

SDHC Board of Commissioners

June 11, 2021

PHONE-IN TESTIMONY PERIOD NOW OPEN FOR:
Agenda Item 105
Loan Recommendation for the Iris at San Ysidro Apartments

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San Diego Housing Commission (SDHC)

Loan Recommendation for the Iris at San Ysidro Apartments

Presentation to the SDHC Board of Commissioners
June 11, 2021

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments Development Summary

- Proposed new construction of 99 affordable transit-oriented rental housing units, including 15 supportive housing units.
- Located at 1663 Dairy Mart Road in San Ysidro.
- Units will be affordable for 55 years for households with income of 25 percent to 60 percent of San Diego's Area Median Income.
- Residents will be provided access to electric vehicle charging station spaces, bike racks and bike lockers at both the development site and the nearby trolley station.
- In addition to the trolley, the site is served by a Metropolitan Transit System bus line and features easy connections to nearby health and wellness facilities, senior centers and neighborhood eateries.



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

Development Summary (Continued)

- The developer, National CORE, applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2020 Notice of Funding Availability.
- SDHC made a preliminary award of a loan of up to \$2,300,000 subject to SDHC Board of Commissioners approval.
- SDHC awarded 25 federal Project-Based Housing Vouchers for families with low income.
- Through a County of San Diego “No Place Like Home” loan, 15 units will be permanent supportive housing for households experiencing homelessness.
- Hope through Housing Foundation, a National CORE-affiliated nonprofit, will act as the service coordinator for residents.



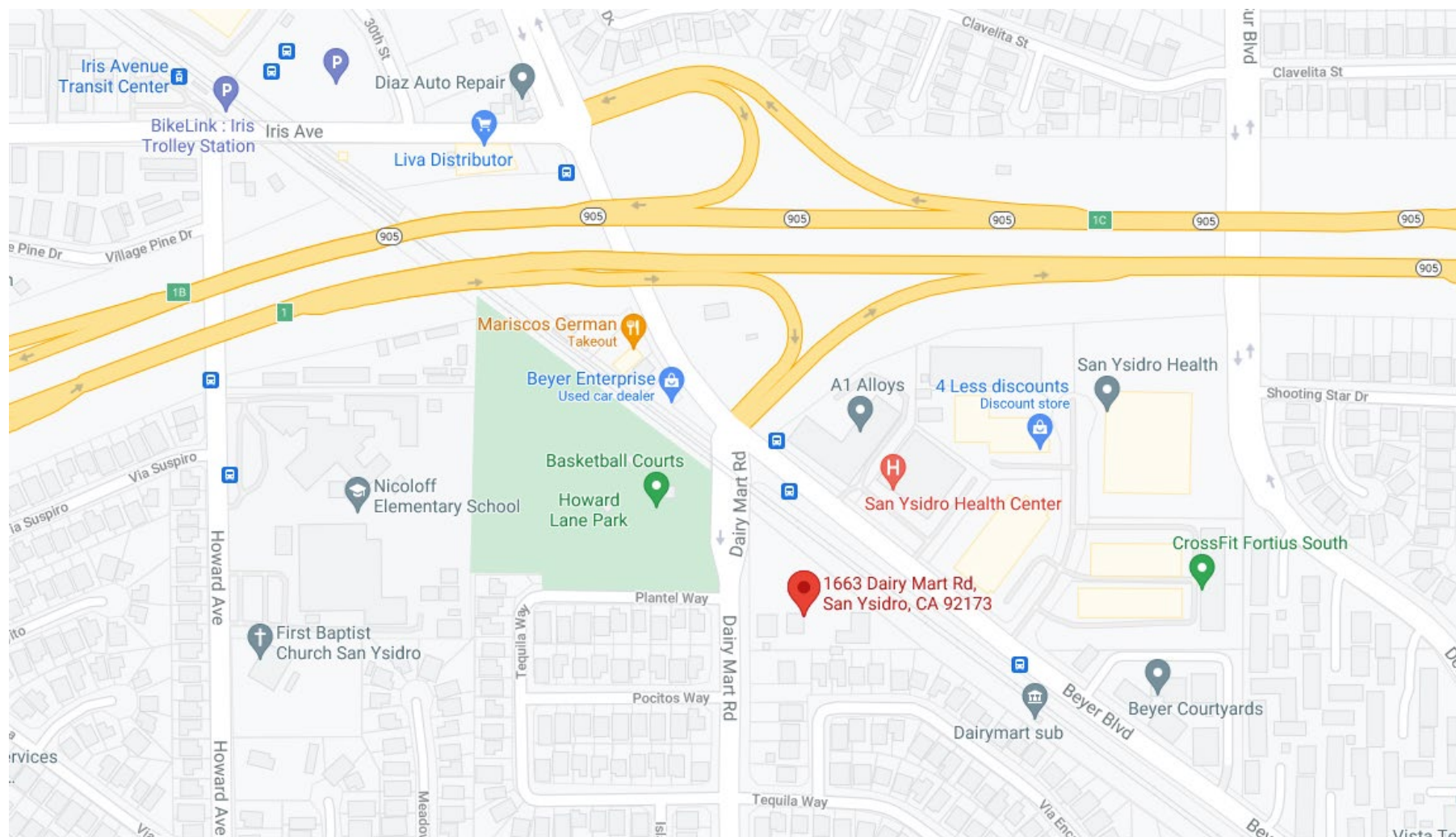
SDHC – Loan Recommendation for the Iris at San Ysidro Apartments Development Summary (Continued)

