



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

San Diego Housing Commission (SDHC)  
Preliminary Bond Authorization, and Tax Equity and Fiscal  
Responsibility Act (TEFRA) Hearing for 8<sup>th</sup> Avenue Family Housing  
Presentation to the SDHC Board of Commissioners  
May 12, 2023

Jennifer Kreutter  
Vice President, Multifamily Housing Finance  
Real Estate Division



## SDHC – 8<sup>th</sup> Avenue Family Housing Development Summary

- Proposed new construction of 79 affordable rental housing units and one unrestricted manager's unit:
  - 22 studio units
  - 17 one-bedroom units
  - 20 two-bedroom units
  - 20 three-bedroom units
- Affordable for 55 years for households with income from 30 percent to 50 percent of San Diego's Area Median Income (AMI)
- 3927-37½ 8<sup>th</sup> Avenue is in the Hillcrest neighborhood of San Diego.
- Property site is currently improved with one building, consisting of 45 single-room occupancy (SRO) housing units, a two-bedroom house and a one-bedroom unit above a detached garage.
  - All three are currently vacant.



## SDHC – 8<sup>th</sup> Avenue Family Housing Development Summary (Continued)

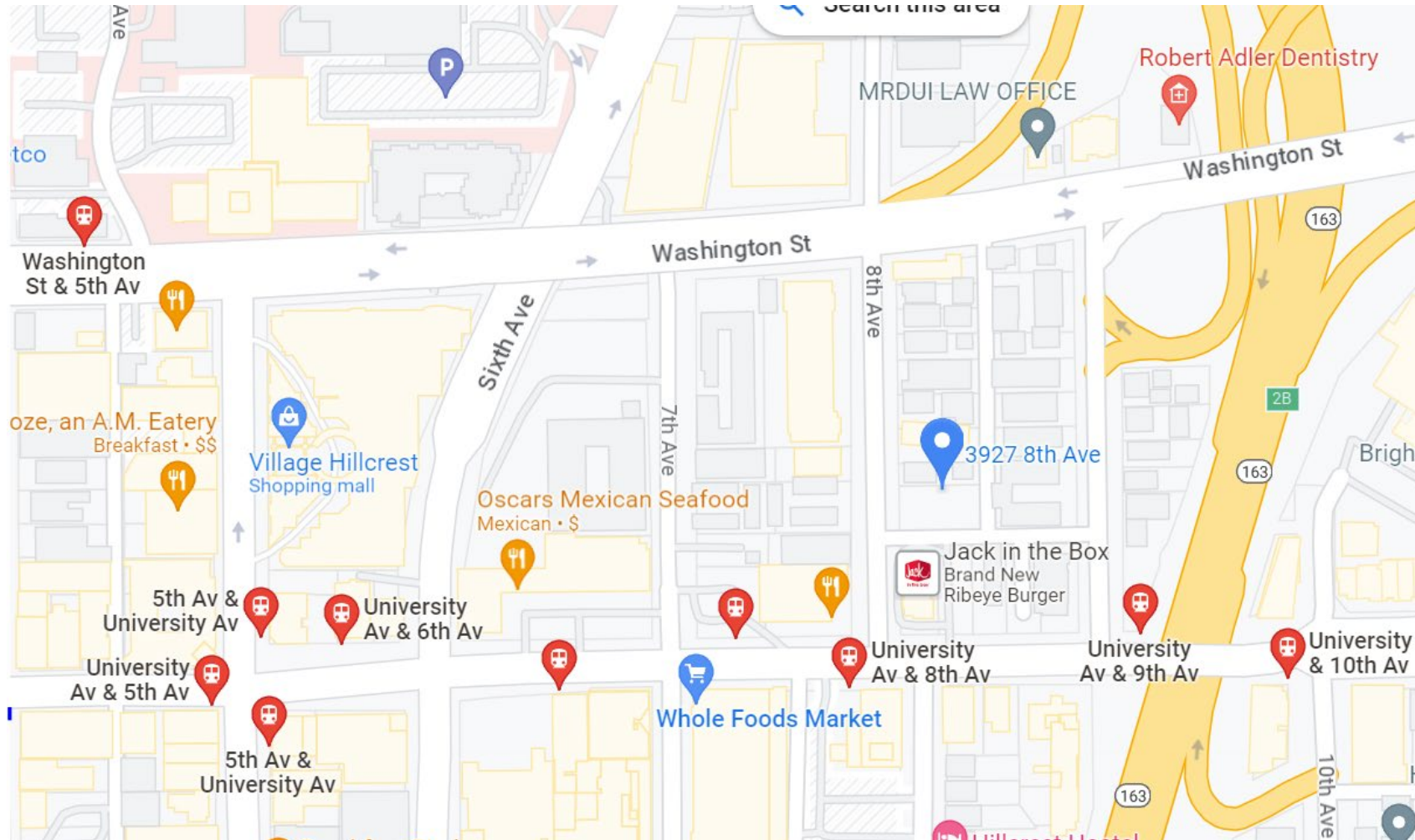
- The developer is Rise Urban Partners LLC:
  - A joint venture between Trestle Development LLC and Rob Morgan
  - Rise Urban Partners LLC has successfully worked on previous developments with SDHC's Multifamily Housing Revenue Bond Program.
- Site Amenities will include:
  - On-site manager
  - Community room
  - Laundry room
  - Outdoor courtyard area
  - Bike storage
- Pacific Southwest Community Development Corporation will provide services free of charge to all residents, including:
  - Health and skill building classes
  - After-school classes



