

neighbors

empowerment

pride partners

## NEF HOMELESS VETERANS INITIATIVE

National Equity Fund is building on its extensive experience in structuring and financing supportive housing to focus time, talent and resources on the growing problem of homeless veterans. With \$1 billion of our \$5.5 billion affordable housing portfolio invested in service-enriched developments for the homeless, frail elderly, the disabled, those battling substance abuse and many others, it was appropriate for NEF to take the lead on this important effort.

Estimates from HUD put the number of homeless vets on the street at any one time at 140,000. Veterans represent approximately one-fifth of the national homeless population, and that's being conservative, counting only those who say they are looking for housing. Thousands of other veterans are emerging from correctional institutions with nowhere to go, no help to get their lives on track. We know from homeless coordinators that veterans typically respond better to supportive services than the general homeless population, given their military training. The key is having enough units with the right services to address this growing at-risk population. In 2006, NEF began focusing efforts on how to tackle that issue on a national scale.

NEF has been working in partnership with the U.S. Department of Veterans Affairs, state veterans affairs officials, local affordable housing developers and consultants to encourage veterans-priority projects through public-private initiatives. Our goal is to help structure and finance development efforts that will help break the interwoven cycles of poverty, chemical dependency, mental illness and other disabling conditions that have handicapped so many veterans' efforts to lead productive lives.

- **Pipeline of 10 projects:** NEF has an existing pipeline of 10 potential projects targeting homeless veterans in states such as New York, Wisconsin, California, Illinois, Pennsylvania, Texas and Rhode Island. Our objective is to expand our pipeline to an additional 10 projects in the coming year.

- **New partnerships with veterans organizations and VA Consultants:** We are working with the National Coalition for Homeless Veterans (NCHV), providing financial and policy support--both directly and in concert with our parent LISC. We are also collaborating with the Chicago development consulting firm of Milner & Caringella, which has extensive experience on supportive housing projects in general and veterans projects in particular. Milner& Caringella have worked on more than 35 projects over the last 20 years that have developed 2,000 units of affordable supportive housing. NEF has also established a partnership with Ray Boland, former Secretary of the Wisconsin Department of Veteran Affairs and a retired military colonel active on veteran issues.

National Equity Fund, Inc.

AN AFFILIATE OF LOCAL INITIATIVES SUPPORT CORPORATION





# empowerment

*St. Leo's is NEF's first investment in a project focused on the needs of homeless veterans.*

Together NEF, Milner & Caringella and Boland & Associates are promoting the development of supportive housing for homeless veterans on unused excess VA land. These alliances are very valuable in helping our development partners secure project sites and move forward with projects.

- **First project completed:** The first project funded under NEF's Homeless Veterans Initiative is St. Leo Residence for Veterans (see facing page.) which completed construction at the end of 2006 and celebrated its grand opening in April 2007. It is now home to 141 residents, who also have access to an adjacent health and employment center.

## Partners

To meet our objectives, NEF is partnering with corporations, financial institutions, GSEs, nonprofit organizations, developers and our parent, Local Initiatives Support Corporation (LISC), to help gather the technical and financial resources needed to make these projects a reality. With them, we are:

- *Investing low-income housing tax credit equity* to fund developments targeting homeless vets.
- *Providing recoverable grants* to fund initial feasibility work for projects.
- *Arranging predevelopment loans* to help keep these projects afloat through the extended period of planning they require.
- *Bringing together the appropriate development and public policy resources* to help positively influence the broad issues related to housing homeless veterans.

### For more on NEF's Homeless Veterans Initiative, contact:

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## St. Leo Residence for Veterans

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Chicago, Illinois • 60620



*Project is built  
on the site of  
a former church,  
school and convent.*

### Project Basics

The \$20.2 million St. Leo's Residence for Veterans involves the new construction of 141 SRO units for chronically homeless veterans earning at or below 50 percent of AMI. It is the first of five national pilot projects initiated under the Homeless Veterans Comprehensive Assistance Act of 2001 and includes an adjacent VA community-based outpatient clinic and resource center. It is built on the former site of St. Leo the Great church, convent and elementary school, which was donated by the Archdiocese of Chicago for the project.

Fifty of the units are subsidized through a Section 8 Housing Assistance Program contract, making them affordable to very low-income residents. Ten units are also subsidi-

dized by the McKinney Supportive Housing Program. Each studio apartment has its own bath and kitchen. The building's first floor has 24-units, offices for building services and laundry facilities; the upper three floors have 39 units each.

The community-based outpatient clinic—leased to the Veterans Administration—will serve the large population of veterans who live on the South Side of Chicago. The first floor will provide outpatient primary care services. The second floor space will be used for a job-training classroom, a computer lab, meeting rooms and offices for the Department of Labor, the Veterans Benefits Administration, and the Veterans Resource Center. Two service coordinators will provide case management services, and drug



*As much as 25% of all homeless adults are estimated to be veterans.*

testing will be a part of the resident service plan.

### St. Leo's Impact

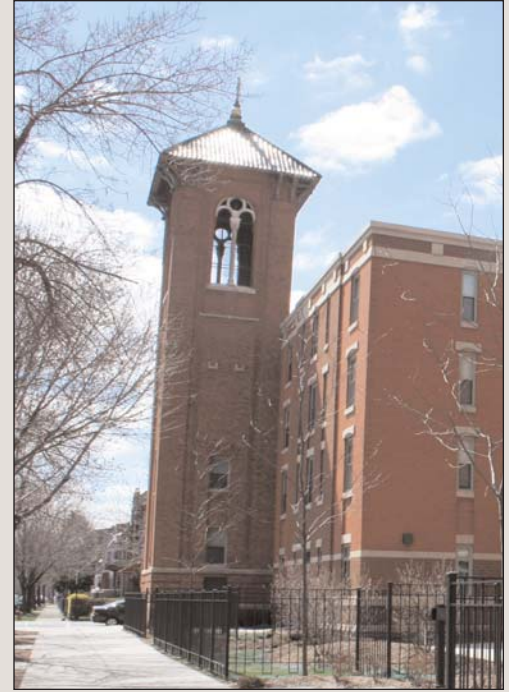
There are an estimated 18,000 homeless veterans in Chicago's six-county metropolitan area, and there is no affordable housing development in the area that specifically targets their needs. Nationwide, some 20-25 percent of homeless adults are estimated to be veterans, and many others who live in poverty are at risk of becoming homeless.

### Project Sponsor

Created in 1985, Catholic Charities Housing Development Corporation (CCHDC) is a nonprofit organization established to develop and manage housing and nursing care facilities for the elderly and handicapped. It has



focused primarily on senior facilities, including 14 independent living, assisted living and licensed nursing homes and a total of 20 senior developments in all. St. Leo's is Catholic Charities' second LIHTC development.



### Financing & Objectives

It takes a complex mix of financing to bring this kind of development to life. For St. Leo's, that includes a \$4.9MM VA first mortgage loan, in addition to NEF's \$9.8MM LIHTC investment.

The Archdiocese of Chicago's land donation, combined with significant cash donations, generated \$2.25MM in proceeds from Illinois Affordable Housing Tax Credits. In addition to those proceeds, the Archdiocese also donated another \$359,000 in cash to the project. Soft financing includes \$750,000 from the Illinois Housing Development Authority, \$750,000 from the Federal Home Loan Bank Affordable Housing Program, \$380,000 from the Illinois Department of Commerce and Community Affairs and the Chicago Community Trust, and the remainder coming from Catholic Charities.

