

ND Sepulveda I & II

Permanent Supportive Housing
for Veterans



Project Team



- ACOF, Lead Project Developer
- 501 (c) 3 non profit
- Established in 1988
- completed over 1,300 units in 35 properties, primarily throughout Los Angeles County
- A Community of Friends' mission is to end homelessness through the provision of quality permanent supportive housing for people with mental illness.
- www.acof.org
- NDI, Lead Service Provider
- Co-Developer
- Established in 1992 by a formerly homeless veteran
- Serves over 800 veterans annually
- Operates over 230 transitional housing beds at 5 different facilities
- www.ndvets.org

Project Location

- Veterans Affairs Sepulveda Ambulatory Care Center (VASACC)
- Buildings 4 and 5
- North Hills Neighborhood, San Fernando Valley, City of Los Angeles



ND Sepulveda I

VASACC building 4



- 72 Studios
- 1 one-bedroom manager's unit
- community kitchen
- service coordination /case management offices
- multi-purpose community space
- large courtyard
- will serve homeless, disabled veterans at or below 30% ami

ND Sepulveda II

VASACC Building 5



- 75 Studios
- 1 one-bedroom manager's unit
- 2 stories
- service coordination /case management offices
- multi-purpose community space
- large courtyard
- will serve homeless, disabled veterans at or below 30% ami

Enhanced Use Leases

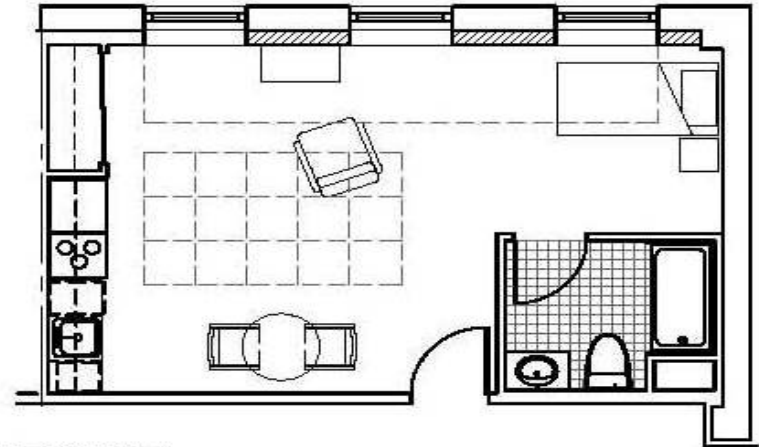
- Two separate Enhanced Use leases
- 75 years
- Leases establish the “lease area” for the project
- Leases restrict occupancy, require services, limit use, etc.
 - Similar to a regulatory agreement or covenant

