

Request for Letters of Interest
Homekey 3.0
Date of Issuance: December 8, 2022

The County of Ventura (“County”) is pleased to request Letters of Interest (“LOI”) from qualified partners (“Responder(s)”) to collaborate with the County to apply for State of California Homekey program funds to acquire, develop and own/manage one or more properties to provide permanent housing and/or shelter for persons experiencing or at-risk of homelessness (hereinafter referred to as “Project”). Priority will be provided to Projects creating new units of permanent housing and to Projects creating permanent housing resources to address the needs of those sheltered in Project Roomkey. Project Roomkey was implemented during the COVID-19 pandemic to provide temporary non-congregate shelter to people experiencing homelessness with increased risk of contracting and suffering extreme illness or death from COVID-19.

Overview of Homekey 3.0

Funds from the State of California’s FY 2021-22 budget, which included approximately \$750 million derived from Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”) established by the federal American Rescue Plan Act of 2021 (“ARPA”) and state general funds, will be used for a third and final round (“Homekey 3.0” or “Round 3”) of funding from the Homekey program for the purpose of rapidly expanding the inventory of housing available to persons currently experiencing homelessness or persons at-risk of homelessness (“Target Population”).

It is anticipated that Homekey 3.0 Notice of Funding Availability (“NOFA”) will be released in spring 2023. Responders should review the Homekey 2.0 NOFA materials for submission requirements, specifically those related to due diligence and project readiness that have specified timeframes. These requirements are expected to continue to apply in Round 3, and Responders should prepare accordingly. For information about Homekey funds (including Homekey Rounds 1.0 and 2.0), please visit the California Department of Housing and Community Development (“HCD”) Homekey website (see <https://www.hcd.ca.gov/grants-and-funding/homekey>).

Homekey 3.0 Requirements

Although not required for this LOI, all Responders must commit to complying with the following anticipated requirements by the time of submission of the Homekey Application, estimated to be due no earlier than March of 2023:

1. Resolutions: County and all Responders must submit authorizing resolutions that, in the State HCD’s reasonable determination, materially comports with Homekey program requirements and is legally sufficient. For the County, this will be the Board of Supervisors resolution; for developer/owner organizations, this will be a resolution of their governing boards. In addition, each Responder shall submit a complete set of its organizational documents (including any amendments thereto).
2. Appraisal: “As is” appraisal to determine fair market value. Appraisals must conform to the Uniform Standards of Professional Appraisal Practice (USPAP), in particular

Standards 1 and 2. In addition, appraisals must comply with the appraisal requirements of the Appraisal Institute's Regulation. All appraisers must be California State Licensed/Certified and be dated within 60 days of the submission of the Homekey 3.0 application to HCD.

3. Physical Needs Assessment (PNA): Projects proposing acquisition and rehabilitation of existing buildings must provide a PNA that describes the deficiencies to be addressed by the rehabilitation, emergency repairs, health and safety issues and lead abatement and asbestos report, if applicable. The PNA must also include preliminary cost estimates for the repairs.
4. Executed purchase contract with appropriate financing and due diligence contingencies or other site control documentation acceptable to HCD.
5. Preliminary Title Report.
6. Phase 1 Environmental Report dated within 12 months of the submission of the Homekey 3.0 application to HCD.
7. Preparation of CEQA Determination.
8. Preparation of NEPA Determination (if federal funding is contemplated).
9. Other documents outlined in the Homekey 3.0 NOFA, upon release.

Potential Additional Funding

On November 16, 2021, the County Board of Supervisors (BOS) approved \$5 million in ARPA SLFRF funding, which are federal funds, to leverage State of California Homekey Program dollars, of which \$3.16 million remains available. On October 11, 2022, the BOS approved the County of Ventura SLFRF Funding Plan, which included \$30.5 million in funds to support Affordable Housing development and to Address Homelessness. Of the \$30.5 million, \$12.34 million was allocated to specific projects and \$15 million was reserved for Affordable Housing Construction & Loan Capital. The County will consider utilizing the \$3.16 million in remaining funds allocated to leverage Homekey projects as well as a portion of the reserved funding for Affordable Housing Construction & Loan Capital to help Projects leverage Homekey funding through demonstration of local match, subject to approval by the Board of Supervisors and the Project being awarded Homekey funding.

