



DATE ISSUED: July 16, 2008 REPORT NO. CCDC-08-22
CCDC-08-11

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Council President and City Council
Docket of July 22, 2008

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Transitional Housing Program for Homeless Seniors – Program
Funding -- Horton Plaza Redevelopment Project

COUNCIL DISTRICT(S): 2

REFERENCE: None

STAFF CONTACT: Eri Kameyama, Associate Project Manager, (619) 533-7177

REQUESTED ACTION:

Approval of funding in the amount of \$287,000 for the Transitional Housing for Homeless Seniors Program administration from July 2008 through June 2009, and costs of leasing 37 rooms.

STAFF RECOMMENDATION:

That the Redevelopment Agency of the City of San Diego (“Agency”):

- Authorize the expenditure of up to \$287,000 from the Horton Plaza Low and Moderate Income Housing Fund to cover leasing costs and program administration for the Transitional Housing for Homeless Seniors Program from July 2008 through June 2009; and
- Make certain findings that the Transitional Housing for Homeless Seniors Program is of benefit to the Horton Plaza Redevelopment Project.

And, that the City Council of the City of San Diego (“Council”):

- Accept and appropriate funds in the amount of \$287,000 to fund the Transitional Housing for Homeless Seniors Program (“Program”) from July 2008 through June 2009.

SUMMARY:

The Program is sponsored by the City of San Diego ("City") to provide homeless seniors with vouchers to rent rooms at housing facilities in downtown and surrounding neighborhoods. The Agency has provided funding support to the Program for the past six years with expenditures from the Centre City or Horton Plaza Low and Moderate Income Housing Fund. The City is requesting \$287,000 to fund leasing costs for 37 rooms and program administration for the 12-month period of July 2008 to June 2009.

FISCAL CONSIDERATIONS:

Funds in the amount of \$287,000 are available in the proposed Fiscal Year 2009 Horton Plaza Low and Moderate Income Housing Fund.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On May 28, 2008, the Centre City Development Corporation Board voted 5-0 to approve the staff recommendation.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Centre City Advisory Committee ("CCAC") and Project Area Committee ("PAC") discussed the item on April 16, 2008. CCAC and PAC members raised concerns on the current conditions of Sara Frances Homotel and requested staff to look into the issue and report back.

Staff presented the result of the inspections conducted on May 8 and 9, 2008 at the CCAC meeting on May 21, 2008. The CCAC voted 19-0 and the PAC voted 18-0 to approve the staff recommendation.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

None.

BACKGROUND

The proposed Program advances the Visions and Goals of the Downtown Community Plan and the Objectives of the Horton Plaza Redevelopment Project by:

- Maintaining housing options affordable to very-low income and special-needs groups;
- Securing funding and locations for housing linked to supportive services for homeless; and
- Helping service providers stabilize individuals at risk of homelessness.

The Program is an effort sponsored by the City to provide seniors who are homeless with vouchers to rent rooms at housing facilities either in downtown or in surrounding neighborhoods. The Program has been operating since January 2002 and has provided, to date, over 66,000 bed nights for homeless seniors. The Program is managed by the City's Planning and Community Investment, which has entered into a contract with Senior Community Centers of San Diego, a non-profit service provider, to lease rooms for homeless seniors. Program participants receive case-management services by Senior Community Centers of San Diego, San Diego REACH, Traveler's Aid Society, and the San Diego Homeless Outreach Team.

The City is requesting \$287,000 to lease a total of 37 rooms for the 12-month period of July 2008 to June 2009. The Agency has provided funding for the Program since inception, as follows:

Funding Period	Date Agency Approved	Housing Set-Aside Funds for Leasing Costs	CDBG Funds for Assisted-Living Expenses	Total
January 2002 to December 2002	March 19, 2002	\$168,000	None	\$168,000
January 2003 to December 2003	March 4, 2003	\$221,000	\$90,000	\$311,000
January 2004 to June 2004	January 13, 2004	\$105,000	None	\$105,000
July 2004 to June 2005	August 3, 2004	\$233,000	\$25,000	\$258,000
July 2005 to June 2006	June 29, 2005	\$272,000	None	\$272,000
July 2006 to June 2007	October 2, 2006	\$282,000	None	\$282,000
July 2007 to June 2008	July 27, 2007	\$282,000	None	\$282,000
July 2008 to June 2009	Subject Request	\$287,000	\$25,000	\$312,000
Total		\$1,850,000	\$140,000	\$1,990,000

DISCUSSION

Scope of the Project – The Program would lease a total of 37 rooms for homeless seniors, including 35 rooms at the Sara Frances Homotel located at 943 Tenth Avenue in downtown and two rooms at St. Paul's Villa located at 2340 Fourth Avenue in Banker's Hill.

