SAN DIEGO HOUSING COMMISSION

REPORT

DATE ISSUED: September 26, 2018 **REPORT NO**: HCR18-083

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of October 5, 2018

SUBJECT: Final Bond Authorization for Hillside Views Apartments

COUNCIL DISTRICT: 4

REQUESTED ACTION

Authorize the issuance of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds, in two separate series, to facilitate the acquisition and rehabilitation of Hillside Views Apartments, a 300-unit existing development, located at 5471 Bayview Heights Place, San Diego 92105, which will include 297 units that will remain affordable for 55 years.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to $41,000,000 in tax-exempt Multifamily Housing Revenue Bonds, in two separate series, for 5471 Bayview Heights, L.P. a California limited partnership formed by the Metropolitan Area Advisory Committee on Anti-Poverty (MAAC), to facilitate the acquisition and rehabilitation of Hillside Views (Hillside), a 300 unit multifamily rental housing development, located at 5471 Bayview Heights Place, San Diego 92105, that will include 297 units that will remain affordable for 55 years, with a financing structure as described in the attached report.

SUMMARY

A Development Summary is included as Attachment 1.

Table 1 – Development Details

Address	5471 Bayview Heights Place, San Diego 92105
Council District	4
Community Plan Area	Eastern Area Community
Development Type	Acquisition with rehabilitation
Construction Type	Type-V
Buildings	39 two-story buildings, wood frame with stucco exterior and flat roofs
Parking Type	300 parking spaces
Housing Type	Multifamily
Lot Size	16.07 acres (700,009 square feet)
Units	300
Density	18.67 dwelling units per acre
Affordable Unit Mix	44 one-bedroom units, 208 two-bedroom units, 45 three-bedroom units, and 3 three-bedroom managers' units
Gross Building Area	279,624 square feet
Net Rentable Area	260,700 square feet

On June 15, 2018, and on June 26, 2018, the Housing Commission (HCR 18-062) and the Housing Authority (HAR 18-062) respectively, approved taking certain preliminary authorization steps to issue up to $41,000,000 of tax-exempt Multifamily Housing Revenue Bonds (Bonds), with non-competitive four percent tax credits, to finance the acquisition and rehabilitation of Hillside (formerly called the President John Adams Manor).

The Development

Constructed in 1977, Hillside is an existing 300-unit apartment complex located at 5471 Bayview Heights Place in San Diego's Oak Park neighborhood (Attachment 2 – Site Map). In 1999, President John Adams Manor Apartments L.P. (MAAC's affiliate) financed acquisition and rehabilitation with a Housing Authority tax-exempt Multifamily Housing Revenue Bond issue of $9,180,000, along with California Tax Credit Allocation Committee (TCAC) equity. This development is subject to the previous TCAC Regulatory Agreement. The Bonds from the previous bond issuance have been paid off.

The complex is composed of 38 two-story residential buildings and a two-story management office with a community room. Site amenities include a playground, a barbecue area, and laundry facilities. MAAC plans to remove an existing basketball court and, in its place, construct a community center. Bus service is available nearby at the northeast corner and southeast corner of the development. Nearby uses include a single-family housing to the north and east, commercial uses to the west, and the Reverend Martin Luther King Jr. Freeway to the south.

Building Conditions/Proposed Rehabilitation Work

MAAC intends to complete a comprehensive renovation to Hillside. The current estimate of rehabilitation cost (including contingency) is $16,736,053 ($55,787/unit). The scope of work will include: new flooring, new kitchens, Energy Star appliances, new bathrooms, new windows, new HVAC, new roofs, provision of 15 units that will be compliant with the Americans with Disabilities Act (ADA), construction of a new community building, addition of an estimated $1,000,000 of solar improvements, and improving the buildings' exterior aesthetics. MAAC intends to enter into a construction contract with Sun Country Builders with the contractor's solicitation of at least three bids from subcontractors to ensure competitive pricing.

Sustainability Features

Hillside will comply with the TCAC minimum energy efficiency standards for rehabilitation projects that require at least a 10 percent post-rehabilitation improvement in energy efficiency over existing conditions.

Prevailing Wages

The developers have confirmed prevailing wages are not applicable to the proposed financing structure. Rehabilitation will not require prevailing wages because no Federal nor State funds will be used.

