



NHWNC

North Hills West Neighborhood Council

Serving the neighbors of North Hills West, advising the Mayor and City Council of Los Angeles

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New Horizons, 15725 Parthenia

North Hills, CA 91393

General Meetings 3rd Wednesday ea. month

North Hills, CA 91343

FACTS ABOUT THE PROPOSED SEPULVEDA VA APARTMENT COMPLEX, THE DEVELOPERS NEW DIRECTIONS, INC (NDI), A COMMUNITY OF FRIENDS (ACOF) AND THE VA (8-20-09)

The North Hills West Neighborhood Council is OPPOSED to this project as are nine other SF Valley Neighborhood Councils, the Veterans including the California State American Legion and Disabled American Veterans (DAV), 12th District City Councilman Greig Smith and Rep. Congressional Candidate for the 27th District, Mark. S. Reed, Sr.

At issue is the proposed conversion of two urgently needed medical buildings 4 and 5 (formerly the psychiatric unit) into a 147 unit apartment complex, plus two managers units, at the Sepulveda VA Medical Center in North Hills, CA. The Veterans, and their supporters, want the buildings, which are immaculate and in good condition, refurbished and staffed as medical buildings to house 300-350 Veterans undergoing treatment at any given time. The apartments would house only 147 permanently.

The 160 acres of prime hill top real estate on which the Sepulveda VA stands were donated to the U.S. Government in 1952 by Lester M. and Mary E. Gentry specifically for a Veterans Hospital and Medical Center. The hospital opened in 1955.

The Sepulveda VA Service area includes the entire San Fernando, Simi and Antelope Valleys. As far north as Santa Maria and east past Lancaster Palmdale. Home to over 310,000 veterans. They will be soon be joined by thousands more returning from Iraq and Aghanistan. Many suffering from serious physical and emotional problems including PTSD and Traumatic Brain Injury as a result of serving 4 or more tours of duty, unheard of before. They will all need medical buildings, medical care and treatment, not apartments.

In 1993, When it was a full service hospital and medical center, 273,365 veterans were treated at Sepulveda . In the first quarter of '94, 158,236 were treated and per the VA Police report for 1997 average population of patients and visitors was 510,000.

Since 1996, the once thriving Sepulveda -medical center has been systematically downsized and gutted by the VA. The hospital was demolished and not rebuilt and all major services have now been moved to the VA West Los Angeles (WLA). There are no urgent care or emergency services left on site. What basically remains is an outpatient clinic, pharmacy, nursing home for primarily terminally ill Veterans, an X-ray Lab, therapy pool and a methadone dispensary.

All important medical services were moved to West Los Angeles (WLA) knowing that the number of patients treated at Sepulveda must decline in direct relation to the decline in available services. So now the VA can say we don't need the property, get rid of it.

Since about 2000, the other medical buildings, including 4 and 5, have been rented out to film and TV companies, including The Unit and Gray's Anatomy, which according to the VA's Asset Management Unit, will generate revenue of over \$7 million in 2010. None of that money is used for the benefit of the Veterans, it goes into the Asset Management Fund.

Veterans are entitled to receive medical care and treatment in their immediate area. That's why VA hospitals were established in San Diego, Long Beach, West Los Angeles and the San Fernando Valley. Originally, there were three hospitals in the Valley: Birmingham, Sylmar and Sepulveda. Now there are none. So our Veterans must now travel to West LA or Long Beach for urgent or emergency care, serious medical problems or surgery. To force aging and disabled veterans to travel 2 to 4 hours one way for medical care is criminal.

Additionally, In 1991, the Dept. of Veterans Affairs devised a unique new tool called the **Enhanced Use Lease**. The sole purpose of which is to allow the VA to lease Federal Land to the private sector and clear the way for the

disposal of unwanted veterans land by sale or simple transfer of all rights, title and interest to the lessees. We know that it is the intent at Sepulveda, and it's happening all over the Country.

In December 2007 the VA entered into two 75-year Enhanced Use Leases with private sector developers A Community of Friends (ACOF) and New Directions, Inc. (NDI) to allow conversion of buildings 4 and 5 into a 147 unit apartment complex plus two managers units, promoted as permanent supportive housing for homeless Veterans. Buildings 4 and 5 stand on 7.05 acres in the heart of the Sepulveda campus.

A Community of Friends (ACOF) is a low income housing developer specializing in large scale sober living complexes. New Directions is an umbrella organization of sober living homes and also operates a lock-down, inpatient drug and alcohol treatment center at the WLA VA.

The Sepulveda project is nothing like New Directions WLA. This is an apartment complex. Tenants will be free to come and go at will. It's not about housing for homeless veterans either, they can be housed anywhere. It's about land. 7.05 acres of prime hill top real estate.

