



EXECUTIVE SUMMARY

MEETING DATE: January 19, 2024

HCR24-019

SUBJECT: Approve a Revised Resolution Authorizing the San Diego Housing Commission to Apply for State of California Department of Housing and Community Development Homekey Program Grant Funds – 2147 Abbott Street

COUNCIL DISTRICT: 2

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Josh Hoffman (619) 727-4491

REQUESTED ACTION:

Approve a revised resolution authorizing and directing the San Diego Housing Commission (Housing Commission) to submit a joint application with Wakeland Housing and Development Corporation (Wakeland) to the State of California Department of Housing and Community Development (Department) Homekey Program for grant funds in an amount up to \$5,000,000 in accordance with the March 29, 2023, Notice of Funding Availability (NOFA) for the Homekey Program and to enter into, execute, and deliver a Standard Agreement in a total amount up to \$5,000,000 and any and all other documents required or deemed necessary or appropriate to secure the Homekey Program funds, as more specifically set forth within the report. The revised resolution updates the authorization to execute documents to reflect the current title of Housing Commission Deputy Chief Executive Officer Jeff Davis, in accordance with direction from the Department.

EXECUTIVE SUMMARY OF KEY FACTORS:

- On May 12, 2023, the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) authorized and directed the Housing Commission to submit a joint application with Wakeland for Homekey Program funds in an amount up to \$5,000,000 for the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107.
- The Housing Commission applied for \$3,900,000, and on September 26, 2023, the Department notified the Housing Commission that it had awarded \$3,900,000 to the Housing Commission for the acquisition and rehabilitation of the property.
- On November 20, 2023, the Housing Commission Board authorized the Housing Commission to accept and expend \$3,900,000 in Homekey Program funds and amend its Fiscal Year 2024 budget in the amount of \$3,900,000 in Homekey Program funds to support the proposed project.
- At the time of the May 12, 2023, and November 20, 2023, Housing Commission Board actions and the September 26, 2023, Department award notification, Jeff Davis served as the Housing Commission's Interim President and Chief Executive Officer and was authorized to execute documents submitted to the Department.
- On December 13, 2023, Lisa Jones became the Housing Commission's President and Chief Executive Officer, and Mr. Davis' title changed to Deputy Chief Executive Officer.
- On January 4, 2024, the Department informed Housing Commission staff that the Housing Commission would need to submit an updated resolution and signature block that reflected the authorization for Mr. Davis to execute documents for the Housing Commission with his current title.
- This project would support the development of 13 affordable rental housing units with supportive services for individuals experiencing chronic homelessness with income up to 30 percent of AMI.



REPORT

DATE ISSUED: January 11, 2024

REPORT NO: HCR24-019

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of January 19, 2024

SUBJECT: Approve a Revised Resolution Authorizing the San Diego Housing Commission to Apply for State of California Department of Housing and Community Development Homekey Program Grant Funds – 2147 Abbott Street

COUNCIL DISTRICT: 2

REQUESTED ACTION

Approve a revised resolution authorizing and directing the San Diego Housing Commission (Housing Commission) to submit a joint application with Wakeland Housing and Development Corporation (Wakeland) to the State of California Department of Housing and Community Development (Department) Homekey Program for grant funds in an amount up to \$5,000,000 in accordance with the March 29, 2023, Notice of Funding Availability (NOFA) for the Homekey Program and to enter into, execute, and deliver a Standard Agreement in a total amount up to \$5,000,000 and any and all other documents required or deemed necessary or appropriate to secure the Homekey Program funds, as more specifically set forth within the report. The revised resolution updates the authorization to execute documents to reflect the current title of Housing Commission Deputy Chief Executive Officer Jeff Davis, in accordance with direction from the Department.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Approve a revised resolution authorizing and directing the Housing Commission to submit a joint application with Wakeland Housing and Development Corporation (Wakeland) to the State of California Department of Housing and Community Development (Department) Homekey Program for grant funds in an amount up to \$5,000,000 in accordance with the March 29, 2023, Notice of Funding Availability (NOFA) for the Homekey Program for the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107. The revised resolution updates the authorization to execute documents to reflect the current title of Housing Commission Deputy Chief Executive Officer Jeff Davis, in accordance with direction from the Department.

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- 2) Authorize and direct the Housing Commission to join Wakeland in entering into, executing, and delivering a Standard Funding Agreement with the Department in a total amount up to \$5,000,000 and any and all other documents required or deemed necessary or appropriate to secure Homekey Program funds from the Department, and to participate in the Homekey Program, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner.

The Housing Commission acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

- 3) Authorize Jeff Davis, the Housing Commission's Deputy Chief Executive Officer, or designee, to execute the application and the Homekey Program documents on behalf of the Housing Commission and Wakeland for participation in the Homekey Program.
- 4) Authorize the Housing Commission's Deputy Chief Executive Officer, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals. provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner.

SUMMARY

On May 12, 2023, the Housing Commission Board voted 4-0 to authorize and direct the Housing Commission to submit a joint application with Wakeland for Homekey Program funds in an amount up to \$5,000,000 for the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107 (Report No. HCR23-065; Resolution No. HC-1986). The Housing Commission applied for \$3,900,000, and on September 26, 2023, the Department notified the Housing Commission that it had awarded \$3,900,000 to the Housing Commission for the acquisition and rehabilitation of the property at 2147 Abbott Street, San Diego, CA 92107. On November 20, 2023, the Housing Commission Board voted 4-0 to authorize the Housing Commission to accept and expend \$3,900,000 in Homekey Program funds for this project (Report No. HCR23-128). At the time of the May 12, 2023, and November 20, 2023, Housing Commission Board actions and the September 26, 2023, Department award notification, Jeff Davis served as the Housing Commission's Interim President and Chief Executive Officer and was authorized in that capacity to execute documents submitted to the Department. On December 13, 2023, Lisa Jones became the Housing Commission's President and Chief Executive Officer, and Mr. Davis' title changed to Deputy Chief Executive Officer. On January 4, 2024, the Department informed Housing Commission staff that the Housing Commission would need to submit an updated resolution and signature block that reflected the authorization for Mr. Davis to execute documents for the Housing Commission with his current title as Deputy Chief Executive Officer.

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The Department issued a NOFA, dated March 29, 2023, for the Homekey Program, which continues a statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness, and who are, thereby, disproportionately impacted by and at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. The Department has issued the NOFA for Homekey Program grant funds pursuant to Assembly Bill 140 (2021-2022 Regular Session), which provided the statutory basis for Round 3 of the Homekey Program by adding section 50675.1.3 to the California Health and Safety Code.

The Housing Commission requested the Housing Commission Board's approval to submit a joint application with Wakeland to the Department's Homekey Program for grant funds.

Through the Homekey Program, the Department made \$736 million in grant funding available to local public entities, including cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California. Awarded funds may be used for acquisition or rehabilitation of hotels, apartments, or homes, including manufactured housing, to be converted into permanent or interim housing; conversion of nonresidential properties into residential units; new construction; master leasing of properties for non-congregate housing; purchase of affordability covenants and restrictions for units; relocation costs for individuals being displaced as a result of the Homekey Program project; and capitalized operating subsidies for units purchased, converted, constructed, or altered.

The joint application by the Housing Commission and Wakeland Abbott LLC would support the acquisition and rehabilitation of a currently vacant multifamily housing property at 2147 Abbott Street, San Diego, CA 92107, in Council District 2. In 1997, the Housing Commission restricted the then 14 units at the property to persons with income at or below 80% of San Diego's Area Median Income (AMI). The Housing Commission subsequently allowed the property to be reconfigured to provide 10 transitional housing units for victims of domestic violence, with nine units restricted at or below 35% of AMI and one unit restricted at or below 50% of AMI. The foregoing restrictions further provided that if the property is no longer utilized as transitional housing, the restrictions would revert back to 14 units at 80% of AMI. The proposed development would eliminate and replace the prior Housing Commission restrictions and would consist of 13 affordable rental housing units for households experiencing chronic homelessness with income under 30 percent of AMI, currently \$27,350 per year for a one-person household, and one office/service space. The Housing Commission has committed 13 Project-Based Housing Vouchers to help residents pay their rent. Residents would be identified through referrals from the Coordinated Entry System and would include individuals experiencing chronic homelessness. Residents would receive supportive services to support housing stabilization, enhance quality of life and make connections to community resources, including but not limited to, primary health needs, mental and behavioral health needs and other community-based programs to best meet a resident's individual needs.

