

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.19
(ID # 18008)

MEETING DATE:

Tuesday, January 11, 2022

FROM : HOUSING AND WORKFORCE SOLUTIONS:


SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adopt Resolution No. 2022-024, Approving Funding Allocation and Authorizing Submittal of a Joint Application with Abode Communities to the State of California Department of Housing and Community Development for Homekey Program Funds for a Grant Amount Not to Exceed \$13,080,000; Approval and Execution of a Standard Agreement to Accept the Grant Funding if Awarded, and Any Amendments Thereto; and Any Related Documents Necessary to Participate in the Homekey Program; and Approval of Up to \$1,900,000 in American Rescue Plan Act (ARPA) Funding Allocation from the County of Riverside as Local Matching Funds in Support of the Homekey Program Funding Application to Department of Housing and Community Development (HCD); District 2. [\$1,900,000 – 13% Federal ARPA Funds; \$13,080,000 – 87% State HCD Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2022-024, Approving Funding Allocation and Authorizing Submittal of a Joint Application with Abode Communities to the State of California Department of Housing and Community Development for Homekey Program Funds for a Grant Amount Not to Exceed \$13,080,000; Approval and Execution of a Standard Agreement to Accept the Grant Funding if Awarded, and any Amendments Thereto; and Any Related Documents Necessary to Participate in the Homekey Program;
2. If awarded, approve the form of the State of California's Standard Agreement, attached hereto, and authorize the Director of Housing and Workforce Solutions (HWS), or designee, on behalf of the County of Riverside, to accept the grant award and execute a form of the State of California's Standard Agreement, substantially conforming in form and substance to the attached Standard Agreement;

Continued on page 2

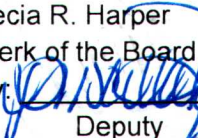
ACTION:Policy, A-30


Heidi Marshall, Director 12/21/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 11, 2022
xc: HWS

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

3. Approve up to \$1,900,000 from American Rescue Plan Act (ARPA) funds as local matching funds for the proposed project, in the City of Corona, subject to the conditions set forth in Resolution No. 2022-024; and
4. If awarded, authorize the Director of HWS, or designee, to negotiate and execute any and all other documents, including but not limited to, memoranda of understanding, covenant agreements, and regulatory agreements, and any amendments thereto, as required by HCD for participation in the Homekey Program and to implement said program, in an amount not to exceed a total of \$13,080,000, subject to approval as to form by County Counsel.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$14,980,000	\$ 0	\$14,980,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 13% - County of Riverside American Rescue Plan Act Funds; 87% - Homekey Program Funds from the California Department of Housing and Community Development			Budget Adjustment: No	
			For Fiscal Year: 21/22 – 22/23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On September 9, 2021, the Department of Housing and Community Development (HCD) published a Round 2 Notice of Funding Availability (NOFA) for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Sess.)). The Homekey Program is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness. HCD has allocated \$1.45 billion in Homekey funding: \$1.2 billion of which is derived from the State's direct allocation of the federal Coronavirus State Fiscal Recovery Fund (CSFRF) established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2); \$250 million is derived from the State's General Fund. Projects receiving an award from the State's direct allocation of federal ARPA funds must be expended within eight months of the date of award. The portion of a Project's award associated with the State's General Fund must be expended by June 30, 2026. Depending on the funding award, the successful applicant must close escrow by the expenditure deadline.

The County of Riverside through its department of Housing and Workforce Solutions (HWS), has identified a potential project that could benefit from HCD Homekey Program grant funds and is proposing to partner with Abode Communities, a California nonprofit affordable housing developer, to apply to HCD for Homekey Program funds. Below is a brief description of the proposed project:

Application 1: Resolution No. 2022-024 Requesting \$13,080,000

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HWS is proposing to partner with Abode Communities (Developer), to apply for up to \$13,080,000 in Homekey Program funds to acquire the Ayres Hotel located at 1910 Frontage Road in the City of Corona and convert the hotel to permanent supportive housing for individuals that are homeless or at risk of homelessness and impacted by COVID-19. The Proposed Project would provide 52 units of permanent supportive housing and one additional unit set aside as a manager's unit. The hotel was built in 2005 so the units are in excellent condition; rehabilitation of the units is minimal and is only expected to take 8-12 months, compared to the usual 3- to 5-year timeframe for new construction projects. The proposed project will feature wrap around supportive services that all residents of the proposed project will be eligible to receive so that residents may achieve self-sufficiency.

The proposed project is currently comprised of 53 units total and will ultimately have 52 studio units and 1 two-bedroom property manager unit. All of the units will come equipped with kitchenettes, including sinks, refrigerators, and cooking tops. Residents will have access to a community room, laundry room, supportive services offices, and an outdoor patio.

The proposed project has a funding gap of \$1,900,000 and the Developer applied to the County requesting assistance in the form of County of Riverside's American Rescue Plan Act (ARPA) funds. The attached proposed Resolution No. 2022-024, provides Board support for the proposed project and recommends an allocation of up to \$1,900,000 in ARPA funds to be used as local match funds to pay a portion of the development and construction costs for the proposed project. Staff recommends that the allocation of the ARPA funds be valid until December 31, 2022 and contingent upon an award of Homekey funding. If the Developer is successful in securing State Homekey funds, staff will be returning to the Board for approval of loan documents for the County's contribution of ARPA funding to the proposed project. The County's investment in this project will increase the number of permanent supportive housing units which are critical to addressing homelessness.

The Homekey NOFA requires a Board resolution as part of the application. HWS and Developer have met with the City of Corona and they are in full support of the proposed project. Staff is requesting approval of the attached resolution for the above referenced Homekey application. County Counsel has reviewed the attached Resolution (No. 2022-024) and approved as to form.

