



SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

San Diego Housing Commission Encanto Village Apartments Loan Recommendation February 10, 2017

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SDHC – Encanto Village Partnership Development Recommendations

That the San Diego Housing Commission (SDHC):

1. Approve a proposed residual receipts loan of up to \$7,250,000 to Encanto Village TOD, a limited partnership, for new construction of 65 units of affordable rental housing, including 57 units for families and eight units for homeless Veterans, located at 6317-23, 6355, and 6357 Imperial Avenue, San Diego:
 - Will remain affordable for 55 years;
 - Loan contingent upon receiving necessary third-party funding;





SDHC – Encanto Village 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 \$7,250,000 (total loan may not increase).





SDHC – Encanto Village Partnership Development HOUSING FIRST – SAN DIEGO

- Supports **HOUSING FIRST-SAN DIEGO**, SDHC's three-year Homelessness Action Plan (2014-17).
- Development will include 8 permanent supportive housing units for homeless Veterans.





SDHC – Encanto Village Partnership Development Development Summary

- Proposed new construction of 65 affordable rental housing units and 1 manager's unit:
 - Two four-story buildings;
 - Transit-oriented development, located near Encanto/62nd Street San Diego Trolley station;
 - Six parcels:
 - Site 1 = 4 contiguous parcels;
 - Site 2 = two contiguous parcels;
 - Separated by SDG&E substation parcel;
 - Three existing vacant buildings – no relocation necessary; and
 - Mix of one-bedroom, two-bedroom, and three-bedroom units.





SDHC – Encanto Village Partnership Development Development Summary (Cont.)

Address	6317-23, 6355, and 6357 Imperial Avenue
Council District	4
Community Plan Area	Encanto Neighborhoods Community Plan
Development Type	New Construction (four stories)
Construction Type	Type V
Parking Type	66 surface parking spaces with alley access
Housing Type	Family and Homeless Veteran Families
Lot Size	1.17 acres, 50,808 square feet
Units	66
Density	56.4 dwelling units per acre (66 units ÷ 1.17 acres)
Unit Mix	30 one-bedroom units, 18 two-bedroom units, 17 three-bedroom units, and 1 three-bedroom manager's unit
Gross Building Area	65,400 square feet
Net Rentable Area	42,300 square feet
Commercial/Retail Space	5,075 square feet
Project Based Vouchers	8 Veterans Affairs Supportive Housing (VASH) Vouchers





SDHC – Encanto Village Partnership Development Development Summary (Cont.)

- Developer is National Community Renaissance of California (National CORE):
 - Experienced, nonprofit developer.
 - Developer is in full compliance with previous SDHC loans.
- National CORE is requesting:
 - \$7,250,000 residual receipts loan from SDHC; and
 - 8 Veterans Affairs Supportive Housing (VASH) Vouchers, awarded by SDHC.
- National CORE will apply for approximately \$650,000 from Federal Home Loan Bank Affordable Housing Program (AHP) funds
- If approved, AHP funds would reduce SDHC’s proposed loan.



