



SAN DIEGO
HOUSING
COMMISSION

LAND USE & HOUSING REPORT

REPORT NO. LUH 10-006

DATE ISSUED: April 14, 2010

ATTENTION: Land Use & Housing Committee, Meeting of April 21, 2010

ORIGINATING DEPT.: San Diego Housing Commission

SUBJECT: Homeless Service Center and Housing Facility

COUNCIL DISTRICT: 2

REFERENCE: None

STAFF CONTACTS: Cissy Fisher, Vice President, Special Housing Initiatives,
San Diego Housing Commission
619-578-7585

REQUESTED ACTION: That the Land Use & Housing Committee (LU&H) forward to the City Council this recommendation to direct staff of the San Diego Housing Commission (the "Commission") and staff of the Centre City Development Corporation (CCDC) to enter into exclusive negotiations with the PATH/Affirmed team, as the preferred developer/operator, for the proposed acquisition and rehabilitation of the City of San Diego ("City")-owned World Trade Center (WTC) building for a homeless service center and housing facility.

STAFF RECOMMENDATION: Approve requested Action

SUMMARY: Following a comprehensive evaluation of the two viable proposals received in response to a Request for Proposals (RFP) issued in 2009 for the construction of a homeless service center and housing facility, the selection committee recommends that the City Council select the PATH/Affirmed team and program as the most responsive to the RFP objectives and the WTC building as the site most suitable, both financially and functionally, for the facility. The selection committee bases its recommendation on the PATH/Affirmed team's proven successful approach to providing services and permanent supportive housing, the integration of a federally qualified, high-quality medical service provider, the project's lower costs and amount of local funding required, the reliability of other proposed funding sources, the adaptive reuse of an existing available historic building, and the shorter schedule in which the center can begin operations.

FISCAL CONSIDERATIONS: Sale of the WTC will generate \$10 million in revenues for the City that could either be used to augment the General Fund if the property is leased or could be spent on capital improvements if the property is sold. Under the current proposal, there is no net impact to federal Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG) programs. The City

expends approximately \$780,000 in federal entitlement funding to operate two temporary emergency winter shelter programs and \$460,000 for operation of the Neil Good Day Center. One of the goals of the Homeless Service Center is to provide an alternative to the temporary winter shelter tents and the Day Center Facility. The City funds currently used by these activities are proposed to be used as annual operating support for the one-stop center to leverage private and other public funding to significantly increase current service and client capacity. The proposal will need local funding for both development and ongoing operating costs. The proposing team will ask the Commission for a development loan of approximately \$2 million and a pledge of rental subsidies for up to 75 units.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: The selection committee formed to evaluate the RFP responses included representatives from: City of San Diego; CCDC; Commission; Corporation for Supportive Housing; East Village Community Action Network; County of San Diego Health and Human Services; United Way; Downtown Residents Group; and San Diego Downtown Partnership.

KEY STAKEHOLDERS AND PROJECT IMPACTS: City of San Diego, healthcare agencies, social service agencies, educational institutions, civic organizations and faith-based agencies that provide services to homeless individuals and families will have a direct interest in this project. The change in use of the site from office to mixed-use will increase foot traffic in the area and provide clinical medical offices that could be accessed by nearby residents. [Note: PATH provides security and diligent oversight of outside activity at its sites to minimize impact on the surrounding community. Additionally, PATH will outreach to and prioritize accommodations to street homeless in the immediate vicinity.]

PROPOSED DEVELOPMENT TEAMS

ROLE	FIRM/CONTACT	OWNERSHIP
Project Lead	People Assisting the Homeless (PATH) Joel John Roberts	Nonprofit Corporation
Developer	Affirmed Housing Group James Silverwood	James Silverwood Privately Owned
Service Provider Partner	Family Health Centers of San Diego Fran Butler Cohen	Nonprofit Corporation

ROLE	FIRM/CONTACT	OWNERSHIP
Project Lead	Father Joe's Villages (FJV) Mathew Packard 619-446-2126	Nonprofit corporation
Development Consultant	Chelsea Investment Corporation	James Schmid Privately Owned
Service Provider Partner	St. Vincent de Paul Village	Nonprofit corporation

BACKGROUND:

According to the annual Point in Time Count conducted by the San Diego Regional Task Force on the Homeless on January 29, 2009, an estimated 4,338 individuals were found to be temporarily or chronically homeless in the City of San Diego with only roughly 2,359 year-round shelter beds. Roughly 800 of the homeless persons surveyed were found in the downtown zip code (92101) and a quarter of those surveyed were veterans. A majority suffered from mental illness, substance abuse, a physical or medical disability or a combination of the above.

Beginning in January 2008, the City Council's LU&H Committee convened a Permanent Homeless Facility Task Force. The purpose of the task force was to develop recommendations for: 1) identifying and evaluating possible sites for a permanent emergency shelter; 2) developing a list of the essential elements of a shelter; and 3) providing a draft Request for Proposals and/or Qualifications (RFP/Q) for the site. The task force met four times from 2008-2009 and consisted of members of the LU&H Committee as well as the Mayor's Office, United Way of San Diego ("United Way"), CCDC, Commission, and two community representatives.

Through research of best practice models and input from the community, the task force determined that the housing first/housing plus model should be utilized and the goal of the RFP/Scope of Services would be to propose a strategy to best address a variety of needs, based on practices of other jurisdictions and on ideas specific to San Diego, making optimum use of the limited resources available. The City Council approved the draft Scope of Services and designated the Commission to take the lead on issuing the RFP with the support of CCDC and the City.

On December 2, 2008, the City Council approved a draft RFP for site development and operation of a service center and housing for homeless and extremely low income persons (Attachment One). The Commission, collaborating with CCDC and City staff, issued the RFP on April 3, 2009 with a closing date of June 2, 2009. The intent of the RFP was to address homelessness by providing housing coupled with supportive services and consistency with the Housing First/Housing Plus Model as outlined in the 10-Year Plan to End Chronic Homelessness in the San Diego Region (PTECH). The scope was intended to encourage innovative ideas for a new level of response to the need for housing and services and migrate

away from the traditional open-bay shelter approach. The RFP did not specify a minimum or maximum number of beds but sought to allow for the eventual closure of the City's temporary winter shelter. However, the RFP did indicate that local funds in the amount of \$10 million had been committed from the City of San Diego Redevelopment Agency's ("Agency") Centre City Redevelopment Project Area for site acquisition, development and/or rehabilitation costs.

Respondents were asked to submit proposals for any or all of three categories: 1) a "one-stop" service center and/or emergency housing to be located downtown; 2) affiliated permanent supportive housing units; or 3) a feasible site or building under direct ownership of the responding entity upon which a "one-stop" service center, emergency housing and/or permanent supportive housing units could be constructed.

DISCUSSION:

In response to the RFP, three qualified proposals were received by the submittal deadline; one of these, a for-sale building, was subsequently deemed too small for the envisioned activities.

The selection committee voted (seven in favor, one abstention, one absent) to recommend the response received by a team consisting of Affirmed Housing Group ("Affirmed"), a local San Diego affordable/supportive housing developer and People Assisting the Homeless (PATH), a Los Angeles-based homeless service provider and Family Health Center of San Diego (Attachment Two). PATH is a California-based 501(c)(3) not-for-profit corporation organized in 1984 to meet the needs of homeless and at-risk homeless individuals. The organization's only board member is PATH Partners. PATH Partners helps communities design and deliver systems to address homelessness. In Los Angeles, PATH operates a "one-stop" homeless services center and outreach function as well as developing and operating affordable housing for homeless through its affiliate, PATH Ventures. For this project, PATH will operate the interim housing and service center, and provide residential service coordination.

The original submittal proposed a newly constructed one-stop homeless center including interim beds, permanent supportive housing units, a federally qualified medical clinic open to the public, and a full multi-service center including case management and support assistance. The proposal did not identify a site on which the project would be constructed.

As envisioned, PATH would provide management coordination of the daily operations of the one-stop center and will cultivate additional partnerships appropriate for the center's mission. ALPHA Project and Veterans Village of San Diego are members of the proposal team that will focus on offering services and managing the housing components. Affirmed Housing will manage the building rehabilitation process and the permanent supportive housing (with assistance from other partners). A major feature of the proposal is that Downtown Family Health Center (FHCS) will provide the medical clinic and services.

The second response was submitted by a team comprised of Father Joe's Villages (FJV), a local San Diego homeless center operator and service provider and Chelsea Investment Corporation ("Chelsea"), a local San Diego affordable/supportive housing developer. The team proposed new construction of a one-stop homeless center on a site located in the East Village District currently owned by FJV at 1402 Commercial Street, adjacent to the existing FJV complex. FJV would coordinate and provide services within the proposed one-stop multi-service center.

The two original proposals were reviewed and evaluated by the selection committee; each team was interviewed to clarify specific aspects of each team's proposal and understanding of the proposed capital and operating funding sources. Both teams were considered financially and organizationally capable of implementing the proposed project. However, following the interviews, the committee deemed both proposals financially infeasible as a result of a combination of high site acquisition and development costs and uncertain or unlikely availability of proposed public and private funding sources. The committee collectively agreed that recommending a project, regardless of its commendable programs and qualities, is ineffective if not financially feasible. As a result, the selection committee asked each of the two teams to submit modified proposals by November 13, 2009, which considered adaptive reuse of an existing building or buildings located downtown that could be rehabilitated, meet the teams' program needs and potentially require a lesser subsidy than new construction. The teams were permitted to identify up to two existing buildings that could accomplish their program and the RFP objectives.

The PATH/Affirmed team submitted the same concept proposal with an identified adaptive re-use site: the existing City-owned World Trade Center (WTC) building, located at 1250 Sixth Avenue in the Civic/Core district. The proposal satisfied the team's program requirements and potentially required less capital costs than new construction (Attachment Three).

The SVDP/Chelsea team declined to submit a new proposal. Rather the team disagreed with the selection committee's concern that several of the proposed funding sources were unlikely or unavailable and indicated that new funding sources may need to be substituted in the future as conditions change. The team also re-emphasized its belief that the creation of a minimum of 350 shelter beds is critical to mitigating the homeless crisis.

The selection committee reviewed and evaluated both final proposals based on evaluation criteria. Details of the committee's analysis are provided in Attachment Four.

PROJECT DESCRIPTION

The following is a summary of the two teams' proposals. [Note: the term "interim housing" as proposed in the PATH project means a flexible type of housing that can be used as emergency or transitional in nature, depending on the needs of the client.]

	<i>Committee Recommendation</i> PATH/Affirmed	FJV/Chelsea
Site Area	15,000 SF	47,758 SF
Maximum Floor Area Ratio (FAR) Permitted	10.0	3.0
Minimum FAR Required	6.0	2.0
Proposed FAR	8.53	2.53
FAR Bonuses Proposed	N/A	None.
Stories	14 stories	5 stories

Residential		
Supportive Units – Studios	75 units 47,000 SF	70 units 42,960 SF
Interim Housing	150 beds 25,000 SF	80 beds 21,480 SF
Emergency Housing	0 beds 0 SF	<u>350 beds</u> <u>22,366</u> SF
Total Residential	225 beds 72,000 SF	500 beds 86,806 SF
Average Affordability	33% AMI	30% AMI
Non-Residential		
Medical Clinic	13,600 SF	0
Multi-service Center	17,300 SF	SF
Admin Offices, Storage, Training	<u>13,400</u> SF	33,459
Total Non-Residential	44,300 SF	SF
		<u>0</u>
		SF
		33,459
		SF
Projected Rental Rates		
Supportive Units - Studios	\$876/mo. (w/ vouchers)	\$887/mo. (w/ vouchers)
Interim Housing	\$0	\$0
Number of Units Demolished	None.	None.
Inclusionary Housing Ordinance Compliance/		
Number of Affordable Units	225 beds	500 beds
Parking		
Required	0 spaces	51
Proposed	0 spaces	132 spaces
Assessor's Parcel Nos.		
World Trade Center: 534-055-0100,		
534-055-0200, 534-055-0400		
14th & Commercial: 535-614-1100		

Evaluation of the World Trade Center – The selection committee retained the services of Heritage Architecture and Planning (“Heritage”), a local firm specializing in historic designation and rehabilitation, and specialist sub-consultants to evaluate the structural integrity, mechanical systems, historical aspects and adaptive reuse potential for the City-owned structure as the homeless service center and housing facility. Heritage was provided with the PATH/Affirmed team’s proposed floor plans, building uses, services and residential capacities. The Heritage report concluded that the building, constructed in 1928 and originally known as the San Diego Athletic Club, is suitable for the proposed uses with certain

structural, code, accessibility and interior improvements required. The building is a historic resource listed on the City's Historic Register and was acquired by the City in 2004. The adjacent parking structured was added in 1969 and is not a listed historic resource. The building's design is primarily Art Deco with Gothic Revival details and is a rare example of the "New York Skyscraper" influence in San Diego. The building's interior finishes were significantly altered during the conversion of the building from athletic club to office space to the point where the original character of the interior is no longer evident and cannot be defined.

The majority of the historic detailing and cast-stone ornamentation on the building's exterior are still extant. Most of the roofing is in poor condition, beyond its life expectancy and in need of replacement. The building gravity load system appears adequate for the proposed combined office and residential uses. A determination of the extent, if any, seismic upgrades may be required can be made through a review of the original building drawings, if they can be located, or destructive testing of the roof-to-wall anchorage. The estimated cost of such testing is \$30,000.

The general condition of the existing mechanic equipment is good; however, some modifications are recommended to reduce energy consumption and to accommodate the proposed interior layout. The equipment capacity appears sufficient for the proposed uses. The installation of reverse chilled water and heating hot water loops at each floor is recommended to minimize the size of ductwork, maximize ceiling heights and allow many more temperature zones.

The existing water service to the building is adequate to support the proposed uses. New distribution piping and fixtures will be required on all floors and a new domestic water heating system will be required to support the residential use. Additional bathrooms with accessibility and showers will be required on each floor. The waste and drainage systems appear to be adequate.

Existing electrical loads should be adequate to serve the residential uses however new panel boards will likely be required in the basement and sub-basement, although there is more than adequate capacity.

Modernization of the two main elevators and modifications to the existing fire sprinkler and alarm system are required to accommodate the proposed interior layout.

Heritage prepared an opinion of probable costs for the required and recommended exterior and interior improvements to the building totaling approximately \$18 million of direct costs, roughly \$3.4 million less than the PATH/Affirmed team's estimate. Potential additional costs for seismic updates, if deemed required, cannot be accurately determined until a retrofit plan is prepared. The cost estimates prepared by both the PATH/Affirmed team and Heritage are reflected below in this report.

The Downtown PDO exempts living units (for incomes at or below 40% AMI) and transitional housing from parking requirements. The one-stop multi-service center and offices are also exempt from parking requirements as the WTC is an existing building. Employees of the project requiring parking could secure monthly parking passes from a number of nearby public parking facilities or the adjacent City-owned structure.

Housing Impact – The proposals have the potential to create between 225 and 500 new shelter or interim housing beds and permanent supportive studio housing units. No housing units are proposed to be lost in either proposal.

Project Budget and Financing – Each team submitted detailed construction and rehabilitation cost estimates in their proposals. The PATH/Affirmed team rehabilitation cost estimate was reviewed by Heritage and adjusted as deemed appropriate and reflected in the table below. The FJV/Chelsea team's cost estimate for new construction was reviewed by KMA and considered the shell construction costs to be less than comparable recently built projects of Type-III Modified construction. Absent a project design, further evaluation of the team's estimated costs is not practical.

The following is a summary of the two teams' proposed acquisition and development budgets and funding sources.

Estimated Capital Costs and Funding Sources			
	Committee Recommendation PATH/Affirmed		FJV/Chelsea
	<i>Team's Cost Estimate</i>	<i>Heritage Cost Estimate</i>	<i>Team's Cost Estimate</i>
Costs:			
Direct Costs	\$21,494,000	\$17,992,000	\$27,796,000
Indirect Costs	4,348,000	4,348,000	5,335,000
Financing Costs	1,597,000	1,597,000	2,856,000
Site Acquisition	7,000,000 ⁽¹⁾	7,000,000 ⁽¹⁾	7,300,000
Total Costs	\$34,439,000	\$30,937,000	\$43,287,000
Funding Sources:			
Market Value of Tax Credits	\$13,959,000	\$13,959,000	\$16,032,000
VA Grant	1,500,000	1,500,000	0
Parking Infill Grant – Prop 1C *	0	0	2,800,000
HUD – SHP Grant	0	0	400,000
Multifamily Housing Program *	0	0	5,240,000
Affordable Housing Program	0	0	1,500,000
Emergency Housing Assistance *	0	0	1,000,000
Mental Health Services Act *	0	0	1,309,000
Deferred Developer Overhead Fee	157,000	157,000	0
Developer Land Note	0	0	1,300,000
Total Sources	\$15,616,000	\$15,616,000	\$31,581,000

Local Funding Gap:	\$18,824,000	\$15,322,000	\$11,706,000
Housing Commission ⁽²⁾	2,000,000	2,000,000	2,000,000
Agency Low/Mod Funds ⁽³⁾	10,000,000	10,000,000	9,706,000
Agency HH&S Funds ⁽⁴⁾	3,000,000	3,000,000	0
Unfunded Gap	\$3,824,000	\$322,000	\$0
* Sources KMA deemed unavailable or highly competitive	\$0	\$0	\$10,349,000
Revised Local Funding Gap:	\$18,824,000	\$15,322,000	\$22,055,000

⁽¹⁾ Estimated allocation of \$10 million acquisition cost for building only, without parking

⁽²⁾ Commission staff opinion of potential funding availability; subject to approval

⁽³⁾ CCDC commitment in FY 2010 Low/Mod Housing budget

⁽⁴⁾ CCDC staff opinion of potential funding availability from HH&S Program; subject to approval

As reflected in the table above, the committee and KMA considered several of the capital funding sources proposed by the FJV/Chelsea team to be either unavailable currently or in the near future or to be highly competitive with the prospect of requiring multiple applications rounds over two or more years with no certainty of success. Therefore, an adjustment was made for those funding sources considered unreliable resulting in a greater local funding gap requirement in the FJV/Chelsea submittal than that proposed.

The committee also evaluated the long term financial viability of each proposal's operations and management. The following tables summarize the estimated annual operating cash flows of each team's proposal. While the PATH/Affirmed program is relatively self-sustaining with relatively dependable funding sources, the FJV/Chelsea proposal relies heavily on the leveraging of existing SVDP staff and resources and raising large amounts annually from private donations.

Annual Operating Revenue and Expenses	<i>Committee Recommendation</i> PATH/Affirmed
Permanent and Interim Housing Revenue:	
Rent (including vouchers)	\$788,400
In Kind (Corporations, Faith and Community Groups)	\$655,200
Single Adult – Winter Shelter Funds	\$350,000
Veterans– Winter Shelter Funds	\$216,000
Other (Donations and Small Grants)	\$294,430
Total Housing Revenue	\$2,304,030
Housing Expenses	\$1,964,530
Net Operating Income from Interim and Permanent Housing	\$339,500
Service Center and Medical Clinic Revenue:	
Family Health Centers of San Diego (County/Federal Grants,	\$2,048,413

MediCal)	
In Kind (Corporations, Faith and Community Groups)	\$468,000
Veterans Village San Diego	\$24,000
City and Government Grants (CDBG, ESG, EFSP, HUD, VA, HOPWA)	\$400,000
Other (Donations and Small Grants)	\$223,915
Total Service Center and Medical Clinic Revenue	\$3,164,328
Service Center and Medical Clinic Operating Expenses	\$3,164,328
Net Operating Income from Service Center and Medical Clinic	\$0

Annual Operating Revenue and Expenses	FJV/Chelsea
Short Term and Permanent Housing Revenue:	
Rent (including vouchers)	\$714,332
St. Vincent's Leverage (existing staff and resources)	\$629,000
HUD SHP/MHSA Subsidy ⁽¹⁾	\$170,000
Fundraising Required ⁽²⁾	\$712,668
Total Housing Revenue	\$2,226,000
Housing Expenses	\$2,226,000
Net Operating Income from Short Term and Permanent Housing	\$0
Resource Center, Day Center and Emergency Shelter Revenue:	
Commission Funds ⁽³⁾	\$500,000
Existing Neil Good Day Center Funds	\$464,000
St. Vincent's Leverage (existing staff and resources)	1,178,000
Existing Local Winter Shelter Funds	\$680,000
Fundraising Required ⁽²⁾	2,207,000
Total Resource Center, Day Center and Shelter Revenue	\$5,030,000
Resource Center, Day Center and Emergency Shelter Expenses	\$5,030,000
Net Operating Income from Resource Center, Day Center and Shelter	\$0

⁽¹⁾ The selection committee and KMA consider SHP/MHSA subsidies unavailable.

⁽²⁾ The selection committee is concerned that the proposal relies on FJV's ability to raise nearly \$3 million annually in private funds to continue operations of the housing, shelter and resource center. The program is also heavily dependent upon the leveraging of existing SVDP resources and staff, potentially resulting in a need to raise additional private or public funds to continue operations at the proposed level.

⁽³⁾ Project Based Vouchers will subsidize the operating costs of the service center and housing; the applicant's projection is higher than what will be realized by these vouchers.

Disposition of Property – None proposed.

Participation by Agency –CCDC has committed \$10 million of the Agency’s FY ’10 Low/Mod Housing Funds for the site acquisition and construction/rehabilitation of the residential portions of the proposed project. CCDC also potentially has roughly \$3 million available in its Health and Human Services Loan Program for use toward the construction/rehabilitation of the one-stop service portions of the project.

Participation by the Commission – While the Commission does not presently have funds committed toward any of the site acquisition or capital improvement portions of this project, the Commission is pledging roughly 75 of its housing vouchers toward the permanent supportive units to assist with the center’s operations. At this time, Commission staff believes it may be possible to identify up to \$2 million of Commission funds to apply toward the project’s capital improvements. However, it should be noted that both proposals include assumptions that current City and Commission funding of the temporary winter shelter and day center program would be available for this project, which is not a certainty at this time.

Proposed Schedule of Performance – The project’s possible schedule is dependent upon the timing of local funding commitments in order to apply for Low-Income Housing Tax Credits and other public funds during their respective application periods. The next application of 9% tax credits is due on July 7, 2010. It is not likely that an agreement can be negotiated and executed and designs sufficiently developed in time to meet the July deadline. The next possible round will be in the spring of 2011. The following reflects the two teams’ proposed implementation schedules, adjusted for the likely timing of Agency and Commission funding approvals.

	<i>Committee Recommendation</i> PATH/Affirmed	FJV/Chelsea
RFP Award	June 2010	June 2010
ENA to begin negotiations	July 2010	July 2010
Execute agreements	October 2010	October 2010
Applications to alternative funding sources	October 2010 – April 2011	October 2010 – April 2011
Initiate schematic design / design development	October 2010	October 2010
LIHTC Award (if successful)	June 2011	June 2011
Submit Construction Drawings	August 2011	August 2011
Building Permits	October 2011	January 2012
Construction Start	November 2011	February 2012
Certificate of Occupancy	November 2012	February 2013-August 2013 (1)
Operations Begin	December 2012	March 2013-Sept. 2013 (1)

(1) While the FJV/Chelsea team’s proposal assumes a 12-month construction period, KMA’s construction subconsultant believes the proposed project’s site work and construction schedule is more realistically 18 months, possibly longer.

Project Benefits – The selection committee has identified numerous benefits of the PATH/Affirmed team proposal, its recommended team and project. Those benefits can be summarized as follows:

- *Housing and Services* – The PATH/Affirmed team’s proposal will provide quality and dignified housing for approximately 225 homeless individuals (150 interim beds plus 75 permanent supportive units) and critically needed medical and supportive services for thousands of very low-income and homeless individuals and families.
- *Cost and Schedule* – The PATH/Affirmed team’s proposed adaptive reuse of an existing available building results in reduced overall development costs and delivers a project ready for operations and occupancy nine months or more sooner than new construction.
- *Funding Availability* – The PATH/Affirmed team’s proposed project relies on funding sources, which are considered available and likely to be awarded by the selection committee and KMA. The proposal results in the lowest local financing gap and can likely be filled using Agency and Commission funds. The local gap has the potential of being further reduced if additional non-local funding sources are secured during the negotiation and design process.
- *Long Term Financial Sustainability* – The PATH/Affirmed team’s submittal proposes an operating model which is more financially sustainable for the long term and does not rely on unidentified or uncertain funding sources or private fundraising.
- *Housing First Model* – The PATH approach to providing supportive services and emphasis on permanent supportive housing is more closely aligned with the RFP’s objective of using the Housing First Model.
- *Environmental Sustainability* – The PATH/Affirmed team’s proposal to reuse an existing building is more environmentally sustainable than new construction, uses fewer natural resources, provides an opportunity for the recycling of materials, and retrofits an outdated facility with new energy and water saving systems.
- *Cash Flow to the City* – The sale or lease of the WTC building will result in much needed revenue to the City for City operations or infrastructure upgrades and relieves the City of the financial burden of the building’s ongoing operating and maintenance costs.
- *Historic Preservation* – The adaptive reuse of the WTC building, renovated in compliance with the Department of the Interior guidelines, will improve and preserve a locally-designated historic resource.

Parking Structure – The selection committee acknowledges that the City may prefer to sell the WTC building in combination with the adjacent parking structure and not retain ownership of the parking. If this is the case, the committee suggests the Agency consider acquiring the parking structure from the City using unrestricted tax increment funds for renovation or redevelopment. The Heritage study concluded that the ceilings of the parking structure are likely to contain asbestos and will require costly remediation prior to conducting any major maintenance or renovation of the facility. Further studies may be conducted to evaluate whether renovation or redevelopment is the best alternative. The parking structure does utilize the elevators of the WTC for vertical access so joint accessibility in its current configuration is required.

Other Considerations – The selection committee suggests the City consider either a sale of the WTC with payments scheduled over a period of two or more years, or a lease with an option to buy to maximize the amount of local funds available for the building's rehabilitation.

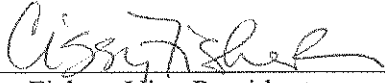
The selection committee also took into consideration the current lawsuit against the City of San Diego in regard to the lack of shelter beds available downtown. Although the addition of a large number of shelter beds was proposed as a solution to the lawsuit, cities across the nation have found that a more effective approach is to increase the inventory of supportive housing rather than to increase shelter beds. The PATH/Affirmed proposal is based on the success of PATH and others that used this approach. Currently, Downtown has approximately 260 supportive units with 88 in development and 103 additional units pending approvals and funding.

Environmental Impact – At this time, there is no "project" under the definition set forth in CEQA Guidelines Section 15378 that would require environmental review. However, if the City Council chooses to enter into an ENA with the PATH/Affirmed team, then any proposed project or agreement resulting from the negotiations would be reviewed for consistency with the Final Environmental Impact Report (FEIR) prepared for the Downtown Community Plan and the appropriate additional environmental documents would be prepared for consideration by the decision-making bodies. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), this activity is not subject to CEQA.

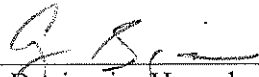
Processing under the National Environmental Policy Act (NEPA) is not required at this time as no federal funds are implicated in the action to enter into an agreement with PATH/Affirmed for the proposed homeless service center and housing facility. Any proposed project resulting from the agreement will be reviewed under NEPA if federal funds constitute part of the financing.

CONCLUSION: Staff wishes to thank the citizen volunteers of the one-stop center selection committee for their diligent service to the City on this project. The committee is pleased to recommend the PATH/Affirmed proposal for the City's first one-stop center for homeless services and housing.

Respectfully submitted,



Cissy Fisher, Vice President
Special Housing Initiatives
San Diego Housing Commission



Amy Benjamin, Homeless Coordinator
City of San Diego



Jeff Graham, Vice President
Redevelopment
CCDC

- Attachments:
1. RFP
 2. Original PATH/Affirmed proposal
 3. Supplemental PATH/Affirmed proposal
 4. Proposal Evaluation Table
 5. KMA Financial Analysis of PATH/Affirmed proposal



Request for Proposals
For the Site, Development and Operation of
A Service Center and Housing for
Homeless and Extremely Low Income Individuals

April 3, 2009

Submission Deadline: June 22, 2009

TABLE OF CONTENTS

INTRODUCTION.....	1
OVERVIEW.....	1
CATEGORIES OF HOMELESS.....	2
SCOPE OF SERVICES.....	2
ADDITIONAL FACTORS.....	3
TARGET POPULATIONS	3
SERVICES.....	4
SPECIFIC SITES PROPOSED.....	4
COLLABORATIVE EFFORTS.....	4
FINANCING.....	5
EVALUATION CRITERIA.....	5
SELECTION PROCESS.....	6
CONDITIONS	6
SUBMISSION GUIDELINES.....	7
APPLICATION CHECK LIST.....	9
ATTACHMENTS:	
A. APPLICATION FORM.....	A-1
B. BEST PRACTICE EXAMPLES.....	B-1
C. FUNDING SOURCES.....	C-1

INTRODUCTION

Overview

In an effort to reduce homelessness and provide appropriate services and service-enhanced housing for the most vulnerable homeless individuals, the San Diego Housing Commission (SDHC), Centre City Development Corporation (CCDC) and the City of San Diego (City) are inviting interested parties to submit proposals demonstrating interest and qualifications to address the need for housing and services for homeless and extremely low income individuals who are at risk of becoming homeless.

The U.S. Department of Housing and Urban Development (HUD) defines a chronically homeless person as an unaccompanied individual who has been sleeping in one or more places not meant for human habitation or in one or more emergency homeless shelters for over one year or who has had four or more periods of homelessness over three years. People experiencing chronic homelessness comprise between ten and twenty percent of all homeless persons and consume fifty percent of the resources targeted to homelessness. Current research suggests that the annual cost to the community ranges from \$35,000 to \$150,000 per person as they ricochet through the medical, law enforcement, and other systems.

In developing a comprehensive program to address homelessness in the City of San Diego the various issues causing homelessness need to be addressed. People who are homeless do not simply lack a place to reside -- but, rather have a composite of causes, needs, economic circumstances, and disabilities. Some causes are of short duration, easily resolved, requiring little if any outside assistance or intervention; others are longstanding, seemingly intractable.

While an adequate supply of permanent service-intensive housing is the central antidote to homelessness, the purpose of this request is to call for a range of activities that are consistent with the Housing First/Housing Plus Model as outlined in the 10-Year Plan to End Chronic Homelessness in the San Diego Region (PTECH), copies of which can be obtained on the city's website at http://docs.sandiego.gov/reportstocouncil_attach/2006/06-072att.7.pdf

Housing First is a non-linear approach to housing. It is defined by the placement of an individual in permanent housing prior to receiving supportive services. Housing provides the stability that individuals and families need to get enrolled and excel in a customized service plan. This model provides flexible housing to get people housed quickly and keep them housed.

The objectives of this scope are to develop wrap around services and identify and secure sufficient permanent supportive housing (based on a housing first model) to ultimately reduce the need for emergency shelter beds. In addition, a comprehensive service model is needed to address the class action complaint (California Civil Case No. 04CV-231BDN(WMC) filed against the City on or about May 19, 2006.

It is proposed that wrap around services be provided in a "one-stop" service center. The center will employ an array of homeless service providers and ensure linkage to community resources. There is no single model for supportive housing. Development may include integrated apartment buildings with mixed units targeted toward people with special needs, lower income families, scattered site units, rent-subsidized units, or other proposed models.

It is hoped that as the need diminishes, some transitional and emergency shelters may be restructured to accommodate permanent supportive housing units. However, this scope is not intended to preclude the creation of emergency shelter, nor replace the current shelter system, but rather to encourage innovative ideas for a new level of response to the need for housing and services.

While proposals are being sought primarily for the downtown San Diego area, the ideas and solutions presented are likely to be replicated on a regional basis. Addressing chronic homelessness will be accomplished in multiple phases, with downtown development of a One-Stop Service Center coupled with housing being implemented as Phase I.

Categories of Homeless

On any given day in the City of San Diego, there are an estimated 4,100 people who are homeless.

A. “Pre-homeless” or “At-Risk of being Homeless”

A number of variables can cause individuals and/or households to be at the brink of losing housing, either occasionally or frequently. Often the cause is economic: a job loss, a family illness, a change in household composition, a rent increase or, foreclosure can challenge or even sabotage efforts to budget for life’s necessities, including housing.

Though difficult to estimate, it is believed that about 1 in 10 individuals and households may experience the risk of homelessness in any given year.

B. Situationally Homeless

Episodic homelessness encompasses similar economic factors, but magnified, with contributing factors of physical, mental and/ or health-related disabilities often co-occurring with substance abuse that can compound or even lead to the economic problems.

C. Chronically Homeless

1. Unable to Afford Housing

The generally accepted standard for a rent-to-income ratio that a household can afford to spend on housing is 30 percent. For lower income people, there are few options if sufficient housing is not available within their means.

2. Disabilities and/or Substance Abuse

In absence of appropriate treatment, individuals with physical, mental and /or health-related disabilities and/or substance abuse issues are at an increased risk for displacement. Once homeless, obtaining health care and treatment services is almost insurmountable. Gaps in services provided, lack of health insurance, waiting lists, and the lack of affordable housing are obstacles that must be overcome to prevent this population from becoming chronically homeless.

