



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Loan Modification, Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) for Bandar Salaam Apartments

Presentation to the SDHC Board of Commissioners
July 21, 2023

Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division



SDHC – Bandar Salaam Apartments Development Summary

- Proposed rehabilitation of 67 affordable rental housing units and one unrestricted manager's unit at 3810 Winona Avenue in Council District 9
 - 67 affordable units for households with income from 45 percent to 50 percent of San Diego's Area Median Income (AMI).
 - \$49,600/year – \$71,950 for two-person to six-person households
- Preserves the affordability of the property as a new 55-year affordability term will be executed.
- Mix of one-, two-, three-, four- and five-bedroom units
- Consists of three residential buildings
- Bus lines: Public bus stop (route 7) located within 0.3 miles from Bandar Salaam Apartments
Apartments located at University and Winona Avenue

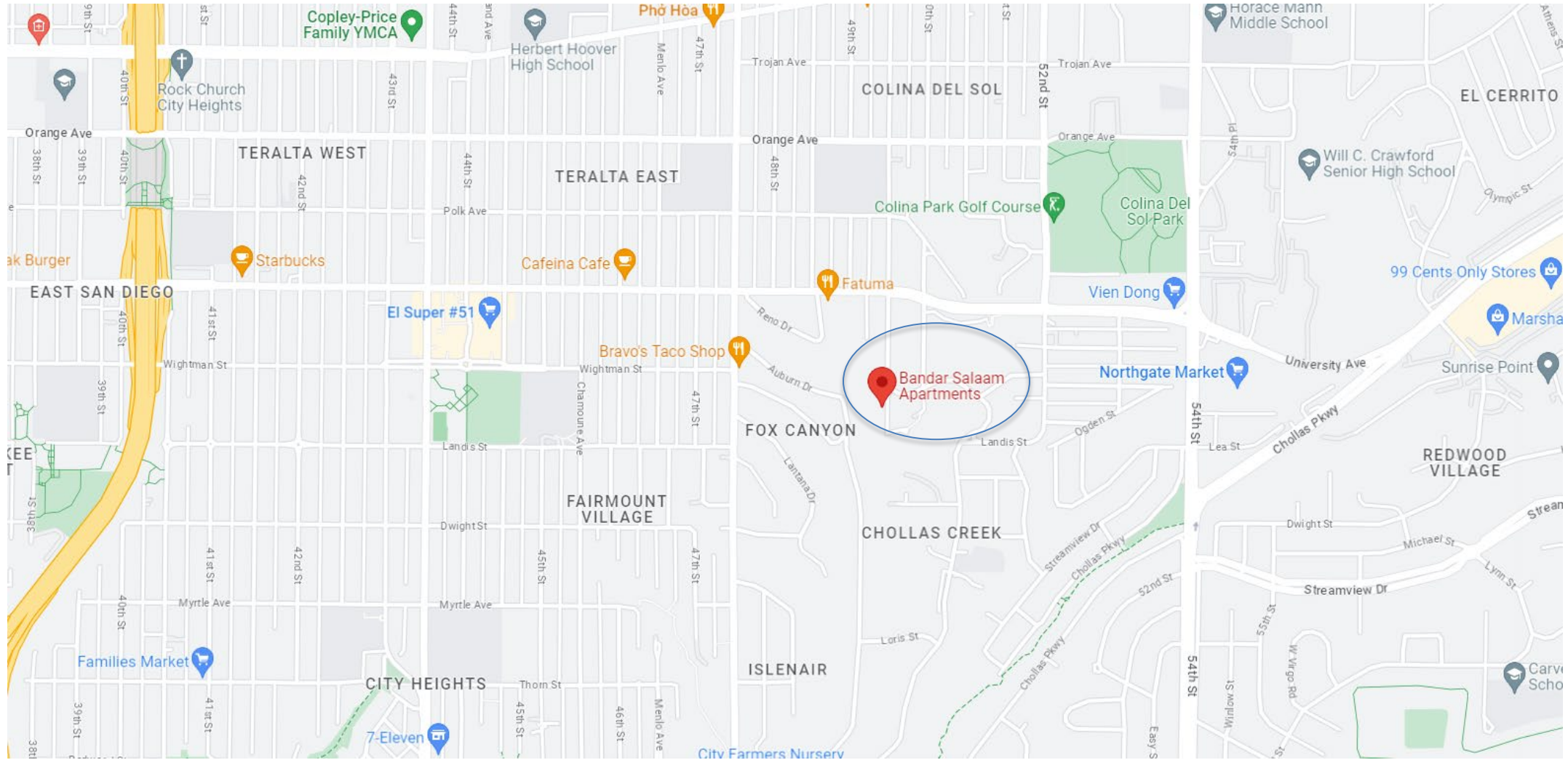


SDHC – Bandar Salaam Apartments Developer Summary

- Community HousingWorks
 - Experienced, award-winning, nonprofit developer
 - Owns more than 4,200 apartments in 47 communities in California and Texas
 - Successfully completed previous developments with SDHC residual receipts loans and/or Multifamily Housing Revenue Bonds
 - Community HousingWorks is in compliance with prior developments.
- Community HousingWorks will provide services at no cost for all residents:
 - Community activities
 - Health and wellness classes
 - Year-round Service Coordinator
 - After-school tutoring (10 hours per week)

