



EXECUTIVE SUMMARY

MEETING DATE: July 18, 2025

HCR25-053

SUBJECT: Loan Recommendation, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for 73rd Street Apartments

COUNCIL DISTRICT: 9

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Jennifer Kreutter (619) 578-7709

REQUESTED ACTION:

Approve a proposed residual receipts loan in an amount not to exceed \$4,000,000 to 73rd Street Apartments, LP, a California limited partnership, and take the initial steps to issue up to \$47,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and up to \$15,900,000 of taxable bonds to facilitate the acquisition and new construction of 73rd Street Apartments at 5001 73rd St., in the College Area neighborhood, which will consist of 119 affordable rental housing units that will remain affordable for 55 years for households with incomes ranging from 30 percent to 50 percent of San Diego's Area Median Income (AMI), of which 30 units will be permanent supportive housing for households experiencing homelessness, and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- 73rd Street Apartments property is a proposed 120-unit, new-construction, affordable rental housing development in the College area.
- It is within 0.1 of a mile from Bus Stop #11445 and 0.9 of a mile from the 70th Street Light Rail Station, 0.8 of a mile from a grocery store, 0.9 of a mile from an elementary school, 2.7 miles from a middle school, and 1.2 miles from a high school.
- Unit amenities will include blinds, vinyl tile flooring, refrigerator, electric stove/oven and garbage disposal. Site amenities will include: a laundry facility, bike storage, tot lot, courtyard and a large community room with features such as a computer lab, kitchen, and space for workshops, classes, community and social events.
- SDHC has awarded 30 permanent supportive housing project-based vouchers for individuals who experienced homelessness.
- Depending on the individual client's need, the permanent supportive housing units will have access to services, including case management, crisis counseling, benefits counseling, ongoing mental health care, peer support and links to other mental or dental care.
- The site is currently occupied by a vacant County of San Diego building that will be demolished prior to construction. A 99-year ground lease agreement between the County of San Diego (Lessor) and 73rd Street Apartments LP (Lessee) will commence upon an allocation of bonds from the California Debt Limit Allocation Committee, with prepaid rent of \$1 per year.
- The 73rd Street Apartments project has an estimated total development cost of \$91,987,134 (\$766,559/unit).
- The cost per unit is primarily due to prevailing wages, cost of construction materials, interest rates and insurance, energy-efficiency specifications, and a higher share of two- and three-bedroom units for families.
- The developer is Eden Housing Inc.



REPORT

DATE ISSUED: July 10, 2025

REPORT NO: HCR25-053

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of July 18, 2025

SUBJECT: Loan Recommendation, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for 73rd Street Apartments

COUNCIL DISTRICT: 9

Advance notice of San Diego Housing Commission Hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B) for Staff Recommendations No. 1.

Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings are scheduled to be heard by the San Diego Housing Commission (SDHC) Board of Commissioners on July 18, 2025, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that these hearings not take place and instead be heard by the Housing Authority and City Council by giving notice to SDHC's President & Chief Executive Officer, or designee, within seven days of the date of this notice.

REQUESTED ACTION

Approve a proposed residual receipts loan in an amount not to exceed \$4,000,000 to 73rd Street Apartments, LP, a California limited partnership, and take the initial steps to issue up to \$47,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and up to \$15,900,000 of taxable bonds to facilitate the acquisition and new construction of 73rd Street Apartments at 5001 73rd St., in the College Area neighborhood, which will consist of 119 affordable rental housing units that will remain affordable for 55 years for households with incomes ranging from 30 percent to 50 percent of San Diego's Area Median Income (AMI), of which 30 units will be permanent supportive housing for households experiencing homelessness, and one unrestricted manager's unit.

STAFF RECOMMENDATIONS

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board) take the following actions as described in this report:

- 1) Approve a SDHC residual receipts loan in an amount not to exceed \$4,000,000 to 73rd Street Apartments, LP, a California limited partnership, to facilitate the acquisition and new construction of 73rd Street Apartments at 5001 73rd St., in the College Area neighborhood, which will consist of 119 affordable rental housing units that will remain affordable for 55 years for households with income of 30 percent to 50 percent of San Diego's Area Median Income (AMI), of which 30 units will be permanent supportive

housing for households experiencing homelessness, 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 SDHC General Counsel's approval.

- 2) Authorize SDHC's President and Chief Executive Officer (President and CEO), or designee, to:
 - a. Execute all necessary documents and instruments 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. 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 \$4,000,000 maximum SDHC loan amount may not increase.
 - c. 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.
- 3) Approve the following steps to issue up to \$47,000,000 of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$15,900,000 of taxable bonds for 73rd Street Apartments:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$47,000,000 in tax-exempt Multifamily Housing Revenue Bonds for the acquisition and new construction of 73rd Street Apartments by 73rd Street Apartments L.P.
 - 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 \$47,000,000 for 73rd Street Apartments.
 - c. Approve the bond financing team of Hawkins, Delafield & Wood as Bond Counsel and CSG Advisors as Bond Financial Advisor.
- 4) Authorize SDHC's 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 the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

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- 5) 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 \$47,000,000 to facilitate the acquisition and new construction of 73rd Street Apartments.

SUMMARY

Table 1 – Development Details

Address	5001 73 rd St., San Diego, CA 92115
Council District	9
Community Plan Area	College Area Community Planning Group
Developer	Eden Housing, Inc. (Eden)
Development Type	New construction
Construction Type	One level of parking (Type I construction) with four stories of residential (Type V) new construction on top. (Five stories total)
Parking Type	89 tuck under (enclosed) parking spaces
Local Amenities	<u>Mass Transit</u> : 70 th Street Light Rail Station (0.9 of a mile from property) El Cajon Blvd & 73 rd Street Bus Stop #11445 (less than 0.1 of a mile from the property) <u>Grocery</u> : Ralphs (0.8 of a mile from property) <u>Schools</u> : Rolando Elementary School (0.9 of a mile from property) Horace Mann Middle School (2.7 miles from property) Helix High School (1.2 miles from property)
Housing Type	Very low- to extremely low-income households, including households experiencing homelessness (permanent supportive housing).
Accessibility	Wheelchair accessibility in 15 percent of the units, and 10 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	One parcel totaling 1.26 acres, 54,886 square feet
Units	120 (119 units restricted/affordable)
Density	95 dwelling units per acre (120 units ÷ 1.26 acres)
Unit Mix	119 affordable rental units: 58 one-bedroom units, 31 two-bedroom units, 30 three-bedroom units, and one unrestricted two-bedroom manager's unit.
Gross Building Area	156,096 square feet.
Net Rentable Area	91,308 square feet.
Project-Based Housing Vouchers (PBV)	30 Permanent supportive housing PBVs
Affordable Units in Service by Council District	Council District 9 includes 3,260 affordable rental housing units currently in service, which represents 11 percent of the 28,468 affordable rental housing units in service citywide.

The Development

The 73rd Street Apartments project is a proposed 120-unit, new-construction, affordable rental housing development at 5001 73rd St. in San Diego's College Area neighborhood (Attachment 1 – Site Map). The development will be one five-story building and will provide 119 affordable rental units and one unrestricted manager's unit. It will include 58 one-bedroom units, 31 two-bedroom units, 30 three-bedroom units and one unrestricted, two-bedroom manager's unit. The first floor will include the leasing office, management offices, and parking, while the remaining floors will be residential. Unit amenities will include blinds, vinyl tile flooring, refrigerator, electric stove/oven and garbage disposal. Site amenities will include: a laundry

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facility, bike storage, tot lot, courtyard and a large community room with features such as a computer lab, kitchen, and space for workshops, classes, community and social events.

Services

Residents of 73rd Street Apartments will have access to a range of dedicated permanent supportive housing and general community services. Eden Housing Resident Services, an Eden-affiliated nonprofit that has been providing resident services at many of their properties, has been engaged to act as the service coordinator. Depending on the individual client's need, the permanent supportive housing units will have access to services, including case management, crisis counseling, benefits counseling, ongoing mental health care, peer support and links to other mental or dental care.

All residents will have access to a range of organized, individualized and community activities. Examples include assistance with enrollment in Medi-Cal or other public assistance, social events and celebrations, after-school tutoring, computer training, health and wellness classes, unit maintenance, financial education and other life skills.

