



24-4389

DATE: February 27, 2024 (Item No. 47)
TO: Board of Supervisors
FROM: Consuelo Hernandez, Director, Office of Supportive Housing
SUBJECT: Lease Amendment Agreement with Covenant House

RECOMMENDED ACTION

Approve delegation of authority to the County Executive, or designee, to negotiate and execute an amendment to an existing Lease Agreement, and to further amend, terminate, and manage such Lease Agreement, with Covenant House California, a non-profit organization, as tenant, for the use of County-owned property located at 2250 El Camino Real, Santa Clara to support a transitional housing program for period February 29, 2024 through February 28, 2025, with two one-year extension options, following review and approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on December 31, 2026. (LA-1)

FISCAL IMPLICATIONS

The recommended action has no new impact to the County General Fund. The annual lease payment by the tenant of \$1 a year is the same that is paid by other non-profit affordable housing providers for similar arrangements.

REASONS FOR RECOMMENDATION AND BACKGROUND

The recommended action advances the County goal of creating and expanding supportive housing opportunities throughout Santa Clara County. If approved, Covenant House would continue to operate a transitional housing program with funding through the Youth Homelessness Demonstration Program (YHDP)—a U.S. Department of Housing and Urban Development funding source to serve young adults between the ages of 18 and 25—or other funding sources.

In addition to reducing unsheltered homelessness and helping individuals meet their basic needs, the program helps participants more easily access medical and social services that would improve their health as well as improve their housing stability and quality of life once they move into permanent housing. The program is staffed 24 hours a day, seven days a week.

Approval of the recommended action would support the continued operation of a transitional housing program at this property. Administration recommends extending and amending the

lease as follows:

- Lease Extension. One year commencing on February 29, 2024 and ending on February 28, 2025. Tenant may request an extension of the Term for up to 24 additional months, and the County may, at the County's sole and absolute discretion, allow such extension.
- Performance Deliverables. Covenant House would continue to operate a Transitional Housing Program for homeless young adults ages 18 to 25 based on operational funding availability through YHDP or any other available funding source. Covenant House would accept referrals from the County's Coordinated Entry System at no charge to the County, utilize the Housing Management Information System (HMIS), and collaborate with stakeholders to facilitate permanent housing for its program participants.

Reason for Delegation of Authority

Although delegations of authority are discouraged except under certain circumstances, this delegation of authority is necessary. The County's lease will reach maturity on February 29, 2024. Administration needs flexibility to respond quickly and in a manner that will not cause challenges in maintaining funding from YHDP which may disrupt the program's ongoing operations.

California Environmental Quality Act (CEQA)

The use of the property under the lease would be exempt from CEQA pursuant to Public Resource Code Section 21080.50, which applies to the conversion of a motel to supportive or transitional housing.

Property Background

The County acquired the property on March 13, 2020, and concurrently executed an Option Agreement with Charities Development Housing Corporation of Santa Clara County for the potential development of the property. On June 23, 2020 (Item No. 123), the Board approved a Lease Agreement with Covenant House, for the use of a 31-room motel of approximately 12,150 square feet and other improvements to support a transitional housing program. The County and Covenant House desire to extend the Lease to allow the continued use of the property as transitional housing for up to an additional three years.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action supports the Board's sustainability objective to enhance social equity and safety by improving neighborhood access to education, health services, housing,

and food, as the lease agreement increases the number of transitional housing opportunities and support services available in the county.

CONSEQUENCES OF NEGATIVE ACTION

If not approved, the site would remain vacant.

STEPS FOLLOWING APPROVAL

Upon approval, please notify Consuelo Hernandez, Natalie Monk, and Tina Le in the Office of Supportive Housing, and Jeff Draper in the Facilities and Fleet Department.