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San Diego Housing Commission (SDHC) Preliminary Bond Authorization for ShoreLINE Apartments

Housing Authority Agenda Item #4 and City Council Agenda Item #336
January 26, 2021

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division



SDHC – ShoreLINE Apartments

Development Summary

- New construction of 153 affordable units and two managers' units at 4470 Alvarado Canyon Road in Grantville in Council District 7.
- Rents affordable for 55 years for households with income at 30 percent to 80 percent of San Diego's Area Median Income (AMI).
- Development will replace an existing Metropolitan Transit System (MTS) parking lot.
- Development financed with Multifamily Housing Revenue Bonds, private bank debt, 4 percent federal Low-Income Housing Tax Credits, state tax credits, state Housing and Community Development (HCD) Transit-Oriented Development Funds, and a deferred developer fee.
- No SDHC loan provided to this development.

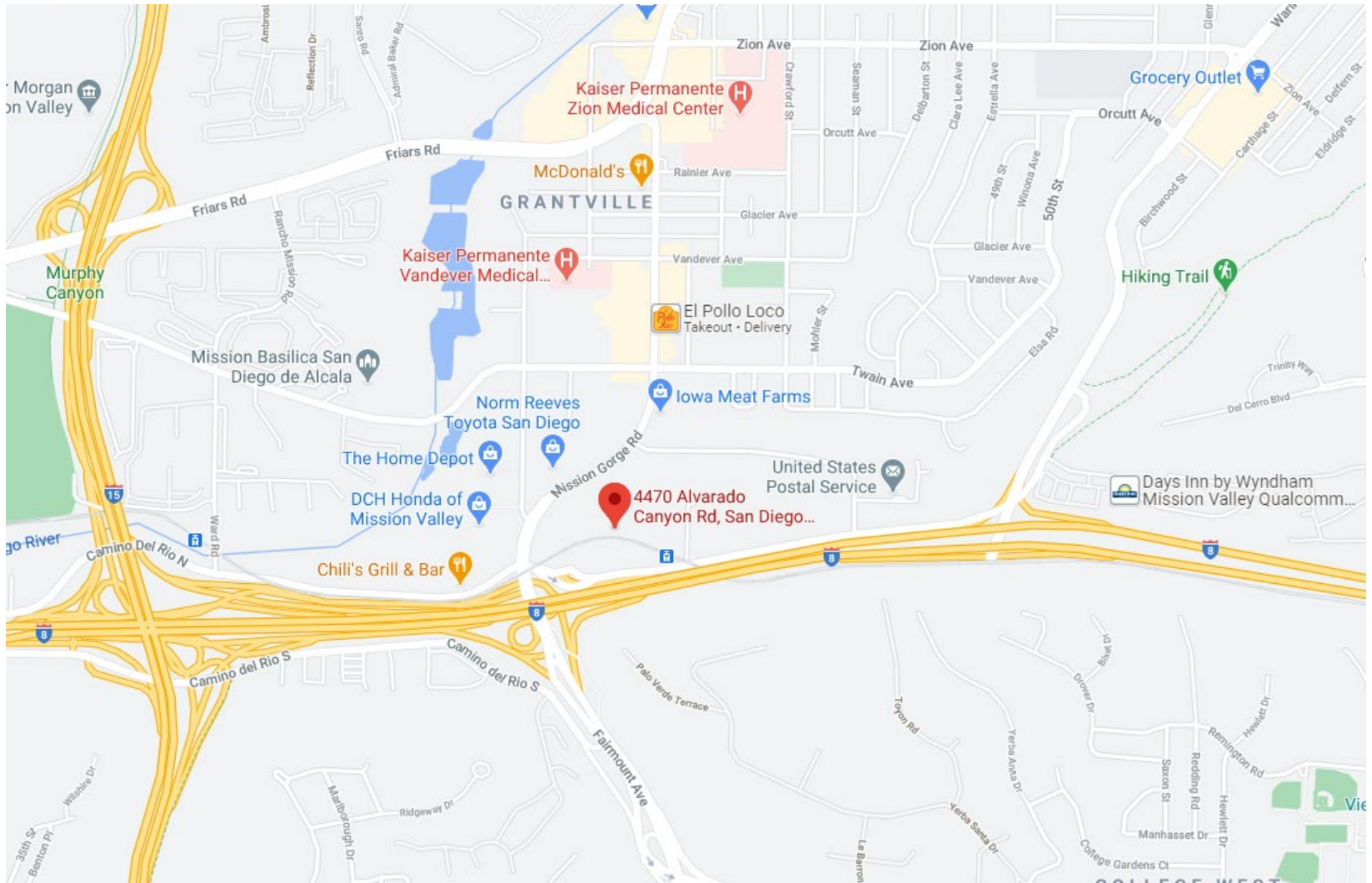


SDHC – ShoreLINE Apartments Development Team

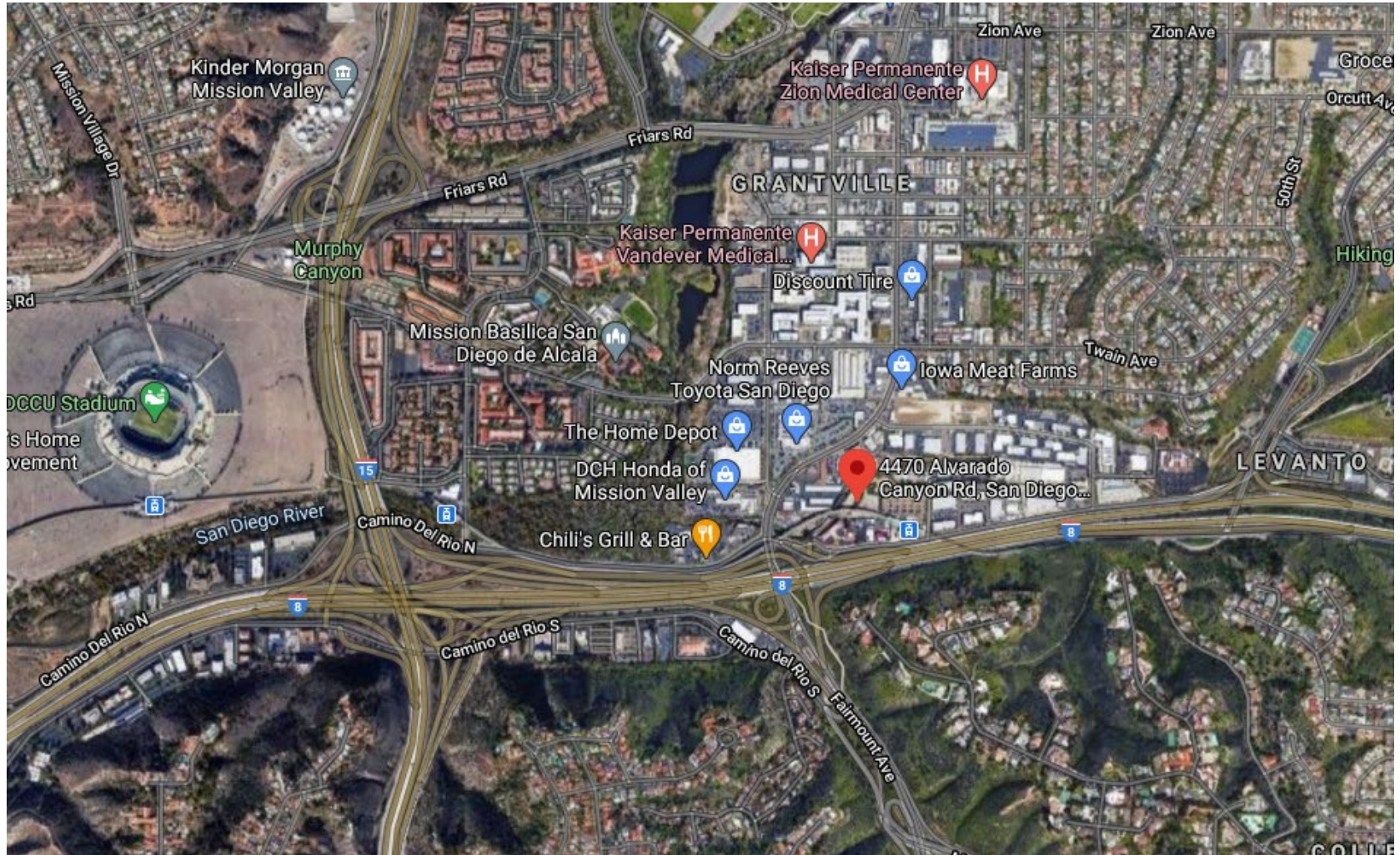
<u>ROLE</u>	<u>FIRM/CONTACT</u>
Developer	Affirmed Housing Group, Inc.
Owner/Borrower	Grantville Trolley Family Housing, L.P.
Administrative General Partner	TBD
Managing General Partner	Affirmed Housing Group, Inc.
Tax Credit Investor Limited Partner	TBD
Architect	Studio E Architects
General Contractor	TBD
Property Management	Solari
Construction and Permanent Lender	TBD
Tenant Services Provider	Compass for Affordable Housing



SDHC – ShoreLINE Apartments Location Map



SDHC – ShoreLINE Apartments Aerial View





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SDHC – ShoreLINE Apartments Architect Rendering





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SDHC – ShoreLINE Apartments Site Plan

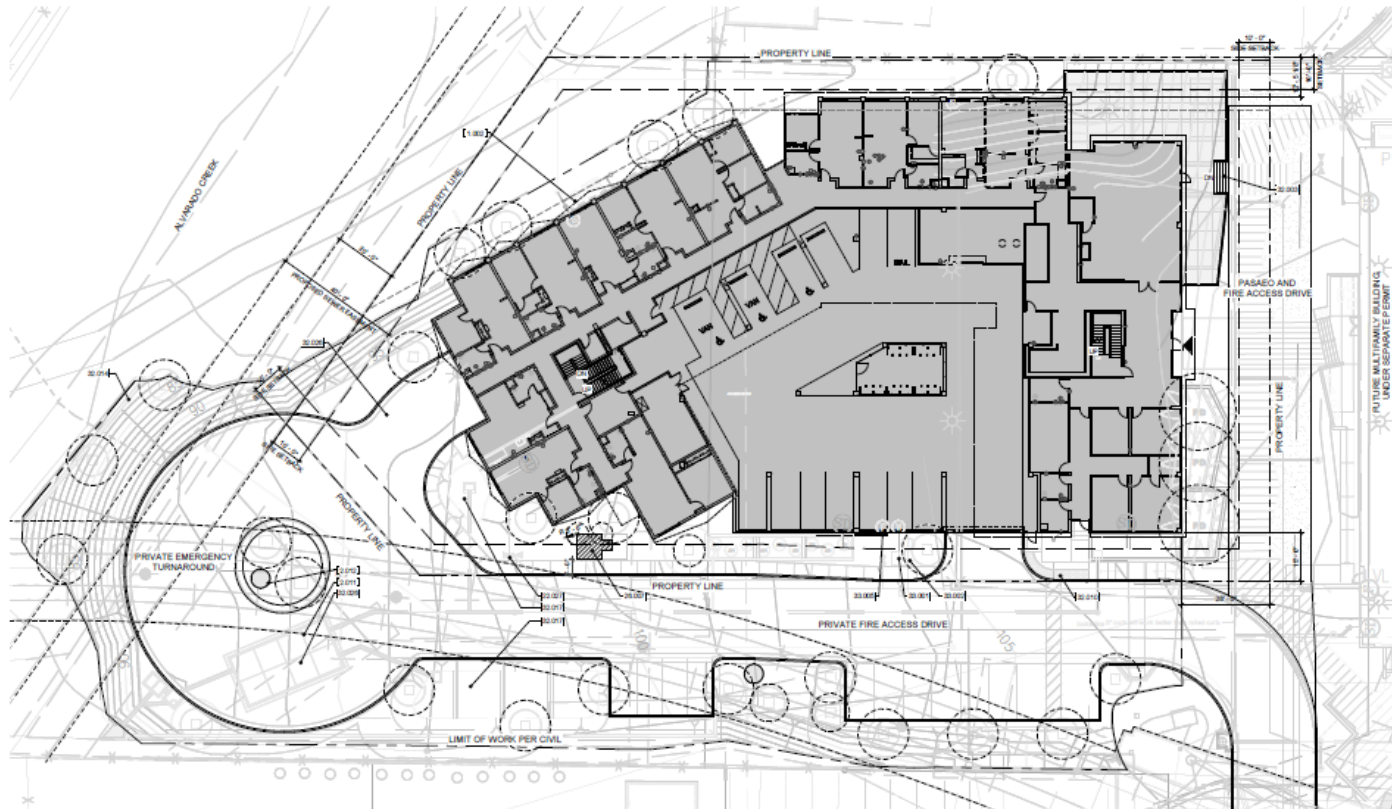
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ShoreLINE
4470 Alvarado Canyon Rd., San Diego, CA 92120
Affirmed Housing

