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San Diego Housing Commission (SDHC)

Loan Recommendation for Nestor Senior Village

Presentation to the SDHC Board of Commissioners

May 6, 2021

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SDHC – Nestor Senior Village

Development Summary

- Proposed new construction of 73 affordable rental housing units for seniors, age 55 and older, experiencing homelessness and one unrestricted manager's unit.
- Located on leased land owned by Nestor United Methodist Church at 1120 Nestor Way, in the Otay Mesa-Nestor neighborhood.
- Units will be affordable to households with income of 25 percent to 30 percent of San Diego's Area Median Income.
- Site amenities will include:
 - Community room
 - Community kitchen
 - Laundry room
 - Computer room
 - Social services office space
 - Outdoor gathering/recreation area



SDHC – Nestor Senior Village Development Summary (Continued)

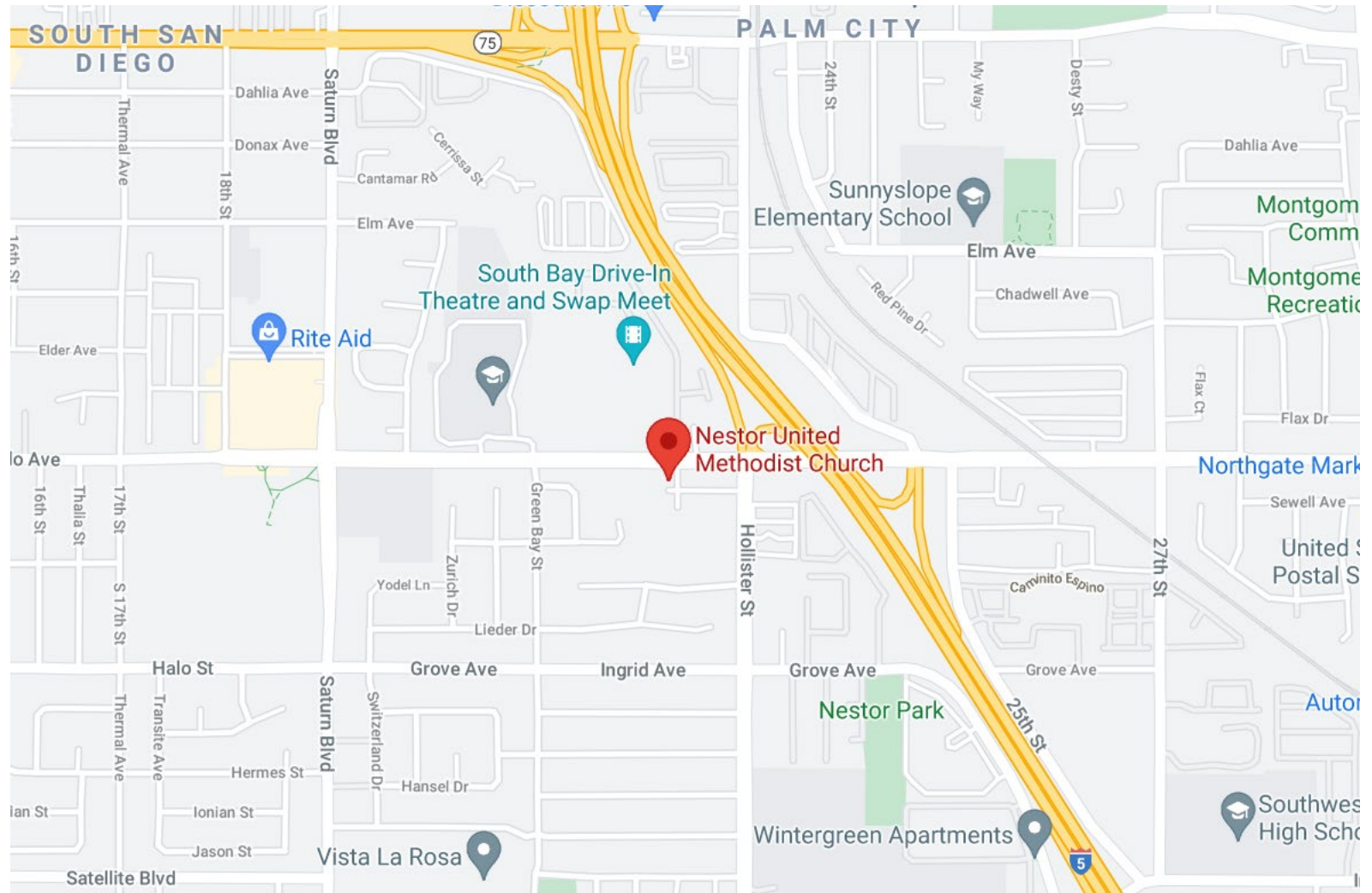
- National CORE applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2021 Notice of Funding Availability.
- SDHC made a preliminary award of a loan of up to \$3,330,000 subject to SDHC Board of Commissioners approval.
- SDHC awarded 73 Federal Project-Based Housing Vouchers.
- Supportive services for the residents will be provided by:
 - Father Joe's Villages
 - County of San Diego Behavior Health Services
 - Hope Through Housing Foundation





