



SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

San Diego Housing Commission Loan Recommendation and Preliminary Bond Authorization The Post 310 Apartments February 10, 2017

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SDHC – The Post 310 Partnership Development Recommendations

That the San Diego Housing Commission (SDHC):

1. Approve a proposed residual receipts loan of up to \$3,114,524, to Post 310 LP for the new construction of 42 affordable rental housing units, 25 of which will be set aside for homeless Veterans, located at 465 N.47th Street, San Diego:
 - Will remain affordable for 55 years;
 - Loan contingent upon receiving necessary third-party funding;



SDHC – The Post 310 Partnership Development Recommendations (Cont.)

2. Authorize President & Chief Executive Officer to:
 - execute documents;
 - implement approvals (actions necessary, convenient, and/or appropriate to implement with General Counsel advice);
 - adjust financing terms and conditions; and
 - allow substitution of funds as necessary up to \$3,114,524 (total loan may not increase).



SDHC – The Post 310 Partnership Development Recommendations (Cont.)

That SDHC Recommend that the Housing Authority of the City of San Diego (Housing Authority):

3. Approve initial steps to issue up to \$9,000,000 in tax-exempt Multifamily Housing Revenue Bonds, including:
 - Inducement Resolution;
 - Bond Allocation Application to the California Debt Limit Allocation Approve Committee (CDLAC);
 - Bond Counsel & Financial Advisor; and
 - Bonds Final Approval at a Later Date.

That SDHC Request that the San Diego City Council:

4. Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing.





SDHC – The Post 310 Partnership Development HOUSING FIRST – SAN DIEGO

- Supports **HOUSING FIRST-SAN DIEGO**, SDHC's three-year Homelessness Action Plan (2014-17):
 - 17 Project-Based Housing Vouchers; and
 - 8 Veterans Affairs Supportive Housing Vouchers.





SDHC – The Post 310 Partnership Development Development Summary

- Proposed new construction of 42 affordable rental housing units and 1 manager's unit:
 - Currently two separate parcels bisected by 47th Street.
 - Eastern side parcel has existing American Legion Post.
 - Western side parcel is vacant.
 - Plan to create four parcels: two ground floor parcels and two new air-space parcels.
 - Instead of land acquisition cost, limited partnership will demolish and build a new American Legion Post building.
 - Proposed new four-story building.
 - Mix of one-bedroom and three bedroom units.



SDHC – The Post 310

Partnership Development

Development Summary (Cont.)

Address	465 N.47th Street
Council District	4
Community Plan Area	Encanto Neighborhoods Community Plan
Development Type	New Construction (two separate four-story buildings)
Construction Type	Type V
Parking Type	33 parking spaces (residential) and 31 parking spaces (commercial)
Housing Type	Special needs permanent supportive housing
Lot Size	0.95 acres, 41,382 square feet
Units	43 units (42 affordable)
Density	45.26 dwelling units per acre (43 units ÷ .95 acres)
Unit Mix	40 one-bedroom units, 2 three-bedroom units, and 1 three-bedroom manager's unit
Gross Building Area	30,750 square feet
Net Rentable Area	20,500 square feet
Commercial/Retail Space	5,200 square feet (proposed new American Legion Post)
Project Based Vouchers	25 dedicated for homeless Veterans, including 17 Section 8 Project-Based Housing Vouchers and 8 Veterans Affairs Supportive Housing (VASH) Vouchers





SDHC - The Post 310 Partnership Development Development Summary (Cont.)

- Developer is requesting:
 - A \$3,114,524 residual receipts loan from SDHC;
 - 25 Federal rental housing vouchers, awarded by SDHC; and
 - Housing Authority issuance of up to \$9,000,000 of tax-exempt Multifamily Housing Revenue Bonds.
- Two co-developers: For-profit Hitzke Development Corporation and nonprofit Housing Innovation Partners (formerly called The Association for Community Housing Solutions):
 - Hitzke is an experienced for-profit developer;
 - Hitzke has no previous loans from SDHC;
 - Housing Innovations Partners (HIP) provides ongoing supportive services to tenants; and
 - HIP owns and operates four developments in city of San Diego.





