

# San Diego City Council

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**Housing Authority Item 3 and Council Item 336: Preliminary Bond Authorization for Post 310 Apartments and TEFRA Hearing**  
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SAN DIEGO  
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# San Diego Housing Commission (SDHC) Preliminary Bond Authorization for The Post 310 Apartments

Housing Authority of the City of San Diego Agenda Item #3 and  
City Council Agenda Item #336  
December 15, 2020

Colin Miller  
Vice President  
Multifamily Housing Finance  
Real Estate Division



# SDHC – The Post 310 Apartments Development Summary

- The Post 310 Apartments is the proposed new construction of 42 affordable rental housing units at 465 47th Street in Encanto for veterans with low-income or experiencing homelessness.
  - 20 units for veterans experiencing homelessness
- Hitzke Development Corporation and Housing Innovation Partners applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2020 Notice of Funding Availability.
- On November 13, 2020, the SDHC Board of Commissioners approved a loan of up to \$2,883,000.
- SDHC awarded 10 Federal Project-Based Housing Vouchers and 10 Veterans Affairs Supportive Housing (VASH) through HOUSING FIRST – SAN DIEGO, SDHC's homelessness action plan.



# SDHC – The Post 310 Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$17,700,000 in a tax-exempt bonds and up to \$5,000,000 in taxable bonds.
- Developer is responsible for paying all costs of issuing bonds.
- 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 – The Post 310 Apartments Co-Developers

- Co-Developers for The Post 310 are Hitzke Development Corporation and the nonprofit Housing Innovation Partners.
  - Experienced developers
  - Hitzke Development Corporation
    - Specializes in public-private partnership
    - Focuses on infill sites for transit-oriented, mixed-use affordable housing
  - Housing Innovation Partners
    - Focuses on permanent supportive housing for individuals with low income and special needs
    - Previously obtained SDHC loans and has successfully completed those projects
    - In compliance with its previous SDHC-funded loans

