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Construction of \$28M West King Street apartment building for ages 55+ to start in 2 weeks



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Demolition has begun on the old Rendezvous steak shop located on the 200 block of West King Street and will include 79 total units, up to 10 of which will be affordable housing on Wednesday, July 7, 2021. Landis Place on King will be for adults 55 and over as a senior-living complex built by High Construction Company in partnership with RLPS Architects, Landis Communities, RGS Associates, Orrstown Bank and the High Foundation.

Suzette Wenger



Affordable housing projects in Lancaster city receive \$2.5M in federal aid



Former Rendezvous site on West King Street eyed for \$22M senior-living apartment building

Construction of Landis Place on King, an older-adult housing project costing nearly \$28 million, is expected to begin in the next two weeks, helping to address a severe shortage of rental housing here.

In advance of that milestone, a "blessing the ground" ceremony was held Wednesday by developer Landis Quality Living at the 239 W. King St. site, formerly occupied by Rendezvous Steak Shop and House of Tacos. Demolition of the two structures began June 24.

Occupancy of the seven-story structure on the edge of downtown is set for fall 2022. About 100 people are expected to live in its 79 one- and two-bedroom apartments, to include eight to 10 units earmarked as affordable housing for low-income tenants. The balance will be middle-market units.

Landis Quality Living, an arm of Landis Communities, develops and manages independent-living units for adults ages 55-plus who are low-to-middle income. But its ventures are away from Landis Communities' Landis Homes campus on East Oregon Road.

Landis Quality Living unveiled the West King Street plan last summer, describing it as a \$22 million investment at the time. The 27% surge in cost since then reflects the skyrocketing cost of construction materials, particularly steel and concrete, said Ed Kaminski, director of Landis Quality Living.

Construction materials have soared in cost because of high demand, as the economy booms while emerging from a pandemic-induced recession. Suppliers, however, have struggled to ramp up production as quickly.

For instance, on the Landis Place on King project, over the past year the cost of steel went up 9%, the cost of concrete 24% and the cost of roofing, siding, exterior insulation finishing, waterproofing and joint sealants 33%, said Mike Kreider, vice president of High Construction, the project's general contractor.

"The cost of construction materials is at an all-time high," Kreider said, a situation exacerbated by "very long lead times or materials flat out not being available, which challenges both the cost of the work and the project schedule."

But monthly rents at Landis Place on King will be roughly what Landis Quality Living predicted last summer -- \$614 to \$1,114 for the affordable-housing units, and \$1,400 to \$2,500 for the middle-market units, Kaminski said.

The projected rents for the community stayed relatively stable because the project's main lender, Orrstown Bank, lowered its interest rate on its loan for the project while increasing the loan's term and size, said Corey Hamilton, vice president of finance and chief financial officer for Landis Communities. Hamilton declined to share specifics.

"This was extremely beneficial to countering the rise in construction costs that occurred over the course of the pandemic," Hamilton said.

Some \$25 million is coming from Orrstown. The remaining project cost of nearly \$3 million is being financed by a \$1.5 million loan from the High Foundation, \$752,000 in federal HOME funding (as requested by the Sorace administration and the county Redevelopment Authority) and a \$550,000 fundraising effort dubbed the City Vision Campaign.

The latter two sources are being used to pay for developing the affordable-housing units. If the City Vision Campaign exceeds its goal, additional units will be designated as affordable housing, Kaminski said. Some \$45,000 has been raised to date.

As it did with its other project, the 36-unit Steeple View Lofts located roughly a block-and-a-half away on North Water Street, Landis Quality Living intends to foster a sense of community among the building's residents, said Allon Lefever, chair of Landis Communities.

The residents, which Landis Quality Living envisions including some people already living nearby, also will immerse themselves in the life of the neighborhood and downtown, several Landis Communities officials predicted. The same will apply to the building's commercial tenants, which could include a multi-cultural restaurant, a physician specializing in geriatric care and an office user.

"We were intentionally inclusive," Kaminski said. "We did not want to gentrify the neighborhood ... which meant bringing the rents down, so we did not push people away. That was important to us."

