



## **Section 4.2.1.....Development Description**

**DRAFT**

### **SOBRATO GILROY HOMELESS CENTER**

#### **Project Summary**

The **Sobrato Gilroy Homeless Center** is a new construction project that South County Housing Corporation (SCHC) will develop and construct to provide 35 single occupancy studio units at 9389 Monterey Road in Gilroy for homeless individuals with incomes below 30% of the area median income (AMI). SCHC will set aside 17 of the units for individuals that are homeless or at risk of becoming homeless due to mental illness. The project operating budget assumes that all tenants will pay rent equivalent to 30% of an individual Supplemental Security Income (SSI) payment.

Project amenities will include a community room with appropriate furnishings such as a television, sofas and chairs, kitchenette and computers. Additionally, the project will provide office space for service providers including an examination room that the Santa Clara Valley Medical Center can utilize for basic medical examinations. The 2 story building will also include laundry facilities and offices for management staff.

#### **Housing and Service Goals and Tenants to be Served**

The City of Gilroy approved this site as a 140-bed emergency homeless shelter in 2003. Since that time, acquiring funds to operate shelters has become nearly impossible. Therefore, SCHC and the City of Gilroy now seek to provide as much permanent housing for homeless as possible, given site development constraints and operating subsidy availability. SCHC has determined that the project can support 35 units of permanent housing for chronically homeless individuals, 17 of these designated for MHSA tenants who are adult consumers. Tenants will pay 30% of their income toward rent and utilities. SCHC will rely on MHSA and HUD subsidies to balance the annual operating budget. Units will contain approximately 380 square feet of living space including a full bathroom and kitchen with sink, range/oven and refrigerator.

The Sobrato Gilroy Homeless Center will provide appropriate services to all tenants. A FSP provider such as Community Solutions will serve as case managers for the 17 MHSA tenants. SCHC will likely contract with a different provider – such as St. Joseph’s Family Center – to provide case management and services to HUD-subsidized units. SCHC also employs full-time staff whose job is to build collaborations with various organizations that can provide other

services to these tenants. These other services might include money management, ESL and a variety of recreational activities.

Finally, the project will include office space for social service agencies to hold on-site office hours and provide direct services to tenants as well as others from the community. Santa Clara Valley Medical Center has indicated they would like to provide services on site. Other agencies would possibly include County social workers, Social Security claims representatives and Veterans Affairs case workers.

Case managers will provide services to tenants at the housing site. In this way, the case managers will visit the tenants on a regular basis and attend to their needs appropriately. In this environment, the case managers will also organize and coordinate, along with SCHC staff, helpful workshops and other ancillary services.

**Primary Service Provider**

Community Solutions will be the primary service provider. They will predominantly serve those clients who have Medi-Cal. However, other providers, especially the County of Santa Clara Mental Health Department’s South County Mental Health will also play a direct, critical role in the service delivery program because they can refer and will serve the non-Medi-Cal clients who participate in the housing at this site. In order to facilitate a coordinated service delivery approach, the Case Managers’ supervisor at Community Solutions will meet with representatives from the service providers involved and the MH Department’s Housing Support Liaison and will coordinate the services that will be delivered on site. He/she will facilitate all meetings with Case Managers and others as needed in order to ensure appropriate service delivery. This supervisor or his/her designee will serve as the single point of contact for communications between services providers and property management staff and coordination of supportive services for the MHSA tenants.

**Development Partners**

South County Housing Corporation (SCHC) will serve as the managing general partner of a limited partnership that will own the project. This legal ownership structure is required to obtain low income housing tax credits and investor equity, the primary source of construction funding for the project. South County Property Management (SCPM), an affiliate of SCHC, will manage the property. SCPM is currently managing the 60 unit transitional housing project immediately adjacent to this project. As project owner, SCHC will approve a management plan that serves as a guide for the management company. Coordination and cooperation with service providers will serve as a key guiding principle.

**Development Financing Summary**

<b>Construction Sources</b>		
<b>Amount</b>	<b>Source</b>	<b>Status</b>
\$540,000	City of Gilroy	Committed
\$1,644,793	County of Santa Clara Affordable Housing Fund	Committed.
\$400,000	Co. of Santa Clara HOME	Apply January 2010
\$498,140	Co. of Santa Clara CDBG	Committed
\$234,000	Sobrato Foundation	Committed

<b>Amount</b>	<b>Source</b>	<b>Status</b>
\$525,000	Federal Home Loan Bank	Apply 2010
\$2,992,396	Conventional Construction Loan	Apply 2010
<b>Permanent Sources</b>		
<b>Amount</b>	<b>Source</b>	<b>Status</b>
\$1,700,000	Co. of Santa Clara MHSA	Conditionally approved
\$2,661,547	Tax Credit Equity	Apply 2010
\$178,939	Sponsor Equity	Committed
\$5,013,671	State of CA – MHP Supportive Housing Loan	Apply 2010