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San Diego Housing Commission (SDHC) Loan Recommendation, Preliminary Bond Authorization and TEFRA Hearing for Rancho Bernardo Radisson Hotel Conversion

Presentation to the SDHC Board of Commissioners
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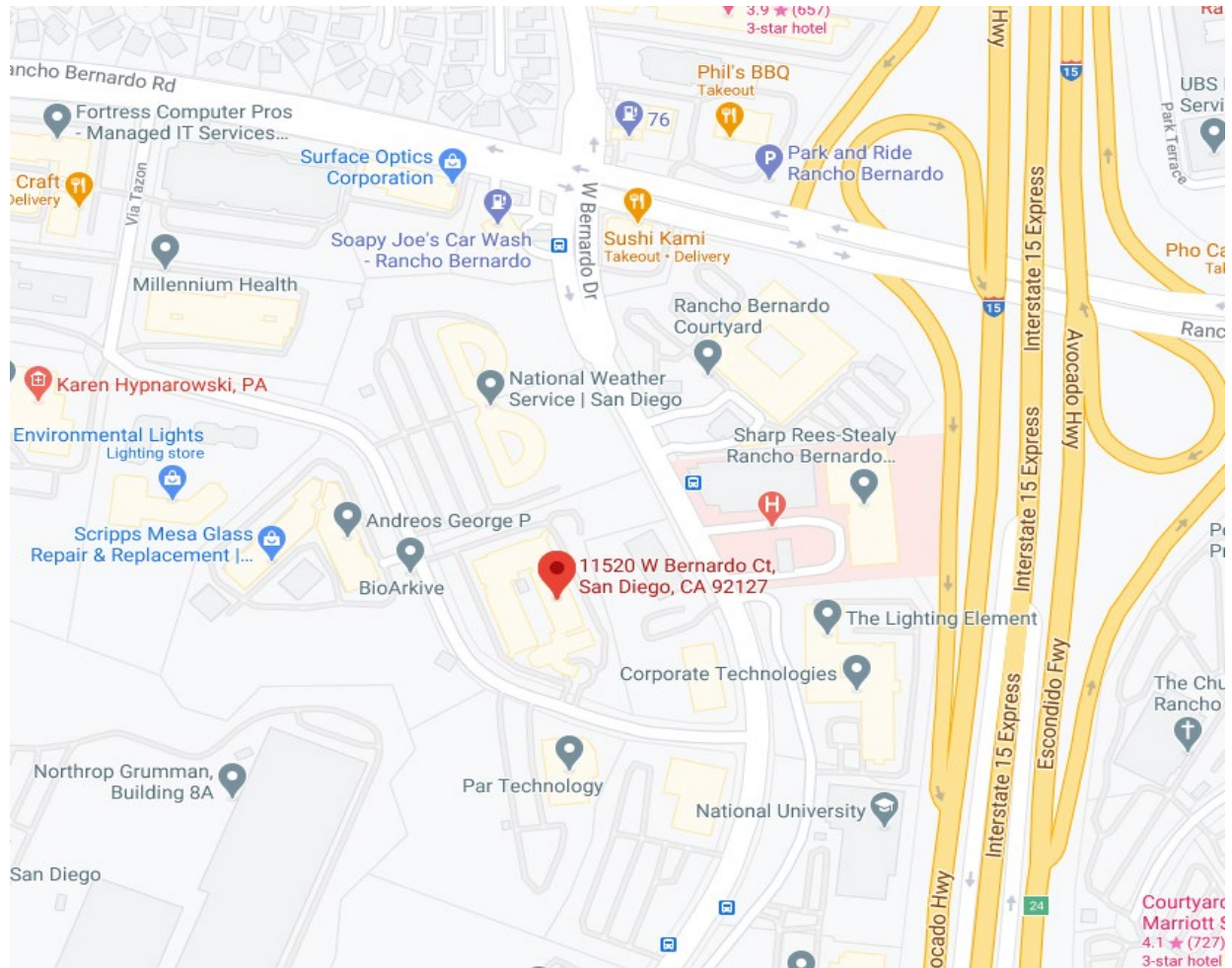
SDHC – RB Radisson Hotel Conversion Development Summary

- Proposed acquisition and rehabilitation of 175 affordable rental housing units at 11520 West Bernardo Court in Ranch Bernardo for seniors, age 55 and older, with low-income.
- Units will be affordable to households with income of 40 percent to 60 percent of San Diego's Area Median Income.
- Affirmed Housing Group applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2021 Notice of Funding Availability.
- SDHC made a preliminary award of a loan of up to \$4,500,000 subject to SDHC Board of Commissioners approval.
- SDHC awarded 44 Federal Project-Based Housing Vouchers.
- San Ysidro Health and EnGAGE will provide services for residents.





SDHC – RB Radisson Hotel Conversion Location Map



SDHC – RB Radisson Hotel Conversion

Estimated Permanent Financing Sources and Uses

Permanent Sources	Amount	Permanent Uses	Amount
Permanent Loan (FHA)	\$25,856,534	Acquisition	\$27,900,000
SDHC Proposed Loan	4,500,000	Construction	10,543,500
Federal Home Loan Bank Affordable Housing Program	1,250,000	Architecture	750,000
Release of Working Capital	246,680	Financing & Legal	1,892,640
Federal Tax Credits	16,876,534	Soft Costs	2,554,354
Deferred Developer Fee	965,666	City Permits & Impact Fees	1,448,920
		Developer's Fee	4,060,000
		Reserves	546,000
Total Development Cost (TDC)	\$49,695,414	Total Development Cost	\$49,695,414

- Estimated Total Development Cost per unit (178 units) = \$279,188





SDHC – RB Radisson Hotel Conversion

Affordability & Estimated Rents

Unit Type	AMI	Units	Maximum Gross Rent
Studio (with PBVs)	40%	44	\$1,453
Studio	50%	88	\$1,011
Studio	60%	43	\$1,213
Subtotal	--	175	--
Managers' Units	--	3	--
Total	--	178	--





SDHC – RB Radisson Hotel Conversion Development Timeline

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





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SDHC – RB Radisson Hotel Conversion Aerial View





SDHC – RB Radisson Hotel Conversion Bond Issuance Summary

- Proposed bond issuance of up to \$32,500,000 in tax-exempt 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 – RB Radisson Hotel Conversion

Staff Recommendations

That SDHC take the following actions:

1. Approve a proposed residual receipts loan, up to \$4,500,000 to a to-be formed California limited partnership to finance the acquisition and rehabilitation of Rancho Bernardo Radisson Hotel Conversion located at 11520 West Bernardo Ct, San Diego, which will consist of 175 units that will remain affordable for 55 years for low-income seniors age 55 and older and three unrestricted managers' unit.
 - Loan contingent on developer receiving necessary third-party funds.



SDHC – RB Radisson Hotel Conversion 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 \$4,500,000 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 – RB Radisson Hotel Conversion

Staff Recommendations (Continued)

3. Approve initial steps to issue up to \$32,500,000 in tax-exempt Multifamily Housing Revenue 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.
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.
5. 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 \$32,500,000 to facilitate the development.





Questions & Comments

