



SAN DIEGO
HOUSING
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San Diego Housing Commission (SDHC) Final Bond Authorization for East Block Family Housing Authority Agenda Item #1 January 28, 2020

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SDHC – East Block Family Partnership Development Staff Recommendations

That the Housing Authority of the City of San Diego (Housing Authority):

Authorize the issuance of up to \$24,000,000 in tax-exempt Multifamily Housing Revenue Bonds too facilitate the new construction of East Block Family Apartments, which will consist of 77 units that will remain affordable for 55 years and one manager's unit, to be located at 4340 44th Street, San Diego.



SDHC – East Block Family Partnership Development Development Summary

- Proposed new construction of two contiguous residential buildings to be built over a shared parking structure.
- East Block Collaborative will have three parcels:
 - East Block Senior Parcel:
 - 117 rental housing units for seniors
 - East Block Family Parcel:
 - 78 multifamily rental housing units
 - Future Commercial Parcel
- A condominium plan will detail the legal separation.
- Two companion reports.
- Separate bond issuances



SDHC – East Block Family Partnership Development Development Summary (Continued)

- Proposal for Housing Authority to issue up to \$24,000,000 in tax-exempt Multifamily Housing Revenue Bonds for East Block Family.
- Previously approved preliminary steps required for bonds issuance.
- Developer has received necessary third-party financing commitments:
 - Necessary bonds issuance allocation from California Debt Limit Allocation Committee (CDLAC).
 - Necessary tax credits allocation from California Tax Credit Allocation Committee (CTCAC).
- Development details summary at Table #1 page 1 of report.



SDHC – East Block Family Partnership Development Development Summary (Continued)

East Block Family Apartments

- Proposed new construction of 78 units.
- Units mix of 32 two-bedroom units and 45 three-bedroom units.
- Plus one unrestricted manager's unit.

Developer:

- Chelsea Investment Corporation.
- Experienced developer.

Development team summary at Table 2, page 3 of report.

