



MORE THAN A FACELIFT— DOWNTOWN’S SAN DIEGO SQUARE APARTMENTS MODERNIZED TO PROVIDE SENIORS WITH THEIR ‘LAST HOME’

*154 Apartments Will Remain Affordable for 65 Years;
Initial Proceeds from City of San Diego Land Lease Will Help Fund
The 1,000 Homeless Veterans Initiative*

SAN DIEGO, CA — A top-to-bottom overhaul of the 12-story San Diego Square Senior Apartments at 9th and Broadway in Downtown San Diego preserves affordable housing for low-income seniors, such as Isara, 71, who lives in one of the apartments with her dog Snoopy.

“We are grateful for the upgrading of all of the property. This is where I will spend the rest of my life,” she said at a ceremony to commemorate the grand reopening.

The year-long makeover – which ranged from replacing the building’s aging roof to installing energy-efficient doors, windows and appliances – was the first major renovation of San Diego Square since it was built in 1979 on land that is owned by the City of San Diego.

“What a transformation we’re seeing right before us. It’s a perfect example of the innovative ways that San Diego is using to deal with affordable housing,” said San Diego Mayor Kevin Faulconer.

The San Diego Housing Commission (SDHC), working with its nonprofit affiliate, Housing Development Partners (HDP), rehabilitated [San Diego Square](#) to preserve 154 affordable housing units for seniors age 62 and older. There are also two managers’ units.

U.S. Congressman Scott Peters said that the renovation of San Diego Square is one example of how SDHC and its partners are preserving affordable housing in San Diego.

“We’re not waiting for Washington to lead. We’re taking care of what we need to. As important as it is to work with Washington, it’s not as important as what you’re able to accomplish locally here,” Congressman Peters said.

San Diego Square was purchased on February 13, 2014, through a partnership between SDHC, HDP, and LISC San Diego, the regional chapter of the Local Initiatives Support Corporation, a national nonprofit dedicated to investing in affordable housing and community development initiatives.

“In your golden years, you shouldn’t have to worry about how to pay for rent, buy food, and take care of your medical needs. Today shows we’re doing right by our seniors,” said San Diego Councilmember Todd Gloria, who represents District 3, where San Diego Square is located.

San Diego Square will remain affordable for at least 65 years, including:

- 122 one-bedroom apartments affordable to seniors with income of 60 percent or less than San Diego's Area Median Income (AMI), approximately \$35,700 a year for a single person or \$40,800 a year for a two-person household; and
- 32 one-bedroom apartments affordable to seniors with income of 50 percent or less than San Diego's AMI, approximately \$29,750 a year for a single person or \$34,000 a year for a two-person household.

“San Diego Square shows what we can achieve through the collaboration among partners that San Diego is known for—preserving affordable housing for low-income seniors for the long-term,” said SDHC President & CEO Richard C. Gentry.

During the renovations, all of the San Diego Square residents were temporarily relocated.

The renovations included:

- Extending the bedrooms to create floor-to-ceiling windows;
- Completing site improvements to the entire city block, such as adding new sidewalks and trees;
- Repainting the interior and exterior of the building and removing ivy from the outer walls;
- Upgrading the electrical system, plumbing, sprinkler system, and elevators;
- Adding a computer lab and recreation room;
- Reopening the community room;
- Renovating cabinets, counters, floors and restrooms; and
- Repaving the parking lot.

“It's more than just bricks and mortar. It's somewhere folks can call home. There is a computer lab, there is an exercise room, there is a swimming pool, there's easy access to transportation and that says something for the vision of (SDHC) that we're not just going to house seniors in an apartment and let them fend for themselves,” said Marcie Chavez, Director of the U.S. Department of Housing and Urban Development's (HUD) Los Angeles Office of Public Housing.

Currently, HUD administers Project-Based Housing Vouchers that provide Federal rental assistance of \$1,445 per unit, per month for the 154 affordable housing units (\$2.6 million per year). Federal Project-Based Housing Vouchers are awarded to specific affordable housing developments to provide rental assistance linked to their units. When a tenant moves, the rental housing voucher remains with the affordable housing unit. Under this program, tenants pay a maximum of 30 percent of their income toward rent, with HUD providing the rest.

HUD's contract to provide Federal rental assistance to residents at San Diego Square would have expired in January 2014. However, with the purchase of San Diego Square on February 13, 2014, HUD agreed to a 20-year extension of its Federal rental assistance contract, through October 26, 2034.

Director Chavez presented SDHC Chairman of the Board Gary Gramling, Commissioner Margaret Davis and CEO Gentry with a proclamation for excellence in service for the renovation of San Diego Square that was signed by Lourdes M. Castro Ramirez, HUD's Principal Deputy Assistant Secretary, Office of Public & Indian Housing.

“San Diego, as we know, remains a very expensive place to live. And maintaining San Diego Square as an affordable housing complex is a huge win for San Diego,” said Edward Lopez, executive director of LISC San Diego, which provided \$7.9 million in bridge funding for the renovation of San Diego Square.

Additional financial partners who were essential to the renovation of San Diego Square were Citibank and Boston Capital. Funding included more than \$17.8 million from State Multifamily Housing Revenue Bonds, which were authorized by SDHC and approved by the Housing Authority of the City of San Diego, and were sold to Citibank to finance the purchase and renovations. Boston Capital provided more than \$12.1 million in tax credit equity.

In addition, partners who participated in the grand reopening and ribbon cutting included Allgire General Contractors, Basis Architecture, Kettler Lewick Engineering, Tatum Consulting, Epic Land Solutions and SK Property Management.

The land upon which San Diego Square is located is owned by the City of San Diego and is leased for 65 years to preserve affordable housing for seniors. A one-time \$4 million lease payment has already been made to the City of San Diego, which has allocated the funds to the [“Housing Our Heroes”](#) landlord outreach campaign of The 1,000 Homeless Veterans Initiative to provide housing opportunities for a thousand homeless Veterans within one year (by March 2017), a new initiative of [HOUSING FIRST – SAN DIEGO](#), SDHC’s three-year Homelessness Action Plan (2014-17).

The San Diego Square acquisition and development costs totaled more than \$39 million, including \$21.1 million to purchase the building, \$12.2 million in renovation costs, and nearly \$5.8 million in soft costs, such as architectural and engineering services and financing.

For more information, visit www.sdhc.org

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