

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



ITEM: 3.53
(ID # 14167)

MEETING DATE:

FROM : SUPERVISOR V. MANUEL PEREZ:

Tuesday, December 15, 2020

SUBJECT: SUPERVISOR V. MANUEL PEREZ: Reallocation of Homekey Program Funds from the State of California Department of Housing and Community Development (HCD) to Acquire Additional Mobile Homes At Mountain View Mobile Home Park; Acceptance of Additional Homekey Program Funds from the State of California Department of Housing and Community Development (HCD) and Approval of Standard Agreement with HCD for Homekey Program Funds for the additional Funding; Approval of Budget Adjustment; All Districts [\$8,500,000]; Project is CEQA Exempt

RECOMMENDED MOTION: That the Board of Commissioners:

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. Approve the reallocation of \$4,250,000 of Homekey Program Funds from the State of California Department of Housing and Community Development (HCD) for the acquisition of additional mobile homes at Mountain View Estates and funding an operation and capital reserve accounts for the project; and
3. Accept grant award and approve the Standard Agreements substantially to form, and all other grant documents and amendments, for an additional \$1,000,000 in Homekey Program funds, subject to approval as to form by County Counsel, and authorize the Chief Executive Officer of Riverside Community Housing Corp. ("RCHC"), or designee, to execute the Standard Agreements on behalf of RCHC;

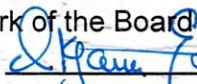
ACTION:


Supervisor V. Manuel Perez, Chairman

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, 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: December 15, 2020
xc: Supvr. Perez, RCHC

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 5,250,000	\$ 0	\$ 5,250,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Homekey Program Funds from the State of California Department of Housing and Community Development (HCD), 100%			Budget Adjustment: No	
			For Fiscal Year: 2020/21	

C.E.O. RECOMMENDATION: Approved

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 Housing Authority of the County of Riverside in partnership with Riverside Community Housing Corp. (RCHC) successfully applied for funding for two separate projects. Application 1 we received \$2,000,000 in Homekey funds to acquire 40 mobile homes for farmworkers living in substandard conditions in unpermitted parks that lack basic infrastructure such as potable water, safe electrical, paved streets, or proper sanitation systems, mobile homes to be installed at Mountain View Estates in the community of Oasis. Application 2 we received \$4,250,000 in Homekey funds to acquire the Ivy Palms Hotel (Property) located in the City of Palm Springs. As part of the Homekey applications submitted to the State the County committed to providing County CARES matching funds on both applications so that the applications were more competitive and eligible for additional funding. For application 1 the County committed to providing \$2,000,000; and for application 2 the County committed to providing \$4,250,000.

All 40 mobile homes have been acquired and in the process of being installed at the Mountain View Estates, we expect to start moving in families this month. The owner of the Ivy Palms Hotel in good faith accepted RCHC's offer to buy the property for \$8,500,000, however the sale was subject to approval by the Bankruptcy Court. The Bankruptcy Court on December 8, 2020, rejected RCHC's offer to buy the property at the request of the lenders owed money by the Owner.

The Housing Authority and RCHC met with HCD and informed them of the Court's ruling and HCD has agreed to allow RCHC to reallocate the \$4,250,000 in Homekey funds towards buying

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an additional 67 mobile homes, prepaying space rent for the initial 2 years for the 107 mobile homes, and funding an operation and capital reserve accounts for the project to insure that the homes remain in good habitable condition for the 55 year affordability period. HCD has also indicated that they would like to contribute an additional \$1,000,00 in Homekey funds for this project. Funds must be spent down by December 30, 2020 or else returned to the State.

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 as 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. This Project includes the acquisition of mobile home units to be placed and renting spaces at an existing mobile home park. Therefore, the projects are statutorily exempt from CEQA and exempt under State CEQA Guidelines Section 15061 (b)(3).

Staff recommends that the Board approve reallocating Homekey funds that were to be used to acquire the Ivy Palms Hotel to purchase an additional 67 mobile homes, prepaying space rent for the initial 2 years for the 107 mobile homes, and funding an operation and capital reserve accounts for the project. Staff also recommends that the Board approve the Agreement for purchase of Mobile Home Units and associate rental agreement.

Impact on Residents and Businesses

The acquisition of the mobile homes will allow the County to address a growing problem with housing farmworkers, the 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 and HCD Homekey Program funds.