Accessibility

TCAC has approved the developers' waiver request to revise the wheelchair accessibility requirement from ten percent (30) units to 16 units. Four percent (12) units must be accessible to residents with visual and/or hearing impairment.

Relocation

The developers do not anticipate permanent relocation of tenants. The rehabilitation budget will include $600,000 ($2,000/unit) for temporary relocation. It is estimated that tenants will be temporarily relocated to on-site hospitality units for approximately a five to ten days period. To prepare for unforeseen circumstances, the project pro forma is budgeting $300,000 ($1,000/unit) for possible permanent relocation.

Development Team

The developers are the nonprofit MAAC and the nonprofit Kingdom Development Inc. (Kingdom). MAAC offers a variety of services for low-income persons, including operating comprehensive housing communities that offer supportive services. As one of the region's largest nonprofit social services providers, MAAC's various programs assist more than 35,000 people each year. Founded in 1965, MAAC has developed nearly 1,000 units of affordable housing in San Diego County. Kingdom is a 501(c) (3) nonprofit. It is acting as MAAC's financial consultant and will be a member of MAAC Bayview Heights L.L.C., the proposed new Managing General Partner. Founded in 2015, Kingdom's founder has assisted property owners to develop 29 affordable housing communities. MAAC will continue to be the property manager. An organization chart is at Attachment 3. The developers' statements for public disclosure are included at Attachment 4.

Table 2 - Development Team Summary

ROLE	**FIRM/CONTACT**
Owner Managing General Partner (.01 percent) Tax Credit Investor/Limited Partner (99.99 percent)	5471 Bayview Heights L.P. MAAC Bayview Heights, L.L.C. Redstone Capital L.L.C. (Redstone)
Architect	Foundation for Form
General Contractor	Sun Country Builders
Property Management	MAAC
Bond Issuance Underwriter	RBC Capital Markets
Tax Credit Investor	Red Stone Equity Partners
Permanent Lender	Fannie Mae (loan originated by Red Mortgage Capital) (Red Capital)

Financing Structure

Hillside has an estimated total development cost of $82,469,150 ($274,897/unit). Financing will include a combination of sources as described in Table 3. No Housing Commission cash loan proceeds will be provided to this development. The developers' current pro forma is included as Attachment 5.

Table 3 – Hillside Revised Estimated Sources and Uses of Financing

Permanent Financing Sources	**Amounts**	**Permanent Financing Uses**	**Amounts**	**Per Unit**
Taxable Permanent Loan	$27,556,962	Acquisition Costs	$48,400,000	$161,333
Seller Carry Back Loan	23,300,000	Construction (with solar)- $13,018,791 Contingency - 1,488,309 Overhead/Profit/Ins - + 2,228,953 Total Construction Costs - $16,736,053	16,736,053	55,787
Seller Replacement Reserves	50,000	Financing Costs	3,067,884	10,226
Seller Credit (for Short Term Work)	1,500,619	Other Soft Costs	2,605,000	8,603
Interest Income	48,750	Reserves	1,255,725	4,186
Operating Income	1,974,809	Soft Costs Contingency	900,000	3,000
Deferred Developer Fee	5,265,481	Developer Fee	9,504,489	31,682
4 Percent Tax Credit Equity	22,772,529			
Total Development Cost	**$82,469,150**	**Total Development Cost**	**$82,469,150**	**$274,897**

Developer Fee

On April 25, 2017, the Housing Authority approved the "*Request for Approval of Updated Developer Fees*" (HAR 17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. That report states: *"Multifamily housing revenue bond issuances that do not include Housing Commission gap financing shall not be restricted to Housing Commission developer fee limits."* Hillside's financing does not include Housing Commission cash gap financing. Thus, this development's proposed developer fee is calculated pursuant to TCAC regulations. For four percent tax credit transactions the TCAC developer fee is a calculation of 15 percent of eligible basis and 15 percent of acquisition basis (not including the developer fee). Hillside's proposed developer fee is as follows:

$9,504,489 - gross developer fee
- 5,265,481 - minus deferred developer's fee
$4,239,008 - net cash developer fee

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Revised Key Performance Indicators

Development Cost Per Unit	$82,469,150 ÷ 300 units =	$274,897
Acquisition Cost Per Unit	$48,400,000 ÷ 300 units =	$161,333
Gross Building Square Foot Hard Cost	$16,736,053 ÷ 279,624 sq. ft. =	$59.85
Net Rentable Square Foot Hard Cost	$16,736,053 ÷ 260,700 sq. ft. =	$64.20

Project Comparison Chart

There are multiple factors and variables that influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, site improvements needed, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City of San Diego (City) impact fees, developer experience and capacity, and amenities necessary to gain tax credit approval. Table 5 shows a comparison of the subject property and other developments of the same construction type.

