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## LETTER OF INTENT TO SUBMIT AN APPLICATION

### Permanent Supportive Housing Development Initiative

Name of Applicant (Not for Profit Corporation)	Sanctuary In the Ordinary		
Mailing Address	3012 Lafayette Ave St. Louis, MO 63104		
Agency Executive Authorizing Submission	The Rev. Dr. Teresa Mithen Danieleley President, SITO Board of Directors		
Signature of Executive	<i>Teresa K. M. Danieleley +</i>		
Primary Contact	Jeff Buck	Title	Executive Director
Telephone	(313) 213-5453	x	E-mail   jeffbuck@sitohousing.org

Please complete each section below, leaving the question intact, and return via email to [stlmhb@stlmhb.com](mailto:stlmhb@stlmhb.com), with "Supportive Housing Development Letter of Intent" in the subject. Feel free to include attachments to this Letter of Intent; however, keep the complete LOI package to no more than 10 pages.

1. Project Summary Description – Provide a basic description of your proposed housing development (property location, status of site control, number and size of units, etc.) and the proposed behavioral health services. Please note that site control will be required before a full application (which is the next step after the LOI) will be accepted.

Sanctuary In the Ordinary is requesting from the St Louis Mental Health Board a grant of \$125,000 to enable SITO to rehabilitate five (5) apartments in an existing, operating 17-



unit apartment building for the express purpose of making these apartments available to the clients (veterans recovering from homelessness) of our partner St Patrick Center.

In September of 2022, Sanctuary In the Ordinary (SITO) entered into a partnership to acquire 50% ownership and full rights and responsibilities to renovate and operate the apartment building at 4050 Delmar Blvd (see attached for location and photos of the building). The building is an approximately 100-year-old, structurally sound masonry building consisting of seventeen (17) studio apartments in three and a half floors (2 units on the bottom floor and 5 units on each of 3 floors). The 450 sq ft units are nearly identical in configuration. The units have a main room, a separate room with a kitchen and dining area, two large closets, and a bath. When SITO entered into the partnership, the apartment units were in a range of conditions from unlivable to modestly renovated and rented. Over the last six months, SITO has replaced all the windows in the apartments (many were original and in very poor condition) with new energy-efficient windows, thoroughly remodeled the two apartments which were unlivable and addressed numerous, but normal maintenance items. Three of the modestly renovated apartments are rented to tenants being supported by The Independence Center (<https://independencecenter.org/>). The two recently thoroughly renovated apartments will be rented to clients of St Patrick Center, with whom SITO is partnering for this grant request. The thorough renovation included remodeling the bathroom, remodeling the kitchen, repairing, patching, and painting the walls, installing new flooring and replacing or repairing all doors. Pictures of the completed apartments are attached.

This grant request seeks funds to continue the renovation of five (5) more apartments which will be permanent supportive housing dedicated to clients of St. Patrick Center. These clients are military veterans who are recovering from homelessness. The location of this building is optimum for this use. The building is 500 ft from St. Patrick Center's Freedom Place which provides services and support to these clients. Additionally, the building is 0.7 miles from the VA Medical Center (6 min bus ride) and less than a half mile from a grocery, pharmacy, and other services. SITO's role is to renovate the apartments to a clean, safe, and dignified condition and to serve as the property manager providing compassionate and competent management of the facility and tenant experience. Our partner, St. Patrick Center will select the tenants and provide the behavior services. SITO and St. Patrick Center work collaboratively to assure synergy in the provision of behavioral services and the rental experience. The goal of both agencies is to help the clients address their physical and mental health needs to enable them to have a comfortable, stable, dignified life for as long as they wish in their home at 4050 Delmar.



SITO plans to thoroughly renovate all seventeen apartments over time without displacing any of the current tenants from the building. The renovation of each apartment costs on average \$25,000 and takes three to four weeks to complete. The goal is to rent approximately half of the units to clients of supportive service providers like St. Patrick Center and rent the other half of the apartments to market-rate tenants. SITO believes a mixture of tenants from varying backgrounds and life stages is beneficial for the tenants and the harmony of the tenant community.

2. Target Population - Briefly describe the expected target population for the proposed housing development and explain how the proposed supportive housing will address their needs.

