

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



**ITEM: 3.24
(ID # 24958)**

MEETING DATE:

FROM : HOUSING AND WORKFORCE SOLUTIONS

Tuesday, June 11, 2024

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adopt Resolution No. 2024-118, a Resolution of the Governing Body of the County of Riverside Authorizing Joint Application and Participation in the Homekey Program; Approving Desert Marigold, L.P. as the Recipient of the Homekey Program Grant Funds Contract Number 23-HK-18299 in the Amount of \$21,724,000 for the Acquisition and Development of Desert Marigold Apartments; Approval and Execution of an Amended Standard Agreement for Contract Number 23-HK-18299; District 4. [\$21,724,000; 100% State HCD Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2024-118, a Resolution of the Governing Body of the County of Riverside Authorizing Joint Application and Participation in the Homekey Program; Approving Desert Marigold, L.P. as the Recipient of the Homekey Program Grant Funds Contract Number 23-HK-18299 in the Amount of \$21,724,000 for the Acquisition and Development of Desert Marigold Apartments; Approval and Execution of an Amended Standard Agreement for the Homekey Program Grant Funds Contract Number 23-HK-18299; and Any Related Documents Necessary to Participate in the Homekey Program;
2. If awarded Homekey grant funds, authorize the Director of Housing and Workforce Solutions (HWS), or designee, on behalf of the County of Riverside, to execute the State of California's Standard Agreement and any amendments thereto; and
3. If awarded Homekey grant funds, authorize the Director of HWS, or designee, to accept the Homekey award, negotiate and execute any and all other documents as required by the California Department of Housing and Community Development (HCD) for participation in the Homekey Program, and to implement said program, in an amount not to exceed a total of \$21,724,000, subject to approval as to form by County Counsel.

ACTION:A-30, Policy


Heidi Marshall, Director 5/23/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Gutierrez
Nays: None
Absent: Perez
Date: June 11, 2024
xc: HWS

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 21,724,000	\$ 21,724,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: California Department of Housing and Community Development Homekey (100%)			Budget Adjustment: No	
			For Fiscal Year: 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On July 18, 2023 (Minute Order 3.11), in connection with Department of Housing and Community Development (HCD) Round 3 Notice of Funding Availability (NOFA) for Homekey grant funds, the County of Riverside Board of Supervisors approved Resolution No. 2023-222, authorizing the Housing and Workforce Solutions (HWS) to submit a joint Homekey application with Abode Communities in the amount of up to \$23,000,000 for the acquisition of the Desert Extended Stay located at 69151 E. Palm Canyon Drive in the Cathedral City for the purposes of converting it to 96 units of permanent supportive housing for individuals that are homeless or at risk of homelessness and impacted by COVID-19 ("Project" or "Desert Marigold"). HCD conditionally awarded Abode Communities and the County of Riverside \$21,724,000 in Homekey funds through a conditional award letter dated May 1, 2024.

The County of Riverside Board of Supervisors, as part of Resolution No. 2023-222, also approved matching funds in the amount of \$5,000,000 in Permanent Local Housing Allocation (PLHA) Funds to increase the competitive tie breaker score of the Homekey application, subject to the satisfaction of certain conditions contained therein.

Abode Communities has formed a limited partnership known as Desert Marigold, L.P., a California limited partnership (L.P.) for the purpose of ownership of the Project.

The County has received a conditional award letter from HCD. One of the conditions stipulates the addition of L.P. as the owner of the Project and inclusion in the Standard Agreement for the Homekey funds. To fulfill this requirement, HCD mandates that Abode Communities and the County of Riverside, as Co-Applicants, submit resolutions from their respective Boards authorizing this action. With this award, the County has secured a total of five Homekey awards from the State, amounting to \$62,925,998. This funding has enabled the development of 384 permanent supportive housing units, enhancing the County's housing stock to help address homelessness in Riverside County. The County partnered with Abode Communities on another Homekey application in the City of Corona to acquire the Ayres Hotel, resulting in the creation of 52 supportive housing units. This project has significantly improved the surrounding community's ability to address homelessness, and the county is building on that successful relationship with this proposed project in Cathedral City.

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

Staff is requesting approval of the attached resolution authorizing the execution of the Standard Agreement for Homekey funds for the Project and allowing the L.P. to hold title of the Project. County Counsel has reviewed the attached Resolution No. 2024-118 and approved as to form.

Impact on Residents and Businesses

The Project will create 96 units of permanent supportive housing to address lack of housing available to our homeless population in the Coachella Valley.