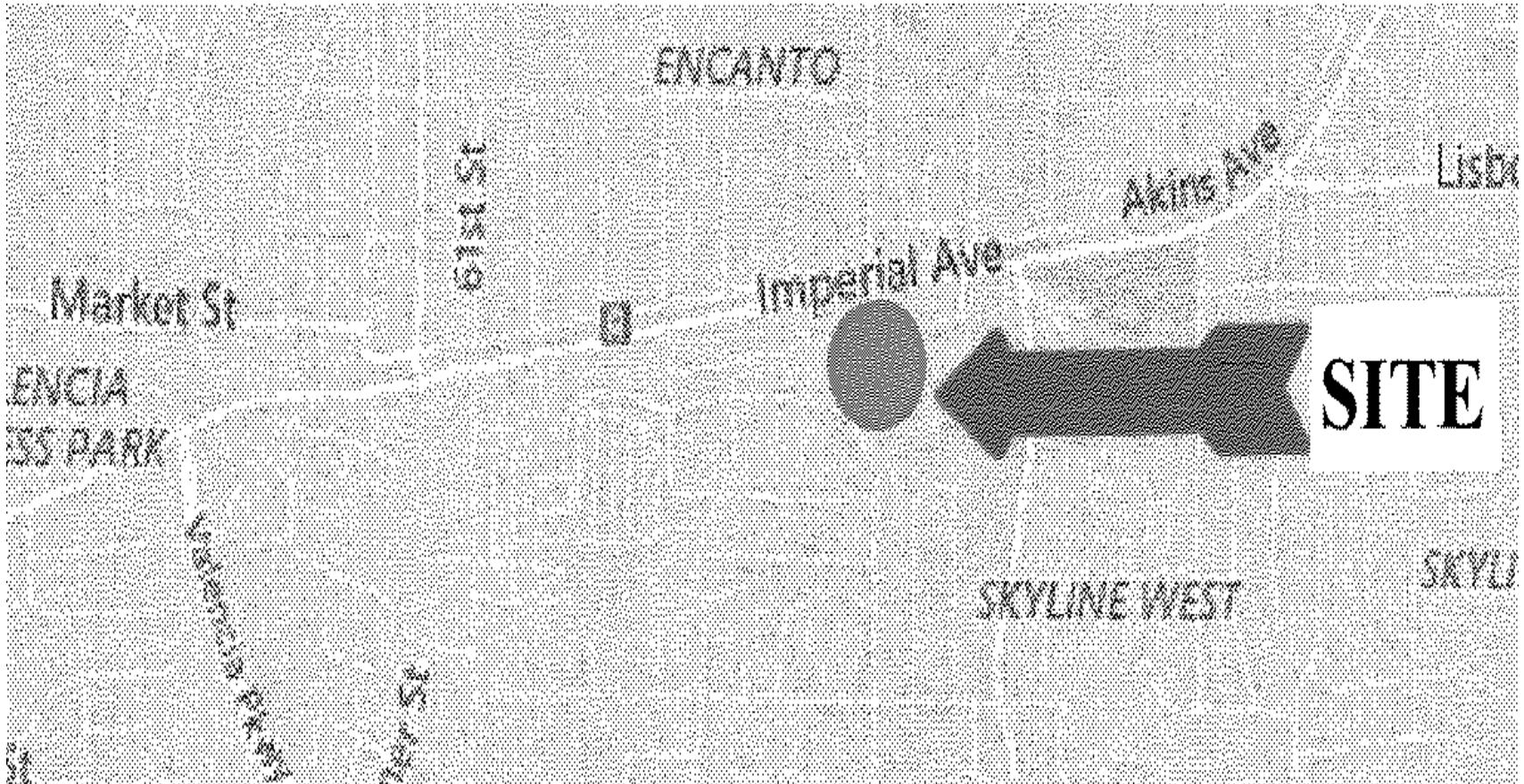


SDHC – Encanto Village Partnership Development Development Team Summary

ROLE	FIRM/CONTACT
Developer	National Community Renaissance of California
Borrower General Partner Limited Partner	Encanto Village TOD limited partnership National Community Renaissance of California To be selected
Architect	Studio E Architects
General Contractor	National Community Renaissance of California
Property Management	National Community Renaissance of California
Supportive Services Provider	Hope Through Housing Foundation (a National CORE affiliate)
Construction and Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



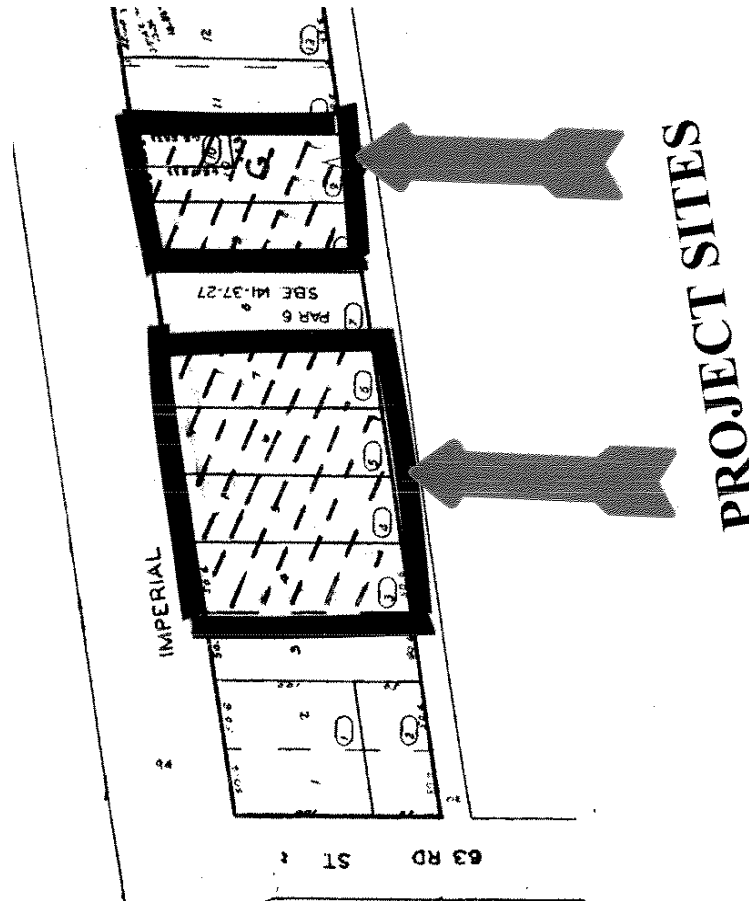
SDHC – Encanto Village Partnership Development Location Map



6317-6357 Imperial Avenue, San Diego, CA



SDHC – Encanto Village Partnership Development Location Map (Cont.)



