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San Diego Housing Commission (SDHC)
Loan Recommendation, Preliminary Bond Authorization, and
Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing
for Levant Senior Cottages Affordable Housing
Presentation to the SDHC Board of Commissioners
July 9, 2021

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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.

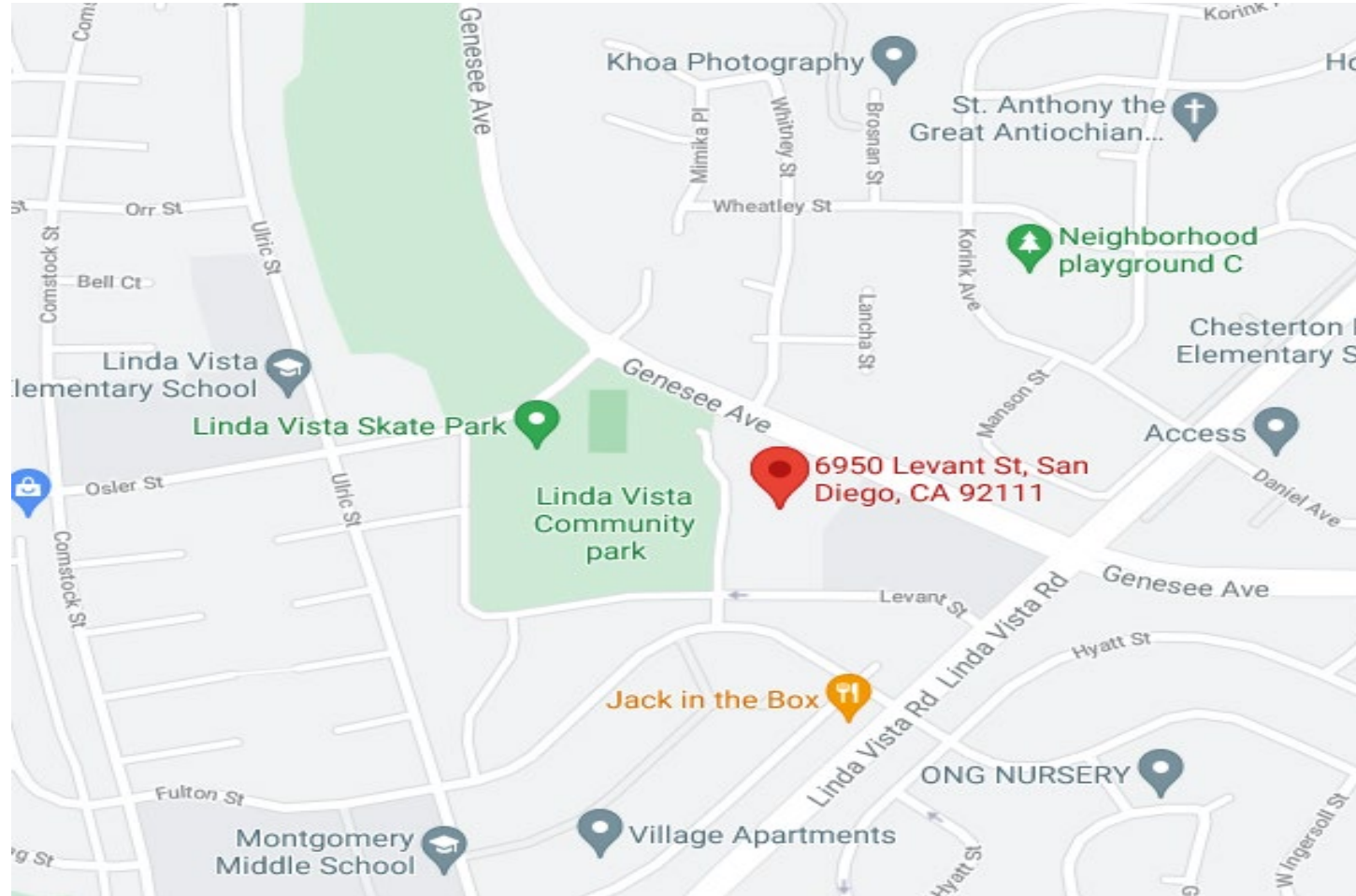


SDHC – Levant Senior Cottages Developer

- 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 for a residual receipts loan of up to \$6,000,000 and 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