Table 5 – Revised Comparable Rehabilitation Projects with Tax-Exempt Bonds

Project Name	Year	Construction Type	Units	Total Development Cost	Cost Per Unit	SDHC Subsidy Per Unit *	Rehab Cost	Rehab Cost Per Unit
Subject-Hillside	**2018**	**V**	**300**	**$82,469,150**	**$274,897**	**$0**	**$16,736,053**	**$55,787**
Mountain View	2017	V	145	$48,166,994	$332,186	$91,358	$13,286,361	$91,630
Coronado Terrace	2017	V	312	$125,721,978	$402,952	$0	$25,548,297	$81,886
Vista Terrace Hills	2016	V	262	$114,207,265	$435,906	$0	$20,130,000	$76,832
Bella Vista	2016	V	170	$46,003,150	$270,607	$0	$8,770,116	$51,589
Vista La Rosa	2016	V	240	$78,954,250	$328,976	$0	$11,384,928	$47,437

*The Housing Commission "subsidy per unit" amount is the extended loan; it does not include the project's bonds amount.

Proposed Housing Bonds

Multifamily housing financing often involves the issuance of tax-exempt Multifamily Housing Revenue Bonds (Bonds) on behalf of private developers of qualifying affordable rental apartment projects. The advantages of tax-exempt financing to developers include below-market interest rates and access to Low Income Housing Tax Credits (Tax Credits) – features that are not available with typical conventional multifamily housing mortgage loans.

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower tax-exempt interest rate financing (and make Federal four percent Tax Credits available) to developers of affordable rental housing. The Housing Authority's ability to issue tax-exempt bonds is limited under the U.S. Internal Revenue Code. To issue tax-exempt bonds for a development, the Housing Authority must first submit an application to the California Debt Limit Allocation Committee (CDLAC) for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission, the Housing Authority, and the City Council. Housing Authority bond inducement resolutions must be obtained prior to a CDLAC application submittal. A Tax Equity and Fiscal Responsibility Act (TEFRA) City Council resolution must be secured by approximately 30 days before the CDLAC allocation meeting. These Housing Commission, Housing Authority and City Council actions were completed for Hillside as of June 26, 2018. On July 20, 2018, the Hillside Developer applied to CDLAC for a $41,000,000 bond allocation and applied to TCAC for a Tax Credits allocation. CDLAC and TCAC allocations approvals are expected on September 19, 2018 and October 17, 2018 respectively. Final authorization of the Bonds issuance will require Housing Authority approval on October 30, 2018.

The Bonds will be used for acquisition and rehabilitation financing. The Bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City's ordinance on bond disclosure and credit enhancement. A general description of the Multifamily Housing Revenue Bond Program and the actions required by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 6.

<u>Bonds Structure</u>
The Developer is proposing an up to $41,000,000 bond financing structure composed of Housing Authority issuance of two separate Bonds series:

(i) Series 1 – issuance in an amount up to $29,000,000 of tax-exempt short-term publicly-offered Bonds, that will be backed by cash and cash equivalents, are expected to be AA+ rated, and
(ii) Series 2 – a separate issuance in an amount up to $12,000,000 of tax-exempt short-term Bonds privately-placed with California Bank & Trust Company and backed solely by cash and cash equivalents.

It is unusual for a Housing Authority bond structure to utilize both a publicly offered bond issue, and a privately placed bond issue for a single development. However, the Housing Authority has financed affordable housing projects in the past that have utilized multiple credit structures.

