

**NEWS RELEASE**

December 5, 2008

**Construction underway on Dawson Avenue  
senior affordable apartments**

SAN DIEGO – Developers Chelsea Investment Corp. and Housing Development Partners held a groundbreaking ceremony to mark the start of construction on Dawson Avenue Senior Apartments. Located in City Heights, the apartment complex will serve very low-income seniors and persons with disabilities. The San Diego Housing Commission (SDHC) invested \$7.8 million in the purchase and the construction of the 88-unit affordable rental development.

“Seniors need more affordable housing, especially in this down market, and that’s what we’re doing here. Building affordable housing – and building it right, so that everybody wins. Superbly designed, infill development near public transit. And it’ll be one of the nicest buildings on the block, so that’s going to raise property values,” said San Diego City Councilmember Jim Madaffer, who serves as a member of the City’s Housing Authority (which oversees SDHC).

SDHC President & CEO Rick Gentry agreed on the importance of the development. “We’re here to provide real resources and real help for real people. That is what this is about: Stepping in to assist those whom the private housing market does not serve – in this case, one of San Diego’s most vulnerable populations,” he stated.

Madaffer and Gentry were guest speakers at the event – along with Bank of America’s Vice President of Community Impact Angie Lucero, and Lazaro Neto, State Farm Insurance’s California Public Affairs Director. Jim Schmid, President of Chelsea Investment Corp. served as moderator.

SDHC provided a \$6 million deferred loan for the construction of the Dawson Avenue Senior Apartments building. Additionally, SDHC purchased the land (for \$1.8 million) on which the apartments will be built – and will lease back the land to the development partners. As a condition of the funding and the ground lease agreement, rents at Dawson Avenue Senior will have a 55-year affordability requirement.

Other funding partners included Bank of America (housing tax credits and construction loan) and Federal Home Loan Bank/Affordable Housing Program. Local Initiatives Support Corporation provided predevelopment financing.

The architect is Westberg + White, Inc. and the general contractor is Emmerson Construction, Inc.

The new development will be near public transportation, retail and community services. Dawson Avenue Senior Apartments will be comprised of one- and two-bedroom units within a single, four-story building built over one level of underground parking. The property will feature a community room with a kitchen, laundry facilities, a courtyard patio and sun deck.

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## DAWSON SENIOR APARTMENTS –2-2-2

Dawson Avenue Senior Apartments is contributing to the continuing revitalization of the surrounding neighborhood. Other recent area improvements have included the renovation of an adjacent shopping center, and the newly-constructed Talmadge Senior Village apartments.

The estimated construction completion date is March 2010. Rents will range from \$427 to \$646, depending on household size and income. To be eligible, residents must earn no more than \$25,550 per year for a one-person household, which is 50% of San Diego's area median income (AMI). In addition to units with 50% AMI rent restrictions, some of the units have rents affordable for persons earning 30 and 40% AMI. For application and waiting list information, call 888.290.3512.

***Chelsea Investment Corporation*** is a real estate company focused on the financing and development of affordable housing projects, including inclusionary developments, rural developments and special needs housing. The Company provides financial engineering, development, asset management services, as well as legal and non-profit experience to its development partners and clients.

***Housing Development Partners of San Diego (HDP)*** is a non-profit public benefit corporation, organized in 1990. HDP partners with for-profit affordable housing developers to provide affordable housing for low-income individuals and families in San Diego. HDP is the owner or managing general partner of 800 affordable rental units, including 363 rental units currently under construction.

***The San Diego Housing Commission*** is a public agency working to expand affordable housing opportunities in the City of San Diego. Each year, the Housing Commission helps 80,000 low-income individuals with affordable housing through award-winning programs that benefit the city's economy and revitalize neighborhoods.

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