



SAN DIEGO  
HOUSING  
COMMISSION

“We’re About People”

# San Diego Housing Commission (SDHC) Additional Loan Recommendation for Twain Veterans Apartments November 17, 2017

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# SDHC – Twain Veterans Apartments Partnership Development Recommendation

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

Approve an additional residual receipts loan of up to \$2,000,000 (increasing the total loan to \$7,500,000 from \$5,500,000) to facilitate the proposed new construction of 79 affordable rental housing units for homeless individuals and Veterans, to be located at 4304 Twain Avenue, San Diego, 92120, which will remain affordable for 55 years.





# SDHC – Twain Veterans Apartments Partnership Development Development Summary

- Proposed new construction of 79 affordable permanent supportive housing units and one manager's unit.
- Housing Commission loan up to \$5,500,000 approved on February 10, 2017.
- Allocation of competitive 9 percent low-income housing tax credits of \$18,322,180 secured on June 7, 2017.
- Supports **HOUSING FIRST-SAN DIEGO**, SDHC's Homelessness Action Plan.
- Development will include 79 units dedicated for homeless individuals and Veterans.





# SDHC – Twain Veterans Apartments Partnership Development Development Costs

- Developers Are Experiencing Increases to Hard Costs:
  - Labor
  - Materials
  - Supply is not keeping up with demand
- The cost to Twain Veterans Apartments is higher than budgeted:
  - 3 general contractors have provided a bids
  - Affirmed has proposed to select the lowest bid
- Timing constraints do not allow the developer, Affirmed Housing Group, to pursue other financing sources without jeopardizing the 9 percent low-income housing tax credit award.





# SDHC – Twain Veterans Apartments Partnership Development Estimated Sources & Uses of Financing

Sources of Funding		Uses of Funding	
Tax Credit Equity	\$16,143,673	Land Acquisition	\$3,951,000
Permanent Loan	4,454,775	Hard Costs	17,862,896
SDHC Loan	7,500,000	Soft Costs	5,520,552
Deferred Developer Fee	636,000	Developer Fee	1,400,000
<b>Estimated Total Development Cost</b>	<b>\$28,734,448</b>	<b>Estimated Total Uses</b>	<b>\$28,734,448</b>

Key Performance Indicator	Previously Approved HCR17-013	Currently Proposed HCR17-093
Total Development Cost	\$26,275,500	\$28,734,448
Development Cost Per Unit	\$328,444	\$359,181
Total Hard Cost	\$13,818,000	17,862,896
Hard Cost Per Unit	\$172,725	\$223,286
Housing Commission Subsidy Per Unit	\$68,750	\$93,750





# SDHC – Twain Veterans Apartments Partnership Development Fiscal Impact

- Current HOUSING FIRST – SAN DIEGO Notice of Funding Availability (NOFA) for the development of permanent supportive housing was released on August 1, 2017.
- Approval of this proposed additional residual receipts loan amount will result in a \$2,000,000 reduction in the amount of funding available through the current HOUSING FIRST – SAN DIEGO NOFA.
- However, the additional loan funds will allow this development of 79 permanent supportive housing units to proceed with construction.



# SDHC - Twain Veterans Apartments Partnership Development Rendering – Southeast View







# SDHC – Twain Veterans Apartments Partnership Development

# Questions?

