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San Diego Housing Commission (SDHC)
Final Bond Authorization and Tax Equity and Fiscal Responsibility Act
(TEFRA) Hearing and Resolution for Hillcrest Hall Apartments
Presentation to the SDHC Board of Commissioners
April 16, 2026

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



Development Summary

- Proposed new construction of 97 affordable rental housing units and one unrestricted managers' unit at 1601 University Avenue in Council District 3.
- 97 affordable units for households with income from 30 percent to 70 percent of San Diego's Area Median Income (AMI).
 - \$39,700/year – \$115,800/year for two- to four-person households.
- 55-year affordability term.

Site amenities will include:

- Clubhouse/Community Room
- Computer Room
- On-site Management
- Picnic Area
- Playground
- Private Balconies
- Rooftop Patio

One eight-story building:

- First level: Clubhouse and Community Room
- Second level: Residential units, amenities and an outdoor deck
- Remaining six levels: Entirely residential



Developer and Service Provider Summary

- CRP Affordable Housing and Community Development (CRP)
 - Established in 2019
 - Subsidiary of Castellan Holdings LLC, an experienced, for-profit, real estate development firm, created in 2008
 - Manages over 2,500 affordable housing units
 - Currently developing 1,000 affordable units
- Pursuant to SDHC’s Fiscal Year 2024 Notice of Funding Availability (NOFA), SDHC staff provided a recommendation of a residual receipts loan of up to \$5,000,000.
- Life Skills Training and Education Programs, Inc (LifeSTEPS) will provide services for all residents:
 - Health care services
 - Social services
 - Financial literacy classes
 - Recreational activities



Local Amenities Map





Estimated Permanent Financing Sources and Uses

| Permanent Financing Sources | Amount | Permanent Uses | Amount |
|---|---------------------|-------------------------------|---------------------|
| Federal LIHTC Equity | \$23,893,839 | Land Acquisition | \$8,706,600 |
| State LIHTC Equity | 10,680,000 | Hard Costs | 32,830,000 |
| Permanent Loan (Tax-Exempt) | 18,200,000 | Hard Costs Contingency | 1,651,830 |
| Permanent Loan (Taxable) | 942,280 | Soft Costs | 3,616,906 |
| City of San Diego Bridge to Home | 3,175,000 | Soft Costs Contingency | 873,534 |
| SDHC Loan | 5,000,000 | Architect & Engineering | 1,930,000 |
| Cash Back Forward Interest (Tax-Exempt) | 1,277,640 | Financing Fees & Interest | 11,353,488 |
| Cash Back Forward Interest (Taxable) | 2,211,300 | Impact & Permit Fees | 2,450,000 |
| RR Loans Accrued Interest | 673,125 | Escrows and Reserves | 704,494 |
| Deferred Developer Fee | 5,936,153 | Developer's Fee | 7,872,484 |
| Total Development Cost | \$71,989,337 | Total Development Cost | \$71,989,337 |

Estimated Total Development Cost Per Unit (97 Units) = \$734,585



Affordability and Estimated Rents

| Unit Type | AMI | Units | CTCAC Gross Rents |
|-------------------------------------|---|-----------|-------------------|
| One bedroom | 30% (\$39,700/year for two-person household) | 7 | \$930 |
| One bedroom | 50% (\$66,150/year for two-person household) | 4 | \$1,550 |
| One bedroom | 60% (\$79,380/year for two-person household) | 20 | \$1,860 |
| One bedroom | 70% (\$92,650/year for two-person household) | 4 | \$2,316 |
| Subtotal One Bedroom Units | -- | 35 | -- |
| Two bedrooms | 30% (\$44,650 /year for three-person household) | 4 | \$1,116 |
| Two bedrooms | 50% (\$74,450/year for three-person household) | 3 | \$1,861 |
| Two bedrooms | 60% (\$89,340/year for three-person household) | 10 | \$2,233 |
| Two bedrooms | 70% (\$104,200/year for three-person household) | 11 | \$2,605 |
| Subtotal Two Bedroom Units | -- | 28 | -- |
| Three bedrooms | 30% (\$49,600/year for four-person household) | 4 | \$1,240 |
| Three bedrooms | 50% (\$82,700/year for four-person household) | 4 | \$2,068 |
| Three bedrooms | 60% (\$99,240/year for four-person household) | 10 | \$2,481 |
| Three bedrooms | 70% (\$115,800/year for four-person household) | 16 | \$2,895 |
| Subtotal Three Bedroom Units | -- | 34 | -- |
| Manager's three bedrooms unit | -- | 1 | |
| Total Units | -- | 98 | -- |



Development Timeline

| Milestones | Estimated Dates |
|---|-----------------|
| Housing Authority consideration of Bond Authorization | May 12, 2026 |
| Estimated Bond issuance and Escrow/Loan Closing | June 2026 |
| Estimated start of construction work | July 2026 |
| Estimated completion of construction work | June 2028 |



Architect's Rendering



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Bond Issuance Summary

- Proposed bond issuance of up to \$20,000,000 in tax-exempt bonds.
- Proposed bond issuance of up to \$40,000,000 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 action and recommend that the Housing Authority and City Council take the following actions:

SDHC Board

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount not to exceed \$20,000,000, to fund Hillcrest Hall, LP's acquisition and new construction of Hillcrest Hall, a new affordable rental housing development at 1601 University Ave. in the Uptown Community Plan area, which will consist of 97 rental housing units that will remain affordable for 55 years for families earning 30 percent to 70 percent of the San Diego Area Median Income (AMI), and one unrestricted manager's unit.



Staff Recommendations (Continued)

Housing Authority

- 1) Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$20,000,000 and taxable bonds in an amount not to exceed \$40,000,000, to fund Hillcrest Hall L.P's acquisition and new construction of Hillcrest Hall, a new affordable rental housing development at 1601 University Ave. in the Uptown Community Plan area, which will consist of 97 units that will remain affordable for 55 years for families earning 30 percent to 70 percent of the San Diego Area Median Income (AMI), and one unrestricted manager's unit.

- 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 the General Counsel of the Housing Authority and of SDHC 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.



Staff Recommendations (Continued)

City Council

- 1) Adopt a Tax Equity and Fiscal Responsibility Act (TEFRA) resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount not to exceed \$20,000,000 to fund Hillcrest Hall, LP's acquisition and new construction of Hillcrest Hall, a new affordable rental housing development at 1601 University Ave. in the Uptown Community Plan area, which will consist of 97 rental housing units that will remain affordable for 55 years for families earning 30 percent to 70 percent of the San Diego Area Median Income (AMI), and one unrestricted manager's unit.



Questions & Comments

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