



SAN DIEGO  
HOUSING  
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# San Diego Housing Commission (SDHC)

## Loan Recommendation for 40<sup>th</sup> and Alpha Street Apartments

Presentation to the SDHC Board of Commissioners  
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## SDHC – 40<sup>th</sup> and Alpha Street Apartments Development Summary

- New Construction of 91 affordable rental housing units and one unrestricted managers' unit at 3947-3953, 3963 Z Street in Council District 8
- 91 affordable units for households with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI)
  - \$39,700/year – \$89,340/year for two- to three-person households
- 55-year affordability term
- Unit amenities will include a refrigerator, stove/oven, dishwasher and garbage disposal.
- Site amenities will include bicycle parking, a leasing office, laundry facilities, and a courtyard/play area.
- A community room and computer lab will be open for residents to use and for resident services programming utilized by case management and resident services for all residents.



## SDHC – 40<sup>th</sup> and Alpha Street Apartments Development Summary (Continued)

The 40<sup>th</sup> and Alpha Street Apartments will employ two buildings:

Building #1 (six stories served by two elevators):

- First level: 19 standard and four tandem parking spaces, leasing office, community room, and miscellaneous building systems rooms (electrical, boiler, trash, mechanical).
- Remaining five levels: 78 residential units, laundry room, 1,200-square-foot courtyard, and an additional 452 square feet of common area amenity space.

Building #2 (three stories accessed via two staircases):

- First level: 2,400-square-foot childcare center and an 1,800-square-foot outdoor play area.
  - Play area will likely be managed by SAY San Diego.
- Remaining two levels: 14 dwelling units.



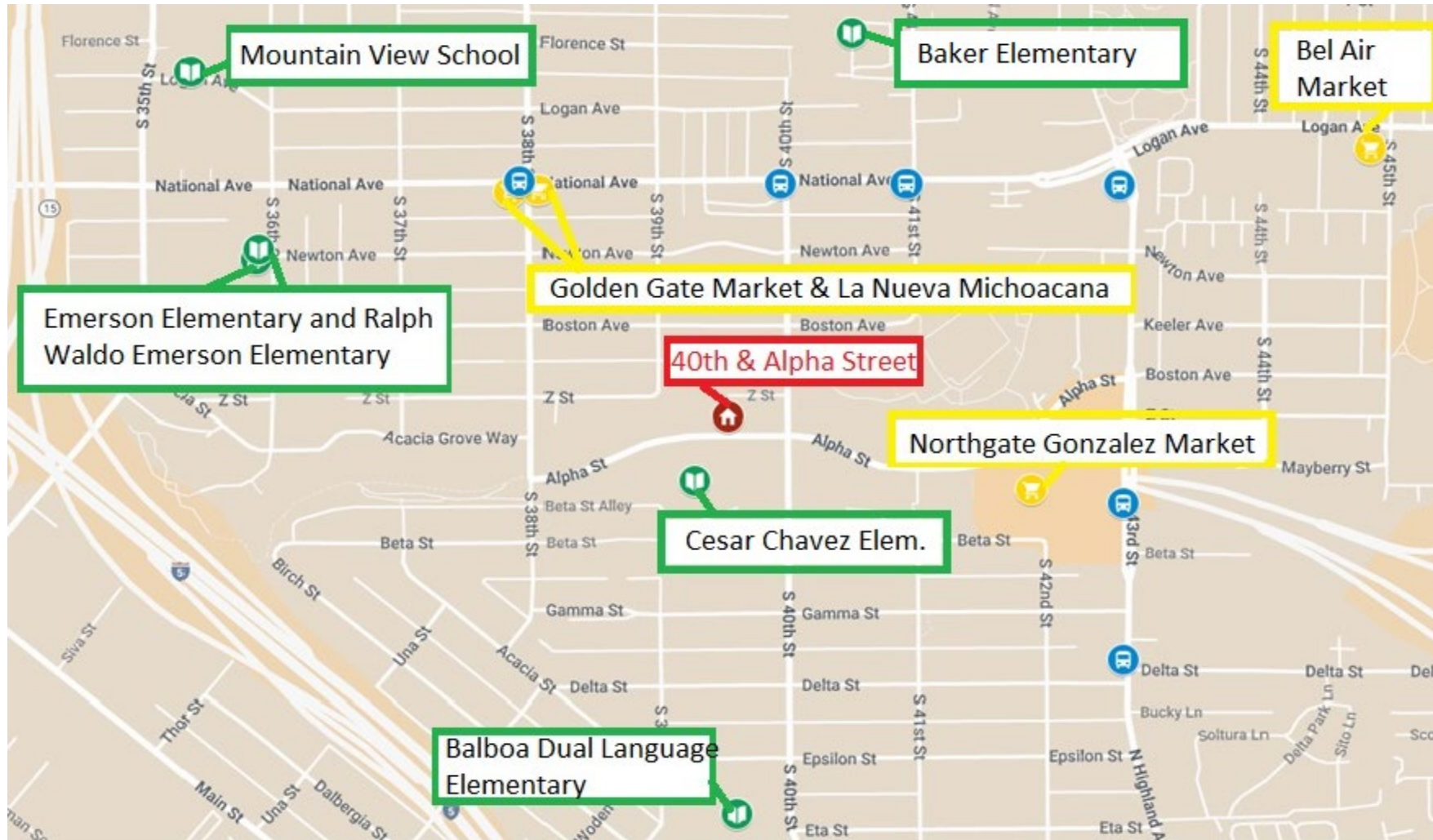
# SDHC – 40<sup>th</sup> and Alpha Street Apartments

