


**City Council Meeting**

**Item #3 (21-1320)**  
**Study Session on City Activity to Address an Unhoused Population: Project HomeKey and Basic Services for the City's Unhoused**

**November 9, 2021**

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## Overview

### BACKGROUND

- The City Council held study sessions on July 13, 2021, and August 24, 2021, to discuss issues related to Santa Clara's unhoused population
- The City Council requested that staff return with an update on Project HomeKey and further analysis and next steps for providing short-term basic services to Santa Clara's unhoused populations
- Since we last met on August 24, the HomeKey Notice of Funding Availability (NOFA) released September 9, 2021 and the HomeKey Round 2 Application became available in early October 2021

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## Agenda

1. Short Term Services for Unhoused Santa Clarans
2. HomeKey Background
3. HomeKey Project Updates
4. Developer Presentations
5. Council Input / Next Steps
6. Questions and Answers

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## Short-term basic services

### OVERVIEW

- On March 16, 2021, City Council endorsed the Santa Clara County Community Plan to End Homelessness 2020-25 (“Community Plan”)
- The Community Plan to End Homelessness for Santa Clara County identified 14 strategies that fall into three focus areas:
  - 1) Address the root causes of homelessness through system and policy change;
  - 2) Expand homelessness prevention and housing programs; and,
  - 3) Improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

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## Short-term basic services

### OVERVIEW

- To address this immediate crisis in our community and ensure healthy neighborhoods for all, we must increase investment in basic services to better meet the needs of people living in unsheltered conditions.
- At the August 24, 2021 Council meeting, the City Council requested that staff further explore short-term basic services that the city can provide to its unhoused populations
- Basic services include access to basic hygiene resources, including mobile bathrooms, showers, and laundry

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## Short-term basic services

### Dignity on Wheels

- Many neighboring jurisdictions, including the County Office of Supportive Housing, San Jose, Milpitas, Mountain View, and Sunnyvale, contract with Dignity on Wheels to provide these short-term services
- Dignity on Wheels is an initiative created by the staff of Project WeHOPE, a 501(c)3 nonprofit located in East Palo Alto
- In 2015, WeHOPE launched Dignity on Wheels (DoW), a mobile hygiene service that provides free showers and laundry services to the homeless
- Comprehensive case management support is also provided to address a variety of challenges including job loss, illness, and food insecurity

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## Short-term basic services

### Dignity on Wheels

- Program services and costs may vary but in general, the cost for mobile hygiene is around \$850 per session if utility hook-ups for electrical, water, and sanitary disposal are provided. Otherwise, the cost per session is around \$1,000. Weekly service at one 4-hour session per week would cost the City approximately \$52,000 annually
- As a next step, staff recommends issuing an RFP for basic hygiene resources, including mobile bathrooms, showers, and laundry services and would request a budget amendment from a Housing Special Revenue fund at the time an agreement is brought back to Council

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## Project HomeKey 2.0

### TIMELINE / KEY DATES

- Notice of Funding Availability (NOFA) released September 9, 2021
- HomeKey Round 2 Application became available in early October 2021
- Priority application period: October 1, 2021 – January 31, 2022
- Final applications: applications received on a rolling basis until funds are exhausted or May 2, 2022, whichever comes first
- Capital Expenditure Deadline - Eight months from the date of the award
- Capital: Up to \$200k per door; Operating: Up to \$1,400/month per door

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## **Project HomeKey 2.0**

### **STRENGTHS**

- SPEED (Eight (8) months from the date of the award)
- COST EFFICIENCY
- CAPITAL SUBSIDY
- LAND USE STREAMLINING
- INTERIM HOUSING SOLUTION
- VARIETY OF ELIGIBLE USES

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## **Project HomeKey 2.0**

### **CHALLENGES**

- LOCATION / PROJECT SITING
- TIMING
- COMMUNITY ENGAGEMENT
- NO REVENUE SOURCES
- OPERATING COSTS
- UNCLEAR LONG-TERM PLAN

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## **Project HomeKey 2.0**

### **APPLICATION PROCESS**

- Applicants must submit an authorizing resolution as part of the application. If the City of Santa Clara is the co-applicant, the City Council would need to approve a resolution to authorize staff to execute all documents necessary to secure the HomeKey funds
- However, the County of Santa Clara may also apply as the co-applicant, eliminating the need for any City Council action related to application
- To date, the Santa Clara City Council has not approved any authorizing resolutions approving applications to HomeKey 2.0

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## **Project HomeKey 2.0**

### **LAND USE STREAMLINING**

- State law exempts all HomeKey funded projects from local land-use regulations. Accordingly, any HomeKey project will not go through a City of Santa Clara discretionary land use approval process
- Specifically, as stated by the State in CA Health & Safety Code § 50675.1.1 (2020), funds appropriated in the 2020 Budget Act including any HomeKey project (a) shall be deemed consistent and in conformity with any applicable local plan and allowed as a permitted use and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals

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## Project HomeKey 2.0

### SITE SELECTION

- Staff evaluated the City's portfolio of city-owned land and determined there weren't any city-owned sites suitable for HomeKey Round 2
- The City is aware of two potential HomeKey projects within city limits. In these cases, the site selection process was purely developer-led
- The County has decided to act as the co-applicant for the first project, (Bella Vista on El Camino Real), but has communicated that they are not acting as co-applicant for the second project, (LifeMoves on White Oaks Lane)

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## Approved Project

### Project #1 – Bella Vista, El Camino Real

- Developer: Resources for Community Development (RCD)
- Site: Bella Vista Inn, located at 3550 El Camino Real, Santa Clara, CA
- RCD will serve as co-applicant with County Office of Supportive Housing
- **RCD Phase 1 Project HomeKey Proposal**: Minor renovations to the existing hotel to create 64 units of interim transitional housing through HomeKey. The interim housing use is expected to begin in 2022 and then will be convert to permanent affordable housing in 2024
- The City does not have a planning application for the Phase 1 rehab and no planning permit is required. No City funds in Phase 1.

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## Approved Project

### Project #1 – Bella Vista, El Camino Real

- **RCD Phase 2 Project**: Proposed new permanent affordable housing development, “Clara Gardens”, would add a 7-story building next to the remodeled motel building, resulting in 120 total affordable units.
- The proposed development falls under the scope of **SB 35 (2017)**
- RCD held a community outreach meeting on August 30, 2021
- Units available to ELI and LI individuals and families, with 25% of the set aside for chronically homelessness and 50% sized for families. The proposed development will include 81 parking spaces, onsite property management, and ~1,200 square feet of ground-floor retail

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## Approved Project

### Project #1 – Bella Vista, El Camino Real

- County Actions: On October 5, 2021, the County Board of Supervisors (Board) issued public notice of intent to purchase the Bella Vista Inn
- The County proposes to purchase the property for \$14 million using approximately \$11 million Homekey funds and \$3 million County funds
- On October 19, 2021, the Board adopted a resolution allowing County to act as co-applicant and apply for Homekey 2.0 funds
- On November 2, 2021, the Board approved acquisition of Bella Vista Inn
- **No City Council action is required to move project forward**

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## Project Proposals

### Project #2 – LifeMoves, White Oak Lane

- Developer: LifeMoves and Sares-Regis/XL Construction
- Site: 2035 White Oak Lane, Santa Clara, CA
- **Neither the County or City has been approved as co-applicant**
- Project HomeKey Proposal: New construction to provide 60 transitional housing units for families. Stacked modular units, 2-3 stories to maximize site efficiency similar to LifeMoves Mountain View project
- The site is currently a vacant lot bordered by a residential neighborhood with a mix of apartment buildings and single-family residences, a 7/11 store, and Lawrence Expressway (G2).

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## Project Proposals

### Project #2 – LifeMoves, White Oak Lane

- The LifeMoves proposal is on a different timeline that the Bella Vista Inn site and staff is still exploring feasibility
- Unlike the Bella Vista Inn site, the 2035 White Oak Lane project would be new construction, including site work and construction of infrastructure and utilities, and more intensive administrative review
- Initial estimates would require a \$14 million city operating contribution
- If City Council would like to continue to pursue this project, Staff will return with an update once a feasible project is ready to move forward
- Any City funding would require City Council approval

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## Conclusion

### Developer Presentations

- Before Council Feedback and Discussion, each of the Project HomeKey applicants will have 5 minutes to introduce their development team and provide a brief overview or additional comments regarding their project:
  - 1) Resources for Community Development (RCD) {5 minutes}
    - Alicia Klein, Associate Director of Real Estate, RCD
  - 2) LifeMoves {5 minutes}
    - Joanne Price, Vice President Real Estate & Operations, Life Moves

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## Council Input / Next Steps

1. The City does not currently have a decision-making role related to the Bella Vista Project HomeKey interim housing project
2. Longer term (Phase 2), RCD is expected to apply to the County for Measure A funds and request funding from the City of Santa Clara
3. The City Council may direct staff to continue discussions with LifeMoves regarding the proposed White Oaks Lane site, including community outreach, additional staff analysis of the financial feasibility of the project, and consideration of the City's co-applicant status
4. Direct staff to issue an RFP for basic hygiene resources, including bathrooms, showers, and laundry services

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The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission building with a red roof and a bell tower, set against a blue sky with clouds and a green field. The year "1852" is inscribed below the building. The outer ring of the seal contains the text "CITY OF SANTA CLARA CALIFORNIA" at the top and "THE MISSION CITY" at the bottom, separated by small dots.

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