



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission Preliminary Bond Authorization for Mariner's Village November 30, 2018

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SDHC – Mariner’s Village Partnership Development Recommendations

That the San Diego Housing Commission (SDHC):

1. Enter into an Option to Ground Lease Agreement and Ground Lease between Housing Development Partners (HDP), SDHC’s nonprofit affiliate, or a to-be-formed entity of which HDP is the managing member
 - 65-year term
 - Transfer of Mariner’s Village
 - 172-unit existing development
 - Located at 6847 Potomac Street, San Diego 92139

2. Authorize the Executive Vice President & Chief of Staff or designee to execute any and all documents necessary to implement the transaction in a form approved by General Counsel.





SDHC – Mariner’s Village Partnership Development Recommendations (Continued)

That SDHC recommend that the Housing Authority of the City of San Diego (Housing Authority):

3. Approve the following steps to issue tax-exempt Multifamily Housing Revenue Bonds for Mariner’s Village
 - Issue a bond inducement resolution for up to \$42,000,000
 - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
 - Approve a financing team of Squire Patton Boggs as Bond Counsel and Ross Financial as bond financial advisor

4. Authorize the Executive Vice President & Chief of Staff, or designee, to execute any and all documents necessary to implement the transaction in a form approved by General Counsel and/or Bond Counsel.





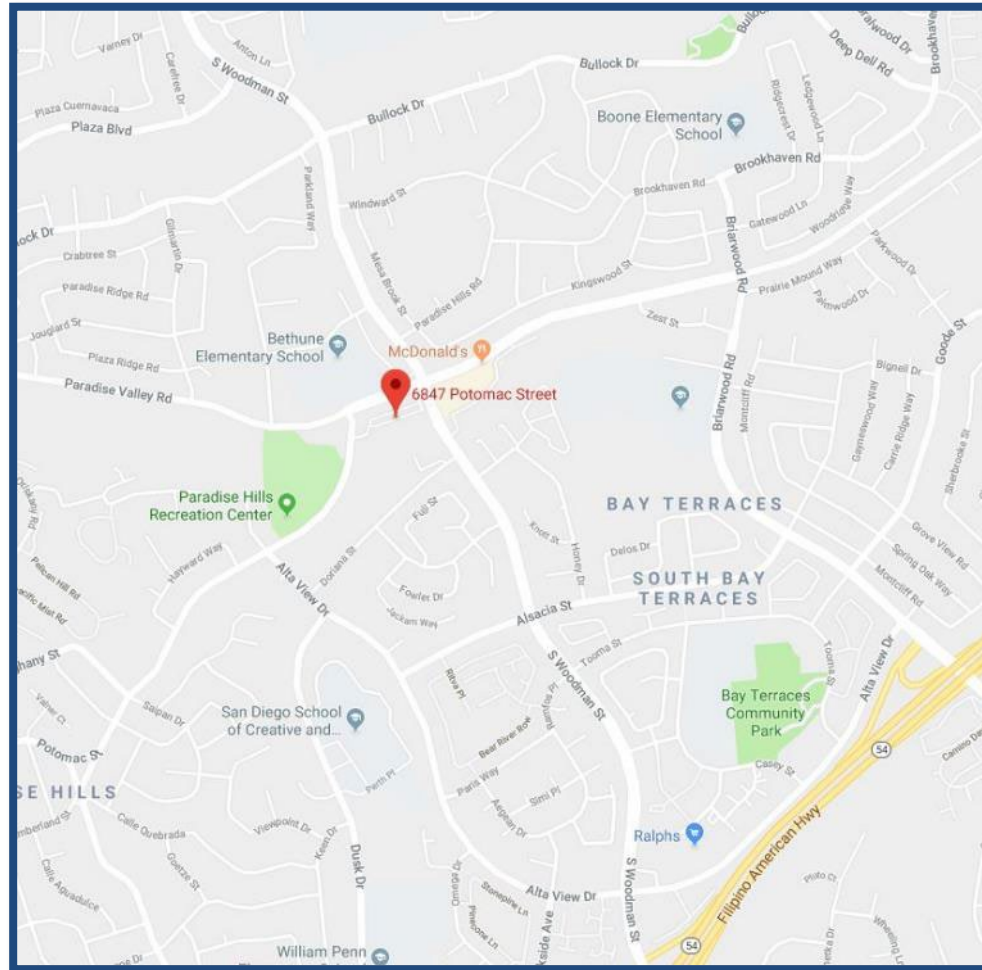
SDHC – Mariner’s Village Partnership Development Recommendations (Continued)

That SDHC recommend that the San Diego City Council (City Council):

5. Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority’s issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount of up to \$42,000,000.

