



June 14, 2023

Consuelo Hernandez
Director of Supportive Housing
County of Santa Clara
150 W. Tasman Avenue
San Jose, CA 95134

Subject: Santa Clara Family Community Homekey Project

Dear Ms. Hernandez:

This letter is to acknowledge the funding commitment by the City of Santa Clara, a California municipal corporation ("City") for the proposed development of the Santa Clara Family Community, a new emergency interim housing consisting of 30 prefabricated modules on a 1.3-acre County of Santa Clara-owned site located on the southeast corner of Lawrence Expressway and Benton Street in Santa Clara ("Project"). The Project is being co-developed by LifeMoves, a California nonprofit public benefit corporation ("LifeMoves") and the County of Santa Clara ("County") and these entities will also serve as co-applicants for the Homekey application.

The City acknowledges that the County and LifeMoves intend to apply to the State of California Housing and Community Development ("State") for a Homekey funding during the Homekey Notice of Funding Availability (NOFA) Round 3.

On May 2, 2023, the Santa Clara City Council voted to allocate up to \$7,000,000 to support operations for this Project. On June 27, 2023, City staff will request the City Council to appropriate \$5,124,369 to fund a portion of the Project's operating expenses for seven years. By fall of 2023, staff will also request that the City Council appropriate \$1,875,631 in Permanent Local Housing Allocation (PLHA) funds for operations. Together these sources will total \$7,000,000 and will be disbursed over seven years. These funds will be structured as a conditional grant so there will be no interest rate or repayment required.

Approval of the City's final business terms will take the form of a Revenue Agreement that is subject to City Council approval. Approval will occur closer to financing according to the City's general underwriting parameters and per requirements of the State Homekey Program, the County and other funders. The agreement will require a restrictive covenant to be recorded and will be subject to terms and conditions to be negotiated between the parties that includes restrictions on the use, operation, and occupancy of the project for families; submission of an annual management and security plan; and the creation of an oversight committee.

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The City supports the County's and LifeMoves' application to the State for Homekey funds to enable this much-need Project to end homelessness in Santa Clara County. If award of Homekey funds occurs, the City will proceed with finalizing a Revenue Agreement for City Council approval. Thank you for your efforts, and we appreciate the State's consideration of this worthy Project. If you have any questions, please contact Adam Marcus, Housing & Community Services Manager at amarcus@santaclara.gov.

Sincerely,



Jovan D. Grogan
City Manager

cc: Andrew Crabtree
Adam Marcus