



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Final Bond Authorization for East Block Senior Housing Authority Agenda Item #2 January 28, 2020

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division

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



SDHC – East Block Senior Partnership Development Recommendations

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

Authorize the issuance of up to \$22,000,000 in tax-exempt Multifamily Housing Revenue Bonds too facilitate the new construction of East Block Senior Apartments, which will consist of 115 units that will remain affordable for 55 years and two managers' units, to be located at 4320 44th Street, San Diego.



SDHC – East Block Senior Partnership Development Development Summary

- Proposed new construction of two contiguous residential buildings to be built over a shared parking structure.
- East Block Collaborative will have three parcels:
 - East Block Senior Parcel:
 - 117 rental housing units for seniors
 - East Block Family Parcel:
 - 78 multifamily rental housing units
 - Future Commercial Parcel
- A condominium plan will detail the legal separation.
- Two companion reports.
- There will be separate bond issuances



SDHC – East Block Senior Partnership Development Development Summary (Continued)

- Proposal for Housing Authority to issue up to \$22,000,000 in tax-exempt Multifamily Housing Revenue Bonds for East Block Senior.
- Previously approved preliminary steps required for bonds issuance.
- Developer has received necessary third-party financing commitments:
 - Necessary bonds issuance allocation from California Debt Limit Allocation Committee (CDLAC).
 - Necessary tax credits allocation from California Tax Credit Allocation Committee (CTCAC).
- Development details summary at Table #1 page 1 of report.



SDHC – East Block Senior Partnership Development Development Summary (Continued)

East Block Senior Apartments

- Proposed new construction of 117 units.
- Units mix of 115 one-bedrooms.
- Plus two unrestricted managers' units.

Developer:

- Chelsea Investment Corporation.
- Experienced developer.
- Development team summary at Table 2, page 3 of report.