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The proposed project aligns with the goals of the Community Action Plan on Homelessness for the City of San Diego to increase access to permanent housing solutions for people experiencing homelessness and increase access to services for people with behavioral health needs.

Homekey Program funds consist of \$435 million derived from the federal Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117- 2), and \$301 million from the state's General Fund.

The Department is authorized to administer the Homekey Program pursuant to the Multifamily Housing Program (Chapter 6.7, commencing with Section 50675, of Part 2 of Division 31 of the Health and Safety Code). Homekey Program funding allocations are subject to the terms and conditions of the NOFA, ARPA guidance, the Application, the Department-approved STD 213, Standard Agreement (Standard Agreement), and all other legal requirements of the Homekey Program.

AFFORDABLE HOUSING IMPACT

The Housing Commission has provided a preliminary award recommendation of 13 PSH PBVs for Abbott Street Apartments for households experiencing chronic homelessness with income up to 30 percent of AMI. Residents will be identified through referrals from the Coordinated Entry System and would include individuals experiencing chronic homelessness. Under the PBV program, the tenant's rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents of Abbott Street Apartments' 13 voucher-assisted units.

FISCAL CONSIDERATIONS

The award of Homekey Program funds was not included in the Housing Commission's Fiscal Year 2024 budget, which the Housing Authority of the City of San Diego approved on June 12, 2023. On November 20, 2023, the Housing Commission Board authorized the Housing Commission to accept and expend \$3,900,000 in Homekey Program funds and amend its Fiscal Year 2024 budget in the amount of \$3,900,000 in Homekey Program funds to support the proposed development of Abbott Street Apartments at 2147 Abbott Street, San Diego, CA 92107

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 and No.4 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024. No.1: Increasing and Preserving Housing Solutions. No.4: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The Housing Commission and Wakeland Housing have developed a comprehensive Racial Disparity Analysis and Community Engagement plan in accordance with the Homekey Program application requirements.

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KEY STAKEHOLDERS and PROJECTED IMPACTS

This funding opportunity would benefit individuals and families experiencing homelessness in the City of San Diego who are disproportionately impacted by and at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases.

ENVIRONMENTAL REVIEW

The City of San Diego conducted an environmental review and determined the project is exempt from CEQA pursuant to CEQA Guidelines Section 15301 (d) (Existing Facilities), 15302 (c) (Replacement or Reconstruction), and 15304 (Minor Alterations to Land). This activity is exempt pursuant to CEQA Guidelines Section 15301 (d) (Existing Facilities), as there are no changes planned to the building footprint or property use and it will restore or rehabilitate the facility to meet current standards of public health and safety. The activity is also exempt pursuant to CEQA Guidelines Section 15302 (c) (Replacement or Reconstruction), which consists of the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity, and CEQA Guidelines Section 15304 (Minor Alterations to Land) that consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees. None of the exceptions to the exemptions outlined in CEQA Guidelines Section 15300.2 would apply as no cumulative impacts were identified, no significant effects on the environment were identified, the project is not adjacent to a scenic highway, and no historical resources would be affected by the action. The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted

Josh Hoffman

Josh Hoffman
Vice President
Real Estate Development
San Diego Housing Commission

Approved by,

Jeff Davis

Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

AUTHORIZING RESOLUTION

RESOLUTION NO. HC-

A RESOLUTION OF THE GOVERNING BODY OF THE SAN DIEGO HOUSING COMMISSION AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY PROGRAM

