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San Diego Housing Commission (SDHC) Preliminary Bond Authorization and TEFRA Hearing for EPOCA Apartments Presentation to the SDHC Board of Commissioners April 2, 2021

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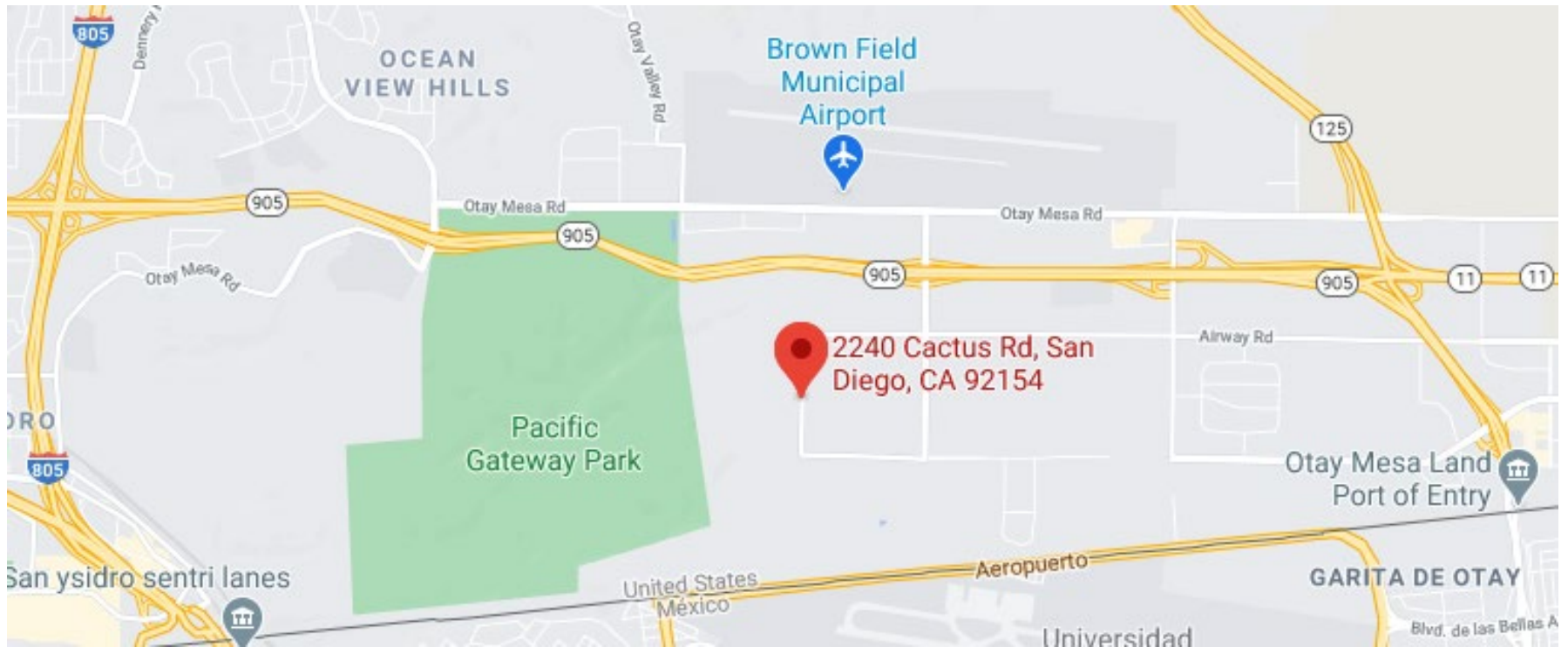
SDHC – EPOCA Apartments

Development Summary

- Proposed new construction of 119 affordable rental housing units at 2240 Cactus Road in the Otay Mesa neighborhood for individuals and families with low-income and one unrestricted manager's unit
- The 119 units will remain affordable for households with income at 50 percent to 60 percent of San Diego's Area Median Income (AMI).
- First development SDHC is participating in with Colrich California Realty, LLC
- Pacific Housing will provide services for tenants, including:
 - after-school programs
 - homework assistance
 - adult education
 - health and wellness
 - skill-building classes



SDHC – EPOCA Apartments Location Map



SDHC – EPOCA Apartments Site Plan



SDHC – EPOCA Apartments Master-Planned Community Site Plan





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SDHC – EPOCA Apartments

Estimated Permanent Financing Sources and Uses

Permanent Sources	Amount	Permanent Uses	Amount
Permanent Loan	17,763,284	Acquisition	6,716,754
State Tax Credit Equity	11,357,362	Construction	27,800,383
4% Tax Credit Equity	16,207,293	Financing	4,095,631
Deferred Dev. Fee	2,898,217	Architecture & Engineering	876,000
Master Dev. Note	3,000,000	Legal	340,000
MGP Sponsor Loan	1,642,285	City permits & Impact Fees	6,088,628
Accrued Interest	224,276	Developer Fee	5,971,945
		Reserves	392,588
		Other soft costs	499,364
		Contingency	373,249
Total Sources	\$53,204,542	Total Uses	\$53,204,542

- Estimated Total Development Cost per unit (120 units) = \$443,371





SDHC – EPOCA Apartments

Affordability & Estimated Rents

Unit Type	AMI	Units	Maximum Gross Rent
One Bedroom	50%	6	\$1,083
One Bedroom	60%	50	\$1,300
Two Bedroom	50%	3	\$1,300
Two Bedroom	60%	29	\$1,560
Three Bedroom	50%	3	\$1,502
Three Bedroom	60%	28	\$1,802
Subtotal		119	
Manager	NA	1	-
Total Units	-	120	-



SDHC – EPOCA Apartments Development Timeline

Milestone	Estimated Date
• CDLAC & CTCAC applications.....	May 13, 2021
• CDLAC & CTCAC meetings.....	August 11, 2021
• SDHC final bond Authorization.....	September 2021
• Housing Authority final bond authorization...	October 2021
• Bonds issuance and escrow closing.....	January 2022
• Estimated start of construction work.....	February 2022
• Estimated completion of construction work...	February 2023



SDHC – EPOCA Apartments

Bond Issuance Summary

- Proposed bond issuance of up to \$40,000,000 in tax-exempt bonds and 15,000,000 of taxable bonds
- Developer is responsible for paying all costs of issuing bonds.
- 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.



SDHC – EPOCA Apartments

Staff Recommendations

That SDHC take the following actions:

- Approve preliminary steps to issue up to \$40,000,000 in tax-exempt Multifamily Housing Revenue Bonds and \$15,000,000 in taxable bonds including:
 - Issue a bond Inducement resolution.
 - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC) for the tax-exempt bonds.
 - Approve Bond Counsel and Financial Advisor.
 - Bond final approval will occur at a later date.
- 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.
- Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$40,000,000 to facilitate the development.



Questions & Comments

