



SAN DIEGO  
HOUSING  
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# San Diego Housing Commission (SDHC) Loan Recommendation & Preliminary Bond Authorization for East Block Senior Presentation to the SDHC Board of Commissioners June 14, 2019

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# SDHC – East Block Senior Partnership Development Recommendations

## **That the San Diego Housing Commission (SDHC):**

1. Approve a proposed residual receipts loan, up to \$6,750,000, to Fairmount Senior Housing CIC, L.P. for new construction of 117 units for low-income seniors in an affordable rental housing development at the Northwest corner of Fairmount Avenue and El Cajon Boulevard, San Diego.
  - 115 units for low-income seniors and 2 managers' units
  - Will remain affordable for 55 years
  - SDHC loan contingent upon developer receiving necessary third-party funding.
2. Authorize the President & Chief Executive Officer to execute documents, implement the transaction, and take actions as necessary, convenient, and/or appropriate upon General Counsel's advice, adjust terms, and allow funds substitution.
  - The proposed \$6,750,000 maximum SDHC loan may not increase.



# SDHC – East Block Senior 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 East Block Senior:
  - Issue a bond inducement resolution for up to \$22,000,000
  - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
  - Approve a financing team of Quint and Thimmig as Bond Counsel and CSG Advisors as Financial Advisor
4. 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.



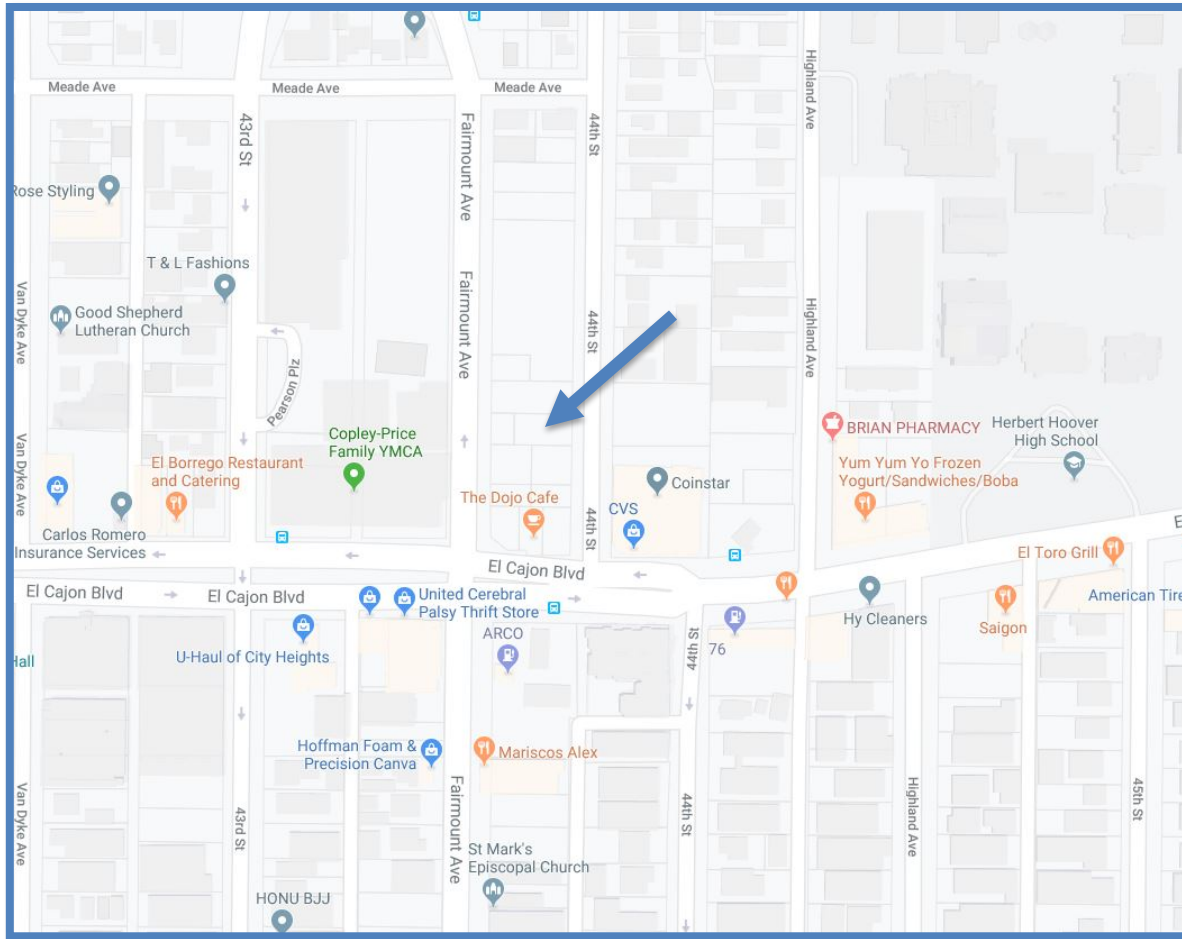
# SDHC – East Block Senior Partnership Development Recommendations (Continued)

