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HOUSING
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San Diego Housing Commission (SDHC) Modification of Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing for Ventana al Sur Apartments

Presentation to the SDHC Board of Commissioners
May 6, 2021

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SDHC – Ventana al Sur Development Summary

- Proposed new construction of 101 units
 - 100 units for low- & very low-income tenants
 - 25 affordable units of permanent supportive housing for seniors age 65 and older experiencing homelessness, including those with a serious mental illness
 - SDHC awarded 25 federal Project-Based Housing Vouchers to help residents of these units pay their rent
 - One unrestricted manager's unit.
- 64 parking spaces
- Affordable units mix of 80 one-bedrooms and 20 two-bedrooms.
- The development is supported by HOUSING FIRST – SAN DIEGO, SDHC's homelessness action plan.



SDHC – Ventana al Sur

Modification of Previous Approval

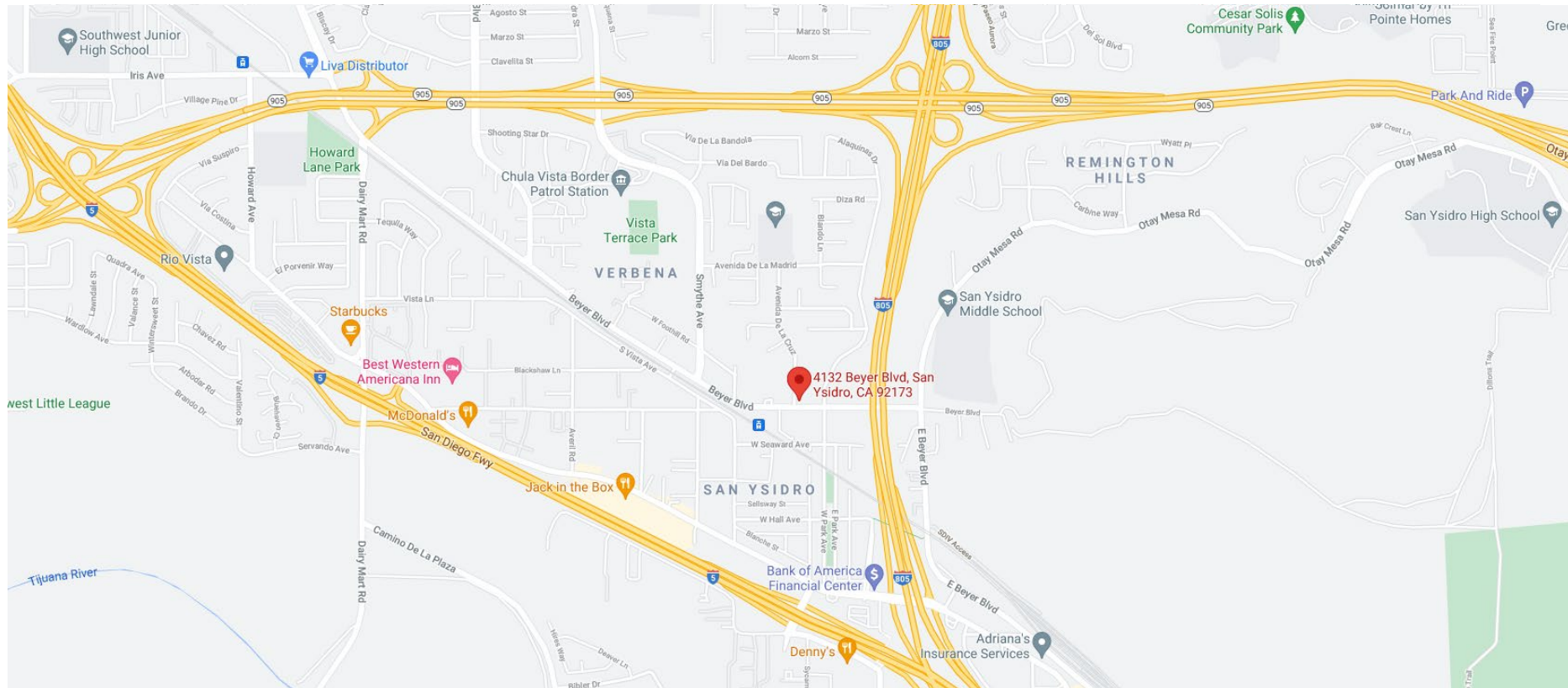
- February 7, 2020 – SDHC Board of Commissioners approved:
 - Residual receipts loan of up to \$4,400,000
 - Preliminary actions to apply for up to \$25,000,000 in tax-exempt Multifamily Housing Revenue Bonds
- Co-developers request increasing the tax-exempt bond amount to \$35,000,000 primarily due to two actions on December 21, 2020:
 - The California Tax Credit Allocation Committee (CTCAC) approved a new regulation that allows for a 5 percent higher eligible basis multiplication factor.
 - The California Debt Limit Allocation Committee (CDLAC) adopted a developer fee regulation change for projects that benefit Black and Indigenous People of Color (BIPOC), for which Ventana al Sur qualifies. Approximately 56 percent of the developer fee would be contributed to the project as equity.





