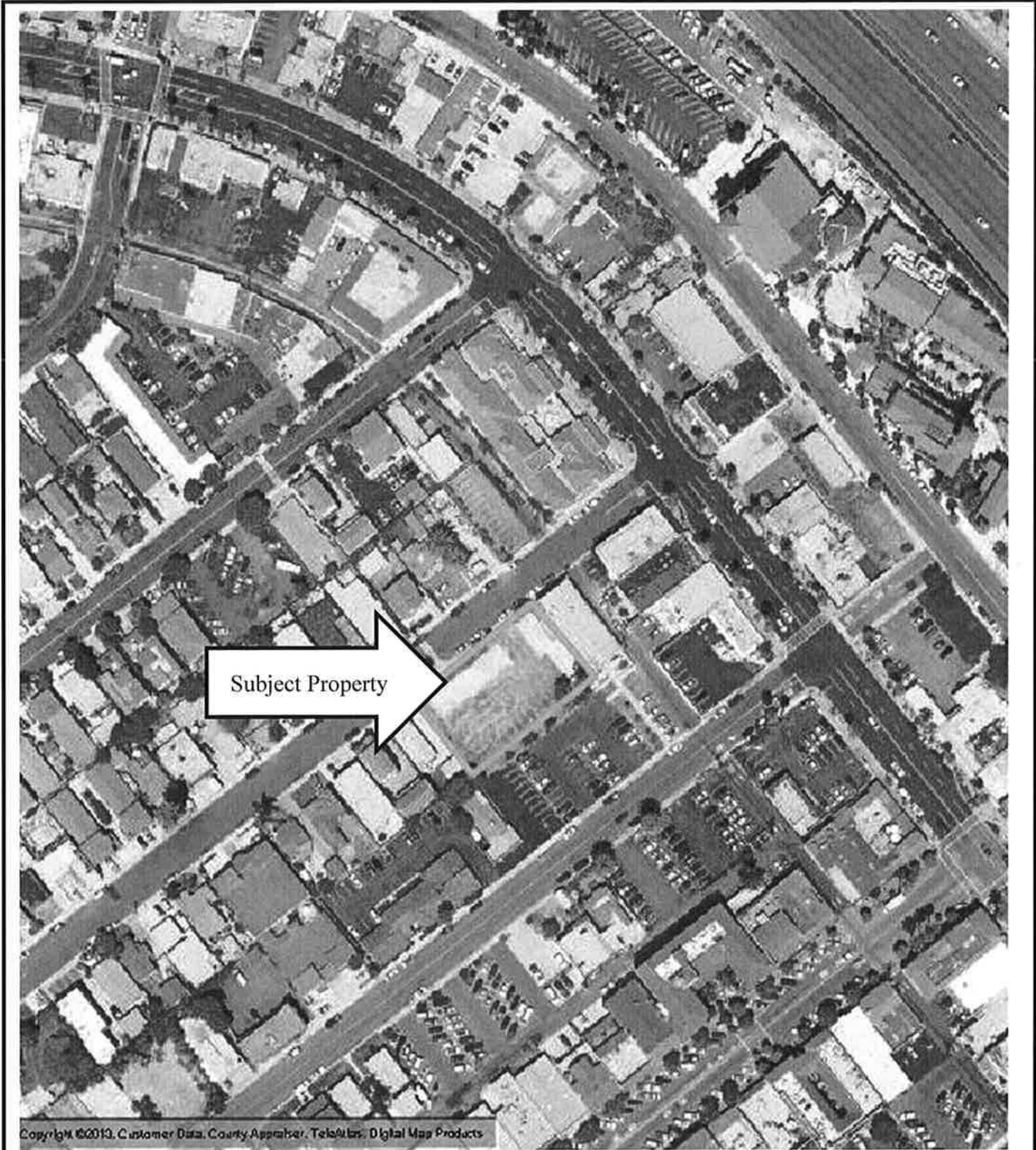
39. Prior to release of financial security, the owner or designee shall have completed the stenciling of all catch basins and/or storm drain inlets with labels 3" high in black letters, on either the top of the curb or the curb face adjacent to the inlet "NO DUMPING - DRAINS TO OCEAN". These markers shall be maintained in good condition by the Property Owners Association. Also, the owner or designee shall insure that all catch basins have filter basket inserts. *[Citation – Section 13.40 of the SCMC]* (Eng.)\_\_\_\_\_

- \* All Conditions of Approval are Standard, unless indicated as follows:
- Denotes a modified Standard Condition of Approval
  - ■ Denotes a project-specific Condition of Approval



# LOCATION MAP

CHP 13-021/SPP 13-023, Serra Workforce Housing  
107-115 Avenida Serra



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No Scale 

C. Workforce Housing at 107-115 Avenida Serra - Consideration of Options

Report from the Community Development Director concerning possible options for the development of workforce housing at 107-115 Avenida Serra.

Senior Housing Coordinator Davis narrated a PowerPoint presentation entitled "Ave. Serra Design Options" and responded to Council inquiries. A hard copy of Ms. Davis' presentation, dated June 15, 2010, is on file with the City Clerk.

In response to Council inquiry, David Chacon, from RRM Design Group, explained zoning amendment and density bonus options in relation to each design option.

Cheryl Hopper, San Clemente, expressed support for workforce housing in San Clemente; spoke on the benefits of including universally accessible design concepts for disabled and handicapped persons; encouraged that Council select a design option and approve a subsequent development project for workforce housing.

Susan Parmlee, San Clemente, voiced support for the development of workforce housing; spoke on the benefits of locating workforce housing near the downtown business area.

Cesar Couarrubias, Executive Director for the Kennedy Commission, commended the City for its support of affordable housing; encouraged that the City, State and local developers work together to ensure the viability and continued development of affordable housing.

Council directed that Staff present the Avenida Serra design options at a future Planning Commission study session and requested that the Planning Commission consider ways to streamline the design review process so that the affordable housing developer can move through the process in a smooth manner.

MOTION BY COUNCILMEMBER EGGLESTON, SECOND BY COUNCILMEMBER ANDERSON, CARRIED 5-0, to:

1. Select Option 3 for the development of affordable housing at 107-115 Avenida Serra as outlined in the Administrative Report, dated June 15, 2010, that is on file with the City Clerk.
2. Authorize Staff to prepare a Request for Proposal to select a developer for the City Council to approve for subsequent design and development of the property located at 107-115 Avenida Serra.
3. Direct Staff to initiate a zone change to include the Avenida Serra property in the Affordable Housing Overlay Zone.
4. Direct Staff to review this issue with the Planning Commission as soon as possible.

D. **Draft 2008 Housing Element - Consideration of Revisions**

Report from the Community Development Director concerning possible revisions to the Draft 2008 Housing Element.

Senior Housing Coordinator Davis narrated a PowerPoint presentation entitled "Revisions to the 2008 Housing Element" and responded to Council inquiries. A hard copy of Ms. Davis' presentation, dated June 15, 2010, is on file with the City Clerk.

Council discussion ensued relative to 1) the fact that private property owners whose property is being considered for possible future inclusion in the Affordable Housing Overlay were not mailed notices about this evening's meeting; 2) possibility of issuing a press release to invite homeowners to opt-in to the Affordable Housing Overlay; 3) desirability of deleting the La Pata/Vista Hermosa site from the Affordable Housing Overlay and including in its place the City-owned property at 100 Avenida Presidio (City Hall); and 4) desirability of communicating with the Elks Lodge to determine if it would be interested in including its property in the Affordable Housing Overlay.



AGENDA REPORT  
SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: June 15, 2010

City Mgr. \_\_\_\_\_  
Dept. Head \_\_\_\_\_  
City Atty. \_\_\_\_\_  
Finance \_\_\_\_\_

**Department:** Community Development  
**Prepared By:** Leslie Davis, Sr. Housing Coordinator

**Subject:** *PRESENTATION OF OPTIONS FOR DEVELOPMENT OF WORKFORCE HOUSING AT 107-115 AVE. SERRA.*

**Summary:** This is a request of the City Council to review and select one option for development of workforce housing at the Redevelopment Agency owned site of 107-115 Ave. Serra. Selection of one option is a key step in developing the site. Once the City Council decides on the mass and scale of the project, a developer can prepare the plans and submit for entitlement processing to the Planning Commission. This will save time and public dollars.

On June 2, 2009, the Redevelopment Agency agreed to extend the development period five years to provide time to design and develop the RDA Property at 107-115 Ave. Serra Property as affordable rental housing. On December 12, 2009, the RDA approved the hiring of RRM to provide design options for the site. RRM has developed three options for development of the site, a two story building, a two story in front and three story in rear (along Cabrillo parking lot), and a three story building. The approved concept will be designed to be an apartment complex which could provide one-bedroom apartment units, housing persons in the workforce earning between 30% and 50% of area median income. According to fair housing law, up to three persons could occupy the one bedroom unit (2 persons per bedroom, plus one). The 2010 allowable income range for a single person is between \$19,500 and \$32,550, two persons the range is \$22,300 - \$37,200, and three persons, the range is \$25,100 - \$41,850.

#### ZONING

The property is currently 4 vacant lots located at 107-115 Ave Serra in a Mixed Use zone, MU3-A (CZ). Development standards in the MU3-A zone includes 1 residential unit per 1800 square feet and 35% of building space must be developed as commercial. Zero lot lines and 100% lot coverage is allowed. However, in order for the property to be developed as 100% affordable residential, an amendment to the Zoning Ordinance would need to be initiated by the City Council to include the site in the Affordable Housing Overlay. Selection of a design option would be an important step toward the development of the site. The amendment to the zoning ordinance would coincide with this development.

#### ANALYSIS OF CONCEPTS

Each concept provides one bedroom, one bath units, and a community room, terraces, outdoor courtyard open space, lobby and elevator. Concept 1 (two story) provides 12 one bedroom units, Concept 2 (three stories) provides 24 one bedroom units. Concept 3 provides 19 one bedroom units.

Each Option has an elevator, laundry room, 2 fully accessible units (unless additional units are funded), universal design for wheel chair accessibility, and a multi-purpose room with ADA bathroom. The City Council approved the updated State density bonus law in 2009. This provides for increased density, incentives and concessions depending on affordability. This project is proposed to be 100% affordable. The City can grant density over the base 35% density bonus and is required to allow for three concessions to improve financial feasibility of the development. These concessions may include a reduction in site development standards, a modification of zoning code requirements or architectural design requirements, and other regulatory incentives as proposed by the developer that result in identifiable, financially sufficient, and actual cost reductions. (see Section 17.24.070 of the SC Municipal Code).

While State codes allow for density bonuses for affordable housing, a key community issue is appropriate size and mass of the project. Because the units are small size, (600 s.f.), density is not a good gauge of size and mass. A better guide for the issue of massing is an actual review of the building elevations. Therefore, 3 alternative plans have been prepared for Council review. The fourth column describes what is currently allowed in the MU3 code if the site was to be developed as mixed use.

Options	#1	#2	#3	MU 3 Maximum Allowable development
<b>Site Information</b> 16,000 square feet (.36 ac), 12,750 buildable space, all designs are 1 bedroom units				
# Units	12	24	19	8 du plus 5600 sf commercial
Density	33 units/ac	66 units/ac	52 units/ac	24 units/ac
Set-backs	5 ft sidewalk 10 ft front yd 5 ft rear and int.side 35 ft entry driveway 10 ft wide paseo	5 ft sidewalk 10 ft front yard 5ft rear and int.side 0 lot line east side	5 ft sidewalk 10 ft front yard 5 ft rear and side 10 ft wide paseo	Zero set backs for MU3. 45 height max.
Stories	Two Height 26'2"	Three stories Height 35' 6"	2 stories on Ave Serra- Ht. 26'2" 3 stories -Ht.36'2" rear adjacent to Cabrillo pkg lot	Three stories Height 45' max.
Parking	21 stalls 2 ADA	22 stalls 2 ADA 5 motorcycle or bike stalls	19 stalls 2 ADA 5 motorcycle or bike stalls	Minimum 2 spaces per unit, approx. 16 residential sp. 14 commerc. sp.
Amenities	<u>Grnd flr</u> 3 units w/ prv patios, parking and Multi-purpose room (600 sf) w/kitchn & bathrm.  <u>2<sup>nd</sup> flr</u> , 9 units, all units have private patios. <u>2<sup>nd</sup> floor</u>	<u>Grnd flr</u> 4 units w/ prv patios, parking  <u>2<sup>nd</sup> flr</u> , 10 units 8 w/patios, Multi-purpose room w/bathrm, <u>3700 sf</u> open air, outdoor courtyard, laundry.	<u>Grnd flr</u> 4 units w/ prv patios, parking  <u>2<sup>nd</sup> flr</u> 10 units, 9 w/patios, Multi-purpose room w/bathrm, 2,400 s.f. outdoor, open air courtyard; laundry	<b>Mixed use</b> development, residential & 35% of lot area for commercial.  With public benefit FAR can be 2.0

80-2

	courtyard surround and <u>2500 sf</u> outdoor group space, laundry room.  Paseo to public pkg on Cabrillo.	<u>3<sup>rd</sup> flr.</u> 10 units, 8 w/patios, tiled courtyd surround, laundry room.	room, <u>3<sup>rd</sup> flr.</u> Adjacent to Cabrillo parking lot, 5 units, 4 units w/prv patios. Extra rec room or laundry & patio. Paseo to pub. pkg on Cabrillo.	
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FINANCING

Financing of this project may include Redevelopment Housing Funds, City In-lieu developer's fees, 4% bond financing, 9% tax credits, and other County and State multi-family housing funds. The more the City finances the project the more apt we are to design and develop the project to meet City needs. The City has identified large families and workforce housing (non-age restricted) as having unmet affordable housing needs. Recently, Meta Housing's 76 unit senior project received entitlements and is applying for funding. The City recently provided RDA funding to Mary Erickson Community Housing for 4 family condominiums housing up to 5 people each. An unmet need that has not received City funding is housing for the single person household or small households in the workforce.

