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San Diego Housing Commission (SDHC)
Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and
Revision to the Bond Financing Team for the Junipers Apartments
Presentation to the SDHC Board of Commissioners
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SDHC – The Junipers Apartments Development Summary

- New construction of 80 affordable units and unrestricted manager's unit at the northwest corner of Interstate 15 and Carmel Mountain Road in the Rancho Peñasquitos neighborhood.
 - Developer: Experienced, award-winning Chelsea Investment Corporation
- Rents affordable for 55 years for seniors age 55 and older with income of 50 percent to 60 percent of San Diego's Area Median Income (AMI).
- Near San Diego Metropolitan Transit System route 20 bus stop, close to the intersection of Peñasquitos Drive and Carmel Mountain Road.
- No SDHC loan provided to this development.
- 2.1-acre vacant parcel within the Lennar Homes' 536-unit The Junipers master-planned new development.
 - Lennar's development will include 455 units of for-sale townhouses and single-family housing, a 2.87-acre public park, a 2.8-acre walking trail and bike path.



SDHC – The Junipers Apartments TEFRA Hearing Renewal

- Preliminary steps to finance the new construction of The Junipers Apartments previously were approved:
 - November 13, 2020: SDHC Board of Commissioners
 - December 15, 2020: Housing Authority of the City of San Diego
- Up to \$19,500,000 in tax-exempt Multifamily Housing Revenue Bonds authorized.
- December 15, 2020: San Diego City Council held an IRS-required TEFRA public hearing
 - Valid for one year
 - Renewal TEFRA hearing required
 - SDHC Board is now authorized to hold TEFRA hearings (Resolution No. HA-1906).



SDHC – The Junipers Apartments Bond Financing Team

- Previously designated Bond Counsel, Kutak Rock LLP, notified SDHC it would not file a required Statement of Economic Interest (SEI).
- SEI filing is required pursuant to the Agreement for Bond Counsel Services and SDHC's bond program.
- Proposal to designate Quint & Thimmig LLP as the replacement Bond Counsel for this development.
- SDHC General Counsel reviewed the filed SEI for the principal of Quint & Thimmig.
 - No conflicts based on the filed SEI
- No fiscal impact from substitution of Bond Counsel
 - Compensation is paid upon closing of the bond transaction.
 - Kutak Rock has not been paid compensation on The Junipers project.



SDHC – The Junipers Apartments Location Map



SDHC – The Junipers Apartments Development Team Summary

Role	Firm/Contract
Developer	Chelsea Investment Corporation
Owner	Juniper CIC L.P. (a California limited partnership)
Managing General Partner	Pacific Southwest Community Development Corporation
Tax Credit Limited Partner	To be selected
Architect	The McKinley Associates
General Contractor	Emmerson Construction (a Chelsea affiliate)
Property Management	ConAm Management Corporation
Tenant Services Provider	Pacific Southwest Community Development Corporation (PSCDC)
Construction Lender	To be selected
Permanent Lender	To be selected



SDHC – The Junipers Apartments

Estimated Permanent Financing Sources and Uses

Prop	Amount	Permanent Uses	Amount
Bond financed permanent loan	\$10,480,000	Land acquisition	\$1
Master developer loan	5,265,000	Existing site work acquisition	5,270,000
Land donation	1	Construction cost	18,771,896
Solar tax credit equity	125,970	Financing costs	1,984,243
Residual receipts loans accrued interest	197,438	Architecture & engineering	491,522
Deferred developer's fee contribution	2,017,561	Developer's fee	4,223,396
4 percent (CTCAC) tax credits equity	14,167,135	Legal	255,000
State tax credit equity	1,346,198	Permits and fees	1,997,989
--	--	Other soft costs	340,541
		Reserves	264,715
Total Sources	\$33,599,303	Total Development Costs (TDC)	\$33,599,303
		TDC Per Unit	\$414,806



SDHC – The Junipers Apartments

Affordability & Estimated Rents

Unit Type	AMI	Units	California Tax Credit Allocation Committee (CTCAC) Gross Rent
One-bedroom units	30%	7	\$682
One-bedroom units	50%	7	\$1,136
One-bedroom units	60%	<u>51</u>	\$1,364
Subtotal One-bedroom units		65	
Two-bedroom units	30%	1	\$818
Two-bedroom units	50%	1	\$1,363
Two-bedroom units	60%	<u>13</u>	\$1,636
Subtotal Two-Bedroom Units		<u>15</u>	
Subtotal Residential Affordable Units	--	80	--
Manager's two-bedroom unrestricted unit	--	1	--
Total	--	81	--



SDHC –The Junipers Apartments Development Timeline

Milestones	Estimated Dates
<ul style="list-style-type: none"> • Application to CDLAC for tax-exempt bond allocation..... 	February 2022
<ul style="list-style-type: none"> • Application to CTCAC for tax credits allocation..... 	February 2022
<ul style="list-style-type: none"> • CDLAC and CTCAC allocation meetings..... 	April 2022
<ul style="list-style-type: none"> • Housing Commission consideration of final bond issuance 	Fall 2022
<ul style="list-style-type: none"> • Housing Authority consideration of final bond issuance..... 	Fall 2022
<ul style="list-style-type: none"> • Estimated bond issuance and escrow closing..... 	November 2022
<ul style="list-style-type: none"> • Estimated start of construction work..... 	November 2022
<ul style="list-style-type: none"> • Estimated completion of construction work..... 	December 2023



SDHC – The Junipers Apartments Artist's Rendering



EAST ELEVATION



WEST ELEVATION

THE JUNIPERS - AGE RESTRICTED
CHELSEA INVESTMENT CORPORATION



SDHC – The Junipers Apartments Bond Issuance Summary

- Proposed bond issuance of up to \$19,500,000 in a tax-exempt 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 – The Junipers Apartments

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds, in an amount up to \$19,500,000, to Junipers CIC L.P. , to fund the development of The Junipers Apartments, a new three-story affordable senior housing development, to be located at the northwest corner of Interstate 15 and Carmel Mountain Road in the Rancho Peñasquitos neighborhood, which will consist of 80 units affordable for 55 years, for seniors earning 50 percent to 60 percent of San Diego Area Median Income (AMI) and one unrestricted manager's unit; and
- 2) Approve the revised Bond Financing team of Quint & Thimmig L.L.P. as Bond Counsel and CSG as Financial Advisor.



Questions & Comments

