



U.S. Department of Veterans Affairs
Office of Asset Enterprise Management

Public Hearing

Enhanced-Use Lease (EUL) Initiative

Permanent Supportive Housing For Homeless and at Risk Veterans

VA Connecticut Healthcare System (VACTHCS)
VA Newington Campus
June 25, 2019



Hearing Agenda

- | | |
|---------|---|
| 2:15 PM | Opening Remarks: <i>Gregory Lalka, VA Newington Site Administrator</i> |
| 2:20 PM | Public Hearing Presentation (<i>Jim Lavery, Project Manager, Office of Asset Enterprise Management</i>) |
| 2:30 PM | Messages of Stakeholder Support |
| 2:45 PM | Question and Answer Session |
| 3:00pm | Close |



Questions or Comments?

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- ☐ During and following the presentation, attendees will have the opportunity to ask a question or provide a comment about Buildings 6, 7 & 8, and the new construction,
- ☐ Questions/comments not related to Buildings 6,7 & 8 can be submitted to representatives in the back of the room for follow-up.



Project Overview

Public Hearing

This afternoon we will discuss a crucial step to take care of homeless and at-risk Veterans and their families – the creation of permanent supportive housing on the Newington Campus, with the rehabilitation of buildings 6, 7 & 8

Victory Gardens Housing II LLC plan to renovate the 3 buildings into multi-family housing, which would result in approximately 15 residential units. It is estimated that 5 units could be created in each building and that buildings 6 & 7 would have studio, one and two bedroom apartments. Building 8 would have studios only. The proposed plan would be to use a combination of stated tax credits, bond funds, and historic tax credits. In addition to renovating the existing buildings 6, 7 & 8, Victory Garden's Housing II would explore the financial and concept site feasibility of creating an addition or stand alone building next to Building 7 that would match the phase I new construction in scale and design, and could potentially add another (20) one and two bedroom apartments, that would bring the total development of phase II to 35 units.

- VA will continue to comply with all Federal, state, and local regulations including the National Environmental Policy Act (NEPA).
- We welcome your input on our plans to expedite housing for homeless and at-risk Veterans and their families.



Hearing Topics

- 1. What is an Enhanced-Use Lease (EUL)?**
- 2. Public Hearing Purpose**
- 3. Background**
- 4. Newington EUL Next Steps**
- 5. Additional Information**
- 6. Question and Answer Session**



What is an EUL?

Overview

- ❑ An EUL is a VA tool to provide permanent supportive housing for homeless and at-risk Veterans and their families
- ❑ VA enters into a long-term ground lease with a non-VA entity, who finances, develops, renovates/constructs and operates the housing
- ❑ Since 1991, VA has executed 99 EULs, which include 44 operational housing EULs nationwide containing over 2,800 units of housing

Success Stories



Menlo Park, CA EUL Project
60 Units of Permanent Supportive Housing for
Homeless Veterans and Veterans at Risk of Homelessness



Sepulveda, CA EUL Project
149 Units of Permanent Supportive Housing for
Homeless Veterans and Veterans at Risk of Homelessness



Public Hearing Purpose

- ☐ Describe the planned EUL of Buildings 6, 7 & 8 for Veterans' housing as required by 38 U.S.C. § 8163*
- ☐ Introduce VA's concept to prioritize delivery of permanent supportive housing for homeless and at-risk Veterans through an arrangement with a Women's Institute
- ☐ Provide Veterans Service Organizations (VSOs), local residents, commercial enterprises, neighborhood organizations, community associations, and other stakeholders with the opportunity to ask questions about the Buildings 6, 7 & 8 EUL and the Victory Garden's Housing II concept on the VA Connecticut Healthcare System, Newington campus.



