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San Diego Housing Commission (SDHC)  
Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act  
(TEFRA) Hearing for Green Manor Apartments  
Presentation to the SDHC Board of Commissioners  
July 19, 2024

Michelle Muniz  
Director of Underwriting, Multifamily Housing Finance  
Real Estate Division



# SDHC – Green Manor Apartments

## Development Summary

- Proposed acquisition and rehabilitation of 149 affordable rental housing units at 4041 Ibis Street in the Uptown Community Plan area in Council District 3
  - 149 affordable units for seniors ages 62 and older with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI)
    - \$31,850/year – \$72,720/year for one- to two-person households
  - 55-year affordability term
- All units are currently restricted by either a Section 8 Housing Assistance Payments (HAP) contract administered by the LA LOMOD or U.S. Department of Housing and Urban Development (HUD) Section 202 restricted through a HUD Use Agreement.
- Site amenities will include on-site resident services offices, community room, on-site management, picnic area, a laundry room and a library.
- One 13-story tower with 16 parking stalls.



# SDHC – Green Manor Apartments

## Developer and Service Provider Summary

- RAHD Group LLC:
  - Experienced, for-profit developer
  - Successfully completed previous developments with Housing Authority of the City of San Diego as bond issuer
- MJ Housing will be responsible for providing resident services to all tenants free of charge.
  - Access to healthcare and mental health services
  - In-home and long-term care planning
  - Accessing food and nutrition
  - Financial management and planning



# SDHC – Green Manor Apartments

## Renovation Summary

### Interior / Common Area Renovation

Common area kitchen and restrooms will receive upgrades or replacement of:

- Appliances, Countertops, Flooring, Plumbing and Electric, Doors

Interior renovations will include:

- New Drywall, Paint, Cabinets, Countertops, Doors, Bathroom, Plumbing and Fixtures, HVAC, Flooring, Appliances

### Exterior / Building Systems Renovation

Exterior renovations will include:

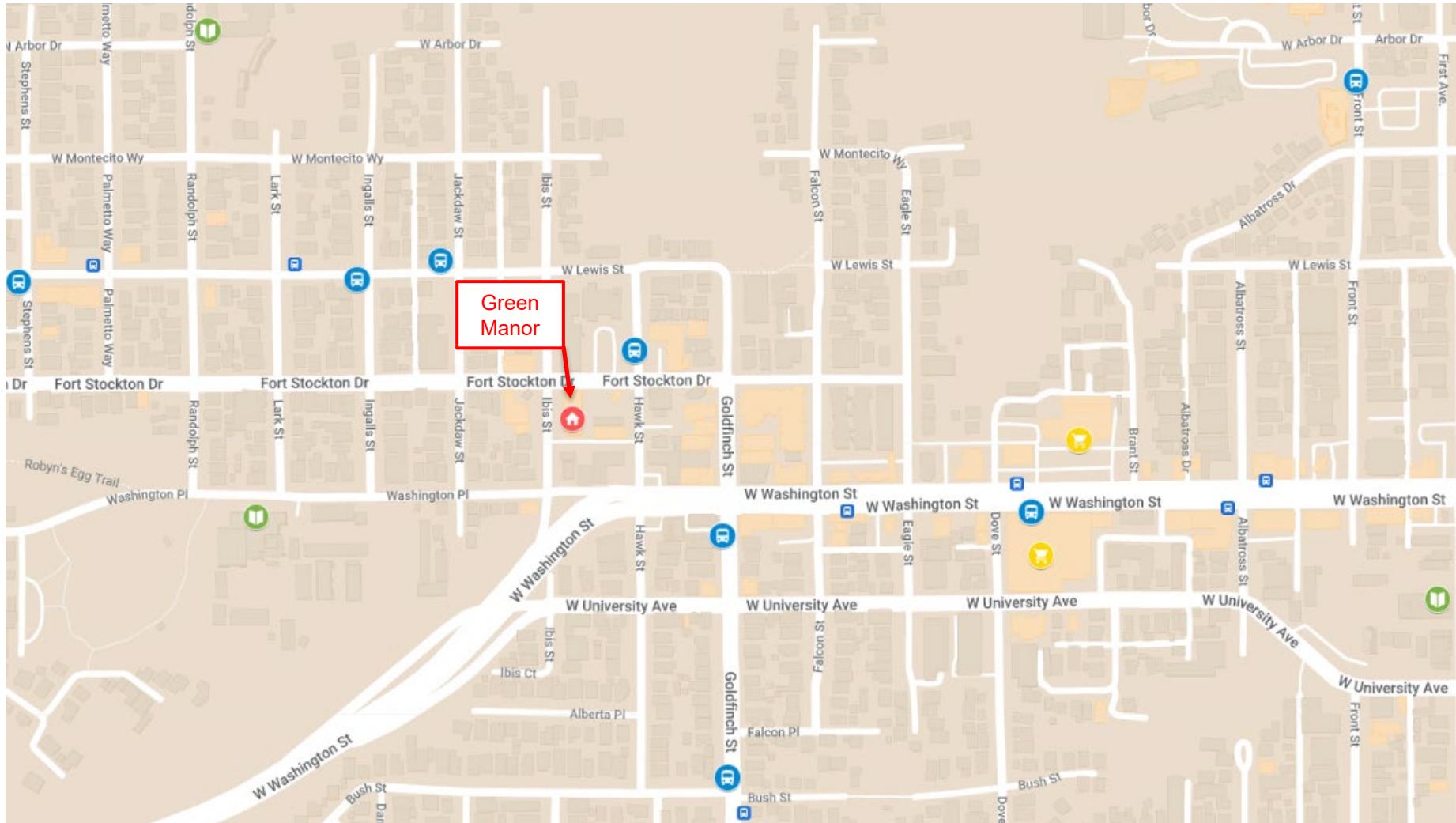
- Balconies Repairs / Replacement, New Roof Installation, Parking Lot Repairs, Drought-Resistant Landscaping, Spalling Repairs, Americans with Disabilities Act (ADA) Accessibility Requirements and Required Path of Travel