<u>The Series 1 Bonds - Up to $29,000,000 Bonds Issue</u>:
<u>Public Offering</u> - The Developer proposes that the Housing Authority will issue up to $29,000,000 of Bonds that will be structured as rated, non-credit-enhanced, 100% cash collateralized, short term, and publicly offered Bonds that will be marketed and underwritten by RBC Capital Markets (RBC). RBC is part of the Royal Bank of Canada, one of the largest worldwide banks.

<u>Financing</u> - Three separate financing sources will close simultaneously at Bonds issuance:
Source 1) short-term tax-exempt Series 1 Bonds underwritten in a public offering by RBC. The Series 1 Bonds are expected to receive a rating of AA+ from Standard & Poors.
Source 2) short-term tax-exempt Series 2 Bonds to be purchased, in a private placement, by California Bank and Trust (a division of Zions Bank corporation).
Source 3) a long-term taxable conventional permanent loan from the Federal National Mortgage Association (Fannie Mae), (a United States government-sponsored enterprise).

Both series of the short-term Bonds will be issued as tax-exempt in an amount sufficient to qualify the project for four percent Tax Credits. Proceeds of the Series 1 and Series 2 Bonds will be loaned to the

Borrower, 5471 Bayview Heights L.P., a California single-asset limited partnership created by the developers (MAAC and Kingdom). The Bond proceeds, together with other funds, will be used by the Borrower to finance Hillside's acquisition and rehabilitation.

Security - Bond repayment will be secured by deposits in a Collateral Fund, and a Capitalized Interest Account. The Bonds will be 100% cash collateralized. The Trustee (to-be-selected) will hold deposited funds in cash or they will be invested in permitted investments that are expected to include U.S. Treasury obligations. The Trustee may release the Bond proceeds to the Borrower for acquiring and rehabilitating the development only if it receives a like amount of funds into a Collateral Fund. The deposits in the Collateral Fund must be bankruptcy-proof. There will be no additional credit enhancement. Red Capital, (a Delegated Underwriting and Servicing lender) will originate the Fannie Mae permanent loan. The loan is expected to be secured by a first lien position on the property.

Interest – Interest on the Bonds will be pre-funded from Bond issuance proceeds or will be paid from investment earnings on Bonds proceeds. The Series 1 Bonds will have a fixed interest rate payable semi-annually. Based on current market conditions, the parties estimate a Series 1 Bond interest rate at approximately two percent.

Principal Amount and Maturity Term - The short term Series 1 Bonds are expected to be issued in the amount of approximately $29,000,000. They will have a three-year final maturity date (after issuance), subject to a mandatory prior redemption in approximately two years. The Series 1 Bond amount that is ultimately issued will be based upon development costs, revenues and interest rates prevailing at the time of Bond issuance. After the rehabilitation is completed, the Series 1 Bonds will be redeemed in full from cash collateral held by the Trustee, the proceeds of the Fannie Mae permanent mortgage loan, and/or tax credit equity funds.

Financing Documents for Series 1 Bonds:

Trust Indenture – The Series 1 Bonds will be issued pursuant to an Indenture between the Housing Authority and a to-be-selected Trustee. The Indenture sets forth the terms of the Series 1 Bonds, including interest rate, final maturity, and redemption provisions. The Indenture establishes accounts for deposit of Bond proceeds and repayment sources. Based upon instructions contained in the Indenture, the Trustee will disburse bond proceeds for eligible costs, collect project revenues, and make payments to the Bondholders.

Loan Agreement – Under the terms of the Loan Agreement, the Housing Authority will loan the proceeds of the Bonds to the borrower in order to develop the project. The loan is evidenced by a note in an amount corresponding to the principal amount of the Series 1 Bonds. With the Loan Agreement, the Housing Authority assigns its rights to receive note payments to the Trustee.

Regulatory Agreement and Declaration of Restrictive Covenants – A Regulatory Agreement will be recorded against the property to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable Federal and State laws. The Regulatory Agreement restricts the rental of the 297 affordable apartments (the three managers' units are exempted) to low-income residents for at least 55 years.

Bond Purchase Agreement – This Agreement is among the Housing Authority, the Borrower and the Underwriter of the Series 1 Bonds. It sets forth the conditions under which the Underwriter will purchase the Series 1 Bonds.

