



SAN DIEGO  
HOUSING  
COMMISSION

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San Diego Housing Commission (SDHC)  
Loan Recommendation for Messina Senior Apartments  
Presentation to the SDHC Board of Commissioners  
June 10, 2022

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## SDHC – Messina Senior Apartments Development Summary

- Proposed new construction of 78 affordable rental units for seniors age 62 and older and one unrestricted manager's unit:
  - 5 studios
  - 73 one-bedroom units
- Affordable for 55 years for seniors with income from 30 percent to 80 percent of San Diego's Area Median Income (AMI)
- 5255 Mt. Etna Drive in the Clairemont Mesa neighborhood
- Metropolitan Transit System bus lines less than 1/4 mile away on Genesee Avenue
- Balboa Avenue Trolley Station approximately 2.5 miles west from the property

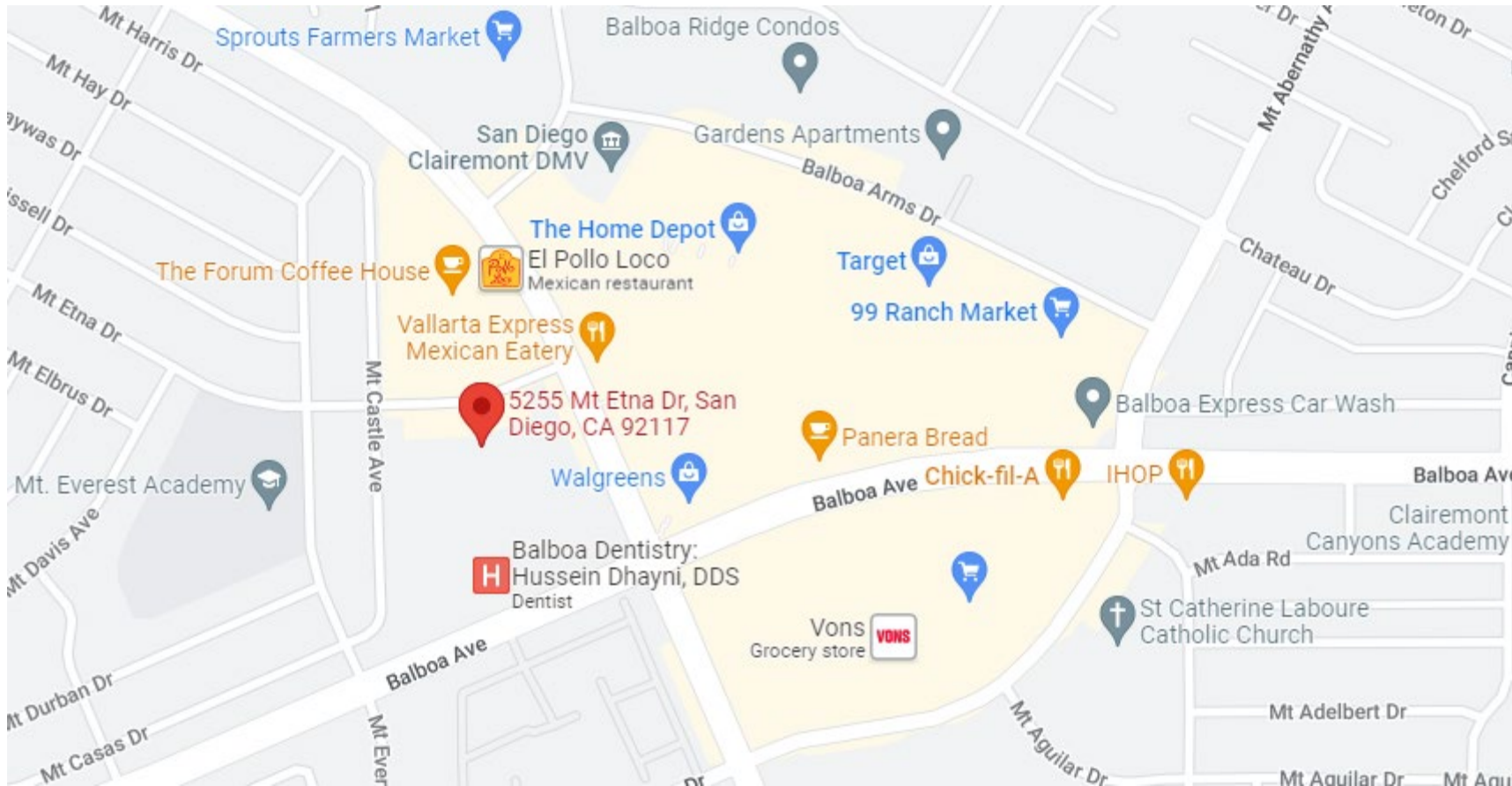


## SDHC – Messina Senior Apartments Development Summary (Continued)

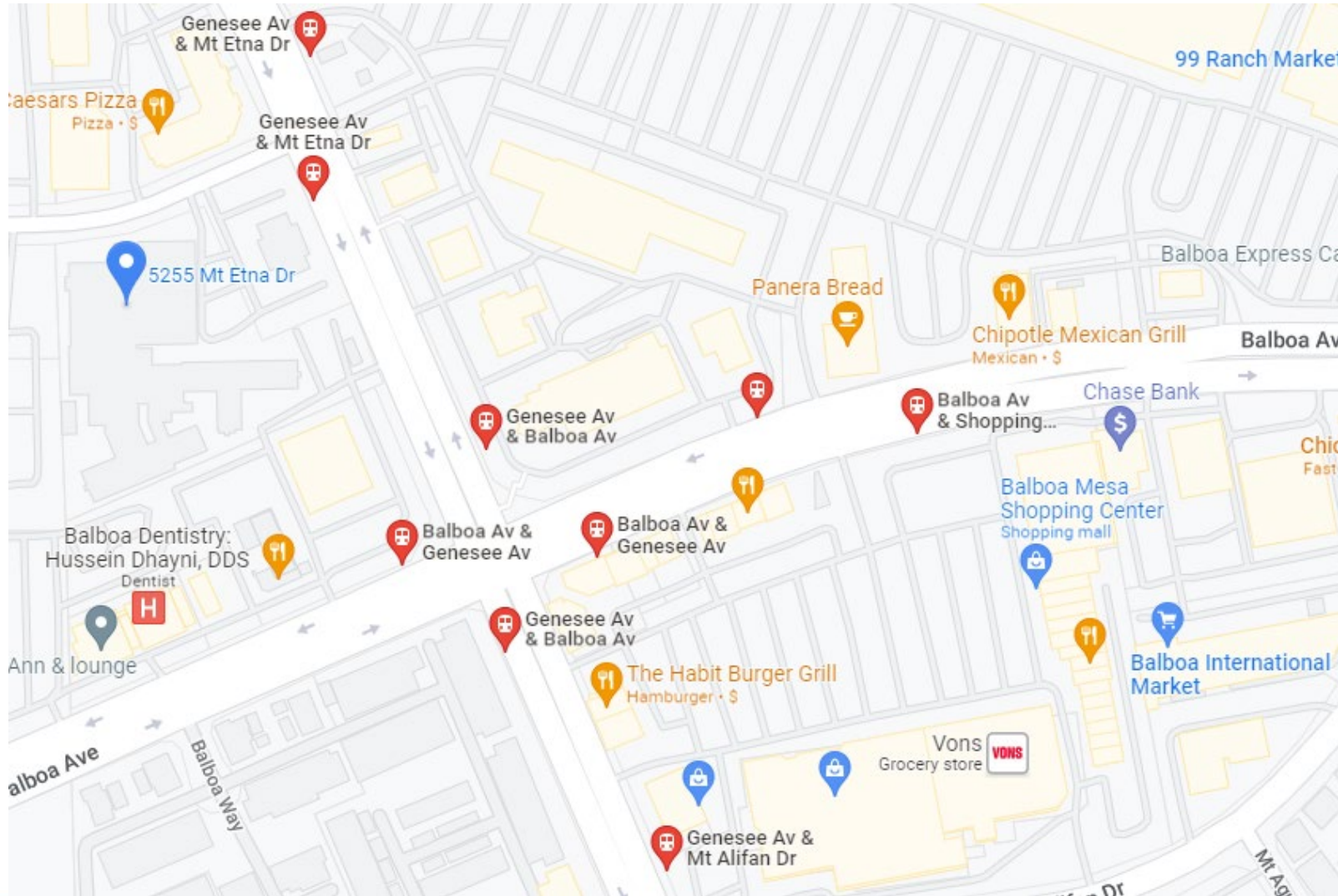
- The developer, Chelsea Investment Corporation, applied for a residual receipts loan and federal rental housing vouchers through SDHC's Fiscal Year 2021 Notice of Funding Availability.
- SDHC made a preliminary award of:
  - Loan of up to \$3,950,000 subject to SDHC Board of Commissioners approval
  - 8 Project-Based Housing Vouchers to help pay rent for seniors with income up to 30 percent of AMI
- Serving Seniors will provide services free of charges to all residents, including:
  - Meals
  - Workshops
  - Classes
  - Volunteer opportunities
  - Health services
  - Case management
  - Social activities



