



**SAN DIEGO
COMMUNITY COLLEGE
DISTRICT**

City College • Mesa College • Miramar College
College of Continuing Education

December, 2023

Housing Strategy: *Phase Two Analysis*



Table of Contents

Executive Summary 1

Population Analysis 6

Site Analysis 38

Financial Feasibility Analysis 59

Phase Two Recommendations 69

Considerations for Potential Future Phases of Work 70

Attachment One: SDCCD Site Assessment Related Figures 71

Attachment Two: Site Analysis Matrix 107

Attachment Three: Proforma Summary Sheets 110

Executive Summary

PURPOSE OF PHASE TWO SCOPE OF WORK:

The objective of LeSar Development Consultant's (LDC) Phase Two scope of work is to provide the San Diego Community College District (SDCCD or District) with a financial feasibility analysis that is based on LDC's population and site analyses and describes how a theoretical affordable housing development for each of the three population subgroups analyzed (students, staff, and transition age youth or TAY) could be financed on the top selected (District-owned) sites and what the key takeaways and critical success factors for each theoretical affordable housing development would be.

As part of the Phase Two scope of work, LDC prepared a site analysis memo, a population analysis memo, and a financial feasibility memo in 2023. These three memos have been consolidated into this report package with the goal of accessing this information and data more convenient.

Further below is background on the region's housing crisis as it relates to the District's mission and LDC's previous Phase One scope of work followed by a short summary of the results of LDC's Phase Two scope of work (e.g., site analysis, population analysis, and financial feasibility analysis) enclosed within this consolidated report package.

BACKGROUND AND PHASE ONE SCOPE OF WORK:

SDCCD is one of the region's anchor institutions that employs 5,000 workers and provides education to approximately 100,000 students each year. SDCCD's mission is to provide accessible, high-quality learning experiences and undergraduate education at an affordable price to meet the educational needs of the San Diego community and the state.

Unfortunately, there is a severe lack of affordable housing in the San Diego region which is impacting the District's ability to implement its mission. The San Diego region needs to plan for 99,000 homes from 2021 to 2029 that are affordable to very low, low, and moderate-income households. However, the region has consistently not met its housing demand for these income groups which creates significant economic barriers for existing (and future) District students wanting to access the District's educational programs and for the District to manage its workforce. As a result, SDCCD's mission as an educational institution includes a strong nexus to housing. SDCCD housing can provide support for basics needs of students and staff, improve educational outcomes, strengthen the institution's role, promote sustainability through reduced commutes, and make best use of SDCCD's real estate assets. By helping to meet the housing needs of its students and staff, the District will be better able to serve its mission of meeting the educational needs of the San Diego community and the state.

LDC's Phase One scope of work for SDCCD has been completed and focused on helping the District to articulate its affordable housing vision. This included doing an initial assessment of the District's housing needs, a summary of the landscape of available funding sources for housing, and the identification of potential partnerships that could align with SDCCD's vision for housing development. The District's vision includes supporting three types of housing (affordable student housing, affordable staff housing, and TAY housing).

PHASE TWO SCOPE OF WORK SUMMARY:

Population Analysis:

All of the District's colleges are very diverse. All three of the credit colleges are designated as Minority-Serving Institutions and the College of Continuing Education remains one of the most diverse institutions in California. As such, LDC reviewed existing District population data and analyzed other data sources to prepare an overview of the housing needs of the broader District community specifically analyzing existing students, staff, as well as TAY that include underserved at-risk populations such as youth exiting institutional care (e.g., foster care systems) and trauma-impacted youth (e.g., refugees, youth living in situations with extreme poverty, mental illness etc.).

LDC evaluated this data to pull out what is most significant in determining housing needs and trends and where there are gaps in information. With the exception of full-time non-classified District staff, there is a critical and pervasive need for affordable housing and a significant portion of the population groups analyzed (students, staff, and TAY) could generally be considered lower wage earners and would not be able to afford the San Diego region's average asking rent.

Site Analysis:

SDCCD has significant real estate assets across the region that it can leverage for housing which includes 346 acres of land on four colleges, spread across ten campuses; these assets are the most critical tools at the District's disposal to facilitate housing. Therefore, a key task to achieve the District's housing goals was to identify sites primarily within the District's real estate assets (and off-District opportunities) that could be developed into affordable housing.

LDC's site analysis includes seven sites identified in cooperation with the District. While each of the seven sites could potentially be viable for a variety of affordable housing opportunities, one of the goals is to describe how a theoretical project for up to three different District population subgroups (e.g., students, staff, and TAY) could be financed. Therefore, LDC provided its top site for each of the three target populations (affordable student housing, staff housing, and TAY) and its reasoning for prioritizing these sites. Two of the top sites are located on Mesa College and the third site is located on the Education Cultural Complex.

Financial Feasibility Analysis:

LDC's financial feasibility analysis includes a review of population and site analyses and describes how a theoretical affordable housing development for each of the three population subgroups

(students, staff, and TAY) could be financed on the top selected sites. A summary of the financial feasibility analysis results for each of the top sites is provided below.

Student Housing Site (Mesa College- Northwestern Campus Area/Apolliad Theatre):

LDC envisions a six-story project that includes 263 units, or 418 beds, along with a variety of amenities (e.g., kitchen, student reading & computer lounge, laundry etc.) with each student paying an amount equivalent to the State’s determination of affordable rent for a studio apartment with a tenant earning 50% of the area median income (AMI) for San Diego in 2023; however, if additional State funding isn’t forthcoming that requires a certain level of affordability, then the District may have a greater degree of autonomy to determine levels of affordability for its students.

The design of the project is based upon similar student housing projects. This includes the assumed mix of unit types, which includes studios, two-bedroom, semi-suite, family units and resident advisor units, among others, and the envisioned site amenities, including kitchen, student reading and computer lounge, and so forth.

The envisioned project is a “5 over 1” podium: five stories of wood-frame construction over a one-story concrete podium. This is a very common construction type for student housing, and for multifamily housing more broadly, given its constructability. It is also often an ideal model for projects of this density.

The two most common methods of financing affordable housing – namely, the low-income housing tax credit (LIHTC) and Section 8 rental assistance – are not available to student housing projects. And the cost of demolition of the existing Apolliad Theater could be significant as it increases total development cost by approximately 2.5%. Therefore, other sources of affordable housing finance are necessary. The primary financing source for this project is 501c3 bonds. However, in order to achieve financial feasibility, the student housing model will require significant proceeds from both/either an upfront ground-lease payment or grant funds. Without these sources, LDC anticipates an over-reliance upon funding from general obligation bonds.

Workforce Opportunity Site (Mesa College- Northeastern Campus Parking Lot):

LDC envisions a four-story workforce housing project with 81 units. In order to maximize both the project’s financial feasibility under a LIHTC scenario and the number of families the project could house, the following unit mix is envisioned: 25% three-bedroom units, 25% two-bedroom units, and 50% one-bedroom units. Tenant incomes range from 30% AMI to 80% AMI, with an average of just under 60% AMI. This maximizes the project’s ability to house workforce families within LIHTC limits and maximizes project feasibility. Amenities would include community space, parking, on-site property management, on-site resident services, and others.

The cost to build housing as well as interest rates are at near-record highs. This has a dampening effect on real estate development of all asset classes. In the case of LIHTC-structured affordable housing, these high costs increase the necessity of “gap” funding. The “gap” referred to is the mathematical difference between the cost to build the project and the capital available from tax

credits and tax-exempt bonds. The need for gap funding is extremely common across California, and this project would not be an exception.

LDC believes this project is financially viable as workforce housing is a housing typology that is supported by a variety of traditional funding sources such as LIHTC and tax-exempt bonds. Ultimately, the success of the project will lie in the ability of the District and the selected developer to minimize “the gap” financing by keeping costs down and obtaining funding from the State of California, San Diego County and/or the City of San Diego.

Transition Aged Youth Opportunity Site (Educational Cultural Complex- Western Area):

TAY and other special needs tenants often have greater supportive services needs than general affordable housing. A smaller housing development that is safe and supportive may be preferred to accommodate TAY. Limiting project size is also a best practice for permanent supportive housing (e.g., TAY housing) because it can sometimes be problematic to overconcentrate populations with special needs. As such, buildings which house these tenants often have fewer units than other types of affordable housing. Therefore, LDC envisions a four-story 41 unit TAY housing development with a mix of studio and one-bedroom apartments which are most appropriate for this tenancy and believes such a project is financially feasible as TAY housing is supported by a variety of traditional funding sources.

LIHTC regulations give special consideration in awarding projects which target TAY tenants, thereby making the projects more financially feasible, but regulations prohibit restricting these units to house only SDCCD students. However, after the LIHTC 15-year compliance period has lapsed (which approximately commences after construction completion and upon full lease-up), in certain cases the regulations allow for units designated for homeless youth to be occupied entirely by full-time students who are not dependents of another individual.

As is the case with nearly all small, special needs projects (including this one), tenant rent alone is inadequate to cover operating costs, resulting in a lack of break-even operations despite the availability of funding sources that help to fund supportive services; this is in part because special needs projects have high real estate operating costs (e.g., higher turnover, security, maintenance, amenities etc.). Under a traditional real estate project, the project’s inability to generate positive cash flow would render it infeasible. However, this is very common among small (less than 60-unit) special-needs affordable housing projects like this one. Therefore, there are two common mechanisms (described below) to ensure financial feasibility:

Section 8 Rental Assistance: The project can qualify for rental assistance provided by the United States Department of Housing and Urban Development (HUD) which is administered locally by San Diego Housing Commission. This program provides additional revenue to help cover operating expenses.

Capitalized Operating Subsidy Reserve (COSR): A COSR is a “rainy day fund” for a project; a reserve account, typically in the form of cash held in a bank account, available to cover cash shortfalls if/when necessary.

Recommendations:

In consideration of previous project phases and tasks, LDC recommends the following next steps for consideration:

- Monitor the District's San Diego City College Affordable Student Housing Project's outcomes, milestones, and lessons learned to assist in underwriting the three opportunity sites evaluated by LDC.
- Track construction costs given the recent increases. Although these costs may not decrease, a "flattening out" is possible.
- Watch for future decreases in interest rates which will greatly facilitate feasibility by lowering the cost of capital.
- Research the demolition of the Apolliad Theater and related costs. Understanding the cost of demolition of these improvements, as well as any appurtenant infrastructure or environmental remediation costs, will be critical to underwriting the feasibility of a project on that site.
- Consider the preparation of a Request for Proposals (RFP) or Request for Qualifications (RFQ) for the opportunity sites evaluated which would provide SDCCD valuable insights regarding how the "market" of developers may approach each site.

CONSIDERATIONS FOR POTENTIAL FUTURE PHASES OF WORK:

Aside from the Phase Two recommendations above, below are additional strategies that LDC could also help with that would support the District in more quickly attaining its housing goals:

- Assist with the preparation of any future RFQs/RFPs such as developer selection, proposal review, project financing review, and service partnerships.
- Identify off-campus development partners that could provide vacant or improved land that could be used for housing and/or partners that have constituencies with synergies to SDCCD. Examples of these types of partners include (but are not limited to):
 - Public agencies with nearby land and/or aligned interests (e.g., City of San Diego, US Navy/Military etc.)
 - Faith-based organizations including members of the YIGBY (Yes in Gods Back Yard) coalition
 - Anchor institution workforce partners
 - Trainer partners and/or employer partners such as the San Diego Workforce Partnership, the SD Economic Development Corporation, the Chamber of Commerce, and the US Navy/Military whose members might be interested in partnership opportunities
 - Other community organizations
- Provide an overview and analysis of innovative construction technology partners with a focus on managing construction costs and increasing sustainability, including modular firms such as Factory OS, as well as prefabricated building systems.



Population Analysis

INTRODUCTION:

The District's vision includes supporting three types of housing listed below with a priority for student housing.

- Affordable student housing: A significant portion of SDCCD's students experience housing insecurity. Improving stability contributes to student success.
- Affordable staff housing: Rising housing costs in the San Diego region strain SDCCD's ability to attract and maintain its workforce. As a major institution, the District can provide this essential need for its valued staff.
- Transitional age youth (TAY): For youth who are experiencing homelessness or housing insecurity, transitioning out of the foster system, justice involved, or opportunity youth, housing stability is a barrier to higher education, a job, and more. SDCCD can help stabilize this population and provide them access to District classes.

POPULATION ANALYSIS OBJECTIVE:

The principal goal of LDC's work with the District is to help SDCCD to support affordable housing for the three target populations briefly described above. Each of the target populations are diverse with varying housing needs. As such, one of the key objectives of this analysis is to collect population data about students enrolled in Mesa College, Miramar College, and City

College (credit colleges), students enrolled in its College of Continuing Education (CCE), District staff, and for TAY in the region. This data, which comes from the District and other sources, helps provide a better understanding of these populations' housing needs. This report will also help to identify any key gaps in socio-economic data that may exist today that would help to assess the housing needs of these populations.

This report will also help to inform LDC's financial feasibility analysis of the top three sites that the District is exploring for housing. Funding for affordable housing is often tied to a population's socio-economic status. Therefore, this population analysis will not only help the District to better understand the housing demand and needs of its students, staff, and the local TAY, but it will also help to inform the types of funding that could be a good fit for the District's top three sites it is exploring.

METHODOLOGY:

LDC worked with SDCCD to review existing District population data and helped to analyze other sources to prepare an overview of the housing needs of the broader SDCCD community specifically analyzing existing students, staff, as well as local TAY that include underserved at-risk populations such as youth exiting institutional care (e.g., foster care systems) and trauma-impacted youth (e.g., refugees, youth living in situations with extreme poverty, mental illness etc.). LDC's methodology incorporated the four steps described below.

Step #1: Information Gathering:

The goal of this step was to gather population data (e.g., age, household size, household income etc.) for credit college and CCE students, District staff, and for TAY in the San Diego region. LDC collaborated with District staff to collect additional available information from SDCCD. LDC also researched additional non-District sources of data. While there are several terms per year (Summer, Fall, and Spring), much of the existing annual data from the District is focused on the Fall term of 2021. As such, additional data collected from the District was mostly prioritized for the Fall term of 2021. Below is a list of sources LDC collected from the District as well as some outside sources.

- SDCCD's Facts on File Report on Academic Year (2021-2022)¹
- SDCCD's Student Profiles – Credit Colleges Census (2021-2022)²
- SDCCD's Student Profiles – Continuing Education (2022-2023)³

¹ San Diego Community College District Facts on File on Academic Year 2021-2022. Updated August 10, 2022. https://www.sdccd.edu/docs/Research/Rsrch%20Reports/Facts%20on%20File/Facts%20on%20File%202021-2022_FINAL,v4.pdf

² San Diego Community College District Student Profiles Credit Colleges – Census. Updated December 20, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/StudentProfiles-CreditColleges2021-2022Census/Cover>

³ San Diego Community College District Student Profiles (2022-2023) Continuing Education. Updated December 25, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/StudentProfiles-SDCCE2022-2023/Cover>

- SDCCD’s Disability Support Programs and Services Annual Report (2021-2022)⁴
- The Hope Center for College, Community, and Justice #Real College: Basic Needs Insecurity During the Ongoing Pandemic Report for San Diego City College prepared by the Hope Center (2021)⁵
- Student Housing Analysis Survey Findings for the San Diego City College by Brailsford and Dunlavey (2022)⁶
- Reports from 2-1-1 related to key youth in the San Diego region prepared by 2-1-1 (2022)⁷
- The County of San Diego Behavioral Health Services (SDCBHS) Transition Age Youth Systemwide Report (2017)⁸
- SDCCD staff communications (2022)

Step #2: Data Analysis:

After collecting available population data on the District’s students, staff, and the San Diego region’s TAY population, LDC performed an initial analysis that will inform LDC’s subsequent financial feasibility analysis. LDC also identified important gaps in existing data that could be collected in the future to further support on-going housing analysis efforts.

Step #3: Summary of Data:

LDC summarized the data for each of the three target populations and prepared charts and related illustrations in order to describe their socio-economic profiles. Each section includes the key takeaways and any missing data that the District may want to collect in the future to better understand the housing need of these population groups.

Step #4: LDC Findings:

LDC provided a brief summary of the housing needs for each of the three target groups based on the available population data it collected and analyzed as well as a general discussion of their ability to afford the average asking rent for an apartment in San Diego County.

STUDENT POPULATION DATA:

The number of persons per household and total household income are primary points of reference when analyzing affordable housing needs. This data helps, for example, to

⁴ SDCCD’s Disability Support Programs and Services Annual Report (Reporting Period: 2021/22). Updated December 22, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/DSPSDashboard2021-2022/Cover?publish=yes>

⁵ The Hope Center for College, Community, and Justice #Real College 2021: Basic Needs Insecurity During the Ongoing Pandemic. Report for San Diego City College. A Hope Center Publication, March 2021.

⁶ Student Housing Analysis Survey Findings for the San Diego City College. Prepared by Brailsford & Dunlavey. 2022.

⁷ 2-1-1 San Diego. Community Information Exchange. Client Profile Report. Clients Ages 18-24 With a Housing-Related Need. 2022.

⁸ County of San Diego Behavioral Health Services. Transition Age Youth Systemwide Report. 2017. https://www.sandiegocounty.gov/content/dam/sdc/hhsa/programs/bhs/TRL/TRL%20Section%206/TAY_Triennial_Reprt_FY_16_17.pdf

characterize if a household is very low-income, low-income, moderate-income, or above moderate income. Sources of funds for affordable housing are generally focused on very-low to low-income thresholds. As such, household data is important to have when preparing housing feasibility assessments. In contrast, the education field generally collects information about an individual student and less about the rest of their household. So, there is often a contrast in the types of data collected by those in the housing and education fields. In general, the District does not currently collect persons per household and/or total household income data for its students (or staff); rather, the District's data is primarily focused on individual students (or staff). Therefore, LDC has identified these gaps in existing data in the subsequent sections below that could be collected in the future to further support on-going housing analysis efforts.

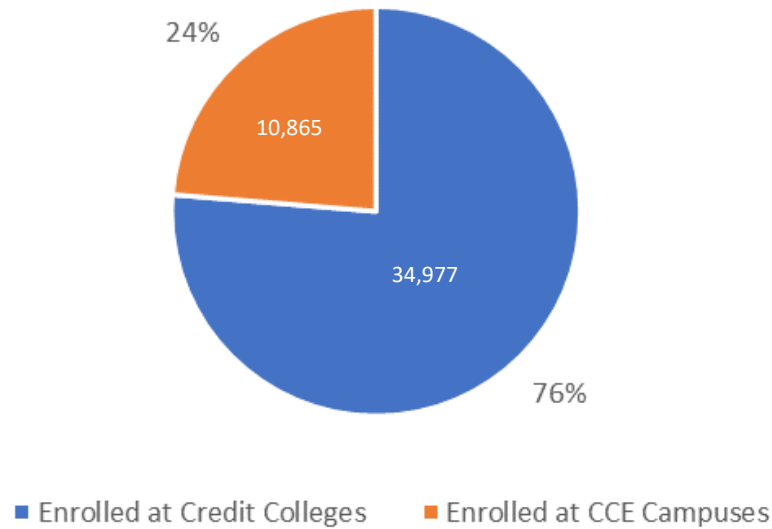
SDCCD serves students annually at its three *credit* colleges and at its one *non-credit* college. The three credit colleges include Mesa College, Miramar College, and City College. The District's non-credit college (College of Continuing Education or CCE) includes seven campuses (CCE at Mesa College, CCE at Miramar College, Cesar E. Chavez Campus, Educational Cultural Complex, Mid-City Campus, and West City Campus). Population data is summarized and organized by students enrolled in credit and non-credit colleges in the following categories:

- Number of Students Enrolled
- Age
- Household Size
- Household Income
- Transitional Age Youth Enrolled at SDCCD

NUMBER OF DISTRICT-WIDE STUDENTS ENROLLED, FALL 2021:

Annually, SDCCD serves approximately 100,000 students at its three credit colleges and the College of Continuing Education which encompasses *all* terms. As depicted on the pie chart below, the number of students enrolled at credit colleges during the Fall of 2021 term was 34,977. The number of students at CCE during the Fall 2021 was 10,865. The Districtwide total for the Fall of 2021 both credit colleges and CCE was 45,601⁹

Number of Students Enrolled, Fall 2021



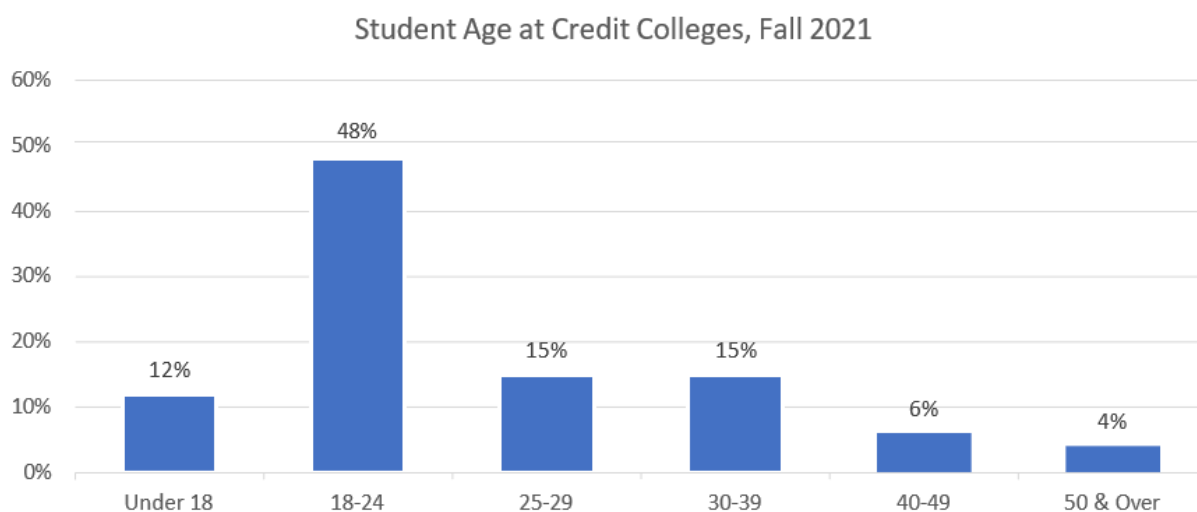
⁹ San Diego Community College District Facts on File on Academic Year 2021-2022. Updated August 10, 2022. https://www.sdccd.edu/docs/Research/Rsrch%20Reports/Facts%20on%20File/Facts%20on%20File%202021-2022_FINAL,v4.pdf

STUDENT AGE CHARACTERISTICS:

Age of Population at Credit Colleges, Fall 2021:

Key Takeaways: During the Fall of 2021, approximately 60 percent of credit college students are aged 24 or younger as shown below. Approximately 30 percent are between 25 – 40 years of age. And, approximately ten percent are over the age of 40.¹⁰ The key takeaway here is that while most credit colleges students are under the age of 24, a significant number of students are middle-aged as well. Credit colleges students have a wide and varied age profile. Students within the different age categories may have different needs and/or preferences for housing.

Missing Data: None



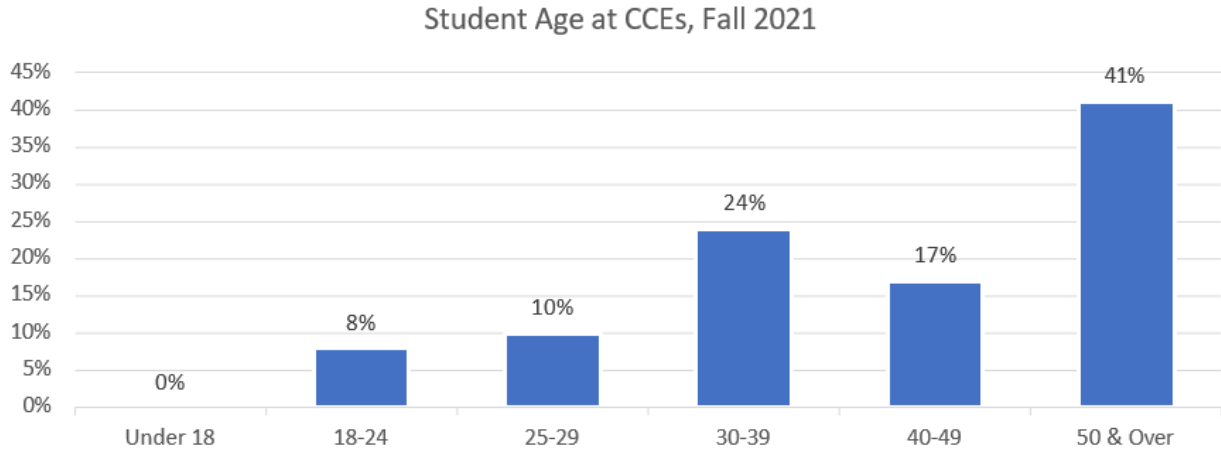
¹⁰ Facts on File/Report on Academic Year (2020/2021). 2021 Edition. SDCCD Office of Institutional Effectiveness and Research – September 2021. Last Updated: January 5, 2022.

https://www.sdccd.edu/docs/Research/Rsrch%20Reports/Facts%20on%20File/Facts%20on%20File%202020-2021_Final,%20v2.pdf

Age of Population at College of Continuing Education, Fall 2021:

Key Takeaways: During the Fall of 2021 as depicted below, CCE has an older age distribution (relative to that of credit colleges). Approximately 82 percent are over the age of 30. And, approximately 18 percent are under 29 years of age. Only eight percent of students at CCE are between 18–24 years of age.¹¹ The key takeaway here is that the vast majority of CCE’s students are generally middle-aged and older which will likely influence their housing needs.