## Developer and Service Provider Summary

- Community HousingWorks (CHW)
  - Nationally recognized 501(c)(3) nonprofit developer
  - Owns and operates more than 4,971 units at 52 communities statewide
  - CHW is in full compliance on previous affordable housing developments that utilized SDHC loans.
- Pursuant to SDHC's Fiscal Year 2026 Notice of Funding Availability (NOFA), SDHC staff provided a recommendation for a residual receipts loan of up to \$1,383,000 for 40<sup>th</sup> and Alpha Street Apartments.
- CHW's Achieve Resident Services is providing services at no cost for all residents.
  - Community activities
  - Financial well-being
  - Health and wellness classes
  - Next generation success



## SDHC – 40<sup>th</sup> and Alpha Street Apartments Local Amenities Map



## SDHC – 40<sup>th</sup> and Alpha Street Apartments

### Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Bond Financed Permanent Loan (Tax-Exempt)	\$8,604,034	Acquisition	\$1,383,000
B Bonds	1,792,442	Hard Costs	29,952,178
SDHC Proposed Loan	1,383,000	Hard Costs Contingency	1,497,609
+ Accrued Interest	41,981	Soft Costs	9,624,143
Refund	140,953	Soft Costs Contingency	261,937
City of San Diego Bridge to Home Loan	4,500,000	Financing Costs	641,201
+ Accrued Interest	122,221	Reserves	326,554
County of San Diego Innovative Housing Trust Fund	2,617,000	Developer's Fee	5,967,440
+ Accrued Interest	95,190		
General Partner Capital	100		
Limited Partner Equity	26,889,671		
Deferred Developer Fee	3,467,440		
Total Development Cost	\$49,654,022	Total Development Cost	\$49,654,022

- Estimated Total Development Cost Per Unit (92 Units) = \$539,718



# SDHC – 40<sup>th</sup> and Alpha Street Apartments

## Affordability and Monthly Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One-bedroom	30% (currently \$39,700/year for a two-person household)	21	\$930
One-bedroom	60% (currently \$79,380/year for a two-person household)	<u>49</u>	\$1,860
<b>Subtotal One-bedroom Units</b>		<b>70</b>	
Two-bedroom	30% (currently \$44,650/year for a three-person household)	7	\$1,116
Two-bedroom	60% (currently \$89,340/year for a three-person household)	<u>14</u>	\$2,233
<b>Subtotal Two-bedroom Units</b>		<b>21</b>	
<b>Subtotal Affordable Units</b>		<b>91</b>	
Unrestricted Managers' two-bedroom units	--	<u>1</u>	
<b>Total</b>		<b>92</b>	



# SDHC – 40<sup>th</sup> and Alpha Street Apartments Development Timeline

Milestones	Estimated Dates
• Acquisition Closing.....	March 2026
• CDLAC 4 Percent Bond Application.....	May 2026
• CDLAC 4 Percent Bond Allocation Meeting.....	August 2026
• Estimated Loan Closing.....	February 2027
• Estimated Start of Construction Work.....	March 2027
• Estimated Completion of Construction Work.....	January 2029

*CDLAC = California Debt Limit Allocation Committee*





# SDHC – 40<sup>th</sup> and Alpha Street Apartments Architect's Rendering



*Photos courtesy of LAC*



# SDHC – 40<sup>th</sup> and Alpha Street Apartments

## Staff Recommendations

### **That the SDHC Board of Commissioners (Board) take the following actions:**

- 1) Approve a proposed residual receipts loan in an amount not to exceed \$1,383,000 to Alpha Street Housing Associates, LP, a California limited partnership, to facilitate the acquisition of the land for the new construction of 40th and Alpha Street Apartments, a development at 3947-3953, 3963 Z Street, in the Southcrest community, which will consist of 91 housing units that will remain affordable for 55 years for individuals and families with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI), and one unrestricted manager's unit.