The 9% tax credit fund has a small unit fund for projects of 20 units or less. Funding includes projects for seniors, special needs, single adults earning up to 40% of area median income, and large families. While funds are competitive, depending on the City financing participation, this is a good potential source of funds. The City may also consider modifying the development, depending on financing, when a bona fide proposal is submitted by a developer.

NEXT STEPS

The City Council is requested to select one concept for a future non-profit affordable housing developer to build, own and operate. Following City Council selection of a preferred concept, and with the City Council's direction, the following steps will be taken to complete the development process:

- Task A. Preparation of an RFP requesting developers to submit qualifications and a proposal for entitlement processing, architectural review, development, and non-profit ownership of the site for affordable housing.
- Task B. Staff will submit the top ranked proposal to the CC for approval.
- Task C. The entitlement process will be completed by Planning staff, the Design Review Committee and the Planning Commission in cooperation with the non-profit developer and submitted to the City Council for approval.
- Task D. Financing will be evaluated and submitted to the RDA for approval.
- Task E. Developer and CC/RDA will complete financing and operating agreements to construct and operate the project.

***Recommended  
Action:***

STAFF RECOMMENDS THAT the City Council:

1. Select concept 1, 2 or 3 for development of affordable housing at 107-115 Ave. Serra.
2. Authorize staff to prepare a Request for Proposal to select a developer for the City Council to approve for subsequent design and development of the site.
3. Direct staff to initiate a zone change to include the Ave. Serra property in the Affordable Housing Overlay Zone.

***Fiscal Impact:*** None at this time.

***Attachments:*** Exhibit 1 Concept Designs  
Exhibit 2 Location Map

***Notification:*** Housing Program Interest List (email)

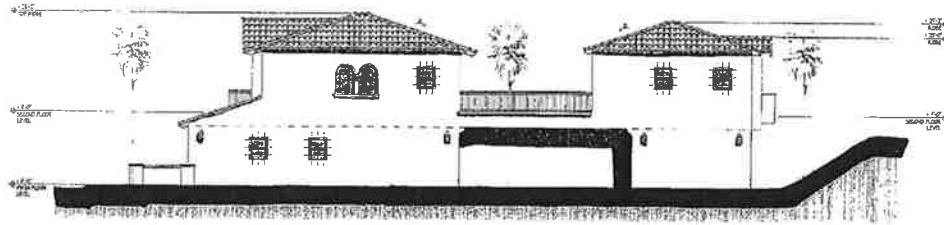
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80-4

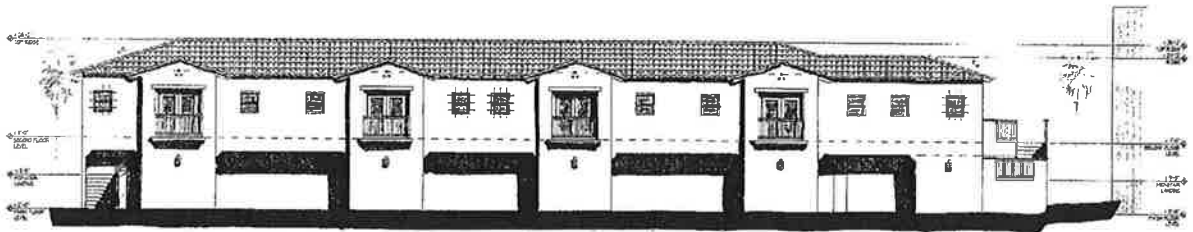


**EXHIBIT 1**  
**CONCEPT DESIGNS**

80-5



West Elevation



South Elevation  
(Rear)



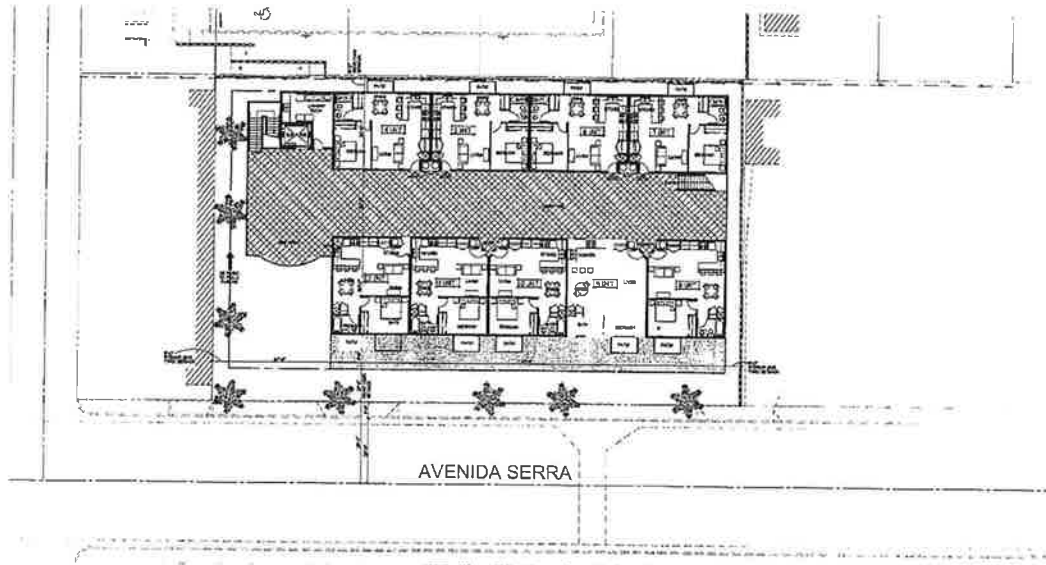
East Elevation



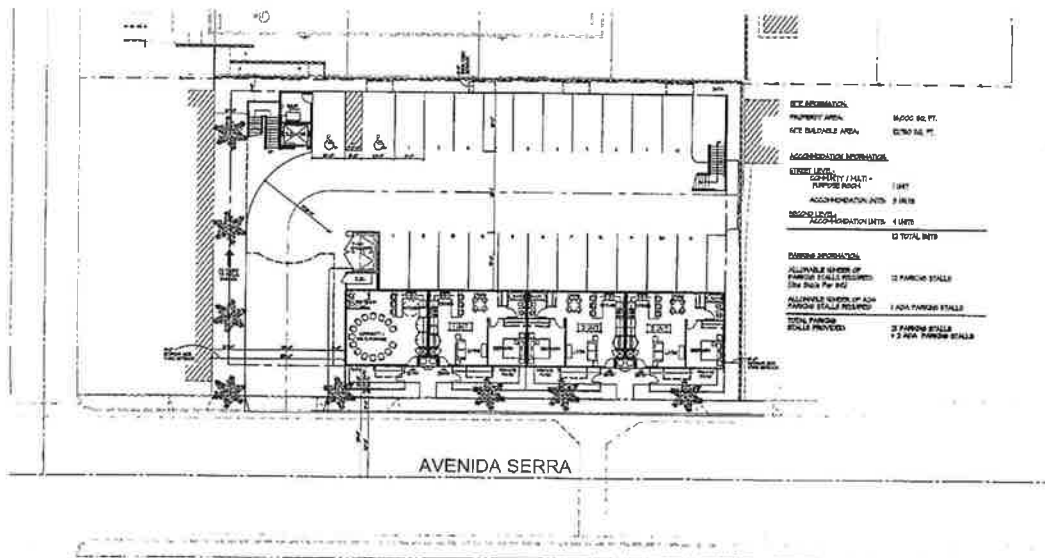
North Elevation  
(Serra Street)

78

OPTION ONE  
SERRA ELEVATIONS



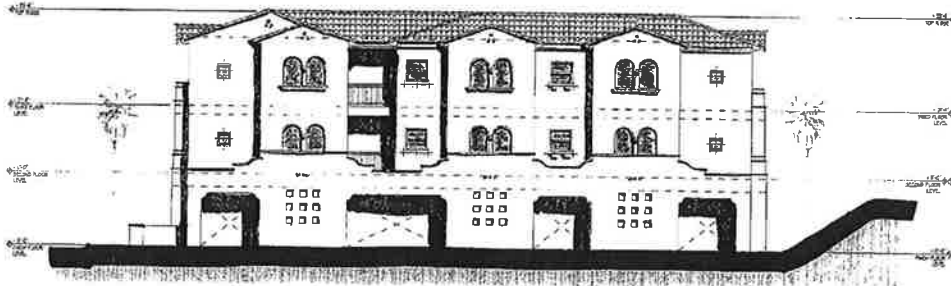
SECOND LEVEL



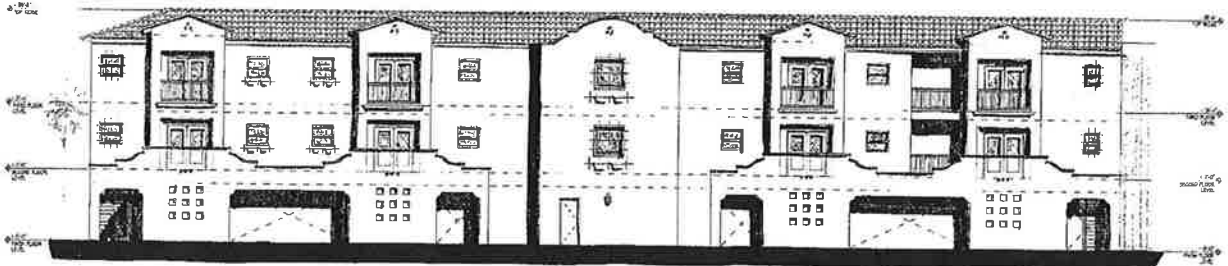
STREET LEVEL

SITE PLAN - OPTION ONE

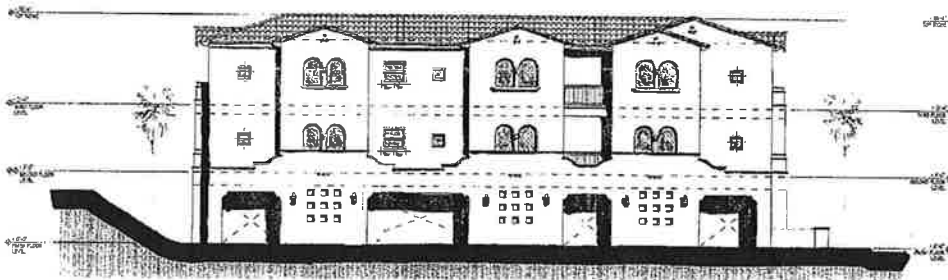
SC-1



West Elevation



South Elevation  
(Rear)



East Elevation

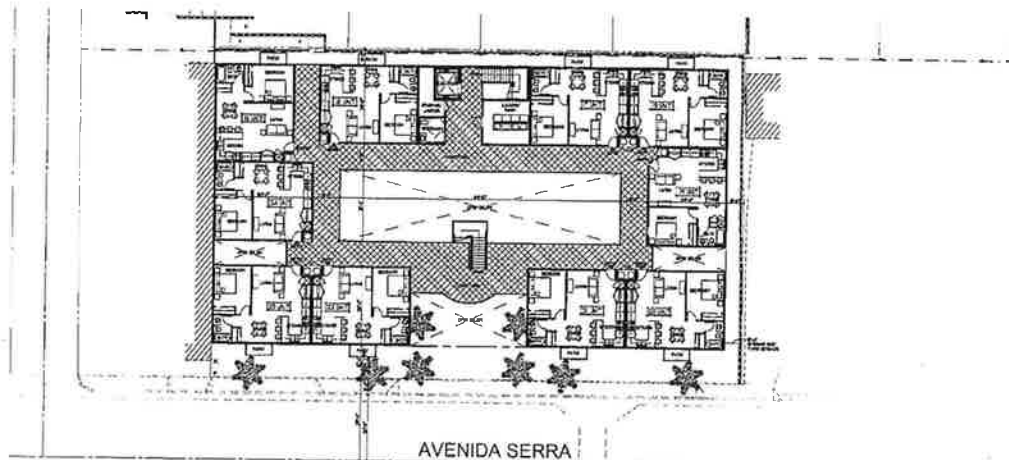


North Elevation  
(Serra Street)

8-18

OPTION TWO  
SERRA ELEVATIONS





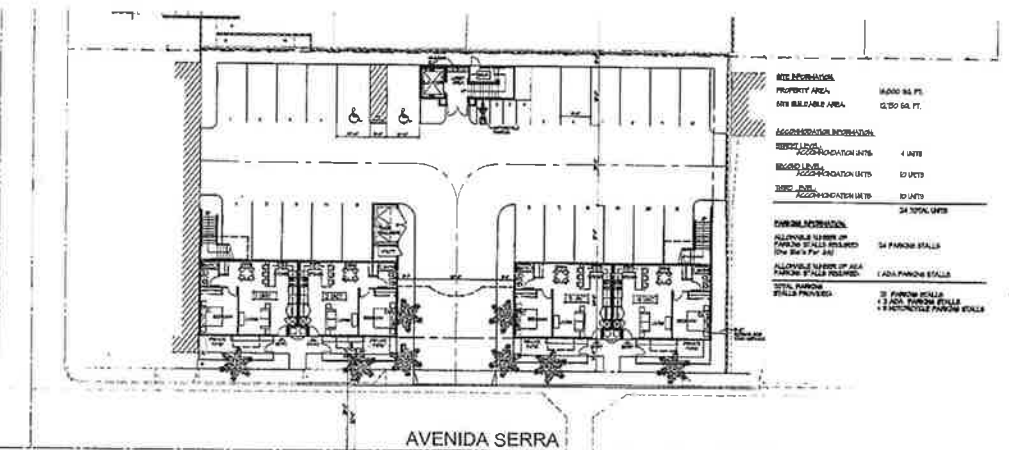
AVENIDA SERRA

THIRD LEVEL



AVENIDA SERRA

SECOND LEVEL

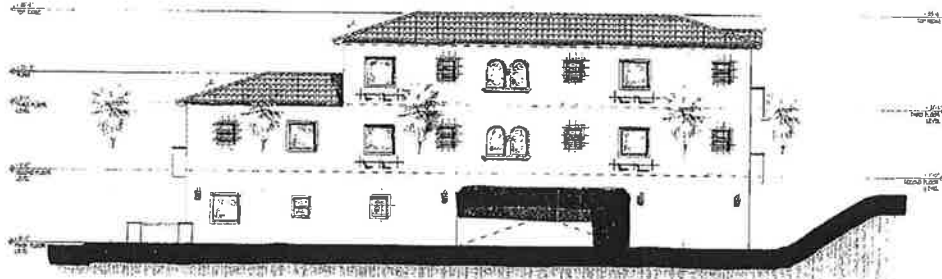


AVENIDA SERRA

<b>NET DEVELOPMENT</b>	
PROPERTY AREA	6,000 SQ. FT.
NET BUILDABLE AREA	6,250 SQ. FT.
<b>ACCOMMODATION INFORMATION</b>	
THIRD LEVEL ACCOMMODATION UNITS	4 UNITS
SECOND LEVEL ACCOMMODATION UNITS	10 UNITS
STREET LEVEL ACCOMMODATION UNITS	10 UNITS
	24 TOTAL UNITS
<b>COMMUNITY INFORMATION</b>	
ALLOWABLE NUMBER OF PARKING SPACES (INCLUDES ONE SPA'S FOR 348)	34 PARKING SPACES
ALLOWABLE NUMBER OF ADA PARKING SPACES (REQUIRED)	1 ADA PARKING SPACE
STREET PARKING SPACES PROVIDED	0 PARKING SPACES 1 ADA PARKING SPACE 1 FUNCTIONAL PARKING SPACE

