San Diego Housing Commission (SDHC)
Authorization for Joint Application with the County of San Diego for
State of California Homekey Program Funds
Presentation to the SDHC Board of Commissioners
April 25, 2022

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Executive Vice President of Real Estate
San Diego Housing Commission
SDHC – Joint Application for Homekey Funds

Introduction

- Statewide: $1.45 billion to sustain and rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases

- September 9, 2021: State issued Notice of Funding Availability (NOFA)

- September 30, 2021: State application released

- Eligible uses:
  - Acquisition or rehabilitation of hotels, apartments or homes to be converted into permanent or interim housing
  - Conversion of nonresidential properties into residential units
  - New construction
  - Master leasing of properties for non-congregate housing
  - Purchase of affordability covenants and restrictions for units
  - Relocation costs for individuals being displaced as a result of the Homekey project
  - Capitalized operating subsidies for units purchased, converted, constructed, or altered
SDHC Request for Qualification process
- Competitive 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
- 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.

Preliminary due diligence (submitted by developer(s) and third-party/peer reviews facilitated by SDHC)
- Preliminary Title Report
- Appraisal
- Phase 1 Environmental Report
- Market Study
- ALTA
- Construction Cost Assumptions
- Financial Review
- CEQA/NEPA
SDHC – Joint Application for Homekey Funds
Proposed Project – PATH Villas El Cerrito

- 5476 El Cajon Boulevard, San Diego, CA 92115
  - Council District 9
  - El Cerrito neighborhood

- 40 affordable rental housing units and one manager’s unit
  - 5 Studios
  - 17 One-bedroom units
  - 19 Two-bedroom units, including manager’s unit

- Prefabricated, container-based housing
  - Five levels for housing
  - Directly above five-story podium and ground floor health clinic to be operated by Family Health Centers of San Diego

- Development Partners:
  - People Assisting the Homeless (PATH) Ventures
  - Family Health Centers of San Diego
  - Bold Communities

Artist’s Rendering
Populations served:
- Individuals experiencing chronic homelessness
- Individuals experiencing homelessness with serious mental illness
- Veterans experiencing chronic homelessness
- Families experiencing homelessness
- 17 households with income under 30 percent of San Diego’s Area Median Income (AMI)
- 23 households with income up to 60 percent of AMI

Residents identified through referrals from the Coordinated Entry System

SDHC awarded 40 rental housing vouchers to help residents pay rent:
- 35 Project-Based Housing Vouchers
- 5 Veterans Affairs Supportive Housing vouchers
People Assisting the Homeless (PATH):
- Outreach and engagement
- Case management
- Help accessing government benefits programs
- Employment and education (in collaboration with additional partners)
- Veteran services

Family Health Centers of San Diego
- Medical care, including mental health counseling (in collaboration with additional partners)
- Substance use treatment (in collaboration with additional partners)

Additional services
- Life skills
- Legal aid
SDHC – Joint Application for Homekey Funds
Community Amenities

5476 El Cajon Blvd., San Diego, CA 92115

1. Grocery Outlet: 0.3 miles
2. Philip Pharmacy: 282 feet
3. Bus Stop – Line 1: 52 feet
4. College Rolando Branch Library: 1.7 miles
5. Colina del Sol Recreation Center: 0.8 miles
6. Will C. Crawford Senior High School: 0.8 miles
7. Horace Mann Middle School: 0.7 miles
8. Dental Care Clinic: 387 feet
9. City Heights Family Health Center: 266 feet
### SDHC – Joint Application for Homekey Funds
#### Financing

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Per Unit</th>
<th>Use</th>
<th>Amount</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Permanent Loan</strong></td>
<td>2,968,410</td>
<td>72,400</td>
<td>Acquisition</td>
<td>1,370,000</td>
<td>33,415</td>
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<tr>
<td><strong>State HCD - Homekey</strong></td>
<td>11,825,000</td>
<td>288,415</td>
<td>Hard Costs</td>
<td>15,257,315</td>
<td>372,130</td>
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<tr>
<td><strong>City PLHA - EDD</strong></td>
<td>2,050,000</td>
<td>50,000</td>
<td>Soft Costs (less Reserves)</td>
<td>5,584,894</td>
<td>16,217</td>
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<tr>
<td><strong>County</strong></td>
<td>6,470,367</td>
<td>157,814</td>
<td>Reserves</td>
<td>858,438</td>
<td>20,938</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,313,777</td>
<td>568,629</td>
<td>Developer Fee</td>
<td>1,101,568</td>
<td>26,868</td>
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**SDHC**

40 PBV
## SDHC – Joint Application for Homekey Funds

### Estimated Timeline

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Estimated Date</th>
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<tbody>
<tr>
<td>SDHC Board – Request for authorization to submit application</td>
<td>April 25, 2022</td>
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<tr>
<td>County Board of Supervisors – Request for authorization to submit application and commit funds/service dollars</td>
<td>April 26, 2022</td>
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<tr>
<td>Submit application to the State Department of Housing and Community Development</td>
<td>May 2, 2022</td>
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<tr>
<td>Potential Award of Homekey Funds</td>
<td>June 2022</td>
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<tr>
<td>SDHC Board – Request for authorization to expend awarded funds</td>
<td>September 8, 2022</td>
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<tr>
<td>Housing Authority of the City San Diego (as needed)</td>
<td>October 11, 2022</td>
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<tr>
<td>Commence Construction</td>
<td>November 2022</td>
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<tr>
<td>Complete Construction</td>
<td>March 2023</td>
</tr>
<tr>
<td>Occupancy</td>
<td>June 2023</td>
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That the SDHC Board of Commissioners take the following actions:

1) Authorize and direct the Housing Commission to submit a joint application with the County of San Diego to the State of California Department of Housing and Community Development (Department) Homekey Program for grant funds in an amount not to exceed $12,000,000 in accordance with the September 9, 2021, Notice of Funding Availability (NOFA) for the Homekey Program.
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 the Housing Commission to join the County of San Diego in entering into, executing and delivering a Standard Agreement in a total amount not to exceed $12,000,000 and any and all other documents required or deemed necessary or appropriate to secure Homekey 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 in advance of approval for the designee to sign.

The Housing Commission 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.
3) Authorize Jeff Davis, the Housing Commission’s Interim President & Chief Executive Officer, or designee, to execute the Application and the Homekey Documents on behalf of the Housing Commission for participation in the Homekey Program.

4) Authorize the Housing Commission’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 in advance of approval for the designee to sign.
Questions & Comments