Official Statement - During the Series 1 Bonds' marketing period, an Underwriter-prepared Official Statement, in preliminary form, will be used. After the Series 1 Bonds are sold, final pricing information will be included and the Official Statement will become final. The Official Statement, in preliminary form, will be used to market the Bonds to investors. It describes the terms, financing structure, flow of funds, the development, and the security for the Bonds. The Official Statement, which will be executed by the Borrower, will contain limited information about the Housing Authority as issuer. This information verifies that the Housing Authority is an appropriate issuer of the Bonds and that there is not existing or threatened litigation that would jeopardize the validity of the Bonds. Financial statements of the Housing Commission or Housing Authority are not included in the Official Statement.

The Series 2 Bonds - Up to $12,000,000 Bonds:

Private Placement - The developers propose that the Housing Authority issue up to $12,000,000 of Bonds that will be structured as privately placed short-term Bonds. The Series 2 Bonds will be sold through a private placement initially to California Bank & Trust (California Bank). California Bank is considered a "qualified institutional buyer" within the meaning of U.S. securities laws. At closing, California Bank will sign an "Investor's Letter" certifying, among other things, that it is buying the Bonds for its own account and not for public distribution. Because the Bonds are being sold through a private placement, an Official Statement will not be necessary. In addition, the Bonds will not be subject to continuing disclosure requirements, nor will they be credit enhanced nor rated. California Bank will hold the Bonds for its own account. If there is an unexpected proposed transfer of the Series 2 Bonds, then any subsequent proposed Bondholder must comply with Housing Commission policy number PO300.301. Moreover, any subsequent Bondholder of Series 2 Bonds would be required to represent to the Housing Authority that they are a qualified institutional buyer or accredited investor who is buying the Series 2 Bonds for investment purposes and not for resale, and that they have made due investigation of any material information necessary in connection with a decision to purchase the Bonds.

Financing - The Series 2 Bonds will only be outstanding during the acquisition and rehabilitation of this development. The Series 2 Bonds amount that is ultimately issued will be based upon development costs, revenues, and interest rates prevailing at the time of Bond issuance and final sizing of the Series 1 Bonds.

Term – The Series 2 Bonds will mature in approximately 24 months, subject to prior redemption in 18 months.

Interest – The Bonds' interest rate will be based on the London Interbank Offered Rate (LIBOR) plus 1.5 percent adjusted monthly.

Security – Series 2 Bonds will be 100 percent cash secured. The Trustee will hold the cash security. There will not be a Deed of Trust securing the repayment of the Bonds.

Repayment – Interest only payments are due monthly. The principal payment is all due at maturity of the Series 2 Bonds or their prior redemption date.

Financing Documents for Series 2 Bonds:

For Bonds Series 2, the following major documents will be executed on behalf of the Housing Authority:

Trust Indenture – The Series 2 Trust Indenture will be structured as described for the Series 1 Bonds above. However, the Series 1 Bonds and the Series 2 Bonds will be issued under different Trust Indentures.

Loan Agreement – The Series 2 Loan Agreement will be structured as described for the Series 1 Bonds above. However, the Series 1 Bonds and the Series 2 Bonds will use different Loan Agreements.

Regulatory Agreement – The Series 2 Regulatory Agreement will be structured as described for the Series 1 Bonds above. However, both the Series 1 Bonds and the Series 2 Bonds will use a common Regulatory Agreement.

Assignment of Loan Documents – The Series 2 Assignment of Loan Documents will assign to the Trustee, the Housing Authority's rights and responsibilities as the Bonds issuer. Rights and responsibilities that are assigned to the Trustee include the right to collect and enforce the collection of loan payments, monitor project rehabilitation, and enforce insurance plus other requirements. These rights will be used by the Trustee to protect the financial interest of the Bond owners. At the time of docketing, the Bonds documents, in substantially final form, will be presented to the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney's Office and Bond Counsel. Staff is working with the City Attorney, and the City's Disclosure Practices Working Group, to ensure that the issuance of Housing Authority Bonds is in conformance with the City's disclosure requirements.

Financial Advisor's Feasibility Analysis
Ross Financial is the Bonds Financial Advisor, and Quint & Thimmig LLP is the Bond Counsel. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is the Financial Advisor's recommendation that the Housing Authority proceed with issuance of the Bonds. The Financial Advisor's analysis and recommendation is included as Attachment 7.

