



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission (SDHC) Preliminary Bond Authorization for Playa del Sol

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SDHC – Playa del Sol Partnership Development

Recommendations

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

- Issue a bond inducement resolution for up to \$11,500,000 in tax-exempt Multifamily Housing Revenue Bonds for the new construction of Playa del Sol;
- 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 Multifamily Housing Revenue Bonds in an amount up to \$11,500,000 for Playa del Sol;
- Approve a bond financing team of Jones Hall as bond counsel, and CSG Advisors as bond financial advisor; and





SDHC – Playa del Sol Partnership Development Recommendation (Continued)

- Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, 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.

That the Housing Commission recommend that the San Diego City Council:

- Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving issuance of Multifamily Housing Revenue Bonds in an amount up to \$11,500,000.





SDHC – Playa del Sol Partnership Development Development Summary

- Proposed new construction of 42 units.
 - To be located on a vacant site in Otay Mesa, at Ocean View Hills Parkway, north of State Route 905, east of Interstate 805.
 - Mix of one-bedroom, two-bedroom, and three-bedroom units.
 - Proposed three buildings, each with 14 units, in three story configuration.
 - To be located in Pardee Homes proposed Ocean View Hills master-planned community. Playa del Sol will fulfill certain affordability requirements for an offsite unrelated Pardee-owned property.
- Development Details are at Table #1, page 2 of report HCR17-089.





SDHC – Playa del Sol Partnership Development Development Summary (Continued)

- Developer is Chelsea Investment Corporation.
 - Experienced, for-profit developer.
 - Previously obtained Housing Commission loans and is in full compliance with them.
- Development Team summary at Table #2, page 3 of report HCR17-089.



