

San Diego City Council

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Housing Authority Item 3 and City Council Item 336: Preliminary Bond Authorization for Ulric Street Apartments II

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SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Loan Recommendation and Preliminary Bond Authorization for Ulric Street Apartments II Housing Authority Agenda Item #3 and City Council Agenda Item #336 October 27, 2020

Colin Miller
Vice President
Multifamily Housing Finance
Real Estate Division



SDHC – Ulric Street Apartments II

Staff Recommendations

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

- 1) Approve initial steps to issue up to \$23,852,443 in a tax-exempt Multifamily Housing Revenue bonds to facilitate the new construction of Ulric Street Apartments II (Ulric II), to be located at 2601-2641 Ulric Street, San Diego, which will consist of 59 units that will remain affordable for 55 years for low- and very-low income seniors, including six units for seniors experiencing homelessness, plus one unrestricted manager's unit, including:
 - Issue a bond inducement resolution.
 - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC).
 - Approve Bond Counsel and Financial Advisor.
 - Bond final approval will occur at a later date.



SDHC – Ulric Street Apartments II Staff Recommendations (Continued)

- 2) Authorize SDHC's President & CEO, or designee, to execute necessary documents in a form approved by General Counsel and Bond Counsel and take necessary actions upon advice of General Counsel.

That the San Diego City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving a tax-exempt Multifamily Housing Revenue Bond up to \$23,852,443 to fund the development of Ulric II.



SDHC – Ulric Street Apartments II

Development Summary

- Ulric II is the proposed new construction of 59 affordable rental housing units for low- and very low-income seniors.
 - Six units are for seniors experiencing homelessness
- Community Housing Works applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2020 Notice of Funding Availability.
- SDHC awarded 59 federal Project-Based Housing Vouchers through HOUSING FIRST – SAN DIEGO, SDHC's homelessness action plan.



SDHC – Ulric Street Apartments II

Relocation Assistance

- The site is a 1.4-acre parcel, with 16 existing unrestricted apartments
 - Constructed in 1941
 - Have deferred maintenance
- The existing apartments will need to be demolished.
- Autotemp Inc., as the relocation consultant, will assist the relocated tenants.
 - \$1,308,000 budgeted for relocation costs.
 - The relocation plan shall comply with all applicable laws.