The Developers get title to the buildings and all improvements. They also get 90% of the film revenue and they get all this for nothing! It doesn't cost them a dime

The developers say they're not interested in the film revenue. However, New Directions advertises filming opportunities on VA property in all the trade and local newspapers. They devoted an entire web site and a slick, glossy brochure to said film opportunities.

These Leases can be amended at any time for any reason. We're told they're being amended right now to read rental to "veterans only," which the developers claim is the issue. The Veterans say "It is not!" Moreover, lawyers advise that one lawsuit by a non-veteran can cancel that restriction and the Leases will be amended again to allow rental to anyone. They can be amended again and again to change something else. They can be reassigned to other lessees and the buildings can be mortgaged for any amount, there's no limit in the leases. Also, there is no provision for what happens to the buildings and the land if the developers can't make the mortgage payments and loans are foreclosed.

The estimated 2004 cost of the conversion to 149, 400 sq. ft. efficiency units on VA property was \$40 million. The 2010 cost, based on a low 3% inflation rate, will be \$47,762,000. Almost 48 million tax dollars for 149 apartments the size of a two-car garage. 149 3-bedroom houses can be built for less! In fact, the same complex can be built from scratch anywhere else for \$100,000 per unit. In February, 2009, LA County housed 50 homeless individuals permanently for \$3.6 million. Big difference! So, if they really wanted to develop housing for homeless Veterans, they could build or buy several apartment buildings anywhere else for half the cost.

The developers say they're not interested in the land. That it will revert to the VA at the end of the 75 years. Well, ask any developer. Ask yourselves, would you invest \$48 million dollars to improve a property just to turn around and give it back???

The leases do not even have to contain language that would allow transfer of the property to the developers. The VA's Asset Management Plan is the overriding document. Chapter 5, Disposal Authority, Public Law 108-427 and Section 8164, Title 38 U.S. Code state "if the secretary determines during the term of Enhanced Use Lease or within 30 days of its expiry, that the leased property is no longer needed, the secretary may initiate action to transfer all rights, title and interest in the property to the lessee. The VA has already leased or given away much of the WLA VA. In June 2009, the VA gave away 84.5 acres of the No. Chicago Heinz VA Medical Center to the Rosalind Franklin University of Medicine and Science, a private university, only 7 years into an Enhanced Use Lease. In January 2005, the VA entered into a 75-year Enhanced Use Lease with Northwestern Memorial Hospital in Chicago for two parcels of land at the North Chicago VA Medical Center. In October 2005 (only 10 months later), the VA decided it no longer needed the property and sold it to Northwestern for \$50 million. None of that money goes for the benefit of the Veterans. In the case of Sepulveda, the length of time before the property is transferred to the developers will probably be far less.

The developers claim the Sepulveda project will be permanent supportive housing for homeless Vets, however it's doubtful any homeless person could meet the occupancy requirements. These include: an acceptable credit report which the tenant must pay \$15 for. Verification of all income and assents of all family members; a key deposit and a security deposit equal to the last month's rent. They go on and on (see attached exhibit from the leases).

If the VA truly wanted housing for Homeless Vets, they could build all they want on VA land without approval from anyone. They won't do that. It would defeat their purpose which is to dispose of the land and assets.

Since 2004, the North Hills West NC and others have been told that buildings 4 and 5 were uninhabitable and had not been used for any purpose since 1997. They had severe quake damage, were structurally unsound, had exposed wiring, extensive water damage, missing ceiling tiles, leaking asbestos, no utilities, etc. According to a 3/25/1994 VA earthquake damage report, there was no damage to 4 and 5. In fact, they were used as medical buildings until 1997. The library and fee bases were housed in Bldg. 4 from 1997 to 2000 and they've been rented out to Gray's Anatomy, The Unit and others ever since.

In fact, No production company would ever allow its cast and crew inside an unsafe, structurally unsound building or one not fully functional. Their insurance would be cancelled in a hot minute. (Also, see photos taken Feb. 19, 2009 of building 5 which prove it is immaculate and in excellent condition and building 4 is in the same good condition.) We were all lied to by the very people who now ask us to trust them.

If this project goes forward, our Veterans will lose not only those 7 acres but the entire 160 acres to further private sector development of all kinds. They will lose their land and their medical center forever. So the line is drawn in the sand!.

The Veterans say It's time for the VA to get out of the real estate business and back into the business of providing medical care and treatment to our veterans.

The Veterans want the ACOF/ND Leases rescinded. Buildings 4 and 5 refurbished and staffed as medical buildings, the hospital rebuilt and Sepulveda restored to the full service medical center it was designated to be, starting with buildings 4 and 5.

It is our duty to support our Veterans, the brave warriors who have served this country honorably. . To allow their sacred land, bought and paid for with their blood and their lives, to be leased, sold or given away without their approval is to betray all they've fought and died for.

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For further information contact:

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The NHWNC Land Use Committee meets at 7 PM on the first Wednesday of every month at Holy Martyrs Armenian School, 16617 Parthenia St., North Hills, CA 91343