

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3.33
(MT 13428)

(1)

On motion of Supervisor Jeffries, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the Authorize and Allocate funding and Approve the Form of Loan Agreement for the Use of CARES Act, Coronavirus Relief Funds, for Project Legacy in the City of Riverside, Project Ivy Palms in the City of Palm Springs, and for Mountain View Estates Phase III in the Community of Oasis, is continued to Tuesday, September 22, 2020 at 9:30 a.m. or as soon as possible thereafter.

(2)

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Counsel regarding to Authorize and Allocate funding and Approve the Form of Loan Agreement for the Use of CARES Act, Coronavirus Relief Funds, for Project Legacy in the City of Riverside, Project Ivy Palms in the City of Palm Springs, and for Mountain View Estates Phase III in the Community of Oasis, is reconsidered and continued to Tuesday, September 29, 2020 at 9:30 a.m. or as soon as possible thereafter.

Roll Call:

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on September 15, 2020 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: September 15, 2020
Kecia R. Harper, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By:  Deputy

AGENDA NO.
3.33

xc: COB

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



**ITEM: 3.33
(ID # 13428)**

MEETING DATE:

Tuesday, September 15, 2020

FROM : HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS (HHPWS): Authorize and Allocate funding and Approve the Form of Loan Agreement for the Use of CARES Act, Coronavirus Relief Funds, for Project Legacy in the City of Riverside, Project Ivy Palms in the City of Palm Springs, and for Mountain View Estates Phase III in the Community of Oasis; District 2 and District 4 [100% CARES Act, Coronavirus Relief Funds - \$8,150,000] (Companion Item to MT Item #13429) (Clerk of the Board to file the Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Projects are exempt from California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3);
2. Authorize and allocate CARES Act funding to provide a loan to Young Scholars for Academic Empowerment, dba TruEvolution, Inc. (TruEvolution), in an amount not to exceed \$1,900,000 (TruEvolution CARES Loan); Approve the attached form of the Loan Agreement for the Use of Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds, including all attachments thereto, (CARES Loan Agreement), with TruEvolution, providing a loan derived from CARES Act funds in an amount not to exceed \$1,900,000 to pay a portion of the acquisition and rehabilitation of six contiguous properties in downtown Riverside under Project Legacy, as set forth in its application to the Department of Housing and Community Development (HCD) for Project Homekey funding, and Authorize the Director of the Housing, Homelessness Prevention and Workforce Solutions (HHPWS), or designee, to execute the CARES Loan Agreement with TruEvolution, subject to approval as to form by County Counsel;


Heidi Marshall, Director 9/3/2020

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3. Authorize and allocate CARES Act funding to provide a loan to the Riverside Community Housing Corp., (RCHC), in an amount not to exceed \$4,250,000 (RCHC CARES Loan No. 1); Approve the attached form of the CARES Loan Agreement with RCHC, providing a loan derived from the CARES Act funds in an amount not to exceed \$4,250,000 to pay a portion of the acquisition and rehabilitation of Ivy Palms Hotel in the City of Palm Springs and convert it to permanent supportive housing under Project Ivy Palms, as set forth in its application to the HCD for Project Homekey funding, and Authorize the Director of the HHPWS, or designee, to execute the CARES Loan Agreement with RCHC, subject to approval as to form by County Counsel;
4. Authorize and allocate CARES Act funding to provide a loan to the RCHC, in an amount not to exceed \$2,000,000 (RCHC CARES Loan No. 2); Approve the attached form of the CARES Loan Agreement with RCHC, providing a loan derived from the CARES Act funds in an amount not to exceed \$2,000,000 to purchase 40 new manufactured housing units to be rented to farmworkers living in substandard conditions in unpermitted parks that lack basic infrastructure such as potable water, safe electrical, paved streets, or proper sanitation systems, to be installed at Mountain View Estates in the community of Oasis under Project Mountain View Estates Phase III, as set forth in its application to the HCD for Project Homekey funding, and Authorize the Director of the HHPWS, or designee, to execute the CARES Loan Agreement with RCHC, subject to approval as to form by County Counsel;
5. Authorize the Director of HHPWS, or designee, to take all necessary steps to implement the CARES Loan Agreements, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and
6. Direct staff to file the Notice of Exemption within five days of approval by the Board.

ACTION:Policy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$8,150,000	\$ 0	\$8,150,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Coronavirus Aid, Relief, and Economic Security Act (CARES) Act Funding			Budget Adjustment: No	
			For Fiscal Year: 2020/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On July 16, 2020, the Department of Housing and Community Development (HCD) published a Notice of Funding Availability (NOFA) for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assembly Bill No. 83 (2019-2020 Reg. Sess.), § 21.). The Homekey Program is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness impacted by COVID-19. HCD has allocated \$600 million in Homekey funding, \$550 million is derived from the State's direct allocation of the federal Coronavirus Relief Fund (CRF) and \$50 million is derived from the State's General Fund. Projects receiving an award from the State's direct allocation of the federal CRF must expend the funds by December 30, 2020. The portion of a Project's award associated with State's General Fund must be expended by June 30, 2022. Depending on the funding award, the successful applicant must close escrow by the expenditure deadline.

