



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE
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April 8, 2025

County of Ventura Board of Supervisors

Subject: Adoption of Resolution Authorizing the County to Jointly Apply for, and Accept the Grant for Homekey+ Funding, for a Permanent Supportive Housing (PSH) Project in an Amount Not to Exceed \$30,000,000; Authorization for the Deputy Executive Officer of the Community Development Division (DEO) or Designee to Accept Grant Funds and Sign any Grant Agreements; Approval of, and Authorization for the DEO to Sign a Cooperating Agreement with Many Mansions and DignityMoves to Develop and Jointly Operate a PSH development at 1732 S. Lewis Road; Authorization for the DEO to Approve Minor Modifications to the Cooperating Agreement; Approval of, and Authorization for the County Executive Officer (CEO) to Sign Enforceable Funding Commitment Letters for Match Contributions in an Amount not to exceed \$10,000,000; Authorization for the CEO to Approve Minor Modifications to the Enforceable Funding Commitment Letters; Find that the PSH Project is Statutorily Exempt from the California Environmental Quality Act and Approve the PSH Project; Supervisorial District 5.

Recommendations:

1. Adopt a resolution (Exhibit 1) authorizing the County, Many Mansions and DignityMoves to jointly apply for and accept a grant for Homekey+ funds from the California Department of Housing and Community Development (HCD) for a Permanent Supportive Housing project (PSH Project) in an amount not to exceed \$30,000,000;
2. Authorize the Deputy Executive Officer of the Community Development Division (DEO) or designee, upon the review and approval of County Counsel, to accept Homekey+ funds and sign any grant agreements and other documents necessary to implement the program;
3. Approve, and authorize the DEO to execute the Cooperating Agreement among the County of Ventura, DignityMoves and Many Mansions (Cooperating Agreement) (Exhibit 2) to develop and operate a PSH development at 1732 S. Lewis Road.

4. Authorize the DEO to approve minor modifications to the Cooperating Agreement provided that any such modification is consistent with the original purpose of the Cooperating Agreement, does not result in additional costs to the County, and is reviewed and approved as to form by County Counsel.
5. Approve, and authorize the County Executive Officer or designee to sign enforceable funding commitment letters approving the following match contributions for the PSH Project if Homekey+ grant funds are awarded:
 - a. Capital match contribution in an amount not to exceed \$5,000,000 utilizing County General Funds toward development costs;
 - b. Operating subsidy match contribution in an amount not to exceed \$3,000,000 utilizing County General Funds over a five-year period;
 - c. Operating subsidy match contribution in an amount not to exceed \$2,000,000 utilizing future Behavioral Health Services Act funds;
6. Authorize the County Executive Officer to approve modifications to the enforceable funding commitment letters to swap County General Funds with non-General Funds once they are identified.
7. Find that the proposed PSH Project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to: (a) Health and Safety Code section 50675.1.5 and Public Resource Code section 21080 because Homekey+ funded projects that qualify for ministerial permitting are statutorily exempt from CEQA; (b) Public Resources Code section 21159.23 (Affordable Housing Exemption); (c) Public Resources Code section 21159.24 (Infill Housing Exemption); and (d) CEQA Guidelines section 15194 (Affordable Housing Exemption).
8. Approve the PSH Project.

FISCAL/MANDATES IMPACT:

None at this time. The County Executive Office will return to the Board for appropriations if Homekey+ grant funding is awarded for the PSH Project.

DISCUSSION:

Proposition 1, passed by California voters in March 2024, advances the state's goals to reduce homelessness and protect our most vulnerable populations. Proposition 1 includes the Behavioral Health Services Act (BHSA) and the Behavioral Health Infrastructure Bond Act (BHIBA). Homekey+ is the Permanent Supportive Housing (PSH) component of the BHIBA to serve persons with behavioral health challenges. The California Department of Housing

and Community Development (HCD), in collaboration with the California Department of Veterans Affairs (CalVet), released a Notice of Funding Availability (NOFA) to distribute approximately \$2.145 billion of Homekey+ grant funding. Funding will be available on a continuous, over the counter basis (rather than on a competitive basis) until all funding is allocated, or until May 30, 2025, whichever occurs first. This structure creates urgency to get applications turned in, therefore the Board actions include "up to" amounts for the application and match dollars while sources are still being pursued and finalized.

In response to the NOFA, the County Executive Office (CEO) Community Development Division released a Request for Projects from qualified partners to collaborate with the County on efforts to leverage Homekey+ grant funds for the creation of new permanent supportive housing. No responses were received. In order to move forward with a Homekey+ application, staff reviewed County-owned sites and selected the Lewis Road campus as the best current option to develop a permanent supportive housing project (PSH Project) funded by Homekey+.

Addressing homelessness and the lack of affordable housing remain a strategic priority, and today's recommendations represent an exciting opportunity to increase the number of units for persons experiencing homelessness with a behavioral health challenge. The PSH Project would consist of up to 90 units of Permanent Supportive Housing, including an on-site resident manager's unit, constructed with modular prefabricated homes on a section of the campus near the existing Rancho Sierra Senior Apartments. The PSH Project would serve individuals who are experiencing homelessness with a behavioral health challenge. Eligible households would be referred to the PSH Project through the Coordinated Entry System (CES) with verification of Homekey+ eligibility of a behavioral health challenge.

