Project Homekey
March 14th 2022, Public Meeting
Frequently Asked Questions

• The recent proposal to acquire the Monarch Resort for $15 million to build 50 units equals $300,000 per unit. What other statistics are you funding?

  Ultimately, the cost of a property affects the price per unit. The City would research all grant opportunities to fund a Homekey Project.

• How are people selected to live in the project.

  The City would work with the Continuum of Care (CoC) and Coalition of Homeless Services Providers (CHSP) to ensure everyone that would like to be in the development would be a part of the Coordinated Entry System through the CoC.

• What is the safety net to prevent homelessness? Such as our elderly/disabled.

  There are few resources available for homeless prevention. City staff sometimes realize someone is falling through the cracks when it is too late. Elderly and disabled are at high risk due to changing housing needs as they age, no increases in income when rents increase, or having difficulty paying property taxes. Disabled residents find difficulty finding housing that meets their needs and is affordable. People need wrap around and individualized services to find housing and remain housed that can range from behavioral health services, ADA accessible housing, and assistance linking to safety net services such as CalFresh and CalWORKS, and Social Security benefits for seniors.

• Is anything being done to increase acceptance of Section 8 vouchers?

  The City is working with the Coalition of Homeless Services Providers (CHSP). CHSP is working on outreach to landlords to accept Section 8/Housing choice vouchers.
• Couldn’t the property be held in perpetuity?

Market conditions change over time and holding a property as affordable in perpetuity could prevent developers from developing properties and the long-term economic viability of a property. A Homekey project would have a deed restriction of 55-years.

• How many people who became homeless in PG are now elsewhere due to no available services here in PG?

The exact number of PG residents who have left and become homeless elsewhere is difficult to determine. This link shows the plight of one man, Mr. Tarola, who left PG and died in Sacramento: https://www.capradio.org/articles/2020/12/08/death-in-plain-sight-homeless-man-dies-in-the-cold-as-sacramentos-debate-over-warming-centers-drags-on/. His death could have been prevented if he had housing and services.

Project Homekey would focus on providing housing and services to residents in need.

• What will happen if P.G. does not sell to Homekey?

It is not up to the City to sell to Homekey. It is up to property owners of hotels/motels to sell their property. The Homekey project is dependent on available properties willing to sell to convert to permanent supportive housing.

• What are the long-term priorities for Homekey Projects and/or obligations?

Long-term priorities are to keep residents housed for as long as possible so people may stabilize and continue on a path to living and integrating as citizens/residents of the community.

• Please be transparent and explain exactly what happened with the Monarch Resort debacle.

Purchasing and selling a property such as a hotel is not as straightforward as purchasing and selling residential property. Many times, property owners do not want the public to know that their property is for sale and may be undergoing a
sale. That could hurt business and prevent people from booking their hotel if there is a sale that could happen.

The developer is allowed to approach hotel owners if they are willing to sell their property. In this case, the seller was approached, some negotiations occurred, after the City Council meeting on January 19th, the owner refused to sell as they did not want the property to sell to be used for permanent supportive housing.

- PG has had a residential treatment program since 1970 called the Gateway Center for mentally impaired. It's been accepted and praised in the community. Isn’t Project Homekey the same thing?

No, Homekey would be Permanent Supportive Housing with services for people who have experienced homelessness. The Gateway Center of Monterey County provides day and residential programs for adults with intellectual and developmental disabilities.

- Who is eligible for Homekey Housing? Can we specify/target Pacific Grove people?

People who are homeless or at risk of homelessness would be eligible for Homekey housing. SB-649 allows for cities to have a local tenant preference to provide for tenant protections and prevent displacement and gentrification, specifically when using state funds. Homekey funds are state funds.

- What financial responsibility does City of PG have over the 50-year deed from Homekey project?

Ideally, the City could contribute funds in the amount of approximately $300,000 in the development phase of the project to assist with subsidizing services to clients in the project. However, after that, no other funding would be required. The City was planning to utilize state grant funds toward the project and no general fund contribution would be needed.

All subsidized housing requires repairs and ongoing maintenance, and the City could assist with grant applications in the future if needed through state and federal funds such as CDBG and HOME.

- Will the funds be used in another community with more challenges if our application does not receive a grant?

Yes, the state is expecting to use all of the funding allocated toward the program.

- Of all of our affordable housing concerns, why are we starting with Homekey, which serves so few of our problems?
The City’s housing department is required to plan for housing opportunities for all income levels through the Housing Element of the General Plan. Homekey is a new program that provides funding to house those most vulnerable in the community with the least resources. The City continues to seek opportunities to provide resources and housing for residents that are low to moderate income and who have been disproportionately impacted by economic and racial disparity.

- Why is the focus on homelessness in Pacific Grove when we really need affordable housing?

**Homekey is on the continuum of affordable housing.**

- Homeless people will relocate to a place that provides housing, food, services. Why not Monterey or Seaside?

The City has residents who are in need of housing who are living in their cars and on the streets. The City is looking for resources to serve its own residents in need.

There are no permanent affordable housing units or shelter available in Pacific Grove to house those who currently seek assistance and shelter or who may currently live in vehicles because they have been forced out of the high-cost housing market. The only shelter on the Monterey Peninsula is in Seaside, Casa de Noche Buena, operated in a partnership by Community Human Services (CHS) and Gathering for Women (GFW). This shelter is specifically for women and families with children. There are no shelters on the Peninsula that serve single men. Shelters are temporary places for unsheltered people to stay while they work to transition to permanent housing. The Homekey project would convert the existing hotel into a new apartment building where income-eligible residents would have stable and affordable permanent housing as well as on-site services if needed. People currently living in temporary housing, unsheltered and in cars, could potentially be applicants for the permanent housing opportunity the Homekey project would provide.

