

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) APPROVING A GRANT OF UP TO \$247,500 IN AMERICAN RESCUE PLAN FUNDS TO DANCO COMMUNITIES OR AN AFFILIATED DEVELOPMENT ENTITY FOR COSTS ASSOCIATED WITH THE DEVELOPMENT OF THE PROPOSED CHILDCARE CENTER TO BE LOCATED WITHIN THE 777 WEST SAN CARLOS RESIDENTIAL DEVELOPMENT; AND (B) AUTHORIZING THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS FOR THE GRANT RELATED TO THE FUNDS FOR THE CHILDCARE CENTER

WHEREAS, on April 26, 2022, the City of San José (“City”) Council approved the Childcare Spending Plan (“Spending Plan”) for the American Rescue Plan funding for children and youth focused programs and services, establishing a plan for \$10.5 million of American Rescue Plan one-time funds to support children and youth focused programs and services; and

WHEREAS, as part of the Spending Plan, \$900,000 was allocated to establish an Affordable Housing Childcare Tenant Improvement Fund within the Housing Department to support the development of childcare facilities in the ground floor retail spaces of new City-funded affordable housing developments; and

WHEREAS, the Affordable Housing Childcare Tenant Improvement Fund was established to offset a portion of the costs related to building requirements associated with constructing a licensed high-quality childcare space; and

WHEREAS, the purpose of the fund is to incentivize new childcare spaces within new affordable housing developments; and

WHEREAS, staff developed criteria for making these awards based on zip codes that have been identified as high-priority for childcare and proposed affordable housing developments with childcare space included were considered for the award of these grant funds; and

WHEREAS, as part of the Housing Department's Notice of Funding Availability process, issued on December 20, 2021, Danco Communities proposed a project that will be a new 154-unit family affordable housing consisting of 153 affordable units and one three-bedroom unit for the on-site manages and a proposed 3,000 square feet childcare center on-site that would be able to support 50 children, featuring offices for childcare staff, and two 888 square feet in outdoor play area ("777 West San Carlos Residential Development"); and

WHEREAS, the 777 West San Carlos Residential Development was selected for this grant due to its location in a high-priority zip code and

WHEREAS, staff recommends the City provide a grant for 15% of the development cost, resulting in a \$247,500 grant for construction costs related to the childcare center, as set forth in the Memorandum from the Housing and Budget Departments dated on or about June 1, 2022.

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

- a. A grant of up to \$247,000 in American Rescue Plan Funds to Danco Communities or an affiliated development entity, is hereby approved, for costs associated with the development of the proposed childcare center to be located within the 777 West San Carlos Residential Development.

- b. The Director of Housing is, hereby authorized, to negotiate and execute all necessary documents for the grant related to the funds for the childcare center.

ADOPTED this ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk