



SAN DIEGO  
HOUSING  
COMMISSION

# San Diego Housing Commission Village North Senior Garden Apartments Property Disposition May 5, 2017

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





# SDHC – Village North Senior Garden Apartments Property Disposition Recommendation

That the San Diego Housing Commission (SDHC) Board approve the following actions:

- Authorize SDHC to enter into a 65-year Ground Lease Agreement with HDP Village North L.P., or designee, for the transfer of Village North Senior Garden Apartments;
- Authorize SDHC’s Executive Vice President & Chief of Staff, or designee, to execute all documents and instruments necessary to implement these approvals;
- Authorize SDHC’s Executive Vice President & Chief of Staff, or designee, to execute all documents to implement the financing plan for the rehabilitation of Village North Senior Garden Apartments; and
- Approve the transfer of the property reserve balance to HDP Village North L.P., or designee, to be used for the renovation of the property.



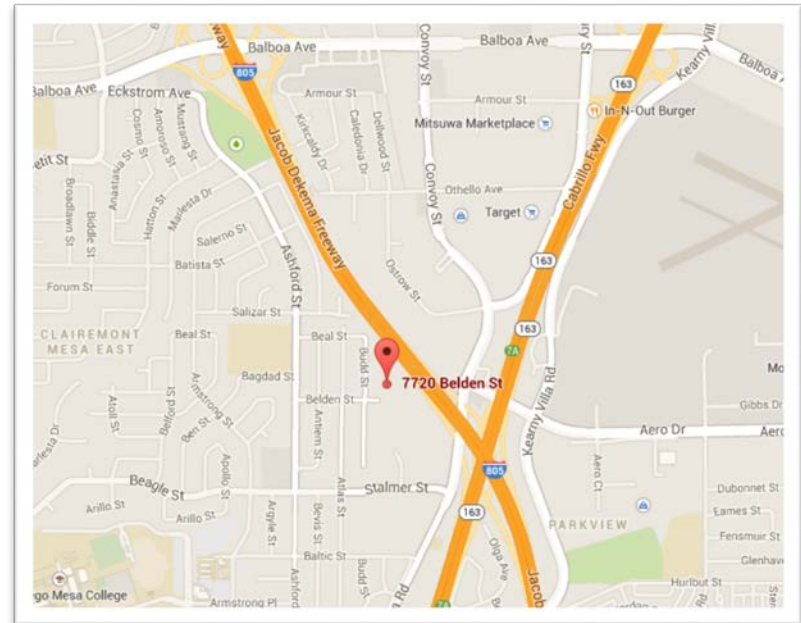
# SDHC – Village North Senior Garden Apartments

## Property Disposition

### Property Details

#### Village North Senior Garden Apartments

Address	7720 Belden Street
Community	Clairemont Mesa
Year Built	1986
Total Units	120 one-bedroom
Population Type	Seniors
Affordability	Restricted to 80% AMI





# SDHC – Village North Senior Garden Apartments Property Disposition

Housing Commission Policy PO-RED-300.104

- Allows for the sale and disposition of all other real estate, including multifamily housing
- Necessary due diligence completed by SDHC
- Requires approval by the SDHC Board of Commissioners





# SDHC – Village North Senior Garden Apartments Property Disposition Terms of the Transfer

- 65-year ground lease
  - Ground lease payment equivalent to 4.5% of gross income
  - Will include termination provisions and right to re-acquire after the 15<sup>th</sup> year
- HDP Village North, L.P. responsible for the refinancing and renovation of the property, with no SDHC funding
- SDHC will continue to provide property management services
- Transfer approximately \$2,000,000 in property reserves to be used for renovations



# SDHC – Village North Senior Garden Apartments

## Property Disposition

### Financial Highlights

Projected Sources	
Estimated First Mortgage	\$9,260,000
HUD-Required Capital Reserve	\$2,000,000
<b>Total</b>	<b>\$11,260,000</b>

Projected Uses	
Construction Costs	\$7,640,000 (\$63,750/unit)
<b>Total Rehabilitation Costs</b>	<b>\$11,260,000</b> (\$93,800/unit)

Ground Lease	
Annual Ground Lease Payment Estimate (4.5% of Gross Income)	\$52,000





# SDHC – Village North Senior Garden Apartments Property Disposition

## Questions/Comments

