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San Diego Housing Commission (SDHC)

Loan Recommendation for Swift Avenue Apartments

Presentation to the SDHC Board of Commissioners
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Jennifer Kreutter
Vice President of Multifamily Housing Finance
Real Estate Division

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



SDHC – Swift Avenue Apartments

Development Summary

- Proposed new construction of 56 affordable rental housing units and one unrestricted manager's unit at 4017 - 4021 Swift Ave. in Council District 9
 - 56 affordable units for households with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI)
 - \$39,700/year – \$89,340/year for two- to three-person households
 - 55-year affordability term
- Site amenities will include:
 - Community room
 - Leasing office
 - Resident services office
 - On-site laundry facility
 - Elevator
 - Street-facing courtyard
- Swift Avenue will employ a five-story building consisting of four stories of residential over one story of tenant community space.



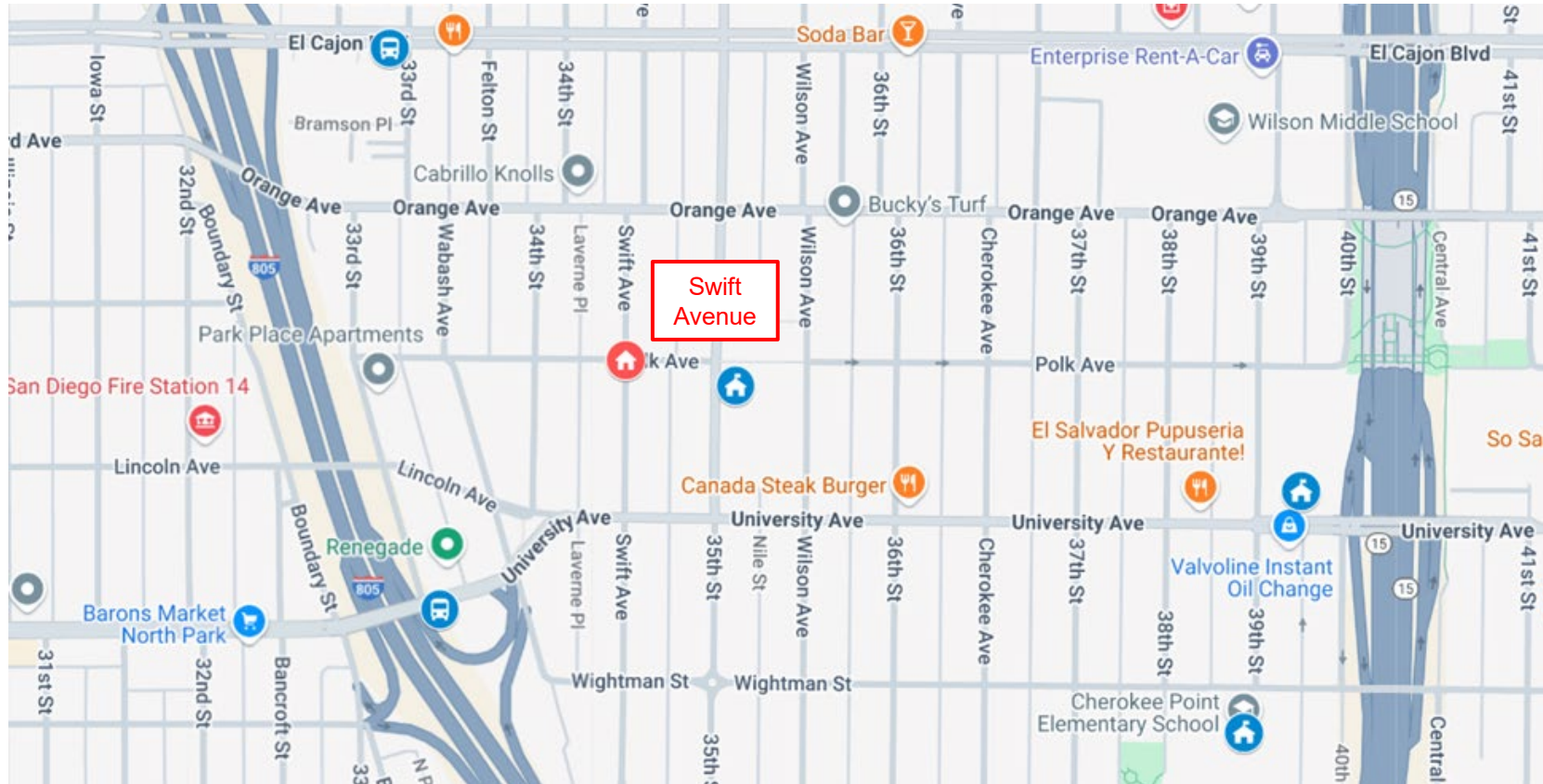
SDHC – Swift Avenue Apartments

Developer and Service Provider Summary

- Community HousingWorks (CHW) is an award-winning, 501(c)(3) nonprofit formed in 2002 by the merger of Community Housing of North County and San Diego Neighborhood Housing Services.
 - CHW serves more than 14,000 families.
 - CHW owns more than 4,971 apartments in 52 communities statewide.
- 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 \$4,000,000 and 20 federal Veterans Affairs Supportive Housing (VASH) Project-Based Vouchers (PBV).
- Services will be provided by the U.S. Department of Veteran Affairs (VA) and CHW's resident services programs:
 - The VA will provide case management and supportive services to the 20 VASH PBV households.
 - CHW will provide general services to residents of all 56 affordable housing units.



SDHC – Swift Avenue Apartments Local Amenities Map



SDHC – Swift Avenue Apartments

Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Permanent loan	\$6,922,000	Land Acquisition and Acquisition Closing Costs	\$4,035,000
Seller Carryback Loan	1,285,000	Hard Costs	22,074,267
Accrued Deferred Interest	131,178	Hard Costs Contingency	1,056,964
SDHC Proposed Loan	4,000,000	Soft Costs	6,802,394
Accrued Deferred Interest	162,455	Soft Costs Contingency	521,389
City Bridge to Home (CDBG) Loan	4,000,000	Permits and fees	194,433
Accrued Deferred Interest	130,945	Financing Costs	537,397
