

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING (A) THE AWARD OF FUNDS FROM THE NOTICE OF FUNDING AVAILABILITY FOR NONPROFIT CAPACITY BUILDING RELATED TO COMMUNITY DEVELOPMENT PROGRAMMING TO THE AGENCIES BELOW; AND (B) THE DIRECTOR OF HOUSING, ACTING DIRECTOR OF HOUSING, OR THEIR DESIGNEE TO NEGOTIATE AND EXECUTE GRANT AGREEMENTS WITH THE FOLLOWING NONPROFIT ORGANIZATIONS FOR THE TERM OF AUGUST 1, 2024 - JULY 31, 2026, IN THE AMOUNTS LISTED BELOW: (1) SOUTH BAY COMMUNITY LAND TRUST TO BUILD CAPACITY TO DO HOUSING ACQUISITION/REHABILITATION WORK, IN THE AMOUNT OF \$300,000; (2) SACRED HEART COMMUNITY SERVICE TO BUILD CAPACITY TO DO HOUSING ACQUISITION/REHABILITATION WORK, IN THE AMOUNT OF \$265,000; (3) SOMOS MAYFAIR, INC. TO BUILD ITS COMMUNITY ENGAGEMENT AND LIMITED EQUITY HOUSING COOPERATIVES CAPACITY SUPPORTING HOUSING ACQUISITION/REHABILITATION IN THE AMOUNT OF \$260,000; AND (4) SCHOOL OF ARTS AND CULTURE AT THE MEXICAN HERITAGE PLAZA TO UNDERTAKE COMMUNITY-FOCUSED AFFORDABLE HOUSING DEVELOPMENT IN THE AMOUNT OF \$175,000

WHEREAS, on May 25, 2021, the City of San José (“City”) City Council approved Google’s Downtown West Mixed-Use Plan, including a Downtown West Mixed-Use Plan Development Agreement (“Development Agreement”); and

WHEREAS, the Development Agreement outlined how Google would deliver Community Benefits funds, investments that go beyond the City’s baseline requirements to address the City’s top priorities; and

WHEREAS, one component of the Community Benefits funds was an early payment of \$7,500,000 from Google, which included \$3,000,000 in Immediate Community Stabilization and Ownership Programs, funding for scholarships, job training, neighborhood programs to support economic recovery/resilience, educational opportunities, and early childhood education and childcare support; and

WHEREAS, these programs were approved by City Council on August 31, 2021, and this action authorized the award of \$1,000,000 in Community Benefit funds provided to the City to build the capacity of three or four existing community-based organizations (“CBOs”) so they could increase their role in community development activities; and

WHEREAS, on September 15, 2023, the Housing Department issued a \$1,000,000 Notice of Funding Availability (NOFA) for nonprofit capacity building related to community development programming, with an emphasis on anti-displacement; and

WHEREAS, in alignment with City Council’s direction, the NOFA’s specified goal was to help CBOs play more substantial roles in preserving neighborhoods, mitigating residential displacement risk, and empowering residents to shape the future of their communities; and

WHEREAS, eight applicants submitted proposals, and staff convened a five-person evaluation panel in which the panel members individually reviewed the applications based on the following categories: (1) Staff Capacity and Work Plan; (2) Community Impact; (3) Organizational Commitment; and (4) Financial Capacity; and;

WHEREAS, the panel convened on January 12, 2024, to discuss their individual ratings and review any potential discrepancies in their scores; and

WHEREAS, the panel ratings were consistent among all raters, and the aggregated group ratings resulted in a significant gap between the scores of the fourth highest-rated proposal and those of the four-lower rated applications; and

WHEREAS, with the concurrence of the evaluation panel, two Housing Department panel members contacted the four applicants with the highest scores to determine if the amount of funding requested in their proposals could be reduced to focus on activities that build capacity, and the applicants were able to modify their funding requests to allow the Housing Department to recommend the award of funds to South Bay Community Land Trust (“SBCLT”) for \$300,000, Sacred Heart Community Services (“Sacred Heart”) for \$265,000, SOMOS Mayfair, Inc. (“SOMOS”) for \$260,000, and School of Arts and Culture (“SOAC”) at Mexican Heritage Plaza for \$175,000; and

