

Emphasis On Supportive Housing Is Increasing In SD

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SAN DIEGO—The City and housing commission are trying to address the homeless piece of affordable housing, but the amount of money it takes to develop this type of housing is greater than people realize, Wakeland Housing's Ken Sauder tells GlobeSt.com.



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SAN DIEGO—The City and housing commission here in San Diego are trying to address the homeless piece of [affordable housing](#), but the amount of money it takes to develop this type of housing is greater than people realize, **Wakeland Housing and Development Corp.**'s president and CEO **Ken Sauder** tells GlobeSt.com.

Through **Xpera CM**, a San Diego-based **construction-management** consulting firm, Wakeland recently completed construction on **Atmosphere**, Downtown San Diego's newest high-rise project of affordable homes, and the community's first tenants have begun to move in.

With a total cost of \$79.3 million and construction valued at \$60 million, the project includes a 12-story **residential** building with a rooftop terrace and three levels of underground parking in Downtown's Cortez Hill neighborhood. Atmosphere includes 154 units of affordable housing for families earning between 30% and 60% of the San Diego Area Median Income, plus 51 units of permanent supportive housing specifically for adults requiring additional support due to homelessness, mental disability or age.

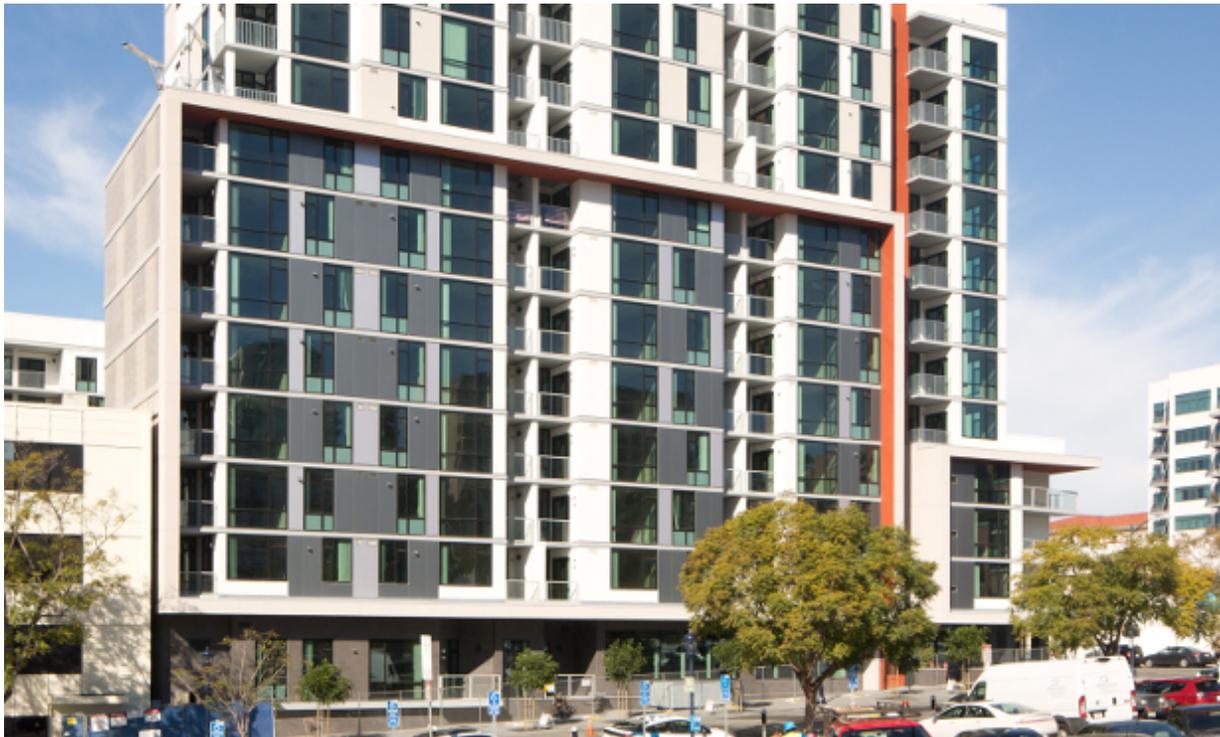
Xpera CM began working with Wakeland on Atmosphere in May 2015, with project management services including pre-construction design management, budgeting and cost management, entitlement and permitting through the **City of San Diego** and contractor and project team selection. The project team included Xpera CM (construction manager), **Suffolk Construction** (general contractor), **Joseph Wong Design Associates** (architect) and **Latitude 33 Planning & Engineering**.

Atmosphere was funded through both 9% and 4% **tax credits**, bringing much needed housing to Downtown San Diego's low, very-low and extremely low-income households for up to 55 years. Atmosphere is the latest affordable housing project that Xpera has completed for Wakeland. Others completed in 2016 include the new mixed-use **Lofts on Landis** community in Chula Vista and **Home Front at Camp Anza**, a new construction/historic rehabilitation project located at the former site of a WWII U.S. Army training camp in Riverside. Wakeland will host a grand opening celebration for Atmosphere on May 31 from 11 a.m. to 1 p.m.

As GlobeSt.com [reported](#) in July 2016, Sauder told us that Atmosphere was in the planning stages long before the [RDA dissolution](#) and before the East Village and waterfront construction was underway. After the completion, we spoke with Sauder about this project and how the affordable-housing scenario has changed in Downtown San Diego since the firm began construction on Atmosphere.

GlobeSt.com: How has the affordable-housing scenario changed in Downtown San Diego since you began construction of Atmosphere?

Sauder: The need is as great as ever. There's a much stronger emphasis on homeless and permanent supportive housing in the last couple of years. The City and the housing commission are trying to address the homeless piece of this, and it sounds like the City will be putting something on the ballot this fall, which will generate probably \$10 million a year or more especially for homeless housing, which is much needed.



Atmosphere is Downtown San Diego's newest high-rise project of affordable homes.

GlobeSt.com: With Downtown San Diego becoming an even hotter submarket for all types of CRE, has the sentiment toward affordable-housing development changed?

Sauder: I think there's some concern from people Downtown in terms of putting too much affordable or homeless housing Downtown. I think, though, in all fairness, everybody recognizes the need for it. Nobody is disputing that part.

GlobeSt.com: Which other markets are you eyeing for affordable development?

Sauder: We are working mainly in San Diego. We have some projects going on in Riverside, and we also have done a number of projects in the past with some for-profit developers throughout the state. We're only in California at this point, but we're looking at some possible deals in New Mexico right now that are not yet firmed up.

GlobeSt.com: What else should our readers know about this project?

Sauder: People are moving in now, which is the most exciting part of the project. You work day and night to put together the financing and community support, and with construction projects there is always the risk of something going wrong. But at the end of the day, seeing people moving in is what it's all about—that's kind of our payback. I'm a visual person, and I can look at an architect's rendering and say it's beautiful, but when it's staring me in the face, I can really see it—how well it ties in to the landscape of Downtown. It's a building you sort of notice right away when you're driving by it. It's a beautiful building and a great addition architecturally to Downtown. The amount of money it takes to make this happen is what people struggle with. Trying to provide services and housing to the homeless costs a fair amount of money, but it's been proven that investing that money into permanent supportive housing is more cost effective than having them on the streets. That takes a lot of resources.