



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Preliminary Bond Authorization for Courthouse Commons

Housing Authority Agenda Item #2 and City Council Agenda Item #331
July 30, 2019

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division





SDHC – Courthouse Commons 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 Courthouse Commons, a 431-unit rental housing development at 220 West Broadway that will include 86 affordable units and 345 market-rate units:
 - Issue a bond inducement resolution for up to \$235,000,000
 - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
 - Approve a financing team of Jones Hall as Bond Counsel and Ross Financial 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.





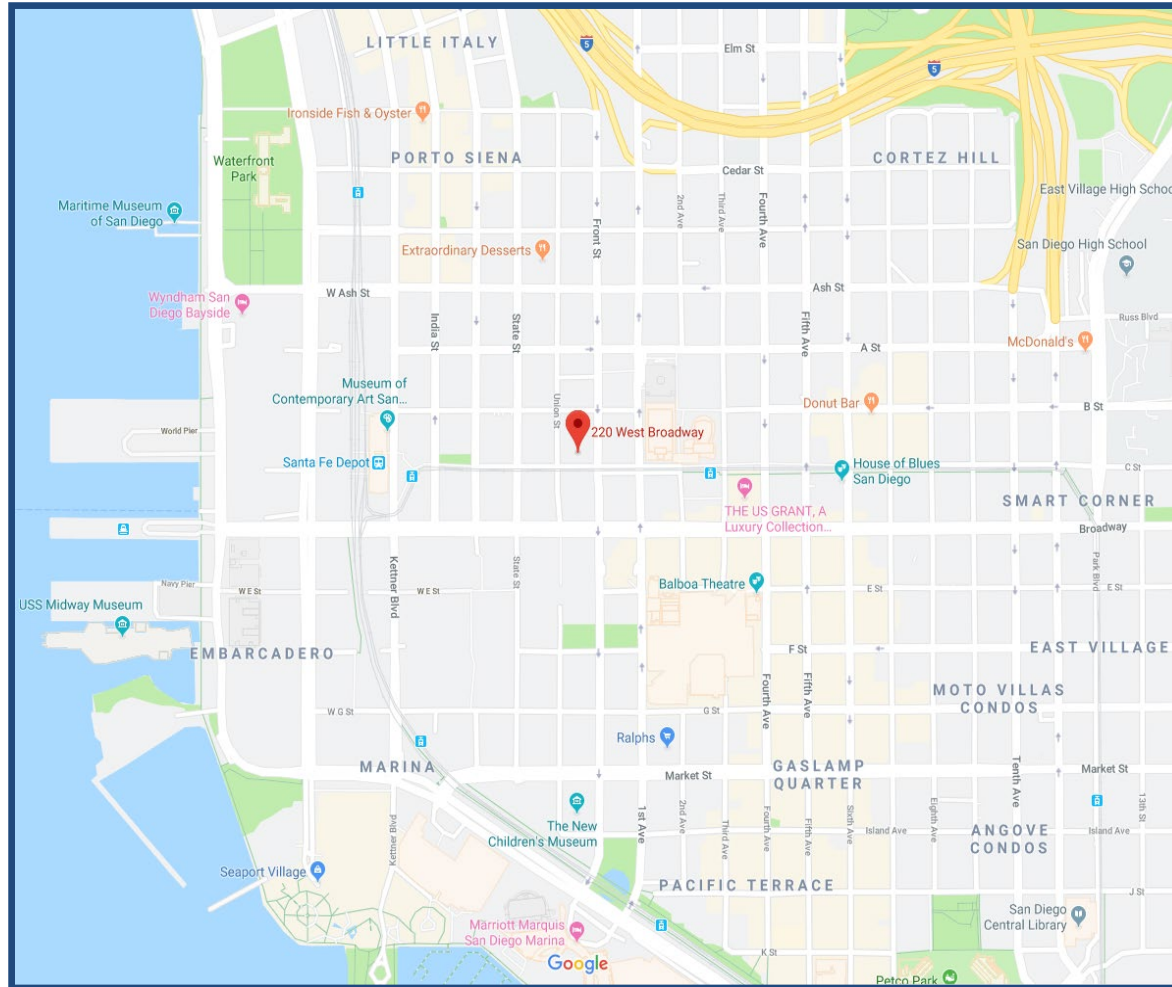
SDHC – Courthouse Commons Partnership Development Recommendations (Continued)

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 \$235,000,000.



SDHC – Courthouse Commons Partnership Development Location Map



SDHC – Courthouse Commons Partnership Development Project Amenities

- Civic Core Neighborhood Amenities:
 - Adjacent to a Metropolitan Transit System (MTS) Trolley stop
 - Blocks from the Santa Fe Depot train station
 - Walking distance to numerous restaurants, farmers markets, Horton Plaza, Waterfront Park and Little Italy Dog Park
 - New retail/commercial space
- Site Amenities
 - Rooftop lounge with pool, spa and outdoor terrace
 - Fitness center
 - Dog run
 - Conference rooms
 - Indoor and outdoor community gathering areas
 - Five levels of subterranean parking



SDHC – Courthouse Commons Partnership Development Project Renderings



SDHC – Courthouse Commons Partnership Development Project Renderings





SDHC – Courthouse Commons Partnership Development Developer's Request

- Issue up to \$235,000,000 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 – Courthouse Commons Partnership Development Development Team Summary

Role	Firm/Contract
Developer	Holland Development LLC
General Partner	To-be-determined
Limited Partner	SDCC South Block Development Partners, LP
Architect	Carrier Johnson
General Contractor	Holland Construction, Inc.
Property Manager	Holland Residential LLC AHA/PA-Project Access



SDHC – Courthouse Commons Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$216,500,000	Acquisition	\$18,500,000
Developer Equity	151,729,300	Construction Costs	252,970,000
		Soft Costs	70,640,000
		Developer Fee	7,500,000
		Financing Costs	18,619,300
Total	\$368,229,300	Total	\$368,229,300

- Estimated Total Residential Development Cost Per Unit (for 431 Units) = \$574,710



SDHC – Courthouse Commons

Partnership Development

Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Proposed Rent
Studio	50%	21	\$898
One Bedroom	50%	32	\$958
Two Bedroom	50%	26	\$1,146
Three Bedroom	50%	7	\$1,320
Affordable Unit Subtotal		86	
Studio	Market	87	Market
One Bedroom	Market	75	Market
Two Bedroom	Market	144	Market
Three Bedroom	Market	39	Market
Market Rate Unit Subtotal		345	
Total		431	

- 86 total affordable units set aside at 50% of AMI





SDHC – Courthouse Commons Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Bond consideration.....	July 30, 2019
• City Council IRS-required TEFRA hearing....	July 30, 2019
• TCAC & CDLAC application submittals.....	August 16, 2019
• TCAC & CDLAC allocation meetings.....	October 16, 2019
• SDHC final bond authorization.....	February 2020
• Housing Authority final bond authorization.....	March 2020
• Bond issuance and escrow closing.....	April 2020
• Start of construction work.....	April 2020
• Completion of construction work.....	June 2023





SDHC – Courthouse Commons Partnership Development

Questions & Comments