Construction Program

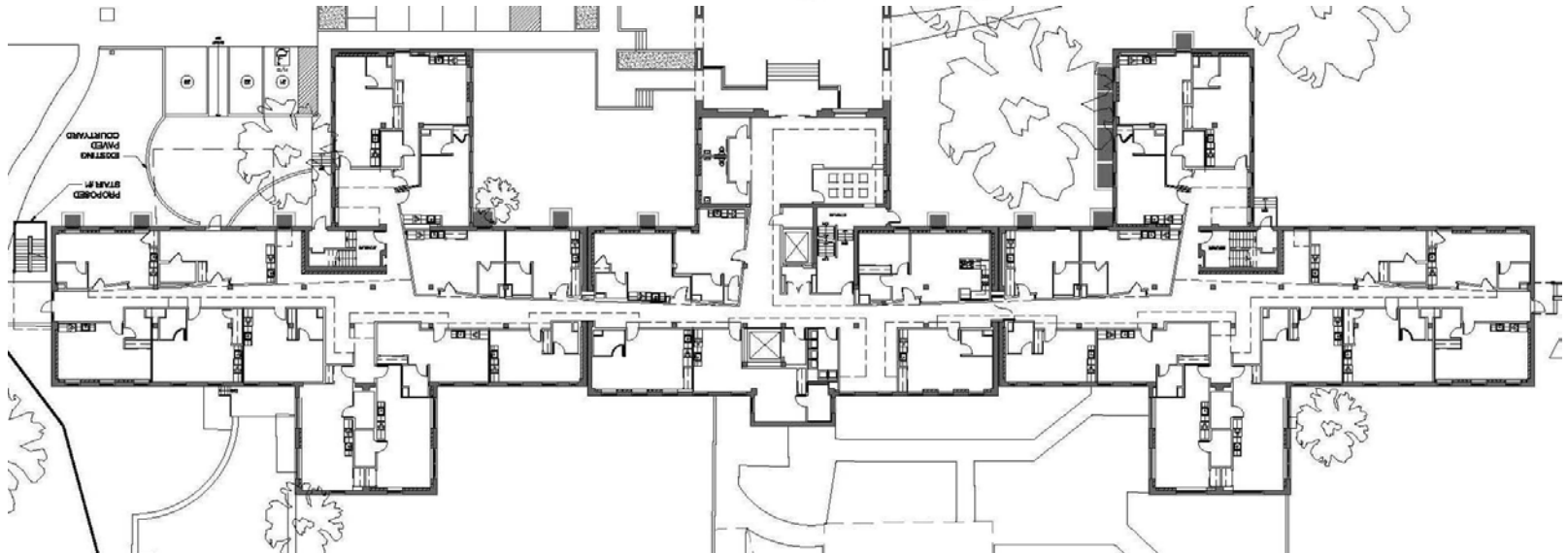


Construction Program

- Full Gut Rehab
 - Buildings originally constructed in 1953
- Interior re-configuration
- Replace all systems
- Seismic upgrade
- Hazardous Materials Abatement
- Targeting LEED Silver
- Exterior will be left mostly unchanged
- ADA and UFAS compliant, all units adaptable, 50% roll in showers



TYPICAL UNIT



Project Financing

- 9% Tax Credits – National Equity Fund syndicator, Bank of America upper tier investor
- CA Department of Housing and Community Development Multi Family Housing Program Supportive Housing Program (MHP SHP)
- VA MilCon minor construction capital contribution
- Federal Home Loan Bank Affordable Housing Program (AHP)
- Construction Loan – Bank of America
- Project Based Section 8 – Housing Authority of the City of Los Angeles (HACLA)
- Project Based HUD VASH – National pilot program through HACLA
- CSH and LISC – Predevelopment Loans

Services Program

- On-Site case management and service coordination
- On-site job training and job placement
- Community building activities
- Outpatient medical services available at the VA outpatient care center (VASACC building 200)
- Mental health and group counseling, PTS counseling, available on-site and in VASACC building 10'
- Dental Services (VASACC building 10)
- Benefits counseling and assistance
- Legal services
- Family Re-unification services
- Other VASACC campus amenities
 - Nine hole golf course
 - Track
 - Basketball courts
 - Tennis courts
 - Ample open space and walking paths

Unique Challenges

- Target Population, funding sources and fair housing
- Community Opposition

Target Population, Funding Sources and Fair Housing

- Leases initially included “veterans preference” language, have since been amended to “veterans only”
- Point of contention for community
- Work to get legislation passed to allow veterans only housing for MHP program and TCAC
 - ACOF and NDI worked with Senator Cedillo who introduced SB 1220 to allow “veterans-only” housing for certain state funding programs, passed on 9/30/2008
 - ACOF and NDI worked with national groups at the federal level to change IRS regulation to allow “veterans-only” housing if a particular federal funding program is utilized. The language was inserted into H.R. 3221, a housing bill that was signed into law by President Bush on July 30, 2008.
 - HUD issued a determination that HUD funds can be used for housing that is restricted to veterans

Community Opposition

- Typical NIMBY concerns about permanent supportive housing
- VA land use issues
 - Enhanced Use Leasing practices
 - Veterans only
 - Questions about land ownership/motivation behind project
- Lack of VA hospital in the San Fernando Valley
 - Many groups want a new VA hospital at the VASACC

Completion Expected in August of 2013



Apply For Housing

- To apply for housing at ND Sepulveda I or ND Sepulveda II
- Call - (818) 753-6925
- E mail – assetmanagement@acof.org
- Internet – www.acof.org – click on the “New Leasing Applications Are Now Being Accepted” link.

Strategic Plan to End Veteran Homelessness

VA Greater Los Angeles Healthcare System

June 13, 2013

VA Greater Los Angeles Healthcare System Strategic Plan to End Veteran Homelessness by 2015

Background

Summary of Patient Demographics

- GLA's homeless Veteran population is complex: 69% have a serious medical problem, 45% have a substance abuse problem, 50% have psychiatric problems, and 27% have dual diagnoses
- Almost 50% of the homeless Veterans served by GLA are chronically homeless
- Though GLA's homeless Veterans are predominantly middle-aged and male, its homeless program is seeing an increasing number of women, OEF/OIF/OND, and Veterans with families

Summary of GLA Homeless Veteran Services and Impacts

- GLA's homeless program currently has the ability to house over 6,500 individuals at any time in partnership with the community
- 5,900 Veterans were discharged from GPD transitional housing programs into permanent housing between FY 2006 and FY 2012
- GLA's HUD-VASH program currently case manages about 3,000 Veterans with 2,600 living in their own apartments, and 400 in the process of being housed.

VA Greater Los Angeles Healthcare System Strategic Plan to End Veteran Homelessness by 2015

Gap Analysis

Targeted Subgroups for Improving Care

- Chronically homeless
- Veterans at-risk of homelessness
- Women
- Families
- Recently returning Veterans
- Veterans in underserved regions

Four Priority Action Areas Critical for GLA to Fill Service Gaps

- 1) Provide integrated team-based care and increase effective engagement and timely access
- 2) Increase pathways out of homelessness – enhance housing options and supportive services
- 3) Support systems planning initiatives to improve the efficiency and efficacy of GLA's homeless programs
- 4) Call on and continue to improve collaboration with community partners to address critical needs and community-based drivers of homelessness among Veterans in the GLA region

VA Greater Los Angeles Healthcare System Strategic Plan to End Veteran Homelessness by 2015

Gap Analysis

Address Unmet Needs Through Community Partnerships

- Housing First
 - Increase housing supply
 - Increase housing choice and flexibility
 - Increase move-in assistance
 - More assistance around HUD-VASH
- Address childcare and needs of families
- Improve employment opportunities
- Increase transportation options
- Address social, financial, and legal needs to prevent and end homelessness

VA Greater Los Angeles Healthcare System Strategic Plan to End Veteran Homelessness by 2015

Grant and Per Diem

Through partnerships with community agencies, GLA has 1,259 community transitional housing beds for homeless Veterans

- Veterans stay for 3-18 months while receiving a range of medical, mental health and rehabilitative services.
- Programs targeting women, older adults, OEF/OIF/OND Veterans, Veterans with families, and recently incarcerated
- Veterans OTH can qualify for GPD program
- Goal: prepare participants for independent living upon discharge.

VA Greater Los Angeles Healthcare System Strategic Plan to End Veteran Homelessness by 2015

Status of HUD-VASH

GLA's current allocation of HUD-VASH Vouchers is 4,050 (2008-2013)

–Currently 100 project-based vouchers (PBV's): 50 at US VETS Westside in Inglewood; 50 at Community of Friends on VA Sepulveda campus. HUD and VA Central Office make decision about PBV allocations.

–Currently contracting with PATH to case manage 950 Veterans

–Plans to contract with other community agencies to provide intensive case management to 400 Veterans with co-occurring severe mental illness and substance abuse issues.

VA Greater Los Angeles Healthcare System Strategic Plan to End Veteran Homelessness by 2015

Plan Forward

Key Initiatives

- Expand Enhanced Housing First team (formerly ACT) to provide street medicine
- Expand and improve Outreach program with additional staff, enhanced coordination, and improved technologies
- Expand SSVF program to increase prevention and rapid re-housing
- Improve patient screening and dynamic patient tracking to improve same day access to care and housing
- Implement team-based care model for new Building 402 and mobile teams that provide comprehensive services in community-based settings
- Open an Integrated Benefits Center in Building 402 with representatives from VBA, SSA, LA County DMH and DPSS, and CalVets
- Develop a Medical-Legal Partnership to address unmet legal needs



Coming Home

Integrating Housing and Services for Veterans; A Lender's Perspective



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usbank.com/student



Presentation Objectives

Learn about:

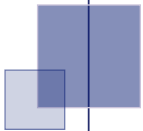
- US Bank & Services for Veterans
- El Monte Veterans Housing
- Lender's perspective on underwriting Veterans Housing





US Bank Services for Veterans

- Government Services
- Proud to Serve Initiative
- Military Service Center
- Hiring Mission
- Top 100 Military Friendly Employers for 2012 & 2013
- Yellow Ribbon proclamation from the State of Minnesota





El Monte Veterans Housing



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El Monte Veterans Housing

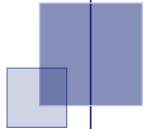


PROJECT PARTICIPANTS:	
OWNER/SPONSOR:	El Monte Veterans Housing L.P.
INVESTOR MEMBER:	USBCDC
MANAGING GENERAL PARTNER:	El Monte Veterans Apts LLC (Mercy Housing California)
GENERAL PARTNER/ SERVICE PROVIDER:	New Directions Inc. LLC (New Directions Inc.)
GUARANTOR:	Mercy Housing Inc
PROPERTY MANAGER:	Mercy Housing Management Group
CONTRACTOR:	Alpha Construction Co. Inc.
ARCHITECT:	Thomas Cox Architects



Development Summary

- Location: 11240 Ramona Blvd. El Monte, CA
- 41 units for Veterans
- 9% LIHTC, Conventional Financing, County & City Funding, FHLB AHP Subsidy
- VASH Administered by HA County of LA
- Services: New Directions Inc. & Mercy Housing





Construction Sources

Construction Loan	\$ 6,781,000
Tax Credit Equity	\$75,000
ILP 2nd Installment*	\$1,400,197
GP Equity	\$100
County of Los Angeles (COI)	\$2,450,000
El Monte HA- HOME	\$54,700
El Monte HA- HOME	\$400,000
El Monte HA-Acquisition	\$300,000
El Monte Special Development	\$350,000
FHLB- AHP	\$600,000
Deferred Developer Fee	\$425,000
Total Sources	\$ 12,914,080



Permanent Sources

Sources	
Permanent Loan	\$ -
Tax Credit Equity	\$8,745,507
GP Equity	\$100
County of Los Angeles (COI)	\$2,450,000
Accrued/Deferred Interest	\$54,700
El Monte HA- HOME	\$400,000
El Monte HA-Acquisition	\$300,000
El Monte Special Development	\$350,000
FHLB- AHP	\$600,000
TCAC Performance Deposit	\$13,773
Deferred Developer Fee	\$0
Total Sources	\$ 12,914,080

Funding Sources:

Subordinate Loan	Lien Position	Amount	Agreement	Proposed Funding Date	Salient Terms
County of Los Angeles	2	\$2,450,000 + 43,800 (Accrued/Deferred Interest)	Loan Agreement (to close concurrently with Bank Loan)	A portion will fund at close to cover closing cost; the balance to fund immediately thereafter until the loan is fully funded	Owner must develop 41 units Term 55 years; 3% simple interest 17 units at or below 30% AMI 100% of units at or below 50% AMI Restriction Term: 55 years 1 manager's unit Residual up to 35% receipts repayment structure
El Monte HA Acquisition Loan	3	\$300,000	Loan Agreement (to close concurrently with Bank Loan)	Funded during the predevelopment period	41 units restricted to 60% of AMI Loan Term: 55 years; 0% simple interest (AFR Calc. 2.18%) Restriction Term: 20 years Residual Receipts up to 15% total for all three City loans
City of El Monte HOME Loan	4	\$400,000	Loan Agreement (to close concurrently with Bank Loan)	Funded during the predevelopment period	41 units restricted to 60% of AMI Loan Term: 55 years; 0% simple interest (AFR Calc. 2.18%) Restriction Term: 20 years Residual Receipts up to 15% total for all three City loans
El Monte HA Special development	4	\$350,000	Loan Agreement (to close concurrently with Bank Loan)	Funded during the predevelopment period	41 units restricted to 60% of AMI Loan Term: 55 years; 3% simple interest Restriction Term: 20 years Residual Receipts up to 15% total for all three City loans
AHP Loan - MVI	5	\$600,000	Loan Agreement (to fund during the course of construction. Borrower to submit documentation to FHLB w/n 60 days post closing)	Projected to fund three months post closing	(Same as LIHTC) Restriction Term: 20 years No monthly payments required



Underwriting Requirements

- 7% Vacancy
- No LTV or DSCR requirements
- Operating Expense Ratios
- No stabilization requirements
- Dedicated services
- Strong Guarantor
- Location
- Public Support & Dollars



Questions?