Over 300 veterans in the City of St. Louis are veterans, representing over 8% of the homeless population. Veterans are disproportionately unhoused due to the significant trauma they have experienced. Over 20% of veterans experience PTSD, and over 20% of those with PTSD suffer from substance use disorder. These compounding issues mean that unhoused veterans often have an even harder time finding housing than many other unhoused individuals, so partnerships between service providers and housing providers are ever more important.

The housing provided by this grant will house St Patrick Center's Veteran Transition In Place (TIP) clients. Before being placed in the Delmar apartments they will have successfully gone through the first phase of recovering from homelessness or similar situations. Following the Housing First model, having safe, stable housing is vital to ensuring continued and long-term success in other aspects of life: finding stable employment, stable income, success in drug treatment, and improved physical and mental health.

3. Behavioral Health Services – Identify and provide a brief description of the behavioral health services provided for adults with serious mental illness and/or substance use disorders who will be tenants in the supportive housing project. In your response, address whether the behavioral health services will be provided by your organization and specify the staffing model, or whether the behavioral health services will be provided by one or more partner organizations identifying specifically which services each partner will offer.

The tenants will be able to live semi-independently along with the support of regular (approx. daily) touch points with their SPC counselor and continued participation in



clinical programs to address any physical or mental health issues or addiction. The clients will receive financial support through SPC until they can live stably on their own. They will be welcome to remain in the Delmar apartments for as long as they wish.

The communities served by St. Patrick Center (SPC) often face enormous challenges, including unrelenting poverty, histories of trauma exacerbated by stressors of life on the streets, histories of incarceration, and severe substance use/ mental illness. With support from SPC, including providing stable housing, many clients are able to take the initiative to improve their lives by attending programs and adhering to treatment plans, enabling them to become healthy, productive citizens and contribute to the community. Over 90% of SPC's Veterans remained housed 1 year after starting the program.

St. Patrick Center has a multitude of services designed around the needs of clients. The Shamrock Club Day Treatment Program, SPC's cornerstone PSH program, offers access to comprehensive mental health and/or substance use services that utilize best practices to help clients transform their lives. Shamrock Club helps clients establish stability in their lives through access to valuable resources including healthcare, psychiatric treatment, prescription medication, counseling, 12-Step meetings, drug and alcohol education meetings, meditation sessions, and Ignatian spirituality sessions. Clients may "drop in" from 8:30 AM to 3:00PM any weekday to access tailored services and work toward individual goals related to sobriety, stability, and self-sufficiency. Shamrock Club hosts a medical doctor every Monday through a partnership with Affinia Healthcare and Washington University who provides basic primary and preventive care services and refers out for lab work.

Intensive Case Management (ICM) is a key feature of The Shamrock Club Day Treatment Program. ICM is a multi-disciplinary approach that helps clients establish financial stability, access mental health counseling and substance use treatment identify and access community resources.

The Assertive Community Treatment Program (ACT) provides 24/7 assistance to clients who are impacted by severe mental health issues. ACT utilizes an intensive, community-based, 24/7 approach to providing case management to clients. SPC offers two ACT teams that serve clients who experience severe mental/behavioral health issues. The ACT program is staffed by counselors, nurses, and a psychiatrist. In



addition to providing in-home psychiatric treatment, mental health counseling and substance use treatment, the ACT team assists clients with grocery shopping, bill paying, budgeting, making and keeping appointments, vocational and peer support, and engaging in recreational opportunities in the community.

Hospital to Healthy Housing (H2HH) provides intensive case coordination, temporary housing, and wrap-around support to individuals with chronic, complex health conditions who experience homelessness and exhibit high utilization of emergency departments. SPC's partnership with BHN, BJC Healthcare, and Mercy and SSM-SLU Hospitals resulted in the launch of H2HH as a homeless services coordination network in 2021, following an innovative 2-year pilot program. H2HH serves approximately 40 individuals each year.

Consumer Involvement – Briefly describe how behavioral health service consumers will be engaged or have been engaged in the planning process for the proposed housing development.

St Patrick Center has a Consumer Advisory Board (CAB) that consists of consumers who are currently in programs or have graduated from St. Patrick Center programs. Peers who are St. Patrick Center staff also attend CAB meetings. The purpose of the advisory board is to recognize the strengths, weaknesses, and challenges facing the organization, as well as opportunities and threats to accomplishing its defined and evolving mission. CAB members serve as community representatives and advise on services provided. Give feedback and recommendations to agency staff, and governing board and advocate for consumers with respect to the services delivered by the agency. CABs empower consumers to speak up and have concerns addressed.

