



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
Final Bond Authorization, and Tax Equity and Fiscal Responsibility Act
(TEFRA) Hearing and Resolution for Levant Senior Cottages
Presentation to the SDHC Board of Commissioners
May 5, 2022

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Real Estate Division



SDHC – Levant Senior Cottages Development Summary

- Proposed new construction of 126 affordable rental units and one unrestricted manager's unit:
 - Affordable units for seniors age 55 and older
 - Affordable for 55 years for seniors with income from 25 percent to 50 percent of San Diego's Area Median Income
 - 6950 Levant Street in the Linda Vista neighborhood
- Metropolitan Transit System bus lines within 1/4 mile
- Hazard Center Trolley Station approximately 1.6 miles from the property



SDHC – Levant Senior Cottages Development Summary (Continued)

- No relocation is necessary.
- The vacant land is owned by the County of San Diego.
 - Ground leased to Wakeland Housing and Development Corporation for 70 years
 - 18 one-story buildings and two two-story buildings due to ground lease requirements
- The development will pay federal Davis-Bacon prevailing wages.



SDHC – Levant Senior Cottages Developer

- Wakeland Housing and Development Corporation (Wakeland)
 - Experienced, award-winning nonprofit developer
 - Portfolio of approximately 7,300 affordable units
 - Successfully completed previous developments with SDHC residual receipts loans
- Wakeland applied to SDHC for a residual receipts loan and federal rental housing vouchers through SDHC's 2021 Notice of Funding Availability.
- SDHC staff provided a preliminary recommendation of award 70 federal Project-Based Housing Vouchers for the Levant Senior development.
 - Tenants will be selected from SDHC's Project-Based Housing Voucher waiting list.