SCOPE OF SERVICES

It is the intention of this Request for Proposal (RFP) to address homelessness by providing housing coupled with supportive services. Proposals may address one, all, or a combination of the objectives listed in this RFP. Please note that the selected proposer will be expected to work collaboratively with other service provider(s) or developer(s).

Each submittal must provide information concerning the qualifications of the proposer(s) with respect to the portion or aspect of the scope of services in which the proposer wants to participate. Proposals must, in addition, provide sufficient detail about the proposal(s) to allow evaluation of project feasibility and effectiveness in achieving the stated objectives of this RFP.

Responsive proposals may include the offering of a site, development or operation of all or any of the following,

- A.** A “One-Stop Service Center” (“Center”) in the downtown area of San Diego that would provide a full-range of diagnostic, counseling, referral, ancillary services for individuals and families who are homeless or at imminent risk of becoming homeless; and/or

Emergency housing developed in conjunction with the one-stop service center. There is no minimum or maximum number of beds required by this RFP, but the intention is to maximize the usage of the selected site and to provide sufficient year-round emergency beds to allow for the eventual closure of the city’s temporary winter shelter; and/or

- B.** Permanent supportive housing units that could be located on a number of sites located within the City of San Diego. “Permanent supportive housing” is defined as affordable housing with supportive services intended for a person or family whose head of household is homeless, or at-risk of homelessness, and has multiple barriers to employment and housing stability, which might include mental illness, chemical dependency, and/or other disabling or chronic health conditions. All proposals addressing permanent supportive housing are required to incorporate a plan for providing coordinated resident services. Preference points will be given to a proposal that uses a “Housing First” model.

- C.** A site which is under the direct ownership of the responding entity (or authorized representative) for sale to the party selected to develop the service center and/or emergency housing. (For this RFP, site control by executed sale agreement will not be acceptable.) As applicable, please submit a site plan for the site or sites and a building floor plan (if the existing structure is being proposed for use by the selected developer or service provider). In addition, a context plan illustrating the location of the site(s) in the city should be included. If entitlements exist, please so state and provide. If studies have been conducted on the site (e.g. geotechnical, environmental, condition assessment, etc.), please list the type of study and date of the report. Respondent should be prepared to provide copies of any study upon request.

Please note that each proposal should clearly identify the primary intent in the application, e.g., only responding to Category A, etc.

Attachment B includes two examples of service centers, one of which includes transitional and adjacent permanent supportive housing. These examples are included as best practice examples and should not be construed as the City’s preferred solution.

ADDITIONAL FACTORS

Target Populations

Target populations include people who may be homeless (for any length of time) or are at risk of homelessness, and includes those who may be leaving other systems of care without a place to live, such as (1) young people aging out of foster care, (2) people with mental illness or other disabilities leaving jail or prison, (3) some members of the elderly population and, (4) federally defined homeless.

Individuals from the above target populations may either be placed directly into Supportive Housing, or providers may use this new housing capacity for persons currently residing in more service-intensive residential programs, and use the vacated units in the more service intensive programs for the targeted populations detailed above. Such plans are referred to as “backfill” arrangements.

Services

Services should reflect evidence-based practices that promote wellness and recovery. They should be geared to help residents maintain physical and emotional health and ensure stability. Service and property management strategies include effective, coordinated approaches for addressing issues resulting from substance use, relapse, and mental health crises, with a focus on fostering housing stability. Support services must be easily accessible and available to residents, and evaluation of services for effectiveness and usefulness should occur on a regular basis.

Examples of services provided could include, but are not limited to the following:

- Substance Abuse Counseling (Group & Individual)
- Mental Health Therapy (Group & Individual)
- Trauma Treatment
- Information & Referral
- Outreach
- Case Management
- Senior Services
- Job Skills Training/Education
- Food Services
- On Site Employment
- Childcare or Daycare
- Bathrooms and Showers
- Transportation Vouchers
- Domestic Violence Services
- Personal Financial management & budgeting
- Personal Hygiene training & services
- Health & Wellness Education
- Dental Care
- Health Care
- Legal Assistance and / or a homeless court
- Health Aide Services (Visiting nurse care)
- Limited emergency housing (shelter beds/accommodations)

Specific Sites Proposed

Each proposal should identify any specific sites proposed and should indicate if the proposer has site ownership or site control. Proposers should also provide a description of their strategy to gain neighborhood support for the proposed use or uses. Lastly, proposers should provide a description of their prior experience, or the experiences of other applicant team members, in working with communities to successfully site the development components (one stop service center and/or permanent supportive housing) proposed in the application.

Property owners may submit proposals for possible site acquisition for the development of a one stop service center and/or permanent supportive housing.

Collaborative Efforts

It is expected that proposals will involve collaborations of various developers, financiers, social service

providers, and perhaps other types of entities. Each proposal should identify the individual or organization that will serve as the lead partner of such a collaborative, tasked with the responsibility of bringing the proposal to fruition, and ensuring the ongoing success of the housing and/or services.

Financing

Each proposal should estimate funding needed and identify any potential funding sources for the category that is being proposed. Sources should clearly identify the costs to be funded (land, pre-construction, construction, rehabilitation, operating costs, services, etc.)

EVALUATION CRITERIA

All applications will be reviewed and recommended based on the following criteria:

1. Organizational Experience and Strength (20 points)

- Proposer's experience providing housing or service programs similar to those proposed.
- Proposer's organizational structure, including roles of board and staff members, the use of volunteers, and the agency's fiscal and accounting support.
- Experience and expertise of key proposer staff members and their roles in the program.
- Evidence of proposer's team to demonstrate the ability to raise private capital for the proposed uses. Such evidence should be in the form of private debt and equity providers' letters stating their willingness and ability to provide construction and term financing, and / or private equity to the applicant for the proposed use(s) during the 2009 and 2010 years, contingent only on normal project due diligence and underwriting.

2. Client Group and Resident Selection (10 points)

- Proposer's client referral process - how clients are referred to the program and the program's linkages with other organizations and service providers.
- Proposer's client selection process - the reasons for serving the client group and the role that residents and other service providers play in selecting new participants.

3. Project Design, Location and Program Operations (25 points)

- Appropriateness of the design, location, site and facility characteristics for the housing and the characteristics of the immediate neighborhood of the proposed project as well as the facility's proximity to other support services.
 - Appropriateness of size and configuration of site for proposed use(s)
 - Appropriateness of size and configuration of existing structure(s) for proposed use(s)
 - Physical condition of site and/or existing structures for proposed use(s)
 - Compatibility of proposed use(s) with surrounding uses and neighborhood
 - Site's proximity to transit, support services, grocers, and other retail uses
 - Density, zoning and other land use restrictions applicable to the proposed site
- Level and type of services offered, including:
 - Responsiveness of the program to the housing and service needs of the target population

- Comprehensiveness of service delivery design
- Level and type of support services, both on and off site
- Level and frequency of case management
- Activities to assist in transitioning clients to permanent housing
- Public Outreach Plan

4. Leverage (20 points)

Proposals with multiple funding sources and the greatest amounts of non-local public funds leveraged (as a percentage of total program cost) will receive maximum points. Sample scoring sheets for competitive programs should be attached to the project proforma.

5. Innovation and Collaboration (10 points)

- How the proposal incorporates a new approach to meeting the housing needs of the target population and/or provides an innovative solution to reducing or remediating homelessness.
- Coordination of services, including outreach to other homeless service providers, referrals to other service providers, and coordination of follow-up activities.

6. Outcome Measures (15 points)

Proposer's statement of its goals, how outcomes will be measured and how program success will be evaluated, with primary emphasis on goals related to increasing self sufficiency.

SELECTION PROCESS

The approach to be employed for selection will be as follows:

- A. Issuance of the RFP. The RFP will be issued by advertising in newspapers, with local distribution posting a notice on the SDHC's website, and direct mailings as requested;
- B. Pre-Proposal Meeting. The SDHC will convene a pre-proposal meeting in order to fully describe the development opportunity and answer questions from potential proposers. The meeting will be held on Thursday, April 16th, 2009, beginning at 11:30 a.m. (PST), at the SDHC offices located at 1122 Broadway, Ste. 300, San Diego, CA 92101; Please RSVP by April 13th, 2009 with Malana White by emailing malanaw@sdhc.org.
- C. Selection Committee. The Selection Committee will review all proposals and qualifications, check references, and conduct interviews as necessary. The Selection Committee will shortlist the proposals and will select proposals for whom it will enter into negotiations, perform due diligence, and make recommendations to SDHC, CCDC, and the City.
- D. **Right to Reject All Proposals.** The SDHC reserves the right to reject any or all responses, to waive any informalities in the specifications of the RFP process or to cancel in whole or in part this RFP if it is in the best interest of the SDHC to do so.

SDHC and CCDC reserve the right to request "best and final" proposals from selected proposers based on the evaluation criteria and oral presentations. Awards will be made to the proposer that is selected based on evaluation of the best and final proposals.

Conditions

By the act of submitting a proposal, proposer acknowledges and agrees to the terms and conditions of this RFP and to the accuracy of the information submitted. All proposals become the property of the San Diego Housing Commission.

SUBMISSION GUIDELINES

A. Submission of Proposals

Sealed submittals marked "San Diego Housing Commission: Request for Proposal for the Development and Operation of a Service Center and Housing for Homeless and Extremely Low Income Individuals" will be accepted until ***Monday, June 22, 2009, at 5:00 p.m.*** at the SDHC office, 1122 Broadway, Suite 300 San Diego, California 92101-5612. **PROPOSALS RECEIVED BY FAX OR EMAIL WILL NOT BE ACCEPTED. IN ADDITION, PROPOSALS RECEIVED AFTER THE SUBMISSION DEADLINE WILL NOT BE ACCEPTED.**

1. One signed original and nine signed copies of the completed proposal must be submitted by June 22, 2009 and addressed to:

Cissy Fisher
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

with a copy to:

Jeff Graham
Center City Development Corporation
401 B Street, 4th Floor
San Diego, CA 92101

2. To preserve the integrity of the selection process, questions regarding this solicitation should be emailed to Malana White of the SDHC at malanaw@sdhc.org. Questions and answers will be provided to all parties who have requested an RFP packet.

B. Rights and Responsibilities

The proposals submitted in response to this RFP will become the property of the Commission and a matter of public record. This RFP does not commit the Commission to award a contract, to pay any cost incurred in preparation of a proposal, or to procure or contract for services. The Commission reserves the right to accept or reject any or all proposals received in response to this RFP to award contracts to multiple proposers or to cancel in whole or in part this RFP if it is in the best interest of the Commission to do so. As a result of contract negotiations, prospective proposers may be required to submit revisions to their proposals. All proposers should note that any contract pursuant to this RFP may depend upon the recommendation of the Housing Commission's General Counsel and may be subject to the approval of the Housing Commission and Housing Authority.

SAN DIEGO HOUSING COMMISSION

Cissy Fisher
Assistant Vice President, Housing Development & Finance

NOTE: Documents used to create this Scope of Services and to which proposers should refer for additional clarification include:

- 1. 10-Year Plan to End Chronic Homelessness in the San Diego Region (September 2006)**
http://docs.sandiego.gov/reportstocouncil_attach/2006/06-072att.7.pdf
- 2. PTECH Intake Committee Report (February 2008)**
<http://www.homebaseccc.org/PDFs/TenYearPlanng/NAEH%20San%20Deigo%20PPT.pdf>
- 3. Chronic Homelessness Summary & Recommendations (R. Ortiz, January 2008)**
- 4. National Association of Local Housing Finance Agencies (NALHFA). “Supportive Housing is a Best Practice.” Practices and Perspectives: Issue 2-2008**

APPLICATION CHECK LIST

(For all Applicants)

Review your application for completeness using this checklist.

NOTE: If responding to **Category C** (site only), please submit documents listed in Section 3 of the Application Checklist and complete: Applicant Information, General Information, and Section 3 of Evaluation Criteria.

1. Original and **nine (9)** signed copies of the Application Form (**Attachment A**)
 - a. _____ all pages 8.5 x 11 inches
 - b. _____ 30 pages maximum
2. Required Submittals (original plus **nine (9)** copies, all attachments clearly labeled)
 - c. _____ Budget for the project which the funds requested in this application will help support.
 - d. _____ Most recent organizational budget (income and expenses) that includes all of the applicant's homeless facilities activities, including those that are not part of this proposal.
 - e. _____ Most recent fiscal year-end audited financial statement for the organization that includes all of the applicant's housing activities.
 - f. _____ Resident selection procedures.
 - g. _____ Staff member résumés.
 - h. _____ For ongoing programs, a copy of most recent program performance report to a major funding source.
 - i. _____ Financing Approvals
 - j. _____ Map locating the facility(ies) and support services in your design
3. Required Submittals (original plus **two** copies, all attachments clearly labeled)
 - k. _____ Photos of property where proposed service center or housing is to be provided.
 - l. _____ Letters of commitment from the property owner or other instruments of site control, if available. If not available, advise why you believe the site can be leased at the level indicated in your program budget.
 - m. _____ Copy of the Conditional Use Permit (CUP) authorizing supportive activities for this application, if available.
 - n. _____ List of Officers and Directors and their primary affiliations.

- o. _____ Minutes of the organization's three most recent Board meetings.
- p. _____ Articles of Incorporation and all amendments thereto.
- q. _____ Copies of federal and state tax status rulings

ATTACHMENT A
SAN DIEGO HOUSING COMMISSION
RFP/Q Application Form
Permanent Homeless Facilities

(Note: This application is available in electronic format [WORD 2000]; email malanaw@sdhc.org)

Identify primary intent of proposal by selecting one or both of the following:

☐ **Category A:**

A “one-stop service center” (“Center”) in the downtown area of San Diego that would provide a full-range of diagnostic, counseling, referral, ancillary services for individuals and families who are homeless or at imminent risk of becoming homeless; and/or

Emergency housing developed in conjunction with the one-stop service center. “Emergency housing” is defined as temporary housing for individuals for a limited amount of time. There is no minimum or maximum number of beds required by this RFP, but the intention is to provide sufficient permanent emergency beds to allow for the closure of the city’s temporary winter shelter.

☐ **Category B:**

Permanent supportive housing units that could be located on a number of sites located throughout the City of San Diego. “Permanent supportive housing” is defined as affordable housing with supportive services intended for a person or family whose head of household is homeless, or at-risk of homelessness, and has multiple barriers to employment and housing stability, which might include mental illness, chemical dependency, and/or other disabling or chronic health conditions.

☐ **Category C:**

A site which is under the direct ownership of the responding entity (or authorized representative) for sale to the party selected to develop the service center and/or emergency housing. (For this RFP, site control by executed sale agreement will not be acceptable.) As applicable, please submit a site plan for the site or sites and a building floor plan. In addition, a context plan illustrating the location of the site(s) in the city should be included. If entitlements exist, please so state and provide.

APPLICANT INFORMATION

Name of Organization _____

Type of Organization (for-profit/nonprofit)_____

Primary Contact Person: _____ **Title:** _____

Secondary Contact Person:_____ **Title:** _____

Address: _____

Phone: _____ Fax: _____

President, Board of Directors: _____

If applicant is a nonprofit agency, date that Agency received IRS Section 501(c)3 tax-exempt nonprofit status and California Revenue and Taxation Code tax-exempt nonprofit status: _____

BRIEFLY SUMMARIZE YOUR PROPOSAL.

I hereby certify that I have been authorized by action of the Board of Directors to submit an application to SDHC for facilities to help those who are homeless.

BY: _____

TITLE: _____

DATE: _____

Proposal Summary
Facilities to Assist Homeless

1. Name of Applicant(s) _____

2. Project Address(es)
(If applicable and determined) _____

3. City Council District(s) of Project Site(s) _____
4. Amount of local public funds
Requested _____
5. Sources of Development Funds _____

5. Sources of Operating Funds for
Proposed Facility(ies) _____

7. Amount of Other Program Funds _____
8. Number of Units _____
9. Total per Unit Cost _____
10. Total Development Cost _____
11. Estimated number of unduplicated persons
to be served annually _____

GENERAL INFORMATION

Project Readiness

Estimate Project Start Date:	
<p>Site Control: Attach agent deeds, accepted offer(s) to purchase, lease agreement(s) or other evidence of site control for any site(s) proposed for development, if applicable.</p> <p>Financing Approvals: Attach copies of any discretionary financing commitments in effect for a site or sites to be used in your proposal if available. If financing commitments are pending, so indicate and estimate date of approval.</p> <p>Land Use Approvals: Attach copies of any discretionary land use approvals in effect for a site or sites to be used in your proposal if available. If land use approvals are pending, so indicate and estimate date of approval.</p>	

Property Description (If responding to Category C)

Location:	
Site Area:	
Project Type: (high rise, etc)	
Previous Use:	
Number of Units (if applicable):	
Unit Mix: (studio, 1 bedroom, etc)	
Price per square foot:	

Fair Housing

Explain how the project affirmatively **promotes** fair housing.

Evaluation Criteria

1	Organization Experience and Strength (20pts)	<p>Describe your organization and that of your organizational partners' capability to provide the administrative and programmatic support for the successful development and/or operation of the proposed facilities.</p> <p>What is the purpose of your organization and whom does it serve? What is your organization's mission statement?</p> <p>Identify the key staff members responsible for design and implementation of this proposal. Note the role and responsibility of each staff member and describe how the staff member's training and experiences prepares him/her for this role. Attach résumés of key staff members.</p>

2	Client Group and Resident Selection (10pts)	Describe the client population and its housing needs. Indicate how your organization's experience prepares it to serve the needs of this group. Describe how clients will be referred to your organization and/or your collaborators' the process you will use to select participants in the program. Specify how you will collaborate with other service providers to select/admit new residents.

3	Project Design, Location and Program Operations (25pts)	<p>Describe the appropriateness of the design, location, and physical characteristics of the facilities and the characteristics of the immediate neighborhood of the proposed project(s) for meeting client needs. Attach a map locating the facility(ies) and support services which residents would be expected to utilize in your service delivery design. For services not readily accessible, describe any assistance you will provide to coordinate access to services.</p> <p>Describe the level and type of services you will offer. Describe the service delivery design: 1) expected duration of stay and calculation of rent payments, if any; 2) on-site and off-site supportive services to be provided; 3) the level of case management; 4) frequency and duration of client contact and/or counseling; 5) Public Outreach Plan</p> <p>Describe the performance criteria required of program participants and attach a copy of any related written material. Describe how/why these criteria were selected and how they contribute to meeting program goals.</p>
<p>Number of persons to be served annually: _____</p> <p>Number of chronically homeless persons to be served annually: _____</p>		

4	Leverage (20pts)	List prospective and/or committed funding sources and amounts for this project.
<div> <div>1) Grantee/program sponsor contribution:</div> <div>\$ _____</div> <div>2) Local funds (please specify): _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>3) State funds (please specify): _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>4) Federal funds (please specify): _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>5) Foundation funds (please specify): _____</div> <div>\$ _____</div> <div>6) Client charges/fees (please specify): _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>7) Other (please specify) _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>\$ _____</div> <div>TOTAL</div> <div>\$ _____</div> </div>		
Provide a program budget detailing expenses and revenues for the project for the current year and for the year applying. A program budget form is attached. Also provide a narrative detailing how funds will be utilized.		

**Use a separate form for each proposed Permanent Supportive Housing site*

[illegible]

5	Innovation and Collaboration (10pts)	<p>Describe how the project incorporates a new approach to meeting the housing needs of the target population and/or provides an innovative solution to reducing homelessness.</p> <p>Describe the extent to which the project involves community planning groups, nonprofit and community organizations other than the project sponsor(s), and the community interests or constituencies represented by these groups. List any specific contributions these organizations are making to the project, such as the donation of land, cash grants, assistance with zoning variances or other concessions, social services, marketing and outreach.</p>
6	Outcome	Explain how you or your partner(s) intend to monitor, evaluate and report participant outcomes. List

	Measures (10pts)	your measurable goals/objectives for the first operating year of the proposed facility, describe your schedule for meeting the objectives, and specify the measurable objectives for the next operating year. To ensure proper data management and to streamline reporting, it is being recommended to use the City of San Diego's data management system, which is currently ServicePoint. **should funding be provided through the City, applicants will be required to adhere to all applicable reporting requirements and use the City's designated data management system of choice. **
Summarize your past experience with programs or projects similar to the one you are proposing; include data on tracking		

program participants and their achievement of self-sufficiency. For on-going programs, discuss outcome measures and success rates as outlined below.	
OUTCOME MEASURES	SUCCESS RATES
Financial Improvements	
Clients' financial stability increases.	Number and percentage of current clients whose earnings have increased.
Improved Housing Conditions	
Increased housing readiness among clients.	Number and percentage of current clients whose barriers to permanent housing have been resolved or mitigated (e.g. unresolved legal issues, criminal history, chronic alcohol and drug use, poor psychosocial state, lack of financial capacity, untreated mental health issues, weak support network, unresolved credit issues, and legal residency status).
Increased client housing stability.	Average client tenure in housing program (<i>since program inception</i>).
	Average amount of time required to transition clients who lose permanent housing back into stable housing from the time they enter the program (<i>since program inception</i>).
Clients have increased access to permanent housing.	Of those participants who left during the prior operating year , how many left for the following destination? _____ Other Permanent Housing _____ Transitional Housing _____ Institution (hospital, jail/prison) _____ Moved in with family or friends _____ Other _____ Unknown
	Number and percentage of clients who retain permanent housing one year after leaving the program (<i>since program inception</i>).
	Number and percentage of clients who remain engaged in support services that foster housing retention after leaving the program (<i>since program inception</i>).
Employment Needs	
Increased client job readiness	Number and percentage of current clients whose barriers to employment have been resolved or mitigated. (Barriers include transportation, stable housing, child care, alcohol and substance use, mental/physical health issues, domestic violence, criminal history, fear of loss of healthcare and government benefits, legal work status, interview and presentation skills, and education and training needs.)
Clients have improved job-related skills.	Number and percentage of current clients who received job training.
More clients who are able to work are gainfully employed.	Number and percentage of current clients who became employed.

Supportive Services			
Increased client access to services and benefits. <i>During the prior operating year</i> , how many clients received the following supportive services?	SUPPORTIVE SERVICES		NUMBER/PERCENT SERVED Homeless/Chronically Homeless
	Substance Abuse Counseling (Group & Individual)		
	Mental Health Therapy (Group & Individual)		
	Informational and Referral		
	Job Skills Training/Education		
	Outreach		
	Case Management		
	Senior Services		
	Job Skills Training/Education		
	Childcare or Daycare		
	Domestic Violence Services		
	Personal Financial management & budgeting		
	Personal Hygiene training & services		
	Health & Wellness Education		
	Health Aide Services (Visiting nurse care)		

Certification

The undersigned certifies under penalty of perjury that all statements made in this proposal are true and correct to the best of the undersigned's knowledge.

Authorized Signature	Typed Name
Title	Date Signed

Attachment B

Best Practice Examples

PATH MALL-LOS ANGELES, CA

- PATH Mall is a 40,000 sq foot service facility where homeless people can literally “shop” for services provided by over 20 on-site social service providers, all under one roof. The facility is centrally located and within walking distance to public transportation.
- The building is located at the end of a dead end street and was considered to be a blight on the neighborhood, therefore NIMBY was not an issue during the planning process. However, several local business owners have voiced their concerns about the homeless camping out on the streets after hours. To address the issue, PATH has an outreach team in place and a relationship with LAPD. If an individual is found camping on the streets, that person is not permitted to use the services offered at PATH.
- Services available include case management, substance abuse counseling, a job center, mental health services, legal advocacy, healthcare, and even a beauty salon, all free of charge.
- Service providers are not charged rent, but must support the cost of running their services. PATH pays the overhead cost of operating the building. MOU’s are used instead of contracts, but this leaves PATH powerless to enforce operation guidelines.
- Four Caseworkers manage approximately 1,200 cases every month. The facility also employs 24-hr security and one maintenance worker.
- Case management, client tracking, and program outcomes are linked among agencies through a computerized database. In addition, regular case management meetings are held among agencies to help streamline data management.
- The second floor provides emergency and transitional housing. 39 beds for individual men, 21 beds for individual women, 18 beds in private rooms for individuals with special needs, and 20 beds for mothers and children. The family center also has a tutoring program and recreational activities available. There is no permanent supportive housing on-site, which is one of the drawbacks of the design.
- In the course of a year, 1,200 people received mental health assistance, 500 people found permanent employment, 850 people received health care, and over 6,000 people received free haircuts and personal grooming care .

ST. PATRICK’S PARTNERSHIP CENTER-ST. LOUIS, MO

- The Partnership Center is a 100,000 sq foot service center, which provides 22 different programs all in one central location. The facility is a one stop shop conveniently located downtown and close to public transportation.
- Services available include mobile outreach, casserole program (volunteers serving hot lunches and dinners to clients on a daily basis), intake and assessment, child drop-in center, healthcare, substance abuse treatment, independent living skills, job training, and other day programs all free of charge. In addition, assistance is available for those on the verge of becoming homeless. The Neighborhood Support program provides assistance in the form of rent money, clothing, food, bus tickets, and other household goods to help maintain housing stability.

- The 4th floor houses the BEGIN program, which stands for Business, Employment Growth Incomes Neighborhoods. The program is aimed at teaching various trades to clients in hopes of promoting self sufficiency. In addition, the organization manages McMurphy's Grill, a restaurant that provides job training for clients.
- Case management, client tracking, and program outcomes are linked among agencies, through a computerized database and regular case management meetings are held among agencies.
- There is no housing on-site, but the center operates 14 units of transitional supportive housing (off site) that serve the chronically homeless population. Services include medical and psychiatric care, employment counseling, education about self care, meals and clothing, and referral to other programs. A 26 unit permanent supportive housing complex is adjacent to and compliments the transitional living center. The units provide private bathrooms, a common area, efficiency kitchens, and common laundry facilities. Services are similar to those offered in the transitional living center. Unemployed residents help earn their rent with housekeeping duties through on-the-job training.
- The Center is currently undergoing a transition from 80% government funding to a goal of 30%. The funding source is to be offset by rents charged to service providers, city funding, and private donations.

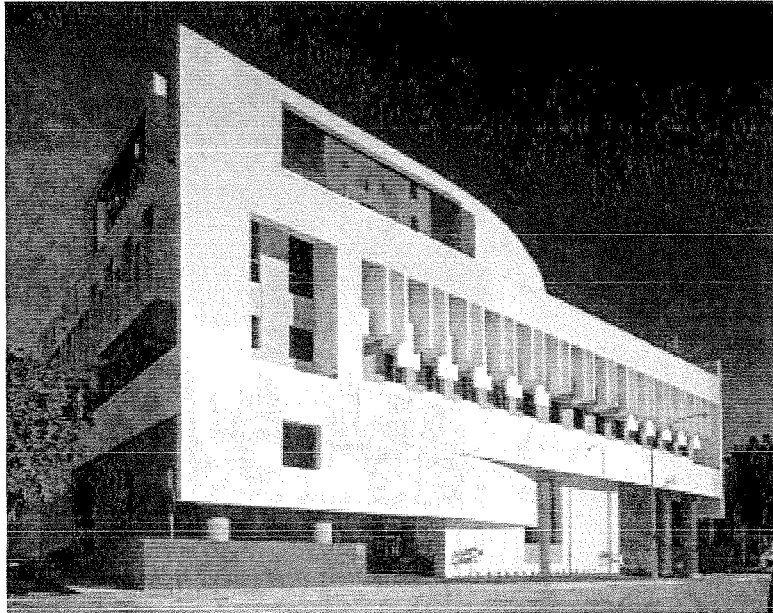
Attachment C

Funding Sources

Program Name	Purpose	Assistance Type	Terms	Eligible Activities	Application Process
Multifamily Housing Program(MHP) http://www.hcd.ca.gov/fa/mhp/	Assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households.	Deferred payment loans.	Loan term: 55 years. Interest: 3 percent simple interest on unpaid principal balance. 0.42 percent payments are due annually, with the balance of principal and interest due and payable upon completion of loan term.	New construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing, and the conversion of nonresidential structures to rental housing. Projects are not eligible if construction has commenced as of the application date, or if they are receiving 9% federal low income housing tax credits.	Applications are invited through the issuance of Notices of Funding Availability (NOFAs).
Emergency Housing and Assistance Program Operating Facility Grants (EHAP) http://www.hcd.ca.gov/fa/ehap/	Provide facility operating grants for emergency shelters, transitional housing projects, and supportive services for homeless individuals and families.	Grants	Each county receives a formula grant allocation. Twenty percent of the total allocation is available to non-urban counties, and eighty percent to urban counties.	Providing direct client housing, including facility operations and administration, residential rent assistance, leasing or renting rooms for provision of temporary shelter, capital development activities of up to \$20,000 per site, and administration of the award (limited to 5 percent)	Applications are invited through Notices of Funding Availability (NOFAs)
Emergency Housing and Assistance Program Capital Development (EHAPCD) http://www.hcd.ca.gov/fa/ehap/ehapcd.html	Fund capital development activities for emergency shelters, transitional housing, and safe havens that provide shelter and supportive services for homeless individuals and families.	Deferred payment loans at 3 percent simple interest, forgiven when loan term is complete. Term ranges from 5 to 10 years based on the development activity.	Competitive application process announced annually via a Notice of Funding Availability (NOFA). 80 percent of the total allocation is available to urban counties, and 20 percent to non-urban counties.	Acquiring, constructing, converting, expanding and/or rehabilitating emergency shelter, transitional housing, and/or safe haven housing and administration of the award (limited to 5 percent).	When funds are available, applications are invited through issuance of Notices of Funding Availability (NOFAs).

Program Name	Purpose	Assistance Type	Terms	Eligible Activities	Application Process
Mental Health Services Act (MHSA) http://www.dmh.ca.gov/prop_63/MHSA/default.asp	California Department of Mental Health (DMH) to provide increased funding, personnel and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, older adults and families.			A broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support this system.	
Supportive Housing Program (SHP) http://hudhre.info/documents/SHP_Deskguide.pdf	Promote the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness.	Grants		Acquisition, rehab, construction, operation, supportive services, administration costs associated with Transitional Housing, Permanent Housing, and Supportive Services and innovative Supportive Housing.	Through HUD, grants under the Supportive Housing Program are awarded through a national competition held annually
Shelter Plus Care Program (S+C) http://www.hud.gov/offices/cpd/homeless/programs/splusc/	The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.	Grants	Funds are granted based on the competition following the Notice of Funding Availability (NOFA).	Program grants are used for the provision of rental assistance payments through four components: <ol style="list-style-type: none"> 1. Tenant-based Rental Assistance (TRA); 2. Sponsor-based Rental Assistance (SRA); 3. Project-based Rental Assistance with (PRAW) or without rehabilitation (PRA); and 4. Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO) Dwellings. 	Applications are invited through HUD's McKinney Vento Homeless Assistance Act Notice of Funding Availability (NOFA)

Note: This table is a limited list of funds, as other funds may be available through local, state, and federal sources.



San Diego Housing Commission: Request for Proposals for the
Development and Operation of a Service Center and Housing for
Homeless and Extremely Low Income Individuals

Submitted by: PATH

June 22, 2009

Section 1 - Attachment A

ATTACHMENT A
SAN DIEGO HOUSING COMMISSION
RFP/Q Application Form
Permanent Homeless Facilities

(Note: This application is available in electronic format [WORD 2000]; email malanaw@sdhc.org)

Identify primary intent of proposal by selecting one or both of the following:

☒ **Category A:**

A "one-stop service center" ("Center") in the downtown area of San Diego that would provide a full-range of diagnostic, counseling, referral, ancillary services for individuals and families who are homeless or at imminent risk of becoming homeless; and/or

Emergency housing developed in conjunction with the one-stop service center. "Emergency housing" is defined as temporary housing for individuals for a limited amount of time. There is no minimum or maximum number of beds required by this RFP, but the intention is to provide sufficient permanent emergency beds to allow for the closure of the city's temporary winter shelter.

☒ **Category B:**

Permanent supportive housing units that could be located on a number of sites located throughout the City of San Diego. "Permanent supportive housing" is defined as affordable housing with supportive services intended for a person or family whose head of household is homeless, or at-risk of homelessness, and has multiple barriers to employment and housing stability, which might include mental illness, chemical dependency, and/or other disabling or chronic health conditions.

☐ **Category C:**

A site which is under the direct ownership of the responding entity (or authorized representative) for sale to the party selected to develop the service center and/or emergency housing. (For this RFP, site control by executed sale agreement will not be acceptable.) As applicable, please submit a site plan for the site or sites and a building floor plan. In addition, a context plan illustrating the location of the site(s) in the city should be included. If entitlements exist, please so state and provide.

APPLICANT INFORMATION

Name of Organization PATH

Type of Organization (for-profit/nonprofit) Non-Profit


Primary Contact Person: Margaret Willis **Title:** Managing Partner


Secondary Contact Person: Janet Kelly **Title:** Executive Director

Address: 340 N. Madison Avenue, Los Angeles, CA 90004

Phone: 323-644-2224

Fax: 323-644-2288

President, Board of Directors: Myrna Hant / David Alden - Co-Chairs 

If applicant is a nonprofit agency, date that Agency received IRS Section 501(c)3 tax-exempt nonprofit status and California Revenue and Taxation Code tax-exempt nonprofit status: Feb 1985 

BRIEFLY SUMMARIZE YOUR PROPOSAL.