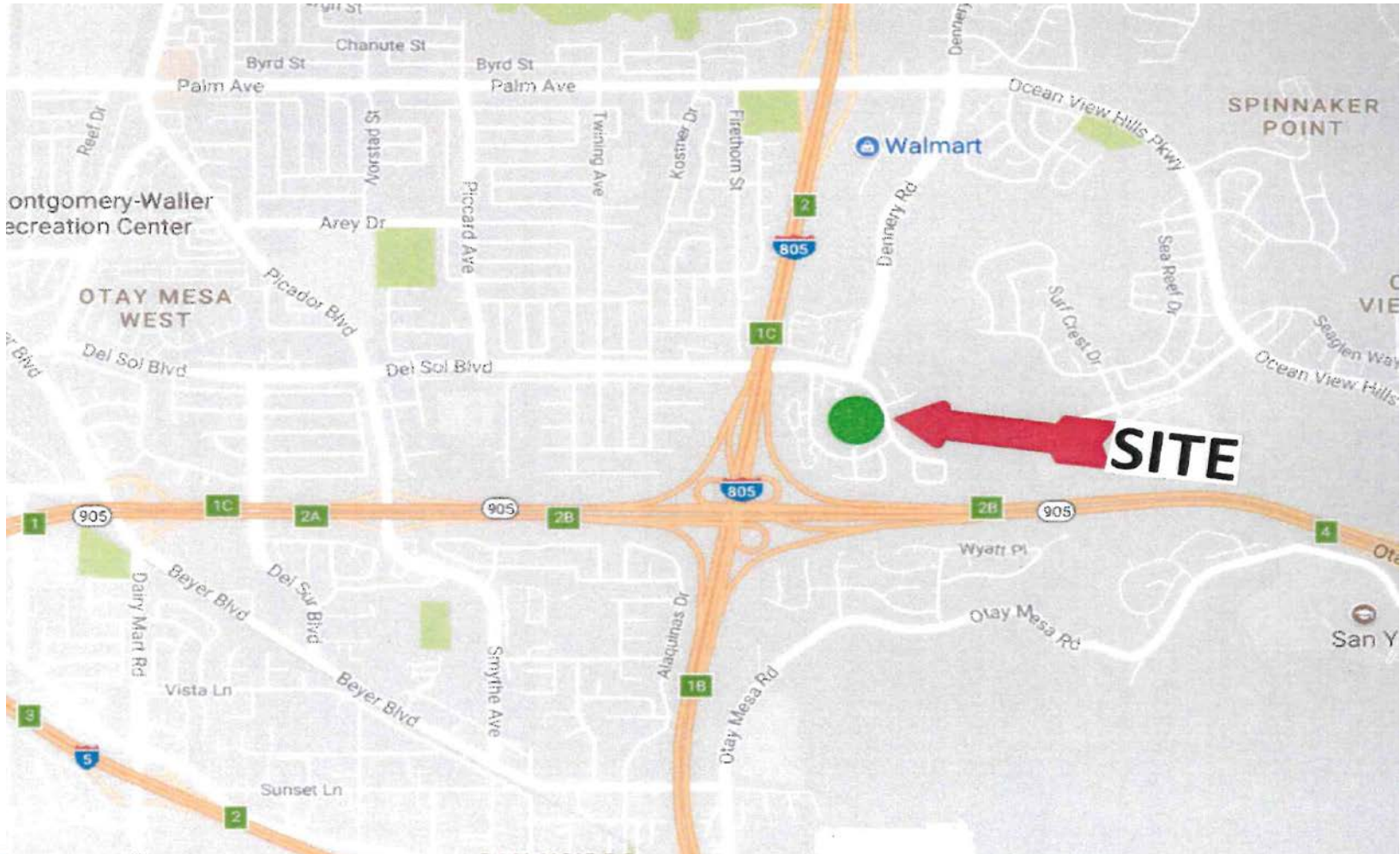


SDHC – Playa del Sol Partnership Development Development Summary (Continued)

- Developer is requesting completion of certain preliminary steps for Housing Authority issuance of up to \$11,500,000 of tax exempt multifamily housing bonds.
- Application to California Debt Limit Allocation Committee (CDLAC) for approval of up to \$11,500,000 bonds allocation.
- Application to Tax Credit Allocation Committee (TCAC) for approval to obtain an estimated \$6,502,028 in 4 percent tax credits.



SDHC – Playa del Sol Partnership Development Site Location



SDHC – Playa del Sol Partnership Development Site Location



SDHC – Playa del Sol Partnership Development Site Plan





SDHC – Playa del Sol Partnership Development

Estimated Sources and Uses Permanent Financing

Sources of Funds	Amount
Tax Exempt Bond Financed Loan	\$4,692,000
Accrued Interest	127,068
Master Developer Note	3,388,492
Developer Fee/Equity Contribution	800,000
Deferred Developer Fee	869,545
Deferred Contractor's Fee	259,585
Master Developer (seller) contribution	638,073
Four Percent Tax Credit Equity	6,502,028
Total	\$17,276,791

Uses of Funds	Amount
Acquisition of land	\$3,388,493
Construction Hard Costs	7,828,483
Soft Costs	2,973,255
Developer Fee	2,169,545
Financing Costs	800,035
Reserves	116,980
Total	\$17,276,791

- Estimated TDC Per Unit (for 42 Units) = \$411,351





SDHC – Playa del Sol Partnership Development Affordability

Unit Type	AMI	Number of Units	Gross Rents	Estimated Market Rents
1 Bedroom	50%	1	\$852	\$1,650
1 Bedroom	60%	2	\$1,023	\$1,650
2 Bedroom	50%	2	\$1,023	\$1,925
2 Bedroom	60%	13	\$1,227	\$1,925
3 Bedroom	50%	2	\$1,136	\$2,350
3 Bedroom	60%	21	\$1,364	\$2,350
3 Bedroom Manager	65%	1	-	-
Total		42		





SDHC – Playa del Sol Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Review.	December 11, 2017
• City Council IRS/TEFRA Hearing	December 11, 2017
• TCAC Application for Tax Credits.	January 18, 2018
• CDLAC Application for Bonds Allocation	January 18, 2018
• Allocation Meetings TCAC & CDLAC	March 18, 2018
• Housing Commission Final Review.	April 2018
• Housing Authority Final Review.	April 2018
• Estimated Escrow/Financing Closing.	May 2018
• Estimated Construction Start	May 2018
• Estimated Construction Completion.	Summer 2019





SDHC – Playa del Sol Partnership Development Bond Issuance Summary

- Proposed bond issuance up to \$11,500,000.
- 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 – Playa del Sol Partnership Development



FRONT ELEVATION

- KEY COLOR CODES:
- A. WHITE
 - B. STUCCO
 - C. BRICK
 - D. DARK BROWN
 - E. LIGHT BROWN
 - F. DARK GREEN
 - G. LIGHT GREEN
 - H. DARK GREEN
 - I. LIGHT GREEN

