



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission
Mission Gorge Apartments
Preliminary Bond Items
SDHC Board Meeting
November 20, 2015

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SDHC – Mission Gorge Apartments Partnership Development Recommendation

- That the San Diego Housing Commission recommend that the Housing Authority of the City of San Diego (Housing Authority):
 - Issue a bond inducement resolution for up to \$24,000,000 in multifamily housing revenue bonds/note for the development of Mission Gorge Apartments by Chelsea Investment Corporation;
 - Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds/note in an amount up to \$24,000,000
 - Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of multifamily housing revenue bonds/note in an amount up to \$24,000,000



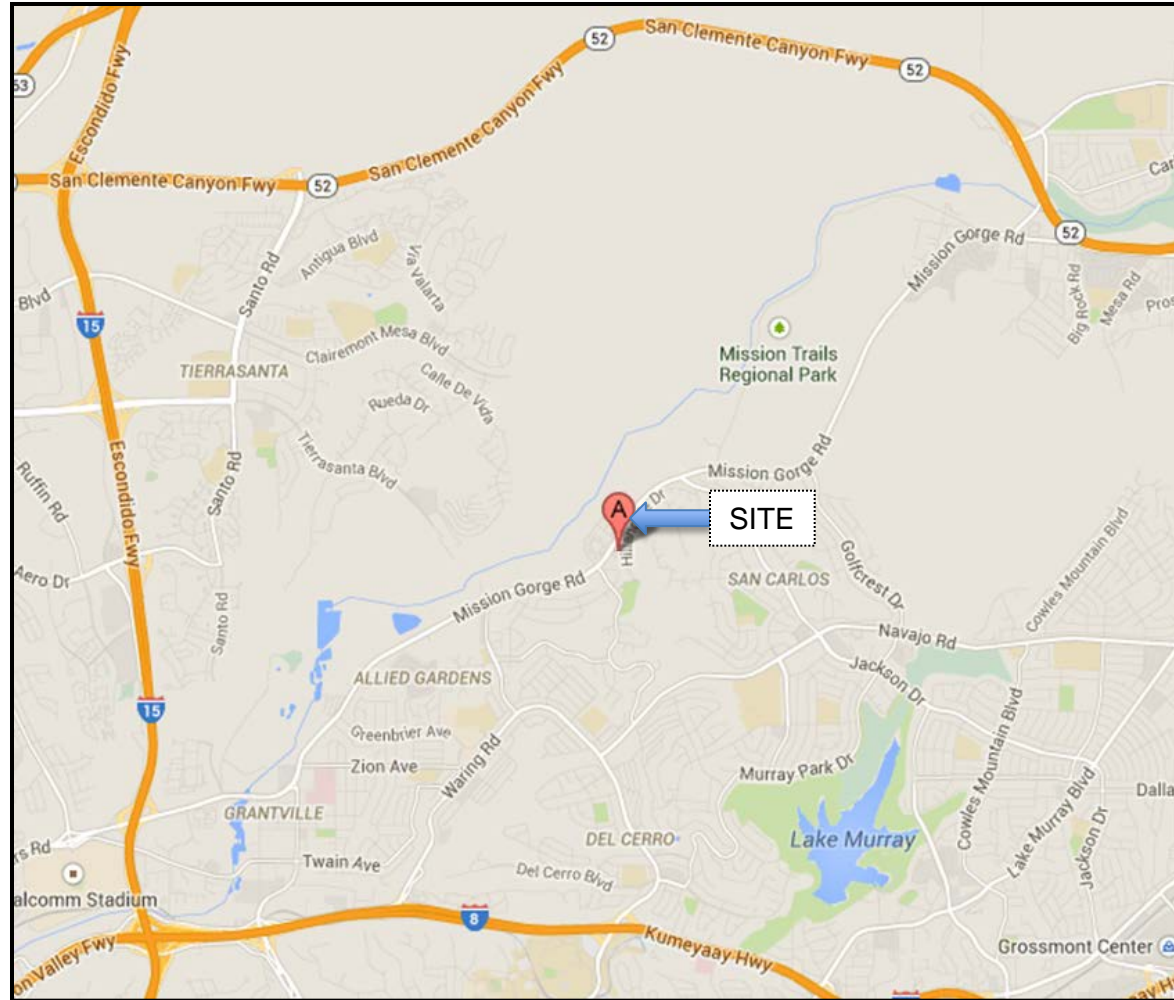


SDHC – Mission Gorge Apartments Partnership Development Recommendation (Cont.)

- Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of multifamily housing revenue bonds/note in an amount up to \$24,000,000; and
- Authorize the San Diego Housing Commission (SDHC) President & Chief Executive Officer, or designee, to execute and perform acts necessary, convenient, and/or appropriate to implement, upon advice of General Counsel and/or the bond counsel.



SDHC – Mission Gorge Apartments Partnership Development Site Location



SDHC – Mission Gorge Apartments Partnership Development Site Rendering





SDHC – Mission Gorge Apartments Partnership Development Previous Council and Committee Actions

Housing Authority on December 9, 2014, (HAR14-039) approved three actions:

- A residual receipts loan of \$9,600,000.
- Entry into an option agreement to purchase the adjacent land, approximately 1.75 undeveloped acres.
- Take initial steps to issue up to \$19,000,000 in tax-exempt multifamily housing revenue bonds.





SDHC – Mission Gorge Apartments Partnership Development

