



Enterprise®

# Milestone

Bakersfield, Kern County



## Introduction

For the Housing Authority of the County of Kern (HACK), the Milestone project, supported by Homekey, was the first of its kind and moved faster than any affordable housing development in recent memory. Racing to meet the immense need presented in the county, and on a tight deadline, HACK coordinated across stakeholders, identified sites, and managed both the relocation of former occupants and substantial renovation of buildings. The effort resulted in the successful development of 149 supportive housing units across four properties and several lessons learned on how best to approach the conversion of motel/hotel sites into affordable housing.

**For more information, please visit:** [homekey.hcd.ca.gov](http://homekey.hcd.ca.gov)

SNAPSHOT	
<b>Project:</b>	Milestone
<b>Project Team:</b>	Housing Authority of the County of Kern, Bakersfield Homeless Center
<b>Location:</b>	City of Bakersfield, Kern County
<b>Number of Doors Acquired:</b>	142
<b>Number of Units:</b>	149
<b>Number of People Housed*:</b>	227
<b>Target Population Served:</b>	People experiencing or at risk of homelessness
<b>Building Type:</b>	Scattered Site, Motel and Multifamily Acquisition
<b>Occupancy Type:</b>	Interim and Permanent
<b>Total Homekey Award:</b>	\$13,300,934
<b>Philanthropic Award:</b>	\$1,437,806
<b>Total Cost Per Unit:</b>	\$89,268

\*As of June 2021



## Context

The Housing Authority of the County of Kern (HACK) is an independent, local government agency that provides housing to thousands of residents in and around Bakersfield, California, led by Executive Director Stephen Pelz. When HACK learned about the opportunity for housing resources as part of the Homekey Program, they deployed their in-house development team to begin searching for sites right away. While normally the authority looks at vacant parcels, Homekey's rapid timeline and specific criteria prompted HACK to prioritize multifamily buildings and hotel/motel sites.

When COVID-19 hit Kern County, its impact on people experiencing homelessness and housing insecurity was immediately clear. The local Coordinated Entry System (CES) received more calls in their first quarter than in a typical year, while the Homeless Management Information System (HMIS) point-in-time data also showed a significant spike. Meanwhile, many of those who held housing vouchers were unable to find housing that would accept them. Despite the statewide eviction moratorium and other emergency measures, it was clear that many people were slipping out of stable housing and seeking help. With the support of Homekey funds, HACK developed 151 units in former hotel/motel and multifamily properties, all of which are either permanent, or soon-to-be permanent, supportive housing.

## Successes

- **Homekey enabled HACK to quickly rehabilitate and develop former hotel/motel sites into permanent, supportive housing.** Despite the challenges that HACK encountered along the way (discussed in greater detail below), residents and service providers have reported that the project was a resounding success, particularly for voucher-holders who were having a hard time finding housing at the peak of the COVID-19 crisis.
- **The security and simplicity afforded by motel-style housing was appealing to some residents.** One interviewed resident who had experienced homelessness for years prior to moving into Milestone felt a strong sense of security from living in a building with elevators, high-quality deadbolts, and a door that “no one is going to kick in.” Not only did it feel safe, but it felt easy to manage in comparison to a larger home, particularly because the facility had a communal kitchen rather than in-unit.





## Challenges

- **Developing sites that require relocation is extremely challenging and resource intensive.** According to leadership at HACK, opening new units at a site where people have occupancy status is taxing on staff and resources on many levels, in addition to the stress and logistical difficulties this may create for those needing to relocate. To address it, HACK hired a relocation specialist that would help ensure they were in compliance with state relocation law and utilized case management and supportive services to help find amicable housing arrangements for those already living on-site. At the time of interviewing, this work remained ongoing, and HACK emphasized that the process can be challenging and stressful.
- **The initial stabilization period when residents are moving into permanent, supportive housing is difficult to manage.** Reflecting on the experience, HACK felt that maintaining housing stability among an influx of residents who are acclimating to supportive housing requires more staff resources than they expected.
- **Rehabilitation and conversion can be done quickly, but only to a point.** Pelz felt that the three-month timeline was a powerful motivator and helped enable HACK and HCD to work together quicker than ever. At the same time, issues can arise during acquisition and rehabilitation that require time to resolve. For example, some problems with electrical systems and other structural concerns did not get identified early enough, which delayed the first phase of rehabilitation. Leadership from the Bakersfield Homeless Center, which provided services at Milestone, also felt that the timeline was too tight. “It’s never good to rush,” said Louis Gill, the organization’s CEO. With that in mind, HACK leadership felt that a six-month timeline in the future may be more realistic.