WHEREAS:

- A. The Department of Housing and Community Development (“**Department**”) has issued a Notice of Funding Availability, dated March 29, 2023 (“**NOFA**”), for the Homekey Program (“**Homekey**” or “**Program**”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. **The San Diego Housing Commission** (“**Co-Applicant**”), a public agency formed pursuant to the provisions of the Housing Authority law of the state of California, Health & Safety Code Section 34291, desires to jointly apply for Homekey grant funds with Wakeland Abbott, LLC (“**Corporation**”). Therefore, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (“**Application**”) to the Department for review and consideration with respect to the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed **\$5,000,000** with respect to the acquisition and rehabilitation of a 13-unit multifamily housing property at 2147 Abbott Street, San Diego, CA 92107.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed **\$5,000,000**, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).
3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and

made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

4. Jeff Davis, Deputy Chief Executive Officer of the San Diego Housing Commission, or designee, is authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

Approved as to Form
Christensen & Spath

By _____

Charles B. Christensen
General Counsel

San Diego Housing Commission, a public agency formed pursuant to the provisions of the Housing Authority law of the state of California, Health & Safety Code Section 34291

I certify that the foregoing actions in this Resolution were approved by the San Diego Housing Commission Board of Commissioners at its meeting on January 19, 2024.

By: _____

Scott Marshall

Vice President, Communications &
Government Relations

San Diego Housing Commission, a
public agency formed pursuant to the
provisions of the Housing Authority
law of the state of California, Health &
Safety Code Section 34291

Approved: _____

Jeff Davis

Deputy Chief Executive Officer

San Diego Housing Commission, a public agency formed pursuant to the provisions of the Housing Authority law of the state of California, Health & Safety Code Section 34291

[NOTICE AND INSTRUCTIONS APPEAR ON THE FOLLOWING PAGE]

NOTICE AND INSTRUCTIONS

1. **Notice.** The Department is providing this template Authorizing Resolution as informational guidance only. The Department encourages each Co-Applicant to consult with professional legal counsel during the development of its own formal, legally binding statement that it is authorized to apply to and participate in the Homekey Program.
 - a. Please note, however, that any limitations or conditions on the authority of the signatory or signatories to execute the Application or the Homekey Documents may result in the Department rejecting the Authorizing Resolution.
2. **Accuracy, Verification.** The Department will verify that this Authorizing Resolution comports with the legal authority and composition of Co-Applicant's governing body. Co-Applicant must timely notify the Department, in writing, of any factors that limit its ability to provide an Authorizing Resolution which is materially in line with this template.
3. **Dollar Amounts of Grant Awards.** The Department recommends identifying an authorized dollar amount that is at least double the anticipated award (based on current formula calculations). Award amounts are subject to change. If Co-Applicant is ultimately awarded an amount in excess of the amount identified in the Authorizing Resolution, the Department will require a new Authorizing Resolution from Co-Applicant before execution of a Standard Agreement.
4. **Authorized Signatory or Signatories, Designee.** Co-Applicant, as a state, regional, or local public entity, may designate an authorized signatory by title only. In addition, Co-Applicant may authorize multiple signatories, so long as there is clarifying language as to whether the signatories are authorized to execute the Homekey Documents individually or collectively. In addition, Co-Applicant may authorize a designee of the authorized signatory to execute the Homekey Documents. In such case, Co-Applicant must append a supporting document (e.g., memorandum, meeting notes of official action), which indicates the name and title of the designee who is authorized to legally bind the governing body.
5. **Vote Count.** Please fill out the field by every voting category (i.e., Ayes, Nays, Abstain, Absent). If none, please indicate zero (0) for that field. The vote count must comport with the legal authority and membership of the Co-Applicant's governing body.
6. **Certification of Authorizing Resolution.** The individual who certifies the Authorizing Resolution cannot also be authorized to execute the Homekey Documents on behalf of Co-Applicant.