



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive a report on the Homekey project at 1000 Hillview Court.
Category:	Community Development
Meeting Date:	10/19/2021
Staff Contact:	Ashwini Kantak, Assistant City Manager, 408-586-3053 Jared Hernandez, Police Chief, 408-586-2406 Sharon Goei, Building Safety and Housing Director, 408-586-3260
Recommendation:	Receive a report on the Homekey project at 1000 Hillview Court.

Background

On August 5, 2021, at the request of Councilmember Dominguez, Council directed staff to bring a status report on the Homekey project at 1000 Hillview Court in Milpitas. This staff report provides a status update on the project.

In 2021, in response to the COVID-19 pandemic and as part of the state’s response to protecting individuals and families experiencing homelessness or who are at risk of experiencing homelessness and are impacted by the COVID-19 pandemic, the state of California launched project Homekey.

A total of \$800 million in grant funding was made available to local public entities to purchase and rehabilitate housing, including hotels, motels, and vacant apartment buildings, and convert them into interim or permanent housing. Of the \$800 million, \$750 million was for acquisition and was derived from California’s allocation of the federal Coronavirus Aid Relief Funds (CRF), and \$50 million was for operational costs and derived from the state’s general fund. The \$750 million in CRF had to be expended by December 30, 2020, as a requirement of federal CRF funding. The \$50 million had to be expended by June 30, 2022.

The Santa Clara County Office of Supportive Housing (“County”) took the lead to identify potential projects in the County that could compete successfully for the Homekey grant funds and meet the strict program performance requirements. After considering various possibilities, the Extended Stay America hotel located adjacent to I-680 at 1000 Hillview Court in Milpitas was considered the priority candidate by the County for the funds. The County partnered with Jamboree Housing Corporation (“Jamboree”) on the project and was successful in securing grant funding for the project. The County also committed \$29.2 million to the project from Measure A funds as well as \$25 million in a bridge loan was used to close on the property.

The project included conversion of the existing 146-room Extended Stay America hotel into a 132-unit permanent supportive housing facility with two additional managers’ units and onsite supportive services. Several existing ground floor rooms will be converted into community space featuring a kitchen with lounge area, leasing offices and break room, laundry area, and multipurpose rooms. The multipurpose rooms will be for resident services and social events such as community-wide resident meetings, programs on life skills, wellness classes, educational programs, and holiday celebrations. They will also be used for supportive services, case management offices, counseling rooms, and large meeting rooms. There will be a fenced and gated courtyard with amenities such as BBQ and seating area, workout stations, cornhole game, a dog run, and a community garden. The project is intended to move the facility from a transient hotel guest population to a more stable residential population.

The targeted population per the Homekey grant requirements would be individuals and households that are experiencing homelessness or have been adversely affected by the COVID-19 pandemic. The project will work closely with the Santa Clara County Coordinated Assessment System to evaluate individuals and families experiencing homelessness to match them with resources that best fit their situation.

Analysis

Staff from the City, County, Jamboree, and Hyder (property management company) met on September 8 to check-in on the status of the project. Updates shared at the meeting are described below.

Project Construction Status

Jamboree provided an update on the status of construction. The project was planned in two phases so as to meet the Homekey grant requirements. Phase I included the conversion of all units except for the managers’ units and was completed by the February 2021 deadline set by the state’s Department of Housing and Community Development (HCD) which required 50% of the units or 66 households moved within 90 days of acquisition.

Phase II includes the rehabilitation of interior and exterior common areas and managers’ units, and completion is expected by the end of 2021.

Property Management and Security

The County’s Office of Supportive Housing screens individuals for placement in supportive housing and Jamboree requires individuals placed at Homekey, to sign a lease and abide by the terms of the lease. Lease terms include 12 months to ensure the project provides a safe environment for all those residing there. In July 2021, Jamboree hired a new property management company, Hyder Co. (Hyder). Hyder is responsible for rent collection and property maintenance and security. Jamboree has recently installed 22 exterior security cameras and key fob entries at all entryways. As part of Phase II, an additional 22 security cameras will be installed in interior spaces. In July, a new security company was also brought on board. This led to changes in security at the project including the hiring of security guards to provide 24/7 security on site and patrol services for evening and weekend hours. The table below reflects total calls for service and total number of police reports generated as a result of the call for service at 1000 Hillview Ct spanning May 2021 to August 2021. As seen below, only a fraction of calls result in a report being generated consistent with department policy and/or when an officer determines that documentation may be necessary due to likelihood of reoccurrence. The data reflects two months before and three months after Hyder assumed control of security at the site.

<u>Month</u>	<u>Year</u>	<u>Total # of Calls</u>	<u># of Reports</u>	<u>Description</u>
May	2021	14	3	Court Order Violation, Trespassing, Sex Registrant
June	2021	14	4	Disorderly Conduct, Lost Property, Mental Health, Rape
Hyder Company Assumes Property Management				
July	2021	7	4	Assault w/ Knife, Mental Health (x2), Warrant Arrest
August	2021	3	1	Found Property
September	2021	20	6	Assault, Stolen Vehicle, Suspicious Circumstances, Mental Health, Parking Violation

Project Occupancy Information

As of September 8, the project at 1000 Hillview Court has 50 people in residence with 16 more people ready to move in. County outreach team is working with 60 additional individuals, some of whom are anticipated to

move to Homekey. At the meeting on September 8, County staff shared that, referrals for permanent supportive housing have been taking about 3-6 months and that they are working on improvements to accelerate this timeline. As of September 8, through the City's contract with the County's HEAT team and general County outreach, 85 unhoused individuals associated with Milpitas have been assessed and enrolled since March 2021. Of these 85 individuals, six have been referred for placement in permanent supportive housing, two have been referred for rapid rehousing, and two have been placed in shelters.

Individuals assessed by the HEAT team are added to a community queue that provides them the opportunity to be referred to a housing program. The increase of assessments resulted in an increase of Milpitas individuals housed in the county's supportive housing system. In 2021, due to increased outreach and assessment in Milpitas, the percentage of people affiliated with Milpitas being referred to the community queue has increased from 2.7% to 4.6% of the total in the County. Individuals referred for placement in permanent supportive housing are offered a choice of location, if available, and County staff has noted that sometimes unhoused individuals from one community prefer to move to another community.

Communications

There are several meetings held on a regular basis to stay connected on this project. These include weekly property and services meetings comprised of staff from Jamboree, County Office of Supportive Housing, Property Manager Hyder Co. and Abode Services, the non-profit providing supportive services. In addition, there are monthly meetings related to homeless outreach and other coordination. Several City representatives, including executive staff from Building Safety and Housing, Police, and Recreation and Community Services participate in these monthly meetings, along with representatives from the County and Abode Services.

In order to address recent concerns about safety and security at the property as well as to better understand how the project will serve unhoused Milpitas residents, executive staff from the City and County have recently initiated quarterly check-in meetings. City representatives include the Assistant City Manager, and a Police Captain and County representatives include a Deputy County Executive, the Director of the Office of Supportive Housing. The meeting also includes other staff from the County, Jamboree, and Hyder. The first quarterly meeting was held on September 8, 2021.

Policy Alternative:

Not Applicable

Fiscal Impact:

There is no fiscal impact to receive this report on the Homekey Project at 1000 Hillview Court.

California Environmental Quality Act:

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendation

Receive a report on the Homekey project at 1000 Hillview Court.

Attachment:

None