



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Chris Burton  
Jim Shannon

**SUBJECT: SEE BELOW**

**DATE:** August 19, 2024

Approved

Date:

8/26/24

**COUNCIL DISTRICT:** Citywide

**SUBJECT: Grant Agreement with Destination: Home SV and Adoption of  
Appropriation Ordinance and Funding Sources Resolution Amendments**

## **RECOMMENDATION**

- (a) Approve a Grant Agreement between Destination: Home SV and the City of San José for one year, retroactively from July 1, 2024 through June 30, 2025, in the total amount of \$180,000 to expedite applications for supportive or extremely low-income housing developments.
- (b) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:
  - (1) Increase the Destination: Home SV Grant City-Wide Expenses appropriation to the Planning, Building and Code Enforcement Department by \$180,000; and
  - (2) Increase the estimate for Other Revenue by \$180,000.

## **SUMMARY AND OUTCOME**

Approval of this recommendation will enable the City to retroactively accept a renewed grant award from Destination: Home SV. The grant will be used to fund a temporary Planner III position in the Planning, Building, and Code Enforcement Department with the sole purpose of expediting land use applications for supportive or extremely low-income housing development by functioning as the City project manager for these applications and also providing predevelopment services to applicants.

## **BACKGROUND**

Destination: Home SV is a nonprofit public benefit corporation that invests in organizations and programs with key strategic initiatives to end homelessness in Santa Clara County. Destination: Home SV is a supporting organization of the Silicon Valley Community Foundation. The foundation provides administrative and office support to 13 nonprofits including Destination: Home SV.

On November 6, 2018, the City Council accepted a grant from Destination: Home SV in the amount of \$540,000 to fund a dedicated Planner I/II/III position overseeing affordable housing entitlements. The original grant period was from September 1, 2018 through June 30, 2021. The funding allowed Planning, Building, and Code Enforcement Department staff to guide affordable housing developers more effectively and efficiently through the entitlement process. Based on these results and positive feedback from the development community, Destination: Home SV agreed to a second, three-year grant from July 1, 2021 through June 30, 2024.

On July 29, 2024, the Planning Division was awarded a grant of \$180,000 from Destination: Home SV. Given the slowdown in the construction of affordable housing and diminishing funds available for permanent affordable housing, the grantor will only provide funds for one year.

## **ANALYSIS**

The Planning Division in the Planning, Building, and Code Enforcement Department was awarded a grant to fund one temporary Planner III position for one year. Similar to the original grant, the Planner III is required by the grant agreement to be assigned solely to work on affordable multifamily housing projects that have at least 30% set aside for supportive or extremely low-income apartments. Once the grant is executed, the grant will be paid in full. Funds that are unspent by the City at the end of the grant period will be returned to Destination: Home SV.

The following data-related performance metrics will be used to evaluate the success of this grant: (1) The total number of affordable housing applications processed; (2) the average length of time to full approval for each application received; and (3) planning letter comment timeliness. These metrics and outcomes will provide the City of San José and the development community with an understanding of the barriers and/or obstacles that arise during the entitlement process.

## **EVALUATION AND FOLLOW-UP**

No additional City Council action is expected for this grant.

### **COST SUMMARY/IMPLICATIONS**

This program is funded by Destination: Home SV. There is no cash or in-kind match requirement with this grant. The total grant award is \$180,000 for a period of one year. The recommendations in this memorandum will recognize the grant funding and appropriate it to fund a dedicated temporary Planner III position in the Planning, Building, and Code Enforcement Department.

### **BUDGET REFERENCE**

The table below identifies the fund and appropriations to fund the contract and grant recommended as part of this memorandum.

<b>Fund #</b>	<b>Appn. #</b>	<b>Appropriation Name</b>	<b>Total Appropriation</b>	<b>Rec. Budget Action</b>	<b>2024-2025 Proposed Operating Budget Page*</b>	<b>Last Budget Action (Date, Ord. No.)</b>
001	204S	Destination: Home SV Grant	\$8,405	\$180,000	779	31102 (6/18/2024)
001	R130	Other Revenue	\$9,560,067	\$180,000	205	24-269 (6/18/2024)

\*The 2024-2025 Adopted Operating Budget was approved on June 11, 2024 and adopted on June 18, 2024 by the City Council.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the September 10, 2024 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

August 19, 2024

**Subject: Acceptance of a Grant Agreement and Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments**

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**CEQA**

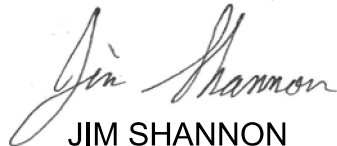
Not a Project, File No. PP17-004, Government Funding Mechanism, or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

**PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

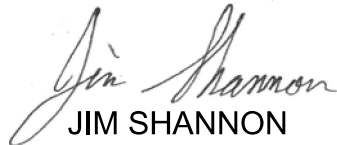
/s/

CHRIS BURTON, Director  
Planning, Building, and Code Enforcement



JIM SHANNON  
Budget Director

I hereby certify that there will be available funding for appropriation in the General Fund in Fiscal Year 2024-2025 monies in excess of those heretofore appropriated therefrom, said excess being at least \$180,000.



JIM SHANNON  
Budget Director

For questions, please contact Ruth Cueto, Principal Planner, Planning, Building, and Code Enforcement Department, at [ruth.cueto@sanjoseca.gov](mailto:ruth.cueto@sanjoseca.gov) or (408) 535-7886.