



SAN DIEGO  
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# San Diego Housing Commission (SDHC) Preliminary Bond Authorization for Park Crest Apartments

Housing Authority Agenda Item #1 and City Council Agenda Item #334  
October 1, 2019

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# SDHC – Park Crest Apartments Partnership Development Recommendations

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

1. Approve the initial steps to issue tax-exempt Multifamily Housing Revenue Bonds for Park Crest Apartments, including:
  - Issue a bond inducement resolution for up to \$38,000,000
  - Authorize an application to the California Debt Limit Allocation Committee (CDLAC)
  - Approve a financing team of Kutak Rock as Bond Counsel and PFM as Financial Advisor
2. Authorize SDHC's President & CEO, or designee, to execute necessary documents as approved by General Counsel and/or Bond Counsel.





# SDHC – Park Crest Apartments Partnership Development Recommendations (Continued)

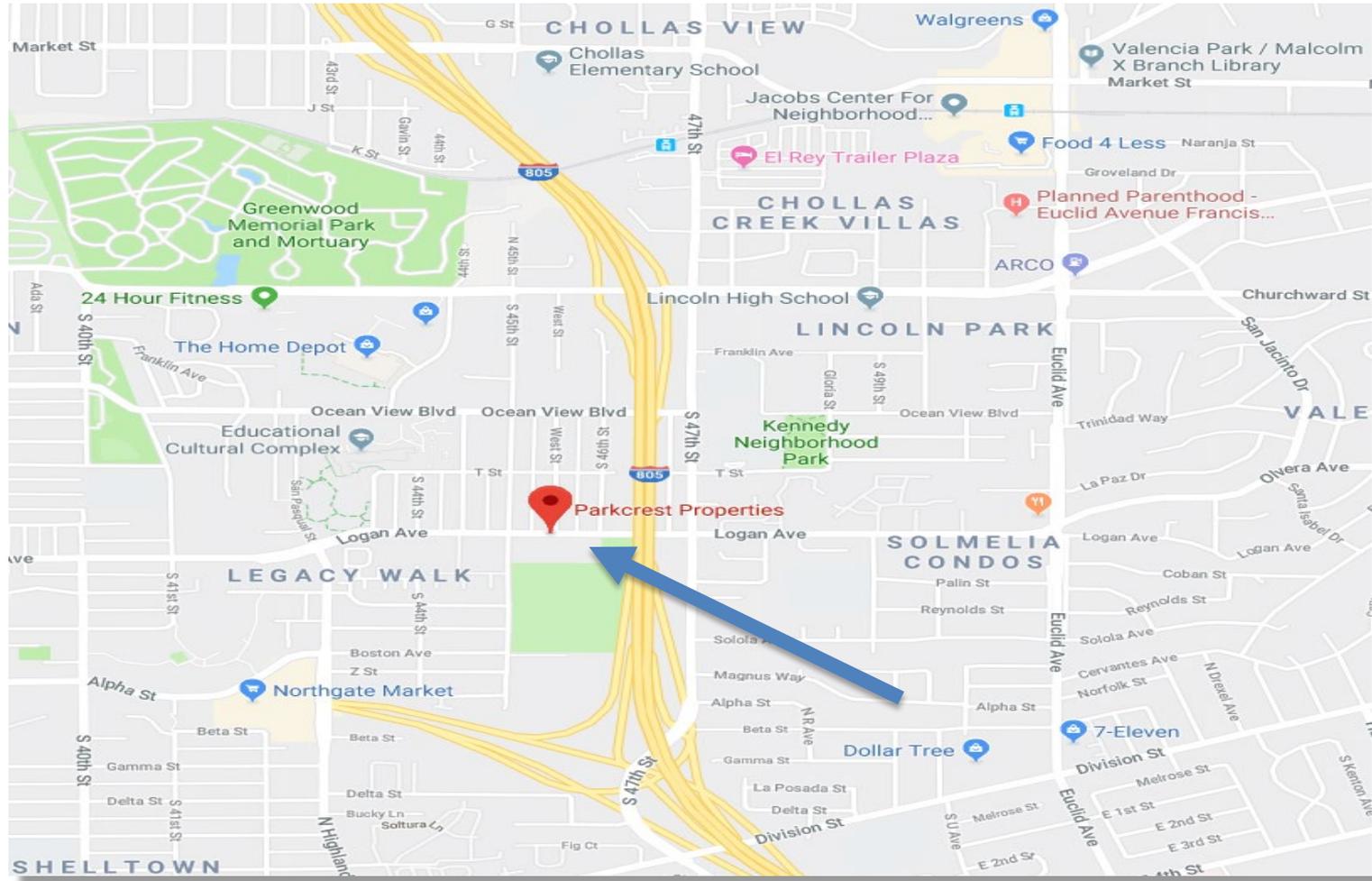
## **That the San Diego City Council:**

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 \$38,000,000.

**Preliminary Approvals** – Staff will return to the Housing Authority at later date for consideration of final approval of the bonds.



# SDHC – Park Crest Apartments Partnership Development Location Map



# SDHC – Park Crest Apartments Partnership Development Location Map Aerial View



# SDHC – Park Crest Apartments Partnership Development Existing Conditions



*Street view*



*Solar panels at property*



# SDHC – Park Crest Apartments Partnership Development Existing Conditions (Continued)



*Leasing Center*



*Community Room*



# SDHC – Park Crest Apartments Partnership Development Existing Conditions (Continued)



*Typical Bedroom*



*Typical Kitchen*





# SDHC – Park Crest Apartments Partnership Development Summary

- Park Crest Apartments:
  - 140 multifamily rental housing units
  - Two- and three-bedroom units
  - On-site amenities: kitchen and community room
  - 90 parking spaces
  - On-site management office and maintenance building