Please contact your U.S. Bank as Follows:

Community Lending Division:

tiena.johnsonhall@usbank.com

Military Service Center: 800-934-9555

Monday-Friday 7am to midnight E.T.



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Kristine Rodrigues, MSW

Assistant Director of Veteran Services

Outline

- Veteran Needs
- Veteran Programs
- Blue Butterfly Village

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Our Approach



We believe in meeting the veteran where they are...

Because veterans have unique needs.

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Veteran Needs

To date, more than 1.6 million troops (both male and female) have served in Iraq and Afghanistan and today's veterans are returning with the following unique needs:

- At least 300,000 suffer from Post-Traumatic Stress Disorder (PTSD).
- Over 160,000 suffer from Traumatic Brain Injury (TBI).
- Approximately 18 veterans (of all ages) commit suicide each day (6,500 per year).

Women Veterans

- 15% of today's military
- 40% have experienced some form of sexual trauma.
- 3 times more likely to be divorced than male counterparts.
- More likely to be caring for children.
- Become homeless at a higher rate than their male counterparts.
- Less likely to have job skills that are sufficient to support a family.

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Veteran Programs

VOALA currently serves more than 3,000 veterans each year and expects to serve over 10,000 in the coming 2 – 3 years. Each of the VOALA veterans' programs that have been started over the last two decades are still fully funded and making a vital difference in veterans' lives.



Blue Butterfly Village

Will serve women veterans and their families with housing and comprehensive services in healthcare, education, job training and life-skills.

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Blue Butterfly Village

- Will be located high up in scenic San Pedro Heights (near the intersection of Western & Palos Verdes Drive North).
- Will provide high-need female veterans and their families with long-term housing and comprehensive wrap around services on site or nearby.

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Blue Butterfly Village

Phase I: Renovation of 76 former Navy townhouses to provide long term housing for female veterans and their families as part of a family reunification project.

- Begin construction – December 2013

Phase II: Build a Supportive Services Center, adjacent to the Navy housing, for returning female veterans and their families that will include: 24 additional townhouses, Child Care, Education Workshop Center, Kitchen and Dining Facilities, and a Vocational Training Center.

- Begin construction – Spring 2015



Blue Butterfly Village

Plans for Economic Self-Sufficiency

- Facilities will be Section 8 housing.
- Residents will pay rent equivalent to 30% of her gross income.
- Incentive to relocate to permanent unsubsidized housing, including home ownership, is the escalating rent tied to her increased employment earnings.



Blue Butterfly Village

Comprehensive Services

- The women are eligible for the full range of VA services, both on site and at the nearby VA Regional Center in Long Beach, including case management, mental health treatment (PTSD and traumatic brain injury), job training/education, job placement, and comprehensive health coverage.

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GREATER LOS ANGELES



Blue Butterfly Village

- Early Head Start, Head Start and child care for pre-school and elementary age children.
- Upward Bound and Talent Search, educational support for elementary, middle and high school age youth geared to their enrollment in postsecondary education.
- Family Reunification tailored to reuniting and preventing the breakup of families experiencing stress and conflict.
- Alcohol and drug abuse prevention and recovery for parents and their children.



Blue Butterfly Village

- Job training and placement specifically tailored to the needs of women veterans.
- UCLA Mentoring Program for the children and youth.
- Additional mentoring, tutoring and other volunteer support will be provided by the students and their parents from Blue Butterfly Village's two neighbors, Marymount College and Rolling Hills Preparatory.



Conclusion

Blue Butterfly Village will provide a national model of how urban areas around the country can better support the military women who have valiantly served this nation with distinction and who now need our help to fortify their families and pursue their own American dreams.

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Questions?

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