

# San Diego City Council Meeting

## PHONE-IN TESTIMONY PERIOD NOW OPEN FOR Housing Authority ITEM #2: Final Bond Authorization for The Orchard at Hilltop

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# San Diego Housing Commission (SDHC) Final Bond Authorization for The Orchard at Hilltop Family Housing Housing Authority Agenda Item #2 September 29, 2020

Colin Miller  
Vice President Multifamily Housing Finance  
Real Estate Division  
San Diego Housing Commission



# SDHC – The Orchard at Hilltop Family Housing Staff Recommendations

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

1. Authorize the issuance of up to \$27,885,943 in tax-exempt Multifamily Housing Revenue Bonds to facilitate the new construction of The Orchard at Hilltop Family Housing, formerly known as Hilltop and Euclid Family Housing, which will consist of 111 units that will remain affordable for 55 years and two managers' units, to be located at 922-944 Euclid Avenue, San Diego, CA 92115.
2. Authorize the issuance of up to \$3,500,000 in taxable Multifamily Housing Revenue Bonds for the Hilltop Family Housing L.P.'s construction financing for The Orchard at Hilltop Family Housing.



# SDHC – The Orchard at Hilltop Family Housing Unit Summary

- 113 total units
  - 111 affordable units
    - 14 Studio
    - 23 One-Bedroom
    - 36 Two-Bedroom
    - 20 Three-Bedroom
    - 18 Four-Bedroom
  - 2 managers' units
  - Build It Green GreenPoint Gold certified





# SDHC – The Orchard at Hilltop Family Housing Amenities

- Community building
- Community room
- Basketball Court
- Gardening Space
- Outdoor Gathering Areas
- Secured Bicycle Storage
- 101 parking spaces



# SDHC – The Orchard at Hilltop Family Housing Development Summary

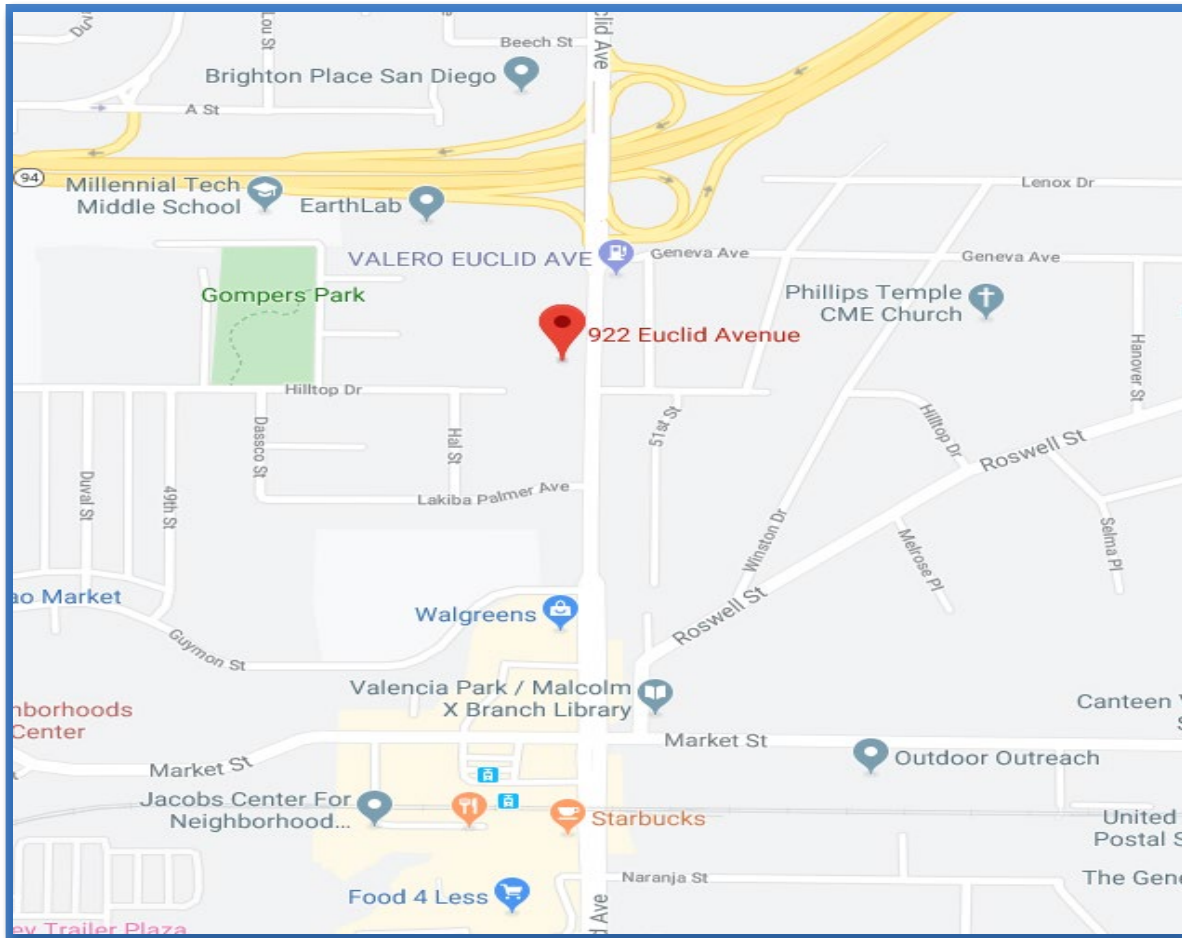
- Proposal for Housing Authority to issue up to:
  - \$27,885,943 in tax-exempt Multifamily Housing Revenue Bonds for The Orchard at Hilltop Family Housing
  - \$3,500,000 in taxable Multifamily Housing Revenue Bonds for The Orchard at Hilltop Family Housing
- Developer has received necessary third-party financing commitments:
  - Bonds issuance allocation from California Debt Limit Allocation Committee (CDLAC).
  - Tax credits allocation from California Tax Credit Allocation Committee (CTCAC).