On September 1, 2020, via (Item 10.2), the Board of Commissioners of the Housing Authority of the County of Riverside (HACR) authorized the submission of three separate applications to HCD as a co-applicant with one of two nonprofits for Homekey Program grant funds. HACR partnered with TruEvolution, Inc. for application 1, and with its affiliate, the Riverside Community Housing Corp. (RCHC), for applications 2 and 3. Concurrently, on September 1, 2020, via (Item 14.1), the Board of Directors of RCHC authorized the submission of its two applications to HCD, as co-applicant with HACR.

As part of the Homekey Program applications submitted to the State, the County committed to providing County CARES matching funds so that the applications were more competitive and eligible for additional funding. The County committed to providing \$1,900,000 for application 1; \$4,250,000 for application 2; and \$2,000,000 for application 3. As of today, all 3 applications have received reservations of Homekey funding. Below are brief descriptions of the proposed projects (collectively the "Projects"):

Application 1 Requesting \$1,900,000 (Project Legacy in Riverside)

The HACR partnered with Young Scholars for Academic Empowerment, dba TruEvolution, Inc. (TruEvolution), a nonprofit based out of Riverside dedicated to fighting for LGBTQ+ justice and advocating for the prevention and elimination of HIV/AIDS in America. The CARES funds sought will be used in conjunction with Homekey Program funds for TruEvolution to acquire 6

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contiguous properties in downtown Riverside that would allow the County to provide 50 beds of transitional housing to persons experiencing homelessness or at risk of homelessness and impacted by COVID-19. The properties are located at the corner of University Avenue and Brockton Avenue, and are centrally located to transportation, medical centers, shopping, jobs, and grocery stores. TruEvolution would provide wrap-around supportive services to all tenants and help residents find permanent housing. One of the properties is a commercial building, approximately 5,000 square feet, and will be used as a community building where residents will receive services.

The long-term goal for this project will be to develop the project into a community campus providing comprehensive wrap-around services, including primary health services, mental health, workforce/job placement, nutrition, and disease education and prevention. TruEvolution will be able to provide protected spaces for at-risk LGBTQ+ youth, people living with HIV, and vulnerable senior populations with culturally responsive, bilingual programs and services.

While TruEvolution is working through the permitting process and obtaining the necessary funding to build the campus, the facility will function as emergency housing under Project Roomkey (or similar effort).

Application 2 Requesting \$4,250,000 (Project Ivy Palms in Palm Springs)

The HACR and its nonprofit affiliate, Riverside Community Housing Corp. (RCHC), have partnered to negotiate the acquisition of the Ivy Palms Hotel (Hotel) located in the City of Palm Springs for a proposed purchase price of for \$8,500,000, and to convert the Hotel to Permanent Supportive Housing. The CARES funds sought will be used in conjunction with Homekey Program funds for this project, with RCHC as the owner of the property. The agreement for purchase and sale of the Hotel will be brought before RCHC's Board for approval at a future date.

The 100-unit Hotel is located on the edge of downtown Palm Springs, and is centrally located to transportation, medical centers, shopping, jobs, and grocery stores. Although the Hotel currently has 100 rooms, the Housing Authority and RCHC envision that the ultimate number of rooms will be less in order to convert units to one-bedroom units and to incorporate kitchenettes into the units. The development also will feature a 5,000 square foot community space.

In the fall of 2020, the HACR and RCHC will seek a development partner that will help secure the funding and entitlements for the property. Through this process, the HACR and RCHC will identify an architect, engineers, and other consultants that are necessary to bring the project to fruition. The HACR and RCHC envision that the property will be fully entitled and secure financing in 2021, so that construction may commence in the spring of 2022. The HACR commits to project base Housing Choice Vouchers on the property to assist with the development.

While the HACR and RCHC are working through the entitlement process and obtaining funding,

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the facility will continue to function as a hotel under Project Roomkey (or similar effort). The County of Riverside has housed more than 700 people through Project Roomkey, and currently has transitioned more than 100 to permanent housing with the goal of transitioning 550 families to permanent housing. Specifically, the County of Riverside has close to one hundred people occupying hotels under Project Roomkey in the City of Palm Springs and the County plans to relocate many of those clients to this Hotel after acquisition. If Project Roomkey were to go away, the County will use the Hotel as a central location for clients of the Department of Public Social Services and Behavioral Health. Annually, the County of Riverside spends more than \$500,000 in the Coachella Valley on hotels.