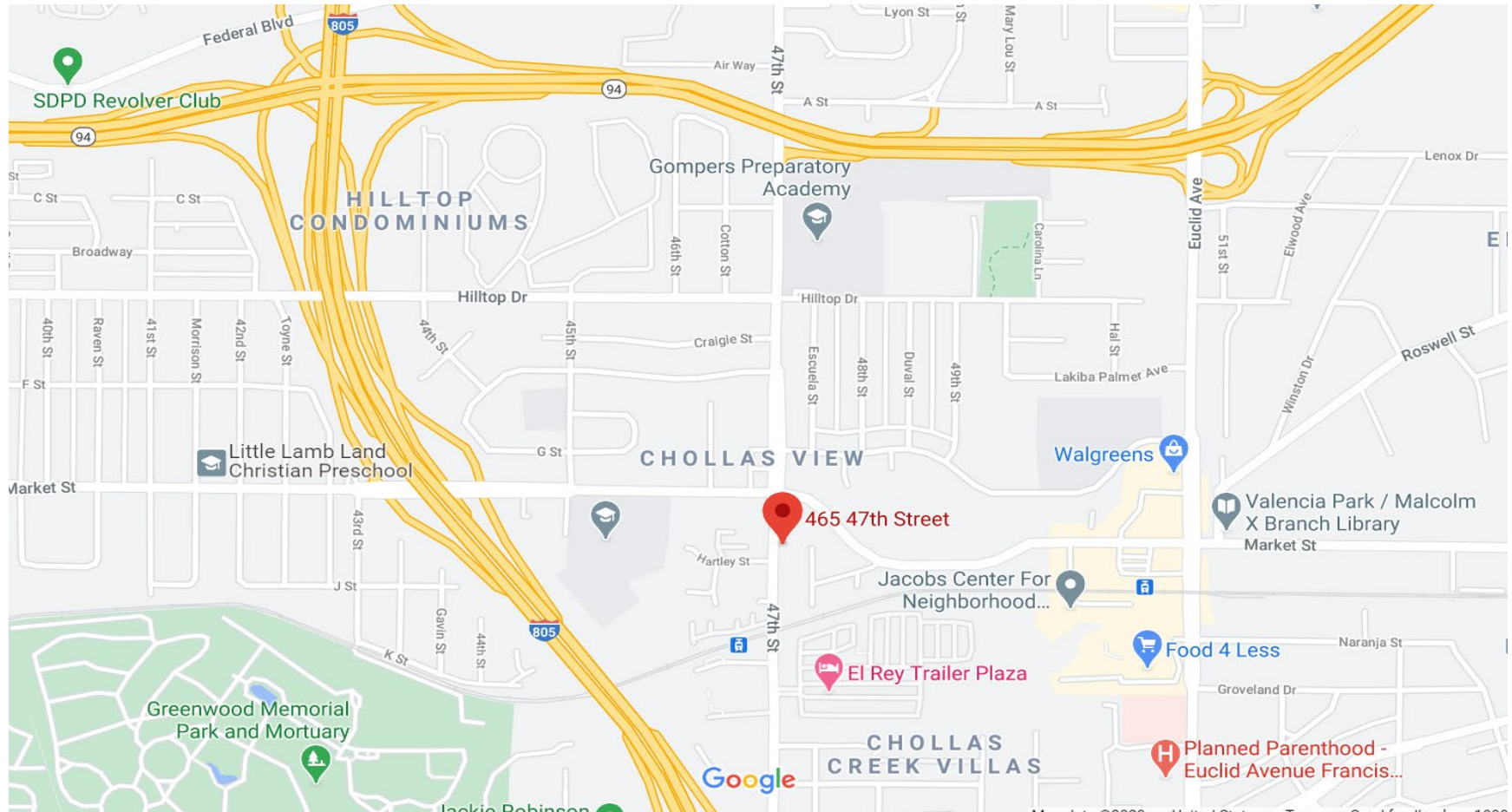


# SDHC – The Post 310 Apartments Development Team Summary

Role	Firm/Contract
<b>Developers</b>	Hitzke Development Corp. and Housing Innovation Partners
<b>Owner/Borrower</b>	Post 310 Housing San Diego, LP
<b>Managing General Partner</b>	Housing Innovation Partners (HIP)
<b>Administrative General Partner</b>	Hitzke Development Corporation
<b>Architect</b>	FoundationForFrom Architecture
<b>General Contractor</b>	Allgire General Contractors
<b>Property Management</b>	Hyder & Co. Property Management
<b>Supportive Services Provider</b>	U.S. Department of Veterans Affairs, HIP and a provider to be selected by County of San Diego Behavioral Health Services
<b>Construction Lender Permanent Lender</b>	Citibank
<b>Tax Credit Equity Partner</b>	Boston Capital



# SDHC – The Post 310 Apartments Location Map



# SDHC – The Post 310 Apartments

## Estimated Permanent Financing Sources and Uses

Prop	Amount	Permanent Uses	Amount
Citibank-Permanent Loan	\$1,739,085	Acquisition/Site Work	\$268,706
State of California Housing & Community Development Dept. Veterans Housing & Homelessness Prevention Program	9,283,837	Construction Costs	16,574,525
SDHC proposed loan	2,883,000	Architectural, Engineering & Permits	2,358,202
County of San Diego – Special Needs Housing Program	1,500,000	Indirect Expenses	445,000
Contributed Fee/Owner's Equity	1,594,533	Financing & Carrying Costs	1,948,328
4 Percent (CTCAC) tax credit equity	8,548,668	Other Costs	651,829
		Syndication Costs	308,000
		Developer Fee	2,994,533
Total Development Cost (TDC)	\$25,549,123	Total Development Cost	\$25,549,123
		Per Unit Cost	\$594,166





# SDHC – The Post 310 Apartments

## Affordability & Estimated Rents

Unit Type	AMI	Units	Maximum Gross Rent
One-Bedroom	30%	20	\$649
One-Bedroom	50%	13	\$1,155
One-Bedroom	60%	8	\$1,386
Three-Bedrooms	50%	1	\$1,444
Subtotal	--	42	--
Three-Bedroom Manager's Unit	--	1	--
Total	--	43	--



# SDHC – The Post 310 Apartments Project Renderings



# SDHC – The Post 310 Apartments Project Renderings



# SDHC – The Post 310 Apartments Development Timeline

Milestone	Estimated Date
• Housing Authority consideration.....	December 15, 2020
• City Council IRS-required TEFRA hearing...	December 15, 2020
• CDLAC & CTCAC applications.....	January 2021
• CDLAC & CTCAC meetings.....	March 2021
• SDHC & Housing Authority final bond issuance reviews.....	April 2021
• Bonds issuance and escrow closing.....	April 2021
• Estimated start of construction work.....	May 2021
• Estimated completion of construction work...	September 2022





# SDHC – The Post 310 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 \$17,700,000 in tax-exempt Multifamily Housing Revenue Bonds and \$5,000,000 in taxable Multifamily Housing Revenue Bonds, including;
  - Issue a bond Inducement resolution.
  - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC) for the tax-exempt bonds.
  - Approve Bond Counsel and Financial Advisor.
    - Bond final approval will occur at a later date.
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 – The Post 310 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 a tax-exempt Multifamily Housing Revenue Bond up to \$17,700,000 to fund the development of The Post 310 Apartments.



# Questions & Comments



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