- What services will be offered to the residents?

Supportive services are a critical component of this project. Tenants who are formerly homeless need assistance in retaining their housing and becoming re-integrated back into the community. The goal is to avoid a "revolving door" where they return to homelessness. Services are provided on site to those who need them and are offered at no cost. Services are geared toward assisting each tenant individually in improving their independent living skills to meet their life goals, such as furthering their education or obtaining employment, and to support their ability to retain housing. Service coordinators would meet with each tenant to help them develop an individualized service plan informed by their goals. These plans guide service delivery support referrals and coordination when physical health care or
mental health services are required. Tenants are encouraged to participate and have a voice in the tenant community to become good neighbors. Step Up, the service provider for the Homekey project, has over 35 years of experience in providing supportive services to formerly homeless individuals. Step Up currently operates with a retention rate of 97% of individuals remaining housed one year after moving into housing.

- Just as there is a program for converting hotels/motels to provide homes for the homeless, are there such programs for converting closed schools to provide homes for the homeless? P.S. PG has two closed schools.

  The School District would need to be willing to convert their schools for housing and the district would be in charge of housing development on their sites. Financing mechanisms, such as bonds are used for school housing development.

- Is there a guarantee the Homekey will stay for Homeless Housing after the 10-year mandate? Will there be local oversight over how it is run?

  The project would be deed restricted for 55 years. If the City partnered on an application, the City would provide oversight of the project.

- What is the application process for this housing?

  The State provides a Notice of Funding Availability and the City approves an application through the City Council to submit an application. Staff would prepare the application.

- How are the in-house treatment programs funded?

  The developer builds the treatment costs into the project costs for the long-term.

- Who holds liability for this housing? City, State, HUD?

  The developer holds liability for the housing.

- Is Homekey only for chronic homeless people or for all types of people without shelter?

  The Homekey project envisioned by the City would have allowed for chronically homeless and homeless.

- PG has very limited public transportation. Does that make a Homekey project more difficult?

  Transit options are available to residents through case managers to get to appointments. The residents would need to find transit options for personal matters. PG is looked at as a high resource community and is highly walkable. MST also runs bus service throughout the community.
• Does a Homekey project offer drug, alcohol and mental health counseling?
  Each resident would work with a case manager and be a part of their service plan and if they need drug, alcohol, and mental health counseling, their case manager will ensure they receive these services.

• Our Homekey plan seems to assume state money will always be available. That seems to be a problem.
  State funding would be provided up front to purchase a hotel. The project would ensure long-term viability through the application process.

• Does this idea of help include low-income individuals?
  Yes

• Is there a state mandated area in each municipality for the homeless for possible housing?
  Some cities have chosen an emergency shelter overlay zone. The City of PG is working on ensuring that City zoning regulations facilitate development of emergency shelters, transitional/supportive housing and residential care facilities in conformance with state law.

• What services does PG have for the homeless?
  Several churches provide food distribution and run safe parking programs.

• What is the percentage of those on the edge and almost homeless and is there a way to know? How is that number broken out by type such as victims of abuse, job loss, drug user, mental health
  The Point-in-Time (PIT) count is a count of sheltered and unsheltered people experiencing homelessness on a single night in January. HUD requires that Continuums of Care conduct an annual count of people experiencing homelessness who are sheltered in emergency shelter and transitional housing on a single night. The PIT count details data on how people became homeless. The most recent Point in Time Count for Monterey and San Benito County can be found here: [https://chsp.org/monterey-and-san-benito-county-homeless-census-reports/](https://chsp.org/monterey-and-san-benito-county-homeless-census-reports/).
  The City participated in the PIT count on January 27, 2022 and is awaiting the results in June, 2022.

• Is there a “food bank” like in San Jose on the peninsula?
  Yes, the Food Bank for Monterey County is located in Salinas at 353 W. Rossi St.
• How can residents be assured a safe environment? If a resident engages in illegal activity/using drugs, violence, etc. Are there any consequences? Will they be removed? If so, where will they go?

The residents would sign agreements to abide by their rental agreements. The property managers and case managers would do everything to ensure people remain housed. However, if there is illegal activity, the management would need to involve PG PD and appropriate consequences would be enforced.

• Staffing? Just one manager?

The management would depend on the size of the development. A manager would always be on-site.

• If Shangri-La goes bust, what happens to the property? Who pays property taxes? Utilities?

If Shangri-La were to be unable to own their property, another developer would take over with the same deed restrictions and property restrictions in place.

• Will the project be permanent or transitional housing?

Permanent Housing

• Who is responsible for upkeep of the property?

The property manager would be responsible for upkeep of the property.

• Will any of the units be set aside for families?

No

• What kind of interface will there be with service providers?

The Service Provider would connect with other community service providers, especially the Coalition of Homeless Services Providers (CHSP).

• Once acquired who owns the property?

Shangri-La would own the property.

• Homeless in Salinas is 40 times more than PG why not another project there?

PG has homeless and it is important to provide housing options for all income levels to ensure people have a home and do not live in their cars or on the street.

• How do cities account for potential revenue losses from hospitality costs?

Transit Oriented Tax loss would occur with the transition of a hotel to housing. However, having people who were homeless, housed with services could be a net
gain for the community as people who are housed utilize less emergency and police services.

- How is the state dealing with unsuccessful homekey projects?
  Project Homekey is a new program and the state has seen the program as an overall success. It is up to each project and each housing developer to ensure projects are successful. Step Up and Shangri-La have an excellent track record of running great housing and services and people remain housed.

- Will we attract more needy homeless when we establish a homekey program?
  The City is looking for opportunities to house residents experiencing homelessness who are already here. Establishing permanent housing is addressing an existing need.

- How can residents be assured of a safe environment?
  The property manager ensures a safe environment for the residents and community.