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San Diego Housing Commission (SDHC) Final Bond Authorization for Mission Terrace Apartments Presentation to the SDHC Board of Commissioners January 10, 2020

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SDHC – Mission Terrace Partnership Development Staff Recommendation

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority):

Authorize the issuance of up to \$12,000,000 in tax-exempt Multifamily Housing Revenue Bonds/Note to facilitate the acquisition with rehabilitation of Mission Terrace Apartments, a 76-unit affordable rental housing development located at 10210 San Diego Mission Road, San Diego, that will remain affordable for 55 years.





SDHC – Mission Terrace Partnership Development Development Summary

- Proposed acquisition with rehabilitation of 76 affordable apartment units for families, plus one manager’s unit.
 - Located at 10210 San Diego Mission Road (near SDCCU Stadium)
 - Mix of one-bedroom, two-bedroom, and three-bedroom units.
 - Built in 1995.
 - Development details are at Table #1, page 1 of report.
- Developer – San Diego Interfaith Housing Federation (Interfaith).
 - Development team summary is at Table #2, page 3 of report.





SDHC – Mission Terrace Partnership Development Development Summary (Continued)

- Proposal is for Housing Authority to issue up to \$12,000,000 in tax-exempt Multifamily Housing Revenue bonds/note.
- SDHC and Housing Authority previously approved preliminary steps required for bond issuance.
- Developer has received:
 - Necessary bond issuance allocation from California Debt Limit Allocation Committee (CDLAC)
 - Necessary tax credits allocation form California Tax Credit Allocation Committee (CTCAC)





SDHC – Mission Terrace Partnership Development Development Summary (Continued)

- In 1994, Housing Authority approved a \$2,055,000 residual receipts loan to San Diego Interfaith for development's new construction.
- Developer is proposing:
 - To pay off the existing SDHC loan.
 - An ownership transfer from the current limited partnership owner to a new tax credit limited partnership.
 - New limited partnership will assume the existing original 55-year affordability restrictions under the SDHC original loan.
 - New tax credits will extend those affordability restrictions by approximately 26 years.



SDHC – Mission Terrace Partnership Development Site Map



SDHC – Mission Terrace Partnership Development

Estimated Sources and Uses Permanent Financing

Sources of Funds	Amount
Tax Exempt Bond Financed Loan	\$6,635,921
Seller Carry Back Loan	7,899,179
Operating Income	180,874
Reserve Carryover	100,000
General Partner Contribution	110
Four Percent Tax Credit Equity	6,222,773
Deferred Developer Fee	25,501
Total	\$21,064,358

Uses of Funds	Amount
Acquisition Costs	\$12,636,500
Construction Costs	4,424,505
Financing Costs	555,936
Reserves	293,117
Other Soft Costs	424,485
Developer Fee	2,429,815
Relocation Costs	300,000
Total	\$21,064,358

- Estimated TDC Per Unit (for 77 Units) = \$273,563



SDHC – Mission Terrace Partnership Development Affordability

Unit Type	AMI	Units	CTCAC Gross Rents
1-bedroom, 1 bath (464 to 534 sq. ft.)	35%	7	\$702
2-bedrooms, 1 bath (659 to 924 sq. ft.)	35%	3	\$842
3-bedrooms, 1 1/2 baths (1,026 sq. ft.)	35%	5	\$973
Subtotal 35% AMI Units	--	15	--
1-bedroom, 1 bath (464 to 534 sq. ft.)	50%	15	\$1,003
2-bedroom, 1 bath (659 to 924 square feet)	50%	3	\$1,203
3-bedroom, 1 1/2 bath (1,026 square feet)	50%	5	\$1,391
Subtotal 50% AMI Units	--	23	--
1-bedroom, 1 bath (464 to 534 sq. ft.)	60%	15	\$1,203
2-bedrooms, 1 bath (659 to 924 sq. ft.)	60%	10	\$1,444
3-bedrooms, 1 1/2 baths (1,026 sq. ft.)	60%	13	\$1,669
Subtotal 60% AMI Units	--	38	--
Subtotal	--	76	--
3-bedroom, 1 ½ bath, manager's unit	-	1	--
Total Units		77	





SDHC – Mission Terrace Partnership Development Development Timeline

Milestone	Estimated Date
● Housing Authority Final Review.	January 28, 2020
● Estimated Bond Issuance and Escrow/Financing Closing	January 31, 2020
● Estimated Construction Start	February 2020
● Estimated Construction Completion. . . .	December 2020



SDHC – Mission Terrace Partnership Development Bond Issuance Summary

- Proposed bond issuance up to \$12,000,000.
- Developer responsible for paying all costs of issuing bonds.
- Issuance pursuant to Housing Commission’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 – Mission Terrace Partnership Development Site Photo

