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San Diego Housing Commission (SDHC) Preliminary Bond Authorization for ShoreLINE Apartments Presentation to the SDHC Board of Commissioners January 14, 2021

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division



SDHC – ShoreLINE Apartments

Development Summary

- New construction of 153 affordable units and two managers' units at 4470 Alvarado Canyon Road in Grantville in Council District 7.
- Rents affordable for 55 years for households with income at 30 percent to 80 percent of San Diego's Area Median Income (AMI).
- Development will replace an existing Metropolitan Transit System (MTS) parking lot.
- Development financed with Multifamily Housing Revenue Bonds, private bank debt, 4 percent federal Low-Income Housing Tax Credits, state tax credits, state Housing and Community Development (HCD) Transit-Oriented Development Funds, and a deferred developer fee.
- No SDHC loan provided to this development.

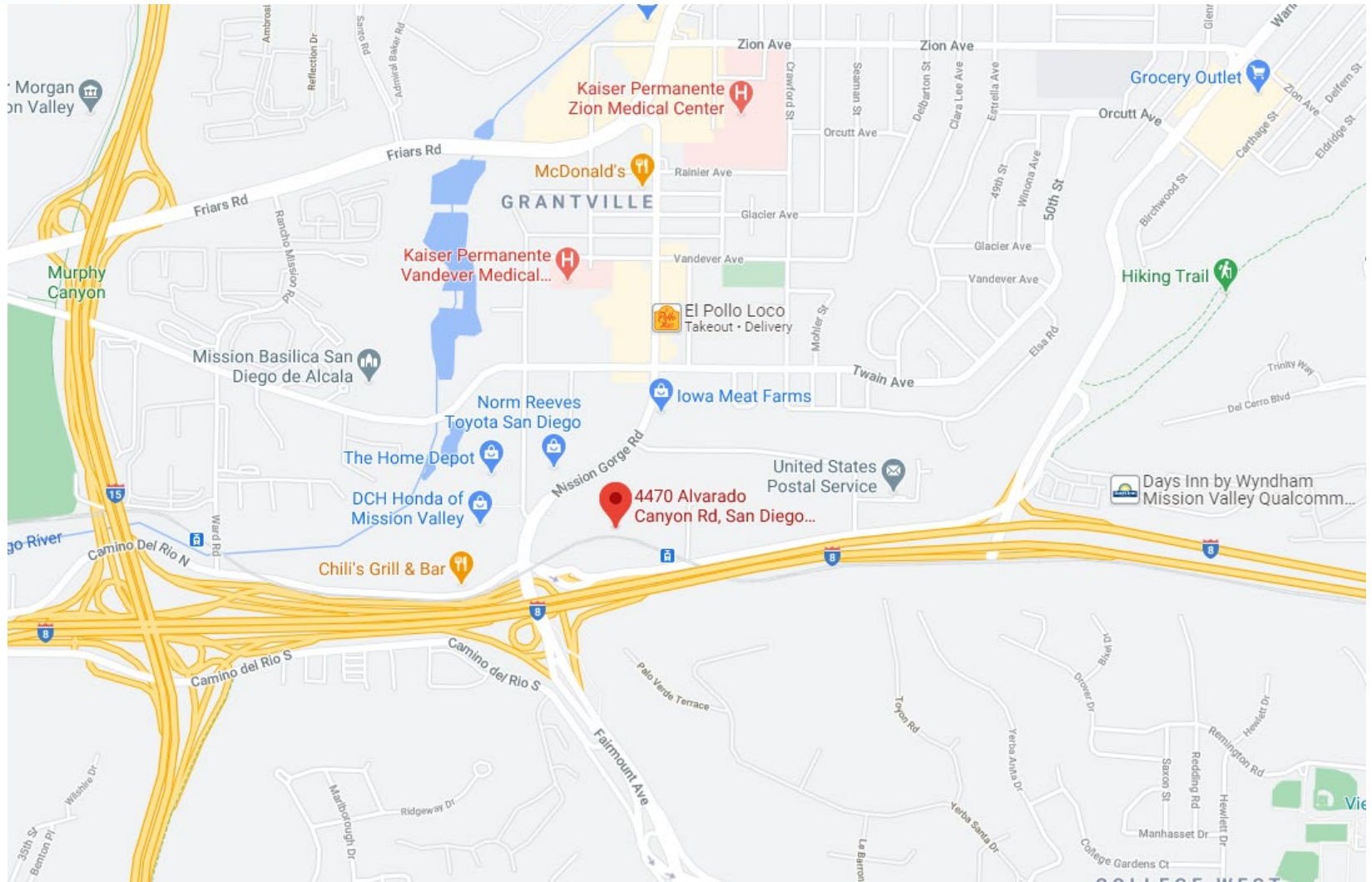


SDHC – ShoreLINE Apartments Development Team

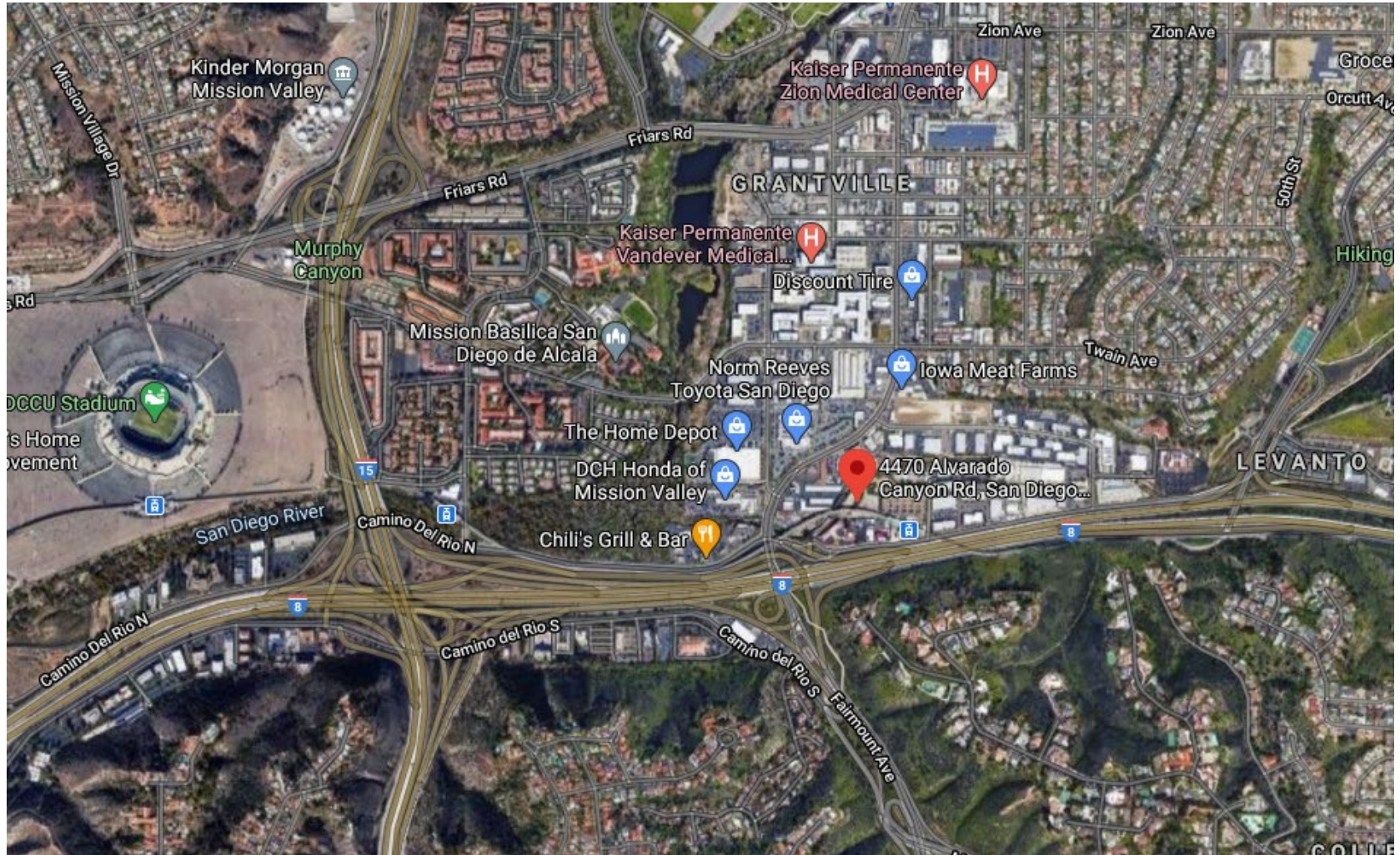
<u>ROLE</u>	<u>FIRM/CONTACT</u>
Developer	Affirmed Housing Group, Inc.
Owner/Borrower	Grantville Trolley Family Housing, L.P.
Administrative General Partner	TBD
Managing General Partner	Affirmed Housing Group, Inc.
Tax Credit Investor Limited Partner	TBD
Architect	Studio E Architects
General Contractor	TBD
Property Management	Solari
Construction and Permanent Lender	TBD
Tenant Services Provider	Compass for Affordable Housing



