



SAN DIEGO
HOUSING
COMMISSION

News Release

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HUD SECRETARY JULIÁN CASTRO TOURS HISTORICAL HOTEL THAT WILL BECOME PERMANENT HOUSING FOR HOMELESS VETERANS

*SDHC partnership Hotel Churchill – under renovation – 72 permanent affordable studios,
including 56 for homeless Veterans*

SAN DIEGO, CA—The rehabilitation of the historical Hotel Churchill in Downtown San Diego to provide permanent housing for homeless Veterans represents an important step toward the national goal of addressing Veterans homelessness, U.S. Department of Housing and Urban Development (HUD) Secretary Julián Castro said today. [Watch the Video.](#)

“I commend everyone here in San Diego for the collaboration to end Veterans homelessness,” said Secretary Castro, who toured Hotel Churchill. “It takes a lot of work, collaboration, and creativity, but the City is getting it right, embracing a ‘Housing First’ model.”

Secretary Castro toured Hotel Churchill at the invitation of U.S. Representative Scott Peters, 52nd District, who hosted the tour with San Diego Housing Commission (SDHC) President & CEO Richard C. Gentry, during October, Housing America Month.

“We’re going to show him some of the things we’re doing around homelessness, particularly around Veterans homelessness,” Representative Peters said.

SDHC, working with its nonprofit affiliate, Housing Development Partners (HDP), is rehabilitating the historical Hotel Churchill to create 72 permanent affordable housing studios for homeless individuals:

- 56 units for Veterans;
- 8 units for youth aging out of foster care; and
- 8 units for adults exiting the corrections system who will also need supportive services.

Hotel Churchill residents will receive a HUD housing voucher, with a monthly value of \$942, committed by SDHC that will provide rental assistance. They will pay approximately 30 percent of their income toward rent, depending on their income level.

Speaker of the California State Assembly Toni Atkins and San Diego City Councilmember Todd Gloria also toured Hotel Churchill with Secretary Castro. San Diego Mayor Kevin Faulconer joined them for a news media briefing atop the Hotel Churchill renovation site.

“We are all in to bring the focus to bear on how we get this done,” Speaker Atkins said of the goal to end Veterans homelessness by 2016. “We have a lot of work to do, but we have some ways to get it done.”

And in a move that may help to bolster the work that is being done in San Diego, HUD Secretary Castro announced that in spring 2016, HUD will provide the San Diego region a significant first step toward making its case to receive its fair share of funding for homelessness programs. In 2014, despite having the fifth largest homeless population in the country, San Diego ranked 23rd in funding because HUD uses an outdated funding formula from the 1970s.

HUD will begin receiving public comments in the spring about this funding formula.

About this time, the Hotel Churchill will be nearing its expected completion date, June 2016.

Hotel Churchill is a great example of the work to address homelessness in the City of San Diego, Mayor Faulconer said. “We’re going to provide real housing opportunities for our Veterans and foster youth.”

Councilmember Gloria said addressing homelessness is a top priority in the City of San Diego. “We are putting this as a front-of-mind concern for this City.”

The renovation of Hotel Churchill is one of the five key components of [HOUSING FIRST – SAN DIEGO](#), SDHC’s three-year Homelessness Action Plan, which was launched on November 12, 2014, and will impact the lives of as many as 1,500 homeless San Diegans.

SDHC has invested more than \$12.1 million in HUD Federal funds in the rehabilitation of Hotel Churchill.

“I thank Secretary Castro for partnering with us to transform the historical Hotel Churchill into affordable housing that will help chronically homeless Veterans rebuild their lives and leave the streets behind,” SDHC President & CEO Gentry said.

SDHC is a driving force in the implementation of the national Housing First model in the City of San Diego – to provide homeless individuals with housing as quickly as possible, with supportive services as needed.

Hotel Churchill residents will receive on-site social services and case management:

- **U.S. Department of Veterans Affairs (VA) – Veterans:** Case management; medication support; behavioral health; physical health; mental health; and assistance with social, recreational, and tenant activities
- **Providence Service Corporation – Youth aging out of foster care:** Case management; mental health; emergency assistance with food and clothing; independent living skills; additional services as needed
- **Mental Health Systems – Adults exiting the corrections system:** Case management; mental health; medication support; individual therapy; rehabilitation and therapeutic groups; legal advocacy; substance abuse treatment; and health care

Secretary Castro met with two Veterans at Hotel Churchill before he toured the building, including a formerly homeless Veteran who receives a HUD housing voucher and is now working as a custodian and a landlord in the City of San Diego who rents to Veterans that receive HUD rental assistance.

