



SAN DIEGO  
HOUSING  
COMMISSION

“We’re About People”

# San Diego Housing Commission

## Loan Recommendation for The Nook East Village

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# SDHC – The Nook Partnership Development Recommendation

That the San Diego Housing Commission (SDHC) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- Approve a residual receipts loan in an amount not to exceed \$750,000 to a to-be-formed Limited Partnership consisting of Trestle Development, LLC (Trestle) as the General Partner, National Housing Corporation (NHC) as Managing General Partner, and Glamor Investments, LLC as equity investor Limited Partner to finance the acquisition and development of The Nook East Village at 1492 K Street, San Diego, 92101, contingent upon receiving all necessary third-party funding commitments.



# SDHC – The Nook

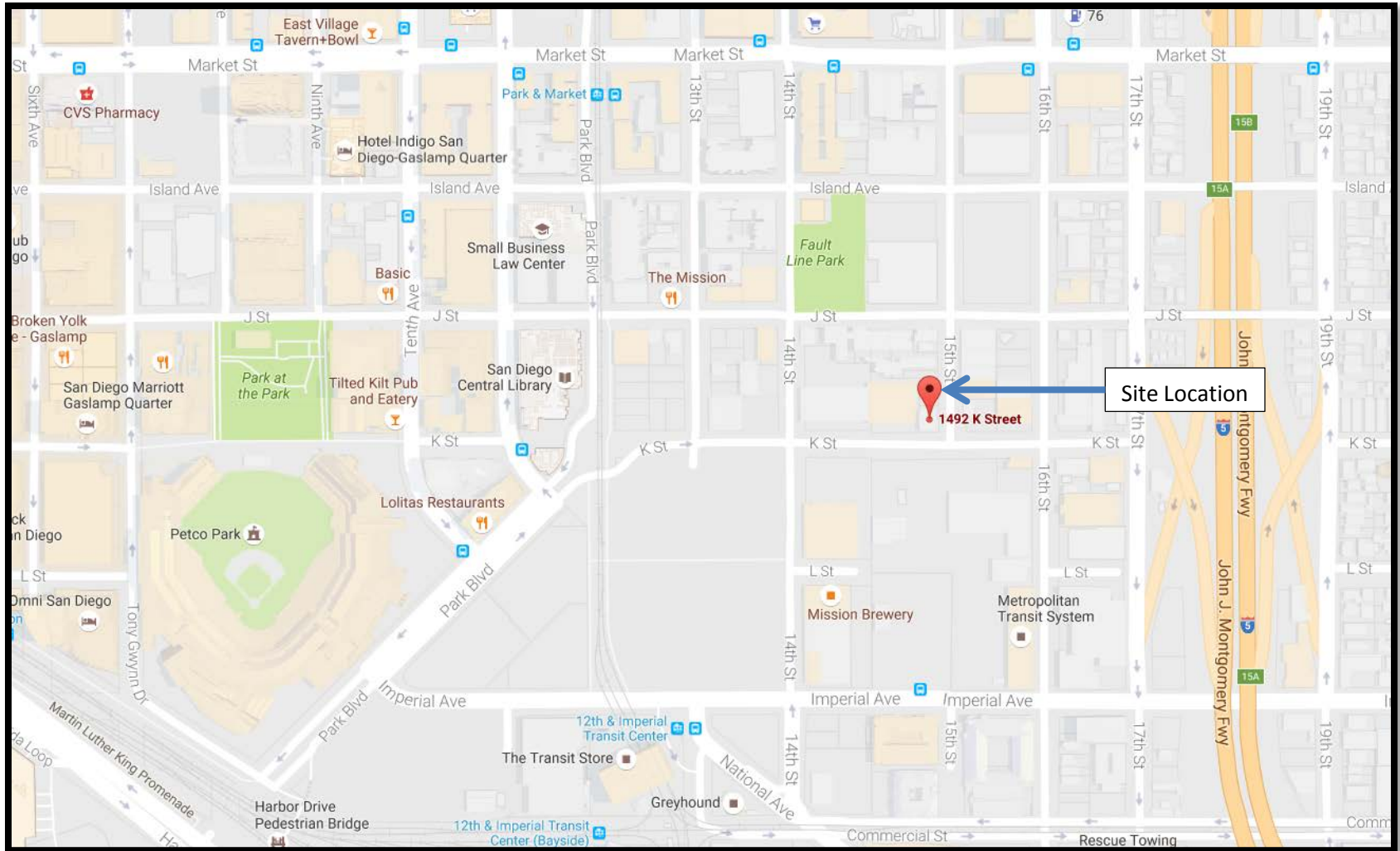
## Partnership Development

### Recommendation (Continued)

- Authorize SDHC’s President and Chief Executive Officer (President & CEO), or designee:
  - To execute all necessary documents and instruments and to take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel;
  - To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes, not to exceed the maximum SDHC loan amount of \$750,000; and
  - To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and take such actions as are necessary, convenient and/or appropriate to implement this approval upon advice of General Counsel.

