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HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC) Preliminary Bond Authorization for 3Roots Apartments

Housing Authority Agenda Item #2 and City Council Agenda Item #334
January 26, 2021

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division



SDHC – 3Roots Apartments

Development Summary

- New construction of 178 affordable rental housing units and two managers' units at 9900 Camino Santa Fe in Mira Mesa in Council District 6.
- Rents affordable for 55 years for households with income at 30 percent to 60 percent of San Diego's Area Median Income (AMI).
- Located at the southern end of the Lennar Homes' master-planned community, which consists of 1,800 residential units to be developed in Mira Mesa.
- Development financed with Multifamily Housing Revenue Bonds, private bank debt, 4 percent federal Low-Income Housing Tax Credits, state tax credits, seller note, land donation, Junior C bond, and a deferred developer fee.
- No SDHC loan provided to this development.



SDHC – 3Roots Apartments

Development Team

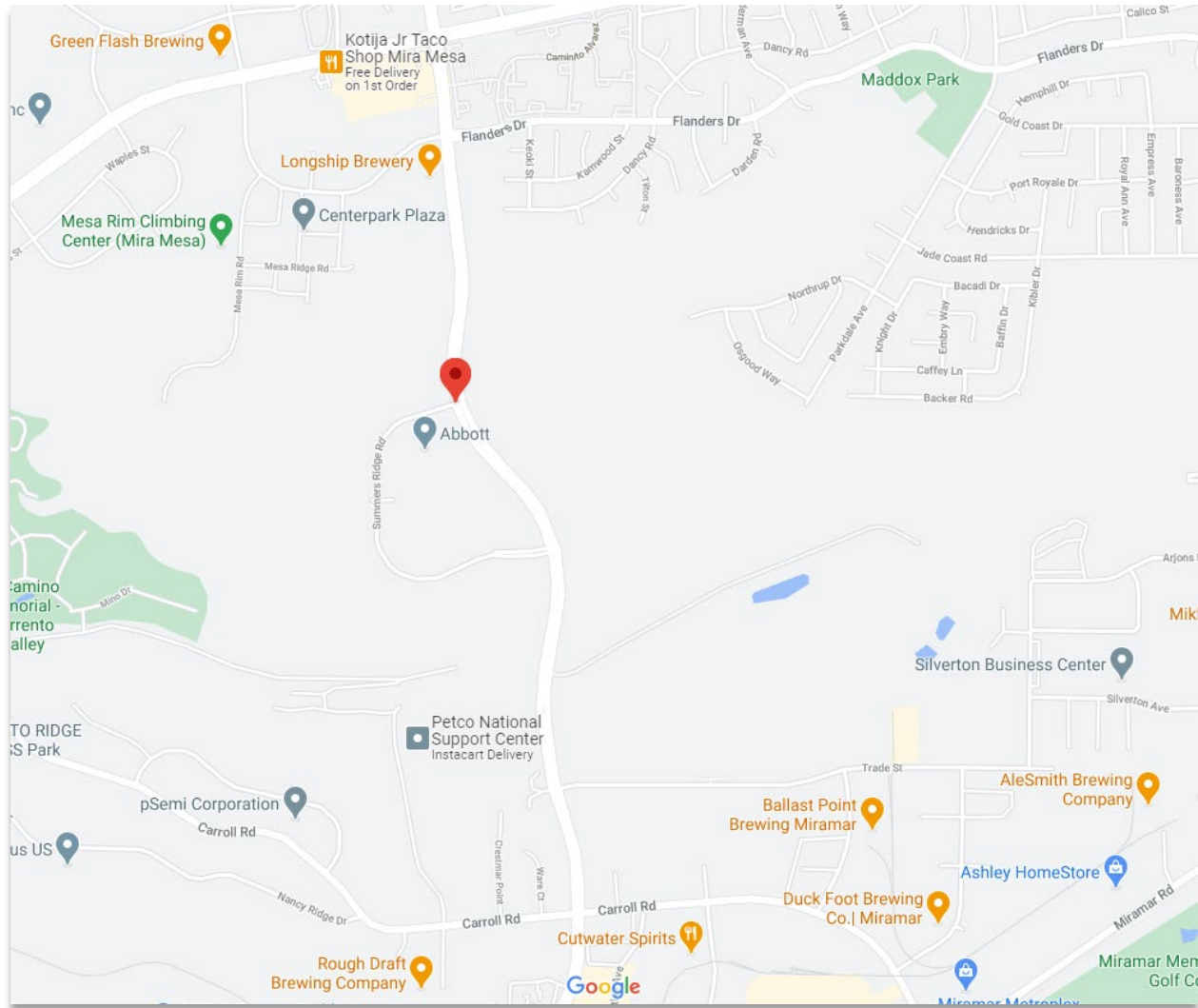
<u>ROLE</u>	<u>FIRM/CONTACT</u>
Developer	Chelsea Investment Corporation
Owner/Borrower	3Roots CIC, LP
Administrative General Partner	CIC 3Roots, LLC
Managing General Partner	Pacific Southwest Community Development Corporation
Tax Credit Investor Limited Partner	TBD
Architect	Bassenian Lagoni
General Contractor	Emmerson
Property Management	ConAm Management Corporation
Construction and Permanent Lender	TBD
Tenant Services Provider	Pacific Southwest Community Development Corporation





