

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**January 18, 2012**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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**Applicant:** County of Orange

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**Allocation Amount Requested:**

**Tax-exempt:** \$1,600,000

The amount of allocation requested is supplemental to the \$16,000,000 of allocation the Project received on September 28, 2011.

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**Project Information:**

**Name:** San Clemente Senior Apartments  
**Project Address:** 2350 South El Camino Real  
**Project City, County, Zip Code:** San Clemente, Orange, 91303

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**Project Sponsor Information:**

**Name:** SC Senior Apartments, L.P. (Western Community Housing, Inc. and SC Senior Apartments, LLC [Meta Housing Corporation])  
**Principals:** Graham Espley Jones, Leanne Truofreh and Sandy Gibbons for Western Community Housing and John M. Huskey, George Russo for Meta Housing Corporation.  
**Property Management Company:** Western Seniors Housing

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Wells Fargo Bank, N.A. for construction and California Community Reinvestment Corporation for permanent  
**TEFRA Hearing Date:** June 21, 2011

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 75, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Senior Citizens

The Project will be a new construction 76 one and two- bedroom rental apartments for a very low- and low-income seniors on a 2 acre lot in San Clemente. Sixty-one units are one-bedroom and the remaining 15 units are two bedrooms. Features of the Project are a large courtyard with a water feature, a large community room, a computer and multi-media room, outdoor barbeques and tables, communal kitchen, library, laundry room and mail room. Spanish style architecture with landscaping. Access controlled and entirely fenced for security with 87 subterranean parking spaces.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (75 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 1 & 2 bedrooms

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 29,137,991	
<b>Estimated Hard Costs per Unit:</b>	\$ 160,000	(\$12,000,000 /75 units)
<b>Estimated per Unit Cost:</b>	\$ 388,507	(\$7,500,000 /75 units)
<b>Allocation per Unit:</b>	\$ 234,667	(\$17,600,000 /75 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 234,667	(\$17,600,000 /75 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 17,600,000	\$ 5,160,954
Developer Equity	\$ 977,109	\$ 455,980
LIH Tax Credit Equity	\$ 3,520,082	\$ 11,000,257
Direct & Indirect Public Funds	\$ 7,040,800	\$ 12,520,800
<b>Total Sources</b>	<b>\$ 29,137,991</b>	<b>\$ 29,137,991</b>

<b>Uses of Funds:</b>	
Land Purchase	\$ 3,500,000
Hard Construction Costs	\$ 12,000,000
Architect & Engineering Fees	\$ 1,172,348
Contractor Overhead & Profit	\$ 2,471,750
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 286,000
Capitalized Interest	\$ 784,080
Other Soft Costs (Marketing, etc.)	\$ 7,523,813
<b>Total Uses</b>	<b>\$ 29,137,991</b>

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

Bond transaction is a private placement, with Wells Fargo Bank as the the construction lender with a underwritten rate of 4.09 %, permanent lender is California Community Reinvestment Corporation with a current indicative rate of 6.10% and term of 55 years.

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**Analyst Comments:**

Not Applicable

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**Legal Questionnaire:**

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

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**Recommendation:**

Staff recommends that the Committee approve \$1,600,000 in tax exempt bond allocation.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>75</b>

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