PATH, in partnership with PATHVentures (PV), Affirmed Housing Group (Affirmed) and Family Health Centers of San Diego (FHCSO), with support from Alpha Project, proposes to develop and operate a unique new multi-use development, PATH Villas San Diego, that incorporates a one-stop PATHMall of transformational social services with interim housing and permanent supportive housing. This "step housing" model reflects the transition of people from the streets to housing within the project design. Transformation starts with entry on the ground level, into a welcoming and inclusive one-stop PATHMall service center. Above the Mall will be approximately 100 Interim units designed as a congregate living environment to move people quickly off the streets. The upper floors will be designed as permanent supportive housing, with approximately 100 units. Residents will be able to continue utilizing the services available through the Mall, supported by specialized residential case management. The Mall will be open to all homeless and low income individuals and families in need. The emergency and permanent housing will be targeted to chronically homeless individuals.

PATH has engaged PV and Affirmed as co-developers, and PATH is committed to operating the interim housing and Mall services, as well as residential service coordination. In addition, FHCSO intends to relocate their Downtown Family Health Center (DTFHC) into the Mall, providing comprehensive primary care, medical and mental health services to residents and non-residents alike. Alpha Project will provide onsite support services and operate a portion of the emergency housing units, as funding allows. In addition to providing direct case management services, PATH will oversee the program operations and ensure program quality and cohesiveness.

I hereby certify that I have been authorized by action of the Board of Directors to submit an application to SDHC for facilities to help those who are homeless.

BY: Janet Denise Kelly

TITLE: Executive Director

DATE: 6/22/09

Proposal Summary
Facilities to Assist Homeless

- | | | |
|-----|---|---|
| 1. | Name of Applicant(s) | PATH
_____ |
| | | _____ |
| 2. | Project Address(es)
(If applicable and determined) | To Be Determined
_____ |
| | | _____ |
| 3. | City Council District(s) of Project Site(s) | To Be Determined
_____ |
| 4. | Amount of local public funds
Requested | \$10,000,000 + |
| 5. | Sources of Development Funds | TCAC, MHSA, EHAPCD
_____ |
| | | HHS (Health Center Capital)
_____ |
| | | Private Loans + |
| 5. | Sources of Operating Funds for
Proposed Facility(ies) | FHCSD - \$ 2,048,422 + |
| | | In-Kind - \$590,000 + |
| 7. | Amount of Other Program Funds | Rents - \$960,564
_____ |
| 8. | Number of Units | 200 Total - 100 Interim / 100 PSH
_____ |
| 9. | Total per Unit Cost | \$243,939
_____ |
| 10. | Total Development Cost | \$48,787,860 |
| 11. | Estimated number of unduplicated persons
to be served annually | 15,000 Unduplicated per year + |

GENERAL INFORMATION

Project Readiness

Estimate Project Start Date: Construction: May 2010 Operations: January 2011	
<p>Site Control: Attach agent deeds, accepted offer(s) to purchase, lease agreement(s) or other evidence of site control for any site(s) proposed for development, if applicable.</p> <p>Financing Approvals: Attach copies of any discretionary financing commitments in effect for a site or sites to be used in your proposal if available. If financing commitments are pending, so indicate and estimate date of approval.</p> <p>Land Use Approvals: Attach copies of any discretionary land use approvals in effect for a site or sites to be used in your proposal if available. If land use approvals are pending, so indicate and estimate date of approval.</p>	

Property Description (If responding to Category C)

Location:	NOT APPLICABLE
Site Area:	
Project Type: (high rise, etc)	
Previous Use:	
Number of Units (if applicable):	
Unit Mix: (studio, 1 bedroom, etc)	
Price per square foot:	

Fair Housing

Explain how the project affirmatively **promotes** fair housing.

PATHVillas San Diego will promote fair housing both directly and indirectly. Directly, the permanent supportive housing units will adhere to all federal, state and local fair housing regulations regarding tenant selection and tenant rights. The project is designed to promote fair access to healthy, affordable and dignified housing to one of the most underserved and disenfranchised segments of the community - chronically homeless men and women. These individuals face housing discrimination for many reasons : race/ethnicity, as most are minorities; disability, as nearly all are suffering from a disabling condition; stigmas attached to addiction and mental health issues; economic discrimination; and issues of fear and distrust. The project will aggressively outreach and market these units directly to homeless individuals in person and through local homeless agencies, as well as through general public marketing efforts. In addition, the project will indirectly promote fair housing by providing education to low-income and homeless clients regarding fair housing laws and their rights as tenants. Legal Aid Society of San Diego, Inc has offered to provide information on housing law, and will help advocate for clients who have been wrongfully evicted, or are facing housing discrimination. The Mall will also promote responsible tenancy, educating clients about their responsibilities as tenants, landlord/tenant mediation, and "good neighbor" behavior.

Evaluation Criteria

1	<p>Organization Experience and Strength</p> <p>(20pts)</p>	<p>Describe your organization and that of your organizational partners' capability to provide the administrative and programmatic support for the successful development and/or operation of the proposed facilities.</p> <p>What is the purpose of your organization and whom does it serve? What is your organization's mission statement?</p> <p>Identify the key staff members responsible for design and implementation of this proposal. Note the role and responsibility of each staff member and describe how the staff member's training and experiences prepares him/her for this role. Attach résumés of key staff members.</p>
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Lead Agency: PATH is part of PATH Partners, which is comprised of four non-profit agencies serving homeless individuals and families. PATH (People Assisting the Homeless) has been providing innovative housing and services for over 25 years with the mission to break the cycle of homelessness by empowering homeless people with the tools for self-sufficiency. PATH is a community organization that provides comprehensive emergency, transitional, and permanent housing and supportive services to homeless individuals and families in Los Angeles County. The individuals and families served at PATH represent the diversity of the homeless population, including single men, single women, children, seniors, the chronically homeless, and people with disabilities and special needs. PATH operates residential programs out of three sites, all of which provide on-site and/or direct access to a full range of supportive services: the PATH Regional Homeless Center (RHC) in central Los Angeles (98 beds of transitional housing), the PATH Westside Center in west Los Angeles (32 transitional housing beds and support services), and the PATH Hollywood Center (65 beds of interim housing for chronically homeless adults). In addition to housing, PATH operates street outreach teams that work seven days a week engaging homeless individuals on the streets, providing triage and emergency supplies such as blankets, food and hygiene kits, and access to housing and services.

As a model for coordinating service delivery, the PATHMall is a physical example of the power of partnership. In one building, PATH has gathered over 20 leading social service agencies into a powerful collaborative providing a one-stop shop for homeless individuals and families. In addition to the services provided by PATH directly, the PATHMall is home to programs by the U.S. Department of Labor, Department of Public Social Services, Department of Mental Health, the Employment Development Department, Traveler's Aid, CLARE Foundation, Gateways Mental Health, Los Angeles Superior Court, Public Counsel Law Center, Los Angeles Unified School District, Walden House, JWCH Institute, IMCES, and Health Advocates.

Last fiscal year, PATH provided supportive housing services to 893 homeless men, women, and children through our housing programs. Additionally, PATH provided supportive services to more than 4,000 homeless individuals, enabling them to move towards greater independence.

(Please see the following pages for continued description of partners, key personnel, organizational structure and administrative capacity, as well as evidence of proposer's ability to raise private capital.)

(Please see ATTACHMENT 2.G. for staff resumes.)

(Please see ATTACHMENT 2.I. for financing letters.)

ORGANIZATIONAL EXPERIENCE AND STRENGTH (Continued)

- **Proposers experience providing housing or service programs similar to those proposed.**

Partner Agency: PATHVentures – PATHVentures (PV) seeks to improve individual lives and communities by increasing quality affordable housing and creating opportunities for economic, civic and personal empowerment. PV develops permanent supportive housing for homeless and very-low-income individuals and families. PV utilizes scattered site housing (Housing Now) as well as residential developments (PATHVillas) to increase the supply of quality affordable housing for special needs residents. Currently, PV operates 80 units of family housing and 8 units of scattered site (with 20 more in lease-up) in addition to over 300 units in development.

Partner Agency: Affirmed Housing Group – Affirmed Housing Group is dedicated to improving and sustaining the viability of California communities through the development of well designed and professionally managed affordable housing. Affirmed Housing Group has extensive experience in residential development. Areas of expertise include site selection, engineering, architecture, construction, public financing, low-income housing tax credit acquisition and tax-exempt bond financing. Since 1994, Affirmed Housing Group has secured over \$661 million dollars in financing to create over 2,224 housing units.

Partner Agency: Family Health Centers of San Diego (FHCSO) is the second largest federally qualified health center in the country and an integral part of San Diego's healthcare safety net. Since 1970, its mission has been to provide caring, affordable, high quality healthcare to anyone in need, with a special commitment to uninsured, low income, and medically underserved families. FHCSO operates twenty-eight locations throughout the County of San Diego, including 11 primary care clinics, 3 dental clinics, an HIV clinic, and 3 mobile medical units which provide healthcare services at approximately 75 community sites. In 2008, Family Health Centers of San Diego cared for over 120,000 individuals through over 490,000 patient encounters. The organization is a leader in the development and delivery of innovative programs that effectively address the specific needs of San Diego's underserved communities. (HCH) As the lead agency for the San Diego Health Care for the Homeless (HCH) project since 1988, FHCSO has over 20 years of extensive experience and expertise in providing primary health care, mental health, vision, dental, and psychiatric services to the San Diego homeless population. San Diego's HCH was one of the initial 25 projects included in the National Health Care for the Homeless Council, and remains an active organizational member of that body.

In calendar year 2008, FHCSO's HCH project provided **21,091 unduplicated patients with 72,874 health care encounters**, which is a 6.6% increase in patients and a 10.8% increase in encounters compared to 2007.

Today DTFHC provides care to approximately 5,000 unique patients a year through 15,000 patient visits. The health center's comprehensive primary healthcare services include: Adult Medicine; Women's Health; Mental Health for Homeless Individuals (Assessment, Crisis Intervention, and Psychiatry); Case Management; and Eligibility Assistance. The health center accepts a broad range of public health insurance programs such as Medi-Cal, Medicare, CMS, and Healthy Families. Services are provided to uninsured patients on a sliding fee scale based on income and family size. The health center is open Monday-Friday from 8:00am to 5:00pm.

Partner Agency: Alpha Project – During its 23 years of existence, Alpha Project has gained considerable experience to meet the needs of low-income individuals, with a special emphasis on the homeless and those who been incarcerated. It has earned a reputation for effectiveness and credibility with government agencies, local officials, social service agencies, and with San Diego's population of homeless, ex-offenders and very low-income people. In addition to 15 years of experience in drug and alcohol treatment, the agency has successfully operated and received funding from the state under a Supportive Housing Initiative Act (SHIA), homeless services from the Department of Housing and Urban Development. Currently Alpha Project primarily targets very low-income or no-income adults, the

majority of whom are chronically homeless and/or ex-offenders. Among Alpha Project's programs are Casa Raphael serving up to 140 individuals at a time with recovery and other support services; job training and employment opportunities for homeless and ex-offenders known as Take Back the Streets (TBS) through many private contracts and contracts through the cities of Vista and San Diego; an outpatient substance abuse counseling center that provides individual and group counseling services, anger management, outpatient substance abuse counseling, aftercare, family reunification, educational enrichment opportunities, job coaching; Metro Hotel, consisting of 193 units of supportive affordable housing. Residents include persons with mental illness and physical disabilities, victims of domestic violence, ex-offenders, veterans, seniors and people with HIV/AIDS; the Winter Shelter Program, serving 1,000 homeless individuals each season with 220 beds each night, meals, showers and access to comprehensive services; and UPTOWN Community Center, a multiservice facility providing mail and messaging services, food, clothing, HIV services, assistance obtaining identification, housing and transportation assistance for approximately 150 people a day. The agency also maintains an outreach team, a transportation program and operates sober housing.

- **Proposer's organizational structure, including roles of board and staff members, the use of volunteers and the agency's fiscal and accounting support.**

Structure: PATH Partners is overseen by a Board of Directors, including members of the boards of each of the PATH Partner agencies (PATH, Gramercy Housing Group, PATH Achieve Glendale, and PATH Ventures). Each agency operates as an independent 501(c) 3 entity, with its own board of directors, financial systems and staff. PATH Partners provides executive management oversight of agencies in the area of program development, fund development, human resources, communications and financial management. PATH is governed by an active Board of Directors, headed by Board President Myrna Hant. The Board is composed of 25 community members from diverse professional backgrounds and experiences, and is responsible for the overall vision, direction, and financial integrity of the organization. In addition to the Board of Directors, PATH operations are overseen by the Senior Management Team, consisting of the Chief Executive Officer, Executive Director/Chief Operating Officer, Chief Administrative Officer, Chief Financial Officer, and Chief Development Officer. The Director of Programs is responsible for the overall housing and services operations, including evaluation and management supervision. Each program has a Program Manager that is responsible for the day-to-day activities, including community relations, supervising line staff and performing quality assurance checks and reporting. Line staff such as Case Managers, Employment Associates, Outreach Case Managers and Residential Associates work directly with clients in both residential and non-residential settings.

Volunteers: Volunteers provide invaluable support in every area of PATH's operations. We receive a number of college and graduate school interns who do research, provide case management, and engage in other activities within our organization. We also have over 200 active volunteers from all sectors of the community who give workshops on various life skills topics, cook meals for our residents, tutor children in our program, and lend their professional expertise to PATH and our clients.

Fiscal Administration: PATH currently has an operating budget of more than \$4 million and maintains a comprehensive fiscal control system based on generally accepted accounting practices to oversee our grants from government entities, private foundations, corporations, faith-based organizations, and individual donors. The Finance Department consists of three full-time employees. PATH utilizes an automated accounting system to track and process all financial transactions by funding source and cost center to ensure that funds are used for their designated purposes and are not misappropriated. Financial statements are prepared monthly on an accrual basis to ensure that revenues are recognized when earned, and expenses are recognized when incurred. The general ledger account assigns each private funding source to one of the following categories: Individual, Foundation, Corporation, Faith-Based, Special Events, or Miscellaneous. A separate cost center is maintained for each publicly-funded contract which tracks all income and expenses assigned to that particular contract and program. Through this process, we

maintain the integrity of our public and private funding and are able to direct funds to support specific programs and operations in compliance with contract standards and requirements. Our system has protocols for preparing and/or processing cash receipts, cash disbursements, payroll, financial reporting, and contract budgets, invoices and reports. All payments, including payroll, invoices and reimbursements, must be approved by a supervisor and submitted with the appropriate back-up documentation (e.g. receipts). PATH requires two signatures for all disbursed checks, one from the Executive Board Committee and one from the Chief Executive Officer. Our fiscal management system also requires an approved purchase order with authorized signature for purchases over \$100.00. Furthermore, we maintain internal controls to safeguard the fiscal integrity of the agency, including the separation of fiscal duties – the Administrative Assistant is responsible for opening and recording donations, the Finance Manager is responsible for depositing checks, and the CFO is responsible for reconciling the bank statements. A thorough system of checks and balances exists to ensure that PATH performs its fiscal duties in an accurate and responsible manner. All financial requests are submitted to the accounting office for review and subsequent approval or disapproval from the executive committee. To ensure fiscal accountability, the Board of Directors Finance Committee conducts monthly reviews of PATH's financial statements, including balance sheets, income statements and cash flow documents. The Committee, which includes a California-licensed CPA, presents the entire board with an independent assessment of monthly financial transactions. We prepare and submit financial reports as required by our various funders, and cooperate fully with all auditing procedures conducted by funders.

For the purposes of this project, PATH Partners will be the lead agency, handling the administration of the grant funds, the overall coordination of the development of the facility, and the design and operation of the programs.

- **Experience and expertise of key proposer staff members and their roles in the program.**
- **PATH Partners - Joel John Roberts, Chief Executive Officer:** Mr. Roberts provides primary vision and oversight for PATH Partners and the four affiliated non-profit agencies. Recognized as a leader on poverty, housing and homelessness, Mr. Roberts' focus has been to modernize the supportive services industry so that communities focus their efforts on solution-oriented outcomes when assisting individuals in need. Some of those approaches include emphasizing strategic outreach, integrating services, developing comprehensive housing options, and engaging cross-sector partnerships. He has served as the Chairperson for the LAHSA Advisory Board, and been a member of the Bring L.A. Home Blue Ribbon Panel and the Human Relations Commission in Long Beach, California. Mr. Roberts earned a Bachelor of Arts Degree in Communications at Cal State University, Long Beach and a Master's Degree in Cross-Cultural Studies at Fuller Seminary.
- **PATH Partners - Janet Ganaway-Kelly, Chief Operating Officer and Executive Director:** Ms. Ganaway-Kelly has been with PATH in various management positions for over nine years. As Executive Director, Ms. Ganaway is responsible for overseeing organizational development, building relationships with government officials and departments, overseeing human resources, assisting with program development, and offering support with program operations. Ms. Ganaway offers guidance and leadership with program expansion, strategic planning, and supervision of the executive and program staff. She possesses extensive housing industry knowledge in the field of fair housing and affordable housing development. She received her Bachelor's Degree in Sociology from the University of California, Los Angeles and is a MBA candidate with the University of Phoenix.
- **PATH Partners - Margaret Willis, Managing Partners:** Ms. Willis has been with PATH for over seven years, with extensive experience in government grant administration, program development and new project implementation. As Managing Partner of PATH Partners, Ms. Willis is responsible for providing technical assistance and strategic planning for cities and agencies who are working to end homelessness. She has also served as Executive Director of PATH Achieve Glendale, a \$1.5 million agency, and as Interim Executive Director of PATH. She is currently leading the development and

implementation of the Gateway Cities Homeless Strategy, a regional approach to coordinating homeless care within the twenty seven cities of the Gateway Cities Council of Governments.

- **Affirmed Housing Group - James Silverwood, President and CEO:** Mr. Silverwood oversees investor and lender negotiations, financial underwriting, and construction and asset management. In addition to current endeavors developing affordable housing projects over the past fourteen years, Mr. Silverwood had directed the development, financing, and construction of hundreds of single-family homes and apartments throughout California. He has over 30 years experience in housing development as a General Contractor and Developer. Under Mr. Silverwood's direction, Affirmed Housing Group has continued to grow in the field of affordable housing by developing innovative new construction and acquisition / rehabilitation projects here in California. Mr. Silverwood has been active in regional and statewide legislative issues. He has served on numerous Boards and Committees such as the Board of Directors of the San Diego North County Building Industry from 1989 to 1992 and California State Treasurer Matt Fong's Housing Finance Advisory Committee from 1997 to 1998. A past board member of the San Diego Housing Federation, he currently sits on the Board of Governors of the California Housing Consortium.
- **Affirmed Housing Group - Lindsay Quackenbush, Vice President of Development:** Mr. Quackenbush is responsible for pre-development activity including, site selection , due diligence, financial underwriting, land acquisition, site and architectural design, environmental and entitlement review and approvals, engineering and construction documents and permits, and for project financing including, Low-Income Housing Tax Credits, Tax-Exempt Bonds, Low and Moderate Income Housing Funds and HOME funds from local jurisdictions. Mr. Quackenbush is the primary liaison between design team members, lenders, investors, and City Staff, overseeing and directing all pre-development activity. Mr. Quackenbush has been managing residential and commercial development projects for more than 27 years and is a licensed general contractor.
- **Affirmed Housing Group - Anna Scott, Project Manager:** Ms. Scott is responsible for all project management activities at Affirmed prior to the start of construction. Ms. Scott selects architectural and engineering consultants teams, leads due diligence analysis of potential sites, develops concept site plans, architecture, budgets and project schedules, processes and obtains entitlements and environmental approvals, coordinates local funding applications, and leads architectural, engineering and landscape design through final plan check. Ms. Scott is also responsible for all community outreach efforts and stakeholder meetings, and oversees Project Management Staff. Ms. Scott has over 12 years experience in Real Estate development and has worked previously for Pulte Homes and Fieldstone Communities.
- **PATH Ventures - John Molloy, Executive Director:** Mr. Molloy has over 30 years experience in planning, development, redevelopment, financial management and policy development. He has served as Chief Executive of the Sacramento Housing, moving forward major projects such as the Central Library Plaza, the renovation of Downtown Plaza and the Waterfront Master Plan. As the Executive Director of the Los Angeles Redevelopment Agency, he engineered numerous Downtown and Hollywood revitalization projects such as Staples Arena, the Hollywood/Highland complex and Colburn School of Performing Arts. As an advocate for affordable housing, Mr. Molloy has overseen the development, rehabilitation and financing of over 22,000 units in the Sacramento and Los Angeles areas. In addition to his duties as Executive Director of PATHVentures, Mr. Molloy is an Adjunct Professor at the University of Southern California, and is head of John Molloy and Associates, a consulting firm for residential and commercial developments. Mr. Molloy holds a doctorate in Public Administration from the University of Southern California, and is a veteran of the United States Air Force.
- **Family Health Center- Fran Butler-Cohen, President & CEO:** Ms. Butler-Cohen has extensive experience as an administrator, coordinator, and executive director. Ms. Butler-Cohen has served as the President and CEO of the Family Health Centers of San Diego for the last twenty-three years and led FHCS to financial stability with her strong financial management and fund raising skills. At Family Health Centers of San Diego, Ms. Butler-Cohen has been responsible for the management and

growth of the organization from one small community health center in Barrio Logan to the second largest federally qualified health center in the country with 28 locations throughout the County of San Diego. Among Ms. Butler-Cohen's accomplishments has been that of leading FHCSO to accreditation through the Joint Commission on Accreditation Health Care Organizations, and has successfully achieved reaccreditation for 13 years. FHCSO was only the second community health center to achieve accreditation in the State of California. Ms. Butler-Cohen's educational accomplishments include a BA in Psychology from San Diego State University, and an MBA, also from San Diego State University.

- **Family Health Center - Alberto Aldrete, Clinic Director, Downtown Family Health Center:** Prior to becoming the Clinic Director of Family Health Centers of San Diego's Downtown Family Health Center, Mr. Aldrete served as FHCSO's Director of Health Education and Patient Development for nearly four years. Mr. Aldrete holds a Bachelor of Arts and Sciences Degree in Psychology from San Diego State University and a Medical Degree from the Universidad Autónoma de Guadalajara, Mexico, and a Masters in Business Administration from National University. He completed his Medical Pre-Internship at Hospital General De Tijuana.
- **Family Health Center - Nancy Bryant Wallis, Dr.P.H., LCSW, Regional Director, Special Populations and Satellite Operations:** Dr. Bryant Wallis has over 30 years of experience in health care operations, with particular reference to staff, leadership, and consultant roles. As Regional Director, Dr. Wallis has served to enhance multiple projects serving the homeless, adolescents, school-aged children, and those with mental illness. She has overseen FHCSO's Healthcare for the Homeless Project (with a current budget of \$2.4 million) since 1996. She has worked as a clinical social worker, a hospital administrator, a college lecturer and has directed the Off-Site Operations department at FHCSO for 13 years.
- **Alpha Project – Bob McElroy, President and Chief Executive Officer:** Bob McElroy has overall administrative and operational responsibility and has served in his present capacity since founding the agency in 1986. He has more than 20 years of experience serving the target population directly, as well as serving as an advocate for the homeless community and those with criminal records.
- **Alpha Project – Kyla Winters, Chief Development Officer:** Ms. Winters, formerly worked at the District Attorney's Office in the child support department, has been with Alpha Project for 11 years. She is responsible for generating public and private funding, oversees IT, marketing and public relations, and advocacy.
- **Alpha Project – Jan Norby, CPA, Chief Finance Officer:** Ms. Norby, who has served in his capacity for ten years, is responsible for audits, all internal accounting, accounts payable and receivable, payroll, benefits coordination, budget monitoring and financial reporting.
- **Alpha Project – Amy Gonyeau, Chief Operating Officer:** Ms. Gonyeau, has been with Alpha Project four years and in the field for over 12 years. She is responsible for overseeing the operation of the agency's many programs and services and directly supervises program personnel including human resource relate issues, ensures compliance with clinical treatment standards, implements agency policy, oversees contract and program compliance and coordinates collaborative efforts with partner agencies.

- **Evidence of proposer's team to demonstrate the ability to raise private capital for the proposed uses (letters from private debt and equity providers).**

PATH Partners, including PATH and PATH Ventures, have a long and successful history of raising capital for facilities and housing developments for homeless and special needs populations using a diverse mix of public and private sources.

As ATTACHMENT 2.I., please find letters from **Union Bank of California, Wells Fargo and Enterprise Community Investment, Inc.** indicating the willingness of their institutions to lend capital to PATH for the purposes described in this proposal.

2	Client Group and Resident Selection (10pts)	Describe the client population and its housing needs. Indicate how your organization's experience prepares it to serve the needs of this group. Describe how clients will be referred to your organization and/or your collaborators' the process you will use to select participants in the program. Specify how you will collaborate with other service providers to select/admit new residents.
<p>The San Diego Regional Task Force on the Homeless produced a point-in-time survey in January 2008 that identified 7,582 homeless persons in the region, including 3,856 persons homeless unsheltered on the streets of San Diego County. Of those counted on the streets, 1,601 were counted within the City of San Diego. The number of unsheltered people accounted for over half of the overall homeless population counted (7,582 throughout the region). The percentage of unsheltered homeless increased more than 7% over the previous count in 2006. In addition, the survey revealed that, among those who identified as having a disability, 23.0% reported mental illness, 29.9% reported drug abuse, and 36.9% reported alcohol abuse. In addition, the report indicates that 24% of those surveyed could be classified as chronically homeless, which is higher than the national figure of 18%. It is important to note that the point-in-time does not reflect the number of people who may experience homelessness throughout the year. FHCSO maintains an extensive database of clients served through the Healthcare for the Homeless program, which served over 21,000 unduplicated individuals in 2008. The majority (41.8%) were aged 25-44 years; an additional 36% were between 45 and 64 years old. Most were male (62.4%). Racially, the homeless clients served represented the diversity of the county. 43% identified as Latino, 16% identified as Caucasian, and 14.9% identified as African-American. A significant portion of the clients served - 27% - indicated that they were best served in a language other than English.</p> <p>The 2006 Plan to End Chronic Homelessness in the San Diego Region states that "To assist the chronically homeless with their more complicated service needs to return to housing... The San Diego Region needs to develop a primary outreach and drop-in services system of behavioral health professionals who are trained in mental health, substance abuse and co-occurring disorders to provide mental health assessments, intensive case management and other appropriate support services." PATH Villas San Diego is prepared to do just that by providing a centralized "home" for chronically homeless individuals to access care in a client-centered environment.</p> <p>PATH is highly experienced in serving the homeless community, including special needs sub-populations such as chronically homeless individuals with co-occurring disorders, seniors, veterans and people living with HIV/AIDS. PATH has worked with street homeless communities for over 10 years through our Regional Street Outreach teams. In the past several years, this team has been transformed into strategic case management provided in the field, conducting comprehensive needs surveys and providing housing and benefits advocacy and transportation to services. In addition, PATH operates a 65 bed program in Hollywood designed for people coming in directly from the streets with active addictions and untreated mental illness. In addition, PATH and PATHVentures were the first agencies in Los Angeles County to lease-up a permanent supportive housing development under the new Mental Health Services Act housing funds. PATHVentures currently operates 8 units of scattered site housing for chronically homeless individuals using a Housing First approach.</p> <p>(Please see the following pages for continued description of the client referral system and client selection process.)</p>		

CLIENT GROUP AND RESIDENT SELECTION (Continued)

- **Proposer's client referral process – how clients are referred to the program and the program's linkages with other organizations and service providers.**

For Mall services, clients will either self-refer (through word of mouth or general public marketing) or be actively referred by a local stakeholder (service provider, business owner, law enforcement, city or county staff, or a concerned resident). The Mall will be designed as a gateway to services, a one-stop center where anyone in need can come for information, service needs assessment and referral to existing on-site or off-site service providers. Therefore, PATH Partners will engage in a comprehensive community education and outreach plan to inform stakeholders of the new center. PATH Partners has a proven track record of successful community engagement. We begin with identifying existing groups that are either directly or indirectly affected by the issue of homelessness. These groups often include faith based organizations, law enforcement, business associations/business improvement districts, service provider collaboratives, schools, service clubs, neighborhood associations, and county-wide service planning groups. PATH Partners will do presentations to these groups to let them know what services are available and how to refer people in need. Presentations include flyers and business card sized "Hand Up" cards, that have the address and phone number for the center with a map and directions which can be given to people on the streets.

Referrals to interim housing will be made primarily through staff and partners at the Mall. However, prior to opening, special outreach will be made to individuals who utilize the winter shelter. PATH will work closely with VVSD and Alpha Project to identify vulnerable individuals who have been regularly utilizing the winter shelter program, and prioritize those individuals for placement in the new year-round program. PATH will utilize an assessment tool that identifies clients with multiple indicators (chronic health conditions, length of homelessness, mental illness, addiction, recent hospital or emergency room visits, etc) that predict their statistical risk of dying on the streets.

Referrals to permanent supportive housing will be handled according to fair housing standards, with targeted local marketing three months prior to opening. Marketing will be done to local providers who work with chronically homeless individuals, city and county departments who work with homeless individuals, and other local entities that encounter or engage the target population. A waitlist will be formed on a first-come basis, and applications accepted in the order of the waitlist. The list will be prioritized based on target population, income eligibility, and any other criteria as defined by capital or operating funding sources (such as a mental health diagnosis, disability, age or veterans status). Units will be assigned based on prioritized eligibility and position on the waitlist.

Referrals to all services will also be generated through FHCSO, Alpha Project and other on-site and community partners. FHCSO and Alpha Project have extensive outreach and referrals networks throughout San Diego. FHCSO maintains a full-time outreach worker to identify individuals in need in the streets, shelters and low-income housing developments. The co-location of services also promotes "cross referrals". For example, DTFHC provides care to approximately 5,000 patients a year, 58% of which meet the Department of Health & Human Services definition of homeless. Many of those clients will be eligible for other services available in the Mall, and may choose to access those services which will be readily available to them.

- **Proposer's client selection process – the reasons for serving the client group and the role that residents and other service providers play in selecting new participants.**

The Mall: As a central "town square" for people in need, the Mall is designed to welcome any homeless or low-income individual or family. Given the planned location downtown, we anticipate that the primary client population will be single adults, including those defined as chronically homeless and mono-lingual Spanish speakers. While services for families will be available, the intention is to quickly assess their immediate needs and refer them to the most appropriate housing and services. Transportation assistance


will be available for families without their own means. Services will be delivered on a first-come/first-served basis, with flexibility to prioritize individuals in severe and immediate crisis. The focus on chronically homeless adults is a result of the perceived need within the downtown community to engage the street and transient homeless population. While there is no “participant selection” process, clients and providers will play a role in identifying and engaging the target client group through word-of-mouth referrals and outreach activities.

Interim Housing: Given the congregate living design of the facility, the interim housing program will focus on single adults, with a secondary target population of veterans. The selection process will be based on the intake interview, and will focus on clients who require a “low barrier” program. The interim housing program will promote stability and wellness in a high tolerance setting, utilizing a client-centered approach that builds on individual strengths, while identifying and addressing challenges with the goal of modifying behavior patterns towards healthy lifestyle choices. While existing clients (outside of the applicant) will not have a role in selecting clients, residents do have the opportunity to express their concerns and make recommendations for changing policy during weekly house meetings, case management meetings and via anonymous written comments placed in a “Comment Box”. Providers will be encouraged to advocate for their clients in a constructive and collaborative manner, but selection of residents will ultimately be the responsibility of the housing operator.

Permanent Supportive Housing: The permanent units are designed for single adults, with a focus on individuals with disabilities. This population is consistent with the focus of the facility in general, and studios/one-bedroom units are practical based on the limited physical size of the proposed development. Tenants will be selected in compliance with all applicable federal, state and local laws based on a first-come/first-considered basis.

The purpose of the facility as a whole is to promote greater housing stability for the most vulnerable. The goal is to do so in an environment that is safe and healthy for both staff and clients. Therefore, every effort will be made to allow for advocacy and intervention before a decision is made to ban/evict a client from the facility or program. On-site partners will be consulted regarding behavior, program or lease violations of mutual clients in order to ensure that there is consistency and consensus during the process of evaluating a clients’ status.

3	Project Design, Location and Program Operations (25pts)	<p>Describe the appropriateness of the design, location, and physical characteristics of the facilities and the characteristics of the immediate neighborhood of the proposed project(s) for meeting client needs. Attach a map locating the facility(ies) and support services which residents would be expected to utilize in your service delivery design. For services not readily accessible, describe any assistance you will provide to coordinate access to services.</p> <p>Describe the level and type of services you will offer. Describe the service delivery design: 1) expected duration of stay and calculation of rent payments, if any; 2) on-site and off-site supportive services to be provided; 3) the level of case management; 4) frequency and duration of client contact and/or counseling; 5) Public Outreach Plan</p> <p>Describe the performance criteria required of program participants and attach a copy of any related written material. Describe how/why these criteria were selected and how they contribute to meeting program goals.</p>
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Number of persons to be served annually: 15,000 

Number of chronically homeless persons to be served annually: 3,750

Appropriateness of size and configuration of site for proposed uses:
We are planning a six-to-eight story structure with flexible space of approximately 150,700 square feet. The first and second floors would be approximately 20,000 square feet of support services and administrative offices. The third and fourth floors would be approximately 15,700 square feet of emergency housing with a goal of establishing 100 beds for single men and women. The upper floors would be approximately 100 permanent supportive housing units for single men and women. To accommodate anticipated minimum parking requirements, we estimate having 45,000 square feet of subterranean parking. In order to accommodate these plans, we are looking for a site with a footprint of approximately 40,000 square feet, with a possibility of one or two levels of subterranean parking. The size is consistent with the need for a mid-size service center, and accommodates that 10,000 square feet that FHCSD will need for their full-service health center. In addition, the emergency bed capacity space is moderate-density, which is appropriate for a low-barrier program that targets individuals who may have untreated mental illness, active addictions and other behavioral challenges that may be exacerbated by a more crowded situation. The permanent supportive housing units are designed to be space efficient. Studios will be 375 square feet, and one bedroom units will be 550 square feet. Small-but-livable spaces will promote greater use of common areas and community space and reduce incidents of residential isolation. Permanent supportive housing has shown to be more successful on small and mid-size projects, allowing for lower services-to-resident ratios, a greater sense of community integration, and a lower impact on the surrounding neighborhood density.

