



SAN DIEGO
HOUSING
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San Diego Housing Commission (SDHC) Loan Recommendation and Preliminary Bond Authorization for Ulric Street Apartments II Presentation to the SDHC Board of Commissioners October 16, 2020

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SDHC – Ulric Street Apartments

Staff Recommendations

That SDHC take the following actions:

1. Approve a proposed residual receipts loan, up to \$4,075,000 to Linda Vista Housing Associates L.P. to finance the acquisition with new construction of Ulric Street Apartments II (Ulric II), to be located at 2601-2641 Ulric Street, San Diego, which will consist of 59 units that will remain affordable for 55 years for low- and very-low income seniors, including six units for seniors experiencing homelessness, plus one unrestricted manager's unit.
 - Loan contingent on developer receiving necessary third-party funds.
 - 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 Apartments Staff Recommendations (Continued)

2. Authorize SDHC's President and Chief Executive Officer, or designee:
 - To execute necessary documents in a form approved by General Counsel and take necessary actions, upon advice of General Counsel;
 - To adjust financing terms, provided that the proposed \$4,075,000 maximum SDHC loan amount may not increase;
 - To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability.



SDHC – Ulric Street Apartments Staff Recommendations (Continued)

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

3. Approve initial steps to issue up to \$23,852,443 in a tax-exempt Multifamily Housing Revenue bond, including;
 - Issue a bond Inducement resolution.
 - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC).
 - Approve Bond Counsel and Financial Advisor.
 - Bond final approval will occur at a later date.

4. Authorize SDHC’s President & CEO, or designee, to execute necessary documents in a form approved by General Counsel and Bond Counsel and take necessary actions upon advice of General Counsel.





SDHC – Ulric Street Apartments Staff Recommendations (Continued)

That SDHC recommend that the San Diego City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving a tax-exempt Multifamily Housing Revenue Bond up to \$23,852,443 to fund the development of Ulric II.



SDHC – Ulric Street Apartments Development Summary

- Ulric II is the proposed new construction of 59 affordable rental housing units for low- and very low-income seniors.
 - Six units are for seniors experiencing homelessness
- Community Housing Works applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2020 Notice of Funding Availability.
- SDHC awarded 59 federal Project-Based Housing Vouchers through HOUSING FIRST – SAN DIEGO, SDHC's homelessness action plan.



SDHC – Ulric Street Apartments Relocation Assistance

- The site is a 1.4-acre parcel, with 16 existing unrestricted apartments
 - Constructed in 1941
 - Have deferred maintenance
- The existing apartments will need to be demolished.
- Permanent relocation of the 16 existing tenant households is necessary.
 - Autotemp Inc., as the relocation consultant, will assist the relocated tenants.
 - \$1,308,000 budgeted for relocation costs.
 - The relocation plan shall comply with all applicable laws.





SDHC – Ulric Street Apartments Developer

- Developer is the nonprofit Community Housing Works (CHW).
 - Experienced, award-winning developer.
 - Previously obtained SDHC loans and has successfully completed those projects.
 - In compliance with its previous SDHC-funded loans.

