



COUNCIL REPORT

DATE: September 27, 2022

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Appropriation of State Community Development Block Grant Homekey Funding for the LifeMoves Mountain View Project**

RECOMMENDATION

Appropriate \$5 million in State Community Development Block Grant Funding for the LifeMoves Mountain View Project, contingent upon execution of the funding agreement between the City and the California Department of Housing and Community Development.

BACKGROUND

In 2020, the California Department of Housing and Community Development (HCD) awarded funding through its Project Homekey program to the City and LifeMoves to develop 100 units of interim housing at 2566 Leghorn Street. The project was completed in May 2021.

In April 2021, the State released the Community Development Block Grant (CDBG) Homekey Program to provide funding for projects that had applied to the 2020 CDBG Homekey Program. On August 24, 2021, the City Council adopted a resolution approving submittal of an application for CDBG Homekey grant funding in the amount of \$5 million and authorized the City Manager or designee to execute any related grant agreement if the funding is awarded for LifeMoves to undertake two activities to support the interim housing at 2566 Leghorn Street (see Attachment 1):

1. Acquire the site located at 1950 Leghorn Street to provide additional parking for the interim housing.
2. Install solar panels for the interim housing to enhance environmental sustainability and lower operating costs.

The CDBG Homekey application was submitted on August 30, 2021. In November 2021, HCD notified the City that the full \$5 million request was awarded. CDBG Homekey funding goes directly to the City because the program is based on Federal CDBG funds, and only entitlement jurisdictions (such as Mountain View) can receive such Federal funding. The funds will be passed through the City to LifeMoves (who is a subrecipient) through a reimbursement process as they

undertake the activities. The funds must be fully expended by the program's June 25, 2023 deadline.

ANALYSIS

Over the past few months, staff has been working with HCD and LifeMoves on two related agreements to effectuate the CDBG Homekey funding award, in order of the following steps:

1. Execute the City and HCD funding agreement through the State's Standard Agreement (in process).
2. City appropriation of the funding for the two LifeMoves activities, as discussed above.
3. Execute a CDBG agreement between the City and LifeMoves, as is typical with this funding.

Staff is currently working with HCD staff to execute its Standard Agreement. In parallel, staff is bringing this appropriation action for Council consideration while the HCD agreement is currently under way. The recommendation for funding appropriation is contingent upon completing the HCD agreement. Undertaking these two steps in parallel will expedite completion of the CDBG agreement (third step) and allow LifeMoves to access the funding in a timely manner given the June 2023 expenditure deadline.

FISCAL IMPACT

There is no fiscal impact to the City by appropriating the State CDBG Homekey funding for LifeMoves to undertake the two activities discussed.

PUBLIC NOTICING—Agenda posting.

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Attachment: 1. Council Report and Resolution, August 24, 2021