



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission &
Civic San Diego Proposal
Transit-Oriented Affordable Housing Development
Opportunity Investment Fund
City-County Reinvestment Task Force
July 17, 2014

San Diego Housing Commission

Civic San Diego





Transit-Oriented Affordable Housing Development Opportunity Investment Fund Introduction

- The San Diego Housing Commission (SDHC) in collaboration with Civic San Diego (Civic):
 - Create fund to finance affordable housing, urban in-fill real estate development, and infrastructure improvements in low-income neighborhoods.
 - Spur mixed-use and mixed-income real estate developments that provide affordable housing and much-needed businesses and services.



Transit-Oriented Affordable Housing Development Opportunity Investment Fund

Why?

- Loss of Redevelopment dollars as funding source.
- Natural partnership that draws on SDHC's and Civic's areas of expertise.
- Opportunity to pool funds, as well as attract new revenue sources for additional leverage.
- Utilize fund with existing financing tools: New Markets Tax Credits, Low-Income Housing Tax Credits, Tax-Exempt Bonds, other state and federal resources.
- Create vibrant and sustainable communities that include affordable housing and needed services, such as day care, medical facilities and grocery stores, with access to transit.



Transit-Oriented Affordable Housing Development Opportunity Investment Fund Examples

- TOAH Fund – Bay Area \$50,000,000
- NYC Acquisition Fund - \$230,000,000
- Denver TOD Fund - \$15,000,000
- New Generation Fund – Los Angeles - \$52,000,000
- Golden State Acquisition Fund – State of CA - \$93,000,000

