



## HOUSING AUTHORITY REPORT

### EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED: December 15, 2006      REPORT NO.: HAR07-005  
ATTENTION: Members of the Housing Authority  
For the agenda of January 23, 2007  
ORIGINATING DEPARTMENT: Housing Commission  
SUBJECT: Loans For Low-Income Housing  
COUNCIL DISTRICT: District 2

#### REQUESTED ACTION:

Authorize a loan and grant for permanent financing for construction of 112 beds of transitional rental housing for homeless veterans.

#### STAFF RECOMMENDATIONS:

1. Authorize a 65-year \$3,488,951 deferred loan, and a \$745,575 grant of Federal Economic Development Initiative (HUD-EDI) funds previously approved to develop permanent supportive housing at the site, to Veterans Village of San Diego (VVSD) as permanent financing for transitional housing in Phase II of Veterans Village, located at 4141 Pacific Highway.
2. Authorize an amendment to the FY2007 Housing Commission budget to reflect the addition of \$325,000 of State Low Income Housing Trust Fund money.
3. Authorize the Housing Commission's President and Chief Executive Officer to execute all necessary documents.

#### EXECUTIVE SUMMARY:

Veterans Village of San Diego (VVSD) is a local nonprofit specializing in providing housing, substance abuse recovery, mental health services, job training, and job placement assistance to homeless military veterans. Veterans Village tenants are expected to gain employment during enrollment in the VVSD program and will have incomes of up to 60 percent of Area Median Income (AMI); rents would not be more than 30 percent of tenant gross income and there would be no required rent payment. This financing would allow VVSD to replace a substandard 87-bed housing unit with a new 112-bed facility in the second phase of redevelopment at the site. A decision to not approve the proposed loan and grant could result in the withdrawal of a proposal to provide 112 beds of transitional housing for a population of homeless veterans in critical need of assistance. It is estimated that up to 40 percent of homeless men on the streets of San Diego are military veterans.

#### FISCAL CONSIDERATIONS:

The estimated total development cost is \$9,104,526 (\$81,290 per bed for 112 beds). The proposed Housing Commission loan would provide \$3,488,951 (\$31,151 per bed). The following table outlines the proposed sources of financing for construction of Phase II of the Veterans Village development:

<b>Debt Position</b>	<b>Proposed Sources of Financing</b>	<b>Amount</b>	<b>Terms</b>
1st	Redevelopment Agency loan	\$4,200,000	65 yrs. @ 0% interest; deferred
2nd	San Diego Housing Commission loan	\$3,488,951	65 yrs. @ 3% interest; deferred
3rd	HUD-EDI revocable grant	\$ 745,575	65 yrs; repayment upon default
	Redevelopment Agency (NTC grant)	\$ 150,000	
	County of San Diego grant	\$ 200,000	
	VA grant	\$ 320,000	
	<b>Total Development Cost</b>	<b>\$9,104,526</b>	

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On January 31, 2006, the Housing Authority approved a \$675,000 Housing Commission forgivable loan to VVSD for construction of 112 beds of transitional housing in an initial phase of redevelopment of the site (HCR05-94) which was completed in June 2006. The Housing Authority approved a \$745,575 HUD-EDI grant for 144 beds of permanent supportive housing at Veterans Village on April 18, 2006 (HCR06-24); however, the supportive housing phase did not move forward.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

A three phase Veterans Village development was approved in 2001 by Midway Planning Group, Little Italy Association, and North Bay Redevelopment Agency. No further planning group approvals are required.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Stakeholders include Veterans Village and its clients, the Redevelopment Agency, and the City of San Diego as this project supports City efforts to end homelessness. Veterans Village is expected to significantly reduce the number of homeless military veterans living on the streets of San Diego.

Respectfully submitted,

Approved by,

Cissy Fisher  
Director, Housing Finance and Development

Elizabeth C. Morris  
President and Chief Executive Officer

Attachments:      1. Housing Commission Report No. HCR06-88  
                             2. Housing Commission Commitment Letter

Information: Mr. Dan Cady (619) 578-7594



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