



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC) Preliminary Bond Authorization for Fourth Corner Apartments Presentation to the SDHC Board of Commissioners October 16, 2020

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SDHC – Fourth Corner Apartments Staff Recommendations

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

1. Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Fourth Corner Apartments a new affordable housing development at 4021, 4035, 4037 and 4061 Fairmount Ave. that will consist of 74 affordable units for low- and extremely low-income families and 1 manager's unit:
 - Issue a bond inducement resolution for up to \$32,800,000 (\$27,000,000 in tax-exempt bonds and \$5,800,000 in taxable bonds)
 - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
 - Approve a financing team of Square Patton & Boggs as Bond Counsel and Ross Financial as Financial Advisor





SDHC – Fourth Corner Apartments Staff Recommendations (Continued)

2. Authorize SDHC's President & CEO, or designee, to execute necessary documents in a form approved by General Counsel and take necessary actions upon the advice of General Counsel and/or Bond Counsel.

That SDHC recommend that the San Diego City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving tax-exempt Multifamily Housing Revenue Bonds up to \$27,000,000 for Fourth Corner Apartments.



SDHC – Fourth Corner Apartments Development Summary

Proposed new construction:

- 75-unit (74 affordable and 1 unrestricted manager's unit), transit-oriented, affordable, family rental housing development.
 - 55 two-bedroom units
 - 20 three-bedroom units
- Rent affordable to households with 30 – 60 percent of San Diego Area Median Income
- Leverages \$18.4 million in direct philanthropic investment
- Features & Amenities:
 - Community space with, lounge, full kitchen and computer lab
 - Outdoor recreational space surrounded by barbecue pits and outdoor shade-covered seating
 - Nearby access to I-15 Rapid Transit Bus and major transit lines
 - Green Point Rated to Gold Standard with Energy Star Appliances and Solar Photovoltaic System



SDHC – Fourth Corner Apartments Development Renderings



SDHC – Fourth Corner Apartments Development Renderings (Continued)



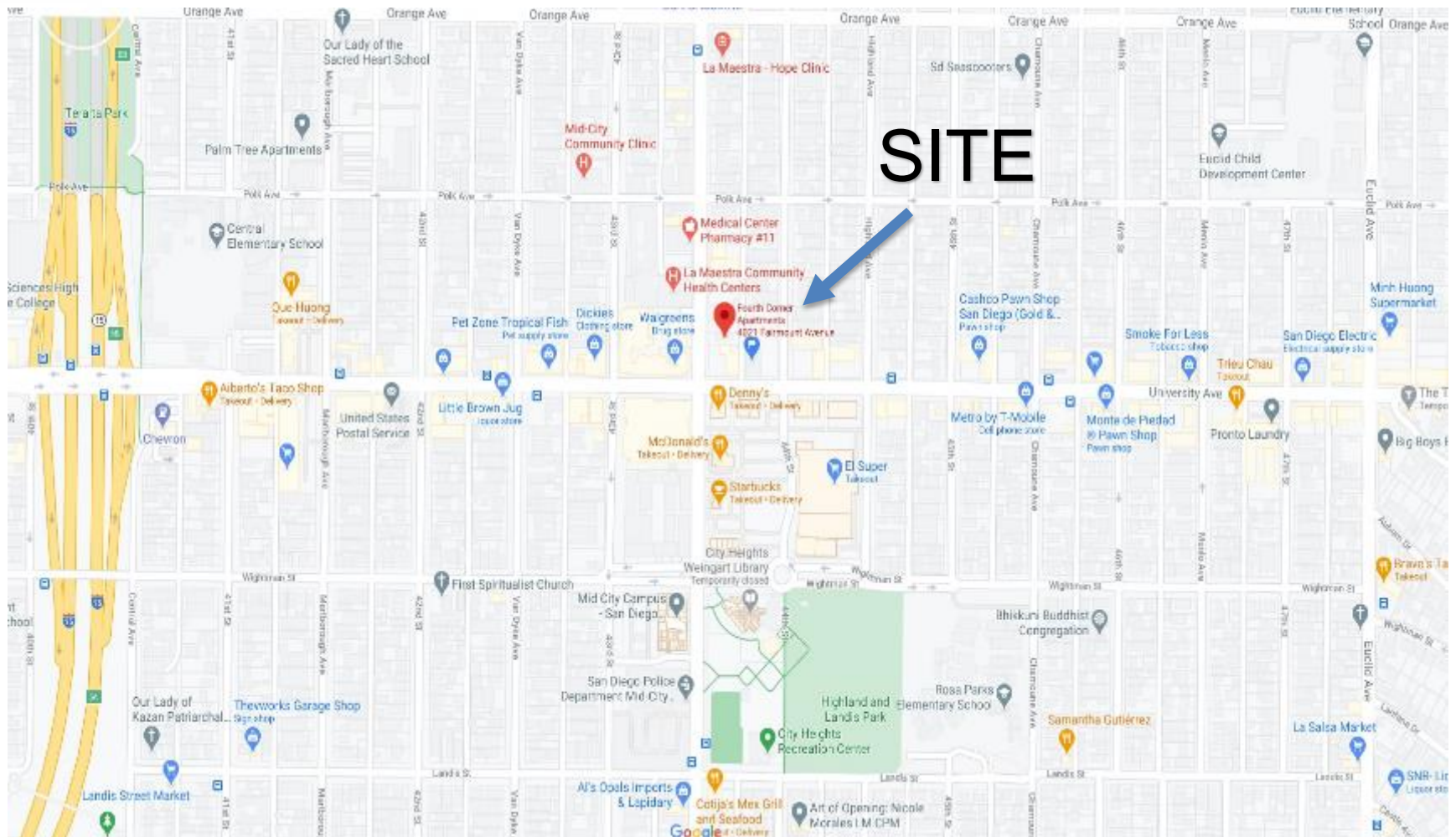


SDHC – Fourth Corner Apartments Development Team Summary

Role	Firm/Contract
Developer	Wakeland Housing and Development Corporation and Wakeland Price Fourth Corner LP
Owner/Borrower	Wakeland Price Fourth Corner LP
Managing General Partner	Wakeland Price Fourth Corner LLC
Administrative General Partner	TBD
Architect	Dess Partners Architecture
General Contractor	Sun Country Builders
Property Management	ConAm Management Corporation
Construction and Permanent Lender	TBD



SDHC – Fourth Corner Apartments Site Map





SDHC – Fourth Corner Apartments

Estimated Sources and Uses of Financing

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent Loan	\$8,798,000	Land acquisition:	\$4,330,000	\$57,733
4% Tax Credit Equity	\$13,321,820	Construction costs	\$26,927,388	\$359,032
		\$25,594,764		
		Contingency		
		+ \$1,332,624		
		Total construction		
		\$26,927,388		
Price Charities Contribution	\$14,250,000	Financing costs	\$2,115,058	\$28,201
Price Charities Land Donation	\$4,150,000	Other soft costs	\$3,337,711	\$44,503
		City permits and impact fees	\$2,145,000	\$28,600
		Developer's fee	\$1,400,000	\$18,667
		Reserves	\$264,663	\$3,529
Total Sources	\$40,519,820	Total Uses	\$40,519,820	\$540,264



SDHC – Fourth Corner Apartments

Affordability and Estimated Rents

<u>Unit Type</u>	<u>AMI</u>	<u>Number of Units</u>	<u>Gross Rents</u>
2BR/2BA	30%	6	\$780
2BR/2BA	45%	11	\$1,170
2BR/2BA	50%	22	\$1,300
2BR/2BA	60%	15	\$1,560
3BR/2BA	30%	2	\$901
3BR/2BA	45%	4	\$1,351
3BR/2BA	50%	8	\$1,501
3BR/2BA	60%	6	\$1,802
Manager	NA	1	-
Total Units	-	75	-





SDHC – Fourth Corner Apartments Developer Timeline

Milestone	Estimated Date
• Housing Authority consideration.....	November 10, 2020
• City Council IRS-required TEFRA hearing...	November 10, 2020
• CDLAC & CTCAC applications.....	January 2021
• CDLAC & CTCAC meetings.....	March 2021
• SDHC & Housing Authority final bond authorization reviews.....	March 2021
• Bonds issuance and escrow closing.....	July 2021
• Estimated start of construction work.....	July 2021
• Estimated completion of construction work...	December 2022





SDHC – Fourth Corner Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$32,800,000
 - \$27,000,000 in tax-exempt bonds
 - \$5,800,000 in taxable bonds
- Developer is responsible for paying all costs of issuing bonds.
- Issuance pursuant to SDHC's bond policy.
- Bond issuance will not create financial liability to SDHC, Housing Authority, nor City.
- Neither the full faith and credit nor taxing power of the City nor full faith and credit of the Housing Authority will be pledged to payment of the bonds.



Questions & Comments