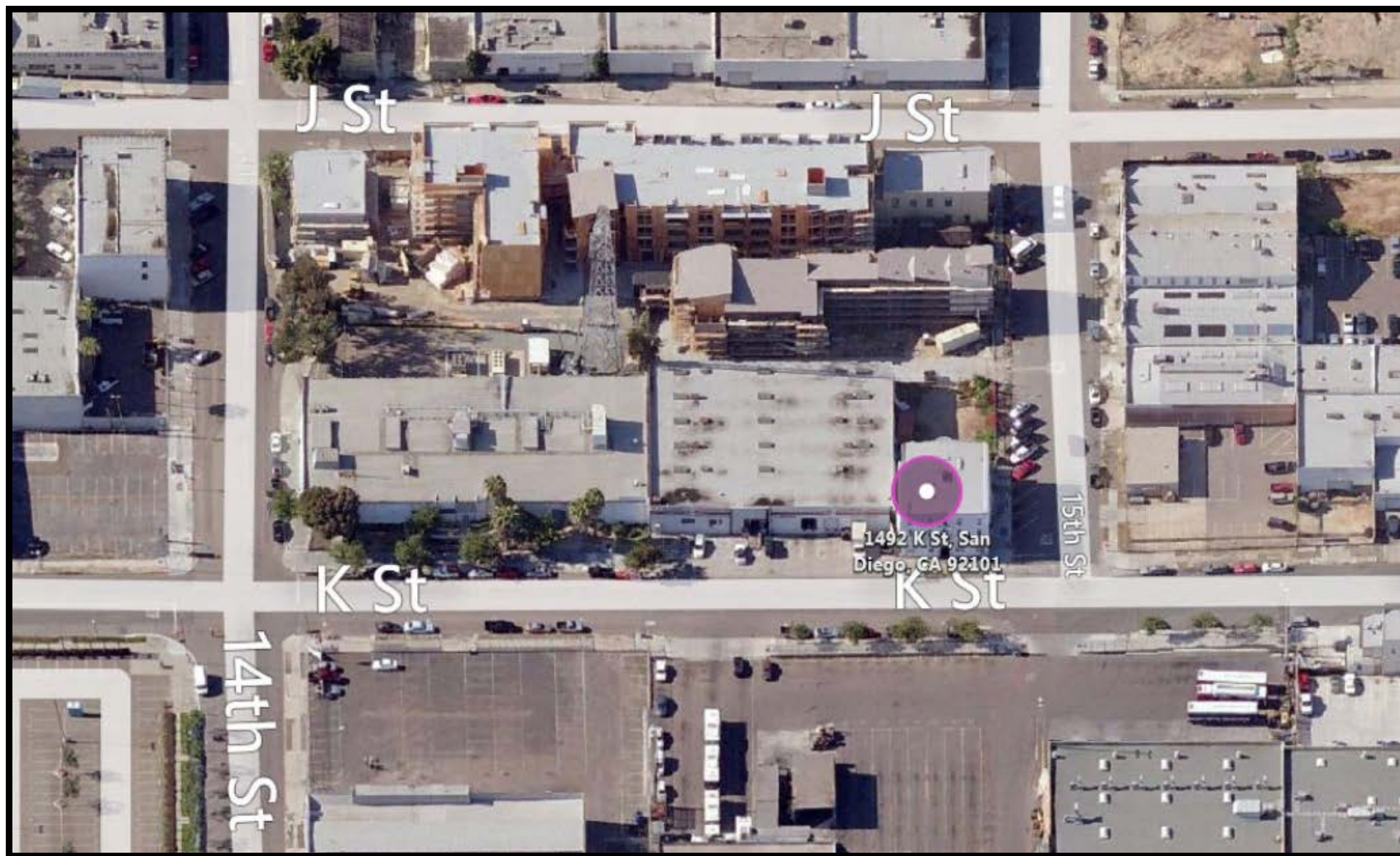


# SDHC – The Nook Partnership Development Site Location





# SDHC – The Nook Partnership Development Aerial View



# SDHC – The Nook Partnership Development Site Photo



# SDHC – The Nook

## Partnership Development

### Development Overview

<b>Address</b>	1492 K Street
<b>Council District</b>	3
<b>Community Plan Area</b>	Downtown
<b>Development Type</b>	New Construction
<b>Construction Type</b>	Type IV over Type I Podium
<b>Parking Type</b>	Surface/Podium
<b>Housing Type</b>	Permanent Supportive Housing & Family Housing
<b>Lot Size</b>	0.18 Acres, 7,696 square feet
<b>Units</b>	91 (inclusive of one manager's unit)
<b>Density</b>	500 dwelling units per acre
<b>Unit Mix</b>	91 Single-Room Occupancy (SRO) Units (including one manager's unit)
<b>Net Rentable Building Area</b>	22,750 Living areas square feet
<b>Common Area Space</b>	<u>9,205</u> Community/Retail
<b>Gross Building Area</b>	31,955 Square Feet
<b>Net Rentable Area</b>	22,750 Square Feet
<b>Developer</b>	Trestle Development National Housing Corporation
<b>Prevailing Wages</b>	Not Subject to Prevailing Wages





# SDHC – The Nook Partnership Development Renderings





# SDHC – The Nook Partnership Development Renderings (Continued)



# SDHC – The Nook

## Partnership Development

### Development Team Summary

<b>Developer</b>	Trestle Development & National Housing Corporation
<b>Limited Partnership</b>	Administrative General Partner: Trestle Development Managing General Partner: National Housing Corporation Investor Limited Partner: Glamar Investments
<b>General Contractor</b>	Allgire General Contractors, Inc.
<b>Architect</b>	Joseph Wong Design Associates
<b>Service Provider</b>	U.S. Department of Veterans Affairs (VA)
<b>Property Management</b>	Hyder and Company Property Management



# SDHC – The Nook

## Partnership Development

### Estimated Permanent Sources & Uses of Funding

Sources of Funding		Uses of Funding	