Appropriateness of size and configuration of existing structure for proposed uses:
Given the unique facility design of this proposed project, we anticipate this being a new construction project. We do not anticipate utilizing an existing structure. If, however, the city identifies a site under this RFP that has an existing structure, we would be open to analyzing the appropriateness of the site and offering a modification of this plan if appropriate. The main concerns of utilizing an existing structure would be the need for sufficient parking spaces for the new usage (residential), and the structural capacity of the existing building to accommodate an additional story or two for permanent housing.

Physical condition of site and/or existing structures for proposed use:
A site has not yet been identified for this proposal under the A and B components; therefore this question is not applicable to this proposal at this time.

(Please see the following pages for a continued description of the capatibility of proposed uses with surrounding uses and neighborhood, site's proximity to amenities, and land use restrictions.)

PROJECT DESIGN, LOCATION AND PROGRAM OPERATIONS (Continued)

Appropriateness of design, location, site and facility -

- **Compatibility of proposed uses with surrounding uses and neighborhood.**

Although a site is not being proposed as part of this proposal at this time, we are anticipating locating a site within the northern area of the Centre City redevelopment area. While land prices are lower in the southern and eastern areas of downtown, the area is already saturated with homeless and low income services and housing. For example, FHCSO would not be able to relocate their DTFHC to the Southeastern section of the Centre City redevelopment area, as it would overlap with the service delivery area of their Logan Heights Family Health Center. A new facility in the northeastern area of downtown will be beneficial to those clients who are coming from the court house, seek shelter and respite in Balboa Park, seek sanctuary in downtown churches, and afraid or intimidated by the density of homeless individuals in the east village area. The surrounding area is office space and mid-to-high density housing, which is consistent with the proposed project use – just with a different target clientele. PATH is committed to developing high-quality facilities and programs that are designed to blend with the community, and are operated with respect to neighbors and clients alike.

- **Site's proximity to transit, support services, grocers and other retail uses.**

The site will be identified with consideration to transit, services and retail needs. We will prioritize sites that are easily accessible from a bus or trolley stop, without a steep grade or hill. We anticipate that the majority of services will be available on-site; however, there are several services available in the area north of Market, such as Catholic Charities and Salvation Army. There is a Ralph's located at 1st and G Street, as well as several other local markets.

Acquisition Strategy: The most important elements of our acquisition strategy is to aggressively and intelligently pursue properties that fit our proposed project and the community needs, and to diligently conduct feasibility studies and due diligence activities, access reports, and secure acquisition financing. As a result, we need at least 120 days in escrow and with inspection and finance contingencies. An alternative to a 120 days escrow is to offer a multi- purchase option for a fee which will be credited towards the purchase price if the option is executed. We will also work to either complete entitlements or to get to a level of comfort where we anticipate a 99% chance of being entitled. We will work hard with local agencies in this effort and if we feel there is major risk in this area, we will make an offer contingent on entitlements.

The key will also able to structure a deal that has the least amount of risk to buyer. We structure deals that will allow our earnest money to be fully refundable if we are not able to find financing or deem the property to be infeasible for any reason within the amount of time allotted in the contract. We will work hard to find seed money which can be used as a down payment and/or cost associated to due diligence. One source that we have used in previous projects is the Corporation for Supportive Housing.

Acquisition Criteria for Step Housing

- At least 20,000 sqft with high density
- Underutilized property that can increase their units
- Existing properties with high vacancy and physical damage
- Mixed use zoning opportunities
- Transit rich areas
- Infill opportunities
- Sellers that are willing to participate in a purchase option agreement
- Sellers that are willing to carry back financing for at least 2 years
- Sellers that are willing to go into a contract with financing contingencies and a due diligence period of at least 120 days.

TCAC amenities in close proximity to the site

- ✓ Transit
- ✓ Parks and recreation
- ✓ Public library
- ✓ Full scale grocery or supermarket
- ✓ Public school- elementary, middle, high
- ✓ Senior center
- ✓ Special needs facility
- ✓ Medical clinic or hospital
- ✓ Pharmacy

- **Density, zoning and other land use restrictions applicable to the proposed site.**

Not applicable as a site has not been identified at this time.

Level and type of services offered -

- **Responsiveness of the program to the housing and service needs of the target population.**

PATH Villas San Diego is responsive to the needs of homeless and chronically homeless individuals in several key ways:

- ✓ Greater Access to Multiple Services – chronically homeless individuals have complex service needs and often require multiple providers such as mental health care, primary health care, substance abuse treatment, benefits assistance and legal assistance. Having an array of services available in on location makes it easier to those who are not “in a program” to access these services. In addition, the co-location promotes self-determination and empowerment, allowing clients to choose what services they want – and encouraging them to access services they may not have considered accessing if they had to travel to another location.
- ✓ Permanent Supportive Housing and Housing First – chronically homeless individuals, who are often labeled as “service resistant” have overwhelmingly responded to offers of permanent housing. These individuals are not so much ‘service resistant’ as “system resistant” – it is not the service they reject, but the system that requires them to jump through hoops, stay in shelters and slowly progress through a two or three year transitional process, or demands immediate and complete sobriety. By placing the focus on permanent housing first – with services delivered in-house or on-property – these individuals are much more likely to accept housing, move off the streets and begin to address their other needs. In addition, low barrier interim housing allows individuals to enter a safe and supportive environment immediately, without sobriety requirements or religious participation.
- ✓ Providing a Medical Home – chronically homeless individuals often utilize emergency rooms and hospitals for their medical needs, and do not utilize preventative health care services. This “crisis medical management” is expensive to the community, a burden to hospital staff, and a revolving door for clients. The proposed relocation and expansion of FHCSO’s DTFHC will provide a medical home for homeless individuals that allows them to access health care as part of their regular routine of services, and will be coordinated with their housing. DTFHC’s comprehensive primary health care services include mental health assessment and treatment, medication management and case management for homeless individuals. FHCSO’s extensive network of care will also provide clients of DTFHC with assisted referrals to dental, vision, and additional specialty care services at other FHCSO locations.
- ✓ Diversity of Staff/Cultural Competency – PATH and our partners are committed to offering services that are relevant and reflective of the clients we serve. Both PATH and FHCSO maintain highly diverse staff representing many ethnic minorities and cultural/social/economic backgrounds, including those who have experienced homelessness, addiction and/or mental illness in their lives. Staff of PATH Villages San Diego will be multi-lingual and culturally diverse to allow clients the opportunity to work with staff who can relate to their unique cultural and/or social beliefs and norms.

Gender diversity will also be promoted in hiring, with male, female and transgender applicants considered equally as required by law and supported by management hiring practices.

- **Comprehensiveness of service delivery design.**

PATHVillas San Diego will provide a full continuum of care in a one-stop building, offering basic services and two unique housing options in a low-barrier environment. In the Mall, clients will be able to access an array of services that they can customize to fit their own needs and goals. There will be “entry-level” services like personal care (showers and haircuts) and mail service that can be accessed with very little commitment. These Welcome Services are designed to simply invite people in the door, get them acquainted with the other services available and introduce them to the staff and facilities in a non-judgmental, non-threatening way. There will also be Quick Stop Services that are simple and fast referrals to emergency shelter and other off-site services for individuals who are only interested in one specific service. For individuals who are motivated to engage in intensive services, there will be Hand Up Services, which will be coordinated through centralized case management. Partner agencies may choose to participate in any or all levels of care – offering some services with little or no requirements, and offering other services only after clients have engaged in case management and accomplished a minimum threshold of activities. As the operating management entity, PATH will require all agencies to redirect clients to Hand Up case managers if they have not been engaged after three visits.

Clients will be welcomed to the Mall for as long as they choose to access services. Non-medical services will all be free of charge. Interim housing will also be free of charge, and will not have a fixed time limit, but residents will be evaluated every 30 days to ensure that the program is appropriate and beneficial. The average stay is projected to be 45-65 days. Permanent housing units will not have any time limit, and the goal is for people to remain in their units until they choose to leave. Tenants will be responsible for paying a portion of the rent each month equal to 30% of their adjusted income utilizing the same rent calculation formula as Section 8 and Shelter Plus Care.

- **Level and type of support services, both on and off-site**

Like any mall, the intention is to have several key “anchor” tenants – well-known and established agencies providing a critical service. Currently, FHCSO is aligned as the anchor health provider. Other anchor tenants may include additional mental health services (either through FHCSO or another provider), a substance abuse treatment provider, and veterans services (see letter of support from Veterans Villages of San Diego). In addition, other tenants may include legal services and benefits advocacy (see letters of support from the Homeless Court Program and Legal Aid Society of San Diego) and other support services (see letter of support from Alpha Project). Employment services will also be an important part of the Mall, with emphasis on both soft skills development and specialized programs such as supportive employment. These services will be continue to be available to clients who enter either housing program (Interim or Permanent Supportive). Off-site services such as food pantries, utility assistance, and vocational training may also be utilized and coordinated for residents through their residential case manager.

- **Level and frequency of case management**

There will be various levels of case management expectations for clients. Welcome Services will not require case management participation. If clients continually access Welcome Services without engaging in case management, staff will deepen outreach efforts through incentives, motivational interviewing techniques, and continual reinforcement of the availability of additional services. For clients accessing the Quick Stop services, there will be a basic intake completed. Clients who access the Quick Stop more than three times will be directed to case management for additional referrals. Once engaged in the Hand Up Services, clients will be encouraged to meet with their case manager on a weekly basis for the first thirty days. Case managers will work with clients to determine an appropriate and comfortable level of engagement. If clients are actively accessing other key services, than they may not need to meet as often

with their case manager. However, other clients who have intensive service needs may require or request more frequent contact with their case manager to guide them and provide stability.

In keeping with a low-barrier approach, residents in the housing programs will be persistently and positively directed to residential case management services; however, housing will not be contingent upon any set minimum level of participation. In a client-centered environment, each client's needs will determine the frequency and level of engagement – for some clients who have been living on the streets for years, just saying “hello” to someone is a huge effort and would be considered a successful engagement. Case managers in residential settings will be encouraged to “get out of their offices” and use casual encounters and conversation as their primary form of engagement. Case managers will be expected to seek out residents who have not been engaged, in their bed areas or units and in common areas. Frequent informal contacts can be more beneficial to clients than structured case management sessions.

Residents will also be engaged in group community-building activities and skills workshops, which provide an additional opportunity to engage clients into case management,

- **Activities to assist in transitioning clients to permanent housing.**

Housing placements will be the primary goal of the Hand Up Services and residential case managers in the Interim housing program, with case managers functioning as “housing specialists”, identifying barriers to housing and establishing a housing case plan with each client. Case managers will conduct a housing needs assessment, identifying the type of permanent housing a client is seeking or willing to secure (market rate affordable, permanent supportive, board and care, sober living/group home or a shared-housing situation), what means the client has for securing housing (income, job skills, friend/family), and what services he needs to remain stable in housing (increased income, life skills, health or mental health treatment, recovery services, counseling, legal assistance, etc). Service on-site will be targeted towards addressing these barriers and supporting people once they transition to permanent housing.

Partner agencies will also be encouraged to connect clients to appropriate housing. For example, for residential substance abuse rehabilitation programs, FHCSA's HCH Social Worker and Case Manager refer clients to McAllister Institute, CRASH (Community Resources and Self Help), or to Teen Challenge. If clients are more interested in a faith-based model of recovery, they can be referred to Set Free Ministries or Victory Outreach. For other transitional living situations, FHCSA staff will refer clients to St. Vincent De Paul's shelter or the San Diego Rescue Mission. If the referral is specifically for a homeless women, she may be sent directly to Rachel's Women's Center night program (a program of Catholic Charities) or the YWCA's Cortez Hill Family Shelter. For other housing options for the homeless, the project Social Worker and Case Manager will regularly refer clients to *211 San Diego* for the most current listing of available housing options. In San Diego, 211 functions as the clearinghouse for homeless services providers who offer emergency beds, transitional living opportunities, or permanent housing options. This list is updated on a daily basis and provides all the contact information a client needs in order to initiate to begin the process of finding housing. The HCH staff also refer directly to the San Diego Housing Commission where clients can begin eligibility screenings and complete an application for Section 8 housing vouchers or other public housing benefits.

- **Public Outreach Plan**

PATH has several strategies for engaging the public and mobilizing support for homeless services. These initiatives are community-based and tailored to each neighborhood or area where PATH operates.

- ❖ Project Y!MBY (Yes! In My Backyard) is a local stakeholder collaborative of business owners, service providers, law enforcement, faith groups and local elected offices. Y!MBY is an action-oriented group that identifies programmatic gaps, designs solutions, secures resources and implements change on a neighborhood level. Organizing a Y!MBY committee has produced a 65

unit permanent supportive housing development in Hollywood, the Homeless Emergency Response Outreach (HERO) Program which provides a toll-free 1800 hotline and a “nights and weekends” outreach team. In addition, the Hollywood YIMBY committee plans and produces the annual Hollywood Homeless Connect Day.

- ❖ FAITH Matters is a faith-based network designed to harness and direct the power of the faith community towards effective solutions to homelessness. FAITH Matters is a forum for education on current policy trend, discussion of difficult philosophical issues regarding homeless services and policies, enhancing coordination of volunteers and faith-based service efforts, and developing resources to help homeless individuals and families. The FAITH Matters network is comprised of over 55 congregations throughout Los Angeles.
- ❖ CONNECTIONS is a community engagement and mobilization initiative that provides direct technical assistance to students, neighborhood groups, faith groups, cities and other entities that are looking for ways to reach-out to their neighbors and begin the work of addressing homelessness. CONNECTIONS works to identify existing networks and/or “like minds”, analyzes capacity and resource opportunities and develops plans for bridging the gaps between “wanting to do” and “actually doing”.

To build community support, PATH staff do direct one-on-one outreach to immediate neighbors, local elected officials, nearby agencies, and local business owners and associations. We hold frequent neighborhood meetings and participate in local neighborhood associations and councils. We build trust through direct and honest communication, frequent contact and quick responses to complaints and concerns. We promote a “good neighbor” policy in our programs that limits a client’s access to services in the event of loitering or other nuisance activities. We work closely with local law enforcement, offering priority services to clients who are identified or dropped off by law enforcement, as well as conducting regular presentations to officers at roll call meetings. We continually encourage conversation about homelessness through monthly e-newsletters, a daily blog, and social network sites such as Facebook and Myspace. We produce an annual magazine, PATHLines, that highlights the work of PATH and our partner agencies as well as offering perspectives of other local and national entities collaborating on efforts to end homelessness.

PATH is committed to operating programs in a way that is respectful and inclusive of the surrounding community. We design our facilities and our programs in a way that mitigates the visual impact of client presence in the area. For example, we do not set up services in a way that requires or allows clients to line up on the street or in public areas. All services are delivered inside an enclosed courtyard or building. Smoking areas are screened from the street by fences or vegetation. We have staff and security who patrol outside the building to ensure the area is clean and that clients are not lounging or loitering when not accessing services. We establish and enforce capacity limits on the facility and programs to ensure that large numbers of clients are not turned out onto the streets each evening at the close of business.

- **Performance Criteria required of Program Participants.**

Clients will be expected to make incremental changes and positive steps towards self-sufficiency. Clients who engage in case management will develop a service plan that describes their barriers and goals. Goals will focus on steps necessary to increase income (acquiring documents, applying for benefits, increasing job skills/education, securing employment) and improving stability and wellness as a precursor to housing stability (addressing mental health and/or addiction, treating and preventing illness, resolving legal issues, financial management). Plans will be updated monthly to reflect successes and address additional challenges. Housing programs will not require case management, but both interim and permanent housing residents must adhere to basic behavior guidelines to ensure they are not a danger to themselves or those around them. Residents in interim housing who do not show increased stability through positive staff interaction or achievement of service goals will be offered opportunities to engage in case management before being exited from the program. Permanent housing tenants must adhere to their lease agreements.

CAPITAL DEVELOPMENT LEVERAGE

4

Leverage
(20pts)

List prospective and/or committed funding sources and amounts for this project.

- 1) Grantee/program sponsor contribution:
\$ 3,470,000 (Loan) ☒
 - 2) Local funds (please specify): Redevelopment ☒
\$ 10,000,000 ☒
\$ _____
\$ _____
 - 3) State funds (please specify): Pending Capital
\$ 1,000,000 EHAPCD
\$ 6,240,000 MHSA ☒
\$ _____
 - 4) Federal funds (please specify): Clinic Capital Pending
\$ 500,000
\$ _____
\$ _____
 - 5) Foundation funds (please specify): _____
\$ _____
 - 6) Client charges/fees (please specify): _____
\$ _____
\$ _____
 - 7) Other (please specify) _____
\$ 21,249,407 (TCAC)
\$ 800,000 (AHP)
\$ _____
- TOTAL
\$ 43,259,407

Provide a program budget detailing expenses and revenues for the project for the current year and for the year applying. A program budget form is attached. Also provide a narrative detailing how funds will be utilized.

OPERATIONS LEVERAGE

4	Leverage (20pts)	List prospective and/or committed funding sources and amounts for this project.
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- 1) Grantee/program sponsor contribution:
\$ _____
- 2) Local funds (please specify): County Grant - FHCSD ☒
\$ 188,338 ☒
\$ _____
\$ _____
- 3) State funds (please specify): _____
\$ _____
\$ _____
\$ _____
- 4) Federal funds (please specify): FHCSD Grants
\$ 352,199 (HHS)
\$ 160,628 (HCH) ☒
\$ _____
- 5) Foundation funds (please specify): FHCSD Grant
\$ 767 ☒
- 6) Client charges/fees (please specify): FHCSD fees / Rent
\$ 1,346,490 (Fees) ☒
\$ 960,564 (Rents) ☒
- 7) Other (please specify) In-Kind
\$ 240,000 (Vets)
\$ 350,000 (Alpha)
\$ _____

TOTAL
\$ 3,598,986

Provide a program budget detailing expenses and revenues for the project for the current year and for the year applying. A program budget form is attached. Also provide a narrative detailing how funds will be utilized.

PATHMall and Interim Housing Budget

12-months direct operating (not including in-kind)

Please note there is no projected cost for operating this year.

Line Item	1st Year	2nd Year & Ongoing
Personnel		
Salaries	\$637,500	\$637,500
Fringe Benefits - 25%	\$119,421	\$159,228
Total Personnel:	\$756,921	\$796,728
Operating Expenses		
Facilities	\$78,000	\$78,000
Security and Patrol	\$120,000	\$120,000
Maintenance and Repair - Facilities	\$20,000	\$55,000
Program Supplies (e.g. bus tokens, food, personal care)	\$44,250	\$59,000
Office Supplies	\$12,000	\$12,000
Printing & Postage	\$5,375	\$6,500
Equipment - Maintenance and Repair	\$37,000	\$37,000
Telephone/ Fax	\$12,000	\$16,000
Utilities	\$73,000	\$88,000
Insurance and Taxes	\$38,000	\$38,000
Travel and mileage	\$5,875	\$6,500
Furniture and Equipment Purchase	\$100,000	\$50,000
Administrative Costs	\$75,000	\$100,000
Total Operating Expenses:	\$620,500	\$666,000
Other Costs		
Training	25,000	10,000
Subcontractors/Consultants	40,000	40,000
Total Other Costs:	65,000	50,000
GRAND TOTAL	\$1,442,421	\$1,512,728

Please see Pro Forma, Attachment 2.C for Operations Budget for Permanent Supportive Housing Component

Budget Narrative

12-month operating budget for PATHMall and Interim Housing Programs

(Direct program/client related costs are estimated for 9 months due to program set-up, hiring and training)

Personnel: \$637,500

- 1 FTE PATH Mall Program Manager @ \$50,000/yr
- 4 FTE Case Managers @ \$30,000/yr
- 1 FTE Intake Specialist @ \$25,000/yr
- 1 FTE Interim Housing Program Manager @ \$65,000/yr
- 3 FTE Residential Case Managers @ \$30,000/yr
- 1 FTE Intake Specialist @ \$25,000/yr
- 10.5 FTE Residential Associates @ \$25,000/yr

Fringe Benefits: \$119,421 1st year / \$159,228 2nd year

- Payroll taxes, health benefits and pension contributions calculated at 25% of salaries. First year is calculated for 9 months, as employees will not be eligible for benefits until they complete a 90 day probationary period.

Facilities: \$78,000

- 3 FTE maintenance staff @ \$26,000/yr

Security and Patrol: \$120,000

- Security contractor @ \$12/hr x 10,000 hrs/yr

Maintenance and Repair – Facility: \$20,000 1st year / \$55,000 2nd year

- Cost of repairs and maintenance to facility, fire safety systems, HVAC, etc. Estimated lower for 1st year in new facility.

Program Supplies: \$44,250 1st year / \$59,000 2nd year

- Cost for program materials such as personal care supplies, bus tokens and food for clients.

Office Supplies: \$12,000

- Costs for general office supplies for staff for client services calculated at \$1,000/mo.

Printing and Postage: \$5,375 1st year / 6,500 2nd year

- Costs for printing and postage for client services (job applications, document requests, program flyers, client training materials).

Equipment – Maintenance and Repair: \$37,000

- Costs for maintaining office equipment (copiers, computer and phone systems) and client equipment (computers, residential laundry equipment).

Telephone/Fax: \$12,000 1st year / \$16,000 2nd year

- Costs for telephone service for staff and clients.

Utilities: \$73,000 1st year / \$88,000 2nd year

- Costs of water, electricity, gas and sewage.

Insurance and Taxes: \$38,000

- Costs for general liability and a portion of directors and officers insurance.

Travel and Mileage: \$5,875 1st year / \$6,500 2nd year

- Costs for staff travel to off-site meetings, client services and site visits.

Furniture and Equipment Purchase: \$100,000 1st year / \$80,000 2nd year

- Costs for purchasing office furniture, client furniture (beds, chairs, etc), computers, IT equipment.

Administrative Costs: \$75,000 1st year / \$100,000 2nd year

- Costs for administrative overhead (Executive Director, Finance staff, Development/Grants management staff, Communications staff).

Training: \$25,000 1st year / \$10,000 2nd year

- Costs for First Aid and CPR Certification, skills training (motivational interviewing, sensitivity training, sexual harassment training, crisis intervention training, etc).

Subcontractors/Consultants: \$40,000

- Cost for technical assistance consultants (PATH Partners), evaluation, and IT.

5	Innovation and Collaboration (10pts)	<p>Describe how the project incorporates a new approach to meeting the housing needs of the target population and/or provides an innovative solution to reducing homelessness.</p> <p>Describe the extent to which the project involves community planning groups, nonprofit and community organizations other than the project sponsor(s), and the community interests or constituencies represented by these groups. List any specific contributions these organizations are making to the project, such as the donation of land, cash grants, assistance with zoning variances or other concessions, social services, marketing and outreach.</p>
<p>PATHVillas San Diego offers an integrated and unique approach to providing housing and services to homeless individuals. The project embraces two best practice approaches to housing - Housing First and Rapid Re-Housing. The permanent supportive housing units will be marketed towards chronically homeless individuals who are either coming directly from the streets (Housing First) or those who are in emergency shelters, with a targeted outreach to those who have been utilizing the winter shelter (Rapid Re-Housing). In addition, the proposed year-round interim housing program will operate using a "low barrier" approach that is currently only available through the winter shelter beds. The beds will be free of charge, will not require religious participation, and will not mandate compliance with treatment or sobriety. Once in the program, staff will immediately begin working on identifying appropriate permanent housing. Interim housing operates with characteristics of both emergency and transitional housing. Like emergency shelter, clients can enter interim housing directly from the streets, with few requirements. Like transitional housing, clients have the flexibility and stability of longer-term stays. Interim housing, however, does not have a set time limit - it is designed to be flexible based on the needs of the client. Some clients are in the program for 30-45 days until they secure transitional or permanent housing. Some clients, for whom moving from shelter to shelter is destabilizing and detrimental, may remain in the program for 18 months until their Section 8 voucher is available. Every client is unique, and rigid time limits or cookie cutter case management requirements do not allow clients to define their own goals.</p> <p>In addition, the unique design of PATHVillas San Diego will promote the sustainability of homeless service providers as the nation moves away from "emergency shelters" towards permanent housing. The facility is multi-use, making it easy to transition the interim beds into SRO style permanent supportive housing sometime in the future. In addition, the design of the facility provides a unique solution to the critical flaw in current permanent supportive housing design - the lack of sustainable funding for the required support services. While money is flowing for capital development, developers are struggling to find agencies willing to provide the long-term commitment to services necessary to satisfy lender requirements. The positioning of the Mall within the design creates added sustainability through the leveraging of an array of agencies, spreading the cost of services among many rather than just a few. Another key innovation is the partnership of FHCS. Corporation for Supportive Housing has studied the benefits of utilizing Medicaid billing to support the necessary services in permanent supportive housing. Having the strength of the nation's second-largest Federally Qualified Health Center co-located will allow tenants to access a variety of services that can be supported through the billing done by FHCS. If selected, PATH will ask CSH to provide technical assistance in order to maximize the potential for this under-utilized resource.</p> <p>(Please see the following pages for additional information on the unique model of the Mall, and the extent of community involvement.)</p> <p>(Please see Section 3: Project Design, Location and Program Operation for a detailed Public Outreach Plan as stated in the RFP page 6.)</p> <p>(Please see ATTACHMENT 2.I. for evidence of in-kind and community support.)</p>		
6	Outcome	Explain how you or your partner(s) intend to monitor, evaluate and report participant outcomes. List

INNOVATION AND COLLABORATION (Continued)

- **How the proposal incorporates a new approach to meeting the housing needs of the target population and/or provides an innovative solution to reducing or remediating homelessness.**

(Continued from previous section) The Mall itself is also a unique opportunity to do more than simply provide a variety of services in one location. That model exists in various forms. Several key operating principles distinguish the Mall from similar co-location models. First, the Mall is about coordination of care. The services offered are not just in the same building, but operate in a holistic way to provide wrap around care to clients. Case conferencing and case coordination are key, as is shared information and centralized intake. Second, the Mall offers variety and client choice in providers. The Mall is not operated by a single entity – it is collaboration. While PATH provides oversight and works to ensure consistency of services, each agency operates independently and with their own guiding principles. Some agencies may offer similar services, which promotes client choice and gives clients an opportunity to work with an agency with whom they feel comfortable. What works for one client may not work for another, so diversity and choice are important components. Lastly, the Mall is operated on the idea of creating an environment that is empowering and dignified, rather than institutional. Part of creating that environment is creating structure and order. After the chaos of the streets, the Mall will be a calm and orderly place. People are not “hanging around” or crowding the halls. Rather, services spaces are designed to gently direct people into lobby areas, waiting rooms and offices. There will be areas where people can relax and sit, but those areas will be designated and loitering will not be allowed. The Mall will offer coordinated care in a professional and welcoming environment.

- **Coordination of services, including outreach to other homeless service providers, referrals to other service providers and coordination of follow-up activities.**

PATHVillas San Diego will be a hub of collaboration, with several key providers already offering to co-locate if the project goes forward. PATH will continue to outreach to local agencies and will begin actively participating in local coalitions and networks in order to meet other agencies and begin building positive relationships. Services will be coordinated through a centralized intake and the use of HMIS (Service Point). We would prefer to implement the scan-card module that will allow the production and utilization of client ID scan cards. Scan cards are useful both as a labor-saving device for staff and clients, and also as an incentive for client engagement. ID cards can be customized to indicate different levels of participation, creating community and allowing clients to visually clue into the fact that their peers are moving on-ward and up-ward. All on-site partner agencies will be required to enter data into HMIS, and computers and internet access will be provided.

Referrals to on-site partners will not be required in order to access services; however, based on capacity, priority may be given to clients who have engaged in the Hand Up services (case management). Referrals for outside providers will be done through the Quick Stop as well as through case management (residential and Mall) utilizing a standardized referral form. PATH will work with local agencies to ensure the form is acceptable and contains the necessary information and releases for smooth referrals.

Follow up activities will be conducted on a regular basis by case management staff, with a minimum of 30 days, 60 days, 90 days, 180 days and twelve months post-housing placement. PATH program staff and each partner entity will be required to submit a basic program activity and outcomes report on a monthly basis, if such activity is not readily available through HMIS reporting. PATH will convene monthly operational meetings to ensure coordination of services and address any policy, facility, or inter-agency challenges. In addition, client service coordination will be fostered through weekly case conferencing between on-site agencies. Each week, staff will review difficult cases, track referral successes or challenges, and focus on client housing plans. Information will only be shared if clients have signed specific consent to release information forms that include each agency present. If an agency is not included, or if protected health information is involved, the staff must either conference outside of the meeting or ask for direction in general terms without identifying a specific client.

	Measures (10pts)	your measurable goals/objectives for the first operating year of the proposed facility, describe your schedule for meeting the objectives, and specify the measurable objectives for the next operating year. To ensure proper data management and to streamline reporting, it is being recommended to use the City of San Diego's data management system, which is currently ServicePoint. **should funding be provided through the City, applicants will be required to adhere to all applicable reporting requirements and use the City's designated data management system of choice. **
<p>PATHVillas San Diego proposes the following annual outcomes and goals:</p> <p>PATHMall Goal: Serve 15,000 unduplicated clients annually</p> <p>Outcome - Greater Self-sufficiency as measured by:</p> <p>65% of clients who enroll in case management will increase their income within 12 months.</p> <p>80% of clients who enroll in case management will access two or more services within 6 months.</p> <p>75% of clients who enroll in case management will report a reduction in hospital/emergency room visits as documented by survey results at time of entry compared to 6 months post-enrollment.</p> <p>Outcome - Greater Housing Stability as measure by:</p> <p>50% of clients who complete an intake will be referred to appropriate housing.</p> <p>25% of clients who enroll in case management will secure permanent housing within 12 months.</p> <p>60% of clients who enroll in case management will increase their housing stability within 30 days.</p> <p>Interim Housing Goal: Serve 200 unduplicated clients annually</p> <p>Outcome - Greater Housing Stability as measured by:</p> <p>80% of residents will report increased housing stability 60 days after entry.</p> <p>60% of residents will transition to more stable housing at the time of exit.</p> <p>Permanent Supportive Housing Goal: Serve 100 individuals annually</p> <p>Outcome - Greater Housing Sustainability as measured by:</p> <p>85% of residents will participate in case management within 6 months of move-in.</p> <p>60% of residents will participate in two or more activities within 6 months of move-in.</p> <p>80% of residents enrolled in case management will report a reduction in hospital/emergency room visits as documented by survey results at the time of entry compared to 6 months post-move-in.</p> <p>85% of residents will remain housed for 6 months or more.</p> <p>Outcomes will be measured by collecting data through interviews and forms at the time of intake. Most data will be self-reported. Income verification will be requested through documentation such as paystubs, bank statements, and benefit notification letters. Information collected at the time of intake and/or program enrollment will be compared to information collected at 30 days, 6 months and 12 months. Data collection will be managed through Service Point, which will be implemented throughout the facility. Partners will be required to provide basic information on clients seen as a means for comparing referrals and case management coordination. Additional data will be recorded through sign-in sheets, appointment books, and case management notes. Each program will generate reports on a monthly basis.</p> <p>Program success is measured by the achievement of established outcomes, as well as by client progress towards their established case plan goals. In order to promote the greatest level of self-determination, PATH will utilize a matrix that identifies client status at the time of entry and exit (from "In Crisis" to "Stable" to "Safe"). Programs are considered successful if they move clients to higher levels of stability. For example, a static goal such as "securing employment" may not be reflective of a programs success; if the program serves a high percentage of people who are disabled, then employment placements is not a good evaluation criterion.</p> <p>Client satisfaction is also a factor in determining if a program is successful. Client satisfaction surveys will be conducted quarterly as a tool for quality improvement.</p>		
Summarize your past experience with programs or projects similar to the one you are proposing; include data on tracking		

PROGRAM OUTCOMES (CONTINUED):

As PATH is proposing a new program, we cannot report data as an “on-going program” as we cannot, at this time, project the need or the capacity of the proposed program. However, PATH has extensive experience operating both a collaborative multi-service center and emergency, transitional and interim housing programs. We are experienced in serving a diverse population, with housing designed for people living with HIV/AIDS, families, veterans and the chronically homeless.