Developer's Request

In response to SDHC's Fiscal Year (FY) 2023 Notice of Funding Availability (NOFA), Eden applied for a loan and permanent supportive housing project-based housing vouchers (PBVs) for the 73rd Street Apartments development. On April 13, 2023, SDHC staff provided a preliminary recommendation of award for a residual receipts loan of up to \$4,000,000 and 30 permanent supportive housing PBVs for the 73rd Street Apartments development.

The developer proposes to apply for and obtain a CDLAC allocation of authority to issue tax-exempt private equity bonds, a California Tax Credit Allocation Committee (CTCAC) approval for 4 percent tax credits, and third-party financing, as described in this report.

The Property

The property is located on a 1.26-acre lot owned by the County of San Diego. The site is currently occupied by a vacant County of San Diego building that will be demolished prior to construction. The site is less than 0.25 a mile south of Interstate 8, which provides direct access to all areas of the City. In May 2023, Eden executed a Disposition and Development Agreement with the County of San Diego for this parcel. A 99-year ground lease agreement between the County of San Diego (Lessor) and 73rd Street Apartments LP (Lessee) will commence upon an allocation of bonds from CDLAC, with prepaid rent of \$1 per year.

Appraisal

An appraisal of the subject site with an effective date of April 11, 2025, valued the property at \$7,200,000. The developer obtained the appraisal which Novogradac conducted.

Prevailing Wages

The developer proposes to use 30 U.S. Department of Housing and Urban Development (HUD) PBVs, administered by SDHC, which will require the payment of federal Davis-Bacon prevailing wages. The proposed use of State of California Affordable Housing and Sustainable

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Communities Program (AHSC) loan funds will require payment of State of California prevailing wages. The higher of the federal or state prevailing wages will apply.

Project Sustainability

The development will comply with the CTCAC minimum energy efficiency standards. Its features will include Energy Star-rated efficient appliances and a solar component. It will be designed to achieve a Green Point certification. Green Point is a program of Build It Green, a nonprofit organization promoting healthy, energy- and resource-efficient buildings in California. Green Point scores and rates housing in five categories, including energy and water conservation, indoor air quality, sustainable building materials, and community benefits, such as proximity to public transportation. Water conservation will be promoted via low-water-use fixtures in kitchens and bathrooms, low-flow toilets, and low-water-use, native-plants landscaping with water-efficient irrigation controls.

Accessibility

CTCAC requires wheelchair accessibility in 15 percent of the units, and 10 percent of the units must be accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. The 73rd Street Apartments development's units will be accessible in accordance with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act. If HOME Investment Partnerships Program funds are used to fund the development, these accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus 2 percent of the units accessible for residents with visual and/or hearing impairment.

Relocation

The property is vacant. No relocation is necessary.

Development Team

During the tax credit compliance period, 73rd Street Apartments will be owned by a California limited partnership (a single-asset limited partnership) consisting of: 73rd Street Apartments LP as the owner/borrower, Eden 73rd Street LLC as the Managing General Partner, and a to-be-selected tax credit limited partner (Attachment 2 – Organization Chart).

Eden is headquartered in Hayward, California, and was established in 1968. Eden Housing has more than 12,930 rental units under ownership in California, spanning 50 cities in 15 counties. It is a vertically integrated company with in-house asset management, compliance, accounting, resident services, and property management. Eden Housing has acted as the developer on previous affordable housing developments that utilized Multifamily Housing Revenue Bonds that SDHC authorized, with the approval of the Housing Authority of the City of San Diego. Eden is in full compliance on its previous bonds. Based upon the developer's experience and performance, SDHC staff has determined that the developer has the capacity to successfully complete the proposed 73rd Street Apartments development.

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	Eden Housing, Inc. (Eden)
Owner/Borrower	73 rd Street Apartments, LP
Managing General Partner	Eden 73 rd Street LLC
Tax Credit Investor Limited Partner	To be determined
Architect	TCA Architects
General Contractor	To be determined
Property Management	Eden Housing Management, Inc.
Construction and Permanent Lender	To be determined
Tenant Services Providers	Eden Housing Resident Services, Inc.
Construction/Permanent Lender	To be determined

Property Management

The 73rd Street Apartments property will be managed by Eden Housing Management, Inc. Established in 1984, Eden Housing Management owns a management portfolio of over 12,930 units of rental housing in 185 properties, including properties for families, seniors, and people with disabilities. Eden Housing Management, Inc. owns and manages properties in 50 cities across 15 counties in California.