Participation by Agency – The Agency would provide a total of \$287,000 to be used for leasing costs and Program administration during the 12-month period of July 2008 to June 2009, as follows:

Program Expense	Rate	Total
Sara Frances Lease	35 rooms x \$575 x 12 months	\$ 241,500
St. Paul's Lease	2 rooms x \$575 x 12 months	\$ 13,800
Assisted Living Program	2 clients x \$1,526/month x 12 months (\$25,000 maximum allowed)	\$ 25,000
Eviction Contingency		\$ 1,700
Administrative expenses		\$ 30,000
Total		\$ 312,000

Assisted-living expenses such as meals, counseling, and case management are not allowable uses of the Agency Low and Moderate Income Housing Funds. The City will provide CDBG funds to cover the assisted-living expenses in the amount of \$25,000.

Program Benefits – The Program serves a critical need for temporary housing for seniors, including frail elderly, among the homeless population. Since inception, the Program has assisted over 650 homeless seniors move from the streets towards more permanent housing. A summary of the Program's outcomes is included as Attachment A.

Inspection of Sara Frances Homotel – The Sara Frances Homotel is a 157-unit single room occupancy ("SRO") hotel built in 1991 that is owned and managed by Seymour Reichbart. The San Diego Housing Commission ("SDHC") has 48 income-restricted units in the building and nine units reserved for Section 8 clients. One of the reasons for selecting the Sara Frances Homotel for the Program was its proximity to the Senior Community Centers of San Diego, which administers the Program and provides supportive services to the participants. The property is also conveniently located across from the SHARP Senior Health Center, which is often utilized by the participants.

In response to concerns raised at the CCAC meeting on April 16, 2008 about possible problems with living conditions at the Sara Frances Homotel, staff requested an inspection of the property by SDHC, which was completed on May 8, 2008. The inspection report provided by SDHC did not identify any health and safety problems. In addition, CCDC staff and representatives of the City's Planning and Community Investment and Senior Community Centers conducted its own inspection of the property on May 9, 2008. The inspection included a random sample of shared bathroom facilities and a subset of the 35 rooms leased to the Program. Staff was generally impressed with the building's condition and cleanliness.

Staff has concluded that living conditions at the Sara Frances Homotel are safe and sanitary, and recommends that the Agency proceed with the recommendation to authorize funding for leasing costs.

PROJECT ANALYSIS AND IMPACT ASSESSMENT:

Housing Impact – The Program provides temporary housing and an effective way to connect homeless seniors with supportive services and permanent housing options. This action would allow the Program to continue at its current level of service through the end of Fiscal Year 2009.

Environmental Impact – This activity is not a project, and therefore not subject to CEQA per CEQA Guidelines Section 15060(c)(2).

Findings of Benefit – Whenever Agency funds are proposed to be spent outside of a redevelopment project area, the Agency is required to make findings that the project will be of benefit to the redevelopment project area. Both of the housing facilities are located outside, but within close proximity, to the Horton Plaza Redevelopment Project boundaries. Sara Frances Homotel is located six blocks to the east in downtown's East Village Redevelopment District. St. Paul's Villa is located one mile north in the Banker's Hill neighborhood. Proposed findings of benefit are attached (Attachment B), describing how leasing rooms for homeless seniors are of benefit to the Horton Plaza Redevelopment Project area.

CONCLUSION:

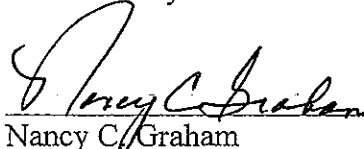
The Program has been successful in providing temporary housing for homeless seniors. Staff recommends authorizing an expenditure of \$287,000 from the Horton Plaza Low and Moderate Income Housing Fund to fund leasing costs for 37 rooms and program administration for the 12-month period of July 2008 to June 2009.

Respectfully submitted,

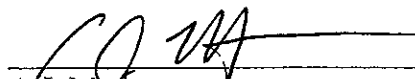


Eri Kameyama
Associate Project Manager

Concurred by:



Nancy C. Graham
President and Chief Operating Officer


A.J. Magana
Accountant/Financial Analyst

Attachments:

- A – Program Statistical Summary (January 1, 2002 to February 29, 2008)
- B – Findings of Benefit