PATH designed and implemented the PATHMall with PATHWays Transitional Housing in 2002, adding 98 beds to our existing capacity, for a total of 195 beds. Last year, the agency provided interim and transitional housing to over 890 unduplicated individuals and families, and support services to over 4,000. Services provided include haircuts, employment services, benefits assistance, transportation assistance and access to on-site partner services such as mental health care, health care, substance abuse treatment and legal services.

In our PATHWays housing program, 80% of residents had barriers to employment mitigated. Over 50% of residents were successful in increasing their household income. Over 120 individuals graduated to permanent housing, with a retention rate of 86%.

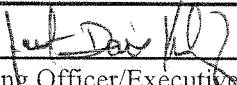
We have several methods of tracking and collecting data, including a customized in-house database, as well as participation in the local HMIS system. Partner agencies provide monthly statistics on the number of clients served. Program managers provide quality assurance file checks on a monthly basis, randomly selecting client files and verifying documentation and corresponding entries in HMIS.

program participants and their achievement of self-sufficiency. For on-going programs, discuss outcome measures and success rates as outlined below.	
OUTCOME MEASURES	SUCCESS RATES
Financial Improvements	
Clients' financial stability increases.	Number and percentage of <i>current</i> clients whose earnings have increased.
Improved Housing Conditions	
Increased housing readiness among clients.	Number and percentage of <i>current</i> clients whose barriers to permanent housing have been resolved or mitigated (e.g. unresolved legal issues, criminal history, chronic alcohol and drug use, poor psychosocial state, lack of financial capacity, untreated mental health issues, weak support network, unresolved credit issues, and legal residency status).
Increased client housing stability.	Average client tenure in housing program (<i>since program inception</i>).
	Average amount of time required to transition clients who lose permanent housing back into stable housing from the time they enter the program (<i>since program inception</i>).
Clients have increased access to permanent housing.	Of those participants who left <i>during the prior operating year</i> , how many left for the following destination? _____ Other Permanent Housing _____ Transitional Housing _____ Institution (hospital, jail/prison) _____ Moved in with family or friends _____ Other _____ Unknown
	Number and percentage of clients who retain permanent housing one year after leaving the program (<i>since program inception</i>).
	Number and percentage of clients who remain engaged in support services that foster housing retention after leaving the program (<i>since program inception</i>).
Employment Needs	
Increased client job readiness	Number and percentage of <i>current</i> clients whose barriers to employment have been resolved or mitigated. (Barriers include transportation, stable housing, child care, alcohol and substance use, mental/physical health issues, domestic violence, criminal history, fear of loss of healthcare and government benefits, legal work status, interview and presentation skills, and education and training needs.)
Clients have improved job-related skills.	Number and percentage of <i>current</i> clients who received job training.
More clients who are able to work are gainfully employed.	Number and percentage of <i>current</i> clients who became employed.

Supportive Services		
Increased client access to services and benefits. <i>During the prior operating year</i> , how many clients received the following supportive services?	SUPPORTIVE SERVICES	NUMBER/PERCENT SERVED Homeless/Chronically Homeless
	Substance Abuse Counseling (Group & Individual)	
	Mental Health Therapy (Group & Individual)	
	Informational and Referral	
	Job Skills Training/Education	
	Outreach	
	Case Management	
	Senior Services	
	Job Skills Training/Education	
	Childcare or Daycare	
	Domestic Violence Services	
	Personal Financial management & budgeting	
	Personal Hygiene training & services	
	Health & Wellness Education	
	Health Aide Services (Visiting nurse care)	

Certification

The undersigned certifies under penalty of perjury that all statements made in this proposal are true and correct to the best of the undersigned's knowledge.

Authorized Signature 	Typed Name Janet Denise Kelly
Title Chief Operating Officer/Executive Director	Date Signed 6/22/09



People Assisting The Homeless

340 North Madison Ave.
Los Angeles, California 90004
Tel (323) 644-2200
Fax (323) 644-2288
www.epath.org

November 12, 2009

Ms. Cissy Fisher
Vice President, Special Housing Initiatives
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

~~RE: Response to Request for Supplemental Information, San Diego Homeless Service Center Proposal~~

Dear Ms. Fisher,

In response to the Selection Committee's request for supplemental information dated October 2, 2009, please accept the enclosed project concept and financing strategy for use of the World Trade Center (WTC) to develop a comprehensive Step Housing Center.

SITE LOCATION: The World Trade Center is located at 1250 6th Avenue, in downtown San Diego (92101), between A and B Streets. The 30,000 s/f parcel has an existing 12 story building, with usable basement and sub-basement space, for a total of 127,990 s/f of floor space. In addition, there is an attached five story above-ground parking structure with 250 parking spaces. The building is perfectly located in a predominately commercial area, within two blocks of the trolley and several major bus lines that stop along 6th Avenue.

DESCRIPTION/PROJECT CONCEPT: The WTC building, originally the San Diego Athletic Club, was designated as a historical landmark (#685) by the San Diego Historical Resources Board in 2004. The proposed Step Housing and Service Center would return the building, currently a city office building, back to its original use as a center for wellness with residential rooms in the tower levels – albeit for a very different clientele. The WTC will be completely renovated from basement to tower; the sub-basement level will be redesigned for administrative office space, storage and training rooms; the basement level will be transformed into a multi-service center, with office space and cubicles for partner agencies, training and education rooms, space for group meetings and small offices for one-on-one counseling; the basement will also house a full-service dining room for clients, residents and staff; the first floor will be home to the new state-of-the-art Downtown Family Health Center operated by Family Health Centers of San Diego; the first floor will also have a large reception and waiting lobby for all clients and the intake and case management offices for all programs in the facility; the second and third floors will be converted to approximately 150 interim housing beds for single men and women; the fourth through twelfth floors will be converted into 76 studio units of permanent supportive housing.

SITE OWNERSHIP: The site is currently owned by the City of San Diego. The City's Real Estate Asset Department has negotiated the acquisition of WTC with Affirmed Housing Group and is poised to request City Council approval to acquire the site for \$10 million. The close of escrow will occur no later than 360 days following City Council approval.

TARGET POPULATION: Step Housing is designed to reach the hardest-to-serve homeless population, including chronically homeless individuals, and people with active addictions and undiagnosed/untreated mental illness. In addition, the PATHMall service center will serve low-income and homeless individuals and families. The development will specifically target those individuals identified through direct contact on the streets of downtown, through law enforcement, local private security teams, service providers and street outreach teams. The Downtown Family Health Center will continue to serve low-income households from the region.

SUITABILITY OF BUILDING: The WTC is uniquely suited for the proposed Step Housing development. It is located in a largely commercial area, close to major transportation lines, and is large enough to provide ample interior reception and dining areas, which will prevent spillover of waiting lines and crowds onto the streets and sidewalks. The site also has enough parking to easily fulfill any requirements for residential and commercial use of the building. The development offers new life to the WTC building, which is currently under-utilized, to reposition this historic building as a landmark center for compassion in the heart of the city.

FINANCING PLAN: The Step Housing development team is projecting a diverse and multi-layered financing plan to secure the necessary resources to realize this project. The project will be divided into two components for acquisition and capital improvements – Services and Interim Housing; and Permanent Supportive Housing. Splitting the costs between the components allows for leveraging of the city's funding, as well as increasing the competitiveness of both components for other capital grants. The PSH component will be funded primarily through 9% tax credits, with additional funding from the sale of a portion of the parking structure. For the Service Center and Interim Housing, the city's award will be sufficient for most of the acquisition and rehab cost, with additional funding projected from competitive grants (CCDC's Health Clinic Capital Grant and VA Grant Per Diem). For operations, the project will utilize existing city commitments for winter shelter beds and the Neil Good Day Center, as well as in-kind services provided by partner agencies who will bring their own funding resources. Operational gap funding will be filled through private funding, grants and sponsorships.

FLOOR PLAN: See Attachment A for rough floor plans based on the previous use of the building.

CURRENT BUILDING CONDITION: The WTC is largely operational, and is currently partially occupied. It is structurally sound and environmentally safe. The concrete structure has been standing since 1928 without incident and has withstood the test of time. There is very little structural work to be done for this use, with the rehab consisting of exterior façade work, upgrading current electrical, plumbing, HVAC and fire systems and redesigning the interior spaces. A full seismic retrofit will not be necessary.

POTENTIAL SITE OR BUILDING CONSTRAINTS: The development as proposed does not present issues or constraints and represents an ideal opportunity to restore a city asset to its originally intended use as a center for health and wellness, addressing the needs of San Diego's most vulnerable residents.

CONFORMANCE WITH THE CENTRE CITY PLANNED DISTRICT ORDINANCE: CCDC has confirmed that the proposed development complies with allowed land uses; as a classified historical structure, WTC is exempt from the Employment Overlay Zone, allowing residential use within the Core.

SERVICE AMENITIES: When fully operational, the Step Housing facility will offer a full-service community health clinic, case management, on-site services for employment, benefits, mental health and substance abuse, dining services, and housing. Limited day services will also be available, such as mail service, phones and showers.

ADDITIONAL FEATURES: Integrated care, seamless referrals, "one-stop" convenience, on-site housing options, variety of service providers for greater diversity and client choice.

The attached proposal contains additional details of the project. We are confident that the strength and experience of the proposal team, with the support of the city, will carry this model development from vision to operational reality.

Thank you for your continued consideration of our proposal. We look forward to the opportunity to partner with you on this historic investment in the city's efforts to end homelessness.

Sincerely,



Janet Kelly
Chief Operating Officer/Executive Director

Section 2

PROFORMA

World Trade Center PATH/SDFHC/AHG Step Housing

EXECUTIVE SUMMARY

9%/CCDC/SDHC

SOURCES

CCDC - Permanent AFF Housing	\$2,700,000
CCDC - Homeless Funding	\$10,000,000
AHG/PATH Deferred Dev Fee	\$157,398
Low Income Housing Tax Credits	\$16,596,824
CCDC - Parking Structure	\$3,780,000
SDHC	\$1,705,385
VA Grant	\$1,500,000
FHCSD Capital	\$1,000,000
TOTAL SOURCES	\$37,439,607

USES

Building/Land Acquisition	\$10,000,000
Demolition	\$0
On & Off Site Work	\$0
Direct Construction	\$19,565,000
Construction & Soft Cost Contingency	\$1,602,375
Architecture	\$976,232
Civil Engineer	\$30,000
Construction Loan Interest & Fees	\$1,092,000
Site Security	\$112,000
Capitalized Reserves	\$391,000
Taxes & Insurance & Bond Issuance	\$210,000
Escrow & Title	\$25,000
Legal Fees	\$80,000
Development Impact Fees & Permits	\$300,000
Tax Credit Fees	\$60,000
Environmental Consultants	\$25,000
Misc. Soft Costs (Accounting, Appraisal, Furnishings)	\$471,000
Developer Fee	\$2,500,000
TOTAL USES	\$37,439,607

RENTAL INCOME

Type	Qty.	% AMI	Gross Rent	Net Rent	Total Rental Income
Studio	34	30%	\$254	\$233	\$7,922
Studio	39	PBV	\$945	\$924	\$36,036
Studio	0	50%	\$0	\$0	\$0
1BR	0	40%	\$0	\$0	\$0
1BR	0	50%	\$0	\$0	\$0
1BR	0	60%	\$0	\$0	\$0
2BR	0	30%	\$0	\$0	\$0
2BR	0	50%	\$0	\$0	\$0
2BR	0	60%	\$0	\$0	\$0
3BR	0	30%	\$0	\$0	\$0
3BR	0	50%	\$0	\$0	\$0
3BR	0	60%	\$0	\$0	\$0
0	0				\$0
MGR	2	n/a	n/a	n/a	\$0
TOTAL	75				
				TOTAL	\$43,958
				ANNUAL	\$527,496

OPERATING EXPENSES

General Admin. (security, office equip., accounting)	\$74,000
Management Fee	\$31,650
On-Site Manager & Maintenance Payroll	\$122,000
Property Taxes & Prop./Liab./Ins.	\$30,000
Utilities (water, sewer, gas, electric)	\$49,000
Maintenance & Grounds	\$62,400
Replacement Reserves	\$22,500
Resident Services	\$35,000
ANNUAL per unit	\$426,550
	\$5,687

Supportive Affordable Housing / Floors Four through Twelve

- 47,000 gross square feet
- 80 Studio Apartments with kitchenettes and private ADA compliant bathrooms
- 2 One-bedroom Manager's Units
- Common areas and onsite laundry located on residential floors
- Construction budget includes built out units with typical residential finishes
- 25 Parking spaces provided in garage
- Managed by Affirmed Housing Group

Transitional Beds / Floors Two and Three

- 25,000 gross square feet
- 150 Transitional beds, community bathrooms
- Construction budget includes built out space
- Managed by PATH

Medical Clinic / Ground Floor

- 13,600 gross square feet
- Comprehensive primary care community health center with reception/waiting area, clinical space, healthcare for the homeless program, and other enabling supportive healthcare services
- Construction budget assumes warm shell delivery with TI budget funded by SDFHC
- 25 Parking spaces provided in garage
- Managed by Family Health Centers of San Diego

Administrative Offices / Basement

- 17,300 gross square feet
- Multi-Service Center with offices, training/education rooms, counseling offices and full service kitchen for residents and employees
- Construction Budget assumes built out space
- 20 Parking spaces provided in garage
- Managed by PATH

Administrative Offices / Sub-Basement

- 13,400 gross square feet
- Administrative offices, storage and training facilities
- Construction Budget assumes built out space
- Managed by PATH

A. Development Budget

PERMANENT SOURCES											
TOTAL PROJECT COST	PERMANENT RESIDENTIAL COST	SERVICE CTR. WITH INTERIM HOUSING	FAMILY HEALTH CENTERS COST	Tax Credit Equity	CCDC - Permanent Affordable Housing	CCDC - Homeless Funding	AH/C/PATH Deferred Dev Fee	CCDC - Parking Structure	SDHC	VA Grant	CCDC Health Clinic Grant FHCSID
LAND COST/ACQUISITION											
Land Cost or Value	10,000,000	5,000,000	5,000,000	-	1,720,000	4,500,000	-	3,780,000	-	-	-
Demolition	-	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-	-
Total Land Cost or Value	10,000,000	5,000,000	5,000,000	-	1,720,000	4,500,000	-	3,780,000	-	-	-
Off-Site Improvements	-	-	-	-	-	-	-	-	-	-	-
Total Acquisition Cost	10,000,000	5,000,000	5,000,000	-	1,720,000	4,500,000	-	3,780,000	-	-	-
REHABILITATION											
Parking Structure	-	-	-	-	-	-	-	-	-	-	-
Structures	16,665,000	11,678,900	3,986,100	1,000,000	10,007,668	230,601	4,111,550	-	790,631	524,550	1,000,000
General Requirements	900,000	692,307	207,693	692,307	-	207,693	-	-	-	-	-
Contractor Overhead	1,100,000	1,030,769	69,231	266,025	-	419,231	-	-	414,744	-	-
Contractor Profit	550,000	342,307	207,693	342,307	-	207,693	-	-	-	-	-
Solar/PV	-	-	-	-	-	-	-	-	-	-	-
General Liability Insurance	150,000	75,000	75,000	-	75,000	75,000	-	-	-	-	-
Total Rehab. Costs	19,365,000	13,819,283	4,545,717	1,000,000	11,308,307	230,601	4,946,167	150,000	1,205,375	524,550	1,000,000
Total Relocation Expenses	-	-	-	-	-	-	-	-	-	-	-
NEW CONSTRUCTION											
Site Work	-	-	-	-	-	-	-	-	-	-	-
Structures	\$ -	-	-	-	-	-	-	-	-	-	-
General Requirements	-	-	-	-	-	-	-	-	-	-	-
Contractor Overhead	-	-	-	-	-	-	-	-	-	-	-
Contractor Profit	-	-	-	-	-	-	-	-	-	-	-
Site Security	112,000	86,990	25,010	86,990	-	25,010	-	-	-	-	-
Solar/PV	200,000	100,000	100,000	-	-	-	-	-	-	-	-
General Liability Insurance	-	-	-	-	-	-	-	-	-	-	-
Total New Const. Costs	312,000	186,990	125,010	86,990	-	25,010	-	-	200,000	-	-

TOTAL PROJECT COST	PERMANENT RESIDENTIAL COST	SERVICE CTR. WITH INTERIM HOUSING	FAMILY HEALTH CENTERS COST	Tax Credit Equity	CCDC - Permanent ARF Housing	CCDC - Homeless Funding	AMIC/PATH Deferred Dev Fee	CCDC - Parking Structure	SDHC	VA Grant	CCDC Health Clinic Grant FHCS
ARCHITECTURAL FEES											
Architect	976,232	700,010	276,222	700,010	-	276,222	-	-	-	-	-
Total Architectural Costs	976,232	700,010	276,222	700,010	-	276,222	-	-	-	-	-
Total Survey and Engineering	30,000	15,000	15,000	30,000	-	-	-	-	-	-	-
CONST. INTEREST & FEES											
Const. Loan Interest	900,000	650,000	250,000	700,000	16,399	183,601	-	-	-	-	-
Origination Fee	180,000	130,000	50,000	-	150,000	30,000	-	-	-	-	-
Construction Services	12,000	8,000	4,000	-	8,000	4,000	-	-	-	-	-
Taxes	110,000	75,000	35,000	-	75,000	35,000	-	-	-	-	-
Insurance	100,000	70,000	30,000	75,000	-	-	-	-	-	25,000	-
Title and Recording	25,000	15,000	10,000	20,000	-	-	-	-	-	5,000	-
Total Const. Interest & Fees	1,327,000	948,000	379,000	795,000	249,399	252,601	-	-	-	30,000	-
PERMANENT FINANCING											
Loan Origination Fee	-	-	-	-	-	-	-	-	-	-	-
Credit Enhance. & App. Fee	-	-	-	-	-	-	-	-	-	-	-
Title and Recording	-	-	-	-	-	-	-	-	-	-	-
Bond Insurance	-	-	-	-	-	-	-	-	-	-	-
Total Perm. Financing Costs	-	-	-	-	-	-	-	-	-	-	-
LEGAL FEES											
Lender Legal Pd. by Applicant	25,000	25,000	-	25,000	-	-	-	-	-	-	-
Other: Partnership	55,000	30,000	25,000	55,000	-	-	-	-	-	-	-
Total Attorney Costs	80,000	55,000	25,000	80,000	-	-	-	-	-	-	-
RESERVES											
Rent Reserves	-	-	-	-	-	-	-	-	-	-	-
Capitalized Rent Reserves	-	-	-	-	-	-	-	-	-	-	-
*3- Month Operating Reserve	391,000	91,000	300,000	91,000	-	-	-	-	300,000	-	-
Total Reserve Costs	391,000	91,000	300,000	91,000	-	-	-	-	300,000	-	-
TOTAL APPRAISAL COSTS	10,000	10,000	-	10,000	-	-	-	-	-	-	-

Note: Syndication Costs may not be included as a project cost.

* Operating Reserve is required - Regulation Section 10327(c)(8)(c).

TOTAL CONSTRUCTION CONTINGENCY COSTS			TOTAL PROJECT COST			PERMANENT RESIDENTIAL COST			SERVICE CTR. WITH INTERIM HOUSING			FAMILY HEALTH CENTERS COST			Tax Credit Equity			CCDC - Permanent Afft Housing			CCDC - Homeless Funding			AHG/PATH Deferred Dev Fee			CCDC - Parking Structure			SDHC			VA Grant			CCDC Health Clinic Grant FHCS		
1,452,375			1,002,375			450,000									1,396,564																		55,811					
OTHER																																						
TCAC App/Affec/Monitor Fees			60,000			60,000									60,000																							
Environmental Audit			25,000			25,000									25,000																							
Local Dev. Impact Fees			100,000			100,000									100,000																							
Permit Processing Fees			200,000			155,811			44,189						155,811																		44,189					
Soft Cost Contingency			150,000			75,000			75,000						75,000																		75,000					
Marketing			65,000			40,000			25,000						40,000																		25,000					
Furnishings			365,000			65,000			300,000						65,000																		300,000					
Market Study			6,000			6,000									6,000																							
Cost Cert			25,000			25,000									25,000																							
Total Other Costs			996,000			551,811			444,189						551,811																		444,189					
Subtotals			34,939,607			22,379,469			11,560,138						15,049,682			2,200,000			10,000,000			150,000			3,780,000			1,705,375			1,054,550			1,000,000		
Total Project Cost						Total Residential			Total Commercial																													
DEVELOPER COSTS																																						
Developer Overhead/Profit			2,500,000			1,500,000			1,000,000						1,547,142			500,000						7,398						10			445,450					
Consultant/Processing Agent																																						
Project Administration																																						
Syndicator Consulting Fees																																						
Personal Guarantee Fees																																						
Const. Mgmt Oversight by developer																																						
Other (specify)																																						
Total Developer Costs			2,500,000			1,500,000			1,000,000						1,547,142			500,000						7,398						10			445,450					
TOTAL PROJECT COST			37,439,607			23,879,469			12,560,138			1,000,000			16,596,824			2,700,000			10,000,000			157,398			3,780,000			1,705,385			1,500,000			1,000,000		

Subtotal Eligible Basis

Subtotal Eligible Basis*

PATHMall Service Center Budget

12 Months Direct Operating

Line Item	Budget	In Kind	City and Gov't Grants	Other
Personnel				
Reception/Intake - 1 FTE	\$30,000		\$30,000	
Case Managers - 3 FTE	\$105,000		\$105,000	
Program Director - 1 FTE	\$80,000			\$80,000
Case Aids - 2 FTE	\$50,000		\$50,000	
Cook - 1 FTE	\$25,000		\$25,000	
Fringe Benefits - 25%	\$72,500		\$52,500	\$20,000
Total Personnel:	\$362,500			
Operating Expenses				
Facilities	\$30,000		\$30,000	
Security and Patrol	\$45,600		\$37,000	\$8,600
Maintenance and Repair - Facilities	\$7,600		\$7,600	
Program Supplies	\$16,815		\$10,000	\$6,815
Office Supplies	\$5,000		\$4,000	\$1,000
Printing & Postage	\$2,000		\$900	\$1,100
Equipment - Maintenance and Repair	\$14,000		\$14,000	
Telephone/ Fax	\$4,000		\$4,000	
Utilities	\$28,000		\$27,000	\$1,000
Insurance and Taxes	\$15,000		\$3,000	\$12,000
Travel and mileage	\$2,200			\$2,200
Furniture and Equipment Purchase	\$38,000			\$38,000
Food / Dining	\$468,000	\$468,000		
Administrative Costs	\$28,500			\$28,500
Veterans Services - VVSD	\$24,000	\$24,000		
FHCSD - Downtown Health Clinic	\$2,048,413	\$2,048,413		
Total Operating Expenses:	\$2,777,128			
Other Costs				
Training	9,500			\$9,500
Subcontractors/Consultants	15,200			\$15,200
Total Other Costs:	24,700			
GRAND TOTAL	\$3,164,328	\$2,540,413	\$400,000	\$223,915

Committed Source: VVSD - Per Diem Only Grant	\$24,000
Committed Source: FHCSD - Billing, Program Income,	\$2,048,413

Interim Housing Budget
12 Months Direct Operating

Line Item	Budget	In Kind	City - Winter Shelter	Other
Personnel				
Salaries				
Residential Case Managers - 4 FTE	\$140,000		\$140,000	
Program Manager - 1 FTE	\$45,000			\$45,000
Residential Associates - 12.5 FTE	\$260,000		\$260,000	
Cook - 1 FTE	\$25,000			\$25,000
Fringe Benefits - 25%	\$111,250		\$100,000	\$17,500
Total Personnel:	\$581,250			
Operating Expenses				
Facilities	\$34,230		\$10,000	\$24,230
Security and Patrol	\$52,800			\$52,800
Maintenance and Repair - Facilities	\$8,800			\$8,800
Program Supplies	\$19,470		\$19,000	\$470
Office Supplies	\$5,280		\$5,000	\$280
Printing & Postage	\$2,365			\$2,365
Equipment - Maintenance and Repair	\$16,280			\$16,280
Telephone/ Fax	\$5,280			\$5,280
Utilities	\$32,120		\$32,000	\$120
Insurance and Taxes	\$16,720			\$16,720
Travel and mileage	\$2,585			\$2,585
Furniture and Equipment Purchase	\$44,000			\$44,000
Food / Dining	\$655,200	\$655,200		
Administrative Costs	\$33,000			\$33,000
Total Operating Expenses:	\$928,130			
Other Costs				
Training	11,000			
Subcontractors/Consultants	17,600			
Total Other Costs:	28,600			
GRAND TOTAL	\$1,537,980	\$655,200	\$566,000	\$294,430

Committed Source: Alpha Project - Winter	\$350,000
Committed Source: VVSD - Winter Shelter	\$216,000

Section 3

PROJECT CONCEPT

PROJECT CONCEPT

A. Management Strategy

The overall management of the Step Housing center will be the responsibility of PATH. As such, PATH will work with the city and the committed partners to develop the overall vision, values and strategy for the center. PATH will provide management coordination of the daily operations of the myriad of programs, as well as coordinate the public education, outreach, marketing and resource development for the center.

Within this structure, each partner agency will be responsible for the day-to-day operations of their own program within the center. PATH will develop Memorandums of Agreement between each operating partner on-site that outlines the roles and responsibilities of each party. PATH will not dictate to partners how their services are provided, but will instead expect each partner to operate within the agreed upon parameters of the center, including coordination of care, participation in case conferencing, participation in HMIS and support of the center's goals and objectives. PATH will lead regular partnership meetings to ensure coordination, cooperation and collaboration between all partners. At this level, PATH will also be a "provider" as the operators of the PATHMall service center.

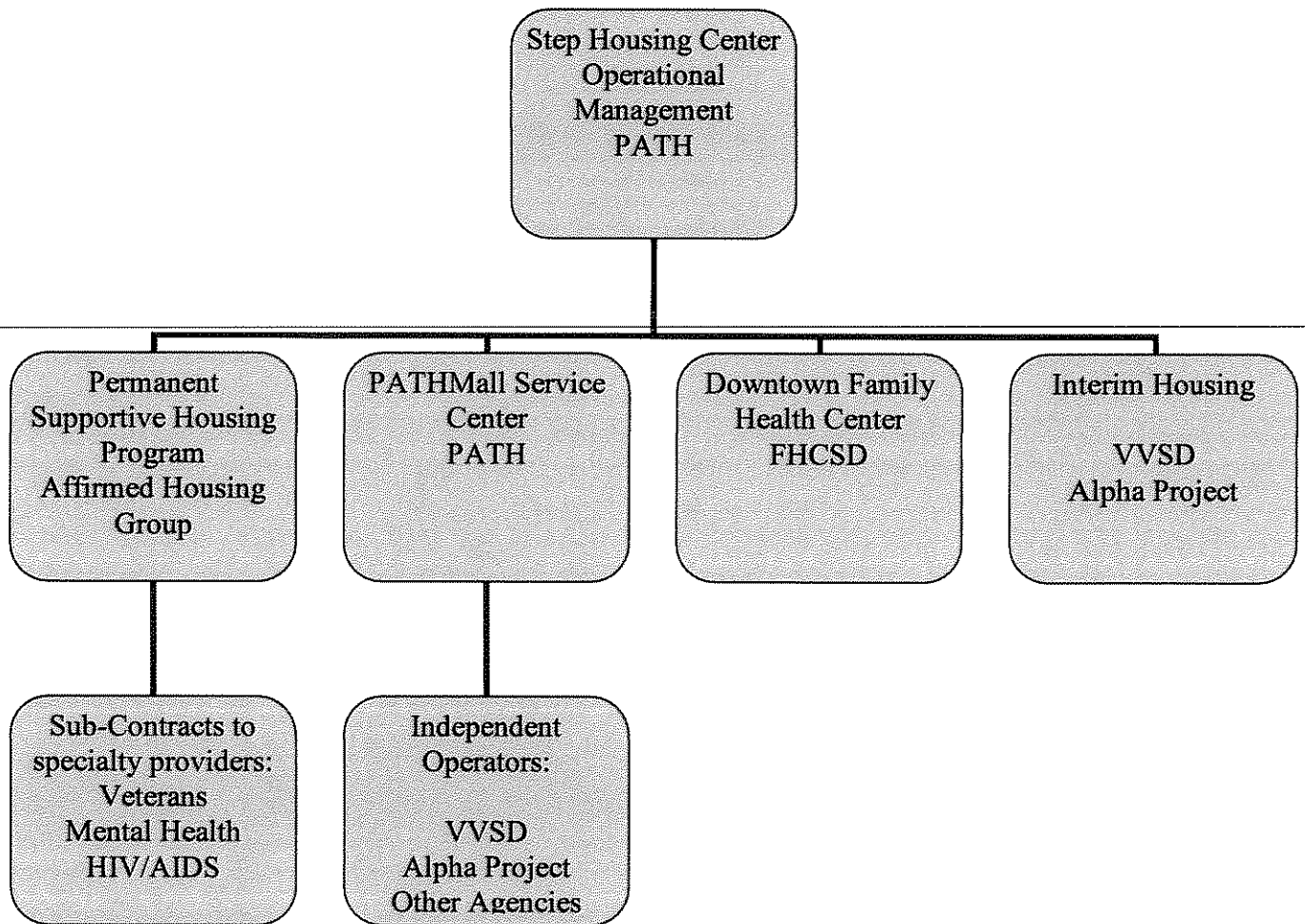
As Mall Operator:

- Hire, train and supervise Mall staff, including case managers, receptionist, security, and case aids. PATH will not be involved in the hiring and direct supervision of partner agency staff;
- Design programs, policies and procedures for centralized intake/assessment, on-site referrals, and program coordination. Partner agencies will maintain their own program policies and procedures;
- Develop and maintain partnerships for additional co-located and referral resources;
- Manage data systems and produce monthly/quarterly/annual reports;
- Manage day-to-day operations of the facility, including program and office management, supplies, security, and maintenance;
- Coordinate partnerships and services in the Mall;

As Center Management:

- Primary liaison representing center programs to the City of San Diego;
- Provide oversight of program operations within the center;
- Centralize center-related program, resource and community issues in order to develop and implement center-wide solutions;
- Promote and facilitate effective collaboration between center programs;
- Develop and implement center-wide quality assurance procedures;
- Assist the city with resource development and sustainability efforts to ensure sufficient on-going funding for existing and new projects within the center;
- Coordinate and provide technical assistance support to programs within the center to train staff, improve program outcomes and ensure quality client care;
- Work with the city to coordinate public relations/communications regarding the center and homeless awareness.

The following is a chart which describes the proposed structure:



B. Proposed Financing Plan

Acquisition/Rehab:

Ensuring the development's competitive success, the deal has been conservatively underwritten primarily with 9% tax credits, Project Based Vouchers and local subsidy. While the initial underwriting does not rely on other competitive sources such as HOPWA and Shelter + Care, the development team will aggressively pursue these alternatives during the development process to reduce the burden on local agency financing. Both PATH and Affirmed Housing Group have strong track records of success obtaining alternative funding sources. We intend to pursue competitive capital grants for the health clinic component (CCDC's Health Center Grant up to \$1,000,000) and the Dept. of Veterans Affairs Grant and Per Diem for service centers and transitional housing that serves veterans (up to 65% of project capital costs).

Consideration has been given to the current 9% LIHTC market; the development can be successfully underwritten with either the exchange program or at a value that will be compelling to investors.

The opportunity to renovate the historic WTC structure minimizes development costs while creating an opportunity to revitalize this amazing city asset. An important consideration of this development proposal is that renovation, rather than new construction, is not only more cost effective, it will allow a much shorter development timeline, ensuring operation of the shelter very expeditiously.

Operations:

PSH - \$425,057/yr - The operations of the permanent supportive housing units will be funded through the projected rental income, contingent upon the successful procurement of project-based Section 8 subsidies for half of the units.

Health Center – \$2,401,413/yr - The operational budget for the Downtown Family Health Clinic will be covered by Family Health Centers of San Diego through patient fees, third party billing, existing committed government grants, and general operating support.

PATH Mall - \$1,115,915/yr - The operations of the PATHMall Service Center will be supported through in-kind services of partner agencies (VVSD and Alpha Project) who will utilize their existing committed funding sources, and significant support from government sources, including CDBG, ESG, EFSP and HOPWA, which are anticipated to benefit from increased allocations in through the HEARTH Act, which is estimated to be released in the 2010 SuperNOFA for funding beginning 2011. Food and dining services will be supported by in-kind services through a "adopt a meal" volunteer cook program – Guest Chefs – which has been successfully implemented in other PATH agencies to provide hot meals by corporate, faith and community volunteer groups. PATH will also pursue private and corporate foundation support, such as the California Wellness Foundation, California Community Foundation, Boeing Foundation, Kaiser

Community Foundation, Macy's, Nordstrom, TJX Foundation, Mark S. Taper Foundation, and Carrie Estelle Doheny Foundation.

Interim Housing - \$1,537,980 – The operations of the interim housing program will be supported through re-directing current winter shelter funding (\$566,000), anticipated VA Per Diem, EFSP, ESG and CDBG funds, as well as corporate and private support as described above.

C. Proposed Use of Each Floor

Sub-Basement: Approx. 6,060 net s/f

Staff Use Only. Admin office space; small break room, storage, meeting room, equipment rooms (HVAC, computers).

