



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

San Diego Housing Commission (SDHC)  
Final Bond Authorization, and Tax Equity and Fiscal Responsibility  
Act (TEFRA) Resolution for 8<sup>th</sup> Avenue Family Housing  
Presentation to the SDHC Board of Commissioners  
November 20, 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:
  - 79 affordable units for households with income from 30 percent to 50 percent of San Diego's Area Median Income (AMI)
    - \$28,950/year – \$66,900 for one- to four-person households
  - Affordable for 55 years
  - 3927-37½ 8<sup>th</sup> Avenue is in the Hillcrest San Diego neighborhood
  - Will consist of one eight-story building with four surface-parking spaces
- Mix of studio, one-, two- and three-bedroom units
- 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.
- Bus stops are at 8th Avenue & University Avenue (to the east) and 9th Avenue & University Avenue (to the west).

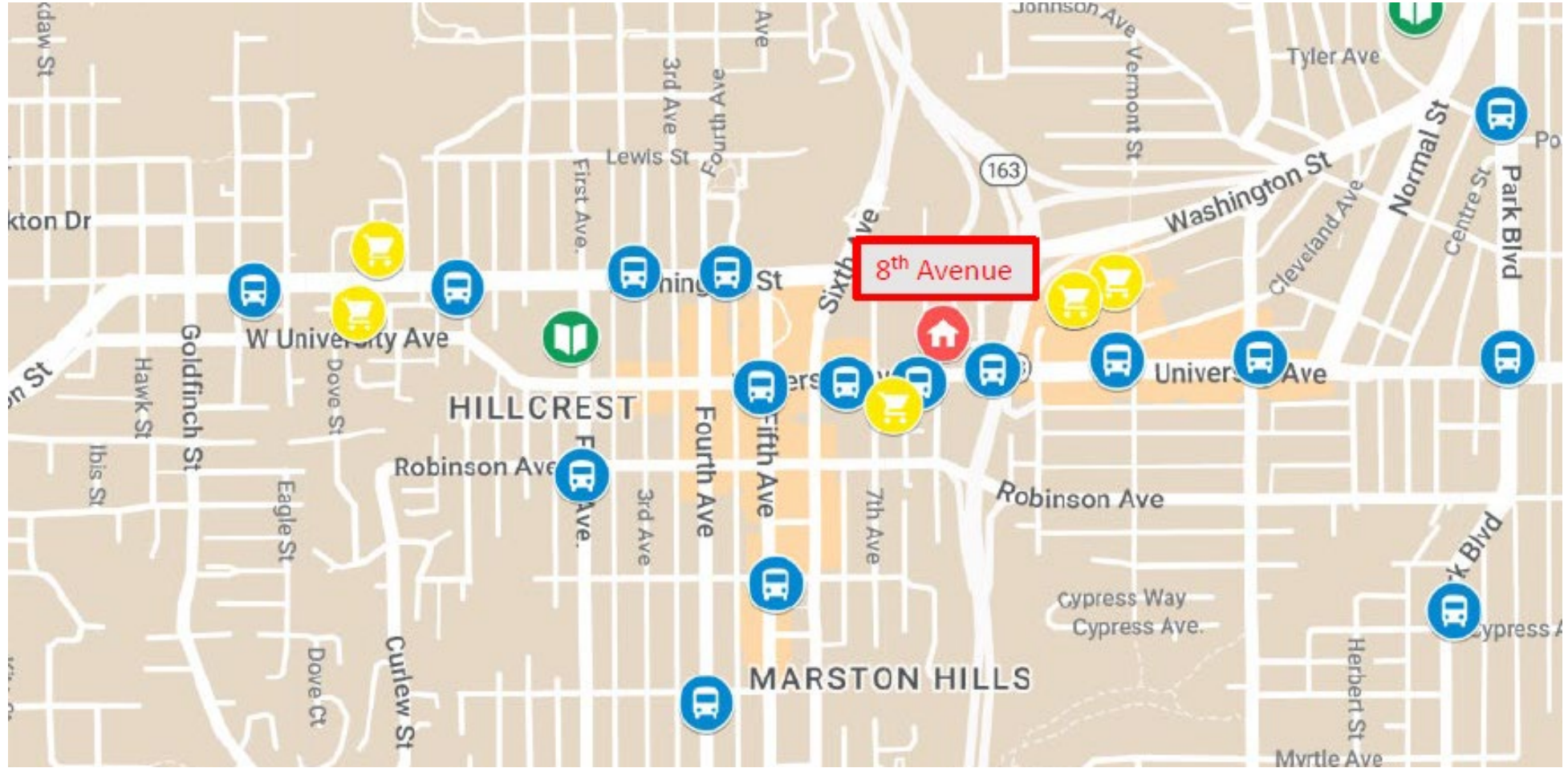


# SDHC – 8<sup>th</sup> Avenue Family Housing Development Summary (Continued)

- The developer is Rise Urban Partners LLC:
  - A joint venture between Trestle Development LLC and Rob Morgan.
  - Rise Urban Partners LLC’s principals are in full compliance on previous Housing Commission funded bond issuances.
- 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
  - Adult education classes
  - After-school classes