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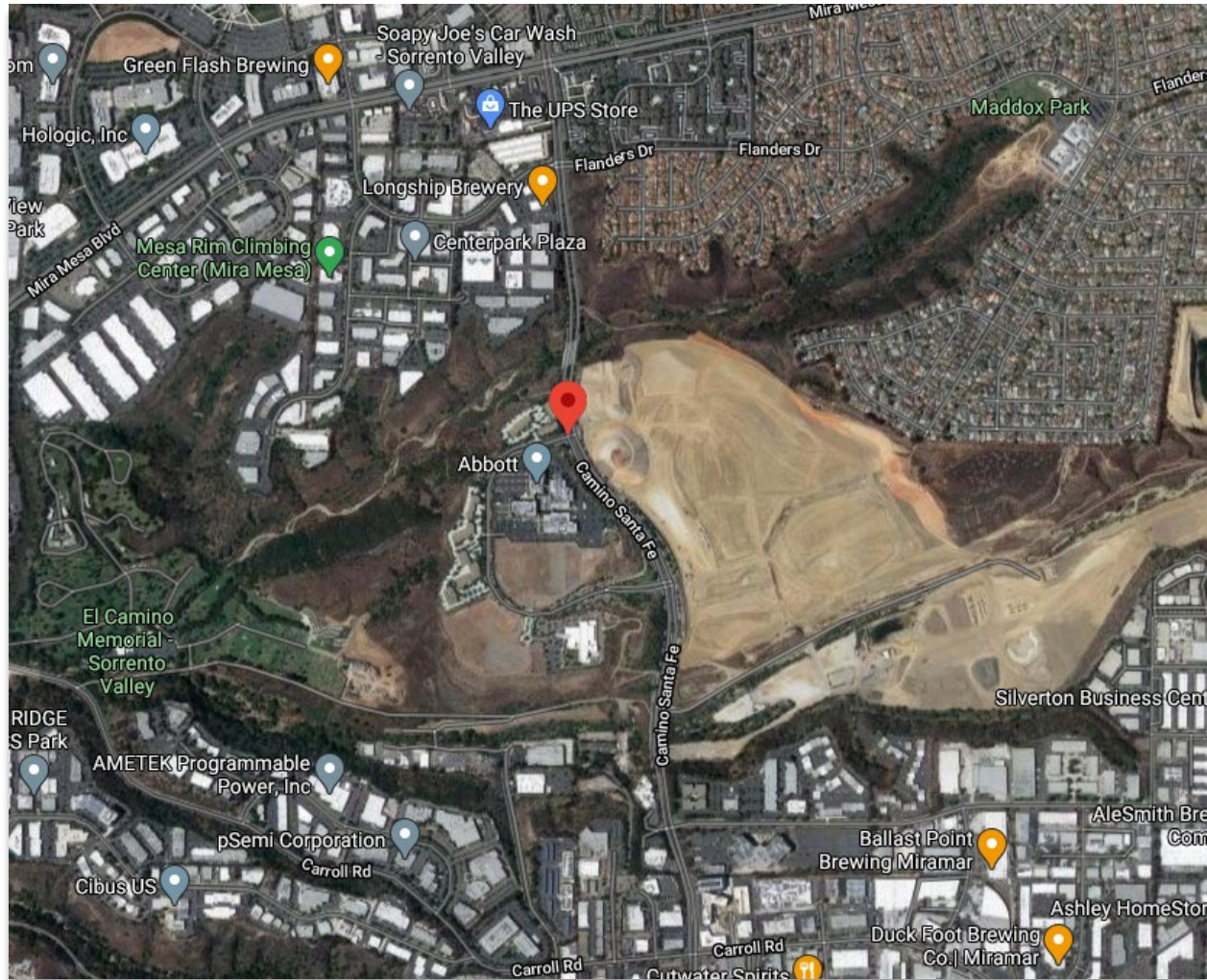
SDHC – 3Roots Apartments Location Map





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SDHC – 3Roots Apartments Aerial View



SDHC – 3Roots Apartments Site Plan

Site Summary:

Three Story Apartments

Total Units : 180
Site Area : ± 3.96 Acres
Density : ± 45.5 Homes/Acre

Parking Provided : 180 Spaces
Uncovered Spaces: 180 (1.0:1)

Unit Mix:

1 BR Units: 144 (80%)
2 BR Units: 36 (20%)
180 (100%)



Bassonian | Lagoni
ARCHITECTS
2200 Camino del Rio South, Suite 200
San Diego, CA 92108
Tel: 619.594.1234

ILLUSTRATIVE SITE PLAN

3ROOTS : PA-12

San Diego, California
B39.18199

07.25.18



This plan is submitted for informational purposes only. It is not intended to be used for any other purpose without the express written consent of the City of San Diego. The City of San Diego is not responsible for any errors or omissions in this plan.





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SDHC – 3Roots Apartments Architect Renderings



URBAN CORRIDOR STREET (EAST)



VILLAGE ENTRY DRIVE

Bassenian Lagoni
ARCHITECTURE • PLANNING • INTERIORS

2500 Camino del Rio South, Suite 200
San Diego, CA 92108
Tel: 619.594.2800
Fax: 619.594.2801

CONCEPTUAL ELEVATION

3ROOTS : PA-12

San Diego, California

SCALE: 1" = 6' - 0"

07.25.18

Notes:
1. This rendering is for informational purposes only and is not intended to be used for construction or other purposes without the written consent of the architect.
2. The architect does not warrant the accuracy of the information provided in this rendering.
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SDHC – 3Roots Apartments

Estimated Permanent Financing Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent Loan	\$29,710,000	Property acquisition	\$7,500,000	\$41,667
		Offsite Infrastructure	\$5,000,000	\$27,778
4% Tax Credit Equity	\$27,760,159	Construction costs \$9,492,617		\$274,959
		Contingency + \$2,474,631		\$13,748
		Total construction \$51,967,248		\$288,707
State Tax Credit Equity	\$10,048,956	Financing Costs	\$4,523,975	\$25,133
Master Developer Land Donation	\$7,500,000	Architecture and Engineering	\$1,538,000	\$8,544
Junior C Bond	\$2,800,000	Legal	\$262,500	\$1,458
Residual Receipts Loan Interest	\$656,250	City Permits & Impact Fees	\$7,411,724	\$41,176
Deferred Dev. Fee	\$5,946,411	Developer Fee	\$9,946,411	\$55,258
Seller Note	\$5,000,000	Reserves	\$659,943	\$3,666
		Other soft costs	\$245,167	\$1,362
		Contingency	\$366,808	\$2,038
Total Sources	\$89,421,776	Total Uses	\$89,421,776	\$496,788



SDHC – 3Roots Apartments

Affordability & Proposed Rents

Unit Type	AMI	Number of Units	Gross Rents
1BR	30%	2	\$649
1BR	50%	2	\$1,082
1BR	60%	20	\$1,299
2BR	30%	8	\$779
2BR	50%	8	\$1,298
2BR	60%	62	\$1,558
3BR	30%	8	\$900
3BR	50%	8	\$1,500
3BR	60%	60	\$1,800
Manager	N/A	2	-
Total Units	-	180	-



SDHC – 3Roots Apartments Development Timeline

Milestones	Estimated Dates
Housing Authority consideration	January 26, 2021
City Council IRS-required TEFRA hearing	January 26, 2021
CDLAC bond & TCAC tax credit application	February 4, 2021
CDLAC & CTCAC allocation meetings	April 2021
Housing Authority final bond authorization	TBD
Estimated bond issuance and escrow/loan closing	TBD
Estimated start of construction work	December 2021
Estimated completion of construction work	June 2023



SDHC – 3RootsApartments

Bond Issuance Summary

- Proposed bond issuance of up to \$58,000,000 in a tax-exempt bonds and up to \$4,800,000 in taxable bonds
- Developer is responsible for paying all costs of issuing bond.
- 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 – 3Roots Apartments

Staff Recommendations

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

1. Approve initial steps to issue up to \$58,000,000 in a tax-exempt Multifamily Housing Revenue Bonds and up to \$4,800,000 in taxable bonds to facilitate the development of 3Roots Apartments:
 - Issue a bond inducement resolution.
 - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC) for the tax-exempt bonds.
 - Approve a financing team of Orrick as Bond Counsel and Ross Financial as Financial Advisor.
2. Authorize SDHC's President & CEO, or designee, to execute necessary documents in a form approved by General Counsel and Bond Counsel and take necessary actions upon advice of General Counsel.



SDHC – 3RootsApartments

Staff Recommendations (Continued)

That the San Diego City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$58,000,000 to fund the development 3Roots Apartments.



Questions & Comments

