



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

San Diego Housing Commission (SDHC)  
Authorization for Joint Application with the County of San Diego for  
State of California Homekey Program Funds  
Presentation to the SDHC Board of Commissioners  
April 25, 2022

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# SDHC – Joint Application for Homekey Funds

## Introduction

- Statewide: \$1.45 billion to sustain and rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases
- September 9, 2021: State issued Notice of Funding Availability (NOFA)
- September 30, 2021: State application released
- Eligible uses:
  - Acquisition or rehabilitation of hotels, apartments or homes to be converted into permanent or interim housing
  - Conversion of nonresidential properties into residential units
  - New construction
  - Master leasing of properties for non-congregate housing
  - Purchase of affordability covenants and restrictions for units
  - Relocation costs for individuals being displaced as a result of the Homekey project
  - Capitalized operating subsidies for units purchased, converted, constructed, or altered



# SDHC – Joint Application for Homekey Funds

## Introduction (Continued)

- SDHC Request for Qualification process
  - Competitive process to identify potential developer partners for applications for Homekey funds
  - Creation of short lists of qualified developers with potential to jointly submit applications for Homekey funds
  - Selection criteria sent to short-listed developers, with a request to submit project proposals based on Homekey criteria and timeline
  - Proposals evaluated based on the established criteria.
- Preliminary due diligence (submitted by developer(s) and third-party/peer reviews facilitated by SDHC)
  - Preliminary Title Report
  - Appraisal
  - Phase 1 Environmental Report
  - Market Study
  - ALTA
  - Construction Cost Assumptions
  - Financial Review
  - CEQA/NEPA



# SDHC – Joint Application for Homekey Funds

## Proposed Project – PATH Villas El Cerrito

- 5476 El Cajon Boulevard, San Diego, CA 92115
  - Council District 9
  - El Cerrito neighborhood
- 40 affordable rental housing units and one manager's unit
  - 5 Studios
  - 17 One-bedroom units
  - 19 Two-bedroom units, including manager's unit
- Prefabricated, container-based housing
  - Five levels for housing
  - Directly above five-story podium and ground floor health clinic to be operated by Family Health Centers of San Diego
- Development Partners:
  - People Assisting the Homeless (PATH) Ventures
  - Family Health Centers of San Diego
  - Bold Communities



*Artist's Rendering*



## SDHC – Joint Application for Homekey Funds Proposed Project (Continued)

- Populations served:
  - Individuals experiencing chronic homelessness
  - Individuals experiencing homelessness with serious mental illness
  - Veterans experiencing chronic homelessness
  - Families experiencing homelessness
  - 17 households with income under 30 percent of San Diego’s Area Median Income (AMI)
  - 23 households with income up to 60 percent of AMI
- Residents identified through referrals from the Coordinated Entry System
- SDHC awarded 40 rental housing vouchers to help residents pay rent:
  - 35 Project-Based Housing Vouchers
  - 5 Veterans Affairs Supportive Housing vouchers



*Artist's Renderings*



## SDHC – Joint Application for Homekey Funds Supportive Services

- People Assisting the Homeless (PATH):
  - Outreach and engagement
  - Case management
  - Help accessing government benefits programs
  - Employment and education (in collaboration with additional partners)
  - Veteran services
- Family Health Centers of San Diego
  - Medical care, including mental health counseling (in collaboration with additional partners)
  - Substance use treatment (in collaboration with additional partners)
- Additional services
  - Life skills
  - Legal aid

