



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
Loan Recommendation for Iris Trolley
Presentation to the SDHC Board of Commissioners
June 10, 2022

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SDHC – Iris Avenue Trolley Development Summary

- Proposed new construction of 64 transit-oriented rental housing units, including one unrestricted manager's unit.
 - 30 one-bedroom units
 - 18 two-bedroom units, including one unrestricted manager's unit
 - 16 three-bedroom units
- Units will be affordable for 55 years for households with income of 30 percent to 50 percent of San Diego's Area Median Income.
- Pedestrian-friendly housing option ideal for working persons and households interested in using public transportation, and related sustainable alternatives, as part of their transportation plan.
- Near a trolley station and served by a Metropolitan Transit System bus line.
 - Easy connections to nearby health and wellness facilities, senior centers and neighborhood eateries.



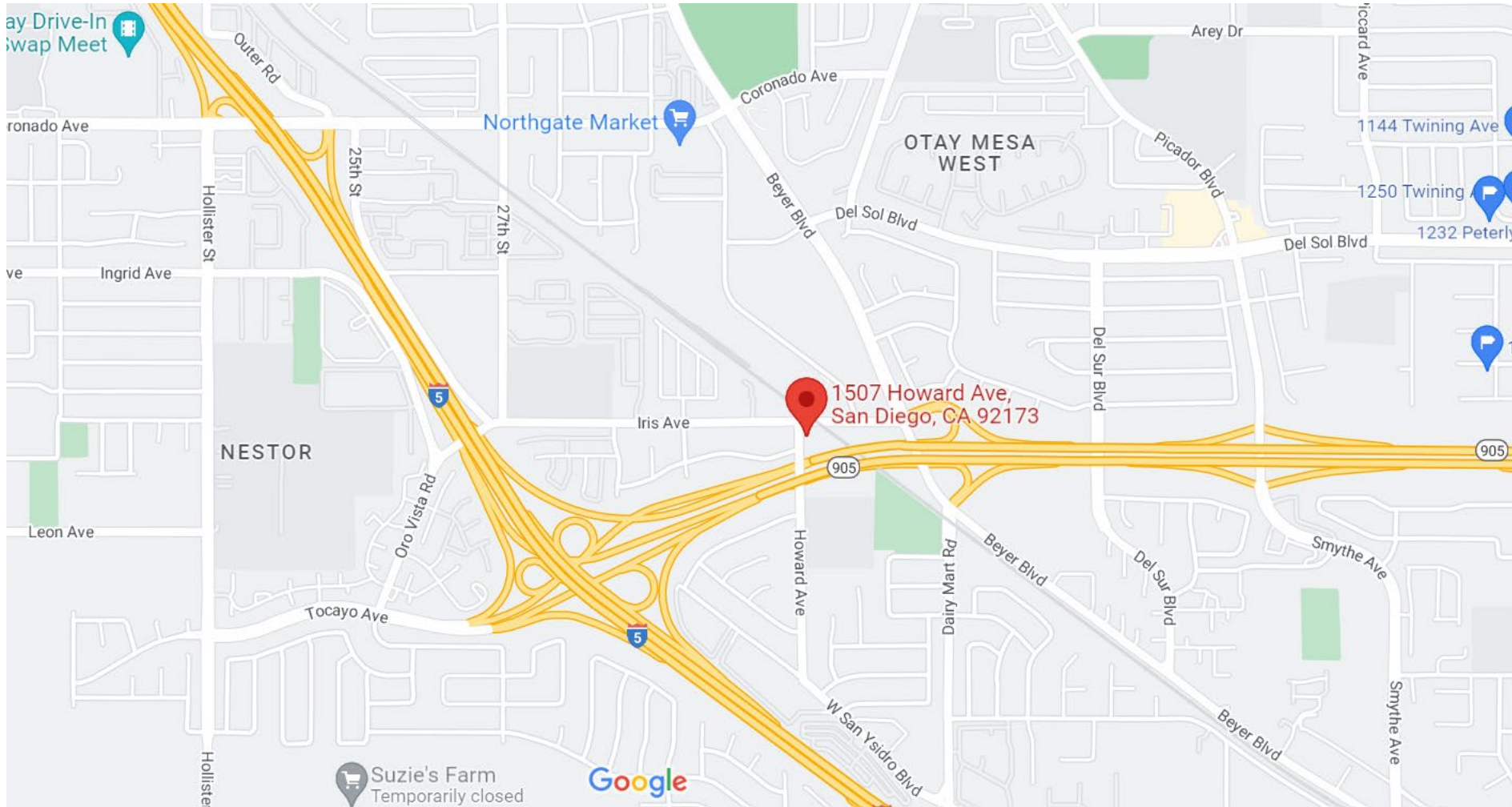
SDHC – Iris Avenue Trolley Development Summary (Continued)

- The developer, Eden Housing, applied for a residual receipts loan through SDHC's Fiscal Year 2022 Notice of Funding Availability.
- SDHC made a preliminary award of a loan of up to \$4,915,200 subject to SDHC Board of Commissioners approval.
- Iris Avenue Trolley residents will have access to services provided by Eden Housing Resident Services Inc.:
 - Financial literacy classes
 - After-school tutoring
 - Computer classes
 - English as a Second Language (ESL) classes

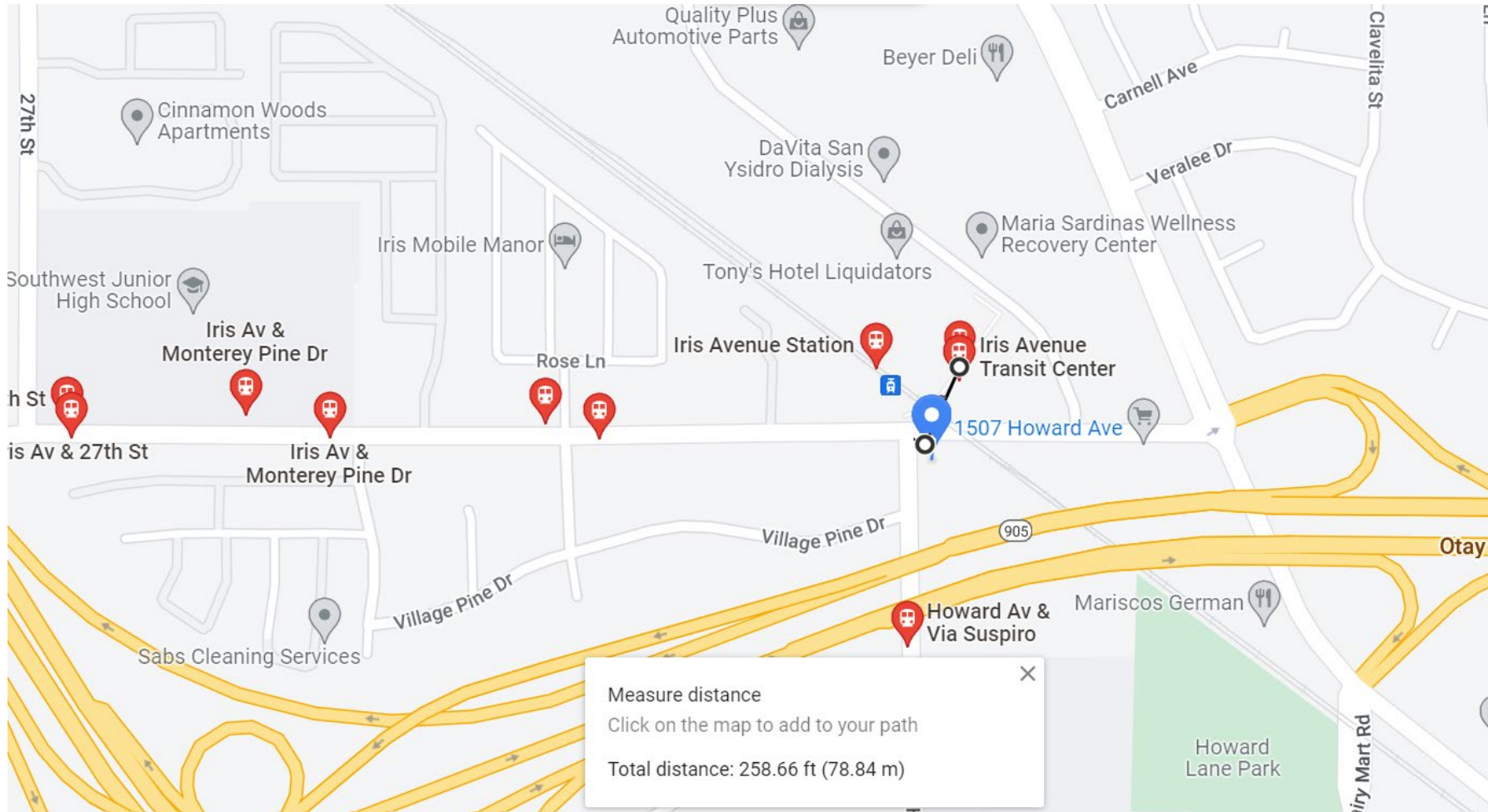




SDHC – Iris Avenue Trolley Location Map



SDHC – Iris Avenue Trolley Location Map (Continued)



SDHC – Iris Avenue Trolley

Estimated Permanent Financing Sources and Uses

Permanent Sources	Amount	Permanent Uses	Amount
Permanent loan (third party lender)	\$1,933,031	Acquisition	\$3,500,000
City of San Diego EDD loan	4,788,756	Construction cost	19,867,050
Housing Commission proposed loan	4,915,200	Financing costs	128,126
RTCIP/DIF fee waivers	154,112	Other soft costs	1,966,284
Deferred developer fee	318,700	Permits and fees	4,797,928
Nine percent tax credit equity	17,987,061	Reserves	380,712
Infill Infrastructure Grant (IIG)	2,198,240	Developer fee	2,285,000
FHLB – AHP	630,000		
Total Development Cost	\$32,925,100	Total Development Cost (TDC)	\$32,925,100

- Estimated Total Development Cost per unit (64 units) = \$514,454



SDHC – Iris Avenue Trolley

Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One-bedroom units	30%	11	\$682
One-bedroom units	40%	6	\$909
One-bedroom units	50%	<u>13</u>	\$1,136
Subtotal One-bedroom units		30	
Two-bedroom units	30%	6	\$818
Two-bedroom units	40%	3	\$1,091
Two-bedroom units	50%	<u>8</u>	\$1,363
Subtotal Two-bedroom Units		17	
Three-bedroom units	30%	6	\$945
Three-bedroom units	40%	3	\$1,260
Three-bedroom units	50%	<u>7</u>	\$1,575
Subtotal Three-bedroom units		16	
Manager's two-bedroom unit	--	1	-----
Total	--	64	--



