



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 21-191

May 11, 2021

Introduced: 5/4/2021

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Director of Health or the Assistant Director of Health to execute a County Grant Agreement, Whole Person Care - Permanent Housing (Sun Rose Housing) with Sun Rose Housing LLC, a California limited liability company and wholly-owned affiliate of Interim, Inc., for a total grant amount not to exceed \$1,738,296, in Capital Funds for the construction and permanent funding of Permanent Units at the Sun Rose Project, Salinas, California, for a grant term retroactive from May 1, 2021 through April 30, 2041; and
- b. Approve and authorize the Director of Health or the Assistant Director of Health to execute a County Grant Agreement, Whole Person Care - Transitional Housing (Sun Rose Housing) with Sun Rose Housing LLC, for a total Agreement amount not to exceed \$669,491 in Capital Funds for the construction and permanent funding of Transitional Units at the Sun Rose Project, Salinas, California, for a grant term retroactive from May 1, 2021 through April 30, 2041; and
- c. Approve and authorize the Director of Health or the Assistant Director of Health and Erik Lundquist, Chief Planning, Housing and Community Development Department, to execute a Regulatory Agreement and Declaration of Restrictive Covenants with Sun Rose Housing, LLC, imposing affordable housing restrictions on the development, use, and occupancy of the Sun Rose Project, with a term expiring on the date 20 years after the effective date of the County Grant Agreement Community Development Block Grant Funds with Sun Rose Housing, LLC dated April 19, 2021 (the "County CDBG Grant Agreement") granting \$1,066,771 (the "County CDBG Grant"), for the construction and permanent financing of the Transitional Units.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of Health or the Assistant Director of Health to execute a County Grant Agreement, Whole Person Care - Permanent Housing (Sun Rose Housing) with Sun Rose Housing LLC, a California limited liability company and wholly-owned affiliate of Interim, Inc., for a total grant amount not to exceed \$1,738,296, in Capital Funds for the construction and permanent funding of Permanent Units at the Sun Rose Project, Salinas, California, for a grant term retroactive from May 1, 2021 through April 30, 2041; and
- b. Approve and authorize the Director of Health or the Assistant Director of Health to execute a County Grant Agreement, Whole Person Care - Transitional Housing (Sun Rose Housing) with Sun Rose Housing LLC, for a total Agreement amount not to exceed \$669,491 in Capital Funds for the construction and permanent funding of Transitional Units at the Sun Rose Project, Salinas, California, for a grant term retroactive from May 1, 2021 through April 30, 2041; and
- c. Approve and authorize the Director of Health or the Assistant Director of Health and Erik Lundquist, Chief Planning, Housing and Community Development Department, to execute a Regulatory Agreement and Declaration of Restrictive Covenants with Sun Rose Housing, LLC,

imposing affordable housing restrictions on the development, use, and occupancy of the Sun Rose Project, with a term expiring on the date 20 years after the effective date of the County Grant Agreement Community Development Block Grant Funds with Sun Rose Housing, LLC dated April 19, 2021 (the "County CDBG Grant Agreement") granting \$1,066,771 (the "County CDBG Grant"), for the construction and permanent financing of the Transitional Units.

SUMMARY/DISCUSSION:

Interim, Inc. ("Interim") is a California nonprofit public benefit corporation and a long-time provider of social services, transitional housing, and permanent supportive housing in Monterey County. Since the early 2000s Interim has operated 8 bedrooms of transitional housing located at 439 Soledad Street in the City of Salinas.

Interim's wholly-controlled affiliate, Sun Rose Housing, LLC, will acquire and redevelop the existing site into a multi-family rental development consisting of 17 units, plus one 1 manager's unit, of permanent and transitional housing for families or individuals, known as Sun Rose (the "Project"). 8 of the units will be for transitional housing (the "Transitional Units"). 9 of the units will be for permanent housing (the "Permanent Units").

On January 7, 2020, the Board of Supervisors allocated Whole Person Care ("WPC") funds in the amount \$1,738,296 ("County Permanent WPC") in Capital Funds for the construction and permanent funding of the Permanent Units, and \$669,491 ("County Transitional WPC") in Capital Funds for the construction and permanent funding of the Transitional Units. The Health Department requests that the Board authorize the Director of Health or Assistant Director of Health to execute the County Permanent WPC Agreement and the County Transitional WPC Agreement, pursuant to which County shall grant to Grantee the County Permanent WPC and County Transitional WPC to assist in the construction of the Sun Rose Project, along with the Regulatory Agreement and Declaration of Restrictive Covenants.

The Sun Rose Project is further supported by additional funding in the form of funds from the United States Department of Housing and Urban Development under Title I of the Housing and Community Development Act of 1974, as amended (Community Development Block Grant (\$1,066,771 for transitional housing); County Inclusionary Housing funds (\$550,000 for transitional housing); and funding from the No Place Like Home Program of the California Department of Housing and Community Development ; Monterey/San Benito Counties Coalition of Homeless Services Providers; the City of Salinas; and Interim.

This work supports the County of Monterey Health Department 2018-2022 Strategic Plan Initiatives: 1. Empower the community to improve health. It also supports the following of the ten essential public health services: 4. Mobilize community partnerships and action to identify and solve health problems; and 7. Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

County Counsel and Auditor-Controller have reviewed and approved these agreements as to legal form and fiscal provisions respectively.

FINANCING:

The WPC Permanent Housing and Transitional Housing Agreements, totaling \$2,407,787, are fully funded with Whole Person Care monies. Appropriations for these agreements are included in the Health Department's (023-4000-8410-HEA012) Fiscal Year (FY) 2021-22 Requested Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

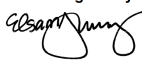
- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

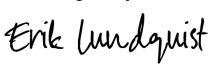
Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Miriam Mendoza-Hernandez, Finance Manager, 755-4622
Anastacia Wyatt, Housing Program Manager, 755-5387

Approved by:

DocuSigned by:

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 Elsa Mendoza Jimenez, Director of Health, 755-4526

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 Date: 5/6/2021 | 2:12 PM PDT
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 Erik Lundquist, Chief of Planning, Housing and Community Development

Attachments:

- County Grant Agreement, Whole Person Care - Permanent Housing (Sun Rose Housing)
- County Grant Agreement, Whole Person Care - Transitional Housing (Sun Rose Housing)

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Regulatory Agreement and Declaration of Restrictive Covenants