

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**April 14, 2020**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Isaac Clark III*

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**Applicant:** San Diego Housing Commission

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**Allocation Amount Requested:**  
**Tax-exempt:** \$27,885,943

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**Project Information:**  
**Name:** Hilltop & Euclid Family Housing  
**Project Address:** 922-1040 Euclid Avenue  
**Project City, County, Zip Code:** San Diego, San Diego, 92114

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**Project Sponsor Information:**  
**Name:** Hilltop Family Housing, L.P. (AHG Hilltop LLC)  
**Principals:** James Silverwood, President and Nicki Cometa, Chief Financial Officer of AHG Hilltop, LLC. Gina Onweiler, President of NEXUS For Affordable Housing, Inc.  
**Property Management Company:** Solari Enterprises, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Private Placement Purchaser:** Banner Bank  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** January 7, 2020  
**TEFRA Adoption Date:** January 15, 2020

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 113  
**Manager's Units:** 2 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

Hilltop & Euclid Family Housing is a new construction "mixed-use" development project in San Diego located on a nine-acre site. There are 111 restricted units and 2 unrestricted manager units. The project will have 14 studios, 23 one-bedroom, 37 two-bedroom, 21 three-bedroom and 18 four-bedroom units. The site will have two and three story townhomes, 2 four-story buildings and 1 three-story building with elevators. It includes a community space. The four story buildings are Type V wood frame over Type I concrete podium; the other buildings are all wood frame. The common amenities include laundry rooms, a pool, a basketball court and a tot-lot, a management office, a lobby, a computer room and learning center. Each unit will feature high efficiency refrigerators, range/oven, dishwasher and HVAC. There are over 98 parking spaces provided. The project will be Build It Green GreenPoint Rated, certified by Partner Energy. Features include rooftop space for solar PV to offset a portion of tenant electrical load. The project is expected to begin in September of 2020 and to be completed in June of 2022.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

23% (26 units) restricted to 50% or less of area median income households.

77% (85 units) restricted to 60% or less of area median income households.

**Unit Mix:** Studio, 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 49,339,267	
<b>Estimated Hard Costs per Unit:</b>	\$ 202,239	(\$22,853,026 /113 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 436,631	(\$49,339,267 /113 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 246,778	(\$27,885,943 /113 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 251,225	(\$27,885,943 /111 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Banner Bank - Construction Loan	\$ 27,885,943	\$ 8,565,000
Civic San Diego - Land Donation	\$ 0	\$ 5,850,000
LIH Tax Credit Equity	\$ 0	\$ 25,364,847
Civic San Diego - Loan	\$ 5,547,663	\$ 8,550,000
San Diego Housing Commission - Loan	\$ 8,122,500	\$ 1,009,420
Costs Deferred Until Perm	\$ 5,365,338	\$ 0
WNC - Federal Tax Credit Equity	\$ 2,417,823	\$ 0
<b>Total Sources</b>	<b>\$ 49,339,267</b>	<b>\$ 49,339,267</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1
New Construction	\$ 33,512,394
Architectural Fees	\$ 1,257,916
Survey and Engineering	\$ 999,500
Construction Interest and Fees	\$ 1,370,000
Permanent Financing	\$ 905,000
Legal Fees	\$ 350,000
Reserves	\$ 303,000
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 2,513,429
Local Development Impact Fees	\$ 2,371,510
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 2,146,517
Developer Costs	\$ 3,600,000
<b>Total Uses</b>	<b>\$ 49,339,267</b>

**Analyst Comments:**

None

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**Legal Questionnaire:**

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

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**Total Points:**

127 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$27,885,943 in tax-exempt bond allocation.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	32
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	5
Gross Rents	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>127</b>