



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)

Loan Recommendation for Navajo Family Apartments

Presentation to the SDHC Board of Commissioners
June 10, 2022

Colin Miller
Senior Vice President, Housing Finance and
Property Management
Real Estate Division



SDHC – Navajo Family Apartments Development Summary

- Proposed new construction of 44 affordable rental units and one unrestricted manager's unit:
 - 21 one-bedroom units
 - 11 two-bedroom units
 - 12 three-bedroom units
 - 1 unrestricted manager's unit
- Affordable for 55 years for individuals and families with income from 30 percent to 60 percent of San Diego's Area Median Income (\$39,050 - \$78,060/year for a family of four)
- 7005 Navajo Road in the San Carlos neighborhood
- Metropolitan Transit System bus lines less than 1/2 mile away on Navajo Road & Jackson Road
- Grantville Trolley Station approximately 4.2 miles west from the property

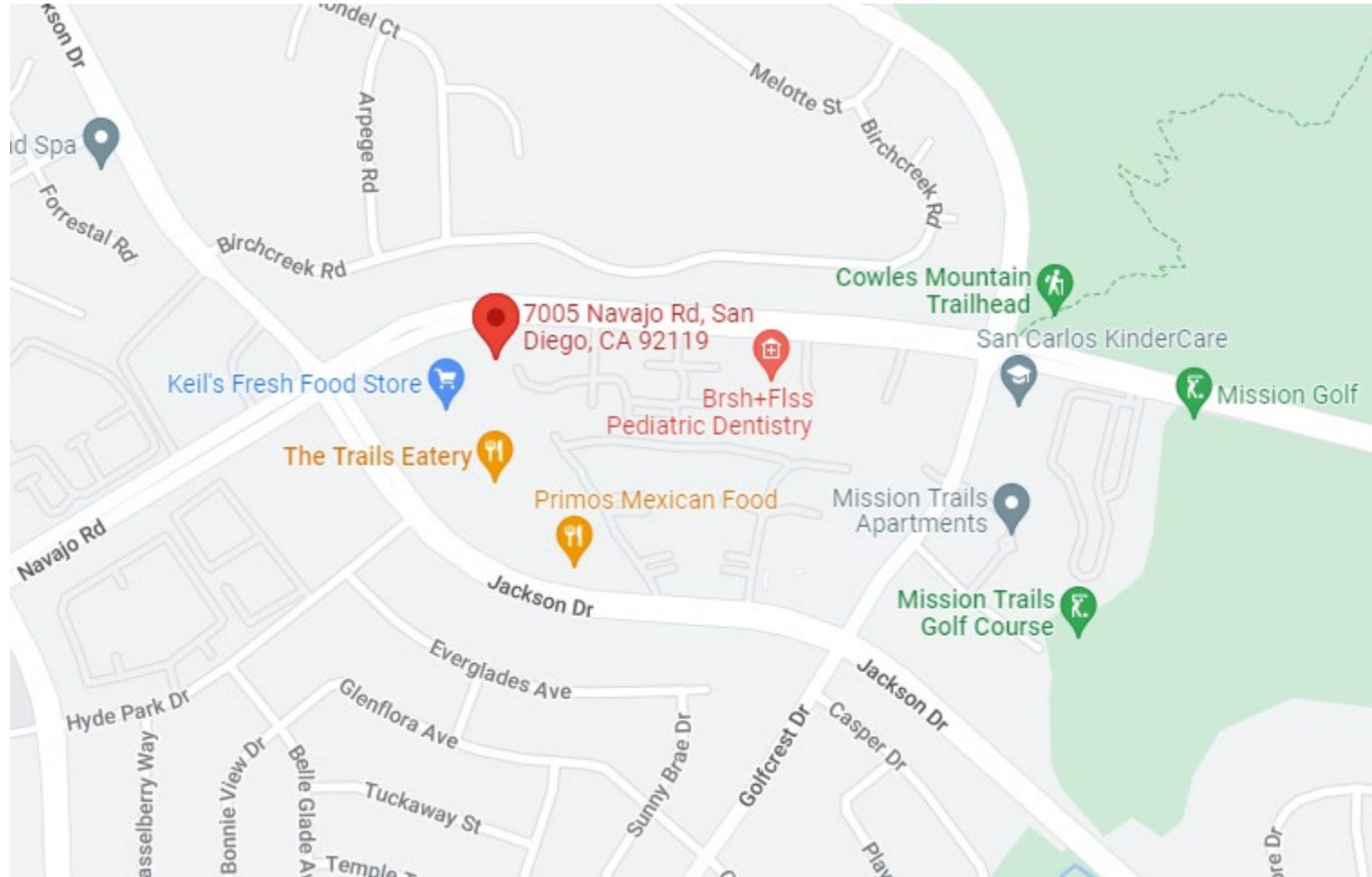


SDHC – Navajo Family Apartments Development Summary

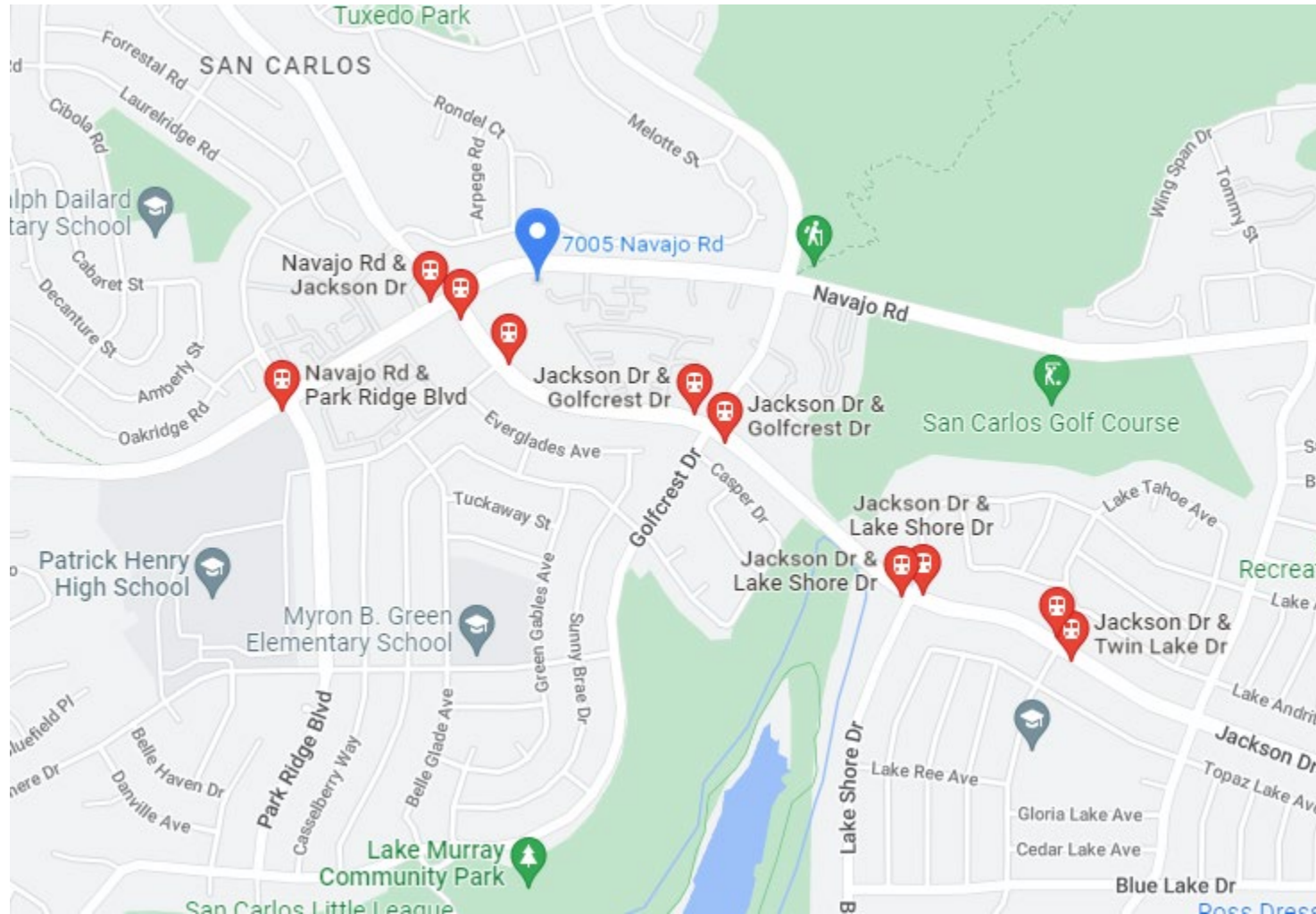
- The developer, Community Housing Works, applied for a residual receipts loan and federal rental housing vouchers through SDHC’s Fiscal Year 2022 Notice of Funding Availability.
- SDHC made a preliminary award of:
 - Loan of up to \$3,379,200 subject to SDHC Board of Commissioners approval
 - 8 Project-Based Housing Vouchers
- Achieve Resident Services: Resident opportunity and needs assessment for Navajo Family Apartments
 - Core service initiative areas:
 - Financial Well-Being
 - Next Generation Success
 - Health and Wellness