SDHC – ShoreLINE Apartments Location Map



SDHC – ShoreLINE Apartments Aerial View





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SDHC – ShoreLINE Apartments Architect Rendering



SDHC – ShoreLINE Apartments Site Plan

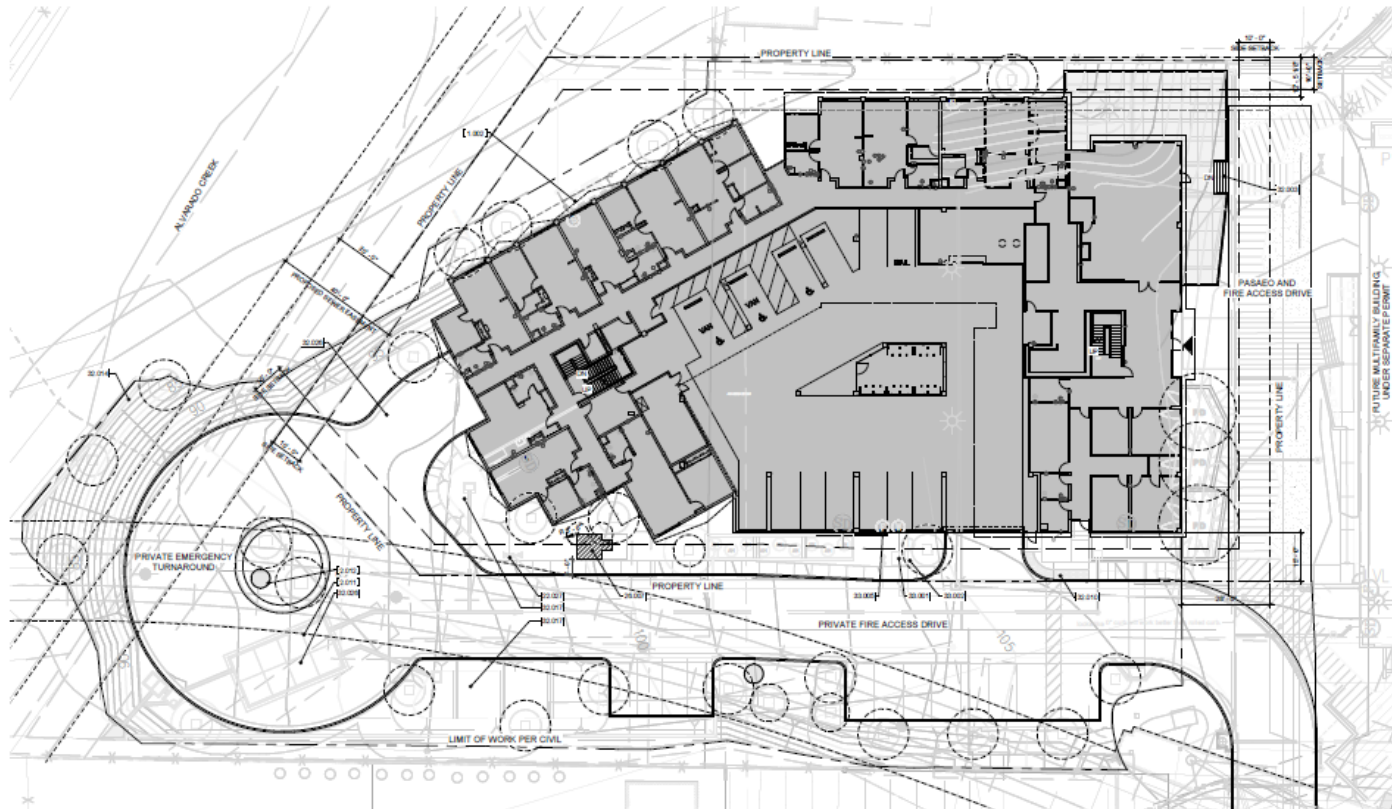
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ShoreLINE
4470 Alvarado Canyon Rd., San Diego, CA 92120
Affirmed Housing



