



DATE: August 24, 2021

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Application to State Community Development Block Grant Homekey Program for the LifeMoves Mountain View Project**

RECOMMENDATION

1. Conduct a public hearing on the proposed application by the City of Mountain View to the State Community Development Block Grant Homekey Program for up to \$5 million in grant funding for LifeMoves to undertake two activities to support the interim housing project, "LifeMoves Mountain View," located at 2566 Leghorn Street:
 - a. Acquire the site located at 1950 Leghorn Street to provide additional parking for the interim housing.
 - b. Install solar panels for the interim housing to enhance environmental sustainability and lower operating costs.
2. Adopt a Resolution of the City Council of the City of Mountain View Approving an Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto from the 2020 Community Development Block Grant Program – Coronavirus Response and/or the 2020-21 Funding Year of the State Community Development Block Grant Homekey Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
3. Authorize the City Manager or designee to negotiate and execute an agreement, including any amendments thereto, with LifeMoves to effectuate the grant funding if awarded.

BACKGROUND

In 2020, the California Department of Housing and Community Development (HCD) awarded funding through the Community Development Block Grant (CDBG) Homekey Program (Homekey) to the City and LifeMoves to develop 100 units of interim housing

at 2566 Leghorn Street (LifeMoves Mountain View). The project was completed in May 2021 and provides much-needed housing and services to unsheltered persons and those vulnerable to the pandemic.

In April 2021, the State released the CDBG Homekey Program to provide funding for projects that had applied to the 2020 CDBG Homekey Program. The following is a summary of the CDBG Homekey Program:

- Established under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020 using CDBG – Coronavirus Response funds.
- Approximately \$50 million in funding is available.
- Projects that were awarded project Homekey funding are eligible to apply for up to \$50,000 per unit in CDBG Homekey funding.
- Eligible uses include on-site and off-site infrastructure and uses to support the Homekey project.
- Cities and counties are eligible to apply.
- Application is due by August 31, 2021, 5:00 p.m., and is reviewed and awarded in the order received.
- Awarded activities must expend the funds by December 31, 2022.

In June 2021, LifeMoves contacted the City regarding two potential activities for CDBG Homekey funding to support the Mountain View Homekey project:

1. Install a solar power system for the interim housing to enhance environmental sustainability and lower operating costs.
2. Acquire the site located at 1950 Leghorn Street to provide additional nearby parking for the interim housing.

Since June, the City and LifeMoves staff have conducted initial analyses regarding the two proposed activities, met with the State HCD to receive input regarding eligibility of the activities, and reviewed program requirements, including administration and monitoring, with the City's CDBG and environmental consultants. Based on these discussions, staff believes that the proposed activities can be competitive for the funding.

However, unlike CDBG Homekey, nonprofits are not eligible to apply. Therefore, the City must apply for the funds as a sole applicant. If the City is awarded funding, an agreement will be executed between the State and the City for the disbursement of funds to the City. Subsequently, the City and LifeMoves would enter into a separate agreement for the City to disburse funds to LifeMoves as a recipient. LifeMoves would lead the implementation of the two activities in accordance with the CDBG Homekey requirements, and the City would administer the program, including monitoring LifeMoves for compliance.

This public hearing and Council adoption of the resolution are in accordance with the State's Citizen Participation Plan and CDBG Homekey requirements.

ANALYSIS

As discussed below, the total estimated cost for the solar panel system and the site acquisition for parking is \$5 million. This amount meets the maximum that the City can apply for (100 units at LifeMoves Mountain View x \$50,000 per unit = \$5 million).

Description of Proposed Activities

Purchase and Installation of a Solar Power System

LifeMoves proposes to acquire and install a solar power system on the roofs of all of the modular units at the LifeMoves Mountain View project, including a battery storage system. This would generate more sustainable power at the site and provide back-up power in case of blackouts. The system is intended to be grid-connected, but LifeMoves estimates it will meaningfully reduce the amount of power consumed from the grid and ongoing operating costs. This will increase the financial and environmental sustainability of the site. Additionally, these solar power systems will increase the overall safety and security of clients at LifeMoves Mountain View by providing reliable energy to maintain operations during rolling blackouts. This has been increasingly important due to hotter summer months as a result of climate change. LifeMoves estimates that the total cost of the solar power system, including purchasing the system, design, and installation, will be \$1 million.

