



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

HOUSING AND HUMAN SERVICES

City Council

May 20, 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.
- \$1.11 billion projects available all other target population projects



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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 307 unhoused individuals on the Coordinated Entry System Community Queue waiting for a permanent supportive housing unit
 - 102 unhoused seniors at or over the age of 55
 - 32 unhoused adults between the ages of 50-54



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HOMEKEY FUNDED PROJECTS IN RIVERSIDE COUNTY

APPLICANT	PROJECT NAME	HOMEKEY AWARDS	NO. OF UNITS	PROJECT DESCRIPTION
County of Riverside and TruEvolution	Project Legacy, Riverside	\$4,000,000 (Round 1)	19	Acquisition of six adjacent properties located on Brockton Avenue, 9th Street and University Avenue for Project Legacy. Tenants live at Project Legacy for up to 24 months, with the goal of transitioning to permanent housing after residents are equipped with skills to become self-sufficient.
County of Riverside and Riverside Community Housing Corporation	Mountain View Estates Phase III, Coachella Valley	\$7,250,000 (Round 1)	40	Replace mobile homes in a dilapidated mobile home park.
City of Riverside and Walden	Walden Scattered Site Interim Housing	\$5,250,000 (Round 2)	25	Acquisition and rehabilitation of four (4) single-family homes for the use of transitional housing for the youth homeless population
County of Riverside	Vista Dorada, Corona	\$11,949,900 (Round 2)	40	Hotel/motel conversion acquisition and rehabilitation for permanent supportive housing
County of Riverside	The Springs Housing Navigation Campus, Palm Springs	\$19,059,202 (Round 2)	80	Modular living units and rehabilitation of two of the three existing warehouse buildings for services.



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HOMEKEY FUNDED PROJECTS

Walden Youth Transitional Housing



Project Legacy



Mountain View
Estates Phase
III



Vista Dorada



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HOMEKEY FUNDED PROJECTS



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UNIVERSITY TERRACE HOMES

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
 - Small kitchen, bathroom, and a living area that also functions as a bedroom
- 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

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



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RIVERSIDE HOUSING DEVELOPMENT CORPORATION

- Established in 1991
- Owns and manages over 1,400 units throughout Riverside County
- Maintain the integrity and stability of affordable housing throughout the community by being a
- Manages 94 affordable housing units near the proposed University Terrace Homes



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QUALITY INN

- Owner has been trying to sell their property since 2023
- Last major improvement was completed in 2018
- 1/1/2024 – 4/26/2025, property generated 97 calls for police services that required 222 officers to respond to
- Lowest nightly bed rate charged at \$107-\$119 a night
- Property's location is walkable to community-based healthcare services, employment opportunities, retail, banks, local transit and other services
- Surrounding businesses will see an increase in patrons
- Adaptive-reuse of the property is a more economical option and more environmentally friendly alternative
- Helps address the ongoing housing shortage



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WHO WILL BE SERVED

- 20 units will be typical affordable housing rented to households with incomes at or below 50% area median income (\$35,900 for a one-person household)
- 94 units will be permanent supportive housing and rented to households with incomes at or below 30% of area median income (\$21,500 for a one-person household)
 - Documented mental health or substance abuse disorder and are unhoused
- Case manager will be assigned to residents in a permanent supportive housing unit
 - Assist residents with achieving self-sufficiency through needs assessments, establishing S.M.A.R.T goals, and referrals to service agencies



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PERMANENT SUPPORTIVE HOUSING (PSH)

- March 13, 2018, City Council approved the Housing First Strategy that places a focus on immediate access to PSH
- December 2023, City's Housing Authority completed the development of 10 PSH units in Ward 1
- January 2025, Innovative Housing Opportunities completed 32 PSH that serves transitional youth in Ward 1.
- Sunrise at Bogart is expected to close on the project's financing in June 2025 and soon start construction of 22 PSH units in Ward 7



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PROJECT COSTS AND FUNDING SOURCES

- RHDC's estimated total acquisition and rehabilitation costs is \$26,660,096
- State Homekey+ grant: up to \$35,000,000
- City grants

Funding Source	Amount
State Homeless Housing, Assistance and Prevention (HHAP) Round 3 and 4	\$6,750,000.00
Federal HOME Investment Partnerships Program	\$1,000,000.00
Federal Community Development Block Grant (CDBG)	\$1,234,890.09
Total	\$8,984,890.09

- March 25, 2025, City Council approved a Subrecipient Agreement for HHAP 3 with RHDC to provide \$250,000 to cover the Project's predevelopment costs.



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COMMUNITY MEETINGS

DATE	GROUP
March 24, 2025	Housing and Homelessness Committee Meeting
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
May 8, 2025	University Avenue Business Meeting



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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



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RECOMMENDATIONS

That the City Council:

1. Adopt 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 support operating costs for ten years;
2. Authorize the City Manager, or designee, to execute all necessary documents that may be required for submittal of the Homekey+ application, including making minor and non-substantive changes;



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RECOMMENDATIONS

3. Approve a Memorandum of Understanding with Riverside Housing Development Corporation for soft funding 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 and authorize the City Manager, or designee, to accept and receive Homekey+ funds and to execute any documents necessary to secure such award and administer the grant;
4. Authorize the City Manager, or designee, to accept and receive the Homekey+ grant and administer the Homekey+ grant; and
5. With at least five affirmative votes, upon grant award of the Homekey+ grant award, authorize the Chief Financial Officer, or designee, to record an increase in grant revenue and appropriate expenditures in an amount up to \$35,000,000 in the Grants and Restricted Programs Fund.



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