



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Chris Burton
Ragan Henninger

SUBJECT: SEE BELOW

DATE: September 1, 2021

Approved

Date

9/2/2021

**SUBJECT: ACCEPTANCE OF A GRANT FROM DESTINATION: HOME SV FOR
SUPPORTIVE OR EXTREMELY LOW-INCOME HOUSING
DEVELOPMENTS**

RECOMMENDATION

Approve a Grant Agreement between Destination: Home SV and the City of San José for up to three years, through June 30, 2024, in the total amount of \$540,000 to expedite applications for supportive or extremely low-income (ELI) housing developments.

OUTCOME

Approval of this recommendation will enable the City to accept a renewed grant award from Destination: Home SV. The grant will be used to fund a temporary Planner I/II/III position in the Planning, Building and Code Enforcement (PBCE) Department 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 predevelopment 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 (Foundation). The Foundation provides administrative and office support to thirteen nonprofits including Destination: Home SV.

On November 6, 2018, the City Council accepted a grant from Destination: Home SV in the amount of \$540,000 to fund a dedicated Planner I/II/III position overseeing affordable housing entitlements. The original grant period was from September 1, 2018 through June 30, 2021. During the initial grant period, Planning staff reviewed 14 extremely low income and supportive housing proposals, representing 1,270 affordable units. Projects that went through this facilitated process from beginning to end secured approval within nine months on average, compared to 11 months for projects that went through the normal process. The funding also allowed Planning staff to more effectively and efficiently guide affordable housing developers through the entitlement process. Based on these results and positive feedback from the development community, Destination: Home SV agreed to another three-year grant. On August 11, 2021, the Planning Department was re-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 Planning Department was awarded a continuation of the 2018 grant to fund one temporary Planner I/II/III position in PBCE, for up to three years. Similar to the original grant, the Planner I/II/III is required by the grant agreement to be assigned solely to work on affordable multi-family housing projects that have at least 30% set-aside for supportive or ELI apartments.

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 July 15, 2022 and July 15, 2023 respectively; the final report is due July 15, 2024. 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.

All funds may be spent across the entirety of the grant period from July 1, 2021 through June 30, 2024. 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) average length of time to full approval for each application received; and (3) planning letter comment timeliness. 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.

Recommended Staffing

The temporary Planner I/II/III position is one of three positions that constitute the housing team in the Citywide Planning Division of PBCE. Together with the Housing Department and the Office of Economic Development and Cultural Affairs, the City's "Housing Catalyst Team" leads 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.

CONCLUSION

The renewed grant award from Destination: Home SV will allow the continued funding for a temporary Planner I/II/III position in PBCE to expedite land use applications for supportive and ELI housing developments.

EVALUATION AND FOLLOW-UP

No additional City Council action is expected for this grant.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

The recommended actions have no commission input or recommendation.

COST SUMMARY/IMPLICATIONS

This program is funded by Destination: Home SV. There is no cash or in-kind match requirement with this grant. The total grant award is \$540,000 for a period of three years, equating to \$180,000 annually. The grant funding is dedicated to fund a temporary Planner I/II/III position in the PBCE Department. The first-year grant funding of \$180,000 is included in the 2021-2022 Adopted Operating Budget. The remaining grant funding of \$360,000 will be brought forward to the City Council for approval on an individual basis as part of a future budget process.

BUDGET REFERENCE

The table below identifies the fund and appropriation of the first-year grant funding.

Fund #	Appn #	Appn. Name	Total Appn	2021-2022 Adopted* Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	204S	Destination: Home SV Grant	\$245,000	IX-14	06/22/2021, 30621

*The 2021-2022 Adopted Operating Budget was approved on June 15, 2021 and adopted on June 22, 2021 by City Council.

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/
CHRIS BURTON
Director, Planning, Building
& Code Enforcement

/s/
RAGAN HENNINGER
Deputy Director, Housing

For questions, please contact Michael Brilliot, Deputy Director, at michael.brilliot@sanjoseca.gov and (408) 896-0136.