



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission Final Bond Authorization for Hillside Views Apartments October 5, 2018

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SDHC – Hillside Views Partnership Development Recommendation

That the San Diego Housing Commission (SDHC) 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. to facilitate the acquisition and rehabilitation of the Hillside Views Apartments, located at 5471 Bayview Heights Place, San Diego, including 297 rental units that will remain affordable for 55 years.



SDHC – Hillside Views Partnership Development Development Summary

- Project was previously called President John Adams Manor.
- Proposal is for Housing Authority to issue up to \$41,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Earlier this year, SDHC and the Housing Authority approved certain bond issuance required preliminary actions.
- On September 19, 2018, the California Debt Limit Allocation Committee (CDLAC) approved a bond allocation of up to \$41,000,000.
- California Tax Credit Allocation Committee (CTCAC) allocation approval (of estimated \$22,772,529 of 4% tax credits) is expected on October 17, 2018.
- Final bond issuance authorization requires Housing Authority approval.



SDHC – Hillside Views

Partnership Development

Development Summary (Continued)

- Proposed acquisition with rehabilitation of 300 existing apartment units for families.
 - Located at 5471 Bayview Heights Place, San Diego, 92105.
 - Constructed in 1977 and was previously rehabilitated in 1999.
 - 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 1 of report.



SDHC – Hillside Views

Partnership Development

Development Summary (Continued)

- Co-Developers are the non-profit Metropolitan Area Advisory Committee on Anti-Poverty (MAAC) and the non-profit Kingdom Development Inc. (Kingdom).
 - Experienced developers.
 - MAAC has previously obtained Housing Commission loans and successfully implemented.
- Development Team summary at Table #2, page 3 of report.