Additional Fiscal Information

No impact upon the County's General Fund, the proposed project was funded with State Homekey Program grant funds and the County's allocation of PLHA funds.

ATTACHMENTS:

- Resolution No. 2024-118
- Conditional Award Letter May 1, 2024


Brianna Lontajo, Principal Management Analyst

6/5/2024


Aaron Gettis, Chief of Deputy County Counsel

5/30/2024

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION 2024-118

A RESOLUTION OF THE GOVERNING BODY OF THE COUNTY OF RIVERSIDE AUTHORIZING JOINT APPLICATION AND PARTICIPATION IN THE HOMEKEY PROGRAM; APPROVING DESERT MARIGOLD, L.P. AS THE RECIPIENT OF THE HOMEKEY PROGRAM GRANT FUNDS CONTRACT NUMBER 23-HK-18299 IN THE AMOUNT OF \$21,724,000 FOR THE ACQUISITION AND DEVELOPMENT OF DESERT MARIGOLD APARTMENTS; APPROVAL AND EXECUTION OF AN AMENDED STANDARD AGREEMENT FOR THE HOMEKEY PROGRAM GRANT FUNDS CONTRACT NUMBER 23-HK-18299; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOMEKEY PROGRAM

WHEREAS, The Department of Housing and Community Development (“Department”) has issued a Notice of Funding Availability (“NOFA”), dated March 29, 2023 for the Homekey Program (“Homekey” or “Homekey Program”) and the Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assembly Bill No. 104 (2021-2022 Reg. Sess.), § 21.);

WHEREAS, the County of Riverside (“Co-Applicant”) jointly applied for Homekey grant funds with Abode Communities, a California nonprofit public benefit corporation (the “Corporation”). Therefore, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (“Application”) to the Department for review and consideration;

WHEREAS, the Corporation acts as the sole member of Desert Marigold GP, LLC, a California limited liability company (the “LLC”), and the LLC acts as the sole general partner of Desert Marigold, L.P., a California limited partnership (the “Partnership”);

WHEREAS, the Corporation, on its own behalf and as the sole member of the LLC, which LLC is acting in its own capacity and as the general partner of the Partnership (collectively, its “Capacities”), desires to jointly apply for Homekey grant funds with the County of Riverside (and collectively, with the Corporation, the LLC, and the Partnership, the “Co-Applicants”). Therefore, Co-Applicants are joining in the submittal of an application for Homekey funds (“Application”) to the Department for review and consideration;

FORM APPROVED COUNTY COUNSEL
BY AMRIT P. DHILLON DATE 5/30/2024

WHEREAS, the Department awarded the County and Abode Communities \$21,724,000 in Homekey funds as evidenced by Standard Agreement Contract Number 23-HK-18299 dated on or about May 1, 2024;

WHEREAS, Applicant will use Homekey funds to acquire the Desert Extended Stay Hotel located at 69151 E. Palm Canyon Drive in the City of Cathedral City for the purpose of providing 97 units of permanent supportive housing for qualified individuals and families who are homeless or at risk of homelessness and impacted by COVID-19 (“Property”);

WHEREAS, the Department 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 Department-approved STD 213, Standard Agreement (“Standard Agreement”), and all other legal requirements of the Homekey Program;

WHEREAS, Abode Communities at the time of the acquisition of the Property formed Desert Marigold, L.P., a California limited partnership for purposes of ownership of the Property; and

WHEREAS, Abode Communities and County of Riverside request that the Department amend the Standard Agreement (Contract Number 23-HK-18299) to add Desert Marigold, L.P. as Co-Contractor.

NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside, State of California, (“Board”) in regular session assembled on or about June 11, 2024, in the meeting room of the Board located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, and based upon the evidence and testimony presented on the matter, both written and oral, including the Administrative Record as it relates to the Homekey Application, as follows:

1. The County hereby agrees to add Desert Marigold, L.P., a California limited partnership, as Co-Contractor in the Standard Agreement (Contract Number 23-HK-18299).
2. Co-Applicant is hereby authorized to execute the Standard Agreement Amendment (Contract Number 23-HK-18299) between the County of Riverside, Abode Communities, Desert Marigold, L.P, and the Department of Housing and Community Development for the Homekey grant funds in a total amount of \$21,724,000. That amount includes \$21,125,000 for capital expenditures (as allowed under Health and Safety Code, § 50675.1.1, subd. (a)(1)-(6)) and \$599,000 for relocation costs (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(6)).
3. Co-Applicant is hereby authorized and directed to ensure that any funds awarded for capital expenditures are spent within eight (8) months of the date of award, and that any funds awarded for capitalized operating subsidies are spent by June 30, 2026.
4. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$21,724,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the "Homekey Documents").
5. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, the Standard Agreement Amendment, 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.