FINANCING STRUCTURE

The 73rd Street Apartments project has an estimated total development cost of \$91,987,134 (\$766,559/unit). Financing will include a combination of sources as described in Table 3. The developer's *pro forma* is included as Attachment 3 and summarized in Table 3 below.

Table 3 – 73rd Street Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Bond financed permanent loan	\$5,020,000	Appraised Land Value & Closing Costs	\$7,270,000	\$60,583
SDHC proposed loan	4,000,000	Hard Costs	57,000,000	475,000
City of San Diego – Bridge to Home Loan	3,000,000	Hard Costs Contingency	2,850,000	23,750
FHLB AHP*	1,785,000	Soft Costs	9,135,853	76,132
County of San Diego – IHTF**	6,875,868	Soft Costs Contingency	323,152	2,693
HCD AHSC – AHD***	20,114,753	Architectural & Engineering	1,481,250	12,344
Impact Fee Waiver	1,544,880	Reserves	879,896	7,332
Donated Land	7,200,000	Financing Fees & Interest	1,138,483	9,487
4% Tax Credit Equity	37,523,102	Legal	132,000	1,100
Deferred Developer Fee	4,923,531	Impact & Permit Fees	1,544,880	12,874
		Developer Fee	10,231,620	85,264
Total Development Cost	\$91,987,134	Total Development Cost	\$91,987,134	\$766,559

* "FHLB AHP" refers to the federal Affordable Housing Program (AHP)'s Federal Home Loan Bank

** "IHTF" refers to Innovative Housing Trust Fund (IHTF) program

*** "HCD AHSC-AHD" refers to the California Department of Housing and Community Development (HCD) Affordable Housing and Sustainable Communities (AHSC) program, specifically the Affordable Housing Development (AHD) component.

SDHC's proposed \$4,000,000 residual receipts loan will be partly funded with the City of San Diego Affordable Housing Fund and partly funded with U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds, both of which SDHC administers. The total amount of SDHC funding sources shall not exceed \$4,000,000. SDHC's President and CEO, or designee, will make a final determination of SDHC funding

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sources contingent upon budget availability. The proposed loan terms are summarized in Attachment 4.

SDHC requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of SDHC subsidy required. If other funding is secured, proceeds will first be used to make an adjustment to reduce SDHC's loan.

Developer Fee

\$10,231,620 – Gross total developer fee limit

-4,923,530 – Minus minimum deferred or contributed developer fee

\$5,308,090 – Net cash-out developer's fee limit

The proposed developer fee complies with SDHC's developer fee guidelines.

Development Cost Key Performance Indicators

SDHC staff has identified development cost performance indicators, which were used to evaluate the proposed development and make a funding recommendation. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – 73rd Street Key Performance Indicators

Development Cost Per Unit	$\$91,987,134 \div 120 \text{ units} =$	\$766,559
Development Cost Per SQ FT (Gross)	$\$91,987,134 \div 156,096 =$	\$589
Development Cost Per SQ FT (Net)	$\$91,987,134 \div 91,308 =$	\$1,007
Housing Commission Subsidy Per Unit	$\$4,000,000 \div 120 \text{ units} =$	\$33,333
Land Cost Per Unit	$\$7,270,000 \div 120 \text{ units} =$	\$60,583
Gross Building Square Foot Hard Cost	$\$57,000,000 \div 156,096 \text{ sq. ft.} =$	\$365
Net Rentable Square Foot Hard Cost	$\$57,000,000 \div 91,308 \text{ sq. ft.} =$	\$624

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

Table 5 – 73rd Street Apartments Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – 73rd Street	2025	120	\$91,987,134 (with prev. wage)	\$766,559	\$33,333	\$365
Serra Mesa Apartments	2025	60	\$43,803,370 (with prev. wage)	\$730,056	\$41,667	\$648
Modica	2023	94	\$58,165,819 (without prev. wage)	\$618,785	\$31,915	\$378

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Kindred	2024	126	\$90,122,469 (with prev. wage)	\$715,259	\$60,759	\$360
Market Street	2024	138	\$71,475,534 (without prev. wage)	\$517,939	\$28,986	\$84