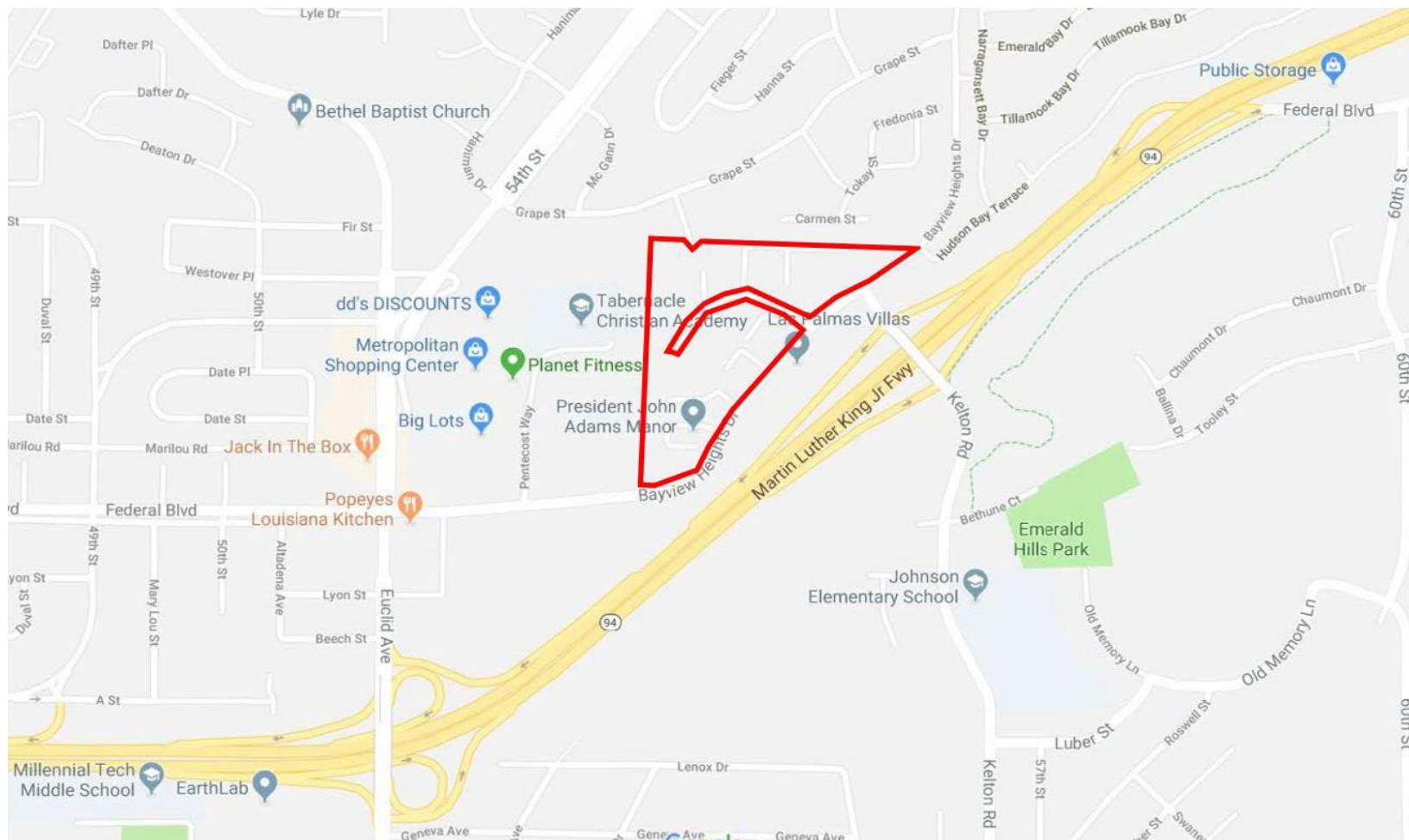


SDHC – Hillside Views Partnership Development Proposed Rehabilitation

- Developers are planning substantial rehabilitation, including:
 - Improvements to unit interiors:
 - Painting, New kitchens, new bathrooms, new flooring, new windows, new Energy Star appliances, new flooring, and new HVAC.
 - Accessibility: 16 units with wheel chair accessibility and 12 units accessible for visually and/or hearing impaired tenants.
 - Improvements to exterior buildings and to the site:
 - New roofs, painting, playground improvements, construction of a new community building, and improving 38 buildings' exterior aesthetics.
 - Addition of estimated \$1,000,000 of solar energy improvements.
- No SDHC cash loan funds.