<b>Equity</b>	\$2,660,406	<b>Land/Acquisition</b>	\$3,500,000
<b>Conventional Loan</b>	\$10,300,000	<b>Hard Costs</b>	\$8,039,406
<b>SDHC Loan</b>	\$750,000	<b>Soft Costs</b>	\$867,500
		<b>Financing Costs</b>	\$428,500
		<b>Interest During Construction</b>	\$375,000
		<b>Developer Fee</b>	\$500,000
<b>Estimated Total Sources</b>	<b>\$13,710,406</b>	<b>Estimated Total Uses</b>	<b>\$13,710,406</b>



# SDHC – The Nook

## Partnership Development

### Cost Factors

<b>Development Cost Per Unit</b>	$\$13,710,406 \div 91 \text{ units} =$	<b>\$150,663</b>
<b>Housing Commission Subsidy Per Unit</b>	$\$750,000 \div 91 \text{ units} =$	<b>\$8,242</b>
<b>Land Cost Per Unit</b>	$\$3,500,000 \div 91 \text{ units} =$	<b>\$38,462</b>
<b>Gross Building Square Foot Hard Cost</b>	$\$8,039,406 \div 31,955 \text{ sq. ft.} =$	<b>\$251</b>
<b>Net Rentable Square Foot Hard Cost</b>	$\$8,039,406 \div 22,750 \text{ sq. ft.} =$	<b>\$353</b>

- Entitled Site – The project site was originally entitled as a motel and the development team obtained site control fully entitled.
- Unit Sizes – At 250 square feet, the units are smaller than most typical developments.
- Ownership structure – Efficiencies achieved by affiliation with General Contractor.





# SDHC – The Nook

## Partnership Development

### Proposed Rents

Unit Type	AMI	Number of Units	Gross Rent	Estimated Market Rents	Rent Savings Per Unit
<b>SRO (VASH)</b>	30%	8	\$426	\$1,250	\$824
<b>SRO</b>	65%	2	\$921	\$1,250	\$329
<b>SRO</b>	80%	40	\$1,050	\$1,250	\$200
<b>SRO</b>	80%	40	\$1,150	\$1,250	\$100
<b>1-SRO Mgr</b>	80%	1	-	-	-
<b>Total</b>		<b>91</b>			

- SDHC has awarded the developer 8 U.S. Department of Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) Vouchers to supplement tenant rental payments and subsidize the provision of services for these households.



# SDHC – The Nook Partnership Development

## Questions & Comments

