



Office of the City Manager

06

CONSENT CALENDAR

May 19, 2026

To: Honorable Mayor and Members of the City Council  
From: Paul Buddenhagen, City Manager  
Submitted by: Scott Gilman, Director, Health, Housing, and Community Services  
Subject: Joint Homekey+ Application for Supportive Housing in People's Park at 2556 Haste St.

RECOMMENDATION

Adopt two Resolutions approving the following actions in support of a Homekey+ program funding allocation by:

1. Authorizing the City Manager or designee to prepare and submit a joint application with Satellite Affordable Housing Associates (SAHA) to the State of California Housing and Community Development (HCD) Department's Homekey+ program for Supportive Housing in the People's Park project, which will provide permanent supportive housing for people experiencing homelessness.
2. Authorizing the City Manager or designee to take all necessary actions for the City's participation in HCD's Homekey+ program, including entering into HCD's Standard Agreement and any amendments.
3. Authorizing the City Manager or designee to execute all original or amended documents or agreements necessary to effectuate these actions.

FISCAL IMPACTS OF RECOMMENDATION

If the joint application to the Homekey+ program is successful, the total award of up to \$35,000,000 (to be split between capital and operating expenses) will go to SAHA. HCD requires the eligible applicant, the City, to be the recipient of funds. If the application is awarded, the City will pass the funds through to SAHA, or SAHA SHIPP, L.P, the Special Purpose Entity (SPE) created by SAHA to own and operate the project.

The City has an existing funding reservation intended for this project of just over \$14,359,593 to support the project's construction and operating expenses; no new City funds will be allocated with this Council action.

CURRENT SITUATION AND ITS EFFECTS

SAHA requested that the City jointly apply for Homekey+ funding to support the construction and operation of its Supportive Housing in People's Park Project. This project, to be located at 2556 Haste St., is planned to be a 110-unit affordable

apartment project serving low-income households and previously unhoused individuals earning between 10% and 50% AMI.

On December 14, 2021, with resolution 70,135-N.S., Council approved the reservation of \$14,359,593 in Housing Trust Fund (HTF) dollars to support the development of Supportive Housing in People's Park. On February 10, 2026, with Resolution 72,124 N.S., Council extended the existing HTF reservation. Of the \$14,359,593, \$10,909,593 is for development of the project, and \$3,450,000 is for operating subsidies. SAHA intends to use the Homekey+ funds to fill gaps in financing and will apply for the maximum eligible amount of \$35 million.

SAHA signed an Exclusive Negotiation Agreement (ENA) with the University of California, Berkeley (the University) in December 2025. Since then, SAHA applied for and was awarded \$8 million in Alameda County Measure W funds to support the project. The City also holds an award of \$13,926,261 in loan funding and \$2,758,957 in grant funding from HCD's No Place Like Home (NPLH) program, which was awarded in June of 2022 before SAHA took over development of the project. In addition to Homekey+, the development team intends to pursue 4% tax credits and Project Based Vouchers (PBVs). If SAHA is successful, the project could begin construction in 2027.

To meet the eligibility requirements of HCD's Homekey+ program, the City must jointly apply with the development team and provide matching funds. The application will list the City's \$14,359,593 HTF reservation as the required capital match. In order for the project to receive the Homekey+ funds, the City will be required to enter into the State's Standard Agreement, which will require the project to remain affordable for 55 years. The City may be required to accept a portion of the project's liability as a condition of the joint Homekey+ application. Any mitigation of such risk will be part of a side agreement negotiated between the City and SAHA and will include indemnification terms as well as each party's respective responsibilities.

### BACKGROUND

Homekey+ is a program funded by Proposition 1 to build permanent supportive housing for veterans and other individuals with mental health and/or substance use disorders. HCD released the Homekey+ NOFA on November 23, 2024, and then released an amended NOFA on March 27, 2026. The amendment states that applications are now being accepted for projects pursuing tax credits. This makes the Supportive Housing in People's Park project eligible. HCD will accept and announce Homekey+ awards on a first come, first served basis. Homekey+ applications require participation of a public entity, and entities are required to use HCD's Homekey+ resolution template, which must be adopted as written.

The City has partnered on three successful Homekey or Homekey+ applications to date. In 2021, the City jointly applied with Bay Area Community Services (BACS) and Memar Properties for the Golden Bear Inn, which is located at 1620 San Pablo Avenue and was formerly operated as a 44-room hotel. The project reached full occupancy in

January 2023 and serves chronically homeless households, with services provided by Housing Consortium of the East Bay (HCEB). In 2023, the City jointly applied with Memar Properties and HCEB during the third round of Homekey funding for the University Inn located at 1461 University. The 43-unit project is occupied, and renovations will be completed in May 2026. Most recently, the City jointly applied with Insight Housing for Homekey+ funding for their MLK House property, located at 2942 Martin Luther King, Jr. Way. Insight anticipates starting rehab work in summer 2026 and will serve 11 formerly unhoused veterans.

#### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no environmental sustainability effects directly associated with the recommendations in this report. If the City's funding application is successful, the project will be constructed in accordance with City of Berkeley green building requirements.

#### RATIONALE FOR RECOMMENDATION

Participation in a joint Homekey+ application with SAHA for the Supportive Housing in People's Park project will support people experiencing homelessness in Berkeley and will bring permanent supportive housing units for that population online in the next few years.