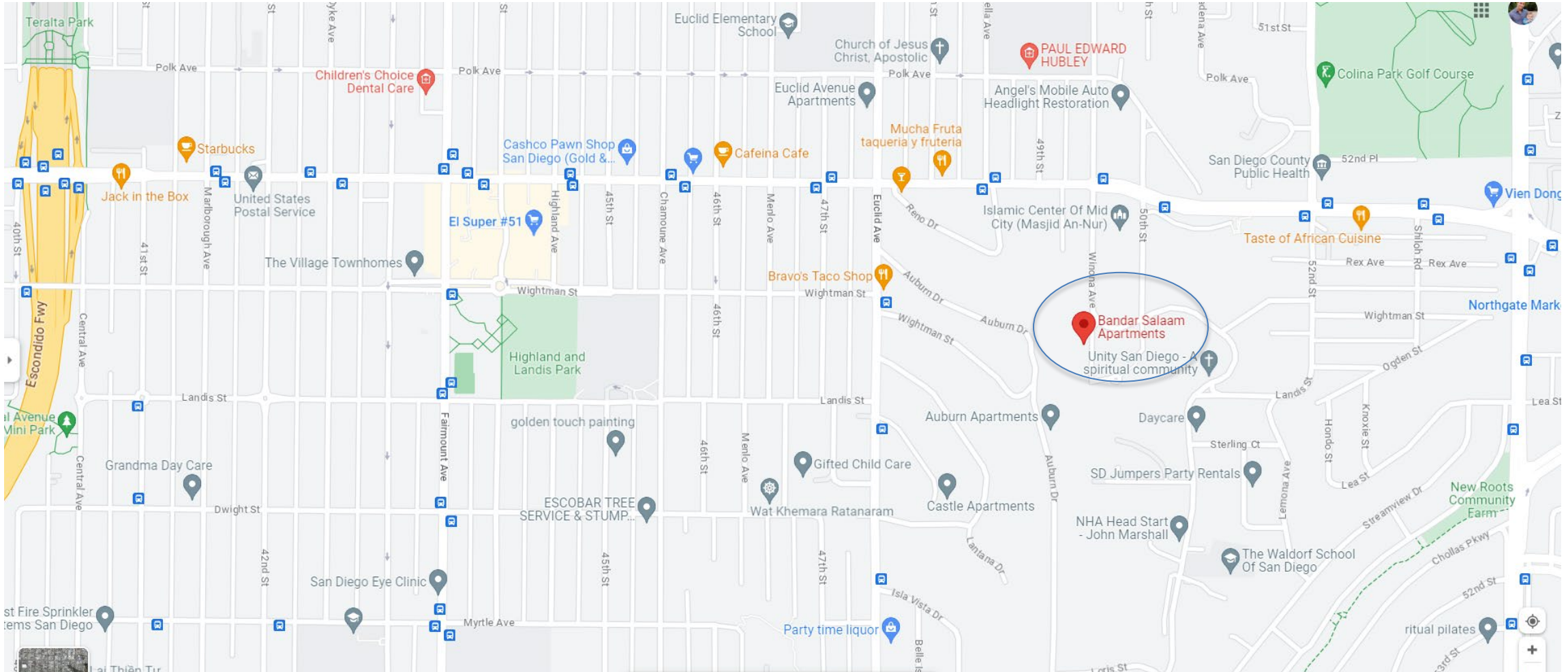


SDHC – Bandar Salaam Apartments Location Map