## Keys to Success

- **Leaning on a track record of successful projects and proactive outreach helped secure necessary public support while avoiding community resistance.** Because HACK had previously met community resistance to projects proposed under another program (Roomkey), they were strategic in their efforts to communicate with the public while avoiding pushback. Being able to point to other successful subsidized properties in the community helped HACK demonstrate to the community that they were equipped to make a positive contribution to the neighborhood. For the Vagabond site, HACK reached out to neighbors, a local school, and the local city council member to secure buy-in for the project. To avoid unnecessary attention, when the award of Homekey funds was covered by the media, HACK did not publicize the addresses of the sites.
- **With limited project-based vouchers (PBVs) and case management resources, HACK moved to a new tenant-based voucher approach, which matched tenants to units quickly.** Many voucher holders were repeatedly rejected by private market landlords, but HACK did not have enough PBVs or case management staff to meet the need. To solve this challenge, HACK worked with the California Department of Housing and Community Development (HCD) to let them try a new approach. Instead of tying new units to PBVs, HACK matched people in CES directly to units in the Milestone project, then connected the residents to case management services there. While processing PBVs through CES usually took about 50 days to fill a vacancy, HACK did not experience this delay using tenant-based vouchers.
- **Proactively meeting with the Housing Authority's Housing Choice Voucher Department can help avoid delays.** Opening a line of communication with Housing Authority staff that administer vouchers early, and having housing inspectors do walk throughs prior to rehabilitation, helps the developer understand and address any issues that could delay approval from the Housing Quality Standards (HQS) inspection that HUD requires. This is especially critical if the affordable housing developer is reliant on voucher income.
- **Having a service provider that is stably funded and on-site helps facilitate communication between tenants and property managers.** Pelz feels that paying for services out of HACK's budget is more stable and sustainable than external grants, which may dwindle in the future. HACK found that the service providers were crucial not only because of how they helped tenants, but also how they served as a liaison between tenants and property management. Because service providers were building rapport with tenants and having intimate conversations with them, the tenants went directly to service providers to report maintenance needs. Additionally, since many of the tenants do not have their own means of transportation, the Bakersfield Homeless Center felt that providing services on-site made them more effective and responsive to tenants' needs.



## What's Next

All four of the Milestone properties supported by Homekey are permanent housing, apart from the Union Site, which will be converted to permanent housing once funding to do so is secured. At the time of interviews, HACK was in discussions with the city of Bakersfield to apply for funding from the state's \$50 million allocation of Community Development Block Grant CARES Act (CDBG-CV) funding for completing construction on Homekey projects. If needed, HACK was also considering submitting a Multifamily Housing Program (MHP) application to proceed with the conversion from interim to permanent housing.

Reflecting on the challenges that HACK faced in relocating individuals from the sites they acquired, HACK said that it's "not for the faint of heart at all," but they plan to see the project through, no matter how long it takes. Meanwhile, HACK is already looking at new properties that could be converted into permanent, supportive housing with a particular focus on the many commercial properties that are available and could be converted.





THANK YOU TO OUR FUNDERS:



## About Homekey

Homekey is California's innovative program to purchase and rehabilitate hotels, motels, vacant apartment buildings, manufactured homes and other properties to convert into permanent homes for people experiencing or at risk of homelessness. Partnering with Gov. Gavin Newsom's office and the California Department of Housing and Community Development, Enterprise Community Partners helped deploy \$46 million in philanthropic funds in the first round of Homekey.

These funds, \$25 million from Kaiser Permanente, \$20 million from Blue Shield of California and \$1 million from the Chan Zuckerberg Initiative, provided additional operational and supportive services, and reinforced the pathway to safe, affordable and sustainable homes for California's most vulnerable. The grants leveraged Enterprise's expertise in providing technical assistance to help build the capacity of trusted housing and service providers.

## About Enterprise

Enterprise Community Partners is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since 1982, we have invested \$44 billion and created 781,000 homes across all 50 states all to make home and community places of pride, power and belonging. Join us at [enterprisecommunity.org](https://www.enterprisecommunity.org).

## About HCD

The California Department of Housing and Community Development is dedicated to the preservation and expansion of safe and affordable housing, so more Californians have a place to call home. Our team works to ensure an adequate supply of housing for Californians and promotes the growth of strong communities through its leadership, policy and program development. For more information, please visit [www.hcd.ca.gov](https://www.hcd.ca.gov).