



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission (SDHC) Revised Preliminary Bond Authorization for Hillside Views Apartments

Housing Authority Agenda Item #3 and City Council Item #331
June 26, 2018

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SDHC – Hillside Views Partnership Development Recommendations

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

Housing Authority:

- Issue a bond inducement resolution for up to \$41,000,000 in tax-exempt Multifamily Housing Revenue Bonds for the development of Hillside Views Apartments;
- Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue;
- Confirm previously approved Bond Counsel & Financial Advisor;



SDHC – Hillside Views

Partnership Development

Recommendations (Continued)

Housing Authority (Continued):

- Authorize SDHC's President & Chief Executive Officer (President & CEO) to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or Bond Counsel.

City Council:

- Hold a Tax Equity and Fiscal Responsibility Act (TERFA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$41,000,000.



SDHC – Hillside Views Partnership Development Development Summary

- Project was previously called President John Adams Manor.
- Proposed acquisition with rehabilitation of 300 units.
 - Located at 5471 Bayview Heights Place, San Diego, 92105.
 - Substantial rehabilitation is planned.
 - Mix of one-bedroom, two-bedroom, and three-bedroom units.
 - 38 two-story residential buildings and a management office.
- Development Details are at Table #1, page 2 of report.



SDHC – Hillside Views

Partnership Development

Development Summary (Continued)

- Co-Developers are the nonprofit Metropolitan Area Advisory Committee on Anti-Poverty (MAAC) and the nonprofit Kingdom Development Inc. (Kingdom).
 - Experienced developers.
 - MAAC has previously obtained Housing Commission loans and successfully completed them.
- Development Team summary at Table #2, page 4 of report.

