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San Diego Housing Commission (SDHC) Rehabilitation of Single-Family Homes and Construction of Accessory Dwelling Units Presentation to the SDHC Board of Commissioners November 15, 2019

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SDHC – Rehabilitation of Single-Family Homes and Construction of Accessory Dwelling Units

Staff Recommendations

That the San Diego Housing Commission (SDHC) take the following actions:

1. Authorize the expenditure of \$7,500,000 in federal Moving to Work (MTW) funds toward the rehabilitation of 39 SDHC-owned single-family homes, which SDHC rents as affordable housing for low-income families;
2. Authorize the sale of five SDHC-owned single-family homes, upon completion of the rehabilitation of these homes, to SDHC's nonprofit affiliate, Housing Development Partners (HDP), for an amount to be determined by an independent, third-party appraisal, with a seller carryback note from HDP that corresponds to the purchase price of the five single-family homes;



SDHC – Rehabilitation of Single-Family Homes and Construction of Accessory Dwelling Units Staff Recommendations (Continued)

3. Approve an SDHC grant of up to \$1,200,000 to HDP to construct an Accessory Dwelling Unit (ADU) on the sites of each of the single-family homes that will be sold to HDP, for a total of five ADUs; and
4. Authorize the Housing Commission's Executive Vice President & Chief of Staff (Executive Vice President), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals.



SDHC – Rehabilitation of Single-Family Homes and Construction of Accessory Dwelling Units

Single-Family Rehabilitation

- SDHC will complete the extensive rehabilitation of all 39 single-family homes in its portfolio:
 - Built in 1970s
 - No major renovations in the past
- The homes are located primarily in the southeastern area of the City of San Diego.
- Rehabilitation of the homes will include:
 - kitchen cabinets
 - bathroom vanities
 - countertops
 - interior and exterior painting
 - flooring
 - landscaping
 - windows
- During rehabilitation activities, residents will be relocated for approximately 45 days.



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Photos of Existing Single-Family Homes





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Accessory Dwelling Units (ADUs)

- Upon acquisition of the rehabilitated five homes from SDHC, HDP will construct the five ADUs on the available yard space of those homes.
- The sale of the five homes to HDP will be based on independent appraisals of the homes, and a seller carryback note to SDHC from HDP will reflect the value of the homes per these independent appraisals.

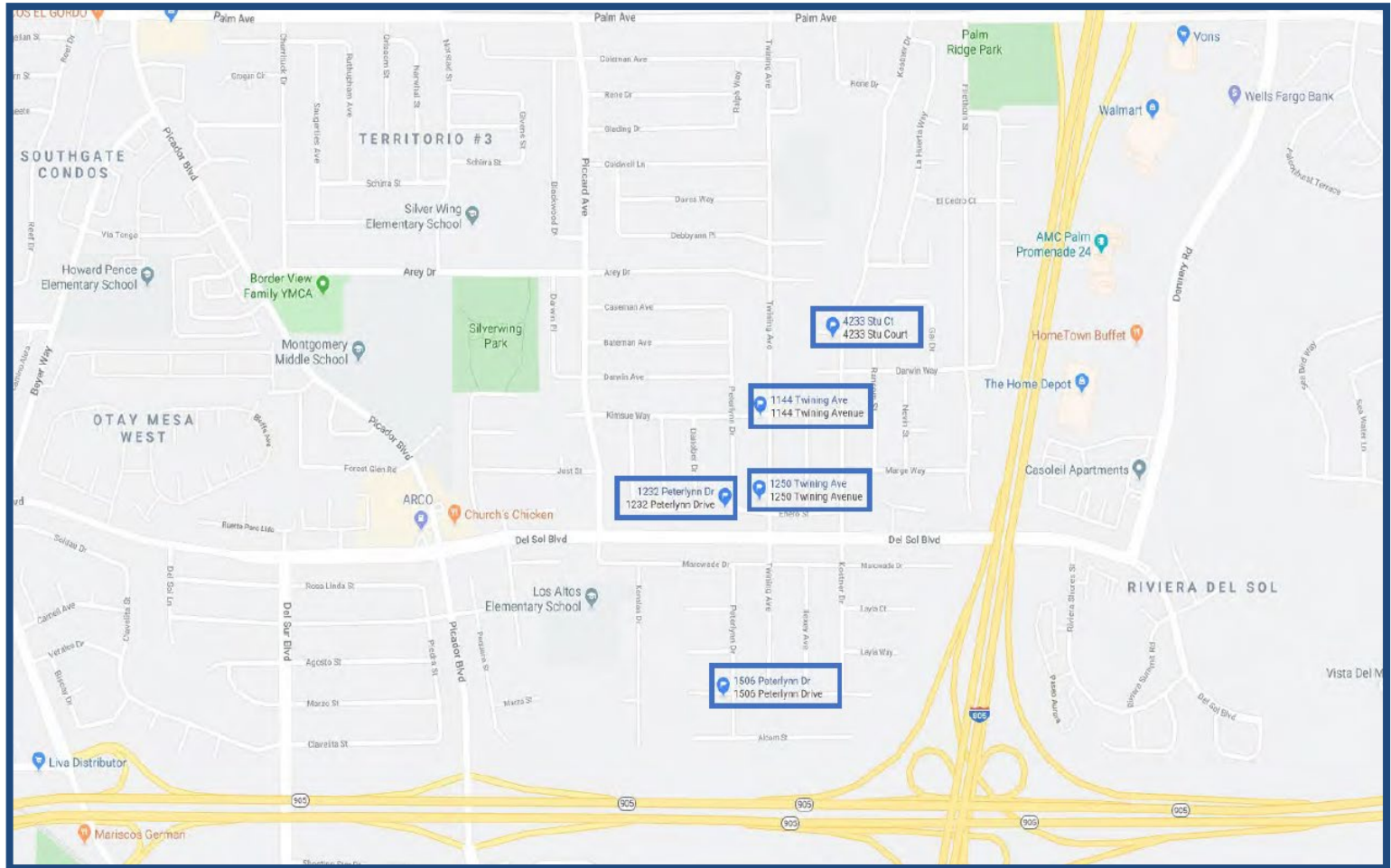




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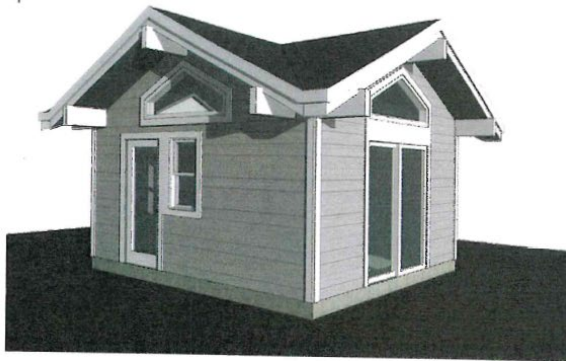
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Location Map – 5 Selected Sites

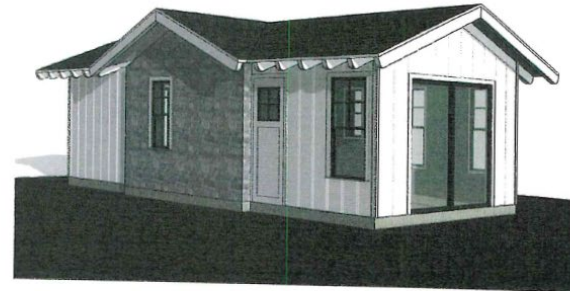


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ADU Renderings



studio
Studio - 224 sq. ft.



one bedroom
One Bedroom - 499 sq. ft.



three bedroom



Three Bedroom - 1,199 sq. ft.

two bedroom



Two Bedroom - 990 sq. ft.


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SDHC – Rehabilitation of Single-Family Homes and Construction of Accessory Dwelling Units ADU Pilot Program

- The creation of these five ADUs will serve as a pilot program for SDHC to better understand and identify the architectural, construction, cost and other development-related issues that may arise on future developments of this type of housing product.
- Pilot Program Outcomes:
 1. Creation of off-the-shelf architectural plans for five ADU types, including a studio, one-, two- and three-bedroom units as well as a manufactured home.
 2. Final cost to construct each ADU type may assist in the development of a loan program developed by SDHC's Real Estate Finance department to provide ADU construction funds for eligible homeowners.



SDHC – Rehabilitation of Single-Family Homes and Construction of Accessory Dwelling Units ADU Pilot Program (Continued)

- SDHC's report *Addressing the Housing Affordability Crisis: San Diego Housing Production Objectives 2018 – 2028* identified detached ADUs, also known as Companion Units, as one of the five main sources of potential additional housing units in the City of San Diego over the next 10 years.
- The report estimated that 2,700 to 5,500 ADUs could be build citywide over 10 years.



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Questions?

