



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

# San Diego Housing Commission

## Preliminary Bond Authorization for Wesley Terrace

Presentation to the Board of Commissioners  
April 11, 2019

Colin Miller  
Vice President, Housing Finance  
Real Estate Division

Tina Kessler  
Housing Programs Manager  
Real Estate Division



# SDHC – Wesley Terrace Partnership Development Recommendations

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

1. Approve the following steps to issue tax-exempt Multifamily Housing Revenue Bonds for Wesley Terrace:
  - Issue a bond inducement resolution for up to \$24,000,000
  - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
  - Approve a financing team of Squire Patton Boggs, LLP as Bond Counsel and CSG Advisors as Financial Advisor
2. Authorize the President & CEO, or designee, to execute any and all documents necessary to implement the transaction in a form approved by General Counsel and/or Bond Counsel.





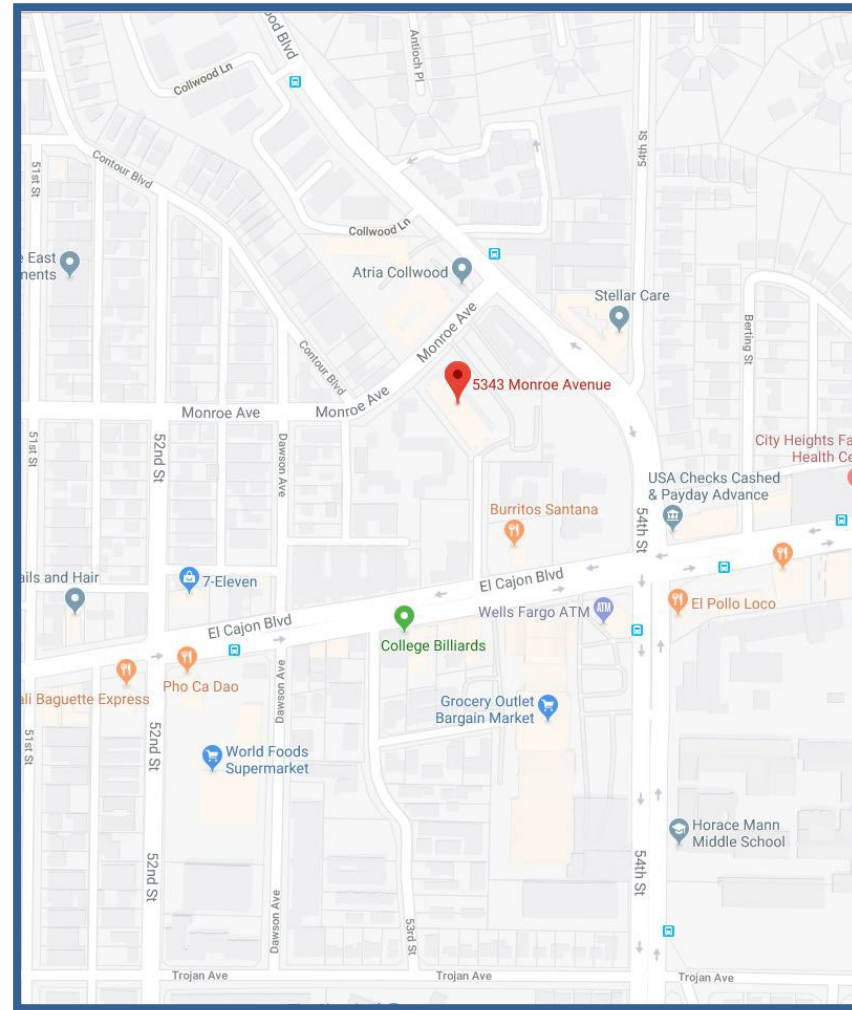
# SDHC – Wesley Terrace Partnership Development Recommendations (Continued)

## **That the Housing Commission recommend that the San Diego City Council (City Council):**

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 \$24,000,000.



# SDHC – Wesley Terrace Partnership Development Location Map



# SDHC – Wesley Terrace Partnership Development Existing Conditions Photos





# SDHC – Wesley Terrace Partnership Development Existing Conditions Photos





# SDHC – Wesley Terrace Partnership Development Rehabilitation Summary

- Improvements to unit interiors:
  - Replace flooring
  - Replace fixtures
  - Replace lighting
  - Replace cabinets
  - Replace appliances
  - Repair window and door hardware
- Exterior building and site improvements
  - Exterior paint and light improvements
  - Common area improvements
  - Elevator, boiler, and fire alarm system





# SDHC – Wesley Terrace Partnership Development Developer's Request

- Issue up to \$24,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Authorize an Inducement Resolution.
- Hold a Tax Equity Responsibility Act Public Hearing.
- No SDHC loan funds are requested for this rehabilitation.







# SDHC – Wesley Terrace Partnership Development Development Team Summary

Role	Firm/Contract
Owner	Wesley Terrace Partners, LP
Managing Partner	Wesley Developments, a California Nonprofit Corp.
Administrative General Partner	Wesley Terrace Management, LLC
Investor Limited Partner	To-be-determined
Developer	C&C Development Group LLC DAL Developments, LLC
Architect	To-be-determined
General Contractor	MFRG/Icon Construction
Property Manager	To-be-determined
Construction & Permanent Lender	Citi Community Capital



# SDHC – Wesley Terrace Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$19,500,000	Acquisition	\$12,000,000
Tax Credit Equity	8,467,671	Construction Hard Costs	11,084,400
Capitalized Interest from Operations	250,000	Soft Costs	1,602,690
Deferred Developer Fee	145,390	Developer Fee	3,219,472
		Financing Costs	456,499
<b>Total</b>	<b>\$28,363,061</b>	<b>Total</b>	<b>\$28,363,061</b>

- Estimated Total Development Cost Per Unit (for 161 Units) = \$176,168



# SDHC – Wesley Terrace Partnership Development Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Proposed Rent
Studio	50%	12	\$853
One Bedroom	50%	5	\$974
Studio	60%	102	\$1,023
One Bedroom	60%	40	\$1,095
One Bedroom	MGR	1	\$-
Two Bedroom	MGR	1	\$-
<b>Total</b>		161	



# SDHC – Wesley Terrace Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Bond consideration.....	April 23, 2019
• City Council IRS-required TEFRA hearing....	April 23, 2019
• TCAC & CLAC application submittals.....	May 17, 2019
• TCAC & CDLAC allocation meetings.....	July 17, 2019
• Housing Commission final bond authorization.....	November 2019
• Housing Authority final bond authorization.....	December 2019
• Bond issuance and escrow closing.....	December 2019
• Start of construction work.....	December 2019
• Completion of construction work.....	December 2020





# SDHC – Wesley Terrace Partnership Development

## Questions?