SDHC – Encanto Village Partnership Development Site Plan

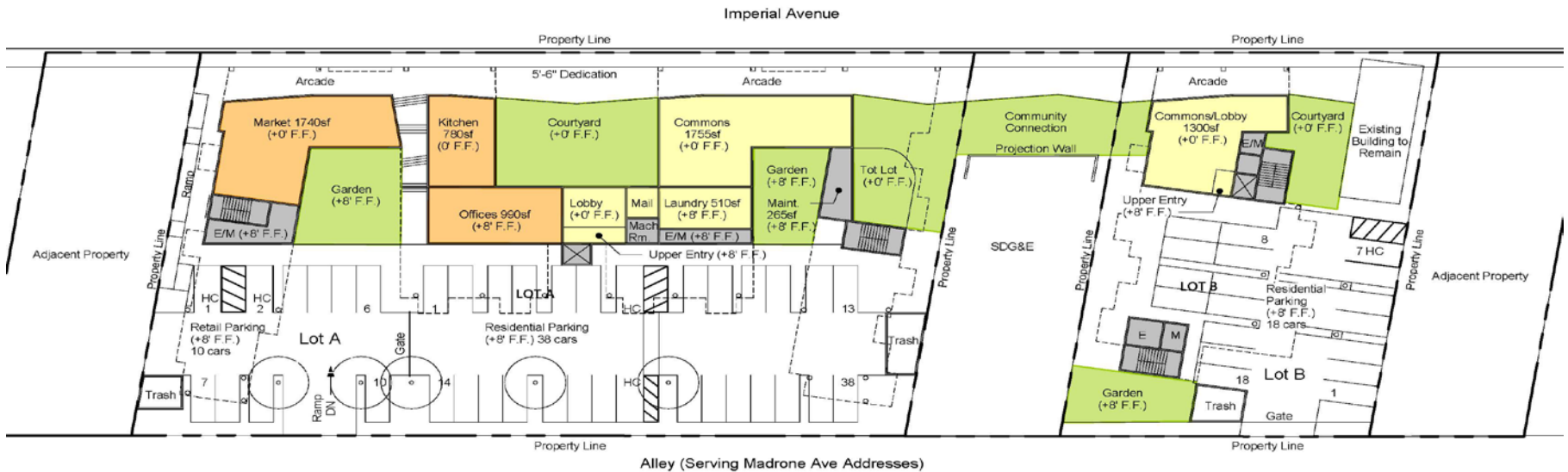


SITE PLAN WITH CONTEXT

Encanto Village • San Diego, CA
23 January 2017



SDHC – Encanto Village Partnership Development Site Plan (Cont.)



LEVEL 1

Encanto Village • San Diego, CA
23 January 2017



STUDIO E
ARCHITECTS



SDHC – Encanto Village Partnership Development

Estimated Sources and Uses Permanent Financing

Financing Sources	Amounts	Financing Uses	Amounts
Permanent Loan (third-party lender)	\$3,551,465	Acquisition	\$ 2,550,000
SDHC Proposed Loan	7,250,000	Construction Hard Costs	14,138,561
9 % Tax Credit Equity	12,616,939	Soft Costs	3,888,820
		Financing Costs	1,274,104
		Developer Fee	1,400,000
		Reserves	166,919
Total Development Cost	\$23,418,404	Total Development Cost (TDC)	\$23,418,404

- Estimated Total Development Cost Per Unit (for 66 Units) = \$354,824



SDHC – Encanto Village Partnership Development Affordability

Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Unit Count	Gross TCAC Rent	Estimated Market Rent	Estimated Rent Savings
1 Bedroom	30%	3	\$478	\$1,000	\$552
1-Bedroom	40%	10	\$637	\$1,000	\$363
1-Bedroom	50%	11	\$796	\$1,000	\$204
1 Bedroom	60%	6	\$956	\$1,000	\$44
2-Bedroom	30%	2	\$537	\$1,300	\$763
2-Bedroom	40%	5	\$765	\$1,300	\$535
2-Bedroom	50%	7	\$956	\$1,300	\$344
2-Bedroom	60%	4	\$1,147	\$1,300	\$153
3-Bedroom	30%	2	\$663	\$1,700	\$1,037
3-Bedroom	40%	5	\$884	\$1,700	\$816
3-Bedroom	50%	5	\$1,105	\$1,700	\$595
3-Bedroom	60%	5	\$1,326	\$1,700	\$374
3-Bedroom Manager	n/a	1	-	-	-
Totals		66			





SDHC – Encanto Village Partnership Development Development Timeline

Milestone	Estimated Date
• 9% Tax Credits – California Tax Credit Allocation Committee (CTCAC) Application.	March 1, 2017
• AHP Funds Application	March 2017
• CTCAC Allocation Meeting.	June 7, 2017
• AHP Funds Possible Award.	November 2017
• Estimated Escrow/Loan Closing.	November 2017
• Estimated Construction Start.	December 2017
• Estimated Construction Completion.	March 2019



SDHC – Encanto Village Partnership Development

