



Horizon Housing Development Company



May 31, 2024

Cassandra Kaufman, Executive Director  
David Haasis, Director of Clinical Partnerships  
St. Louis Mental Health Board  
Peabody Plaza  
701 Market Street Suite 200  
St. Louis MO 63101

Dear MHB Housing Committee,

Horizon Housing Development Company and Gateway Housing First are grateful for your invitation to submit this letter of intent and project funding request seeking \$160,425 to partially fund pre-development expenses to be incurred in connection with our plans to develop a 30 unit tiny home community with on-site treatment and support services for formerly unhoused or at-risk St. Louisans who have behavioral health and/or substance use related disabilities as well as developmental disabilities, to be known as Lovie's Place.

Horizon Housing Development Company (HHDC) has served St. Louis City as a permanent supportive housing provider for over 20 years. *HHDC's mission is to assist in providing housing services to St. Louis City homeless individuals with developmental & mental disabilities.* Gateway Housing First has developed and operated permanent supportive housing for 10 years and currently operates 10 unique permanent supported housing communities across St. Louis City and County. *GHF's mission is to provide safe, high-quality, affordable, supportive housing to individuals and families challenged by a wide range of disabilities, complex disorders and life situations who are often impacted by chronic homelessness, generational poverty, trauma, and systemic racism.*

HHDC and GHF have long-been community partners with complimentary missions, visions, values and programs. We are excited about this opportunity to deepen our partnership by sharing our collective resources and expertise to build badly needed PSH stock for our most underserved, vulnerable disabled St. Louisans.

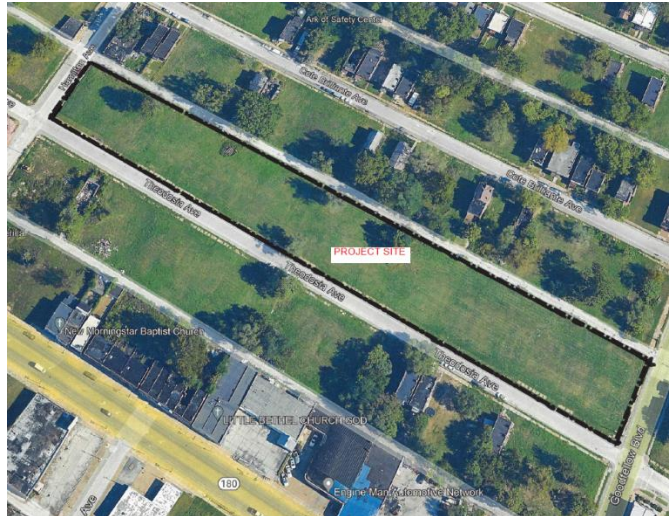




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Lovie's Place, named in honor of the life and legacy of beloved long-time Wells-Goodfellow resident, community-organizer and educator, Ms. Lovie Haynes, is a new construction permanent supportive housing (PSH) community to include 30 tiny homes that are affordable, accessible, accommodating and responsive to the unique housing needs of some of our neighbors who struggle most to get housed and stay housed. Averaging approximately 400 square feet each, homes will be built with highly durable materials able to withstand the wear and tear of those with limited and/or developing daily living skills, so they are available for decades to come. Each home will include a full kitchen with attached living/dining space, bathroom, bedroom and closet storage. The community will be gated with monitored and controlled access and anchored to the east and west sides by community buildings (2) for on-site support services, community laundry, a food pantry, computer center, staff offices, storage and space for social and treatment related gathering. Lovie's Place will be built on the presently vacant, once residential city block of 5801-99 Theodosia with the support of the Wells-Goodfellow Neighborhood Association, the 13th Ward Development Committee and a host of neighbors and community partners living and working near our development site.

