



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JUNE 22, 2021

**DEPARTMENT:** COMMUNITY DEVELOPMENT DEPARTMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**BY:** ROD POWELL, PLANNING MANAGER

**TITLE:** ADMINISTRATIVE CORRECTION TO PROJECT HOMEKEY  
RESOLUTION NO. 21964

**RECOMMENDED MOTION:**

A motion to approve:

- 1) a Resolution authorizing the administrative correction to Project Homekey Resolution No. 21964 previously approved on October 13, 2020 and administratively corrected on November 13, 2020; and
- 2) a corrected Resolution for the California Department of Housing and Community Development (“HCD”) amending the City’s authorized signatory language for the project.

**RECOMMENDATION:**

It is recommended that City Council approve:

- 1) a Resolution authorizing the administrative correction to Project Homekey Resolution No. 21964 previously approved on October 13, 2020 and administratively corrected on November 2, 2020; and
- 2) a corrected Resolution for the California Department of Housing and Community Development (“HCD”) amending the City’s authorized signatory language for the project.

**EXECUTIVE SUMMARY:**

The Community Development Department is seeking a second administrative correction to Project Homekey Resolution No. 21964 approved by City Council on October 13, 2020. As requested by HDC, the new resolution corrects the City authorized signatory language for project documents from “JIM PIA, INTERIM CITY MANAGER or his designee” to “The CITY MANAGER or his or her designee”.

## BACKGROUND:

On August 13, 2020, Council approved the submission of a HCD Homekey Program application to identify, purchase and convert a motel property within the City's jurisdiction into interim housing for one year and permanent supportive housing thereafter for people experiencing chronic homelessness who are the hardest to house and most in need of wrap around services.

On September 17, 2020, the City received notification from HCD that funds had been reserved for the proposed Salinas Homekey Project pending the successful completion of required due diligence items. Shortly thereafter, HCD notified the development team that in order to receive funding for the City's proposal, acquisition of a project property would have to be completed by December 2020. To facilitate this timeline, the City Council approved a Co-Application for the Homekey Program with Step Up on Second, Inc. and Shangri-La Industries, LLC on October 13, 2020 to purchase and convert the former Good Nite Inn property at 545 Work Street.

As the City and its partners continue to coordinate with HCD to finalize the Standard Agreement for the grant, it was discovered that the names on the resolution and organizational documentation did not match and HCD requested that all parties revise the resolutions to make the necessary corrections. An administrative correction to Resolution 21964 was approved by Council on November 3, 2020 and submitted to HCD shortly thereafter.

## DISCUSSION:

More recently, on May 7, 2021, as renovation work on the acquired project property has progressed, HCD has again notified the City of the need for a second administrative correction to Resolution 21964 to amend the City's authorized signatory language for Project Homekey documents. The previous resolution specifically lists Jim Pia as Interim City Manager but needs to be updated to reflect City Manager or designee. This will enable Steve Carrigan or designated staff to execute future documents for the project.

## CEQA CONSIDERATION:

The City of Salinas determined that Project Homekey and related actions are exempt from CEQA under Public Resources Code 21080.50 related to the conversion of a structure with a certificate of occupancy as a motel, hotel, residential hotel, or hostel to supportive or transitional housing. A Notice of Exemption was filed with Monterey County on September 16, 2020 after the City Council approved the ENRA, the first action triggering a CEQA determination.

## STRATEGIC PLAN INITIATIVE:

The project will help advance the following City Council strategic goals: 1) Investment Strategies/ Risk Management, 2) New Revenue, and 3) Public Safety by facilitating the development of much needed housing and wrap around services to those experiencing chronic homelessness.

#### DEPARTMENTAL COORDINATION:

The Project Homekey grant is administered by the City's Community Development Department (CDD). CDD will continue to work with the City Attorney and City Manager on any necessary actions to fulfill the requirements in the Standard Agreement and facilitate the conversion to permanent supportive housing by December 31, 2021.

#### FISCAL AND SUSTAINABILITY IMPACT:

This administrative correction to Resolution 21964 has no fiscal impact to the City or existing Project Homekey funding.

#### ATTACHMENTS:

- City Resolution Authorizing Administrative Correction No. 2 to Resolution No. 21964 – June 22, 2021
- Correction No. 2 to HCD Co-Application Authorizing Resolution for the Salinas Homekey Project – June 22, 2021
- City Resolution No 21964 – October 13, 2020
- City Resolution 21993 Authorizing Administrative Correction No. 1 to Resolution No. 21964 – November 13, 2020
- HCD Co-Application Authorizing Resolution No. 21964 for the Salinas Homekey Project – October 13, 2020
- Correction No. 1 to HCD Co-Application Authorizing Resolution for the Salinas Homekey Project – November 13, 2020