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HOUSING
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San Diego Housing Commission (SDHC)
Preliminary Bond Authorization and
Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for
Cerro Pueblo
Presentation to the SDHC Board of Commissioners
January 12, 2023

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SDHC – Cerro Pueblo Development Summary

- Proposed renovation of 45 affordable rental housing units and one unrestricted manager’s unit:
 - Affordable for 55 years for households with income of 30 – 60 percent of Area Median Income
 - \$31,250/year to \$62,460/year for two-person household
 - 2835 Clairemont Drive in the Clairemont Mesa Community Plan Area
- All units must be occupied by a minimum of one resident 62 years of age or older.
- Site amenities will include:
 - On-site supportive services provided by Catholic Charities
 - Laundry room
 - Leasing office
 - Community room
 - Kitchen
 - Flat screen TV
 - Seating
 - Restrooms

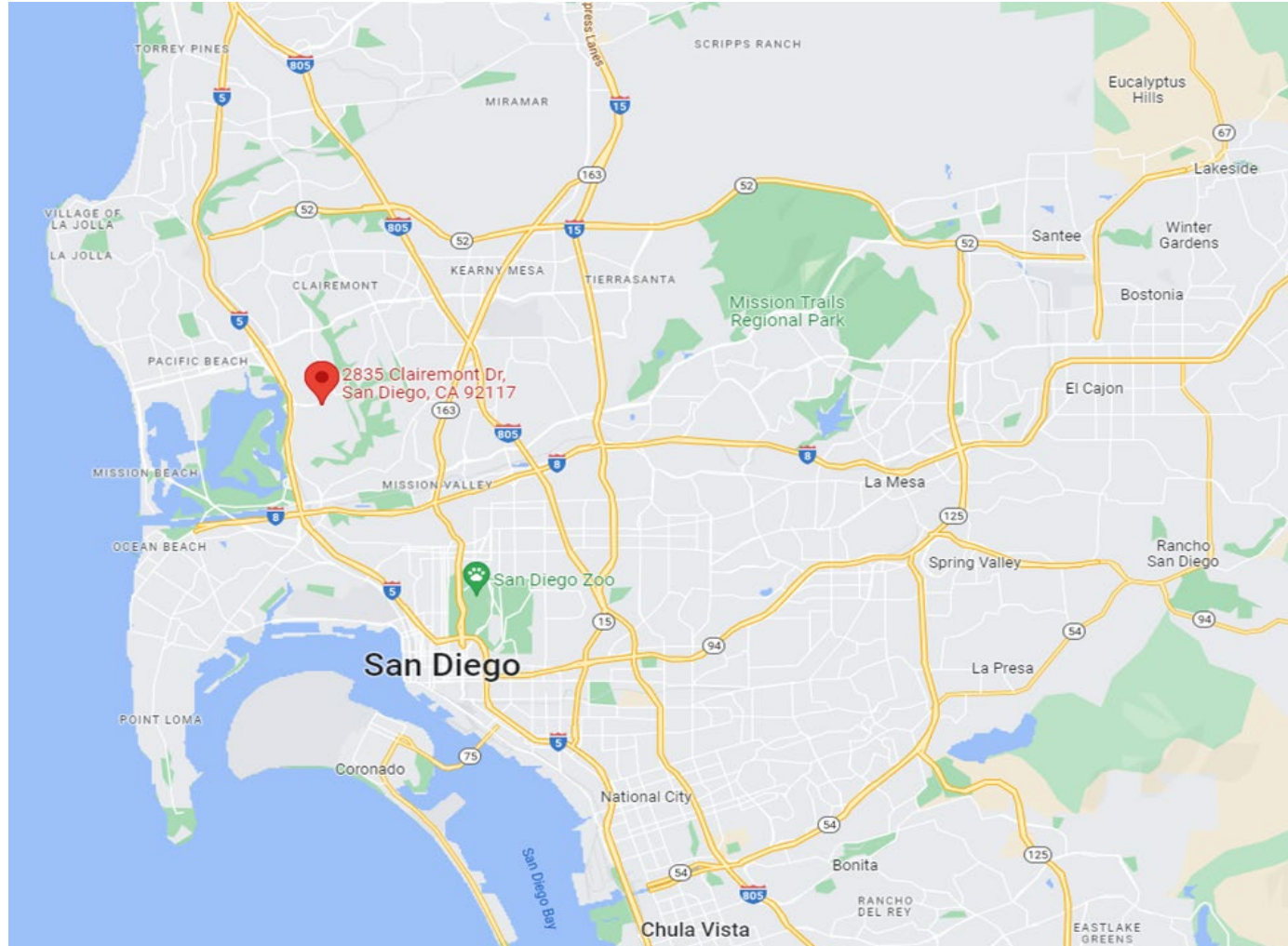


SDHC – Cerro Pueblo Developer

- RAHD Group LLC
 - Experienced, award-winning developer
 - Developed over 8,000 units
 - Completed over 130 affordable transactions
 - Owns 1,500 developed units
 - Successfully completed previous developments with Housing Authority of the City of San Diego as bond issuer
- Catholic Charities will be responsible for providing case management services to all residents free of charge.
 - Access to healthcare and mental health services
 - In-home and long-term care planning
 - Accessing food and nutrition
 - Financial management and planning



SDHC – Cerro Pueblo Location Map



SDHC – Cerro Pueblo

Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Bond Financed Permanent Loan	\$11,000,000	Acquisition and Closing Costs	\$8,845,000
Deferred Developer Fee	160,795	Renovation cost	4,600,000
4 Percent Federal Tax Credit Equity	6,251,286	Financing Costs	365,000
		Other Soft Costs	1,316,331
		Replacement Reserves	155,000
		Developer's Fee	2,130,750
Total Development Cost	\$17,412,081	Total Development Cost	\$17,412,081

- Estimated Total Development Cost per unit (46 units) = \$378,524



