

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

116



FROM: Department of Mental Health

SUBMITTAL DATE:

March 9, 2009

SUBJECT: Approve the Cooperative Agreement between the Department of Mental Health, AWI Management Corporation and MV Rancho Dorado II Limited Partnership.

RECOMMENDED MOTION: Move that the Board of Supervisors:

1. Approve the Cooperative Agreement between the Department of Mental Health, AWI Management Corporation and MV Rancho Dorado II Limited Partnership;
2. Authorize the Chairman of the Board of Supervisors to sign the Cooperative Agreement; and
3. Authorize the Director of the Department of Mental Health to sign the annual renewal and/or subsequent ministerial amendments between the Department of Mental Health, AWI Management Corporation and MV Rancho Dorado II Limited Partnership.

BACKGROUND: On January 29, 2008, Agenda Item 3.35, the Board of Supervisors signed an agreement between the Riverside County Department of Mental Health (RCDMH) and the California State Department of Mental Health (State DMH) pursuant to the Mental Health Services Act (MHA), known as the MSHA Plan.

(Continued on page 2)

JW:BL

Jerry Wengerd

 Jerry Wengerd, Director
 Department of Mental Health

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: 100% MHA

Positions To Be Deleted Per A-30
 Requires 4/5 Vote

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: *Debra Cournoyer*

 Debra Cournoyer

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD
 FORM APPROVED COUNTY COUNSEL BY *LARISA R-MCKENNA* DATE *3-11-09*
 Dept's Recomm.:
 Per Exec. Ofc.:
 Consent Policy

Prev. Agn. Ref.:

01/08/2008, 3.14

District: ALL

Agenda Number:

3.51

SUBJECT: Approve the Agreement between the Department of Mental Health, AWI Management Corporation and MV Rancho Dorado II Limited Partnership in connection with Rancho Dorado North.

BACKGROUND (continued):

On January 8, 2008, Agenda Item 3.14, the Riverside County Board of Supervisors authorized the State DMH, under the approved MHPA Plan, to transfer \$19 million of MHPA funds to the California Housing Finance Agency (CalHFA) to hold in a trust for Riverside County for the purposes of constructing and operating permanent supportive housing for people with mental illness. Included in the \$19 million of MHPA funding is \$12.7 million for capital construction costs and \$6.3 million for operating subsidies.

RCDMH submitted an application to the State Department of Mental Health and CalHFA to partially fund the development known as Rancho Dorado North (the "Project"). Pursuant to the application submitted by RCDMH to CalHFA, RCDMH agreed to allow CalHFA to directly release a total of \$2.8 million in MHPA funds to MV Rancho Dorado II Limited Partnership (MVRDILP) as the developer of the Project; of which \$1.5 million is for the purpose of constructing the Project and \$ 1.31 million is for the purpose of providing operating subsidies for residents residing in MHPA designated units of the Project.

The Project is a seventy (70) unit, affordable housing project planned for construction in Moreno Valley, which will contain fifteen (15) units of MHPA supportive housing for residents with mental illness. Supportive services to MHPA project residents will be provided by RCDMH's designated Full-Service Partnership (FSP) program.

Prior to releasing funds, CalHFA requires an agreement between RCDMH, MVRDILP, and their contracted property management company AWI that establishes the rolls and responsibilities of the respective parties. The Agreement between RCDMH, AWI and MVRDILP establishes the terms of the working relationship between the parties in providing the fifteen (15) units of permanent supportive housing in the Project. Under this Agreement, MVRDILP agrees to construct and own the Project. AWI agrees to lease, manage, operate and maintain the completed Project. Therefore, it is the desire of RCDMH that the Board of Supervisors approve the agreement between RCDMH, AWI and MVRDILP so that the Project working relationship may continue.

PERIOD OF PERFORMANCE:

This Agreement is effective upon the date of the issuance of the first Certificate of Occupancy for the Project and may be renewed annually thereafter by mutual, written consent of all parties for a period of twenty (20) years.

FINANCIAL IMPACT:

For services performed under this agreement, RCDMH, AWI and MVRDILP will not directly exchange funds. Project funds will be released from existing funds that are held by CalHFA on behalf of RCDMH.