STREET LEVEL  
SITE PLAN - OPTION TWO

889



West Elevation



South Elevation  
(Rear)



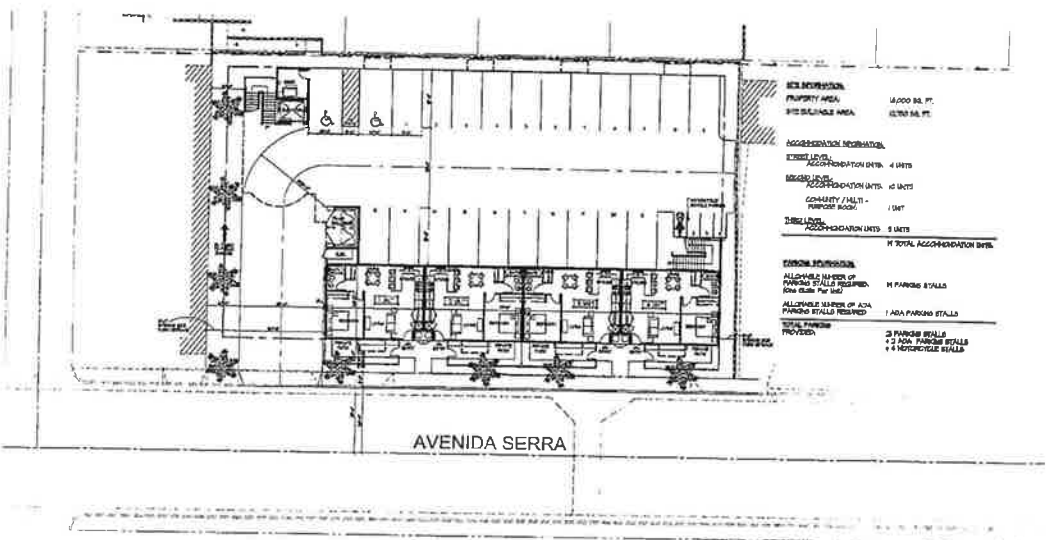
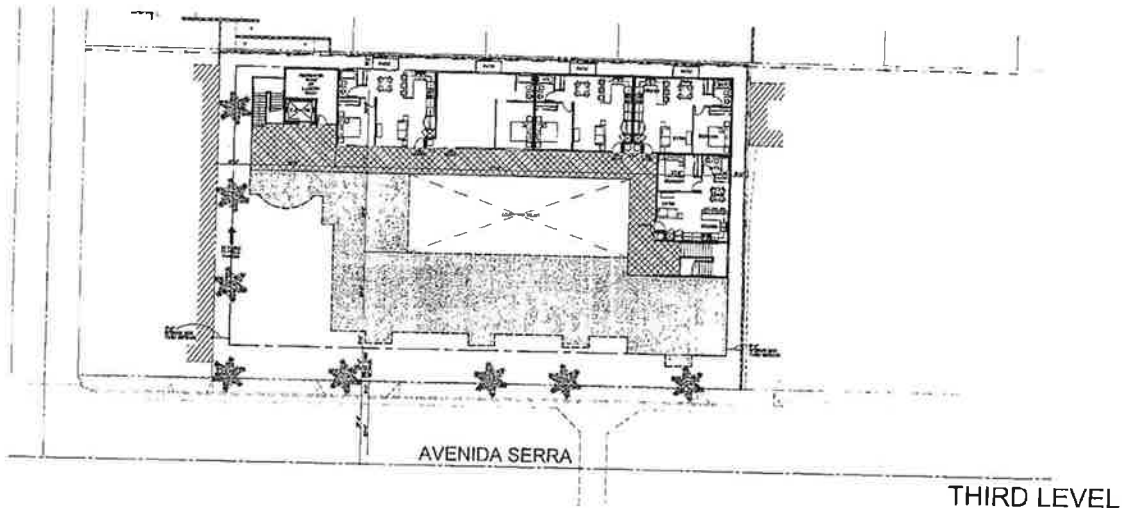
East Elevation



North Elevation  
(Serra Street)

01-23

OPTION THREE  
SERRA ELEVATIONS



NET WORKSHEET	6,000 SQ. FT.
PURCHY AREA	1,000 SQ. FT.
NET LEASABLE AREA	5,000 SQ. FT.
<b>ACCOMMODATION INFORMATION</b>	
THIRD LEVEL	ACCOMMODATION UNITS: 4 UNITS
SECOND LEVEL	ACCOMMODATION UNITS: 10 UNITS
COMMUNITY / MULTI-PURPOSE ROOM	1 UNIT
STREET LEVEL	ACCOMMODATION UNITS: 8 UNITS
<b>TOTAL ACCOMMODATION UNITS</b>	
22 TOTAL ACCOMMODATION UNITS	
<b>TRUCKING INFORMATION</b>	
ALLOWED NUMBER OF PARKING STALLS RESERVED FOR TRUCKS	14 PARKING STALLS
ALLOWED NUMBER OF ADA PARKING STALLS RESERVED	1 ADA PARKING STALL
TOTAL PARKING PROVIDED	15 PARKING STALLS + 2 NON-PARKING STALLS + 2 RECREATION STALLS

11-783

**STREET LEVEL  
SITE PLAN - OPTION THREE**

**EXHIBIT 2**  
**LOCATION AND LAND-USE MAP**

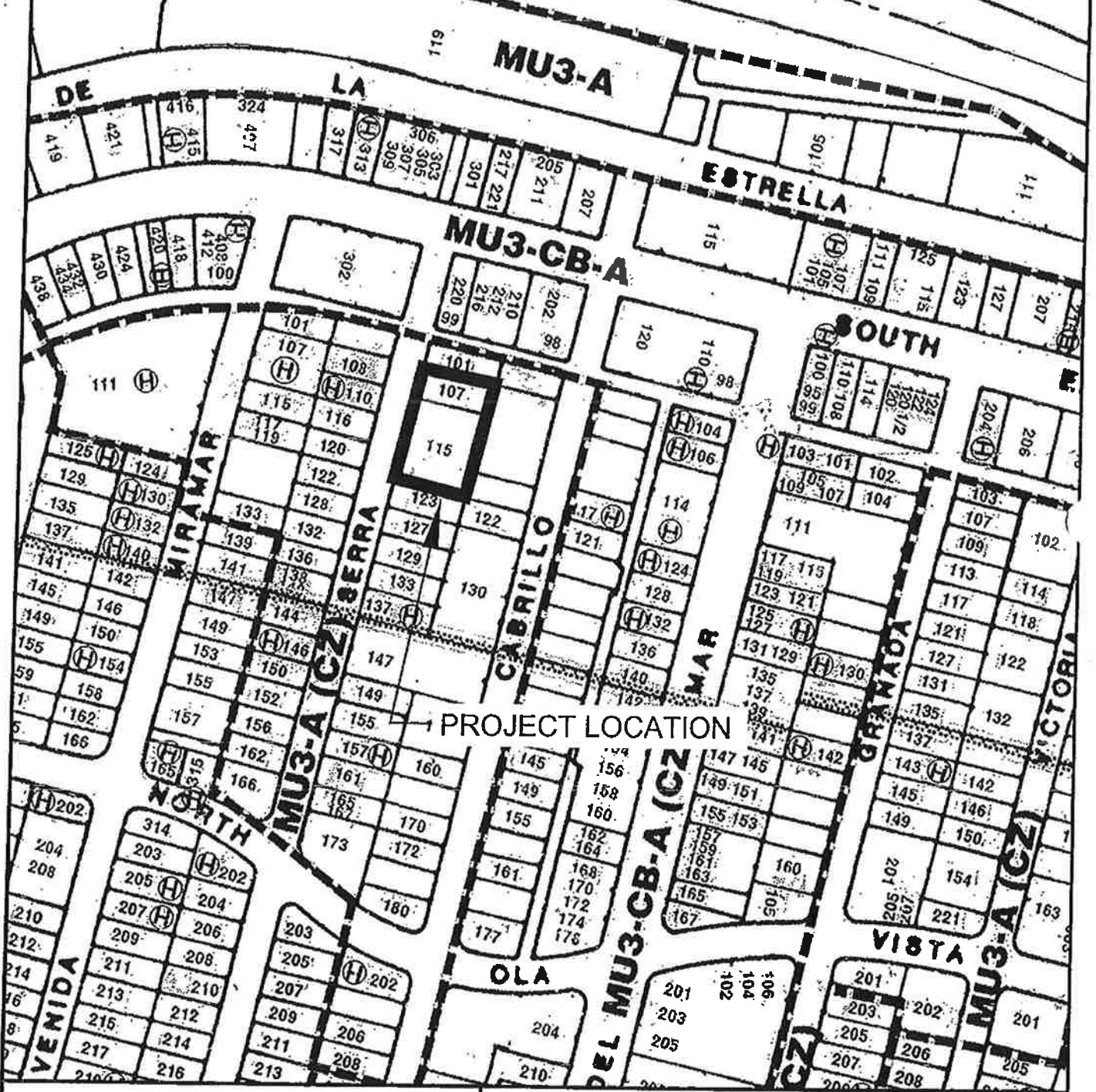
80-12





north  
N.T.S.

INTERSTATE 5



Prepared in the office of

**City of San Clemente**

Engineering Division 910 Calle Negocio  
 Suite 100  
 San Clemente, CA 92673  
 Tel (949) 361-6118  
 Fax (949) 361-8316



LOCATION MAP

107 - 115 AVENIDA SERRA

8L-13

**8. UNFINISHED BUSINESS****A. Disposition and Development Agreement - Affordable Workforce Housing Development (107-115 Avenida Serra)**

Report from the Community Development Director concerning the possibility of entering into a Disposition and Development Agreement with National Community Renaissance (National CORE) for a 19-unit affordable workforce housing development at 107-115 Avenida Serra.

Housing Specialist Obrero narrated a PowerPoint presentation entitled "Avenida Serra Affordable Workforce Housing - Disposition and Development Agreement" and responded to Council inquiries. A hard copy of Ms. Obrero's presentation, dated June 12, 2012, is on file with the City Clerk.

Kate Klimow, Orange County Business Council, commended the City for moving forward with the project and advancing its housing objectives; urged Council to support the proposed Disposition and Development Agreement.

Eduardo Moreno, representing Mission Hospital, read a letter on behalf of Kenneth McFarland, President of Mission Hospital, which conveyed support for the Avenida Serra Affordable Workforce Housing Development; opined that there is a shortage of housing for moderate- to low-income families in south Orange County. A hard copy of Mr. McFarland's letter, dated June 12, 2012, is on file with the City Clerk.

Larry Culbertson, San Clemente, voiced objection to the proposed development, citing that the property would be better utilized as a parking lot; voiced concerns relative to the development's mass, density, and impact on historical resources and neighborhood parking.

Leslie Davis, San Clemente, spoke on the need for additional affordable workforce housing; encouraged Council to support the proposed development.

Cheryl Hopper, San Clemente, conveyed that there is a need for additional affordable housing units to help those at risk of becoming homeless; urged Council to support the proposed development.

Cesar Covarrubias, Executive Director of the Kennedy Commission, voiced support for the proposed development; commended the City for taking the leadership to ensure that the community has affordable housing available.

MOTION BY COUNCILMEMBER DONCHAK, SECOND BY COUNCILMEMBER DAHL, CARRIED 5-0, to:

1. Adopt Resolution No. 12-31 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT FOR A 19-UNIT, AFFORDABLE WORKFORCE HOUSING DEVELOPMENT LOCATED AT 107-115 AVENIDA SERRA.
2. Approve, and authorize the Mayor to execute, the Disposition and Development Agreement, by and between the City of San Clemente and National Community Renaissance (National CORE), providing for a 19-unit affordable workforce housing development at 107-115 Avenida Serra, as well as related documents. (Contract C12-21)
3. Approve a supplemental appropriation in the amount of \$2,630,000 for Affordable Housing (Account 037-866-44758-000-00000).

B. **Implementation of Wayfinding Signage Program, Phase I**

Report from the Community Development Director concerning the implementation of the first phase of the Wayfinding Signage Program.

City Planner Pechous reviewed the contents of the Administrative Report, displayed a slide depicting a sample wayfinding sign, and responded to Council inquiries.