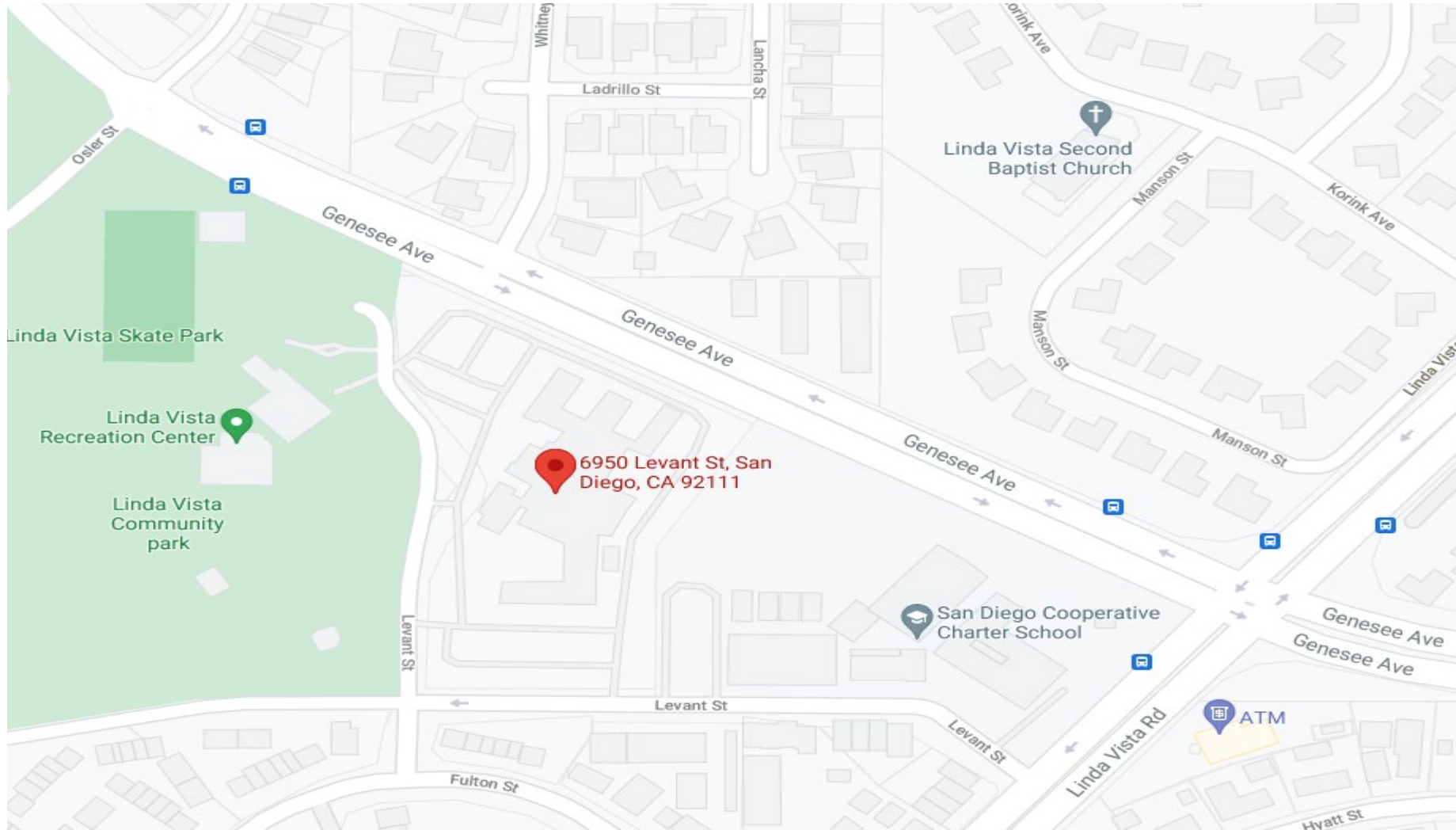


SDHC – Levant Senior Cottages Location Map

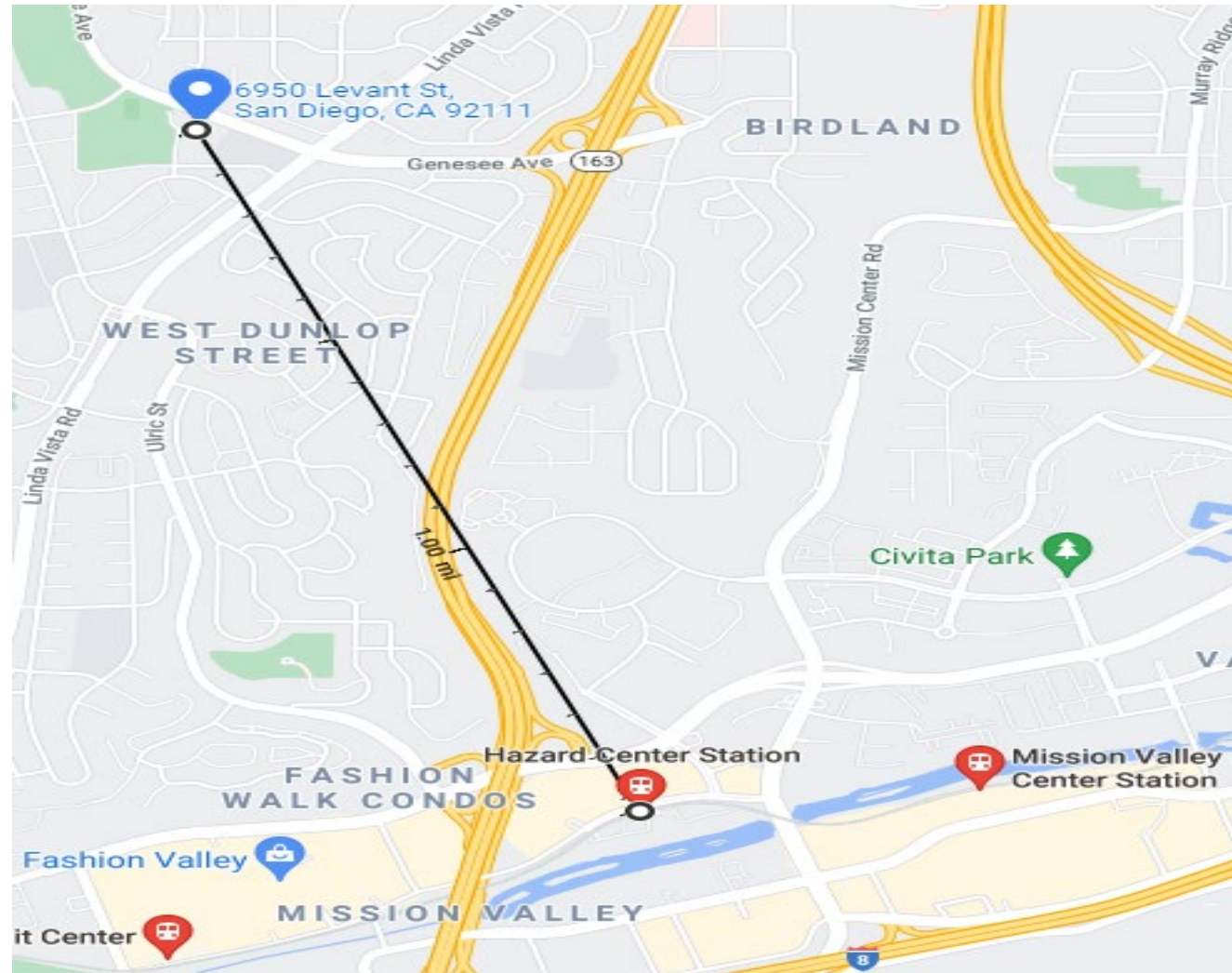


SDHC – Levant Senior Cottages

Proximity to Transit (Bus)



