



SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

San Diego Housing Commission Loan Recommendation and Preliminary Bond Authorization Twain Veterans Housing Apartments February 10, 2017

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SDHC – Twain Veterans Housing Partnership Development Recommendations

That the San Diego Housing Commission (SDHC):

1. Approve a proposed residual receipts loan of up to \$5,500,000 to Affirmed Housing Group's to-be-formed limited partnership for new construction with 79 new affordable rental housing units for homeless individuals and Veterans, to be located at 4304 Twain Avenue, San Diego:
 - Will remain affordable for 55 years;
 - Loan contingent upon receiving necessary third-party funding;
 - “Dual track” applications to the California Tax Credit Allocation Committee (TCAC) for allocation of either 4 percent tax credits or 9 percent tax credits; and





SDHC – Twain Veterans Housing 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 \$5,500,000 (total loan may not increase).



SDHC – Twain Veterans Housing 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 \$19,700,000 in tax-exempt Multifamily Housing Revenue Bonds, including:
 - Inducement Resolution;
 - Bond Allocation Application to the California Debt Limit Allocation Committee (CDLAC);
 - Approve Bond Counsel & Financial Advisor; and
 - Bonds Final Approval at a Later Date.

That SDHC recommend that the San Diego City Council:

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





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SDHC - Twain Veterans Housing Partnership Development

Location – 4304 Twain Avenue, San Diego, CA



SDHC – Twain Veterans Housing Partnership Development Artist's Rendering





SDHC – Twain Veterans Housing Partnership Development Development Summary

- Proposed new construction of 80 units:
 - Six-story building;
 - Contiguous to Fairmount Family Housing development; and
 - Mix of studio and one-bedroom units.





SDHC – Twain Veterans Housing Partnership Development HOUSING FIRST – SAN DIEGO

- Supports **HOUSING FIRST-SAN DIEGO**, SDHC’s three-year Homelessness Action Plan (2014-17).
- Development will include 79 units dedicated for homeless individuals and Veterans.





SDHC – Twain Veterans Housing Partnership Development Developer’s Request

- \$5,500,000 residual receipts loan from SDHC; and
- 79 Federal rental housing vouchers for homeless individuals and Veterans, awarded by SDHC:
 - 62 Project-Based Housing Vouchers; and
 - 17 Veterans Affairs Supportive Housing (VASH) vouchers.
- Developer is Affirmed Housing Group:
 - Experienced, for-profit developer;
 - Developer is in full compliance with previous SDHC loans.



SDHC – Twain Veterans Housing Partnership Development

Estimated Sources and Uses Permanent Financing

Financing Sources	Amounts	Financing Uses	Amounts
Permanent loan (Multifamily Housing Revenue Bonds)	\$2,900,000	Acquisition (including land carry cost and closing costs):	\$ 3,951,000
Veterans Housing & Homelessness Prevention Program (VHHP) loan	6,905,000	Hard costs (with contingency)	13,818,000
SDHC proposed loan	5,500,000	Financing costs	976,000
State tax credit equity	1,290,500	Architect/Engineering - \$920,000 Fees and Permits - 1,800,000 Relocation - 100,000 Other soft costs - 909,500 Soft costs contingency + 228,000 Subtotal - 3,957,500	3,957,500
Developer Fee/Equity Contribution	1,280,000	Developer Fee	2,680,000
Four percent tax credit equity	8,400,000	Reserves	893,000
Total Development Cost	\$26,275,500	Total Development Cost (TDC)	\$26,275,500

- Estimated TDC Per Unit (for 80 Units) = \$328,444





SDHC - Twain Veterans Housing Partnership Development Affordability and Monthly Estimated Rent

Unit Type	AMI	Number of Units	TCAC Gross Rent
Studio	30%	20	\$446
Studio	40%	20	\$595
1-Bedroom	30%	19	\$478
1-Bedroom	40%	20	\$637
1-Bedroom Manager	N/A	1	-
Total	I	80	





SDHC – Twain Veterans Housing Partnership Development Development Timeline

Milestone	Estimated Date
• VHHP Application Date	February 21, 2017
• Housing Authority Bonds Review.	March 21, 2017
• City Council TEFRA Hearing	March 21, 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.	January 2018
• Estimated Construction Start	January 2018
• Estimated Construction Completion.	December 2018



SDHC - Twain Veterans Housing Partnership Development Rendering – Southeast View

