



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rachel VanderVeen
Rosalynn Hughey
Margaret McCahan

SUBJECT: SEE BELOW

DATE: October 17, 2018

Approved

D. D. SyL

Date

10/25/18

SUBJECT: ACCEPTANCE OF A GRANT FROM DESTINATION: HOME SV FOR A HOUSING PLANNER DEDICATED TO EXPEDITE APPLICATIONS FOR SUPPORTIVE OR EXTREMELY LOW-INCOME HOUSING DEVELOPMENTS

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager to negotiate and execute a Grant Agreement funded by Destination: Home SV to fund a Planner III position in the Department of Planning, Building and Code Enforcement (PBCE) for up to three years in the amount of \$540,000 to expedite applications for supportive or extremely low-income (ELI) housing developments.
- (b) Add 1.0 Planner III position, limit dated through June 30, 2019, in the Department of Planning, Building and Code Enforcement.
- (c) Adopt the following 2018-2019 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
 - (1) Establish a City-Wide Expenses appropriation to the Planning, Building and Code Enforcement Department for the Destination: Home SV Grant in the amount of \$180,000; and
 - (2) Increase the estimate for Other Revenue by \$180,000.

OUTCOME

Approval of this recommendation will enable the City to accept the awarded grant from Destination: Home SV. The grant will fund a Planner (1.0 Position) in PBCE with the sole purpose of expediting land use applications for supportive or ELI housing development by functioning as the City project manager for these applications and also providing pre-development services to applicants.

BACKGROUND

Destination: Home SV is a public-private partnership now incorporated as a California 501(c)(3) non-profit public benefit corporation that invests in organizations and programs with key strategic initiatives to end homelessness in Santa Clara County. Destination: Home SV is a supporting organization of the Silicon Valley Community Foundation. The Foundation provides administrative and office support to thirteen nonprofits including Destination: Home SV.

On September 7, 2018, the Housing Department was awarded a grant of \$540,000 from Destination: Home SV. Jacky Morales-Ferrand, Director of the Housing Department, serves as an uncompensated member of the board of directors for Destination: Home SV. She has not participated in the making or approval of the grant or grant agreement.

ANALYSIS

The Housing Department was awarded a grant to fund one limited term ("limit dated") Planner III in the Department of Planning, Building and Code Enforcement (PBCE), for up to three years. The Planner is required by the grant agreement to be assigned solely to work on affordable multi-family housing projects that have at least a 30% set-aside for supportive or ELI apartments. Currently in process, there are 12 affordable developments with a total of 1,682 apartments that may meet this definition.

Once the grant is executed, the grant will be paid in three installments of \$180,000 annually after a progress report is submitted to Destination: Home SV. The first two progress reports are due annually on June 1, 2019, and June 1, 2020; the final report is due June 30, 2021. If the performance metrics (explained below) have been met, the position will be renewed for the following fiscal year. The grantor will make every effort to disburse payments within 10 business days of submission and receipt of a complete progress report. If the subsequent funding is not approved, the employee will be notified that the position will end on June 30 of that year. All funds may be spent across the entirety of the grant period from September 1, 2018 thru June 30, 2021. Funds that are unspent by the City at the end of the grant period will be returned to Destination: Home SV.

The following data related performance metrics will be used to evaluate the success of this grant: (1) The total number of affordable housing applications processed; (2) the average length of time to a final determination on projects entitlement once a complete application is received, including time related to final environmental review and clearance and documentation of delays caused by applicants; and (3) the number and percent of projects that receive complete project comments from all development review partners (including: Fire, Public Works, Building, Environmental Services, Planning, Parks, Recreation and Neighborhood Services) within 30 business days of submittal of a complete Planning permit application submittal to PBCE Planning Division (California Environmental Quality Act, CEQA, review not included). These metrics and outcomes will provide the City and the development community with an understanding of the barriers and/or obstacles that arise during the entitlement process.

This data will also provide an estimated timeline for completion of an affordable housing entitlement approval (results will acknowledge that timelines may vary depending on a project's CEQA clearance).