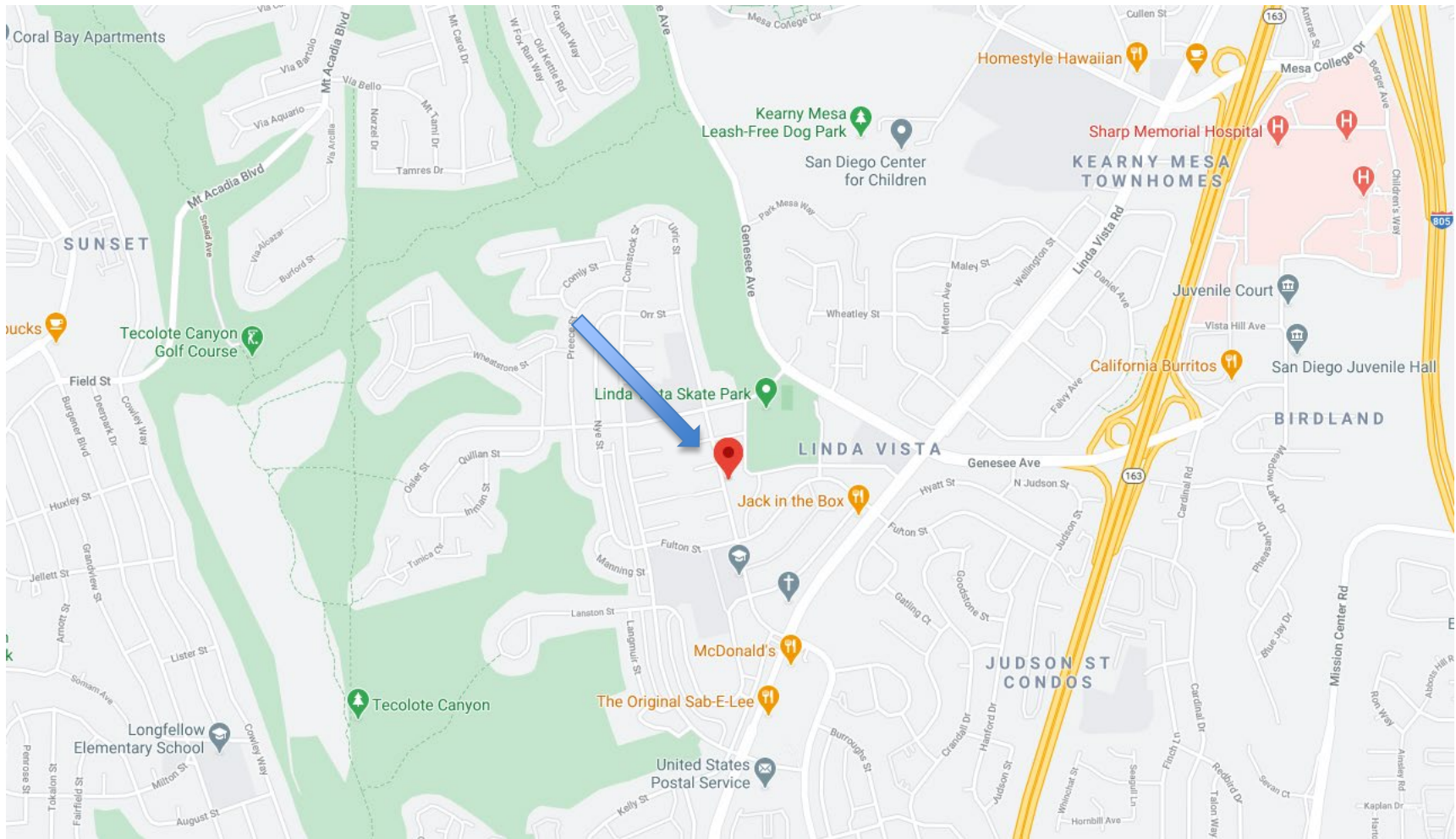
SDHC – Ulric Street Apartments II

Development Team Summary

Role	Firm/Contract
Developer	Community Housing Works
Owner/Borrower	Linda Vista Housing Associates, LP
Managing General Partner	CHW Linda Vista LLC
Architect	Studio E Architects
General Contractor	Sun Country Builders
Prevailing Wage Monitoring	Amerinational Community Services
Relocation Consultant	Autotemp Inc.
Property Management Tenant Services Provider	ConAm Management Corporation Lifesteps
Construction Lender Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



SDHC – Ulric Street Apartments II Location Map



SDHC – Ulric Street Apartments II

Estimated Permanent Financing Sources and Uses

Sources	Amount	Permanent Uses	Amount
Bond Financed permanent loan	\$7,255,000	Property acquisition	\$3,706,585
State of California Housing & Community Development Dept. Multifamily Housing Program	10,172,280	Construction cost \$15,,280,742 Contingency <u>+1,528,854</u> Total construction <u>\$16,809,596</u>	16,809,596
Housing Commission loan	4,075,000	Financing costs	2,800,516
Accrued deferred interest	153,793	Other soft costs	2,847,335
CHW General Partner Contribution	100	Permits and fees	878,038
4 Percent (CTCAC) tax credit equity	9,016,243	Relocation costs	1,308,000
Deferred developer fee	1,192,865	Developer fee	3,192,865
Impact fee waiver	139,240	Reserves	461,586
Total Development Cost (TDC)	\$32,004,521	Total Development Cost	\$32,004,521
		Per Unit Cost	\$533,409



SDHC – Ulric Street Apartments II

Affordability & Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
1- Bedroom	30%	21	\$649
1- Bedroom	60%	38	\$1,299
Subtotal		59	
2-Bedroom Manager's Unit		1	
Total		60	



SDHC – Ulric Street Apartments II

Development Timeline

Milestone	Estimated Date
• Housing Authority consideration.....	October 27, 2020
• City Council IRS-required TEFRA hearing...	October 27, 2020
• CDLAC & CTCAC applications.....	January 2021
• CDLAC & CTCAC meetings.....	March 2021
• SDHC & Housing Authority final bond issuance reviews.....	April 2021
• Bonds issuance and escrow closing.....	April 2021
• Estimated start of construction work.....	April 2021
• Estimated completion of construction work...	September 2022



SDHC – Ulric Street Apartments II

Bond Issuance Summary

- Proposed bond issuance of up to \$23,852,443 in a tax-exempt bonds.
- Developer is responsible for paying all costs of issuing bond.
- 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.



Questions & Comments



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