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SDHC – Ventana al Sur Site Map



SDHC – Ventana al Sur

Estimated Sources and Uses Permanent Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Bond financed permanent loan	\$3,613,773	Property acquisition	\$2,836,302
Housing & Community Development Multifamily Housing Program (MHP) Loan	\$20,000,000	Construction	\$36,080,921
Housing Commission proposed loan	\$4,400,000	Financing costs	\$3,051,316
4 percent (CTCAC) tax credit equity	\$22,949,275	Local permits & fees and studies	\$3,425,000
Deferred developer fee	\$1,030,564	Other soft costs	\$1,325,653
Operating income	\$156,382	Relocation costs	\$55,000
General partner equity contribution	\$5,187,768	Developer fee	\$9,187,768
		Reserves	\$875,802
		Contingency	\$500,000
Total Development Cost	\$57,337,762	Total Development Cost (TDC)	\$57,337,762

- Estimated TDC Per Unit (for 101 Units) = \$567,701



SDHC – Ventana al Sur Affordability

Unit Type	AMI	Number of Units	CTCAC Estimated Gross Rents
1 Bedroom	20%	20	\$404
1 Bedroom	30%	20	\$606
1 Bedroom	40%	10	\$809
1 Bedroom	50%	30	\$1,011
2 Bedroom	20%	5	\$433
2 Bedroom	40%	15	\$866
Subtotal	--	100	--
2 Bedroom Managers	--	1	--
Total		101	



SDHC – Ventana al Sur

Development Timeline

Milestone	Estimated Date
• Applications for CTCAC & CDLAC	May 13, 2021
• Allocation Meetings CTCAC & CDLAC	August 11, 2021
• SDHC final bond authorization	October 2021
• Housing Authority final bond authorization	November 2021
• Estimated Escrow/Financing Closing	November 2021
• Estimated Construction Start	November 2021
• Estimated Construction Completion	December 2022



