



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
Final Bond Authorization and Tax Equity and Fiscal Responsibility Act
(TEFRA) Resolution for SkyLINE Apartments
Housing Authority of the City of San Diego Agenda Item #5
San Diego City Council Agenda Item #333
September 15, 2023

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Real Estate Division



SDHC – SkyLINE Apartments Development Summary

- Proposed new construction of 99 affordable rental housing units and one unrestricted manager's unit at 16785-16787 West Bernardo Drive in Council District 5:
 - 99 affordable units for households with income from 30 percent to 55 percent of San Diego's Area Median Income (AMI).
 - \$33,100/year – \$75,790/year for two-person to four-person households
- 99 units at the property will remain affordable for 55 years.
- Mix of one-, two- and three-bedroom units.
- Consists of one five-story residential building, MTS parking and commercial/office space.
- The site is a vacant portion of the Rancho Bernardo Transit Station, which provides bus service.



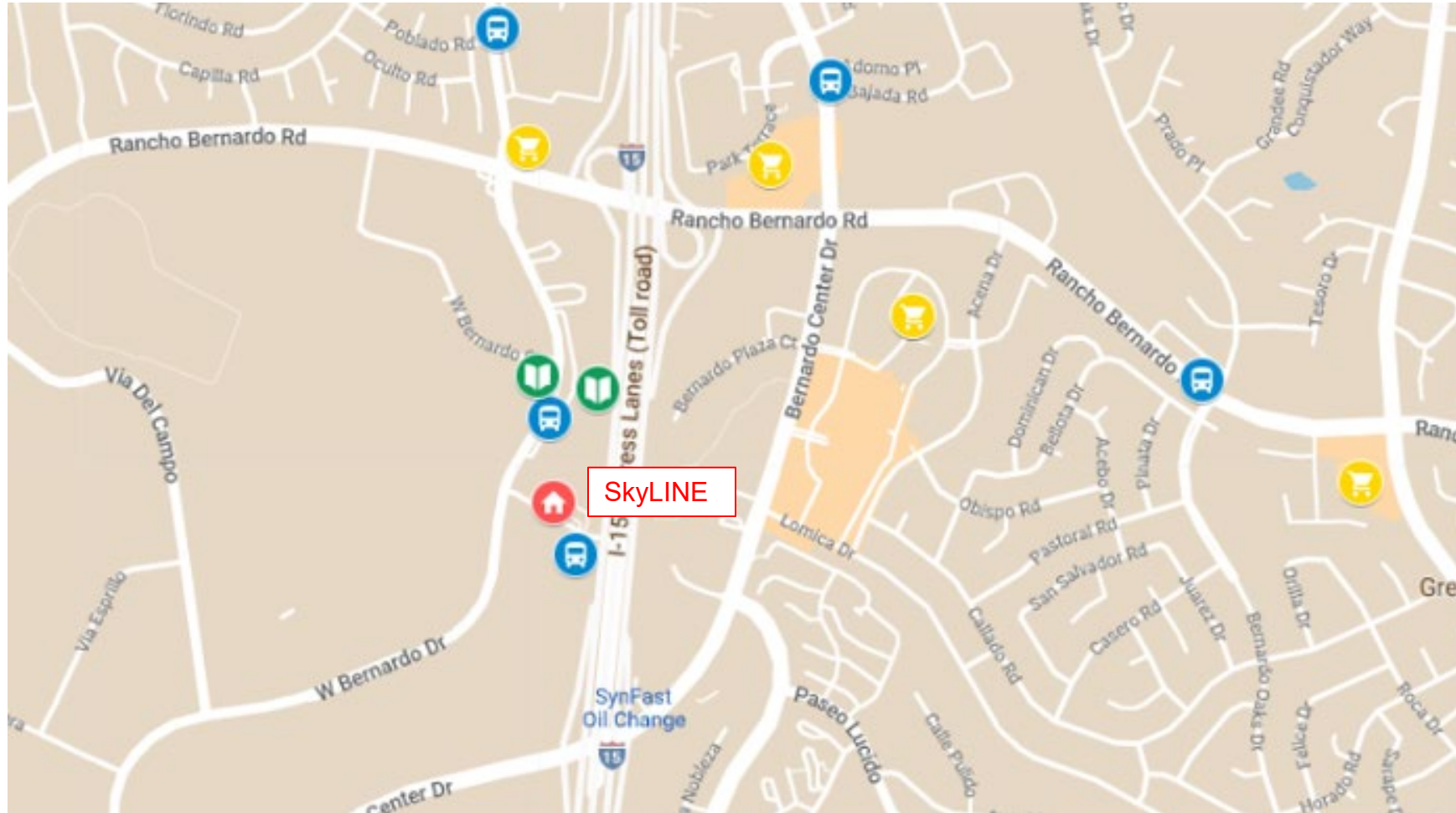
SDHC – SkyLINE Apartments

Developer Summary

- Affirmed Housing Group Inc. (Affirmed)
 - Experienced, award-winning for-profit developer
 - 70 developments completed or under construction, with over 5,500 affordable rental and for-sale apartments and homes in various locations
 - Successfully completed previous developments with SDHC residual receipts loans and/or Housing Authority-issued bonds
- Affirmed applied for federal Project-Based Housing Vouchers (PBVs) through SDHC's Fiscal Year 2022 Notice of Funding Availability.
 - SDHC preliminarily awarded 30 PBVs (not permanent supportive housing)
- Tenant Services will be provided by Compass for Affordable Housing.



SDHC – SkyLINE Apartments Location Map



SDHC – SkyLINE Apartments

Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Bond Financed Permanent Loan	\$16,120,492	Land Costs	\$131,001
State of California Infill Infrastructure Grant	4,469,800	Construction cost	61,277,385
City of San Diego Loan	5,000,000	Financing Costs	13,202,894
County of San Diego Loan	2,000,000	Other soft costs	3,026,788
Deferred Developer Fee	3,880,000	Reserves	522,000
Solar Credits	204,600	Soft Cost Contingency	1,128,948
4 Percent Federal Tax Credit Equity	40,036,982	City Permits and Development Impact Fees	2,199,10
State of California Tax Credit Equity	15,408,048	Architect and Engineering	3,075,000
Interest Income	3,823,200	Developer's Fee	6,380,000
Total Sources	\$90,943,122	Total Development Cost	\$90,943,122

- Estimated Total Development Cost per unit (100 units) = \$909,431



SDHC – SkyLINE Apartments

Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One-bedroom	30% (currently \$33,100/year for a two-person household)	10	\$775