WHEREAS, grant funds will help the SBCLT build capacity in order to acquire an 18-unit property (the Virginian) in the Mayfair neighborhood, and funds will cover predevelopment support and knowledge transfer from MidPen Housing Corporation, a nonprofit affordable housing developer with more than 40 years of experience; and

WHEREAS, Sacred Heart will work with Alta Housing, a nonprofit affordable housing developer, to build Sacred Heart’s capacity to perform housing acquisition and rehabilitation and grant funds will be used to pay Alta Housing, train Sacred Heart staff, identify specific properties that may be sold within the next few years and/or are affordable housing projects at risk of displacing existing residents, hire organizing staff, organize the community to support these efforts, and seek funds for potential property acquisition/rehabilitation; and

WHEREAS, in partnership with Amigos de Guadalupe Center for Justice and Empowerment (“Amigos”), SOMOS and Amigos will build its capacity to reach, engage, educate, train, mobilize, and civically activate its East San José constituencies to

advocate and support citywide residential anti-displacement strategies, and SOMOS will use the City's grant funds to build its capacity to advance a Mayfair-focused Limited Equity Housing Cooperative homeownership model, support staff time for both SOMOS and Amigos, training to undertake these activities that support the development of Mayfair's housing preservation ecosystem, and outreach expenses to execute their community engagement plan; and

WHEREAS, grant funds will allow SOAC to engage with subject matter experts and consultants that will help SOAC determine next steps to advance community-based affordable housing development on its site, transferring knowledge to enable SOAC to engage in predevelopment activities, and support SOAC's efforts to develop a multifamily affordable housing property at Mexican Heritage Plaza in the Mayfair neighborhood; and

WHEREAS, a primary goal of this CITY NOFA was to fund capacity building related to community development programming, with an emphasis on CBO's development of skills for residential anti-displacement work; and

WHEREAS, in terms of the proposed NOFA funding recipients, three of the four NOFA-awarded CBOs (SOMOS, SBCLT, and the School of Arts and Culture at the Mexican Heritage Plaza) have specified activities centered on the Mayfair neighborhood, and the other proposed recipient, Sacred Heart, intends to identify a development site in an area of San José experiencing, or at high risk of, displacement; and

WHEREAS, funding of each nonprofit partner will result in numerous benefits to the San José community by empowering historically underserved neighborhoods to prevent displacement, support economic recovery, allow for the provision of essential services to low-income households, and bolster the resiliency that the east side of San José encompasses; and

WHEREAS, the funds have already been received by the City and are included in the City's approved Fiscal Year 2023-2024 budget, no additional appropriation is required, and this action will not have an ongoing fiscal impact to the General Fund; and

WHEREAS, this funding will help prevent residential displacement, as described in the April 30, 2024, memorandum from the Acting Housing Director, Rosalynn Hughey, for the May 21, 2024, City Council meeting; and

WHEREAS, approval of the staff recommendation will authorize the Housing Department to enter into grant contracts and administer a total of \$1,000,000 provided by Google LLC's initial community benefit contribution to the City of San José, and will enable the Director of Housing to negotiate and execute four agreements for activities beginning in Fiscal Year 2024-2025;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

(a) The award of funds from the Notice of Funding Availability for nonprofit capacity building related to community development programming to the agencies below is hereby authorized; and

(b) The Director of Housing, Acting Director of Housing, or their designee is hereby authorized to negotiate and execute grant agreements with the following nonprofit organizations for the term of August 1, 2024 - July 31, 2026, in the amounts listed below:

- (1) South Bay Community Land Trust to build capacity to do housing acquisition/rehabilitation work, in the amount of \$300,000;
- (2) Sacred Heart Community Service to build capacity to do housing acquisition/rehabilitation work, in the amount of \$265,000;

- (3) SOMOS Mayfair, Inc. to build its community engagement and limited equity housing cooperatives capacity supporting housing acquisition/rehabilitation in the amount of \$260,000; and
- (4) School of Arts and Culture at the Mexican Heritage Plaza to build its capacity to undertake community-focused affordable housing development in the amount of \$175,000.

ADOPTED this _____ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk