



SAN DIEGO  
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# San Diego Housing Commission (SDHC) Loan Approval and Preliminary Bond Authorization for Ventana al Sur Apartments February 7, 2020

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# SDHC – Ventana al Sur Partnership Development Staff Recommendations

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

- 1) Approve a proposed residual receipts loan, up to \$4,400,000, to 4132 Beyer L.P. for new construction of 100 units for low- and very-low income tenants in an affordable rental housing development at 4132 Beyer Boulevard, San Diego:
  - 75 units for low-income seniors
  - 25 units for chronically homeless seniors and homeless seniors with a serious mental illness (age 65+), residing in the City of San Diego, who meet certain income criteria and who are identified as most appropriate for permanent supportive housing as determined by assessments conducted through the Coordinated Entry System.
  - Units will remain affordable for 55 years.
  - The proposed \$4,400,000 maximum SDHC loan may not increase.
  
- 2) Loan contingent upon receiving necessary third-party funding.





# SDHC – Ventana al Sur Partnership Development Staff Recommendations (Continued)

## **That the SDHC Board Recommend that the Housing Authority of the City of San Diego (Housing Authority):**

- 1) Approve initial steps to issue up to \$25,000,000 in tax-exempt Multifamily Housing Revenue Bonds, including:
  - Bond inducement resolution.
  - Bond allocation application to California Debt Limit Allocation Committee (CDLAC).
  - Approve Bond Counsel & Financial Advisor.
  - Bond final approval required at a later date.
- 2) Authorize the President and CEO to:
  - Execute necessary documents.
  - Adjust financing terms and conditions as necessary.
  - Substitute funding sources.
  - Take actions necessary, convenient, and/or appropriate upon advice of the General Counsel.





# SDHC – Ventana al Sur Partnership Development Staff Recommendations (Continued)

## **That the SDHC Board Recommend 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 up to \$25,000,000.



# SDHC – Ventana al Sur Partnership Development Development Summary

- **Ventana al Sur Apartments:**
  - Proposed new construction of 101 units
    - 100 units for low- & very low-income tenants.
    - One unrestricted manager’s unit.
  - 64 parking spaces.
  - Affordable units mix of 80 one-bedrooms and 20 two-bedrooms.
  - The development is supported by HOUSING FIRST – SAN DIEGO, SDHC’s homelessness action plan.
- Development Details Summary at Table #1 page 3 of report.





# SDHC – Ventana al Sur Partnership Development Development Summary (Continued)

- Co-Developers are the nonprofit Metropolitan Area Advisory Committee on Anti-Poverty (MAAC) and the nonprofit Kingdom Development Inc. (Kingdom)
  - Experienced developers.
  - MAAC has previously obtained SDHC loans and successfully completed them.
- Development Team summary at Table #2, page 6 of report.





