

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION: 1) APPROVING AND ADOPTING A FORM RESOLUTION FROM THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, AUTHORIZING THE COUNTY'S APPLICATION TO THE HOMEKEY PROGRAM FOR FUNDING IN A TOTAL AMOUNT NOT TO EXCEED \$22,713,333 TO COVER CAPITAL AND OPERATING EXPENSES FOR A 51-UNIT HOTEL IN THE CITY OF REDWOOD CITY; AND 2) AUTHORIZING AN ALLOCATION OF UP TO \$13,266,000 IN FEDERAL AMERICAN RESCUE PLAN ACT FUNDS, OR OTHER FUNDS AS DETERMINED BY THE COUNTY MANAGER, AS A MATCH OF LOCAL FUNDS FROM THE COUNTY REQUIRED BY THE HOMEKEY PROGRAM, IN THE EVENT THE COUNTY'S APPLICATION FOR FUNDS FROM THE HOMEKEY PROGRAM FOR THE 51-UNIT HOTEL IN THE CITY OF REDWOOD CITY IS APPROVED

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

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, State HCD issued its first Notice of Funding Availability ("NOFA") for \$600 million in Homekey funding on August 13, 2020; and

WHEREAS, 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; and

WHEREAS, 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; and 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; and

WHEREAS, 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”), and \$250 million is derived from the State’s General Fund to supplement the acquisition of, and to provide initial operating subsidies for, Homekey sites; and

WHEREAS, State HCD has established a four-month priority application period from the release date of the Homekey application on September 30, 2021 through January 31, 2022; and

WHEREAS, given that applications will be accepted on a first-come, first-served basis, eligible applicants are encouraged to submit applications as soon as possible; and

WHEREAS, working in collaboration, HSA, DOH, Real Property Services, the Project Development Unit, and the Department of Public Works intend to submit four applications to State HCD for Homekey in response to the Round 2 NOFA; and

WHEREAS, the planned uses of Homekey funds, if awarded by State HCD through its Round 2 NOFA, are (1) to acquire one or more hotels, motels, or other eligible housing types to continue providing shelter (also known as interim housing) to 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, and (2) for the new construction of dwelling units to provide interim housing to vulnerable people experiencing homelessness with a linkage to rapid rehousing services in order to support a transition into permanent housing; and

WHEREAS, the County will evaluate any property acquired with Homekey funding for the feasibility of conversion to affordable rental housing and/or permanent supportive housing; and

WHEREAS, on September 28, 2021, by Resolution No. 078452, the Board authorized the County to submit one or more applications, singly or in collaboration with a co-applicant, for Homekey funds and authorized the County Manager, or designee(s), acting in consultation with the County Counsel, to negotiate and execute on behalf of

the County all appropriate agreements with the State and other forms and documents required by the State, and take any and all other actions necessary for the County to apply for Homekey Program funding through its Round 2 NOFA; and

WHEREAS, on September 30, 2021, State HCD announced that applications must include a resolution adopted by the applicant's governing board using a form resolution developed and distributed by State HCD, which authorizes the local entity to apply for Homekey funding, and for every application submitted, there must be a separate State HCD form resolution; and

WHEREAS, attached to this Resolution as Attachment A is State HCD's form resolution which has been appropriately modified to include information specific to the proposed 51-unit hotel in Redwood City, to be used as permanent affordable rental housing to people experiencing homelessness; and

WHEREAS, given that HCD recommends identifying an authorized dollar amount that is double the anticipated award amount as award amounts are subject to change, staff recommends an amount that is one and a half (1.5) times the anticipated award; and

WHEREAS, per Homekey requirements, applicants are required to demonstrate local matching contributions, calculated using a formula provided in the Round 2 NOFA; and

WHEREAS, based on this calculation, the County, if awarded funding, will be expected to provide a one-time local match contribution for capital expenditures as well as a local match contribution one-year of operating subsidies of up to \$13,266,000; and

WHEREAS, the ceiling on this local match contribution amount reflects 1.5 times the amount required for the local match contribution because it is based on an amount that is 1.5 times each anticipated award; and

WHEREAS, in order to fulfill State HCD requirements for Homekey funding application, staff requests that the Board authorize and adopt State HCD's form resolution included in Attachment A and authorize a one-time local match contribution for capital expenditures and a local match contribution for one-year of operating expenses of up to \$13,266,000 for the proposed 51-unit hotel in Redwood City.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves and adopts the form resolution from the State Department of Housing and Community Development attached hereto as Attachment A, authorizing the County's application to the Homekey Program for funding in a total amount not to exceed \$22,713,333 to cover capital and operating expenses for a 51-unit hotel in Redwood City; and

BE IT FURTHER RESOLVED that an allocation of up to \$13,266,000 in ARPA funds, or other funds as determined by the County Manager, as a match of local funds from the County required by the Homekey Program, is authorized in the event the County's application for funds from the Homekey Program for the 51-unit hotel in Redwood City is approved.

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