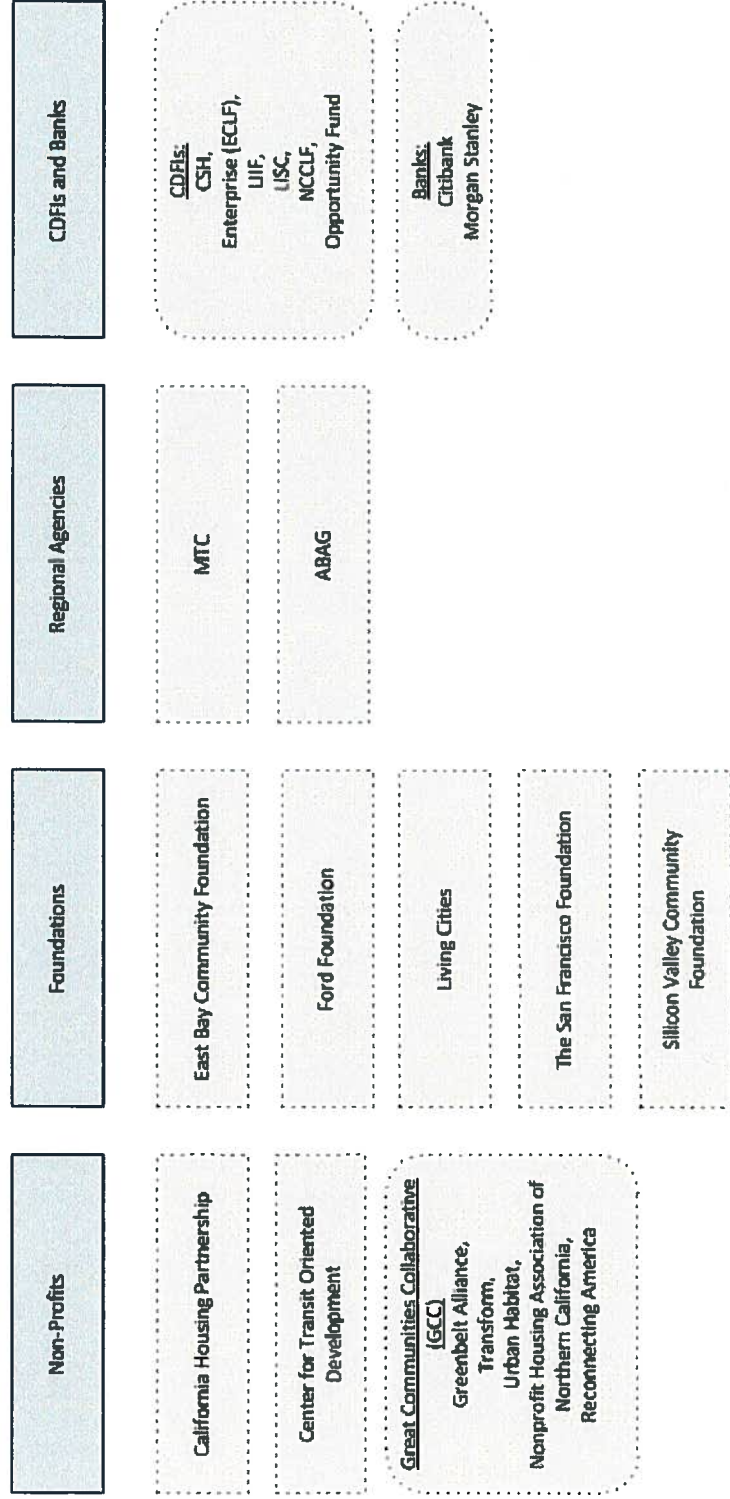




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Transit-Oriented Affordable Housing Development Opportunity Investment Fund

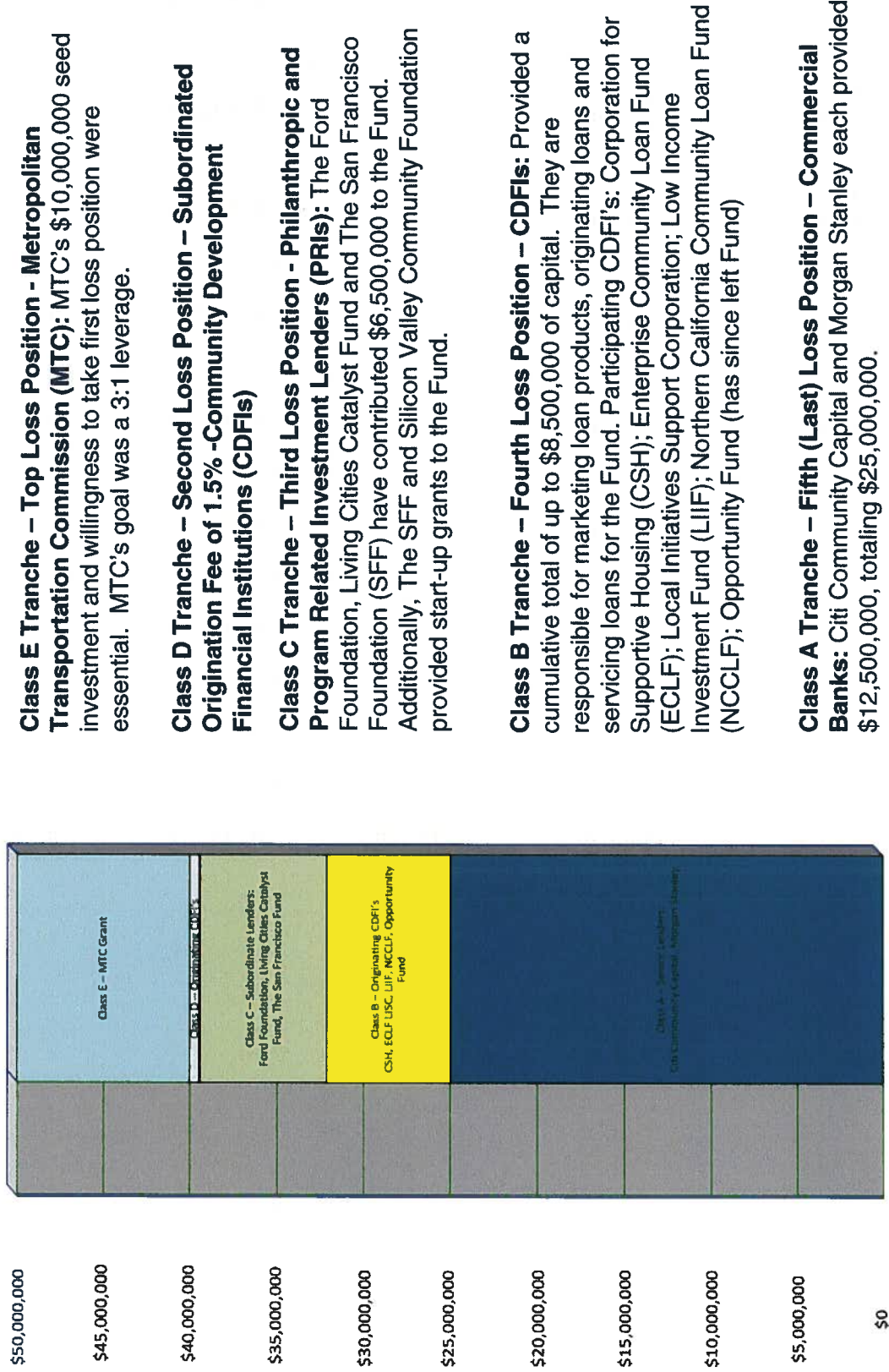
Case Study: Bay Area TOAH Fund Example TOAH Partners





