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# San Diego Housing Commission (SDHC) Preliminary Bond Authorization for Bandar Salaam Apartments

Housing Authority Agenda Item #3 and City Council Agenda Item #335  
January 26, 2021

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Real Estate Division



# SDHC – Bandar Salaam Apartments Development Summary

- Rehabilitation of development with 67 affordable units and one manager's unit at 3810 Winona Avenue in Colina Park in Council District 9.
- Rents affordable for 55 years for households with income of 45 percent to 50 percent of San Diego's Area Median Income (AMI).
- Mix of one-, two-, three-, four- and five-bedroom units.
- Development financed with 4 percent Low-Income Housing Tax Credits, tax-exempt Multifamily Housing Revenue Bonds, seller carry back note and extended term for existing loan principal owed to SDHC.
- Temporary relocation expected to last one week. No permanent tenant displacement is anticipated.



# SDHC – Bandar Salaam Apartments

## Development Summary (Continued)

- Proposed Improvements Include:
  - Replacement of all building roofs
  - Repairs and/or replacement of bathtubs, countertops, flooring and cabinets
  - Increased number of units accessible per the Americans with Disabilities Act and improve associated parking spaces
  - Perimeter fence and security improvements
  - Installation of dual-pane energy efficient windows, LED lighting and Energy Star appliances.
  - Water-efficient landscaping and replacement of solar water heaters and photovoltaic solar panels (as required)

