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|--|-------------|---------|-------------------------------|--------------|---|--|
| COUNTY OF SAN MATEO APPROPRIATION TRANSFER REQUEST | | | | | REQUEST NO. ATR22-066 | |
| DEPARTMENT: Non-Departmental Services | | | | | DATE: 04/19/2022 | |
| 1. REQUEST TRANSFER OF APPROPRIATION AS LISTED BELOW: | | | | | | |
| | CODES | | | AMOUNT | DESCRIPTION | |
| | FUND or ORG | ACCOUNT | JL ORG CODE Measure K only | | | |
| FROM | 80110 | 1672 | | \$13,081,126 | State Aid-Housing and Community Development | |
| | | | | | | |
| TO | 80110 | 7211 | | \$11,432,326 | Fixed Assets-Structure/Improv | |
| | 80110 | 5874 | | \$1,648,800 | Interagency Agreements-County | |
| Justification (Attach Memo if Necessary): See attached memorandum. | | | | | | |
| DocuSigned by: DEPARTMENT HEAD Michael Bolander E44D1B0B9C024CD... DATE 4/20/2022 | | | | | | |
| 2. <input type="checkbox"/> Board Action Required <input checked="" type="checkbox"/> Four-Fifths Vote Required <input type="checkbox"/> Board Action Not Required | | | | | | |
| Remarks: | | | | | | |
| DocuSigned by: COUNTY CONTROLLER Ngoe Nguyen 311A76FBA8404C2... DATE 4/20/2022 | | | | | | |
| 3. <input checked="" type="checkbox"/> Approve as Requested <input type="checkbox"/> Approve as Revised <input type="checkbox"/> Disapproved | | | | | | |
| Remarks: | | | | | | |
| DocuSigned by: COUNTY EXECUTIVE Roberto Manchua B2CAA10C3C9341B... DATE 4/20/2022 | | | | | | |
| DO NOT WRITE BELOW THIS LINE – FOR BOARD OF SUPERVISORS USE ONLY | | | | | | |

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA
RESOLUTION TRANSFERRING FUNDS
RESOLUTION NO. _____

RESOLVED, by the Board of Supervisors of the County of San Mateo, that

WHEREAS, the Department hereinabove named in the Request for Appropriation, Allotment or Transfer of Funds has requested the transfer of certain funds as described in said Request; and

WHEREAS, the County Controller has approved said Request as to accounting and available balances, and the County Executive has recommended the transfer of funds as set forth hereinabove:

NOW, THEREFORE, IT IS HEREBY ORDERED AND DETERMINED that the recommendations of the County Executive be approved and that the transfer of funds as set forth in said Request be effected.

Regularly passed and adopted this _____ day of _____ 20 ____

AYES and in favor of said resolution: NOES and against said resolution:

Supervisors: _____

Supervisors: _____

Absent
Supervisors: _____

ATTEST: _____
Clerk of Said Board

PRESIDENT, BOARD OF SUPERVISORS
COUNTY OF SAN MATEO

Special Notice / Hearing: None
Vote Required: 4/5ths

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Executive Officer
Subject: Accepting Homekey Program funds for Stone Villa

RECOMMENDATION:

- A. Adopt a resolution accepting Homekey Program funds in the amount of \$13,081,126 for the acquisition, rehabilitation, and operation of Stone Villa Inn, a 44-unit hotel in the City of San Mateo.
- B. Approve an Appropriation Transfer Request in the amount of \$13,081,126 recognizing unanticipated revenue from the State of California Homekey Program to Non-Departmental Services for the acquisition, rehabilitation, and operation of Stone Villa.

BACKGROUND:

In 2020, the State of California created the Homekey Program ("Homekey"), administered by the California Department of Housing and Community Development ("State HCD"), to provide funding to rapidly sustain and expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19. Homekey has created an opportunity for local public agencies to purchase hotels, motels and a broad range of other housing types in order to increase community capacity to respond to homelessness and the ongoing COVID-19 pandemic.

State HCD issued its first Notice of Funding Availability (NOFA) for \$600 million in Homekey funding on August 13, 2020. Working in collaboration, the Human Services Agency ("HSA"), the Department of Housing ("DOH") and Real Property Services submitted two successful applications to State HCD for Homekey funding to acquire two hotels, Pacific Inn and Towneplace Suites in the City of Redwood City ("Redwood City"), and were awarded Homekey funds to acquire both hotels. Pacific Inn, now known as "Pacific Shelter", is a service-enriched, 74-unit interim housing site, which serves San Mateo County residents experiencing homelessness who are highly vulnerable to COVID-19. Towneplace Suites, now known as "Shores Landing," is a service-enriched 95-unit permanent affordable housing site for extremely-low income ("ELI") seniors who may be at risk of homelessness or previously experienced homelessness and at heightened risk for COVID-19 related complications.

On September 9, 2021, State HCD issued a second round or Round 2 NOFA for \$1.45 billion of Homekey funding, of which \$1.2 billion is derived from the State's direct allocation of the federal Coronavirus State Fiscal Recovery Fund, which was

established by the American Rescue Plan Act of 2021 (“ARPA”). In addition, \$250 million is derived from the State’s General Fund to supplement the acquisition of, and to provide initial operating subsidies for, Homekey sites.

On September 28, 2021, by Resolution No. 078452, your Board authorized the County to submit one or more applications for Homekey funds, and on October 5, 2021, by Resolution No. 078470, your Board authorized an allocation of local funds from the County as match in the event the County’s application for Stone Villa was approved. Working in collaboration, HSA, DOH, Real Property Services, the Project Development Unit, and the Department of Public Works submitted three applications to State HCD for Homekey funding in response to the Round 2 NOFA for the County Navigation Center in Redwood City, Stone Villa Inn in San Mateo, and Comfort Inn in Redwood City.

DISCUSSION:

On December 15, 2021, State HCD announced a Homekey award of \$13,081,126 for the acquisition, rehabilitation and operation of Stone Villa, which will be used as interim housing for vulnerable people experiencing homelessness with a linkage to rapid rehousing services in order to support a transition into permanent housing or to provide service-enriched permanent affordable housing to people experiencing homelessness.

On March 7, 2021, the County entered into a Standard Agreement with State HCD for the Homekey funds for Stone Villa.

Staff requests that the Board accept the Homekey award for Stone Villa in the amount of \$13,081,126 for acquisition, rehabilitation, and operating costs.

County Counsel has reviewed and approved the resolutions as to form.

FISCAL IMPACT:

The Appropriation Transfer Request will recognize unanticipated revenue in the amount of \$13,081,126 in State Homekey Funds to Non-Departmental Services for the purchase, rehabilitation, and operation of Stone Villa. The County will need to provide a local match of \$4,567,674 for capital expenditures and operating subsidies for Stone Villa. The source of funds will be ARPA funds, or other funds determined by the County Manager. The allocation of local match was approved per Resolution No. 078470.