

STRATEGIES TO ADDRESS HOMELESSNESS

PROJECT HOMEKEY

Council Agenda Item 15.3 and 15.4

December 14, 2021

PROJECT HOMEKEY 2.0 NOFA

- September 9, 2021, HCD issued its Project HOMEKEY 2.0 NOFA of \$1.45 billion to expand housing for persons experiencing homelessness or those At Risk of Homelessness.
- Eligible Applicants: Cities, Counties, councils of government and Public Housing Authorities.
- Eligible uses: acquisition and/or rehabilitation of hotels/motels, commercial buildings, multi-family rental housing projects and other buildings with existing residential dwelling units for homeless people during the pandemic.

PROJECT HOMEKEY 2.0 MAXIMUM GRANT AMOUNTS

Baseline Capital Amount

- Studio or one-bedroom units \$150,000 per door
- Two-bedroom units \$175,000 per door
- Three-bedroom or larger units \$200,000 per door

Subpopulation Capital Amounts

- Chronically Homeless \$200,000 per door
- Homeless Youth or At Risk of Homelessness \$175,000

Operating Subsidies

- Chronically Homeless and Youth Homeless **\$1,400** per month
- All other assisted homeless units **\$1,000** per month

PROJECT HOMEKEY 2.0 DEADLINES

- Priority & Geographic Application Deadline - **January 31, 2022**
- Final Application Deadline – **May 2, 2022**, or funds are exhausted
- Capital Expenditure costs – **Eight months** from the grant award date
- Construction Completion – **12 months** from grant award date
- 100% Occupancy – within **90 days** of construction completion
- Operating Subsidy Expenditure – **June 30, 2026**

Awards are anticipated to be announced in February and will continue on a rolling basis until funds are exhausted.

PROJECT HOMEKEY 2.0 Proposed Stockton Project – Flora Development

- 15-unit supportive housing project for homeless and at-risk of homelessness victims of domestic violence and/or sex traffickers.
- Target Income 30% AMI (extremely low-income households).
- (13) one-bedroom units and two (2) two-bedroom units.
Bedroom sizes 650 sq. ft. for the one-bedroom units and 750 sq. ft. for the two-bedroom units.
- On site supportive services and case management to be provided by Women's Center Youth and Family Services Center.
- Total Cost: \$5.8 Million; City Capital & Operating Match \$2 Million

Recommendations (Visionary Item #15.3)

- Approve and authorize the submission of a joint application, submitted by the City of Stockton, in collaboration with Visionary Home Builders of CA (referred to as Co-Applicant), to the California Department of Housing and Community Development (HCD), to apply for up to \$3.713 million of Project Homekey grant funding for the acquisition, rehabilitation and operation of the Flora domestic violence project for homeless individuals and families located in Stockton.
- Approve and authorize Applicant and Co-Applicant to enter, if application is approved. execute and deliver a Standard Agreement in a total amount not to exceed \$3.713 million with the State; and a Grant Agreement with the City in the amount up to of \$2 million; and all other documents required or deemed necessary or are appropriate to secure the Homekey funds from HCD and to participate in the Homekey Program plus all amendments thereto (collectively, the “Homekey Documents”).
- Acknowledges and agrees that the City shall be subject to the terms and conditions specified in the HCD Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

Recommendations Continued (Visionary – Item #15.3)

- Approve and authorize the City Manager or his designee to allocate \$2 million of the City's HHAP Round 2 funding and ARPA funding, for the required funding match as deemed appropriate to meet the Homekey program guidelines upon award from the State.
- Approve and authorize the City Manager to execute the Application and all necessary Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.
- Approve and authorize revenue and expenditure budget appropriations in the amount of the awards from the State and the City if grant funds from the State are awarded and from the City.

PROJECT HOMEKEY 2.0 Proposed Stockton Project – March Lane Development

- Permanent supportive housing motel conversion to serve the chronically homeless and homeless youth.
- Target Income 30% AMI (extremely low-income households).
- The 121 room motel property will be converted into 68 one-bedroom apartments.
- On site supportive services and case management to be provided by Parents by Choice, Mary Magdalene Community Services and Central Valley Low Income Housing Corp.
- Total Development Cost: \$25.4 Million, City Capital and Operating Subsidy \$6.05 Million

Recommendations (HASJC – Item #15.4)

- Authorize and allocate \$6,0500,000 of American Rescue Plan Act of 2021 (ARPA) Funding to provide the required funding match for the Housing Authority of San Joaquin County's (HASJC) application for Homekey funding. Funding is contingent on a successful award from the State of California Department of Housing and Community Development (HCD).
- Approve and authorize the City Manager, or designee, to enter into a Grant Agreement with the HASJC in an amount up to \$6,050,000. It is further recommended that the City Manager, or designee, be authorized to enter into and execute any associated documents and take appropriate and necessary actions to carry out the purpose and intent of this resolution.