



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission Preliminary Bond Authorization for Casa Puleta Apartments

October 7, 2016

Ted Miyahara
Director of Housing Finance
Real Estate Division

Cameron Shariati
Real Estate Manager
Real Estate Division



SDHC – Casa Puleta Partnership Development Recommendation

- That the San Diego Housing Commission (SDHC) recommend the Housing Authority of the City of San Diego (Housing Authority):
 - Issue a bond inducement resolution for up to \$6,250,000 in Multifamily Housing Revenue Bonds, which are allocated by the State, for the development of Casa Puleta Apartments by a limited partnership formed by Willow Partners, LLC;
 - 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 \$6,250,000 for Casa Puleta Apartments;
 - Approve the financing team of Quint & Thimmig as Bond Counsel and Public Financial Management as Financial Advisor; and

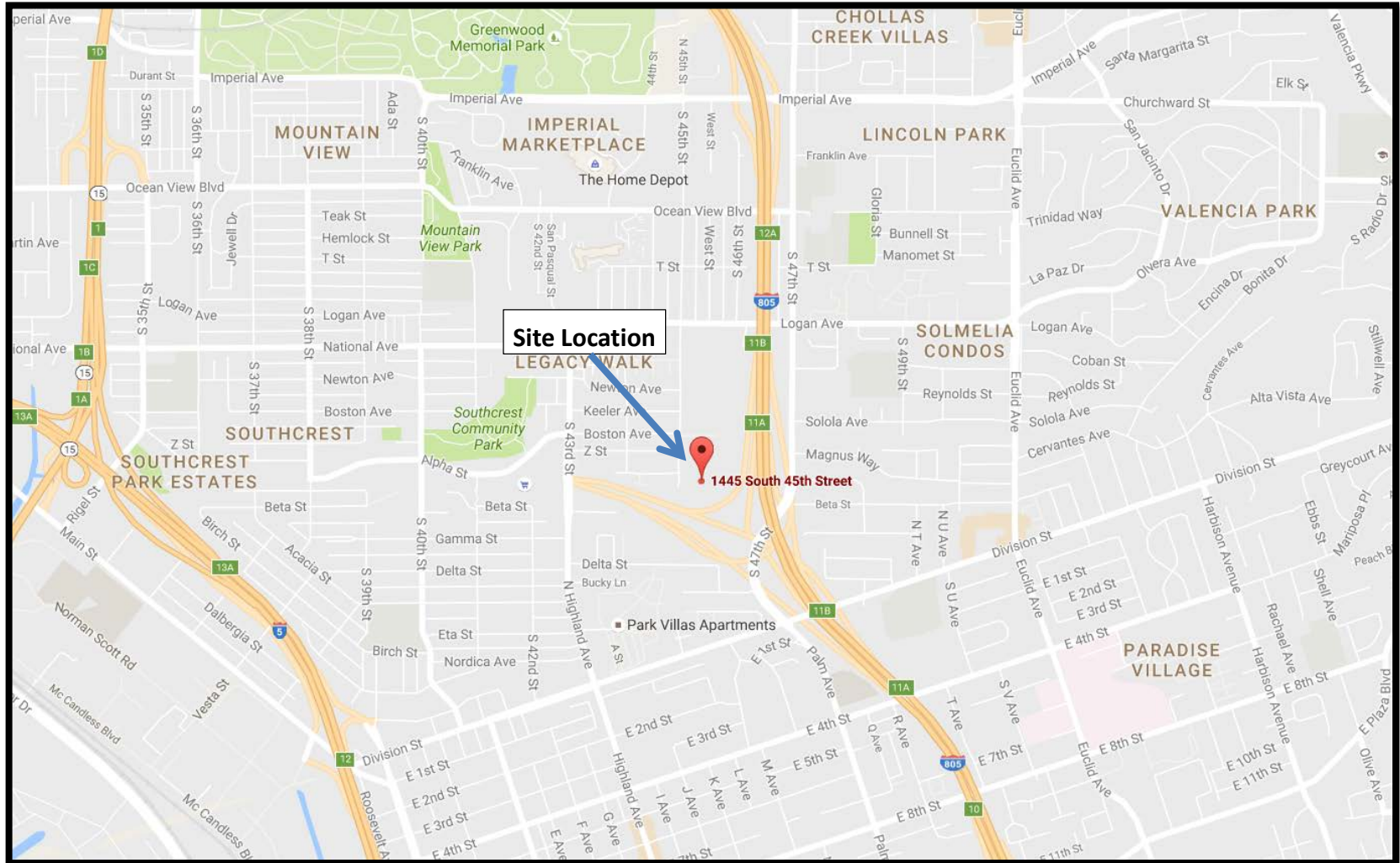


SDHC – Casa Puleta Partnership Development Recommendation (Cont.)

- Request that the San Diego City Council hold a Tax Equity and Fiscal Responsibility Act public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$6,250,000;
- Grant an exemption relating to Section 3.2 of SDHC's Multifamily Housing Revenue Bond Program Policy P.O. 300.301, to authorize the use of the California Tax Credit Allocation Committee's methodology for calculating rents for the affordable units; and
- Authorize SDHC's President & Chief Executive Officer, or designee, to execute and perform acts necessary, convenient, and/or appropriate to implement, upon advice of General Counsel and/or the bond counsel.



SDHC – Casa Puleta Partnership Development Site Location



SDHC – Casa Puleta Partnership Development Project Photos



SDHC – Casa Puleta Partnership Development Project Photos





SDHC – Casa Puleta

Partnership Development

Proposed Scope of Rehabilitation

- Unit Interiors: new countertops, Energy Star appliances, new cabinets, fixtures, and flooring
- Replacement of air conditioning units and water heaters
- Installation of solar panels
