

IN REGARDS TO RESOLUTION #3066

All seven members of the Planning Commission were in attendance before our item came up on the agenda. When it did, **Peter Padilla** recused himself and left the room.

In attendance during the **Agenda Item 4.2** initiated by **Daniel Kazakos** were:

Mark Hamilton, City of Merced, Housing Supervisor

Abel Guerra & Bryan Blew, Horisons Healthcare Unlimited

Luis and Irene Del La Cruz, Between Friends – Entre Amigos

Steve Morgan, Morgan Construction, Licensed Architect and Contractor

Bangon Emanivong, Merced Community Development Corporation, VP of Community Development

Cyndi Hamilton, Kazakos Consulting, Resource Coordinator/Grant writer

Linde Blew, Keith Wilson, Jessica Kazakos, Gloria Sandoval, Brian Strong, Patsi Dosetti, Cindy Morse, and Mr. Long.

Speakers

Cindy Morse, President of Downtown Neighborhood Association was the only community member that spoke against the project:

- **Concern:** against having people walk across 16th Street and the railroad tracks to get to the Department of Mental Health.

Response: All of the medical, dental, mental health, substance abuse treatment, job training, etc. will be held onsite.

Concern: feels like we are in a hurry to rush this through the process and doesn't understand why

Response: Every day we don't move forward with this project is another day that the homeless people of this community are vulnerable and living on the streets. We are not dealing with any other time constraints that are putting a rush on the project.

- **Concern: business owners were not notified**

Response: I anticipated concerns from the community and wanted to address them ahead of these meetings so I scheduled a public forum which was held on April 25, 2016. Press releases were sent to the Merced Sun-Star and the Merced County Times before and after the public forum and I went door to door with the flyer several times downtown and in the neighborhood. Additionally, ABC 30 did an interview about the Esperanza Permanent Supportive Housing on March 29, 2016, and the Merced Sun-

Star did an interview resulting in an article and online video released the following day. (A copy of the Public Forum sign in sheet is provided.)

Tim Land, KLAMB Radio Station, 100 feet across 16th Street and is already displeased with the city for putting a bus stop near his station where there are no sidewalks and no place to safely wait for the bus:

- **Concern:** has had issues with flooding and wants to know how it will be dealt with

Response: This is the first time we have heard anything about flooding on either side of the street and we are willing to do whatever it takes with the city and our project to resolve the issues you are having with flooding.

- **Concern:** was not notified prior to meeting at Planning Commission

Response: Please see response to the underlined concern above.

Gloria Sandoval has been a local advocate for the homeless and went to the Sacramento hearing on SB876, The Right to Rest Bill, the following excerpt was taken from Street Spirit:

On March 29, 2016, the Senate Housing and Transportation Committee voted against SB 876, The Right to Rest Bill. SB 876 demands an end to discriminatory policing practices that criminalize homeless people for sitting, resting, sleeping, lying and eating in public when they have nowhere else to do so. While the legislation has not passed in the Senate this year, the fight for our right to rest continues. (3/29/16, **Western Regional Advocacy Project**, Press Statement, **The Fight for Our Right to Rest Continues**)

- **Fact:** The urgency is there since the state did not pass the decriminalization of the homeless (SB876) they are vulnerable while they are living on the street.
- **Concern:** no bike lanes are in the area

Response: This is our narrative about the “Thoroughfare” portion of Esperanza:

Currently this alley is a difficult walk, it is about 20 feet wide and filled with numerous potholes. Some of the potholes are at least 3 feet wide and filled with water from a recent rain. There is a dumpster nearby with garbage strewn about and a large table has been dumped next to it. On the corner of D and Main Streets there is a church and a marked crosswalk on Main with signage and it appears new all the way to the alley where Freeman and Sons is located on D Street. The potholes begin behind Freeman and Sons and continue throughout the alley all the way to E Street. On E Street, there is no sidewalk. A sidewalk should start at Main and the east side of E Street down to the corner where there is an electrical fenced in area. Putting some major work into the alley, extending the bike lane from E and Main Streets through the alley then to D and Main Streets, and adding sidewalks on E street and through the alley will create thoroughfare connectivity from Main Street to the back of Esperanza.

Behind Esperanza is the manager’s unit, 4 parking spaces, an enclosed animal companion area and a bicycle room for overnight storage. A sidewalk will span the entire east side of

Behind Esperanza is the manager's unit, 4 parking spaces, an enclosed animal companion area and a bicycle room for overnight storage. A sidewalk will span the entire east side of the property from the alley to the front, from there the sidewalk will span the entire front of the property and an additional 500 feet connecting to the bus pullout. The sidewalks will be well lit for evening usage and drought resistant bushes and grass will line at least one side of each sidewalk. Esperanza successfully connects its residents and the entire community to the bus transit system and city wide bike routes while at the same time providing affordable housing to the homeless, a medical clinic and job training programs.