The property will serve as an anchor institution in the community and provide a central location for the delivery of services. The County of Riverside is committed to leveraging the work of Public Health, Whole Person Care Nurses, Office on Aging, Adult Protective Services, Behavioral Health, Workforce Development, and the strong nonprofit community to leverage the acquisition to serve as a model for the rest of the County. The County of Riverside through the creation of the Housing, Homelessness Prevention, and Workforce Solutions, is seeking to breakdown silos between departments and create a comprehensive service delivery model on the property.

Application 3 Requesting \$2,000,000 (40 Mobile homes in Oasis)

The HACR and its nonprofit affiliate, Riverside Community Housing Corp. (RCHC), have proposed to purchase 40 new manufactured housing units ("Rental Units") to be installed at Mountain View Estates, a mobile home park with mobile home park spaces for rent ("Park"). RCHC will be the owner of the Rental Units. RCHC and the Park owner agreed to enter into an agreement to rent 40 mobile home spaces ("Rental Spaces") at \$455.00 per month, per space ("Space Rent"). The Park owner will provide property management services for the Rental Units. The Space Rent shall not exceed 35% of the area median income as established by family size. The Rental Units will be owned by RCHC and will be leased to farmworkers living in substandard conditions in unpermitted parks that oftentimes lack basic infrastructure such as potable water, safe electrical, paved streets, or proper sanitation systems. The Eastern Coachella Valley is plagued with farmworker housing that is unsafe and unsanitary for farmworkers ("Essential Workers"). Historically, each summer there is an increase in unpermitted mobile home parks losing power due to faulty and illegal electrical systems providing powering to the mobile home parks and mobile homes. This summer alone, over 50 families living in unpermitted mobile home parks have been affected by power outages during times of the day when temperatures reached over 120 degrees.

Additionally, the Coronavirus has disproportionately affected rural communities and Essential Workers, and the Eastern Coachella Valley is no exception. The farmworker communities of Thermal, Mecca and Oasis have the highest per-capita rates of infection and death in the County of Riverside. The inability to socially distance, to stop working, and to qualify for benefits due to their resident status, continues to exacerbate the problem.

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Staff recommends that the Board of Supervisors authorize the provision of three loans from CARES Act funding to pay a portion of the acquisition, development and construction costs for the Projects (CARES Loans) as follows:

- Project 1: \$1,900,000 to Young Scholars for Academic Empowerment, dba TruEvolution, Inc.
- Project 2: \$4,250,000 to Riverside Community Housing Corp.
- Project 3: \$2,000,000 to Riverside Community Housing Corp.

Staff further recommends that the Board of Supervisors approve the attached form the CARES Loan Agreement and all exhibits, including, but not limited to the forms of the CARES Loan Deed of Trust and Assignment of Rents, CARES Loan Promissory Note and CARES Loan Covenant Agreement. The CARES Loans will be evidenced by the aforementioned Promissory Note which will be secured by a Deed of Trust encumbering the Projects. The use and occupancy restrictions will be memorialized in separate covenant agreements recorded against the Projects with concurrent 55-year terms.

The Projects have been evaluated and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption). Notwithstanding any other law, the California Environmental Quality Act ([Division 13 \(commencing with Section 21000\) of the Public Resources Code](#)) shall not apply to any project, including a phased project, funded pursuant to [Section 50675.1.1](#) if certain requirements described in Section 50675.1.2, if applicable, are satisfied. The proposed Projects described above are made pursuant to Health and Safety Code Section 50675.1.1 and any resulting agreements will be subject to the requirements of the Homekey Program and the aforementioned Health & Safety Code sections. In addition, the Projects are exempt pursuant to State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption) because it can be seen with certainty that that there is no possibility that the activity in question may have a significant effect on the environment. Projects include authorizing loan agreements to be used to pay a portion of the acquisition of mobile home units to be placed at an existing mobile home park, and the acquisition and rehabilitation of existing facilities. Therefore, the Projects are statutorily exempt from CEQA and exempt under State CEQA Guidelines Section 15061 (b)(3).

Impact on Residents and Businesses

The Projects will allow the County to address a growing problem with housing our homeless population and providing housing to people impacted by COVID-19.

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution to the Projects will be fully funded with the County's direct allocation of Coronavirus Aid, Relief, and Economic Security Act.

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ATTACHMENTS:

- Form of Loan Agreement for the Use of CARES funds, including all exhibits
- Form of CARES Loan Deed of Trust and Promissory Note
- Form of CARES Loan Covenant Agreement
- Notice of Exemption

Marcus Maltese

Marcus Maltese

9/10/2020

Gregory F. Priamos

Gregory F. Priamos, Director County Counsel

9/10/2020

No longer here

Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Errol Koschewitz

Address: _____

City: _____ Zip: _____

Phone #: _____

Date: 9-15-20 Agenda # 3.33

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

Support Oppose Neutral

Note: If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

Support Oppose Neutral

I give my 3 minutes to: _____