4. Project Team – Identify and provide brief descriptions of the development team members (e.g., co-developer, architects, contractors, property manager, etc.) and explain why your organization or team is well qualified to undertake the proposed supportive housing project.

Sanctuary In the Ordinary and its predecessor organization, Neighborhood Enterprises has over 40 years of experience acquiring, renovating and renting multifamily apartments in St Louis. For the most part, SITO has acquired buildings in areas with a high poverty rate and rented at rates that are affordable to those making less than 50% of the Area Median Income (AMI). SITO has continually refined its process of renovation to achieve a dignified and durable result while being cost-effective. This is



done by carefully assessing the need of each building and determining how best to achieve the desired result. SITO acts as the general contractor and utilizes numerous small to mid-size contractors to complete the necessary work. A majority of the contractors are minorities. In our last project over 40% of construction expenditures were with minority or women-owned businesses. Over its history, SITO has endeavored to work with and help develop minority contractors as part of its mission. Many of SITO's contractors have been working with the organization for decades.

As noted above, SITO has already completed the renovation of two apartments in the subject building. The renovation of a third apartment is underway and will be complete by the end of February 2023. The work done to renovate these apartments is evidence of SITO's ability to quickly and efficiently use the requested funds to renovate an additional five apartments to provide permanent supportive housing for veterans recovering from homelessness.

5. Project Financing – Attach a preliminary budget showing sources and uses of funds for your proposed housing development. Describe below the status of any applications for, or commitments of, funding sources that are identified in your sources and uses of funds statement.

The attached budget provides a detailed cost breakdown for the renovation of a single apartment and the total project cost to complete the renovation of eight (8) apartments. Three (3) of the eight are being funded by SITO's available equity and five (5) will be funded by the requested MHB grant. The detailed costs are based on SITO's experience in completing the renovation of the first two apartments. The funding for the first two apartments and the third that is underway has come from SITO's equity which includes charitable donations from individuals and organizations that support SITO's mission.

Because the building is already owned by the partnership and all preliminary planning and associated activities are complete the requested funding will be used very efficiently and quickly to renovate five apartments which will be fully available to the target population within less than six (6) months from the time of the award.

6. Project Operations - Briefly describe what financial resources your organization has or expects to obtain to ensure day-to-day operations and behavioral health services for the long-term sustainability of the project over the 10-year term of the agreement.

The attached operating budget provides details regarding the income and expense for operating the complete 17-unit building. With the use of the requested grant



funds, all of the unoccupied units will be renovated. The building will be mixed-use with approximately half of the units used in partnership with service providers to provide permanent supportive housing and the other half as market-rate tenants. As shown in the operating budget the building will be financially self-supporting.

St Patrick Center receives a range of federal, state, local, and private funds to administer its programs. St. Patrick Center receives millions annually through HUD's Continuum of Care funding, for its Transitional Housing, Rapid Rehousing, and Permanent Supportive Housing programs. St. Patrick Center regularly receives grants and contracts from governmental sources, including the St. Louis Affordable Housing Commission, the Missouri Department of Mental Health, the US Veterans Administration, and others. St. Patrick Center also has strong corporate and private funders, including a four-year, \$1 million grant from the Charles C. Hauck Foundation.

