



# memorandum

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Date: May 9, 2023

To: Mayor and Councilmembers

From: Dan Schoenholz, Community Development Director

Subject: Corrections to the Resolution: **Item 6A – APPLICATION FOR STATE HOMEKEY ROUND 3 FUNDING** – Adopt a Resolution Authorizing Staff to Partner with Shangri-La Industries, LLC and Step Up on Second Street, Inc. on an Application for Funding under State Homekey Round 3 Program to Acquire, Rehabilitate and Operate a Supportive Services Affordable Housing Project at 46101 Research Avenue (Currently Motel 6); Conditionally Appropriate \$8,668,000 to Support the Project; Conditionally Recognize \$1,000,000 in Revenue from Alameda County in Support of the Project; and Authorize the City Manager or Her Designee to Execute Implementing Documents and Making Findings of CEQA Exemption

**Staff requests the following addition to Section 2 of the Resolution:**

“In addition, if the Application is approved, the City of Fremont is authorized to appropriate \$8,668,000 to support the project, as described in the staff report; to conditionally recognize \$1,000,000 in revenue from Alameda County in support of the project; and to execute a funding agreement and other implementing documents to receive the funds from the County.”

**The revised Section 2 of the Resolution should read as follows:**

SECTION 2. If the Application is approved, the City of Fremont is authorized to take all steps necessary and appropriate to enter into, execute, deliver and implement a Standard Agreement in a total amount not to exceed \$35,000,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “Homekey Documents”). In addition, if the Application is approved, the City of Fremont is authorized to appropriate \$8,668,000 to support the project, as described in the staff report; to conditionally recognize \$1,000,000 in revenue from Alameda County in support of the project; and to execute a funding agreement and other implementing documents to receive the funds from the County.

DRAFT

**RESOLUTION NO. 2023-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
FREMONT AUTHORIZING JOINT APPLICATION TO AND  
PARTICIPATION IN THE HOMEKEY PROGRAM AND MAKING  
FINDINGS OF CEQA EXEMPTION**

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WHEREAS, the Department of Housing and Community Development (“Department”) has issued a Notice of Funding Availability, dated March 29, 2023 (“NOFA”), for the Homekey Program (“Homekey” or “Program”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code Section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Sess.), § 20.); and

WHEREAS, the City of Fremont (“Co-Applicant”) desires to jointly apply for Homekey grant funds with Shangri-La Industries, LLC and Step Up On Second Street, Inc. (jointly “Company”). Therefore, the City of Fremont is joining Company in the submittal of an application for Homekey funds (“Application”) to the Department for review and consideration; and

WHEREAS, the Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, an agreement, substantially in the form of Department-approved STD 213, Standard Agreement (“Standard Agreement”), and all other legal requirements of the Homekey Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FREMONT  
RESOLVES AS FOLLOWS:

SECTION 1. The City of Fremont is authorized to submit a joint Application with the Company to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed \$35,000,000.

SECTION 2. If the Application is approved, the City of Fremont is authorized to take all steps necessary and appropriate to enter into, execute, deliver and implement a Standard Agreement in a total amount not to exceed \$35,000,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “Homekey Documents”). In addition, if the Application is approved, the City of Fremont is authorized to appropriate \$8,668,000 to support the project, as described in the staff report; to conditionally recognize \$1,000,000 in revenue from Alameda County in support of the project; and to execute a funding agreement and other implementing documents to receive the funds from the County.

SECTION 3. The City of Fremont acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement once executed, and, that the NOFA and Application will be incorporated into such Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

SECTION 4. Nothing in the actions authorized by this Resolution, including without limitation, the contract documents, or the regulatory agreement or otherwise, will constitute a commitment of any City funding to the project beyond what was identified in the five-year budget submitted as part of the application. City of Fremont further acknowledges that the City will work with all parties involved to identify stable funding sources for the longer term so that the project can continue to serve the target population for the full fifteen-year period laid out in the project financing plan and ultimately the fifty-five year affordability term required as part of the regulatory agreement.

SECTION 5. The City Council authorizes the City Manager or designee to execute the Application and the Homekey Documents on behalf of the City of Fremont for participation in the Homekey Program and to take all actions reasonably necessary for implementation of same, consistent with this Resolution.

SECTION 6. This action is exempt from the California Environmental Quality Act pursuant to, without limitation, Health & Safety Code Section 50675.1.4. Projects funded through the Homekey program are statutorily exempt from CEQA pursuant to Health and Safety Code Section 50675.1.4 if they meet certain criteria, each of which applies to this project. Each as a separate and independent basis, this action also is exempt pursuant to, without limitation, CEQA Guidelines Section 15378(b), 15183, and/or 15061(b)(3), in that it is a governmental fiscal or administrative activity that has no potential to cause, directly or indirectly, a significant effect on the environment and is consistent with the general plan and/or zoning.

ADOPTED \_\_\_\_\_, 2023, by the City Council of the City of Fremont by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The undersigned, Susan Gauthier of the City of Fremont, does attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney