



SAN DIEGO
HOUSING
COMMISSION

News Release

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PURCHASE OF NEW PALACE HOTEL TO PRESERVE AFFORDABLE HOUSING FOR SENIORS

*Partnership among SDHC; SDHC's nonprofit affiliate, Housing Development Partners;
and Local Initiatives Support Corporation*

San Diego, CA — The San Diego Housing Commission's (SDHC) nonprofit affiliate, Housing Development Partners (HDP), in partnership with the Local Initiatives Support Corporation (LISC), has purchased New Palace Hotel in Bankers Hill to preserve affordable housing for low-income seniors who are at risk of homelessness.

LISC provided a loan of \$5.8 million to fund HDP's purchase of New Palace Hotel and closing costs. The purchase was completed this week.

New Palace Hotel, at 1814 Fifth Ave., provides 79 affordable efficiency units with individual bathrooms to seniors age 62 or older.

"The units at New Palace Hotel will remain affordable for 55 years, providing much-needed affordable housing for vulnerable seniors in San Diego. The San Diego Housing Commission is pleased to partner with Housing Development Partners and LISC for this purchase," said SDHC President & CEO Richard C. Gentry.

Through this purchase, the units, which range from 157 to 320 square feet, will remain affordable for the next 55 years to tenants with income up to 60 percent of San Diego's Area Median Income, which about \$34,000 a year for single individuals.

HDP plans to renovate the units into studio apartments with kitchenettes.

HDP is also pursuing partnerships to help fund capital improvements and provide social services to the senior tenants.

SDHC has committed 79 federal Project-Based Housing Vouchers through **HOUSING FIRST – SAN DIEGO**, SDHC's three-year Homelessness Action Plan, to provide rental assistance at New Palace Hotel. These vouchers have an annual value of \$780,204 based on the monthly value of the voucher, \$823. Only two of the hotel's tenants currently receive Federal rental assistance.

Located one block from Balboa Park, New Palace Hotel first opened in 1913. Although a fire destroyed the building in 1989, it was rebuilt two years later and has provided affordable housing ever since.

A national nonprofit, LISC is the largest community development support organization in the country, with 30 offices nationwide, including San Diego.

For more information about SDHC, visit www.sdhc.org.

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