Impact on Residents and Businesses

The Homekey Program funding will allow the County to address lack of housing available to our homeless population and provide housing to people impacted by COVID-19.

Additional Fiscal Information

No impact upon the County's General Fund, the proposed project will be funded with State Homekey Program grant funds and the County's federal allocation of ARPA funds.

ATTACHMENTS:

- Resolution No. 2022-024
- Standard Agreement Form

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- NOFA


Brianna Lontajo, Principal Management Analyst

1/4/2022


Gregory V. Priamos, Director County Counsel

12/30/2021

2 **RESOLUTION NUMBER 2022-024**

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4 **APPROVING FUNDING ALLOCATION AND AUTHORIZING SUBMITTAL OF A JOINT**
5 **APPLICATION WITH ABODE COMMUNITIES TO THE STATE OF CALIFORNIA**
6 **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR HOMEKEY**
7 **PROGRAM FUNDS FOR A GRANT AMOUNT NOT TO EXCEED \$13,080,000; APPROVAL**
8 **AND EXECUTION OF A STATE STANDARD AGREEMENT TO ACCEPT THE GRANT**
9 **FUNDING IF AWARDED, AND ANY AMENDMENTS THERETO; AND ANY RELATED**
10 **DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOMEKEY PROGRAM**

11 **WHEREAS**, The Department of Housing and Community Development (“Department”) has issued
12 a Notice of Funding Availability (“NOFA”), dated September 9, 2021, for the Homekey Program
13 (“Homekey” or “Homekey Program”) and the Department has issued the NOFA for Homekey grant funds
14 pursuant to Health and Safety Code section 50675.1.3 (Assembly Bill No. 104 (2021-2022 Reg. Sess.); and

15 **WHEREAS**, the County of Riverside (“Co-Applicant”) desires to jointly apply for Homekey grant
16 funds with Abode Communities, a California nonprofit public benefit corporation (“Applicant”), to the
17 Department for review and consideration (“Application”); and

18 **WHEREAS**, Applicant desires to use the funds, if awarded, for purposes consistent with Homekey
19 Program objectives and purposes, such as acquiring the Ayres West Hotel located at 1910 Frontage Road in
20 the City of Corona for the purpose of providing fifty three (53) units of permanent supportive housing for
21 qualified individuals and families who are homeless or at risk of homelessness and impacted by COVID-19;
22 and

23 **WHEREAS**, the Department is authorized to administer Homekey pursuant to the Multifamily
24 Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health
25 and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the
26 Application, the Department-approved STD 213, Standard Agreement (“Standard Agreement”), and all
27 other legal requirements of the Homekey Program; and

28 **WHEREAS**, the Application sets forth that the Applicant intends to acquire property known as
Ayres West Hotel located at 1910 Frontage Road in the City of Corona for the purposes of providing 53
units of permanent supportive housing for qualified individuals and families who are experiencing
homelessness or at risk of homelessness and impacted by COVID-19;

FORM APPROVED COUNTY COUNSEL
BY *[Signature]* FOR AMBIT DILLON
RYAN B. YABKO DATE 1/11/22

JAN 11 2022 3.19

1 **WHEREAS**, the Applicant submitted an application to the County of Riverside requesting matching
2 funds for the Homekey Application in the amount of \$1,900,000 in County of Riverside American Rescue
3 Plan Act funds (“County Allocation”). The County Allocation will be used as local matching funds in
4 support of the Homekey application to HCD.

5 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED** by the
6 Board of Supervisors of the County of Riverside, State of California, (“Board”) in regular session
7 assembled on or about January 11, 2022, in the meeting room of the Board located on the 1st floor of the
8 County Administrative Center, 4080 Lemon Street, Riverside, California, and based upon the evidence
9 and testimony presented on the matter, both written and oral, including the Administrative Record as it
10 relates to the Homekey Application, as follows:

- 11 1. Co-Applicant is hereby authorized and directed to submit a joint Application with Applicant to the
12 Department in response to the NOFA, dated September 9, 2021, and to jointly apply for Homekey
13 grant funds in a total amount not to exceed \$13,080,000. That amount includes \$12,500,000 for capital
14 expenditures (as allowed under Health and Safety Code, § 50675.1.1, subd. (a)(1)-(6)) and \$580,000
15 for a capitalized operating subsidy (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(7)).
- 16 2. If the Application is approved, Co-Applicant is hereby authorized and directed to ensure that any funds
17 awarded for capital expenditures are spent within eight (8) months of the date of award, and that any
18 funds awarded for capitalized operating subsidies are spent by June 30, 2026.
- 19 3. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute,
20 and deliver a Standard Agreement in a total amount not to exceed \$13,080,000, any and all other
21 documents required or deemed necessary or appropriate to secure the Homekey funds from the
22 Department and to participate in the Homekey Program, and all amendments thereto (collectively, the
23 “Homekey Documents”).
- 24 4. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in
25 the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard
26 Agreement by reference and made a part thereof. Any and all activities, expenditures, information,
27 and timelines represented in the Application are enforceable through the Standard Agreement. Funds
28 are to be used for the allowable expenditures and activities identified in the Standard Agreement.

1 5. Heidi Marshall, Director, or designee, is authorized to execute the Application and the Homekey
2 Documents on behalf of Co-Applicant, subject to approval as to form by County Counsel, for
3 participation in the Homekey Program.

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7 ROLL CALL:

8 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt

9 Nays: None

9 Absent: None

10 The foregoing is certified to be a true copy of a resolution
11 duly adopted by said Board of Supervisors on the date therein set
12 forth.

13 Kecia R. Harper, Clerk of said Board

14 By  _____
15 Deputy

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