



STAFF REPORT – CITY COUNCIL MEETING

February 15, 2023

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: February 08, 2023

TITLE: **Adopt Resolution No. 223-33, a Resolution of the Governing Body of the City of Arcata Authorizing Joint Application to and Participation in the Homekey Program and Amending Resolution No. 212-51, and Authorize Amendments to the Standard Agreement.**

RECOMMENDATION:

It is recommended that the Council adopt Resolution No. 223-33, a Resolution of the Governing Body of the City of Arcata Authorizing Joint Application to and Participation in the Homekey Program and Amending Resolution No. 212-51, and authorize amendments to the Standard Agreement.

INTRODUCTION:

A successful application for the West Village Studios Homekey project was made jointly with Danco Communities. The property owner is Arcata Valley West Boulevard LP (AVWB). AVWB is party to the Regulatory Agreement that must be recorded against the property. The Department of Housing and Community Development (HCD) requires a resolution by the City Council adding the property owner using their resolution form. This action will add the LP to the Standard Agreement so the City can enter the Regulatory Agreement with the LP in addition to other minor amendments to the Standard Agreement.

BACKGROUND:

On March 15, 2022, the City Council adopted Resolution 212-51 which authorized joint application with Danco Communities, developer of affordable housing. At the time of application for Homekey the entity that would own the property, Arcata Valley West Boulevard LP, had not yet been formed and could not be an applicant.

The Regulatory Agreement, which will be in effect for the Homekey project and our CDBG loan, is recorded against the property and requires execution by the property owner. The Regulatory Agreement must be approved by HCD. In order to approve the Regulatory Agreement, they require resolutions adding AVWB to the executed Standard Agreement 21-HK-17183, at which time they

can approve the Regulatory Agreement. The HCD-approved Regulatory Agreement must be recorded by March 28, 2023.

DISCUSSION:

The purpose of Resolution 223-33 is to document approval of the addition of Arcata Valley West Boulevard LP as co-applicant with Danco Communities and the City of Arcata. Although the resolution reads as though application is yet to be made, the form is authorized by HCD Homekey staff.

In addition, this action approves an amendment to the Homekey Standard Agreement reference to income levels so that individuals with income benefits are not prevented from securing housing at these projects. The application was initially made with reference to income level. All households were required to earn less than 50% Area Median Income. The Homekey program does not regulate based on income. Instead, the program is designed to address households experiencing homelessness. Staff recommends the change to the Standard Agreement to allow the program to address homelessness even if the households had income above 50% of the area median.

POLICY IMPLICATIONS:

None

COMMITTEE/COMMISSION REVIEW:

None

ENVIRONMENTAL REVIEW (CEQA):

CEQA and NEPA have been completed for this project.

BUDGET/FISCAL IMPACT:

No additional fiscal impact from this action. The grant provided \$19MM for the Grove Homekey project.

ATTACHMENTS:

A. Resolution 223-33 (DOCX)