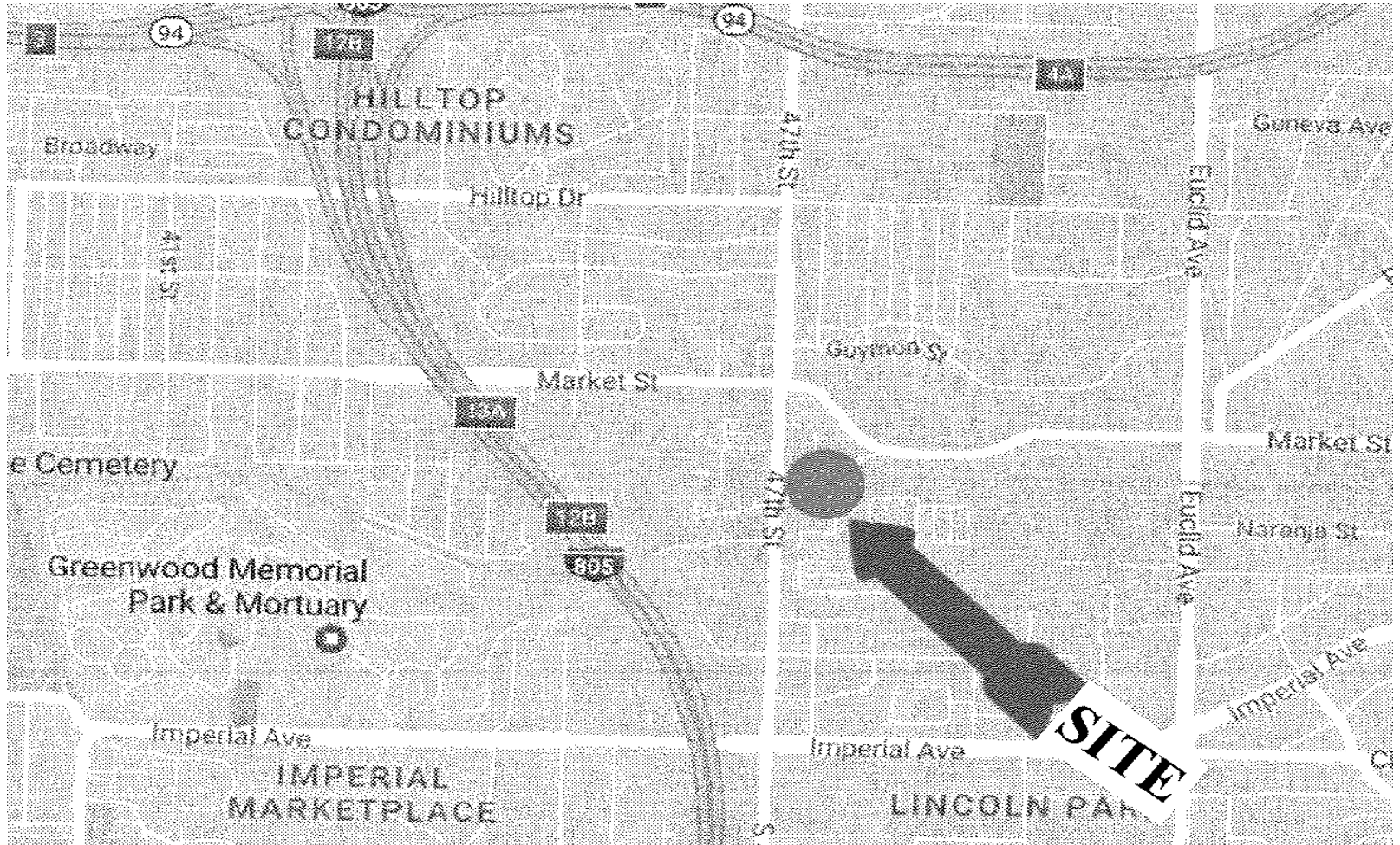
SDHC - The Post 310 Partnership Development Development Team

