



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
Authorization to Apply for State of California Homekey Program
Grant Funds – 2147 Abbott Street
Presentation to the SDHC Board of Commissioners
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Josh Hoffman
Vice President of Real Estate Development
Real Estate Division





Homekey Application – Abbott Street

Introduction

- Homekey is a statewide program designed to rapidly produce housing for people experiencing homelessness or at risk of homelessness.
- California Department of Housing and Community Development (HCD) administers Homekey.
- March 29, 2023: HCD issued a Homekey Program Notice of Funding Availability (NOFA).
 - \$736 million available statewide
 - \$34 million set aside for San Diego region’s local geographic pool
 - San Diego region may also apply for a competitive statewide pool of funds.



Homekey Application – Abbott Street

Homekey Requirements

- Eligible uses for Homekey funds:
 - Acquisition or Rehabilitation, or Acquisition and Rehabilitation, of motels, hotels, hostels, or other sites and assets to be converted to Permanent Housing or Interim Housing
 - Conversion of nonresidential properties into residential units
 - New construction
 - Master leasing of properties for non-congregate housing
 - The purchase of affordability covenants and restrictions for units
 - Relocation costs for individuals who are being displaced as a result of the Homekey Project
 - Capitalized operating subsidies for units purchased, converted, constructed or altered with funds provided pursuant to California Health and Safety Code section 50675.1.3
- Homekey Key Performance Requirements:
 - All Homekey funds are to be spent within 8 months of award.
 - All construction / rehabilitation must be completed within 12 months of award letter.
 - Full occupancy must be achieved by 15 months from date of award letter.



Homekey Application – Abbott Street Developer Selection

- SDHC Request for Qualification process:
 - Competitive procurement 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
- SDHC Request for Proposals Process:
 - 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



Homekey Application – Abbott Street

Estimated Project Timeline

Milestone	Date
Homekey Application Submission	May 2023
Homekey Award Announcement	August 2023
Acquisition Closing Date	September 2023
Homekey Funds 100% Expended	January 2024
Construction Completion	January 2024
Full Occupancy of Assisted Units	April 2024

**This timeline is contingent on the dates HCD awards and disburses funds.*



Homekey Application – Abbott Street Project Summary

Abbott Street Apartments 2147 Abbott Street, San Diego, CA 92107 Council District 2

- Ocean Beach neighborhood
- 12 units (post-rehabilitation: 13 units)
- One Building – two-story walk-up
- Development Partner: Wakeland Housing and Development Corporation



Street view of 2147 Abbott Street



Homekey Application – Abbott Street Project Summary (Continued)

- Affordability Restrictions:
 - 1997: SDHC restricted 14 units at the property to be affordable for individuals with income at or below 80% of San Diego’s Area Median Income (AMI).
 - SDHC subsequently allowed the property to be reconfigured to provide 10 transitional housing units for victims of domestic violence, with nine units restricted at or below 35% of AMI and one unit restricted at or below 50% of AMI.
 - If the property is no longer used as transitional housing, the affordability restrictions revert to 14 units at 80% of AMI.
- Current and Proposed Use:
 - The property has been vacant since January 2022.
 - Staff would request approval to eliminate and replace the affordability restrictions to require 13 affordable rental housing units for households experiencing chronic homelessness with income up to 30 percent of AMI, currently \$27,350/year for a one-person household.



Homekey Application – Abbott Street

Completed Due Diligence

- Submitted by developer and third-party/peer reviews facilitated by SDHC:
 - Preliminary Title Report
 - Appraisal
 - Peer Appraisal
 - Physical Needs Assessment
 - Phase 1 Environmental Report
 - Market Study
 - American Land Title Association Survey
 - Construction Cost Assumptions
 - Financial Review
 - California Environmental Quality Act /
National Environmental Policy Act
 - Other Physical Inspections



Homekey Application – Abbott Street

Summary of Homekey Funds to be Requested

Sources and Uses	
Sources	Amount
State Homekey Program Funds	Up to \$5,000,000
Uses	Amount
Acquisition and Partial Rehabilitation	Up to \$5,000,000
TOTAL SOURCES	Up to \$5,000,000
TOTAL USES	Up to \$5,000,000



Homekey Application – Abbott Street

Summary of Proposed Services

- Supportive Services to be offered for residents:
 - Outreach and Engagement
 - Mental Health Services
 - Healthcare/Physical Health Services
 - Behavioral Health Services
 - Substance Use Services
 - Case Management
 - Care Coordination
 - Life Skills Training
 - Education Services
 - Employment Assistance
 - Assistance obtaining benefits and essential documentation
 - Transportation Services
- Residents would be identified through referrals from the Coordinated Entry System.
- Populations Served: People experiencing chronic homelessness



Homekey Application – Abbott Street Location and Community Amenities



Homekey Application – Abbott Street Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Authorize and direct SDHC to submit a joint application with Wakeland Housing and Development Corporation (Wakeland) to the State of California Department of Housing and Community Development (Department) Homekey Program for grant funds in an amount up to \$5,000,000 in accordance with the March 29, 2023, Notice of Funding Availability (NOFA) for the Homekey Program for the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107.



Homekey Application – Abbott Street 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 SDHC to join Wakeland in entering into, executing, and delivering a Standard Funding Agreement with HCD in a total amount up to \$5,000,000 and any and all other documents required or deemed necessary or appropriate to secure Homekey Program 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.

SDHC 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.



Homekey Application – Abbott Street Staff Recommendations (Continued)

- 3) Authorize Jeff Davis, SDHC's Interim President & Chief Executive Officer, or designee, to execute the application and the Homekey Program documents on behalf of SDHC and Wakeland for participation in the Homekey Program.
- 4) Authorize SDHC'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.



Homekey Application – Abbott Street

Questions & Comments