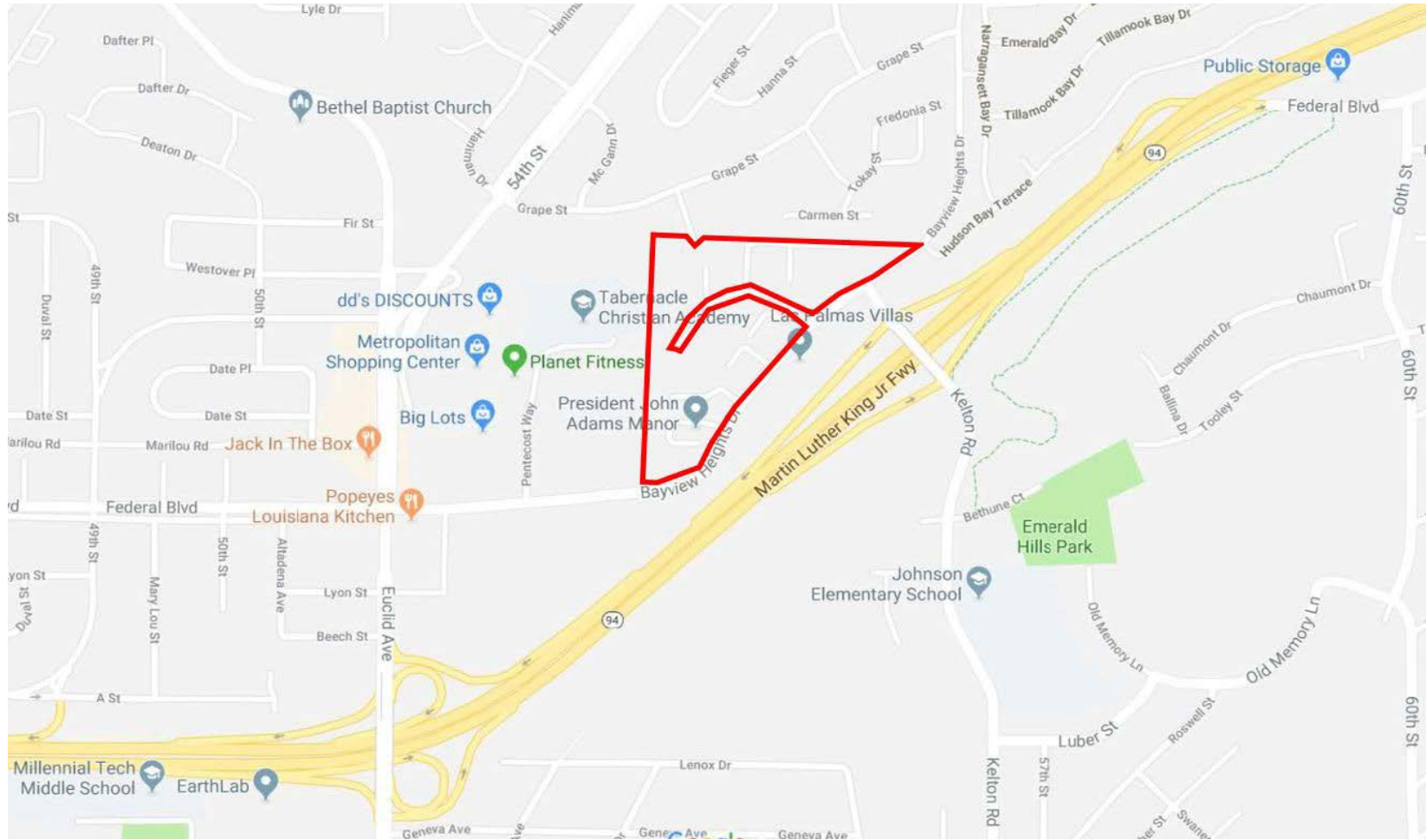


SDHC – Hillside Views Partnership Development Development Summary (Continued)

- Developer is requesting completion of certain preliminary steps for Housing Authority issuance of up to \$41,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Application to California Debt Limit Allocation Committee (CDLAC) for approval of up to \$41,000,000 bonds allocation.
- Application to Tax Credit Allocation Committee (TCAC) for approval to obtain an estimated \$23.2 million in 4 percent tax credits.
- No SDHC cash loan funds.



SDHC – Hillside Views Partnership Development Site Map





(619) 262-5750 fax



SDHC – Hillside Views Partnership Development Site Photo



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SDHC – Hillside Views

Partnership Development

Estimated Sources and Uses Permanent Financing

| Sources of Funds | Amount |
|--------------------------------|---------------------|
| Tax Exempt Bond Financed Loan | \$27,556,962 |
| Seller Carry Back Loan | 23,300,000 |
| Seller Credit | 1,500,619 |
| Seller Replacement Reserves | 50,000 |
| Operating Income | 1,962,719 |
| Deferred Developer's Fee | 5,108,951 |
| Four Percent Tax Credit Equity | 23,195,130 |
| Total | \$82,674,381 |

| Uses of Funds | Amount |
|------------------------|---------------------|
| Acquisition Costs | \$48,400,000 |
| Construction Costs | 16,736,053 |
| Financing Costs | 3,412,262 |
| Other Soft Costs | 2,730,000 |
| Soft Costs Contingency | 900,000 |
| Developer Fee | 9,365,343 |
| Reserves | 1,130,723 |
| Total | \$82,674,381 |

- Estimated TDC Per Unit (for 300 Units) = \$275,581



SDHC – Hillside Views Partnership Development Affordability

| Unit Type | AMI | Number of Units | Gross Rents | Estimated Market Rents |
|--------------------|-----|-----------------|-------------|------------------------|
| 1 Bedroom | 50% | 5 | \$853 | \$1,187 |
| 2 Bedroom | 50% | 21 | \$1,023 | \$1,506 |
| 3 Bedroom | 50% | 4 | \$1,181 | \$2,118 |
| 1 Bedroom | 60% | 39 | \$1,023 | \$1,187 |
| 2 Bedroom | 60% | 187 | \$1,228 | \$1,506 |
| 3 Bedroom | 60% | 41 | \$1,418 | \$2.118 |
| 3 Bedroom Managers | -- | 3 | -- | -- |
| Total | | 300 | | |



SDHC – Hillside Views

Partnership Development

Development Timeline

| Milestone | Estimated Date |
|--------------------------------------------|------------------|
| • Housing Authority Preliminary Review. . | June 26, 2018 |
| • City Council IRS/TEFRA Hearing | June 26, 2018 |
| • Applications for TCAC & CDLAC . . . | August 17, 2018 |
| • Housing Commission Final Review. . . . | October 5, 2018 |
| • Allocation Meetings TCAC & CDLAC . . | October 17, 2018 |
| • Housing Authority Final Review. | October 30, 2018 |
| • Estimated Escrow/Financing Closing. . . | November 2018 |
| • Estimated Construction Start | November 2018 |
| • Estimated Construction Completion. . . . | December, 2019 |



SDHC – Hillside Views Partnership Development Bond Issuance Summary

- Proposed bond issuance up to \$41,000,000.
- 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 – Hillside Views Partnership Development Site Photo