Missing Data: None



¹¹ Facts on File/Report on Academic Year (2020/2021). 2021 Edition. SDCCD Office of Institutional Effectiveness and Research – September 2021. Last Updated: January 5, 2022. https://www.sdccd.edu/docs/Research/Rsrch%20Reports/Facts%20on%20File/Facts%20on%20File%202020-2021_Final,%20v2.pdf

STUDENT HOUSEHOLD SIZE CHARACTERISTICS:

Persons Per Household Size at Credit Colleges, 2022:

Key Takeaways: The District does not currently have persons per household data on all students enrolled at its credit colleges: however, a recent survey (Student Housing Analysis Survey Findings) prepared by Brailsford and Dunlavey for the San Diego City College¹² in 2022 indicates that the majority (60 percent) of San Diego City College (SDCC) students are single without dependents and that the rest are partnered/married with (or without) dependents, and/or single with dependents or other. However, the key takeaway is that it is not possible to conclude if these 60 percent of students live alone as it may be conceivable that they live with other adults that aren't dependents which would impact their housing needs. In addition, the demographic profile of each of the three credit colleges is unique and any conclusions from one college cannot be assumed for the others without the supporting data.

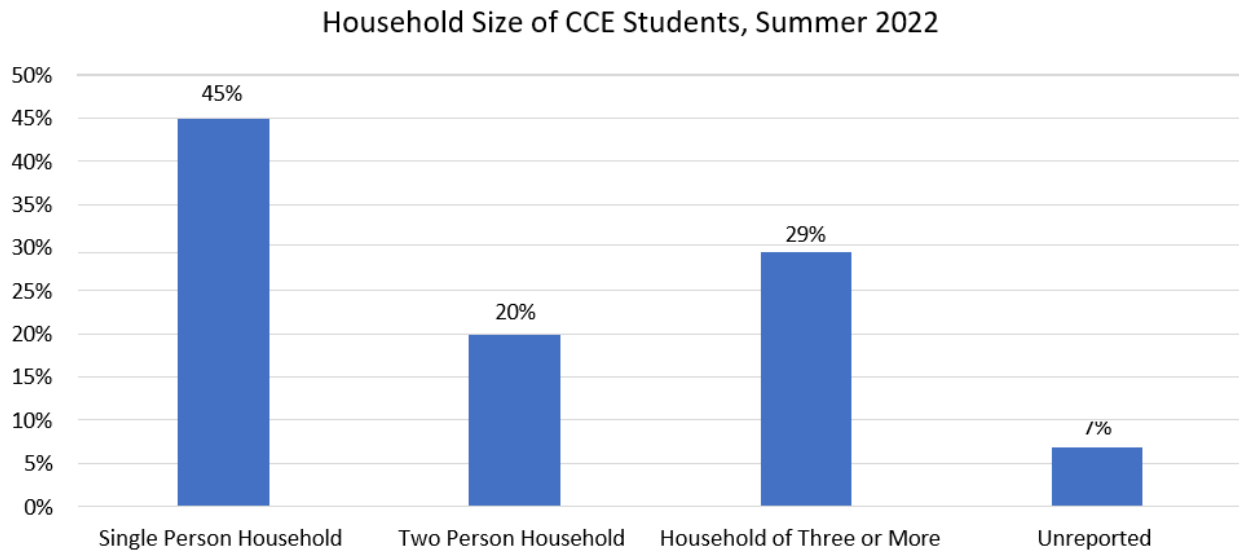
Missing Data: The District does not currently have complete persons per household data on students enrolled at its credit colleges, including SDCC.

¹² Student Housing Analysis Survey Findings for the San Diego City College. Prepared by Brailsford & Dunlavey.

Persons Per Household Size at College of Continuing Education, Summer 2022:

Key Takeaways: The bar chart below illustrates that approximately 45 percent of the students at CCE live alone, 20 percent live with one other individual, and approximately 29 percent live in households with at least three individuals during the Summer of 2022.¹³ The key takeaway is that most CCE students either live alone or with one other individual which indicates that the biggest demand for CCE student housing would be for smaller homes. However, given the fact that approximately one third of students live in households of three or more, there is likely a demand for larger homes as well.

Missing Data: None



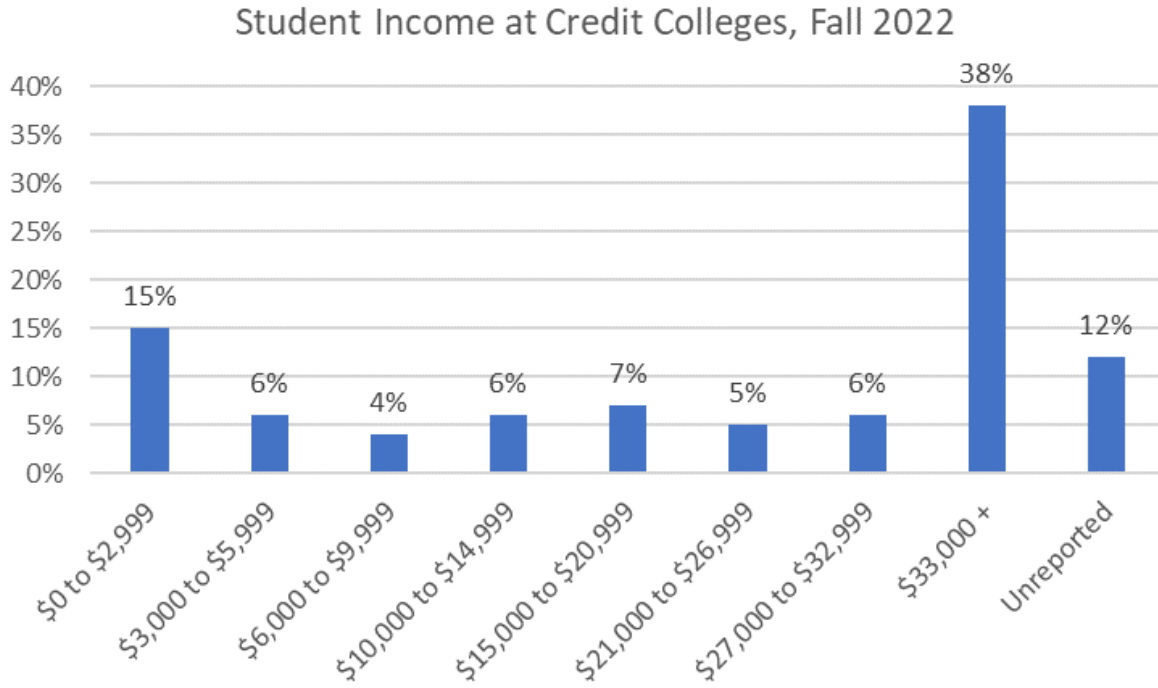
¹³ San Diego Community College District Student Profiles (2022-2023) Continuing Education. Updated December 25, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/StudentProfiles-SDCCE2022-2023/Cover>

STUDENT INCOME:

Student Population at Credit Colleges by Income, Fall 2021:

Key Takeaways: The chart below shows that at least 50 percent of credit college students earn less than \$33,000 and 38 percent earn more than \$33,000 per year during the Fall of 2021.¹⁴ However, student income alone does not indicate their ability to afford housing. Persons per household data (number of persons and total income) for each student household are needed to better indicate a student’s housing need. For example, the housing need for a student living alone and earning \$40,000 per year would be much different than a student earning the same amount but living with a partner earning \$50,000 per year. Therefore, additional household data would help to inform their housing needs.

Missing Data: Person per household data (number of persons and total income) could be collected for each student in order to help to determine what they can afford to pay for housing.



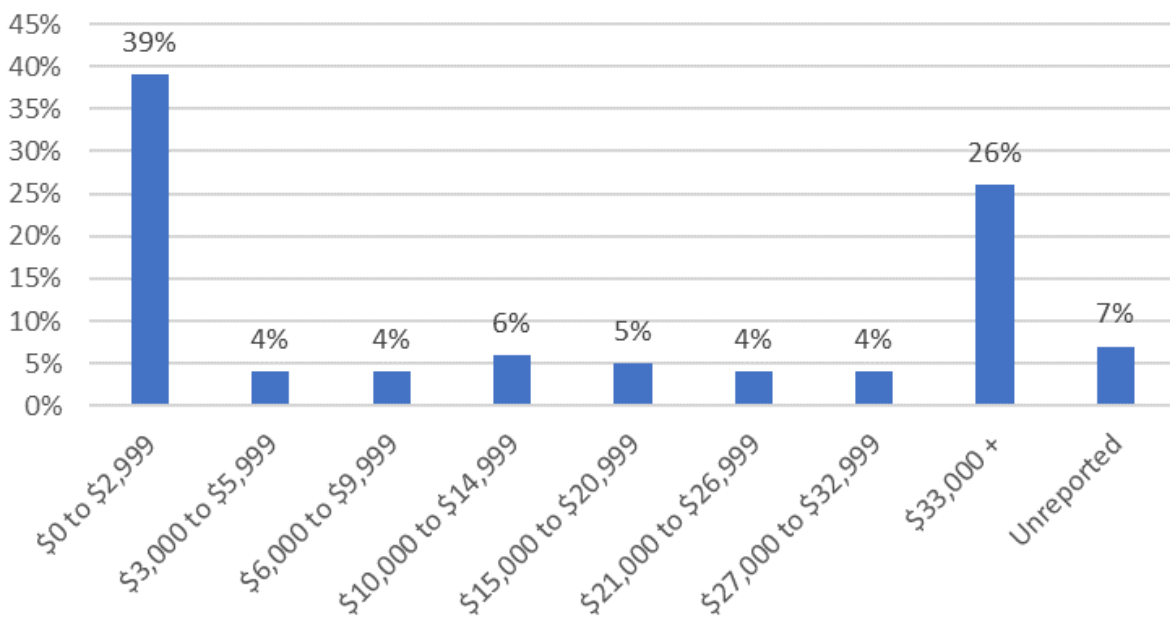
¹⁴ San Diego Community College District Student Profiles Credit Colleges – Census. Updated December 20, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/StudentProfiles-CreditColleges2021-2022Census/Cover>

Student Population at College of Continuing Education by Income, Summer 2022:

Key Takeaways: The chart below shows the household income for CCE students during the Summer of 2022¹⁵. The majority (67 percent) of households earn less than \$33,000 with approximately 39 percent earning less than \$2,999 and approximately 26 percent earning more than \$33,000. It is LDC’s understanding based on communications with District staff that the income information here is the total annual family income earned by all family members who have been living in the household for at least one year and are at least 14 years old. While specific persons per household data is unavailable, it is possible to generally conclude that the majority of CCE students live within households that likely face significant challenges to affording market rate housing in the San Diego region.

Missing Data: It will be helpful for the District to gather specific persons per household data that is coupled with existing household income data in order to have a better understanding as to what each student (within their respective home) can afford.

Student Income at CCEs, Summer 2022



¹⁵ San Diego Community College District Student Profiles (2022-2023) Continuing Education. Updated December 25, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/StudentProfiles-SDCCE2022-2023/Cover>

DISTRICT TAY SOCIO-ECONOMIC RELATED DATA:

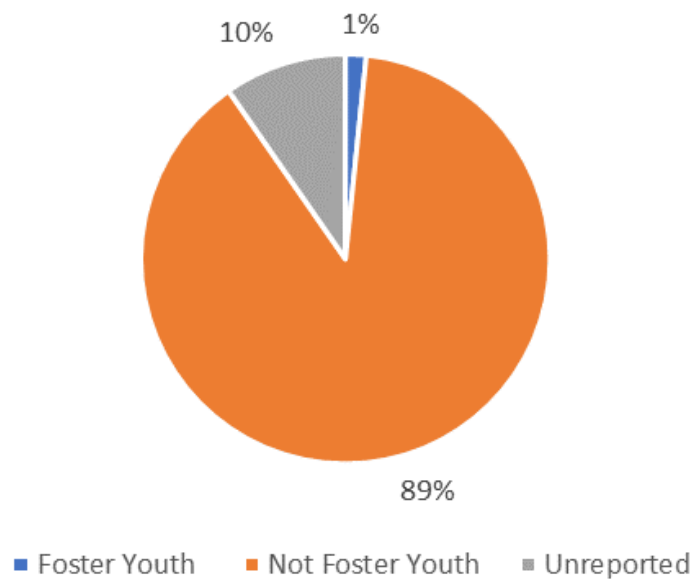
LDC collected SDCCD data on existing District students that could be considered TAY. For the purposes of this analysis, TAY generally encompass youth that are in transition for a variety of reasons which could include, for example, youth exiting institutional care (e.g., foster care) and trauma-impacted youth (e.g., refugees, mental illness etc.). Below is a summary of TAY related data that LDC collected from the District.

Number of Foster Youth at Credit Colleges, Fall 2021:

Key Takeaways: Across the credit colleges during the Fall of 2021, there are a total of 592 foster youth that represent approximately one percent of the student population as shown below. The key takeaway is that foster youth represent a small percentage of the District’s credit colleges; however, ten percent of the credit college population did not report their status, so it is possible that this number could be higher and their housing needs are often significant.

Missing Data: The District could try to collect information from students that did not report their status to determine if the foster youth population is higher than one percent.

Foster Youth Status at Credit Colleges, Fall 2021



Number of Foster Youth at College of Continuing Education:

Key Takeaway: The District does not track the number of foster youth that may be attending CCE. However, as discussed further above, a small percentage of credit college students are foster youth. Therefore, it can be assumed that there are foster youth attending CCE that are just not being tracked.

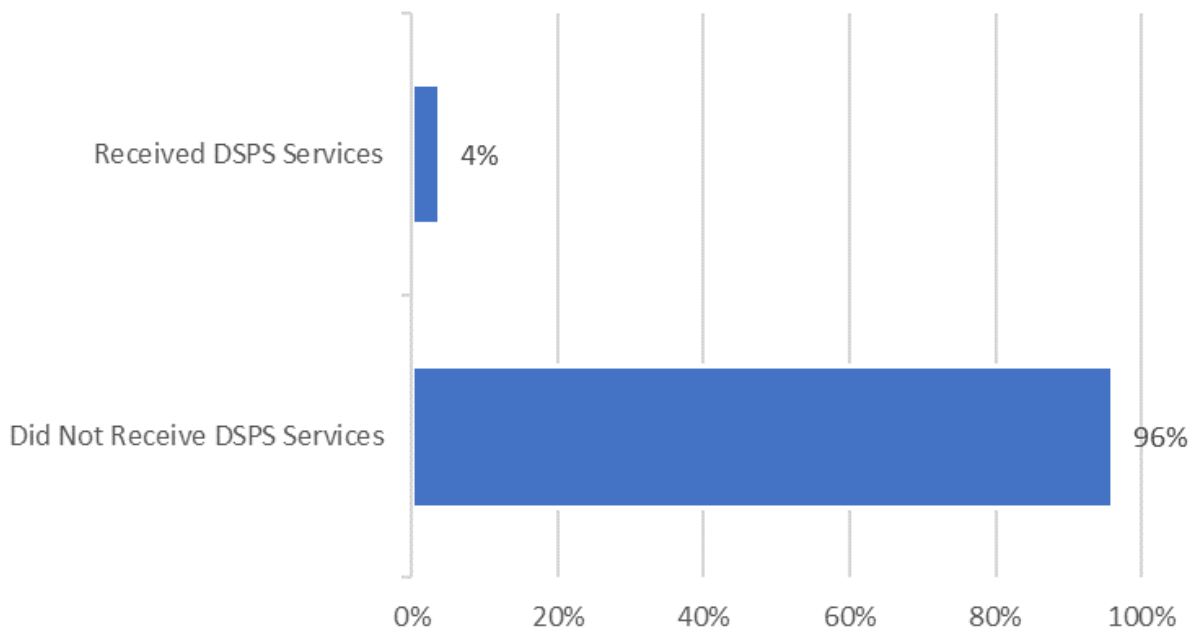
Missing Data: The District could collect foster youth related data for students attending CCE.

Student with Disabilities at Credit Colleges, Fall 2021:

Key Takeaways: As shown in the chart below during the Fall of 2021, roughly four percent (1,347 students) of the total credit colleges population of 34,997 received support from the District’s Disability Support Programs and Services (DSPS).¹⁶ DSPS fosters learning opportunities for students with disabilities. Therefore, a key takeaway is that there is a demand for housing that can accommodate students with learning disabilities; however, it is uncertain what these students can afford for housing.

Missing Data: The District could collect persons per household data and household income for all students which will help to inform what the housing needs are for students receiving support from DSPS.

Disability Status at Credit Colleges, Fall 2021



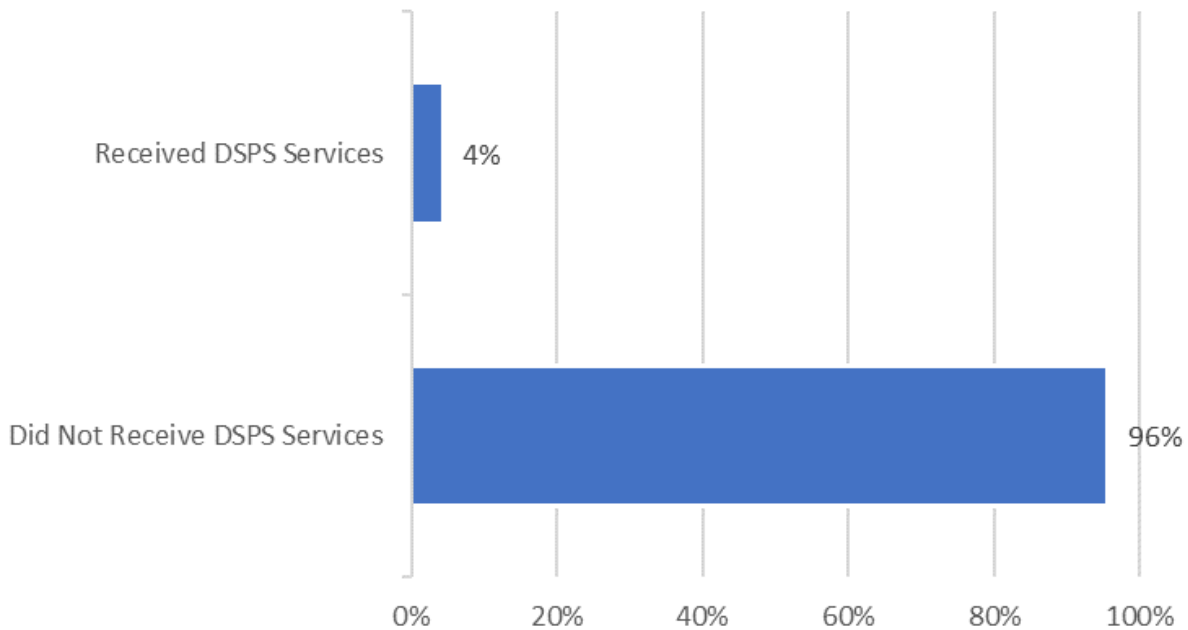
¹⁶ SDCCD’s Disability Support Programs and Services Annual Report (Reporting Period: 2021/22). Updated December 22, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/DSPSDashboard2021-2022/Cover?publish=yes>

Students with Disabilities at College of Continuing Education, Fall of 2021:

Key Takeaways: As shown in the chart below during the Fall of 2021, roughly four percent (473 students) of CCE’s total head count of 10,381 received support from the District’s DSPS, which is similar to the rates of need found at credit colleges.¹⁷ Therefore, a key takeaway is that there is a demand for housing that can accommodate students with learning disabilities; however, it is uncertain what these students can afford for housing.

Missing Data: The District could collect persons per household data and household income for all students which will help to inform what the housing needs are for students receiving support from DSPS.

Disability Status at CCEs, Fall 2021



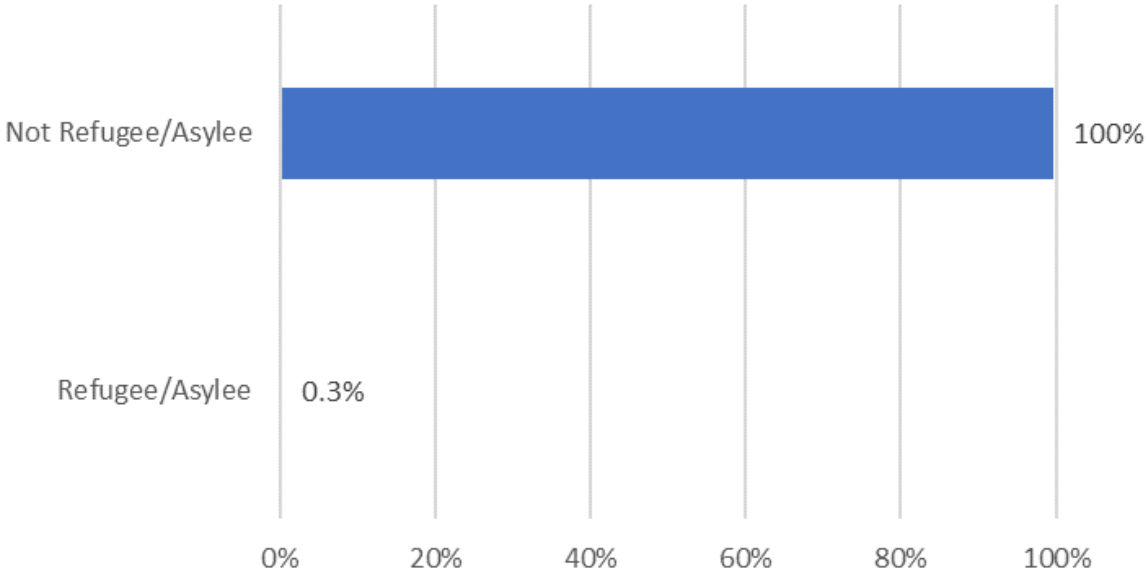
¹⁷ SDCCD’s Disability Support Programs and Services Annual Report (Reporting Period: 2021/22). Updated December 22, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/DSPSDashboard2021-2022/Cover?publish=yes>

Refugee/Asylee Students at Credit Colleges, Fall 2021

Key Takeaways: SDCCD educates many refugees/asylees in the region, but they represent a smaller share of the students enrolled at the District’s credit colleges. During the Fall of 2021, 0.3 percent of students at credit colleges were considered refugees/asylees per the chart below.¹⁸ Despite the low overall percentage, the total number of students in credit colleges with refugee/asylee status was 108. The key takeaway is that refugee/asylee students are a vulnerable population that often face poverty, housing insecurity, and inequity in education; therefore, there is a need for affordable housing to help stabilize this population.

Missing Data: The District could collect persons per household data and household income for all students which will help to inform what the housing needs are for refugee/asylee students.

Refugee/Asylee Status at Credit Colleges, Fall 2021



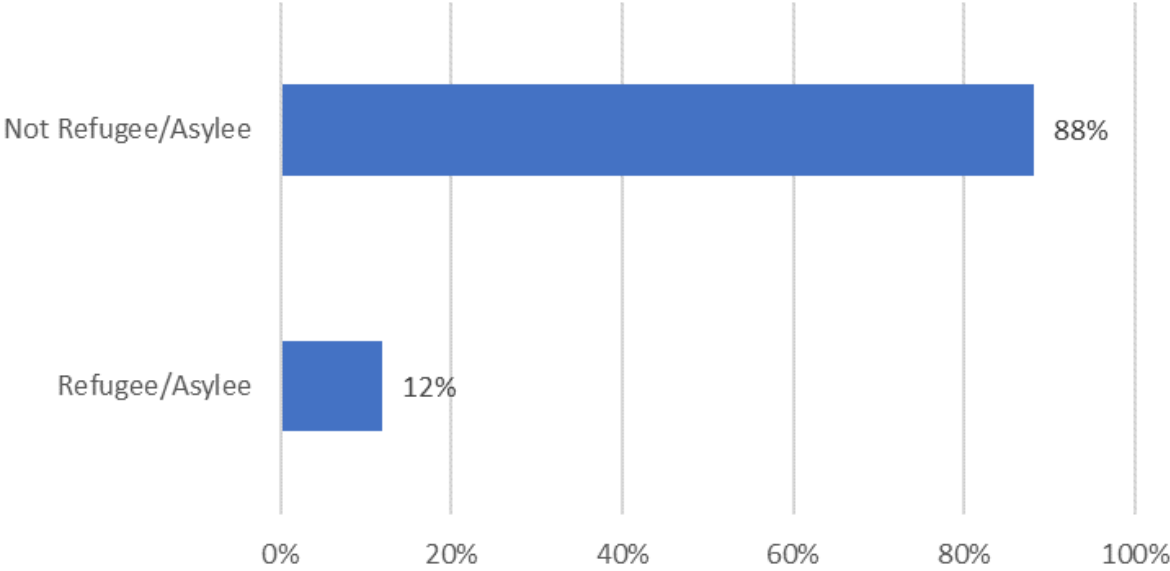
¹⁸ San Diego Community College District Student Profiles Credit Colleges – Census. Updated December 20, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.reseach/viz/StudentProfiles-CreditColleges2021-2022Census/Cover>

Refugee/Asylee Students at CCE, Summer 2022:

Key Takeaways: CCE has supported immigrants and refugees from all over the world in becoming new Americans. Refugees/asylees make up approximately 12 percent (963 students) of CCE enrollment during the Summer of 2022 as reflected in the chart below.¹⁹ As discussed above, refugees/asylees often face poverty, housing insecurity, and inequity in education. The key takeaway here is that CCE has a significant refugee/asylee population of which many likely have a strong need for affordable housing.

Missing Data: The District could collect persons per household data and household income for all students which will help to inform what the housing needs are for refugee/asylee students.