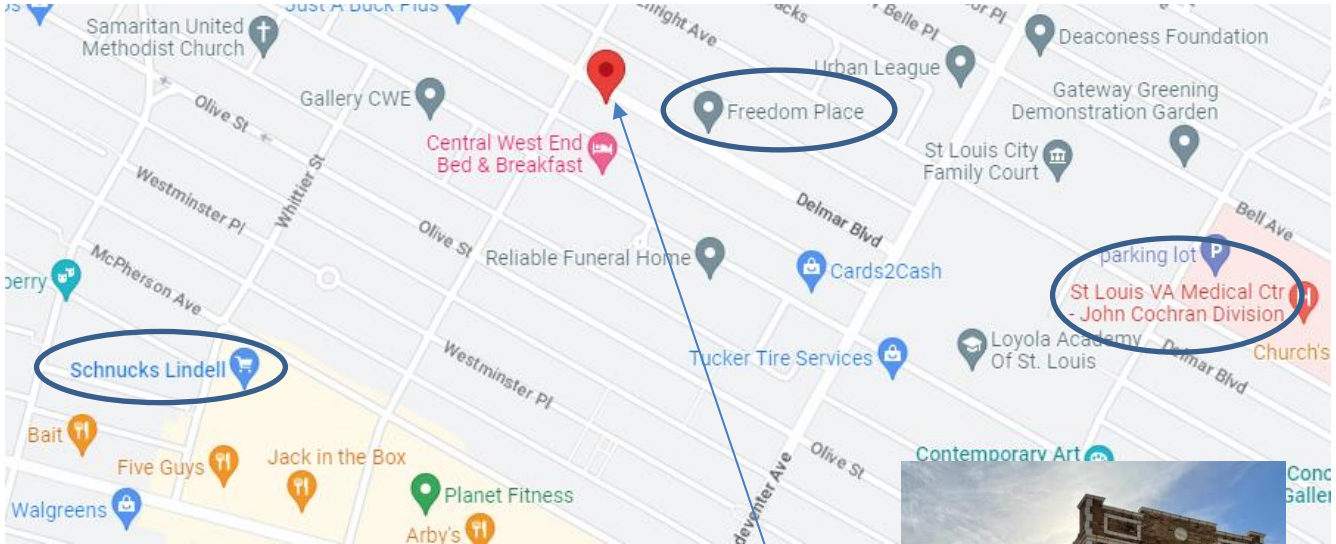
7. Organizational Experience – Briefly describe your organization's experience and expertise in providing permanent supportive housing services. In your response, indicate the length of time your organization has provided PSH services.

St Patrick Center has over 40 years of experience providing homeless services to Eastern Missouri and is central to the region's Continuum of Care. In FY2022, St. Patrick Center helped over 3,000 families and individual clients experiencing homelessness using the Housing First model. St. Patrick Center partners with a range of agencies for social service, healthcare, and mental health services, including Affinia and Barnes Jewish.

SITO has decades of experience in providing competent, compassionate property management to the low-income population of the City of St Louis. SITO's purpose in being, as a 501 (c)(3) charitable organization, is to create and rent dignified, affordable apartments to those in the city that often don't have access to a decent place to live. SITO knows how to balance the important needs of the tenant population with the need to have a fiscally solid and sustainable organization. Additionally, SITO renovates its buildings with an emphasis on durability and continues to manage the properties in a way to make them last. SITO management regularly inspects every building and unit to assess the condition and to identify and plan for preventative maintenance to improve the longevity of the units and try to avoid unexpected and avoidable maintenance issues.



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Renovated Apartment 202



4050  
Delmar Blvd



Renovated Apartment 205





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**Proforma  
Sources & Uses Summary**

Project Name	4050 Delmar	Date:	February 23, 2023
Project Number	N/A	Address:	4050 Delmar Blvd
Developer	Sanctuary in the Ordinary	Address:	3012 Lafayette Ave, St.

Development Costs	Total
Total Predevelopment:	\$1,500
Total Acquisition:	\$0
Total Construction:	\$199,577
Total Professional Services:	\$0
Total Carrying & Construction Finance:	\$0
Total Permanent Financing:	\$0
Total Reserves:	\$0
Developer Fee	\$0
<b>Total Development Costs</b>	<b>\$201,077</b>

Permanent Sources	Total	Secured/Unsecured
Bank Mortgage	\$0	
MHB Grant	\$125,000	Not Secured
Estimated MO State Historic Tax Credit		
Estimated Federal Historic Tax Credit		
Developer Equity	\$76,077	Secured
Source 1:		
Source 2:		
Source 3:		
Source 4:		
Source 5:		
<b>Total Sources</b>	<b>\$201,077</b>	

