



SAN DIEGO  
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# San Diego Housing Commission Loan Recommendation and Preliminary Bond Authorization for Ulric Street Apartments Presentation to the Board of Commissioners June 14, 2019

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# SDHC – Ulric Street Partnership Development Recommendations

## **That the San Diego Housing Commission (Housing Commission):**

1. Approve a proposed residual receipts loan, up to \$7,000,000 to Ulric Street Housing Associates L.P., for new construction of 96 units for low- and very low- income tenants in an affordable rental housing development at 2645-2685 Ulric Street, San Diego.
  - Including 95 units for low- and very low- income tenants.
  - Will remain affordable for 55 years.
  - SDHC loan contingent on developer receiving necessary third-party funding.

The developer shall submit a relocation plan that complies with all applicable laws and regulations. The plan must be accompanied by a legal opinion, to the General Counsel's satisfaction, that the plan complies with any and all applicable laws and regulations.





# SDHC – Ulric Street Partnership Development Recommendations (Continued)

## **That the San Diego Housing Commission:**

2. Authorize President and Chief Executive Office, or designee, to execute documents, implement the transaction, and take actions as necessary, convenient, and/or appropriate upon General Counsel advice, adjust financing terms and conditions, and allow funds substitution.
  - The up to \$7,000,000 proposed total loan may not increase.



# SDHC – Ulric Street Partnership Development Recommendations (Continued)

## **That the Housing Authority of the City of San Diego:**

3. Approve initial steps to issue up to \$32,750,000 in tax-exempt Multifamily Housing Revenue bonds, including;
  - Bond Inducement resolution.
  - Bond allocation application to California Debt Limit Allocation Committee.
  - Bond Counsel and Financial Advisor.

Bond final approval will occur at a later date.

4. Authorize the Housing Commission President & CEO, or designee, to execute necessary documents in a form approved by General Counsel

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

Hold an IRS-required Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing.



# SDHC – Ulric Street Partnership Development Development Summary

- Proposed new construction of 95 affordable rental units for families.
  - Proposed mix of one-, two-, and three-bedroom units.
  - 1.47-acre site currently has 20 unrestricted existing apartments in five buildings, to be demolished.
  - Existing tenants to be relocated for new construction.
  - Lauren & Associates will be relocation consultant.
  - Relocation plan shall comply with any and all applicable laws, as approved by the Housing Commission President & CEO, or designee, and General Counsel.
- Development Summary at Table #1 page 3 of report.



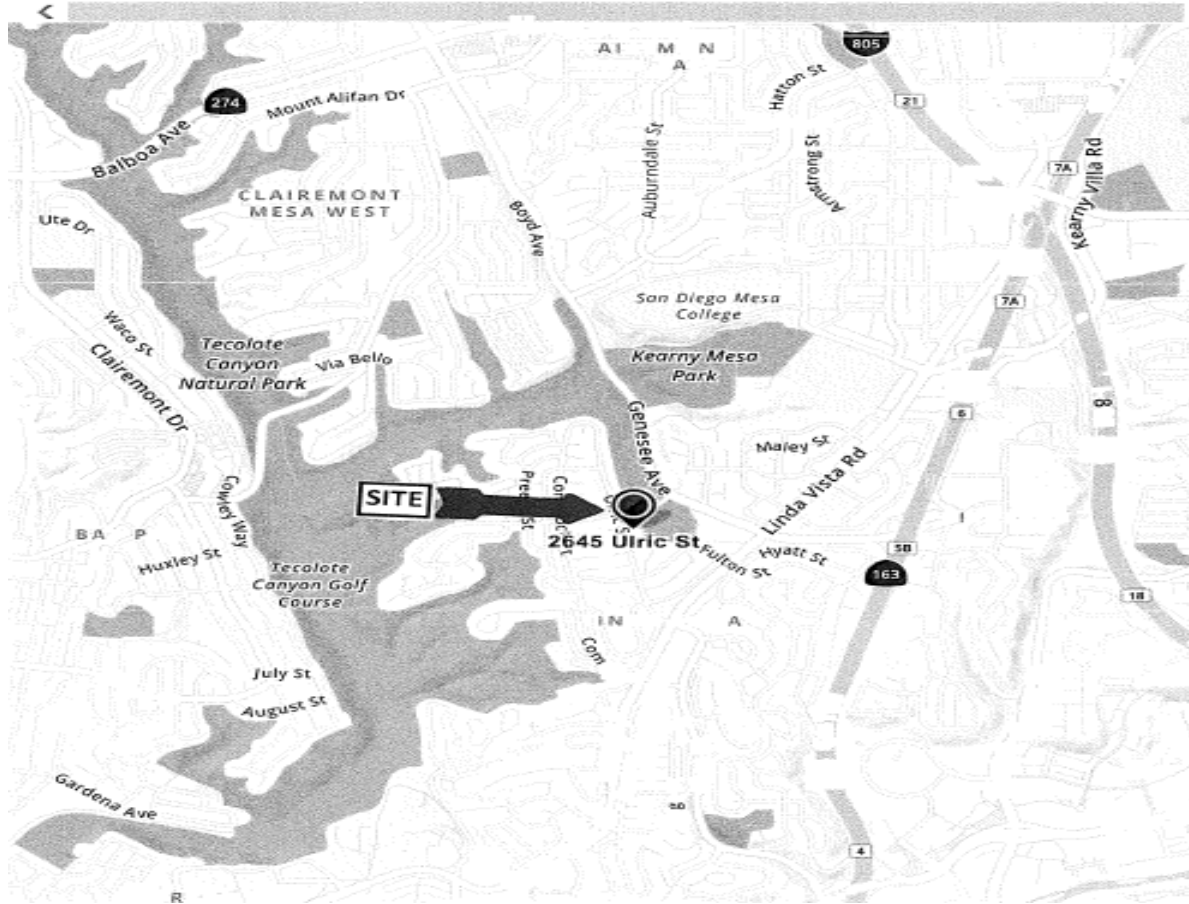


# SDHC – Ulric Street Partnership Development Development Summary (Continued)

- Developer is the nonprofit Community Housing Works (CHW).
  - Experienced developer.
  - CHW has previously obtained Housing Commission loans and successfully implemented them.
- Development Team summary at Table #2, page 5 of report.



# SDHC – Ulric Street Partnership Development Location Map



# SDHC – Ulric Street

## Partnership Development

### Estimated Sources and Uses of Permanent Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Bond financed permanent loan	\$4,710,000	Property acquisition	\$5,460,037	\$56,875
State Housing & Community Development Multifamily Housing Program	7,500,000	Construction costs \$23,670,572 Contingency + 2,367,057 Total construction \$26,037,629	26,037,629	271,225
County of San Diego Innovative Housing Trust Fund loan	8,000,000	Financing costs	3,594,487	37,443
Housing Commission proposed loan	7,000,000	Local permits and fees	1,831,813	19,081
Regional Transportation Congestion Improvement Program fee waiver	219,830	Other soft costs	3,091,583	32,205
Refunds	93,836	Relocation costs	1,251,286	13,034
Accrued interest on soft debt	650,000	Reserves	261,126	2,720
CHW General Partner contribution	2,899,153	Developer fee	4,899,153	51,033
4 percent (CTCAC) tax credit equity	15,354,295			
Total Development Cost (TDC)	\$46,427,114	Total Development Cost	\$46,427,114	\$483,616





# SDHC – Ulric Street Partnership Development Affordability

Unit Type	AMI	Units	CTCAC Gross Rents
Studios, 1 bath (370 sq. ft.)	30%	5	\$511
1-bedroom, 1 bath (593 sq. ft.)	30%	8	\$547
2-bedrooms, 1 bath (825 sq. ft.)	30%	11	\$657
3-bedrooms, 2 baths (1,062 sq. ft.)	30%	10	\$759
<b>Subtotal 30% AMI Units</b>	--	<b>34</b>	
Studios, 1 bath (370 sq. ft.)	60%	7	\$1,023
1-bedroom, 1 bath (593 sq. ft.)	60%	13	\$1,095
2-bedrooms, 1 bath (825 sq. ft.)	60%	22	\$1,314
3-bedrooms, 2 baths (1,062 sq. ft.)	60%	19	\$1,518
<b>Subtotal 60% AMI Units</b>	--	<b>61</b>	--
<b>2-bedroom Manager's Unit</b>	-	<b>1</b>	--
<b>Total Units</b>		<b>96</b>	



# SDHC – Ulric Street Partnership Development Development Timeline

Milestone	Estimated Date
• CDLAC & CTCAC 4% Applications . . .	November 2019
• CDLAC & CTCAC allocation approval meetings . . . . .	January 2020
• Housing Commission final review. . . . .	February 2020
• Housing Authority final review. . . . .	February 2020
• Estimated bond issuance . . . . .	June 2020
• Estimated construction start . . . . .	June 2020
• Estimated construction completion. . . . .	December 2021



# SDHC – Ulric Street Partnership Development Artist's Rendering

