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San Diego Housing Commission (SDHC)

Loan Recommendation for Crest on Imperial Apartments

Presentation to the SDHC Board of Commissioners

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SDHC – Crest on Imperial Apartments Development Summary

- Crest on Imperial is the proposed new construction of 99 affordable rental housing units for individuals and families, and one unrestricted manager's unit, in the Lincoln Park neighborhood, in the Encanto Neighborhoods Community Plan Area in Council District 4.
 - 99 affordable units for households with income from 50 percent to 70 percent of San Diego's Area Median Income (AMI)
 - \$74,450/year to \$115,800/year for three- to four-person households.
 - Affordable for 55 years for individuals and families
- The site is 1.34 acres on four parcels with six vacant structures that will be demolished.
- One five-story, elevator-served building with a unit mix of 67 two-bedroom and 32 three-bedroom units, plus one unrestricted manager's unit
- Unit amenities include energy-efficient appliances, water-sense fixtures, and vinyl plank flooring.
- Site amenities include leasing and services offices, laundry rooms, bicycle storage and repair space, a community room, a computer lab, barbecue and outdoor patio areas, a playground, and basketball court.



SDHC – Crest on Imperial Apartments Developer Summary

- Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County (MAAC) is a nonprofit affordable housing developer headquartered in San Diego.
 - Founded in 1965, MAAC has developed 941 units to date.
 - MAAC has successfully completed a previous development with SDHC loan funds.
- 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 \$4,270,000 for Crest on Imperial.
- Hyder Property Management Professionals will provide property management.
 - Hyder manages over 9,000 affordable units statewide.
- MAAC will provide various social services, at no cost to residents, including adult education, credit counseling, job search assistance, and skill-building classes



SDHC – Crest on Imperial Apartments Site Map



SDHC – Crest on Imperial Apartments

Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Permanent Loan	\$19,361,027	Land acquisition	\$4,270,000
Certificated State Tax Credits	\$6,979,202	Construction hard costs: \$17,500,000 On-site & off-site costs 2,500,000 General Req/Profit/Overhead 3,013,500 Contingency: <u>+2,259,900</u> Total Construction \$25,273,400	\$25,273,400
SDHC proposed loan	\$4,270,000	Financing costs	\$4,241,424
General Partner's capital	\$100	Other soft costs	\$4,471,215
Tax Credit Equity	\$16,673,151	Permits and fees	\$3,084,012
		Operating reserve	\$585,359
		Developer's Fee	\$5,357,970
Total Development Sources	\$47,283,380	Total Development Cost (TDC)	\$47,283,380

- Estimated Total Development Cost Per Unit (100 units) = \$472,834



SDHC – Crest on Imperial Apartments

Affordability and Estimated Rents

	AMI	Units	CTCAC Gross Rent
Two-bedroom	50% (Currently \$74,450 /year for three-person household)	14	\$1,861
Two-bedroom	60% (Currently \$89,340 /year for three-person household)	50	\$2,233
<u>Two-bedroom</u>	<u>70% (Currently \$104,200 /year for three-person household)</u>	<u>3</u>	<u>\$2,605</u>
Subtotal Two-bedroom Units		67	
Three-bedroom	50% (Currently \$82,700 /year for four-person household)	8	\$2,150
Three-bedroom	60% (Currently \$99,240 /year for four -person household)	9	\$2,580
<u>Three-bedroom</u>	<u>70% (Currently \$115,800 /year for four-person household)</u>	<u>16</u>	<u>\$2,895</u>
Subtotal Three-bedroom Units		32	
Subtotal Affordable Units		99	
2-Bedroom Manager (Unrestricted)	--	<u>1</u>	
Total Units		100	



SDHC – Crest on Imperial Apartments Development Timeline

Milestone	Estimated Date
• CDLAC/CTCAC tax credit application.....	February 2026
• Acquisition closing.....	March 2026
• CDLAC/CTCAC tax credit allocation meeting.....	May 2026
• Estimated escrow/loan closing.....	November 2026
• Estimated start of construction work.....	November 2026
• Estimated completion of construction work.....	September 2028

CDLAC = California Debt Limit Allocation Committee
CTCAC = California Tax Credit Allocation Committee



SDHC – Crest on Imperial Architect's Rendering



SDHC – Crest on Imperial Apartments

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Approve a proposed residual receipts loan in an amount not to exceed \$4,270,000 to Crest on Imperial LP, a California limited partnership, to facilitate the acquisition of the land to be used for the new construction of Crest on Imperial, a transit-oriented development at 101 50th Street, 5020 and 5030-5036 Imperial Avenue in the Lincoln Park community in the Encanto Neighborhoods Community Plan area, which will consist of 99 units that will remain affordable for 55 years for individuals and families with income from 50 percent to 70 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 – Crest on Imperial Apartments

Staff Recommendations (continued)

2) Authorize the President and 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 \$4,270,000 maximum proposed 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 – Crest on Imperial Architect's Rendering