SDHC – Ventana al Sur Bond Issuance Summary

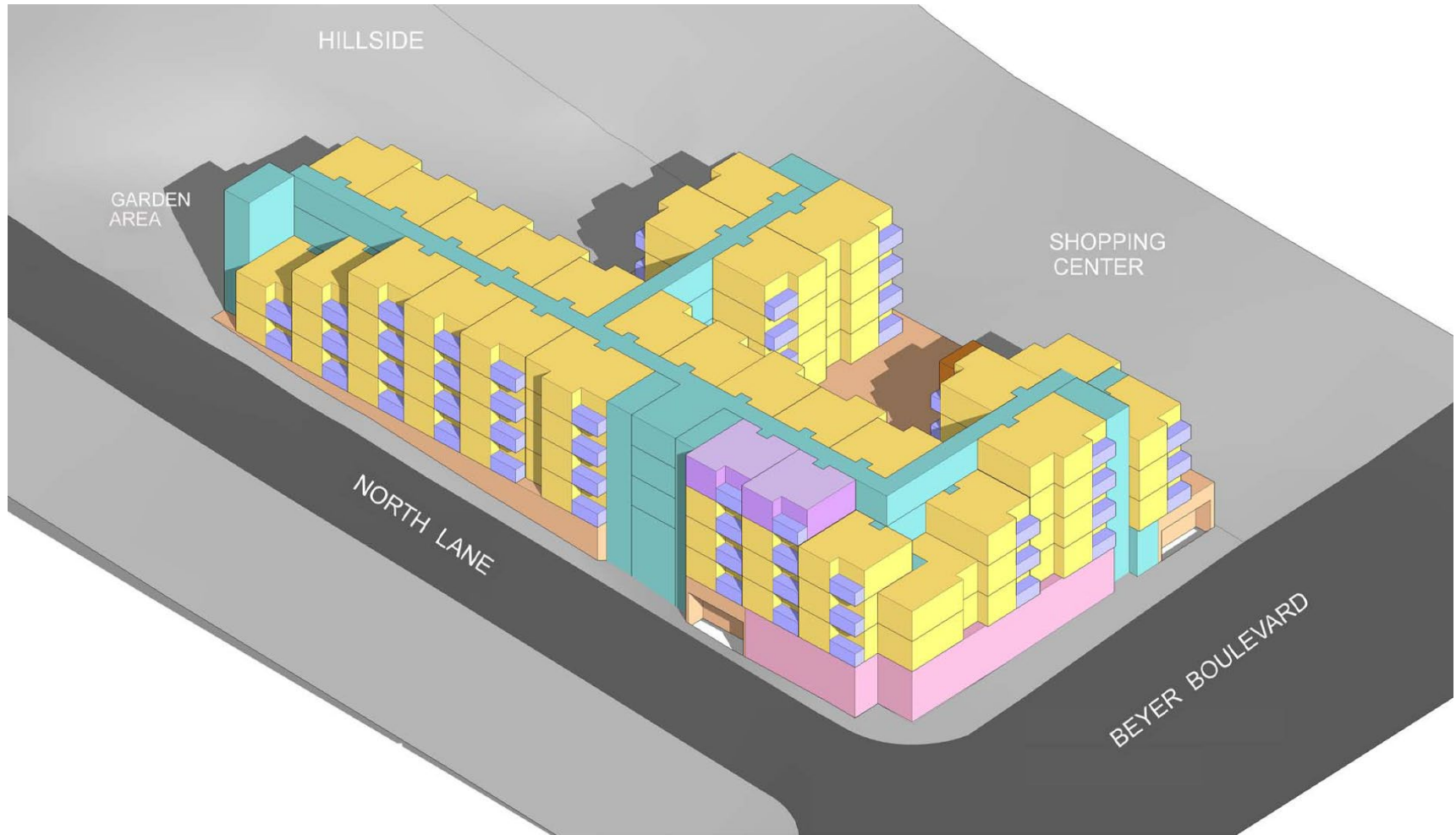
- Proposed bond issuance up to \$35,000,000.
- Developer responsible for paying all costs of issuing bonds.
- Issuance pursuant to SDHC's bond policy.
- Bonds issuance will not create financial liability to SDHC, or to Housing Authority or to City.
- Neither full faith and credit nor taxing power of the City nor full faith and credit of the Housing Authority will be pledged to payment of the bonds.





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SDHC – Ventana al Sur Site Layout



SDHC – Ventana al Sur

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- Approve preliminary steps to issue up to \$35,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate the new construction of Ventana al Sur Apartments:
 - Issue a bond inducement resolution.
 - Authorize an application to the California Debt Limit Allocation Committee (CDLAC) for the tax-exempt bonds.
 - Approve Bond Counsel and Financial Advisor.
 - Bond final approval will occur at a later date.
- 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.
 - Staff recommend not extending the previously approved loan terms at this time.



SDHC – Ventana al Sur

Staff Recommendations (Continued)

- Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$35,000,000 to facilitate the development.



Questions & Comments