Basement: Approx. 11,000 net s/f

PATH Mall Service Center. Office spaces for individual service providers. Large meeting room, computer/training rooms, employment/job center, partner agency suites and cubicles, commercial kitchen and cafe, client bathroom/shower facilities. Center clients, residents and staff will be able to enjoy lunch at the cafe. Residents of both the interim housing and permanent units may enjoy breakfast and dinner at the cafe. Staff and permanent housing residents will be charged a nominal fee per meal, or may purchase monthly meal passes.

1st Floor: Approx. 12,500 net s/f

Center Reception and Downtown Family Health Center. The Center Reception area will include a large space for waiting clients, offices for intake/assessment and case management, and restrooms. The Downtown Family Health Center will be a stand-alone clinic with a separate entrance and waiting room. The health center will provide comprehensive primary care to anyone in need, with a special commitment to low income, uninsured and medically underserved individuals. FHCS's Healthcare for the Homeless program, which includes coverage for 3 medical, dental or mental healthcare visits, intensive case management, mental healthcare, and transportation, will also have a strong presence in the health center.

2nd Floor: Approx. 12,000 net s/f AND 3rd Floor: Approx. 10,500 net s/f

Interim Housing. Approx 100 beds for men and 50 for women, for a total of 150 beds. Beds would be set-up in a "roomette" style, with individual cubicles (not bunk-bed style). Roomettes will have a twin bed, with underneath storage, a light, and a bedside table. Each floor would have a small residential community kitchen, common lounge areas, laundry facilities and small lockers for each client. Each floor will also have staff offices and residential staff stations.

4th – 12th Floor: Approx. 41,000 net s/f

Permanent Supportive Housing. 74 studio apartments for formerly homeless single men and women with a disability. Common areas will be scattered between floors. These floors were selected to provide maximum natural lighting for each unit and wonderful views of the city. Additionally, two one-bedroom units will be reserved for onsite managers. Onsite laundry will be located on the residential floors.

D. Number of Interim Beds

The number of beds is limited to approximately 150 beds at this time due mostly to operational funding constraints. The space itself, if converted from a roomette style to a bunk-bed dorm style, could potentially house up to 300 individuals. However, this would double the furniture costs for set-up and also nearly double the operating cost annually. The largest operating gap is in the Interim housing program area.

Programmatically, the proposed 150 beds would promote a better environment for our target population, and would be realistic in terms of successful out-placements to permanent housing. Given the limited number of affordable units and subsidies, it is not efficient to warehouse a large number of people in a shelter environment with little or no hope of transitioning them into permanent housing.

E. Number of PSH units

The number of PSH units is limited to approximately 74 studio units and 2 managers units, due to the constraints of the building size and available space. We have, in consideration of the city's priorities in this RFP, prioritized interim housing and service space.

We have designed the units to fit the target population of single men and women who are chronically homeless and/or have a disability. Given the limitations of space, larger units needed to accommodate families would be impractical. Also, given the focus of the center on hard-to-serve individuals with active addictions and mental health issues, having families with children in residence seems an inappropriate mix.

F. Additional Features and Amenities

The building is easily accessible via public transportation, and will offer ample free on-site parking for staff, volunteers, clients and residents.

There is an optional 2nd elevator entrance that can be designed for residents only, with a separate street access.

The PATHMall Service Center will also offer limited "day center" type services, such as mail service, phones, showers and dining. These services will be offered on a first-come basis, with priority given to clients who have completed an intake and are engaged in case management.

G. Proposed development timeline

January 2010	RFP Award
February 2010	MOU & Begin Negotiating DDA
February through April 2010	Applications to alternative funding sources
April 2010	Execute DDA and Predevelopment Loan
April 2010	Initiate Schematic/Design Development Drawings
July 2010	9% LIHTC Application
October 2010	9% Award
December 2010	Submit Construction Drawings
February 2011	Pull Building Permits
March 2011	Construction Start
March 2012	Certificate of Occupancy
April 2012	Operations Begin

Operational Funding Timeline:

January 2010	VA Grant and Per Diem
April/May 2010	VA award notifications
October 2010	HUD SuperNOFA
September 2011	HUD awards/contract execution

ATTACHMENT A

FLOOR PLANS

WORLD TRADE CENTER
1250 6TH AVE, SAN DIEGO, CA 92101



PROPERTY INFORMATION



WORLD TRADE CENTER

1250 6TH AVE, SAN DIEGO, CA 92101

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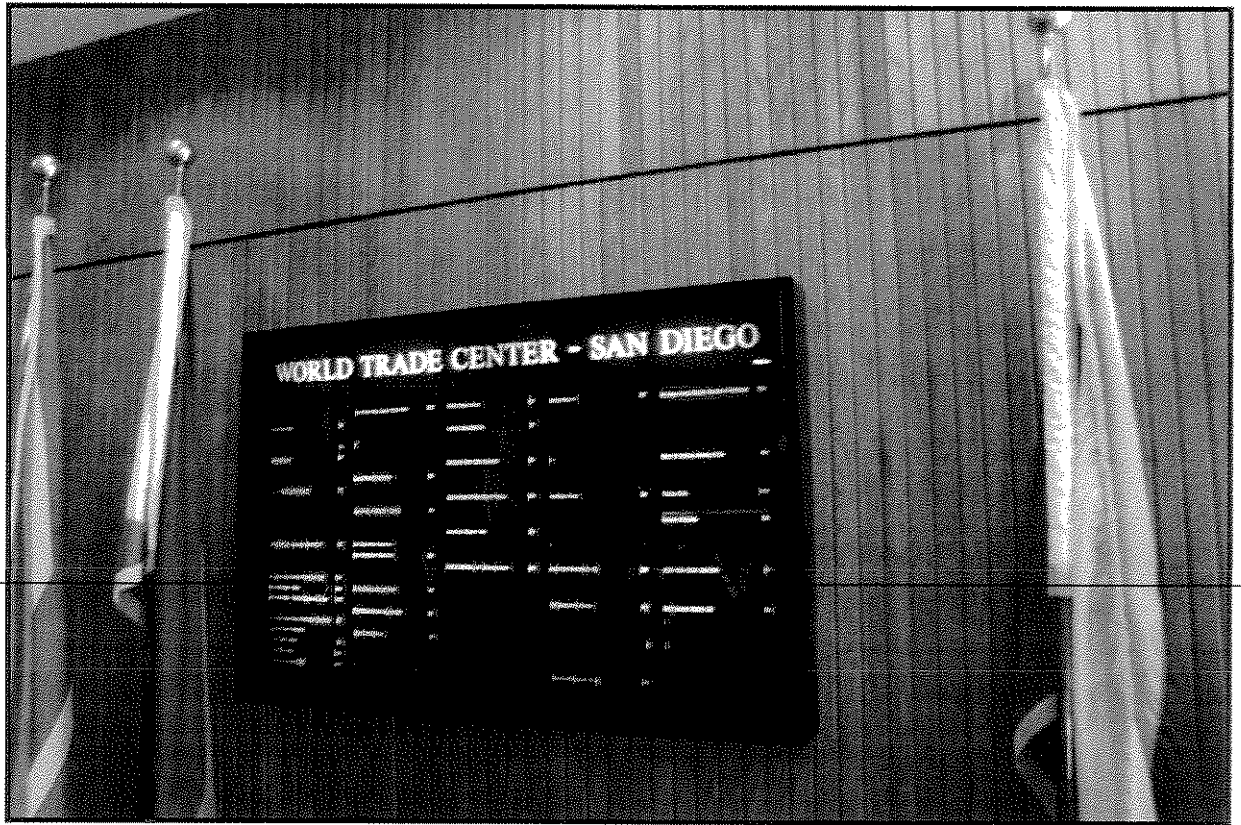




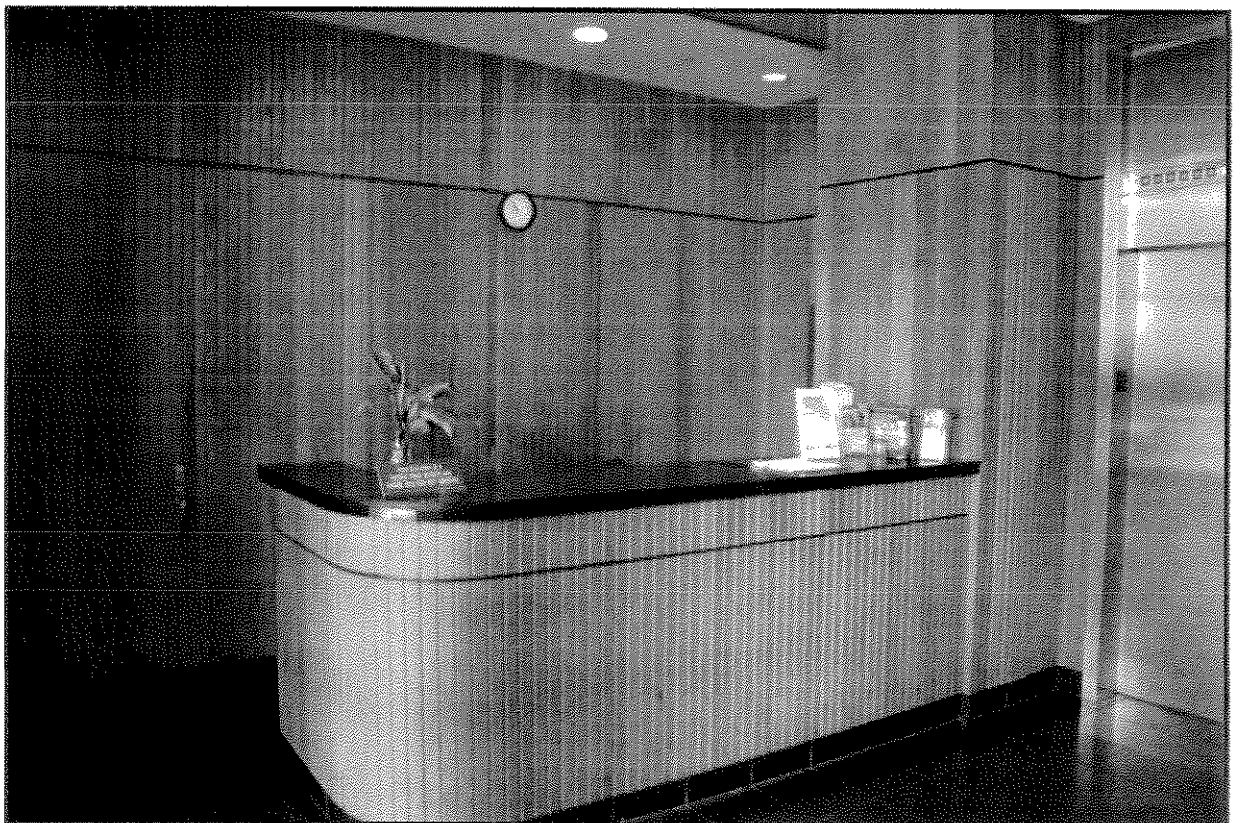
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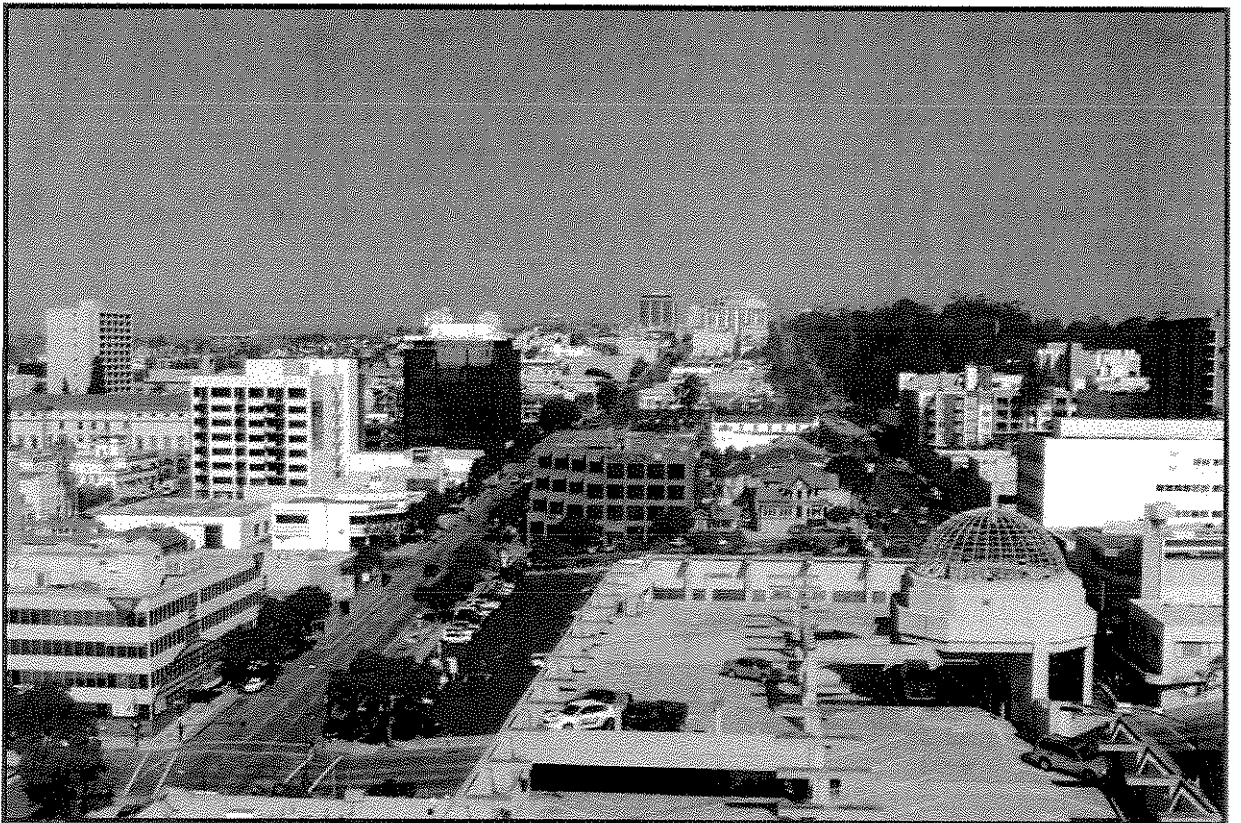


WORLD TRADE CENTER
1250 6TH AVE, SAN DIEGO, CA 92101

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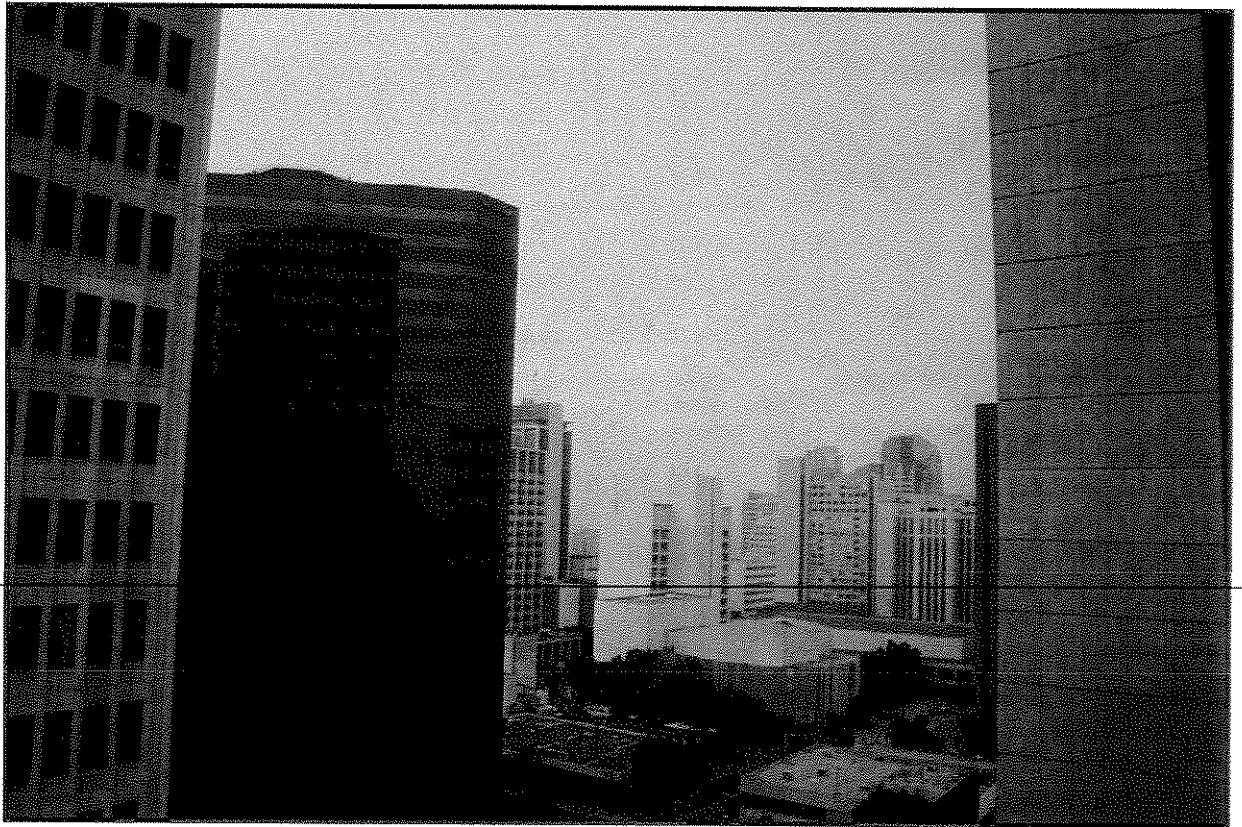


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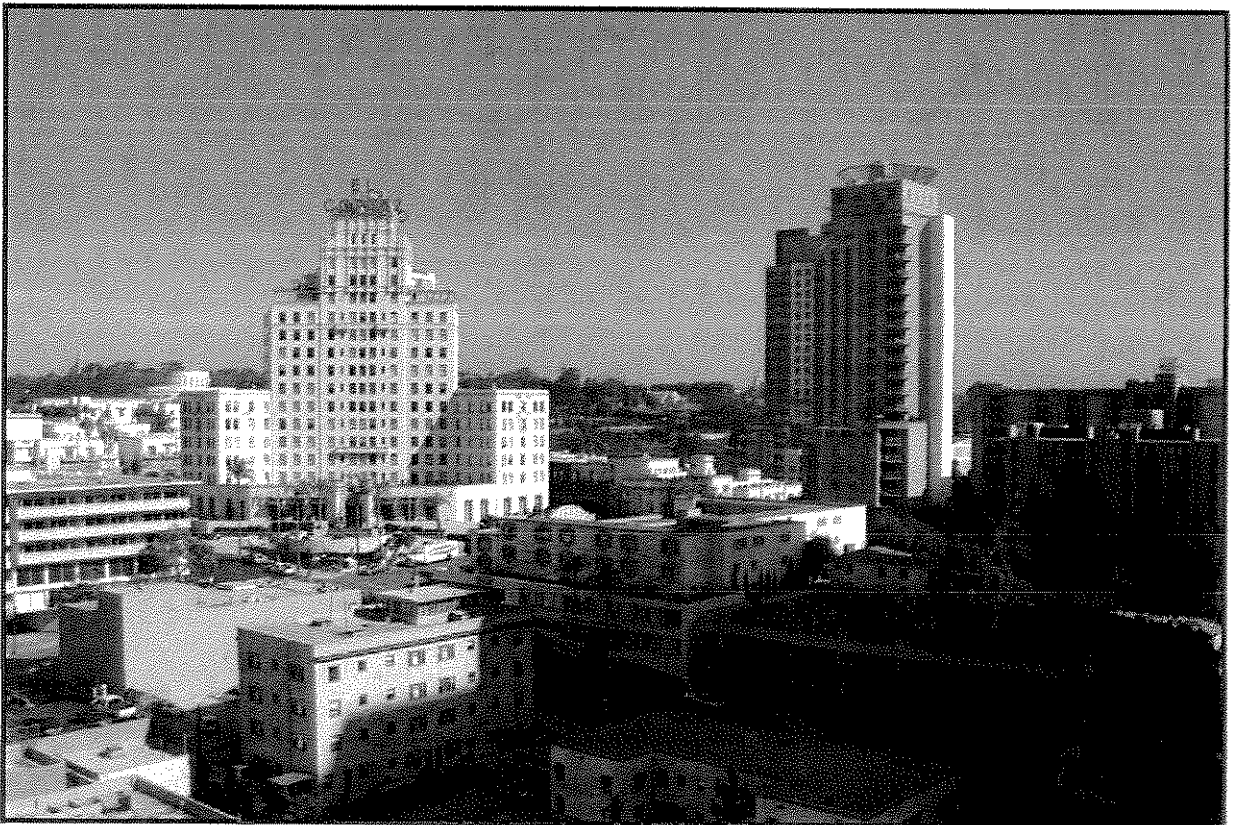
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WORLD TRADE CENTER
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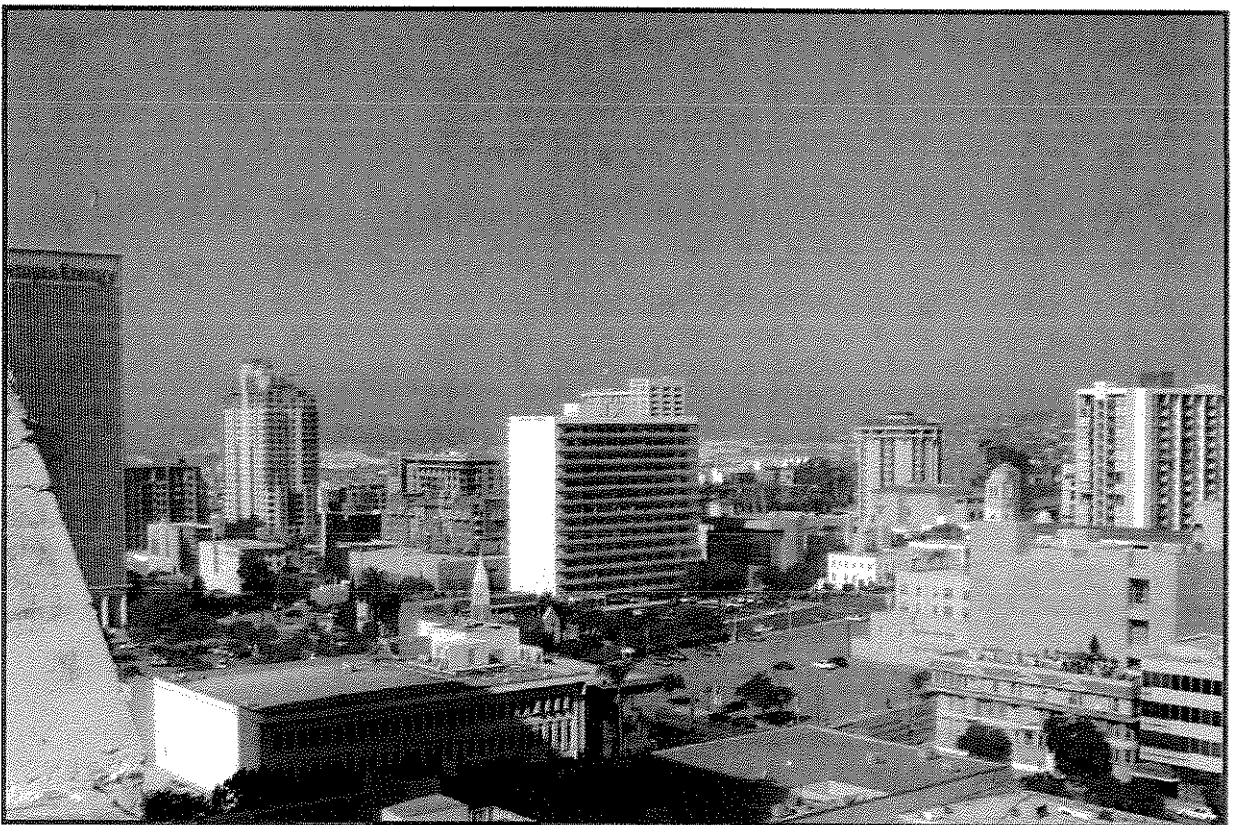
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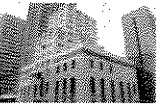
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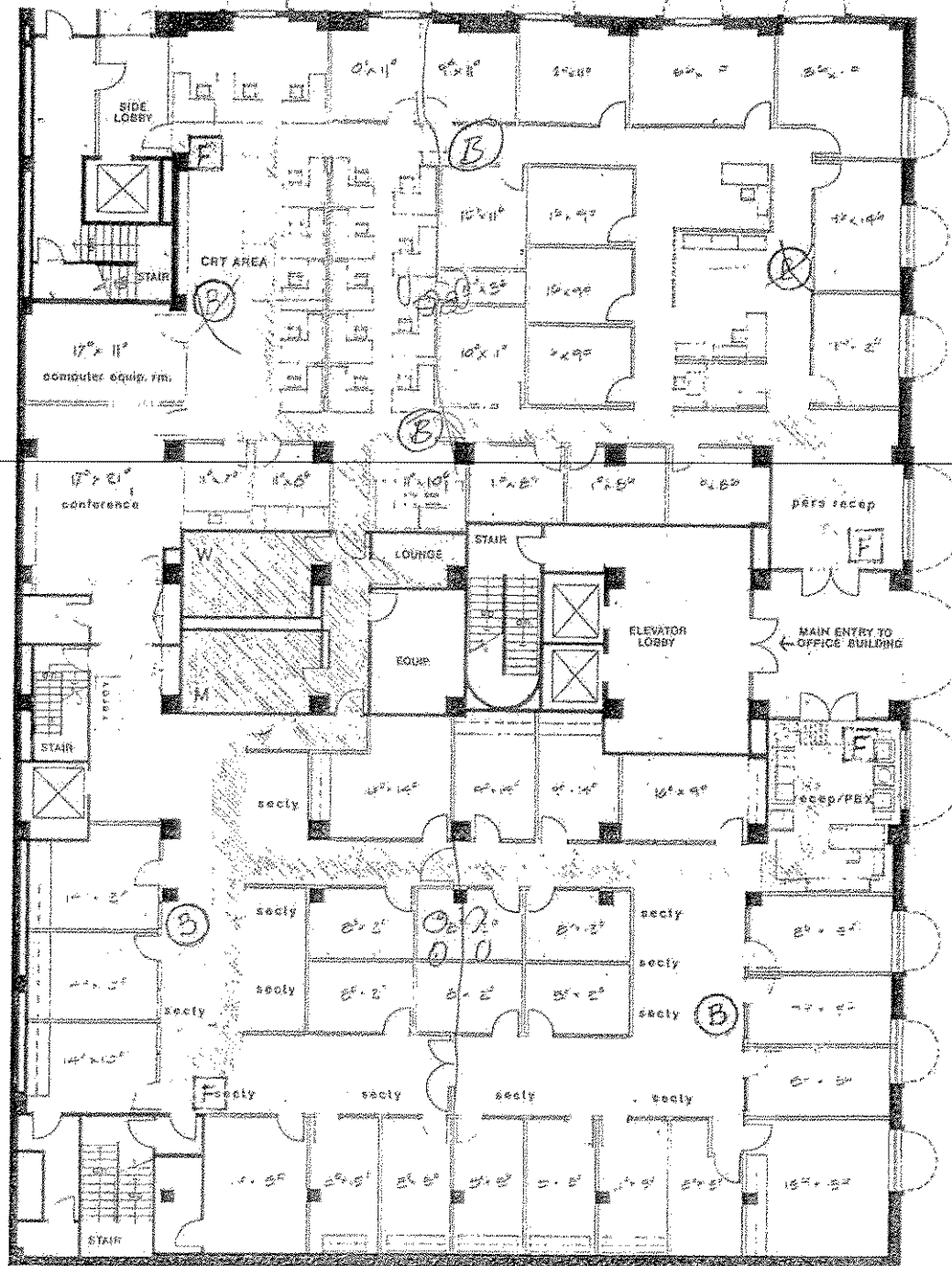


WORLD TRADE CENTER

1250 6TH AVE. SAN DIEGO, CA 92101



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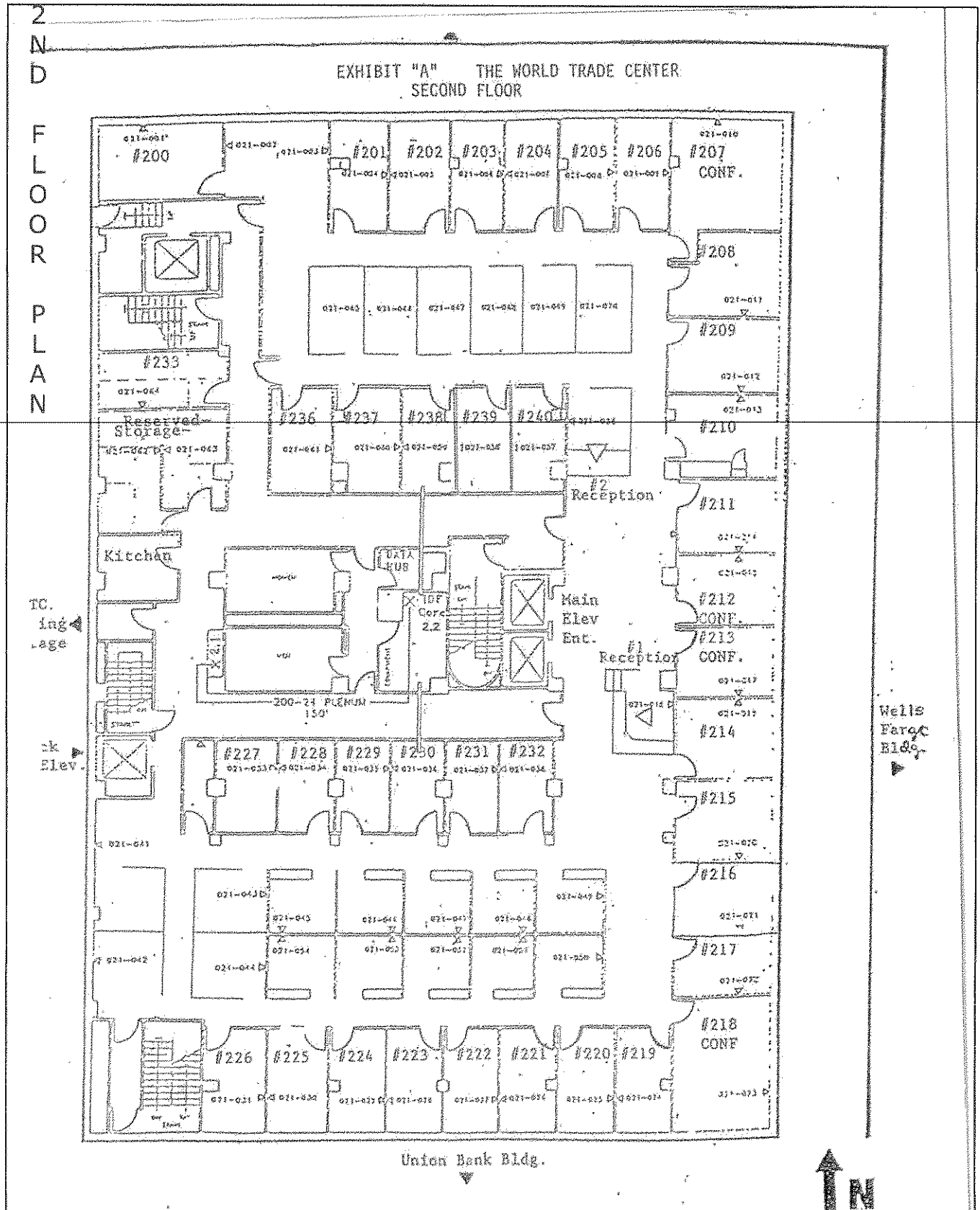
1st FLOOR PLAN

SCALE 1/8" = 1'-0"