ROLE	FIRM/CONTACT
Developer	Hitzke Development Corporation
Borrower	The Post Housing, LP
Administrative General Partner	Hitzke Development
Managing General Partner	Housing Innovation Partners
Limited Partner	Boston Capital
Architect	Foundation for Form
Housing Innovation Partners	Housing Innovation Partners
General Contractor	Allgire
Property Management	Housing Innovation Partners
Supportive Services Providers	HIP, U.S. Department of Veterans Affairs, County of San Diego
Construction and Permanent Lender	Citi bank
Tax Credit Equity Partner	Boston Capital



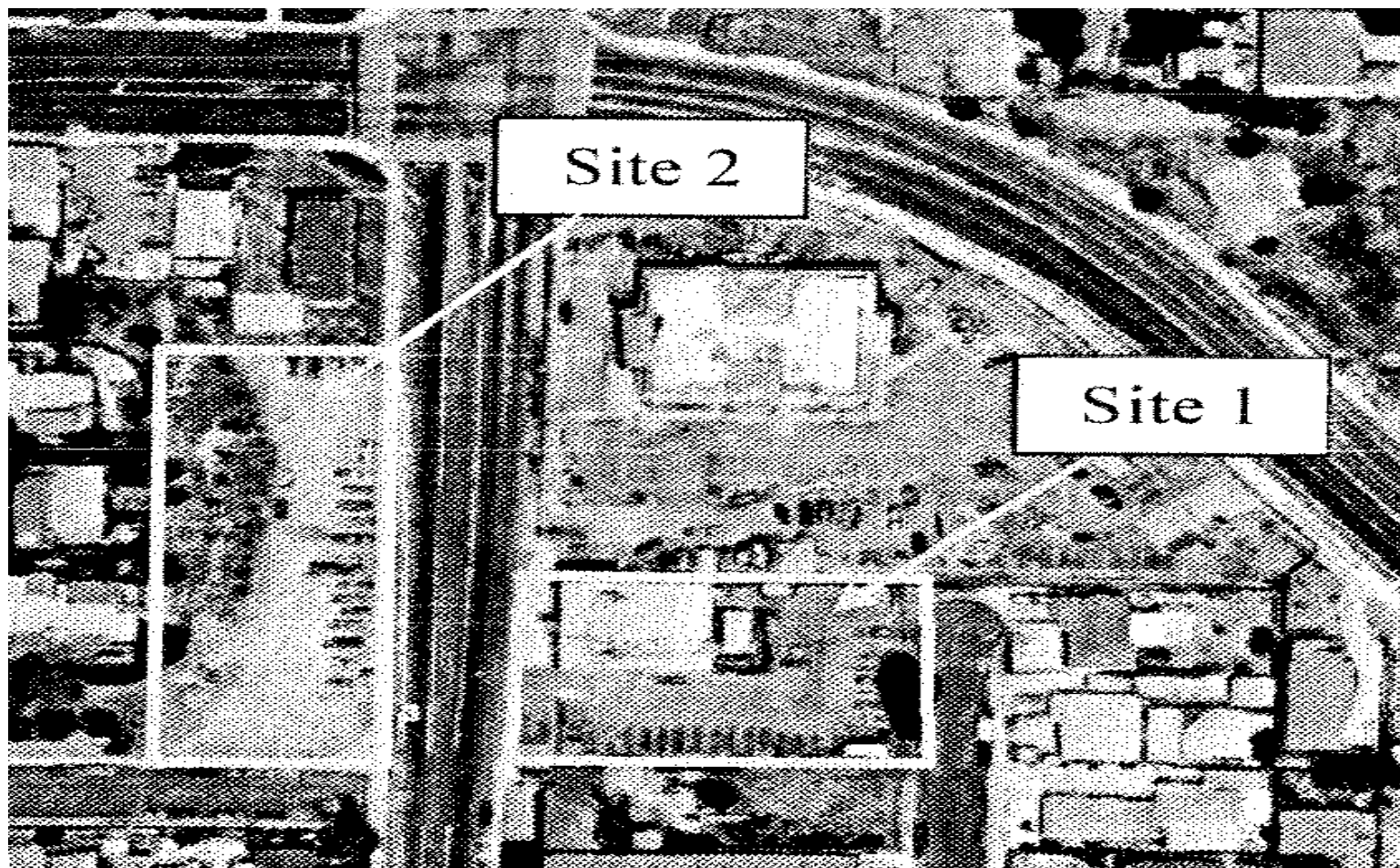
SDHC - The Post 310 Partnership Development