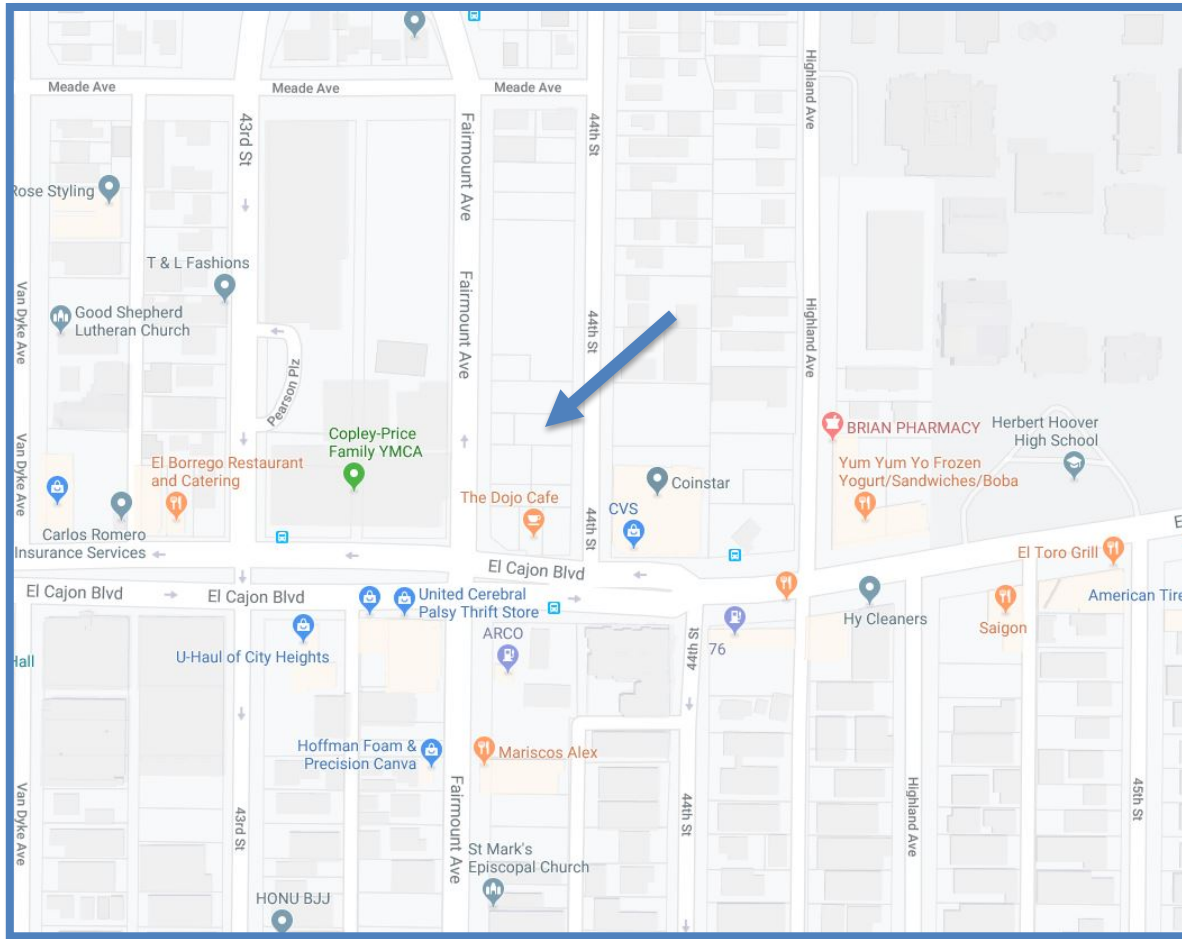


SDHC – East Block Family Partnership Development Development Team Summary

Role	Firm/Contract
Developer	Chelsea Investment Corporation
Limited Partnership	Fairmount Family Housing CIC, LP
Managing General Partner	Fairmount and El Cajon Realty LLC
Administrative General Partner	CIC Fairmount Family Housing, LLC
Architect	Rob Wellington Quigley, FAIA
General Contractor	Emmerson Construction, Inc.
Property Management	CIC Management, Inc.
Service Provider	Serving Seniors
Construction Lender Permanent Lender	US Bank National Association California Bank and Trust
Tax Credit Equity Partner	US Bancorp Community Development Corporation



SDHC – East Block Family Partnership Development Location Map



SDHC – East Block Family Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan (bond financed)	\$12,890,000	Acquisition	\$10,000
County of San Diego Innovative Housing Trust Fund Loan	4,500,000	Construction Hard Costs	26,726,200
		Hard Costs Contingency	<u>+1,336,300</u>
		Total Construction Costs	28,062,500
Developer's Equity Contribution	2,685,200	Financing Costs	1,719,900
		Soft Loan Accrued Interest	450,000
Loan from Nonprofit	5,000,000	Other Soft Costs and Hard Costs	5,679,600
Residual Receipts Loan Accrued Interest	525,000	Reserves	303,100
Four Percent Tax Credit Equity	15,809,900	Developer Fee	5,185,000
Total	\$41,410,100	Total	\$41,410,100

- Estimated Total Development Cost Per Unit (for 78 Units) = \$530,900



SDHC – East Block Family Partnership Development Affordability & Estimated Rents

Unit Type	AMI	Unit Count	CTCAC Gross Rent
Two-Bedroom	50%	3	\$1,203
Two-Bedroom	60%	29	\$1,444
Three-Bedroom	50%	5	\$1,391
Three-Bedroom	60%	40	\$1,669
Manager's Unit	MGR	1	--
Total		78	



SDHC – East Block Family Partnership Development Development Timeline

Milestone	Estimated Date
<ul style="list-style-type: none"> • Housing Authority consideration of final bonds issuance..... 	January 28, 2020
<ul style="list-style-type: none"> • Bonds issuance and escrow closing..... 	February 2020
<ul style="list-style-type: none"> • Start of construction work..... 	February 2020
<ul style="list-style-type: none"> • Completion of construction work..... 	February 2021



SDHC – East Block Family Partnership Development Bond Issuance Summary

- Proposed bond issuance of up to \$24,000,000.
- Developer is responsible for paying all costs of issuing bonds.
- Issuance pursuant to SDHC's bond policy.
- Bonds issuance will not create financial liability to SDHC, Housing Authority, or the City.
- Neither the full faith and credit nor taxing power of the City nor full faith and credit of the Housing Authority will be pledged to payment of the bonds.



SDHC – East Block Family Partnership Development Artist's Rendering

