

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO APPLY FOR GRANTS AND SUBMIT ALL REQUIRED DOCUMENTATION FOR CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S HOMEKEY PROGRAM TO ADDRESS HOUSING NEEDS OF INDIVIDUALS AND FAMILIES EXPERIENCING HOMELESSNESS OR AT RISK OF EXPERIENCING HOMELESSNESS, AND WHO ARE, INHERENTLY IMPACTED BY OR AT INCREASED RISK FOR MEDICAL DISEASES OR CONDITIONS DUE TO THE COVID-19 PANDEMIC FOR SITES INCLUDING THE PACIFIC MOTOR INN, ARENA HOTEL, PAVILION INN, RESIDENCE INN, AND CITY-OWNED PROPERTY LOCATED AT BRANHAM/MONTEREY

WHEREAS, the State of California ("State") acted quickly to protect public health and safety as they responded to the novel coronavirus ("COVID-19") and engaged every level of government to prepare for and respond to the spread of the virus, and in response the California Department of Social Services launched a locally driven, State supported Project RoomKey initiative, created to provide emergency housing in hotels/motels/and trailers for sick and medically vulnerable individuals experiencing homelessness in response to COVID-19; and

WHEREAS, on June 16, 2020, California Department of Housing and Community Development ("HCD") announced the availability of approximately \$600 million of HomeKey grant funding through their initial Notice of Funding Availability ("NOFA"); and

WHEREAS, this program continues a statewide efforts to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness, and who are, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic; and

WHEREAS, of the \$1.4 billion in HomeKey funding, \$1.2 billion is derived from the Coronavirus Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (Public Law 117-2) and \$250 million is provided by the State General Fund; and

WHEREAS, HomeKey Program funding awards will be made in multiple tiers starting with a baseline award of \$150,000 per unit, plus the opportunity for a one-to-one match for a local contribution for acquisition and construction, and additional funds for two and three-bedrooms units serving the chronically homeless and homeless youth populations and bonus funds are also available for applications submitted prior to January 31, 2021 that are occupied within eight months of the grant award date; and

WHEREAS, additionally, Homekey subsidies are available at \$1,000 per unit per month for general applications and \$1,400 per unit per month for homeless youth or chronically homeless, and the term of the operating subsidies range from two to three years based on the local commitment for operating costs; and

WHEREAS, the HCD will assess a threshold scoring criteria and will make awards on an over-the-counter basis due to anticipated oversubscription of funds; and

WHEREAS, as part of the submittal requirements, applicants must demonstrate site control, identify partners and include a proposed operating and services budget; and

WHEREAS, the State will release the application on September 30, 2021, and awards will be announced as early as 45 days after a completed application is submitted; and

WHEREAS, all applications must be submitted by a public agency, locally, those agencies would include the City of San José (“City”), County of Santa Clara (“County”) and the Santa Clara County Housing Authority; and

WHEREAS, City has worked alongside County to respond strategically and swiftly to the COVID-19 pandemic. Several actions have taken place to identify both congregate and non-congregate shelter for homeless families and individuals throughout the pandemic. In an effort to secure funding for new housing opportunities for the homeless population throughout our City and County, a plan was put in place to identify sites for this Homekey Program funding; and

WHEREAS, the City Housing Department (“Housing Department”), in partnership with Real Estate Services, actively began mobilizing its efforts to be prepared for this round of Homekey Program funding opportunities, and on May 11, 2021, the Housing Department issued a Request for Information to solicit potential property acquisition opportunities and developer sponsor partnerships that would meet the goals of HCD’s project HomeKey Round 2 requirements; and

WHEREAS, responses to the Request for Information were initially due on May 28, 2021 and then were accepted over-the-counter through early September 2021; and

WHEREAS, the Request for Information sought out respondents interested to partner with the City based on two main objectives: (1) Hotels or motels available for sale; and (2) Developer/Sponsors interested in partnering with the City to own and operate hotels or motels serving the individuals and families experiencing homelessness or are at high risk of being homeless; and

WHEREAS, the Housing Department received twenty-five responses, in which eight developer/sponsors and sixteen hotel/motel owner, and in addition, Housing Department staff visited each site to evaluate the location and condition of each property; and

WHEREAS, City staff selected five identified sites and potential developer/sponsor partnership by using a criteria set forth in the Memorandum from the Housing and Economic Development Departments dated on or about September 24, 2021; and

WHEREAS, this resolution is intended to authorize the City Manager or Designee to apply for and submit all required documents for grant applications through the HomeKey Program through their NOFA, and if awarded, staff will return to Council for authorization to accept the HomeKey award proceeds and the authorizations required for the purchase of four identified hotel Pacific Motor Inn, Arena Hotel, Residence Inn, Pavilion Inn, and construction of housing on a fifth City-owned site, Branham and Monterey.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager, or designee, is hereby authorized to apply for grants and submit all required documentation for California Department of Housing and Community Development's Homekey Program to address housing needs of individuals and families experiencing homelessness or at risk of experiencing homelessness, and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic for sites including the Pacific Motor Inn, Arena Hotel, Pavilion Inn, Residence Inn, and city-owned property located at Branham/Monterey, as described in the Memorandum to the Council from the Housing and Economic Development Departments dated on or about September 24, 2021 .

ADOPTED this _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk