



SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

San Diego Housing Commission (SDHC) Preliminary Bond Authorization for West Park Housing Authority Agenda Item #4 and City Council Item #332 June 26, 2018

Tina Kessler
Housing Programs Manager
Real Estate Division





SDHC – West Park Partnership Development Recommendations

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

Housing Authority:

1. Issue a bond inducement resolution up to \$9,000,000 in Multifamily Housing Revenue Bonds for the acquisition and rehabilitation of West Park by West Park L.P.;
2. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$9,000,000 for West Park;
3. Approve the financing team of Jones Hall as Bond Counsel and Ross Financial as Financial Advisor; and



SDHC – West Park Partnership Development Recommendations (Cont.)

Housing Authority (Continued):

4. Authorize SDHC's Executive Vice President & Chief of Staff, or designee, 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 (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$9,000,000.



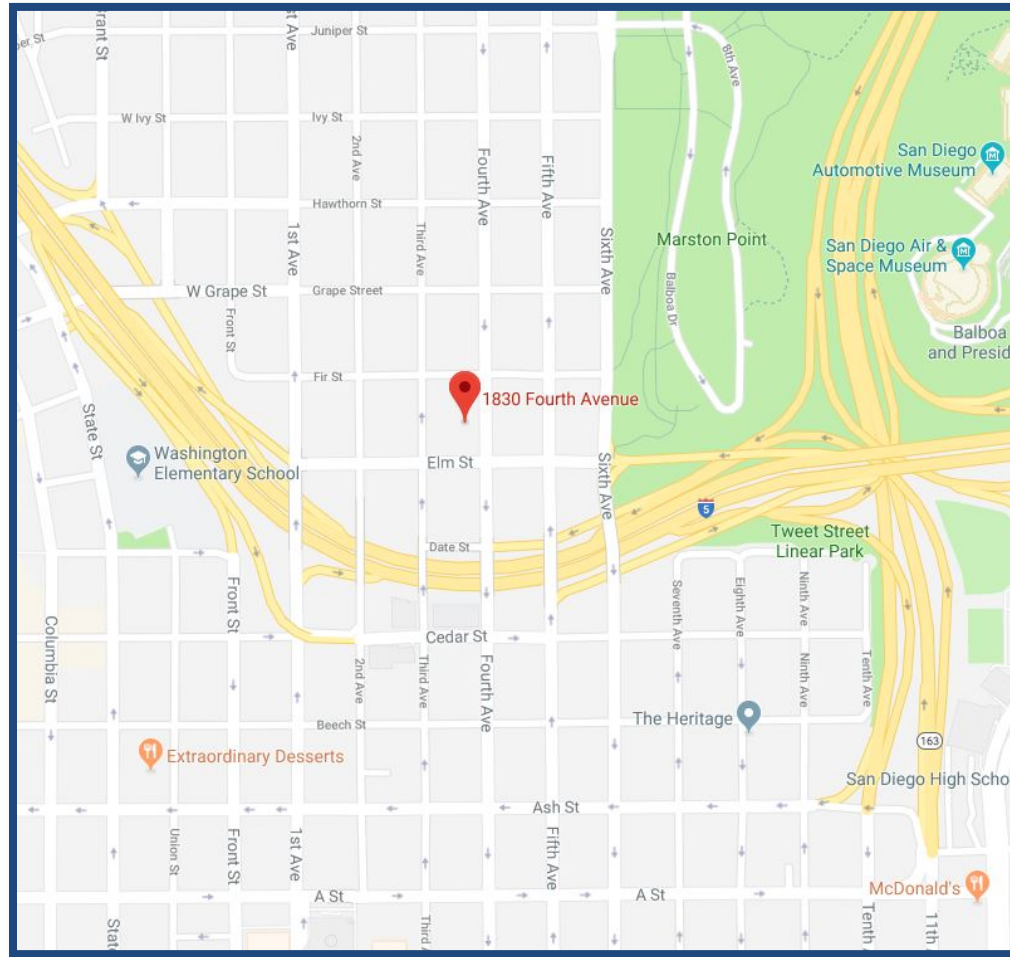


SDHC – West Park Partnership Development HOUSING FIRST – SAN DIEGO

- The development is supported by **HOUSING FIRST – SAN DIEGO: 2018-2020**, SDHC’s Homelessness Action Plan
- West Park will include 46 units for homeless seniors, adults with mental disabilities, and one manager’s unit.
 - 4 studio units
 - 42 single room occupancy (SRO) units
 - 1 SRO manager’s unit



SDHC – West Park Partnership Development Location Map



SDHC – West Park Partnership Development Existing Conditions Photos



SDHC – West Park Partnership Development Existing Conditions Photos



SDHC – West Park Partnership Development Developer's Request

- Improvements to unit interiors:
 - Replace flooring
 - Replace fixtures
 - Replace lighting
 - Upgrade HVAC
 - Add kitchenette
 - Repair window and door hardware
- Exterior building and site improvements
- Improvements to existing office area to accommodate for Service Provider onsite space





SDHC – West Park Partnership Development Developer’s Request

- \$3,593,274 residual receipts loan from SDHC; and
- Ground lease amendment; and
- Bond inducement and TEFRA for the issuance of up to \$9,000,000 in tax-exempt Multifamily Housing Revenue Bonds





SDHC – West Park Partnership Development Development Team Summary

Role	Firm/Contract
Owner	San Diego Housing Commission
Leasehold	HDP West Park, L.P.
Managing Partner	HDP West Park Management LLC
Tax Credit Investor	To be selected
Architect	BASIS Architecture & Consulting
Civil Engineer	Kettler Leweck Engineering
General Contractor	To be selected
Property Manager	SK Management
Relocation Consultant	Clark Land Resources, LLC
Service Provider	County of San Diego Behavioral Health Services. St. Paul's PACE, and Serving Seniors
Construction & Permanent Lender	To be selected





SDHC – West Park Partnership Development

Supportive Services & Resident Service Partnerships

Service Providers:

- County of San Diego Health and Human Service Agency
- St. Paul's PACE
- Serving Seniors

Services:

- Medical support, Daily Living support, Nutrition support, and Transportation support
- Other services as needed will be assessed on a case-by-case basis for tenants.



SDHC – West Park Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$1,819,438	Acquisition	\$5,220,000
Tax Credit Equity	4,960,562	Construction Hard Costs	4,715,040
Housing Commission Loan	3,593,274	Soft costs	3,465,312
Seller's Note	5,220,000	Reserves	416,017
		Developer Fee	1,776,905
Total	\$15,593,274	Total	\$15,593,274

- Estimated Total Development Cost Per Unit (for 47 Units) = \$331,772



SDHC – West Park

Partnership Development

Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Maximum Rent*
Studio Unit	50%	4	\$1,085
SRO Unit	50%	8	\$815
SRO Unit	60%	34	\$815
SRO Manager	N/A	1	-
Total		47	

- Owner paid utilities
- 20-Year HAP contract tenant rent portion will be calculated at 28.5% of his/her adjusted monthly income





SDHC – West Park Partnership Development Development Timeline

Milestone	Estimated Date
• SDHC proposed approval	June 15, 2018
• Housing Authority/City Council preliminary approval	June 26, 2018
• CDLAC bond allocation application	July 20, 2018
• TCAC 4% tax credit application	July 20, 2018
• Housing Commission final bond authorization	November 2018
• Housing Authority final bond authorization	December 2018
• Estimated Escrow/Financing Closing. . .	December 2018
• Estimated Completion. . .	December 2019



SDHC – West Park Partnership Development