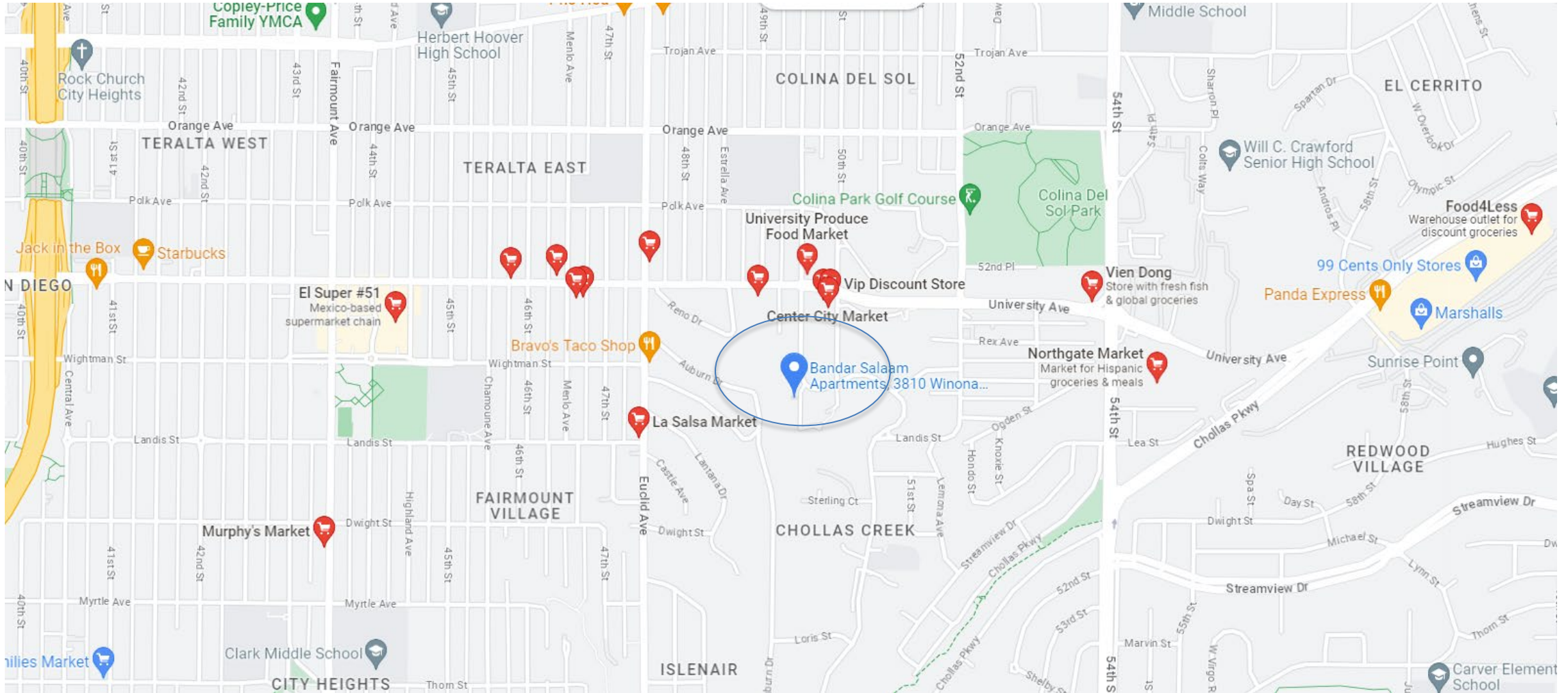


SDHC – Bandar Salaam Apartments

Proximity to Transit (bus)



