

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **January 16, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Karen Decker, Community and Economic Vitality Manager
Mike Noce, Housing Programs Manager

TITLE: FUNDING TO SUPPORT CONTINUED EMERGENCY HOUSING FOR DISPLACED FARMWORKERS

RECOMMENDATION:

That the City Council adopt a Resolution:

- 1) Authorizing the use of up to \$300,000 from the City's Affordable Housing Fund to supplement private/philanthropic donations to fund continued emergency housing support for farmworker households displaced by the mass shooting on January 23, 2023; and
- 2) Authorizing the City Manager to negotiate and execute an agreement between the City and Abode Services to direct the use of the allocated Affordable Housing Funds and memorialize each agency's commitment to supporting the farmworkers until permanent housing solutions have been identified or developed.

FISCAL IMPACT:

The City's Affordable Housing Fund (AHF) currently has a balance of approximately \$5.35 million, including: \$2 million in State funding (FY 2023-24 State budget earmark courtesy of Senator Josh Becker) proposed to be committed to the 555 Kelly affordable housing project; \$1.25 million in State funding (FY 2023-24 State budget earmark courtesy of Assemblymember Marc Berman) proposed to be committed to the Stone Pine Cove affordable housing project; and \$2.1 million from development in-lieu fees. At present, there are \$2.1 million in unallocated funds available to support affordable housing development, rental assistance, and other homelessness prevention efforts, subject to the City's AHF guidelines adopted on December 3, 2019. The requested use of \$300,000 to support the displaced farmworkers is consistent with those guidelines and leaves approximately \$1.8 million in the AHF for future affordable housing projects, homelessness prevention and/or rental support.

STRATEGIC ELEMENT:

This action supports the *Healthy Communities and Public Safety*, and *Inclusive Governance* Elements of the Strategic Plan.

BACKGROUND:

In the aftermath of the tragic January 23, 2023 mass shooting incident, San Mateo County and the City conducted inspections of the two farms where the shootings took place and discovered substandard housing conditions at both sites. Given the poor and unsafe condition of units and use of non-habitable structures, all units were “red-tagged”, and notices were issued precluding re-habitation.

Immediately following the incident, the County provided emergency housing and other direct assistance to displaced households, which was temporarily supplemented by support from AirBNB.org. Following the red-tagging of the previous housing, the County secured \$750 thousand for temporary market-rate housing through March 2024. Abode Services, a Bay Area based non-profit focused on ending homelessness, was hired by the County to facilitate master lease agreements, ultimately leasing temporary units for 19 displaced households. The County, City, and local non-profits worked collaboratively to identify units for each displaced household, and through the generosity of local property owners, all were able to remain housed on the Coastside.

Since the incident, the City and County have convened to reconcile how our agencies could work to put the lives of 19 farmworker households back together while addressing the needs of the countless other farmworker households that face housing quality and quantity challenges. Given the limited inventory of housing units on the Coast, and the high cost of real estate, a new development of affordable housing to support these and other farmworkers became the preferred approach. The City-owned property at 880 Stone Pine Road became the focus of efforts given its proximity to downtown, schools, shopping, transportation, and social services, as well as its adequate size to create a true neighborhood. It was determined early on in the process that manufactured housing offered many benefits including: 1) expeditious construction delivery; 2) single family detached units with full amenities; 3) sufficient density; and 4) availability of State funding through the Joe Serna Program. In May 2023, the County was awarded a \$5 million Joe Serna homeownership grant from the State, which will cover the costs of approximately 28 manufactured units in the Stone Pine Cove development. The City and County have also each received funding support from the State, and the County has secured additional support for the project through philanthropic donations.

With the location identified and significant funding secured, the City and County are jointly working to deliver a 47-unit affordable manufactured home neighborhood at 880 Stone Pine Road. With support of the California Coastal Commission, the City issued an Emergency Coastal Development Permit in December of 2023, which has allowed San Mateo County to commence bidding work on the project. This project, referred to as Stone Pine Cove, is now in the public bidding process with construction scheduled to commence this coming spring. Occupancy of the first 28 units at Stone Pine Cove is targeted for Spring 2025. More information on the

development can be found at the City's website at: www.hmbcity.com/stonepinehousing.

Until permanent housing at Stone Pine Cove is developed and ready for occupancy, there is a gap in housing for the 19 displaced households beginning this March. All of the displaced farmworker households are considered Extremely and/or Very Low-Income; therefore, these households would struggle to continue to remain in Half Moon Bay. Absent the proposed assistance and ultimate development of Stone Pine Cove, these individuals and households are at significant risk of homelessness and displacement. With the County leading the efforts to develop new housing, the City, Abode, and other partners have initiated work on developing an interim plan and fundraising to continue temporary housing to allow for ongoing, stable housing and a smooth transition into permanent housing.

DISCUSSION:

The City and its partners are seeking funding for at least twelve (12) additional months, which is estimated to be \$1 million. Staff recommends seeding the efforts by providing \$300,000 in City Affordable Housing Funds, which will not only provide several months of support to the displaced households, but also demonstrate a critical commitment of City support, which will be necessary to generate further private/philanthropic giving.

Abode Services has generously agreed to continue its role in securing the leases as well as providing other necessary supports to keep the households stably housed until the Stone Pine Cove development is ready for occupancy. An agreement between Abode and the City is intended to clearly establish scope of work and a commitment by Abode to continue rental assistance services for a minimum of twelve (12) months, commencing on April 1, 2024, when their contract with the County expires. The agreement will also establish the City's commitment as a partner with Abode in continuing fundraising and support of the households until they have been placed in permanent housing. Abode is supportive of this approach combining City funding with philanthropic financial contributions, as described in more detail below.

This model of rental assistance in partnership with Abode Services has proven to be successful since the incident. Consistent housing has provided victims and families with an opportunity to heal from the traumatic events of the shooting and find stability through community support.

Financial Sources

It is estimated that the full cost of temporary housing from April 2024 through March 2025 will be \$750,000, with an additional contingency of \$250,000 for extending beyond March 2025 to mitigate against potential construction or other delays at Stone Pine Cove. Therefore, the full funding goal to continue temporary housing support is \$1 million. The City's \$300,000 will cover a sizable portion of the needed funding. Proactively, City staff began approaching philanthropic partners in November 2023 to raise funding toward the total goal. Philanthropic support has been committed by the Grove Foundation and Latino Community Foundation in addition to commitments from Coastside Hope. Including the recommended contribution from the City's

Affordable housing Fund, the total raised to date is \$550,000, more than half of the funding goal.

Staff are actively pursuing additional funding support from interested philanthropic organizations with the expectation of closing the outstanding balance over the next few months. As previously noted, City support is an important part of gaining philanthropic funding support. The recommended actions provide critical-timing support with the City as the lead public agency to ensure displaced farmworkers and victims of the shooting have continued housing stability in anticipation of completion of Stone Pine Cove neighborhood.

ATTACHMENTS:

1. Resolution