



## Transitions-Mental Health Association

*Inspiring hope, growth, recovery and wellness in our communities.*

January 18, 2022

Michael Codron  
Director of Community Development  
City of San Luis Obispo  
919 Palm Street  
San Luis Obispo, CA 93401

Dear Michael,

This letter is to confirm the interest of Transitions-Mental Health Association (TMHA), a mental health and human services nonprofit located in San Luis Obispo County, to purchase and develop the property at 1118 Palm Street and convert it into 8 supportive housing apartments for low income adults living with a mental illness. TMHA requests support from the City of San Luis Obispo for a \$300,000 gap in funding this project.

### **Project Description**

The proposed project, located at 1118 Palm Street in the City of San Luis Obispo, addresses the critical need for extremely low-income housing to serve our most vulnerable populations. The goal is to provide supportive housing to 8 adults living with a mental illness who are homeless or are at risk of homelessness. The project cost is anticipated to be \$2.95 million.

The project plan is to construct 6 separate one bedroom apartments within the current building and add 2 one bedroom Accessory Dwelling Units in the backyard. The commissioned work will encompass:

- A remodel of the existing structure, to convert to 6 - one bedroom apartment units
- Add 2 - separate one bedroom ADU's
- One small office

TMHA hired Louisa Smith, an experienced local architect, to oversee the design. The exterior elevations will incorporate all details of the existing structure and recall its historic architecture. This property would be financed and operated by TMHA, with the units becoming part of the

agency's Housing Now, contracted with San Luis Obispo County's Department of Social Services.

In 2014, TMHA launched *50Now*, a collaboration with the Housing Authority of San Luis Obispo (HASLO) and the County of SLO Department of Social Services. The program represented a strategic attempt to address chronic homelessness head on, by identifying the 50 most vulnerable homeless individuals in the County, placing them in permanent housing, and providing behavioral health treatment, case management, and other services that will help them stabilize and maintain their housing. Client outcomes have been overwhelmingly positive, and the Board of Supervisors has renewed and expanded the program multiple times. Recently renamed *Housing NOW*, the program will increase the number of clients served from 70 to 80 in the coming year. The property at 1118 Palm Street is a critical component of that strategic expansion.

### **Client Description**

The target population, as per the No Place Like Home guidelines, will be adults having a Serious Mental Disorder who are Homeless, Chronically Homeless, or At-Risk of Chronic Homelessness. 100% of the units will be devoted to this target population. Each tenant will have the opportunity to engage with mental health services that are individual, confidential, and based on mutual trust and respect. Services include both evidence-based practices and peer mentorship, and are intended to help guide each person towards their highest self-sufficiency and sense of wellbeing. The degree of support and services will be entirely directed by each tenant.

All services to the tenants will be voluntary and guided by the participant's choice in terms of type, amount and timing. Each participant will be encouraged to reach their highest level of self-sufficiency possible through one on one assistance with social and life skills, such as budgeting, cooking and the management of symptoms. Tenants will receive support both on site and off site, inviting and encouraging tenants to participate in services and integrate into their community.

The proposed housing acquisition has been chosen for close proximity to TMHA and County services. The property is .7 miles from Hope House Wellness Center on 1306 Nipomo Street, 1 mile away from TMHA headquarters on High Street, 1.1 miles from County Behavioral Health on Johnson Avenue, and 2.4 miles from Growing Grounds Nursery on Orcutt Road. The

property is adjacent to the Ludwick Community Center and Santa Rosa Street, with easy access to rapid transit.

### **Timeline and Funding Request**

TMHA is currently in escrow for a purchase price of \$1,185,000. The cost to convert the house to six (6) one-bedroom units and two (2) one-bedroom ADUs is approximately \$1,815,000. TMHA is applying for \$2.03M in No Place Like Home grant funding from the State of California. We had a successful application with this program two years ago, and were awarded \$1.49 million to purchase 6 units in the City of San Luis Obispo.

While the numbers continue to get clearer, and relocation fees are an unbudgeted expense of \$60,000, we anticipate the financial gap will be \$865,000. TMHA will raise a portion of this through a private capital campaign, and requests \$300,000 in inclusionary housing funds from the City of San Luis Obispo.

The timeline will be roughly:

- Close of escrow on 1118 Palm Street: January 18, 2022
- Completion of floor plans and exterior elevations: January 2022
- Application deadline for No Place Like Home: January 19, 2022
- Beginning of remodeling: January 2023
- No Place Like Home Award Announcement: June 30, 2022
- Completion of construction and installation of ADUs: August 2023
- TMHA *Housing NOW* clients move in: September 2023

### **Agency Housing Experience**

TMHA has been operating housing programs with in-house property management services for over 40 years. TMHA's ability to provide multiple levels of service to our target population is fortified by our experience in managing the real estate and maintenance components of each project. TMHA owns five properties (a total of 65 beds) in San Luis Obispo County, and three properties (a total of 12 beds) in the city of Santa Maria. In partnership with the Housing Authority of San Luis Obispo, TMHA completed construction on Bishop Street Studios, a 34-unit project that received Federal Low Income Housing tax credits and other funding sources and has 100% occupancy. TMHA's role ranges from that of property manager to landlord. As the

property owner and manager, TMHA is responsible for the continuing maintenance of the property. More significantly, we serve as a regular touchstone for both tenants and their service providers.

TMHA is a member of the San Luis Obispo County Supportive Housing Consortium, which played an integral role in the development of the 2005 Consolidated Plan, including substantial input on the Continuum of Care for Homeless Persons Plan. TMHA's housing programs work in accordance with these County initiatives and share the same fundamental goals. TMHA is also a member of the Homeless Services Oversight Council, and an ongoing collaborator on both the Homeless Enumeration Project and is involved in the updating of the current 10 Year Plan to End Homelessness.

The overarching vision of TMHA Housing is one of a supportive, structured environment that is recovery-oriented. Our programs are designed to be responsive to and respectful of the profound journey every client experiences. The issues and challenges of this population can be more successfully addressed once the basic needs of housing and income are stabilized. Only with a secure living environment, assistance in accessing needed health care, attaining financial stability, receiving support and learning the basic skills necessary for independent living can recovery occur.

The issues of homelessness, mental illness, and low-income housing form a trifecta of pressing concern for our communities. This housing project can be a model for addressing these challenges in the years ahead.

For further information, do not hesitate to reach out to me at (805) 540-6505 or [jbw@t-mha.org](mailto:jbw@t-mha.org). Thank you for your consideration of this exciting project.

Warm Regards,

Jill Bolster White  
Executive Director