OFFICES 28
CUBICLE OFFICES 11
CLERICAL 50
OCCUPANCY SUMMARY 79

COMMON 1575 SF
USEABLE 11,040 SF
NET RENTABLE FLOOR AREA 12,535 SF



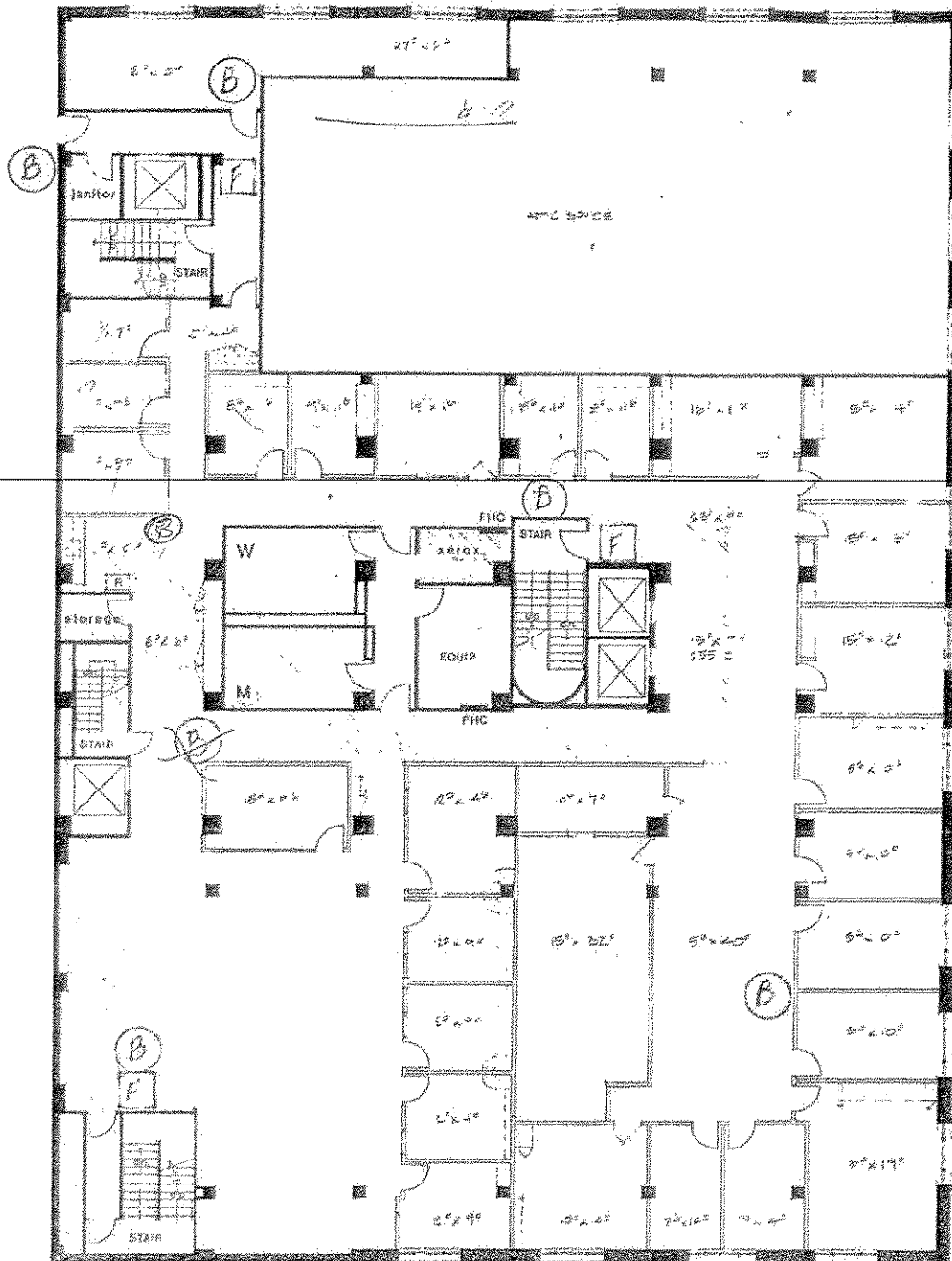




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3rd FLOOR PLAN

SCALE 1/8" = 1'-0"

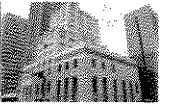
OFFICES
CLERICAL
OCCUPANCY SUMMARY

27
21
48

COMMON
USEABLE
NET RENTABLE FLOOR AREA

2245 SF
8100 SF
10505 SF

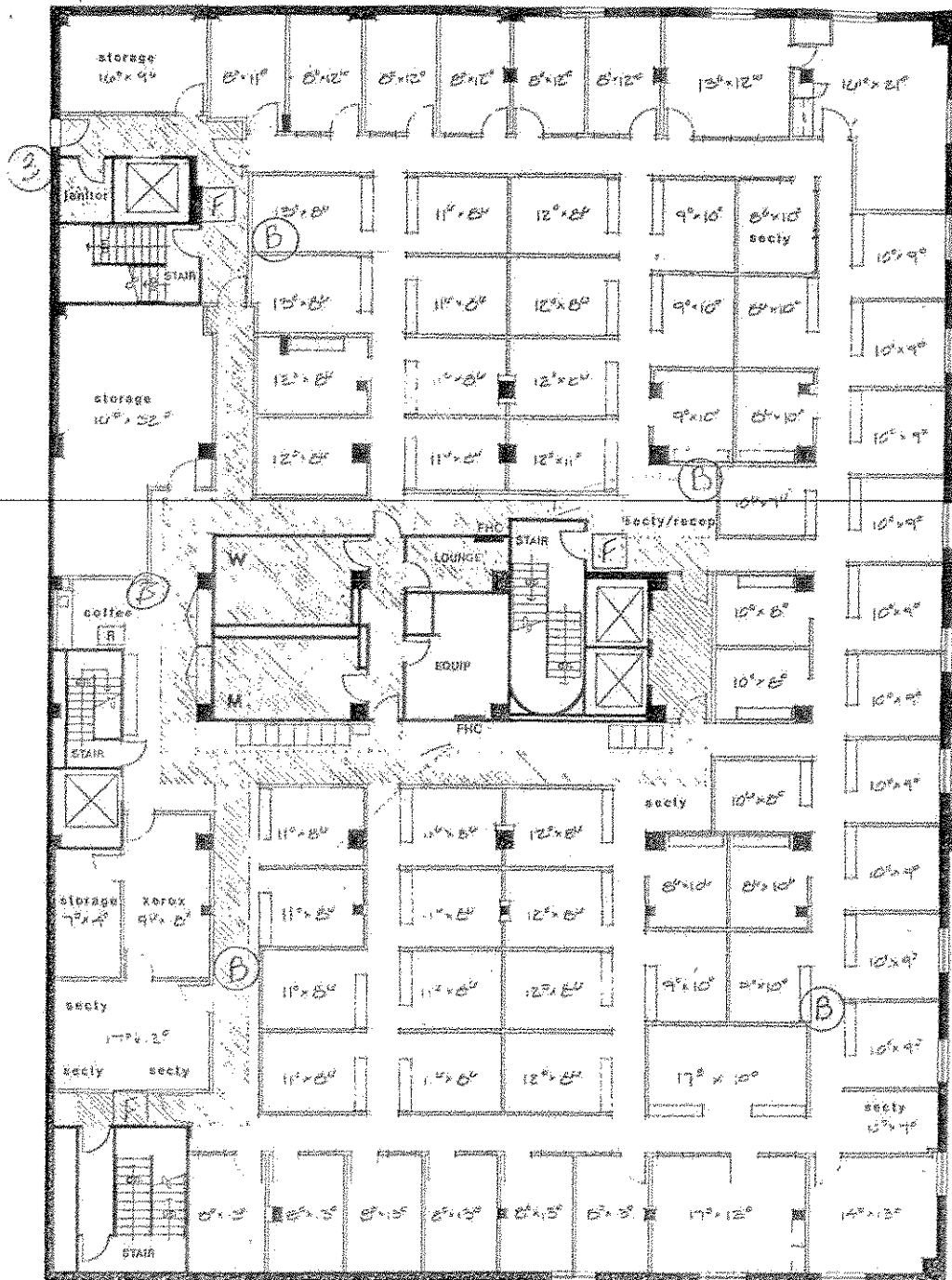




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4th FLOOR PLAN

SCALE 1/8" = 1'-0"

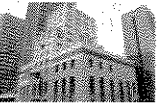
OFFICES
CUBICLE OFFICES
CLERICAL
OCCUPANCY SUMMARY

10
51
51
112

COMMON
USEABLE

1555 SF
11705 SF

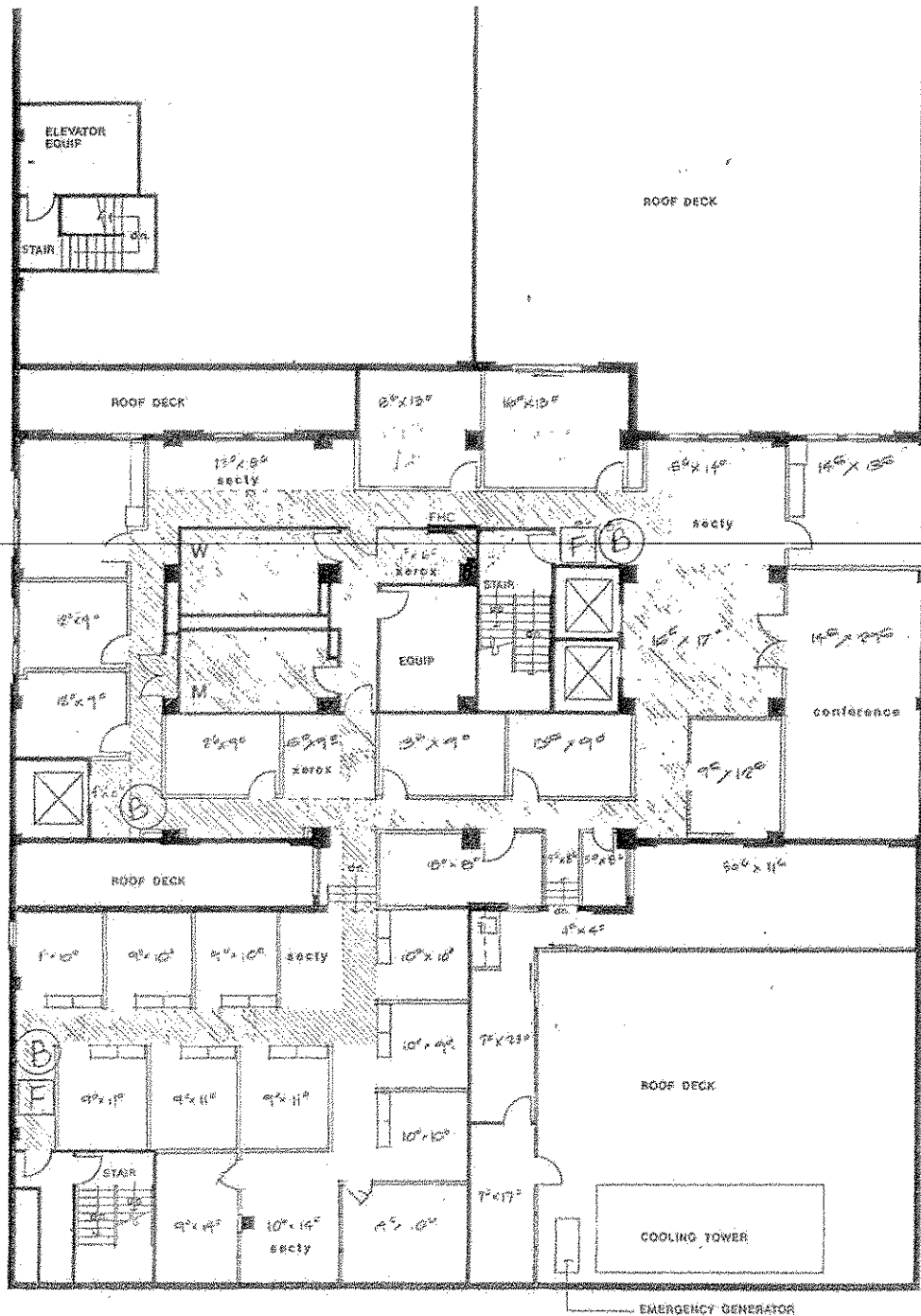




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5th FLOOR PLAN

SCALE 1/8"=1'-0"

OFFICES	12
CUBICLE OFFICES	10
CLERICAL	4
OCCUPANCY SUMMARY	26

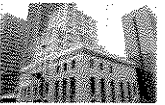
COMMON	1015 SF
USEABLE	5775 SF
NET RENTABLE FLOOR AREA	7390 SF



PD 1200
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VAT- 115

SCALE 1/8"=1'-0"

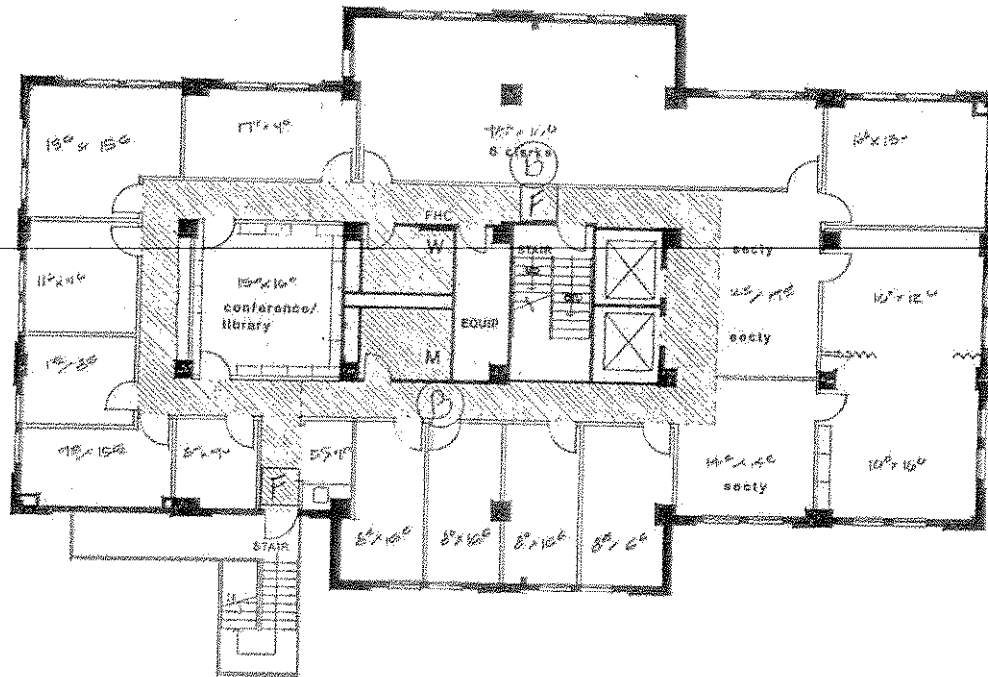
COMMON	716 SF
USEABLE	<u>5305 SF</u>
NET RENTABLE FLOOR AREA	4020 SF



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7th FLOOR PLAN

SCALE 1/8"=1'-0"

OFFICES	11
CLERICAL	9
OCCUPANCY SUMMARY	20

COMMON	785 SF
USEABLE	2415 SF
NET RENTABLE FLOOR AREA	4200 SF

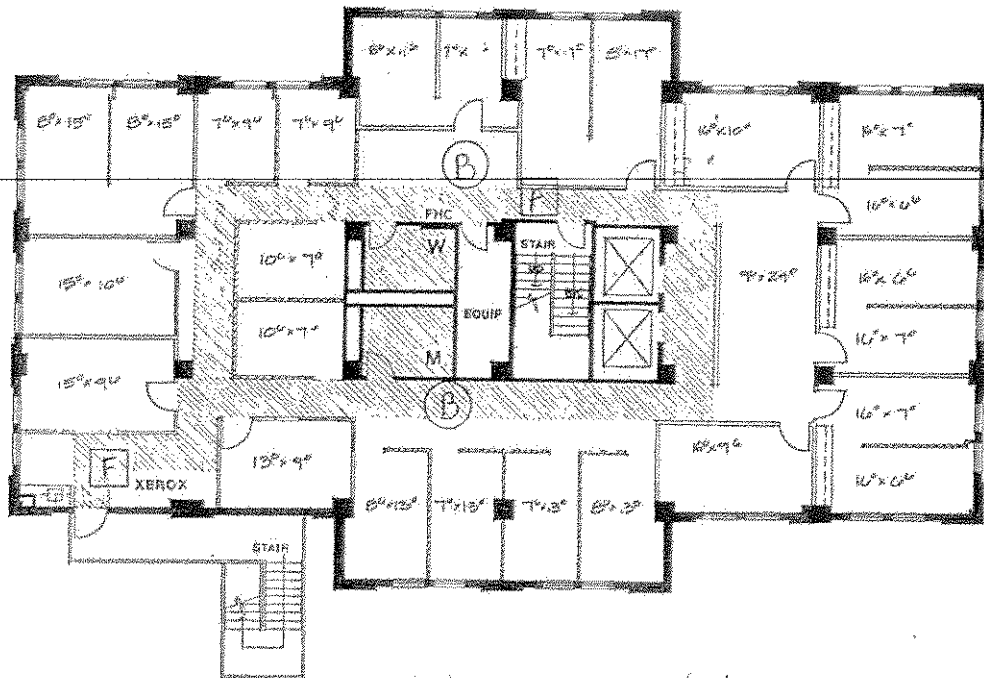




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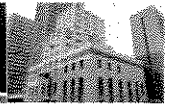
8th FLOOR PLAN

SCALE 1/8" = 1'-0"

OFFICES	5
SPLIT OFFICES	12
CUBICLE OFFICES	8
CLEMICAL	2
OCCUPANCY SUMMARY	27

COMMON	745 SF
USEABLE	8455 SF
NET RENTABLE FLOOR AREA	4200 SF

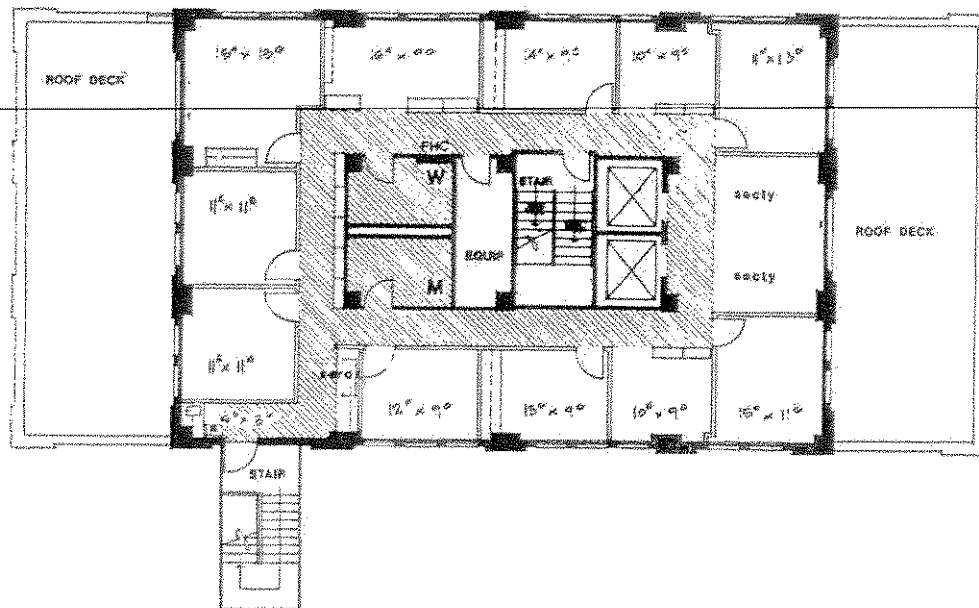




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9th FLOOR PLAN

SCALE 1/8"=1'-0"

OFFICES	8	COMMON	745 SF
CUBICLE OFFICES	2	USABLE	1765 SF
CLERICAL	2		
OCCUPANCY SUMMARY	12	NET RENTABLE FLOOR AREA	2470 SF

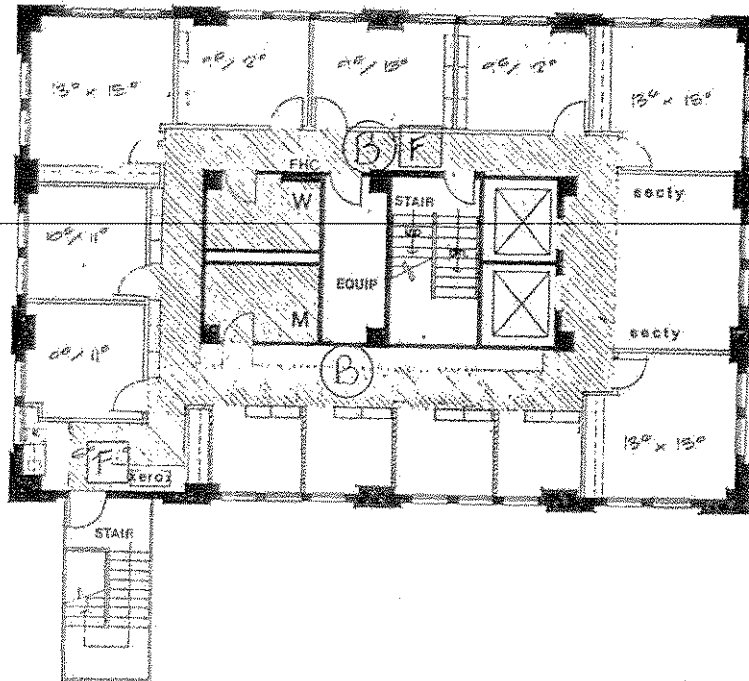




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10th FLOOR PLAN

SCALE 1/8"=1'-0"

OFFICES	0
CUBICLE OFFICES	4
CLERICAL	2
OCCUPANCY SUMMARY	14

COMMON	750 SF
USABLE	1720 SF
NET RENTABLE FLOOR AREA	2470 SF

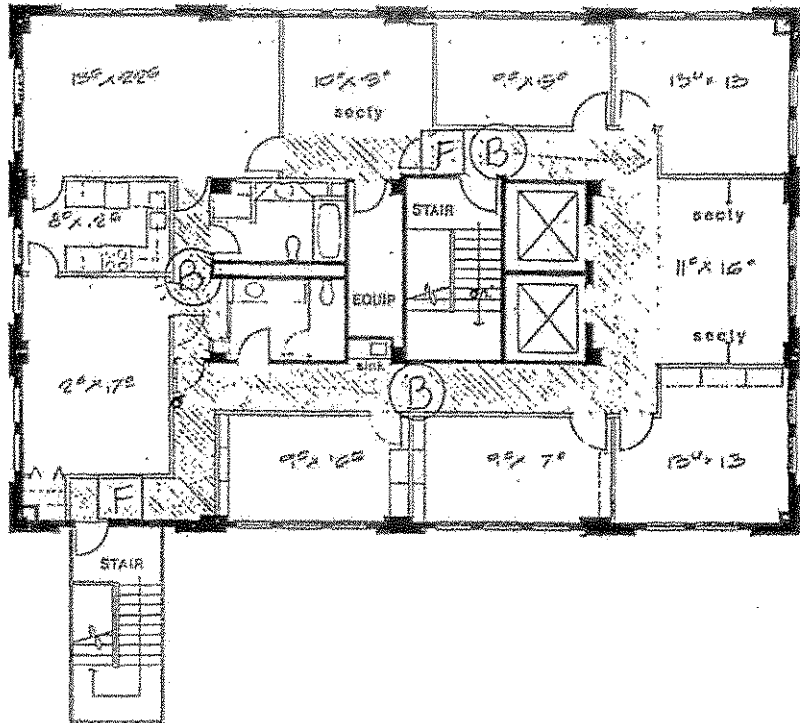




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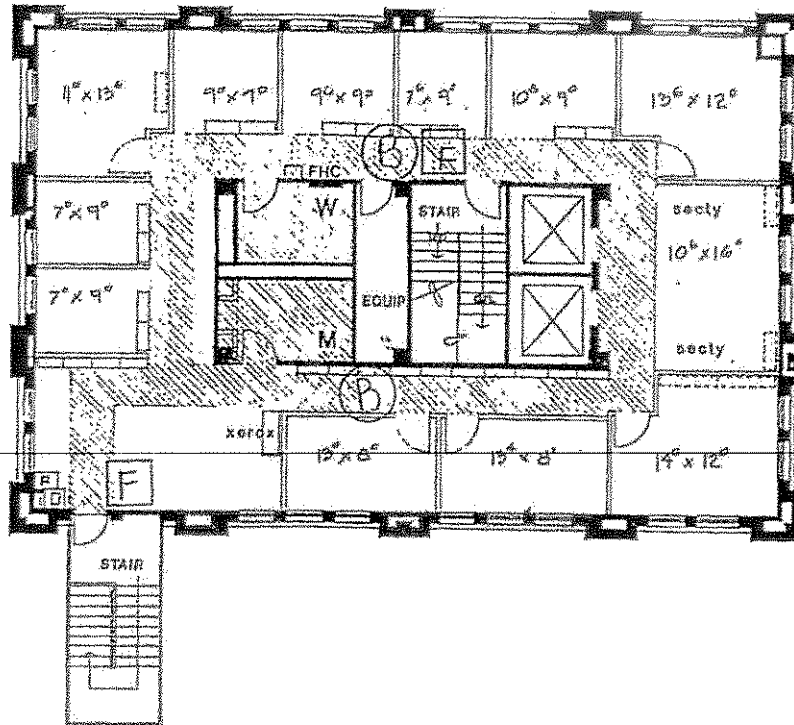




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12th FLOOR PLAN

SCALE 1/8" = 1'-0"

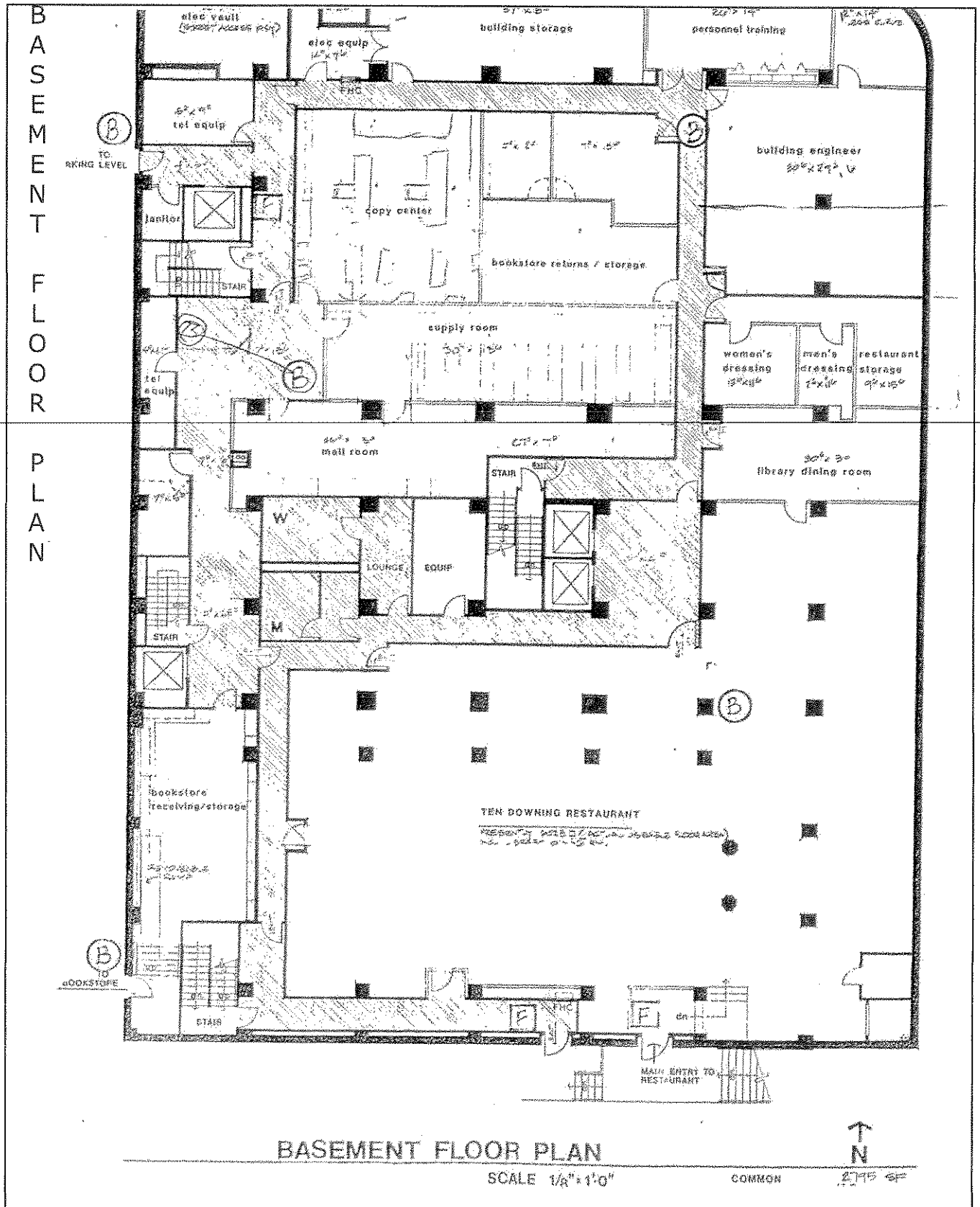
OFFICES	B
CUBICLE OFFICES	C
CLERICAL	2
OCCUPANCY SUMMARY	<u>15</u>

COMMON	740 SF
USEABLE	1080 SF
NET RENTABLE FLOOR AREA	<u>1420 SF</u>



WORLD TRADE CENTER

1250 6TH AVE, SAN DIEGO, CA 92101



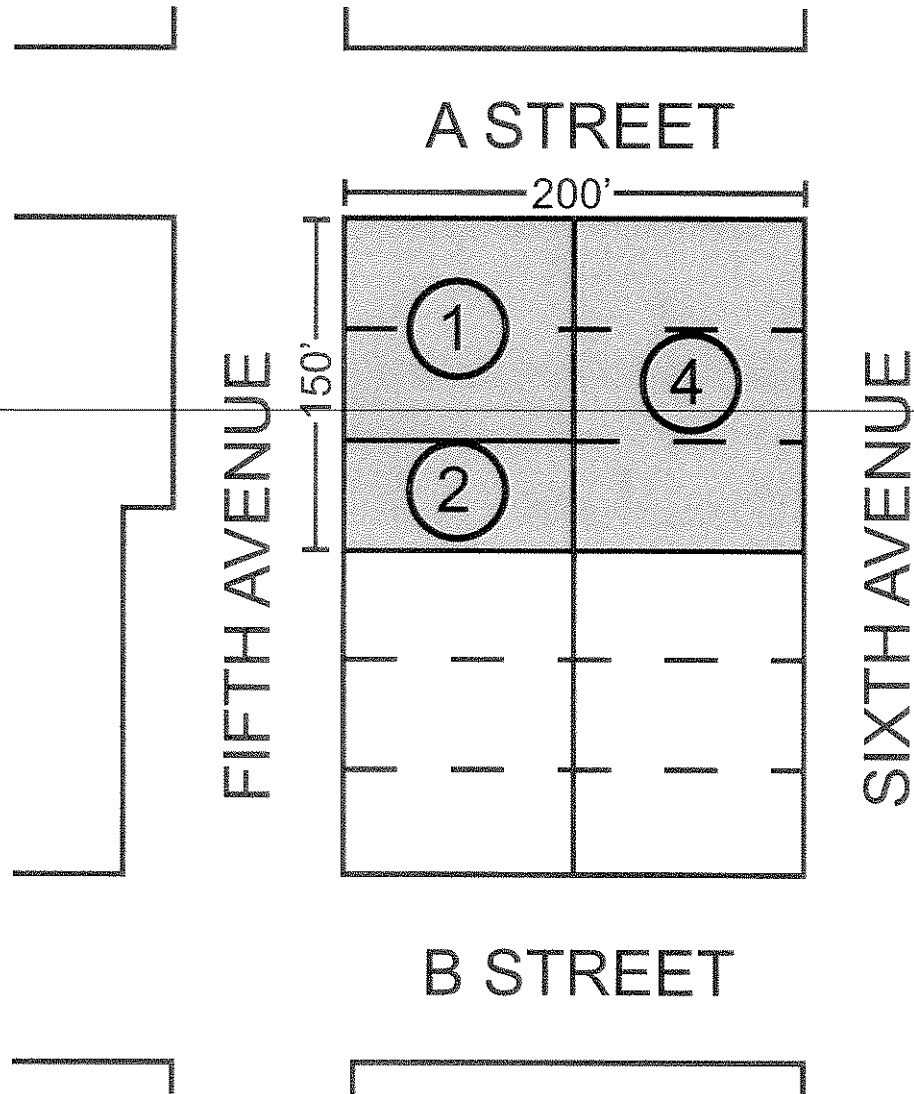
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PLAT MAP





EXTERIOR DESCRIPTION

Type:	Marshall & Swift Class B/C office building
Stories:	Twelve stories of office space. There is a basement and sub-basement. The parking structured on the west half of the subject site has five stories above ground floor space.
Foundation:	Concrete
Exterior Walls:	Painted veneer of Portland cement plaster as the street level and cast-in-place concrete on the upper floors. The exterior of the parking structure is an anodized aluminum screen wall attached to the concrete structure with steele brackets.
Windows:	Fixed single-pane glass in aluminum frames
Roof:	Flat, built-up

INTERIOR DESCRIPTION

Floor Covering:	A mix of ceramic and vinyl tile and commercial grade carpet
Interior Walls:	Mostly a combination of painted drywall or wallpaper
Ceilings:	Mostly drop ceiling panels or painted drywal in some hallways

EQUIPMENT/MECHANICAL SYSTEMS

Stairs:	Four interior stair wells serving the basement to the 5th floor. One interior and one exterior stair well serving the 6th through 12th floors.
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Elevators:	Two passenger elevators in the lobby serving the basement through 12th floors. There is one elevator serving the parking garage and there is one service elevator which serves the sub-basement to the 5th floor.
Fire Protection:	Fire extinguishers only
Heating/AC:	Roof mounted package units
Bathrooms:	Separate men's and women's restrooms on each floor
Electrical Lighting:	Mainly fluorescent lighting

COMMON AREAS/YARD IMPROVEMENTS

Landscape:	None
Interior Walls:	Mostly a combination of painted drywall or wallpaper
Parking:	A total of 216 parking spaces accessed from A Street and located in the parking structure plus an additional 34 basement spaces that are accessed from 5th Avenue. There are a total of 250 parking spaces, indicating a parking ratio of 2.38 spaces per 1,000 square feet of rentable building area.