Planning Commissioners

Commissioner Dylina had many questions about:

1. Resident's vehicles
2. Development fee
3. Resident's sobriety
4. Who cares for property?
5. Businesses were not notified
6. Seems like you are trying to move homeless services out of the area and move the homeless into the area
7. Will there be registered sex offenders?
8. Not a good location

Additionally, he said he likes the concept and the idea, but not the location

Kazakos Answer:

1. If a tenant owns a vehicle, we can look into storage for that vehicle or they can make other arrangements. Parking is limited and tenants will not be allowed to have vehicles on site.
2. Yes, there is a developer fee of over \$500,000 that will divert to me as the developer, but that money covers any maintenance, emergency, etc. that could occur with the project for the first fifteen years. Also, as the general partner I am liable for the property.
3. Using Housing First (Fact Sheet attached) as presented at the Homeless Summit, residents are placed in housing first because they need the basic necessities before attending to substance use issues.
4. As the developer, I am responsible for the property. I live here in Merced, I am raising my family here and I want Merced to become a place where my kids will want to raise their kids.
5. Please refer to the answer to this underlined concern on page 2.
6. Permanent Supportive Housing is a HUD best practice for ending homelessness. This project will provide housing for some of the most vulnerable people in Merced. While housed, they will receive services to deal with their mental health, physical and or substance abuse issues.

Future projects will, hopefully, allow us to relocate homeless services (Catholic Charities, Rescue Mission) out of the downtown area.

7. Sex Offenders will not be eligible for tenancy.
8. This is a location that came to me from Michael Belluomini after he searched Merced for a place to put a project such as this. There isn't any other development that could be done with this awkward inaccessible property.

Commissioner McLeod, had 4 questions:

1. Would the actual age group of the homeless population change the treatments they were eligible to receive?
2. Since the homeless usually have more than one medical condition, there could be mobility issues
3. Is the housing unlimited?
4. Fears the housing and services will be so good, they will want to stay.

And commented “this is normally a difficult population to serve but one that needs to be addressed successfully”.

Kazakos Answer:

1. Average age range of the homeless at the facility will depend on the residents. However, most will be able to access health insurance, if not all.
2. The site has 10 units that will be specifically renovated to meet the Americans with Disability Act standards.
3. & 4. Please see attached “Moving On: Facilitating Tenants’ Ability to Move from Permanent Supportive Housing to Other Housing Opportunities”

Commissioner Baker, stated he was a firm believer in “hand up not hand out” when it comes to the homeless and asked:

His experience has been that Section 8 vouchers are not available because the system is flooded. How will you deal with that problem?

Kazakos Answer:

The Housing Authority gives a preference for homeless people. To ensure sustainability of the project, we intend to apply for Project Based Section 8 vouchers from the Housing Authority.

Commissioner Smoot questioned:

1. Will there be gates?
2. Will there be criminal background checks
3. Will people from other counties be allowed to be tenants?

Kazakos Answer:

1. Yes, to both front and rear exits.
2. Criminal Background checks will be done by third party property management staff and will follow Fair Housing Act Standards.
3. Merced County residents will have priority; The first priority going to resident of the City of Merced.

Expressed his appreciation for all the work **Kazakos** has done, but concurs with **Chair Colby** on location of the program and seconded the motion to deny.

Commission Chairman Colby, stated he was originally interested in being on the Planning Commission partly because of the homeless programs in Merced. He was concerned about the gates locking people in and any access to evacuate in an emergency would be limited. Thought the orientation of the project was trying to fit a square peg in a round hole. Has the opinion that the unfortunate majority of the homeless also suffer from mental illness and have substance abuse issues.

His questions were focused on the gates and access out of the property in the event of an emergency.

Director of Development Services, David B. Gonzalves:

The gates are for tenant protection – to keep nonresidents out, not tenants locked in.

Commission Chairman Colby was also unhappy the residents do not enter sober.

He thought it was a noble goal and thanked Kazakos for his time in the service and the time he put into the community.

In conclusion, he said the plan was not “fatally flawed” but he made a motion to deny.

Other pieces of the discussion included rapid rehousing, an appraisal, pets, liability, tenant vetting

Commissioner Baker cast the only dissenting vote. He said we have to start somewhere, the project is not close enough to downtown to be a factor and it is buffered by the apartments next door and the freeway. It would rid the area of the blight of the dilapidated motel and the minimizing of the traffic was a plus.

Additional Information

Apparently, there are many aspects of our project that have yet to be discussed. Please do not consider that an indication that our project has not been well thought out.

- Background checks – Criminal background checks will be done by third party management staff and will follow eligibility requirements for Project Based Section 8 applicants as documented in Re Administration Plan of the Housing Authority
- The public medical clinic has been removed and an onsite Supportive Services Center has been added.
- Disciplinary procedures – please see attachment “RESIDENT OBLIGATIONS”
- Instituting a Sober-Living Agreement for the tenants – This project will embrace the HUD Best Practice of Housing First. This model has been successful by providing immediate access to permanent and supportive housing without preconditions. Once housed, individuals receive services to retain their housing, which may include substance abuse and behavioral health issues. Residents are required to abide by the rules of their lease, which like most leases would include eviction for failure to pay rent, and also for disturbing the peace, damages to the unit or property, sales, use and/or manufacture of illegal substances.
- Removed Commercial Kitchen from the project.

- Esperanza is a Permanent Supportive Housing project with 41 units: one for the manager and 40 furnished studio apartments for single occupancy.
- The proximity of the site to a future project – not clear what is meant by this statement.
- Inclusion of an incentive program to support tenant progression so this doesn't become permanent housing for an individual – please see attachment "Moving On: Facilitating Tenants' Ability to Move from Permanent Supportive Housing to Other Housing Opportunities"
- Report included on consultant, James Coles, founder and owner of Housing Tools. We have been relying on his expertise in the field as a consultant since 2015.
- Discussions with the Merced Housing Authority are ongoing. Similar projects in other areas receive substantial support from their housing authority.
- Third party property management will be providing the 24-hour onsite management. They will provide background checks, lease agreements, and compliance with appropriate parties. A request for proposals will go out to local experts as well as those in other communities.