Refugee/Asylee Status at CCEs, Summer 2022

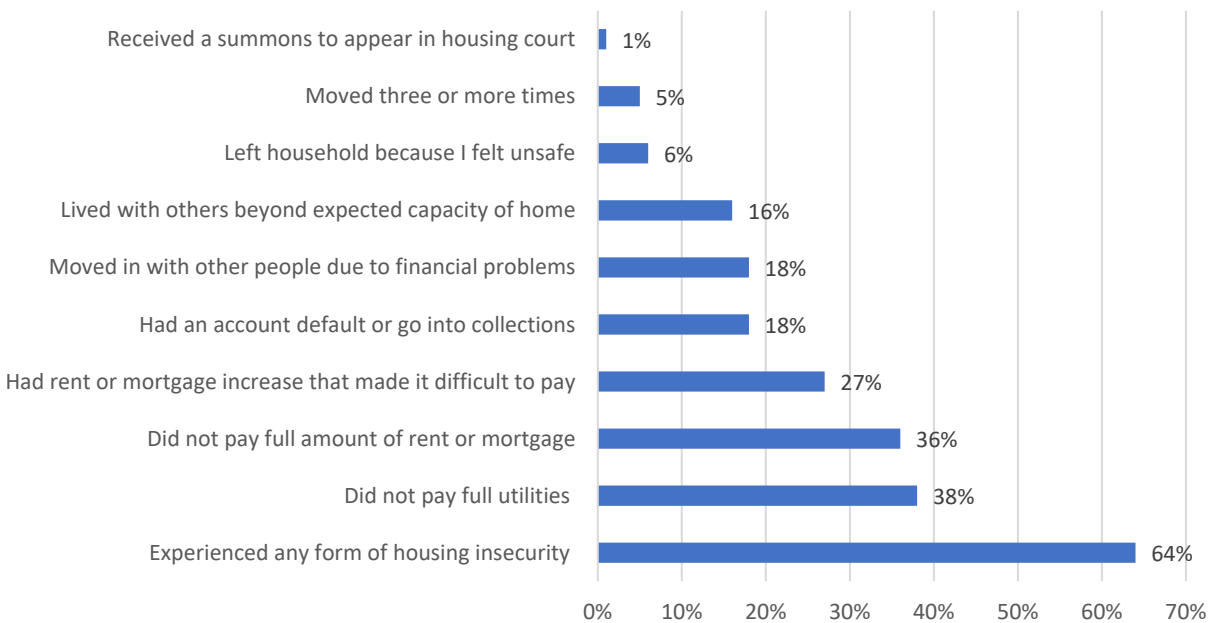


¹⁹ San Diego Community College District Student Profiles (2022-2023) Continuing Education. Updated December 25, 2022. <https://public.tableau.com/app/profile/sdccd.institutional.research/viz/StudentProfiles-SDCCE2022-2023/Cover>

HOUSING INSECURITY AND HOMELESSNESS AT SAN DIEGO CITY COLLEGE (SDCC):

The Hope Center for College, Community, and Justice at Temple University prepared a survey report (Hope Center Report) for the District based on 2,963 SDCC students that participated. While SDCC is only one of three credit colleges and is separate from CCE, the results of the Hope Center Report are important to consider. The Hope Center Report concluded that, of the 2,963 SDCC students that responded to their survey, 49 percent experienced food insecurity in the prior 30 days, 64 percent experienced housing insecurity in the previous year, and 20 percent experienced homelessness in the previous year.²⁰ The chart below further depicts the housing insecurity among the survey respondents (64 percent) from the Hope Center Report and the variety of consequences not being able to afford a stable home can have, ranging from not paying rent and utilities to moving in with others.

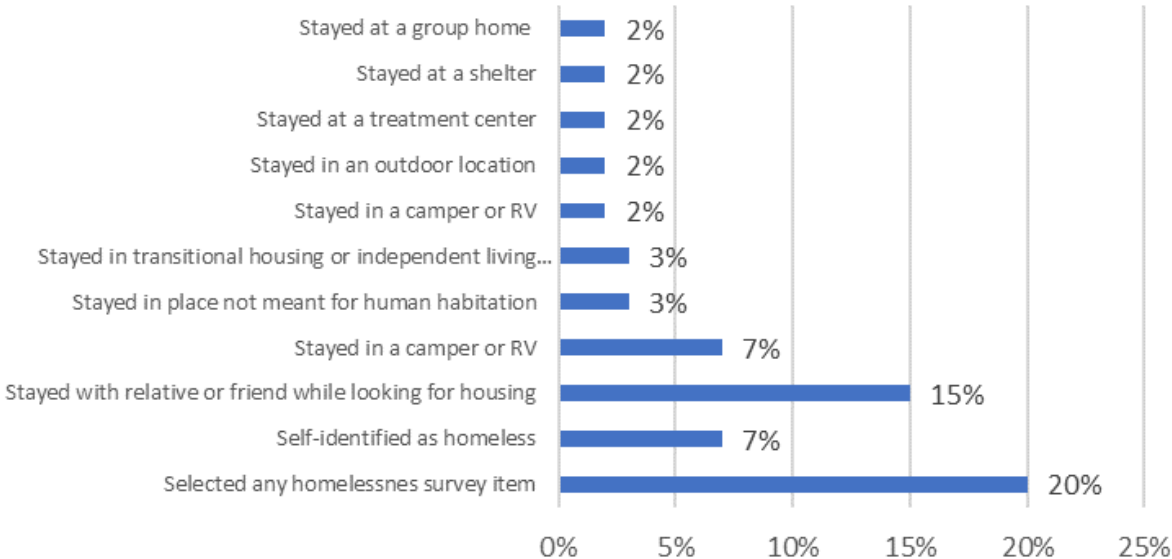
Housing Insecurity at San Diego City College Among Survey Respondents



²⁰ The Hope Center for College, Community, and Justice #Real College 2021: Basic Needs Insecurity During the Ongoing Pandemic. Report for San Diego City College. A Hope Center Publication, March 2021.

According to the Hope Center Report, students are considered homeless if they identified as experiencing homelessness or signs of homelessness. The Hope Center Report provides example of homelessness which can include, but isn't limited to living in a shelter, living temporarily with a relative, or living in a space not meant for human habitation. The chart below reflects that approximately 20 percent of the survey responses for the Hope Center Report reported experiencing homelessness or the conditions of homelessness.

Experiences With Homelessness at San Diego City College Among Survey Respondents



Key Takeaway: The key takeaway from the Hope Center Report is that the majority of students that participated in the survey are in dire need of affordable housing. Without a safe and affordable home, it will be more challenging for them to fully access the education and other services that the District has to offer.

Missing Data: While the Hope Center Report has valuable information, the District could consider collecting surveys from all District students. In addition, it could also collect persons per household data for all of its students.

SUMMARY OF SDCCD’S WORKFORCE POPULATION:

SDCCD employed approximately 4,645 employees as of the Fall 2021 per the District’s most recent Facts on File on Academic Year 2021-2022. According to District staff, classified positions are those determined to be non-academic as defined by the California Education Code whereas non-classified (academic) staff are primarily faculty, counselors, librarians, supervisors, and managers responsible for supervising faculty and/or developing policy directly impacting instruction, counseling, and library services.²¹ During the Fall of 2021, as shown in the table below, approximately 40 percent of the District’s workforce (or 1,858 employees) include classified staff, and approximately 60 percent of the workforce (or 2,787 employees) consists of non-classified (academic) staff.²² The average annual salary rate for classified staff is approximately \$60,000. The average annual base salary rate for non-classified (academic) staff is approximately \$100,000 (based on the rate of pay, not actual earnings).²³ While additional income information is provided further below, the District does not track persons per household rates and/or household income from its staff.

SDCCD Workforce by Employment Status, Fall of 2021

Classified Staff (40% or 1,858 Employees)		Non-Classified (Academic) Staff (60% or 2,787 Employees)		
Full-Time (16% or 743 Employees)	Part-Time/Hourly (24% or 1,115 Employees)	Contract Faculty (13% or 604 Employees)	Adjunct Faculty (41% or 1,904 Employees)	Managers/ Supervisors (5% or 232 Employees)

The District’s classified staff earn much less, on average, than its non-classified staff which may indicate that classified staff would generally have a stronger need for affordable housing. If the District were able to collect persons per household data, it could help to inform housing demand for the District’s workforce; below is additional staff income data provided by the District along with LDC’s analysis.

²¹ Email. Ursula Kroemer Leimbach, Public Information and Outreach Manager Propositions S and N Construction Bond Program. San Diego Community College District. 7/18/2022.

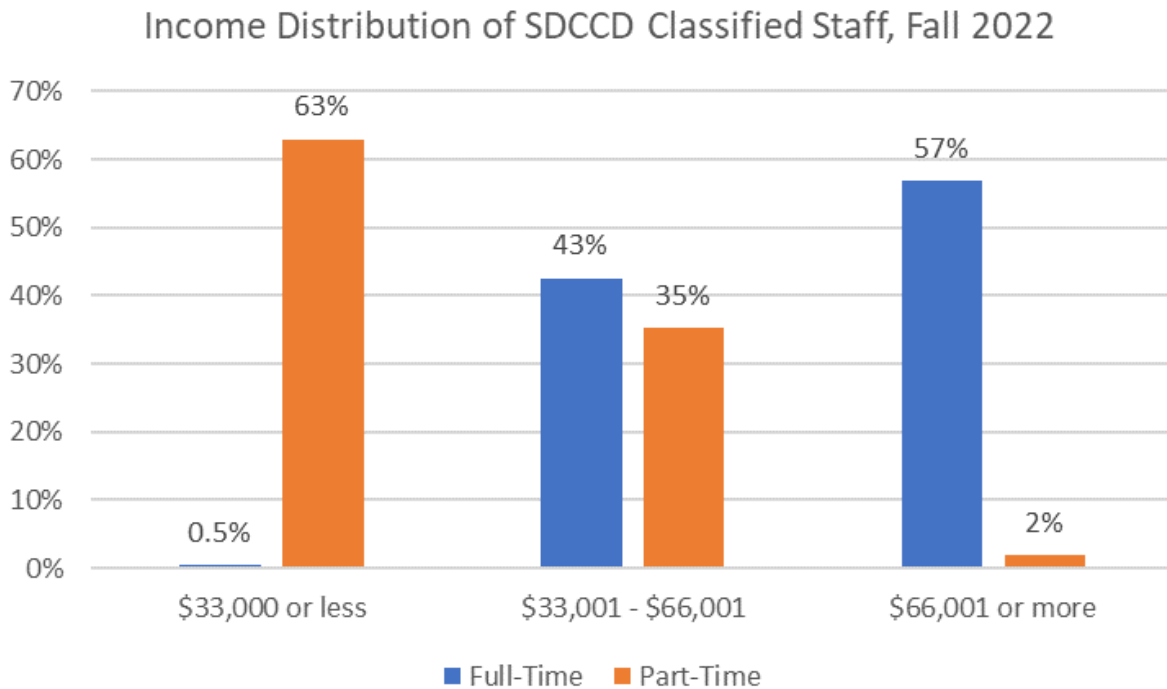
²² San Diego Community College District Facts on File on Academic Year 2021-2022. Updated August 10, 2022. https://www.sdccd.edu/docs/Research/Rsrch%20Reports/Facts%20on%20File/Facts%20on%20File%202021-2022_FINAL,v4.pdf

²³ Email. Ursula Kroemer Leimbach, Public Information and Outreach Manager Propositions S and N Construction Bond Program. San Diego Community College District. 7/7/2022.

Classified Staff Incomes, 2022:

Key Takeaways: Approximately 40 percent of the District’s workforce (or 1,858 employees) included classified (743 full-time and/or 1,115 part-time) staff (comprising non-academic employees such as custodians, cafeteria workers etc.). Approximately 43 percent of the District’s classified full-time staff earn between \$33,000 and \$66,000 a year and approximately 57 percent earn more than \$66,000; as a result, the District’s classified full-time staff would generally be considered as having very low to low incomes if they lived alone. In terms of part-time classified staff, the majority (63 percent) make less than \$33,000 per year and would generally be considered very-low income if they lived alone.²⁴ The key takeaway here is that most part-time and many full-time classified staff earn below what it takes to afford a typical two bedroom apartment in the San Diego region. If persons per household data were available, it could help to inform their housing needs.

Missing Data: The District could collect persons per household data to better inform staff’s housing needs.



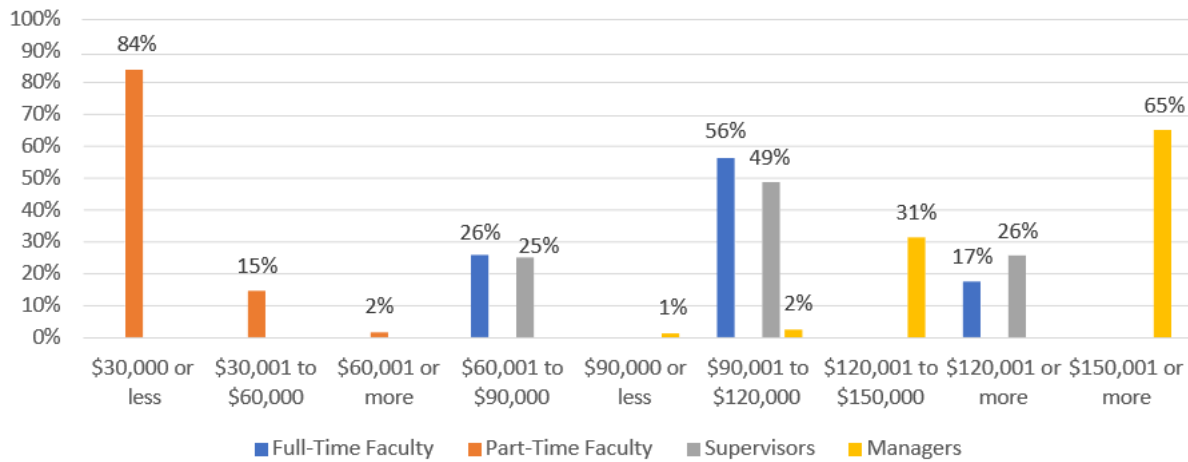
²⁴ Email. Ursula Kroemer Leimbach, Public Information and Outreach Manager Propositions S and N Construction Bond Program. San Diego Community College District. 7/18/2022.

Non-classified Staff Incomes, 2022:

Key Takeaways: The part-time/adjunct faculty (approximately 1,904 employees) mostly earn less than \$30,000 per year. In contrast, the majority of the full-time non-classified staff (832 employees) earn above \$90,000 per year which is above moderate income for a single-person household and moderate income for a two-person household, for example. However, without having persons per household data it is difficult to determine what the District’s staff housing needs are. For example, it is possible that part-time faculty have other sources of income. In addition, it is unknown if the District’s full-time staff live with other individuals that may or may not earn an income etc. However, it appears that the majority of full-time classified staff would be able to afford a home in the San Diego region.

Missing Data: The District could collect persons per household data to better inform staff’s housing needs.

Income Distribution of SDCCD Non-Classified Staff, 2022



SUMMARY OF THE SAN DIEGO REGION'S TAY POPULATION:

As discussed further above, there are existing District students that could also be considered TAY. However, there are also many other TAY in the San Diego region who are not affiliated with SDCCD but might consider enrolling with the District if they had more stable housing. The County of San Diego Behavioral Health Services (SDCBHS) in 2017 prepared its Transition Age Youth Systemwide Report. The report found that 10,155 TAY individuals ages 16 through 25 were served by SDCBHS.²⁵ In the SDCBHS's report, TAY are defined as youth ages 16-25 which is a larger range than what is being analyzed in this memo (18-24); however, the results from this report are still important to help understand the approximate number of TAY individuals in the San Diego region. LDC also met with 2-1-1, a local nonprofit organization that helps individuals to connect to community, health, and disaster resources throughout the region. 2-1-1 collects a variety of socio-economic data on persons that call them to ask for help. 2-1-1 provided LDC a report for the calendar year 2022 of 2,056 individuals (ages 18-24) that called 2-1-1 for a housing related need.²⁶ Below is a summary of some of the key data points from the 2-1-1 report along with LDC's analysis.

²⁵ County of San Diego Behavioral Health Services. Transition Age Youth Systemwide Report. 2017.

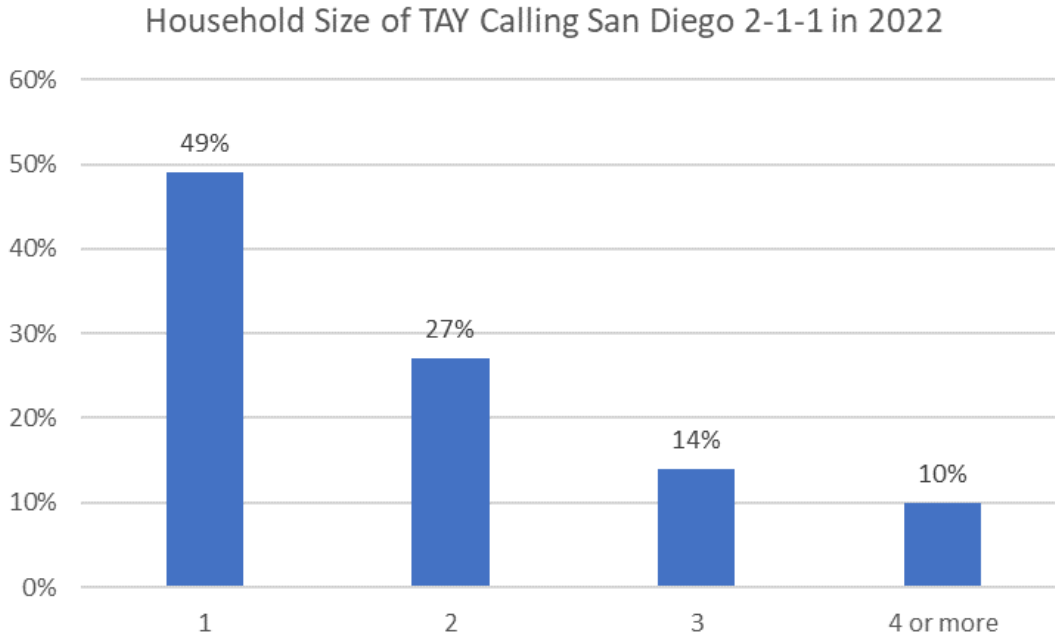
https://www.sandiegocounty.gov/content/dam/sdc/hhsa/programs/bhs/TRL/TRL%20Section%206/TAY_Triennial_Report_FY_16_17.pdf

²⁶ 2-1-1 San Diego. Community Information Exchange. Client Profile Report. Clients Ages 18-24 With a Housing-Related Need. 2022.

TAY Household Size:

Key Takeaways: As shown in the chart below, what is notable about the 2-1-1 report is that approximately half of TAY live alone which may indicate their lack of housing stability and increased mobility.²⁷

Missing Data: While household size is provided, it would be useful to have any additional information on the other individuals living within the household (e.g., age, income etc.)

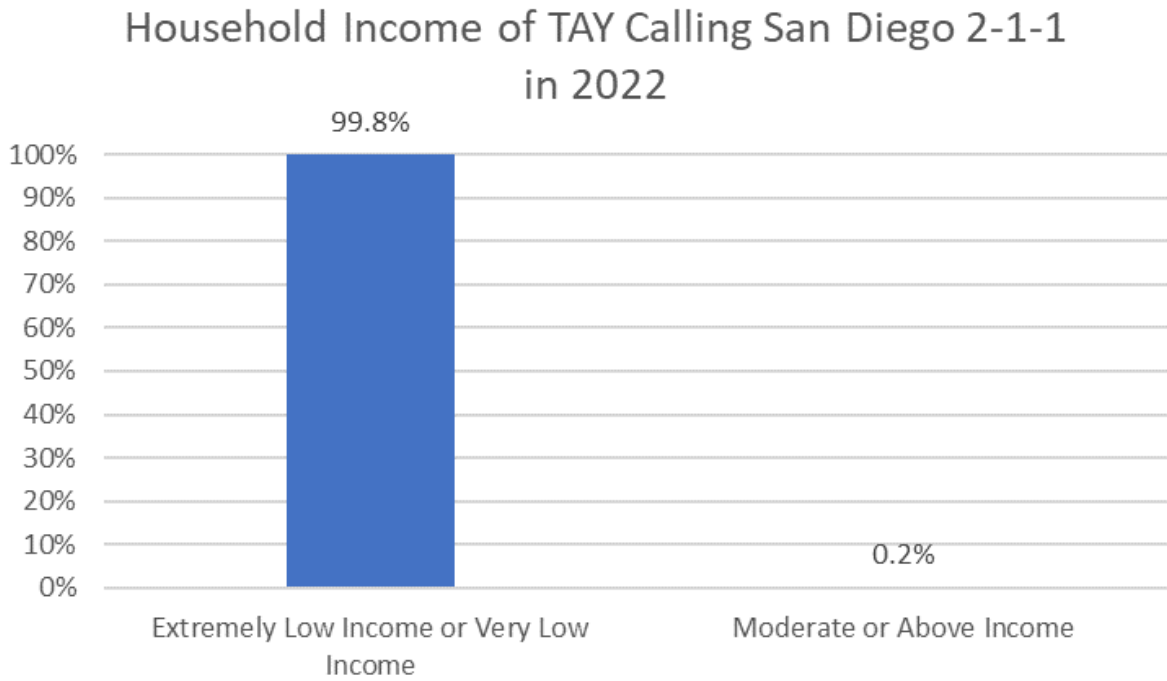


²⁷ 2-1-1 San Diego. Community Information Exchange. Client Profile Report. Clients Ages 18-24 With a Housing-Related Need. 2022.

TAY Household Income:

Key Takeaways: Almost every TAY who called 2-1-1 in 2022 reported a very low or extremely low income. Given the San Diego region’s severe shortage of affordable homes, these individuals and households can be considered as likely to continue to experience housing instability.

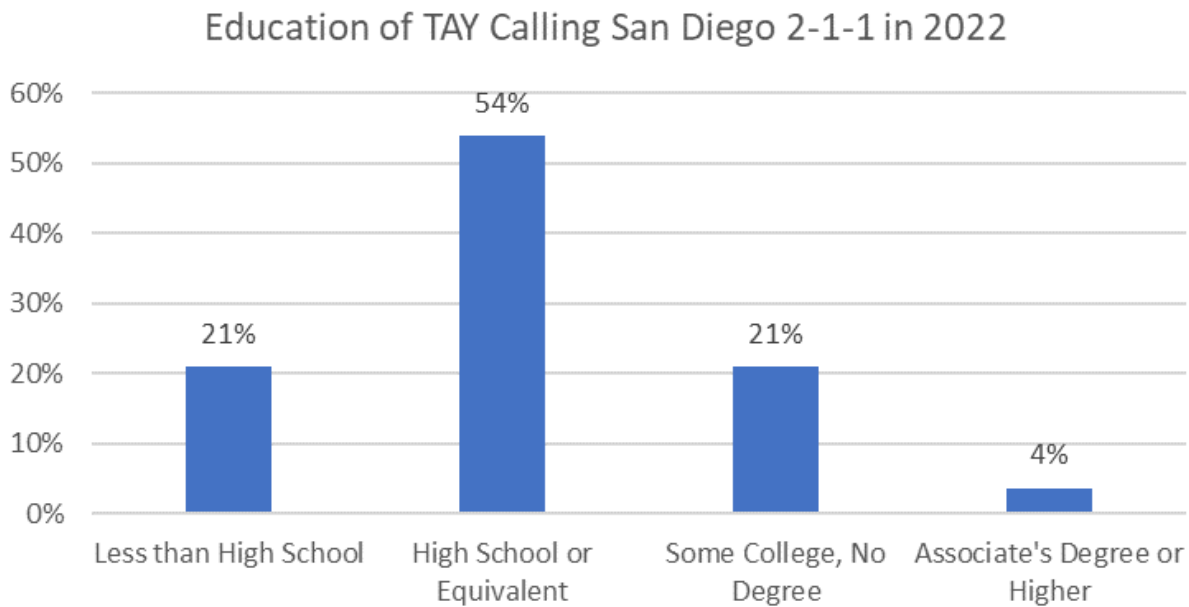
Missing Data: While 2-1-1 report does include some general household size information, it does not include income per household which could be useful.



TAY Education:

Key Takeaways: Only four percent of TAY that called 2-1-1 have completed a college degree. Of the remaining 96% without a college degree, about a fifth have taken some college classes and the rest have completed high school or less education. As such, there is significant potential for this group to achieve higher levels of education if they were affiliated with the District. Higher levels of education could help these TAY to access higher paying jobs and thus be able to better afford housing.

Missing Data: None.



FINDINGS

LDC worked with SDCCD to review existing District population data and helped to analyze other sources to prepare an overview of the housing needs of the District's existing students, staff, as well as local TAY. LDC also identified missing data that would be valuable for the District to collect in order to better understand the demand for housing and what existing students, staff, and local TAY can afford to pay. Below is LDC's summary of the missing data and its relevance as well as the housing demand findings by each of the population groups analyzed in this memo.

Missing Data and Its Relationship to Understanding Housing Demand:

Housing is considered 'affordable' when households pay no more than 30 percent of their gross income for housing costs, including utilities. Households that pay more than 30% are considered "cost-burdened" and often experience financial burdens that place strain on their quality of life.

In general, the primary missing data for this analysis pertains to persons per household information (e.g. number of persons in each household and total household income) which is needed to better understand what the District's population groups can afford for housing, what their average median income (AMI) is, as well as which sources of funding that could be utilized to help support District housing. For example, the housing need for a student living alone and earning \$78,000 per year would be much different than a student earning the same amount but living with three children and no other source of household income. As such, household income and the number of persons per household is needed to better understand how much the household can afford to spend on rent and utilities and what their average median income (AMI) is. The table below includes the AMIs for San Diego County based on family size (number of persons in a household) and household income.²⁸ For example, a student living alone and earning \$78,000 per year would be considered moderate income. In contrast, a student earning \$78,000 per year but living with three children and no other source of household income would be considered low income.