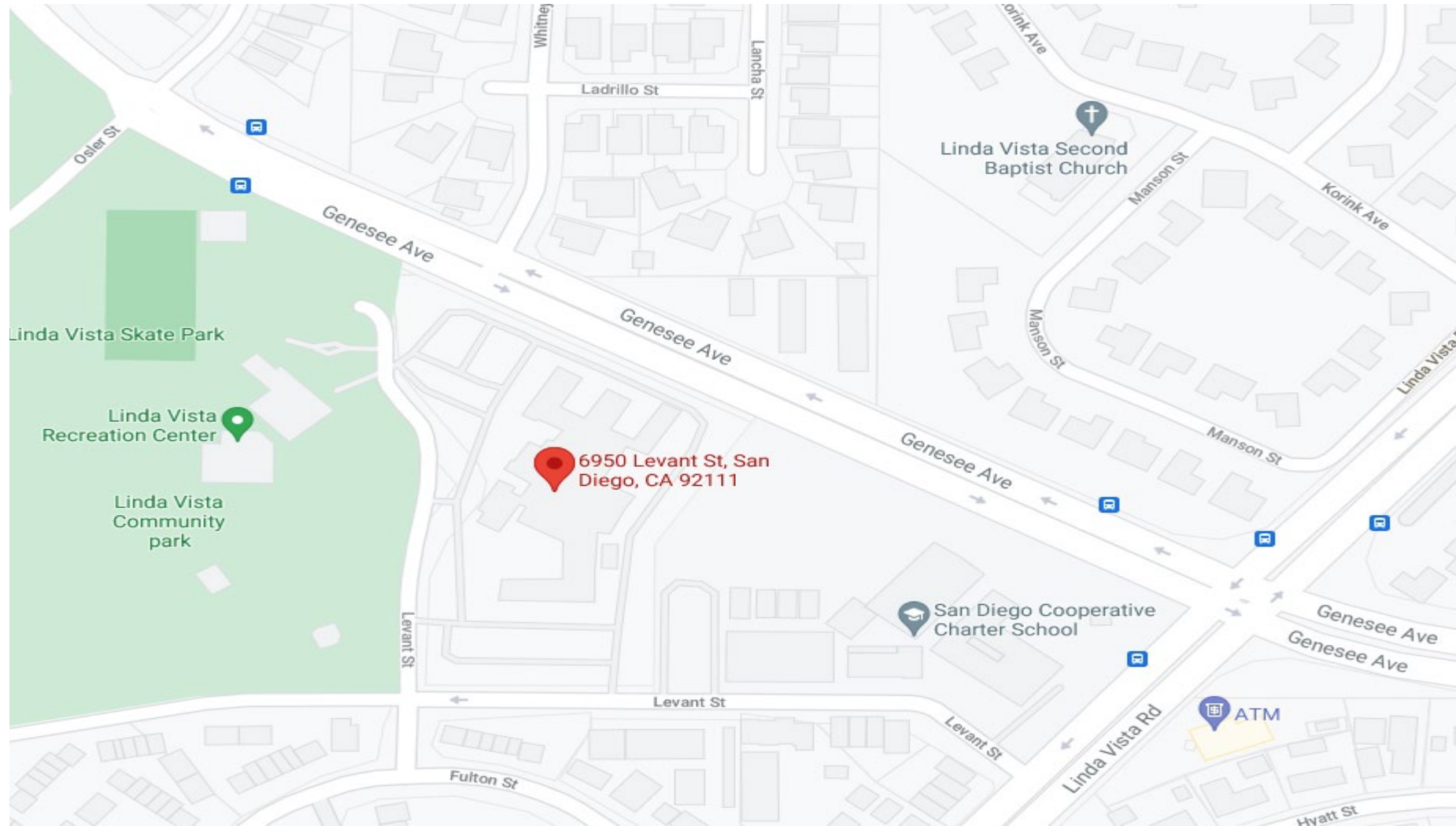




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SDHC – Levant Senior Cottages