	Committee Recommendation PATH/Affirmed	FJV/Chelsea
Organizational Experience & Strength <ul style="list-style-type: none"> • Relevant experience of team • Organizational structure and staffing • Relevant experience of staff • Ability to raise private capital 	<p>PATH is comprised of four non-profit agencies with an annual operating budget in excess of \$4 million providing innovative housing and services for over 25 years. The organization provides comprehensive emergency, transitional, and permanent housing and supportive services to homeless individuals and families in Los Angeles County, including those with disabilities and special needs. PATH also operates street outreach teams that work seven days a week engaging homeless individuals on the streets, providing triage and emergency supplies. PATH has created the PATHMall, a partnership of over 20 social service agencies in one building.</p> <p>Affirmed will serve as the design and rehabilitation manager and has extensive experience in affordable residential development with expertise in site selection, engineering, architecture, construction, public financing, low-income housing tax credits and tax-exempt bond financing. Since 1994, Affirmed has created over 2,224 housing units.</p> <p>Family Health Centers of San Diego (FHCS) is the second largest federally qualified health center in the country with a mission of providing quality healthcare (medical, mental health, vision and dental) to uninsured, low income and medically underserved families. FHCS operates 28 locations throughout the County of San Diego servicing more than 120,000 individuals.</p> <p><i>Committee Comments:</i> The team appears to be highly qualified to develop the one-stop center and to operate a Housing First model with an on-site medical clinic for one-stop center patrons and eligible families in the community.</p>	<p>FJV is a non-profit corporation with over 20 years of experience in developing housing and service facilities for homeless and indigent populations. The organization has constructed and rehabilitated over 650,000 square feet of residential space, incorporating on-site community medical and dental clinics, a high school, a grade school, dining facilities, and resource and training centers. The current facilities include an emergency shelter, transitional housing, and 302 units of permanent housing, 73 of which provide supportive services.</p> <p>St. Vincent de Paul Village (SVDP) is a partner agency, which serves as the service coordinator for the Multi-Service Center. SVDP has an annual operating budget in excess of \$25 million, over 160 employees and over 2,000 volunteers.</p> <p>Chelsea will serve as development consultant for the center and is an experienced tax-credit developer and consultant that has partnered with non-profit housing organizations. Chelsea will assist in developing financial projections, funding applications, and corresponding with lenders and investors.</p> <p><i>Committee Comments:</i> The team appears highly competent to develop the site and operate an emergency shelter with additional housing options.</p>
Client Group and Resident Selection <ul style="list-style-type: none"> • Client referral process and linkages with service providers 	<p>PATH has been serving the homeless community, including special needs sub-populations with co-occurring disorders, seniors, veterans and people living with HIV/AIDS. PATH's Regional Street Outreach team conducted comprehensive needs surveys and has provided housing and benefits advocacy and transportation to services.</p>	<p>FJV has been providing housing and services to single adults and families, the program's targeted populations. FJV has an innovative partnership with the University of California at San Diego School of Medicine allowing Resident Physicians from the Combined Family Medicine-Psychiatry Residency Program to practice on-site at the Village Family Health Center, a federally</p>

	Committee Recommendation PATH/Affirmed	FJV/Chelsea
<ul style="list-style-type: none"> • Reasons for serving the client group and selection process 	<p>Housing will be provided to those self-referred or by local advocacy (service provider, business owner, law enforcement, faith-based organizations, concerned resident, etc.). The Service Center will be designed as a gateway to services, service needs assessment and referral. Presentations will be conducted to these groups including flyers. Special outreach will be made to those who access the winter shelter. PATH will utilize an assessment tool to identify those most vulnerable (chronic health conditions, length of homelessness, mental illness, addiction, recent hospital or emergency room visits, etc.).</p> <p>The permanent supportive housing will be provided on a first-come, first-served basis prioritized by target population, income eligibility, etc. with a focus on individuals with disabilities.</p> <p>The interim housing, which is defined as flexible housing, which can be accessed as emergency housing, but does not have a time limit for transition. It is designed for single adults due to its congregate living design with a goal of modifying behavior patterns towards healthy lifestyle choices.</p>	<p>qualified health center and state-licensed community clinic. The clinic is also served by the City's Serial Inebriate Program.</p> <p>The Villa Harvey Mandel, a 90-unit permanent affordable housing development, has 25 units serving persons with disabilities.</p> <p>Housing will be provided through referrals by staff and partner agencies on a first-come, first-served basis, with special exception for those at imminent risk of harm, families with newborn babies, women in the third term of pregnancy, and elderly persons over 70 years of age.</p>
<p>Project Design, Location and Program Operations</p> <ul style="list-style-type: none"> • Appropriateness of size and configuration of site • Appropriateness of size and configuration of existing structures • Physical condition of site or existing structures • Compatibility with surrounding uses and neighborhood • Proximity to transit, 	<p>The PATH/Affirmed team proposes using the existing WTC building, located on a 15,000 square-foot parcel on the northeast corner of the block bound by A and B streets, Fourth and Fifth avenues. It is a 12-story building with a basement and sub-basement. The building is owned by the City and is a locally registered historic landmark (#685). The team proposes a complete renovation of the building with the following uses:</p> <ul style="list-style-type: none"> • the sub-basement level for 13,400 square feet of administrative offices, storage and training rooms; • the basement level for a 17,300 square-foot multi-service center including office space for partner agencies, training rooms, counseling offices and a full-service dining room; • the ground floor for a 13,600 square-foot state-of-the- 	<p>The FJV/Chelsea team proposes new construction of a five-story facility at its 14th/Commercial site. It is a 47,758 square-foot site owned by FJV and lies within a Mixed Commercial zone. The site is adjacent to the existing SVDP campus and is proposed to provide an interior courtyard for day visitors and a queuing area for meal services.</p> <p>The team proposes the following uses within the new facility:</p> <ul style="list-style-type: none"> • the ground floor for a 33,459 square-foot Day Center, Neighborhood Resource Center (NRC) and Dining Area Expansion; • the second level for 350 emergency shelter beds (22,366 square feet); • the third level for 80 temporary housing beds (21,480 square feet); and

	<i>Committee Recommendation</i> PATH/Affirmed	FJV/Chelsea
<p>support services, grocers, etc.</p> <ul style="list-style-type: none"> • Density, zoning and other applicable land use restrictions • Level, types and comprehensiveness of services offered • Level and frequency of case management • Activities to assist in transitioning clients to permanent housing • Public outreach plan 	<p>art Downtown Family Health Center operated by FHCS D including reception and waiting areas and case management;</p> <ul style="list-style-type: none"> • the second and third floors for 150 interim housing beds for single men and women (25,000 square feet). The average stay is estimated at 45-65 days; and • the fourth through twelfth floors for 76 studio permanent supportive housing units (47,000 square feet). <p>The team proposes to place an emphasis on permanent housing first with a coordinated continuum of care including medical and mental health assessment, addiction treatment and services by multi-lingual and culturally diverse professionals.</p> <p>The submittal also proposes employment services with an emphasis on both soft skills and specialized programs.</p> <p>Services will be provided at various levels including Quick Stop and Hand Up services offering to provide stability. All services are proposed to be delivered inside with no queuing outside; staff and security patrol the outside of the building to ensure the area is clean and free of loitering, being respectful of the surrounding community.</p> <p>PATH/Affirmed proposes several outreach strategies including Project YIMBY (Yes! In My Backyard), a local stakeholder collaborative of business owners, service providers, law enforcement, faith-based groups and local elected offices. The group identifies programmatic gaps, designs solutions, secures resources and implements change on a neighborhood level. PATH proposes to hold frequent neighborhood meetings and participate in local neighborhood associations and councils.</p> <p><i>Committee Comments:</i> The site is located within two blocks of the Fifth and C transit stop, several bus stops, drug, retail and convenience stores, the new Senior Community Centers facility, Catholic Charities</p>	<ul style="list-style-type: none"> • the fourth and fifth levels for 70 permanent supportive housing units (42,960 square feet). <p>The team proposes a Multi-Service Center (MSC) for the ground floor offering a wide array of services and housing options provided by a network of over 30 social service partners including meeting the basic needs of shelter, food, clothing, showers, personal storage and laundry. The MSC is proposed to offer triage and crisis prevention and referral services.</p> <p>Of the 150 transitional beds, 65 will be set aside for women from the existing SVDP women's transitional housing program, allowing for an expansion of the SVDP short term shelter for families.</p> <p>Of the 70 permanent supportive housing units, 42 will be set aside for persons with mental illness or disabilities, HIV/AIDS or substance abuse. Seventeen will be set aside for those who are chronically homeless.</p> <p>Clients will initially meet with a case manager for an assessment, triage (prevention such as landlord mediation or rental assistance) and access to services.</p> <p>The NRC will serve as an intake "door" for shelter and rapid re-housing. Referrals will be made to the Emergency Shelter, Short Term Shelter and transitional and permanent housing programs.</p> <p>The Day Center will operate seven days every week offering restrooms, showers, lunch, mail, telephone/message, laundry, case management, employment health, pet and other services to those service-resistant persons.</p> <p>The team proposes to outreach to, and work collaboratively with, police/probation officers, hospital and detention center discharge planners and community partners including the City's Homeless Outreach Team (HOT), the Salvation Army's Homeless Outreach Program, the Veteran's Administration Outreach Team, and Community Research Foundation's downtown IMPACT</p>

	<i>Committee Recommendation</i> PATH/Affirmed	FJV/Chelsea
	<p>and the Salvation Army. However, the two major downtown grocers are located 10 or more blocks away but are transit accessible.</p> <p>An experienced consultant was retained by the Commission and CCDC to evaluate the physical condition and rehabilitation cost estimate for the WTC. A summary of the consultant's findings are provided later in this report.</p> <p>The site's surrounding adjacent uses are primarily commercial office and government. The committee did not consider the proposed use to be in conflict with any of the adjacent uses on the condition the center is managed and operated effectively. Excessive noise, odors, outside loitering or security issues would create tension with adjacent property and business owners.</p> <p>The building's historic designation exempts the site from the Employment Overlay Zone requirement identified in the Downtown Planned District Ordinance (PDO). A Conditional Use Permit (CUP) will be required for any proposed downtown location of the one-stop center.</p> <p>The committee considers the PATH/Affirmed team's approach to operations and outreach to be innovative with a proven track record for success in Los Angeles and other cities in the nation. The inclusion of Family Health Centers is a significant benefit to the community providing health care not only to residents of the center but to low-income and disadvantaged residents of the community. Of the two proposals, the committee considered the PATH/Affirmed proposal to most closely achieve the RFP objective of satisfying the Housing First/Housing Plus Model.</p> <p>The PATH/Affirmed team proposes leveraging local Agency and SDHC funds with 9% Low-Income Housing Tax Credits for the build-out of the supportive housing component and a VA Grant for other capital improvements.</p> <p>Proposed operating funding sources include In Kind payments from the partner service providers, Alpha</p>	<p>program.</p> <p><i>Committee Comments:</i> The site's adjacency to the existing SVDP campus provides certain synergies in dining, services and administration. The immediate surrounding uses are primarily light industrial and rail and bus yards. While the committee does not believe the proposed use on the site presents any significant conflicts with immediate adjacent uses, locating the one-stop center in this location would continue the concentration of homeless and social service facilities in the southern portion of the East Village neighborhood, potentially creating greater impacts to the community.</p> <p>The site is located within two blocks of two bus stops and the 12th Avenue/Imperial Transit Station. Two convenience stores lie within four blocks of the site while the Albertson's grocery store and pharmacy are an approximate 11-block distance, accessible via transit.</p> <p>The FJV/Chelsea submittal proposes a significantly greater number of beds. However, the committee considers the PATH proposal to exhibit a stronger nexus with the c Housing First/Housing Plus Model and a superior operating plan.</p> <p>The committee considers the site location slightly inferior due to its remote location from much of downtown's retail and other services.</p> <p>The FJV/Chelsea team proposes leveraging local Agency and SDHC funds with 9% Low-Income Housing Tax Credits for the construction of the supportive housing component and several other public funding sources for the construction of the other uses including Parking Infill grant -- Prop 1C, HUD Supportive Housing Program (SHP) grant, Multifamily Housing Program (MHP) grant, Affordable Housing Program (AHP) grant,</p>
Leverage* <ul style="list-style-type: none"> Amount and viability of non-local public funding sources 		

*NOTE: Leverage was not

<p><i>considered during the scoring process as proposed funding sources are not committed and cannot be counted as leverage</i></p>	<p><i>Committee Recommendation</i> PATH/Affirmed</p> <p>Project Veterans Village of San Diego, City homeless designated federal entitlement grants and Family Health Centers of San Diego.</p> <p><i>Committee Comments:</i> While the team has proposed a rather limited number of public funding sources, the sources have been deemed viable and available by the committee and CCDC's financial consultant, Keyser Marston Associates (KMA). The 9% tax credits are awarded on a competitive basis however the project should score well but may require more than one application round. The project's overall acquisition and development costs are significantly less than the FJV/Chelsea team proposal, thus requiring fewer subsidies.</p> <p>PATH based their proposed bed counts on realistic assumptions regarding operating costs. Should additional funding opportunities become available, additional beds could be provided within the building footprint.</p>	<p>FJV/Chelsea</p> <p>Emergency Housing Assistance Program, and a Mental Health Services Act (MHSA) grant.</p> <p>Proposed operating funding sources include City winter shelter grants, HUD/SHP/MHSA subsidies and significant private donations through SVDP, much of which is not committed.</p> <p><i>Committee Comments:</i> While the team proposes significant public funds the project's construction, the committee and KMA consider many of the sources to be unavailable or unlikely to become available in the near future. The committee is also concerned about the lack of certainty associated with the significant amount of private fundraising required for the daily operation of the center due to the large number of beds and individuals the team proposes to serve.</p>
<p>Innovation and Collaboration</p> <ul style="list-style-type: none"> Proposed new approaches to meeting housing needs 	<p>The team's proposal embraces the Housing First and Rapid Re-Housing models. The plan includes flexibility to allow future conversion of the interim beds into permanent supportive units. The innovative partnering with FHCSD provides the benefit of utilizing Medicaid billing to support the necessary services for the permanent housing.</p> <p>The PATHMall provides services in a holistic way through case conferencing and case coordination through a variety of providers offering clients a choice of what type of service or approach works best. Scan cards are proposed as a labor-saving tool and as visual cues that peers are moving onward and upward.</p> <p>Providing a "medical home" for clients eliminates the need or desire for frequent visits to hospital emergency rooms. Offering a Housing First system helps those who are leery of treatment systems to be housed and then to begin to access supportive services.</p>	<p>This proposal builds upon and enhances the current delivery system by offering a comprehensive regional access center, increased intervention, outreach and case management. The plan offers diverse housing options for helping homeless victims across the spectrum. The building has been designed for future flexible use or re-programming of the space. The proposed project leverages existing resources available in the SVDP campus.</p> <p>The proposal includes collaboration with community planning groups, human services community groups, public and private providers, public entities and nonprofit providers.</p> <p><i>Committee Comments:</i> The committee considered the team's proposal to leverage many of the existing resources at the SVDP campus a valuable benefit while found the proposal's continued emphasis on the shelter approach is not directly aligned with the Housing First objective.</p>

	<i>Committee Recommendation</i> PATH/Affirmed	FJV/Chelsea
	<p><i>Committee Comments:</i></p> <p>The committee considered the PATH approach very innovative and proven successful in other locations. Offering the clients a choice of provider and approach has the potential to encourage greater participation in the programs. The team's emphasis on permanent housing and not shelters coincides with the Housing First RFP objective.</p>	
Outcome Measures <ul style="list-style-type: none"> • Statement of goals, measurement tools to assess program success • Goals and measurement of self sufficiency 	<p>The Service Center is designed as a gateway to services; referrals to interim housing will be made primarily through staff and center partners. Priority will be placed on identifying vulnerable individuals who have been regularly utilizing the winter shelter program. DTFHC current provides care to approximately 5,000 patients annually, 58% of whom meet the Department of Health & Human Services definition of "homeless."</p> <p>The proposal also seeks to increase the supply of permanent supportive housing and housing stability; focus at the site will be on providing housing and services to chronically homeless adults.</p> <p>Outcomes are proposed to be measured by collecting data through interviews and forms at the time of intake and managed through Service Point. Additional data will be collected through sign-in sheets, appointment books and case management notes. Reporting will be conducted monthly. Programs are considered successful if they move clients to higher levels of stability and client satisfaction. PATH claims high success rates in its other locations.</p>	<p>The FJV/Chelsea team proposes to utilize a client services tracking and report software system, linked to an access badge, for analysis and evaluation of results.</p> <p>Goals will be established for each program through analyzing statistical records including intake applications, client assessments, program participation, client case notes and demographic profiles.</p> <p>Measurement will be conducted based on increases in clients' financial stability, increased housing readiness, increased housing stability, increased access to permanent supportive housing, increased job readiness, increased access to services. FJV claims high success rates in each of the measured categories in the existing SVDP campus.</p>

Attachment A

People Assisting the Homeless (PATH)

World Trade Center

WORKING DRAFT

**Homeless Service Center / Housing
Centre City Development Corporation**

April 2, 2010

TABLE A-1

PROJECT DESCRIPTION
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION

I. Location	World Trade Center 1250 6th Avenue	
II. Site Area	30,000 SF	0.69 Acres
II. Gross Building Area		
<u>Residential</u>		
Supportive Affordable Housing	47,000 SF	37%
Interim Housing	<u>25,000</u> SF	<u>20%</u>
Total Residential	72,000 SF	56%
<u>Non-Residential</u>		
Medical Clinic	13,600 SF	11%
Multi-service center, Office Space, Meeting Rooms, Dining Room	17,300 SF	14%
Administrative Offices, Storage, Training Rooms	<u>13,400</u> SF	<u>10%</u>
Total Non-Residential	44,300 SF	35%
Total Net Building Area	116,300 SF	91%
Common Area (1)	<u>11,600</u> SF	<u>9%</u>
Total Gross Building Area (GBA)	127,900 SF	100%
III. Number of Stories		
Supportive Affordable Housing	9 Stories	Floors 4-12
Interim Housing	2 Stories	Floors 2-3
Medical Clinic	1 Story	Ground Floor
Multi-service center, Office Space, Meeting Rooms, Dining Room	1 Story	Basement
Administrative Offices, Storage, Training Rooms	<u>1</u> Story	<u>Sub-Basement</u>
	14 Stories	
Stories Above Grade	12 Stories	
Stories Below Grade	<u>2</u> Stories	
Total Number of Stories	14 Stories	
IV. Construction Type	Rehabilitation of historic high-rise	
V. Unit Mix		
Permanent Supportive Housing	75 Units	
Interim Beds	150 Beds	
VII. Affordability Mix		
Units @ 30% of AMI	34 Units	45%
Project Based Vouchers	39 Units	52%
Manager	<u>2</u> Units	<u>3%</u>
Total Units	75 Units	100%
VIII. Average Affordability (excl. Project Based Vouchers & Manager)	30% AMI	
IX. Parking		
Number of Spaces	261 Spaces	

(1) Imputed by KMA.

TABLE A-2

**DEVELOPMENT COSTS
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION**

	(A) Developer			(B) Test: Heritage Architecture & Planning (Direct Costs)			(B - A) Difference
	Totals	Per EDU (4)	Comments	Totals	Per EDU (4)	Comments	
I. Direct Costs (1)							
Off-Site Improvements(2)	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 /SF Site	\$0
On-Sites/Landscaping	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 /SF Site	\$0
Demolition	\$0	\$0	Included above	\$0	\$0	Included above	\$0
Parking	\$0	\$0	\$0 Per Space	\$0	\$0	\$0 Per Space	\$0
Shell Construction - Supportive Hsg(3)	\$13,887,363	\$92,582	\$295 Per SF GBA-Supportive	\$6,721,629	\$44,811	\$143 /SF GBA-Supportive	(\$7,165,734)
Shell Construction - Serv. Ctr./Interim Hsg(3)	\$4,556,419	\$30,376	\$82 Per SF GBA-Serv. Ctr./Interim	\$8,666,209	\$57,775	\$156 /SF GBA-Serv. Ctr./Interim	\$4,109,790
Shell Construction - Medical Clinics	\$1,000,000	\$6,667	\$74 Per SF GBA-Medical	\$2,006,221	\$13,375	\$148 /GBA-Medical	\$1,006,221
PV Solar (3)	\$233,218	\$1,555	\$2 Per SF GBA	\$233,218	\$1,555	\$2 Per SF GBA	\$0
Tenant Improvements	\$0	\$0	Included above	\$0	\$0	Included above	\$0
FF&E	\$365,000	\$2,433	Allowance	\$365,000	\$2,433	Allowance	\$0
Amenities	\$0	\$0		\$0	\$0		\$0
Contingency	<u>\$1,452,375</u>	<u>\$9,683</u>	7.2% of Directs	<u>\$0</u>	<u>\$0</u>	Included above	(\$1,452,375)
Subtotal Direct Costs	\$21,494,375	\$143,296	\$168 Per SF GBA	\$17,992,277	\$119,949	\$141 /SF GBA	(\$3,502,098)
Add: Prevailing Wages	<u>\$0</u>	<u>\$0</u>	Included above	<u>\$0</u>	<u>\$0</u>	Included above	\$0
Total Direct Costs	\$21,494,375	\$143,296	\$168 Per SF GBA	\$17,992,277	\$119,949	\$141 /SF GBA	(\$3,502,098)
II. Indirect Costs							
Architecture & Engineering	\$1,031,232	\$6,875	4.8% of Directs	\$1,031,232	\$6,875	5.7% of Directs	\$0
Permits & Fees(2)	\$300,000	\$2,000	\$2 Per SF GBA	\$300,000	\$2,000	\$2 Per SF GBA	\$0
Legal & Accounting	\$80,000	\$533	0.4% of Directs	\$80,000	\$533	0.4% of Directs	\$0
Taxes & Insurance	\$210,000	\$1,400	1.0% of Directs	\$210,000	\$1,400	1.2% of Directs	\$0
Developer Fee	\$2,500,000	\$16,667	11.6% of Directs	\$2,500,000	\$16,667	13.9% of Directs	\$0
Construction Management Fee	\$12,000	\$80	0.1% of Directs	\$12,000	\$80	0.1% of Directs	\$0
Marketing/Lease-Up	\$65,000	\$433	0.3% of Directs	\$65,000	\$433	0.4% of Directs	\$0
Contingency	<u>\$150,000</u>	<u>\$1,000</u>	3.6% of Indirects	<u>\$150,000</u>	<u>\$1,000</u>	3.6% of Indirects	\$0
Total Indirect Costs	\$4,348,232	\$28,988	20.2% of Directs	\$4,348,232	\$28,988	24.2% of Directs	\$0
III. Financing Costs							
Loan Fees	\$221,000	\$1,473	1.0% of Directs	\$221,000	\$1,473	1.2% of Directs	\$0
Interest During Construction	\$900,000	\$6,000	4.2% of Directs	\$900,000	\$6,000	5.0% of Directs	\$0
Interest During Lease-Up	\$0	\$0	0.0% of Directs	\$0	\$0	0.0% of Directs	\$0
Title/Recording/Escrow	\$25,000	\$167	0.1% of Directs	\$25,000	\$167	0.1% of Directs	\$0
TCAC/Syndication Fees	\$60,000	\$400	0.3% of Directs	\$60,000	\$400	0.3% of Directs	\$0
Operating Deficit Reserve	<u>\$391,000</u>	<u>\$2,607</u>	1.8% of Directs	<u>\$391,000</u>	<u>\$2,607</u>	2.2% of Directs	\$0
Total Financing Costs	\$1,597,000	\$10,647	7.4% of Directs	\$1,597,000	\$10,647	8.9% of Directs	\$0
IV.Total Development Costs Excluding Acquisition	\$27,439,607	\$182,931	\$215 Per SF GBA	\$23,937,509	\$159,583	\$187 Per SF GBA	(\$3,502,098)
V. Acquisition Costs							
WTC Building(5)	\$7,000,000	\$46,667	\$55 Per SF GBA	\$7,000,000	\$46,667	\$55 Per SF GBA	\$0
Relocation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u> Per SF GBA	<u>\$0</u>	<u>\$0</u>	<u>\$0</u> Per SF GBA	<u>\$0</u>
Total Acquisition Costs	\$7,000,000	\$46,667	\$55 Per SF GBA	\$7,000,000	\$46,667	\$55 Per SF GBA	\$0
VI. Total Development Costs Including Acquisition Or Say (Rounded)	\$34,439,607 \$34,440,000	\$229,597	\$269 Per SF GBA	\$30,937,509 \$30,938,000	\$206,250	\$242 Per SF GBA	(\$3,502,098) (\$3,502,000)

(1) Assumes payment of prevailing wages.

(2) Estimates; not verified by KMA or Agency.

(3) Includes pro rata share of general conditions and contractor overhead/profit.

(4) Equivalent dwelling unit (EDU) assumes 2 beds = 1 unit.

(5) Adjusted by KMA to exclude parking garage from total acquisition costs of \$10,000,000 KMA estimated parking garage cost as follows:

Net Operating Income (FY 2008)	\$261,909
Capitalization Rate	9.0%
Capitalized Value	\$2,910,100
Or Say (Rounded)	\$3,000,000

TABLE A-3

**NET OPERATING INCOME
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION**

	Developer			Test: 100 % Project Based Vouchers		
	# of Units	\$/Month	Total Annual	# of Units	\$/Month	Total Annual
I. Gross Scheduled Income						
Studio @ 30% AMI	34	\$233 (1)	\$95,064	0	\$0	\$0
Studio @ Project Based Vouchers	39	\$924 (2)	\$432,432	73	\$900 (3)	\$788,400
Manager	<u>2</u>	<u>\$0</u>	<u>\$0</u>	<u>2</u>	<u>\$0</u>	<u>\$0</u>
Total - Residential	75	\$586	\$527,496	75	\$876	\$788,400
Add: Other Income	\$0 /Unit/Month		<u>\$0</u>	\$0 /Unit/Month		<u>\$0</u>
Total Gross Scheduled Income (GSI)			\$527,496			\$788,400
II. Effective Gross Income (EGI)						
(Less) Vacancy	0.0% of GSI		<u>\$0</u>	0.0% of GSI		<u>\$0</u>
Total Effective Gross Income (EGI)			\$527,496			\$788,400
III. Operating Expenses						
(Less) Operating Expenses	\$4,521 /Unit/Year		(\$339,050)	\$4,521 /Unit/Year		(\$339,050)
(Less) Services/Amenities	\$467 /Unit/Year		(\$35,000)	\$467 /Unit/Year		(\$35,000)
(Less) Property Taxes (4)	\$400 /Unit/Year		(\$30,000)	\$400 /Unit/Year		(\$30,000)
(Less) Replacement Reserves	\$300 /Unit/Year		(\$22,500)	\$300 /Unit/Year		(\$22,500)
(Less) SDHC Monitoring Fee	<u>\$0</u> /Unit/Year		<u>\$0</u>	<u>\$0</u> /Unit/Year		<u>\$0</u>
Total Expenses	\$5,687 /Unit/Year		(\$426,550)	\$5,687 /Unit/Year		(\$426,550)
	80.9% of EGI			54.1% of EGI		
IV. Net Operating Income (NOI)			\$100,946			\$361,850

(1) Per Developer, based on current SSI estimates.

(2) Per Developer, based on current fair market rents for San Diego County of \$954. Note: KMA finds actual 2010 fair market rent for San Diego County is \$945.

(3)Source: San Diego Housing Commission, reflects fair market rent for a Downtown San Diego studio.

(4) Includes liability insurance. Not clear if supportive housing component will be tax-exempt.

TABLE A-4

**OPERATING BUDGET - INTERIM HOUSING, SERVICE CENTER, AND MEDICAL CLINIC
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION**

I. Interim Housing

<u>Uses</u>		<u>Sources</u>	
Personnel	\$581,250	In Kind	\$655,200
Operating Expenses	\$928,130	Alpha Project	\$350,000
Other Costs	<u>\$28,600</u>	Veterans Village San Diego	\$216,000
		Other	<u>\$294,430</u>
Total	\$1,537,980	Total	<u>\$1,515,630</u>

II. Service Center

<u>Uses</u>		<u>Sources</u>	
Personnel	\$362,500	In Kind	\$468,000
Operating Expenses	\$728,715	Veterans Village San Diego	\$24,000
Other Costs	<u>\$24,700</u>	City and Government Grants	\$400,000
		Other	<u>\$223,915</u>
Total	\$1,115,915	Total	\$1,115,915

III. Medical Clinic

<u>Uses</u>		<u>Sources</u>	
Operating Expenses	\$2,048,413	Family Health Centers of San Diego	\$2,048,413

TABLE A-5

**FINANCING DEFICIT
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION**

		Developer		Test: Heritage Architecture & Planning (Direct Costs)	
		Status of Funding	Total	Status of Funding	Total
I. Sources of Funds					
A. Funding Sources:					
Market Value of Tax Credits	proposed		\$13,959,000 (1)	proposed	\$13,959,000 (1)
VA Grant	proposed		\$1,500,000 (2)	proposed	\$1,500,000 (2)
San Diego Housing Commission	proposed		<u>\$2,000,000</u>	proposed	<u>\$2,000,000</u>
Total Funding Sources			\$17,459,000		\$17,459,000
B. Developer Equity Contribution:					
Deferred Developer Overhead Fee			<u>\$157,000</u>		<u>\$157,000</u>
II. Total Warranted Investment			\$17,616,000		\$17,616,000
(Less) Total Development Costs - Including Acquisition			<u>(\$34,440,000)</u>		<u>(\$30,938,000)</u>
III. Financing Deficit			(\$16,824,000)		(\$13,322,000)
IV. Proposed Assistance					
Agency - Supportive Housing / Homeless Funding			\$15,824,000		\$12,322,000
Agency - Health & Human Services Grant to FHCS			<u>\$1,000,000</u>		<u>\$1,000,000</u>
Total Proposed Assistance			\$16,824,000		\$13,322,000
Per EDU (assumes 2 Beds = 1 Unit)			\$112,000		\$89,000

TABLE A-5 (CONT'D.)

**ESTIMATE OF TAX CREDIT PROCEEDS - SUPPORTIVE HOUSING
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION**

(1) Estimate of Tax Credit Proceeds

A. Low Income Housing Tax Credits Threshold Basis Limits

Studios	75	\$150,702 /Unit		\$11,302,650
Add: Basis Adjustment (prevailing wages)			20%	\$2,260,530
Add: Basis Adjustments (exceed Title 24 standards)			4%	\$452,106
Add: Basis Adjustments (incl. energy technologies)			5%	\$565,133
Add: Local Development Impact Fees				\$100,000
Add: Basis Adjustments (95% of units serviced by elevator)			10%	<u>\$1,130,265</u>
Total Threshold Basis Limit				\$15,810,684

B. Estimate of Eligible Basis:

Total Development Costs - Supportive Housing		\$34,439,607
(Less) Ineligible Costs		<u>(\$14,511,717)</u>
Eligible Basis		\$19,927,890

C. Tax Credit Proceeds:

		Rehabilitation	Acquisition	Total
Maximum Eligible Basis		\$15,810,684	\$4,000,000	\$19,810,684
(Less) Basis Amount Voluntarily Excluded		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Requested Unadjusted Basis		\$15,810,684	\$4,000,000	\$19,810,684
Impacted Bonus Factor		130%	100%	
Total Adjusted Eligible Basis		\$20,553,889	\$4,000,000	\$24,553,889
Tax Credit Qualified Units/Applicable Factor	100.0%	\$20,553,889	\$4,000,000	\$24,553,889
Tax Credit Rate @		9.0%	3.4%	
		\$1,849,850	\$136,000	\$1,985,850
Total Tax Credits @	10	\$18,498,500	\$1,360,000	\$19,858,500
Limited Partner Share	99.0%	\$18,313,515	\$1,346,400	\$19,659,915
Present Market Value @	71.0%	\$13,002,595	\$955,944	<u>\$13,958,539</u>

(2) VA Grant Capital Funding

Total Development Costs - Service Center / Interim Housing				\$12,560,138
30-50 Beds Designated for Homeless Veterans	20%-33% of	\$2,512,028	-	\$4,144,846
Maximum Grant Amount	65% of	\$1,632,818	-	\$2,694,150
Estimated VA Grant Capital Funding				\$1,500,000

TABLE A-6**SOURCES OF FUNDS - PATH
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION**

Sources of Funds	Total	Agency	Status	Viability
Market Value of Tax Credits	\$13,959,000	TCAC	1st round: 3/25/10; 2nd round: 7/7/10	reasonably achievable
VA Grant	\$1,500,000	Veterans Affairs	National competitive process; NOFA released annually by Department of Veterans Affairs. NOFA March 2010 = \$24 mm available	reasonably achievable
Total Funding Sources	\$15,459,000			

TABLE A-7

**PARKING GARAGE - PATH
HOMELESS SERVICE CENTER/HOUSING
CENTRE CITY DEVELOPMENT CORPORATION**

Number of Spaces	261	Spaces
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Acquisition Costs ⁽¹⁾	\$3,000,000	\$11,494 /Per Space
Parking Garage Rehabilitation Costs ⁽²⁾	<u>\$4,941,000</u>	<u>\$18,931</u> /Per Space
Total Parking Garage Costs	\$7,941,000	\$30,425 /Per Space

(1) KMA estimate; see Table A-2.

(2) Source: Heritage Architecture & Planning.