Location Map – 465 N. 47th Street, San Diego, CA



SDHC - The Post 310 Partnership Development

Location Map – 465 N. 47th Street, San Diego, CA (Cont.)



SDHC - The Post 310 Partnership Development Site Photos

EXISTING SITE PHOTOS

Existing
Building



EAST



NORTH



WEST



SOUTH



SDHC – The Post 310 Partnership Development

Estimated Sources and Uses Permanent Financing

Financing Sources	Amounts	Financing Uses	Amounts
Permanent loan (Multifamily Mortgage Revenue Bonds)	\$2,850,000	Acquisition:	\$ 0
Veterans Housing & Homelessness Prevention Program (VHHP) loan	3,525,000	Hard costs	9,520,227
SDHC proposed loan	3,114,524	Financing costs	846,030
General Partner Contribution	363,470	Architect/Engineering-\$1,332,250 Fees and Permits - 853,255 Other soft costs - <u>+186,499</u> Subtotal - 2,372,004	2,372,004
Four percent tax credit equity	5,676,454	Developer Fee	1,763,470
		Reserves	1,027,716
Total Development Cost	\$15,529,447	Total Development Cost (TDC)	\$15,529,447

- Estimated Total Development Cost Per Unit (for 43 Units) = \$361,150



SDHC - The Post 310 Partnership Development Affordability and Monthly Estimated Rent

Unit Type	AMI	Unit Count	TCAC Gross Rent
1 Bedroom	30%	25	\$446
1 Bedroom	50%	8	\$743
1 Bedroom	60%	7	\$892
3 Bedroom	60%	2	\$1275
3 Bedroom Manager	n/a	1	-
Total		43	





SDHC – The Post 310 Partnership Development Development Timeline

Milestone	Estimated Date
• VHHP Application Date	February 21, 2017
• Housing Authority Bonds Review.	May 23, 2017
• City Council TEFRA Hearing	May 23, 2017
• VHHP Award Announcement	June 2017
• TCAC Application for Tax Credits.	June 17, 2017
• CDLAC Application for Bonds Allocation	July 21, 2017
• TCAC Allocation Meeting.	August 16, 2017
• CDLAC Allocation Meeting	September 20, 2017
• Housing Commission Final Review	October 6, 2017
• Housing Authority Final Review	October 31, 2017
• Estimated Escrow/Financing Closing. . .	December 2017
• Estimated Construction Start	December 2017
• Estimated Construction Completion. . . .	January 2019





SDHC - The Post 310 Partnership Development Bond Issuance Summary

- Proposed bond issuance up to \$9,000,000.
- Developer responsible for paying all costs of issuing bonds.
- Issuance pursuant to Housing Commission's bond policy.
- Bonds issuance will not create financial liability to SDHC, or to Housing Authority or to City.
- Neither 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 - The Post 310 Partnership Development Artist's Rendering

PROPERTY LINE

PROPERTY LINE



EAST ELEVATION BUILDING "B"

