

THE URGENCY IS CLEAR. THE TIME IS NOW.
THIS CRISIS CALLS FOR ACTION.



SDS SUPPORTIVE HOUSING FUND

New Markets Tax Credit Coalition
December 2021

SDS | CAPITAL
GROUP

HOMELESS
+
HUNGRY
Please Help

160,000 +



\$90 Billion
Cost to house the state's homeless population at \$500,000/unit



The Human Toll

SDS Capital Group

IA 50
2021
MANAGER

The Challenge

151,278 Californians experiencing homelessness¹

53% Percentage of nation's unsheltered homeless population who live in CA²

72% CA's homeless population who are unsheltered (avg. 24% in other states)³

49% Increase in homelessness in Los Angeles County since 2015⁴

66,433 Angelenos experiencing homelessness in Los Angeles County⁵

The Solution *SDS Supportive Housing Fund*

\$150,000,000

Capital to be invested by the SDS Supportive Housing Fund (Fund)

1,800

The approximate number of units to be financed by the fund that will be dedicated to those experiencing homelessness

\$200,000

Average all-in cost of housing units financed by the Fund (compared to average homeless/affordable housing unit cost in LA of \$550,000)

ZERO

Amount of taxpayer subsidies or grants to be used for land, development, and construction costs

A Holistic Model: Key Partners & Stakeholders

The **SDS Supportive Housing Fund** will finance approximately 1,800 units of safe high-quality housing for individuals experiencing homelessness.

“We seek to provide a dignified home... the kind of home each of us deserves.”

- Deborah La Franchi, CEO | SDS Capital Group

PROPERTY MANAGEMENT

Third-party property managers that specialize in low-income housing: John Stewart Company, Barker Management, SoLA Rentals.

PUBLIC SECTOR

Federal Section 8 vouchers, local agency voucher distribution, and local state ordinances/policies.

SUPPORTIVE SERVICES

One case manager for every 20 tenants (Homeless Healthcare Los Angeles for LA projects) with one case manager living on site for free.

SDS SHF FINANCING

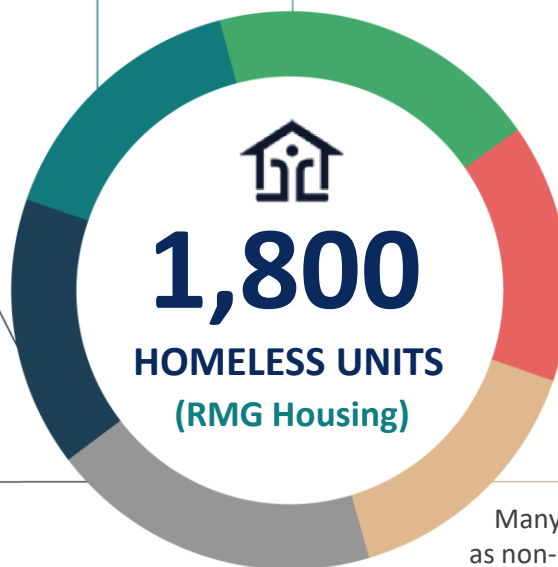
The Fund’s nimble and efficient senior financing eliminates the need for tax credits or other subsidy for land acquisition or construction.

THE COMMUNITY

These community-centric projects revitalize and stabilize neighborhoods, and provide needed retail and services (such as healthcare and fresh foods).

LAND PARTNERS

Many projects have third-party land owners, such as non-profit churches; they ground lease their land – reducing project costs while enabling them to achieve their mission and improve their cash flow.



First SDS SHF Investment 4604 Western Avenue, Los Angeles, CA.

BEFORE



BEFORE



BEFORE



BEFORE



First SDS SHF Investment

4604 Western Avenue, Los Angeles, CA.

AFTER

Census Tract Income Level

Moderate-Income

% Below Poverty Line

28.1%

MFI for MSA

\$69,300

MFI for Census Tract

\$41,566

Tract Minority %

99.0%

Zoned

Commercial

Source: Federal Financial Institutions Examination Council (FFIEC). www.ffiec.gov

Total Project Cost

\$9,633,694

Construction Start

June 2020

Projected Construction Completion

Dec. 2021

Units

49 1-BR

Other Impacts/Amenities

- Office space for HHCLA case workers
- Community and computer room for residents
- Vertical, aeroponic rooftop gardens
- Solar Ready



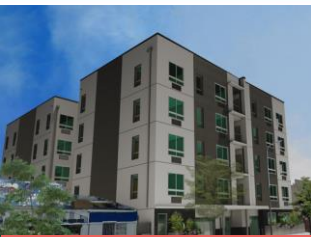
This 0.3-acre site will be developed into 49-units of permanent supportive housing.

WATCH VIDEO

[4604 S. Western Avenue, Los Angeles, CA](#)

The Western site was the first investment by the Fund. Vacant for over two decades, the building was partially destroyed by fire in 2012. When RMG acquired the site in 2016, there were over two dozen individuals suffering from homelessness living in the dangerous and squalid conditions within the building. Please play the video to see the site just before demolition.

2021 Supportive Housing Fund Update: Four Investments Closed



4604 Western

Total Cost	\$9.7M
SHF Investment	\$8.8M
# Units	49
% Minority	99%
Poverty Rate	28%
Construction Start- End	Jun20- 1Q22

The Fund's first investment was made on February 7th, 2020 into the 4604 Western development. This development will transform a 20-year vacant, fire-ravaged building in South Los Angeles and feature ground-level community gathering space. Homeless Healthcare Los Angeles will provide case management support to all the tenants.

1744 E 55th

Total Cost	\$7.0M
SHF Investment	\$6.7M
# Units	40
% Minority	100%
Poverty Rate	28%
Construction Start- End	Oct20- 3Q22

The Fund's second investment closed on September 20th, 2020. This development is in partnership with Harvest Tabernacle Bible Church, which has been a presence in South Los Angeles since 1976. This building will contain ground-level community gathering space, and Homeless Healthcare Los Angeles will provide case management services to all tenants.



5215 S Figueroa

Total Cost	\$6.8M
SHF Investment	\$6.6M
# Units	40
% Minority	99%
Poverty Rate	32%
Construction Start- End	Mar21-4Q21

The Fund's investment in 5215 S. Figueroa St. in South Los Angeles closed on February 9th, 2021. The Fund and RMG were able to close on a ground lease with the City of LA in just a few months. Los Angeles City Councilmember Curren Price (District 9) was the driver behind this project. Homeless Outreach Program Integrated Care System will provide on-site case management support services.



8450 S Broadway

Total Cost	\$10.6M
SHF Investment	\$10.2M
# Units	60
% Minority	100%
Poverty Rate	41%
Construction Start- End	June 2021-4Q2022

SHF closed on its fourth investment at 8450 S. Broadway in March of 2021. The building is located on the site of the Heavenly Vision Missionary Church in Southeast Los Angeles. The building will feature rooftop solar panels, vertical aeroponic rooftop gardens for tenants to grow fresh food and a community room. Upon completion, the church intends to continue operations on the ground floor.

Thank You

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