²⁸ San Diego County Area Median Income Limits. Effective April 18, 2022.
<https://www.sandiegocounty.gov/sdhcd/rental-assistance/income-limits-ami/>

San Diego County Income Limits, April 2022

FAMILY SIZE	30% of AMI Extremely Low Income	50% of AMI Very Low Income	60% of AMI	80% of AMI Low Income	Median Income	120% of AMI
1	27,350	45,550	54,660	72,900	74,850	89,800
2	31,250	52,050	62,460	83,300	85,500	102,650
3	35,150	58,550	70,260	93,700	96,200	115,450
4	39,050	65,050	78,060	104,100	106,900	128,300
5	42,200	70,300	84,360	112,450	115,450	138,550
6	45,300	75,500	90,600	120,800	124,000	148,850
7	48,450	80,700	96,840	129,100	132,550	159,100
8	51,550	85,900	103,080	137,450	141,100	169,350

While LDC has identified data gaps that could help to better understand the existing demand for housing, LDC believes that they might not be essential or critical as a result of the significant demand for affordable housing from its students, staff, and across the region as well as the District’s capacity to meet this need. As discussed above, there is a severe lack of affordable housing in the San Diego region which needs to plan for 99,000 homes from 2021 to 2029 that are affordable to very low, low, and moderate-income households. Unfortunately, the region has consistently failed to meet its housing needs for very low, low, and moderate-income households. And as will be explained in the subsequent section, there is a critical need for affordable housing for all of the population groups that were analyzed with the likely exception of full-time non-classified District staff. Therefore, while any affordable housing supported by the District would help to address the needs of its students, staff, and local TAY, it would not be able to meet all of its demand nor that of the region as a result of the severe housing crisis. Nonetheless, the District could explore ways to capture additional socio-economic information from its students and staff (e.g., persons per household and household income etc.) via surveys and/or at the beginning of new terms as part of its longer-term efforts to inform its housing strategy and potentially as part of individual housing projects supported by SDCCD; however, LDC believes that the demand for affordable housing is so severe that this population analysis is sufficient to help the District to assess its existing needs.

HOUSING DEMAND BY POPULATION GROUP

The table below depicts the approximate size of the populations, their general income of the majority of the individual population groups, their AMI categories based on available data, and whether or not they are likely to be able to afford the average asking rent in San Diego County of \$2,253. The average asking rent (\$2,253) in San Diego would require at least an annual income of \$90,120 per the California Housing Partnership's Affordable Housing Needs Report for 2022.²⁹ The AMI categories in the table below are rough estimations because of incomplete household data.

In general, there is a critical need for affordable housing for all of the population groups that were analyzed with the likely exception of full-time non-classified District staff. With the exception of full-time district non-classified staff (faculty, supervisors, managers), all of the population groups would be considered very-low and/or low income and would not be able to afford the region's average asking rent. Further below is a brief summary of each of the target groups' most defining characteristics that will help to inform the financial feasibility analysis of the District's top opportunity sites.

²⁹ San Diego County 2022 Affordable Housing Needs Report. California Housing Partnership.
https://chpc.wpenginepowered.com/wp-content/uploads/2022/05/San-Diego_Housing_Report_2022-AHNR-rev.pdf

Housing Demand by Population Group

Population Groups Analyzed	Approximate Population Size	Approximate Income of the Majority of Individual Population Groups	San Diego County AMI Category If Living Alone	Have Yearly Income of \$90,120 to Afford the Average Asking Rent in SD County of \$2,253?
Credit College Students	34,977 ¹	\$33,000 or Less ³	Very Low-Income ⁴	No
CCE Students	10,865 ¹	\$33,000 or Less	Very Low-Income ⁴	No
Full-Time District Classified Staff	743 ¹	\$66,000 or More ³	Low-Income ⁴	No
Part-Time District Classified Staff	1,115 ¹	\$33,000 or Less ³	Very Low-Income ⁴	No
Full-Time District Non-Classified Staff (Faculty, Supervisors, Managers)	832 ¹	\$90,000 or More ³	Above Moderate-Income ⁴	Yes
Part-Time Faculty Non-Classified Staff	1,904 ¹	\$33,000 or Less ³	Very Low-Income ⁴	No
Transitional Age Youth	10,155 ²	N/A ³	Extremely Low-Income to Very Low-Income ⁵	No

1: Population During the Fall of 2021

2: Population from 2017

3: Average income does not account for other persons and/or incomes in household which could affect the AMI category.

4: AMI categories depend on persons per household and household income. AMI categories here assume single- person households; however, AMI categories could change based on additional persons living in the household and additional household income.

5: Based on information from 2-1-1 reports.

Credit College Students:

The number of students enrolled at credit colleges during the Fall of 2021 was 34,977 which represents about 76 percent of the District's total student body. Most students at SDCCD's three credit colleges are aged 24 or younger and earn less than \$33,000 per year which would be considered very low income if they lived alone per the San Diego County AMI for 2022. Small shares of these students are foster youth, received support from DSPS, and/or are refugees/asylees, but their numbers are nonetheless significant. During the Fall of 2021 there were 592 foster youth, 1,347 disabled students, and 108 refugees/asylees enrolled at one of the District's credit colleges.

In addition, the majority of SDCC students that participated in the Hope Center Report survey are struggling and are in dire need of affordable housing. While the Hope Center Report only pertains to SDCC students who responded to the Hope Center's survey, its findings are still significant even though they only reflect one of the three credit colleges. The Hope Center Report concluded that of the SDCC students that responded to the survey 49 percent experienced food insecurity in the prior 30 days, 64 percent experienced housing insecurity in the previous year, and 20 percent experienced homelessness in the previous year in the previous year. Therefore, there are many existing credit college students that are in need of affordable housing.

College of Continuing Education Students:

The number of students at CCE during the Fall 2021 was 10,865, which represents about 24 percent of the District's total student body. Most CCE students are above the age of 40, live alone or with one other person, and earn less than \$33,000 per year. Therefore, most of CCE students would be considered very low-income (per the San Diego County AMI). Approximately 473 students received support from DSPS for a disability during the Fall 2021 and 963 students enrolled with CCE during the Summer 2022 term are refugees/asylees. And while CCE does not track foster youth, it can be assumed that they do encompass part of the CCE student body. Lastly, while homelessness at CCE isn't tracked, many existing students are likely housing insecure. Therefore, similar to credit colleges, there is a significant need for affordable housing at CCE.

District Workforce:

SDCCD employed approximately 4,645 employees during the Fall of 2021.

Classified staff. Approximately 40 percent of the District's workforce (or 1,858 employees) included classified (743 full-time and/or 1,115 part-time) staff (comprising non-academic employees such as custodians, cafeteria workers etc.). Approximately 43 percent of the District's classified full-time staff earn between \$33,000 and \$66,000 a year and approximately 57 percent earn more than \$66,000; as a result, the District's classified full-time staff would generally be considered as having very low to low incomes if they lived alone. In terms of part-time classified staff, the majority (63 percent) make less than \$33,000 per year and would generally be considered very-low income if they lived alone. Therefore, is a significant need for

affordable housing for both full-time and part-time classified staff.

Non-classified staff. The part-time/adjunct faculty (approximately 1,904 employees) mostly earn less than \$30,000 per year which would be considered very-low income if staff lived alone and this was their total household income. In contrast, the majority of the full-time non-classified staff (832 employees) earn above \$90,000 per year which is considered above moderate income for a single-person household. While there may be some demand for affordable housing for part-time non-classified staff, LDC does not believe (based on existing data) that there is a need for affordable housing for the District's full-time non-classified staff (assuming single person households).

TAY within the San Diego Region:

While some TAY are currently enrolled with SDCCD (e.g., foster youth), the vast majority in the San Diego region are not affiliated with the District. In 2017, there were 10,155 TAY individuals aged 16 through 25 within San Diego County. The majority of TAY live alone or with one other individual, are not in school, have not taken any college courses, and earn extremely low incomes. Housing stability is a significant barrier to higher education, a job, and more for San Diego's TAY. SDCCD can help stabilize this population and provide them access to District classes.



Site Analysis

INTRODUCTION:

The District’s vision includes supporting three types of housing listed below with a priority for student housing:

- Affordable student housing: More than half of SDCCD approximately 100,000 students experienced housing insecurity in 2020. Improving stability contributes to student success.
- Affordable staff housing: SDCCD has a staff of 5,000. Rising housing costs in the San Diego region strain SDCCD’s ability to attract and maintain its workforce. As a major institution, the District can provide this essential need for its valued staff.
- Housing for key youth: For youth who are experiencing homelessness or housing insecurity, transitioning out of the foster system, justice involved, or opportunity youth, housing stability is a barrier to higher education, a job, and more. SDCCD can help stabilize this population and provide them access to District classes.

HIGH-LEVEL SITE ANALYSIS OBJECTIVE:

The principal goal of LDC’s work with the District is to help SDCCD create a significant number of affordable housing units for students, key youth, and staff. SDCCD has significant real estate assets across the region that it can leverage for housing which includes 346 acres of land on four colleges, spread across ten campuses, and these assets are the most critical tools at its disposal to facilitate housing. Therefore, a key task to achieve the District’s housing goals is to identify sites primarily within the District’s real estate assets (and off-District opportunities) that could be developed into affordable housing.

The purpose of this report is to help provide initial site analysis information on seven sites,

identified in cooperation with the District, that can facilitate the prioritization of the top three sites upon which LDC will perform a more thorough development feasibility analysis. In an effort to help the District to narrow down the list, LDC has provided its recommended top sites for consideration, its reasoning for prioritizing these sites, and the most suitable potential target population for each site. While this assessment isn't materially different than such an exercise for commercial real estate, the considerations are different and not yet fully established because developing affordable housing for community colleges is an emerging model.

METHODOLOGY:

As described further above as part of the Phase One scope of work, LDC had completed an initial assessment of the District's housing needs, a summary of the landscape of available funding sources for housing, and the identification of potential partnerships that could align with SDCCD's vision for housing development. LDC's methodology builds off the initial Phase One work and utilizes four key steps for the high-level site analysis which are briefly discussed below.

Step One - Site Visits and Information Gathering:

One of the first steps in analyzing the District's assets, was to tour all ten SDCCD campuses. SDCCD's architect and individual campus senior staff led the tours and provided insights on each campus, potential opportunities for housing, and barriers or other site-specific issues for consideration. These tours helped the LDC team get to know staff and their campuses better and District staff to gain a better understanding of SDCCD's housing objectives. LDC has explored off-site opportunities as well such as the Golden West Hotel Single Room Occupancy (SRO) downtown San Diego adjacent to Horton Plaza. LDC has met with representatives of the Golden West Hotel SRO to learn more about the site and potential opportunities.

LDC also collected and summarized readily available information on seven sites, six located on District owned land as well as one located in downtown San Diego that is not owned by the District (Golden West Hotel SRO). Attachment One (SDCCD Site Assessment Related Figures) includes images such as photos, aerials, and SDCCD campus plans of the seven sites. Attachment Two (Site Analysis Matrix) includes certain physical constraints and opportunities for each site such as location, topography, existing uses, adjacent uses, information from the District's current master plans etc. Please note that portions of Attachment Two were marked as to-be-determined (TBD); this information is a sample of the additional data that could be gathered once the top three sites are confirmed.

Step Two - Real Estate Assessment on Physical Opportunities and Constraints for Housing:

After conducting site visits and collecting and organizing readily available information into Attachments One and Two, LDC performed a conventional real estate assessment of 'buildable' sites based on the physical opportunities and constraints information collected as part of Step One. Below is a brief description of the real estate criteria from Attachment Two considered for this initial assessment:

- Location and general size: The priority was to evaluate sites on District owned land that

are in close proximity to campus amenities (e.g., classrooms, student centers, libraries etc.). However, LDC evaluated sites not owned by the District as well. Location information also helps to explain vehicular access to/from the site; sites with greater vehicular access were preferable as well. Larger sites were prioritized for students as they may prefer housing at a greater density and scale of development. Smaller sites were preferred for housing key youth as this population may find that a smaller scale housing environment can help them transition better towards a more independent lifestyle.

- **Adjacent Uses:** As with any potential development, it is important to consider the compatibility with adjacent uses and impacts that may occur (e.g., noise, community opposition etc.). The District sites analyzed in this report are all located on campuses that are adjacent to residential communities; sites that have a greater distance away from existing single-family homes may be preferable so as to reduce any impacts to and opposition from nearby residents.
- **Built/Unbuilt:** Sites that currently contain buildings may be more costly to redevelop relative to undeveloped sites because of demolition and potentially relocation costs. Sites that include surface parking lots and/or open space areas were prioritized.
- **Slope:** Building on flat ground is less expensive than building on sites with slopes. Sites with slopes can also sometimes limit the buildable envelop. Sites that are already relatively flat were preferred.
- **District Campus Master Plans:** The District's campus master plans were reviewed to help assess where there might be housing opportunities and to understand what is already programmed for the various campuses. Sites that are already envisioned for housing in master plans were prioritized. Sites that were closest to the campus core were also prioritized.
- **City of San Diego Zoning:** The zoning information for sites located on District plans did not heavily influence LDC's analysis because the City of San Diego's zoning classifications are very similar and would all need to be rezoned. The downtown San Diego site that is not located on District land is already zoned to allow for housing. Therefore, zoning information did not weigh into the prioritization of sites.

Step Three - Funding Sources and Considerations:

After assessing the physical constraints and opportunities, LDC listed current potential funding sources from the Phase One work (Capital Mapping Service Report, 5/13/22) into Attachment Two which are the best indicators of what future sources of funding will require. LDC recognizes that more funding will generally be needed to support the sites being analyzed in this report, particularly to provide housing affordability in line with the District's objectives. However, funding sources for community college housing are fluid and dynamic, particularly for affordable student housing. Governor Newsom signed Senate Bill 169 (SB 169) on September 23, 2021 which includes two billion over three-years for Higher Education Student Housing (One billion to California Community Colleges; \$600 million to California State Universities; and \$400 million to the University of California). The District is currently applying for funding from this State program for a proposed affordable student housing project located at its San Diego City College

campus. And while the District will likely not be able to apply in time for any of the remaining SB 169 funding for any of the seven sites considered in this memo, SB 169 funding parameters could provide an insight as to the state's future priorities and scoring criteria for community college housing. LDC reviewed the scoring criteria associated with SB 169 and doesn't believe that any of the seven sites analyzed in this report could be further prioritized based on this legislation. Similarly, LDC doesn't consider current requirements of the potential funding sources listed in Attachment Two to be a critical consideration for site prioritization. However, funding sources will be further analyzed during LDC's subsequent high-level analysis that would describe how a theoretical project for up to three different District population subgroups could be financed.

Step Four - Describing General Housing Criteria for Populations to Be Served:

In addition to the three steps above, it is important to describe the general criteria and considerations for each housing type that supports the District's vision (affordable student housing, housing for key youth, and affordable staff housing). While it might be feasible for each of the seven sites described in this memo to accommodate any of the three target groups (students, key youth, and staff) that that the District seeks to serve, describing common needs that are often associated with each of these types of housing will help to provide a framework for the subsequent site analysis and descriptions. LDC will provide its initial recommendation for the best target population for each site in the subsequent sections in this report.

Affordable Student Housing - Criteria and Considerations:

- Some students might prefer denser and larger housing options such as shared rooms (e.g., shared dorm rooms) whereas other students that have a family (e.g., children, spouse, parent) may prefer larger individual units.
- Student housing is generally compact in terms of unit sizes and amenities. In addition, a significant portion of the existing student body is already experiencing housing insecurity, therefore, larger sites are preferred that could allow for a large scale development to help meet the existing demand. LDC foresees student housing with the highest densities of the three housing types.
- Affordable housing that is closer in proximity to classrooms and other campus amenities (student center, library, cafeteria, recreational areas, computer room etc.) would be beneficial to students to reduce the travel time between their housing and campus.

Affordable Housing for Key Youth - Criteria and Considerations

- A smaller housing development that is safe and supportive may be preferred to accommodate key youth (e.g., youth who are experiencing homelessness or housing insecurity, transitioning out of the foster system). This population may benefit from living in housing that has a variety of on-site services to meet their unique individual needs (e.g., individual/family counseling, academic tutoring, employment services, assisting with transition to post-secondary education, financial aid services, food assistance, etc.). This population may find that a smaller scale housing environment

can help them transition better towards a more independent lifestyle that could also include being enrolled at SDCCD.

- There are definite synergies from providing housing for key youth on (or near) District campuses as these individuals can benefit from programs and services that the District can offer that may help them to become more independent. And, the District may have an opportunity to grow its student body by removing barriers of entry to this population that is often faced with many significant challenges. However, this population group's ability to enroll with SDCCD could take time, should they decide to engage the District.
- Affordable housing that is closer in proximity to classrooms and other campus amenities would be beneficial to transitional age youth so as to reduce any transportation related barriers should they wish to enroll with SDCCD.

Affordable Housing for District Staff - Criteria and Considerations:

- District staff might prefer larger, individual units relative to student housing. LDC is assuming that housing for District staff would be similar to the region's general multi-family housing constraints and preferences.
- District staff might not need to be as close to the campus core when compared to District students. For example, administrative staff (e.g., secretary, cafeteria worker) might not need to visit some of the campus' amenities (e.g., computer room, library, student center etc.) regularly or possibly at all relative to District students.

[SUMMARY OF THE SEVEN POTENTIAL SITES FOR AFFORDABLE HOUSING:](#)

Below is a list of the seven potential sites for affordable housing. These sites are not listed in order of priority. The map below shows the general location of the sites in the San Diego region. Sites one through three are all located on Mesa College's campus. Sites four through six are located on the Educational Cultural Complex (ECC) campus. Site seven is not located on any SDCCD campus and is not owned by the District. Site seven is located downtown San Diego along Fourth Avenue adjacent to Horton Plaza and near the City's Gaslamp Quarter and about one mile west of San Diego City College campus. Site specific aerial images are embedded within the subsequent sections below to help explain the general location of the various seven sites. Attachment One provide a more detailed perspective of their location.

- Site Number One: Mesa College- Northwestern Campus Area (Appoliad Theatre)
- Site Number Two: Mesa College Northeastern Campus Parking Lot
- Site Number Three: Mesa College Northern Campus Parking Lot
- Site Number Four: ECC - Western Area
- Site Number Five: ECC - Southern Area
- Site Number Six: ECC - Northern Area
- Site Number Seven: Golden West Hotel/Single Room Occupancy

Regional Map of Opportunity Sites



Site Number One Mesa College- Northwestern Campus Area (Apolliad Theatre)

Aerial Map of Opportunity Site Number One Outlined in Red



This site is identified in the Mesa College 2030 Campus Master Plan as one of two options for housing. The site currently includes Mesa College’s aging Apolliad Theatre and some classrooms built in the 1970s, but the campus master plan anticipates relocating them making this large area available for housing development. LDC believes that a larger scale student housing development (e.g., dorm style housing) might be the most suitable population group to target here as it is a flat and larger site that is adjacent to the campus core and separated from single-family homes by a large canyon. The relatively flat site is conveniently located along Mesa College Circle on the northwestern most portion of campus overlooking the surrounding canyon and nearby residential neighborhoods in Clairemont. It is at a much higher elevation than the residential community to the north and the surrounding canyon provides a physical barrier that could help to reduce impacts to and potential opposition from residents living in the single-family community to the north and northwest of campus. And being located adjacent to Mesa College Circle, a primary roadway on campus, would help to provide vehicular access to and from the site for a larger housing development. The site’s proximity to the College’s core (e.g., classrooms, library etc.) would be convenient for quick trips between home and college life that wouldn’t require a car.

Site Number Two: Mesa College Northeastern Campus Parking Lot

Aerial Map of Opportunity Site Number Two Outlined in Red



This site is also identified in the Mesa College 2030 Campus Master Plan as one of two options for housing and currently includes an existing surface parking lot (including solar panels) located along Mesa College Circle on the northeastern edge of campus. The relatively flat site is located along Mesa College Circle on the northeastern most portion of campus. The site is adjacent to single-family homes to the north in Clairemont and is near the Continuing Education Building and other surface parking lots. At the northeastern most area of campus, the site is also more removed from the core campus area. It will be important to understand whether the agreement for the existing solar panels requires the solar panels to remain in place for a period of time, and if so, the cost of terminating that agreement or potentially relocating solar panels.

LDC believes that this site may be most suitable for a smaller scale (e.g., two – three story) affordable housing development for the District’s workforce with larger units due to its medium size, flat topography, short distance from campus, location immediately adjacent to single-family homes, and consistency with Mesa College’s campus plan. Having an existing surface parking lot (even with solar panels) also helps to make this a suitable site since there is no existing building to address. Single-family neighbors adjacent to the north of the site may be less opposed to a smaller scale workforce housing development vs a larger scale student housing concept. And, it may be beneficial that the site is located away from the core of the campus as District staff may not need to frequent the campus as often.

Site Number Three: Mesa College Northern Campus Parking Lot

Aerial Map of Opportunity Site Number Three Outlined in Red



This site includes Mesa College’s parking Lot 1 (with solar panels on the western portions of the parking lot) and is located along Mesa College Circle at the northern most portion of campus and near the College’s athletic fields, Student Services Center, and Fine Arts building. The site is adjacent to the campus core but is located at a much lower elevation; however, this difference in elevation could be mitigated by enhanced pedestrian connections between the site and the core of the campus. While a portion of the surface parking lot has solar panels, the site is large enough to accommodate a housing development (if necessary) without having to remove any of the existing solar panels. There are single-family homes just across Mesa College Circle to the north of the site that could potentially oppose housing here, but the site would have ample space to help mitigate any potential impacts. This site is not identified as an option for housing in the Mesa College 2030 Campus Master Plan; however, LDC believes this could be a suitable site for affordable housing. The most suitable housing option for this site is a large-scale affordable student development (e.g., dorm style housing) due to its large size, being adjacent to the campus core, being flat, being primarily undeveloped (surface parking lot with solar panels), and for having direct vehicular access.

Site Number Four: Educational Cultural Complex - Western Area

Aerial Map of Opportunity Site Number Four Outlined in Red



The site is identified in the ECC Facilities Master Plan as one of the campus's three development scenarios that include housing. The relatively small and rectangular flat site includes an existing grassy, open space area located along ECC's westernmost edge. San Pasqual Street forms the site's western boundary, and single-family homes are located west of this street and in the general area. The site is just north of the Mountain View/Beckwourth Branch Library (a City of San Diego library on SDCCD land), south of the ECC's surface parking lots, and west of ECC's main building, which includes a performing arts center, classrooms, and offices. LDC believes that this site would be most suitable to accommodate a small-scale housing development for transition age youth due to its small size, convenient access to the library, ECC's campus, and ECC's largest contiguous open space area to the southeast. LDC believes that parking should be accommodated on any of ECC's existing surface parking lots (vs within the development's footprint). The site would remove a passive recreational space in a disadvantaged community that could benefit from more (not less recreational space) which is a factor to consider; however, it would not encroach on ECC's largest open space area located to the southwest of the site.

Site Number Five: Educational Cultural Complex - Southern Area

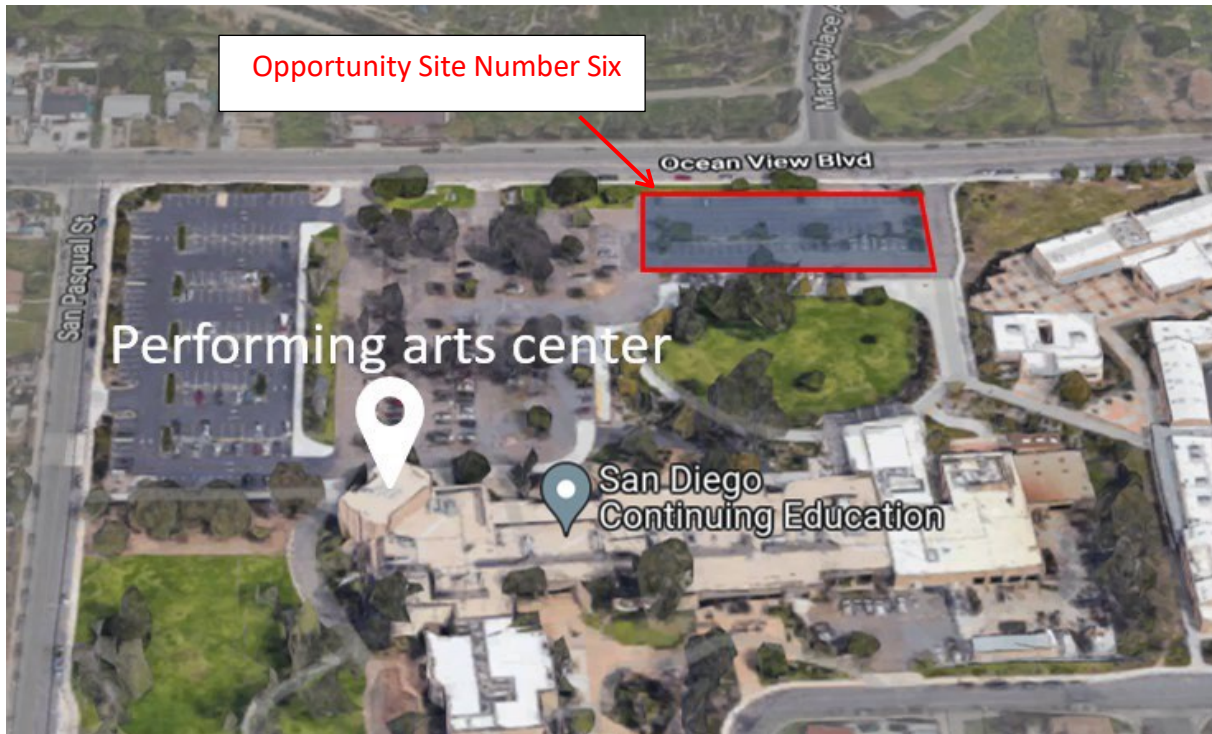
Aerial Map of Opportunity Site Number Five Outlined in Red



This site is located within the ECC's large passive recreational space (between San Pasqual and Dominion streets) on the southern edge of campus and is also identified in the ECC Facilities Master Plan as one of the campus's three development scenarios that include housing. The site is across the street from single-family homes and a townhome complex and is close to the Mountain View/Beckwourth Branch Library and near ECC's main buildings. The site's existing grass area functions as a passive recreational space with mature trees and includes grassy areas that are higher in elevation in the southern most sections with a slight downhill slope towards the north. LDC believes that this site would be most suitable to accommodate a small-scale housing development for transition age youth due to its small size, convenient access to the library and ECC's campus, and for being situated in an area that would be immediately surrounded by open space. While this general area is not programmed as a park, per se, the surrounding community may oppose any development that removes a significant portion of this open space area. Therefore, LDC believes that parking should be accommodated on any of ECC's existing surface parking lots (vs within the development's footprint) in order to leave as much of the existing area's open space as-is. Another consideration could be to include active recreational amenities (e.g., shade structure, BBQ area, dog run area etc.) to help mitigate a reduction in ECC's existing open space.