SDHC's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the SDHC General Counsel's approval.



## SDHC – 40<sup>th</sup> and Alpha Street Apartments Staff Recommendations (Continued)

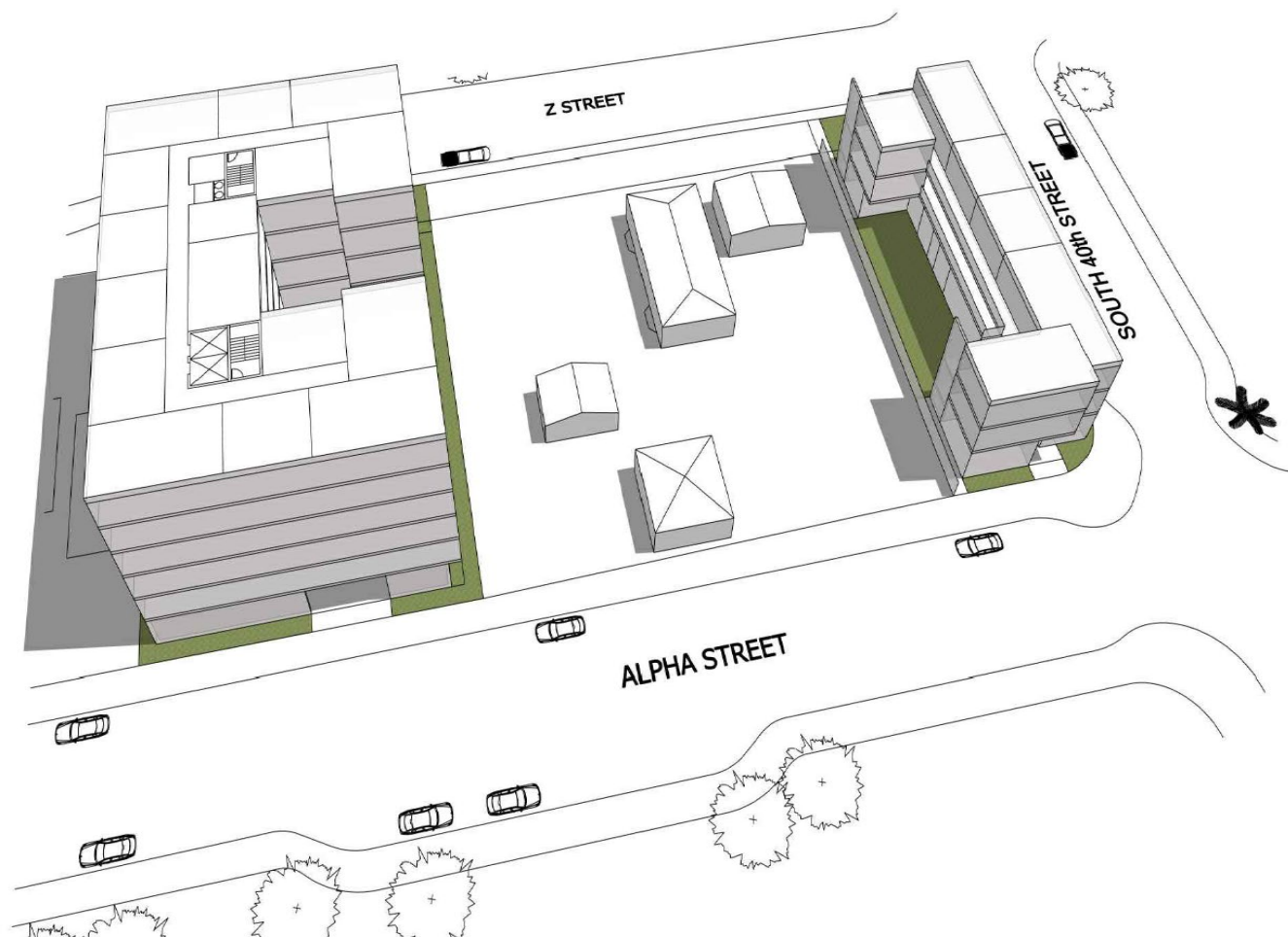
- 2) Authorize SDHC's President & Chief Executive Officer (President and CEO), or designee:
  - a. To execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.
  - b. To adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$1,383,000 maximum loan amount may not increase.
  - c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President and CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the SDHC Board upon advice of the General Counsel.



## Questions & Comments



# SDHC – 40<sup>th</sup> and Alpha Street Apartments



*Photos courtesy of LAC*

