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San Diego Housing Commission (SDHC) Las Serenas Apartments Loan Refinance Presentation to the SDHC Board of Commissioners May 5, 2022

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SDHC – Las Serenas Apartments

Development Summary

- Proposed restructuring of an existing SDHC loan for 107 affordable rental units for individuals and families with low and very low income, and one unrestricted manager's unit.
 - 2 one-bedroom units
 - 79 two-bedroom units and 1 two-bedroom manager's unit
 - 26 three-bedroom units
- Affordable for 55 years for households with income from 50 percent to 60 percent of San Diego's Area Median Income.
- Developer: Community Housing Works (CHW)
- Services for residents provided by CHW
 - 780 hours per year of after-school programs (15 hours/week)
 - Adult education programs, monthly schedule of activities, and an annual report detailing services provided, grants received, and additional third-party services brought to the property



SDHC – Las Serenas Apartments

Development Summary (Continued)

- No SDHC additional loan proceeds will be provided to this development.
- Existing development located at 4352 Delta Street
 - Las Serenas comprised of two properties—built in 1964 and 1987.
 - Acquired by CHW in 2015 and renovated with Low-Income Housing Tax Credits and an SDHC Loan
 - The proposed renovation will include approximately \$50,000 per unit and include renovations to the unit interiors, site work and Americans with Disabilities Act (ADA) upgrades.
- Transit:
 - Bus service is approximately 0.1 mile west of the site.
 - 47th Street trolley station is approximately 2.1 miles north of the site.