Acquisition of 1950 Leghorn Street to Provide Additional Nearby Parking to Support Mountain View Homekey

Assembly Bill (AB) 83 established a statutory exemption from the California Environmental Quality Act (CEQA) for qualifying projects funded by the State's Homekey Program. LifeMoves utilized AB 83 for the LifeMoves Mountain View project,

which allowed the project to be approved with 19 on-site parking spaces for staff, clients, and guests. Ordinarily, the City's Zoning Code would have required 49 spaces for the project. However, the standard parking requirement would have reduced the number of units built on the site and made the project infeasible. To provide additional parking to serve LifeMoves' clients and to ensure that adjacent uses are not impacted by street parking, LifeMoves entered into an agreement with the City and Live Nation for additional parking at Shoreline Lot B (which is also the site of a safe parking lot). This off-site parking is 1.6 miles from the LifeMoves Mountain View site and will be served by a LifeMoves shuttle service. In addition to the off-site parking, LifeMoves operates a bicycle program and provides free bus/transportation vouchers to clients at LifeMoves Mountain View.

LifeMoves has identified an opportunity to purchase 1950 Leghorn Street to bring additional parking closer to the LifeMoves Mountain View site. The 0.5-acre site is one-half mile from 2566 Leghorn Street. It is estimated that the site could accommodate up to 49 parking spaces, but the final number will be determined through the City's planning and building permit process.

The additional parking at 1950 Leghorn Street would enhance the quality of life for clients by making it easier for them to access their vehicles for work, go to health-care appointments, or travel to other essential destinations, especially for clients who have impaired mobility. It would also support the program operations by providing more accessible parking for LifeMoves staff and visitors. LifeMoves will implement an operations plan to ensure that parking at 1950 Leghorn Street is well-managed.

LifeMoves estimates that the total cost of the site acquisition and necessary site work will be \$4 million.

NEXT STEPS

If Council adopts the resolution authorizing the City to submit an application, staff will submit an application requesting \$5 million in CDBG funding by the August 31, 2021 deadline. Unlike the Homekey project, which allowed the City to jointly apply with LifeMoves, the CDBG Homekey Program would only allow the City to apply for funding.

If funding is awarded, it is anticipated that LifeMoves would need to submit a Development Review Permit for planning approval followed by a building permit application for LifeMoves' two activities. LifeMoves estimates that the solar power system process would begin by the end of 2021 and would be complete by fall 2022, while the site acquisition and improvement process would also begin in 2021 and conclude in

spring 2022. The actual cost of the two activities may change pending the City approval process and the finalizing of the plans. If costs increase, LifeMoves will be responsible for securing the additional funds to ensure that the activities are completed in the required time frame since the City does not have funding available to support the activities.

FISCAL IMPACT

There has been staff time spent to evaluate the CDBG Homekey Program and to bring this item to Council. Additional staff time will be required to submit the application if Council approves the resolution authorizing application submittal. Additionally, staff has utilized CDBG consultants to provide input on the proposal and guidance on the State program requirements. Finally, the State requires that a National Environmental Policy Act (NEPA) review of any proposed activity be completed prior to the submittal of the application. The City utilized one of the City's environmental consultants to conduct and complete the review and has the funds to cover this nominal cost.

If Council authorizes the application submittal and the State awards the City the full \$5 million requested, \$75,000 will be used for the City's program administration costs, including compliance, monitoring, consultant costs, required reporting, and other related costs related to the program.

ENVIRONMENTAL REVIEW

The proposed action is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines Sections 15301 ("Existing Facilities"), 15303 ("New Construction or Conversion of Small Structures"), 15304 ("Minor Alterations to Land"), and 15332 ("Infill Development Project"). The proposed activities would result in the installation of solar panels on existing buildings and the use of a one-half-acre site in an infill location to provide parking for the nearby Homekey site, whose clients currently park at another location further from the site.

ALTERNATIVES

1. Do not adopt the resolution authorizing the City to submit an application to the State CDBG Homekey Program to fund LifeMoves' purchase and installation of a solar power system and the acquisition of 1950 Leghorn Street to provide additional nearby parking to support Mountain View Homekey.
2. Provide other direction.

PUBLIC NOTICING

Agenda posting, public notices in the *Daily Post* and the *Mountain View Voice* in accordance with the State's Citizen Participation Plan and the CDBG Homekey requirements, and courtesy notices sent to addresses within a 750' radius of 1950 Leghorn Street.

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WC/1/CAM
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Attachment: 1. Resolution to Submit an Application—CDBG Homekey Program