



# REPORT

**DATE:** For the Agenda of November 9, 2001 **ITEM 104**

**REPORT NO.:** HCR01-124

**SUBJECT:** Funds to Lease SRO Rooms for Homeless Seniors  
(Council District 2)

## SUMMARY

**Issue:** Should the Housing Commission contribute up to \$168,000 to lease rooms for homeless seniors in two downtown Single Room Occupancy (SRO) hotels?

**Recommendation:** That the Commission authorize the Chief Executive Officer to execute three-way agreements with the City and the Sara Frances and Capri hotels, respectively, subject to approval of the agreements by General Counsel, providing up to \$168,000 to lease rooms at those facilities.

### Certificate of Funding Availability:

Certificate No.:	02-087
Amount:	\$168,000
Revenue Source:	HTF
Department:	Housing Finance and Development
Line Item:	Grants

**Affordable Housing Impact:** Approval of the recommendations will allow the City to provide transitional housing for up to 35 very low income seniors, left homeless as a result of being economically displaced from their previous housing, for approximately one year.

**Environmental Review:** Not applicable to grants funding operations.

**Previous Related Action:** On July 20, 2001, the Commission approved an amendment to the FY02 Budget, incorporating \$470,000 of Community Development Block Grant (CDBG) funds for special purpose housing.



## **BACKGROUND**

While homelessness is a difficult and disturbing phenomenon for any individual or group to face, it is particularly devastating for seniors with very limited, fixed income, who often lack personal support networks and the physical and emotional resilience to deal with displacement from housing. As rents have risen in response to San Diego's tight housing market, the City has seen an upsurge in homelessness among this vulnerable population. Leasing SRO rooms in the downtown area is a first step in addressing the problem.

At its meeting of July 20, 2001, the Housing Commission accepted \$470,000 in CDBG funds from the City for special purpose housing. Because CDBG funds cannot be used for lease payments, another source of funds must be identified to address this need.

## **DISCUSSION**

The City has requested funding, under the Housing Trust Fund's Targets of Opportunity Program, to lease rooms for homeless seniors. The Targets of Opportunity program accommodates consideration of proposals for which the NOFA or an RFP process is not feasible or appropriate. Staff deemed the request urgent because of the City's desire to move ahead with this housing for homeless seniors as soon as possible. The City has tentative agreements with the owner of the Sara Frances Homotel (at 934 10<sup>th</sup> Avenue) to lease up to 10 rooms there (at \$450 per room per month) and with the General Services Administration (GSA) to lease 20 rooms—up to five of them double-occupancy (at \$420 per room per month) -- at the federally-owned Capri Hotel (at 319 West "E" Street) for homeless seniors.

Although the Capri Hotel eventually will be demolished for expansion of the federal building, demolition will not occur in the near future, and the GSA has agreed to lease 20 rooms to the City until September 1, 2003. That will give the City time to explore longer-term options. Five rooms at the Sara Frances are available now, and the remaining five will be made available as they are vacated by attrition.

The leased rooms will provide short-term transitional housing for homeless seniors, while County social service caseworkers evaluate individual clients' needs and financial resources to determine appropriate long-term solutions. One possible solution, at least for some of the seniors, might be shared housing. The County, working with other agencies such as ElderHelp, will attempt to arrange shared housing placements and will utilize other permanent housing resources as well, possibly including tenant-based rental assistance.

Housing Trust Fund money has previously been granted to the City to lease rooms for special purpose housing, most recently at Hotel Metro for persons with chronic mental disabilities or who are dually diagnosed with mental illness and substance abuse issues. Project-based rental assistance has since replaced the Housing Trust Fund as the source for lease payments at Hotel Metro, which provides permanent housing. It would be difficult to make use of project-based rental assistance for homeless seniors at the Capri and Sara Frances because the occupancy is intended to be transitional. Previously received CDBG funds, earmarked for special-purpose housing but not available for lease payments (as discussed in this report), will be used, in whole or part, to fund special-purpose housing activities that would otherwise be supported with Housing Trust Fund monies.

Approval of the staff recommendation will help meet a housing need of very low income seniors who are among the most vulnerable to upward rental pressure in the San Diego market.

#### **ALTERNATIVE**

Do not approve the recommended contribution. It is not clear that the City would be able to identify alternative sources of funding to go forward with the leasing of SRO rooms.

Respectfully submitted,

Pat Duplechan  
Director, Housing Programs

**Signature on File  
With Original Document**

Approved by,

Elizabeth C. Morris  
Chief Executive Officer