1 Site Plan
1/8" = 1'-0"



SDHC – ShoreLINE Apartments

Estimated Permanent Financing Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent Loan	\$17,501,696	Property acquisition	\$0	\$0
Transit-Oriented Development HCD	\$10,000,000	Construction costs and Contingency	\$47,838,535	\$308,636
State Tax Credit Equity	\$6,290,581	Financing Costs	\$2,925,000	\$18,871
4% Tax Credit Equity	\$28,945,831	Architecture and Engineering	\$2,580,500	\$16,648
Deferred Dev. Fee	\$1,083,558	Legal	\$250,000	\$1,613
		City Permits & Impact Fees	\$2,935,304	\$18,937
		Developer Fee	\$3,500,000	\$22,581
		Reserves	\$528,000	\$3,406
		Other soft costs	\$2,593,000	\$16,729
		Contingency	\$671,328	\$4,331
Total Sources	\$63,821,667	Total Uses	\$63,821,667	\$411,753



SDHC – ShoreLINE Apartments

Affordability & Proposed Rents

Unit Type	AMI	Number of Units	Gross Rents
Studio	30%	10	1,453*
Studio	40%	13	785
Studio	50%	43	987
One-Bedroom	30%	10	1,610*
One-Bedroom	50%	37	1,049
One-Bedroom	80%	10	1,699
Two-Bedroom	30%	4	2,091*
Two-Bedroom	50%	15	1,264
Two-Bedroom	80%	6	2,044
Three-Bedroom	30%	1	2,869*
Three-Bedroom	80%	4	2,363
Manager	N/A	2	-
Total Units	-	155	-

*Indicates Project-Based Housing Voucher rents



SDHC – ShoreLINE 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 2021
Housing Authority final bond authorization	TBD
Estimated bond issuance and escrow/loan closing	TBD
Estimated start of construction work	September 2021
Estimated completion of construction work	May 2023



SDHC – ShoreLINE Apartments

Bond Issuance Summary

- Proposed bond issuance of up to \$36,500,000 in a tax-exempt bonds and up to \$20,100,000 in taxable 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 – ShoreLINE 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 \$36,500,000 in a tax-exempt Multifamily Housing Revenue Bonds and up to \$20,100,000 in taxable bonds to facilitate the development of ShoreLINE Apartments:
 - Issue a bond inducement resolution.
 - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC) for the tax-exempt bonds.
 - Approve a financing team of Orrick as Bond Counsel and Ross Financial 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 – ShoreLINE 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 \$36,500,000 to fund the development ShoreLINE Apartments.



Questions & Comments

