



SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

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

Ted Miyahara
Vice President Multifamily Housing Finance
Real Estate Division

Tina Kessler
Housing Programs Manager
Real Estate Division





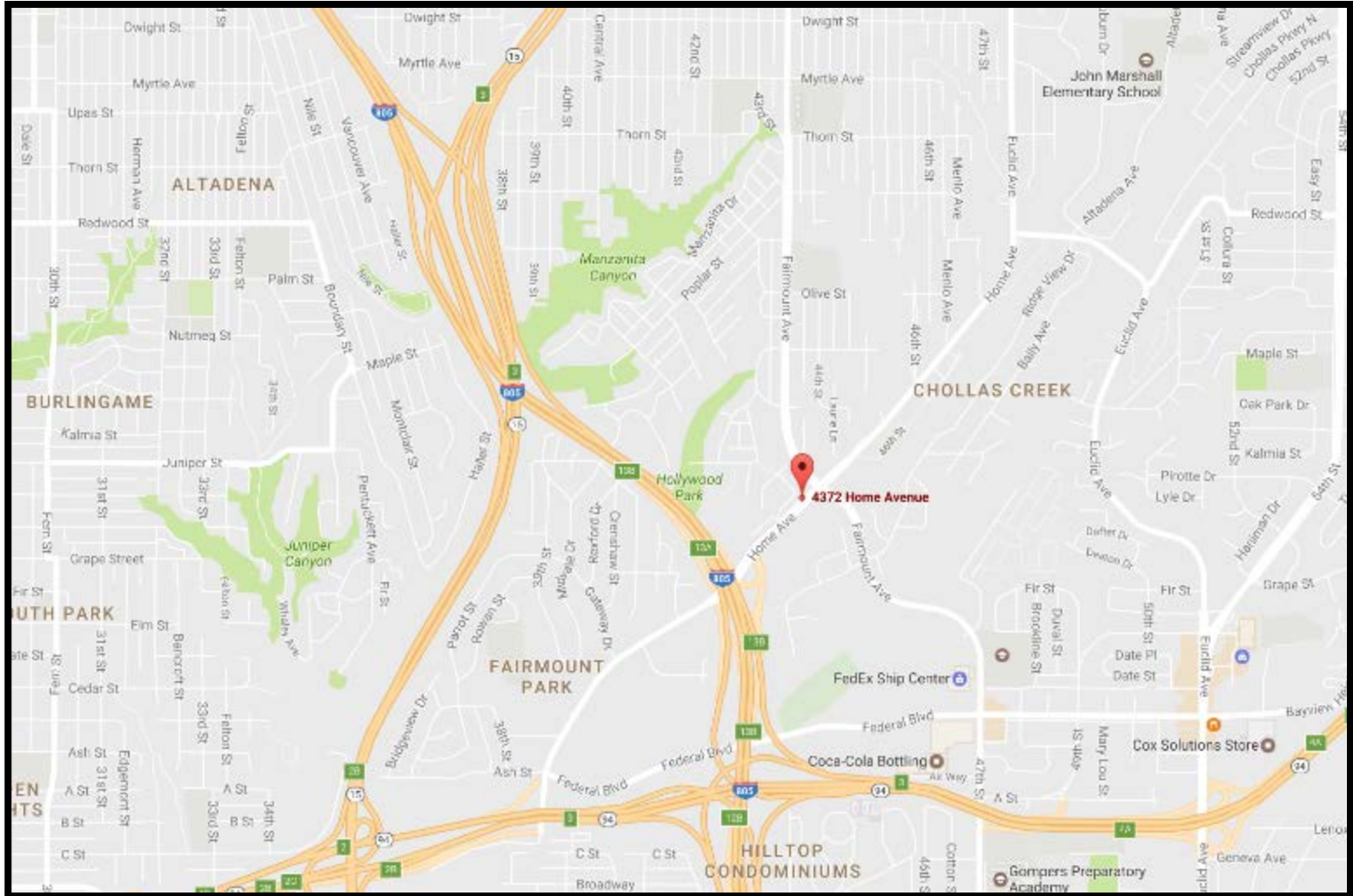
SDHC – Hollywood Palms II Partnership Development Recommendations

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?