Site Number Six: Educational Cultural Complex - Northern Area

Aerial Map of Opportunity Site Number Six Outlined in Red

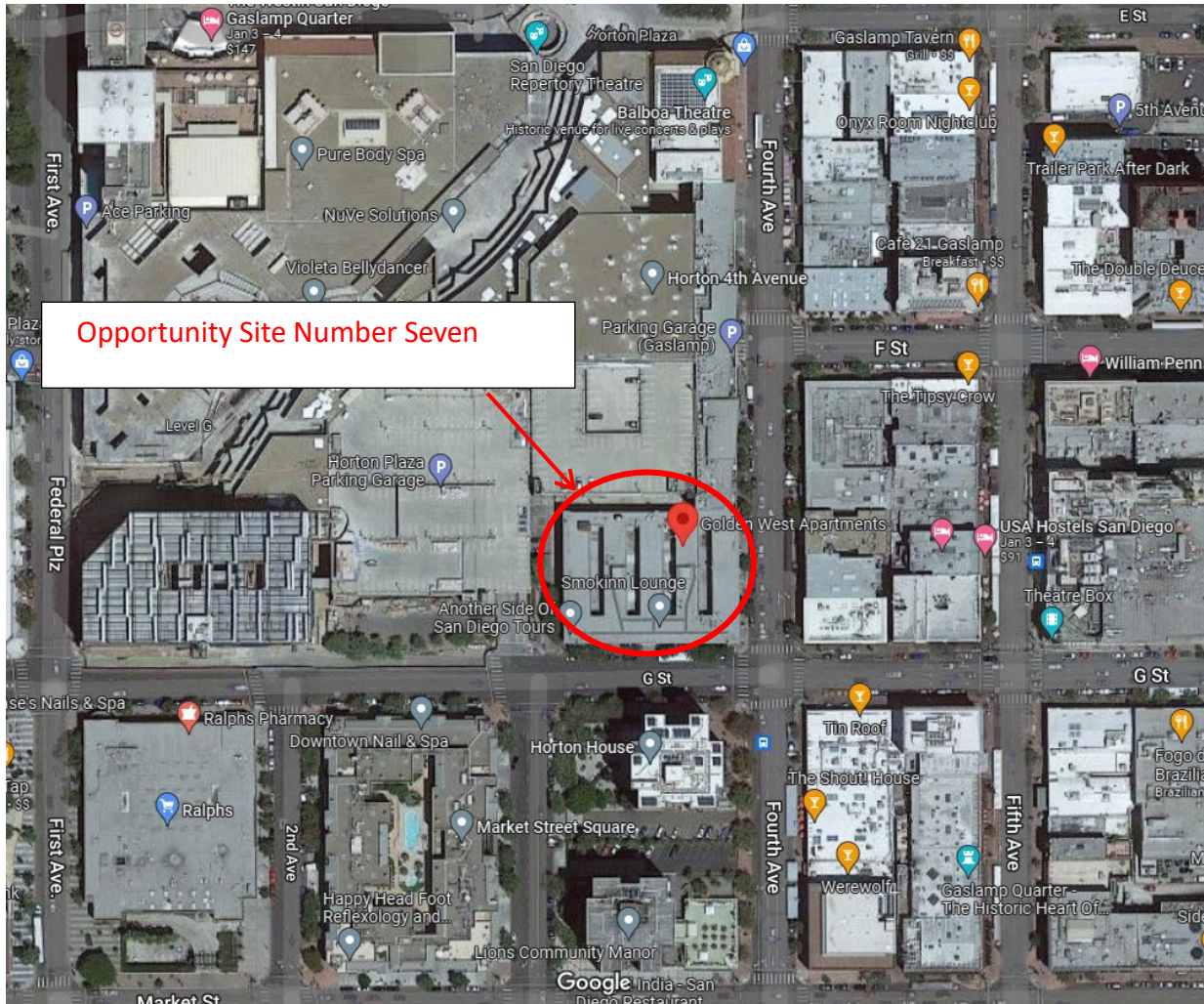


The site is identified in the ECC Facilities Master Plan as one of the campus's three development scenarios that include housing. The site includes a flat, surface parking lot that is utilized by students and staff at ECC and is located between the ECC's northern most vehicular entrances, adjacent to the intersection of Ocean View Boulevard and Market Place Avenue. Ocean View Boulevard provides the site's northern boundary. To the west is more surface parking. ECC buildings are located further to the east. Immediately to the south is a grassy open space area with ECC's main entrance which includes a performing arts center, classrooms, and offices further to the south.

LDC believes that the most suitable housing for this site would be a smaller scale development for transition age youth because of its smaller size and close proximity to ECC facilities. LDC would recommend that housing be set back from Ocean View Boulevard and oriented towards the grassy area to the south. LDC believes that parking should be accommodated on the existing parking areas to the west and not within the housing development. Since this site is located in between two of ECC's main vehicular entrance points, placing housing in this area may require changes to ECC's northern vehicular entrances as well as internal vehicular circulation.

Site Number Seven: Golden West Hotel/Single Room Occupancy

Aerial Map of Opportunity Site Number Seven Outlined in Red



This large and flat site is located downtown San Diego along Fourth Avenue near the City's Gaslamp Quarter, the City's main entertainment district. The site is adjacent to Horton Plaza (a shopping mall to the north and west) which is undergoing major redevelopment that is anticipated to encompass high-tech office space and retail uses.¹ Fourth Avenue is the site's eastern boundary which includes many bars, restaurants, coffee shops etc. G Street forms the site's southern boundary. The San Diego City College campus is located approximately one mile to the east of the site which would require an approximately 25 minute walk across downtown San Diego or a short transit trip by trolley.

The site contains an older building known as the Golden West Hotel that is currently operated as a single room occupancy (SRO) hotel. It is the largest or one of the largest SROs downtown San Diego with 350 rooms that are primarily dormitory style with shared bathroom facilities. It was

built in 1913 by John Spreckels as the “Working Mans” hotel. John Lloyd Wright, son of Frank Lloyd Wright, was the architect. The hotel is need of maintenance and would need substantial rehabilitation if it were to be upgraded for District housing. In addition, this SRO is currently in operation and thus contains tenants which would be a complicating factor (e.g., relocation costs for existing tenants) to address in any District housing plan.

Due to the large size and location of the building, LDC believes that this site would be most suitable for a large affordable student housing development. There are several potential funding sources and strategies to explore for student housing in this location. However, funding for SROs is often insufficient. LDC and SDCCD have also connected with the SD Housing Commission and the City of SD Council president’s office to discuss ways in which they might be able to support SDCCD’s housing at a SRO that is in need of financial assistance, upgrades etc. Therefore, there could be synergies between SDCCD, the City, and the SD Housing Commission to help meet SDCCD’s housing goals with this site.

LDC'S COMPARISON OF THE TOP SITE(S) BY TARGET POPULATION:

In the analysis above, LDC identified three sites that would be most suited for affordable student housing, one site that would be most suitable for District staff housing, and three sites that would be most suitable for housing for key youth. While each of the seven sites discussed above could potentially be viable for a variety of affordable housing opportunities, one of the goals of LDC's subsequent task is to describe how a theoretical project for up to three different District population subgroups (e.g., students making less than 60% AMI, homeless students, and workforce housing) could be financed. Therefore, LDC has provided its top site for each of the three target populations (affordable student housing, staff housing, and housing for key youth). LDC's justification for its recommendations are summarized below in a series of tables, one for each target population. Each table reflects a color scheme to describe the site's suitability that takes into account the sites physical characteristics and the general housing criteria described in the methodology section in this report. Green equates to favorable site conditions. Yellow equates to less favorable conditions. And, red equates to the least favorable site conditions. The sites are ranked in order of suitability in each table from top to bottom.

Top Ranked Affordable Student Housing Site- Site Number One Mesa College- Northwestern Campus Area (Appoliad Theatre):

Site number one is the most suitable for affordable student housing due to its flat topography, being adjacent to the campus core (and amenities), encompassing a larger size that could allow for a larger development, being surrounded by a large open space canyon that provides a buffer between the site and single-family homes to the north/west, and that housing in this location is consistent with the Mesa College 2030 Campus Master Plan. Site number one does have an existing building (Apolliad Theatre) which is a constraint; however, the theater is planned to be relocated to a new Performing Arts building, making this area of the campus available for other development.

Site number three is similar to site number one in many respects and is ranked as the second most suitable site for affordable student housing. Site number three also includes flat topography that encompasses a larger size that could allow for a larger development. And, unlike site number one, it does not include existing buildings, only a surface parking lot (and solar panels) which is less of a constraint to constructing a new development. However, site number three is located within close proximity to a single-family residential area (across the street) that might oppose a large student housing development. And, although it is near the College's athletic fields, Student Services Center, and Fine Arts building, site number three sits at a lower elevation thereby creating more of a distance from this site to the campus core relative to site number one. Site number three is also not consistent with the Mesa College 2030 Campus Master Plan. As a result, site number three's proximity to the residential areas to the north, its elevation, and inconsistency with the Mesa College 2030 Campus Master Plan, it is a less suitable site than site number one.

In terms of site number seven, there are several factors that may make this site less suitable than sites number one and number three. Site number seven is not owned by the District,

and so it does not have any control over the utilization of the property and is not consistent with an adopted campus master plan. And while site number seven is a large and flat site located near many retail uses (grocery stores, cafes etc), it encompasses an existing, older building that functions as a SRO. The cost to acquire and rehabilitate an old building with tenants could be significant. Lastly, site number seven's distance from San Diego City College (the closest District campus) is approximately one mile which would equate to a longer travel time to get to a District campus vs sites number one and number three which are on campus. Therefore, site number seven's private ownership, existing use, and distance to San Diego City College make this site less suitable than sites number one and number three.

Affordable Student Housing Top Sites (In Ranking Order)

Sites	Rank	Ownership	Location/General Size	Existing Use(s)	Adjacent Use(s)	Slope	District Master Plan Consistency
Site No. One: Mesa College- Northwestern Campus Area (Appoliad Theatre)	1	District	Large site at northwestern most portion of campus; adjacent to campus core.	Apolliad Theatre and some classrooms built in the 1970s.	Open space canyon to the north, west; campus core to the east, south	Flat	Consistent. The site is identified in the Mesa College 2030 Campus Master Plan as one of the campus's two options for housing.
Site No. Three: Mesa College Northern Campus Parking Lot	2	District	Large site at northern most portion of campus	Surface parking Lot 1 (and solar panels)	Single-family homes to the north of the site across from Mesa College Circle. Campus buildings to the south	Flat but sits on a lower mesa than the rest of the campus near the College's athletic fields, Student Services Center, and Fine Arts building	Not identified as an option for housing in the Mesa College 2030 Campus Master Plan
Site No. Seven: Golden West Hotel/SRO	3	Private ownership	Large site located off-campus downtown San Diego near the City's entertainment district (Gaslamp Quarter) roughly 1 mile from San Diego City College that encompasses many retail uses	Older building (1913) that currently operates as an SRO (350 rooms, primarily dormitory style with shared bathroom facilities)	Adjacent to Horton Plaza to the north, west; 4th Avenue provides its eastern, southern boundary	Flat	Not consistent with any master plan.

Top Ranked Site for Transition Age Youth - Site Number Four - Educational Cultural Complex - Western Area:

Site number four is the most suitable site for transition age youth because it is a small, flat site that contains a grassy area thereby making it suitable for such a development. In addition, it is located within close proximity to the library and ECC's buildings and largest open space area which would allow access to all of these amenities. Site number four is also consistent with the SDCCE Facilities Master Plan.

Site number six is similar to site number four in that it is a small, flat site that doesn't contain any buildings. It is also located within close proximity to the library and ECC's buildings and largest open space area which would access to all of these amenities. Site number six is also consistent with the SDCCE Facilities Master Plan. However, site number six could prove to be a more challenging site, relative to site number four, from a circulation flow standpoint being located at ECC's main entrance and nearby intersection; internal and external vehicular access could possibly need to be reconfigured. In addition, site number six would remove existing surface parking stalls thereby creating a higher need for parking since site number four would only remove a grassy area.

Site number five is similar to site number four in that it would also remove a portion of ECC's publicly accessible open space area and is in close proximity to the library and ECC facilities. And, site number five is also consistent with the SDCCE Facilities Master Plan. However, site number five would be located approximately in the middle of ECC's largest open space area. As such, the open space impacts would be greater here than with site number four. In addition, site number five has a hilly terrain which is more costly to develop than the flat topography in site number four.

LDC believes that site number four would have the best access to the ECC classrooms/facilities, the nearby library, and ECC's largest contiguous open space area while creating less potential impacts to vehicular circulation (in site number six) and open space (in site number five).

Transition Age Youth Housing Top Sites (In Ranking Order)

Sites	Rank	Ownership	Location/General Size	Existing Use(s)	Adjacent Use(s)	Slope	District Master Plan Consistency
Site No. Four: Educational Cultural Complex - Western Area	1	District	Small site at campus's western edge	Grassy area	San Pasqual Street adjacent to west (homes further west). Mountain View/Beckwourth Branch Library to south, surface parking lots (to the north) and the campus's main building northeast	Flat	Consistent. Identified in the SDCCE Facilities Master Plan as one of the campus's three development scenarios that include housing
Site No. Six: Educational Cultural Complex - Northern Area	2	District	Small site at campus' northern area adjacent to Ocean View Boulevard.	Surface parking lot that is used by students and staff at ECC.	ECC's open space area and main buildings are located to the south and southeast. Surface parking is located to the west.	Flat	Consistent. Identified in the SDCCE Facilities Master Plan as one of the campus's three development scenarios that include housing
Site No. Five: Educational Cultural Complex - Southern Area	3	District	Small site at campus' southern area between San Pasqual and Dominion streets and north of Logan Ave	Grassy area	Near the Mountain View/ Beckwourth Branch Library to the northwest, the campus's main building to the north, and housing to the east and south	Includes a gently sloped, hilly area.	Consistent. Identified in the SDCCE Facilities Master Plan as one of the campus's three development scenarios that include housing

Top Ranked Site for Workforce Housing - Site Number Two - Mesa College Northeastern Campus Area:

LDC believes that site number two may be most suitable for a smaller scale (e.g., two - three story) affordable housing development for the District's workforce with larger units due to its medium size, flat topography, short distance from campus, location immediately adjacent to single-family homes, and consistency with Mesa College's campus plan. Having an existing surface parking lot (even with solar) panels also helps to make this a suitable site since there is no existing building to address.

This is the only site that LDC deemed as the most suitable for workforce housing; as such, it remains LDC's top workforce housing site. While being located next to single-family homes may prove to be a constraint for any housing development, a smaller scale work force development might be the least challenging proposal in this area (vs key youth and/or college students).

Workforce Housing Top Site

Sites	Ownership	Location/ General Size	Existing Use(s)	Adjacent Use(s)	Slope	District Master Plan Consistency
Site No. Two: Mesa College Northeastern Campus Area	District	Medium size site on the northeastern area of campus.	Surface parking lot (Lot 2) with solar panels	Abuts several single-family homes to the north, the Mesa Design Center to the south, and is near surface parking lots to the west.	Flat	Consistent. The site is identified in the Mesa College 2030 Campus Master Plan as one of the campus's two options for housing.



Financial Feasibility Analysis

INTRODUCTION:

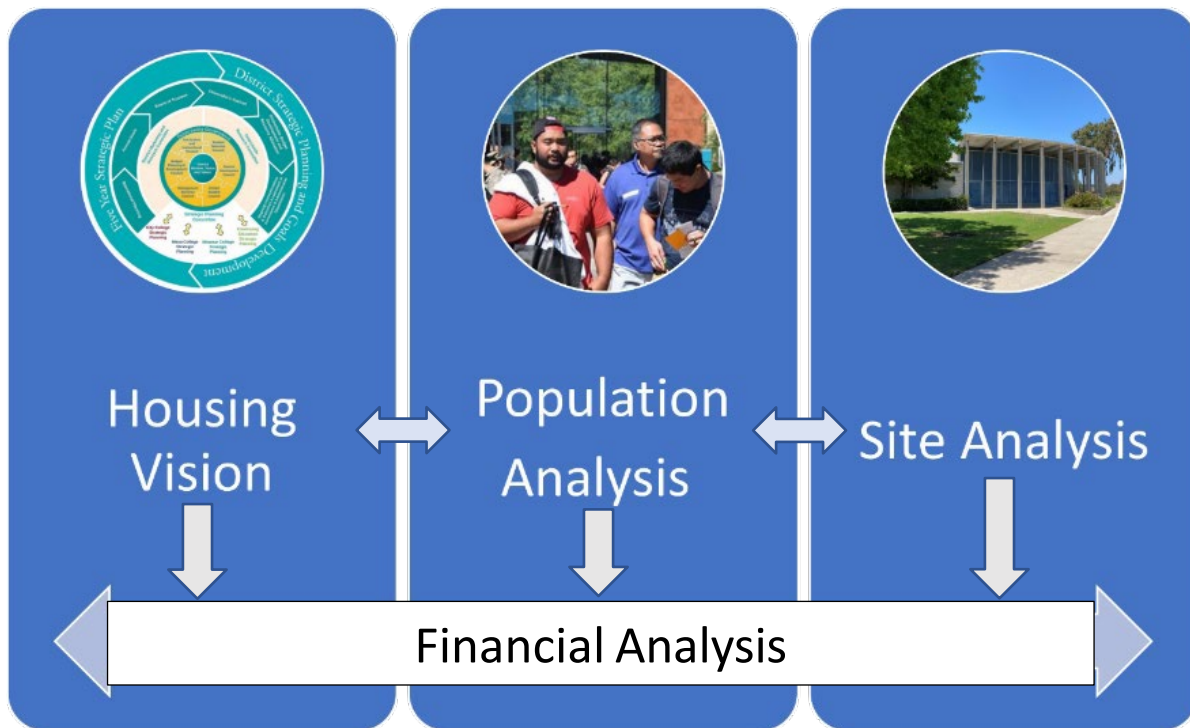
The objective of this analysis is to provide the District with LDC's financial feasibility analysis that reviews LDC's population and site analyses and describes how a theoretical affordable housing development for each of the three population subgroups (students, staff, and transition age youth or TAY) could be financed on the top selected sites, including the methodology, key takeaways, and critical success factors for each.

BACKGROUND:

A part of LDC's Phase Two scope is focused on providing SDCCD with an analysis of potential populations to be served based on a) student and staff demographic data, b) priority youth populations, and c) a high-level site analysis that identifies the top locations for SDCCD to consider the viability of affordable housing opportunities. LDC's population and site analysis have been completed. The population analysis helped the District to better understand the housing demand and needs of its students, staff, and the local TAY and to inform the types of funding that could be a good fit for the District's top sites it is exploring. And, the site analysis helped to facilitate the prioritization of the top three sites upon which LDC has performed this development feasibility analysis.

METHODOLOGY:

As discussed above, LDC evaluated the population and site analyses that it prepared as part of the Phase Two scope of work in order to prepare its financial feasibility analysis. The image below demonstrates how the District's housing vision and LDC's population and site analysis have contributed to the financial analysis of the three top sites.



LDC’s methodology utilized five key steps for the financial feasibility analysis which are briefly discussed below.

Step One –Development of Initial Density/Unit Mix:

LDC reviewed the population and site analyses which helped the District to select the top three sites (listed below). LDC then developed an initial density and unit mix for each of the three development sites based on its review of the population and site analyses as well as LDC’s expertise and review of similar developments.

- Student Housing Site: Mesa College - Northwestern Campus Area/Apolliad Theatre
- Workforce Housing: Mesa College - Northeastern Campus Area/Parking Lot
- Transition Aged Youth: Educational Cultural Complex - Western Area

Step Two – Summary of General Constraints and Opportunities for Housing at SDCCD:

LDC’s next step was to evaluate the types of constraints and opportunities that all three housing typologies (student housing, workforce housing, and TAY housing) have in common with respect to achieving feasibility.

Constraints:

It is important to consider the present-day drivers of feasibility of real estate projects, chiefly the historically high costs of construction and capital. About 82.5% of construction materials

experienced a significant cost increase since 2020, with an average jump of 19% according to construction cost data tracking firm Gordian.³⁰ Additionally, interest rates are at their highest point since September 2000. These two factors are presently limiting the feasibility of many real estate projects across California, and student housing is no exception. However, it is important to note that real estate feasibility is cyclical and the District's housing vision is long-term; therefore, while the existing real estate environment is challenging, it will continue to ebb and flow in the future.

Opportunities:

The District has significant underutilized real estate assets across the region that it can leverage for housing and these assets are the most critical tools at its disposal to facilitate housing. The District also has a variety of financial strategies that it could utilize to help support housing developments (e.g., issuance of bonds, ground lease agreements etc.). In addition, the State just passed AB 358 which no longer requires the Division of the State Architect's (DSA) review/standards for staff and/or student housing which may reduce construction costs on District land by approximately 20 percent. As such, LDC assumes that review or involvement by DSA is not applicable.

Step Three – Financial Feasibility Analysis of Each Housing Typology:

A full financial proforma analysis was prepared for each of the three development opportunities; a summary page of each proforma is enclosed as Attachment Three (Proforma Summary Sheets). Below is LDC's approach to the evaluation of the three housing typologies, each of which is nuanced to address the various target populations.

One important difference in costs between the housing typologies is the housing size and therefore construction costs. Student housing costs are calculated 'per bed' vs by unit; as such, student housing costs per bed are less than workforce and/or TAY housing which include more similar construction costs.

A second important difference to note is how unit sizes impact per-unit construction costs. The per-unit construction cost is often lower for projects with smaller units, as is the case for the TAY housing example, below, with mostly studio and one-bedroom units. This is because there are more units (denominator) to spread total development costs (numerator). When a project has larger units, as is the case for the Workforce housing example below, with 50% one-, 25% two- and 25% three-bedroom units, there are fewer units to spread costs.

Student Housing:

LDC estimated the cost to build student housing at the Mesa College site by comparing costs to other student housing projects based on data provided by the District and applying LDC's development expertise. LDC then extrapolated costs on a "per bed" basis and concluded that the estimated project cost is approximately \$116.7 million (\$279,000 per bed). This per-bed figure

³⁰ Construction Dive. "Higher material prices here to stay." <https://www.constructiondive.com/news/falling-material-prices-expected-reverse-course/651744/>

lies squarely within the range per-bed costs indicated by comparable projects.

LDC also researched development costs using publicly available data for affordable housing projects financed with tax-exempt bonds and low-income housing tax credits. As further described below, that data was implemented for the Workforce Housing and Transition Aged Youth Housing analyses; however, for the Student Housing analysis, a) the building types were too dissimilar to be relied upon and b) the data provided by the District was more comparable.

LDC took a similar approach in the estimation of operating costs; namely, extrapolating the costs to operate the project (e.g., on-site staff, insurance, utilities, maintenance, etc.) based on similar projects. Again here, the per-bed assumption of approximately \$6,000 annually lies squarely within the range per-bed costs indicated by comparable projects.

LDC then calculated project income by assuming that each student would pay an amount equivalent to the State's determination of affordable rent for a studio apartment with a tenant earning 50% of the area median income (AMI) for San Diego in 2023, noting that a similar approach was taken by SDCCD-provided documents. However, if additional State funding isn't forthcoming that requires a certain level of affordability, then the District may have a greater degree of autonomy to determine levels of affordability for its students.

Workforce Housing:

2022 State legislation allows for community college districts to limit occupancy in their housing developments to their own employees and still be eligible for local and State funds and low-income housing tax credits (LIHTCs). The details of each project which applies for LIHTCs in California – including the line-item development budget, operating expenses, unit mix, and so forth – are publicly accessible. Therefore, LDC's analysis commenced with downloading the data for similar LIHTC projects in terms of location, size, and tenancy, with a focus on projects which not only applied for LIHTCs but also successfully received an award.

From there, LDC extrapolated line-by-line budgets for both the cost to build the envisioned project as well as the expenses necessary to operate it. LDC's estimate of the cost of construction is approximately \$567,000/unit; and, LDC's estimate of operating expenses is approximately \$7,000 per unit per year.

