I invite your comments.

Sincerely,

Richard C. Gentry

President & Chief Executive Officer

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**SDHC Partnership – Preserving Affordable Housing for Seniors**

The San Diego Housing Commission (SDHC) Vice President for Marketing and Communications, Louis C. Gentry, announced last night that SDHC has committed 79 Federal Project-Based Housing Vouchers through its nonprofit affiliate, Housing Development Partners (HDP), to purchase New Palace Hotel, in partnership with the Local Initiatives Support Corporation (LISC). The purchase of New Palace Hotel, which was completed this week, has an estimated value of $13.7 million and will provide 79 affordable efficiency units with bathrooms. These units will remain affordable for 55 years.

LISC provided a loan of $5.8 million to fund HDP’s purchase of New Palace Hotel and closing costs. The City of San Diego, which was the original landlord of the property, provided a $4 million forgivable loan to fund housing for low-income seniors with disabilities. The City also approved a $750,000 soft money grant for lead mitigation. New Palace Hotel provides 79 affordable efficiency units with bathrooms. These units will remain affordable for 55 years.

New Palace Hotel is a former hotel that was originally built as a women’s dormitory in the 1930s. It is located at 1122 Broadway Street in downtown San Diego, California. The hotel was previously owned and operated by the New Palace Hotel Company, which was purchased by the City of San Diego in 1987. Since that time, the City has used the property as a temporary shelter for homeless individuals.

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