



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission

Preliminary Bond Authorization for Wesley Terrace

Housing Authority Agenda Item #1 and City Council Agenda Item #332
April 23, 2019

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SDHC – Wesley Terrace Partnership Development Recommendations

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.



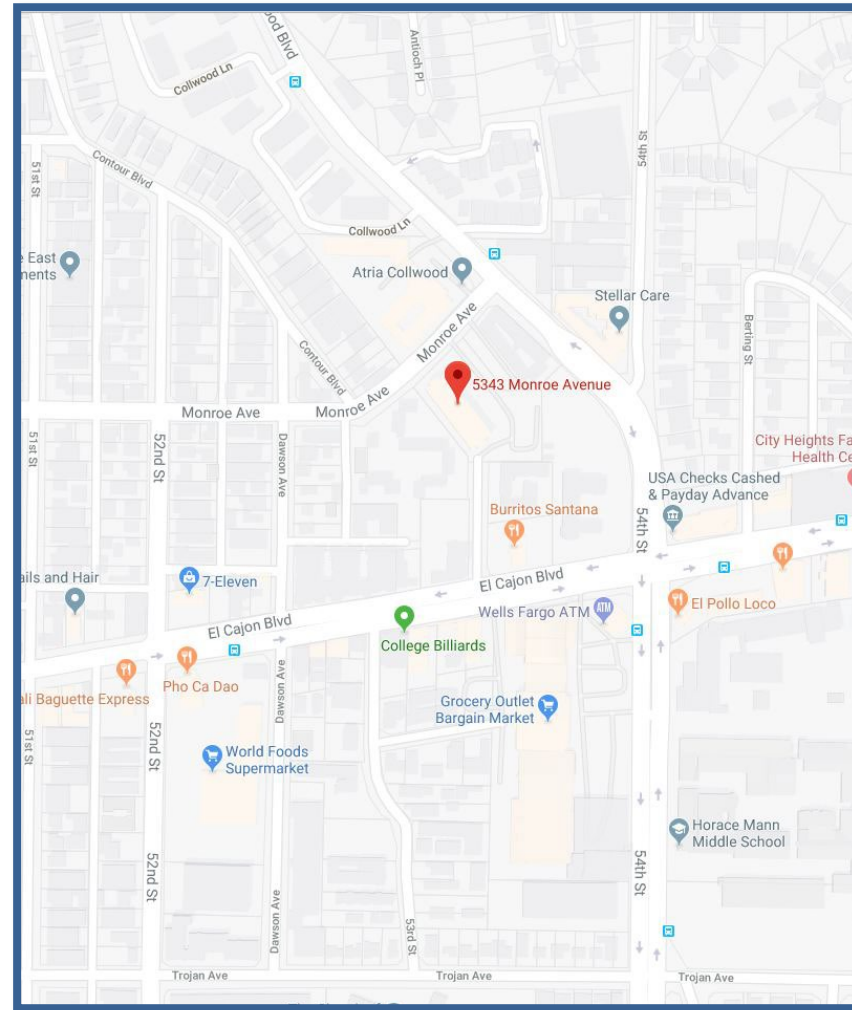
SDHC – Wesley Terrace Partnership Development Recommendations (Continued)

That the San Diego City Council (City Council):

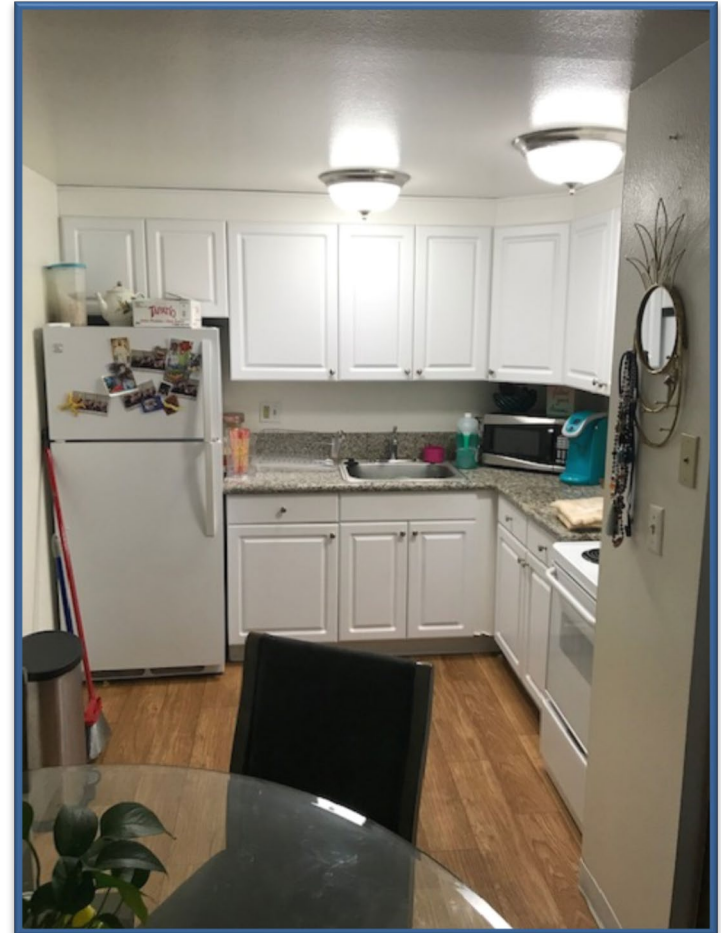
Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount of up to \$24,000,000.



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
Total	\$28,363,061	Total	\$28,363,061

- 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	\$-
Total		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?

