



RESOLUTION TO APPLY FOR HOMEKEY+ FUNDING AND CONVERSION OF QUALITY INN MOTEL FOR HOUSING

HOUSING AND HUMAN SERVICES

Housing and Homelessness Committee

April 28, 2025

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HOMEKEY+

November 26, 2024, the California Housing and Community Development (HCD) released the Homekey + Notice of Funding Availability (NOFA)

- Funded through Proposition 1 that was approved by California voters in March 2024
- Proposition 1 includes the Behavioral Health Services Act (BHSA) and the Behavioral Health Infrastructure Bond Act (BHIBA). Homekey+ is the Permanent Supportive Housing component of the BHIBA.
- \$1.033 billion is being made available for veteran-serving projects and all other target population projects will have \$1.11 billion available



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HOMEKEY+

- Eligible applicants include cities, counties, state and regional and local public entities and tribal entities
- Eligible uses include acquisition and/or rehabilitation of motels, hotels, apartments, assisted living residences, commercial spaces and other buildings with existing uses that could be converted to permanent supportive housing
- Projects must be completed within 12 months from the date of the grant award letter
- Applications are due by May 30, 2025, and awards announcements will start in June 2025
- Riverside has 249 unhoused individuals on the Coordinated Entry System Community Queue waiting for a permanent supportive housing unit



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PROPOSED PROJECT

February 24, 2025, received a proposal received from Riverside Housing Development Corporation to acquire and rehabilitate the Quality Inn at 1590 University Avenue

- Convert 114 motel rooms into studio units
- 94 Homekey+ units, permanent supportive housing units at or below 30% of area median income (AMI)
- 20 affordable housing units at or below 50% of AMI
- These units will remain affordable for a 55-year period.



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PROPOSED PROJECT

- Ten (10) units will be reserved for veterans and 18 units reserved for individuals with mobility disabilities
- Tenants will be required to sign a 12-month lease
- The property will be gated, have onsite security, a social service coordinated and four (4) case managers
- The property manager and maintenance staff will live onsite



PROJECT COSTS

- Appraisal was ordered to determine the Fair Market Value of the property, which was due on March 29, 2025, and the deadline was extended to April 7, 2025
- At the time this staff report was written and submitted, Real Property Services had not yet received the appraisal
- RHDC's estimated total development costs is \$26,700,000



FUNDING REQUESTS

SOURCE	AMOUNT
Homekey+	\$35,000,000.00
Homeless Housing, Assistance and Prevention (HHAP) Round 3	\$ 2,496,927.94
HHAP Round 4	\$ 4,253,072.06
HOME Investment Partnerships (HOME) Program	\$ 1,000,000.00
Community Development Block Grant (CDBG)	\$ 1,234,890.09



COMMUNITY MEETINGS

DATE	GROUP
March 28, 2025	Individuals with lived experience
April 3, 2025	Lincoln Park Community Group
April 10, 2025	University Neighborhood Association
April 23, 2025	Bordwell Park Advisory Committee



STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities



#2 Community Well-Being, Goal No. 2.1 and 2.2

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



RECOMMENDATIONS

That the Housing and Homelessness Committee:

1. Conceptually approve a Resolution authorizing the City Manager, or designee, to submit a joint application between the City of Riverside and Riverside Housing Development Corporation to the State of California Department of Housing and Community Development for up to \$35,000,000.00 of Homekey+ Program funds for the acquisition and conversion of 114 rooms into studio units located at 1590 University Avenue; and
2. Direct the City Attorney's Office to draft a Memorandum of Understanding with Riverside Housing Development Corporation for soft commitments of \$6,750,000.00 of HHAP Round 3 and 4 for the Homeless Housing, Assistance and Prevention Program Round 3 and 4 grant funds, \$1,234,890.09 of Community Development Block Grant funds, and \$1,000,000.00 of HOME Investment Partnerships Program grant funds to carry out the project.