SDHC – Bandar Salaam Apartments Proximity to Grocery Stores



SDHC – Bandar Salaam Apartments

Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
4% Federal Tax Credit Equity	\$7,594,630	Acquisition & Closing Costs	\$11,004,500
Bond Financed Permanent Loan	2,790,000	Hard Costs	4,087,030
SDHC Rollover Soft Loan	2,248,782	Architecture & Engineering	545,000
Rolled Reserves	370,997	Financing Costs	1,525,666
Seller Carryback Note	7,102,471	Soft Debt Accrued Interest	67,463
Deferred Developer's Fee	448,603	Reserves	523,536
GP "In-Kind"	480,585	Local Permits & Fees	125,000
Accrued Soft Debt Interest	67,463	Fees & Syndication	70,000
Income from Operations	230,568	Developer Fee	2,537,480
Refunds	55,306	Other Soft Costs	903,729
Total Development Cost	\$21,389,405	Total Development Cost	\$21,389,405

- Estimated Total Development Cost Per Unit (68 Units) = \$314,550



SDHC – Bandar Salaam Apartments

Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
One-bedroom	45% (currently \$49,600/year for a two-person household)	4	\$1,240
One-bedroom	50% (currently \$55,150/year for a two-person household)	<u>12</u>	\$1,292
Subtotal One-bedroom Units		16	
Two-bedroom	45% (currently \$55,800/year for a three-person household)	7	\$1,395
Two-bedroom	50% (currently \$62,050/year for a three-person household)	<u>23</u>	\$1,551
Subtotal Two-bedroom Units		30	
Three-bedroom	45% (currently \$62,000/year for a four-person household)	16	\$1,550
Three-bedroom	50% (currently \$68,900/year for a four-person household)	<u>1</u>	\$1,791
Subtotal Three-bedroom Units		17	
Four-bedroom	45% (currently \$67,000/year for a five-person household)	1	\$1,675
Four-bedroom	50% (currently \$74,450/year for a five-person household)	<u>1</u>	\$1,998
Subtotal Four-bedroom Units		2	
Five-bedroom	45% (currently \$71,950/year for a six-person household)	<u>2</u>	\$1,799
Subtotal Five-bedroom Units		2	
Subtotal Affordable Units		67	
Manager's unrestricted two-bedroom unit	--	<u>1</u>	
Total		68	



SDHC – Bandar Salaam Apartments Development Timeline

Milestones	Estimated Dates
<ul style="list-style-type: none"> • CDLAC bond application & CTCAC tax credit application..... 	September 6, 2023
<ul style="list-style-type: none"> • CDLAC bond & CTCAC tax credit allocation meetings..... 	December 6, 2023
<ul style="list-style-type: none"> • Housing Commission estimated final bond authorization..... 	April 2024
<ul style="list-style-type: none"> • Housing Authority estimated approval of bond authorization.. 	May 2024
<ul style="list-style-type: none"> • Estimated bond issuance and escrow/loan closing..... 	June 2024
<ul style="list-style-type: none"> • Estimated start of construction work..... 	June 2024
<ul style="list-style-type: none"> • Estimated completion of construction work..... 	April 2025



SDHC – Bandar Salaam Apartments Property Exteriors



SDHC – Bandar Salaam Apartments 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 – Bandar Salaam Apartments

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

1. Approve the transfer and extension of an existing SDHC loan, currently estimated at \$2,248,782, from the owner Winona Gardens Housing Associates, L.P., to Winona Avenue Housing Associates, L.P., a California limited partnership.
2. Authorize SDHC’s President and Chief Executive Officer (President & CEO), or designee, to:
 - a. Execute all necessary documents and instruments to effectuate these transactions and implement the project, in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner;
 - b. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur for the existing Housing Commission loan; and
 - c. Substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.



SDHC – Bandar Salaam Apartments Staff Recommendations (Continued)

3. 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 Bandar Salaam Apartments:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$13,000,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the preservation of Bandar Salaam Apartments by Winona Avenue Housing Associates, 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 \$13,000,000 for Bandar Salaam Apartments; and
 - c. Approve the bond financing team of Quint and Thimmig as Bond Counsel and CSG Advisors as Bond Financial Advisor.



SDHC – Bandar Salaam Apartments Staff Recommendations (Continued)

4. 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 General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
5. 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 rehabilitation of Bandar Salaam Apartments.



SDHC – Bandar Salaam Apartments

Questions & Comments



SDHC – Bandar Salaam Apartments Property Exteriors

