



24-2123

**DATE:** February 6, 2024

**TO:** Board of Supervisors

**FROM:** Consuelo Hernandez, Director, Office of Supportive Housing

**SUBJECT:** Homekey Program Resolution - 901 El Camino Real, The Crestview

### **RECOMMENDED ACTION**

Adopt Resolution delegating authority to the County Executive, or designee, to execute an amendment to a State of California Standard Agreement and any and all other amendments and documents required or deemed necessary for Homekey Program funds and the Standard Agreement relating thereto for the conversion of the Crestview Hotel into affordable and supportive housing, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on December 31, 2026.

### **FISCAL IMPLICATIONS**

The recommended action would have no impact on the County General Fund.

### **REASONS FOR RECOMMENDATION AND BACKGROUND**

The recommended action is consistent with the County's goal of creating and expanding supportive and affordable housing opportunities throughout Santa Clara County. On January 24, 2022, the County entered into a Standard Agreement with the State of California Department of Housing and Community Development (HCD) as the applicant to receive Homekey Program Funds awarded to the Crestview project. HCD is requiring an amendment to the Standard Agreement to add Jamboree Housing Corporation and JHC-Crestview, LLC (JHC), a wholly owned subsidiary of Jamboree and the ground lessee of the property, to the Standard Agreement. If approved, the recommended action would ensure the County is in compliance with all applicable Homekey Program requirements set by HCD.

#### *Reason for Delegation of Authority*

Although delegations of authority are discouraged except under certain circumstances, this delegation of authority is necessary to timely address any additional administrative changes that may be required by HCD in drafting the Standard Agreement amendment and to provide authority for future amendments and modifications related to the Standard Agreement.

On October 19, 2021 (Item No. 48), the Board adopted a resolution delegating authority to the County Executive, or designee, to negotiate, execute, amend and/or deliver a State of

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California Standard Agreement (Standard Agreement) and any and all other documents required or deemed necessary for the Homekey Program funds, following approval by County Counsel as to form and legality, and approval by the Office of County Executive. The Delegation of Authority terminated on June 30, 2023. A new delegation of authority is needed to enter into and execute an amendment to the existing Standard Agreement adding Jamboree Housing Corporation (Jamboree) and JHC-Crestview, LLC, as parties to the Standard Agreement as co-applicants and to permit Administration to take additional actions as may be required in connection with the Homekey Program for the Crestview project.

### *Summary of Prior Board Action*

- As part of its agenda on October 5, 2021 (Item No. 45), the Board considered a notice of intent to the public of the County's intent to purchase the Property in accordance with California Government Code Sections 25350 and 6063.
- On October 19, 2021 (Item No. 48), the Board adopted a resolution delegating authority to the County Executive, or designee, to negotiate, execute, amend, and/or terminate acceptance of up to \$33,260,000 in HCD Homekey Program funds and negotiate, execute, amend and/or deliver a State of California Standard Agreement for the Homekey Program funds.
- On November 2, 2021 (Item No. 14), the Board approved up to \$7,000,000 in Housing Bond funds to acquire and rehabilitate the Property for use as affordable and supportive housing for families and youth experiencing homelessness or are at risk of experiencing homelessness.
- On January 27, 2022, the County submitted an application to the Homekey Program (Homekey) and a Homekey award letter was issued by the California State Department of Housing and Community Development on April 27, 2022, for \$16,659,389.
- On June 7, 2022 (Item No. 30), the Board recognized the Homekey revenue and expenditure of \$16,659,389 and approved a Delegation of Authority to enter into agreements with Jamboree as the selected developer for the conversion of the Property into the Project.
- On March 14, 2023 (Item No. 79), the Board approved an Appropriation Modification No. 159 for additional \$2,750,000 of increased revenue in the American Rescue Plan Act (ARPA) Fund, transferring funds from the ARPA Fund to increase expenditures, and approved amended delegation of authority for agreements, such as loan agreements and ground lease not to exceed 57 years with Jamboree Housing Corporation, or its affiliates, increasing the maximum allocated to the project by \$7,750,00 from \$7,000,000 to \$14,750,000 in connection with conversion of the property into affordable and supportive housing.

### **CHILD IMPACT**

The recommended action would have a positive impact on children and youth through the **Safe and Stable Families** indicator by facilitating the conversion of 67 hotel rooms into 49 units of permanent affordable housing. The recommended action may have a positive impact

on children or youth by housing families with children and housing transition-aged youth, subject to legal occupancy limits.

### **SENIOR IMPACT**

The recommended action balances public policy and program interests and enhances the Board's sustainability goal of social equity by improving homeless and low-income persons' access to permanent affordable housing.

### **SUSTAINABILITY IMPLICATIONS**

The recommended action balances public policy and program interests and enhances the Board's sustainability goal of social equity by improving homeless and low-income persons' access to permanent affordable housing.

### **CONSEQUENCES OF NEGATIVE ACTION**

If the Resolution is not adopted, the County would not be able to enter into the HCD-required amendment to the Standard Agreement for the Homekey Program and could be considered out of compliance with the Standard Agreement.

### **STEPS FOLLOWING APPROVAL**

Upon approval, the Clerk of the Board is asked to notify Consuelo Hernandez, Natalie Monk, and Colleen Tsuchimoto with the Office of Supportive Housing when the Resolution has been executed.

### **ATTACHMENTS:**

- Attachment A – Resolution
- Attachment B – February 2024 Community Engagement Status Report – The Crestview