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San Diego Housing Commission (SDHC) Preliminary Bond Authorization for Fairbanks Terrace II Presentation to the SDHC Board of Commissioners November 15, 2019

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SDHC – Fairbanks Terrace II Partnership Development Staff Recommendations

That the San Diego Housing Commission (SDHC) 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 Fairbanks Terrace II, a 31-unit affordable housing development for seniors
 - Issue a bond inducement resolution for up to \$7,800,000
 - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
 - Approve a financing team of Orrick, Herrington and Sutcliffe, LLC 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.





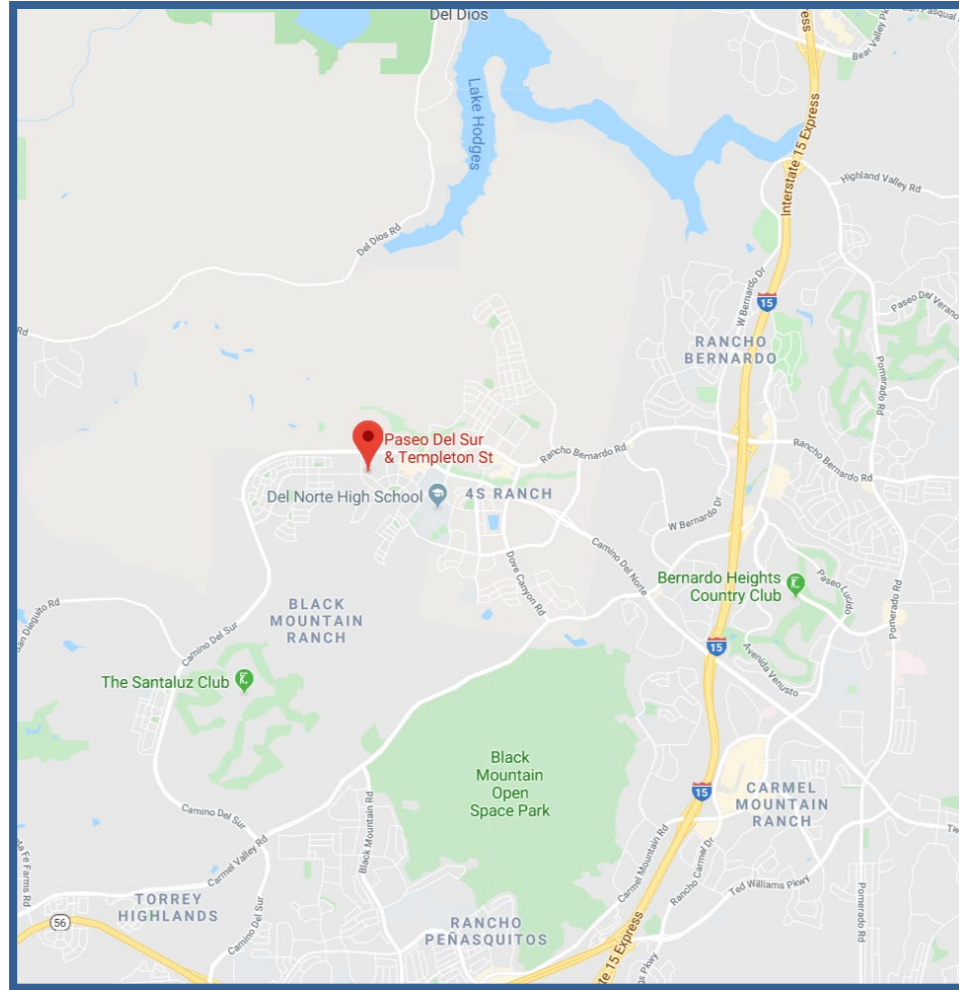
SDHC – Fairbanks Terrace II Partnership Development Staff Recommendations (Continued)

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 \$7,800,000.



SDHC – Fairbanks Terrace II Partnership Development Location Map



SDHC – Fairbanks Terrace II Partnership Development Site Rendering by The McKinley Assoc., Inc.



SDHC – Fairbanks Terrace II Partnership Development Project Amenities

- Site Amenities:
 - On-site laundry
 - Surface Parking
 - Energy-efficient appliances
- Proximity to Fairbanks Terrace I:
 - Community Room
 - Community Kitchen
 - Computer Lab
 - Management Office





SDHC – Fairbanks Terrace II Partnership Development Developer's Request

- Issue up to \$7,800,000 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 project.



SDHC – Fairbanks Terrace II Partnership Development Development Team Summary

Role	Firm/Contract
Owner	Fairbanks Terrace II CIC, LP
Managing Partner	Pacific Southwest Community Development Corporation
Administrative General Partner	CIC Fairbanks Terrace II, LLC
Investor Limited Partner	US Bank
Developer	Chelsea Investment Corporation
Architect	The McKinley Associates, Inc.
General Contractor	Emmerson Construction, Inc.
Property Manager	CIC Management
Construction & Permanent Lender	Citi Community Capital



SDHC – Fairbanks Terrace II Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Federal 4% Tax Credits	\$4,667,146	Acquisition	\$2,455,328
Permanent Loan	2,860,000	Construction Hard Costs	5,556,496
Deferred Contractor Fee	185,681	Developer Fee	1,491,853
Deferred Developer Fee	991,853	Financing Costs	491,109
Master Developer Gap Loan	639,412	Soft Costs	1,858,344
Residual Receipt Loan Int.	55,211		
Seller Note	2,453,827		
Total	\$11,853,130	Total	\$11,853,130

- Estimated Total Development Cost Per Unit (for 31 Units) = \$382,359



SDHC – Fairbanks Terrace II

Partnership Development

Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Proposed Rent
One-Bedroom	50%	2	\$913
Two-Bedroom	50%	1	\$1,095
One-Bedroom	60%	23	\$1,095
Two-Bedroom	60%	4	\$1,314
Manager	N/A	1	-
Total		31	





SDHC – Fairbanks Terrace II Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority preliminary bond approval.....	December 10, 2019
• City Council IRS-required TEFRA hearing.....	December 10, 2019
• TCAC & CDLAC application submittals.....	January 2020
• TCAC & CDLAC allocation meetings.....	March 2020
• SDHC final bond authorization.....	April 2020
• Housing Authority final bond authorization.....	May 2020
• Bond issuance and escrow closing.....	June 2020
• Start of construction work.....	June 2020
• Completion of construction work.....	April 2021





SDHC – Fairbanks Terrace II Partnership Development

Questions?