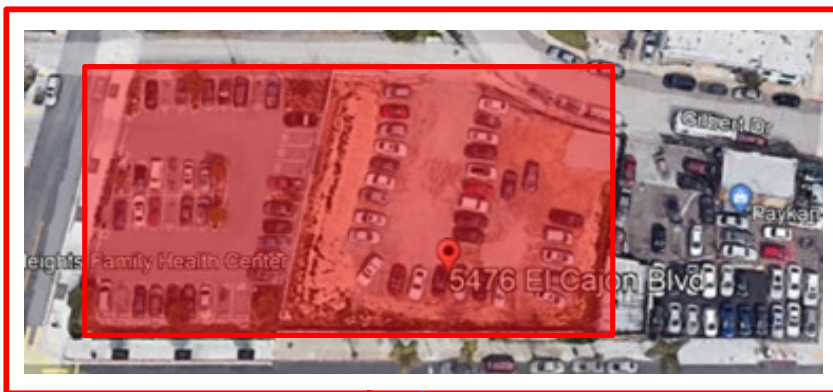


# SDHC – Joint Application for Homekey Funds

## Unit Interiors – Artist’s Renderings

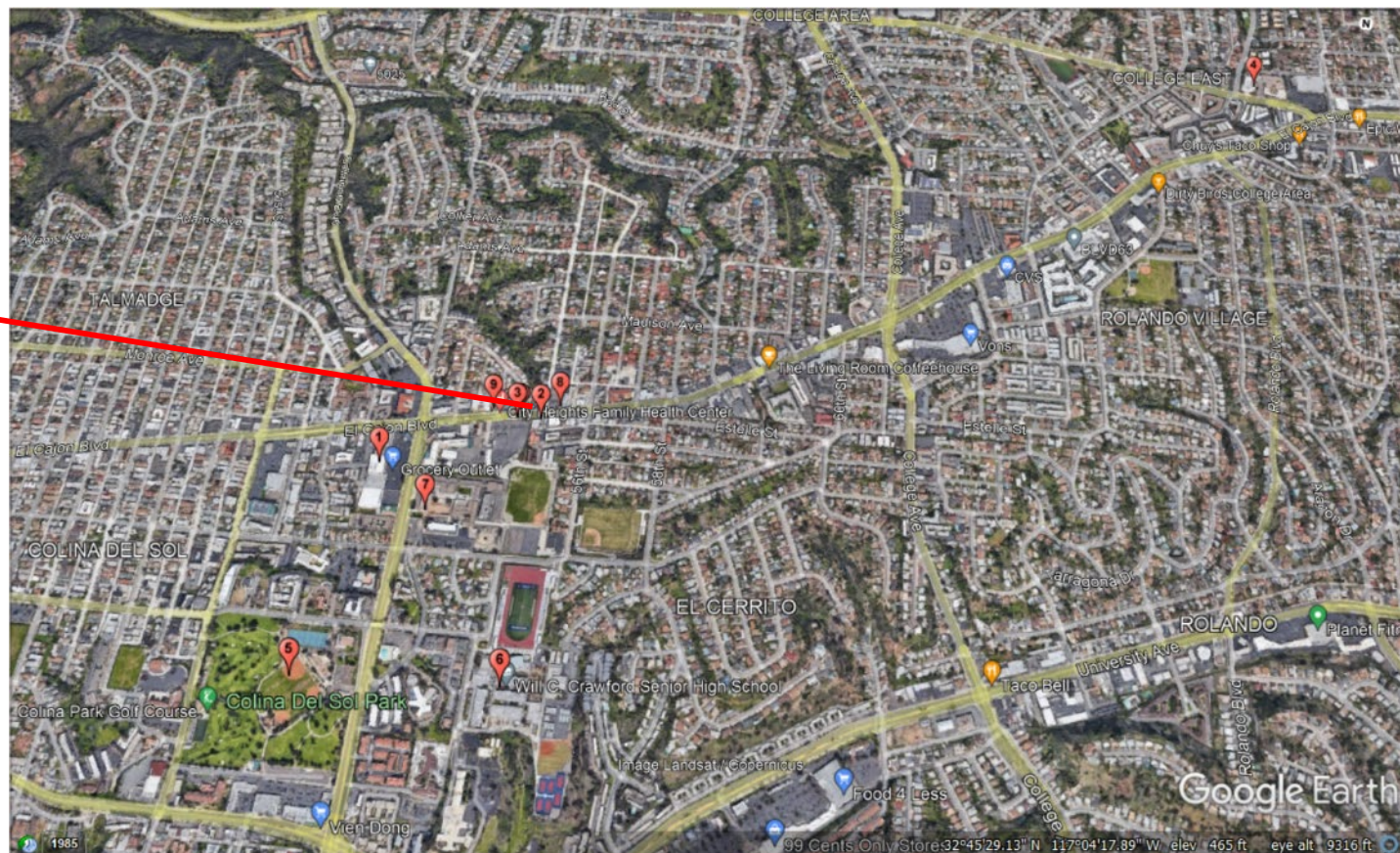


# SDHC – Joint Application for Homekey Funds Community Amenities



## 5476 El Cajon Blvd., San Diego, CA 92115

1. Grocery Outlet: 0.3 miles
2. Philip Pharmacy: 282 feet
3. Bus Stop – Line 1: 52 feet
4. College Rolando Branch Library: 1.7 miles
5. Colina del Sol Recreation Center: 0.8 miles
6. Will C. Crawford Senior High School: 0.8 miles
7. Horace Mann Middle School: 0.7 miles
8. Dental Care Clinic: 387 feet
9. City Heights Family Health Center: 266 feet





## SDHC – Joint Application for Homekey Funds Financing

Source	Amount	Per Unit		Use	Amount	Per Unit
Permanent Loan	2,968,410	72,400		Acquisition	1,370,000	33,415
State HCD - Homekey	11,825,000	288,415		Hard Costs	15,257,315	372,130
City PLHA - EDD	2,050,000	50,000		Soft Costs (less Reserves)	5,584,894	16,217
County	6,470,367	157,814		Reserves	858,438	20,938
				Developer Fee	1,101,568	26,868
<b>Total</b>	<b>23,313,777</b>	<b>568,629</b>		<b>Total</b>	<b>23,313,777</b>	<b>568,629</b>
<b>SDHC</b>	<b>40 PBV</b>					



# SDHC – Joint Application for Homekey Funds

## Estimated Timeline

Milestone	Estimated Date
SDHC Board – Request for authorization to submit application	April 25, 2022
County Board of Supervisors – Request for authorization to submit application and commit funds/service dollars	April 26, 2022
Submit application to the State Department of Housing and Community Development	May 2, 2022
Potential Award of Homekey Funds	June 2022
SDHC Board – Request for authorization to expend awarded funds	September 8, 2022
Housing Authority of the City San Diego (as needed)	October 11, 2022
Commence Construction	November 2022
Complete Construction	March 2023
Occupancy	June 2023



