



SAN DIEGO  
HOUSING  
COMMISSION

San Diego Housing Commission  
The Lofts at Normal Heights  
Preliminary Bond Items  
SDHC Board Meeting  
November 20, 2015

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# SDHC – Lofts at Normal Heights Partnership Development Recommendation

- That the Housing Commission recommend that the Housing Authority of the City of San Diego (Housing Authority):
  - Issue a bond inducement resolution for up to \$19,000,000 in multifamily housing revenue bonds/note for the development of Lofts at Normal Heights;
  - Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds/note in an amount up to \$19,000,000
  - Approve the financing team of Quint & Thimmig LLP as Bond Counsel and CSG Advisors as Financial Advisor; and
  - Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of multifamily housing revenue bonds/note in an amount up to \$19,000,000





# SDHC – Lofts at Normal Heights Partnership Development Recommendation (Cont.)

- Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of multifamily housing revenue bonds/note in an amount up to \$19,000,000; and
- Authorize the San Diego Housing Commission (SDHC) President & Chief Executive Officer, or designee, to execute and perform acts necessary, convenient, and/or appropriate to implement, upon advice of General Counsel and/or the bond counsel.



# SDHC – Lofts at Normal Heights Partnership Development Aerial View



# SDHC – Lofts at Normal Heights Partnership Development Site Photos





# SDHC – Lofts at Normal Heights Partnership Development Project & Development Team Summary

<b>Address</b>	3808 El Cajon Boulevard, San Diego, CA 92105
<b>Council District</b>	3
<b>Community Plan Area</b>	Normal Heights
<b>Development Type</b>	New Construction
<b>Construction Type</b>	Type V Over Type I
<b>Parking Type</b>	Subterranean
<b>Housing Type</b>	Permanent Supportive Housing
<b>Lot Size</b>	Approximately .515 acre
<b>Units</b>	50
<b>Density</b>	97 dwelling units per acre
<b>Affordable Unit Mix</b>	11 studio units, 29 one bedroom units and 9 two bedroom units and 1 two bedroom manager unit
<b>Gross Building Area</b>	41,976 square feet
<b>Net Rentable Area</b>	31,718 square feet
<b>Developer</b>	Chelsea Investment Corporation





# SDHC – Lofts at Normal Heights Partnership Development Proposed Population

- 2015 Homeless Point-in-Time count shows that there are more than 5,500 homeless persons within the City of San Diego.
- Project will serve homeless veterans and individuals requiring supportive services using Housing First approach to work toward ending homelessness in San Diego.
- Permanent supportive housing with supportive services as primary strategy to stabilize tenants.
- Case management and wraparound services will be provided by residential homeless provider.
- 23 units at or below 50% AMI, 3 units at or below 40% AMI, and 23 units at or below 30% AMI





# SDHC – Lofts at Normal Heights Partnership Development Funding Sources

- HCD Veterans Housing and Homelessness Prevention (VHHP) Program
  - \$75 million available in current round
  - 50% of units to serve veteran households with extremely low incomes (permanent supportive housing)
- State Cap & Trade (Affordable Housing and Sustainable Communities Program)
  - Project located within I-15 transit corridor and qualifies as High Quality Transit
  - \$400 million made available for 2016 round
  - Application to be submitted in early 2016
- San Diego Housing Commission Gap Financing
- VASH Vouchers







# SDHC – Lofts at Normal Heights Partnership Development

## Estimated Permanent Sources of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Permanent Loan	\$1,475,000	Acquisition Costs	\$2,400,000
Tax Credit Equity	\$7,127,853	Hard Costs	\$10,738,505
HCD VHHP	\$6,187,220	Soft Costs	\$4,229,175
Public Lender Gap Financing	\$4,000,000	Reserves	\$405,179
Deferred Developer Fee	\$382,589	Developer Fee	\$2,150,000
Subordinate Deferred Developer Fee	\$750,197		
<b>Total Development Cost</b>	<b>\$19,922,859</b>	<b>Total Development Cost</b>	<b>\$19,922,859</b>





# SDHC – Lofts at Normal Heights Partnership Development Proposed Schedule

Milestones	Estimated Dates
Housing Authority for preliminary consideration	December 8, 2015
City Council IRS-required TEFRA hearing	December 8, 2015
CDLAC bond application	December 15, 2015
TCAC 4% tax-credit application	September 2016
CDLAC and TCAC allocation meetings	November 2016
Housing Commission proposed final bond/note authorization	November 2016
Housing Authority proposed final bond/note authorization	November 2016
Estimated bond/note issuance and escrow closing	December 2016
Estimated start of construction work	January 2017
Estimated completion of construction work	January 2018





# SDHC – Lofts at Normal Heights Partnership Development

## Questions?