Discussion ensued relative to: 1) whether or not to proceed with the Wayfinding Signage Program due to advancements in navigational technology; and 2) whether the Wayfinding Signage Program will reduce the overall number of street signs.

Council requested that the Senior Center sign be removed from the library building.

Following discussion, MOTION BY COUNCILMEMBER DONCHAK, SECOND BY COUNCILMEMBER DAHL, CARRIED 5-0, to limit the wayfinding signage program to those that: 1) replace other signs; 2) provide direction to parking lots; and 3) provide direction within the Pier Bowl loop.



AGENDA REPORT  
 SAN CLEMENTE CITY COUNCIL MEETING  
 Meeting Date: June 12, 2012

Approvals:

City Manager \_\_\_\_\_

Dept. Head \_\_\_\_\_

Attorney \_\_\_\_\_

Finance \_\_\_\_\_

**Department:** Community Development  
**Prepared By:** Denise Obrero, Housing Specialist and Jeff Hook, Principal Planner  
**Subject:** AVENIDA SERRA WORKFORCE HOUSING DEVELOPMENT AT 107-115 AVENIDA SERRA

**Recommendation:**

Adopt resolution approving the Avenida Serra Disposition and Development Agreement and authorizing the Mayor to sign the Agreement and related documents.

**Background**

This request is to approve the Disposition and Development Agreement (DDA) for the Avenida Serra Workforce Housing Project and to authorize the use of in-lieu affordable housing fees to assist with project development. Community Development staff has been working with National Community Renaissance (National CORE) and the law firm of Rutan and Tucker to prepare a draft DDA for the Avenida Serra Workforce Housing Development. With the demise of all Redevelopment Agencies in February 2012, the City Council adopted a resolution to retain the "housing assets and functions" of the former RDA and pursuant to state law, the City became the "successor agency" to the former RDA. The City Attorney has confirmed the City now owns the former RDA owned land at 107-115 Avenida Serra and has the authority to develop, sell or lease the property for affordable housing.

**Council Direction and Housing Goals**

In 1998, the San Clemente Redevelopment Agency agreed to loan \$400,000 to Laura's House to purchase the Avenida Serra site to develop a mixed-use project with affordable housing, office and day care. By 2003, Laura's House was still not able to reach its fundraising goals to proceed with the project. In 2004, site ownership was transferred to the San Clemente RDA. On June 2, 2009, the former Redevelopment Agency agreed to extend the development period for five years to provide time to design and develop the RDA-owned Property at 107-115 Avenida Serra as affordable rental housing. On June 15, 2010, the City Council analyzed three different Concept designs for this site. Council members endorsed conceptual design #3, showing a Spanish Colonial Revival style, two- and three-story building with 19 one-bedroom, affordable workforce apartments and directed staff to solicit developer proposals. The Council-endorsed design and use concept set the approximate "footprint", mass and scale of the project to establish a development "envelope", guide the project's design and to define the use to assist in the preparation of detailed architectural plans.

In September 2010, the City issued a Request for Qualifications/Request For Proposals and after evaluating several non-profit developers, selected National Community Renaissance (National CORE) as the top-ranked firm in January 2011. And in June 2011, Council amended the Zoning Ordinance to include the Avenida Serra site in the Affordable Housing Overlay.

**Authority for Project and Purpose**

The General Plan Housing Element states the City will “Identify project(s) for use of the RDA low/mod fund and determine feasibility of developing the Avenida Serra property for affordable housing or exchange for like site.” The Element lists funding sources are to include “In-lieu (affordable housing) fees, RDA set-aside and other state and federal sources.” The project’s purpose is to help meet the housing needs of low and moderate income City residents who work in or near Downtown.

**Overall Development Strategy**

The City plans to sell the property to National CORE at the appraised Fair Market Value (FMR) price of \$800,000 and provide a residual receipts loan of up to \$3,430,000 Million (\$2,630,000 Million plus \$800,000 land value) to assist with costs of development. National CORE will design the project, secure all necessary outside funding, secure City discretionary approvals and building permits and construct and manage the property as affordable workforce apartments. Benefits of this public/private partnership, as compared to a strictly private market-rate driven development, are discussed in detail later in this report.

**Financing Sources and Purposes**

Permanent Loan (private)	\$1,248,000
San Clemente Loan (In-Lieu Fees)	\$2,630,000
San Clemente Land Loan	\$ 800,000
<u>LIHTC Equity</u>	<u>\$2,613,259</u>
<b>TOTAL =</b>	<b>\$7,291,259</b>

Last year, Council endorsed a funding strategy for Avenida Serra involving \$1.4 Million in RDA Low/Moderate Housing set aside funds, \$1.25 Million in Affordable Housing In-lieu funds, plus \$800,000 as the capitalized value of the RDA-owned site for a preliminary estimate of available City loan assistance of up to \$3.45 Million.

With the recent dissolution of California redevelopment agencies, San Clemente’s \$1.4 Million in Low/Moderate “set aside” housing funds are no longer available unless State law is changed. Pending legislation, AB 1585, would, if adopted and signed into law by the Governor, allow cities to once again use remaining, unencumbered RDA housing funds. Meanwhile, project financing no longer proposes use of RDA Funds. The City has \$2.6 Million in Affordable Housing In-lieu fees that are available to loan to National CORE to replace the lost RDA housing funds. This is in addition to \$3.016 Million in In-Lieu fees already committed as a loan to the 76-unit Meta Affordable Senior Housing project, expected to start construction this year. National CORE would bring \$3.86 Million to the project through a combination of private permanent loans and low-income housing tax credit equity.

*SA-2*

For many years, the City has held over \$6 Million in In-lieu housing fees for the purpose of developing an affordable housing project. The former Senior Housing Coordinator identified several potential affordable housing sites, of which the Avenida Serra site was determined to be the most feasible. During public workshops on the 2008 Housing Element, surveyed City residents identified the most critical unmet affordable housing needs as families and workforce housing (non-age restricted) needs. The City has used either In-lieu Affordable Housing fees or RDA Low/Moderate Income Housing funds to assist several projects in recent years, including META Affordable Senior Housing and funding to Mary Erickson Community Housing to purchase and rehabilitate four residential condominiums for affordable rental housing for families. An unmet need that has not received City assistance is housing for working single-persons, couples, or small families, with emphasis to those employed in the Downtown District. Such housing will help meet one of the City's Regional Housing Needs (RHNA) identified in the Housing Element.

### **Key DDA Terms and Conditions**

This summary addresses those points of importance to the City and the non-profit that relate most closely to City objectives, financial feasibility and process. They focus on property transfer, property development, In-Lieu Affordable Housing funds loan, uses of site and affordability restrictions, defaults and remedies. The DDA would not grant any planning or building entitlements. Under the DDA's terms, National CORE must secure all necessary planning entitlements and permits from the City of San Clemente.

1) **Overview.** The DDA is the primary tool for conveying the property from the City to National Community Renaissance, a private, 501c3 non-profit affordable housing developer, owner, operator and manager, consistent with the General Plan Housing Element. The Draft DDA was prepared by Kerra Carlson, Esq. of the Law Firm of Rutan and Tucker, in consultation with the City Attorney, City staff, National CORE staff, and the attorney representing National CORE, Edward Hopson, Esq.

2) **Structure.** The DDA defines the parties' roles and performance requirements, timeframe for actions, project uses and design, and required City approvals. The Grant Deed and Deed Covenants, Promissory Note and Regulatory Agreement establish affordability covenants, penalties and remedies.

3) **Project Description.** National Community Renaissance ("National CORE") proposes to design, build, own and manage 19 one-bedroom apartments on a 0.37 acre property at 107-115 Avenida Serra. The site consists of four contiguous lots owned by the City of San Clemente's Redevelopment Agency. 18 apartments would be rented at levels affordable to low income households of no more than three persons with a cumulative income of not more than \$49,860 per year (net rent - \$998 per month at 60% area median income level), plus one manager's unit, affordable to a moderate income household of up to three persons with a cumulative income of not more than \$99,720. The manager living on site would receive a rent free unit as part of his or her monthly compensation. The apartments would be affordable for a period of not less than 55 years. The building would include private and common open space, a community room, on-site parking and management office. It would be designed in a Spanish Colonial Revival architectural style.

SA-3

4) **Does City Council approval of the DDA approve the discretionary permits for this project?** No, the DDA establishes the project's financial, operational and procedural framework. Upon DDA approval, the project would still need to secure the necessary discretionary City approvals and construction permits before it could be built. Required discretionary permit approvals are: 1) Architectural Permit and 2) Cultural Heritage Permit. These applications are normally acted upon by the Planning Commission, on recommendation from the Design Review Subcommittee and Cultural Heritage Board. Staff anticipates that for this project, all discretionary approvals will be referred to the City Council for final action. The project is located outside of the Coastal Zone and consequently, no Coastal Development Permit is required.

5) **Are the DDA and development project subject to the California Environmental Quality Act (CEQA)?** Yes, both are subject to CEQA. Staff has evaluated the DDA and project and determined that they meet the requirements to grant an Affordable Housing Exemption under Section 15194 of the CEQA Guidelines. The City's legal counsel concurs with this determination.

6) **Will the project meet parking requirements?** Yes, the project will meet City parking requirements for affordable housing. The project will provide at least one on-site parking space per unit and residents will be limited in their leases to owning only one vehicle. There is a provision to allow a second vehicle if the City Community Development Director approves an off-site parking lease agreement for a specific tenant and vehicle on privately owned property.

Under Section 17.24.070 of the Zoning Ordinance, the developer of an affordable housing project which has at least 30 percent of total units affordable to lower income households is eligible to receive a density bonus plus an additional two incentives, such as reduced parking or other reduction or modification of development standards. Under subsection 10, Parking Incentives, the parking requirement for affordable housing developments, including handicapped and guest parking, is one parking space per one bedroom apartment, or 19 parking spaces for Avenida Serra. Under the DDA, the City has the authority to actively monitor and enforce tenant income eligibility and parking requirements, including the ability to assess fines for non-compliance.

7) **Density Bonus Requested.** Under State law, cities and counties must provide density bonuses and other incentives to developers to encourage affordable and senior housing. A density bonus of up to 35 percent is allowed by right for affordable housing projects that meet specific criteria. Developers may request two additional incentives or concessions for projects that include at least thirty (30) percent of the total housing units for lower income households, like Avenida Serra. The Zoning Ordinance allows Council to grant a density bonus in excess of 35 percent if the project meets all of the following findings:

- a) *will provide 100 percent affordability;*
- b) *will be affordable for at least 55 years (30 years is the minimum affordability term otherwise);*

8A.4

- c) is located on a legal, conforming lot, has a total site area of less than one acre and is located within the RM, RH, MU 3, MU 5.1, CC 1, CC 2, CC 3, NC 2 or NC 3 zones;*
- d) with the added density bonus, the project will be architecturally compatible with surrounding development;*
- e) complies with Zoning Ordinance requirements for the zone in which it is located; and*
- f) site is owned by the City of San Clemente (as successor agency to the former San Clemente Redevelopment Agency), or by a 501(c)3 non-profit housing provider under agreement with the City of San Clemente, for the purpose of providing affordable housing.*

The proposed Avenida Serra project appears to meet these findings. National CORE is planning a 100 percent affordable project, with a density consistent with that endorsed by Council in June 2010. Concept plans showed 19 one-bedroom units on the 0.37 acre site. This is equivalent to 51.35 dwelling units per acre, while the base density allowed in the MU 3 zone is 24 dwelling units per acre. As noted at the time of Council's review, a density bonus in excess of 35 percent is necessary to build the Council-endorsed design concept. A total density bonus of 113 percent (35 percent bonus allowed by right, plus an additional 78 percent density bonus) is required. Such a density bonus will not result in an overly large or tall building because the proposed apartment units are small, ranging in floor area from about 600 to less than 700 square feet. Project height, massing and scale would conform to zoning regulations and be compatible with the neighborhood. Viewed from Avenida Serra or Cabrillo, the building will appear to be two stories in height.

If the Avenida Serra Workforce Housing were not developed and the property sold, the project site could otherwise be developed with market-rate, multi-family housing with no on-site management, strict parking or operational provisions or City oversight; or it could be developed with mixed residential and commercial uses. Further, if the City chose to sell the property for non-residential or market-rate residential uses, sale proceeds would, under State law, have to be paid to the County of Orange or the State Controllers office.

**8) Property Ownership Structure.** National CORE prefers to own and hold the property in fee (which is its standard practice) rather than through a long-term ground lease. A tax credit limited partnership would be formed (Partnership) and would be the owner of the project. The general partner of the Partnership will be SoCal Housing of Orange or another entity related to National CORE.

**9) City Loan Subordination.** Third-party lenders typically require public agencies to subordinate (assume second or even third position for loan repayment in the event of foreclosure). The draft agreement allows subordination of the loan amount but not of the covenants requiring affordability. Preserving affordability is a fundamental objective of the City; however some flexibility may be necessary to secure third party loans.

**10) Pre-Development Cost Reimbursement.** National CORE proposes using In-Lieu funds of up to \$225,000 for pre-development costs such as architectural design and engineering fees, technical studies and City planning and building fees and other "soft costs" associated with designing and submitting the project for City approvals. This would be an "advance" of

8A-5



In-Lieu funds and paid to National CORE on a reimbursement basis only. The \$225,000 would become part of the City's project loan of \$3.430 Million (this amount also includes land value). National CORE has requested the City allow them to incur and pay third parties for City-approved pre-development costs incurred in advance of transferring property ownership.

The City and National CORE would agree not to exceed a fixed budget for costs that directly benefit the land and the City, whether or not the Avenida Serra Workforce housing ultimately is built. That is, the "predevelopment costs" would provide information or actions of value to the City for future use, marketing or sale of the asset. No funds would be paid to National CORE for costs of staff time or overhead.