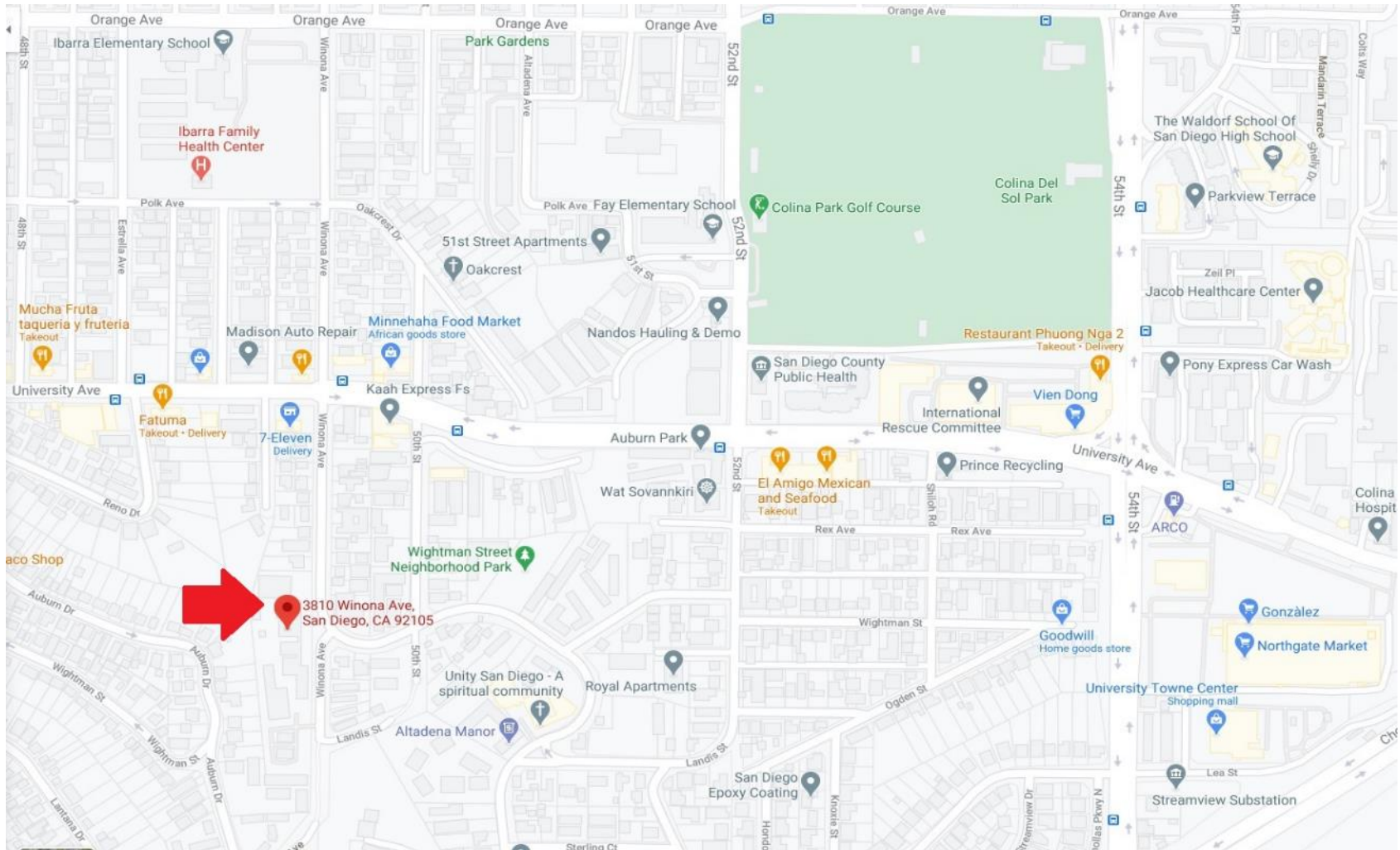


# SDHC – Bandar Salaam Apartments Development Team

<u>ROLE</u>	<u>FIRM/CONTACT</u>
Developer	Community Housing Works
Owner/Borrower	Winona Avenue Housing Associates, L.P.
Managing General Partner	CHW Winona Avenue, LLC
Tax Credit Investor Limited Partner	TBD
Architect	The John Stewart Company
General Contractor	Sun Country Builders
Property Management	ConAm Management Corporation
Construction and Permanent Lender	TBD



# SDHC – Bandar Salaam Apartments Location Map







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# SDHC – Bandar Salaam Apartments Aerial View





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# SDHC – Bandar Salaam Apartments Typical Structure





# SDHC – Bandar Salaam Apartments

## Property Exteriors





# SDHC – Bandar Salaam Apartments

## Unit, Laundry and Community Room Interiors



# SDHC – Bandar Salaam Apartments

## Estimated Permanent Financing Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent Loan	\$4,143,000	Property acquisition:	\$10,809,000	\$158,956
Seller Carryback	\$7,023,274	Construction costs    \$4,726,192	\$5,198,883	
		Contingency <u>+ \$472,691</u>		\$76,454
		Total construction    \$5,198,883		
San Diego Housing Commission Assumed Principal + Interest	\$2,626,685	Financing costs	\$367,968	\$5,411
Limited Partners (LIHTC Equity)	\$6,411,779	Other soft costs	\$2,683,237	\$39,459
Contributed Developer Fee	\$1,451,917	City permits and impact fees	\$125,000	\$1,838
GP Capital & Reserves	\$393,369	Developer's fee	\$2,651,917	\$38,999
Income From Operations	\$262,421	Reserves	\$476,440	\$7,006
Total Sources	\$22,312,445	Total Uses	\$22,312,445	\$328,124



# SDHC – Bandar Salaam Apartments

## Affordability & Proposed Rents

Unit Type	AMI	Number of Units	Gross Rents
1BR	45%	4	\$903
1BR	50%	12	\$993
2BR	45%	6	\$1,149
2BR	50%	25	\$1,177
3BR	45%	16	\$1,234
4BR	45%	2	\$1,345
5BR	45%	2	\$1,541
Manager	NA	1	0
Total Units	-	68	-



# SDHC – Bandar Salaam Apartments Development Timeline

Milestones	Estimated Dates
Housing Authority consideration	January 26, 2021
City Council IRS-required TEFRA hearing	January 26, 2021
CDLAC bond & TCAC tax credit application	February 4, 2021
CDLAC & CTCAC allocation meetings	April 28, 2021
Housing Authority final bond authorization	May 6, 2021
Estimated bond issuance and escrow/loan closing	May 18, 2021
Estimated start of construction work	June 2021
Estimated completion of construction work	January 2023





# SDHC – Bandar Salaam Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$13,500,000 in a tax-exempt bonds.
- Developer is responsible for paying all costs of issuing bond.
- Issuance pursuant to SDHC's bond policy.
- Bond issuance will not create financial liability to SDHC, Housing Authority, nor 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.



# SDHC – Bandar Salaam Apartments

## Staff Recommendations

### **That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:**

1. Approve initial steps to issue up to \$13,500,000 in a tax-exempt Multifamily Housing Revenue Bonds to facilitate the rehabilitation of Bandar Salaam Apartments:
  - Issue a bond inducement resolution.
  - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC).
  - Approve a financing team of Quint and Thimmig as Bond Counsel and CSG Advisors as Financial Advisor.
2. 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.



## SDHC – Bandar Salaam Apartments Staff Recommendations (Continued)

### **That the San Diego City Council:**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$13,500,000 to fund the rehabilitation of Bandar Salaam Apartments.



# Questions & Comments

