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San Diego Housing Commission (SDHC)
Preliminary Bond Authorization and
Loan Recommendation for
Hilltop & Euclid Family Housing
Presentation to the SDHC Board of Commissioners
January 10, 2020

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Real Estate Division





SDHC – Hilltop & Euclid Family Housing Partnership Development Recommendations

That the San Diego Housing Commission (SDHC):

1. Approve a residual receipts loan, up to \$8,550,000, to the borrower, Hilltop Family Housing L.P., a California limited partnership formed by Affirmed Housing (Affirmed), to finance the proposed acquisition and new construction of Hilltop & Euclid Family Housing (Hilltop Family Housing), a 113-unit affordable rental housing development, to be located at 922-944 Euclid Avenue San Diego, CA 92114, which will remain affordable for 55 years.
2. SDHC's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the SDHC General Counsel's approval.





SDHC – Hilltop & Euclid Family Housing Partnership Development Recommendations (Continued)

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

3. Approve an application 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 \$29,000,000.
4. Approve the initial steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds, which are allocated by the State of California, for acquisition and new construction of Hilltop Family Housing, including issuance of a bond inducement resolution (Declaration of Official Intent) for up to \$29,000,000 in tax-exempt Multifamily Housing Revenue Bonds with 4 percent tax credits.
5. Authorize SDHC's President and Chief Executive Officer, or his designee, to execute any and all documents necessary to implement the approvals, upon advice of General Counsel.





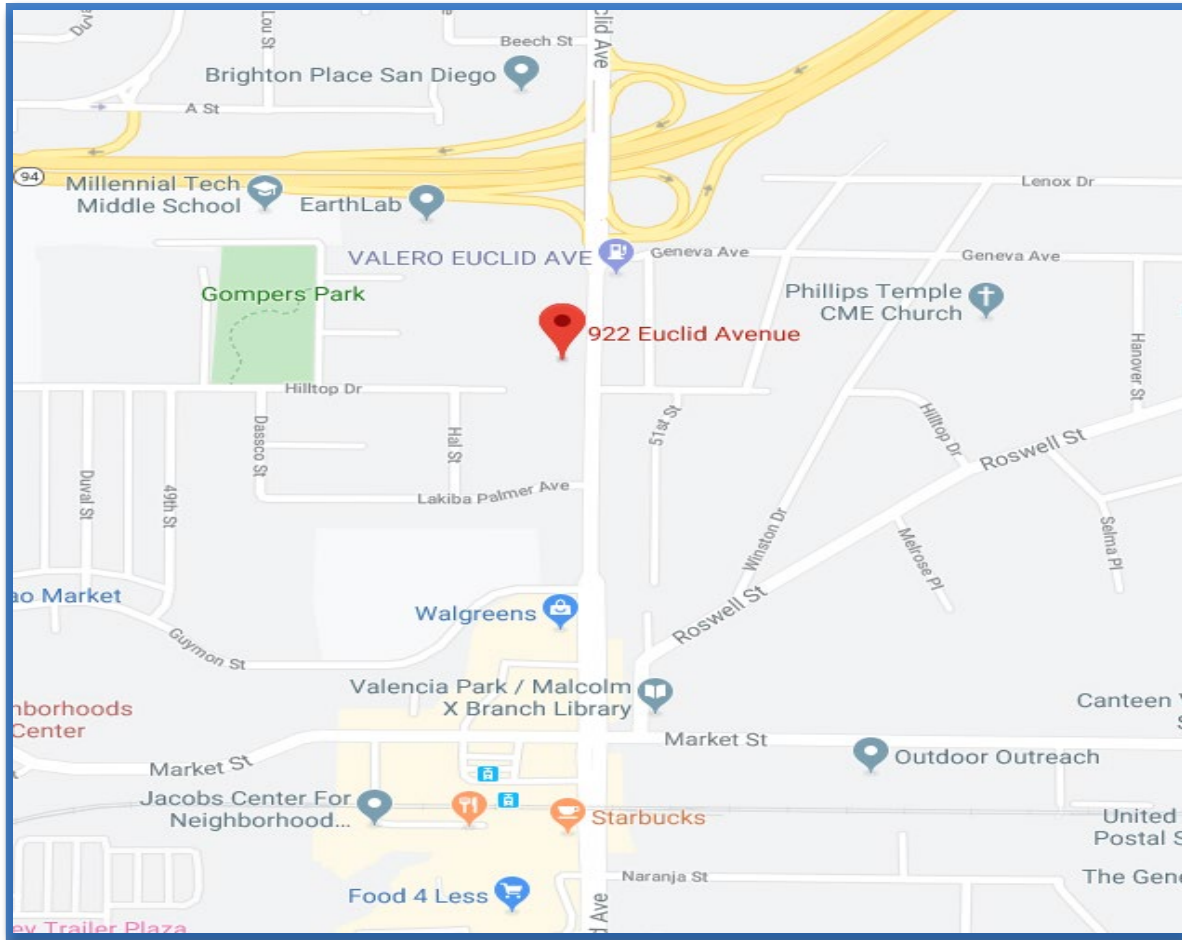
SDHC – Hilltop & Euclid Family Housing Partnership Development Recommendations (Continued)

