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# San Diego Housing Commission (SDHC) Final Bond Authorization for Parkside Apartments Housing Authority Agenda Item #1 June 26, 2018

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# SDHC – Parkside Apartments Partnership Development Recommendation

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

## **Housing Authority:**

- Approve issuance of up to \$5,500,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of Parkside Apartments.





# SDHC – Parkside Apartments Partnership Development Development Summary

- Parkside Apartments is the proposed acquisition with rehabilitation of 39 units for families.
  - Located at 4035 Park Haven Court, in Mountain View neighborhood.
  - Mix of one-bedroom, two-bedroom, and three-bedroom units.
  - Five two-story walk-up buildings.
  - Development Details are at Table #1, page 1 of report.





# SDHC – Parkside Apartments Partnership Development Development Summary (Continued)

- Developer is National Community Renaissance of California (National CORE).
  - Experienced nonprofit developer.
  - National CORE has previously obtained Housing Commission loans and successfully implemented them.
  - Development Team Summary at Table #2, page 3 of report.





# SDHC – Parkside Apartments Partnership Development Proposed Rehabilitation

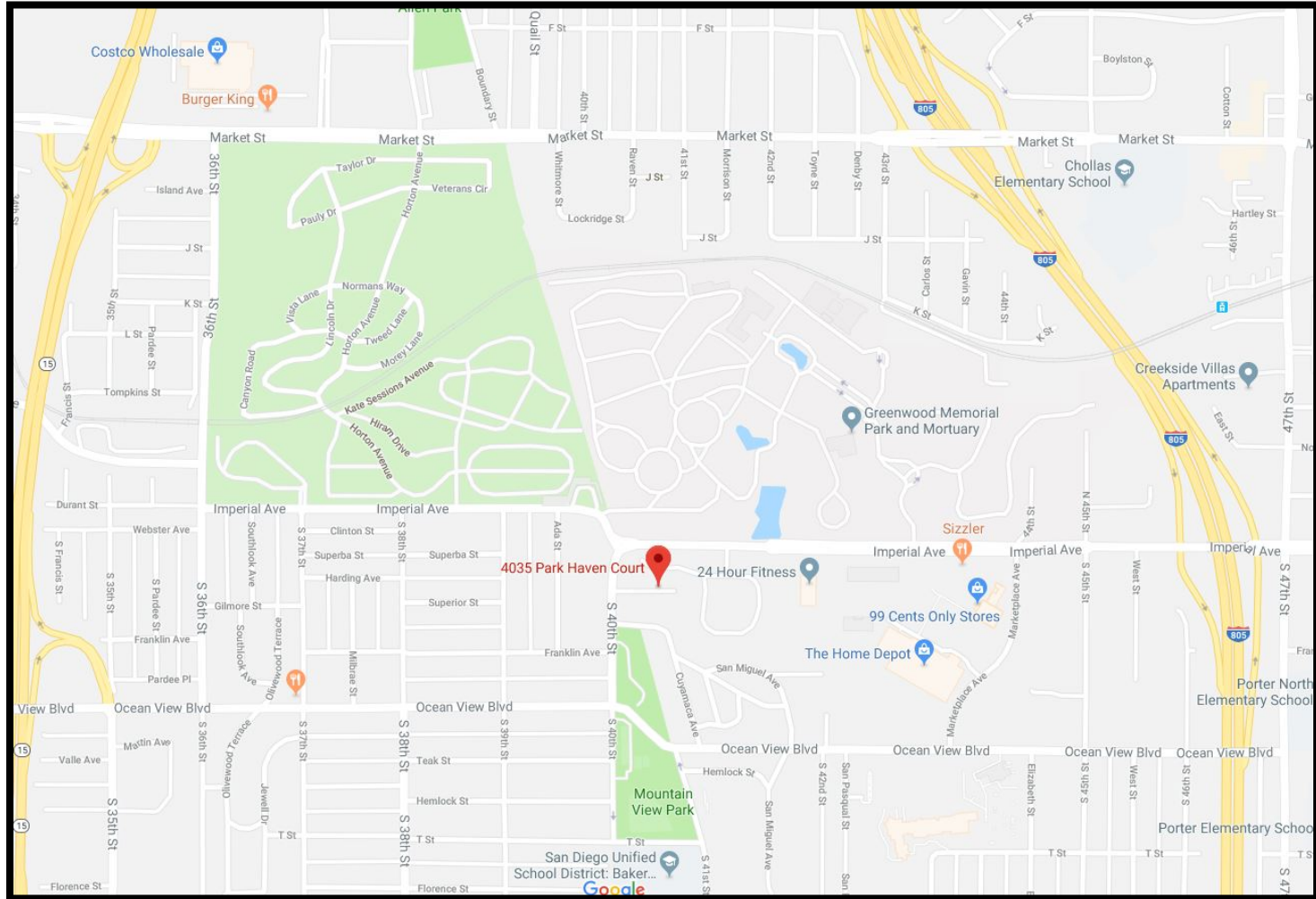
- Developer is planning substantial rehabilitation, including:
  - Improvements to unit interiors:
    - New appliances; cabinets, countertops; and flooring.
  - Exterior building and site improvements.
    - Painting, re-roofing, replacing windows, parking lot maintenance, site fencing, and playground improvement.