In addition to the performance metrics above, PBCE will also report the number and percentage of projects that receive complete comments from all development review partners within 25 days of submittal of a complete building permit application. Since this grant award is not funding a position in the Building Division, this measure will not be used to evaluate the success of this grant but will be used to measure the Department's success in facilitating building permits for ELI or supportive housing developments and to identify areas for process improvements.

Proposed Staffing

The Planner III position will be one of three positions that will constitute the new housing team in the Citywide Planning Division of PBCE. Together with the Housing Department and the Office of Economic Development, the City's "Housing Catalyst Team" will be formed to lead the implementation of the Housing Crisis Workplan to achieve the City Council's goal to prioritize implementation and policy actions that facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022.

PBCE will lead the staffing and management of this new Planner III position. PBCE currently has a recruitment for Planner I/II/IIIs underway and anticipates that this recruitment can be used to fill this position. The Housing Department will be involved with the selection process.

EVALUATION AND FOLLOW-UP

No additional City Council action is expected for this grant.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the November 6, 2018, City Council Agenda.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

There is no City Commission input regarding these actions.

COST SUMMARY/IMPLICATIONS

This program is being funded by Destination: Home SV. There is no cash or in-kind match requirement with this grant. Future 1.0 Planner III position extension and revenue and expenditure actions totaling \$360,000 in Destination: Home SV funds will be brought forward to the City Council for approval on an individual basis as part of the annual budget process.

BUDGET REFERENCE

The table below identifies the fund and appropriations to appropriate the grant funds recommended as part of this memo.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Agreement	2018-2019 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	R130	Other Revenue	\$164,631,839	\$180,000	X-69	09/11/18, 78781
001	NEW	Destination: Home SV Grant	\$0	\$180,000	N/A	N/A

CEQA

Not a Project, File No. PP17-004, Government Funding Mechanism, or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/
 RACHEL VANDERVEEN
 Deputy Director, Housing Department

/s/
 ROSALYNN HUGHEY
 Director, Planning, Building & Code Enforcement


 MARGARET MCCAHAN
 Budget Director

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I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2018-2019, monies in excess of those heretofore appropriated there from, said excess being at least \$180,000.



MARGARET MCCAHAN

Budget Director

For questions, please contact Amy Chen, Senior Development Officer at (408) 975-4489.

Attachment: Destination: Home SV Draft Grant Agreement

Destination: Home SV



September 7, 2018

Ms. Jacky Morales-Ferrand
Housing Director
City of San Jose
200 East Santa Clara Street, 12th Floor
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

We are pleased to award City of San Jose a grant of \$540,000.00 from Destination: Home SV, a supporting organization of Silicon Valley Community Foundation.

This grant is to fund a Housing Planner (1 Full-Time Employee) for up to three years dedicated to expediting applications for supportive/extremely low income (ELI) housing developments. The Planner would be assigned to any 100% affordable multi-family housing project that has at least a 30% set-aside for supportive or ELI units. Please sign, date, and return the attached grant agreement to Julie McDermott, jmcdermott@siliconvalleycf.org as soon as possible. Once we receive the signed agreement, we will forward the payment to you.

Destination: Home SV will require a detailed report on the project's impact on the participants and the community. A final report form is enclosed.

On behalf of Destination: Home SV and Silicon Valley Community Foundation, we appreciate the work of your organization and are pleased to support your efforts.

Sincerely,

A handwritten signature in cursive script, appearing to read "M. Sangani".

Misti M. Sangani
Chief Donor Experience and Engagement Officer
Silicon Valley Community Foundation

Grant #: 2018-189493 (5726)

**Destination: Home SV
Grant Agreement**

Grantor: Destination: Home SV, a nonprofit organization

Grant Number: 2018-189493 **Amount:** \$540,000.00 **Date:** September 7, 2018

Grantee Name: City of San Jose

Grantee Contact: Jacky Morales-Ferrand
Housing Director
City of San Jose
200 East Santa Clara Street, 12th Floor
San Jose, CA 95113
Phone: 408.535.3855
Email: jacky.morales-ferrand@sanjoseca.gov

Grantor Contact: Ray Bramson
Chief Impact Officer
Destination: Home SV 3180
Newberry Drive #200 San
Jose, CA 95118
Phone: 408.513.8751
Email: ray@destinationhomesv.org

Grant Purpose: To fund a Housing Planner (1 Full-Time Employee) for up to three years dedicated to expediting applications for supportive/extremely low income (ELI) housing developments. The Planner would be assigned to any 100% affordable multi-family housing project that has at least a 30% set-aside for supportive or ELI units.

