



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission Final Bond Authorization for 14th and Commercial Apartments

Housing Authority Agenda Item #1
October 15, 2019

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SDHC – 14th and Commercial Partnership Development Recommendations

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

Authorize the issuance of up to \$101,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate the new construction of 14th and Commercial Apartments, a 326-unit development located at 1 14th Street that will remain affordable for 55 years.





SDHC – 14th and Commercial Partnership Development Development Summary

- Proposed new construction features two contiguous residential high-rise buildings (a 14-story building and a seven-story building) on one site: 1 14th Street.
- To solve certain financing issues, the co-developers have bifurcated the combined 407 units into two legally separate projects (14th and Commercial [326 units] and 14C VHHP [81 units]) that will close escrow simultaneously.
- A condominium plan will detail the two projects' legal separation.
- There will be separate loans and separate bond issuances. The two projects are being processed as two separate companion reports.





SDHC – 14th and Commercial Partnership Development Development Summary (Continued)

- Proposal for Housing Authority to issue up to \$101,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- SDHC previously approved preliminary steps required for bond issuance.
- Co-developers have received:
 - Necessary bond issuance allocation from California Debt Limit Allocation Committee (CDLAC).
 - Necessary tax credits allocation from California Tax Credit Allocation Committee (CTCAC).
- Development Details Summary at Table #1 page 2-3 of report.



SDHC – 14th and Commercial Partnership Development Development Summary (Continued)

14th and Commercial Apartments:

- Proposed new construction of 326 units
 - 93 units for low- & very low-income tenants
 - 230 supportive housing units for low- and very low-income individuals experiencing homelessness with an identified disability (who will receive rental assistance through Project-Based Housing Vouchers)
 - 3 managers' units
- 14-story building
- 65 parking spaces
- Transit-oriented development near 12th & Imperial trolley station
- Units mix of 281 studios, 17 one-bedrooms, 25 two-bedrooms, and 3 unrestricted units for managers.
- The development is supported by HOUSING FIRST – SAN DIEGO, SDHC's homelessness action plan.





SDHC – 14th and Commercial Partnership Development Development Summary (Continued)

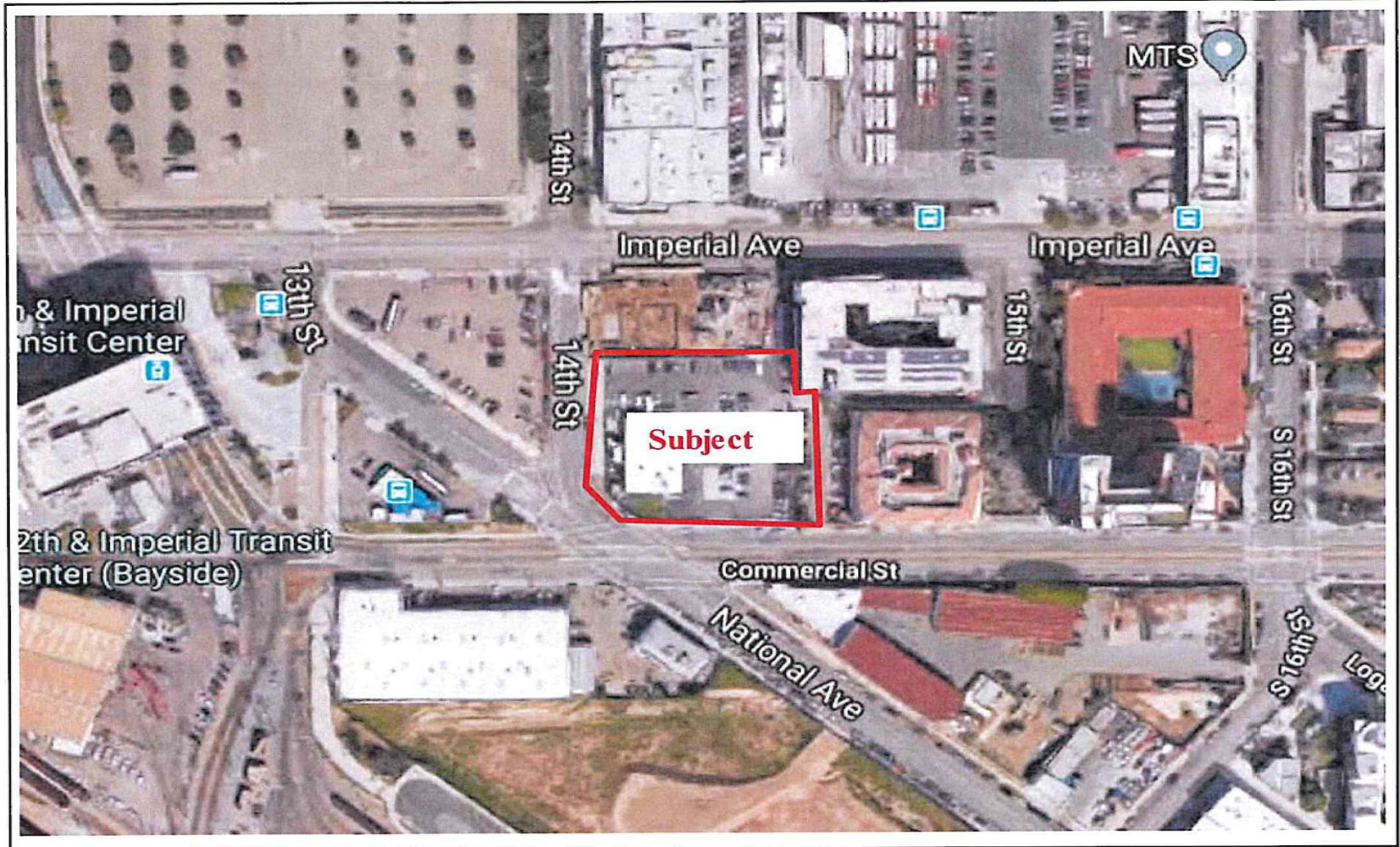
- The co-developers are the nonprofit SVDP Management and the for-profit Chelsea Investment Corporation.
 - Both developers are experienced.
 - Both previously obtained SDHC loans and are in full compliance.
- Development Team Summary at Table #2, page 5 of report.