The DDA provides for City reimbursement of up to \$225,000 to National CORE for third party expenses only. This is the amount staff believes will directly benefit the property and the City (not National CORE) recognizing that there is some risk to In-Lieu funds with this approach in that until National CORE secures all necessary project funding, construction permits are issued and property ownership is transferred, as with all affordable housing projects there is a slight possibility the project will not proceed. However, National CORE has always received its bond allocation from the State of California and has brought in private sector tax credit equity proceeds on all of its past projects. However, in the unlikely event that CORE could not get bond allocation or locate a tax credit investor and the developer was not in default under terms of the DDA, the In-Lieu funds would not be repaid. However, the City would then retain ownership of all third party reports and other work product paid for by the In-Lieu funds. If the developer is in default, the developer would be required to repay the early advance, but the payment obligation would be unsecured until title to the property is transferred. The In-Lieu fund risk in this regard is offset by the land value added by the 3<sup>rd</sup> party work, site/environmental reports completed and project entitlements secured under its ownership that could be marketed to another non-profit housing developer.

The risk to National CORE is that if all funding sources are not approved and the project cannot get financed and built, then National CORE has spent substantial staff resources over a two-year period or longer. National CORE requests that the following pre-development costs be included:

1. \$150,000 - Architect and Engineering
  2. \$ 10,000 – Geotechnical Engineer (soils report)
  3. \$ 5,000 – Phase 1/Phase 2 Environmental
  4. \$ 10,000 - Acoustical and Traffic reports
  5. \$ 50,000 – Entitlement and Plancheck Fees
- \$225,000 Total Predevelopment Loan Portion

The City and National CORE have invested significant time and expense in getting to this point. National CORE has agreed to pay 50 percent of the City's legal costs and 100 percent of their own legal costs of preparing the DDA. In support of its request, National CORE cites current examples of other National Core projects for which cities have approved funding for

8A-6

reimbursable pre-development costs as part of affordable housing projects, including the cities of Oceanside (\$1,500,000 in pre-development costs-under rezone/GPA processing now), San Marcos (\$368,000 – under construction now) and Yorba Linda (\$288,000-applying for the 9 percent tax credit in July of this year). Staff contacted these cities and verified the funding amounts and that National CORE is or will be repaying funds advanced as part of a project loan. How much of National CORE's pre-development cost to reimburse is a business decision and subject to the Council's determination of City benefit.

**11) Project Schedule.** The DDA sets the schedule for project development. It calls for property transfer or "closing" within 15 months of executing the DDA. During this time, the non-profit must secure all City planning approvals, secure funding from all sources, pay all City and Title fees due upon closing, secure an ALTA extended coverage lender's policy of title insurance in favor of the Agency, and ensure that final construction permits are ready to be issued. Actual "closing" would occur within ten days after the date these conditions are met but in no case later than 11 months from the DDA's effective date.

The former RDA set June 2, 2014 as the deadline for developing the Avenida Serra property, but processing to date has taken longer than anticipated. That deadline no longer applies. Assuming the DDA takes effect in May 2012, allowing up to 18 months for pre-development activities and to secure all necessary project funding, the project should be ready to start construction by November 2013. The developer estimates 18 months to complete construction. This timeline puts project completion by May 2015.

**12) Property Management.** National CORE will be under contract to the tax credit limited partnership to provide property management services for the new development. National CORE will prepare a Management Plan, for City approval, to include screening of all prospective residents, to include credit history check by three different companies, third-party verification of income, and residents will execute a "crime free addendum" in the lease contract. Priority of lease-ups shall go to San Clemente residents and those that are employed in the City of San Clemente, with 3rd party verification. Residents would be permitted to own one automobile or pick-up truck, to be parked on the project site. By special approval of the Community Development Director, residents who provided written evidence of leased, off-site private parking could own a second vehicle, which would be parked off-site.

There will be an on-site, part time manager budgeted at \$15,400/year in salary. The manager's unit will be restricted to occupancy by a Moderate income household or individuals. National CORE believes restricting the unit to persons whose income does not exceed 120% AMI (moderate income unit) will still allow flexibility to locate a qualified manager.

#### **Why Here, Why Now, Why This Project?**

The City and National CORE have made significant progress on the Avenida Serra Workforce Housing Development. It is one of two affordable housing developments featured in the Housing Element (the other is Meta Senior Housing) and has been pursued, in various forms,

*SA-7*

since 1998. This site was purchased using RDA funds and if the site is not used for affordable housing, state law requires the property to be sold and the proceeds provided to the Cour, as part of the former RDA's assets.

Staff believes it would be prudent to proceed with the DDA because of previous City Council direction to develop the Avenida Serra site for affordable housing, the need for more centralized, affordable workforce housing options and because this project would benefit the Downtown by providing workforce housing close to Downtown. The time and resources invested into the development of this site have been significant and the City has conducted numerous public meetings at which development and funding alternatives were discussed. For several years, the City has had over \$5 Million in uncommitted In-Lieu Affordable Housing Fees that were paid during the 1990s and 2000s. As described in the City's Housing Element, the need for affordable housing exists now and funds, land and a willing, experienced developer are available to help build affordable housing. Avenida Serra may be the last significant affordable rental housing project the City has sufficient resources to assist with – at least for the foreseeable future. And if the Developer is unable to secure tax credits or otherwise meet the terms of the DDA, the City's interests are protected.

Avenida Serra benefits a specific segment of the community -- low income, working singles and couples – that have not been addressed in the City's housing programs. In a broader sense, it also benefits the entire community several ways:

1. Our youth and young couples have a greater chance of securing safe, affordable housing and to continue to study, live, work and raise families in the community they grew up in.
2. Our workforce has a range of housing types that meets diverse budgets and needs and allows working people to walk or bike to jobs, thereby reducing commuting traffic and greenhouse gas emissions.
3. It creates a greater stake in the community, as residents with safe, affordable housing have more time to participate in civic life, children's schools and youth activities.
4. It helps prevent over crowding, a problem often caused by housing that is so expensive that working families must "double up" to afford to live locally.
5. Affordable housing enables families to have more money to spend on life necessities like food, clothing, insurance, and childcare, thereby improving the quality of life and opportunities for our lower income citizens to contribute positively to the local economy.
6. Job creation and local sales tax generation. According to the National Association of Home builders (NAHB) for every one apartment unit that is built, 1.2 jobs are created. 19 units will create nearly 23 part time jobs. Additionally, residents of Avenida Serra will be paying approximately \$300 to \$500 per month less in rent. This equates to approximately \$4,800 per unit per year in additional discretionary spending ability in and around San Clemente. For 19 units, this equals \$91,200 per year.

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**Next Steps**

With DDA approval, National CORE will submit applications and plans for the required planning entitlement and prepare an application to the California Debt Limit Allocation Committee (CDLAC) for 4% bond allocation. With this bond allocation comes several tax credit investors to National CORE's L.P. willing to offset their federal tax burden. National CORE will be able to raise a minimum of \$2,613,259 in equity to offset project costs as a source of funds. See attached timeline, Exhibit 2.

**Alternatives**

The City has previously considered alternative housing development strategies and sites, including the notion of "land swapping." Based on several detailed property searches and cost feasibility studies, staff and the Council determined that developing the Avenida Serra site was the most feasible approach because the City already controlled the land and because the supply of vacant or developed affordable housing sites is very limited and land costs remain high. Providing affordable housing was the main purpose for which the City's former Redevelopment Agency helped acquire the Avenida Serra site in 1998. Under new state laws eliminating redevelopment agencies, if the Avenida Serra property is not developed, sold or lease for affordable housing, it must be sold and the proceeds provided to the County of Orange. The former RDA's initial land cost of \$400,000, plus an estimated \$150,000 in City site preparation, maintenance and pre-development costs would be forfeit. Most importantly, however, is that development of this property, as described in this report, affords the City much more control over design, long term management and occupancy than would otherwise be possible with a market-rate development. This level of control on a fairly strategic site in the Downtown area is important in achieving City land use, housing and economic goals.

As proposed, the Avenida Serra Workforce Housing would be held and actively managed by National CORE. An on-site, resident manager would enforce all parking, land use and occupancy requirements to ensure neighborhood compatibility. If the property were sold for private development, it could be developed with mixed commercial and residential uses with no management of parking, noise, occupancy, and other land use characteristics and the City would have to remit the sale proceeds to the State Controller's office.

**Recommended****Action:**

STAFF RECOMMENDS THAT the City Council:

1. Adopt a resolution approving the Draft Disposition and Development Agreement ("DDA").
2. Authorize the Mayor to execute the Agreement and related documents.
3. Approve a supplemental appropriation in the amount of \$2,630,000 for Affordable Housing (Account # 037-866-44758-000-00000).

**Fiscal Impact:**

Based on the most recent City Budget, there is approximately \$2.6 Million in In-Lieu Affordable Housing funds, not counting In-Lieu Affordable Housing funds already committed to Meta Senior Housing. Of this, Council tentatively earmarked \$1.25 Million for a residual

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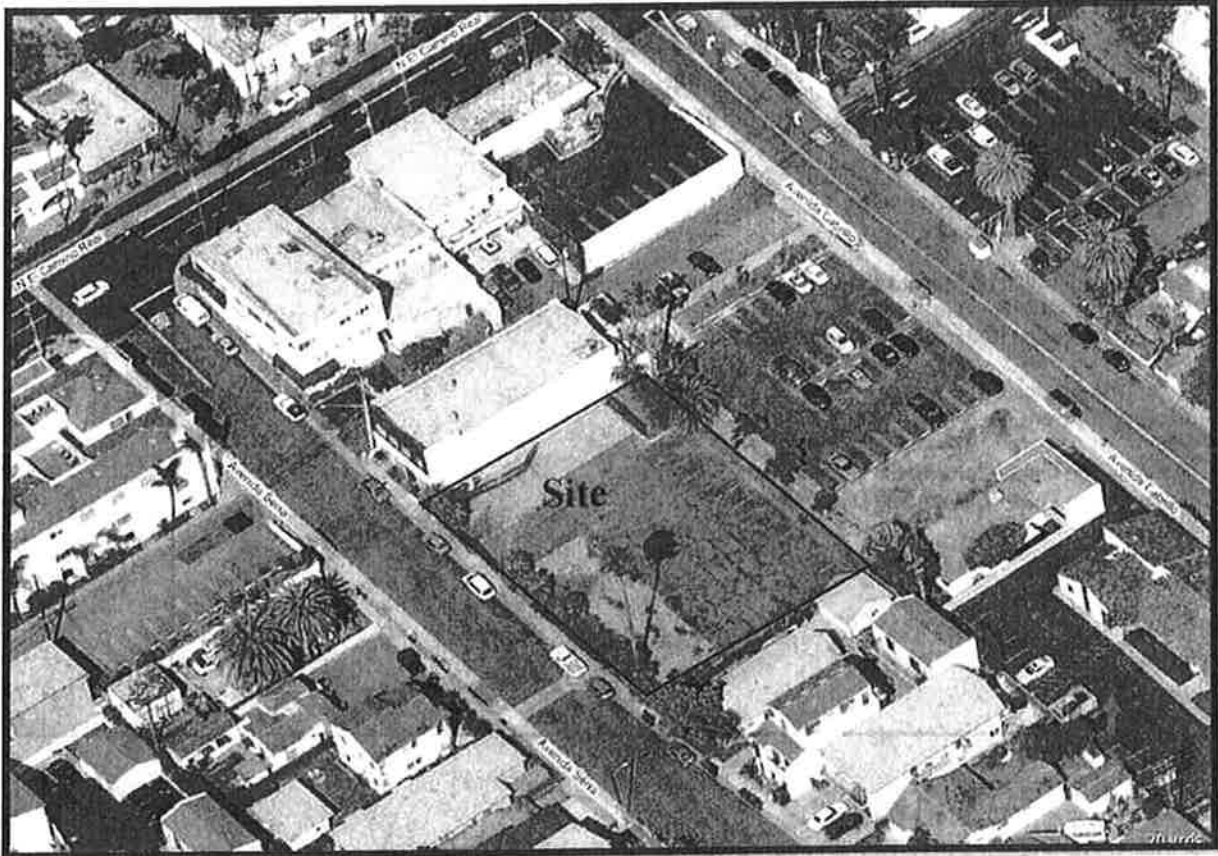
receipts loan for the Avenida Serra Affordable Workforce housing. Council had also tentatively committed to provide the land and up to \$1.4 Million in RDA Low/Moder: Income Housing funds as part of a loan to the project. With the loss of RDA L/M funds, National Core has asked the City to backfill the lost RDA funds with In-lieu housing funds to proceed with the project. The draft DDA provides for a residual receipts loan to National CORE of \$3,430,000, consisting of \$2,630,000 in Affordable Housing In-Lieu funds, plus capitalized land value of \$800,000. These loan funds would be paid back over a 55 year period through project cash flow. The project is conservatively underwritten and the funds could be repaid at year 55 or as soon as in year 30 after the permanent loan (first mortgage of \$1,248,000) is paid off. If Council supports this funding approach, the In-Lieu Affordable Housing Fund would be fully expended.

