



We're About People

San Diego Housing Commission (SDHC) Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Encanto Gateway Apartments Presentation to the SDHC Board of Commissioners August 28, 2026

Colin Miller
Senior Vice President, Real Estate
San Diego Housing Commission

Michelle Muniz
Director of Multifamily Underwriting and Special Assets
Real Estate Division



Development Summary

- Proposed new construction of 64 affordable rental housing units and one unrestricted managers' unit at 6601 Imperial Avenue in Council District 4.
 - 64 affordable units for households with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI), including nine units for persons experiencing homelessness.
 - \$42,000/year – \$104,940/year for two - to four-person households.
 - 55-year affordability term.
- Single five-story building with 26 surface parking spaces.
- One-, two-, and three-bedroom units.



Developer and Service Provider Summary

- Joint venture between National CORE and I Am My Brother's Keeper Community Development Corporation
 - National CORE is a nonprofit developer with 33 years of experience.
 - Over 10,000 units in service and \$1.6 billion in assets
 - Has successfully completed multiple projects using SDHC capital funds and is in good standing.
 - I Am My Brother's Keeper is an emerging nonprofit developer that has provided services to the community for over two decades.
 - This will be their first development with SDHC.
- SDHC's Fiscal Year 2024 Notice of Funding Availability (NOFA): SDHC staff provided a preliminary award recommendation for:
 - A residual receipts loan of up to \$1,000,000
 - 10 Project-Based Vouchers, including nine permanent supportive housing vouchers for households experiencing homelessness or chronic homelessness with serious mental illness.

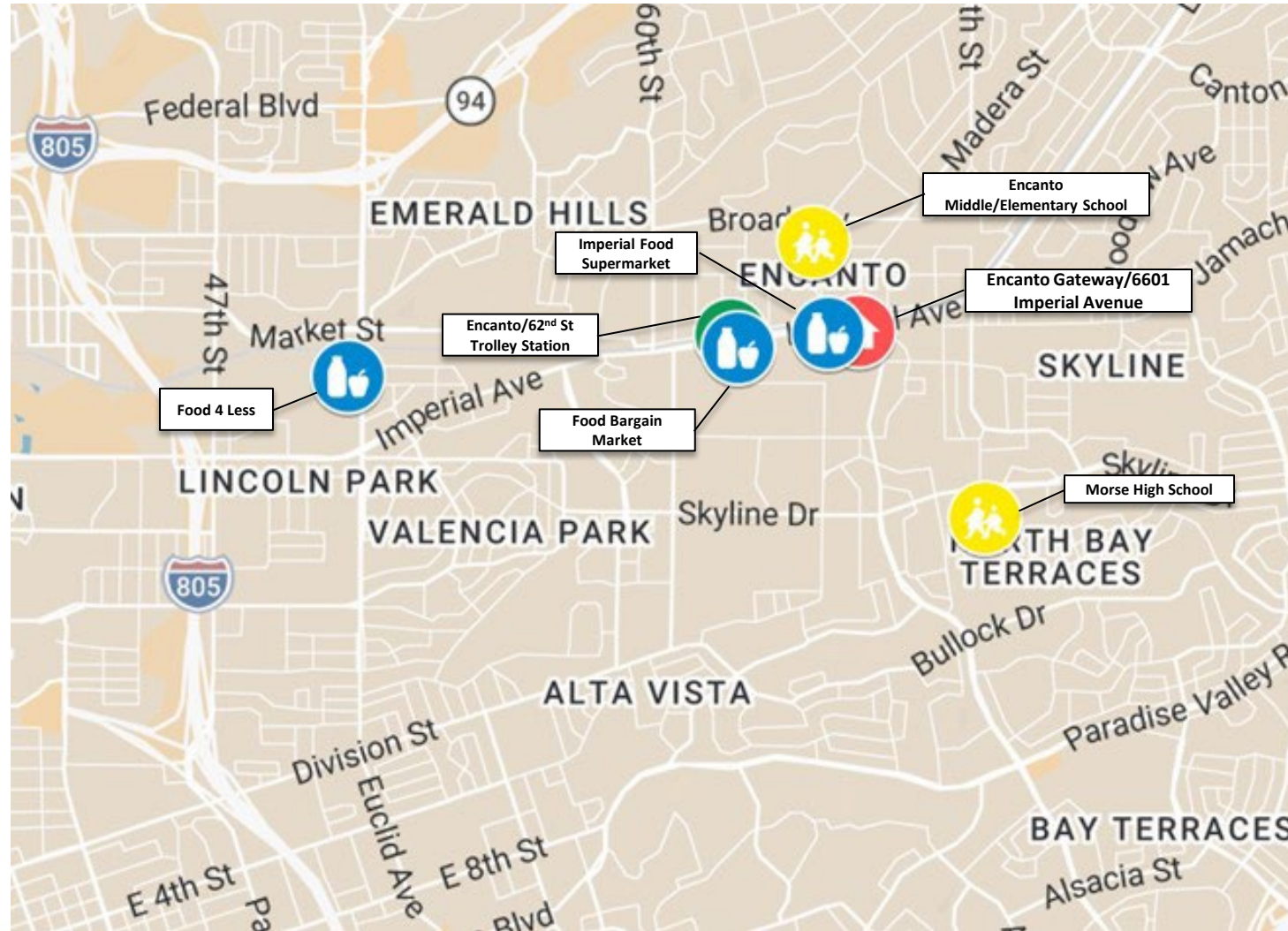


Developer and Service Provider Summary (Continued)