If, after an initial allocation of County SLFRF funding, a selected Project is not successfully awarded Homekey 3.0 from HCD, the portion of the County's SLFRF funding proposed for the Project will be retained by the County to be utilized towards other affordable housing developments.

Should the Responder consider federal funds to finance this Project, the Responder will need to carefully consider how to acquire site control of property(ies) to avoid taking a Choice Limiting Actions in compliance with the National Environmental Policy Act ("NEPA"). ARPA funding does not require NEPA or federal prevailing wage compliance.

Submission of LOI

When submitting an LOI for consideration, please include the following information at a minimum:

1. Name of entity submitting the LOI and any partners, with roles clearly identified (e.g., owner, manager, services provider, developer, etc.).
2. Contact person(s), including mailing addresses, email addresses, and phone numbers.
3. Documentation of conversations with and proposed contributions from the local jurisdiction where the Project is located. Please provide the name and contact of representatives from the local jurisdiction involved in the Project.
4. Description of the proposed Homekey site, including address, a description of the current use of the site, and status of site control.
5. Vision Statement: goal of Project, proposed use (Permanent Supportive Housing, Transitional Housing, Navigation Center, recuperative care, etc.), type of construction (new construction, rehabilitation, conversion, etc.), number of Homekey units to be created, description of the Target Population, and projected timeline with milestones to completion.
6. Financial analyses (sources and uses, development budget, proposed operating budget including revenue and expenses), if available.
7. The type and extent of assistance requested from the County, including the need for partners to fill gaps in the existing team and anticipated applicant status of the County (lead applicant, co-applicant, funder only, other). Please also include anticipated need for supportive services and amount of anticipated capital and operations funding from the County, as necessary, as well as anticipated contributions from other jurisdictions.
8. Brief description of the Responder's experience and staff with the proposed activities.
9. Analysis of biggest challenges/barriers to completing the Project.
10. Certification from all Responders that they have reviewed the existing Homekey NOFA, and related documents located on HCD's website (<https://www.hcd.ca.gov/grants-and-funding/homekey>) and are prepared to comply with all Homekey 3.0 requirements.
11. Commitment to compile required Homekey documents reflected above as well as any additional information required once the NOFA is released.

It is expected that Projects described in the LOI may need to be revised based upon the specifics of the Round 3 NOFA. The County requests that Responders submit as much information as possible in the LOI. If any of the required information above is unavailable, please provide an expectation of when the information will become available. The County will work with selected Projects to incorporate the requirements of Homekey 3.0, as applicable.

Letters of Interest must be submitted via e-mail to: Tracy McAulay, Management Analyst, at tracy.mcaulay@ventura.org no later than 5:00 p.m. on Thursday, January 12, 2023, although early submissions are encouraged.

The County is not obligated to provide application support, funding, services or other support to any Project that is selected under this Request and is unsuccessful in leveraging an award of Homekey funds from HCD.

LOI Evaluation

Upon receipt of an LOI, County staff will gather information necessary to: verify that the Project meets a priority need and incorporates best practices; confirm support of the local jurisdiction in which the proposed site is located; request information necessary to determine, in County's reasonable discretion, that the Project is feasible and can comply with all Homekey and other requirements; and determine the appropriate amount of and availability of requested assistance from the County or other sources, including but not limited to capital and operational support. An evaluation committee ("Committee") will review all submitted LOIs and recommend successful Projects to the County for joint submission and/or support of Homekey application(s). The Committee will be comprised of representatives from cities, the County Executive Office, and the Ventura County Continuum of Care and may include representatives from other County agencies and former Homekey recipients.

County staff will confirm receipt of each LOI received and may request additional information as necessary for the Committee to recommend whether to move forward with a Homekey application for a Project.