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# SDHC – Parkside Apartments Partnership Development Site Map





# SDHC – Parkside Apartments Partnership Development

## Estimated Sources and Uses Permanent Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Permanent Loan (multifamily housing mortgage revenue bonds)	\$2,658,000	Acquisition Costs	\$5,200,000
Seller Loan	\$2,460,000	Hard Costs (including contingency)	\$3,106,636
Housing Commission Loan (existing loan assumption)	\$1,942,220	Financing Costs	\$603,817
Capitalized interest	\$239,178	Other Soft Costs	\$406,179
4 Percent Tax Credits	\$3,366,612	Reserves	\$120,000
Deferred Developer Fee	\$2,788	Developer Fee	\$1,232,166
<b>Total Development Cost</b>	<b>\$10,668,798</b>	<b>Total Development Cost</b>	<b>\$10,668,798</b>
		<b>Estimated Per Unit (40 Units)</b>	<b>\$266,720</b>





# SDHC – Parkside Apartments Partnership Development Affordability

Unit Type	Restrictions	Area Median Income (AMI)	Number of Units	Proposed Gross Rents
1-bedroom	TCAC & SDHC	50% AMI	3	\$913
1-bedroom	TCAC & SDHC	60% AMI	2	\$1,095
2-bedroom	TCAC & SDHC	50% AMI	15	\$1,095
2-bedroom	TCAC & SDHC	60% AMI	14	\$1,314
3-bedroom	TCAC & SDHC	50% AMI	3	\$1,265
3-bedroom	TCAC & SDHC	60% AMI	2	\$1,518
Subtotal			39	
2-bedroom Manager's Unit	N/A	N/A	1	--
<b>Total</b>			<b>40</b>	







# SDHC – Parkside Apartments Partnership Development Proposed Schedule

Milestones	Estimated Dates
• Housing Authority proposed final bond authorization	• June 26, 2018
• Estimated bond issuance and escrow closing	• July 2, 2018
• Estimated start of rehabilitation	• July 2018
• Estimated completion of rehabilitation	• December 2018





# SDHC – Parkside Apartments Partnership Development Bond Issuance Summary

- Proposed bond issuance up to \$5,500,000.
- Developer responsible for paying all costs of issuing bonds.
- Issuance pursuant to Housing Commission's bond policy.
- Bonds issuance will not create financial liability to SDHC, or to Housing Authority or to City.
- Neither 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 – Parkside Apartments Partnership Development Site Map



# SDHC – Parkside Apartments Partnership Development Site Photo



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