# SDHC – 8<sup>th</sup> Avenue Family Housing Location Map



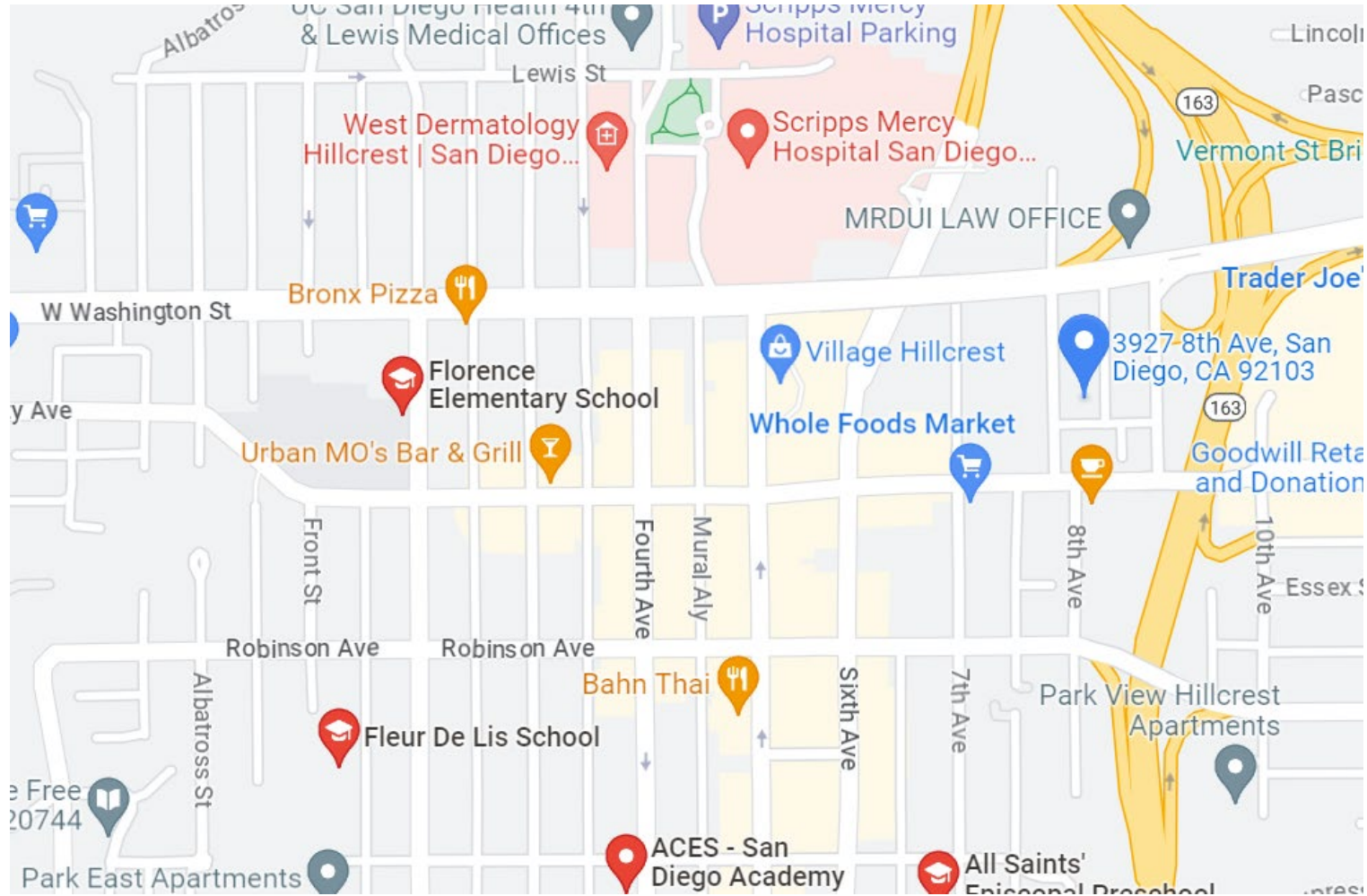
# SDHC – 8<sup>th</sup> Avenue Family Housing Proximity to Transit (bus)