**(GAP) or Surplus (\$0)**

**Per Unit Detail  
Updated: Feb 15, 2023**

Per Unit	Mtl	Labor	Total
Windows - 4 per unit	\$ 2,192	\$ 731	\$ 2,922
Entry door	\$ 450	\$ 250	\$ 700
Floor	\$ 2,000	\$ 2,000	\$ 4,000
Cabinets	\$ 1,200	\$ 900	\$ 2,100
Countertop	\$ 250	\$ 100	\$ 350
Sink and Faucet	\$ 150	\$ 100	\$ 250
Refrig	\$ 800		\$ 800
Stove (gas)	\$ 550	\$ 75	\$ 625
Wall repair	\$ 250	\$ 1,250	\$ 1,500
Baseboards	\$ 300	\$ 750	\$ 1,050
Interior doors	\$ 300	\$ 750	\$ 1,050
Door handles and locks	\$ 150	\$ 100	\$ 250
Paint	\$ 350	\$ 1,250	\$ 1,600
Bath			\$ -
Replace ceiling	\$ 75	\$ 500	\$ 575
Shower surround	\$ 450	\$ 700	\$ 1,150
Shower plumbing	\$ 125	\$ 250	\$ 375
Vanity mirror	\$ 125		\$ 125
Toilet	\$ 150	\$ 100	\$ 250
Sink	\$ 200	\$ 100	\$ 300
Lights	\$ 200	\$ 300	\$ 500
Electrical	\$ 150	\$ 700	\$ 850
<b>Total</b>	<b>\$ 10,417</b>	<b>\$ 10,906</b>	<b>\$ 21,322</b>
Project Management			\$ 2,132
Contengency			\$ 1,546
<b>Per Unit Project Total</b>			<b>\$ 25,000</b>



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## ANNUAL OPERATING BUDGET

**Project:** 4050 Delmar  
**Address:** 4050 Delmar Blvd

**Developer:** Sanctuary in the Ordinary

REVENUE	Annual	Per Unit	% Adj Income	Operating	Annual	Per Unit	% Adj Income
Gross Rent Potential	\$132,600	7,800		Security		0	
Other Revenue	\$0	0		Common Electricity	\$3,300	194	
Subtotal	\$132,600	7,800		Water/Sewer	\$11,520	678	
Combined Vacancy Rate	7.0%	\$9,282	546	Gas	\$6,432	378	
<b>Adjusted Gross Income</b>	<b>\$123,318</b>	<b>7,254</b>		Trash Removal	\$1,500	88	
<b>OPERATING EXPENSES</b>				Payroll		0	
<b>Administrative Costs</b>				Payroll Taxes & Fringes		0	
Advertising		0		Other:		0	
Management	\$12,332	725		Other:		0	
Legal/Partnership	\$1,500	88		Other:		0	
Accounting/Audit	\$3,500	206		<b>Subtotal</b>	<b>\$22,752</b>	<b>1,338</b>	18.4%
Compliance Monitoring		0		<b>Escrows &amp; Reserves</b>			
Other:		0		Insurance	\$5,400	318	
Other:		0		Real Estate Taxes	\$4,729	278	
Other:		0		Other Taxes		0	
Other:		0		Other		0	
<b>Subtotal</b>	<b>\$17,332</b>	<b>1,020</b>	14.1%	Other:		0	
<b>Maintenance</b>				Other:		0	
Decorating		0		<b>Subtotal</b>	<b>\$10,129</b>	<b>596</b>	8.2%
Repairs	\$8,500	500		<b>Total Operating Expenses</b>			
Exterminating	\$2,500	147			<b>\$64,413</b>	<b>3,789</b>	52.2%
Grounds	\$2,200	129		Replacement Reserve	\$5,100	300	
Other	\$1,000	59		<i>Op Expenses + Replace. Reserve</i>	<i>\$69,513</i>		
Other:	\$0	0		<b>NET OPERATING INCOME</b>	<b>\$53,805</b>	<b>3,165</b>	43.6%
Other:		0		<b>Estimated Mortgage</b>			
Other:		0		Debt Coverage Ratio Year 1		1.25	
<b>Subtotal</b>	<b>\$14,200</b>	<b>835</b>	11.5%	Interest Rate		4.00%	
<b>Annual Income and Expenses</b>				Term		20	
Adjusted Gross Income		\$123,318		Annual Payment		\$43,044	
Annual Operating Expense + Replacement Res		\$69,513		Mortgage Amount (PV)		\$591,933	
Net Operating Income (Effective Income - Expe		\$53,805		<b>Estimated Mortgage</b>			
Annual Debt Service <i>priority loan 1</i>		\$43,044		NCF Year 1 (stabilized)	\$10,761	\$633	
Annual Debt Service <i>priority loan 2</i>							