6. The Director of the County's Housing and Workforce Solutions, or designee, is authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

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ROLL CALL:


Ayes: Jeffries, Washington, Spiegel, and Gutierrez

Nays: None

Absent: Perez

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

KIMBERLY A. RECTOR, Clerk of said Board

By:  _____
Deputy

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE**

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P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771
www.hcd.ca.gov



May 1, 2024

Heidi Marshall, Director
County of Riverside
3403 10th Street, Suite 300
Riverside, CA 92501

Lara Regus, Senior Vice President, Development
Abode Communities
1149 South Hill Street, Suite 700
Los Angeles, CA 90015

Dear Heidi Marshall and Lara Regus:

**RE: Conditional Award Commitment and Acceptance of Terms and Conditions
Homekey Program, Round 3 Notice of Funding Availability, Fiscal Year 2023/2024
County of Riverside and Abode Communities – *Desert Marigold (also known as
Desert Extended Stay)*
Contract No. 23-HK-18299**

The California Department of Housing and Community Development (“**Department**” or “**HCD**”) issued a Homekey Program, Round 3 Notice of Funding Availability (“**NOFA**”) on March 29, 2023, and as amended on November 15, 2023. The Department is now pleased to inform you of this conditional award to the County of Riverside and Abode Communities (“**Awardees**”). This conditional award is a grant in the amount of \$21,724,000 (the “**Conditional Award**”) for the above-referenced project (the “**Project**”) and includes the following:

Program	Award Amount	Contract Number
Capital Award	\$21,724,000	23-HK-18299
Operating Award	\$0	N/A

This Homekey Program Round 3, NOFA award is under a media and public announcement embargo until released by the Office of the Governor or otherwise notified by HCD staff. HCD will provide updates on the timing of the public award announcement and provide a social media toolkit and a quote from the HCD Director for use in local media releases. During the embargo period, this conditional award letter may be submitted in applications to California Tax Credit Allocation Committee (TCAC) and California Debt Limit Allocation Committee (CDLAC).

The Conditional Award is based on and subject to the Applicant Representations and the Terms and Conditions of Conditional Award, both as further specified and described in this notice of the Conditional Award (the “**Conditional Award Commitment**”). This Conditional Award may only be accepted by timely delivery of a fully executed Acceptance of Terms and Conditions of Conditional Award form to the department (an executed copy of this form is enclosed herein).

I. **Applicant Representations – Basis of Conditional Award**

In response to the above-mentioned NOFA, the Awardee(s) submitted an application for grant funding of the Project (that application, and all communications and documentation submitted to the Department in support thereof, the “**Application**”).

The Department is making this Conditional Award to the Awardee(s) on the basis of, and in reliance upon, the representations, warranties, projections, and descriptions that the Awardee(s) submitted as part of the Application (the “**Applicant Representations**”).

The Department may rescind this Conditional Award if the Department discovers, at any time prior to disbursement of the Conditional Award, that the Applicant Representations included material misrepresentations or omissions, regardless of whether or not such misrepresentations or omissions were innocent, unintentional, and/or based upon belief.

II. **Terms and Conditions of Conditional Award**

TIME IS OF THE ESSENCE IN THE SATISFACTION OF THESE TERMS AND CONDITIONS OF CONDITIONAL AWARD.

The Department may rescind this Conditional Award if any of the terms and conditions enumerated in this Section II (the “**Terms and Conditions of Conditional Award**”) are not timely satisfied. The Terms and Conditions of this Conditional Award and their corresponding timelines are described below.

If the Terms and Conditions of this Conditional Award are timely satisfied, the Department will (i) promptly provide a written notification to the Awardee(s) via electronic mail; and (ii) circulate an executed copy of an STD 213, Standard Agreement, for all appropriate signatures and approvals in accordance with the timeline specified in Section III of this Conditional Award Commitment.

All timelines shall be calculated in calendar days. Any deadline falling on a weekend or State of California holiday shall be extended to the next business day.

