



April 11, 2007

Board of Directors
North Hills West, Neighborhood Council
16163 Nordhoff St. #537

North Hills, CA 91343

RE: Sepulveda Permanent Supportive Housing Project Dear

Board Members,

We would like to thank you for hosting a special meeting to discuss the Sepulveda Permanent Supportive Housing Project last Wednesday April 4th. We welcomed the opportunity to present the facts about our proposed housing development for veterans, and to address the concerns of community members and stakeholders.

We write now to address the statement of Congressman Brad Sherman, dated April 4, 2007, and read and distributed at the April 4th meeting by Erin Prangley, his District Director. We feel it is necessary to address each of the four items he has asked you to vote on at your next meeting, so that you have clear facts about the development as you make your decision.

1) Congressman Sherman stated,

"First, the lease will have a term of 65 or perhaps 75 years. Obviously the individuals conducting the operation in future years will not be the individuals involved today. Should the lease terms therefore require any particular amount of staffing, supervision, or security? Or is it the Neighborhood Council's position that whatever is done from time to time by whoever is running the operation is fully acceptable."

Lease Tern: The lease for each building will have a term of 75 years.

Staffing: There is a lease provision that requires that we employ a full time property manager who will live on-site in each of the buildings and

who will be an employee and not a program participant/resident. The property manager in each building will be on-site during the day to manage the property and is available after hours to handle any emergencies that may arise. In addition, there will be supportive services staff who will work on-site in each building during regular working hours to address each veteran's needs. The staffing ratios for supportive service staff will be regulated by our funding sources including the State of California.

Security: There will be front desk coverage monitoring security and orderliness 24 hours a day, 7 days a week. The front desk staff will also monitor the security cameras that will be installed. We expect to evaluate our security measures on an on-going basis. Community members are encouraged to communicate any security concerns to New Directions Inc. (NDI) and A Community of Friends (ACOF), as well as the VA, at anytime.

NDI and ACOF are committed to being good neighbors. It is true that staff members change over time, but the missions of ACOF and NDI will not change and every staff member employed by ACOF and NDI will be obligated to ensure full compliance with all covenants, restrictions, regulations, and legally binding provisions placed upon the Sepulveda project.

- 2) Congressman Sherman stated,
- "Second, the current discussion of a lease allows tenants (persons being rehabilitated to have alcohol; however it is possible that VA rules might prevent alcohol from being consumed. It is not clear however that VA rules prohibiting alcohol will be applicable, since New Directions/ACOF has stated previously that the money they want to take from the Department of Housing and Urban Development (HUD) comes with requirements that tenants have the right to use alcohol (just like anyone else). While the lease terms remain in effect for 75 years, the rules of HUD or the VA can change at any time. Is it fully acceptable to the community that the lease allows tenants to use alcohol—subject to whatever rules might from time to time be imposed by HUD or the VA? Or does the community insist that "clean and sober" be in the lease?"*

NDI and ACOF have never stated that the lease allows tenants to have alcohol. We have simply stated that we, like any other landlord or housing provider, must comply with all federal, state and local laws. As providers of permanent supportive housing we will in all likelihood house veterans who are in substance abuse recovery. Both NDI and ACOF have demonstrated expertise (and 29 years of collective experience) in housing people in substance abuse recovery. We are well aware of all laws

pertaining to this issue. NDI and ACOF are committed to serving the needs of all the veterans who reside at the Sepulveda Permanent Supportive Housing Development while complying fully with all federal, state and local laws.

3) Congressman Sherman stated,

"Third, the Neighborhood Council should quickly invite the Salvation Army, United States Veterans Initiative, Inc., People in Progress, Inc., Veterans Assistance Foundation, Inc., Volunteers of America Los Angeles, Inc., PATH, or others currently providing housing to veterans in Los Angeles, to submit their own proposals to use Buildings 4 and 5 where the commitment in writing is that the projects will be 100% veterans and "clean and sober." Will the Neighborhood Council seek these proposals?"

The Enhanced Use Lease (EUL) process by which the Department of Veterans Affairs (VA) leases its property does not require the VA to seek multiple "bids" for each lease. NDI and ACOF were invited by the VA to submit a proposal because they believed in the work we do. NDI, ACOF and the VA have complied with the legal, federally mandated EUL process for the past four years. Any non-profit organization using public funds to rehabilitate buildings 4 and 5 will be subject to same government regulations and all applicable federal, state and local laws that NDI and ACOF must follow.

4) Congressman Sherman stated,

"Finally, do you endorse H.R. 1642 the 'Homeless Veterans Housing at Sepulveda Ambulatory Care Center Promotion Act'?"

H.R. 1642, if passed, would require the VA to begin a competitive bid process for a homeless housing project on the Sepulveda campus. It would require the VA to select a developer who can restrict 100% of the units to veterans. If such a developer can't be found, then it would require the VA to select a developer who can restrict 80% of the units to veterans.

As stated in our response to item (3) above, all developers utilizing public funds would be subject to the same laws and regulations as NDI/ACOF. Currently, veterans are not considered a "protected class" and a developer who restricts units to veterans only would be in violation of federal and state law. *For this reason, we would encourage you to ask Congressman Sherman to create legislation that would deem veterans a protected class, thereby making it possible for developers utilizing public funds to provide housing for veterans only without violating the law.*

In our opinion, it is unfair to require the VA to engage in a competitive bid process just for buildings 4 and 5 of the Sepulveda Ambulatory Care Center (SACC), while every other VA property in Los Angeles and across the nation would not be subject to this open bid requirement. Similar housing projects for veterans have been initiated or completed throughout the country over the past several years. This requirement appears to invalidate the four years of work undertaken by NDI and ACOF. We have diligently complied with the VA's process during this long and arduous lease negotiation. We have endured this process and devoted endless hours of our time to it because over 20,000 of our nation's veterans sleep on the streets of Los Angeles every night, and we think this is unacceptable. We would like to proceed with the EUL process so that 3-4 years from now, when the development is complete, 147 veterans will have decent and safe homes and the support they need to rebuild their bodies, minds and lives.

We hope that we have adequately explained our positions on these four important issues. Please do not hesitate to contact us if you would like to discuss these matters further.

Sincerely,



Dora Leong Gallo
Chief Executive Officer
A Community of Friends



Toni Reinis
Executive Director
New Directions, Inc.