The \$766,559 cost per unit for 73rd Street Apartments is primarily due to the following factors:

- 1) **Prevailing Wages:** The public funding sources utilized by the development both federal and state prevailing wages. The project is also subject to commercial prevailing wages, which adds a 5-10 percent premium beyond standard prevailing wages because the project is five stories.
- 2) **Construction Materials and Labor Costs:** The cost of construction materials, such as steel, lumber, concrete and labor, have continued to escalate this year.
- 3) **Interest Rates & Insurance:** Rising interest rates during recent weeks have also put pressure on the development budget.
- 4) **Energy Efficiency:** The development has emphasized energy-efficient specifications, including 100 percent electrical power, energy-efficient appliances, low-flow plumbing fixtures, and intricate insulation systems.
- 5) **Large Family Unit Component:** The project is proposed as development for large families with no studio units and a significantly higher share of two- and three-bedroom units. This family component also required the developer to provide additional community amenities, including play areas and community space.

TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS

SDHC utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the SDHC Board. SDHC bond inducement resolutions must be obtained prior to application submittal, and City Council TEFRA resolutions must be secured by the time of project closing. These actions do not obligate the Housing Authority to issue bonds.

The SDHC Board is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906).

The developer plans to submit a bond allocation application to CDLAC on September 9, 2025, for November 19, 2025, bond allocation meeting (dates are subject to change at CDLAC's discretion). However, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the proposed development.

The developer will be seeking a CDLAC bond allocation of approximately \$47,000,000 in tax-exempt Multifamily Housing Revenue Bonds. The developer proposes to have the Housing Authority issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of SDHC's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bond disclosure. The developer proposes that the bonds will be used to provide construction and permanent financing for the project. SDHC staff will later return to both the SDHC Board and Housing Authority for approval of the final bonds and transaction documents. A general description of the Multifamily Housing Revenue Bond Program and actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

Staff recommend assigning Hawkins, Delafield & Wood as Bond Counsel and CSG Advisors as Bond Financial Advisor to work on the development. The proposed bond financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with SDHC's Bond Program Policy.

AFFORDABLE HOUSING IMPACT

Project-Based Vouchers (PBVs)

SDHC has provided a preliminary award recommendation of 30 PBVs for 73rd Street Apartments, which are for households experiencing homelessness with income up to 30 percent of AMI, currently \$39,700 per year for a two-person household. The recommendation for these vouchers is contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment Contract and verification of services. Under the PBV program, the tenant's rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by SDHC. The Housing Assistance Payment provides a rental subsidy for residents in 73rd Street Apartment's 30 voucher-assisted units. The PBV units are one- and two-bedroom units. The tenants will be identified through the Coordinated Entry System (CES). Supportive Services for residents will be provided by Eden Housing Resident Services.

Affordability

The 73rd Street Apartments development will be subject to an SDHC Declaration of Covenants and Restrictions and applicable tax credit and bond regulatory agreements, which will restrict affordability of 119 units for 55 years.

The rent and occupancy restrictions required by SDHC, CTCAC and other lenders and investors will apply. The same units may be counted as the tax credit restricted units and the SDHC loan's restricted units. The more stringent funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

Table 6 – 73rd Street Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
One bedroom (PBV)	30% (\$39,700/year for two-person household)	28	\$930
One bedroom	40% (\$52,950/year for two-person household)	15	\$1,240
One bedroom	50% (\$66,150/year for two-person household)	15	\$1,550
Subtotal One-Bedroom Units	--	58	--
Two bedrooms (PBV)	30% (\$44,650/year for three-person household)	2	\$1,116
Two bedrooms	30% (\$44,650/year for three-person household)	4	\$1,116
Two bedrooms	40% (\$59,550/year for three-person household)	16	\$1,489
Two bedrooms	50% (\$74,450/year for three-person household)	9	\$1,861
Subtotal Two-Bedroom Units	--	31	--
Three bedrooms	30% (\$49,600/year for four-person household)	4	\$1,240
Three bedrooms	40% (\$66,150/year for four-person household)	15	\$1,654
Three bedrooms	50% (\$82,700/year for four-person household)	11	\$2,068
Subtotal Three-Bedroom Units	--	30	--
Manager's two-bedroom unit	--	1	
Total Units	--	120	--

FISCAL CONSIDERATIONS

The funding sources and uses proposed to be approved by this action are included in SDHC's Housing Authority-approved FY 2026 budget.