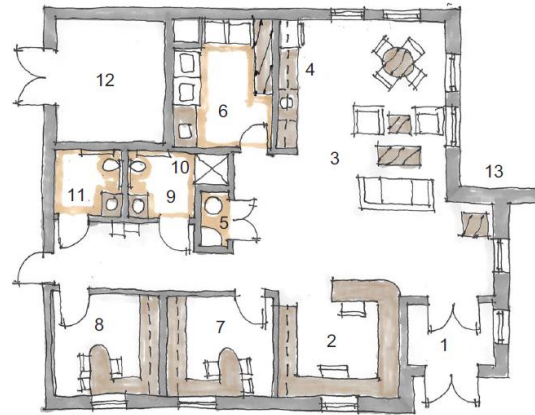


Lovie's Place's design and programs will be grounded in on our collective years of listening to the needs and witnessing the intense struggles of those we serve, particularly those we struggle to house and serve well. We return time and again to the product that is missing in our housing array leaving far too many struggling with the most serious behavioral health symptoms unhoused for years, unable to access or sufficiently engage in treatment and recovery services. The result: people get sicker and sicker and the road to successful treatment and recovery gets longer and harder. While housing is a powerful medicine, the reality is symptoms will persist, improve and often return. Symptoms are commonly worsened by uncontrolled stimulus and activity, triggering unhealthy and unneighborly behaviors and responses that put people's housing and safety at risk. Lovie's Place will offer tenants the control, autonomy and personal space some need to accept and maintain housing, so recovery is possible yet within a community with accessible, attractive and responsive supports and understanding neighbors.



This Tiny Home community is designed to serve unhoused and at-risk individuals with development and behavioral health related disabilities, often with co-occurring substance use disorders. The community will include two community buildings offering 24hr supports. These supports will include clinical social work/counseling services, case management, peer support specialist and supportive living assistance. HHDC and GHF will also partner with community agencies including The T, Preferred Family Healthcare, Wellston Loop CDC, Places for People, BJC Behavioral Health, Paraquad, Adapt, SLATE, Vocational Rehabilitation among others to assure wrap around services are accessible.

Total predevelopment costs for Lovie's Place are estimated at \$320,850, 50% of which is sought from MHB.



Management Building Floor Plan

2,150 GSF

Horizon Housing has requested funding equaling 50% of the pre-development costs from St Louis DDR to get the project started in the amount of \$160,425. That funding request was approved in May.

Requested predevelopment funding will allow HHDC and GHF to move efficiently through the pre-development due diligence process to a construction start, without delay for lack of resources for required professional fees, including architecture, engineering fees and internal project management staffing. And though we are asking DDR and MHB funding be paid in first, DDR and MHB funding remains a part of the capital stack required to complete the project.

Total development costs for Lovie's Place are estimated at \$7.9 million. In addition to the funding requested from MHB and DDR, we have an application pending with CDA for HOME ARP capital funding for \$5.16 million and with the Federal Home Loan Bank of Des Moines for \$2.250 million. Remaining funding will come from deferred developer fees/owner equity.

In addition to our CDA HOME ARP capital application, we also have HOME ARP applications pending to cover 100% of the first 3 years of program operations. Once all capital funding is in place, GHF and HHDC will applications for long-term operating and support services funding from HUD CoC program funds, HUD multi-family HAP funding and other sources,



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as needed to ensure needed long-term operating and service funding is in place at expiration of the 3 year funding sought from CDA.

**Additional Questions from the committee are restated and answered below:**

1. Have you tried to obtain funding from other sources before coming to the Mental Health Board and if so, what were they?

Yes, HHDC and GHF have applied for a grant totaling 50% of predevelopment costs from St. Louis Office for Developmental Disabilities and for more than \$7.4 million in capital from CDA and FHLB, as well as operating and support services funding.

2. The Mental Health Board has not funded predevelopment before, and the committee would like to know what you were proposing as a payback schedule and timeline for this loan?

While we request funds be loaned up front for pre-development expenses, we are happy to convert the pre-development loan to a permanent loan secured by the project and forgiven annually at 1/10 of the original loan when we close on other permanent financing, or a similar strategy that accomplishes MHB's funding goals. We will not seek a draw down of MHB predevelopment funding until we have received commitments satisfactory to MHB for needed capital funding to complete the project.

3. Who will handle the Property Management and what is the plan for how the property will be maintained?

GHF will own and manage the project, like all GHF housing, overseeing all asset management functions including tenant certifications and leasing, maintenance, funder compliance and fiscal management. HHDC will be primarily responsible for on-site support services programming and staffing and third party provider coordination.

For additional information please contact Shanna Nieweg [snieweg@hhstl.org](mailto:snieweg@hhstl.org) and/or Cynthia Duffe [cynthia@gatewayhousingfirst.org](mailto:cynthia@gatewayhousingfirst.org). Thank you for your consideration.

Sincerely,

Shanna Nieweg  
Executive Director

Cynthia Duffe  
Executive Director