The renovation of Hotel Churchill also includes the installation of state-of-the-art seismic structural reinforcement known as “viscous dampers” to protect the building in the event of an earthquake. Hotel Churchill is the first historical building in the City of San Diego to be retrofitted with viscous dampers.

In addition, the seventh floor has been removed because it was structurally unsound when it was added in the 1920s; it was not part of the original building. A new space will be built, providing 12 studios similar to the other residential floors.

The residential housing units are being reconfigured to create 72 affordable housing units, with an average unit size of 321 square feet.

Each affordable housing unit will include:

- Kitchen:
 - Refrigerator
 - Range
 - Countertop microwave
 - Garbage disposal
- Private bathroom
- Brand-new cabinets and floors
- New furnishings:
 - Bed frame and metal rails
 - Twin mattress and foundation
 - Night Stand
 - 4-drawer dresser
- Square table with 2 chairs
- Ceiling fan
- Central air conditioning and heating

At the conclusion of the tour of Hotel Churchill, Secretary Castro, along with Representative Peters, Speaker Atkins, Mayor Faulconer, Councilmember Gloria, and SDHC President & CEO Gentry, met with local government officials and nonprofit organizations to further discuss regional homeless programs: HUD Senior Advisor for Housing and Services Jennifer Ho; Jeffrey Gering, Director, VA San Diego Healthcare System; Nick Macchione, Deputy Chief Administrative Officer, San Diego County Health and Human Services Agency; SDHC Chairman of the Board Gary Gramling; SDHC Commissioner Frank Urtasun, who also serves as Chairman of the Board of the Downtown San Diego Partnership; Jerry Sanders, President & CEO, San Diego Regional Chamber of Commerce; Kris Michell, CEO, Downtown San Diego Partnership; Jonathan Hunter, Senior Principal, LeSar Development Consultants; and Karen Brailean, Social Venture Partners.

They met at San Diego Square, another HUD-supported SDHC-HDP partnership rehabilitation in Downtown San Diego that is preserving 154 affordable housing units for low-income seniors age 62 and older.

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

Background – Hotel Churchill:

Built in 1914, Hotel Churchill is a seven-story building at the corner of Ninth Avenue and C Street, in the eastern part of Downtown San Diego, along the San Diego Trolley line.

SDHC acquired the historical building and an adjacent lot on August 16, 2011, through a court settlement in a foreclosure proceeding.

The foreclosure proceeding followed litigation in which SDHC sued the previous owner for violation of the City's Single-Room Occupancy (SRO) ordinance.

A restriction recorded against Hotel Churchill requires that 57 units be maintained as SRO units for a minimum of 30 years.

On November 21, 2003, the City of San Diego Historical Resources Board designated Hotel Churchill a local historical landmark.

More than \$9.2 million in HUD funds for the rehabilitation were provided through the Moving to Work (MTW) program. SDHC is one of only 39 public housing authorities nationwide, out of 3,400, to receive an MTW designation from HUD.

As an MTW agency, SDHC creates innovative, cost-effective approaches for providing housing assistance to low-income families, using a combination of federal funding allocated to SDHC for public housing and Section 8 Housing Choice Voucher rental assistance.

In addition, more than \$2.9 million in HUD funds were provided through HOME Investment Partnerships Program funds granted to the City of San Diego and administered by SDHC.

- Rehabilitation
- 72 affordable housing units and one manager's unit
- Remains affordable for 65 years
- Total Development Cost: \$20,596,409
- Affordable to individuals with incomes up to 60 percent of the San Diego Area Median Income (AMI), currently \$34,020 for one person, for the first 55 years; affordable up to 80 percent of AMI for an additional 10 years
- 72 HUD Sponsor-Based Housing Vouchers committed by SDHC, annual value \$813,888 (based on the monthly cost of the voucher, \$942)
- Supportive Services Providers: VA, Providence Service Corporation, and Mental Health Systems
- Developer: SDHC's nonprofit affiliate, Housing Development Partners
- Expected Completion: June 2016
- SDHC Investment: \$15,396,409:
 - \$9,289,800 HUD "Moving to Work" Grant Funds

- \$2,900,000 HUD HOME Investment Partnerships Program funds granted to the City of San Diego and administered by SDHC
- \$2,306,609 City of San Diego Inclusionary Housing Fund and Housing Impact Fees, administered by SDHC
- \$900,000 City of San Diego Single-Room Occupancy In-Lieu Fees funds, administered by SDHC
- Additional funding sources:
 - Civic San Diego Loan: \$3,000,000
 - California Mental Health Services Act Loan (administered by County of San Diego Mental Health Department): \$1,800,000
 - Deferred Developer Fee: \$400,000

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