Impact Fee Waiver	804,311	Impact Fee Waiver	804,311
Sponsor Capital Contributions	100	Total Reserves	532,672
LP Capital Contributions (9% Tax Credit Equity)	21,622,838	Developer Fee	2,500,000
Total Development Cost	\$39,058,827	Total Development Cost	\$39,058,827

- Estimated Total Development Cost Per Unit (57 Units) = \$685,243



SDHC – Swift Avenue Apartments

Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One-bedroom	30% (currently \$39,700/year for a two-person household)	17	\$930
One-bedroom	50% (currently \$66,150/year for a two-person household)	24	\$1,515
One-bedroom	60% (currently \$79,380/year for a two-person household)	<u>11</u>	\$1,860
Subtotal One-bedroom Units		52	
Two-bedroom	30% (currently \$44,650/year for a three-person household)	1	\$1,116
Two-bedroom	50% (currently \$74,450/year for a three-person household)	2	\$1,861
Two-bedroom	60% (currently \$89,340/year for a three-person household)	<u>1</u>	\$2,233
Subtotal Two-bedroom Units		4	
Subtotal Affordable Units		56	
Manager's unrestricted two-bedroom unit	--	<u>1</u>	
Total		57	



SDHC – Swift Avenue Apartments Development Timeline

Milestone	Estimated Date
• California Tax Credit Allocation Committee (CTCAC) 9% tax credit application.....	July 8, 2025
• CTCAC 9% tax allocation meeting.....	September 30, 2025
• Estimated escrow/loan closing.....	March 2026
• Estimated start of construction work.....	April 2026
• Estimated completion of construction work.....	October 2027



SDHC – Swift Avenue Apartments Architect's Rendering



SDHC – Swift Avenue 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 \$4,000,000 to Swift Avenue Housing Associates, L.P., a California limited partnership, to facilitate the acquisition and new construction of Swift Avenue Apartments, a transit-oriented development at 4017-4021 Swift Ave. in the City Heights Community Plan area, which will consist of 56 units that will remain affordable for 55 years for low-income households and veterans with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI), of which 20 units will be permanent supportive housing for veterans 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 the SDHC General Counsel's approval.



SDHC – Swift Avenue Apartments Staff Recommendations (Continued)

- 2) Authorize SDHC's President and Chief Executive Officer, 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.



SDHC – Swift Avenue Apartments

Questions & Comments



SDHC – Swift Avenue Apartments