SDHC – Navajo Family Apartments Location Map



SDHC – Navajo Family Apartments Proximity to Transit (Bus)



SDHC – Navajo Family Apartments

Estimated Permanent Financing Sources and Uses

Financing Sources	Amount	Financing Uses	Amount
Permanent Loan	\$6,017,000	Land & acquisition/holding costs	\$2,236,500
Federal LIHTC Equity	15,934,849	Construction cost 13,757,999 Contingency + 740,400 Total construction <u> \$ 14,498,399</u>	14,498,399
SDHC Loan	3,379,200	Financing costs	2,118,517
Impact Fee waiver	143,220	Architect & Engineering	1,542,774
Deferred Developer Fee	200,000	Other soft costs	890,354
General Partner Contribution	100	Reserves	198,700
		Real Estate Tax & Insurance	339,575
		Soft cost contingency	375,003
		Legal	122,500
		City Fees	1,152,047
		Developer Fee	2,200,000
Total Development Sources	25,674,369	Total Uses	25,674,369

- Estimated Total Development Cost Per Unit (45 Units) = \$570,542



SDHC – Navajo Family Apartments

Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One Bedroom Units	30%	3	\$732
One Bedroom Units	50%	1	\$1,135
<u>One Bedroom Units</u>	60%	<u>17</u>	\$1,220 & \$1,464
Subtotal One Bedroom units		21	
Two Bedroom Units	30%	2	\$878
Two Bedroom Units	50%	1	\$1,349
<u>Two Bedroom Units</u>	60%	<u>8</u>	\$1,463 & \$1,756
Subtotal Two Bedroom Units		11	
Three Bedroom Units	30%	3	\$1,015
<u>Three Bedroom Units</u>	60%	<u>9</u>	\$1,691 & \$2,030
Subtotal Three Bedroom Units		12	
Subtotal Residential Units	--	<u>44</u>	--
Manager's unrestricted two-bedroom unit		1	
Total Units		45	



SDHC – Navajo Family Apartments Development Timeline

Milestones	Estimated Dates
<ul style="list-style-type: none">• CTCAC 9 percent tax credit application• CTCAC 9 percent tax credit allocation meeting• Estimated escrow/loan closing• Estimated start of construction work• Estimated completion of construction work	June 30, 2022 September 28, 2022 November 2022 November 2022 December 2023



SDHC – Navajo Family Apartments Development Team Summary

Role	Firm/Contract
Developer	Community Housing Works
Owner/Borrower	Navajo Road Housing Associates, L.P.,
Managing General Partner	Navajo Road LLC
Architect	Rodriguez Associates Architects & Planners
General Contractor	Sun Country Builders
Property Management	ConAm Management Corporation
Tenant Services Provider	CHW's Achieve Resident Services
Construction Lender Permanent Lender	To be determined
Tax Credit Equity Partner	To be determined



SDHC – Navajo Family 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 \$3,379,200 to Navajo Road Housing Associates, L.P. (NRHA), a California Limited Partnership, to facilitate the acquisition and new construction of Navajo Family Apartments at 7005 Navajo Road, San Diego, in the San Carlos neighborhood, which will consist of 44 units that will remain affordable for 55 years for households with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI), and one unrestricted manager's unit.
 - Loan contingent on developer receiving necessary third-party funds.
2. Authorize the President and Chief Executive Officer, or designee:
 - To execute necessary documents in a form approved by General Counsel and take necessary actions upon advice of General Counsel, provided that a copy of the documents is submitted to each Commissioner;
 - To adjust financing terms, provided that the proposed \$3,379,200 maximum SDHC loan amount may not increase; and
 - To substitute approved funding sources with any other available funds as deemed appropriate, contingent on budget availability.



SDHC – Navajo Family Apartments

Questions & Comments