# SDHC – Park Crest Apartments Partnership Development Developer’s Request

- Issue up to \$38,000,000 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 – Park Crest Apartments Partnership Development Development Team Summary

Role	Firm/Contract
Developer	Fairfield Residential
Limited Partnership	Fairfield Park Crest L.P.
Managing General Partner	To be selected
Administrative General Partner	To be selected
Architect	To be selected
General Contractor	To be selected
Property Management	FF Properties L.P.
Construction and Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



# SDHC – Park Crest Apartments Partnership Development Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
Permanent Loan	\$27,700,000	Acquisition	\$34,250,000
Tax Credit Equity	\$14,283,565	Capital Improvements	\$5,658,696
Investor Equity	\$850,349	Loan Origination & Assumption Fees	\$1,054,150
Developer Equity Contribution	\$8,590	Interest Reserve	\$135,225
Deferred Developer Fee	\$5,729,429	Developer Fee	\$5,729,429
		Prepaid Taxes & Insurance	\$653,406
		Legal, Closing Costs & Due Diligence	\$991,027
		Contingency & Working Capital	\$100,000
<b>Total</b>	<b>\$48,571,933</b>	<b>Total</b>	<b>\$48,571,933</b>

- Estimated Total Development Cost Per Unit (for 140 Units) = \$346,942



# SDHC – Park Crest Apartments

## Partnership Development

### Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Proposed Rent
Two Bedroom	50%	11	\$1,171
Two Bedroom	60%	100	\$1,412
Three Bedroom	50%	3	\$1,356
Three Bedroom	60%	25	\$1,634
Three Bedroom	MGR	1	-
<b>Total</b>		140	





# SDHC – Park Crest Apartments Partnership Development Development Timeline

<b>Milestone</b>	<b>Estimated Date</b>
• Housing Authority Preliminary Bond consideration.....	October 1, 2019
• City Council IRS-required TEFRA hearing....	October 1, 2019
• TCAC & CDLAC application submittals.....	October 11, 2019
• TCAC & CDLAC allocation meetings.....	December 11, 2019
• SDHC final bond authorization.....	January 2020
• Housing Authority final bond authorization.....	January 2020
• Bond issuance and escrow closing.....	March 2020
• Start of construction work.....	March 2020
• Completion of construction work.....	September 2021





# SDHC – Park Crest Apartments Partnership Development

# Questions & Comments

