

REPORT

DATE ISSUED: June 8, 2007 REPORT NO: HCR 07-43

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of June 15, 2007

SUBJECT: Renaissance at North Park Senior Apartments, 4330 30th Street (Council District 3)

REQUESTED ACTION:

Approve the loan agreement revision as identified in the staff recommendation below and discussed in this report. All other previously approved loan terms and conditions are to remain unchanged.

STAFF RECOMMENDATION:

Subject to the conditions described below:

1. Approve a revision to the Declarations of Covenants, Conditions and Restrictions to reflect the adjustment of HOME units from nine (9) two-bedroom units and two (2) one-bedroom units to seven (7) two-bedroom units and four (4) one-bedroom units at the Renaissance at North Park Senior Apartments, 4330 30th Street (Council District 3)
2. Authorize the President and Chief Executive Officer, or designee, to execute any and all documents necessary to facilitate this revision.

BACKGROUND:

Renaissance at North Park Senior Apartments was previously approved for a \$1,990,606 residual receipts loan by the San Diego Housing Commission in June 2004. The loan closed and received an award of 9% tax credits in summer 2004. It is a 96-unit senior apartment complex developed by San Diego Interfaith Housing Corporation. It was issued a Certificate of Occupancy in February 2007. The proposed unit mix at the time of loan approval was 85 one-bedroom units and 11 two-bedroom units. Two of the two-bedroom units are identified as Managers' units. During the latter course of the project's design development, unit size constraints were encountered making it impossible to deliver eleven two-bedroom rental units. After a re-design, the project now has nine two-bedroom and two additional one-bedroom units (or 87 one-bedroom units).

The HOME Program unit mix is now reflected as follows:

Household Affordability	Unit Type	# of Original Units	# of Proposed Units
40% AMI	2 br	6	6
50% AMI	1 br	2	4
50% AMI	2 br	3	1

The total project financing and position, which remains unchanged is as follows:

Conventional Mortgage:	\$ 2,956,049
9% Tax Credits:	11,245,015
San Diego Housing Commission Loan	1,990,606
Redevelopment Agency of San Diego (Grant)	1,164,365
Affordable Housing Program Loan	485,000
Deferred Developer Fee	485,000
Redevelopment Agency of San Diego (Residual Receipts Loan)	<u>1,200,000</u>
Total Project Financing	\$19,526,035

All terms of the financing and affordability remain the same. The developer has addressed this change with the State of California Tax Credit Allocation Committee. The Redevelopment Agency has been notified and there is no impact on that agency's agreement or documents.

AFFORDABLE HOUSING IMPACT:

There is no change in the total number of units provided or in the affordability levels. There is a net loss of two bedrooms and the unit mix is changed from 85 one-bedroom units and 11 two-bedroom units to 87 one-bedroom units and nine two-bedroom units.

FISCAL CONSIDERATIONS:

This will have no impact on the total amount of funds previously approved. The project has had a net loss of two bedrooms which has changed the Housing Commission subsidy per bedroom from \$18,604 to \$18,958. The project is still within HOME Program maximum per unit investment limits.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On June 10, 2003, the Housing Authority of the City of San Diego unanimously approved a \$1,990,606 residual receipts loan to San Diego Interfaith Housing Corporation per the terms and conditions outlined in Housing Commission Report HCR03-041. On June 15, 2004, the Housing Authority of the City of San Diego unanimously approved a pro-rata sharing of residual receipts with the Redevelopment Agency of the City of San Diego per the terms and conditions outlined in Housing Commission Report HCR04-046.

ENVIRONMENTAL REVIEW

This new construction project is completed. It received its final certificate of occupancy in February 2007. It is being brought forward for a revision to its CC&R's only. The previously approved June 4, 2004 Housing Commission Report (HCR04-046) stated that the City of San Diego has previously completed an environmental review pursuant to both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), issuing a combined Mitigated Negative Declaration/Finding of No Significant Impact (LDR No. 42-0892).

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Extremely low and very low income senior residents are the current residents of the affected units. There will be no change in their occupancy status or unit location.

Respectfully submitted,

Approved by,



Cissy Fisher
Director of Housing Finance & Development



Elizabeth C. Morris
President & Chief Executive Officer