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Case Study: TOAH Fund Capital Stack



Class E Tranche – Top Loss Position - Metropolitan Transportation Commission (MTC): MTC’s \$10,000,000 seed investment and willingness to take first loss position were essential. MTC’s goal was a 3:1 leverage.

Class D Tranche – Second Loss Position – Subordinated Origination Fee of 1.5% -Community Development Financial Institutions (CDFIs)

Class C Tranche – Third Loss Position - Philanthropic and Program Related Investment Lenders (PRIs): The Ford Foundation, Living Cities Catalyst Fund and The San Francisco Foundation (SFF) have contributed \$6,500,000 to the Fund. Additionally, The SFF and Silicon Valley Community Foundation provided start-up grants to the Fund.

Class B Tranche – Fourth Loss Position – CDFIs: Provided a cumulative total of up to \$8,500,000 of capital. They are responsible for marketing loan products, originating loans and servicing loans for the Fund. Participating CDFI’s: Corporation for Supportive Housing (CSH); Enterprise Community Loan Fund (ECLF); Local Initiatives Support Corporation; Low Income Investment Fund (LIIF); Northern California Community Loan Fund (NCCLF); Opportunity Fund (has since left Fund)

Class A Tranche – Fifth (Last) Loss Position – Commercial Banks: Citi Community Capital and Morgan Stanley each provided \$12,500,000, totaling \$25,000,000.



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Transit-Oriented Affordable Housing Development Opportunity Investment Fund Possible Loan Products

- Available to Non-Profit and For-Profit developers
- Secured Predevelopment
- Acquisition
- Construction Bridge
- Construction-to-Mini-Permanent
- Terms up to 15 years (gap replacement)





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Transit-Oriented Affordable Housing Development Opportunity Investment Fund Highlights

- Partnership possibilities with the County of San Diego, local Cities, San Diego Association of Governments, Metropolitan Transit System, Community Development Financial Institutions, Foundations, Commercial Banks and Philanthropic Organizations.
- Provide needed capital for affordable housing and community development.
- Favorable/below-market interest rates, loan terms and loan-to-value ratios.
- Provide funds for equitable, sustainable community development.
- Loans could be blended with other capital sources to ensure funds are available to provide neighborhood amenities including: child care, fresh food markets, community facilities, health clinics and additional “neighborhood assets.”





Transit-Oriented Affordable Housing Development Opportunity Investment Fund Timeline

- July 17th, 2014 – Informational Presentation to the Reinvestment Task Force
- September 2014 – Informational Presentation to the SDHC Board
- September 2014 – Request for Proposal for consultant
- November 2014 – Hire consultant
- November 2014 – Conduct stakeholder meetings
- February 2015 – Complete business plan
- March 2015 – Take findings to the SDHC Board
- April 2015 – Hire fund manager
- May 2015 – October 2015 – Solicit investors and partners
- November 2015 – January 2016 – Finalize fund structure, legal documents, and partnership agreements
- January 2016 – Start originating loans