A. **Timely Execution of Acceptance of Terms and Conditions of Conditional Award Form**

- a. The Awardee(s) shall execute and deliver a copy of the enclosed Acceptance of Terms and Conditions of Conditional Award to the Department within ten (10) calendar days of the date of this Conditional Award Commitment. The

Department will deem this condition to be unsatisfied if it receives an executed Acceptance of Terms and Conditions of Conditional Award that has been substantively modified, altered, or amended in any way. The signed Acceptance of Terms and Conditions of Conditional Award form must be submitted to ProgramHomekey@hcd.ca.gov.

- b. The Awardee shall form a special purpose entity (SPE) within 60 days of the date of the conditional award, and that the SPE is on file with the Secretary of State, and the Applicant satisfies the requirements in NOFA Section 400 (iv).
- c. The Awardee shall submit to the Department, within 60 days of the date of the conditional award, an authorizing resolution for Abode Communities. The resolution must satisfy the requirements of NOFA Section 400 (iv) and must be approved by the Department in its sole and reasonable discretion.
- d. The Awardee shall submit to the Department, within 60 days of the date of the conditional award, an authorizing resolution from The County of Riverside that satisfies NOFA Section 400 (iv) requirements and confirms the \$5,000,000.00 capital match loan is for development purposes. The resolution must be approved by the Department in its sole and reasonable discretion.

III. Delivery of Standard Agreement

In an effort to be responsive to each Awardee's closing needs and to ensure timely commitment of funds, the Department commits to delivering an executed copy of the Standard Agreement relative to this Conditional Award after receiving all required documents, including all legally sufficient Authorization and Organizational Documents, in connection with this Project and as applicable.

Your contract is assigned to a Single Point of Contact (SPOC), Eliita Tewelde, Representative II, Program Design and Implementation Branch, at (916) 776-7525 or elilta.tewelde@hcd.ca.gov, which will serve as your contact for any and all inquiries related to the development and execution of the Standard Agreement. If this project has previously received funding from HCD, this new award will be referred to the same contact as your previous award so as to minimize the points of contact from within HCD. You will receive an email from your SPOC within 48 hours of receipt of your signed Acceptance of Terms and Conditions of Conditional Award.

Among the responsibilities of the SPOC will be to maintain contact throughout the next several months as you work to secure all necessary funding sources to begin construction. Your SPOC will be reaching out to you monthly to inquire on status and progress. In the meantime, should you have any changes to the status or make up of your project we ask that you communicate these changes as soon as possible to your assigned SPOC.

Homekey Program NOFA, Round #3, Conditional Award Commitment
County of Riverside and Abode Communities – *Desert Marigold*
Contract No. 23-HK-18299
May 1, 2024
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Congratulations on your successful Application. For further information, please contact your SPOC as outlined in Section III above.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Seeger". The signature is written in a cursive, flowing style.

Jennifer Seeger
Deputy Director
Division of State Financial Assistance

Enclosure: Acceptance of Terms and Conditions of Conditional Award form

California Department of Housing and Community Development

**Homekey Program, NOFA, Round 3,
Notice of Funding Availability**

Acceptance of Terms and Conditions of Conditional Award

County of Riverside and Abode Communities (“ Awardees ”) Desert Marigold (also known as Desert Extended Stay) (“ Project ”)

Homekey Program NOFA award totaling \$21,724,000 (“**Conditional Award**”), as detailed below:

Program	Award Amount	Contract Number
Capital Award	\$21,724,000	23-HK-18299
Operating Award	\$0	N/A

By signing this Acceptance of Terms and Conditions of Conditional Award, the Awardee acknowledges having read and fully understood the terms and conditions of the Conditional Award Commitment, dated May 1, 2024, in connection with the Project.

This Homekey Program Round 3, NOFA award is under a media and public announcement embargo until released by the Office of the Governor or otherwise notified by HCD staff. HCD will provide updates on the timing of the public award announcement and provide a social media toolkit and a quote from the HCD Director for use in local media releases. During the embargo period, the conditional award letter may be submitted in applications to California Tax Credit Allocation Committee (TCAC) and California Debt Limit Allocation Committee (CDLAC).

In addition, the Awardee must acknowledge that it has reviewed and verified the accuracy of the project report prepared by the Department no later than May 11, 2024.

Heidi Marshall, Director
County of Riverside

Date

Lara Regus, Senior Vice President, Development
Abode Communities

Date

** For HCD Use Only ** <input type="checkbox"/> Authorized Representatives Verified <input type="checkbox"/> All Parties Signed Date Received: _____