SDHC – Cerro Pueblo

Affordability and Estimated Rents

Unit Type	AMI	Units	Max Gross Rent
One Bedroom	30% (Currently \$31,250/year for a two-person household)	5	\$732
One Bedroom	50% (Currently \$52,050/year for a two-person household)	9	\$1,220
One Bedroom	60% (Currently \$62,460/year for a two-person household)	31	\$1,464
Subtotal Residential Units		45	
1-Bedroom Manager (Unrestricted)	--	1	--
Total	--	46	--



SDHC – Cerro Pueblo Development Timeline

Milestone	Estimated Date
• CDLAC bond application & CTCAC tax credit application.....	May 2023
• CDLAC allocation meeting & CTCAC allocation meeting.....	August 2023
• SDHC final bond authorization.....	November 2023
• Housing Authority final bond authorization.....	December 2023
• Estimated bond issuance and escrow/loan closing.....	January 2024
• Estimated start of construction work.....	January 2024
• Estimated completion of construction work.....	December 2024





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SDHC – Cerro Pueblo Current Property Status



SDHC – Cerro Pueblo Bond Issuance Summary

- Proposed bond issuance of up to \$13,000,000 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 – Cerro Pueblo Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Approve the following steps to issue up to \$13,000,000 of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds for Cerro Pueblo:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$13,000,000 in tax-exempt Multifamily Housing Revenue Bonds for the acquisition and rehabilitation of Cerro Pueblo by Cerro Pueblo Housing Partners, LP;
 - b. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$13,000,000 for Cerro Pueblo; and
 - c. Approve the bond financing team of Orrick, Herrington & Sutcliffe LLP as Bond Counsel and CSG Advisors as Bond Financial Advisor.



SDHC – Cerro Pueblo Staff Recommendations (Continued)

2. Authorize SDHC's President & 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 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.
3. Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$13,000,000 to facilitate the acquisition and rehabilitation of Cerro Pueblo.



Questions & Comments