## **That SDHC 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 – East Block Senior Partnership Development Location Map





# SDHC – East Block Senior Partnership Development Architect's Rendering



# SDHC – East Block Senior Partnership Development East Block Collaborative

- East Block Senior Parcel:
  - 117 rental housing units for seniors
  - One-bedroom units
  - On-site services and community room
  - Access to shared amenities with the family building
- East Block Family Parcel:
  - 78 multifamily rental housing units
  - Two- and three-bedroom units
  - On-site amenities: kitchen and game room, cyber café, outdoor barbecue and picnic area, community garden
- Future Commercial Parcel



# SDHC – East Block Senior Partnership Development Developer's Request

- SDHC loan up to \$6,750,000
- Issue up to \$22,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Authorize an Inducement Resolution.
- Hold a Tax Equity Responsibility Act Public Hearing.





# SDHC – East Block Senior Partnership Development Development Team Summary

Role	Firm/Contract
Developer	Chelsea Investment Corporation
Limited Partnership	Fairmount Senior Housing CIC, LP
Managing General Partner	Fairmount SHC Housing, LLC
Administrative General Partner	CIC Fairmount Senior Housing, LLC
Architect	Rob Wellington Quigley, FAIA
General Contractor	Emmerson Construction, Inc.
Property Management	CIC Management, Inc.
Service Provider	Serving Seniors
Construction and Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



# SDHC – East Block Senior Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$9,340,000	Acquisition	\$0
Housing Commission Proposed Loan	6,750,000	Construction Hard Costs	19,900,091
Tax Credit Equity	11,844,104	Soft Costs	10,955,028
Developer Equity Contribution	1,726,491	Reserves	296,829
Deferred Developer Fee	1,127,486	Developer Fee	3,896,491
Loan Accrued Interest	363,867		
<b>Total</b>	<b>\$31,151,948</b>	<b>Total</b>	<b>\$31,151,948</b>

- Estimated Total Development Cost Per Unit (for 117 Units) = \$266,256



# SDHC – East Block Senior Partnership Development Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Proposed Rent
One Bedroom	40%	7	\$674
One Bedroom	50%	9	\$856
One Bedroom	60%	99	\$1,039
One Bedroom	MGR	2	\$-
Total		78	



# SDHC – East Block Senior Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Bond consideration.....	July 16, 2019
• City Council IRS-required TEFRA hearing....	July 16, 2019
• TCAC & CDLAC application submittals.....	August 16, 2019
• TCAC & CDLAC allocation meetings.....	October 16, 2019
• SDHC final bond authorization.....	November 15, 2019
• Housing Authority final bond authorization.....	December 10, 2019
• Bond issuance and escrow closing.....	December 2019
• Start of construction work.....	December 2019
• Completion of construction work.....	December 2021



# Questions & Comments