- National CORE is an experienced nonprofit developer.
 - Previous SDHC loans for developments
 - Successfully completed those projects
- Studio E Architects will serve as the project architect.
 - Long and successful history designing affordable housing developments in San Diego.



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

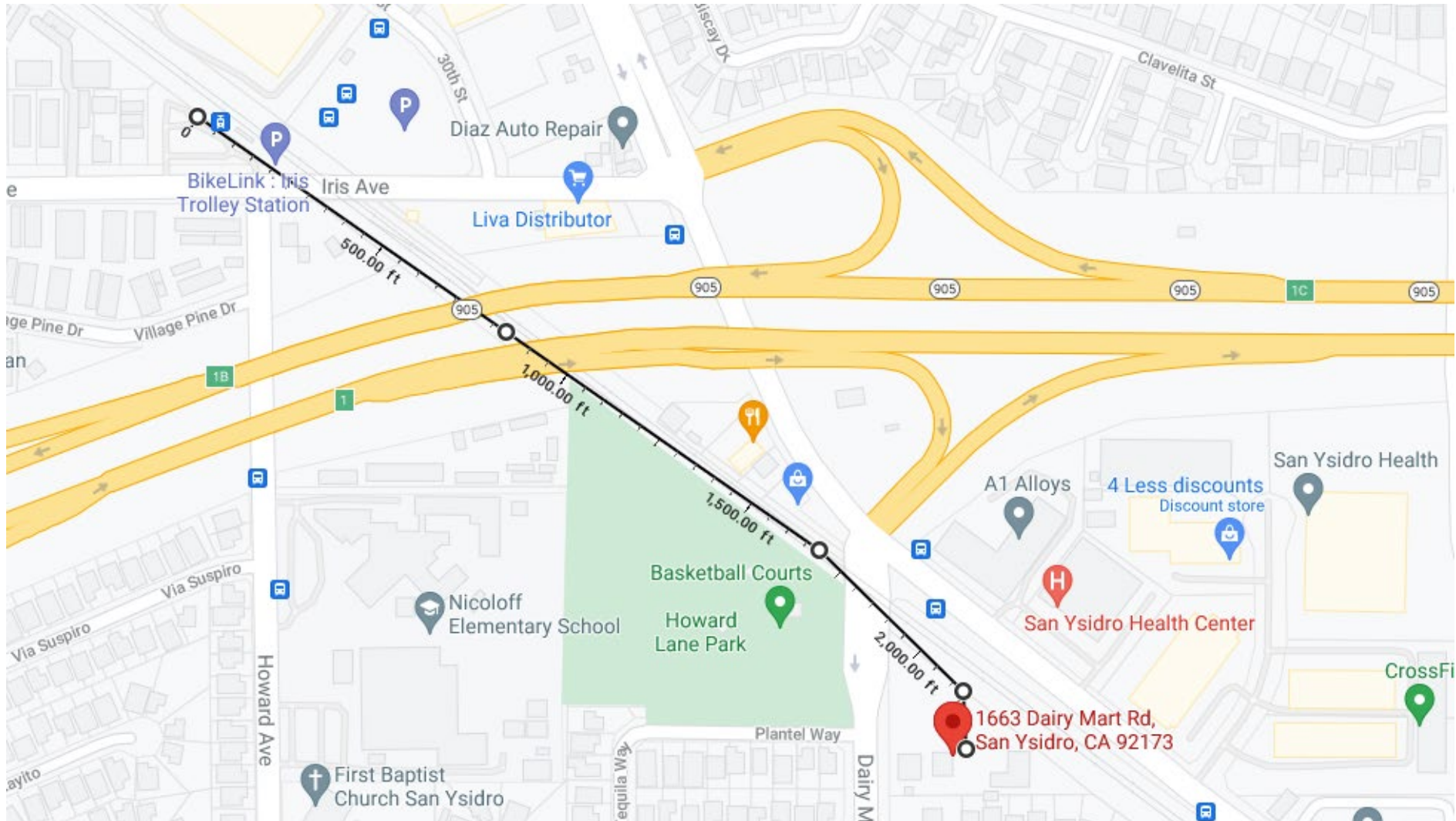
Location Map





SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

Location Map (Continued)





SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

Estimated Permanent Financing Sources and Uses

Prop	Amount	Permanent Uses	Amount
Permanent loan (third party lender)	\$12,660,011	Acquisition	\$6,288,000
County of San Diego No Place Like Home Program loan	3,290,265	Construction cost \$31,708,448 Contingency <u>+1,585,422</u> Total construction <u>\$33,293,870</u>	33,293,870
Housing Commission proposed loan	2,300,000	Financing costs	3,120,571
RTCIP/DIF fee waivers	403,707	Other soft costs	2,340,799
Deferred developer fee	1,100,000	Permits and fees	2,275,923
Nine percent tax credit equity	30,350,439	Reserves	585,359
		Developer fee	2,200,000
Total Development Cost	\$50,104,522	Total Development Cost (TDC)	\$50,104,522

- Estimated Total Development Cost per unit (100 units) = \$501,045



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

Affordability & Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One-Bedroom Units	25%	15	\$568
One-Bedroom Units	30%	5	\$682
One-Bedroom Units	50%	9	\$1,136
One-Bedroom Units	60%	13	\$1,364
Two-Bedroom Units	30%	13	\$818
Two-Bedroom Units	50%	7	\$1,363
Two-Bedroom Units	60%	12	\$1,636
Three-Bedroom Units	30%	12	\$945
Three-Bedroom Units	50%	5	\$1,575
Three-Bedroom Units	60%	8	\$1,890
3-Bedroom Manager (Unrestricted)	--	1	--
Total	--	100	--



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

Development Timeline

Milestone	Estimated Date
• CTCAC 9 percent tax credit application.....	July 1, 2021
• CTCAC 9 percent tax credit allocation meeting.....	September 29, 2021
• Estimated escrow/loan closing.....	October 2021
• Estimated start of construction work.....	February 2022
• Estimated completion of construction work...	August 2023





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Artist's Rendering



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments Development Team Summary

Role	Firm/Contract
Developer	National Community Renaissance of California
Limited Partnership	Iris at San Ysidro LP
Managing General Partner	NCRC ISY GP L.L.C.
Limited Partner	To be selected
Architect	Studio E
General Contractor	National CORE
Property Management	National CORE.
Service Provider	Hope Through Housing Foundation (a National CORE affiliate)
Construction Lender Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

Staff Recommendations

That the SDHC Board of Commissioners:

1. Approve a proposed residual receipts loan up to \$2,300,000 to Iris San Ysidro L.P. to finance the new construction of Iris at San Ysidro, a transit-oriented development to be located at 1663 Dairy Mart Road, San Ysidro, CA 92173, which will consist of 99 units that will remain affordable for 55 years for households with income up to 60 percent of San Diego's Area Median Income (AMI), of which 15 units will be permanent supportive housing for families experiencing homelessness, and one unrestricted manager's unit.
 - Loan contingent on developer receiving necessary third-party funds.



SDHC – Loan Recommendation for the Iris at San Ysidro Apartments

Staff Recommendations (Continued)

2. Authorize the 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 \$2,300,000 maximum SDHC loan amount may not increase; and
 - To substitute approved funding sources with any other available funds as deemed appropriate, contingent on budget availability.





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SDHC – Loan Recommendation for the Iris at San Ysidro Apartments Questions and Comments

Questions & Comments

