

San Diego City Council

PHONE-IN TESTIMONY PERIOD NOW OPEN FOR

Housing Authority Item 3 and Council Item 340: Preliminary Bond Authorization for Post 310 Apartments and TEFRA Hearing
To call in and make your public comment:



Dial 619-541-6310



Enter Access Code 877861 then press #



Listen and wait until you hear,
“Your phone has been unmuted.”



When it's your turn, state your name and make your comments. When finished, hang up.



SAN DIEGO
HOUSING
COMMISSION

We're About People

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 #340
December 8, 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

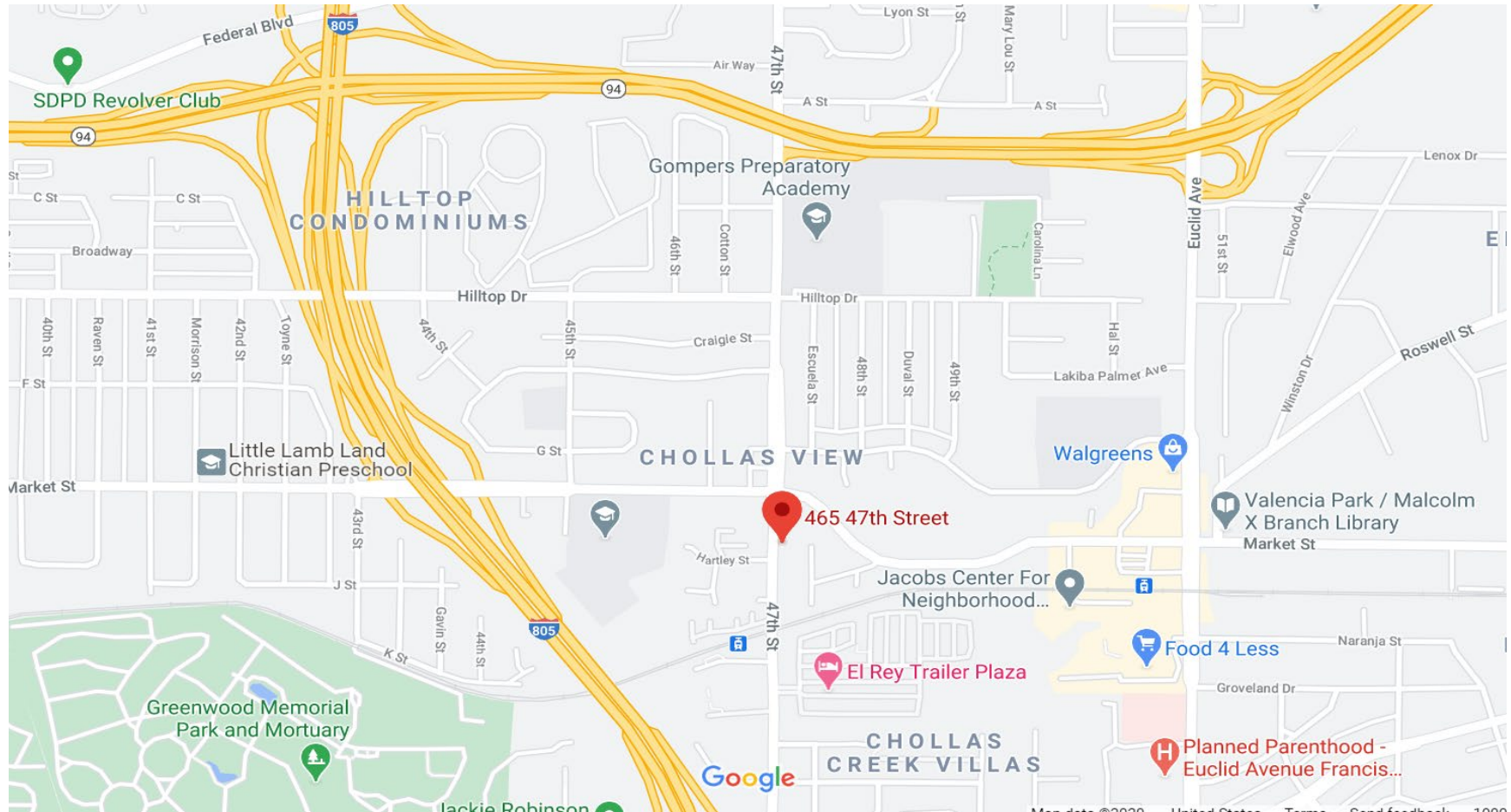


SDHC – The Post 310 Apartments Development Team Summary

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





SAN DIEGO
HOUSING
COMMISSION

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 8, 2020
• City Council IRS-required TEFRA hearing...	December 8, 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



San Diego City Council

PHONE-IN TESTIMONY PERIOD NOW OPEN FOR

Housing Authority Item 3 and Council Item 340: Preliminary Bond Authorization for Post 310 Apartments and TEFRA Hearing
To call in and make your public comment:



Dial 619-541-6310



Enter Access Code 877861 then press #



Listen and wait until you hear,
"Your phone has been unmuted."



When it's your turn, state your name and make your comments. When finished, hang up.