

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, DIRECTOR
HOUSING AND COMMUNITY SERVICES
SUBJECT: AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE
STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT'S HOMEKEY+ GRANT PROGRAM
WITH BURBANK HOUSING DEVELOPMENT CORPORATION,
CATHOLIC CHARITIES OF THE DIOCESE OF SANTA ROSA
AND CARITAS HOMES PHASE II, LLC AS CO-APPLICANTS FOR
CARITAS HOMES PHASE II IN AN AMOUNT NOT TO EXCEED
\$13.95 MILLION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the City Council, by resolution, authorize the submittal of a grant application to the State of California Department of Housing and Community Development's Homekey+ grant program with Burbank Housing Development Corporation, Catholic Charities of the Diocese of Santa Rosa and Caritas Homes Phase II, LLC as co-applicants in an amount not to exceed \$13.95 million for Caritas Homes Phase II.

EXECUTIVE SUMMARY

On November 26, 2024, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) in the amount of approximately \$2.145 billion in Homekey+ grant funding for the development of permanent supportive housing for individuals or households with an individual who is homeless, chronically homeless, or at risk of homelessness and who are also living with a behavioral health challenge. Caritas Homes Phase II, which is part of the Caritas Village project located in downtown Santa Rosa, will add 30 new affordable apartments reserved for homeless individuals referred through the Sonoma County Coordinated Entry system, meets the eligibility criteria for Homekey+ funding. The City of Santa Rosa, in coordination with Burbank Housing Development Corporation, Catholic Charities of the Diocese of Santa Rosa and Caritas Homes Phase II, LLC, will submit an application to HCD by April 3, 2025.

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BACKGROUND

On November 26, 2024, HCD, in collaboration with the California Department of Veterans Affairs (CalVet), released a NOFA for the Homekey+ program, which makes available approximately \$2.145 billion in state funding to support the development of permanent supportive housing for Veterans and individuals with mental health or substance use disorders who are at risk of or experiencing homelessness. The Homekey+ program is authorized by the Behavioral Health Infrastructure Bond Act (BHIBA), which was included under Proposition 1 passed by California voters in March of 2024. The Homekey+ program follows the original Homekey program, under which the City received funding for Caritas Center and St. Vincent DePaul Commons and aims to rapidly create permanent supportive housing for people experiencing homelessness. New construction projects must complete construction within 26 months of the funding award.

The first stage of Caritas Homes Phase II, to be located at 360 7th Street in Santa Rosa, will include 31 total units with 30 studio apartments affordable to households at or below 30 percent of Area Median Income (AMI) and one two-bedroom manager's unit. The remaining 33 units in the second stage of Caritas Homes Phase II will be constructed on the same parcel when financing is secured. Caritas Homes Phase II is the final stage of the larger Caritas Village project consisting of Caritas Center, a comprehensive housing-focused homeless services facility including transitional and interim housing located at 301 6th Street, and Caritas Homes Phase I, a 64-unit affordable permanent supportive housing development located at 340 7th Street. Both Caritas Center and Caritas Homes Phase I are complete and operational.

If Caritas Homes Phase II is awarded Homekey+ funding, the City and the co-applicants will be required to enter into a Standard Agreement with HCD pertaining to the administration of the funds.

PRIOR CITY COUNCIL REVIEW

On March 3, 2020, the City Council conducted a public hearing and approved the following for the Caritas Village project: 1) the Final Environmental Impact Report; 2) adopted findings of fact, mitigation monitoring and reporting requirements, and a statement of overriding considerations; 3) amended the General Plan from Medium Density Residential and Retail and Business Services to Transit Village-Mixed Use; 4) amended the Downtown Station Area Specific Plan to include all the project parcels within the Courthouse Square Sub-Area; 5) rezoned the parcels from Multi-family Residential to the Transit Village-Mixed Zoning District; 6) approved a Tentative Map for

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the Project; and 7) made findings and determinations and approved a Minor Use Permit for an Emergency Shelter at Caritas Village.

ANALYSIS

Pursuing the HCD grant opportunity with a potential award up to \$13.95 million in Homekey+ funds will assist with the construction of a project that addresses homelessness and supports the final stage of a comprehensive project (Caritas Village) in the City. HCD program requirements include the recordation of a Regulatory Agreement against the property and evidence of funding commitments to support operations and services at the site, ensuring long term affordability and the provision of services for residents of the project.

This Homekey+ project will assist the City in meeting the Council Goal #5: Plan for and Encourage Housing for All and Reduce Homelessness by providing 30 affordable permanent supportive housing units for people experiencing homelessness.

FISCAL IMPACT

Approval to submit the grant application to HCD does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

On March 3, 2020, the City Council certified an Environmental Impact Report (EIR) and adopted Findings of Fact related to the California Environmental Quality Act (CEQA) and Statement of Overriding Considerations for the Caritas Village project; and, pursuant to State CEQA Guidelines § 15162, no subsequent EIR is required, as there are no major revisions of the previous EIR and there are no new significant environmental effects or a substantial increase in the severity of previously identified significant effects. A NEPA Environmental Assessment for the Caritas Village development was completed in 2021.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

The co-applicants for the Homekey + application, were notified of this action.

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ATTACHMENTS

- Resolution

PRESENTER

Rebecca Lane, Program Specialist
Department of Housing and Community Services