



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Sam Liccardo  
Councilmember Sergio Jimenez  
Councilmember Raul Peralez  
Councilmember Dev Davis  
Councilmember Matt Mahan

**SUBJECT:** SEE BELOW

**DATE:** October 1, 2021

*\*Submitted electronically*

**APPROVED:**

**DATE:** *October 1, 2021*

*Sam Liccardo* *Sergio Jimenez* *Dev Davis*  
*Raul Peralez* *Matt Mahan*

**SUBJECT: HOMEKEY ROUND 2 APPLICATIONS**

## RECOMMENDATIONS

1. Accept staff recommendations authorizing the City Manager, or designee, to apply for grants and submit all required documentation for the State's Homekey Program.
2. Direct City Staff to thoroughly outline Homekey's regulatory requirements, whether in a report to a Council Committee or an informational memorandum, with attention on addressing hotel acquisition and conversion to permanent housing and if necessary the process for transitioning any existing residents prior to acquisition.
3. Direct City Staff to partner with Councilmembers who would like to create and convene a neighborhood advisory group for each Homekey site.
4. Direct City Staff, regarding the proposed Branham Monterey Emergency Interim Housing Community (EIHC), to increase quality of life in surrounding neighborhoods for both unhoused and housed neighbors by:
  - a. Working with the Continuum of Care to prioritize geographical proximity in the tenant selection for the Branham Monterey EIHC to ensure that nearby encamped residents are prioritized for placement. Advise Council how this might inform tenant selection at existing and future EIHCs and Bridge Housing Communities (BHCs).
  - b. Applying the past practice of robust outreach and services to residents of encampments near this site so that these unhoused residents can be identified and prioritized for placement into the future EIHC.

## **Background**

The City finds itself at a time of immense opportunity with the confluence of federal, state, and local funding to bolster our efforts to end homelessness. This includes Homekey Round 2 funding, included in this year's approved State Budget and part of the historic \$12 billion investment by the Governor, the Legislature, and the State in helping local communities end homelessness.

We are proud that the City and our community partners are positioned to aggressively pursue Homekey funding with five applications – four hotels and one emergency interim housing site.

### *Hotel Acquisition and Conversion to Permanent Housing*

Back in Fall 2020, San José was one of the first cities to be awarded funds from the first round of Homekey, Governor Newsom's innovative initiative to purchase and rehabilitate buildings such as hotels and motels and convert them into housing for people experiencing or at risk of homelessness.

The City's first experience acquiring a hotel for permanent housing under Homekey has yielded many lessons learned. Moving forward, it is crucial that City Staff and Council must clearly understand Homekey's rules and regulations especially around processes for transitioning any existing residents living in the hotel/motel prior to the City's acquisition under Homekey. Homekey gives us an opportunity to make an impactful dent in our homelessness crisis, but any missed policy in the program has the potential to create harmful consequences for residents who have already endured so much.

### *Neighborhood Advisory Groups*

As we move to bring the projects to fruition, creating a neighborhood advisory group should be considered for every Homekey site. For the first time, we are seeing units created quicker than ever. An advisory group can help foster a relationship between staff and the residents at the site with the larger community. Currently, there are advisory groups operating at several Bridge Housing Community (BHC) sites and creating a formal line of communication has allowed the community to receive updates and address concerns in a timely manner. Lastly, these neighborhood advisory groups should be established at the discretion and leadership of each Councilmember.

### *Branham Monterey Emergency Interim Housing Community (EIHC)*

The Rules Committee last week approved a proposal to complete or have under development 1,000 pandemic-era emergency interim housing units and expand the City's inventory of EIHCs to six additional sites across the City – in addition to the three EIHCs already constructed and the one EIHC up for approval at the upcoming Council meeting. This proposed EIHC on City land at Branham Lane and Monterey Road in Council District 10 will leverage both Homekey and philanthropic funding from a generous donor to hopefully become the City's fifth EIHC. Homekey funds will allow this EIHC to move forward and maximize density.

Neighborhoods that host EIHCs should see significant improvements in their quality of life. Unhoused residents living within the vicinity of a planned EIHC should be prioritized for placement, thereby humanely housing those already living in the area and effectively addressing neighbors' concerns regarding safety and blight at existing unmanaged encampments. For example, in the case of the Branham Monterey site, the unhoused residents currently living on that lot, the encampment at Branham and Highway 87, and nearby pockets of the Monterey Corridor should be at the front of the line to be admitted into the EIHC.

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.*