

Homekey 2 Capital Development Project

between

The City of Grass Valley and Hospitality House

In partnership with the City of Grass Valley and County of Nevada, Foothill House of Hospitality dba Hospitality intends to apply for the State of California Housing and Community Development (HCD) Homekey 3 Capital Grant. The City of Grass Valley will be the applicant and Hospitality House is the co-applicant. The proposed project includes 20-40 studio apartments for people experiencing chronic homelessness. The property for development is currently owned by the County of Nevada. It is located at 936 Old Tunnel Road and is also home to the newly developed Brunswick Commons. As part of the process, the County of Nevada will provide a Letter of Intent to allow the Homekey 3 Project upon execution of a successful application to be built on the property. The County of Nevada also understands the Affordability covenant that will need to be in place for no less than 55 years upon final completion of the project.

The program model provided by Hospitality House will provide 24/7 on-site monitoring through a live-in property manager. Hospitality House will also provide wrap-around case management services by having a full-time case manager for the tenants living on site. Case management services include but are not limited to referrals to partner agencies for behavioral health, medical needs and job training and placement. Direct services provided by Hospitality House include transportation, housing navigation and tenancy, food donations from Interfaith Food Ministry (IFM) and community engagement activities.

Hospitality House initially had proposed the project be located on a property they own at 246 Glenwood Avenue, Grass Valley, CA. However, due to zoning restrictions as they relate to bonus density laws, it was determined that property would not be financially viable. Since the project has already been in design for more than 12 months, the Request for Proposals (RFP) and Statement of Qualifications (SOQ) for an approved contractor and modular manufacturer was completed in March 2022. Upon release of the RFP and SOQ, Hospitality House received 2 bids from contractors and modular manufacturers. Through an intensive scoring process which included an interview, Hospitality House decided to go with PNP Construction and Volumetric Building Company.

The design team includes Wallis Design Studio Architects, Volumetric Building Company, Optimum Modular Solutions and True Management Services. Hospitality House intends to use modular construction due to the time restraints surrounding the Homekey 3 Grant Program. Homekey 3 requires upon successful application the proposed project to take no longer than 15 months from the date of award to full occupancy. Modular design results in less project time, cost savings, less construction waste, less construction noise and proven quality.

Due to AB140 passed by the California State Legislator on July 15, 2021 capital building projects for people experiencing homelessness will be exempt from the California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) until July 1, 2024. More information regarding this temporary exemption can be found at: [Bill Text - AB-140 Housing. \(ca.gov\)](#)

The Homekey 3 Grant Program application is funded on a first come first serve process and the application portal will open on April 24, 2023. The State of California has a Balance of State or Rural Set Aside amount of \$20 million. It is important that this process moves quickly while providing any information necessary to the partners, contractors, manufacturers and consultants with a current interest in the project. HCD requires that the City of Grass Valley as the applicant and Hospitality House as the co-applicant provide a Board Resolution approving the project. The Board Resolution must be formatted per The State of California Housing and Community Development guidelines. I have attached their sample resolution for which the City of Grass Valley must add their information according to the instructions provided by HCD.