



SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

San Diego Housing Commission (SDHC) Final Bond Authorization for Hollywood Palms II Apartments November 17, 2017

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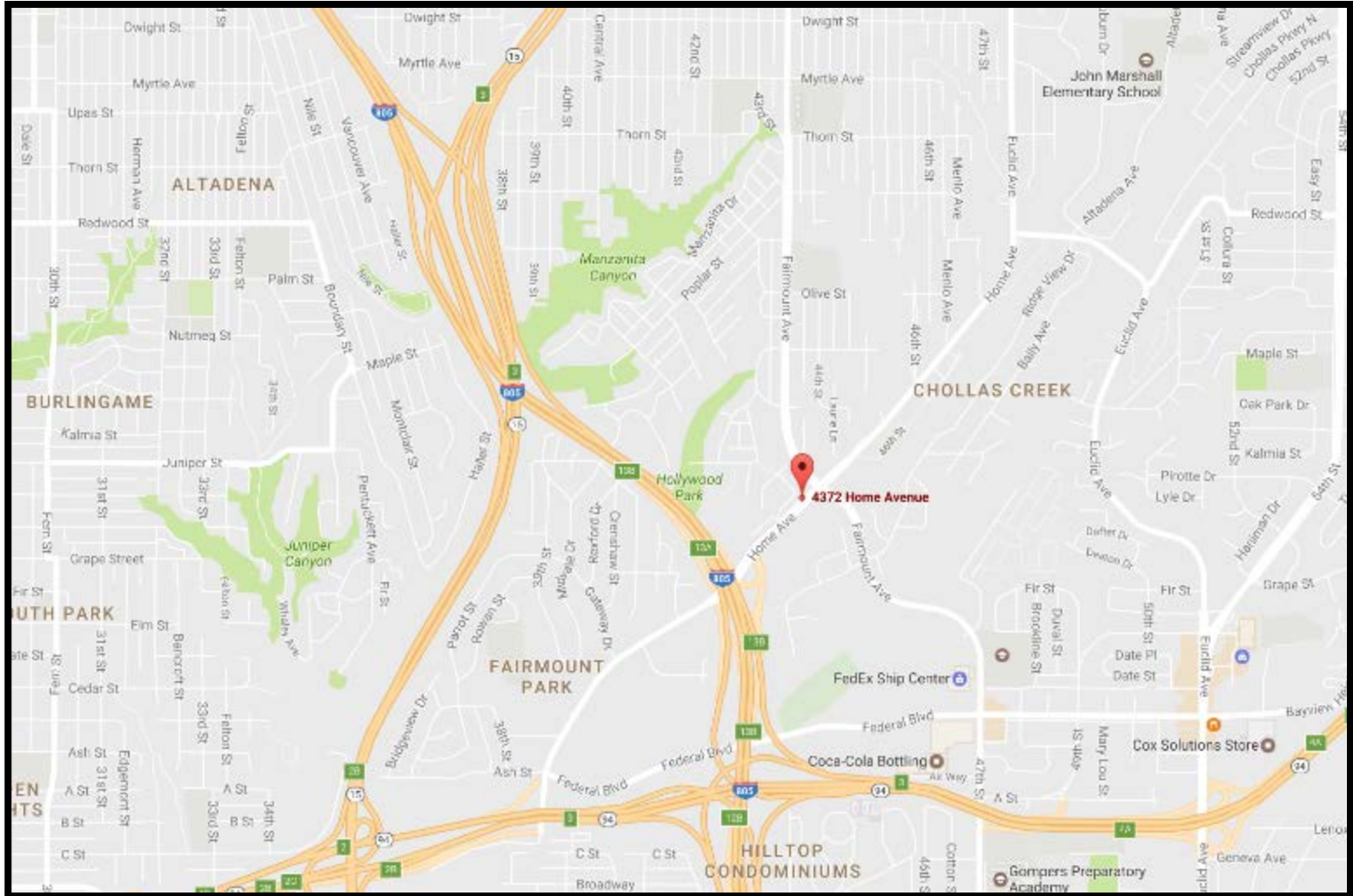
SDHC – Hollywood Palms II Partnership Development Recommendations

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

- Authorize the issuance of up to \$21,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate San Diego/Fox Hollow II L.P.'s acquisition and rehabilitation of Hollywood Palms II Apartments, a 94-unit multifamily housing development, located at 4372 Home Avenue, San Diego, in the City Heights neighborhood, which will remain affordable for 55 years.



SDHC – Hollywood Palms II Partnership Development Site Location



SDHC – Hollywood Palms II Partnership Development Site Photo





SDHC – Hollywood Palms II Partnership Development Proposed Scope of Rehabilitation

- Improvements to unit interiors:
 - New countertops;
 - Appliances;
 - Cabinets;
 - Fixtures; and
 - Flooring.
- Exterior building and site improvements.
- Improvements to existing community building.





SDHC – Hollywood Palms II Partnership Development Development Team Summary

ROLE	FIRM/CONTRACT
Owner	San Diego/Fox Hollow II, LP
Administrative General Partner	AHG Hollywood Palms II, LLC
Managing General Partner	City Heights Community Development Corporation
Developer	Affirmed Housing Group
Architect	Basis Architecture
General Contractor	HA Builder Group
Property Management	City Heights Community Development Corporation
Construction Lender and Permanent Lender	MUFG Union Bank, N.A.
Land Owner/Seller	San Diego/Fox Hollow, LP





SDHC – Hollywood Palms II Partnership Development

Estimated Permanent Sources & Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Tax-Exempt Permanent Loan (Freddie Mac/Fannie Mae)	\$16,000,000	Acquisition Costs	\$16,300,000
Deferred Developer Fee	\$2,182,826	Hard Costs (including contingency)	\$8,435,601
Net Operating Income	\$829,072	Soft Costs	\$877,500
MASH & Solar Credits	\$801,596	Financing Costs	\$1,434,750
4% Tax-Credit Equity	\$8,603,627	Reserves for Tenant Services	\$750,000
Seller Carry Back Financing	\$2,400,000	Reserves	\$378,000
GP Equity Contribution	\$113,600	Developer Fee	\$3,500,445
Reserve for Tenant Services	\$750,000		
Total Development Cost	\$31,680,721	Total Development Cost	\$31,680,721





SDHC – Hollywood Palms II Partnership Development Proposed Rents

Unit Type	Restrictions	AMI	Number of Units	Proposed Gross Rents
2-bedroom	TCAC	50% AMI	3	\$1,023
2-bedroom	TCAC	60% AMI	41	\$1,228
3-bedroom	TCAC	50% AMI	4	\$1,181
3-bedroom	Bond	60% AMI	24	\$1,418
4-bedroom	TCAC	50% AMI	3	\$1,318
4-bedroom	TCAC	60% AMI	18	\$1,582
4 Bedroom–Manager	N/A	N/A	1	-
Total			94	





SDHC – Hollywood Palms II Partnership Development Proposed Schedule

Milestones	Estimated Dates
• CDLAC allocation meeting	• November 15, 2017
• Housing Commission proposed final bond authorization	• November 17, 2017
• Housing Authority proposed final bond authorization	• December 11, 2017
• Estimated bond issuance and escrow closing	• January 2018
• Estimated start of rehabilitation	• February 2018
• Estimated completion of rehabilitation	• December 2018





SDHC – Hollywood Palms II Partnership Development

Questions?