SDHC – ShoreLINE Apartments

Estimated Permanent Financing Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent Loan	\$17,501,696	Property acquisition	\$0	\$0
Transit-Oriented Development HCD	\$10,000,000	Construction costs and Contingency	\$47,838,535	\$308,636
State Tax Credit Equity	\$6,290,581	Financing Costs	\$2,925,000	\$18,871
4% Tax Credit Equity	\$28,945,831	Architecture and Engineering	\$2,580,500	\$16,648
Deferred Dev. Fee	\$1,083,558	Legal	\$250,000	\$1,613
		City Permits & Impact Fees	\$2,935,304	\$18,937
		Developer Fee	\$3,500,000	\$22,581
		Reserves	\$528,000	\$3,406
		Other soft costs	\$2,593,000	\$16,729
		Contingency	\$671,328	\$4,331
Total Sources	\$63,821,667	Total Uses	\$63,821,667	\$411,753



SDHC – ShoreLINE Apartments

Affordability & Proposed Rents

Unit Type	AMI	Number of Units	Gross Rents
Studio	30%	10	1,453*
Studio	40%	13	785
Studio	50%	43	987
One-Bedroom	30%	10	1,610*
One-Bedroom	50%	37	1,049
One-Bedroom	80%	10	1,699
Two-Bedroom	30%	4	2,091*
Two-Bedroom	50%	15	1,264
Two-Bedroom	80%	6	2,044
Three-Bedroom	30%	1	2,869
Three-Bedroom	80%	4	2,363
Manager	N/A	2	-
Total Units	-	155	-

*Indicates Project-Based Housing Voucher rents



SDHC – ShoreLINE Apartments Development Timeline

Milestones	Estimated Dates
SDHC preliminary bond authorization	January 8, 2021
Housing Authority consideration	January 26, 2021
City Council IRS-required TEFRA hearing	January 26, 2021
CDLAC bond & TCAC tax credit application	February 4, 2021
CDLAC & CTCAC allocation meetings	April 2021
Housing Authority final bond authorization	TBD
Estimated bond issuance and escrow/loan closing	TBD
Estimated start of construction work	September 2021
Estimated completion of construction work	May 2023



SDHC – ShoreLINE Apartments

Bond Issuance Summary

- Proposed bond issuance of up to \$36,500,000 in a tax-exempt bonds and up to \$20,100,000 in taxable bonds.
- Developer is responsible for paying all costs of issuing bond.
- 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 – ShoreLINE Apartments

Staff Recommendations

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

1. Approve initial steps to issue up to \$36,500,000 in a tax-exempt Multifamily Housing Revenue Bonds and up to \$20,100,000 in taxable bonds to facilitate the development of ShoreLINE Apartments:
 - Issue a bond inducement resolution.
 - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC) for the tax-exempt bonds.
 - Approve a financing team of Orrick as Bond Counsel and Ross Financial as Financial Advisor.
2. Authorize SDHC's President & CEO, or designee, to execute necessary documents in a form approved by General Counsel and Bond Counsel and take necessary actions upon advice of General Counsel.



SDHC – ShoreLINE Apartments Staff Recommendations (Continued)

That the SDHC Board recommend 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 up to \$36,500,000 to fund the development ShoreLINE Apartments.



Questions & Comments