- Attachments:**
1. Location Map
  2. Development Timeline
  3. Project Budget
  4. Schematic Design Plans and Renderings
  5. Avenida Serra Draft DDA
  6. Draft Council Resolution

**Notification:** National CORE, San Clemente Collaborative Leadership Committee, Mary Erickson Community Housing, the Friendship Shelter Inc., Family Assistance Ministries, iHOPE

# ATTACHMENT 1

## LOCATION MAP Avenida Serra Affordable Workforce Housing 107-115 Avenida Serra



# ATTACHMENT 2

**DRAFT**

Jeff Hook's cc

**San Clemente - 19 Units  
Development Timetable**

Key Components	Approx. Dates
<b>City Approvals/Entitlements</b>	
Approve DDA & Predevelopment Loan	4/17/12 or 5/1/2012
Submit Entitlement Package	6/1/12
Approval by Design Review Subcommittee	8/15/12
Planning Commission Approvals	10/3/12
City Council Approvals	12/4/12
Hold TEFRA Hearing	12/18/12
Construction Documents Approved	6/15/13
<b>Financing</b>	
CDLAC Application (Subject to change by CDLAC)	1/20/13
Bond Issuer - TEFRA Due	2/20/13
CDLAC Allocation (Subject to change by CDLAC)	3/21/13
TCAC 4% Application	1/20/13
Closing or Award	3/21/13
Construction Loan - Enforceable Commitment	1/20/13
Construction Loan - Closing and Disbursement	6/15/13
<b>Local Permits</b>	
Grading Permit	6/15/13
Building Permit	6/15/13
<b>Construction</b>	
Start Construction	7/1/13
Finish Construction	9/1/14

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# ATTACHMENT 3

## SOURCES & USES OF FUNDS

Project Name: *Avenida Serra - San Clemente Family Project - 19 Family DU - 4% LIHTC Non - prevailing wage*  
**ALTERNATIVE #1**

Project Address: *San Clemente, Ca*

*Preliminary*

Developer: *National Core*

### SOURCES: CONSTRUCTION

Construction Loan	\$4,000,000
San Clemente Loan - In-Lieu	\$1,991,652
San Clemente Land Loan	\$800,000
LIHTC Equity	\$100,000
GAP	(\$0)

**TOTAL** \$6,891,652

### SOURCES: PERMANENT

Permanent Loan	\$1,248,000
San Clemente Loan - In-Lieu	\$2,630,000
San Clemente Land Loan	\$800,000
LIHTC Equity	\$2,613,259
GAP	(\$0)

**TOTAL** \$7,291,259

### USES:

Acquisition Costs/Closing	\$800,000
Architecture/Fees & Permits	\$1,102,157
Construction Cost	\$3,894,238
Indirect Construction/Legal	\$267,758
Overhead & Administration	\$300,000
Rent-Up Costs/Reserves	\$60,000
Financing Costs	\$467,500

\$6,891,652

### USES:

17% Acquisition Costs/Closing	\$800,000
36% Architecture/Fees & Permits	\$1,102,157
36% Construction Cost	\$3,894,238
0% Indirect Construction/Legal	\$267,758
0% Overhead & Administration	\$600,000
0% Rent-Up Costs/Reserves	\$112,116
Financing Costs	\$514,991

\$7,291,259

0.55

**Per unit Agency contribution** \$138,421



## DEVELOPMENT COSTS - Non-Prevailing wage

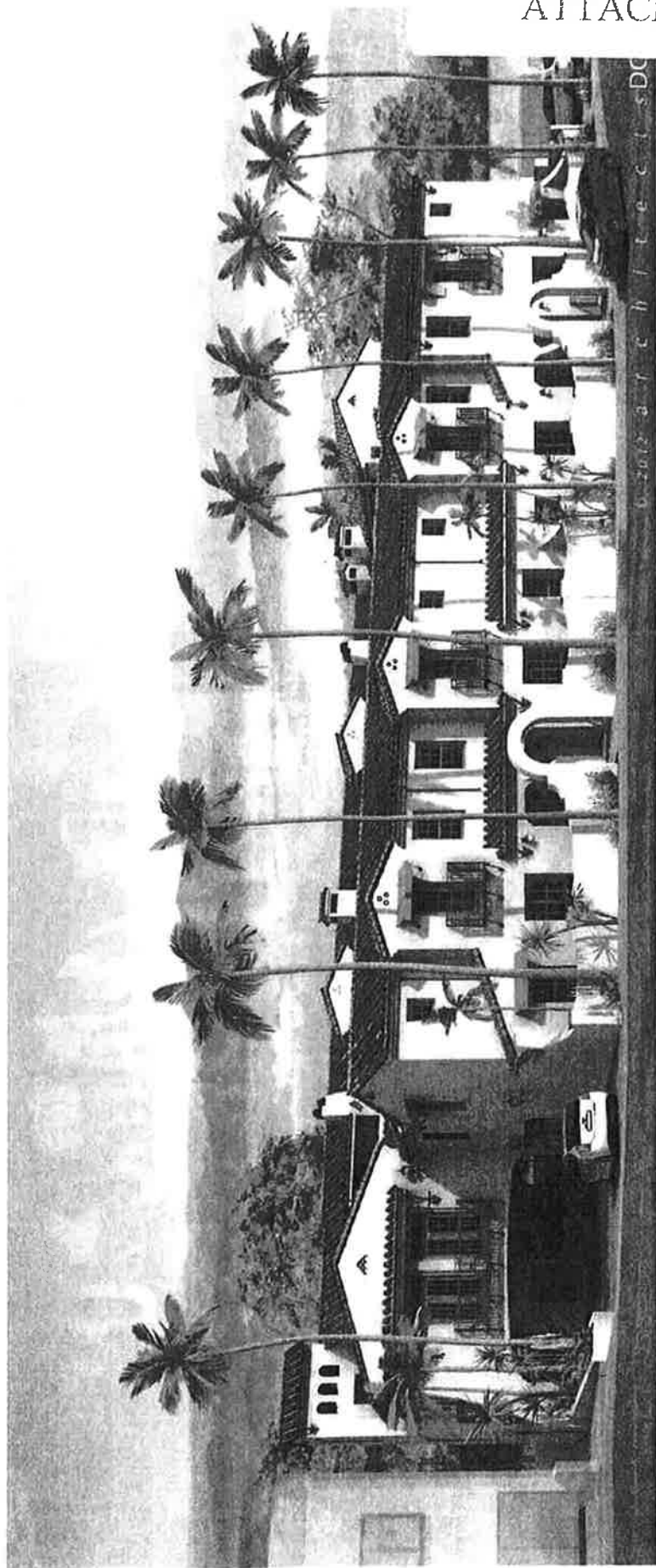
Project Name: *Avenida Serra - San Clemente Family Project - 19 Family DU - 4% LIHTC*  
 Project Address: *San Clemente, Ca*  
 Developer: *National Core*

**PRELIMINARY**

Number of Dwelling Units:	19	Gross Building Area (sf)			15,397
		TOTAL COST	\$ PER UNIT	\$ PER SF BUILDING	% OF TOTAL
<b>1. ACQUISITION COSTS:</b>					
Purchase Price		\$800,000	\$42,105.26	\$51.96	10.97%
Closing Costs		\$0	\$0.00	\$0.00	0.00%
Appraisals		\$0	\$0.00	\$0.00	0.00%
Acquisition Contingency		\$0	\$0.00	\$0.00	0.00%
<b>TOTAL ACQUISITION COSTS</b>		<b>\$800,000</b>	<b>\$42,105.26</b>	<b>\$51.96</b>	<b>10.97%</b>
<b>2. FEES/PERMITS &amp; STUDIES</b>					
Plan check Fees and Permits		\$48,742	\$2,565.35	\$3.17	0.67%
Development impact fees		\$503,415	\$26,495.52	\$32.69	6.90%
Surveys/Soils/Traffic		\$25,000	\$1,315.79	\$1.62	0.34%
Environmental Documentation		\$25,000	\$1,315.79	\$1.62	0.34%
Arch. & Engineering Fees					
Design		\$450,000	\$23,684.21	\$29.23	6.17%
Reimbursables		<b>\$50,000</b>	<b>\$2,631.58</b>	<b>\$3.25</b>	<b>0.69%</b>
Subtotal:		<b>\$500,000</b>	<b>\$26,315.79</b>	<b>\$32.47</b>	<b>8.86%</b>
<b>TOTAL FEES/PERMITS &amp; STUDIES</b>		<b>\$1,102,157</b>	<b>\$58,008.24</b>	<b>\$71.58</b>	<b>15.12%</b>
<b>3. DIRECT CONSTRUCTION COSTS:</b>					
Residential Construction: Housing units		\$2,578,752	\$135,723.79	\$167.48	35.37%
Green Building Delta		\$0	\$0.00	\$0.00	0.00%
Off-Site Improvements		\$150,000	\$7,894.74	\$9.74	2.08%
On-Site Improvements		<b>\$360,421</b>	<b>\$18,969.53</b>	<b>\$23.41</b>	<b>4.94%</b>
Subtotal:		<b>\$3,089,173</b>	<b>\$162,588.05</b>	<b>\$200.63</b>	<b>42.37%</b>
Contractor's Overhead	7.53%	<b>\$232,484</b>	<b>\$12,236.01</b>	<b>\$15.10</b>	<b>3.19%</b>
Subtotal:		<b>\$3,321,657</b>	<b>\$174,824.06</b>	<b>\$215.73</b>	<b>45.56%</b>
General Conditions	6.47%	\$200,000	\$10,526.32	\$12.99	2.74%
Performance Bond		<b>\$81,783</b>	<b>\$3,251.78</b>	<b>\$4.01</b>	<b>0.85%</b>
Subtotal:		<b>\$3,583,441</b>	<b>\$188,602.14</b>	<b>\$232.73</b>	<b>49.15%</b>
Construction Contingency	10.06%	<b>\$310,797</b>	<b>\$16,357.74</b>	<b>\$20.19</b>	<b>4.26%</b>
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>		<b>\$3,894,238</b>	<b>\$204,959.88</b>	<b>\$252.92</b>	<b>53.41%</b>
<b>4. INDIRECT CONSTRUCTION COSTS</b>					
Overhead and Administration		\$600,000	\$31,578.95	\$38.97	8.23%
Deferred		\$0	\$0.00	\$0.00	0.00%
Subtotal:		<b>\$600,000</b>	<b>\$31,578.95</b>	<b>\$38.97</b>	<b>8.23%</b>
Development Consultant		\$0	\$0.00	\$0.00	0.00%
Construction Manager		\$0	\$0.00	\$0.00	0.00%
Builders Risk/Liability Insurance		\$77,885	\$4,099.20	\$5.06	1.07%
Real Estate Taxes		\$5,000	\$263.16	\$0.32	0.07%
Legal - Organizational		\$49,873	\$2,624.89	\$3.24	0.68%
Legal - Syndication		\$30,000	\$1,578.95	\$1.95	0.41%
Accounting/inspection		\$30,000	\$1,578.95	\$1.95	0.41%
Relocation (included with land costs)		\$0	\$0.00	\$0.00	0.00%
Indirect Construction Costs Contingency		<b>\$75,000</b>	<b>\$3,947.37</b>	<b>\$4.87</b>	<b>1.03%</b>
<b>TOTAL INDIRECT CONSTRUCTION COSTS</b>		<b>\$867,758</b>	<b>\$45,671.46</b>	<b>\$56.36</b>	<b>11.90%</b>
<b>5. RENT-UP COSTS</b>					
Marketing/Advertising Expense		\$5,000	\$263.16	\$0.32	0.07%
Lease-up Reserve		\$5,000	\$263.16	\$0.32	0.07%
Capitalized Replacement Reserve		\$6,650	\$350.00	\$0.43	0.09%
Capitalized Operating Reserve		\$45,466	\$2,392.94	\$2.95	0.62%
Common Area Furnishings		<b>\$50,000</b>	<b>\$2,631.58</b>	<b>\$3.25</b>	<b>0.69%</b>
<b>TOTAL RENT-UP/MARKETING COSTS</b>		<b>\$112,116</b>	<b>\$5,900.84</b>	<b>\$7.28</b>	<b>1.54%</b>
<b>6. FINANCING COSTS</b>					
Construction Loan Interest		\$225,000	\$11,842.11	\$14.61	3.09%
Construction Loan Fees/Costs		\$57,500	\$3,026.32	\$3.73	0.79%
Appraisal/Market Study		\$15,000	\$789.47	\$0.97	0.21%
Lender Legal		\$40,000	\$2,105.26	\$2.60	0.55%
Permanent Loan Fees/Closing Costs		\$32,950	\$1,734.21	\$2.14	0.45%
Tax Credit Allocation Fee		\$14,541	\$765.32	\$0.94	0.20%
Bridge Loan Costs		\$10,000	\$526.32	\$0.65	0.14%
Bond Issuance Costs		\$90,000	\$4,736.84	\$5.85	1.23%
Title and Recording (Constr./Perm.)		<b>\$30,000</b>	<b>\$1,578.95</b>	<b>\$1.95</b>	<b>0.41%</b>
<b>TOTAL FINANCING COSTS</b>		<b>\$514,991</b>	<b>\$27,104.79</b>	<b>\$33.45</b>	<b>7.08%</b>
<b>7. SUBTOTAL DEVELOPMENT COSTS</b>		<b>\$6,491,259</b>	<b>\$341,645.21</b>	<b>\$421.58</b>	<b>89.03%</b>
<b>TOTAL LAND COSTS</b>		<b>\$800,000</b>	<b>\$42,105.26</b>	<b>\$51.96</b>	<b>10.97%</b>
<b>TOTAL DEVELOPMENT COSTS</b>		<b>\$7,291,259</b>	<b>\$383,750.47</b>	<b>\$473.54</b>	<b>100.00%</b>

3/26/2012 **Construction estimates are based on non-prevailing wage and subject to change and may be revised due to entitlement issues, changes in construction standards, architectural and engineering requirements, and other unforeseen circumstances.**

