

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE TO 1) AUTHORIZE THE CITY MANAGER OR HER DESIGNEE TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE STANDARD AGREEMENT WITH THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO REMOVE LIFEMOVES AS CO-APPLICANT, CO-GRANTEE, OPERATOR, DESIGNATED PAYEE, AND/OR OTHER RESPONSIBLE PARTY IDENTIFIED IN THE STANDARD AGREEMENT AND RELATED HOMEKEY DOCUMENTS FOR THE BRANHAM LANE INTERIM HOUSING COMMUNITY, AND TO IDENTIFY THE CITY AS THE SOLE GRANTEE AND RESPONSIBLE PARTY UNDER THE STANDARD AGREEMENT; 2) AUTHROIZE THE CITY MANAGER OR HER DESIGNEE TO NEGOTIATE AND EXECUTE ALL DOCUMENTS NECESSARY TO REMOVE LIFEMOVES AS THE OPERATOR, CO-APPLICANT, CO-GRANTEE, DESIGNATED PAYEE, AND/OR OTHER RESPONSIBLE PARTY IDENTIFIED IN THE HOMEKEY PROGRAM STANDARD AGREEMENT AND RELATED PROJECT DOCUMENTS, INCLUDING ANY AMENDMENTS, ASSIGNMENTS, TERMINATIONS, RELEASES, OR OTHER DOCUMENTS REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, LENDERS, REGULATORY AGENCIES, OR OTHER PROJECT PARTIES, AND TO RECOUP ALL PROGRAM FUNDING PREPAID TO LIFEMOVES; AND 3) AUTHORIZE THE HOUSING DIRECTOR OR HIS DESIGNEE TO NEGOTIATE AND EXECUTE DOCUMENTS NECESSARY TO UNWIND, TERMINATE, OR AMEND PROJECT AGREEMENTS WITH LIFEMOVES, INCLUDING THE GROUND LEASE, THE ACQUISITION AND REHABILITATION GRANT AGREEMENT, OPERATING AGREEMENTS, GRANT AGREEMENTS, OR OTHER RELATED AGREEMENTS

WHEREAS, in 2022, the City of San José and LifeMoves jointly applied for and were awarded approximately \$51.6 million in Homekey funding from the state Department of Housing and Community Development (“HCD”) and the Homekey Standard Agreement identified the City and LifeMoves as co-grantees, with LifeMoves designated as the payee of the Homekey funds; and

WHEREAS, the Branham Lane Interim Housing Community was developed under the State of California Homekey Program Round 2 to provide interim housing for individuals and families experiencing homelessness or at risk for homelessness; and

WHEREAS, the Branham Lane Interim Housing Community is located on City-owned property and represents significant public investment by the City and State; and

WHEREAS, the project consists of 204 interim housing units located on City-owned property at Branham Lane and Monterey Road; and

WHEREAS, the project was designed as a modular interim housing community with supportive services, case management, behavioral health services, employment services, and housing navigation services for residents; and

WHEREAS, the project also included accessibility commitments, housing-first operations, and long-term affordability restrictions required under the Homekey program; and

WHEREAS, the project is governed by several interrelated agreements. The City owns the underlying land and ground leased the project premises to LifeMoves for purposes of developing and operating the Branham Lane Interim Housing Community; and

WHEREAS, the City also entered into a Conditional Acquisition and Rehabilitation Grant Agreement with LifeMoves to fund construction and site improvements, including the modular development of the interim housing community; and

WHEREAS, in addition, the City and LifeMoves have entered into operating agreements governing LifeMoves' operation of the site and provision of services to residents; and

WHEREAS, since the site became operational, the City has continued evaluating the long-term operational structure for the site; and

WHEREAS, staff identified ongoing operational challenges related to site management, service delivery coordination, responsiveness, and implementation of operational standards and expectations; and

WHEREAS, staff has determined that direct City oversight and compliance responsibility for the site would provide a more consistent management structure, strengthen accountability, improve operational responsiveness, and better align site operations with City operational standards, while improving coordination related to compliance obligations, resident services, and long-term site management; and

WHEREAS, the recommended transition would provide several benefits, including enhanced oversight for site operations, financial management and regulatory compliance in order to support long-term operational stability while protecting the City's public investment in the facility; and

WHEREAS, as part of the original project approval, the City Council expressed interest in preserving the long-term flexibility of the site, including the potential future conversion of the facility from interim housing to permanent housing; and

WHEREAS, the proposed changes would also provide greater flexibility for the City to evaluate and implement a future conversion of the site from interim housing to permanent housing; and

WHEREAS, the proposed action would not alter the public purpose of the project, the site would continue to be operated in accordance with Homekey Program requirements and all applicable regulatory obligations; and

WHEREAS, staff anticipates coordinating closely with HCD regarding all required amendments to the Homekey Standard Agreement and any associated documents necessary to remove LifeMoves as co-applicant, co-grantee, designated payee, and operator; and

WHEREAS, in addition to the amendment to the HCD Standard Agreement the City will be required to amend, terminate, rescind, assign, or otherwise unwind related project documents, as appropriate to fully disentangle LifeMoves from the project structure while preserving continuity of the operations and compliance with HomeKey requirements; and

WHEREAS, notwithstanding the transition, staff anticipates no interruption to ongoing resident services or operations during the transition process;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- (1) The City Manager or her designee is hereby authorized to negotiate and execute an amendment to the Homekey Program Standard Agreement with the California Department of Housing and Community Development to remove LifeMoves as co-applicant, co-grantee, operator, designated payee, and/or other responsible party identified in the Standard Agreement and related Homekey documents for the Branham Lane Interim Housing Community, and to identify the City as the sole grantee and responsible party under the Standard Agreement.
- (2) The City Manager or her designee is hereby authorized to negotiate and execute all documents necessary to remove LifeMoves as the operator, co-applicant, co-grantee, designated payee, and/or other responsible party identified in the Homekey Program Standard Agreement and related project documents, including amendments, assignments, terminations, releases, or other documents required by HCD, lenders, regulatory agencies, or other project parties.

- (3) The Housing Director or his designee is hereby authorized to negotiate and execute documents necessary to unwind, terminate, or amend project agreements with LifeMoves, including the ground lease, the Acquisition and Rehabilitation Grant Agreement, operating agreements, grant agreements, or other related agreements.

ADOPTED this ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk