



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC)
Loan Recommendation, Preliminary Bond Authorization and
Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for
13th & Broadway
Presentation to the SDHC Board of Commissioners
October 13, 2022

Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division



SDHC – 13th & Broadway Development Summary

- Proposed new construction of 270 affordable rental housing units and three unrestricted manager's unit:
 - 75 supportive housing units for households experiencing homelessness
 - Affordable for 55 years for households with income of 25 – 50 percent of Area Median Income
 - \$22,800/year to \$45,550/year for one-person household
 - 1320 Broadway in the Downtown Community Plan Area
- Site amenities will include: on-site supportive services offices, laundry facilities, indoor social rooms and three resident-accessible outdoor roof deck areas complete with planters, picnic and barbecue areas, and a pet relief area.
- The City College trolley stop is 0.1 mile from the site.
- The bus stop at Broadway and Park is 0.1 mile from the site.

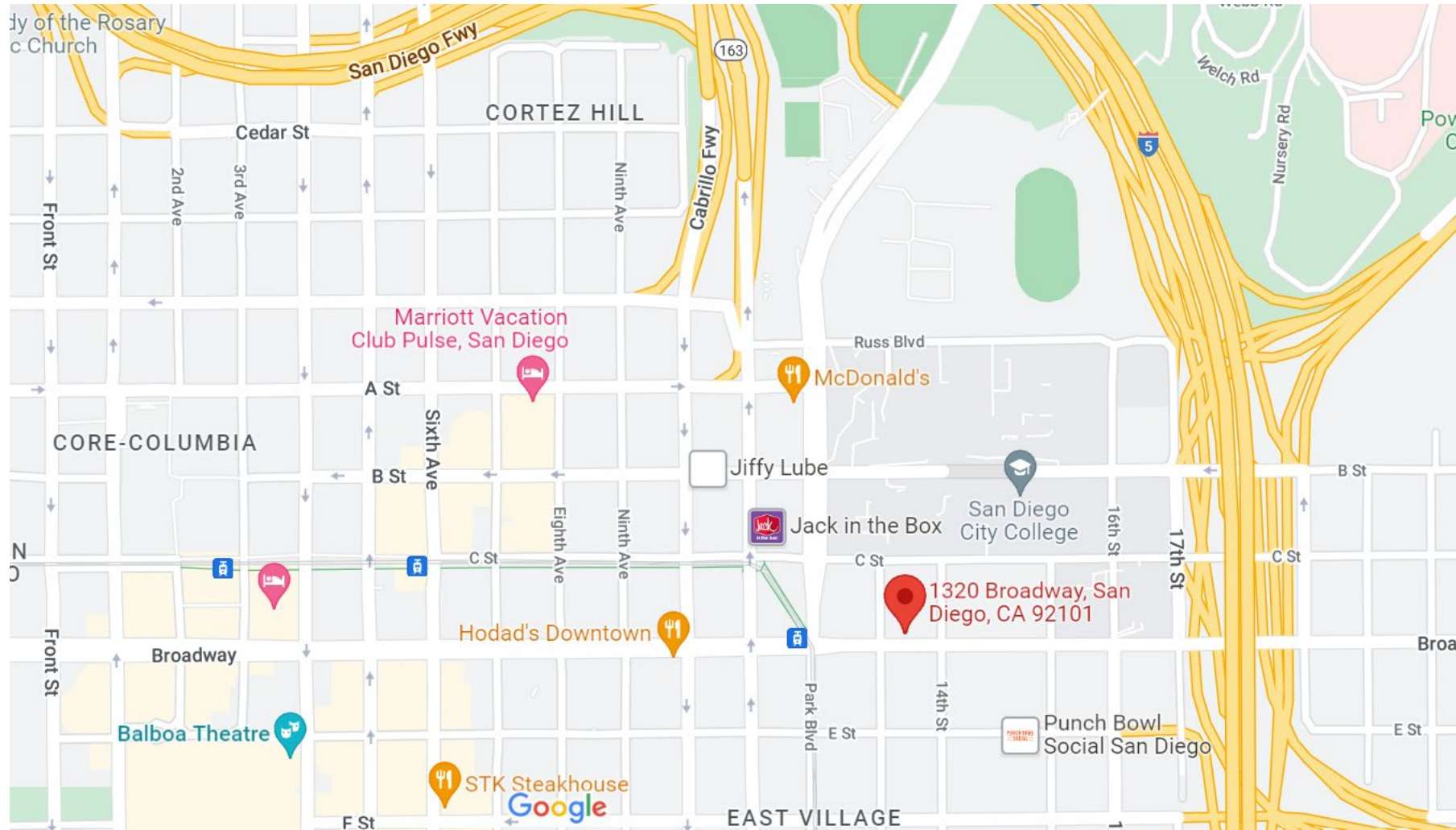


SDHC – 13th & Broadway Developer

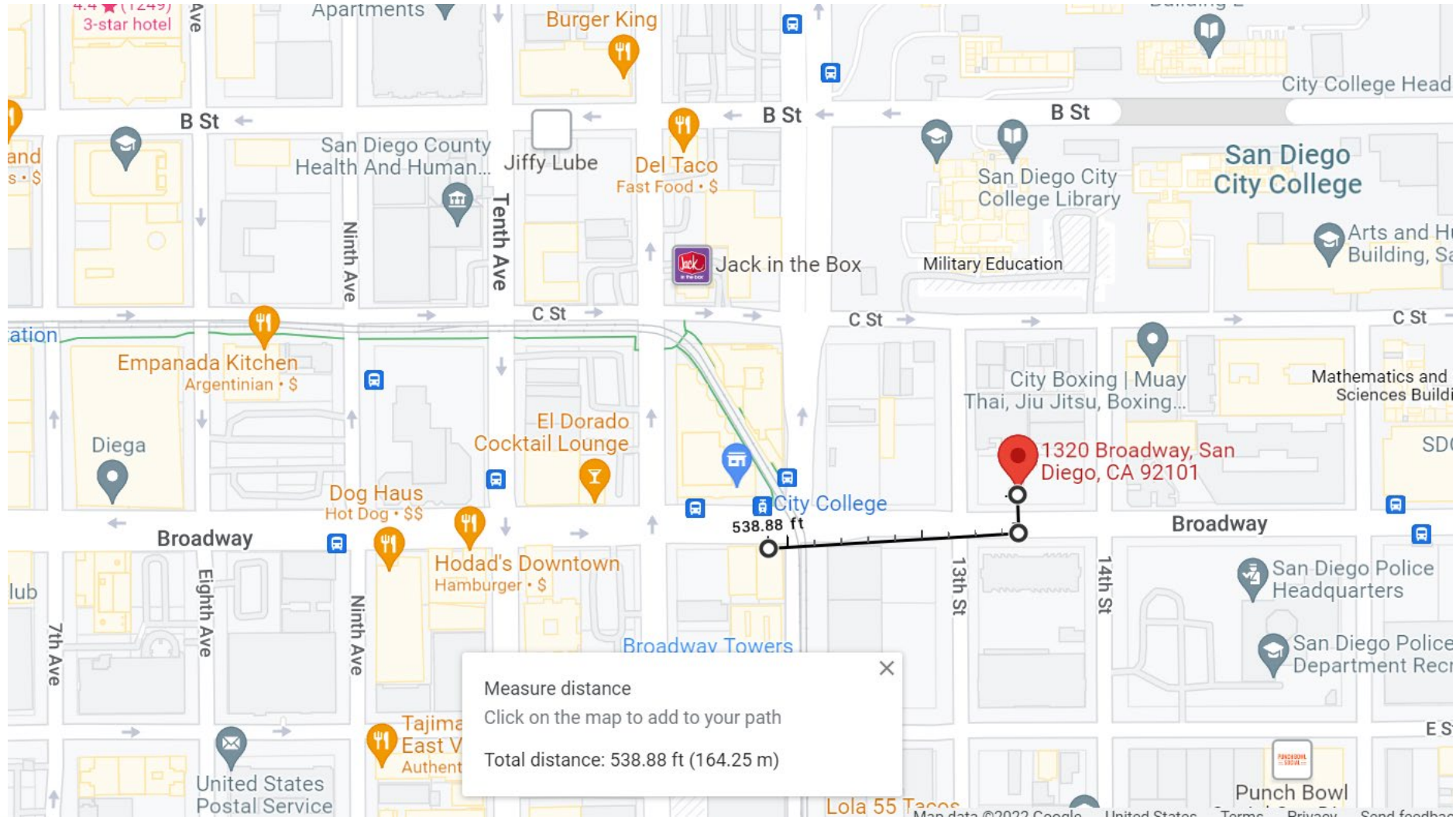
- Chelsea Investment Corporation (CIC)
 - Experienced, award-winning nonprofit developer
 - Developed approximately 13,000 rental units across four states
 - Owns 77 developments
 - Successfully completed previous developments with SDHC residual receipts loans
- CIC applied to SDHC for a residual receipts loan and federal rental housing vouchers through SDHC’s Fiscal Year 2020 Notice of Funding Availability.
- SDHC staff provided a preliminary recommendation of award for a residual receipts loan of up to \$8,000,000 and 115 federal Project-Based Housing Vouchers for the 13th & Broadway development.
 - 75 vouchers for individuals and veterans experiencing homelessness
 - 40 vouchers for individuals with very low income but not experiencing homelessness
- Alpha Project (lead service provider) and U.S. Department of Veterans Affairs will be responsible for providing case management services to the permanent supportive housing units.