SDHC – Hillside Views Partnership Development Site Map



SDHC – Hillside Views Partnership Development Site Plan

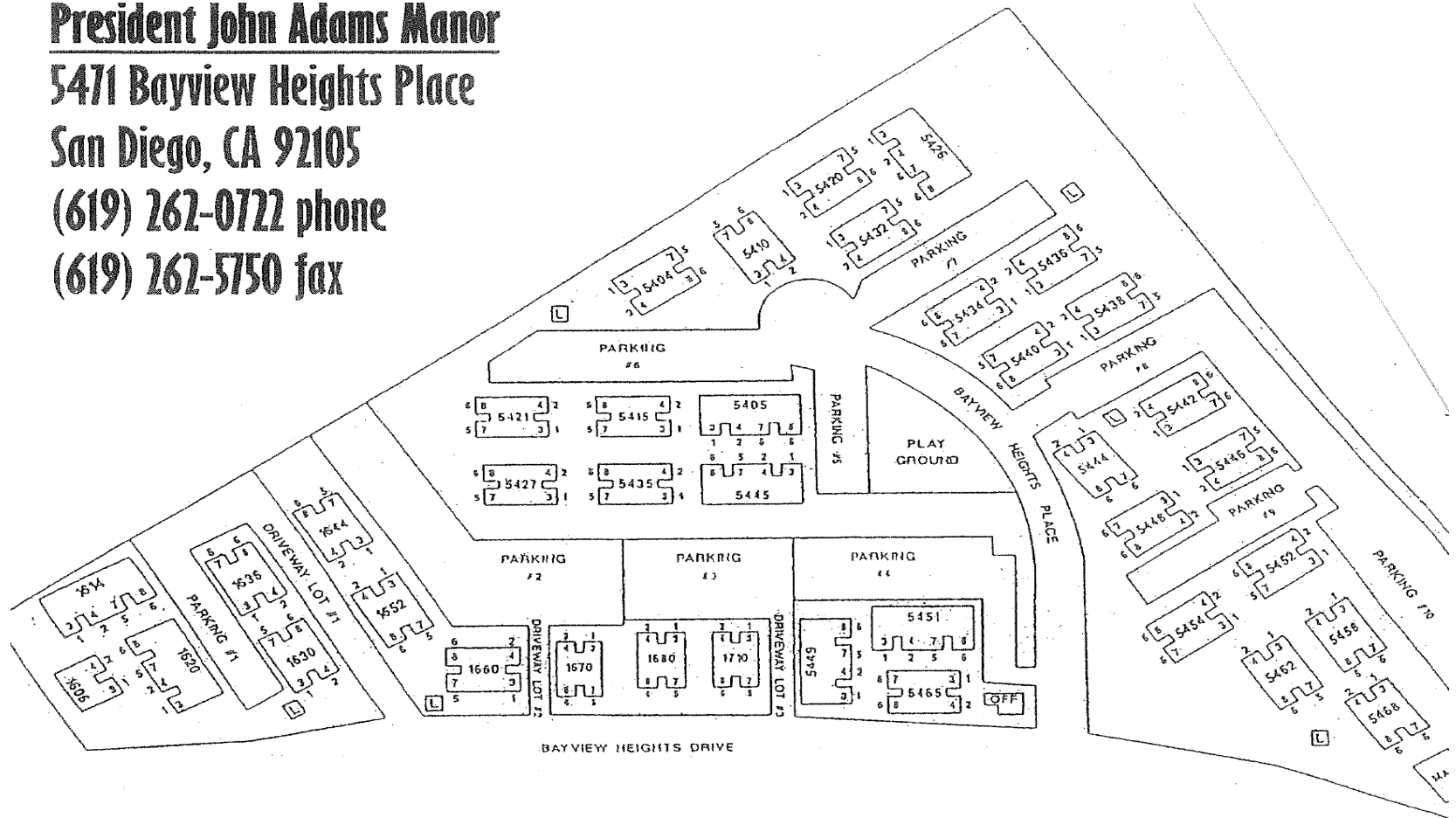
President John Adams Manor

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SDHC – Hillside Views Partnership Development Site Photo



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	23,150,000
Seller Credit	1,500,619
Seller Replacement Reserves	50,000
Operating and Interest Income	2,376,416
Deferred Developer's Fee	5,062,624
Four Percent Tax Credit Equity	22,772,529
Total	\$82,469,150

Uses of Funds	Amount
Acquisition Costs	\$48,400,000
Construction Costs	16,736,053
Financing Costs	2,403,707
Other Soft Costs	3,394,176
Soft Costs Contingency	900,000
Developer Fee	9,504,489
Reserves	1,130,725
Total	\$82,469,150

- Estimated TDC Per Unit (for 300 Units) = \$274,897

- No SDHC cash loan funds are in the proposed Sources of Funds.



SDHC – Hillside Views Partnership Development

Estimated Sources and Uses – Permanent Financing (Continued)

- Financing of Acquisition and Rehabilitation with Two Bond Series:
 - **Bond Series 1 – up to \$29,000,000 publicly offered.**
 - Tax exempt, short term, cash collateralized.
 - To be purchased by bond underwriter: RBC Capital Markets.
 - Following rehab completion, will have conversion to permanent financing. Bond Series 1 will be replaced with Fannie Mae insured mortgage, originated by Red Capital.
 - **Bond Series 2 – up to \$12,000,000 privately placed.**
 - Tax exempt, short term.
 - Privately placed with California Bank & Trust Company.
 - Both Bond Series (1 & 2) will be issued simultaneously.



SDHC – Hillside Views Partnership Development Affordability

Unit Type	AMI	Number of Units	Gross Rents	Estimated Market Rents
1 Bedroom	50%	5	\$862	\$1,187
2 Bedroom	50%	21	\$1,028	\$1,506
3 Bedroom	50%	4	\$1,181	\$2,118
1 Bedroom	60%	39	\$1,045	\$1,187
2 Bedroom	60%	193	\$1,247	\$1,506
3 Bedroom	60%	35	\$1,434	\$2.118
3 Bedroom Managers	--	3	--	--
Total		300		



SDHC – Hillside Views Partnership Development Timeline

Milestone	Estimated Date
• 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 SDHC'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

