

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

**AUTHORIZATION TO SUBMIT A JOINT APPLICATION TO THE CALIFORNIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR
HOMEKEY ROUND 3**

WHEREAS, The California Department of Housing and Community Development (HCD) released a Notice of Funding Availability on March 29, 2023, announcing the availability of approximately \$735 million in Homekey Program Round 3 funding to build upon the success of the first two rounds of the Homekey program and to continue statewide efforts to rapidly expand affordable housing options for persons experiencing homelessness or at risk of homelessness and who are impacted by COVID-19; and

WHEREAS, there continues to be a demonstrated need within the City for permanent housing for those experiencing chronic homelessness as demonstrated by the over five hundred individuals currently on the waitlist for the SHARE Center; and

WHEREAS, affordable supportive housing is one of the most expensive housing types to provide and the Homekey Program provides a unique funding opportunity to address the gap in financing this type of housing; and

WHEREAS, the Homekey Program is a tailored opportunity for local public agencies to acquire a broad range of housing types to quickly increase their community's capacity to respond to homelessness and the current COVID-19 pandemic; and

WHEREAS, the City has identified an existing, local shelter operator and experienced Homekey Round 1 awardee, Bay Area Community Services Housing Corporation, as its application partner for a Homekey Program Round 3 application; and

WHEREAS, the City seeks to submit a timely application to the HCD for the Homekey Program Round 3 funding to purchase ten (10) residential properties throughout the City of Salinas, County of Monterey for immediate permanent housing for those experiencing chronic homelessness; and

WHEREAS, on June 14, 2023, the City and its Homekey partner participated in the required Homekey Round 3 Pre-Application Consultation with HCD staff and are continuing to work directly with an assigned Homekey Program Ambassador and HCD Technical Assistance consultant to formulate and submit an innovative, competitive application as soon as possible; and

WHEREAS, the governing entity of Bay Area Community Services Housing Corporation will also provide and approved HCD Co-Applicant Resolution and will facilitate required due diligence items including the appraisals, physical needs assessments, any required environmental reports, and title reports of properties to be acquired and would own and operate the oroperties; and

WHEREAS, the City of Salinas has determined that the proposed projects, if funded through

Homekey Round 3, would be statutorily exempt from CEQA under the Health and Safety Code Section 50675.1.4; and

WHEREAS, to maximize the operational subsidy from the Homekey Round 3 Program, local jurisdictions must provide four (4) years of subsidy as a local match and close any identified development funding gaps; and

WHEREAS, a local operating match of up to \$2 million has been identified including HUD HOME American Rescue Plan (HOME ARP) and HCD Permanent Local Housing Allocation (PLHA) funds; and

WHEREAS, \$800,000 of City of Salinas American Rescue Plan Act (ARPA) funds have been identified as required development gap funds for the application; and

WHEREAS, it has been determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) under the statutory exemptions added by AB 140 to Health and Safety Code section 50675.1.4.

NOW, THEREFORE, BE IT RESOLVED, that the Salinas City Council does hereby authorize and direct City staff to submit an application to HCD for the Homekey Program Round 3 including the following actions:

- a) authorizing the City Manager or designee to finalize a Memorandum of Understanding with Bay Area Community Services to be executed by the Mayor; and
- b) approving a local required operating match of up to \$2 million consisting of HOME ARP and PLHA funds and the required development gap funding of up to \$800,000 from City ARPA funds; and

BE IT FURTHER RESOLVED, that the Salinas City Council does hereby approve an HCD Authorizing Resolution authorizing a Joint Application to and Participation in the Homekey Program for the acquisition of up to ten (10) residential properties located throughout the City to serve as immediate housing for those experiencing chronic homelessness in the amount not to exceed \$20,000,000.

PASSED AND APPROVED this 20th day of June 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk