



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission Preliminary Bond Authorization for President John Adams Manor Apartments April 6, 2018

Ted Miyahara
Vice President, Multifamily Housing Finance
Real Estate Division

J.P. Correia
Senior Real Estate Project Manager
Real Estate Division





SDHC – President John Adams Manor Partnership Development Recommendations

That the San Diego Housing Commission (SDHC) recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions:

Housing Authority:

- Issue a bond inducement resolution for up to \$32,000,000 in Multifamily Housing Revenue Bonds for the development of President John Adams Manor Apartments (PJAM) by a California limited partnership to be formed by Metropolitan Area Advisory Committee on Anti-Poverty (MAAC);
- Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$32,000,000 for PJAM;





SDHC – President John Adams Manor Partnership Development Recommendations (Continued)

Housing Authority (Continued):

- Approve the financing team of Quint & Thimmig as Bond Counsel and Ross Financial as Financial Advisor; and
- Authorize SDHC’s President & Chief Executive Officer (President & CEO) to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or Bond Counsel. .

City Council:

- Hold a Tax Equity and Fiscal Responsibility Act (TERFA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$32,000,000.





SDHC – President John Adams Manor Partnership Development Development Summary

- Proposed acquisition with rehabilitation of 300 units.
 - Located at 5471 Bayview Heights Place, San Diego, 92105.
 - Mix of one-bedroom, two-bedroom, and three-bedroom units.
 - 38 two-story residential buildings and a management office.
- Development Details are at Table #1, page 2 of report.





SDHC – President John Adams Manor Partnership Development Development Summary (Continued)

- Co-Developers are the nonprofit Metropolitan Area Advisory Committee on Anti-Poverty (MAAC) and the nonprofit Kingdom Development Inc. (Kingdom).
 - Experienced developers.
 - MAAC has previously obtained Housing Commission loans and successfully completed them.
- Development Team summary at Table #2, page 3 of report.



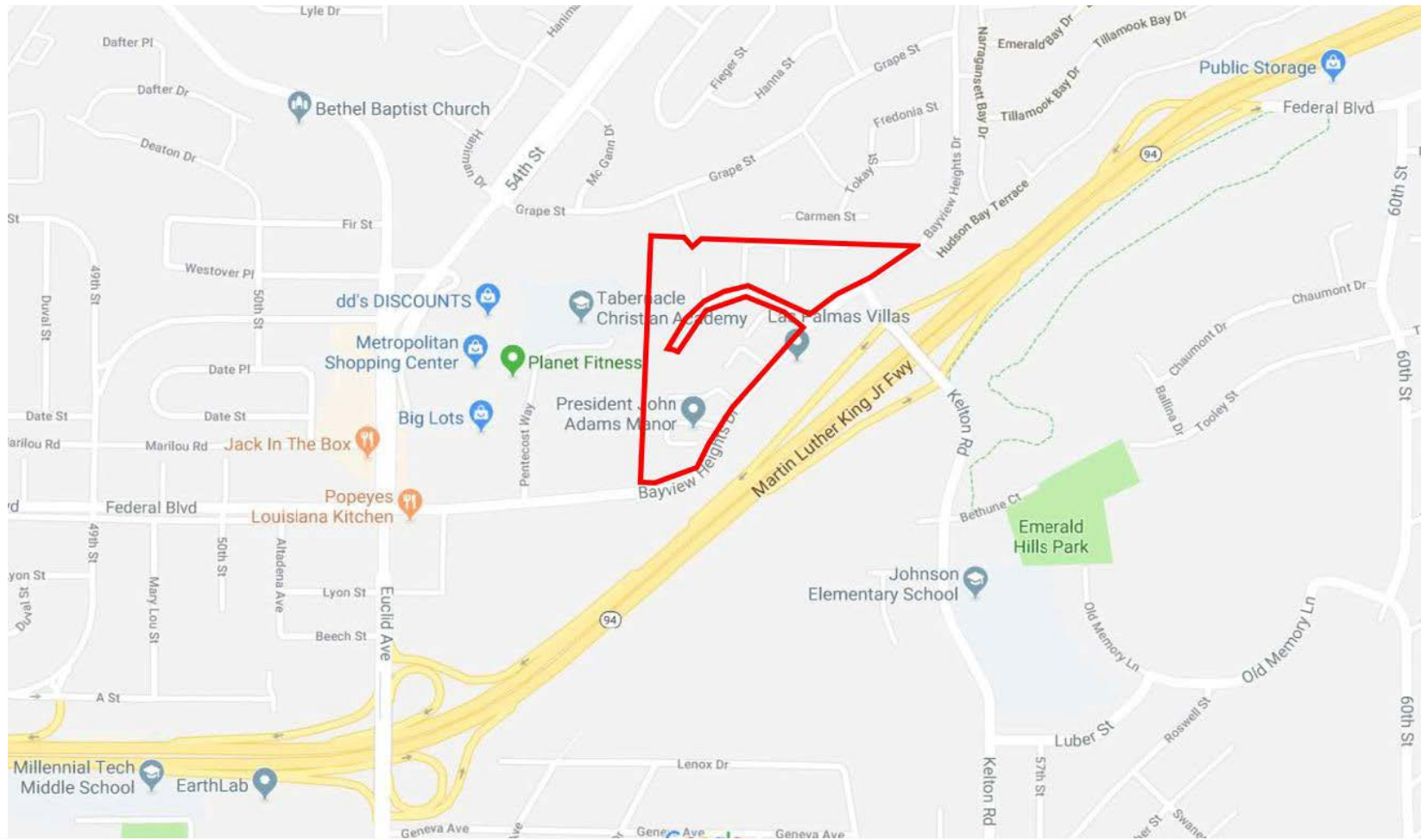


SDHC – President John Adams Manor Partnership Development Development Summary (Continued)

- Developer is requesting completion of certain preliminary steps for Housing Authority issuance of up to \$32,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Application to California Debt Limit Allocation Committee (CDLAC) for approval of up to \$32,000,000 bonds allocation.
- Application to Tax Credit Allocation Committee (TCAC) for approval to obtain an estimated \$16,020,203 in four percent tax credits.
- No SDHC cash loan funds.



SDHC – President John Adams Manor Partnership Development Site Map



SDHC – President John Adams Manor Partnership Development Site Photo



SDHC – President John Adams Manor Partnership Development Site Photo



SDHC – President John Adams Manor Partnership Development Site Photo



SDHC – President John Adams Manor Partnership Development Site Photo



SDHC – President John Adams Manor Partnership Development Site Photo



SDHC – President John Adams Manor Partnership Development Site Photo





SDHC – President John Adams Manor Partnership Development

Estimated Sources and Uses Permanent Financing

Sources of Funds	Amount
Tax Exempt Bond Financed Loan	\$24,577,047
Seller Carry Back Loan	14,000,000
Seller Credit	1,500,000
Seller Replacement Reserves	750,000
Operating Income	2,079,885
Deferred Contractor's Fee	2,792,906
Four Percent Tax Credit Equity	16,020,203
Total	\$61,720,041

Uses of Funds	Amount
Acquisition Costs	\$33,850,000
Construction Costs	13,868,250
Soft Costs	2,944,999
Financing Costs	3,456,240
Developer Fee	6,739,554
Reserves	860,998
Total	\$61,720,041

- Estimated TDC Per Unit (for 300 Units) = \$205,733





SDHC – President John Adams Manor Partnership Development Affordability

Unit Type	AMI	Number of Units	Gross Rents	Estimated Market Rents
1 Bedroom	50%	5	\$853	\$1,187
2 Bedroom	50%	21	\$1,023	\$1,506
3 Bedroom	50%	4	\$1,181	\$2,118
1 Bedroom	60%	39	\$1,023	\$1,187
2 Bedroom	60%	187	\$1,228	\$1,506
3 Bedroom	60%	41	\$1,418	\$2.118
3 Bedroom Managers	--	3	--	--
Total		300		





SDHC – President John Adams Manor Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Review. . .	April 24, 2018
• City Council IRS/TEFRA Hearing	April 24, 2018
• Applications for TCAC & CDLAC . . .	May 18, 2018
• Allocation Meetings TCAC & CDLAC . .	July 18, 2018
• Housing Commission Final Review. . . .	July 27, 2018
• Housing Authority Final Review.	July 31, 2018
• Estimated Escrow/Financing Closing. . .	September 15, 2018
• Estimated Construction Start	October, 2018
• Estimated Construction Completion. . . .	October, 2019





SDHC – President John Adams Manor Partnership Development Bond Issuance Summary

- Proposed bond issuance up to \$32,000,000.
- Developer responsible for paying all costs of issuing bonds.
- Issuance pursuant to Housing Commission’s bond policy.
- Bonds issuance will not create financial liability to SDHC, or to Housing Authority or to City.
- Neither 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.



SDHC – President John Adams Manor Partnership Development Site Photo