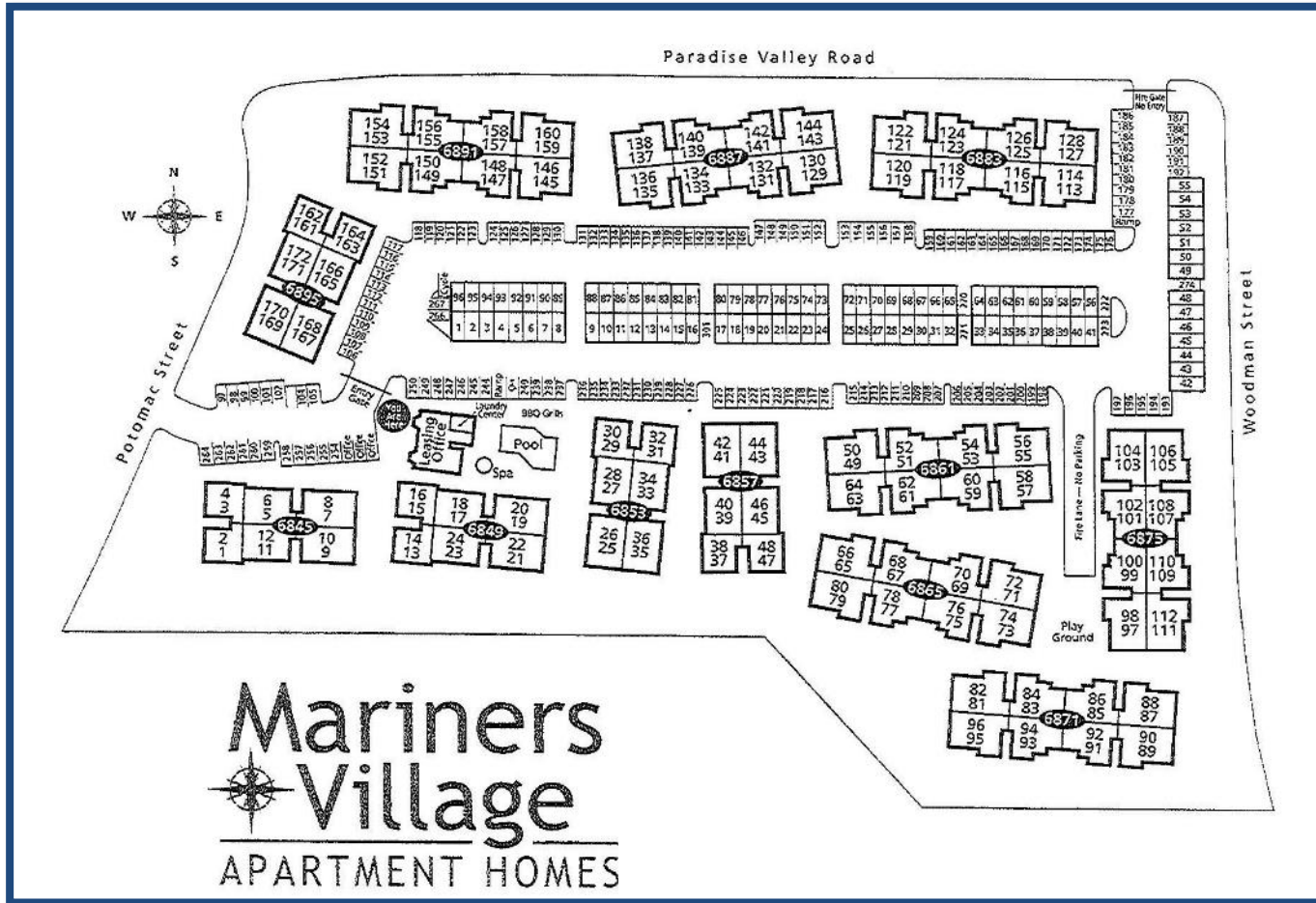


SDHC – Mariner’s Village Partnership Development Location Map





SDHC – Mariner’s Village Partnership Development Site Plan



SDHC – Mariner's Village Partnership Development Site Photos



SDHC – Mariner's Village Partnership Development Site Photos (Continued)