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SDHC – Nestor Senior Village Location Map



SDHC – Nestor Senior Village

Estimated Permanent Financing Sources and Uses

Permanent Sources	Amount	Permanent Uses	Amount
Permanent Loan (Third Party Lender)	\$2,993,378	Ground Lease Payments, Site Improvements, Option Payment	\$3,483,550
Federal Home Loan Bank Affordable Housing Program	730,000	Construction costs	16,175,301
County of San Diego No Place Like Home Program	7,500,000	Financing Costs	1,290,434
SDHC Proposed Loan	3,330,000	Other Soft Costs	2,519,392
Development Impact Fee Waiver	1,191,141	Permits and Fees	2,107,196
Nine Percent Tax Equity	15,765,787	Reserves	3,734,433
		Developer's Fee	2,200,000
Total Development Cost (TDC)	\$31,510,306	Total Development Cost	\$31,510,306

- Estimated Total Development Cost per unit (74 units) = \$425,815



SDHC – Nestor Senior Village

Affordability & Estimated Rents

Unit Type	AMI	Units	Maximum Gross Rent
Studio – No Place Like Home (NPLH) Units	25%	25	\$505
Studio – NPLH Units	30%	10	\$606
Subtotal – NPLH Units		35	
Studio	30%	38	\$606
Subtotal Affordable Units	--	73	--
2 Bedroom Manager Unit	--	1	--
Total	--	74	--



SDHC – Nestor Senior Village

Development Timeline

Milestone	Estimated Date
<ul style="list-style-type: none"> California Tax Credit Allocation Committee (CTCAC) 9% tax credit application deadline..... CTCAC 9% tax credit allocation meeting..... Estimated escrow/loan closing..... Estimated start of construction work..... Estimated completion of construction work... 	<p>July 1, 2021</p> <p>September 29, 2021</p> <p>March 2022</p> <p>March 2022</p> <p>August 2023</p>



SDHC – Nestor Senior Village

Artist's Rendering



SDHC – Nestor Senior Village

Staff Recommendations

That SDHC take the following actions:

1. Approve a proposed residual receipts loan, up to \$3,330,000 to NCRC NSV, a California limited partnership, to finance the new construction of Nestor Senior Village located at 1120 Nestor Way, San Diego, which will consist of 73 units that will remain affordable for 55 years for seniors age 55 and older experiencing homelessness and one unrestricted manager's unit.
 - Loan contingent on developer receiving necessary third-party funds.



SDHC – Nestor Senior Village Staff Recommendations (Continued)

2. Authorize SDHC's President and Chief Executive Officer, or designee:
 - To execute necessary documents in a form approved by General Counsel and take necessary actions, upon advice of General Counsel;
 - To adjust financing terms, provided that the proposed \$3,330,000 maximum SDHC loan amount may not increase;
 - To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability.



Questions & Comments

