



Housing

Agreements with Santa Clara County Housing Authority for Services at First Street Interim Housing and Assumption of Homekey Obligations

November 28, 2023
City Council
Item 8.1

Rosalynn Hughey

Deputy City Manager and
Acting Housing Director

Ragan Henninger

Deputy Director

Kemit Mawakana

Division Manager

Background

- 🏠 1488 N. First Street, formerly SureStay Hotel
- 🏠 City purchased site in October 2020 for \$14,136,000
 - \$12,200,000 State Department of Housing and Community Development (HCD) Homekey Funds
 - Acquisition (\$10,868,000)
 - Operating Subsidy (\$1,300,000)
 - City Match: \$3,268,000
- 🏠 76 units
- 🏠 Emergency interim housing with supportive services for individuals and couples



Background

- December 2021, the City issued an RFP for housing developers to submit development applications for six City-owned sites, including First Street Interim Housing site.
- The Santa Clara County Housing Authority (SCCHA) and Jamboree Housing were selected for the First Street Interim Housing site.
- September 2022, Council approved the sale of the City-owned property First Street Interim Housing to the Santa Clara County Housing Authority for \$1.



Status of Property Sale

- SCCHA took over operations of the property beginning October 1, 2023.
- City and SCCHA are finalizing the purchase and sale agreement, opening escrow, and submitting required due diligence to HCD.
- Targeting January/February 2024 to complete the sale.



Council Action

- ▶ Performance-based conditional Rehabilitation Grant Agreement up to \$4,000,000 of Measure E funds with SCCHA.
- ▶ Operations and Support Services Grant Agreement up to \$9,000,000 with SCCHA.
- ▶ Amendment to the HCD Standard Agreement to add SCCHA.
- ▶ Authorization to negotiate an MOU agreement with SCCHA.





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