Building Systems renovations will include:

- Unit Electrical Panel Replacement, Security and Surveillance Systems Upgrade, Fire Protection Systems Upgrade, Plumbing Stack Waste Line Replacement



# SDHC – Green Manor Apartments Local Amenities Map



## SDHC – Green Manor Apartments

### Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount	Per Unit	Per Sq Ft
Bond Financed Perm Loan	\$39,000,000	Property Acquisition	\$53,000,000	\$355,705	\$1,075
Tax Credit Equity	28,029,309	Renovation Costs	12,718,421	85,359	258
Owner Equity	5,300,000	Third Party Reports	175,000	1,175	4
Release of Existing Reserves	163,603	Financial Placement	913,126	6,128	19
Deferred Developer's Fee	6,027,726	Relocation Allowance	596,000	4,000	12
		Other Soft Costs	763,900	5,127	15
		Reserves	312,603	2,098	6
		Developer's Fee	10,041,588	67,393	204
<b>Total Development Cost</b>	<b>\$78,520,638</b>	<b>Total Development Cost</b>	<b>\$78,520,638</b>	<b>\$526,985</b>	<b>\$1,593</b>

- Estimated Total Development Cost Per Unit (149 Units) = \$526,985



# SDHC – Green Manor Apartments

## Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
Studio	30% (currently \$31,850/year for a one-person household)	10	\$795
Studio	50% (currently \$53,050/year for a one-person household)	10	\$1,326
Studio	60% (currently \$63,660/year for a one-person household)	<u>79</u>	\$1,591
<b>Subtotal Studio Units</b>		<b>99</b>	
One-bedroom	30% (currently \$36,400/year for a two-person household)	5	\$910
One-bedroom	50% (currently \$60,600/year for a two-person household)	5	\$1,515
One-bedroom	60% (currently \$72,800/year for a two-person household)	<u>38</u>	\$1,818
<b>Subtotal One-bedroom Units</b>		<b>48</b>	
<b>Subtotal Affordable Units</b>		<b>147</b>	
Manager's restricted one-bedroom unit	--	<u>2</u>	
<b>Total</b>		<b>149</b>	



# SDHC – Green Manor Apartments Development Timeline

Milestone	Estimated Date
• CDLAC bond and CTCAC tax credit applications.....	August 27, 2024
• CDLAC and CTCAC allocation meeting.....	December 11, 2024
• Housing Commission Board final bond authorization.....	February 2025
• Housing Authority final bond authorization.....	March 2025
• Estimated bond issuance and escrow closing.....	April 2025
• Estimated start of construction work.....	April 2025
• Estimated completion of construction work.....	February 2027

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





# SDHC – Green Manor Apartments Property Exterior



# SDHC – Green Manor Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$45,000,000 in tax-exempt 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 City.
- Neither the full faith and credit nor taxing power of the City nor full faith and credit of the Housing Authority will be pledged to payment of the bonds.



# SDHC – Green Manor Apartments

## Staff Recommendations

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

- 1) Approve the following steps to issue up to \$45,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and taxable bonds in an amount not to exceed \$5,000,000 to facilitate the acquisition and rehabilitation of Green Manor, an affordable housing development at 4041 Ibis Street, San Diego, CA 92103, that will consist of 149 newly renovated units that will remain affordable for 55 years for seniors ages 62 and older earning 30 percent to 60 percent of San Diego's Area Median Income, which includes two restricted managers' units:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$45,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of Green Manor by Green Manor Housing Partners, 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 \$45,000,000 for Green Manor.
  - c. Approve the financing team of Orrick, Herrington & Sutcliffe as the Bond Counsel and Ross Financial as the Financial Advisor.



## SDHC – Green Manor Apartments 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 \$45,000,000 to facilitate the acquisition and rehabilitation of Green Manor.



# SDHC – Green Manor Apartments

## Questions & Comments



# SDHC – Green Manor Apartments