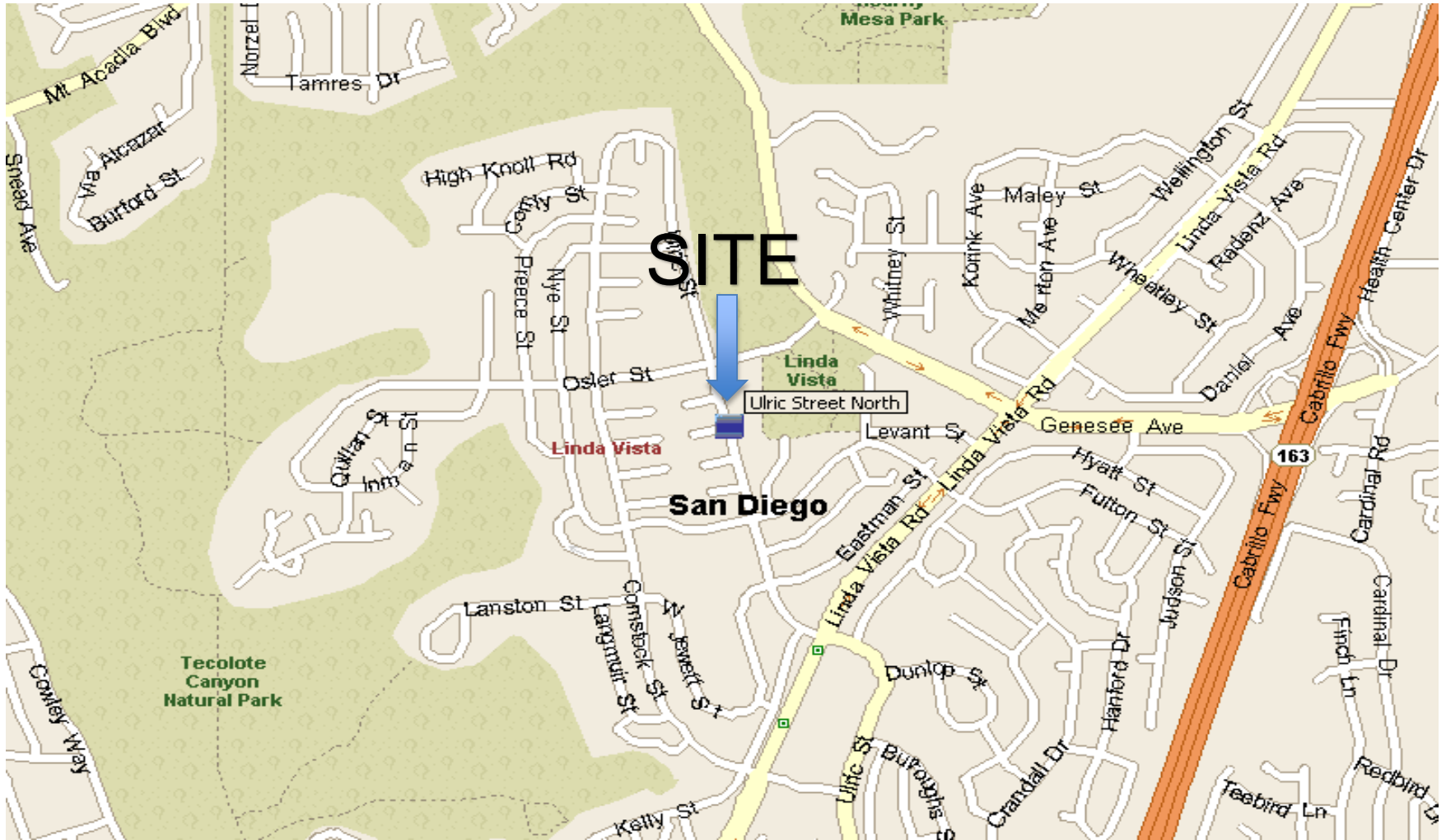


SDHC – Ulric Street Apartments Development Team Summary

Role	Firm/Contract
Developer	Community Housing Works
Owner/Borrower	Linda Vista Housing Associates, LP
Managing General Partner	CHW Linda Vista LLC
Architect	Studio E Architects
General Contractor	Sun Country Builders
Prevailing Wage Monitoring	Amerinational Community Services
Relocation Consultant	Autotemp Inc.
Property Management Tenant Services Provider	ConAm Management Corporation Lifesteps
Construction Lender Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



SDHC – Ulric Street Apartments II Location Map



SDHC – Ulric Street Apartments

Estimated Permanent Financing Sources and Uses

Sources	Amount	Permanent Uses	Amount
Bond Financed permanent loan	\$7,255,000	Property acquisition	\$3,706,585
State of California Housing & Community Development Dept. Multifamily Housing Program	10,172,280	Construction cost \$15,,280,742 Contingency <u>+1,528,854</u> Total construction <u>\$16,809,596</u>	16,809,596
Housing Commission loan	4,075,000	Financing costs	2,800,516
Accrued deferred interest	153,793	Other soft costs	2,847,335
CHW General Partner Contribution	100	Permits and fees	878,038
4 Percent (CTCAC) tax credit equity	9,016,243	Relocation costs	1,308,000
Deferred developer fee	1,192,865	Developer fee	3,192,865
Impact fee waiver	139,240	Reserves	461,586
Total Development Cost (TDC)	\$32,004,521	Total Development Cost	\$32,004,521
		Per Unit Cost	\$533,409



SDHC – Ulric Street Apartments

Affordability & Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
1- Bedrooms	30%	21	\$649
1- Bedrooms	60%	38	\$1,299
Subtotal	--	59	--
2-Bedroom Manager's Unit	--	1	--
Total	--	60	--



SDHC – Ulric Street Apartments Development Timeline

Milestone	Estimated Date
• Housing Authority consideration.....	October 27, 2020
• City Council IRS-required TEFRA hearing...	October 27, 2020
• CDLAC & CTCAC applications.....	January 2021
• CDLAC & CTCAC meetings.....	March 2021
• SDHC & Housing Authority final bond issuance reviews.....	April 2021
• Bonds issuance and escrow closing.....	April 2021
• Estimated start of construction work.....	April 2021
• Estimated completion of construction work...	September 2022



SDHC – Ulric Street Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$23,852,443 in a tax-exempt bonds.
- Developer is responsible for paying all costs of issuing bond.
- Issuance pursuant to SDHC's bond policy.
- Bond issuance will not create financial liability to SDHC, Housing Authority, nor City.
- Neither the 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.



Questions & Comments

