



July 25, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: Approval of and Authorization for the County Executive Officer, or Designee, to Execute a Grant Agreement with an Eighteen Month Term with Homecomings, Inc., a California Nonprofit Corporation in the Amount of \$5,500,000 to Support the Acquisition of a Property Located at 5818 Valentine Road, Ventura, for the Purpose of Converting an Existing Motel to 136-Units of Multi-Family Permanent Housing for Persons Experiencing or At-Risk of Homelessness; and Authorize the County Executive Officer to Execute Up to Two Six-Month Extensions Upon Written Request from Homecomings Inc., in Accordance with Terms Outlined in Exhibit A of the Grant Agreement.

Recommendations:

1. It is recommended your Board approve and authorize the County Executive Officer (CEO) , or designee, to execute a Grant Agreement (Exhibit 1) with an eighteen month term with Homecomings, Inc., a California nonprofit corporation, an affiliate of the Housing Authority of the City of San Buenaventura (the "HACSB") in the amount of \$5,500,000 to support the acquisition of a property located at 5818 Valentine Road, Ventura (the "Proposed Project"), for the purpose of converting an existing motel to 136-units of multi-family permanent housing for persons experiencing or at-risk of homelessness; and
2. Authorize the CEO or Designee to execute up to two six-month extensions, subject to review and approval by County Counsel, upon written request from Homecomings Inc., in accordance with terms outlined in Exhibit A of the Grant Agreement.

FISCAL/MANDATES IMPACT:

Mandatory: No
 Source of Funding: General Fund – Fund Balance Assigned for Fiscal Recovery Projects
 Funding Match Required: No
 Impact on Other Departments: None

Summary of Revenues and Costs:

	<u>FY 2023-24</u>	<u>FY 2024-25</u>
Revenues:	\$ 0	\$ 0
Costs:		
Direct	\$ 5,500,000	\$ 0
Indirect-Dept	\$ 0	\$ 0
Indirect-County CAP	\$ 0	\$ 0
Total Cost	<u>\$ 5,500,000</u>	<u>\$ 0</u>
Net County Cost	\$ 5,500,000	\$ 0
Recovered Indirect Costs	\$ 0	\$ 0

FY 2023-24 Budget Projections:

FY 2023-24 Budget Projection for County Executive Office – Division 1050 *				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 80,582,329	\$ 80,582,329	\$ 80,582,329	\$ 0
Revenue	\$ 5,954,000	\$ 5,954,000	\$ 5,954,000	\$ 0
Net Cost	\$ 74,628,329	\$ 74,628,329	\$ 74,628,329	\$ 0

* Your Board approved appropriations for this item on March 14, 2023, Item #35. Item is pending re-budget in FY24.

Background:

On March 14, 2023, your Board approved an allocation of \$5,500,000 in general funds to the Proposed Project as match funding for Round 3 Homekey Program funds from the State of California Department of Housing and Community Development (“HCD”) and made a finding that the Proposed Project was categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15301 and that no unusual circumstances or other exceptions set forth in CEQA Guidelines section 15300.2 precluded the use of this exemption. More details may be found here: <https://ventura.primegov.com/portal/item?id=254932>

Appropriations were established through a separate approval on March 14, 2023. Details on the appropriations may be found here:

<https://ventura.primegov.com/portal/item?id=254930>

Discussion:

Since your Board's approval of the funding allocation in March, the HACSB applied as the lead applicant to the Homekey program for funding. Awards are anticipated to be released by HCD in August of this year.

The Homekey 3 Notice of Funding Availability included milestones that require projects to complete construction within 12 months of the date of the award and obtain 90% occupancy within 15 months. Because of this very short timeframe for completion, it is recommended that your Board approve the Grant Agreement (Exhibit 1) with Homecomings, Inc., a California nonprofit corporation, an affiliate of the HACSB, which will loan the funds to the ultimate owner of the property. The owner of the property is expected to be a yet-to-be-formed limited partnership, which enables the property to utilize Low Income Housing Tax Credits to finance additional property renovations. The Managing General Partner of the ultimate ownership entity will be the HACSB or an affiliate.

Upon award of the Homekey program funds, the HACSB will mobilize quickly to acquire the site and prepare for renovations in order to meet the Homekey milestones and create housing for persons at-risk for or experiencing homelessness as quickly as possible. As set forth in approval of the allocation in March, the Grant Agreement would not be executed, nor funds provided, if Homekey funds are not awarded to the Proposed Project.

County grant funds would be utilized along with Homekey and/or other funds to acquire the Proposed Project. The HACSB has plans to utilize Homekey funds, investments from the City of Ventura and other affordable housing financing to complete a renovation of the motel to convert the property to 134 units of permanent housing for persons at-risk of and experiencing homelessness, plus two unrestricted units for on-site management. The Proposed Project is expected to facilitate successful transitions to permanent housing for persons currently experiencing or at-risk of homelessness, as well as provide permanent housing units for participants of Project Roomkey, which the County has been successfully operating in response to the COVID-19 pandemic since March of 2020.

Conclusion:

It is recommended that your Board approve and authorize the County Executive Officer to execute a Grant Agreement (Exhibit 1) with Homecomings, Inc., a California nonprofit corporation ("Grantee"), in the amount of \$5,500,000 to support the acquisition of a property located at 5818 Valentine Road, Ventura (the "Proposed Project"), for the

Board of Supervisors
July 25, 2023
Page 4

purpose of converting an existing motel to 136-units of multi-family permanent housing for persons experiencing or at-risk of homelessness and amendments consistent with Exhibit A of the grant agreement.

This item has been reviewed by the offices of County Counsel and the Auditor Controller. Should you have any questions please contact Tracy McAulay at 805-232-1371.

Sincerely,



Christy Madden
Sr. Deputy Executive Officer



Sevet Johnson, PsyD
County Executive Officer

Exhibit 1: Grant Agreement