



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)

Preliminary Bond Authorization for East Block Senior Housing Authority Agenda Item 2 and City Council Agenda Item 331 July 16, 2019

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division

Tina Kessler
Housing Programs Manager
Real Estate Division



SDHC – East Block Senior Partnership Development Recommendations

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

1. Approve initial steps to issue tax-exempt Multifamily Housing Revenue Bonds for East Block Senior:
 - Issue a bond inducement resolution for up to \$22,000,000
 - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
 - Approve a financing team of Quint and Thimmig as Bond Counsel and CSG Advisors as Financial Advisor
2. Authorize the President & CEO, or designee, to execute any and all documents necessary to implement the transaction in a form approved by General Counsel and/or Bond Counsel.





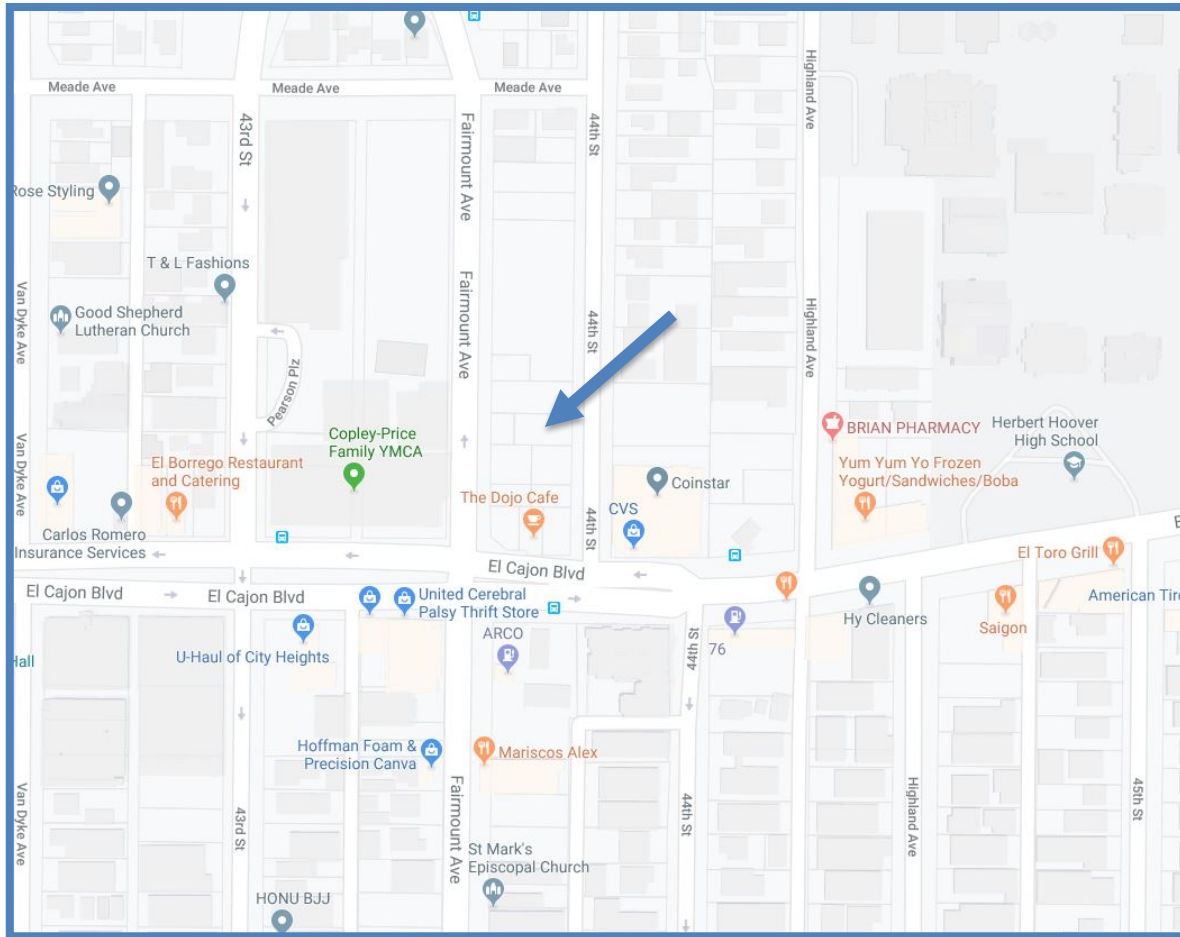
SDHC – East Block Senior Partnership Development Recommendations (Continued)

That the San Diego City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount of up to \$22,000,000.



SDHC – East Block Senior Partnership Development Location Map



SDHC – East Block Senior Partnership Development Architect's Rendering



SDHC – East Block Senior Partnership Development East Block Collaborative

- East Block Senior Parcel:
 - 117 rental housing units for seniors
 - One-bedroom units
 - On-site services and community room
 - Access to shared amenities with the family building
- East Block Family Parcel:
 - 78 multifamily rental housing units
 - Two- and three-bedroom units
 - On-site amenities: kitchen and game room, cyber café, outdoor barbecue and picnic area, community garden
- Future Commercial Parcel



SDHC – East Block Senior Partnership Development Developer's Request

- Issue up to \$22,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Authorize an Inducement Resolution.
- Hold a Tax Equity Responsibility Act Public Hearing.



SDHC – East Block Senior Partnership Development Development Team Summary

Role	Firm/Contract
Developer	Chelsea Investment Corporation
Limited Partnership	Fairmount Senior Housing CIC, LP
Managing General Partner	Fairmount SHC Housing, LLC
Administrative General Partner	CIC Fairmount Senior Housing, LLC
Architect	Rob Wellington Quigley, FAIA
General Contractor	Emmerson Construction, Inc.
Property Management	CIC Management, Inc.
Service Provider	Serving Seniors
Construction and Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



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

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$9,340,000	Acquisition	\$0
Housing Commission Proposed Loan	6,750,000	Construction Hard Costs	19,900,091
Tax Credit Equity	11,844,104	Soft Costs	10,955,028
Developer Equity Contribution	1,726,491	Reserves	296,829
Deferred Developer Fee	1,127,486	Developer Fee	3,896,491
Loan Accrued Interest	363,867		
Total	\$31,151,948	Total	\$31,151,948

- Estimated Total Development Cost Per Unit (for 117 Units) = \$266,256



SDHC – East Block Senior Partnership Development Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Proposed Rent
One Bedroom	40%	7	\$674
One Bedroom	50%	9	\$856
One Bedroom	60%	99	\$1,039
One Bedroom	MGR	2	\$-
Total		117	



SDHC – East Block Senior Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Bond consideration.....	July 16, 2019
• City Council IRS-required TEFRA hearing....	July 16, 2019
• TCAC & CDLAC application submittals.....	August 16, 2019
• TCAC & CDLAC allocation meetings.....	October 16, 2019
• SDHC final bond authorization.....	November 15, 2019
• Housing Authority final bond authorization.....	December 10, 2019
• Bond issuance and escrow closing.....	December 2019
• Start of construction work.....	December 2019
• Completion of construction work.....	December 2021



Questions & Comments

