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San Diego Housing Commission (SDHC) Final Note and Bond Authorization for Aquila Apartments (Formerly known as 3Roots) Presentation to the SDHC Board of Commissioners September 9, 2021

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Real Estate Division



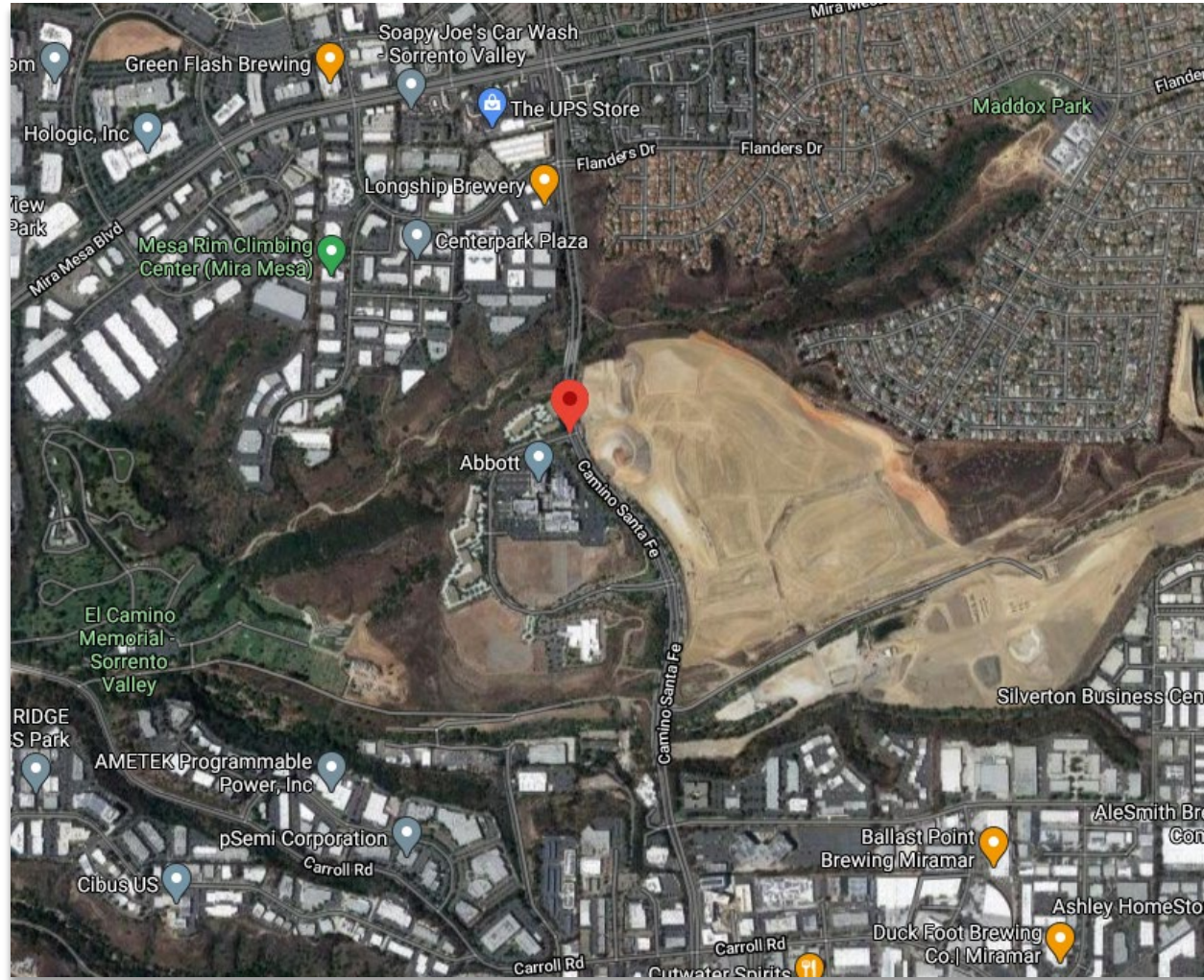
SDHC – Aquila Apartments Development Summary

- New construction of 178 affordable rental housing units and two restricted managers' units at 9900 Camino Santa Fe in Mira Mesa in Council District 6.
- Rents affordable for 55 years for households with income at 30 percent to 60 percent of San Diego's Area Median Income (AMI).
 - Managers' units affordable for households with income up to 65 percent of AMI
- Located at the southern end of the Lennar Homes' master-planned community, which consists of 1,800 residential units to be developed in Mira Mesa.
- Development financed with Multifamily Housing Revenue Bonds, private bank debt, 4 percent federal Low-Income Housing Tax Credits, state tax credits, seller note, land donation, Junior C bond, and a deferred developer fee.
- No SDHC loan provided to this development.





SDHC – Aquila Apartments Aerial View



SDHC – Aquila Apartments Site Plan

Site Summary:

Three Story Apartments

Total Units : 180
Site Area : ± 3.96 Acres
Density : ± 45.5 Homes/Acre

Parking Provided : 180 Spaces
Uncovered Spaces: 180 (1.0-1)

Unit Mix:

1 BR Units: 144 (80%)
2 BR Units: 36 (20%)
180 (100%)



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ARCHITECTS
San Diego, California

ILLUSTRATIVE SITE PLAN

3 ROOTS : PA-12

San Diego, California

Scale: 1" = 30' 8/19/19

07.25.18





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SDHC – Aquila Apartments Architect's Rendering



SDHC – Aquila Apartments

Estimated Permanent Financing Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts
Senior Tax-Exempt Perm Note	32,390,000	Property Acquisition	1
Junior Tax-Exempt Note	2,300,000	Construction	54,860,166
Accrued interest on Junior Bond	450,000	Offsite Infrastructure	6,000,000
Seller Note	6,000,000	Financing Costs	6,285,375
Land Donation	1	Local permits and fees	4,508,400
State Tax Credits	1,219,953	Other soft costs	2,301,902
4 percent tax credit equity	36,337,172	Architect and engineering	1,171,832
Deferred developer fee	3,274,741	Reserves	694,182
-	-	Developer Fee	6,149,878
Total Sources	81,971,871	Total Development Cost	81,971,871

- Estimated Total Development Cost Per Unit (180 Units) = \$455,399



SDHC – Aquila Apartments

Affordability & Proposed Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One bedroom units	30%	2	\$682
One bedroom units	50%	2	\$1,136
One bedroom units	60%	<u>20</u>	\$1,455
Subtotal One bedroom units		24	
Two bedroom units	30%	8	\$818
Two bedroom units	50%	8	\$1,363
Two bedroom units	60%	<u>62</u>	\$1,636
Subtotal Two Bedroom Units		78	
Three bedroom units	30%	8	\$945
Three bedroom units	50%	8	\$1,575
Three bedroom units	60%	<u>60</u>	\$1,890
Subtotal Three bedroom units		76	
Manager's two bedroom unit	65%	1	\$1,636
Manager's three bedroom unit	65%	<u>1</u>	\$1,890
Subtotal Managers' units		2	
Total	--	180	--



SDHC – Aquila Apartments Development Timeline

Milestones	Estimated Dates
Housing Authority final bond authorization	October 5, 2021
Estimated Bond Issuance and escrow closing	October 12, 2021
CTCAC construction start milestone	October 25, 2021
Estimated start of construction	October 25, 2021
Estimated completion of construction work	May 2023



SDHC – Aquila Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$40,000,000 in tax-exempt bonds and up to \$30,000,000 in taxable bonds.
- Developer is responsible for paying all costs of issuing bonds.
- Issuance pursuant to SDHC's bond policy.
- Bond issuance will not create financial liability to SDHC, Housing Authority, nor 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 – Aquila Apartments

Staff Recommended Actions

That the SDHC Board of Commissioners (Board) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

Authorize the issuance of tax-exempt Multifamily Housing Revenue Note and Bond in an aggregate amount not to exceed \$40,000,000 and a taxable Housing Authority Multifamily Housing Revenue Note in an amount not to exceed \$30,000,000 to fund 3Roots CIC L.P.'s construction of Aquila Apartments, a new affordable rental housing development to be located at 9900 Camino Santa Fe, San Diego, in the Mira Mesa neighborhood, which will consist of 180 units: 178 units that will remain affordable for 55 years for individuals and families earning between 30 percent and 60 percent of the San Diego Area Median Income (AMI), including two managers' units affordable to households with income up to 65 percent of AMI to comply with the City of San Diego's Inclusionary Housing Ordinance requirements.



Questions & Comments

