

RESOLUTION No. _____ (N.C.S.)

**A RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SALINAS AND THE HOUSING AUTHORITY OF THE
COUNTY OF MONTEREY FOR THE COMPLETION OF HUD ENVIRONMENTAL
REVIEW RECORDS**

WHEREAS, in July 2020 the California Department of Housing and Community Development released a Notice of Funding Availability for the Homekey Program to make funding available to rapidly sustain and expand the inventory of housing people experiencing homelessness; and

WHEREAS, on October 13, 2020, the City Council authorized the City to enter into a Co-Application through HCD with Shangri La Industries and Step Up on Second for the Good Nite Inn Hotel located at 545 Work Street; and

WHEREAS, in October of 2020, the City and its development partners were awarded \$9.2 million in HCD Homekey Program funds to purchase the Good Nite Inn Hotel and provide operational support; and

WHEREAS, on January 6, 2022, the City of Salinas and 545 Work Street LP signed a Regulatory Agreement and Declaration of Restrictive Covenants to ensure lasting affordable housing options at the project; and

WHEREAS, on August 19, 2020, Shangri La Industries and Step Up, submitted an application to the Housing Authority (HACM) of the County of Monterey to request Section 8 Project Based Vouchers; and

WHEREAS, on December 7, 2020, HACM conditionally awarded eighty-five (85) HUD Section 8 PBVs to the project for twenty-five (25) years with an approximate total value of \$34,450,500 towards the development and operations of the project; and

WHEREAS, in May of 2021, Shangri La Industries and Step Up commenced initial rehabilitation activities at the site using State HCD Homekey funds prior to receiving the final award letter for the 85 PBVs from HACM on June 15, 2021; and

WHEREAS, on July 23, 2021, Public and Indian Housing Office in consultation with the Office of Environment and Energy issued a Notice of Regulatory Violation to HACM and the City related to the premature work at the Step Up in Salinas Homekey site prior to completion of the National Environmental Policy Act (NEPA) clearance; and

WHEREAS, on December 19, 2022, the City and HACM received a letter from the Office of Environment and Energy providing conditional approval of the request for a waiver of 24 CFR Part 58 due to the initiated work prior to the NEPA clearance; and

WHEREAS, the conditional approval for the waiver imposed seven (7) conditions of compliance related to the finalization of the project's required environmental assessment – one being the execution of an appropriate Memorandum of Understanding between the City and HACM regarding roles and responsibilities for the completion of all future HUD environment review records that HACM and the City complete; and

WHEREAS, on April 24, 2023, Housing HACM's Board approved the Memorandum of Understanding (MOU) between the City and HACM for the Completion of HUD Environmental Review Records; and

WHEREAS, an executed MOU between the City and HACM must be submitted to HUD no later than June 17, 2023; and

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby authorizes the City Manager or designee to execute Memorandum of Understanding (MOU) between the City of Salinas (City) and the Housing Authority of the County of Monterey (HACM) for the Completion of HUD Environmental Reviews; and

BE IT FURTHER RESOLVED that the Salinas City Council hereby authorizes the City Manager or designee to approve any future revisions, amendments and/or modifications to the MOU provided that at all terms and conditions of the MOU are met.

PASSED AND APPROVED this 2nd day of May 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk