

Resolution No. 2021-12-14-1504

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY TO APPROPRIATE GRANT FUNDING FROM THE US TREASURY AMERICAN RESCUE PLAN ACT (ARPA) OF \$6,050,000, TO THE HOUSING AUTHORITY OF SAN JOAQUIN COUNTY (HACSJ) FOR THEIR 68 UNIT MOTEL CONVERSION HOMEKEY PROJECT

On September 9, 2021, the State of California Department of Housing and Community Development (HCD) issued its Project Homekey NOFA for local public entities to apply for funding within California to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings and other buildings to convert them into interim or permanent, long-term housing. Of the \$1.45 billion in Homekey grant funds, \$1.2 billion is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF) established by the federal American Rescue Plan Act of 2021 (ARPA) and \$250 million in State General Funds. Applications will be accepted on a continuous, over-the-counter basis through May 2, 2022, or until available funds are exhausted. The priority application deadline is January 31, 2022, applications received by the priority deadline are entitled if approved to bonus funding of \$10,000 per door; and,

Housing Authorities are eligible to apply for the Homekey program and must comply with the local match requirement. The Housing Authority of San Joaquin is proposing a 68-unit hotel conversion serving Chronically Homeless and Homeless Youth populations; and

The Housing Authority of San Joaquin County (HACSJ) through its non-profit development entity, Delta Community Developers Corporation (DCDC) proposes to acquire the one hundred twenty-one room Motel 6 at 2654 West March Lane. The project would adapt the motel property into a permanent supportive housing community of approximately 68 one-bedroom apartments; and

Development costs are estimated to be \$373,970 per unit, amounting to a total development projected cost of \$25.4 million. The City of Stockton would contribute \$6,050,000 in match funding, and if awarded, the State will contribute \$19.4 million; and

At full capacity, the project will house 67 households with one unit reserved for an onsite property manager. The type of housing and target population aligns with the goals of the Homeless Strategic Plan. The per-unit cost of the 68-unit project is \$373,970, which is competitive for Homekey funding; and

Upon Council approval, HASJC will be able to apply for Homekey funding. As the applicant, they will be responsible for delivering the project and meeting all HCD compliance requirements and deadlines; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. Authorize and allocate \$6,050,000 of ARPA Funding to provide the required funding match for the Housing Authority of San Joaquin County (HASJC) Homekey application for funding. Funding is contingent upon a successful award from the State of California Department of Housing and Community Development (HCD).

2. Approve and authorize the City Manager, or designee, to enter into a Grant Agreement with 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.

PASSED, APPROVED, and ADOPTED December 14, 2021.

ATTEST:



ELIZA R. GARZA, CMC
City Clerk of the City of Stockton



KEVIN J. LINCOLN II
Mayor of the City of Stockton