A Request for Qualifications was released on February 10, 2025, to identify a developer and operator for the PSH Project. An evaluation committee consisting of the CEO, the Ventura County Continuum of Care, and the Ventura County Behavioral Health Department (collectively, Committee) was created for the purpose of reviewing responses and recommending a development team to collaborate with the County on the PSH Project. Four Statements of Qualifications were received and reviewed by the Committee in time to be considered at this Board meeting. The development team of DignityMoves as the developer, Life Ark as the modular provider, and Swinerton as general contractor are recommended to develop the PSH Project, with Many Mansions recommended as the owner of the structures and long-term operator.

DignityMoves is a California nonprofit benefit corporation working to end unsheltered homelessness in communities by building supportive housing projects with rapid, cost-effective scalable solutions. DignityMoves has completed three previous Homekey projects.

Many Mansions is a California nonprofit benefit corporation and is a leader in permanent housing solutions in Ventura County with over 40 years of experience; it currently operates over 200 units of permanent supportive housing. The role of operator includes property management and delivery of supportive services to residents. Many Mansions is the developer and operator for the adjacent Rancho Sierra Senior Apartments, creating efficiencies for staffing across both projects.

The PSH Project is located in the Residential Planned Development zone and, because it is a Homekey-funded project, it is eligible for streamlined ministerial permit processing pursuant to Health and Safety Code section 50675.1.5. No conditional use permit or any other discretionary review or approval would be required. The PSH Project is statutorily exempt from the California Environmental Quality Act (CEQA) because: (a) it is eligible for streamlined ministerial approval pursuant to Health and Safety Code section 50675.1.5, and ministerial projects are exempt from CEQA pursuant to Public Resource Code section 21080; (b) it is an affordable housing project consisting of fewer than 100 units and otherwise meets the statutory requirements of Public Resources Code section 21159.23; (c) it is an infill housing project consisting of fewer than 100 units on fewer than four acres and otherwise meets the statutory requirements of Public Resources Code section 21159.24; and (d) it qualifies for the affordable housing exemption set forth in CEQA Guidelines section 15194 because the project site is less than five acres and the project meets the other requirements of this exemption.

Staff requests that your Board adopt the resolution required by HCD (Exhibit 1), which authorizes the County to apply for Homekey+ funding and, if funds are awarded, to execute a standard agreement with HCD for the funding, subject to review and approval of the documents by County Counsel.

To facilitate the funding application process, various preliminary PSH Project development site evaluation and negotiation activities are needed. The Cooperating Agreement (Exhibit 2) between the County, DignityMoves and Many Mansions would provide the mechanism through which these preliminary site evaluation and negotiation activities would be conducted. Approval of the agreement is also requested. The Cooperating Agreement is part of the Homekey+ application and describes the role of each entity in the PSH Project. Awards are expected to be announced on a rolling basis beginning in June 2025.

The key points of the Cooperating Agreement are:

- The term of the agreement is three (3) years, unless terminated earlier or extended pursuant to the terms of the agreement. Each party has the right to terminate the agreement upon 30 days' advanced written notice. The County may grant up to two 90-day extensions of the term each.

- During the term of the agreement, DignityMoves would have the exclusive right to negotiate with the County regarding development of the site.
- In executing the agreement, the County states its intention to enter into a 55-year ground lease with DignityMoves; upon DignityMoves completing the PSH Project's construction, DignityMoves would then assign its rights and obligations under the ground lease to Many Mansions.
- The agreement grants DignityMoves and its employees, agents, consultants and contractors a license to enter the site for the purposes of inspecting and surveying the site in connection with its due diligence to the PSH Project, subject to written advance notice to the County.
- During the term of the agreement, DignityMoves' responsibilities, with cooperation from County staff, include: refine the parameters of the PSH Project and deal structure; continue to evaluate the physical condition of the site and its suitability for the PSH Project; refine the PSH Project design; complete all required environmental reviews and seek all required discretionary land use entitlements; and work with Many Mansions to develop the operations and supportive services plan for the PSH units.

To support the County's application and maximize the investment of Homekey+ funds from the State, staff requests your Board's approval of the following match funding to support the PSH Project:

- Capital Match: In an amount not to exceed \$5,000,000 in County General Funds.
- Operating Subsidy Match: In an amount not to exceed \$3,000,000 in County General Funds and \$2,000,000 in Behavioral Health Services Act funding. This operating subsidy is anticipated to cover five (5) years of operational costs and provides the highest level of operating match funding from the State for five (5) years.

The \$8,000,000 in General Funds recommended for both capital and operating needs are not intended to be the permanent source of funding. Staff will continue to identify non-General Fund sources for this PSH Project.

Staff will return to the Board with relative agreements for the development and operations of the PSH Project for a minimum of 55 years if Homekey+ funds are awarded.

STRATEGIC PLAN:

Strategic Priority:

- Address Homelessness and Lift Up the Most Vulnerable

The recommendations presented in this item support providing long-term housing options for individuals experiencing homelessness.

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

Sincerely,



Kimberlee Albers
Deputy Executive Officer
Homelessness Solutions Director



Dr. Sevet Johnson
County Executive Officer

- Exhibit 1: Resolution Authorizing Application for, and HCD Standard Agreement Regarding, Homekey+ Funds
- Exhibit 2: Cooperating Agreement Among County of Ventura, Many Mansions and DignityMoves