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HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
Loan Recommendation for Rose Creek Village
Presentation to the SDHC Board of Commissioners
June 21, 2024

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SDHC – Rose Creek Village Development Summary

- Proposed new construction of 59 affordable rental housing units and one unrestricted manager's unit at 2662 Garnet Avenue in Council District 1:
 - 18 affordable studio units for extremely low-income veterans experiencing homelessness with income up to 30 percent of San Diego's Area Median Income (AMI).
 - Up to \$31,850/year for a one-person household.
 - 41 affordable studio units for households with income from 30 percent to 60 percent of AMI.
 - Up to \$31,850/year - \$63,660 for a one-person household
- One five-story building
 - The first floor will include a community room for meetings and group activities, a leasing office, and offices for supportive case management services.
 - The remaining four levels will be residential.



SDHC – Rose Creek Village

Developer Summary

- Rose Creek Village has two nonprofit co-developers:
 - San Diego Community Housing Corporation (SDCHC)
 - Experienced, award-winning developer
 - Has successfully completed previous developments with SDHC loan funds
 - National Community Renaissance (National CORE)
 - Experienced, award-winning developer
 - Owns more than 8,640 rental units
 - Has successfully completed previous developments with SDHC loan funds
- Pursuant to SDHC’s Fiscal Year 2024 Notice of Funding Availability (NOFA), SDHC staff provided recommendations for the following:
 - Residual receipts loan up to \$2,000,000
 - 47 Project-Based Housing Vouchers (PBV):
 - 29 PBVs for low-income individuals not experiencing homelessness
 - 18 Veterans Affairs Supportive Housing (VASH) PBVs for veterans experiencing homelessness



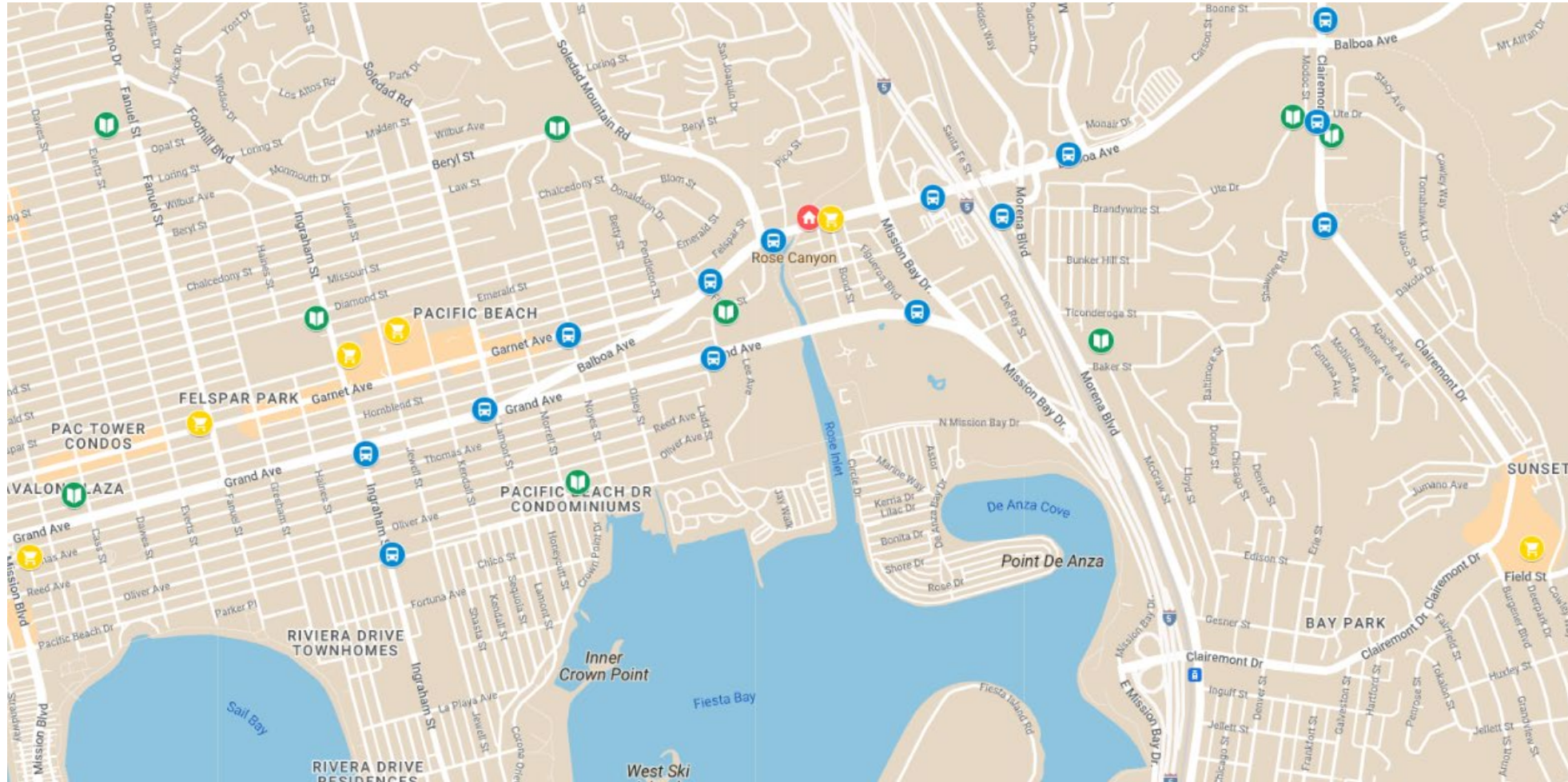
SDHC – Rose Creek Village Service Provider Summary