Grant Period(Term): September 1, 2018 to June 30, 2021

Anticipated Project Outcomes:

The Program will be evaluated by the following metrics and outcomes:

1. Total number of affordable housing applications processed
 - a. Number of developments approved
 - b. Number of PSH (Permanent Supportive Housing) and ELI units approved
2. Average Length of time to a final determination on projects entitlement once a complete application is received, including time related to final environmental review and clearance and documentation of delays caused by applicants.
3. The number and percent of projects that receive complete project comments from all development review partners (Fire, Public Works, Building, Environmental Services, Planning, Parks, Recreation, and Neighborhood Services) within 30 business days of submittal of a complete land use permit application submittal to the Planning Division of the Department of Planning, Building and Code Enforcement (California Environmental Quality Act - CEQA review not included).

The Department of Planning, Building and Code Enforcement (PBCE) will also report the number and percentage of projects that receive complete comments from all development review partners within 25 days of submittal of a complete building permit application. This is just a reporting metric and will not be used to evaluate the performance of the Housing Planner since the planner is not responsible for the Building Divisions review nor the review of other Departments. This information will be used to identify challenges in the other work teams and to develop potential solutions.

As part of implementing this work, the Grantee agrees to the following:

- Grantee shall establish baseline data for current application processing time and average number of applications processed annually for a Planner position.
- Grantee shall establish a direct referral process to ensure that PSH/ELI applications are directed immediately to the PSH/ELI Planner.
- Grantee shall provide quarterly updates to Destination: Home SV on all application activity, including:
 - A list of all current projects
 - Number and percent of total of PSH/ELI units in each project
 - Status of each application
 - Any barriers or obstacles for approval
 - Estimated time to application approval

Reporting Requirements

Destination: Home SV requires progress reports at specified dates. *Please note that future grant requests will not be considered if a grantee has failed to submit a required report.* Please submit the following report(s) using the form(s) enclosed:

Interim Report 1 Due:	June 1, 2019
Interim Report 2 Due:	June 1, 2020
Final Report Due:	June 30, 2021*

*Last report is the final report due and thus extends all the way to the end of the grant term.

Payment Schedule:

This grant will be paid in three installments listed below. Every effort will be made to disburse payment within 10 business days of receipt of the executed grant agreement or the submission and receipt of complete report, as applicable. All payments specified in this agreement are subject to approval of the annual budget at Destination: Home SV supporting organization fund at Silicon Valley Community Foundation. In the event that the funds to support this grant are not budgeted by the Grantor in any of its annual budgets during the term of this Agreement, Grantor shall notify Grantee in writing of termination of this Agreement no later than five (5) calendar days following cessation of funding.

Payment 1: \$180,000.00 upon receipt of signed grant agreement
Payment 2: \$180,000.00 upon receipt of and approval of Interim Report 1
Payment 3: \$180,000.00 upon receipt of and approval of Interim Report 2

All payments may be spent across the entirety of the grant period. Any unspent funds after the end of the grant period must be returned to the Destination: Home SV, a supporting organization fund at Silicon Valley Community Foundation.

Hold Harmless

Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless the other Party, its Officers, Directors, Trustees, employees and agents from and against any and all third-Party claims, liabilities, losses and expenses (including reasonable attorney's fees) directly, indirectly, wholly or partially arising from or in connection with an alleged breach of this Agreement by, or an alleged negligent act or omission of, the indemnifying Party, its Officers, Directors, Trustees, employees, agents or independent contractors in performing its obligations under this Agreement, except to the extent that such claims, liabilities, losses, or expenses arise from the sole active negligence or any alleged grossly negligent, reckless or unlawful act or omission of the indemnified Party, its Officers, Directors, Trustees, employees, or agents. Destination: Home SV accepts no liability for any consequences, whether direct or indirect, that may come about from the Grantee's use of the Grant or the project that is funded by the Grant, or from any withholding or reduction in the Grant. Destination: Home SV's entire liability is limited to the payment amount of the Grant. This paragraph shall survive the termination of this Agreement.