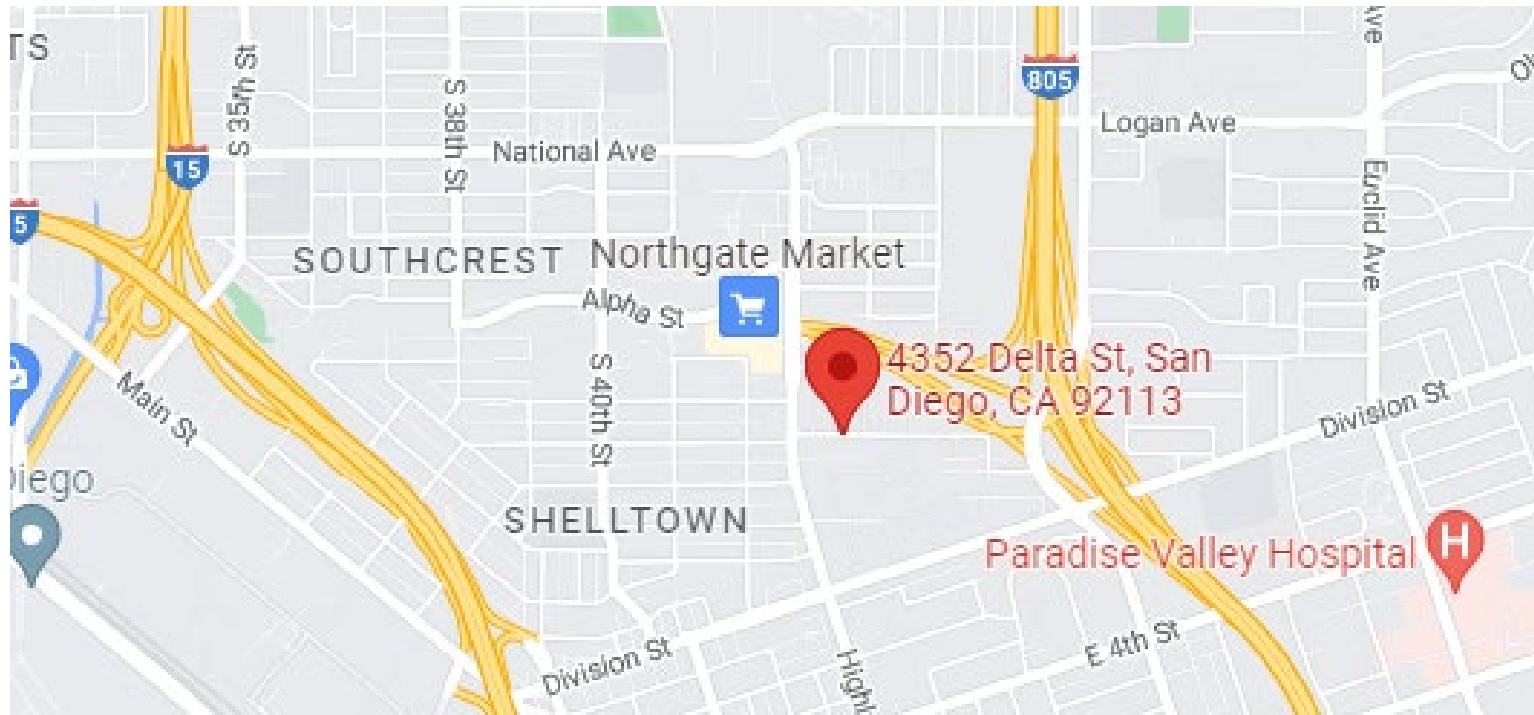


SDHC – Las Serenas Apartments Restructuring Summary

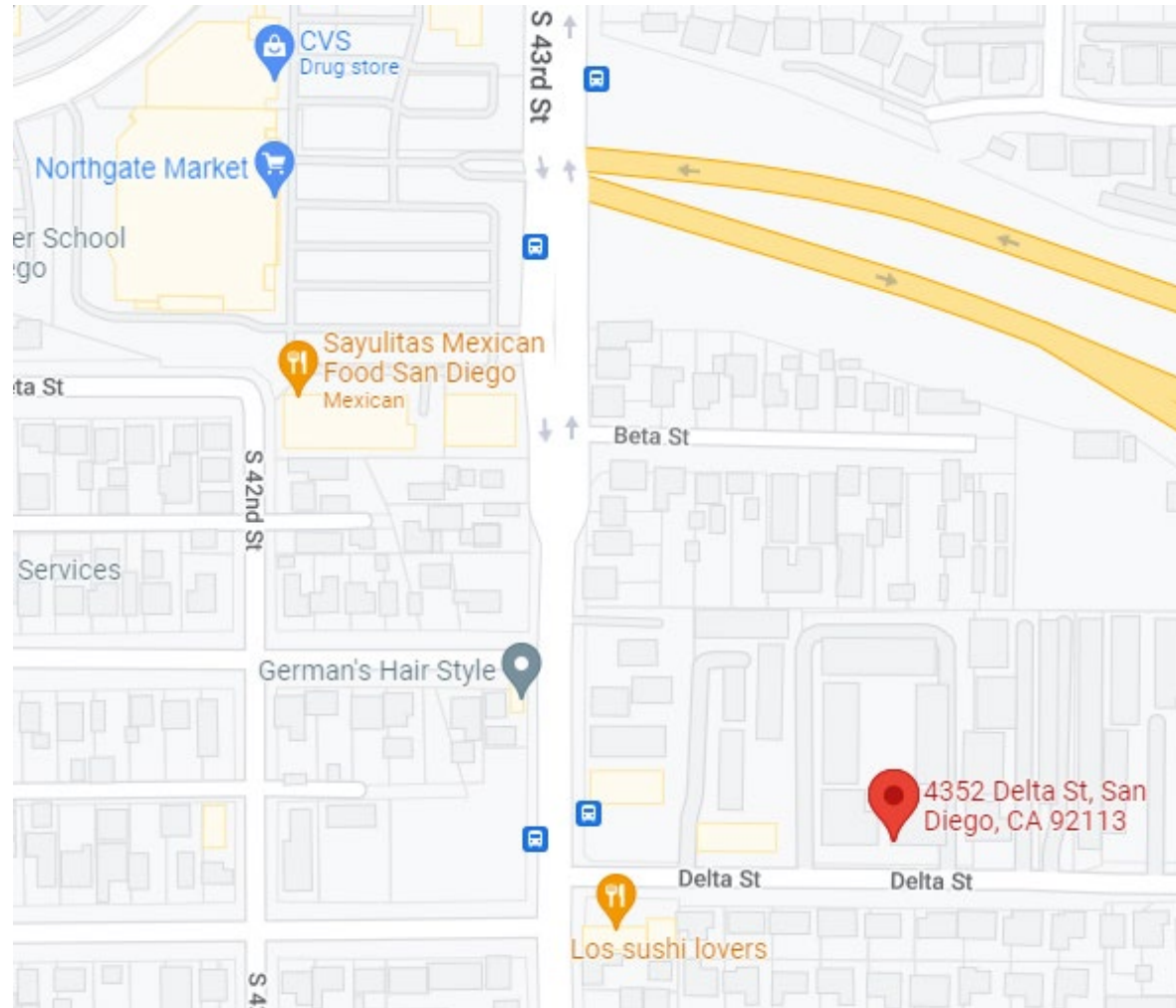
- Las Serenas loan balance is currently \$8,832,894.
 - If approved:
 - The developer will repay a portion of the accrued interest: \$591,431
 - The outstanding loan balance would be \$8,241,463.
 - The term of affordability would be extended to 2077.
- All of the bonds SDHC issued in 2015 will be repaid: \$4,900,000
- The developer will pay all bond fees due to SDHC: \$411,054
- Total fees to SDHC will be \$1,002,485.



SDHC – Las Serenas Apartments Location Map



SDHC – Las Serenas Apartments Bus Stop Locations



SDHC – Las Serenas Apartments

Estimated Permanent Financing Sources and Uses

Financing Sources	Amount	Permanent Uses	Amount
CitiBank loan	\$13,950,784	SDHC Bond Repayment	\$4,900,000
SDHC Loan	8,241,463	Construction Costs	\$5,054,115
Replacement Reserves	215,570	Construction Contingency	505,412
		Architecture & Engineering	520,335
		Permits	110,792
		Finance/Legal/Insurance	291,400
		Relocation	558,761
		Replacement Reserves	215,570
		CHW Loan	300,000
		Title	5,000
		Developer Fee	702,485
		SDHC Bond Fee prepayment	411,054
		SDHC Loan Accrued Interest Payment	591,431
		SDHC Loan	8,241,463
Total Sources	22,407,817	Total Development Cost (TDC)	22,407,817

- Estimated Total Development Cost Per Unit (108 Units) = \$207,434



SDHC – Las Serenas Apartments

Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One-bedroom units	50%	2	\$1,297
Subtotal One-bedroom units		2	
Two-bedroom units	50%	8	\$1,268
Two-bedroom units	60%	71	\$1,541
Subtotal Two-Bedroom Units		79	
Three-bedroom units	50%	3	\$1,455
Three-bedroom units	60%	23	\$1,698
Subtotal Three-bedroom units		26	
Manager's one-bedroom unit		1	
Total	--	108	--



SDHC – Las Serenas Apartments

Development Timeline

Milestones	Estimated Dates
<ul style="list-style-type: none">• SDHC Board meeting• Close of CitiBank loan• Payment accrued interest on SDHC Loan• Permits issued and estimated start of construction work• Estimated completion of construction work	<p>May 5, 2022</p> <p>September 2022</p> <p>September 2022</p> <p>September 2022</p> <p>August 2023</p>



SDHC – Las Serenas Apartments

Subject Photos



SDHC – Las Serenas Apartments Subject Photos



SDHC – Las Serenas Apartments

Subject Photos



SDHC – Las Serenas Apartments

Development Team Summary

Role	Firm/Contract
Developer	Community Housing Works (CHW)
Owner/Borrower	Delta Village Housing Associates, L.P.
Architect	John Stewart Company
General Contractor	Sun Country Builders
Property Management	ConAm Management Corporation
Tenant Services Provider	Community Housing Works (CHW)
Construction Lender	CitiBank
Permanent Lender	Citibank



SDHC – Las Serenas Apartments Staff Recommendations

That the SDHC Board of Commissioners (Board) take the following actions:

- 1) Approve the proposed restructuring of the existing SDHC residual receipts loan, with a partial repayment from Community Housing Works (CHW) for the Las Serenas Apartments, in an amount not to exceed \$8,241,463 to Delta Village Housing Associates, L.P., a California limited partnership, to facilitate the refinance and renovations of Las Serenas Apartments, an affordable housing development at 4352 Delta Street, San Diego 92113, in the Southeastern San Diego Planning Group/Area, which consists of 13 units that will remain affordable for 55 years for households with income up to 50 percent of San Diego's Area Median Income (AMI) and 94 units that will remain affordable for 55 years for households with income up to 60 percent of AMI.



SDHC – Las Serenas Apartments

Staff Recommendations (Continued)

- 2) Authorize the Interim President and Chief Executive Officer (Interim President & CEO), or designee:
 - a. To execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner in advance of approval for the designee to sign;
 - b. To adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$8,241,463 maximum loan amount may not increase; and
 - c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the Interim President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by SDHC upon advice of the General Counsel.



SDHC – Las Serenas Apartments

Questions & Comments