- Hope Through Housing Foundation
 - Supportive Services Provider
 - Case management services for 12 veteran preference units
 - Resident Services Coordination for all residents
 - Lead on-site services coordinator and provider of community activities (e.g., educational, recreational, and social activities) and health and wellness activities
- County of San Diego Behavioral Health Services
 - Provider of Full-Service Partnership services on behalf of San Diego County for 18 No Place Like Home residents.
- U.S. Department of Veterans Affairs (VA)
 - Residents of 15 units with veteran preference will have access to a comprehensive system of care at an off-site VA Healthcare facility.





SDHC – Rose Creek Village Site Map



SDHC – Rose Creek Village

Estimated Permanent Financing Sources and Uses

Permanent Financing Sources	Amount	Permanent Uses	Amount
Permanent loan	\$4,192,440	Land Acquisition Cost	\$5,007,887
County of San Diego No Place Like Home residual loan	4,030,422	Construction Cost	21,312,941
City of San Diego loan	4,000,000	Financing Costs	2,512,062
State HCD Infill Infrastructure grant	3,615,569	Other Soft Costs	1,203,680
Proposed SDHC loan	2,000,000	Permits & Fees	1,607,737
City of San Diego DSD Fee Waivers	310,106	Reserves	408,272
9 percent tax credit equity	17,988,722	Architect & Engineering	1,084,680
		Soft Cost Contingency	200,000
		Developer Fee	2,800,000
Total Development Sources	\$36,137,259	Total Development Uses	\$36,137,259

- Estimated Total Development Cost Per Unit (60 units) = \$602,288



SDHC – Rose Creek Village

Affordability and Estimated Rents

Unit Type	AMI	Units	TCAC Max Rent
Studio VASH Voucher Units	30% (currently \$31,850 for a one-person household)	18	\$795
Studio Units	30% (currently \$31,850 for a one-person household)	29	\$795
Studio Units	60% (currently \$63,660 for a one-person household)	<u>12</u>	\$1,591
Subtotal Studio Affordable Units		59	--
Manager's Unit (Unrestricted)	--	1	--
Total Units	--	60	--



SDHC – Rose Creek Village Development Timeline

Milestone	Estimated Date
<ul style="list-style-type: none"> California Tax Credit Allocation Committee (CTCAC) 9 percent tax credit application..... 	July 2, 2024
<ul style="list-style-type: none"> CTCAC 9 percent tax credit allocation meeting..... 	October 2, 2024
<ul style="list-style-type: none"> Estimated escrow/loan closing..... 	March 2025
<ul style="list-style-type: none"> Estimated start of construction work..... 	March 2025
<ul style="list-style-type: none"> Estimated completion of construction work..... 	December 2026



SDHC – Rose Creek Village Architect's Rendering



SDHC – Rose Creek Village

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Approve a proposed residual receipts loan in an amount not to exceed \$2,000,000 to Rose Creek Village LP, a California limited partnership, to facilitate the acquisition and new construction of Rose Creek Village, a transit-oriented development at 2662 Garnet Avenue, in the Pacific Beach neighborhood of San Diego, which will consist of 59 rental housing units that will remain affordable for 55 years for persons with income from 30 percent to 60 percent of San Diego's Area Median Income (AMI), of which 18 units will be permanent supportive housing with Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing homelessness. There will also be one unrestricted manager's unit.
 - SDHC's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to SDHC General Counsel's approval.



SDHC – Rose Creek Village Staff Recommendations (Continued)

- 2) Authorize the President and Chief Executive Officer (President and CEO), or designee:
 - a) To execute any and all documents necessary to effectuate the transaction 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) To adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$2,000,000 maximum SDHC loan amount may not increase.
 - c) To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President and CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by SDHC upon advice of the General Counsel.



Questions & Comments



SDHC – Rose Creek Village