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*View 1*

8A-15



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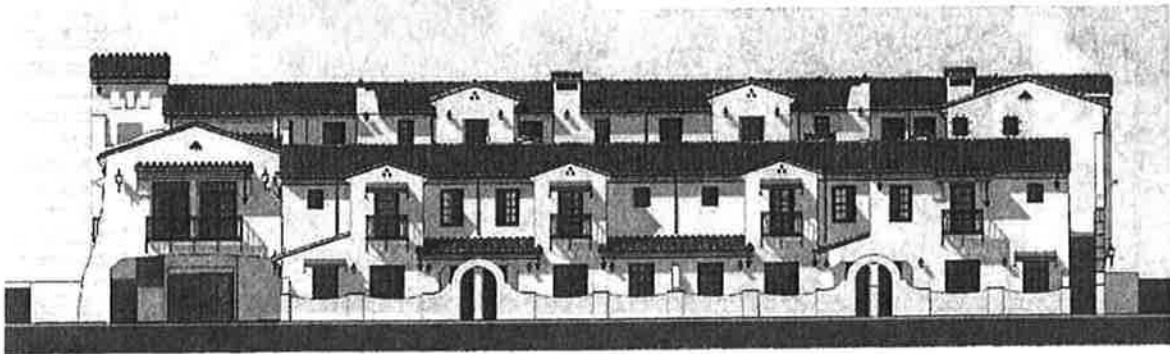
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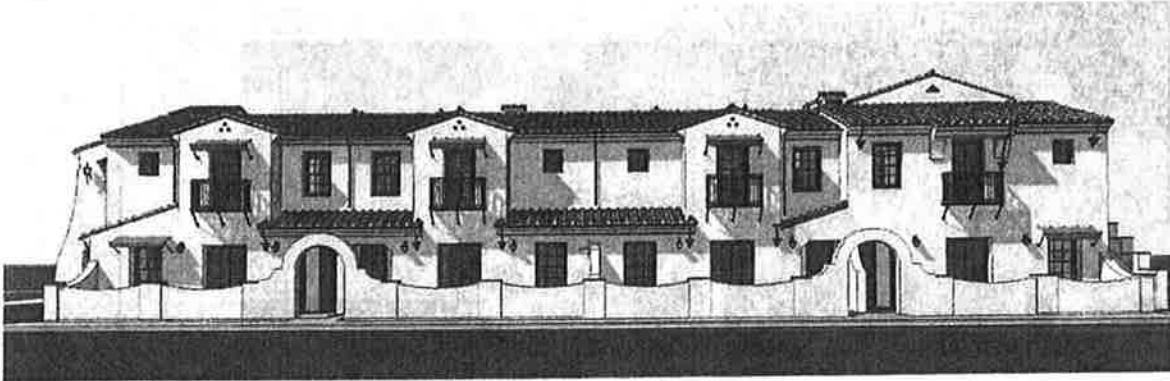
# ATTACHMENT 4

## EXTERIOR MATERIALS & DETAILS

- 1 CLAY TILE ROOF
- 2 CLAY TILE ROOF 30% FIELD ROOF WITH 10% SIDE ROOF
- 3 CLAY TILE ROOF 30% FIELD ROOF WITH 10% SIDE ROOF WITH MONTHLY MAINTENANCE THROUGHOUT
- 4 1/2" THICK CLAY TILE
- 5 1/2" THICK CLAY TILE
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WEST ELEVATION (one-dimensional view)



WEST - TRUE PERSPECTIVE (true 3-dimensional view)

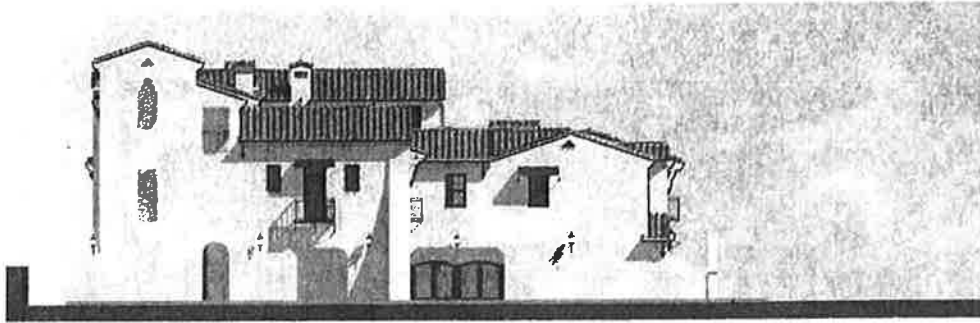
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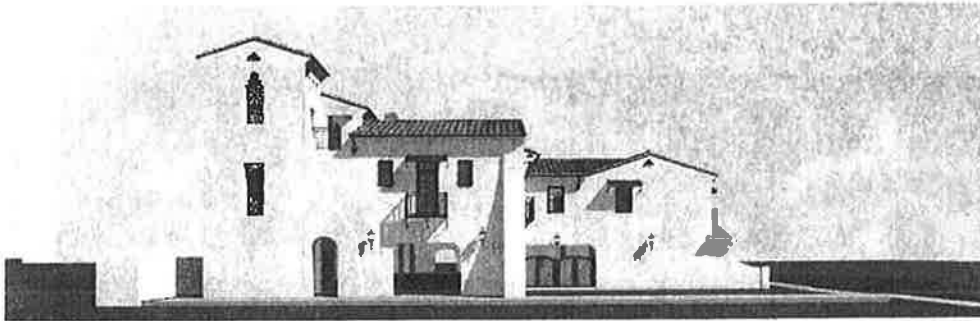
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8A-17



NORTH ELEVATION (one-dimensional view)



NORTH - TRUE PERSPECTIVE (true 3-dimensional view)

EXTERIOR MATERIALS & DETAILS

- 1 CLAY TILE ADULT 30X FIELD BOOBY WITH NOTCHES, DOUBLES AND TRIPLE GABLE BOOBY WITH BOOBYTA BMD-ATOPS THROUGHOUT
  - 2 CLAY TILE BULLED RAKE
  - 3 STUCCO AND CONCRETE
  - 4 1/2" ALUMINUM GUTTER WITH ROUND DOWNWARDS LEADERS AND LEADER COLLECTOR HEADS IN 1/2" LE COPPER 1/8" GA
  - 5 CHIMNEY ROOFING WITH TERAZA VENT TO FINISSE FOR WATER VENT TO
  - 6 ROUND BLUE TILE ATTIC VENT
  - 7 CROWN MOULDING WITH FOUR THROUGH ROOF SUPPORTS
  - 8 1" ROUND DECORATIVE THROUGH ROOF VENT GABLE
  - 9 FORGED DECORATIVE WROUGHT IRON VENT GABLE "JOLLY" BALCONY RAILING
  - 10 BALCONY AND ENTRY ROOFS FINISHED BY 437 SQUARE SELECTED CONCRETE
  - 11 WINDOWS FINISHED BY APPROVED SELECTED CONCRETE
  - 12 SELECTED ARCHITECTURAL LIGHTING PICTURES (HIGHLY EFFICIENT)
  - 13 1/2" THICK GARDEN PHOTO WALLS WITH ARCHED ENTRYWAY TO GATE
- GENERAL REQUIREMENTS**
- ALL EXTERIOR FINISHES TO BE 1-COAT EXTERIOR PLASTER BY ONE COAT SYSTEM (S&S) WITH 5/8" SAND ON 1/2" POLYESTER FIBER MESH EXTENSION COVERS & GLEAZES FOR "BELL-HOUSE" APPEARANCE.
  - ALL WALLS FINISHED AT AVENIDA SERRA HAVE BEEN FINISHED BY THE QUICKEST TO ACCOMMODATE 3 MONTHS "10" RECESS AT DOORS AND WINDOWS
  - ALL EXTERIOR MATERIALS AND COLORS WILL BE IN ACCORD WITH THE MATERIAL AND COLOR SAMPLES SELECTED BY THE ARCHITECT AND APPROVED BY OWNER AND CITY OF SAN CLEMENTE

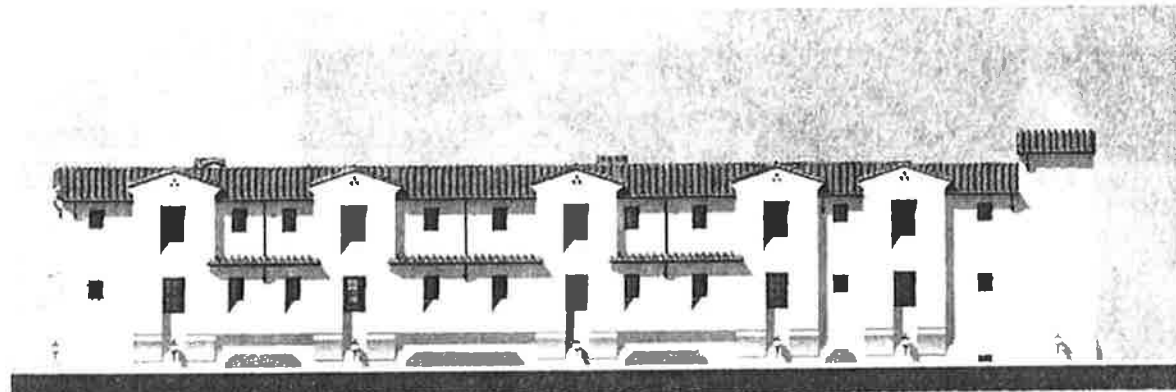
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August 2, 2011

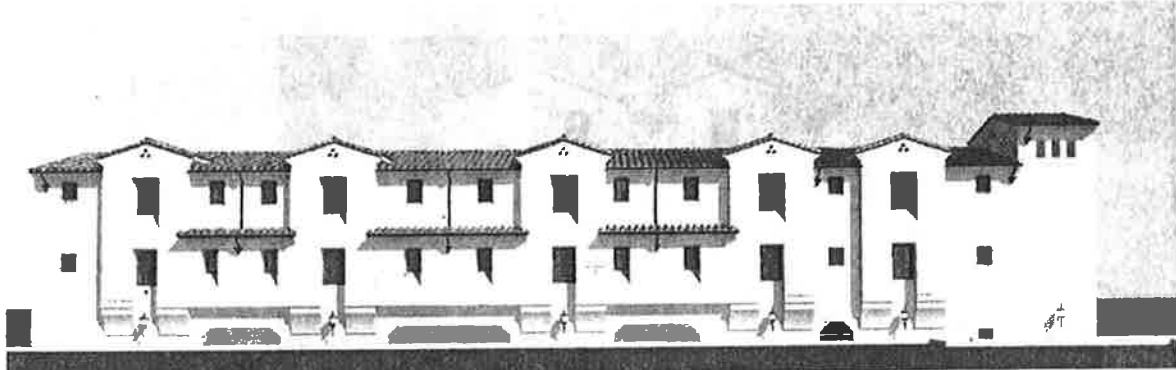
8A-18

**EXTERIOR MATERIALS & DETAILS**

- 1 CLAY TILE ROOF 30" FIELD ROOF WITH BORTH, DOUBLE NO TRIPLE EAVE BODY WITH BORTH, SILLIATORS THROUGHOUT.
  - 2 CLAY TILE RAISED BASE
  - 3 STYCOLO RAMP COOLING
  - 4 1/2" ROOFS BUTTER WITH ROUND DOWN SPURT, LEADERS AND LEADERS COLLECTED REAR IN JAWL COPPER FLASH
  - 5 CURB BY HOLDING WITH TERRAZZO TILE VERT OF EXPOS FOR WATER HEATER FLUE VENTS
  - 6 ROUND CLAY TILE VENTS
  - 7 LEADS 2" AIRING WITH FOSGED 3" SCROLL THROUGH AND SUPPORTS
  - 8 FINISHES DESCRIBED IN FINISHES IN WINDOW SCHEDULE
  - 9 FLOORING DESCRIBED IN FINISHES IN WINDOW SCHEDULE
  - 10 BAL CONCRETE LATH & GYPSUM PARTS IN APPROVED SELECTED COLOR
  - 11 WINDOWS PARTS IN APPROVED SELECTED COLOR
  - 12 SELECTED ARCHITECTURAL LIGHTING FIXTURES (SPECIFY EFFICIENT)
  - 13 1/2" THICK GIBBER PARTY WALLS WITH RISED EXTERIOR TO UNITS
- GENERAL REQUIREMENTS**
- 14 ALL EXTERIOR FINISHES TO BE 1/2" COAT OF PORTLAND CEMENT PLASTER IN SMOOTH FINISH (SARTI) ON ALL EXTERIOR PARTS WITH EXTERIOR COATINGS BASED FOR "FULL HOUSE" APPEARANCE.
  - 15 ALL WALLS FRONTING AN AVENIDA SERRA HAVE BEEN SPECIFIED TO PROVIDE TO ACCOMMODATE A MINIMUM 5'-0" RECESS AT 5'-0" AND 5'-0" MINIMUM
  - 16 ALL EXTERIOR MATERIALS AND COLORS WILL BE IN ACCORD WITH THE MATERIAL AND COLOR SAMPLES SELECTED BY THE ARCHITECT AND APPROVED BY OWNER AND CITY OF SAN CLEMENTE



**EAST ELEVATION (one-dimensional view)**



**EAST - TRUE PERSPECTIVE (true 3-dimensional view)**

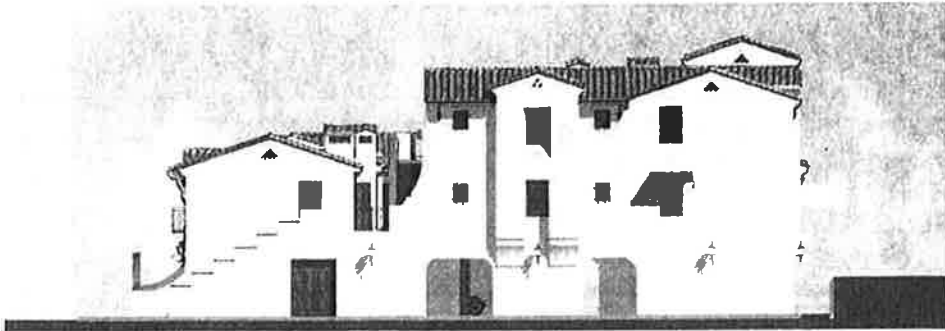
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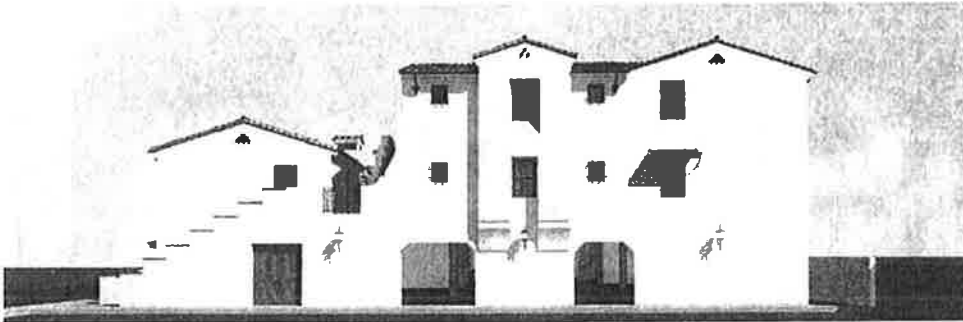
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8A-1A