AFFORDABLE HOUSING IMPACT

Under the proposed Bonds financing, Hillside would restrict 212 of the units to households with incomes at or below 50 percent of San Diego Area Median Income (AMI), and 85 of the units to household with incomes at or below 60 percent of AMI. The remaining three units will be unrestricted managers' units. The original 1999 TCAC Regulatory Agreement currently restricts affordability on 120 units at 60 percent of AMI until 2029. This current proposal will make 297 units affordable/restricted for a 55-year term to 2073 (which includes a 44-year extension from the current requirement on 120 of the units). Table 6 summarizes the affordability:

Table 6 – Hillside Affordability & Monthly Estimated Rent Table

Unit Type	Restrictions	AMI	Units	TCAC Gross Rents
1-bedroom	Tax Credit & Bonds	50% AMI	38	$862
2-bedroom	Tax Credit & Bonds	50% AMI	164	$1,028
3-bedroom	Tax Credit & Bonds	50% AMI	10	$1,181
Subtotal 50% AMI Units	--	--	212	--
1-bedroom	Tax Credit & Bonds	60% AMI	6	$1,045
2-bedroom	Tax Credit & Bonds	60% AMI	44	$1,247
3-bedroom	Tax Credit & Bonds	60% AMI	35	$1,434
Subtotal 60% AMI Units	--	--	85	--
3-bedroom Managers	Unrestricted	-	3	-
Total Units			300	

Development Schedule
The estimated development timeline is as follows:

Milestones	Revised Estimated Dates
• Housing Authority proposed final bond authorization	• October 30, 2018
• Estimated close of escrow and bond issuance	• November 2018
• Estimated start of rehabilitation	• November 2018
• Estimated completion of rehabilitation	• December 2019

FISCAL CONSIDERATIONS

Certain bond issuance fee elements resulting from this proposed action are included in the Housing Authority-approved Fiscal Year (FY) 2019 Housing Commission Budget. Approving this action will not change the FY 2019 total budget.

- Estimated Funding sources approved by this action will be as follows:
  Bond Issuance Fees - $102,500 ($41,000,000 X .0025).
- Estimated Funding uses approved by this action will be as follows:
  Rental Housing Finance Program Administration Costs - $102,500.

The Bonds will not constitute a debt of the City. If Bonds are ultimately issued for the development, the Bonds will not financially obligate the City, the Housing Authority, or the Housing Commission because security for the repayment of the Bonds will be limited to cash collateral. Neither the faith and credit nor the taxing power of the City nor the Housing Authority will be pledged to the payment of the Bonds. The Developer is responsible for the payment of all costs under the financing, including the Housing Commission's .0025 bond amount issuer fee (estimated at $102,500 with a $41,000,000 bond issue), the Housing Commission's ongoing annual Bonds administrative fee (estimated at $10,000 at permanent loan conversion), and the Housing Commission's Bond Counsel and Financial Advisor fees. Commencing upon rehabilitation completion, the developers shall pay to the Housing Commission an annual occupancy-monitoring fee, in an amount as determined by the Housing Commission in schedules promulgated by the Housing Commission from time to time.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On May 8, 2018, the developers presented their Hillside proposal, as an information item, to the Eastern Area Communities Planning Committee.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include the residents of Hillside, MAAC, Kingdom, the City of San Diego, and the Oak Park neighborhood. Development of the property is expected to have a positive impact on the community because it will improve and preserve existing affordable housing for low-income tenants.

ENVIRONMENTAL REVIEW

This project's proposed rehabilitation is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the State CEQA Guidelines because the Project is an existing facility and the proposed actions do not involve expansion of the existing use. Processing under the National Environmental Policy Act is not required as no Federal funds are involved in this action.

Respectfully submitted,

J. P. Correia

J.P. Correia
Sr. Real Estate Project Manager
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President & Chief Of Staff
San Diego Housing Commission

Attachments:
1) Development Summary
2) Site Map
3) Organization Chart
4) Developers' Disclosure Statements
   a. MAAC
   b. Kingdom Development Inc.
5) Developer's Project Pro forma
6) Multifamily Housing Revenue Bond Program
7) Financial Advisor's Feasibility Analysis

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Governance and Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org