SDHC – 13th & Broadway Location Map



SDHC – 13th & Broadway Location Map (Continued)



SDHC – 13th & Broadway

Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Federal LIHTC Equity	\$47,202,590	Acquisition	\$7,022,110
Permanent Loan	13,300,000	Construction cost	84,152,295
HCD Infill Infrastructure Grant	6,002,134	Financing Fees & Interest	11,540,859
Housing Commission Proposed Residual Receipt Loan	8,000,000	Other soft costs	7,703,050
Subordinate Deferred Developer Fee	1,500,000	Permits and Development Impact Fees	5,757,400
Deferred Developer Fee	1,300,000	Developer's Fee	5,000,000
Civic San Diego	14,640,000	Reserves	4,769,010
HCD Multifamily Housing Program	20,000,000		
HCD Affordable Housing & Sustainable Program	14,000,000		
Total Development Cost	\$125,944,724	Total Development Cost	\$125,944,724

- Estimated Total Development Cost per unit (273 units) = \$461,336



SDHC – 13th & Broadway Affordability and Estimated Rents

Unit Type	AMI	Units	Max Gross Rent
Studio	25%	68	\$569
Studio	40%	111	\$911
Studio	50%	45	\$1,138
One Bedroom	25%	7	\$610
One Bedroom	40%	11	\$976
One Bedroom	50%	4	\$1,220
Two Bedroom	25%	9	\$732
Two Bedroom	40%	10	\$1,171
Two Bedroom	50%	5	\$1,463
Subtotal Residential Units		270	
2-Bedroom Manager (Unrestricted)	--	3	--
Total	--	273	--



SDHC – 13th & Broadway Development Timeline

Milestone	Estimated Date
• CDLAC bond application & CTCAC tax credit application.....	Early 2023
• CDLAC allocation meeting & CTCAC allocation meeting.....	Spring 2023
• Housing Commission final bond authorization.....	Fall 2023
• Housing Authority final bond authorization.....	Fall 2023
• Estimated bond issuance and escrow/loan closing.....	Fall 2023
• Estimated start of construction work.....	Fall 2023
• Estimated completion of construction work.....	Winter 2025



SDHC – 13th & Broadway

Architect's Rendering



SDHC – 13th & Broadway Bond Issuance Summary

- Proposed bond issuance of up to \$73,000,000 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 – 13th & Broadway

Staff Recommendations

That the SDHC Board of Commissioners:

1. Approve an SDHC residual receipts loan in an amount not to exceed \$8,000,000 to 13th & Broadway CIC, LP, a California limited partnership created to finance the proposed acquisition and new construction of 13th & Broadway at 1320 Broadway, which will provide 270 rental housing units that will remain affordable for 55 years for individuals experiencing literal and chronic homelessness, veterans experiencing homelessness, and individuals with income of 25 percent to 50 percent of San Diego's Area Median Income (AMI), and three unrestricted manager's units.
 - SDHC's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to SDHC's General Counsel's approval.



SDHC – 13th & Broadway Staff Recommendations (Continued)

2. Authorize SDHC’s President and Chief Executive Officer, or designee:
 - a. Execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner;
 - b. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$8,000,000 maximum SDHC loan amount may not increase; and
 - c. Substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by SDHC upon advice of the General Counsel.



SDHC – 13th & Broadway Staff Recommendations (Continued)

3. Approve the following steps to issue up to \$73,000,000 of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$14,944,270 of taxable bonds for 13th and Broadway:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$73,000,000 in tax-exempt Multifamily Housing Revenue Bonds for the acquisition and new construction of 13th & Broadway by 13th & Broadway CIC, LP;
 - b. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$73,000,000 for 13th & Broadway; and
 - c. Approve the bond financing team of Orrick, Herrington & Sutcliffe LLP as Bond Counsel and Ross Financial as Bond Financial Advisor.



SDHC – 13th & Broadway Staff Recommendations (Continued)

4. Authorize SDHC's President & CEO, or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond 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 \$73,000,000 to facilitate acquisition and new construction of 13th & Broadway.



Questions & Comments