SDHC – 14th and Commercial Partnership Development Location Map – 1 14th Street, San Diego, CA

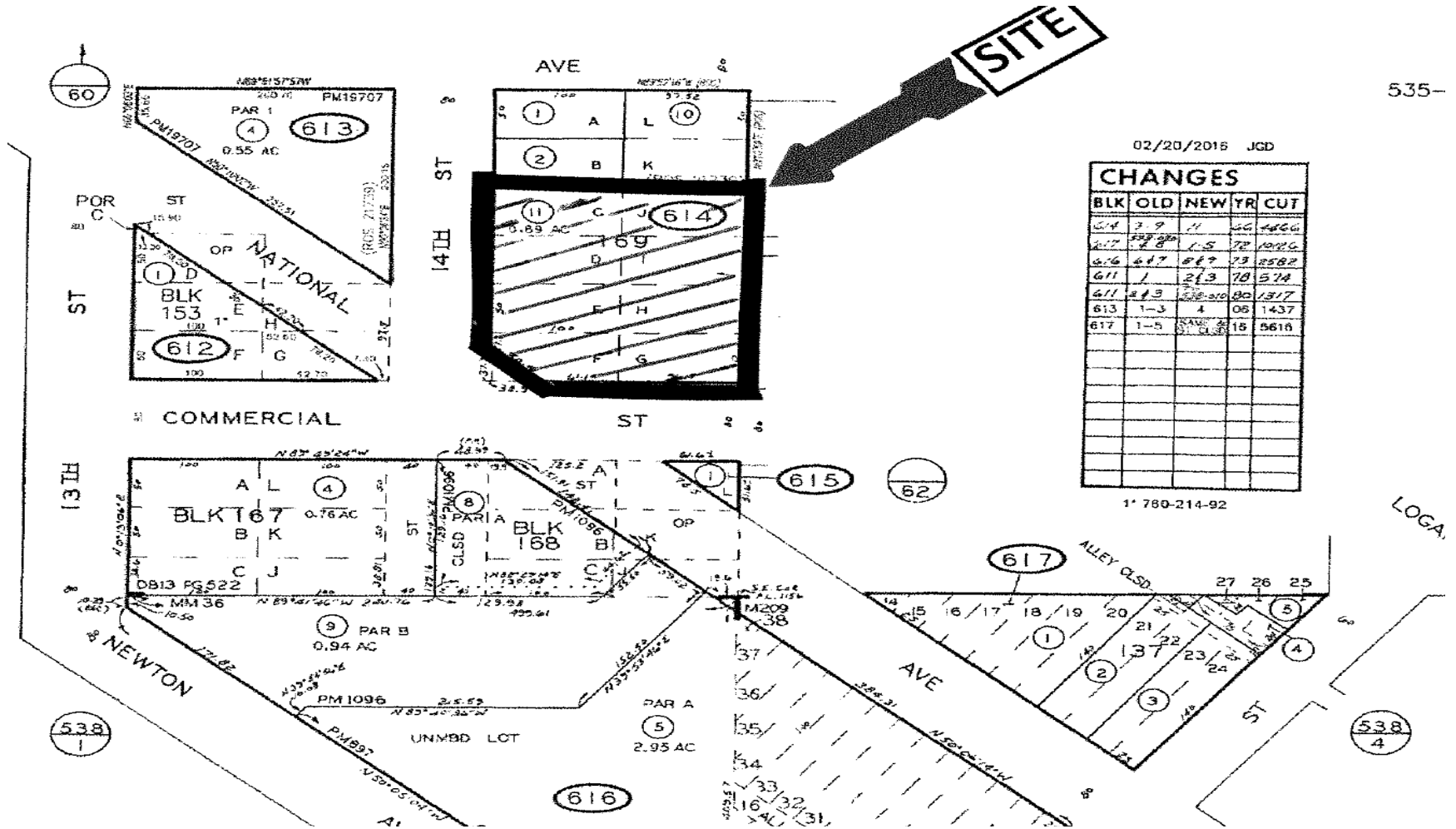


SDHC – 14th and Commercial Partnership Development Location Map – 1 14th Street, San Diego, CA





SDHC – 14th and Commercial Partnership Development Location Map – 1 14th Street, San Diego, CA



SDHC – 14th and Commercial Partnership Development Site Photo



SDHC – 14th and Commercial Partnership Development

Estimated Sources and Uses of Permanent Financing

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent loan (bonds financed)	\$8,217,898	Property acquisition:	\$ 19,465,600	\$59,710
State Dept. of Housing & Community Development (HCD) Affordable Housing & Sustainable Communities (AHSC) loan	\$17,950,000	Construction costs Contingency Total construction	\$81,560,778 + 6,396,130 \$87,956,908	\$269,806
State HCD Supportive Housing Multifamily Housing loan	\$20,000,000	Financing costs	\$13,255,214	\$40,660
County of San Diego No Place Like Home Program loan	\$15,722,792	Other soft costs	\$5,967,216	\$18,306
Seller's land contribution loan	\$13,223,724	Reserves	\$4,250,846	\$13,039
Housing Commission loan	\$6,150,000	Permits and Fees	\$4,225,623	\$12,962
Developer's fee contribution and Deferred developer's fee	\$12,375,836 \$1,665,110	Developer's fee	\$15,875,835	\$48,699
State Affordable Hsg prog grant & Infill Infrastructure grant	\$2,000,000 \$3,250,000			
