



Office of the City Manager

## **REVISED AGENDA MATERIAL for Supplemental Packet 3**

**Meeting Date:** December 14, 2021

**Item Number:** 3

**Item Description:** Funding Recommendation and Joint Homekey Application for Golden Bear Inn at 1620 San Pablo

**Submitted by:** Lisa Warhuus, Director, Health, Housing & Community Services

The revised resolutions include the following changes:

- Adding flexibility in the sources of City funding for the Homekey project
- Adding a preference for homeless individuals in Berkeley, to the extent allowed under the Coordinated Entry System and laws and regulations.
- Removing references to CDBG funds since none are contemplated for this project.

RESOLUTION NO. ##,###-N.S.

APPROVAL OF THE FUNDING RESERVATION FOR THE GOLDEN BEAR INN  
HOMEKEY PROJECT

WHEREAS, and the City of Berkeley (“City”) is interested in partnering with a qualified housing developer to create permanent supportive housing for residents who are experiencing homelessness or at risk of homelessness; and

WHEREAS, in July 2020, the State of California Housing and Community Development Department (“HCD”) created the State Homekey Program and issued its first Notice of Funding Availability (“NOFA”) to fund the conversion of existing residential buildings, such as hotels, motels, other residential buildings and non-residential structures, to permanent supportive housing for residents who are homeless or at risk of being homeless and have been impacted by COVID-19; and

WHEREAS, in anticipation of HCD issuing a second Homekey NOFA, the City issued a Request for Qualifications (“RFQ”) on May 11, 2021, to solicit interest from developers with experience in acquisition, rehabilitation, operating and/or management of affordable housing and provision of resident and supportive services; and

WHEREAS, through the RFQ the City developed a list of eligible organizations; and

WHEREAS, on June 29, 2021, Council authorized issuing a Homekey Request for Proposals (RFP), and approved the use of HOME-ARP and general funds from Measure P for a future Homekey project; and

WHEREAS, HCD issued its second Homekey NOFA on September 9, 2021; and

WHEREAS, on October 5, 2021, the City issued an RFP to solicit proposals for Homekey-eligible projects from the organizations pre-qualified through the RFQ, and subsequently received one proposal; and

WHEREAS, Bay Area Community Services (BACS) and Memar Properties, Inc. (Memar) requested City funds to support the conversion of the Golden Bear Inn to permanent supportive housing.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council approves \$8,463,535 in funding reservations for the Golden Bear Inn Homekey project from a mix of some or all of the following sources: HOME-ARP, general funds received pursuant to Measure P, and the City’s Permanent Local Housing Allocation for the Golden Bear Inn Homekey project. The project would include a preference for homeless individuals in Berkeley to the extent allowable under the coordinated entry system and all other applicable laws and regulations.

BE IT FURTHER RESOLVED that funds shall be reserved for a period of no more than 12 months from the date of this Resolution, contingent on the development team obtaining

all required land use approvals and securing commitments for project funding that the City Manager or her designee deems sufficient within the reservation period.

BE IT FURTHER RESOLVED that all funding reservations are conditioned upon the completion of the environmental review process, except as authorized by 24 CFR, Part 58, and that should HOME ~~and/or CDBG~~ funds constitute a portion of the funding for any project, a final commitment of HOME ~~and/or CDBG~~ funds shall occur only upon the satisfactory completion of the appropriate level of environmental review and also upon the receipt of approval of the request for release of funds and related certification from the U.S. Department of Housing and Urban Development, when applicable. The funding reservation for any of the HOME ~~and/or CDBG~~ funded projects is conditioned upon the City of Berkeley's determination to proceed with, modify, or cancel the project based on the results of subsequent environmental review under the National Environmental Policy Act.

BE IT FURTHER RESOLVED that the making of each loan shall be contingent on and subject to such other appropriate terms and conditions as the City Manager or her designee may establish.

BE IT FURTHER RESOLVED the City Manager, or her designee, is hereby authorized to execute all original or amended documents or agreements to effectuate this action; a signed copy of said documents, agreements and any amendments will be kept on file in the Office of City Clerk.

RESOLUTION NO. ##,###-N.S.

JOINT APPLICATION FOR HOMEKEY FUNDS FOR GOLDEN BEAR INN HOMEKEY  
PROJECT LOCATED AT 1620 SAN PABLO

WHEREAS, the City of Berkeley (City) is considering a request for acquisition, development, and operation subsidies funding from Bay Area Community Services (BACS) and Memar Properties, Inc. (Memar) related to the development of Golden Bear Inn Homekey project, located at 1620 San Pablo; and

WHEREAS, On September 9, 2021, the State of California Housing and Community Development Department ("HCD") released a Notice of Funding Availability for \$1.45B of Homekey funds; and

WHEREAS, in order for BACS and Memar to pursue HCD funding through the Homekey program, BACS and Memar must submit a joint application with either the City or Alameda County; and

WHEREAS, the County will not provide match nor submit a joint application for projects not located in the Unincorporated area, and therefore, BACS and Memar have requested the City to submit a joint application; and

WHEREAS, the City may be required to accept a portion of the project's liability as a condition of the joint application, though the risk may be mitigated by a side agreement negotiated between the City and BACS and Memar.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it approves the submission of a joint application with BACS and Memar or their affiliate for the Homekey application for Golden Bear Inn Homekey project, with a preference for homeless individuals in Berkeley to the extent allowable under the coordinated entry system and all other applicable laws and regulations.

BE IT FURTHER RESOLVED that the City Manager shall work to mitigate risk to the City from serving as a joint applicant, including negotiating an agreement with BACS and Memar regarding mutual responsibilities.

BE IT FURTHER RESOLVED that the City Manager, or her designee, is authorized to execute in the name of Applicant the Homekey Program Application Package and the Homekey Program Documents as required by the Department for participation in the Homekey program.

BE IT FURTHER RESOLVED that the City Manager, or her designee, is hereby authorized to execute all original or amended documents or agreements to effectuate this action; a signed copy of said documents, agreements, and any amendments will be kept on file in the Office of the City Clerk.