



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

San Diego Housing Commission (SDHC)  
Final Bond Authorization for Tizon Apartments  
(Formerly known as Rancho Bernardo Radisson Hotel Conversion)  
Presentation to the SDHC Board of Commissioners  
November 12, 2021

Jennifer Kreutter  
Director of Multifamily Loan Underwriting & Special Assets  
Real Estate Division



## SDHC – Tizon Apartments Development Summary

- Acquisition and rehabilitation of 175 affordable rental housing units and three unrestricted managers' units at 11520 West Bernardo Court in Ranch Bernardo in Council District 5.
- Rents affordable for 55 years for senior households, age 62 and older, with income at 40 percent to 60 percent of San Diego's Area Median Income (AMI).
- Mass Transit Bus Stop is 300 feet from property along West Bernardo Road.
- Affirmed Housing Group applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2021 Notice of Funding Availability.
- SDHC Board of Commissioners approved a loan of up to \$4,500,000 on April 2, 2021.
- SDHC provided a preliminary award of 44 Project-Based Housing Vouchers (PBVs).
- EnGAGE will provide services and case management for residents. San Ysidro Health will provide in-kind services as needed.



# SDHC – Tizon Apartments Location Map





## SDHC – Tizon Apartments Aerial View



# SDHC – Tizon Apartments

## Estimated Permanent Financing Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts
Permanent Loan (FHA)	\$28,572,660	Acquisition	\$28,000,000
SDHC Proposed Loan	\$4,017,167	Construction	\$10,783,794
Federal Tax Credits	\$17,006,309	Architecture	\$790,000
Release of Working Capital	\$298,374	Financing & Legal	\$1,201,458
Deferred Developer Fee	\$482,833	Taxes & Insurance	\$641,400
		Soft Cost	\$2,785,361
		City Permits & Impact Fees	\$1,543,330
		Developer Fee	\$4,060,000
		Reserves	\$572,000
Total Sources	\$50,377,343	Total Development Cost	\$50,377,343

- Estimated Total Development Cost Per Unit (178 Units) = \$283,019



# SDHC – Tizon Apartments

## Affordability & Proposed Rents

Unit Type	AMI	Units	Maximum Gross Rent
Studio (with PBVs)	40%	44	\$1,526
Studio	50%	88	\$1,061
Studio	60%	43	\$1,273
Subtotal		175	--
Managers' Units	--	3	--
Total	--	178	--



# SDHC – Tizon Apartments Development Timeline

Milestones	Estimated Dates
Housing Authority Final Bond Authorization	December 7, 2021
Estimated Bond Issuance and Escrow Closing	February 15, 2022
Estimated Start of Construction	February 15, 2022
Estimated Completion of Construction	March 2023



## SDHC – Tizon Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$24,926,225 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 – Tizon Apartments

### Staff Recommended Actions

**That the SDHC Board of Commissioners (Board) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:**

- 1) Authorize the issuance up to \$24,926,225 in tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and renovation of Tizon Apartments.
- 2) Authorize SDHC's President & CEO, or designee, to execute necessary documents in a form approved by the General Counsel and take necessary actions upon advice of General Counsel and/or Bond Counsel.

**That the SDHC Board recommend that the San Diego City Council:**

Adopt a Tax Equity and Fiscal Responsibility Act (TEFRA) resolution approving the issuance of tax-exempt Multifamily Housing Revenue Notes in an amount not to exceed \$24,926,225 to facilitate the development of Tizon Apartments.



# Questions & Comments