Accrued soft loan interest	\$2131,298			
Income during stabilization	\$218,136			
Four percent tax credit equity	48,092,449			
Total Development Cost	\$150,997,243	Total Development Cost (TDC)	\$150,997,243	\$463,182





SDHC – 14th and Commercial Partnership Development Affordability

Unit Type	AMI	Number of Units	CTCAC Gross Rents
Studio (one bath)	25%	60	\$426
Studio (one bath)	30%	172	\$511
Studio (one bath)	35%	49	\$596
One bedroom (one bath)	50%	17	\$912
Two bedrooms (one bath)	50%	25	\$1,095
Subtotal		323	
Managers' unrestricted units	--	3	--
Total Units		326	



SDHC – 14th and Commercial Partnership Development Development Timeline

Milestone	Estimated Date
<ul style="list-style-type: none">• Housing Authority consideration• Est'd bond issuance & loan closing• Est'd start of construction• Est'd construction completion	October 15, 2019 November 2019 November 2019 November 2021





SDHC – 14th and Commercial Partnership Development Bond Issuance Summary

- Proposed Bond issuance up to \$101,000,000.
- Co-developers are responsible for paying all costs of issuing Bonds.
- Issuance pursuant to SDHC's bond policy.
- Bonds issuance will not create financial liability to SDHC, or to Housing Authority or to City.
- Neither 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 – 14th and Commercial Partnership Development Artist's Rendering



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