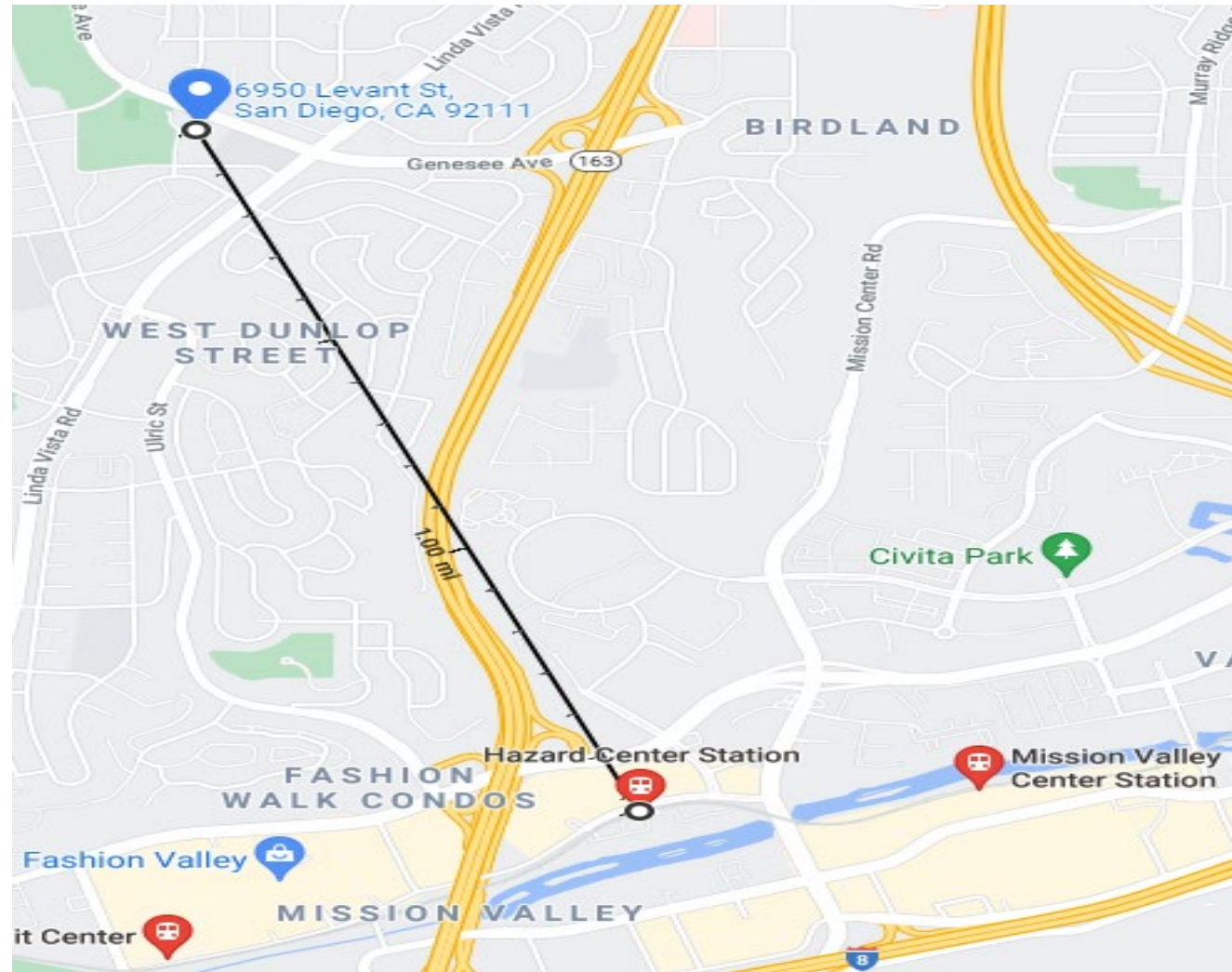
Proximity to Transit (Bus)





