

CITY OF SANTA ROSA  
CITY COUNCIL

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

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution, authorize the submittal of a joint application to and participation in the State of California Department of Housing and Community Development's (HCD) Homekey+ grant program in an amount not to exceed \$13.95 million for development of Caritas Homes Phase II with Burbank Housing Development Corporation and Caritas Homes Phase II, LLC and authorizing the City Manager to execute a Standard Agreement with HCD and any amendments thereto.

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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+ (Homekey Plus) 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, the final stage of the Caritas Village project located in downtown Santa Rosa which will add 30 new affordable apartments reserved for homeless individuals referred through the Sonoma County Coordinated Entry system, meets the eligibility criteria for Homekey Plus funding. The City of Santa Rosa, as a co-applicant with Burbank Housing Development Corporation and Caritas Homes Phase II, LLC, will submit an application to HCD by March 14, 2025.

## BACKGROUND

On November 26, 2024, HCD, in collaboration with the California Department of Veterans Affairs (CalVet) released a NOFA for the Homekey Plus 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 Plus 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 Plus 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.

Caritas Homes Phase II, to be located at 360 7<sup>th</sup> 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. 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 6<sup>th</sup> Street, and Caritas Homes Phase I, a 64-unit affordable permanent supportive housing development located at 340 7<sup>th</sup> Street. Both Caritas Center and Caritas Homes Phase I are complete and operational.

If Caritas Homes Phase II is awarded Homekey Plus funding, the City and Burbank Housing Development Corporation 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 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

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HOUSING AND COMMUNITY DEVELOPMENT'S HOMEKEY+ GRANT PROGRAM  
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Homekey Plus 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 Plus 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 the Environmental Impact Report for the Caritas Village Project, which included the Caritas Homes Phase II Project and adopted findings of fact, mitigation monitoring and reporting requirements, and a statement of overriding considerations. None of the criteria in CEQA Guidelines Section 15162 requiring a subsequent EIR apply to the Project. Therefore, no additional environmental review is required for the Project.

A NEPA Environmental Assessment for the Caritas Village development was completed in 2021, which included the Caritas Homes Phase II Project.

#### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

#### NOTIFICATION

The co-applicant for the Homekey Plus application, Burbank Housing Development Corporation, was notified of this action.

#### ATTACHMENTS

- Resolution

#### PRESENTER

Rebecca Lane, Program Specialist, Department of Housing and Community Services