SDHC – Mariner’s Village Partnership Development Proposed Rehabilitation

- Improvements to unit interiors:
 - Replace windows
 - Replace kitchen cabinets
 - Install new range hoods
 - Replace kitchen countertops, sinks and bath vanities
 - Resurface tubs and install new hardware
 - New flooring
 - New kitchen appliances
 - Upgrade HVAC systems
 - Replace door hardware as needed
- Exterior building and site improvements
 - Accessibility upgrades
 - Replace signage
 - Resurface and restripe parking lot





SDHC – Mariner’s Village Partnership Development Developer’s Request

- Enter into an Option to Ground Lease Agreement;
- 65-year Ground Lease; and
- Issue up to \$42,000,000 of tax-exempt multifamily housing revenue bonds
- No SDHC loan funds are requested for this rehabilitation.



SDHC – Mariner’s Village Partnership Development Development Team Summary

| Role | Firm/Contract |
|---------------------------------|----------------------------------|
| Owner | San Diego Housing Commission |
| Leasehold | To be formed Limited Partnership |
| Managing Partner | To be determined |
| Tax Credit Investor | To be selected |
| Architect | To be selected |
| Civil Engineer | To be selected |
| General Contractor | To be selected |
| Property Manager | San Diego Housing Commission |
| Relocation Consultant | To be selected |
| Construction & Permanent Lender | To be selected |



SDHC – Mariner’s Village Partnership Development Estimated Sources & Uses of Financing

| Permanent Financing Sources | Amount | Permanent Financing Uses | Amount |
|-----------------------------|---------------------|----------------------------|---------------------|
| Permanent Loan | \$12,535,212 | Acquisition | \$34,695,368 |
| Seller’s Note | 35,798,794 | Land | 6,122,712 |
| 4% Tax Credit Equity | 19,049,327 | Construction Hard Costs | 15,013,020 |
| Deferred Developer Fee | 5,131,869 | Developer Fee | 8,351,869 |
| | | Soft Costs | 3,840,930 |
| | | Financing Costs | 3,171,102 |
| | | Bonds and Tax Credit Costs | 898,459 |
| | | Reserves | 8,351,869 |
| Total | \$72,515,202 | Total | \$72,515,202 |

• Estimated Total Development Cost Per Unit (for 172 Units) = \$421,600



SDHC – Mariner’s Village Partnership Development Affordability & Estimated Rents

| Unit Type | AMI | Unit Count | Proposed Rent |
|---------------|-----|------------|---------------|
| One Bedroom | 40% | 7 | \$730 |
| One Bedroom | 60% | 8 | \$1,095 |
| One Bedroom | 80% | 5 | \$1,242 |
| Two Bedroom | 40% | 32 | \$876 |
| Two Bedroom | 60% | 44 | \$1,314 |
| Two Bedroom | 80% | 32 | \$1,502 |
| Three Bedroom | 40% | 12 | \$1,012 |
| Three Bedroom | 60% | 20 | \$1,518 |
| Three Bedroom | 80% | 11 | \$1,762 |
| Manager | N/A | 1 | - |
| Total | | 172 | |





SDHC – Mariner’s Village Partnership Development Development Timeline

| Milestone | Estimated Date |
|--|-------------------------|
| • Housing Authority preliminary approval..... | December 3, 2018 |
| • City Council IRS-required TEFRA hearing.... | December 3, 2018 |
| • CDLAC DDA application..... | December 14, 2018 |
| • CDLAC bond allocation application..... | May 2019 |
| • TCAC 4 percent tax credit application..... | May 2019 |
| • CDLAC allocation meeting..... | July 2019 |
| • TCAC allocation meeting..... | July 2019 |
| • Housing Commission final bond authorization..... | September 2019 |
| • Housing Authority final bond authorization..... | October 2019 |
| • Bond issuance and escrow closing..... | Estimated October 2019 |
| • Start of construction work..... | Estimated October 2019 |
| • Completion of construction work..... | Estimated December 2020 |





SDHC – Mariner’s Village Partnership Development

Questions?