With these two budgets in place, LDC considered the most likely financing scenario for the project. LDC assumed a combination of LIHTCs, tax-exempt bonds, and loans from both the State of California Housing and Community Development Department (HCD) and the City and/or County of San Diego. The final step was to project cash flows over a 30-year time horizon to ensure financial feasibility in the long-term.

Transition Aged Youth Housing:

The methodology for this project commenced in the same manner as described above regarding workforce housing; namely, using publicly available data for comparable projects. The estimated

total construction cost is approximately \$22 million (\$529,000 per unit); the estimated operating cost is approximately \$496,000 per year (\$12,000 per unit per year). The per unit per year (PUPY) operating expenses are significantly higher for this project on account of two factors:

- PUPY operating expenses are typically higher for smaller projects because there are fewer units across which to spread costs such as on-site property management and maintenance, and
- PUPY operating expenses are typically higher for supportive housing (a.k.a, special needs housing) on account of the higher level of services special needs tenants require.

Step Four – Summary of Financial Analysis Results:

Following the completion of its proforma analysis, LDC summarized its findings and what may be needed for each project to achieve feasibility.

Step Five – Development of Recommended Next Steps:

Following the completion of its financial analysis and summary findings, LDC developed recommendations that the District could consider to advance these development opportunities.

FINANCIAL FEASIBILITY ANALYSIS RESULTS:

Student Housing Site: Mesa College - Northwestern Campus Area/Apolliad Theatre

This site, depicted on Figure 1, is most suitable for affordable student housing due to its flat topography, being adjacent to the campus core and amenities, encompassing a size that could allow for a larger development, being surrounded by a large open space canyon that provides a buffer between the site and single-family homes to the north/west, and that housing in this location is consistent with the Mesa College 2030 Campus Master Plan. This site does have an existing building (Apolliad Theatre), as depicted on Figure 2, which is a constraint; however, the theater is planned to be relocated to a new Performing Arts building, making this area of the campus available for other development.

Figure 1: Aerial Map of Student Housing Site Outlined in Red



Figure 2: Picture of Student Housing Site's Apolliad Theatre



Key Takeaways:

LDC envisions a six-story project that includes 263 units, or 418 beds, along with a variety of amenities (e.g., kitchen, student reading & computer lounge, laundry etc.). The design of the project is based upon similar student housing projects. This includes the assumed mix of unit types, which includes studios, two-bedroom, semi-suite, family units and resident advisor units, among others, and the envisioned site amenities, including kitchen, student reading and computer lounge, and so forth.

The envisioned project is a “5 over 1” podium: five stories of wood-frame construction over a one-story concrete podium. This is a very common construction type for student housing, and for multifamily housing more broadly, given its constructability. It is also often an ideal model for projects of this density. Most importantly, although ultimately the price of raw materials is subject to market conditions and supply chain availability, the cost of wood-frame construction is nearly always less expensive than concrete or steel. Taller buildings are often required to be constructed in 100% concrete or steel per building code. Recent innovations such as modular construction, prefabricated construction, and cross-laminated timber may drive costs down going forward.

The two most common methods of financing affordable housing – namely, the LIHTC and Section 8 rental assistance – are not available to student housing projects. And the cost of demolition of the existing Apolliad Theater could be significant as it increases total development cost by approximately 2.5%.

Therefore, other sources of affordable housing finance are necessary. The primary financing source for this project is 501c3 bonds. However, in order to achieve financial feasibility, the student housing model will require significant proceeds from both/either an upfront ground-lease payment or grant funds. Without these sources, LDC anticipates an over-reliance upon funding from general obligation bonds.

Workforce Opportunity Site: Mesa College- Northeastern Campus Parking Lot

The workforce housing site, depicted on Figure 3, is the most suitable for an affordable housing development for the District’s workforce due to its medium size, flat topography, short distance from campus, location immediately adjacent to existing housing, and consistency with Mesa College’s campus plan. Having an existing surface parking lot even with solar panels also helps to make this a suitable site since there is no existing building to address.

Figure 3: Aerial Map of Workforce Housing Site Outlined in Red



Key Takeaways:

LDC envisions a four-story workforce housing project with 81 units. In order to maximize both the project’s financial feasibility under a LIHTC scenario and the number of families the project could house, the following unit mix is envisioned: 25% three-bedroom units, 25% two-bedroom units, and 50% one-bedroom units. Tenant incomes range from 30% AMI to 80% AMI, with an average of just under 60% AMI. This maximizes the project’s ability to house workforce families within LIHTC limits and maximizes project feasibility. Amenities would include community space, parking, on-site property management, on-site resident services, and others.

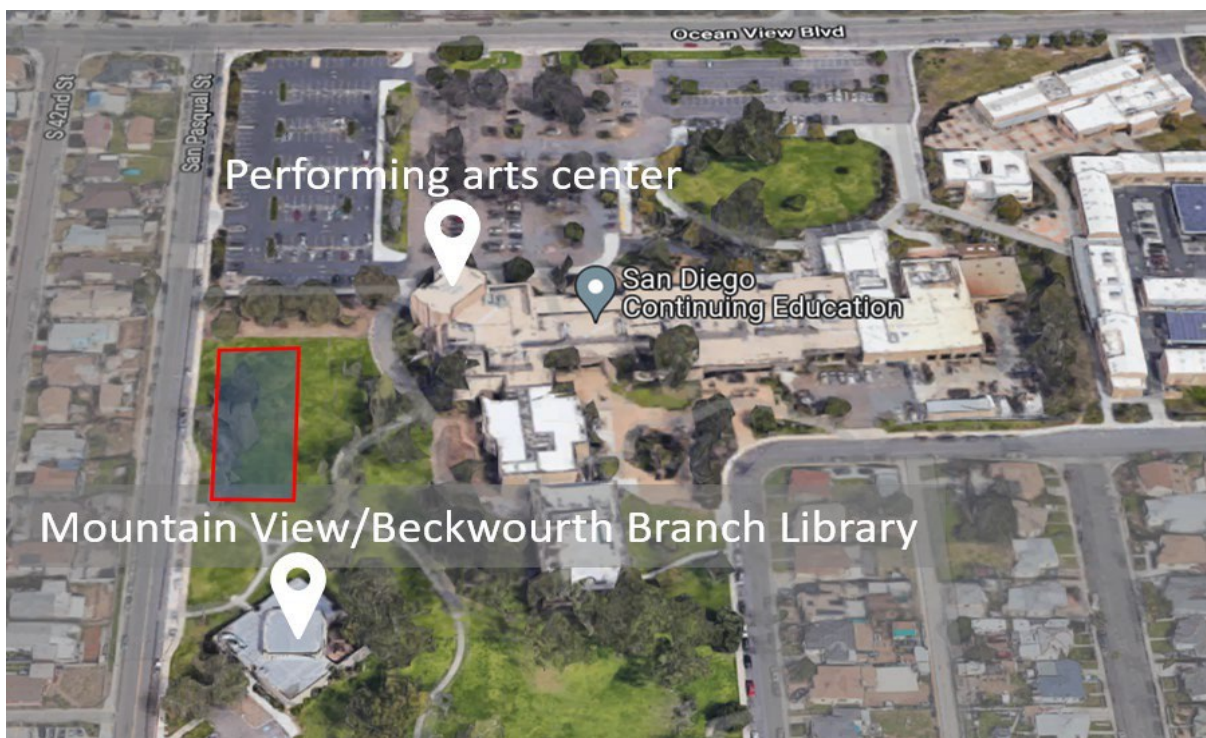
As noted above, both the cost to build housing as well as interest rates are at near-record highs. This has a dampening effect on real estate development of all asset classes. In the case of LIHTC-structured affordable housing, these high costs increase the necessity of “gap” funding. The “gap” referred to is the mathematical difference between the cost to build the project and the capital available from tax credits and tax-exempt bonds. The need for gap funding is extremely common across California, and this project would not be an exception.

LDC believes this project is financially viable as workforce housing is a housing typology that is supported by a variety of traditional funding sources such as LIHTC and tax-exempt bonds. Ultimately, the success of the project will lie in the ability of the District and the selected developer to minimize “the gap” financing by keeping costs down and obtaining funding from the State of California, San Diego County and/or the City of San Diego.

Transition Aged Youth Opportunity Site: Educational Cultural Complex - Western Area

TAY generally refers to young adults aged 18 to 24 years, inclusive, who are formerly homeless or at risk of homelessness, with a focus on those currently or formerly in the foster care or probation systems. SDCCD's goal is to help stabilize this population and provide them access to District classes. The TAY opportunity site, as shown on Figure 4, is the most suitable site for TAY housing because it is a small, flat site located within close proximity to the library and the Educational Cultural Complex's buildings and largest open space area which would allow convenient access to all of these amenities. This site is also consistent with the District's master plan.

Figure 4: Aerial Map of TAY Housing Site Outlined in Red



Key Takeaways:

TAY and other special needs tenants often have greater supportive services needs than general affordable housing. A smaller housing development that is safe and supportive may be preferred to accommodate TAY. Limiting project size is also a best practice for permanent supportive housing (e.g., TAY housing) because it can sometimes be problematic to overconcentrate populations with special needs. As such, buildings which house these tenants often have fewer units than other types of affordable housing. Therefore, LDC envisions a four-story 41 unit TAY housing development with a mix of studio and one-bedroom apartments which are most appropriate for this tenancy and believes such a project is financially feasible as TAY housing is supported by a variety of traditional funding sources.

LIHTC regulations give special consideration in awarding projects which target TAY tenants, thereby making the projects more financially feasible, but regulations prohibit restricting these units to house only SDCCD students. However, after the LIHTC 15-year compliance period has lapsed (which approximately commences after construction completion and upon full lease-up), in certain cases the regulations allow for units designated for homeless youth to be occupied entirely by full-time students who are not dependents of another individual.

As is the case with nearly all small, special needs projects (including this one), tenant rent alone is inadequate to cover operating costs, resulting in a lack of break-even operations despite the availability of funding sources that help to fund supportive services; this is in part because special needs projects have high real estate operating costs (e.g., higher turnover, security, maintenance, amenities etc.). Under a traditional real estate project, the project's inability to generate positive cash flow would render it infeasible. However, this is very common among small (less than 60-unit) special-needs affordable housing projects like this one. Therefore, there are two common mechanisms (described below) to ensure financial feasibility:

Section 8 Rental Assistance: The project can qualify for rental assistance provided by the United States Department of Housing and Urban Development (HUD) which is administered locally by San Diego Housing Commission. This program provides additional revenue to help cover operating expenses.

Capitalized Operating Subsidy Reserve (COSR): A COSR is a "rainy day fund" for a project; a reserve account, typically in the form of cash held in a bank account, available to cover cash shortfalls if/when necessary.



Phase Two Recommendations

In consideration of the key takeaways above and previous project phases and tasks, below are LDC's subsequent recommendations for consideration:

- Monitor the District's San Diego City College Affordable Student Housing Project's outcomes, milestones, and lessons learned to assist in underwriting the three opportunity sites evaluated in this memo.
- Track construction costs given the recent increases. Although these costs may not decrease, a "flattening out" is possible.
- Watch for future decreases in interest rates which will greatly facilitate feasibility by lowering the cost of capital.
- Research the demolition of the Apolliad Theater and related costs. As noted above, understanding the cost of demolition of these improvements, as well as any appurtenant infrastructure or environmental remediation costs, will be critical to underwriting the feasibility of a project on that site.
- Consider the preparation of a Request for Proposals (RFP) or Request for Qualifications (RFQ) for the opportunity sites evaluated in this memo which would provide SDCCD valuable insights regarding how the "market" of developers may approach each site.



Considerations for Potential Future Phases of Work

Aside from the Phase Two recommendations above, below are additional strategies that LDC could also help with that would support the District in more quickly attaining its housing goals:

- Assist with the preparation of any future RFQs/RFPs such as developer selection, proposal review, project financing review, and service partnerships.
- Identify off-campus development partners that could provide vacant or improved land that could be used for housing and/or partners that have constituencies with synergies to SDCCD. Examples of these types of partners include (but are not limited to):
 - Public agencies with nearby land and/or aligned interests (e.g., City of San Diego, US Navy/Military etc.)
 - Faith-based organizations including members of the YIGBY (Yes in Gods Back Yard) coalition
 - Anchor institution workforce partners
 - Trainer partners and/or employer partners such as the San Diego Workforce Partnership, the SD Economic Development Corporation, the Chamber of Commerce, and the US Navy/Military whose members might be interested in partnership opportunities
 - Other community organizations
- Provide an overview and analysis of innovative construction technology partners with a focus on managing construction costs and increasing sustainability, including modular firms such as Factory OS, as well as prefabricated building systems.

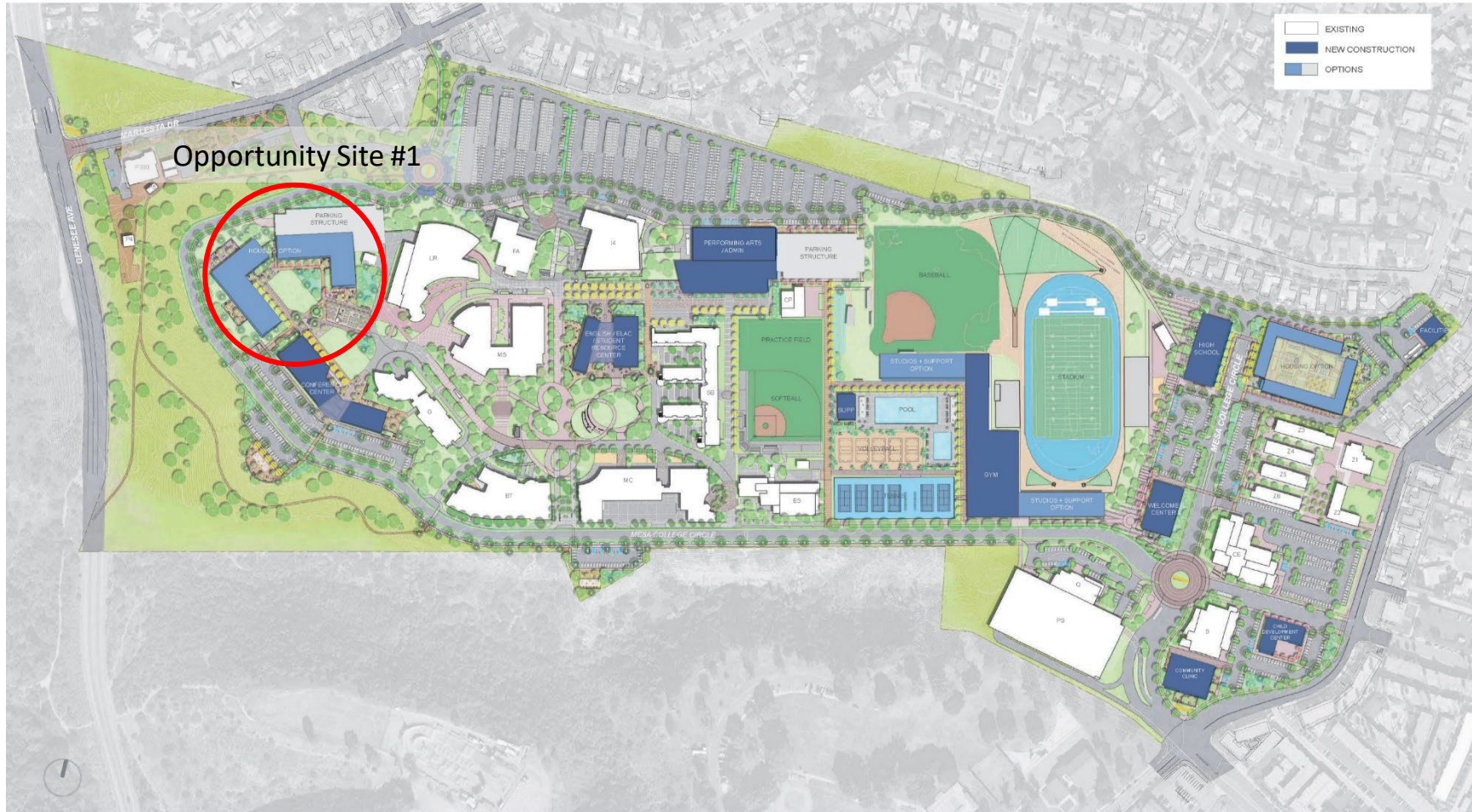
Attachment One: SDCCD Site Assessment Related Figures

Opportunity Site #1:

Mesa College - Northwestern Campus Area

FIGURE 1.1: FUTURE CAMPUS MAP FROM [MESA 2030 FACILITIES PLAN](#)

THE FUTURE CAMPUS



Gensler

Mesa2030 | THE FUTURE CAMPUS | 5.4

FIGURE 1.2: MESA 2030 FUTURE CAMPUS MAP SHOWING OPPORTUNITY SITE #1

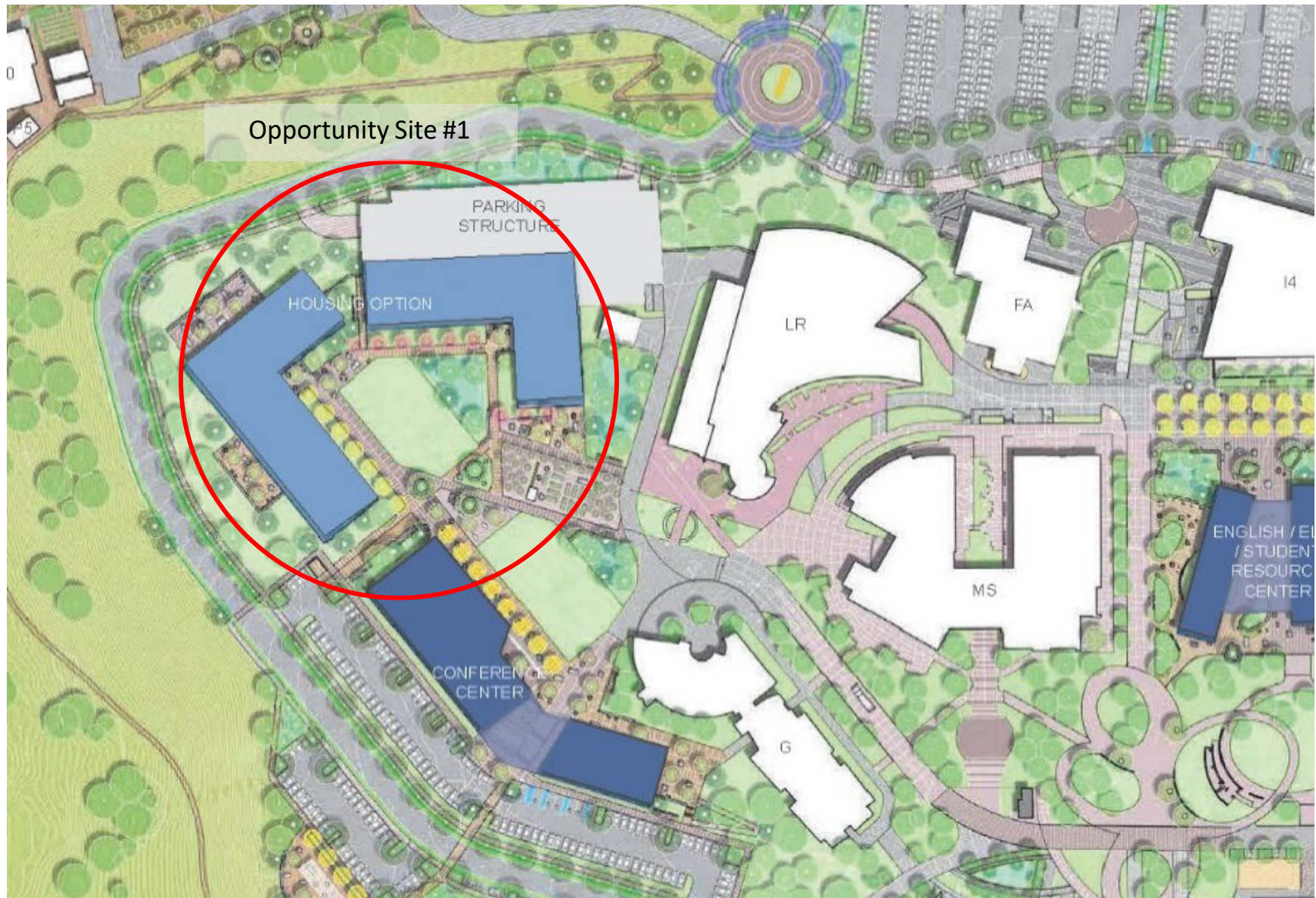


FIGURE 1.3: AERIAL MAP OF OPPORTUNITY SITE # 1 OUTLINED IN RED



FIGURE 1.4: PICTURE OF APOLLIAD THEATRE LOCATED ON OPPORTUNITY SITE #1



OPPORTUNITY SITE #2:

MESA COLLEGE NORTHEASTERN CAMPUS PARKING LOT

FIGURE 2.1: FUTURE CAMPUS MAP FROM [MESA 2030 FACILITIES PLAN](#)

THE FUTURE CAMPUS



FIGURE 2.2: MESA 2030 FUTURE CAMPUS MAP SHOWING OPPORTUNITY SITE #2

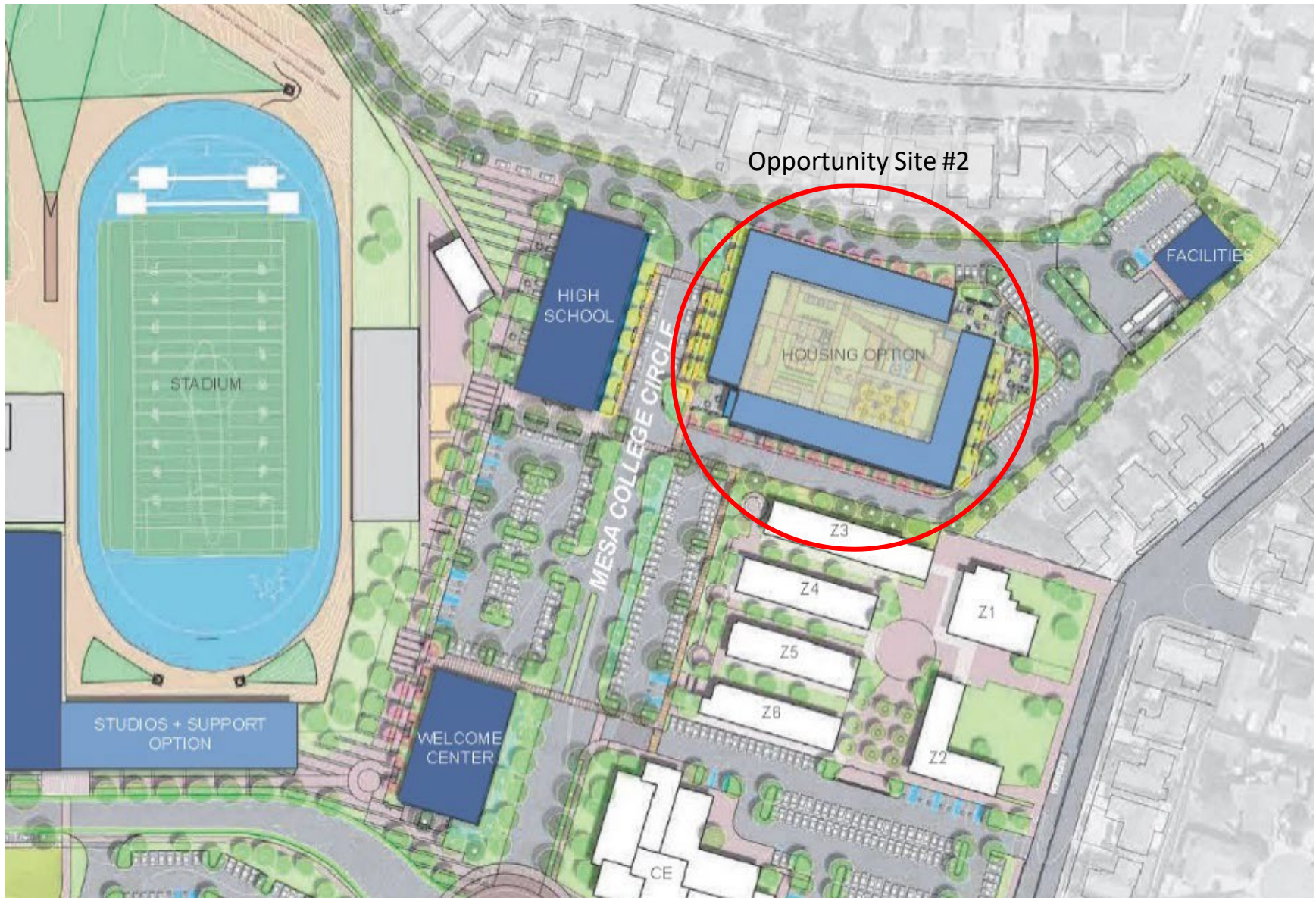


FIGURE 2.3: AERIAL MAP OF OPPORTUNITY SITE #2 OUTLINED IN RED



FIGURE 2.4: AERIAL MAP OF MESA COLLEGE PARKING LOT 2 (SITE #2), FACING NORTHWEST



FIGURE 3.1: FUTURE CAMPUS MAP FROM MESA 2030 FACILITIES PLAN

OPPORTUNITY SITE #3:
MESA COLLEGE NORTHERN CAMPUS PARKING LOT

FIGURE 3.1: FUTURE CAMPUS MAP FROM [MESA 2030 FACILITIES PLAN](#)