Funding sources to be approved by this action:

Bond Issuer Fee – (47,000,000 (Tax-exempt) + 15,900,000 (Taxable)) X 0.0025 = \$157,250

HOME and Affordable Housing Fund – up to \$4,000,000

Total Funding Sources – up to \$4,157,250

Funding uses approved by this action

Administrative costs - \$157,250

SDHC Loan – up to \$4,000,000

Total Funding Uses - up to \$4,157,250

Approving this action will further grant the President and CEO, or designee, the authority to substitute the above funding sources with other available funding sources so long as the total SDHC loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to SDHC's benefit.

Approval of the bond inducement and holding a TEFRA hearing does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority, nor SDHC because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City, nor the Housing Authority, would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing,

including SDHC’s annual administrative fee, as well as SDHC’s Bond Counsel and Financial Advisor fees.

Estimated Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
• CDLAC bond & CTCAC tax credit applications • CDLAC & CTCAC allocation meetings • SDHC Board final bond authorization • Housing Authority final bond authorization • Estimated bond issuance and escrow/loan closing • Estimated start of construction work • Estimated completion of construction work	• September 9, 2025 • November 19, 2025 • January 2026 • February 2026 • March 2026 • March 2026 • August 2027

SDHC STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 in SDHC’s Strategic Plan for FY 2022-2024: Increasing and Preserving Housing Solutions. SDHC is in the process of developing a new Strategic Plan.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On May 8, 2023, Eden presented the proposed development as an informational item to the College Area Community Planning Group.

KEY STAKEHOLDERS & PROJECTED IMPACTS

Stakeholders include Eden as the developer; Eden Housing Resident Services as the service provider; SDHC and the City of San Diego as lenders; the County of San Diego as a lender and ground lessor; the College Area Community Planning Group; and future residents of 73rd Street Apartments. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 119 new affordable rental homes for San Diego residents and one manager’s unit.

STATEMENT for PUBLIC DISCLOSURE

The developer’s Disclosure Statement is at Attachment 6.

NONDISCRIMINATION ASSURANCE

At SDHC, we’re about people. We are committed to ensuring a compassionate, person-centered approach to SDHC’s programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

Eden is committed to complying with all applicable fair housing, equal opportunity and nondiscrimination laws and has submitted a workforce report for record-keeping purposes only.

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ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA)

On April 6, 2023, the County of San Diego determined that the proposed project is consistent with the criteria required by CEQA Guidelines Section 15332 for a Class 32 Categorical Exemption and would not result in significant environmental effects as documented in the CEQA Class 32 Categorical Exemption Report dated February 2023, as it involves infill development consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations, occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses, has no value as habitat for endangered, rare, or threatened species, will be adequately served by all required utilities and public services, and would not result in any significant effects relating to traffic, noise, air quality, or water quality. Further, no exceptions listed in CEQA Guidelines Section 15300.2 apply to the project. Additionally, the project will not impact environmental resources of hazardous or critical concern that are designated, precisely mapped and officially adopted by government agencies; does not contribute to cumulative environmental impact; will not have a significant impact on the environment due to unusual circumstances; does not damage scenic resources within a designated state scenic highway; and is not on the list of Hazardous Waste and Substance Sites pursuant to Section 65962.5 of the Government Code.

National Environmental Policy Act (NEPA)

Federal funds constitute a portion of the funding for this project. The parties agree that the provision of federal funds as a result of this action is conditioned on the approval of the Environmental Assessment by the City of San Diego and the receipt of Authority to Use Grant Funds from the U.S. Department of Housing and Urban Development (HUD). Final authorization to use grant funds was received from HUD on August 9, 2024.

Respectfully submitted,



Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachments:

1. Site Map
2. Organization Chart
3. Developer's Project Pro Forma
4. Proposed Loan Terms
5. Multifamily Housing Revenue Bond Program
6. Developer's Disclosure Statement

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at www.sdhc.org.