

City of Sacramento

Legislation Text

File #: 2020-00877, **Version:** 1

Title:

(Housing Authority) Approval of Homekey Program Application

File ID: 2020-00877

Location: Citywide

Recommendation:

Adopt a Housing Authority Resolution authorizing the Housing Authority of the City of Sacramento (Housing Authority) through its Executive Director, or Executive Director's designee, to: 1) submit an co-application, along with Jamboree Housing Corporation, to the California Department of Housing and Community Development in the amount of up to \$12,500,000 for funding under the Homekey Program; 2) execute a Standard Agreement for such funding and execute any documents necessary to participate in the Homekey Program, and any amendments thereto; and 3) amend the Housing Authority budget to receive and expend the \$12,500,000 in Homekey Program funds for the acquisition, rehabilitation and operation of a motel conversion to permanent supportive housing for the homeless.

Contact: Christine Weichert, Assistant Director, (916) 440-1353; Tyrone Roderick Williams, Deputy Executive Director, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenter: Christine Weichert, Assistant Director, (916) 440-1353, Sacramento Housing and Redevelopment Agency

Attachments:

- 1-Description/Analysis
- 2-Resolution

Description/Analysis

Issue Detail: On July 16, 2020 the State of California Department of Housing and Community Development (HCD) announced that it is making \$550 million available through a Notice of Funding Availability (NOFA) for the Homekey Program. The Homekey Program will provide funding to cities, counties, and other local entities to convert motels, hotels, and other non-residential structures into permanent supportive housing for the State's unhoused population. The Homekey Program is

funded with federal Coronavirus Relief Funds (CRF) which must be spent by December 30, 2020. In addition, the State is providing \$50 million in General Funds to provide initial operating subsidies under the program which must be expended by June 30, 2022. Applications under the NOFA have a priority deadline of August 13, 2020.

The Housing Authority is proposing to present a co-application with Jamboree Housing Corporation (Jamboree) that seeks funding to acquire a motel in the City and undertake the moderate rehabilitation necessary for the motel rooms to serve as permanent housing for unhoused individuals and families.

The Housing Authority will seek funding from the Homekey Program to cover the cost of acquisition, rehabilitation and a portion of operation. The Housing Authority and the developer are partnering with the County of Sacramento for an allocation of Mental Health Services Act funding for additional operating funds. The Housing Authority will commit to covering the costs, as needed, for five years of operation as required by the Homekey program.

Jamboree Housing Corporation is the co-applicant, and will purchase, acquire and operate the motel funded using Homekey Program funds. Jamboree is an affordable housing developer with 28 years of experience in residential development, including 91 developments consisting of more than 8,200 homes and an asset portfolio of \$1.1 billion across California. Jamboree is the owner of the Hotel Berry in downtown Sacramento.

Policy Considerations: The Policy is consistent with the Sacramento COVID-19 Homeless Response Plan and will assist the City in meeting the 2013-2021 Housing Element goal of promoting the construction of extremely low income housing.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Submission of the Homekey application is not a project subject to CEQA pursuant to CEQA Guidelines Section 15378. Any motel conversion project undertaken with Homekey funds will be subject to subsequent CEQA analysis prior to approving the project.

Sustainability: Not applicable.

Commission/Committee Action: *Sacramento Housing and Redevelopment Commission:* The Sacramento Housing and Redevelopment Commission was briefed on this item at their August 5, 2020 meeting.

Rationale for Recommendation: The number of people living unsheltered in Sacramento has increased significantly since the previous Point in Time Count.

Financial Considerations: The Homekey Program will provide the City with much needed resources to provide housing for currently unhoused or unsheltered individuals and families. The proposal seeks approval to apply for up to \$12,500,000 in funding for acquisition, rehabilitation and operation of a converted motel.

Local Business Enterprise (LBE), M/WBE and Section 3 requirements: Not applicable.