# SDHC – 8<sup>th</sup> Avenue Family Housing Proximity to Grocery Stores



# SDHC – 8<sup>th</sup> Avenue Family Housing Proximity to Schools



# SDHC – 8<sup>th</sup> Avenue Family Housing

## Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Bond-financed permanent loan	\$8,110,000	Acquisition Cost	\$ 0
National Housing Corporation (NHC) subordinate loan	11,800,000	Construction cost, including contingency	28,205,980
Deferred developer's fee	3,297,222	Financing costs	2,836,261
Accrued interest on NHC soft debt	711,752	Permits & fees	1,104,282
4 percent tax credit equity	17,941,127	Other soft costs	1,633,195
		Soft cost contingency	405,000
		Architect & engineering	1,404,630
		Reserves	515,000
		Relocation	641,284
		Developer fee	5,114,469
<b>Total Development Sources</b>	<b>\$41,860,101</b>	<b>Total Development Uses</b>	<b>\$41,860,101</b>

- Estimated Total Development Cost per unit (80 units) = \$523,251





# SDHC – 8<sup>th</sup> Avenue Family Housing

## Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
Studio	30% (currently \$27,350 for a one-person household)	2	\$683
Studio	50% (currently \$45,550 for a one-person household)	<u>20</u>	\$1,138
<b>Subtotal Studio Units</b>		<b>22</b>	
One-bedroom	30% (currently \$31,250 for a two-person household)	2	\$732
One-bedroom	50% (currently \$52,050 for a two-person household)	<u>15</u>	\$1,220
<b>Subtotal One-bedroom Units</b>		<b>17</b>	
Two-bedroom	30% (currently \$35,150 for a three-person household)	2	\$878
Two-bedroom	50% (currently \$58,550 for a three-person household)	<u>18</u>	\$1,463
<b>Subtotal Two-bedroom Units</b>		<b>20</b>	
Three-bedroom	30% (currently \$39,050 for a four-person household)	2	\$1,015
Three-bedroom	50% (currently \$65,050 for a four-person household)	<u>18</u>	\$1,691
<b>Subtotal Three-bedroom Units</b>		<b>20</b>	
<b>Subtotal Affordable Units</b>		<b>79</b>	
Manager's unrestricted one-bedroom unit	--	<u>1</u>	--
<b>Total</b>	--	<b>80</b>	--



# SDHC – 8<sup>th</sup> Avenue Family Housing Development Timeline

Milestone	Estimated Date
• CDLAC bond application & CTCAC tax credit application....	May 23, 2023
• CDLAC bond & CTCAC tax credit allocation meetings.....	August 23, 2023
• Housing Commission estimated final bond authorization....	October 2023
• Housing Authority estimated final bond authorization.....	November 2023
• Estimated bond issuance and escrow/loan closing.....	December 2023
• Estimated start of construction work.....	January 2024
• Estimated completion of construction work.....	August 2025



# SDHC – 8<sup>th</sup> Avenue Family Housing Architect's Rendering



## SDHC – 8<sup>th</sup> Avenue Family Housing Bond Issuance Summary

- Proposed bond issuance of up to \$24,000,000 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 – 8<sup>th</sup> Avenue Family Housing Staff Recommendations

## That the SDHC Board of Commissioners take the following actions:

- 1) Approve the following steps to issue up to \$24,000,000 of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the construction of a new 79-unit affordable housing development at 3927-37½ 8th Avenue in the Hillcrest neighborhood of the Uptown Community Planning Area, which will consist of 79 units, affordable for 55 years, for individuals and families earning 30 to 50 percent of San Diego's Area Median Income and one unrestricted manager's unit:
  - a) Issue a bond inducement resolution (Declaration of Official Intent) for up to \$24,000,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the 8th Avenue Family Housing development by Rise 8th Avenue L.P., a California limited partnership.
  - 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 \$24,000,000 for Rise 8th Avenue LP, a California limited partnership; and
  - c) Approve the financing team of Quint and Thimmig LLP as the Bond Counsel and Ross Financial as the Bond Financial Advisor.



## SDHC – 8<sup>th</sup> Avenue Family Housing Staff Recommendations (continued)

- 2) Authorize SDHC's President and Chief Executive Officer (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 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 \$24,000,000 to facilitate the development of 8th Avenue Family Housing.



## Questions & Comments



# SDHC – 8<sup>th</sup> Avenue Family Housing