# SDHC – Joint Application for Homekey Funds Staff Recommendations

## That the SDHC Board of Commissioners take the following actions:

- 1) Authorize and direct the Housing Commission to submit a joint application with the County of San Diego to the State of California Department of Housing and Community Development (Department) Homekey Program for grant funds in an amount not to exceed \$12,000,000 in accordance with the September 9, 2021, Notice of Funding Availability (NOFA) for the Homekey Program.



## SDHC – Joint Application for Homekey Funds Staff Recommendations (Continued)

- 2) If the application is approved and the proposed project is subsequently approved by the Housing Authority of the City of San Diego, authorize and direct the Housing Commission to join the County of San Diego in entering into, executing and delivering a Standard Agreement in a total amount not to exceed \$12,000,000 and any and all other documents required or deemed necessary or appropriate to secure Homekey Funds from the Department and to participate in the Homekey program, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner in advance of approval for the designee to sign.

The Housing Commission acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.



## SDHC – Joint Application for Homekey Funds Staff Recommendations (Continued)

- 3) Authorize Jeff Davis, the Housing Commission’s Interim President & Chief Executive Officer, or designee, to execute the Application and the Homekey Documents on behalf of the Housing Commission for participation in the Homekey Program.
- 4) Authorize the Housing Commission’s Interim President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals. provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner in advance of approval for the designee to sign.



## Questions & Comments