# SDHC – Messina Senior Apartments Location Map



# SDHC – Messina Senior Apartments Proximity to Transit (bus)



## SDHC – Messina Senior Apartments

### Estimated Permanent Financing Sources and Uses

Financing Sources	Amount	Financing Uses	Amount
Permanent Loan	\$9,249,962	Land & acquisition/holding costs	\$9,120,587
Federal LIHTC Equity	15,073,152	Construction cost	19,882,720
		Contingency	<u>+ 1,246,648</u>
		Total construction	<u>\$ 21,129,368</u>
SDHC Loan	3,950,000	Financing costs	56,250
Solar LIHTC Equity & Rebates	436,050	Other soft costs	2,424,362
Deferred Developer Fee	114,708	Local permits and fees	2,766,205
Land Contribution	9,120,587	Total Reserves	247,688
		Developer fee	2,200,000
<b>Total Development Sources</b>	<b>37,944,460</b>	<b>Total Development Cost</b>	<b>37,944,460</b>

- Estimated Total Development Cost Per Unit (79 Units) = \$480,310



## SDHC – Messina Senior Apartments

### Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
Studio	30%	1	\$636
Studio	40%	1	\$849
Studio	50%	1	\$1,061
Studio	60%	1	\$1,273
Studio	80%	1	\$1,698
<b>Subtotal Studio Units</b>		<b><u>5</u></b>	
One bedroom (with PBV)	30%	8	\$682
One bedroom	40%	15	\$909
One bedroom	50%	23	\$1,136
One bedroom	60%	20	\$1,364
One bedroom	80%	<b><u>73</u></b>	\$1,940
<b>Subtotal Residential Units</b>		<b><u>78</u></b>	
Manager's unrestricted two-bedroom unit	--	1	--
<b>Total</b>	--	<b>79</b>	--



# SDHC – Messina Senior Apartments Development Timeline

<b>Milestones</b>	<b>Estimated Dates</b>
<ul style="list-style-type: none"><li>• CTCAC 9 percent tax credit application</li><li>• CTCAC 9 percent tax credit allocation meeting</li><li>• Estimated escrow/loan closing</li><li>• Estimated start of construction work</li><li>• Estimated completion of construction work</li></ul>	June 30, 2022 September 28, 2022 March 2023 March 2023 May 2024





# SDHC – Messina Senior Apartments Development Team Summary

Role	Firm/Contract
Developer	Chelsea Investment Corporation
Owner/Borrower	Messina CIC, L.P.
Managing General Partner	Mt. Etna Senior Housing, LLC
Architect	The McKinley Associates
General Contractor	Emmerson Construction Inc.
Property Management	CICM/ Hyder is anticipated
Tenant Services Provider	Serving Seniors
Construction Lender Permanent Lender	To be determined
Tax Credit Equity Partner	To be determined



## SDHC – Messina Senior Apartments 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 \$3,950,000 to Messina CIC, LP., a California limited partnership, to facilitate the acquisition and new construction of Messina Senior Apartments, a transit-oriented development at 5255 Mt. Etna Drive, San Diego, in the Clairemont Mesa Community Planning Area, which will consist of 78 units that will remain affordable for 55 years for seniors age 62 and older with income from 30 percent to 80 percent of San Diego's Area Median Income (AMI), and one unrestricted manager's unit.
  - Loan contingent on developer receiving necessary third-party funds.
  
2. Authorize the President and Chief Executive Officer, or designee:
  - To execute necessary documents in a form approved by General Counsel and take necessary actions upon advice of General Counsel, provided that a copy of the documents is submitted to each Commissioner;
  - To adjust financing terms, provided that the proposed \$3,950,000 maximum SDHC loan amount may not increase; and
  - To substitute approved funding sources with any other available funds as deemed appropriate, contingent on budget availability.



# SDHC – Messina Senior Apartments

## Questions & Comments