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SDHC – Levant Senior Cottages Proximity to Transit (MTS)



SDHC – Levant Senior Cottages

Estimated Permanent Financing Sources and Uses

Financing Sources	Amount	Financing Uses	Amount
Bond financed permanent loan	\$462,810	Land (title and insurance)	\$50,000
State of California Housing & Community Development Department Multifamily Housing Program loan	19,080,000	On site work \$ 3,200,000 Construction cost 33,296,359 Contingency <u>+1,824,818</u> Total construction <u>\$38,321,177</u>	38,321,177
SDHC proposed loan	6,000,000	Financing costs	4,020,750
Accrued deferred interest	122,012	Other soft costs	2,790,483
4 Percent (CTCAC) tax credit equity	20,283,270	Permits and fees	2,364,000
Section 8 Increment loan	4,674,163	Reserves	3,131,960
Deferred developer's fee	1,200,000	Developer fee	3,220,000
Total Development Cost (TDC)	\$51,642,254	Total Development Cost	\$51,642,254

- Estimated Total Development Cost Per Unit (127 Units) = \$406,632



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
• CDLAC & CTCAC applications.....	September 9, 2021
• CDLAC & CTCAC allocation meetings.....	December 8, 2021
• SDHC final bond issuance authorization.....	January 2022
• Housing Authority final bond issuance	January 2022
• Bonds issuance and escrow closing.....	February 2022
• Estimated start of construction work.....	February 2022
• Estimated completion of construction work...	August 2023



SDHC – Levant Senior Cottages Artist's Rendering



SDHC – Levant Senior Cottages

Development Team Summary

Role	Firm/Contract
Developer	Wakeland Housing 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
Prevailing Wage Monitoring	To be selected
Property Management	ConAm Management Corporation
Tenant Services Provider	Wakeland and St. Paul's PACE Program
Construction Lender Permanent Lender	To be selected
Tax Credit Equity Partner	To be selected



SDHC – Levant Senior Cottages Bond Issuance Summary

- Proposed bond issuance of up to \$35,000,000 in a tax-exempt bond, plus up to \$5,697,296 in a taxable bond.
- 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:

1. Approve a proposed residual receipts loan of up to \$6,000,000 to Levant Senior Cottages L.P. to finance the acquisition with new construction of Levant Senior Cottages at 6950 Levant Street, San Diego, with 126 units that will remain affordable for 55 years for seniors with income from 25 percent to 50 percent of San Diego's Area Median Income and one unrestricted manager's unit.
 - SDHC's proposed loan is contingent on the developer receiving necessary third-party financing.



SDHC – Levant Senior Cottages Staff Recommendations (Continued)

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;
 - To adjust financing terms, provided that the proposed \$6,000,000 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 – Levant Senior Cottages

Staff Recommendations (Continued)

3. Approve preliminary steps to issue up to \$35,000,000 in a tax-exempt Multifamily Housing Revenue bonds and up to \$5,697,296 in taxable bonds for Levant Senior, including:
 - Issue a bond inducement resolution
 - Authorize a bond allocation application to the California Debt Limit Allocation Committee (CDLAC) for the tax-exempt bonds.
 - Approve Bond Counsel and Financial Advisor.
 - Bond final approval will occur at a later date.
4. 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.
5. Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$35,000,000 for Levant Senior.



Questions & Comments