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



# 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	\$7,668,725	Acquisition Cost	\$ 30,000
National Housing Corporation (NHC) subordinate loan	12,600,000	Construction cost including contingency cost	29,011,442
Deferred developer's fee	3,754,038	Financing costs	2,880,423
Accrued interest on NHC soft debt	635,000	Permits & fees	1,170,249
4 percent tax credit equity	17,659,876	Other soft costs	1,620,664
		Soft cost contingency	195,000
		Architect & engineering	1,459,630
		Reserves	280,000
		Relocation	402,490
		Developer fee	5,267,741
<b>Total Development Sources</b>	<b>\$42,317,639</b>	<b>Total Development Uses</b>	<b>\$42,317,639</b>

- Estimated Total Development Cost per unit (80 units) = \$528,970



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

## Affordability and Estimated Rents

Unit Type	AMI	Units	Max Gross Rent
Studio	30% (\$28,950/year for one-person household)	2	\$683
Studio	50% (\$48,250/year for one-person household)	<u>20</u>	\$1,138
<b>Subtotal Studio Units.....</b>		<b>22</b>	
One-Bedroom Unit	30% (\$33,100/year for two-person household)	2	\$732
One-Bedroom Unit	50% (\$55,150/year for two-person household)	<u>15</u>	\$1,220
<b>Subtotal One-Bedroom Units.....</b>		<b>17</b>	
Two-Bedroom Units	30% (\$37,250/year for three-person household)	2	\$878
Two-Bedroom Units	50% (\$62,050/year for three-person household)	<u>18</u>	\$1,463
<b>Subtotal Two-Bedroom Units.....</b>	--	<b>20</b>	
Three-Bedroom Units	30% (\$41,350/year for four-person household)	2	\$1,075
Three-Bedroom Units	50% (\$66,900/year for four-person household)	<u>18</u>	\$1,791
<b>Subtotal Three-Bedroom Units.....</b>	--	<b>20</b>	--
<b>Subtotal Residential Units</b>	--	<b>79</b>	--
One-Bedroom Manager (Unrestricted)	--	1	--
<b>Total Units</b>	--	<b>80</b>	--





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

Milestone	Estimated Date
<ul style="list-style-type: none"> <li>Housing Authority consideration of final bond authorization....</li> </ul>	December 12, 2023
<ul style="list-style-type: none"> <li>City Council consideration of TEFRA resolution.....</li> </ul>	December 12, 2023
<ul style="list-style-type: none"> <li>Estimated bond issuance and escrow/loan closing.....</li> </ul>	January 2024
<ul style="list-style-type: none"> <li>Estimated start of construction work.....</li> </ul>	January 2024
<ul style="list-style-type: none"> <li>Estimated completion of construction work.....</li> </ul>	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 \$21,600,000 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 recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions:**

### **Housing Authority**

- 1) Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$21,600,000 to fund Rise 8th Avenue L.P.'s acquisition with new construction of 8th Avenue Family Housing, a new affordable rental housing development at 3927-37 ½ 8th Avenue, San Diego, in the Hillcrest neighborhood of the Uptown Community Planning Area, which will consist of 79 rental housing units that will remain affordable for 55 years for individuals and families earning 30 percent to 50 percent of the San Diego Area Median Income (AMI), and one manager's unit.
- 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.



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

## Staff Recommendations (continued)

### City Council

- 1) Adopt a Tax Equity and Fiscal Responsibility Act resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$21,600,000 to facilitate the development of 8th Avenue Family Housing, a new affordable rental housing development at 3927-37 ½ 8th Avenue, San Diego, in the Hillcrest neighborhood of the Uptown Community Planning Area, which will consist of 79 rental housing units that will remain affordable for 55 years for individuals and families earning 30 percent to 50 percent of the San Diego Area Median Income (AMI), and one manager's unit.



# Questions & Comments



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