Governing Law:

This agreement shall be governed by the laws of the State of California applicable to contracts to be performed entirely within the State.

Termination:

Excepting termination by Grantor for cessation of funding pursuant to "Payment Schedule" section above, this Grant Agreement may be terminated by either Party upon 30 days' prior written notice to the other Party. Upon termination, Grantee shall provide Grantor with its report completed to the date of termination and Grantor shall provide Grantee with the pro-rata payment through the date of termination.

Acknowledgement of Grant Support:

Please acknowledge Destination: Home SV's support of your program in publications such as newsletters, program activity announcements and in all media coverage. We suggest you use the following wording: "This project has been made possible in part by a grant from Destination: Home SV, a supporting organization of Silicon Valley Community Foundation."

By signing below City of San Jose acknowledges that this grant agreement is a contract with Destination: Home SV for the purposes stated in the agreement. Please inform us if there are changes in agency personnel who are important to the administration of the grant, or if the grant funds cannot be expended for the purpose or in the time period described in this agreement. Grantee may not use the funds in any way other than as described in this agreement unless the grantee receives written permission from the community foundation. Grantee shall repay to Destination: Home SV any portion of the amount granted that is not used for the purpose of this grant. If funds remain at the end of the grant period, grantee must contact the community foundation staff person noted above.

Accepted on behalf of City of San Jose by:

Signature
*(Must be signed by authorized signer
or representative)*

Printed or Typed Name

Title

Date

Accepted on behalf of Destination: Home SV:

Signature
*(Must be signed by authorized signer
or representative)*

Printed or Typed Name

Title

Date

**Please sign and return all pages of the original grant agreement to Julie McDermott at
jmcdermott@siliconvalleycf.org.**



Destination: Home SV
Final Report Guidelines

Destination: Home SV wants to learn from you about your progress on the program funded by the community foundation. The following questions are intended to help you capture your experience -- experience that can inform your work, and our grant making, as well. Please be as candid, reflective, and succinct as possible. We are equally interested in hearing about your successes as well as your challenges, difficulties and even failures.

Your final report is due on June 30, 2021. Please note that your grant agreement advises you that a final report is required by Destination: Home SV, and that future grants will not be considered if a grantee has failed to submit a required report.

Please complete the section below and incorporate the questions on the next page into the body of your report.

Grantee Name: City of San Jose

Grant Amount: \$540,000.00

Grant Period: September 1, 2018 to June 30, 2021

Person completing this report: _____
(Name, Title, Phone)

Purpose of the Grant:

To fund a Housing Planner (1 Full-Time Employee) for up to three years dedicated to expediting applications for supportive/extremely low income (ELI) housing developments. The Planner would be assigned to any 100% affordable multi-family housing project that has at least a 30% set-aside for supportive or ELI units.

1. Describe the project funded by the community foundation. What activities were conducted or services provided?
2. Describe the type and number of people you served.
3. Assess your organization's success in meeting the goals of the project.
4. Did you face any challenges completing your goals?
5. Please describe the program's strengths and weaknesses. Were there any unexpected outcomes, positive or otherwise? What have you learned in the course of this project?
6. What is the future of your project? Has it ended? Is it ongoing? If so, how will it be funded? Have you identified the sources of funding to ensure its continuation?
7. Please add any additional comments or information you think we should have to assess your project's impact on the community.
8. Required attachments:

_____ A detailed income and expense statement for your project that identifies primary sources of support.

_____ Copies of any publicity or press coverage about the project.

_____ Any supplementary material you believe might interest the community foundation.

Signature of Executive Director or President

Date

Please return report to:

Destination: HomeSV
Attn: Ray Bramson
3180 Newberry Drive, Suite 200
San Jose, CA 95118

If you have any questions about completing this report, please contact Ray Bramson at ray@destinationhomesv.org or at 408.513.8751, or community foundation staff at DHSVSupport@siliconvalleycf.org or at 650.450.5400.