



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 28, 2022

FROM: OFFICE OF HOMELESS SOLUTIONS WARD: 7

SUBJECT: A RESOLUTION TO THE CITY COUNCIL OF THE CITY OF RIVERSIDE AUTHORIZING APPLICATION TO AND PARTICIPATION IN THE STATE OF CALIFORNIA'S HOMEKEY PROGRAM AND AUTHORIZING THE EXECUTION OF ALL REQUIRED DOCUMENTS BY THE CITY MANAGER OR DESIGNEE, REPEALING RESOLUTION NO. 23813, FOR INCREASED FUNDING OF A TOTAL AMOUNT NOT-TO-EXCEED \$4,400,000 FOR THE SUNRISE AT BOGART 22-UNIT PERMANENT SUPPORTIVE HOUSING DEVELOPMENT PROJECT LOCATED AT 11049 BOGART STREET BY NEIGHBORHOOD PARTNERSHIP HOUSING SERVICES, INC. -WAIVE FURTHER READING (WARD 7)

ISSUE:

Replacement of Resolution No. 23813 supporting the Sunrise at Bogart project, a 22-unit affordable and permanent supportive housing community located at 11049 Bogart Street by Neighborhood Partnership Housing Services, Inc. for the project's Homekey Program funding application to the State of California with an updated resolution supporting the project to increase the funding request to \$4,400,000 and name the City as sole applicant.

RECOMMENDATIONS:

That the City Council:

1. Adopt the attached updated Resolution supporting the Sunrise at Bogart, a 22-unit affordable and permanent supportive housing community located at 11049 Bogart Street by Neighborhood Partnership Housing Services, Inc. for the project's Homekey Program funding application to the State of California to increase the funding request to \$4,400,000.
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenues and supplemental appropriation in an amount up to \$4,400,000, or in the amount of the grant award, in the Development Grants Fund, Homekey Program accounts; and,
3. Authorize the City Manager, or designee, to execute a Homekey Grant Agreement with Sunrise at Bogart LP, including making minor and non-substantive changes.

BACKGROUND:

In March of 2019, The Housing Authority received an over-the-counter application from Neighborhood Partnership Housing Services, Inc. (NPHS) that proposed to build an affordable

housing complex on Housing Authority-owned property located at 11049 Bogart Avenue in the La Sierra Neighborhood; a project that would provide housing for chronically homeless individuals coupled with case management. Staff reviewed and rated the NPHS application and found the proposal to be strong enough to proceed in development. NPHS's final proposed project included 22 affordable units, one manager unit, and reconfigured the proposal to include a large central "village feel" common green space suitable for urban farming plots. NPHS subsequently formed Sunrise at Bogart LP to develop the Project.

On December 15, 2020, the City Council approved Resolution No. 23660 which supported the Project with a commitment of \$500,000 in funding from the HOME Investment partnership Acts program and a write-down of the 11049 Bogart Street property to \$1. The City has since executed a Disposition and Development Agreement for the Property.

On September 9, 2021, the State of California Department of Housing and Community Development announced the availability of approximately \$1.45 billion in Homekey funding to sustain and rapidly expand the inventory of housing for people experiencing homelessness or At-Risk of Homelessness and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. Homekey is an opportunity for state, regional, and local public entities to develop a broad range of housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing, and to convert commercial properties and other existing buildings to Permanent or Interim Housing for the Target Population.

On January 11, 2022, the City Council approved Resolution No. 23813 in support of the Sunrise at Bogart Homekey application which listed the City as a Co-applicant with Sunrise at Bogart LP in requesting \$2,200,000 in Homekey funds.

The City has received direction from the State that the resolution should list the City as the sole applicant and that the City authorizes a request of Homekey funds an amount that is at least double the anticipated award due to additional funding that was made available in the next round of funding which the project is being considered for.

DISCUSSION:

Homekey award amounts are subject to change and may be in excess of the amount identified in the Authorizing Resolution. If the project is awarded an amount greater than the originally authorized \$2,200,000, the City will be required to approve a new resolution before the funding agreement can be executed. The State of California has requested the City to submit the required amended Resolution by the end of June 2022.

Staff is requesting adoption of an updated resolution to replace Resolution No. 23813 that will name the City as the sole funding applicant and authorize the City to apply for Homekey grant funds in a total amount not to exceed \$4,400,000.

STRATEGIC PLAN ALIGNMENT:

Adoption of this updated Resolution supports **Strategic Priority 2 - Community Well-Being** and contributes to **Goal No. 2.1**, facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

Adoption of this Resolution aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – The City of Riverside has identified the need for affordable housing as a priority need in the City’s Housing Element process. The Housing Element outreach process gathered information from specific focus groups and interviews with various organizations and service providers in the housing and community development field, as well as residents of the city.
2. **Equity** – Pursuant to the Housing Community Act of 1974, the U.S. Department of HUD provides critical priority for the funding to ensure all eligible persons receive equitable access to services and are served with dignity, respect, and compassion regardless of their circumstances, ability, or identity.
3. **Fiscal Responsibility** – There is no fiscal impact to the City General Fund associated with this item. This item allows the City to leverage Federal Grants with other state and local funds to increase the stock of affordable housing in the City.
4. **Innovation** – This item will allow the City to capitalize on federal funding to meet ongoing and changing housing needs of very low- to low-income members of the community.
5. **Sustainability & Resiliency** – Riverside is committed to using HUD entitlement funds to promote sustainable community and economic development and projects to encourage community engagement and resiliency.

FISCAL IMPACT:

The total fiscal impact of this action is \$4,400,000. Upon Council approval and the grant award, an increase of \$4,400,000 in revenue and an equal amount appropriated in the Development Grants Fund, Homekey Program revenue account 9410000-334300 and expenditure account 9410000-440220.

Prepared by:	Michelle Davis, Housing Authority Manager
Certified as to availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Finance Officer/City Treasurer
Approved by:	Edward Enriquez, Interim Assistant City Manager/Chief Finance Officer/City Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney
Attachment:	Resolution