EUL Authority, Oversight and Compliance

- ☐ 38 U.S.C. §§ 8161-8169
- ☐ EULs require approval by the VA Secretary and oversight through annual compliance inspections
- ☐ VA refers Veterans for housing
- ☐ VA monitors housing operations
- ☐ As part of the EUL process - VA is required and plans to comply with applicable law, including the National Environmental Policy Act (NEPA)



Background:

- ❑ Women's Institute, acting through its development arm "Women's Institute Realty of Connecticut," was selected in 2011 to develop housing for formerly homeless and at risk Veterans on the VA Newington campus.
- ❑ Victory Gardens EUL housing development created 74 units of housing in the former building 5 and through new construction on the adjacent property.
- ❑ Total development costs were just over \$30 million and utilized a combination of Low Income Housing Tax Credits (LIHTC), state grant funds, private bank loan financing and other funding sources.
- ❑ The existing EUL Victory Gardens was completed and leased up in December 2013.



Proposal:

- ☐ When Victory Gardens was originally developed the VA-Newington buildings 6,7 and 8 were being utilized and were carved out of the EUL along with adjacent roadways and associated land in close proximity to the 3 Quarters buildings.
- ☐ Buildings 6,7 & 8 no longer are used for VA program purposes and have been vacant for several years and are deteriorating.
- ☐ Victory Garden's Housing II intends to seek financing to acquire a leasehold interest and renovate for additional housing.
- ☐ Victory Gardens Housing II proposes to develop affordable, safe, and permanent supportive housing for eligible Veterans and their families, who are homeless or at risk of homelessness.
- ☐ Once Victory Garden's Housing II receives site control and Direct Source designation, they will begin to undertake design, site testing, due diligence, schematic planning, historic designation, zoning and financing.



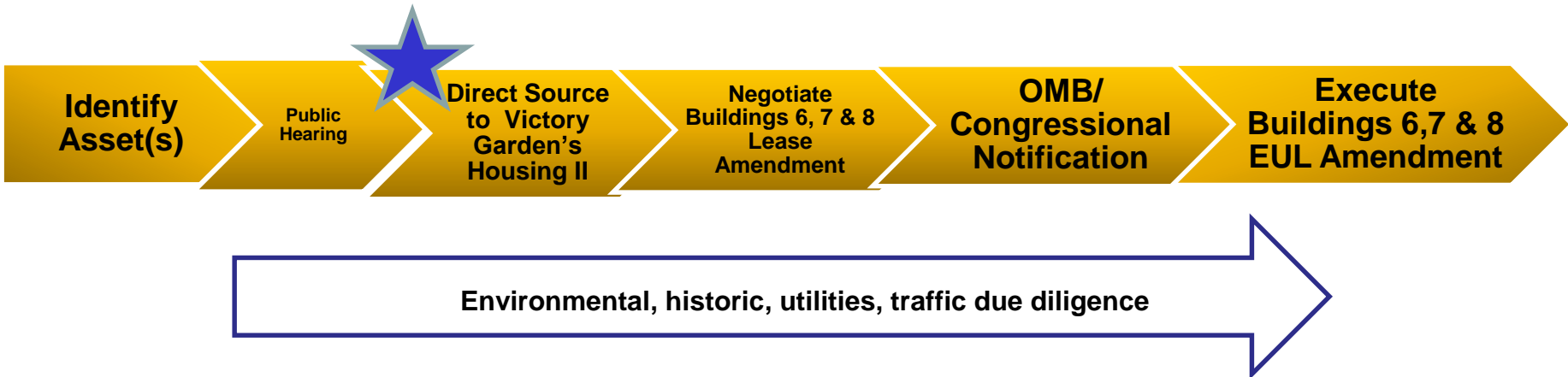
Planned EUL Development

- ❑ **VA's** intent is to transform Buildings 6,7,& 8 into the vibrant Victory Gardens community where additional Veterans can receive healthcare, benefits, employment, and other supportive services, which they deserve and to which they are entitled
- ❑ VA's Enhanced-Use Lease Authority enables VA to enter into EULs with the private sector to provide permanent supportive housing on the Newington Campus. *(Note: VA has no authority to build or operate homeless housing and does not fund housing facilities and operations)*
- ❑ The approximately 35 of permanent supportive housing will serve Veterans that are Homeless and/or at-risk of homelessness, & including underserved populations, such as female Veterans, aging Veterans, and those who are disabled



