SAN DIEGO HOUSING COMMISSION

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San Diego Housing Commission (SDHC)
Final Bond Authorization for
Mississippi ECB Apartments
Housing Authority Agenda Item #1 and City Council Agenda Item #335
March 9, 2021

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Real Estate Division

SDHC – Mississippi ECB Apartments Partnership Development
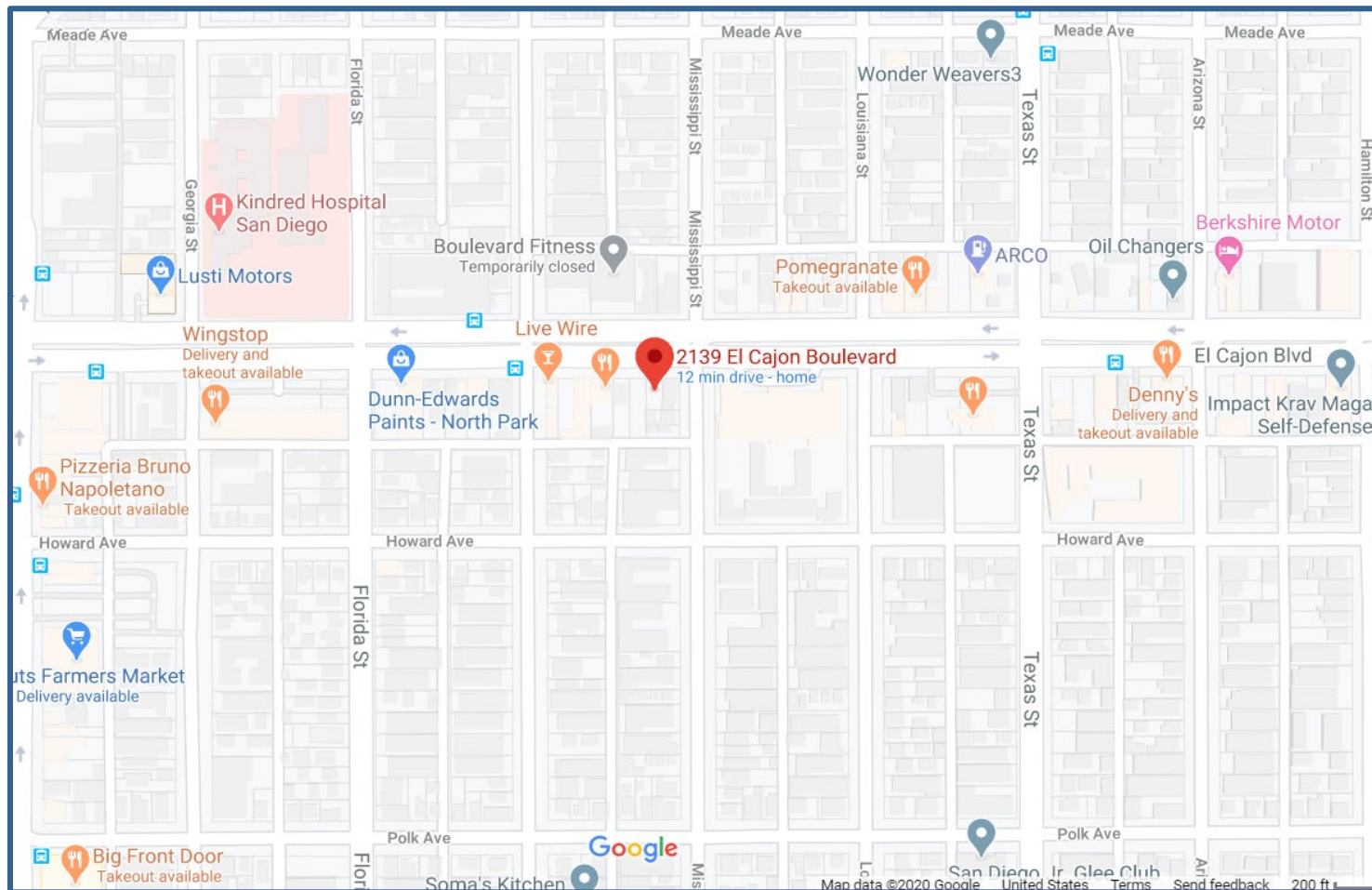## Development Summary

- Proposed new construction by an experienced developer, Trestle
  - 60 affordable studio, one- and two-bedroom units and one manager's unit.
  - Facilitates density bonus requirement compliance for two nearby market-rate developments
  - Leverages $9.6 million in private investment (loan) related to density bonus program.
  - Amenities include;
    - community room
    - outdoor courtyard area
    - outdoor decks at the third and fifth floors
    - dedicated bicycle parking

- Developer has received necessary third-party funding commitments:
  - California Debt Limit Allocation Committee bonds issuance
  - California Tax Credit Allocation Committee tax credits allocation
  - Citibank loan commitment

SDHC – Mississippi ECB Apartments Partnership Development
Estimated Sources & Uses of Financing

Permanent Financing Sources	Amount	Permanent Financing Uses	Amount
LIHTC Equity	$7,250,573	Acquisition	$2,180,000
Private Loan	$6,355,000	Construction Hard Costs + Contingency	$14,000,250
Offsite Contribution	$9,600,000	Permits & Fees	$1,199,665
Accrued Interest on Soft Debt	$495,000	Financing Costs	$1,244,500
NOI During Construction	$167,397	Other Soft Costs	$2,991,218
Deferred Developer Fee	$66,183	Developer Fee	$2,318,520
Total Sources	**$23,934,153**	**Total Uses**	**$23,934,153**

- Estimated Total Development Cost Per Unit (for 61 Units) = $392,363

SDHC – Mississippi ECB Apartments Partnership Development
Affordability & Estimated Rents

Unit Type	AMI	Unit Count	Max Net Rent
Studio	50%	18	$1,011
Studio	80%	6	$1,618
One-Bedroom	50%	24	$1,083
Two-Bedroom	50%	12	$1,300
One-Bedroom	MGR	1	--
Total		61	

SDHC – Mississippi ECB Apartments Partnership Development
Development Timeline

Milestone	Estimated Date
Final Bond Authorization – Housing Commission	February 5, 2021
Final Bond Authorization – Housing Authority	March 9, 2021
Construction Financing Close	May 2021
Construction Start	June 2021
Construction Completion	November 2022

SDHC – Mississippi ECB Apartments
Partnership Development
Rendering

SDHC – Mississippi ECB Apartments Partnership Development
Bond Issuance Summary

- Proposed bond issuance of up to $12,150,000 in tax-exempt Multifamily Housing Revenue Bonds.

- Developer is responsible for paying all costs of issuing bonds.

- Issuance pursuant to SDHC's bond policy.

- Bonds issuance will not create financial liability to SDHC, Housing Authority, or 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.

That the Housing Authority of the City of San Diego and San Diego City Council take the following actions:

- **Housing Authority:**
  Authorize the issuance of up to $12,150,000 in Housing Authority tax-exempt Multifamily Housing Revenue Bonds to fund the new affordable housing development Mississippi ECB Apartments at 2139 El Cajon Boulevard, San Diego, CA 92104, which will consist of 60 units that will remain affordable for 55 years for families earning between 50 percent and 80 percent of the San Diego Area Median Income (AMI) and one unrestricted manager's unit.

- **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 in an amount up to $12,150,000 to facilitate the development of Mississippi ECB Apartments.

Questions & Comments