One-bedroom	50% (currently \$55,150/year for a two-person household)	20	\$1,292
One-bedroom	55% (currently \$60,665/year for a two-person household)	<u>19</u>	\$1,422
Subtotal One-bedroom Units		49	
Two-bedroom	30% (currently \$37,250/year for a three-person household)	10	\$930
Two-bedroom	50% (currently \$62,050/year for a three-person household)	11	\$1,551
Two-bedroom	55% (currently \$68,255/year for a three-person household)	<u>4</u>	\$1,706
Subtotal Two-bedroom Units		25	
Three-bedroom	30% (currently \$41,350/year for a four-person household)	10	\$1,075
Three-bedroom	50% (currently \$68,900/year for a four-person household)	8	\$1,791
Three-bedroom	55% (currently \$75,790/year for a four-person household)	<u>7</u>	\$1,971
Subtotal Three-bedroom Units		25	
Subtotal Affordable Units		99	
Manager's unrestricted three-bedroom unit	--	<u>1</u>	
Total		100	



SDHC – SkyLINE Apartments

Development Timeline

Milestone	Estimated Date
• Housing Authority consideration of bond authorization.....	October 10, 2023
• City Council consideration of TEFRA resolution.....	October 10, 2023
• Estimated bond issuance and escrow/loan closing.....	October 2023
• Estimated start of construction work.....	November 2023
• Estimated completion of construction work.....	February 2026



SDHC – SkyLINE Apartments

Architect's Rendering



SDHC – SkyLINE Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$42,476,918 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 – SkyLINE Apartments

Staff Recommendations

That the Housing Authority take the following actions:

- 1) Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$42,476,918 to fund Bernardo Family Housing LP's construction of SkyLINE Apartments (SkyLINE), a new affordable rental housing development at 16785-16787 West Bernardo Drive in the Rancho Bernardo neighborhood, which will consist of 99 units that will remain affordable for 55 years for individuals and families earning 30 percent to 55 percent of the San Diego Area Median Income (AMI) and one manager's unit.
- 2) Authorize SDHC's President and Chief Executive Officer (President and CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.



That the City Council take the following actions:

- 1) Adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$42,476,918 to facilitate the development of SkyLINE Apartments (SkyLINE), a new affordable rental housing development at 16785-16787 West Bernardo Drive in the Rancho Bernardo neighborhood, which will consist of 99 units that will remain affordable for 55 years for individuals and families earning 30 percent to 55 percent of the San Diego Area Median Income (AMI) and one manager's unit.



Questions & Comments





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