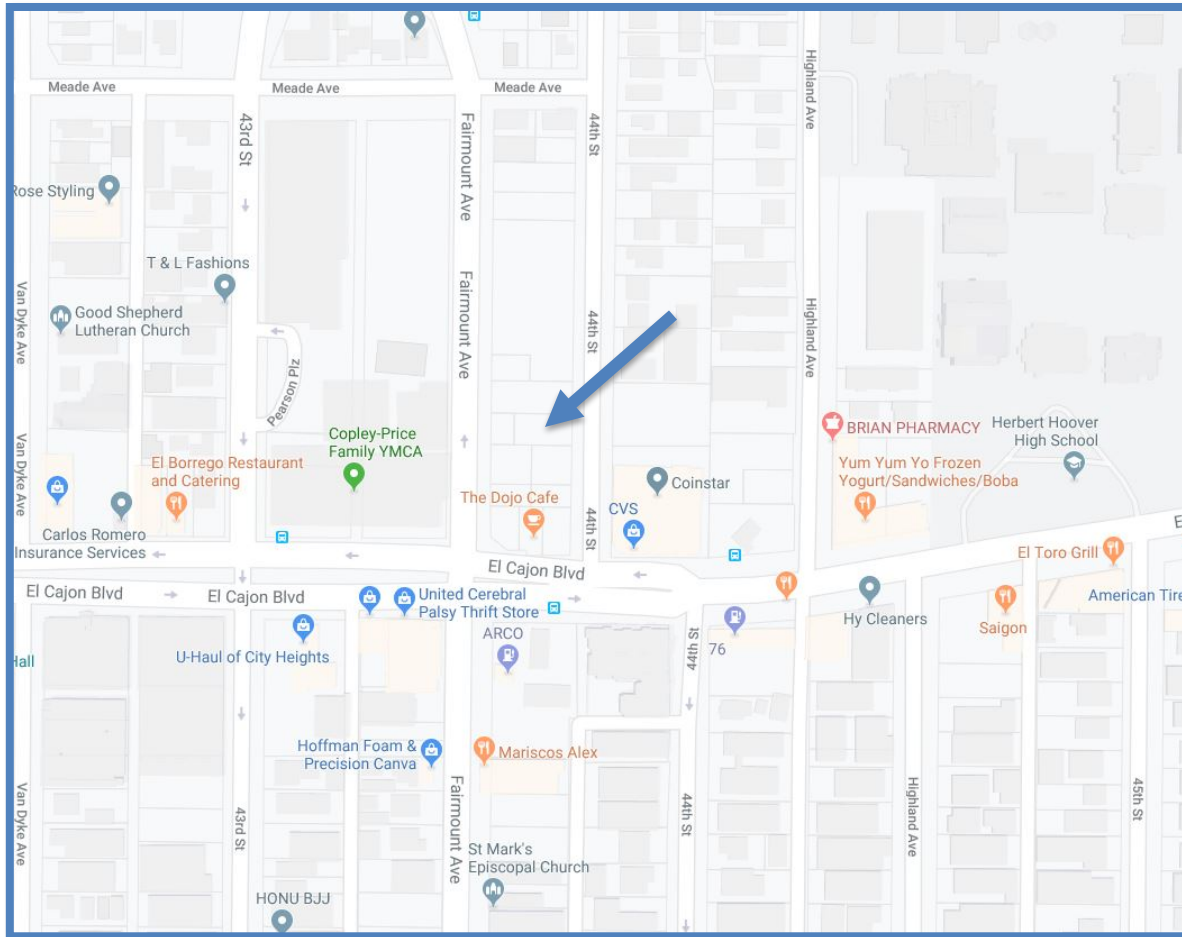


SDHC – East Block Senior Partnership Development Development Team Summary

Role	Firm/Contract
Developer	Chelsea Investment Corporation
Limited Partnership	Fairmount Senior Housing CIC, LP
Managing General Partner	Fairmount SHC Housing, LLC
Administrative General Partner	CIC Fairmount Senior Housing, LLC
Architect	Rob Wellington Quigley, FAIA
General Contractor	Emmerson Construction, Inc.
Property Management	CIC Management, Inc.
Service Provider	Serving Seniors
Construction Lender Permanent Lender	US Bank National Association California Bank and Trust
Tax Credit Equity Partner	US Bancorp Community Development Corporation



SDHC – East Block Senior Partnership Development Location Map



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

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$12,810,000	Acquisition	\$82,000
Housing Commission Proposed Loan	6,750,000	Construction Hard Costs	22,058,000
		Hard Costs Contingency	<u>+1,376,600</u>
		Total Construction Cost	23,434,600
Developer's Equity Contribution	2,253,700	Financing Costs	1,928,500
Residual Receipts Loan Accrued Interest	497,800	Other Soft and Hard Costs	5,535,100
Four Percent Tax Credit Equity	13,420,200	Reserves	327,800
		Developer Fee	4,423,700
Total	\$35,731,700	Total	\$35,731,700

- Estimated Total Development Cost Per Unit (for 117 Units) = \$305,399



SDHC – East Block Senior Partnership Development Affordability & Estimated Rents

Unit Type	AMI	Unit Count	CTCAC Gross Rent
One-Bedroom	40%	7	\$802
One-Bedroom	50%	9	\$1,003
One-Bedroom	60%	99	\$1,203
One-Bedroom	Manager	2	--
Total		117	



SDHC – East Block Senior Partnership Development Development Timeline

Milestone	Estimated Date
<ul style="list-style-type: none"> • Housing Authority consideration of final bonds issuance..... 	January 28, 2020
<ul style="list-style-type: none"> • Bonds issuance and escrow closing..... 	February 2020
<ul style="list-style-type: none"> • Start of construction work..... 	February 2020
<ul style="list-style-type: none"> • Completion of construction work..... 	February 2021



SDHC – East Block Senior Partnership Development Bond Issuance Summary

- Proposed bond issuance of up to \$22,000,000.
- Developer is responsible for paying all costs of issuing bonds.
- Issuance pursuant to SDHC's bond policy.
- Bonds issuance will not create financial liability to SDHC, the Housing Authority, or the City.
- Neither the 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 – East Block Senior Partnership Development Artist's Rendering