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# SDHC – The Orchard at Hilltop Family Housing Location Map





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# SDHC – The Orchard at Hilltop Family Housing Architect's Rendering





# SDHC – The Orchard at Hilltop Family Housing Development Team Summary

Role	Firm/Contract
Developer	Affirmed Housing Group, Inc.
Managing General Partner	NEXUS for Affordable Housing, Inc.
Administrative General Partner	Affirmed Housing Group., Inc.
Architect	Studio E
General Contractor	HA Builders
Property Management	Solari Enterprises
Service Provider	Compass for Affordable Housing
Construction and Permanent Lender	Boston Capital Finance LLC
Tax Credit Equity Partner	Boston Capital



# SDHC – The Orchard at Hilltop Family Housing

## Estimated Sources and Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$13,046,340	Acquisition	\$1
CivicSD Predevelopment Loan	2,826,626	Construction Costs	37,395,648
CivicSD Loan	3,023,374	Hard Cost Contingency	3,066,443
Housing Commission Loan	8,300,000	Architectural, Survey, and Engineering	2,559,135
Deferred Developer's Fee	1,009,420	Development Impact Fees & Permits	3,000,531
Federal Tax Credit Equity	20,137,617	Construction Interest & Fees	1,695,300
State Tax Credit Equity	5,962,038	Financing Costs	1,199,141
		Legal	365,000
		Other Soft Costs	865,066
		Soft Cost Contingency	559,150
		Developer's Fee	3,600,000
<b>Total Development Cost</b>	<b>\$54,305,415</b>	<b>Total Development Cost (TDC)</b>	<b>\$54,305,415</b>



# SDHC – The Orchard at Hilltop Family Housing

## Affordability & Maximum TCAC Gross Rents

Unit Type	AMI	Unit Count	Maximum TCAC Gross Rent
Studio	30%	14	\$606
One Bedroom	30%	12	\$649
One Bedroom	60%	11	\$1,299
Two Bedroom	40%	5	\$1,040
Two Bedroom	60%	31	\$1,560
Three Bedroom	40%	4	\$1,201
Three Bedroom	60%	16	\$1,802
Four Bedroom	40%	3	\$1,340
Four Bedroom	60%	15	\$2,010
Subtotal residential units		111	
Managers' units (one & two bedrooms)	--	2	--
Total		113	



# SDHC – The Orchard at Hilltop Family Housing Bond Issuance Summary

- Proposed bond issuance of up to \$27,885,943 in tax-exempt bonds and up to \$3,500,000 in taxable bonds for a total proposed issuance of \$31,385,943.
- 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, the 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 – The Orchard at Hilltop Family Housing Development Timeline

Milestone	Estimated Date
• SDHC final bond authorization.....	September 18, 2020
• Housing Authority final bond authorization.....	September 29, 2020
• Bond issuance and escrow closing.....	October 2020
• Start of construction work.....	October 2020
• Completion of construction work.....	June 2022





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# Questions & Comments



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