

1 [Revised Standard Agreement - California Department of Housing and Community
2 Development - Homekey Grant - Hotel Granada - Not to Exceed \$49,000,000]

3 **Resolution authorizing the Department of Homelessness and Supportive Housing**
4 **(HSH) to execute a revised Standard Agreement for up to \$49,000,000 of Homekey grant**
5 **funds from the California Department of Housing and Community Development to**
6 **Episcopal Community Services for the acquisition of the Granada Hotel at 1000 Sutter**
7 **Street for Permanent Supportive Housing; approving and authorizing HSH to commit**
8 **up to \$33,000,000 for project expenses and additional operational subsidies over five**
9 **years to satisfy local match requirements; and affirming the Planning Department’s**
10 **determination under the California Environmental Quality Act.**

11
12 WHEREAS, The California Department of Housing and Community Development
13 (“Department”) issued a Notice of Funding Availability (“NOFA”) dated July 16, 2020, for the
14 Homekey Program (“Homekey” or “Homekey Program”) pursuant to Health and Safety Code,
15 Section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.); and

16 WHEREAS, The Department of Homelessness and Supportive Housing (“HSH”),
17 together with Episcopal Community Services, a nonprofit corporation (“ECS”), as its co-
18 applicant, submitted two applications for Homekey funds (the “Applications”), one of which
19 was to enable ECS to purchase and renovate the Granada hotel at 1000 Sutter Street for
20 Permanent Supportive Housing (the “Granada Project”); and

21 WHEREAS, On September 21, 2020, the Granada Project Application was approved,
22 and the Department issued an initial award to the City in an amount not to exceed
23 \$45,000,000, with a required City match of \$23,000,000; and

24 WHEREAS, On October 6, 2020, the Board passed Resolution No. 445-20, authorizing
25 the Director or Deputy Director of HSH to execute and deliver the Department’s standard

1 agreement for Homekey funds in a total amount not to exceed \$45,000,000, and all other
2 documents to secure the Homekey funds to enable the acquisition of the Granada hotel; and

3 WHEREAS, The Department notified HSH that it will increase the capital award to
4 \$42,344,020 for the Granada Project in order to fund the acquisition and estimated
5 rehabilitation costs, and with the \$5,568,000 award for two years of operating costs for the
6 Project, the total estimated Homekey award for the Project will be \$47,912,020; and

7 WHEREAS, The increased Homekey award will increase the local match requirement
8 to approximately \$31,700,000, and the Department has funds that have already been
9 appropriated in the FY2020-21 and FY2021-22 budget to satisfy this increase in the City's
10 local match requirement; and

11 WHEREAS, The Homekey program requires that the Granada Project close escrow no
12 later than November 13, 2020; and

13 WHEREAS, In order to allow HSH to seek authorization to accept the additional
14 Homekey funds and to commit the additional City match, the Department and HSH will
15 execute the Standard Agreement (with an additional condition requiring approval by the Board
16 of Supervisors of the funding increase before the Department will provide the additional
17 funds), a copy of which is on file with the Clerk of the Board of Supervisors in File No. 201063
18 (the "Revised Standard Agreement"); and

19 WHEREAS, The Planning Department has determined that the Granada Project is
20 statutorily exempt from the California Environmental Quality Act under AB 83 (2020),
21 California Health and Safety Code, Section 506715.1.2, which determination is on file with the
22 Clerk of the Board of Supervisors in File No. 201063 and is incorporated herein by reference;
23 now, therefore, be it

24 RESOLVED, This Board affirms the Planning Department's determination that actions
25 contemplated by this Resolution are statutorily exempt from CEQA; and, be it

1 FURTHER RESOLVED, The Director or Deputy Director of HSH is hereby authorized,
2 in consultation with the City Attorney, to enter into, execute and deliver the Revised Standard
3 Agreement in a total amount not to exceed \$49,000,000, together with all other documents
4 deemed necessary or appropriate to secure the Homekey funds from the Department as
5 contemplated by this Resolution, and all amendments thereto (collectively, the “Homekey
6 Documents”); and, be it

7 FURTHER RESOLVED, The Board approves and authorizes HSH to commit up to
8 \$33,000,000 for to the Granada Project to satisfy the Department’s local match requirement;
9 and, be it

10 FURTHER RESOLVED, HSH will ensure that all such funds are used in a manner
11 consistent and in compliance with all applicable state and federal statutes, rules, regulations,
12 and laws, including without limitation all rules and laws regarding the Homekey Program, as
13 well as any and all contracts HSH may have with the Department; and, be it

14 FURTHER RESOLVED, The City acknowledges and agrees that it shall be subject to
15 the terms and conditions specified in the Revised Standard Agreement, and that the NOFA
16 and Granada Project Application will be incorporated in the Revised Standard Agreement by
17 reference and made a part thereof; any and all activities, expenditures, information and
18 timelines represented in the Application are enforceable through the Revised Standard
19 Agreement; and, be it

20 FURTHER RESOLVED, The Director or Deputy Director of HSH is authorized to enter
21 into any additions, amendments, or other modifications to the Revised Standard Agreement
22 and the Homekey Documents that they determine, following consultation with the City
23 Attorney, are in the best interests of the City and that do not materially increase the
24 obligations or liabilities of the City or materially decrease the benefits to the City; and, be it
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1 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
2 heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

3 FURTHER RESOLVED, That within thirty (30) days of the execution of the Revised
4 Standard Agreement, HSH shall provide a copy to the Clerk of the Board for inclusion into the
5 official file.
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