



SAN DIEGO  
HOUSING  
COMMISSION

# San Diego Housing Commission San Ysidro Family Transit-Oriented Development (TOD) Loan Recommendation and Preliminary Bond Authorization June 16, 2017

Ted Miyahara  
Vice President, Housing  
Finance, Programs &  
Compliance  
Real Estate Division





# SDHC – San Ysidro Family TOD Partnership Development Recommendations

## **That the San Diego Housing Commission (SDHC):**

1. Approve a proposed residual receipts loan of up to \$9,250,000 to Chelsea Investment Corporation's planned limited partnership for the new construction of 137 affordable rental housing units for low-income households at San Ysidro Family TOD (251-263 and 238-240 Cypress Drive, San Diego, CA 92173).
  - a) Will remain affordable for 55 years
  - b) Loan contingent upon receiving necessary third-party funding





# SDHC – San Ysidro Family TOD Partnership Development Recommendations (Continued)

2. Authorize the SDHC President & CEO to:
  - a. Execute documents
  - b. Implement approvals (actions necessary, convenient, and/or appropriate to implement with General Counsel advice)
  - c. Adjust financing terms
  - d. Allow substitution of funds as necessary (not to exceed \$9,250,000)





# SDHC – San Ysidro Family TOD Partnership Development Recommendations (Continued)

## **Recommend that the Housing Authority of the City of San Diego:**

3. Approve initial steps to issue up to \$30,000,000 in tax-exempt Multifamily Housing Revenue Bonds, including:
  - a) Bond inducement resolution
  - b) Bond allocation of authority application to the California Debt Limit Allocation Committee (CDLAC)
  - c) Bond counsel (Straddling Yocca Carlson & Rauth) and financial advisor (Ross Financial)
  - d) Bonds final approval at a later date

## **Recommend that the San Diego City Council:**

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





# SDHC – San Ysidro Family TOD Partnership Development Summary

- Proposed new construction of 139 units (137 affordable)
  - Three-story building
  - Surface parking (154 stalls)
  - Transit-Oriented Development (TOD) adjacent to the Beyer Boulevard Trolley Station
  - Mix of one-, two-, and three-bedroom units
- Developer: Chelsea Investment Corporation
  - Experienced, for-profit developer
  - Fully compliant with previous SDHC loans





# SDHC – San Ysidro Family TOD Partnership Development Summary (Continued)

- Developer is requesting:
  - \$9,250,000 residual receipts loan
  - Bond inducement for up to \$30,000,000 in tax-exempt Multifamily Housing Revenue Bonds



# SDHC – San Ysidro Family TOD Partnership Development Location Map



# SDHC – San Ysidro Family TOD Partnership Development Site Plan





# SDHC – San Ysidro Family TOD Partnership Development

## Estimated Permanent Financing Sources & Uses

Financing Sources	Amounts	Financing Uses	Amounts
Permanent loan	\$15,880,000	Acquisition:	\$6,174,850
Housing Commission proposed loan	\$9,250,000	Hard costs (with contingency)	\$22,991,489
Tax Credit Equity	\$13,853,933	Soft Costs	\$7,373,251
Deferred Developer Fee	\$1,167,355	Reserves	\$409,307
Developer Fee Contribution	\$500,000	Developer Fee	\$4,277,433
SDHC Loan- Accrued Interest	\$575,042		
Total Development Cost	\$41,226,330	Total Development Cost	\$41,226,330

- Estimated Total Development Cost Per Unit (for 139 Units) = \$296,592



# SDHC – San Ysidro Family TOD Partnership Development Affordability

Unit Type	AMI	# of Units (139 total)	Gross Rents	Estimated Market Rents
1 Bedroom	50%	21	\$853	\$1,125
1 Bedroom	60%	3	\$1,023	\$1,125
2 Bedroom	50%	8	\$1,023	\$1,450
2 Bedroom	60%	71	\$1,228	\$1,450
3 Bedroom	50%	3	\$1,136	\$1,850
3 Bedroom	60%	31	\$1,364	\$1,850
3 Bedroom (manager)	-	2	-	-





# SDHC – San Ysidro Family TOD Partnership Development Timeline

<b>Milestone</b>	<b>Estimated Date</b>
• Housing Authority Bonds Review.....	June 27, 2017
• City Council TEFRA Hearing.....	June 27, 2017
• CDLAC Application for Bonds Allocation.....	July 21, 2017
• TCAC Application for Tax Credits.....	August 19, 2017
• CDLAC Allocation Meeting.....	September 20, 2017
• Housing Commission Final Review.....	October 6, 2017
• TCAC Allocation Meeting.....	October 18, 2017
• Housing Authority Final Review.....	October 31, 2017
• Estimated bond issuance & escrow closing..	December 2017
• Estimated Construction Start.....	December 2017
• Estimated Construction Completion.....	February 2019





# SDHC – San Ysidro Family TOD Partnership Development

## Questions & Comments