SDHC – Levant Senior Cottages Proximity to Transit (MTS)



SDHC – Levant Senior Cottages

Estimated Permanent Financing Sources and Uses

Financing Sources	Amount	Financing Uses	Amount
Tax-Exempt permanent bond	\$7,015,000	Land & acquisition/holding costs	\$0
State of California Housing & Community Development Department Multifamily Housing Program loan	19,080,000	Construction cost 32,153,822 Contingency +1,882,691 Total construction <u>\$34,036,513</u>	34,036,513
4 Percent (CTCAC) tax credit equity	20,334,123	Financing costs	2,117,323
Deferred developer's fee	1,300,000	Other soft costs	1,908,467
		Predev & Construction Period Interest	2,819,941
		Developer fee	2,200,000
		Local permits and fees	1,815,000
		Architecture & Engineering	505,000
		Soft costs contingency	300,000
		Legal & Accounting costs	165,000
		Operating & Transition Reserves	859,479
Total Development Sources	47,729,223	Total Development Cost	47,729,223

- Estimated Total Development Cost Per Unit (127 Units) = \$375,821



SDHC – Levant Senior Cottages

Affordability and Estimated Rents

Unit Type	AMI	Units	CTCAC Gross Rent
Studio units (with PBV)	25%	14	\$530
Studio units (with PBV)	30%	13	\$636
Studio units (with PBV)	40%	25	\$849
One bedroom units (with PBV)	25%	<u>18</u>	\$568
Subtotal With PBV Units.		70	
Studio units	40%	7	\$849
Studio units	50%	<u>49</u>	\$1,061
Subtotal Non-PBV Units.		56	
Subtotal Residential Units.		126	
Manager’s unrestricted two-bedroom unit	--	1	--
Total	--	127	--



SDHC – Levant Senior Cottages Development Timeline

Milestones	Estimated Dates
<ul style="list-style-type: none">• Housing Authority final bond issuance• City Council TEFRA hearing and resolution authorization• Estimated Bond issuance and escrow/loan closing• Estimated start of construction work• Estimated completion of construction work	May 24, 2022 May 24, 2022 May 31, 2022 June 3, 2022 January 2024



SDHC – Levant Senior Cottages Artist's Rendering



SDHC – Levant Senior Cottages Development Team Summary

Role	Firm/Contract
Developer	Wakeland Housing and Development Corporation
Owner/Borrower	Levant Senior Cottages, LP
Managing General Partner	Wakeland Housing Development Corporation as the manager and sole member of Wakeland Levant LLC
Architect	Roesling, Nakamura, Terada Architects
General Contractor	Allgire General Contractors
Property Management	ConAm Management Corporation
Tenant Services Provider	Wakeland Housing and Development Corporation and St. Paul's PACE Program
Construction Lender Permanent Lender	JP Morgan Chase Bank NA
Tax Credit Equity Partner	Boston Financial Investment Management



SDHC – Levant Senior Cottages Bond Issuance Summary

- Proposed bond issuance not to exceed \$22,877,000 in a tax-exempt bonds and up to \$22,000,000 in a 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 – Levant Senior Cottages

Staff Recommendations

That the SDHC Board of Commissioners (Board) recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions:

Housing Authority

- 1) Authorize the issuance of tax-exempt Housing Authority Multifamily Housing Revenue Bonds in an amount not to exceed \$22,877,000 and taxable bonds in an amount not to exceed \$22,000,000 to fund Levant Senior Cottages LP's construction of Levant Senior Cottages (Levant Senior), a new affordable rental housing development at 6950 Levant Street in the Linda Vista neighborhood, which will consist of 126 units that will remain affordable for 55 years for seniors with low income, including 70 units for residents selected from the Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 25 percent and 50 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.



SDHC – Levant Senior Cottages Staff Recommendations (Continued)

Housing Authority (Continued)

- 2) Authorize SDHC's Interim President & CEO, or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel of the Housing Authority and of SDHC and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel. SDHC staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the transaction, and other required documents, including amendments to any documents.



SDHC – Levant Senior Cottages

Staff Recommendations (Continued)

City Council

- 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 not to exceed \$22,877,000 to fund Levant Senior Cottages LP's construction of Levant Senior Cottages (Levant Senior), a new affordable rental housing development at 6950 Levant Street in the Linda Vista neighborhood, which will consist of 126 units that will remain affordable for 55 years for seniors with low income, including 70 units for residents selected from the Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 25 percent and 50 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.
- 2) Adopt a TEFRA resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount not to exceed \$22,877,000 to facilitate the development of Levant Senior.



Questions & Comments

