

Legislation Text

File #: 20-1242, **Version:** 1

Ratification of Application and Authorization for Project Homekey Funds for Acquisition of the Best Western San José Airport Hotel Located at 1488 North First Street for Supportive Housing.

(a) Adopt a resolution:

(1) Ratifying the submission and execution by the City Manager of an application for Project HomeKey funds to the California Department of Housing and Community Development (HCD) in order to address housing needs of individuals and families experiencing homelessness or at risk of experiencing homelessness and who are impacted by the COVID-19 pandemic;

(2) Authorizing the City Manager to negotiate and execute an HCD Standard Agreement and all other necessary related documents to accept \$10,868,000 in acquisition funding and up to \$1,362,477 in operating subsidy totaling \$12,230,477 from HCD in Project HomeKey funds;

(3) Authorizing the City Manager to negotiate and execute a Purchase and Sale Agreement with San José Hospitality, Inc., for the purchase by the City of San José Housing Department of the Sure Stay Best Western San José Airport Hotel located at 1488 North 1st Street for a price of \$14,136,000; and

(4) Authorizing the Director of Housing to negotiate and execute a Property Management Agreement with San José Hospitality, Inc., for the purposes of providing property management services to the Best Western San José Airport Hotel upon acquisition for the duration of 120 days in the amount of \$400,000.

(b) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Multi-Source Housing Fund:

(1) Establish an estimate for Revenue from State of California in the amount of \$12,230,477;

(2) Decrease the Ending Fund Balance by \$400,000; and

(3) Establish a Project HomeKey appropriation to the Housing Department in the amount of \$12,630,477.

CEQA: Not a discretionary project subject to CEQA pursuant to Health & Safety Code section 50675.1.1(g); Exempt per Public Resources Code 21080(b)(1) and CEQA Guidelines Section 15369 Ministerial Project pursuant to Government Code Section 65913.4. Council District 3. (Housing/City Manager)