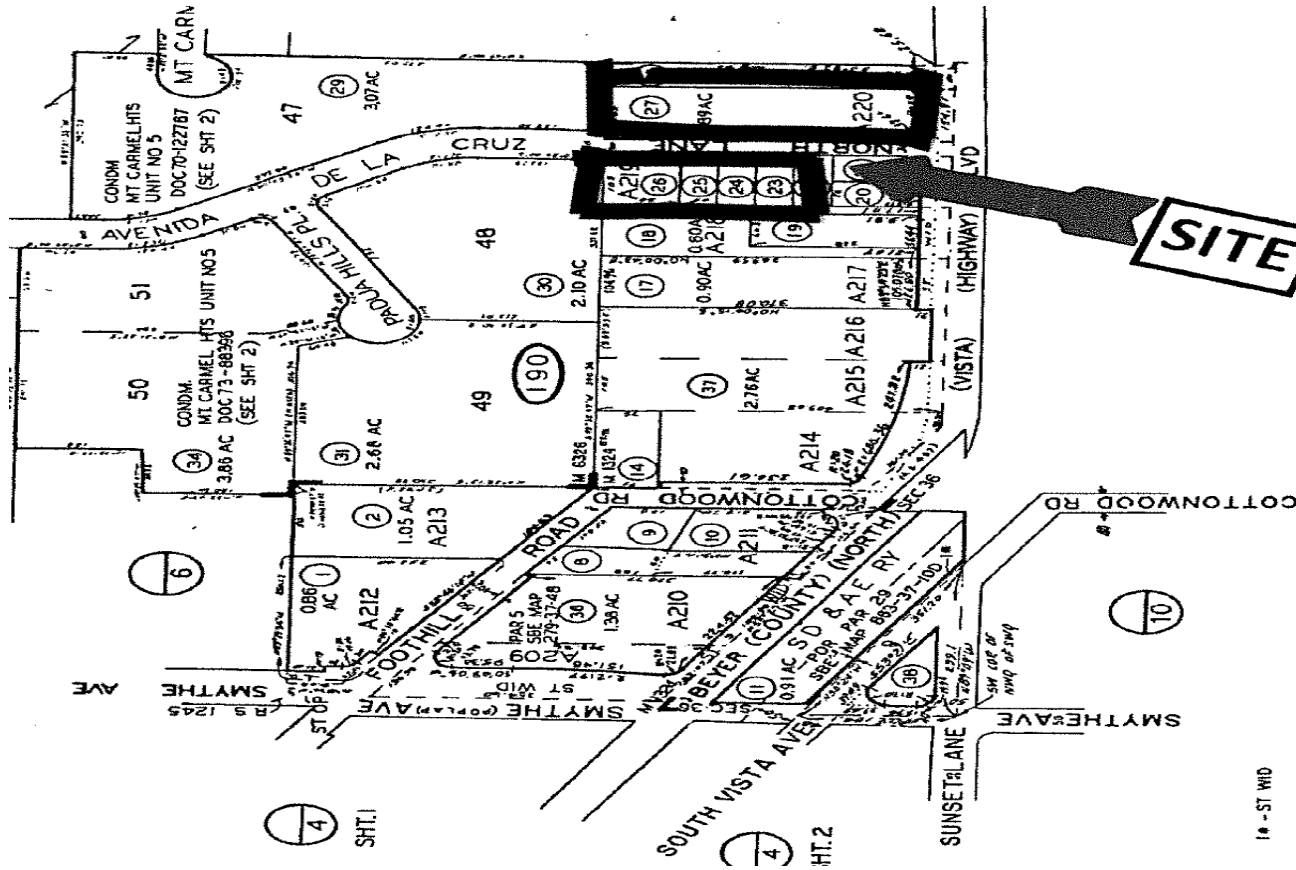
# SDHC – Ventana al Sur Partnership Development Development Summary (Continued)

- Developer is requesting an SDHC residual receipts loan up to \$4,400,000.
- Developer is requesting completion of certain preliminary steps for Housing Authority issuance of up to \$25,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Application to California Debt Limit Allocation Committee (CDLAC) for approval of up to \$25,000,000 bonds allocation.
- Application to Tax Credit Allocation Committee (TCAC) for approval to obtain an estimated \$17,616,335 in 4 percent tax credits,





# SDHC – Ventana al Sur Partnership Development Site Map







# SDHC – Ventana al Sur Partnership Development

## Estimated Sources and Uses Permanent Financing

Sources of Funds	Amount
Tax Exempt Bond Financed Loan	\$4,334,611
State Housing & Community Development Multifamily Housing Program (MHP) Loan	20,000,000
SDHC Proposed Loan	4,400,000
Deferred Developer Fee	3,406,633
Four Percent Tax Credit Equity	17,616,335
<b>Total</b>	<b>\$49,757,579</b>

Uses of Funds	Amount
Acquisition Costs	\$2,430,000
Construction Costs	33,630,870
Financing Costs	2,758,416
Developer Fee	5,619,246
Reserves	921,636
Other Soft Costs	1,367,411
Relocation Costs	50,000
Local Permits/Fees & Studies	2,980,000
<b>Total</b>	<b>\$49,757,579</b>

- Estimated TDC Per Unit (for 101 Units) = \$492,649



# SDHC – Ventana al Sur Partnership Development Affordability

Unit Type	AMI	Number of Units	CTCAC Estimated Gross Rents
1 Bedroom	20%	20	\$401
1 Bedroom	40%	30	\$856
1 Bedroom	50%	30	\$1,003
2 Bedroom	20%	5	\$481
2 Bedroom	40%	15	\$964
<b>Subtotal</b>	--	100	--
2 Bedroom Managers	--	1	--
<b>Total</b>		101	





# SDHC – Ventana al Sur Partnership Development Development Timeline

Milestone	Estimated Date
• Housing Authority Preliminary Review. . .	March 17, 2020
• City Council IRS/TEFRA Hearing . . . . .	March 17, 2020
• Applications for TCAC & CDLAC . . .	March 20, 2020
• Allocation Meetings TCAC & CDLAC . .	May 20, 2020
• SDHC Final Review. . . . .	June 12, 2020
• Housing Authority Final Review. . . . .	June 2020
• Estimated Escrow/Financing Closing. . .	June 2020
• Estimated Construction Start . . . . .	June 2020
• Estimated Construction Completion. . . .	June 2021





# SDHC – Ventana al Sur Partnership Development Bond Issuance Summary

- Proposed bond issuance up to \$25,000,000.
- Developer 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 – Ventana al Sur Partnership Development Site Layout