That SDHC recommend that the San Diego City Council (City Council):

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount of up to \$29,000,000.



SDHC – Hilltop & Euclid Family Housing Partnership Development Location Map





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SDHC – Hilltop & Euclid Family Housing Partnership Development Architect's Rendering





SDHC – Hilltop & Euclid Family Housing Partnership Development Unit Summary

- 113 total units
 - 111 affordable units
 - 14 Studio
 - 23 One-Bedroom
 - 35 Two-Bedroom
 - 21 Three-Bedroom
 - 18 Four-Bedroom
 - 2 managers' units
 - Build It Green GreenPoint Gold certified





SDHC – Hilltop & Euclid Family Housing Partnership Development Amenities

- Community Room
- Basketball Court
- Gardening Space
- Outdoor Gathering Areas
- Secured Bicycle Storage
- 101 parking spaces





SDHC – Hilltop & Euclid Family Housing Partnership Development Developer's Request

- SDHC loan up to \$8,550,000
- Issue up to \$29,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Authorize an Bond Inducement Resolution.
- Hold a Tax Equity Responsibility Act Public Hearing.





SDHC – Hilltop & Euclid Family Housing Partnership Development Development Team Summary

Role	Firm/Contract
Developer	Affirmed Housing Group, Inc.
Managing General Partner	To be selected non-profit
Administrative General Partner	Affirmed Housing Group., Inc.
Architect	Studio E
General Contractor	HA Builders
Property Management	Solari Enterprises
Service Provider	Compass for Affordable Housing
Construction and Permanent Lender	Bank of America
Tax Credit Equity Partner	To be selected



SDHC – Hilltop & Euclid Family Housing Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan (bonds financed)	\$8,220,000	Acquisition	\$8,400,000
CivicSD Land Donation	\$8,200,000	Construction Costs	\$30,366,513
CivicSD Predevelopment Loan	\$2,826,626	Hard Cost Contingency	\$2,732,986
CivicSD Loan	\$3,023,374	Architectural, Survey, and Engineering	\$2,218,724
Housing Commission Proposed Loan	\$8,550,000	Development Impact Fees & Permits	\$2,804,660
Deferred Developer's Fee	\$1,009,420	Construction Interest & Fees	\$1,775,000
Federal Tax Credit Equity	\$17,438,555	Financing Costs	\$1,011,141
State Tax Credit Equity	\$5,391,890	Legal	\$350,000
		Other Soft Costs	\$876,500
		Soft Cost Contingency	\$524,341
		Developer's Fee	\$3,600,000
Total Development Cost	\$54,659,865	Total Development Cost (TDC)	\$54,659,865

- Estimated TDC Per Unit (for 113 Units) = \$483,715



SDHC – Hilltop & Euclid Family Housing Partnership Development Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Maximum Gross Rent
Studio	30%	14	\$420
One Bedroom	30%	12	\$480
One Bedroom	60%	11	\$998
Two Bedroom	60%	36	\$1,121
Three Bedroom	60%	20	\$1,240
Four Bedroom	60%	18	\$1,332
Subtotal residential units		111	
Managers' units (one & two bedrooms)	--	2	--
Total		113	





SDHC – Hilltop & Euclid Family Housing Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Consideration.....	January 14, 2020
• City Council IRS-required TEFRA hearing....	January 14, 2020
• CDLAC bond application & CTCAC tax credit application.....	January 17, 2020
• CDLAC allocation meeting & CTCAC allocation meeting.....	March 18, 2020
• SDHC final bond authorization.....	June 2020
• Housing Authority final bond authorization.....	July 2020
• Bond issuance and escrow closing.....	September 2020
• Start of construction work.....	September 2020
• Completion of construction work.....	June 2022





SDHC – Hilltop & Euclid Family Housing Partnership Development

Questions & Comments

