CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 8, 2021

Levant Senior Cottages, located at 6950 Levant Street in San Diego, requested and is being recommended for a reservation of $2,244,590 in annual federal tax credits to finance the new construction of 126 units of housing serving seniors with rents affordable to households earning 25-50% of area median income (AMI). The project will be developed by Wakeland Housing & Development Corporation and will be located in Senate District 39 and Assembly District 79.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from HCD's MHP program.

Project Number CA-21-712

Project Name Levant Senior Cottages
Site Address: 6950 Levant Street
San Diego, CA 92111 County: San Diego
Census Tract: 6073008600

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,244,590	$0
Recommended:	$2,244,590	$0

Applicant Information

Applicant:	Levant Senior Cottages LP
Contact:	Peter Armstrong
Address:	1230 Columbia Street, #950 San Diego, CA 92101
Phone:	619-677-2300
Email:	parmstrong@wakelandhdc.com

General Partner(s) or Principal Owner(s):	Wakeland Levant LLC San Diego Kind Corporation
General Partner Type:	Joint Venture
Parent Company(ies):	Wakeland Housing and Development Corporation San Diego Kind Corporation
Developer:	Wakeland Housing and Development Corporation
Bond Issuer:	San Diego Housing Commission
Investor/Consultant:	California Housing Partnership
Management Agent:	ConAm Management Corporation

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	20
Total # of Units:	127
No. / % of Low Income Units:	126 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt/ HUD Section 8 Project-based Vouchers (70 Units / 55%)

Information

Housing Type:	Seniors
Geographic Area:	San Diego County
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	45	36%
40% AMI:	32	25%
50% AMI:	49	39%

Unit Mix

108	SRO/Studio Units
18	1-Bedroom Units
1	2-Bedroom Units
127	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
14	SRO/Studio	25%	$530
18	1 Bedroom	25%	$568
13	SRO/Studio	30%	$636
25	SRO/Studio	40%	$849
7	SRO/Studio	40%	$849
49	SRO/Studio	50%	$1,061
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$125,000
Construction Costs	$31,706,975
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,585,349
Soft Cost Contingency	$502,415
Relocation	$0
Architectural/Engineering	$1,445,000
Const. Interest, Perm. Financing	$4,171,065
Legal Fees	$85,000
Reserves	$1,269,371
Other Costs	$3,549,768
Developer Fee	$3,220,000
Commercial Costs	$0
Total	**$47,659,943**

Residential

Construction Cost Per Square Foot:	$574
Per Unit Cost:	$375,275
True Cash Per Unit Cost*:	$367,244

Construction Financing

Source	Amount
Wells Fargo Tax-Exempt Loan	$22,877,000
Wells Fargo Taxable Loan	$19,440,917
Deferred Costs	$2,589,372
Deferred Developer Fee	$1,020,000
Tax Credit Equity	$1,732,654

Permanent Financing

Source	Amount
CCRC	$8,455,900
HCD-MHP	$19,080,000
Deferred Developer Fee	$1,020,000
Tax Credit Equity	$19,104,043
TOTAL	**$47,659,943**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	$43,165,191
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$56,114,748
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$2,244,590
Approved Developer Fee in Project Cost:	$3,220,000
Approved Developer Fee in Eligible Basis:	$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.85112

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions
The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions
If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.