- Renovation of clubhouse



SDHC – Casa Puleta

Partnership Development

Development Team Summary

ROLE	FIRM/CONTRACT
Owner	Casa Puleta Apartments, LP
Administrative General Partner	WP Casa Puleta, LLC
Managing General Partner	AOF Casa Puleta, LLC
Developer	Willow Partners, LLC
Architect	John Stewart Construction & Maintenance Services
Property Management	John Stewart Management
Land Owner/Seller	Sun America Housing Fund 1072, LP



SDHC – Casa Puleta Partnership Development

Estimated Permanent Sources & Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Tax-Exempt Permanent Loan	\$5,400,000	Acquisition Costs	\$6,233,000
General Partner Equity	\$296,904	Hard Costs	\$1,322,193
		Hard Cost Contingency	\$100,000
Refundable Good Faith Deposit	\$108,000	Soft Costs	\$797,250
4% Tax-Credit Equity	\$3,925,775	Financing Costs	\$735,228
Income from Operations	\$116,566	Reserves	\$26,000
Deferred Developer Fee	\$625,230	Developer Fee	\$1,258,804
Total Development Cost	\$10,472,475	Total Development Cost	\$10,472,475



SDHC – Casa Puleta

Partnership Development

Proposed Rents

Unit Type	Restrictions	AMI	Number of Units	Proposed Gross Rents
2-bedroom	TCAC	30% AMI	6	\$573
2-bedroom	TCAC	40% AMI	5	\$765
3-bedroom	TCAC	40% AMI	1	\$884
3-bedroom	TCAC	50% AMI	25	\$1,105
4-bedroom	TCAC	50% AMI	2	\$1,232
4-bedroom	TCAC	60% AMI	14	\$1,479
3 Bedroom–Manager		n/a	1	-
Total			54	



SDHC – Casa Puleta

Partnership Development

Proposed Schedule

Milestones	Estimated Dates
• Housing Authority for preliminary consideration	• October 25, 2016
• City Council IRS-required TEFRA hearing	• October 25, 2016
• CDLAC bond application	• November 18, 2016
• TCAC 4% tax-credit application	• November 18, 2016
• CDLAC and TCAC allocation meetings	• January 2017
• SDHC proposed final bond authorization	• February 2017
• Housing Authority proposed final bond authorization	• February 2017
• Estimated bond issuance and escrow closing	• February 2017
• Estimated start of rehabilitation	• February 2017
• Estimated completion of rehabilitation	• August 2017





SDHC – Casa Puleta Partnership Development

Questions?

