

SUBJECT: **AGREEMENT TO ACCEPT HOMEKEY FUNDS FROM CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

PREPARED BY: **HUMAN SERVICES & RENT STABILIZATION DEPARTMENT**
(Christof Schroeder, Director)
(Corri Planck, Strategic Initiatives Manager)

STATEMENT ON THE SUBJECT:

The City Council will agree to accept the California State Department of Housing and Community Development Homekey grant in the amount of \$6,007,661.00 to support the conversion of the Holloway Motel into interim housing.

RECOMMENDATIONS:

- 1) Authorize acceptance of the California State Department of Housing and Community Development Homekey grant in the amount of \$6,007,661.00 to support the conversion of the Holloway Motel into interim housing.
- 2) Authorize City Manager or designee to execute all documents incident to the grant award.
- 3) Authorize the Director of Finance to increase revenues and expenditures in the Miscellaneous Grant Fund by an equal amount of \$6,007,661.00.

BACKGROUND / ANALYSIS:

Over the course of multiple City Council meetings in December 2021 and January 2022, the City Council authorized staff to submit a joint application with Ascencia to Project Homekey, a program of the California State Department of Housing and Community Development. The goal of securing grants funds from the State of California is to support the conversion of a local motel into interim housing for West Hollywood community members experiencing homelessness. The City Council identified the Holloway Motel, located at 8465 Santa Monica Boulevard in West Hollywood, would be an eligible hotel for this type of conversion, and in June 2022, the City Council approved a purchase sale agreement for the Holloway Motel.

On July 21, 2022, the City received notification that its Homekey Program application was awarded a grant in the amount of \$6,007,661.00, with \$4,799,661.00 for capital expenditures and \$1,208,000.00 for operating costs (Attachment A). This item authorizes the acceptance of those grant funds and authorizes the City Manager to execute all documents and agreements incident to the grant award.

The Homekey grant will allow the City to effectively address the goals in its 5-Year Plan to Address Homelessness, including the establishment of bridge housing (Goal 3) and to increase the number of special needs housing (Goal 5). Staff from multiple City

departments and divisions will work collaboratively to meet the requirements of the Homekey grant and associated Council direction related to this project.

CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:

This item is consistent with the Primary Strategic Goal(s) (PSG) and/or Ongoing Strategic Program(s) (OSP) of:

- PSG-2: Affordable Housing.
- OSP-5: Support People through Social Services.
- OSP-12: Actively Participate in Regional Issues.

In addition, this item is compliant with the following goal(s) of the West Hollywood General Plan:

- H-3: Encourage a diverse housing stock to address the needs of all socioeconomic segments of the community.
- H-6: Promote equal access to housing for all.
- HS-1: Maintain and pursue humane social policies and social services that address the needs of the community.

EVALUATION PROCESSES:

The agreement with HCD identifies the goals, actions, timelines and responsibilities of the City in the utilization of these funds.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

Data from demographic surveys of people experiencing homelessness in West Hollywood shows that many of these community members have undiagnosed and/or untreated physical and mental health challenges. Securing interim housing – and ultimately permanent housing – with supportive services will improve health outcomes for program participants.

COMMUNITY ENGAGEMENT:

This grant supports the implementation of the goals identified in the City's 5-Year Plan to Address Homelessness. That plan was created with extensive community engagement and feedback. The City has already begun a community engagement process specific to the Holloway Motel conversion utilizing Homekey funds, and will continue to gather feedback in the coming weeks and months.

OFFICE OF PRIMARY RESPONSIBILITY:

HUMAN SERVICES & RENT STABILIZATION DEPARTMENT/STRATEGIC INITIATIVES DIVISION

FISCAL IMPACT:

This item will increase revenues and expenditures by \$6,007,661.00 to Miscellaneous Grants account.

ATTACHMENT:

Attachment A: Homekey grant award letter from California State Department of Housing and Community Development

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE**

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July 21, 2022

David Wilson, City Manager
City of West Hollywood
8300 Santa Monica Boulevard
West Hollywood, CA 90069

Laura Duncan, City Manager
Ascencia
1851 Tyburn Street
Glendale, CA 91204

Dear David Wilson and Laura Duncan:

**RE: Award Announcement – Homekey Program
Notice of Funding Availability, Fiscal Year 2022/2023, Round 2
City of West Hollywood and Ascencia – *Holloway Motel*
Contract No. 22-HK-17481**

The California Department of Housing and Community Development (Department) is pleased to announce that the City of West Hollywood (Awardee) has been awarded a Homekey program, Round 2, award in the amount of \$6,007,661. This letter constitutes notice of the designation of Homekey funds for the Awardee.

Awardees will be able to draw down funds when the Standard Agreement is fully executed, and any general and special conditions have been cleared in writing.

Your Ambassador will be in communication with you to develop a Standard Agreement and confirm any documents needed to execute this contract.

Congratulations on your successful application. For further information, please contact Jason Blair, Homekey Program Manager, Program Design and Implementation Branch, at (916) 776-7671 or Jason.Blair@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Seeger". The signature is fluid and cursive.

Jennifer Seeger
Deputy Director
Division of State Financial Assistance