- Services:
 - County Behavioral Health Services will provide services for “No Place Like Home” residents.
 - I Am My Brothers Keeper will provide general services and employment training.
 - National CORE’s affiliate, Hope Through Housing Foundation, will provide:
 - adult education
 - health
 - nutrition
 - exercise education
 - skills-building classes
 - referral services



Local Amenities Map





Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Permanent Loan	\$5,053,726	Acquisition Costs	\$5,727,063
County of San Diego Innovate Housing Trust Fund (IHTF) Loan	5,000,000	Construction Costs	
		Hard Cost: \$33,480,894	33,627,876
		Contingency: \$1,674,045	
City of San Diego EDD Loan	5,500,000	Financing Costs	2,760,978
SDHC Loan	1,000,000	Legal	292,500
County of San Diego No Place Like Home (NPLH) Loan	1,620,000	Other Soft Costs	2,060,365
State HCD Infill Infrastructure Grant	1,500,000	Permits and fees	1,941,146
¹ MHP Loan	14,000,000	Reserves	586,204
Deferred Developer's Fee	1,689,320	Developer Fee	6,260,751
Four Percent Tax Credit Equity	16,319,694	Soft Cost Contingency	162,565
Soft Loan Interest	670,367	Architecture and Engineering	1,694,510
Developer Fee Contribution	2,760,751		
General Partner Equity	100		
Total Development Cost	\$55,113,958	Total Development Cost	\$55,113,958

¹ "MHP" refers to the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP)

Estimated Total Development Cost Per Unit (65 Units) = \$847,907

We're About People



Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rents
One bedroom (9 PBV units)	30% (\$42,000/year for a two-person household)	9	\$984
One bedroom (1 PBV unit)	30% (\$42,000/year for a two-person household)	8	\$984
One bedroom	50% (\$70,000/year for a two-person household)	9	\$1,640
One bedroom	60% (\$84,000/year for a two-person household)	5	\$1,968
Subtotal One-Bedroom Units	--	31	--
Two bedrooms	30% (\$47,250/year for a three-person household)	6	\$1,181
Two bedrooms	50% (\$78,750/year for a three-person household)	5	\$1,968
Two bedrooms	60% (\$94,500/year for a three-person household)	5	\$2,362
Subtotal Two-Bedroom Units	--	16	--
Three bedrooms	30% (\$52,450/year for a four-person household)	6	\$1,364
Three bedrooms	50% (\$87,450/year for a four-person household)	6	\$2,273
Three bedrooms	60% (\$104,940/year for a four-person household)	5	\$2,728
Subtotal Three-Bedroom Units	--	17	--
Manager's two bedrooms unit	--	1	
Total Units	--	65	--

We're About People



Development Timeline

Milestones	Estimated Dates
CDLAC bond & CTCAC tax credit application	September 8, 2026
CDLAC & CTCAC allocation meetings	December 9, 2026
SDHC Board final bond authorization	March 2027
Housing Authority final bond authorization	April 2027
Estimated bond issuance and escrow/loan closing	May 2027
Estimated start of construction work	May 2027
Estimated completion of construction work	January 2029



Architect's Rendering



We're About People



Bond Program Summary

- Proposed bond issuance of up to \$16,500,000 in tax-exempt bonds.
- Proposed bond issuance of up to \$15,000,000 in taxable bonds.
- Developer is responsible for paying all costs of issuing bonds.
- Issuance pursuant to SDHC's bond policy.
- Bond issuance will not create financial liability to SDHC, Housing Authority, nor the City of San Diego.
- Neither the full faith and credit nor taxing power of the City of San Diego nor full faith and credit of the Housing Authority will be pledged to payment of the bonds.



Staff Recommendations

That the SDHC Board of Commissioners take the following actions, as described in this report:

- 1) Approve the following steps to issue up to \$16,500,000 in Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds and up to \$15,000,000 in taxable bonds to facilitate the new construction of Encanto Gateway, a transit-oriented development at 6601 Imperial Ave., San Diego, 92114, in the Encanto Neighborhoods Community Plan Area of San Diego, which will consist of 64 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), including nine units of permanent supportive housing for persons experiencing homelessness, and one unrestricted manager's unit.
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$16,500,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the new construction of Encanto Gateway by Encanto Gateway LP.
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$16,500,000 for Encanto Gateway.
 - c. Approve the financing team of Anzel Galvan as the Bond Counsel and Ross Financial as the Financial Advisor.



Staff Recommendations (Continued)

- 2) Authorize SDHC's President and Chief Executive Officer (President and CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
- 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing regarding the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$16,500,000 to facilitate the new construction of Encanto Gateway.



Questions & Comments

We're About People



We're About People