#### ALTERNATIVE ACTIONS CONSIDERED

The City could decline to participate in the Homekey+ program. Since that would not be consistent with the City's Strategic Plan to increase affordable housing opportunities, staff is recommending participation as described above.

#### CONTACT PERSON

Kelly deWolfe, Community Development Project Coordinator, HHCS, (510) 981-5424

#### Attachments:

- 1: Resolution – Approval to Submit Joint Application with Satellite Affordable Housing Associates
- 2: Resolution of the Governing Body of City of Berkeley Authorizing Joint Application to and Participation in the HOMEKEY+ Program

RESOLUTION NO. ##,###-N.S.

APPROVAL TO SUBMIT JOINT APPLICATION WITH SATELLITE AFFORDABLE HOUSING ASSOCIATES FOR HOMEKEY+ FUNDS FOR SUPPORTIVE HOUSING IN PEOPLE'S PARK LOCATED AT 2556 HASTE ST.

WHEREAS, on December 14, 2021, by Resolution No. 70,135-N.S., City Council approved the reservation of \$14,359,593 in Housing Trust Funds (HTF) to support the construction and operations of Supportive Housing in People's Park project; and

WHEREAS, on February 10, 2026, by Resolution No. 72,124-N.S., City Council approved the extension of \$14,359,593 in HTF reserved funds to support the construction and operations of Supportive Housing in People's Park project; and

WHEREAS, in December 2025, Satellite Affordable Housing Associates (SAHA) signed an Exclusive Negotiation Agreement (ENA) with the University of California, Berkeley to be the developer of the project; and

WHEREAS, on March 27, 2026, the State of California Housing and Community Development Department ("HCD") released an amended Notice of Funding Availability for \$2.2B of Homekey+ funds, making the project eligible to apply; and

WHEREAS, in order for SAHA to pursue HCD funding through the Homekey+ program, SAHA must submit a joint application with the City of Berkeley; and

WHEREAS, the City may be required to accept a portion of the project's liability as a condition of the joint Homekey+ application, though the risk may be mitigated by a side agreement negotiated between the City and SAHA or its Special Purpose Entity (SPE), SAHA SHIPP, L.P.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it approves the submission of a joint application with SAHA or SAHA SHIPP, L.P for the Homekey+ application for Supportive Housing in People's Park.

BE IT FURTHER RESOLVED that the City Manager shall work to mitigate risk to the City from serving as a joint applicant, including negotiating an agreement with SAHA or SAHA SHIPP, L.P regarding mutual responsibilities.

BE IT FURTHER RESOLVED that the City Manager, or designee, is authorized to execute in the name of Applicant the Homekey+ Program Application Package and the Homekey+ Program Documents as required by HCD for participation in the Homekey+ program.

BE IT FURTHER RESOLVED that the City Manager, or designee, is hereby authorized to execute all original or amended documents or agreements to effectuate this action; a signed copy of said documents, agreements, and any amendments will be kept on file in the Office of the City Clerk.

RESOLUTION NO. ##,###-N.S.

**Supportive Housing in People's Park**

RESOLUTION OF THE GOVERNING BODY OF CITY OF BERKELEY AUTHORIZING  
JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY+ PROGRAM

WHEREAS, the Department of Housing and Community Development ("HCD") has issued a Notice of Funding Availability, dated November 26, 2024 ("NOFA"), for the Homekey+ Program ("Homekey+" or "Program"). HCD has issued the NOFA for Homekey+ grant funds pursuant to Health and Safety Code Section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.) Health and Safety Code Section 50675.1.5 (Assem. Bill No. 531 (2023-2024 Reg. Sess.); Section 14184.402 of the Welfare and Institutions Code; Section 5891.5 of the Welfare and Institutions Code; and Round 5 and 6 of the Homeless Housing, Assistance and Prevention (HHAP) grant program. (Assem. Bill No. 129 (Chapter 40, Statutes 2023) and Assem. Bill No. 166 (Chapter 48, Statutes 2024), respectively; and

WHEREAS, City of Berkeley ("Applicant") desires to jointly apply for Homekey+ grant funds with Satellite Affordable Housing Associates ("SAHA") and/or their Special Purpose Entity ("SPE"), SAHA SHIPP, L.P, therefore, Applicant is joining SAHA in the submittal of an application for Homekey+ funds ("Application") to HCD for review and consideration; and

WHEREAS, HCD 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, the HCD-approved STD 213, Standard Agreement ("Standard Agreement"), and all other legal requirements of the Homekey+ Program.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that SAHA or its affiliate SAHA SHIPP, L.P, in coordination with the City Manager, is hereby authorized and directed to submit a joint Application to HCD in response to the NOFA, and to jointly apply for Homekey+ grant funds in a total amount not to exceed \$35 million.

BE IT FURTHER RESOLVED that if the Application is approved, SAHA or its affiliate SAHA SHIPP, L.P is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$35 million, any and all other documents required or deemed necessary or appropriate to secure the Homekey+ funds from HCD and to participate in the Homekey+ Program, and all amendments thereto (collectively, the "Homekey+ Documents").

BE IT FURTHER RESOLVED that SAHA or its affiliate SAHA SHIPP, L.P acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the 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.

BE IT FURTHER RESOLVED that the City Manager or their designee is authorized to execute the Application and the Homekey+ Documents on behalf of SAHA or its affiliate SAHA SHIPP, L.P. for participation in the Homekey+ Program.