SDHC – Iris Avenue Trolley Development Timeline

Milestone	Estimated Date
• CTCAC 9 percent tax credit application.....	June 30, 2022
• CTCAC 9 percent tax credit allocation meeting.....	September 28, 2022
• Estimated escrow/loan closing.....	March 2023
• Estimated start of construction work.....	March 2023
• Estimated completion of construction work.....	October 2024



SDHC – Iris Avenue Trolley Artist's Rendering



SDHC – Iris Avenue Trolley Development Team Summary

Role	Firm/Contract
Developer	Eden Housing
Limited Partnership	Trolley I Investors, L.P.
Managing General Partner	Eden Trolley LLC
Tax Credit Limited Partner	To be selected
Architect	GLO Architecture
General Contractor	Cannon Constructors, Inc.
Property Management	Eden Housing Management, Inc.
Service Provider	Eden Housing Resident Services, Inc.
Construction Lender Permanent Lender	To be selected



SDHC – Iris Avenue Trolley

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

1. Approve a proposed residual receipts loan in an amount not to exceed \$4,915,200 to Trolley I Investors, L.P., a California limited partnership, to facilitate the acquisition and new construction of Iris Avenue Trolley, a transit-oriented development at 1507 Howard Avenue in the Otay Mesa-Nestor community that will consist of 63 units that will remain affordable for 55 years for large families with income ranging from 30 percent to 50 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit.
 - Loan contingent on developer receiving necessary third-party funds.

2. Authorize the 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, provided that a copy of the documents is submitted to each Commissioner;
 - To adjust financing terms, provided that the proposed \$4,915,200 maximum SDHC loan amount may not increase; and
 - To substitute approved funding sources with any other available funds as deemed appropriate, contingent on budget availability.



Questions & Comments

