San Diego Housing Commission (SDHC) Preliminary Bond Authorization for East Block Family
Housing Authority Agenda Item 1 and City Council Agenda Item 330
July 16, 2019

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SDHC – East Block Family Partnership Development
Recommendations

That the Housing Authority of the City of San Diego (Housing Authority):

1. Approve the following steps to issue tax-exempt Multifamily Housing Revenue Bonds for East Block Family, which will consist of 77 affordable rental housing units and one manager's unit at the northwest corner of Fairmount Avenue and El Cajon Boulevard:
   - Issue a bond inducement resolution for up to $24,000,000
   - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
   - Approve a financing team of Quint and Thimmig as Bond Counsel and CSG Advisors as Financial Advisor

2. Authorize the President & CEO, or designee, to execute any and all documents necessary to implement the transaction in a form approved by General Counsel and/or Bond Counsel.
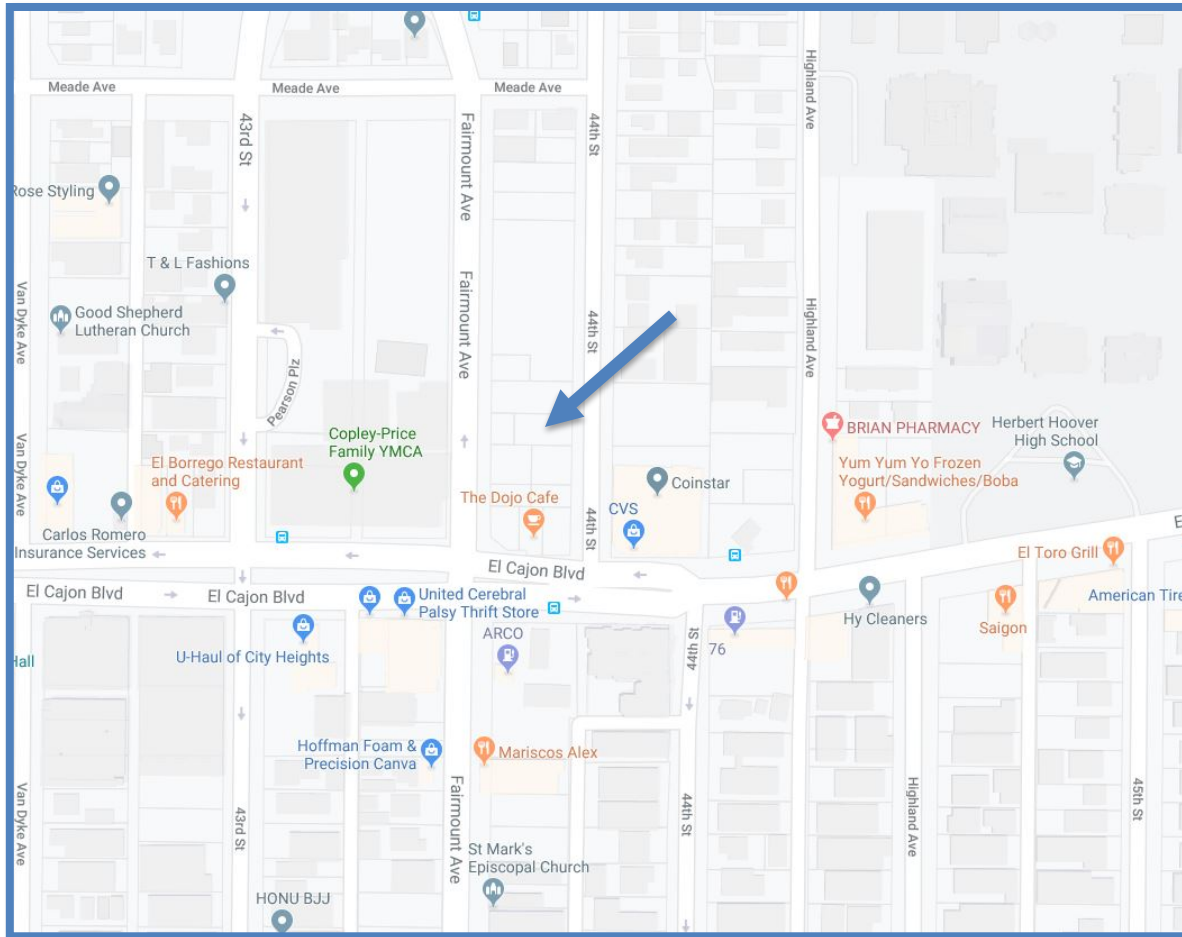
That the San Diego City Council:

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 $24,000,000.
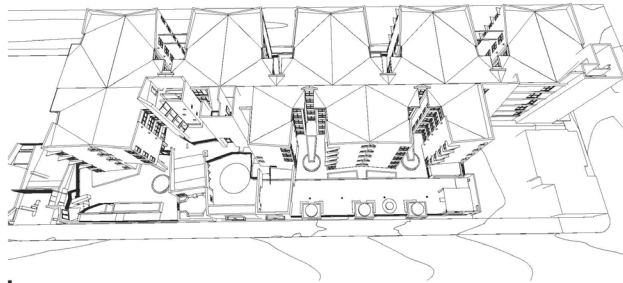
SDHC – East Block Family Partnership Development
Location Map

SDHC – East Block Family Partnership Development
Architect's Rendering

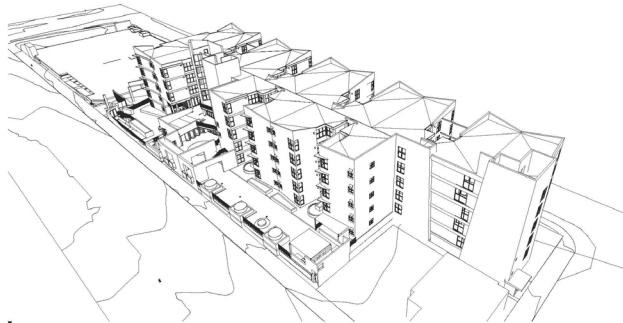# SDHC – East Block Family Partnership Development
East Block Collaborative

- East Block Family Parcel:
  - 78 multifamily rental housing units
  - Two- and three-bedroom units
  - On-site amenities: kitchen and game room, cyber café, outdoor barbecue and picnic area, community garden

- East Block Senior Parcel:
  - 117 rental housing units for seniors
  - One-bedroom units
  - On-site services and community room
  - Access to shared amenities with the family building

- Future Commercial Parcel

SDHC – East Block Family Partnership Development
Developer's Request

- Issue up to $24,000,000 of tax-exempt Multifamily Housing Revenue Bonds.

- Authorize an Inducement Resolution.

- Hold a Tax Equity Responsibility Act Public Hearing.

- No SDHC loan funds are requested for this project.

SDHC – East Block Family Partnership Development
Development Team Summary

Role	Firm/Contract
Developer	Chelsea Investment Corporation
Limited Partnership	Fairmount Family Housing CIC, LP
Managing General Partner	Fairmount and El Cajon Realty, LLC
Administrative General Partner	CIC Fairmount Family Housing, LLC
Architect	Rob Wellington Quigley, FAIA
General Contractor	Emmerson Construction, Inc.
Property Management	CIC Management, Inc.
Construction and Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected

SDHC – East Block Family Partnership Development
Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	$10,080,000	Acquisition	$0
Tax Credit Equity	15,189,325	Construction Hard Costs	27,926,240
Non-profit Loan	10,500,000	Soft Costs	12,366,872
Developer Equity Contribution	2,611,943	Reserves	269,785
Deferred Developer Fee	1,394,129	Developer Fee	5,111,943
Loan Accrued Interest	787,500		
Total	$40,562,897	Total	$40,562,897

- Estimated Total Development Cost Per Unit (for 78 Units) = $520,037

SDHC – East Block Family Partnership Development
Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Proposed Rent
Two Bedroom	50%	3	$1,020
Two Bedroom	60%	30	$1,239
Three Bedroom	50%	4	$1,117
Three Bedroom	60%	40	$1,419
Three Bedroom	MGR	1	$-
Total		78	

SDHC – East Block Family Partnership Development
Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Bond consideration…….	July 16, 2019
• City Council IRS-required TEFRA hearing....	July 16, 2019
• TCAC & CLAC application submittals………	August 16, 2019
• TCAC & CDLAC allocation meetings……..	October 16, 2019
• SDHC final bond authorization.....................	November 2019
• Housing Authority final bond authorization………………………..........	December 2019
• Bond issuance and escrow closing………….	December 2019
• Start of construction work……………………	December 2019
• Completion of construction work……………	December 2021

Questions & Comments