VA Newington Campus EUL Initiative: Buildings 6,7 & 8

Buildings 6, 7 & 8:



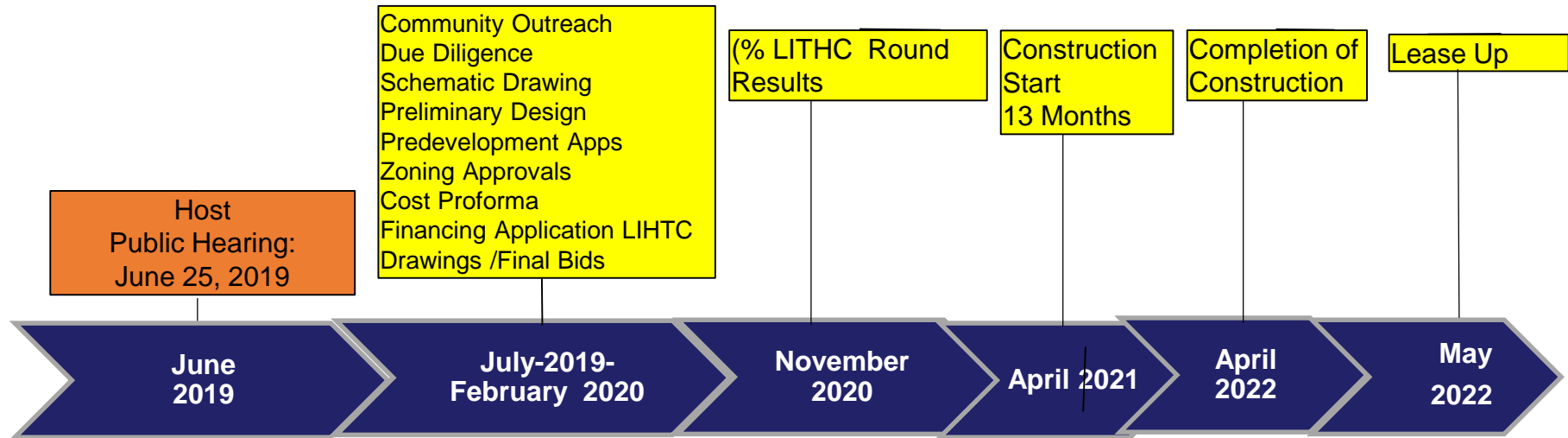
- Victory Garden's Housing II (Lessee/Developer) will renovate Building 6,7,& 8 and associated property into approximately 35 units for permanent supportive housing for homeless and at-risk Veterans
- Lessee will be required to finance, develop, operate and maintain the property in accordance with Federal, State, and local requirements



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Newington Phase II

EUL Initiative: Lessee/Developer



Post-Selection: Victory Garden's Housing II will –

- ✓ Immediately begin redevelopment activities for reuse of Buildings 6,7 & 8
- ✓ Provide development and infrastructure recommendations for remainder of supportive housing development to inform VA about best path forward
- ✓ Finalize and then implement development and infrastructure plans for Buildings 6,7, & 8 supportive housing development
- ✓ Begin process to design, build, and operate permanent supportive housing
- ✓ **NOTE: If Victory Garden's Housing II can develop this project without 9% LITC and instead use 4% LITC and Federal and State Historic tax Credits, they will need additional time to get the buildings on the National Registry.**



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NEWINGTON VAMC BUILDING IDENTIFYING B-6, B-7, B-8



Building 6



Building 7



Building 8





Links for Additional Information:

- ☐ VA EUL Program: <http://www.va.gov/AssetManagement/>
- ☐ EUL Videos:
 - <https://www.youtube.com/watch?v=j-lyHQqtC1E>
 - <https://www.youtube.com/watch?v=2GEdFc9Q1tc>



Question & Answer Session

Thank You!