Estimated Permanent Sources of Financing

Sources of Funding		Uses of Funding	
4% Tax Credit Equity	\$ 11,420,276	Land Acquisition	\$ 6,575,000
Conventional Loan	7,624,000	Hard Cost (with 5% Hard Cost Contingency)	16,585,348
Citi Subordinate Loan	1,800,000	Soft Costs	4,442,520
Housing Commission Loan (HOME, Inclusionary, HTF Linkage)	9,600,000	Financing Costs	1,717,805
Subordinate Deferred Developer Fee	1,100,000	Reserves	245,360
Deferred Developer Fee	271,017	Developer Fee	2,500,000
Soft Loan Interest	250,740		
Total Project Sources	\$ 32,066,033	Total Project Uses	\$ 32,066,033





SDHC – Mission Gorge Apartments Partnership Development Proposed Rents

Unit Type	Square Footage	Restrictions	Area Median Income (AMI)	Units	Estd Monthly Net Rents *
Studio	350	Tax Credits	60 Percent	1	\$809
Studio	350	Tax Credits	50 Percent	1	671
1 Bedroom / 1 Bath	560	Tax Credits	60 Percent	23	865
1 Bedroom / 1 Bath	560	Tax Credits	50 Percent	2	717
2 Bedroom / 1 Bath	800	Tax Credits	60 Percent	32	1,036
2 Bedroom / 1 Bath	800	Tax Credits	50 Percent	4	858
3 Bedroom / 2 Bath	1,050	Bonds	60 Percent	24	1,143
3 Bedroom / 2 Bath	1,050	Bonds	50 Percent	2	946
3 Bdrm Manager's Unit	1,050	--	--	1	--
Total Units				90	





SDHC – Mission Gorge Apartments Partnership Development Proposed Schedule

Milestones	Estimated Dates
Housing Authority for preliminary consideration	December 8, 2015
City Council IRS-required TEFRA hearing	December 8, 2015
Applications: TCAC tax credit & CDLAC bonds	December 15, 2015
TCAC and CDLAC allocation meetings	March 16, 2016
Housing Commission proposed final bond/note authorization	March 2016
Housing Authority proposed final bond/note authorization	March 2016
Estimated bond/note issuance and escrow closing	March 2016
Estimated start of construction work	April 2016
Estimated completion of construction work	November 2017





SDHC – Mission Gorge Apartments Partnership Development

Questions?