THE FUTURE CAMPUS

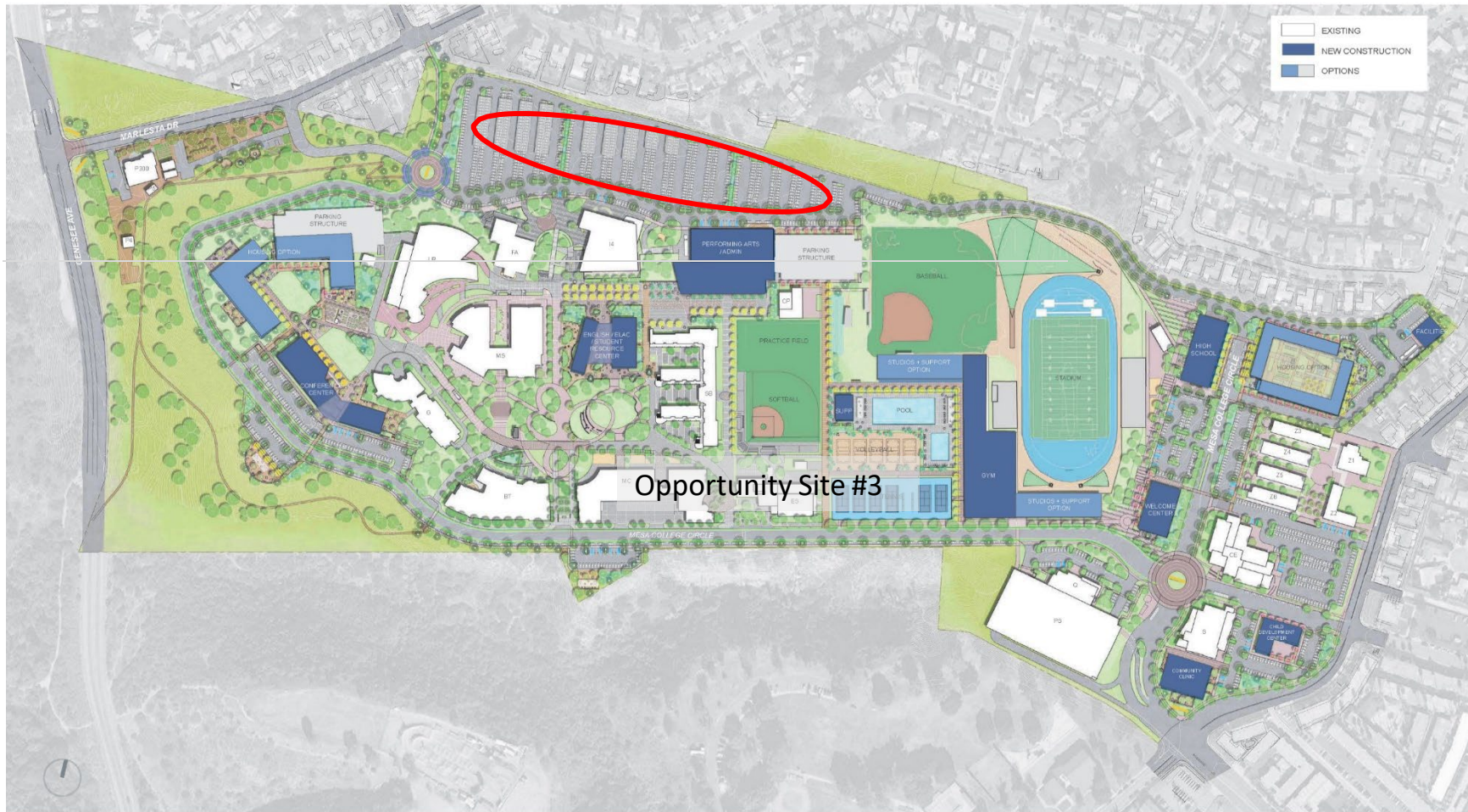


FIGURE 3.2: MESA 2030 FUTURE CAMPUS MAP SHOWING OPPORTUNITY SITE #3



FIGURE 3.3: AERIAL MAP OF OPPORTUNITY SITE #3 OUTLINED IN RED

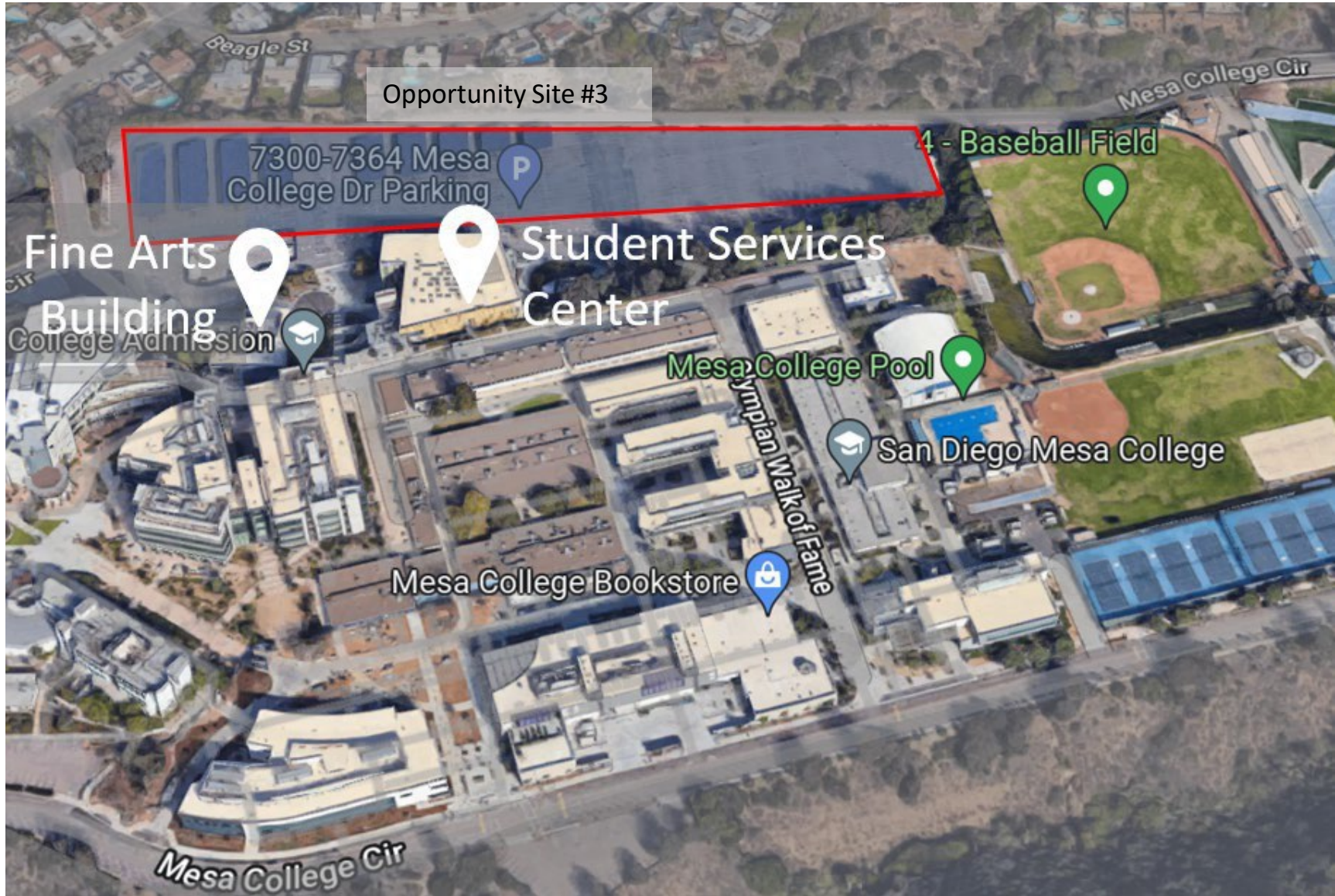


FIGURE 3.4: AERIAL MAP OF OPPORTUNITY SITE #3 OUTLINED IN RED FACING SOUTHWEST



OPPORTUNITY SITE #4:
EDUCATIONAL CULTURAL COMPLEX – WESTERN AREA

FIGURE 4.1: SDCCE FACILITIES MASTER PLAN FUTURE CAMPUS MAP

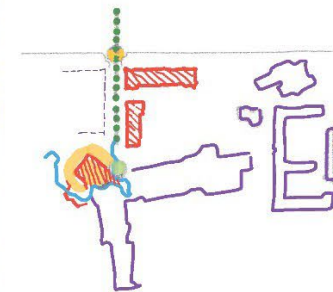
Ring of Activity

Future Campus Master Plan Aerial View

Campus aerial view with recommended building updates highlighted in yellow.



Opportunity Site #4



3 Campus Strategies

FIGURE 4.2: SDCCE FACILITIES MASTER PLAN RECOMMENDATION FOR FUTURE HOUSING IN ORANGE ON RIGHT



FIGURE 4.3: AERIAL MAP OF OPPORTUNITY SITE 4 OUTLINED IN RED



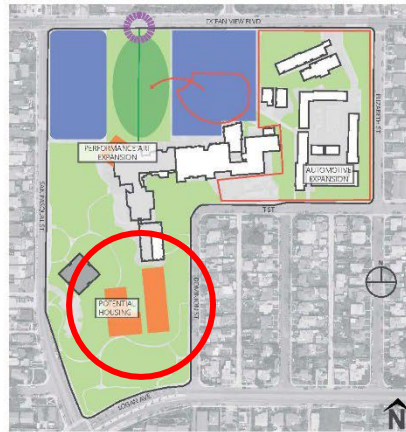
FIGURE 4.4: PROPOSED LOCATION OF OPPORTUNITY SITE #4, CURRENTLY A GRASS FIELD



OPPORTUNITY AREA #5:
EDUCATIONAL CULTURAL COMPLEX – SOUTHERN AREA

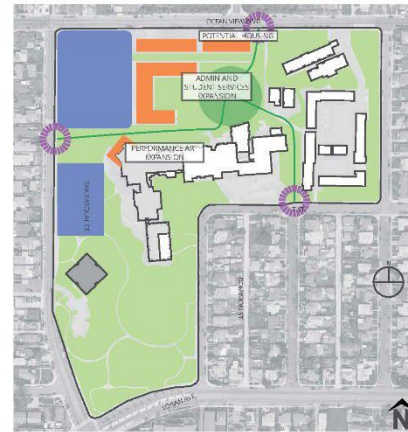
FIGURE 5.1: SDCCE FACILITIES MASTER PLAN FRAMEWORK SCENARIOS

Framework Scenarios



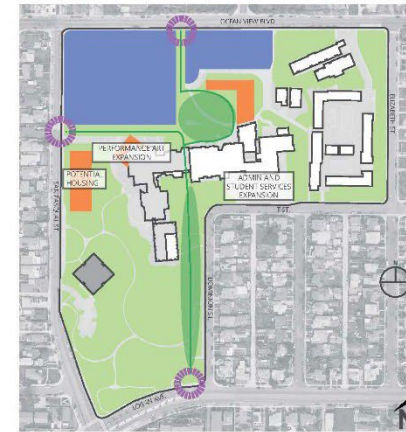
Scheme A: Campus Gateway & Quad

- New large front door off Ocean View Boulevard
- Expansion close to Dominion Street and neighbors; not ideal if it were to be housing
- Displaces parking
- Renewable energy opportunities (PV panels) at parking and new building rooftops



Scheme B: Campus Heart

- New front door off Ocean View Boulevard
- Consolidated campus quad/ green
- Relocation of parking to the west is close to theater expansion and outdoor amphitheater
- Green to the south is preserved
- Potential housing is the dominant sightline at entry approach
- Renewable energy opportunities (PV panels) at parking & new building rooftops



Scheme C: Linked Gateways

- New front door off Ocean View Boulevard
- Consolidated campus quad/ green
- Green to the south is preserved
- Potential housing is far from neighboring houses but is close to theater expansion
- Renewable energy opportunities (PV panels) at parking and new building rooftops

3 Campus Strategies

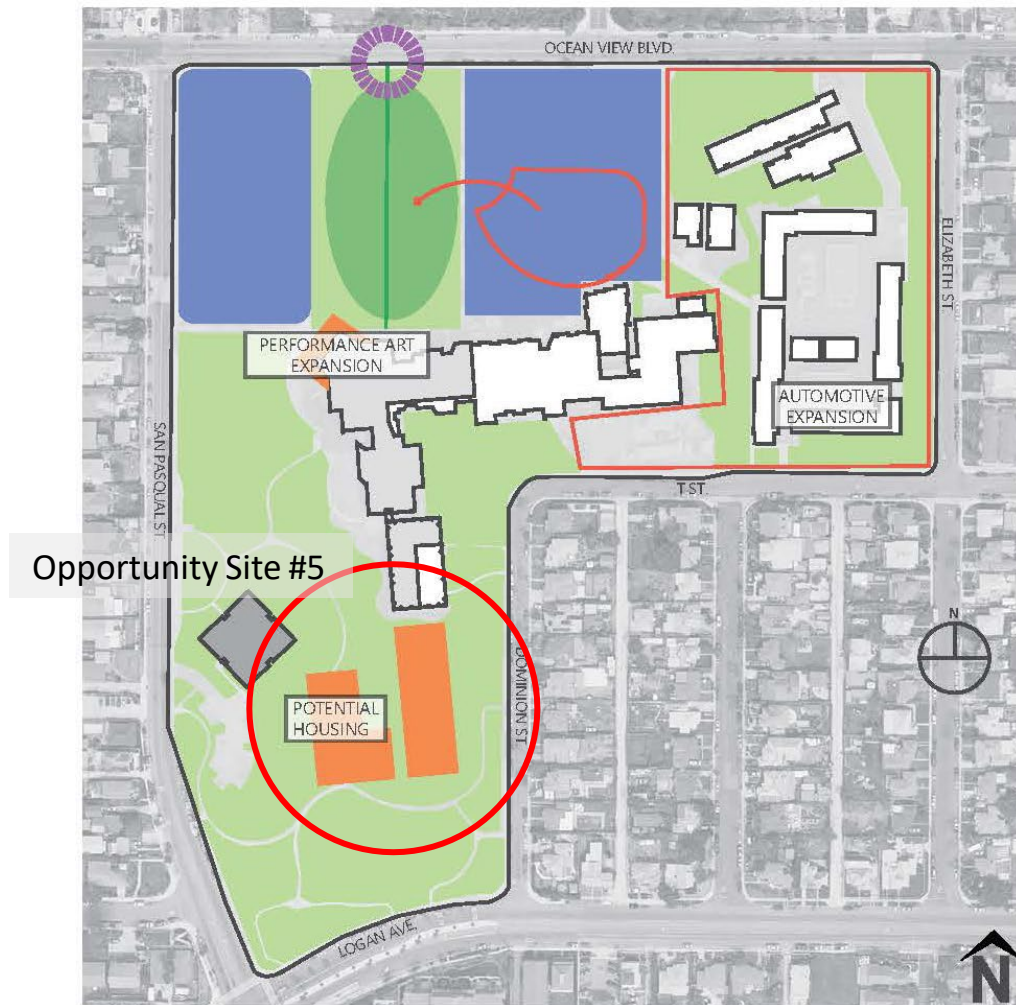
52

ECC

SDCCE Facilities Master Plan
moore ruble yudell
architects & planners

Opportunity Site #5

FIGURE 5.2: SDCE FACILITIES MASTER PLAN SCHEME A SHOWING OPPORTUNITY SITE #5



Scheme A: Campus Gateway & Quad

- New large front door off Ocean View Boulevard
- Expansion close to Dominion Street and neighbors; not ideal if it were to be housing
- Displaces parking
- Renewable energy opportunities (PV panels) at parking and new building rooftops

FIGURE 5.3: AERIAL MAP OF OPPORTUNITY SITE #5 OUTLINED IN RED



FIGURE 5.4: POTENTIAL LOCATION OF OPPORTUNITY SITE #5 IN A GRASS FIELD IN THE EDUCATIONAL CULTURAL COMPLEX, WITH SAN DIEGO BRANCH LIBRARY ON LEFT AND ECC BUILDING ON RIGHT



OPPORTUNITY AREA #6:
EDUCATIONAL CULTURAL COMPLEX – NORTHERN AREA

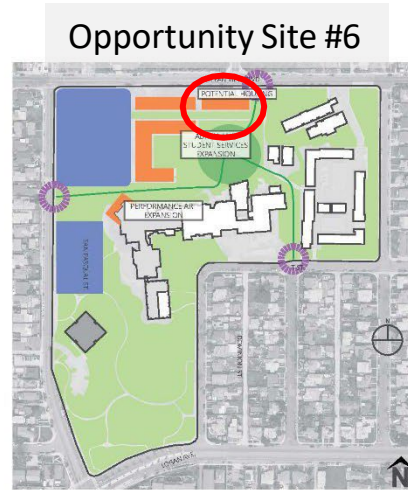
FIGURE 6.1: SDCCE FACILITIES MASTER PLAN FRAMEWORK SCENARIOS

Framework Scenarios



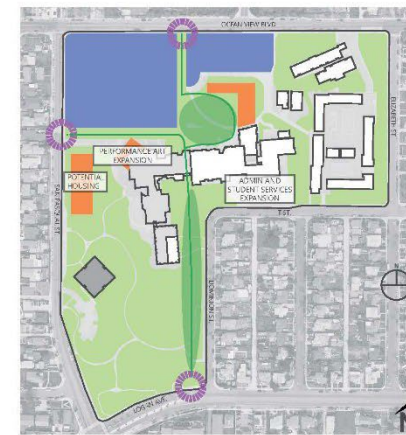
Scheme A: Campus Gateway & Quad

- New large front door off Ocean View Boulevard
- Expansion close to Dominion Street and neighbors; not ideal if it were to be housing
- Displaces parking
- Renewable energy opportunities (PV panels) at parking and new building rooftops



Scheme B: Campus Heart

- New front door off Ocean View Boulevard
- Consolidated campus quad/ green
- Relocation of parking to the west is close to theater expansion and outdoor amphitheater
- Green to the south is preserved
- Potential housing is the dominant sightline at entry approach
- Renewable energy opportunities (PV panels) at parking & new building rooftops

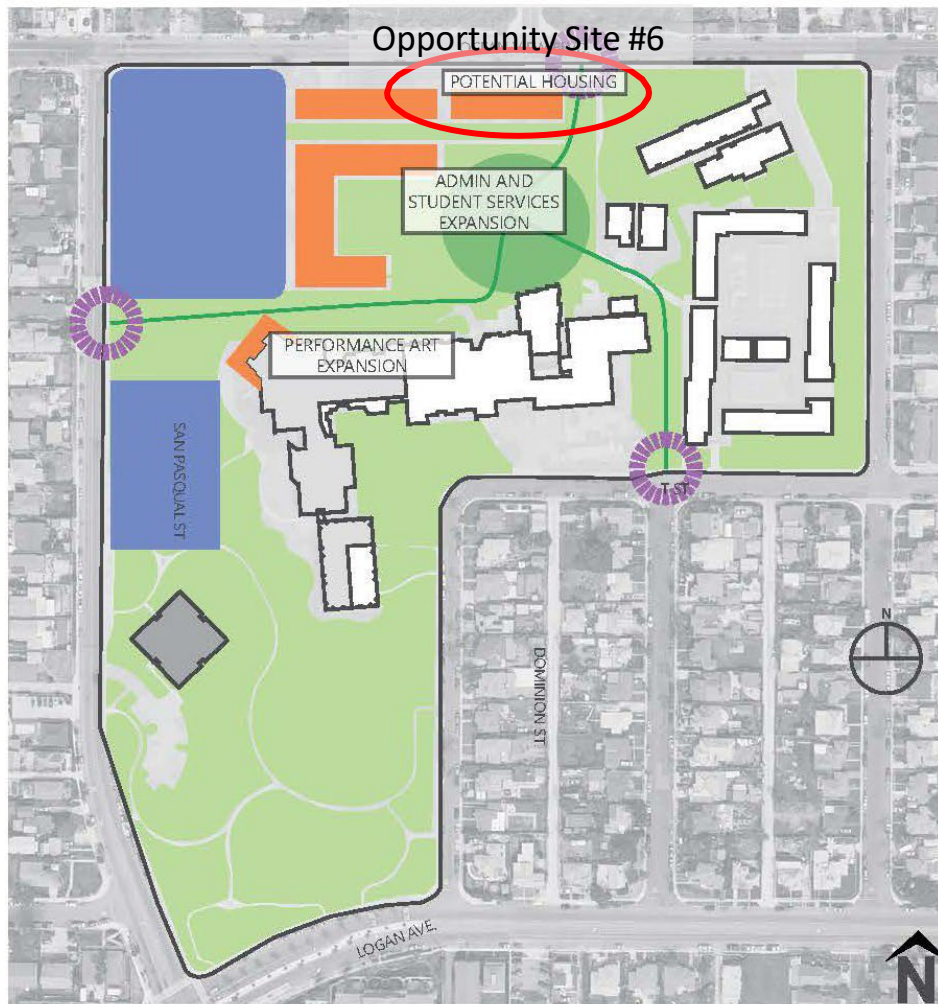


Scheme C: Linked Gateways

- New front door off Ocean View Boulevard
- Consolidated campus quad/ green
- Green to the south is preserved
- Potential housing is far from neighboring houses but is close to theater expansion
- Renewable energy opportunities (PV panels) at parking and new building rooftops

3 Campus Strategies

FIGURE 6.2: SDCCE FACILITIES MASTER PLAN SCHEME B SHOWING OPPORTUNITY SITE # 6



Scheme B: Campus Heart

- New front door off Ocean View Boulevard
- Consolidated campus quad/ green
- Relocation of parking to the west is close to theater expansion and outdoor amphitheater
- Green to the south is preserved
- Potential housing is the dominant sightline at entry approach

FIGURE 6.3: AERIAL MAP OF OPPORTUNITY SITE #6 OUTLINED IN RED

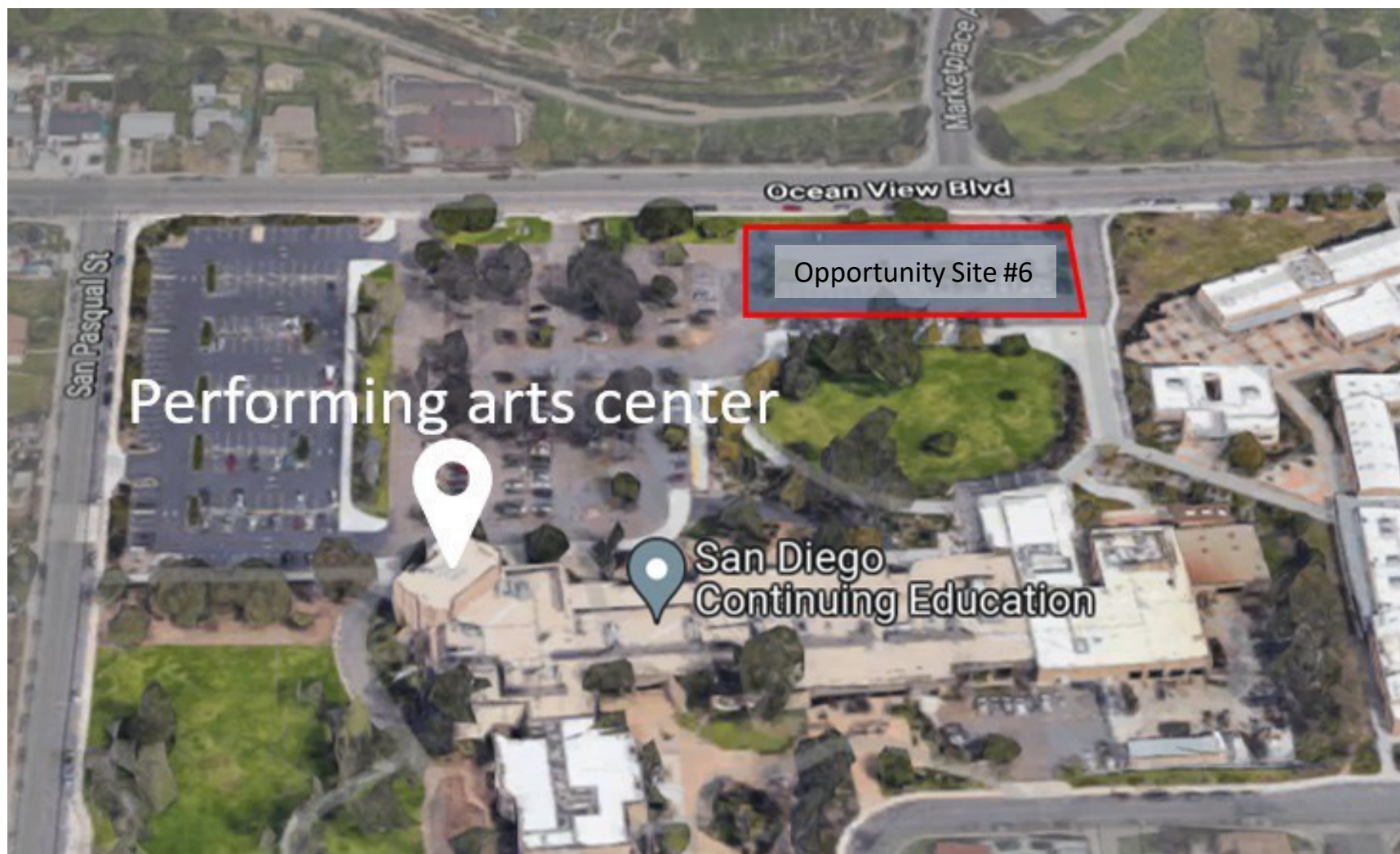


FIGURE 6.4: EDUCATIONAL CULTURAL COMPLEX PARKING LOT FACING NORTH TOWARD HOUSING AND RETAIL USES IN BACKGROUND

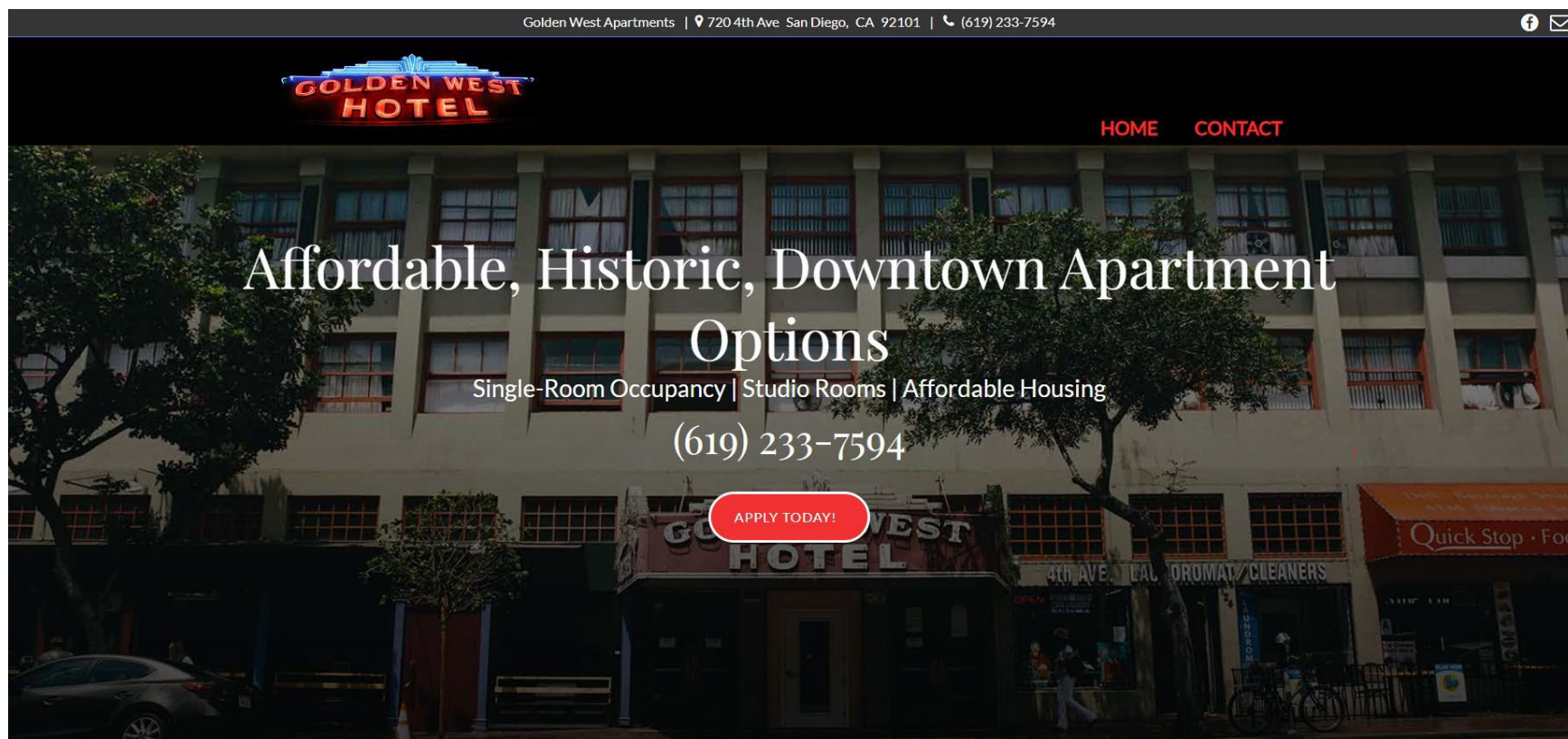


Opportunity Site #6

OPPORTUNITY SITE #7:

SAN DIEGO SINGLE ROOM OCCUPANCY (SRO), GOLDEN WEST HOTEL

FIGURE 7.1: GOLDEN WEST HOTEL SINGLE ROOM OCCUPANCY HOUSING



Opportunity Site #7

<https://www.srolivingsandiego.com/>

FIGURE 7.2: GOLDEN WEST HOTEL SINGLE ROOM OCCUPANCY HOUSING FACING NORTHWEST



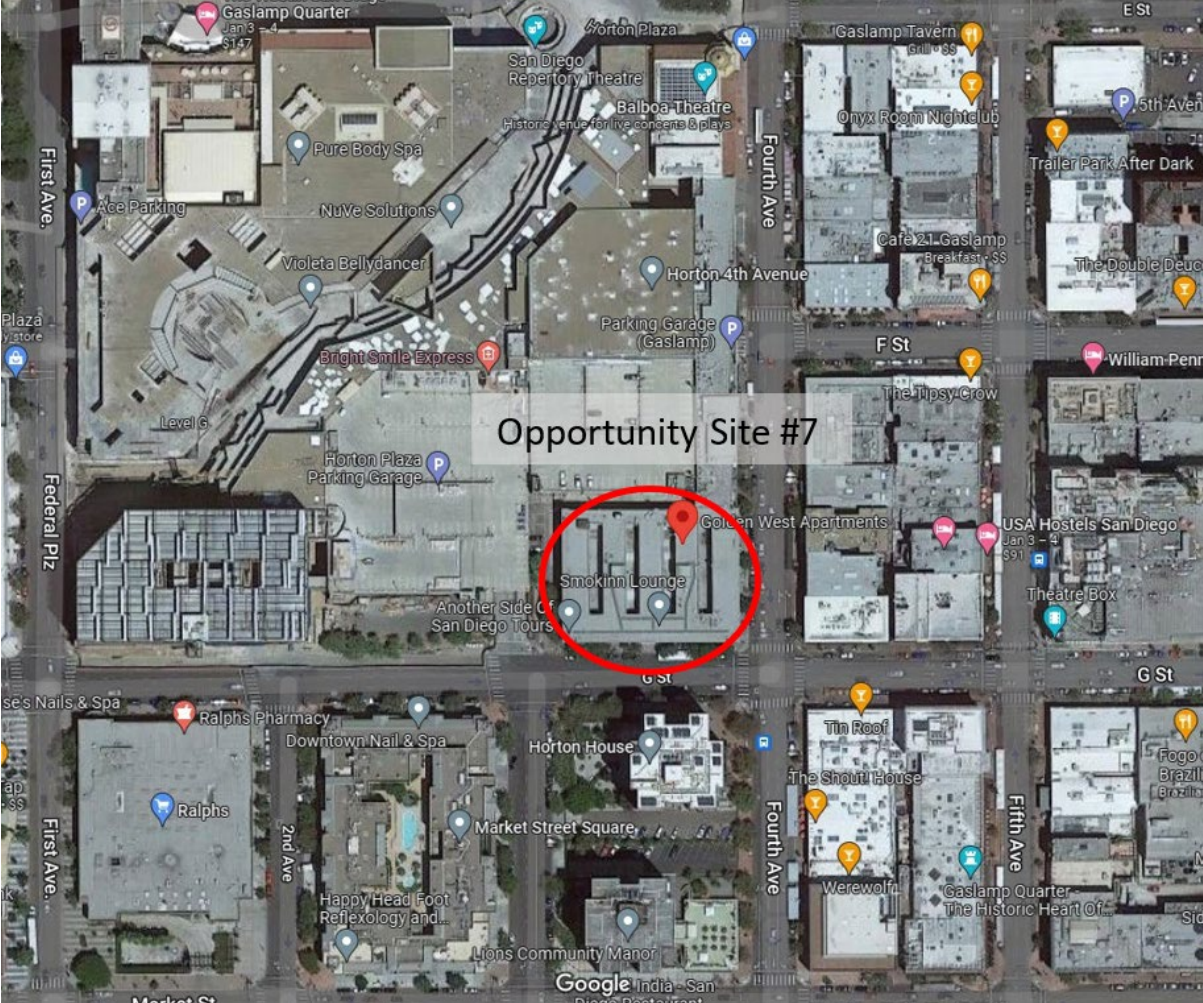
Opportunity Site #7

FIGURE 7.3: GOLDEN WEST HOTEL SINGLE ROOM OCCUPANCY HOUSING FACING SOUTH



Opportunity Site #7

FIGURE 7.4: AERIAL MAP OF OPPORTUNITY SITE #7 OUTLINED IN RED



Attachment Two: Site Analysis Matrix

SITE ANALYSIS – FUNDING ELIGIBILITY

Site	Other Funding Sources						Develop Affordable Student Housing	Develop Affordable Workforce Housing	Address Youth Homelessness				
	District Bonds 2024?	LIHTC (would need to be paired with other funding source that allows students)	LIHTC (workforce - AB 1719)	SDHC NOFA for Affordable Housing	County of San Diego's Innovative Housing Trust Fund for Affordable Housing	California School Finance Authority's Conduit Financing Program	California Chancellor Office's Higher Education Student Housing Grant Program	City/County HCD's Permanent Local Housing Allocation	Business, Consumer Services, and Housing Agency's Homeless Housing and Assistance Program Grant Program	HCD's Homekey Round 3	SDS Capital Group's SDS Supportive Housing Fund	CA Department of Health Care Services' Housing and Homelessness Incentives Program	May & Stanley Smith Charitable Trust's May and Stanley Smith Trust Grants
Site #1 Mesa College-Northwestern Campus Area (Appolad Theatre)	X	Maybe	N/A	X	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A
Site #2: Mesa College Northeastern Campus Area	X	N/A	X	X	X	X	N/A	X	N/A	N/A	N/A	N/A	N/A
Site #3: Mesa College Northern Campus Parking Lot	X	Maybe	N/A	X	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A
Site #4: Educational Cultural Complex - Western Area	X	Maybe	N/A	X	X	X	X	N/A	X	X	X	X	X
Site #5: Educational Cultural Complex - Southern Area	X	Maybe	N/A	X	X	X	X	N/A	X	X	X	X	X
Site #6: Educational Cultural Complex - Northern Area	X	Maybe	N/A	X	X	X	X	N/A	X	X	X	X	X
Site #7: Golden West Hotel/SRO	X	Maybe	N/A	X	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A

SITE ANALYSIS – SITE QUALITIES

Site	Most Suitable Population	Ownership	Location/General Size	Existing Uses	Adjacent Uses	Slope	District Master Plans	City of SD Zoning	Parcel Size	Transit	Displacement Risk	Park Proximity	Proximity to Groceries or Pharmacy
Site #1: Mesa College-Northwestern Campus Area (Appollad Theatre)	Affordable Student Housing	District	Large site at northwestern most portion of campus; adjacent to campus core.	Apollad Theatre and some classrooms built in the 1970s.	Open space canyon to the north, west; campus core to the east, south	Flat	Consistent. The site is identified in the Mesa College 2030 Campus Master Plan as one of the campus's two options for housing.	The entirety of the Mesa College campus is zoned RS-1-7, one of the City of San Diego's low density single-family zoned areas.	TBD	TBD	TBD	TBD	TBD
Site #2: Mesa College Northeastern Campus Area	District Workforce	District	Medium size site on the northeastern area of campus.	Surface parking lot (Lot 2) with solar panels	Abuts several single-family homes to the north, the Mesa Design Center to the south, and is near surface parking lots to the west.	Flat	Consistent. The site is identified in the Mesa College 2030 Campus Master Plan as one of the campus's two options for housing.	The entirety of the Mesa College campus is zoned RS-1-7, one of the City of San Diego's low density single-family zoned areas.	TBD	TBD	TBD	TBD	TBD
Site #3: Mesa College Northern Campus Parking Lot	Affordable Student Housing	District	Large site at northern most portion of campus	Surface parking Lot 1 (and solar panels)	Single-family homes to the north of the site across from Mesa College Circle. Campus buildings to the south	Flat but sits on a lower mesa than the rest of the campus near the College's athletic fields, Student Services Center, and Fine Arts building	Not identified as an option for housing in the Mesa College 2030 Campus Master Plan	The entirety of the Mesa College campus is zoned RS-1-7, one of the City of San Diego's low density single-family zoned areas.	TBD	TBD	TBD	TBD	TBD
Site #4: Educational Cultural Complex - Western Area	Transition Age Youth Housing	District	Small site at campus's western edge	Grassy area	San Pasqual Street adjacent to west (homes further west). Mountain View/Beckworth Branch Library to south, surface parking lots (to the north) and the campus's main building northeast	Flat	Consistent. Identified in the SDCCE Facilities Master Plan as one of the campus's three development scenarios that include housing	The entirety of the Educational Cultural Complex campus is zoned RS-1-1, San Diego's lowest density single-family zoning category.	TBD	TBD	TBD	TBD	TBD
Site #5: Educational Cultural Complex - Southern Area	Transition Age Youth Housing	District	Small site at campus' southern area between San Pasqual and Dominion streets and north of Logan Ave	Grassy area	Near the Mountain View/Beckworth Branch Library to the northwest, the campus's main building to the north, and housing to the east and south	Includes a gently sloped, hilly area.	Consistent. Identified in the SDCCE Facilities Master Plan as one of the campus's three development scenarios that include housing	The entirety of the Educational Cultural Complex campus is zoned RS-1-1, San Diego's lowest density single-family zoning category.	TBD	TBD	TBD	TBD	TBD
Site #6: Educational Cultural Complex - Northern Area	Transition Age Youth Housing	District	Small site at campus' northern area adjacent to Ocean View Boulevard	Surface parking lot that is used by students and staff at ECC.	ECC's open space area and main buildings are located to the south and southeast. Surface parking is located to the west.	Flat	Consistent. Identified in the SDCCE Facilities Master Plan as one of the campus's three development scenarios that include housing	The entirety of the Educational Cultural Complex campus is zoned RS-1-1, San Diego's lowest density single-family zoning category.	TBD	TBD	TBD	TBD	TBD
Site #7: Golden West Hotel/SRO	Affordable Student Housing	Private ownership	Large site located off-campus downtown San Diego near the City's entertainment district (Gaslamp Quarter) roughly 1 mile from San Diego City College that encompasses many retail uses	Older building (1913) that currently operates as an SRO (350 rooms, primarily dormitory style with shared bathroom facilities)	Adjacent to Horton Plaza to the north, west; 4th Avenue provides its eastern, southern boundary	Flat	Not consistent with any master plan.	Centre City Planned District Employment/Residential Mixed-Use - (ER). This district provides synergies between educational institutions and residential neighborhoods, or transition between the C District and residential neighborhoods. The ER district also encompasses Horton Plaza. A variety of uses are permitted in this district, including office, residential, hotel, research and development, educational, and medical facilities.	TBD	TBD	TBD	TBD	TBD

Attachment Three: Proforma Summary Sheets

SDCCD STUDENT HOUSING PROFORMA

SDCCD Student Housing Proforma

SUMMARY

Key Stats

TDC/Unit	443,733	Site area (net acres)	2.50	du/net acre:	105	Units (Ttl SqFt)	189,947
Hard Cost/Unit	342,783	Total Units	263			Amenities (Ttl SqFt)	64,500
OpEx p/pty	9,060	Total Beds	418	pkg ratio:	1.59	Total Project SqFt	254,447

Development Budget Summary	Total	Per Unit	Per Bed	Per GSF	Financing Assumptions	Cash Flow, Years 1 to 4 and 50	Year 1	Year 2	Year 3	Year 4	Year 50
Land, Acquisition and related	3,000,000	11,407	7,177	11.79	501(c)3 Bond	Gross Rent	10,029,096	10,279,823	10,536,819	10,800,239	33,630,335
Rehabilitation	-	-	-	-	Lender	Vacancy	(1,604,655)	(1,644,772)	(1,685,891)	(1,728,038)	(5,380,854)
Relocation	-	-	-	-	TBD (Bank)	Misc. Income (See Calculations ta	100,291	102,798	105,368	108,002	336,303
New Construction	81,585,505	310,211	195,181	320.64	Amount	Vacancy	(16,047)	(16,448)	(16,859)	(17,280)	(53,809)
Architectural Fees	5,458,456	20,755	13,059	21.45	Term (Yrs.)	Total Revenue	8,508,685	8,721,402	8,939,437	9,162,923	28,531,976
Survey & Engineering	-	-	-	-	Amort. (Yrs.)	Operating Expenses	2,382,812	2,444,995	2,508,733	2,574,063	8,196,147
Construction Interest & Fees	8,309,553	31,595	19,879	32.66	Rate	Replacement Reserves	104,500	104,500	104,500	104,500	104,500
Permanent Financing	-	-	-	-	DSCR	Services					
Legal and 3rd Party Cons. Fees	150,000	570	359	0.59	GO Bond Financing	Total Expenses	2,487,312	2,549,495	2,613,233	2,678,563	8,300,647
Reserves	1,930,822	7,342	4,619	7.59	Investment @ Close	Cash Flow Prior to Debt Service	6,021,373	6,171,907	6,326,205	6,484,360	20,191,329
Contingencies	4,243,029	16,133	10,151	16.68	Interest Rate	Must-Pay Debt Service	5,235,976	5,235,976	5,235,976	5,235,976	NA
Other Project Costs	3,457,927	13,148	8,273	13.59	Interest Type	DSCR:	1.15	1.18	1.21	1.24	NA
Developer Costs	-	-	-	-	Investment Returned	Cash Flow After Debt Service	785,396	935,931	1,090,228	1,248,384	20,191,329
Sub-Total, CDLAC App Project Costs	108,135,292	411,161	258,697	424.98	50-yr cash flow back						
Escalation/Bid/Design Contingency	8,566,478	32,572	20,494	33.67							
Syndication Expenses	-	-	-	-							
Total Project Costs	116,701,770	443,733	279,191	458.65							

Permanent Sources

501(c)3 Bond	62,833,246
GO Bond Financing	21,750,000
Land Sale or Up-front Ground-Lease Payment	10,000,000
Grant Funding	22,118,524
TOTAL \$	116,701,770
(gap)/surplus:	-

Unit Mix

Single Studio	20
Single 2-Bedroom Apartment	25
Single Semi-Suite (no kitchen)	56
Double 2-Bedroom Apartment	9
Double Studio	20
Double Semi-Suite (no kitchen)	80
RA Studio	15

SDCCD Workforce Housing Proforma

SDCCD Workforce Housing Proforma

SUMMARY					
Key Stats					
TDC/Unit	566,998	Site area (net acres)	2	du/net acre: 40.50	Gross Bldg Area
Hard Cost/Unit	369,799	Total Units	81		53,100
OpEx puppy	7,082	Parking Spaces	0	pkg ratio: 0.00	Net Rentable SF
					50,700
					Commercial SF
					-

	Total	Per Unit	Per NSF	Per GSF			Year 1	Year 2	Year 3	Year 4	Year 30
Development Budget Summary					Financing Assumptions						
Land, Acquisition and related	1,000,000	12,346	19.72	18.83	Construction Loan						
Relocation	-	-	-	-	Lender	TBD (Bank)					
New Construction	23,917,319	295,276	471.74	450.42	Amount	36,454,926					
Architectural Fees	1,554,626	19,193	30.66	29.28	Term	20					
Survey & Engineering	239,173	2,953	4.72	4.50	Rate	8.55%					
Construction Interest & Fees	3,517,936	43,431	69.39	66.25	LTV	81%					
Permanent Financing	137,243	1,694	2.71	2.58	Permanent Loan						
Legal and 3rd Party Cons. Fees	155,000	1,914	3.06	2.92	Lender	TBD (Bank)					
Reserves	396,374	4,901	7.83	7.48	Amount	12,224,311					
Contingencies	1,249,680	15,428	24.65	23.53	Term (Yrs.)	17					
Other Project Costs	2,601,154	32,113	51.30	48.99	Amort. (Yrs.)	35					
Developer Costs	8,200,000	101,235	161.74	154.43	Rate	7.68%					
Sub-Total, CDLAC App Project Costs	42,969,105	530,483	847.52	809.21	DSCR	1.15					
Escalation/Bid/Design Contingency	2,857,768	35,281	56.37	53.82							
Syndication Expenses	100,000	1,235	1.97	1.88							
Total Project Costs	45,926,873	566,998	905.86	864.91							
					Cash Flow, Years 1 to 4 and 30						
					Gross Rent	1,549,560	1,588,299	1,628,006	1,668,707		3,171,031
					Vacancy	(77,478)	(79,415)	(81,400)	(83,435)		(158,552)
					Rental Subsidy	274,560	281,424	288,460	295,671		561,862
					Vacancy	(13,728)	(14,071)	(14,423)	(14,784)		(28,093)
					Misc Income	7,500	7,688	7,880	8,077		15,348
					Vacancy	(375)	(384)	(394)	(404)		(767.40)
					Total Revenue	1,740,039	1,783,540	1,828,128	1,873,832		3,560,829
					Operating Expenses	497,066	514,285	532,102	550,539		1,336,329
					Replacement Reserves	41,600	41,600	41,600	41,600		41,600
					Services	34,965	35,839	36,735	37,653		71,552
					Total Expenses	573,631	591,724	610,437	629,792		1,449,481
					Cash Flow Prior to Debt Service	1,166,407	1,191,815	1,217,690	1,244,039		2,111,347
					Must-Pay Debt Service	1,014,267	1,014,267	1,014,267	1,014,267		1,014,267
					DSCR:	1.15	1.18	1.20	1.23		2.08
					Cash Flow After Debt Service	152,140	177,548	203,423	229,771		1,097,080

Sources	Permanent
Predevelopment Loan	3,860,719
Repaid at Close	(3,860,719)
Construction Loan	36,454,926
Repaid at Conversion	(36,454,926)
Accrued Soft Interest (source and a use)	-
Bank Perm Loan	12,224,311
GP Equity (assoc. w/ Def'd Dev. Fee)	6,000,000
Tax Credit Equity - State Tax Credits	4,776,395
Tax Credit Equity - Federal Tax Credits	16,594,910
City or County - Construction/Perm Financing	4,833,426
HCD - Perm Financing	1,497,832
TOTAL	\$ 45,926,874

Unit Mix	
1-bedroom	40
2-bedroom	21
3-bedroom	20
Managers Unit	1
TOTAL	82

SDCCD TAY HOUSING PROFORMA

SDCCD TAY Housing Proforma SUMMARY

Key Stats

TDC/Unit	529,368	Site area (net acres)	1 du/net acre:	41 Gross Bldng Area	18,500
Hard Cost/Unit	181,903	Total Units	41	Net Rentable SF	15,500
OpEx p/pty (w/o rsvs)	12,405	Parking Spaces	0 pkgng ratio:	0 Commercial SF	0

Development Budget Summary	Total	Per Unit	Per NSF	Per GSF	Financing Assumptions	Cash Flow, Years 1 to 4 and 30					
Land, Acquisition and related	-	-	-	-		Gross Rent	328,404	336,614	345,029	353,655	672,048
Relocation	-	-	-	-	Construction Loan	Vacancy	(16,420)	(16,831)	(17,251)	(17,688)	(33,602)
New Construction	7,458,012	181,903	481	403	Lender	Rental Subsidy	184,536	189,149	193,878	198,725	377,636
Architectural Fees	484,771	11,824	31	26	Amount	Vacancy	(9,227)	(9,457)	(9,694)	(9,936)	(18,882)
Survey & Engineering	74,580	1,819	5	4	TBD (Bank)	Misc Income	7,500	7,688	7,880	8,077	15,348
Construction Interest & Fees	1,910,348	46,594	123	103	19092821.96	Vacancy	(375)	(384)	(394)	(404)	(767)
Permanent Financing	15,000	366	1	1	Term	Total Revenue	494,418	506,778	519,448	532,434	1,011,781
Legal and 3rd Party Cons. Fees	325,000	7,927	21	18	Rate	Operating Expenses	474,898	491,346	508,367	525,979	1,276,652
Reserves	889,442	21,694	57	48	8.26%	Replacement Reserves	21,320	21,320	21,320	21,320	21,320
-> Incl Capitalized Operating Subs Rsrv	762,579	18,599	49	41	77.48%	Services	<i>(paid directly from City/County)</i>				
Contingencies	389,681	9,504	25	21	Permanent Loan	Total Expenses	496,218	512,666	529,687	547,299	1,297,972
Other Project Costs	2,012,116	49,076	130	109	NA	Cash Flow Prior to Debt Service	(1,801)	(5,889)	(10,240)	(14,866)	(286,192)
Developer Costs	6,200,000	151,220	400	335	Lender	Must-Pay Debt Service	11,234	11,234	11,234	11,234	11,234
Sub-Total, CDLAC App Project Costs	19,758,949	481,926	1,275	1,068	Amount	Cash Flow After Debt Service	(13,035)	(17,123)	(21,474)	(26,100)	(297,427)
Escalation/Bid/Design Contingency	1,845,141	45,003	119	100	Term (Yrs.)	COSR Draws	13,035	17,123	21,474	26,100	297,427
Syndication Expenses	100,000	2,439	6	5	Rate						
					0.00%						
Total Project Costs	21,704,091	529,368	1,400	1,173	DSCR						

Sources	Permanent
Predevelopment Capital or Loan	1,995,779
Repaid at Close	(1,995,779)
Construction Loan	19,092,822
Repaid at Conversion	(19,092,822)
Accrued Soft Interest (source and a use)	-
Bank Perm Loan	-
GP Equity (assoc. w/ Def'd Dev. Fee)	4,000,000
Tax Credit Equity - State Tax Credits	2,742,352
Tax Credit Equity - Federal Tax Credits	9,738,865
Contribution from Mkt Rate Components	-
HCD MHP, other	2,674,848
City	844,898
TOTAL	21,704,089

Unit Mix	
Studio	32
1-bedroom	8
Managers Unit	1
TOTAL	41