SOUTH ELEVATION (one-dimensional view)



SOUTH - TRUE PERSPECTIVE (true 3-dimensional view)

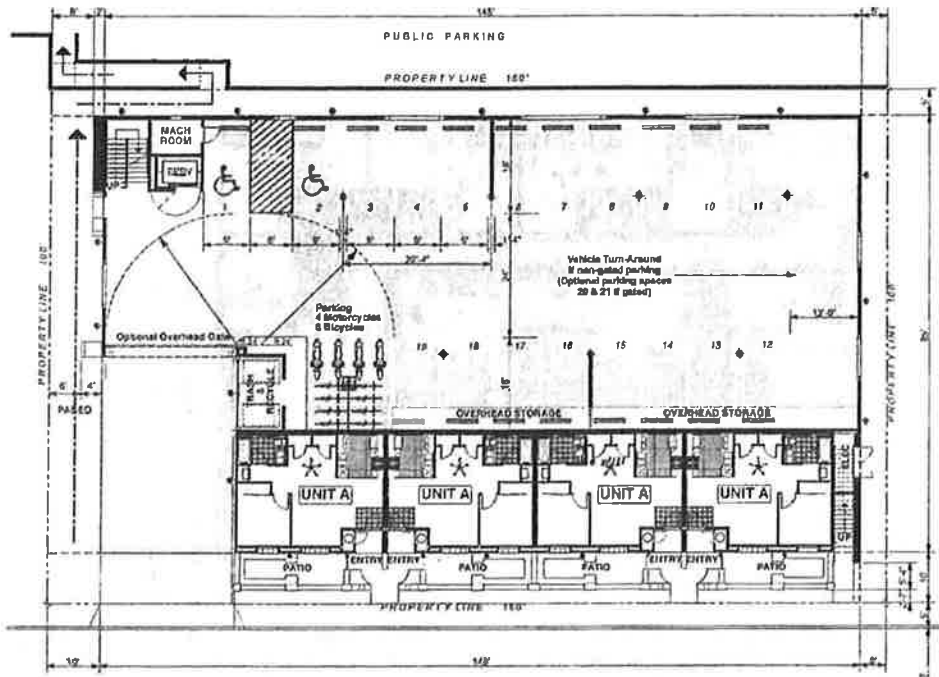
EXTERIOR MATERIALS & DETAILS

- 1. CLAY TILE ROOF: 18" FIELD ROOF WITH MORTAR DOUBLE END TRIPLE GABLE ROOF WITH 18" x 18" 45°-45° THROUGHOUT
  - 2. FLAT TILE BULKHEAD
  - 3. 6" x 6" x 6" CONCRETE
  - 4. 1/2" ROUND DOWELS WITH ANCHOR BOLTS AND 1/2" LEADER AND LEADER COLLECTOR HEADS IN PAUL COPPER FINISH
  - 5. CHIMNEY ROILING WITH TERRAZZO VENT VENTS
  - 6. 1/2" x 1/2" x 1/2" CLAY TILE ROOF
  - 7. 1/2" x 1/2" x 1/2" CLAY TILE ROOF WITH 1/2" x 1/2" x 1/2" TILES AT GUTTERS
  - 8. FRODO DECORATIVE VENTURE IN ON WINDOW OR LEE
  - 9. FRODO DECORATIVE VENTURE IN ON WINDOW OR LEE
  - 10. BALCONY AND ENTRY DOORS PARTIAL W/ APPROVED SELECTED CERAMIC
  - 11. APPROVED SELECTED CERAMIC
  - 12. APPROVED SELECTED CERAMIC
  - 13. 1/2" x 1/2" x 1/2" CLAY TILE WITH ANCHOR BOLTS AND 1/2" LEADER
- GENERAL INFORMATION
- 1. ALL EXTERIOR STAIRS TO BE 1-6032 CONCRETE WITH 1/2" x 1/2" x 1/2" CLAY TILE ROOF WITH ANCHOR BOLTS AND 1/2" LEADER AND LEADER COLLECTOR HEADS IN PAUL COPPER FINISH
  - 2. ALL EXTERIOR STAIRS TO BE 1-6032 CONCRETE WITH 1/2" x 1/2" x 1/2" CLAY TILE ROOF WITH ANCHOR BOLTS AND 1/2" LEADER AND LEADER COLLECTOR HEADS IN PAUL COPPER FINISH
  - 3. ALL EXTERIOR STAIRS TO BE 1-6032 CONCRETE WITH 1/2" x 1/2" x 1/2" CLAY TILE ROOF WITH ANCHOR BOLTS AND 1/2" LEADER AND LEADER COLLECTOR HEADS IN PAUL COPPER FINISH

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**1ST. LEVEL PLAN - SITE PLAN**  
 SCALE 1/8" = 1'-0"

**AVENIDA SERRA**

0' 4' 8' 16'

**DEVELOPMENT SUMMARY**

**SITE ADDRESS:** 107-115 Avenida Serra  
**GROSS SITE AREA:** 0.37 AC. 16,000 S F  
**DENSITY:** 19 UNITS 51.35 DU/AC

**BUILDING GROSS AREAS:**

Floor Level	Floor 1	Floor 2	Floor 3	Total
Residential	2520	8330	3185	12,015
Patio/Balcony	849	62	0	911
Common Areas(*)	305	910	303	1518
Open Courtyard	0	1767	0	1767
Circulation/Utility (†)	396	1811	1507	3714
<b>Garage</b>	<b>7909</b>	<b>0</b>	<b>0</b>	<b>7909</b>
<b>TOTAL</b>	<b>11,979</b>	<b>10,880</b>	<b>4,975</b>	<b>27,834</b>

(\*) Common Areas include Community Center, Leasing Office, Laundry, Bicycle & Motorcycle Storage & equipment rooms.  
 (†) Circulation/Utility areas include corridors, elevator, stairs, & equipment rooms.

**DWELLING UNIT ANALYSIS**

Building	Unit A (1 BR)	Unit B (1 BR)	Total/Fr
Floor 1	4	0	4
Floor 2	0	10	10
Floor 3	0	5	5
<b>TOTAL</b>	<b>4</b>	<b>15</b>	<b>19</b>

**PROPOSED PARKING: (\*)**  
 Covered Standard Spaces 17.0 (\*)  
 Covered ADA Spaces 2.0  
 Covered Parking 19.0 (\*)

Bicycle Spaces 8  
 Motorcycle Spaces 4  
 Motorcycle/Bicycle Spaces 12

**USEABLE OPEN SPACE SUMMARY**

Private Space - Patios, Balconies & Courts	911
Common Space - Courts & Yards	3285
<b>TOTAL USEABLE OPEN SPACE</b>	<b>4196</b>

(\*) NOTE - indication from City for "non-gated" parking garage, a turn-around within garage must be provided - hence 2 spaces needed to accommodate + per Jeff Hook e-mail memorandum re: motorcycle parking desired for 3-4 spaces (4'x8' ea.). Eliminated one standard parking space and can now accommodate 4 (4'x8') motorcycle spaces and 8 bicycles with a remaining 19 cars (1 per d.u.)

In the event more parking spaces become necessary, we may be allowed to eliminate the "turn-around" by adding a gated parking entry - and then gain back 2 spaces for total of 21 parking spaces.

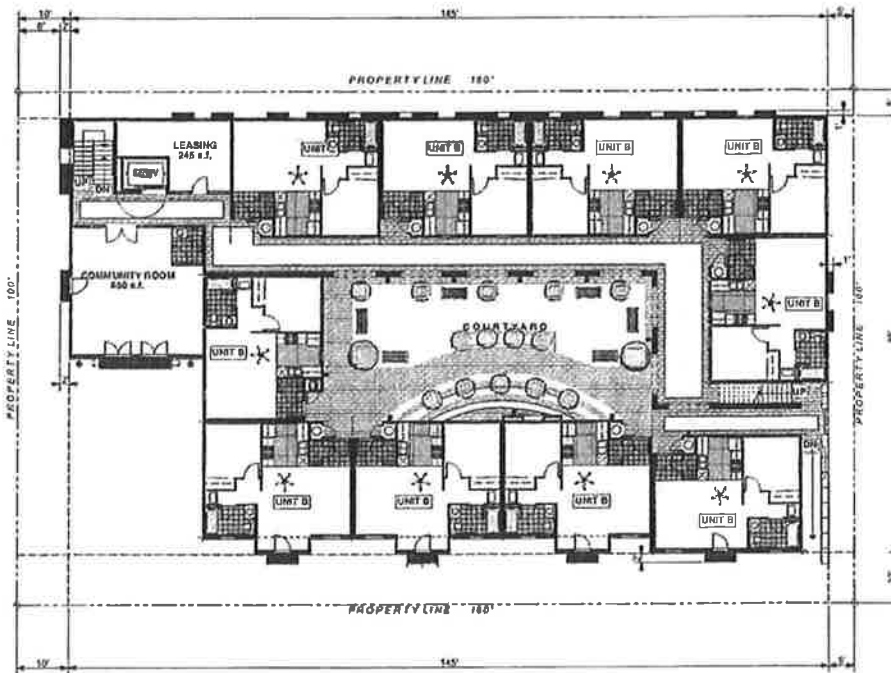
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**2ND. FLOOR LEVEL - PLAN**  
 SCALE 1/4" = 1'-0"

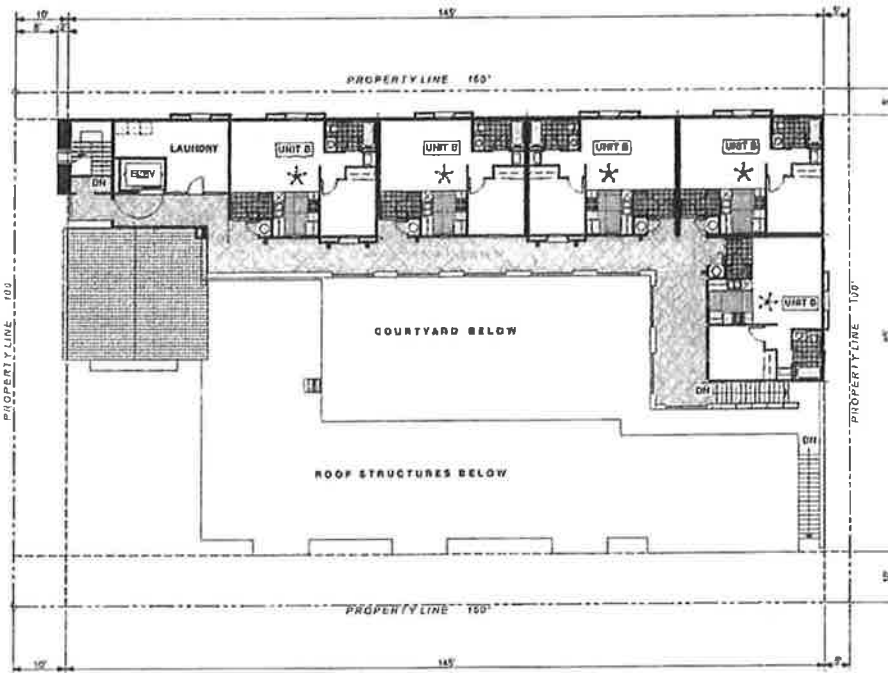
0 4' 8' 16'

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8A-02



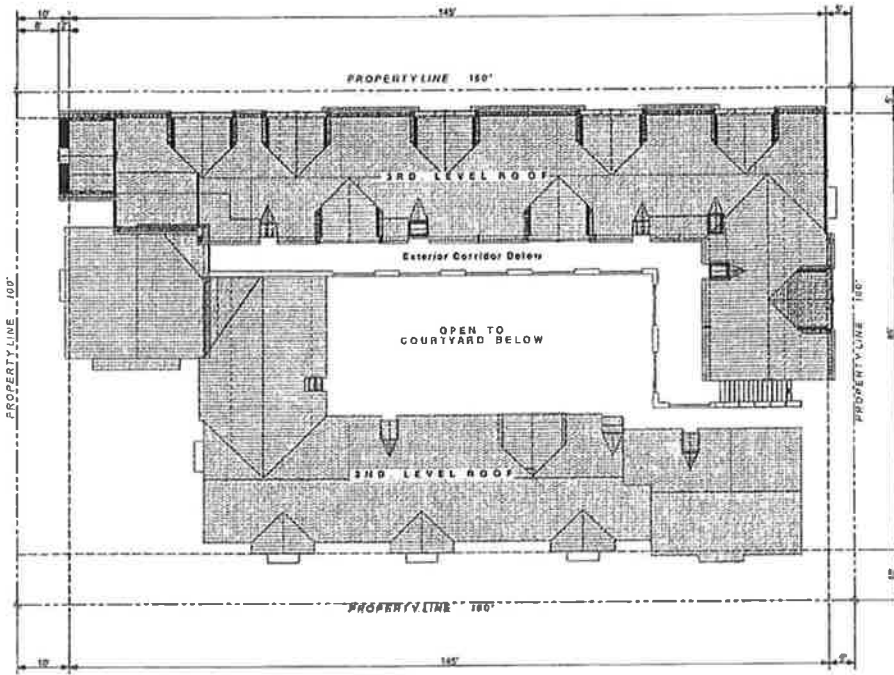
  
**3RD. LEVEL - PLAN**  
 SCALE 1/8" = 1'-0"

0' 4' 8' 16'  
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**ROOF LEVEL - PLAN**  
 SCALE 1/8" = 1'-0"

0' 4' 8' 16'  
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