



Board Report

File #: A 21-437, **Version:** 1

- a. Ratify execution by the Director of Health a Certification Regarding Non-Application of Relocation Benefits document, executed in partnership with Interim Inc. and the County of Monterey (collectively the "Sponsor") for the benefit of the Department of Housing and Community Development (DHCD), dated June 17, 2021, to show and certify that no relocation plan was necessary for the project, known as Sun Rose Housing, located at 439 Soledad Street, Salinas, California; and
- b. Ratify execution by the Director of Health an Indemnification Agreement, executed in partnership with Interim, Inc. and the County of Monterey (collectively the "Sponsor") for the benefit of the DHCD, dated June 17, 2021, to allow the DHCD to be held harmless in connection with any and all potential legal costs and liabilities in conjunction with accepting certification from Sponsor that no relocation plan was necessary.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Ratify execution by the Director of Health a Certification Regarding Non-Application of Relocation Benefits document, executed in partnership with Interim Inc. and the County of Monterey (collectively the "Sponsor") for the benefit of the Department of Housing and Community Development (DHCD), dated June 17, 2021, to show and certify that no relocation plan was necessary for the project, known as Sun Rose Housing, located at 439 Soledad Street, Salinas, California; and
- b. Ratify execution by the Director of Health an Indemnification Agreement, executed in partnership with Interim, Inc. and the County of Monterey (collectively the "Sponsor") for the benefit of the DHCD, dated June 17, 2021, to allow the DHCD to be held harmless in connection with any and all potential legal costs and liabilities in conjunction with accepting certification from Sponsor that no relocation plan was necessary.

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, is in the process to 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 May 11, 2021, the Board authorized the Director of Health or the Assistant Director of Health to execute Agreement A-15216, A-15217 and A-15218 to execute 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 the Board authorized 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 the Board authorized 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.

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.

To meet project deadlines, the Director of Health along with the Executive Director of Interim, Inc. were asked to sign the Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement. After review by County Counsel, the documents were signed by the Director of Health, prior to coming to the Board for approval. The Department recommends ratification of the execution of this Certification document and Indemnification Agreement.

This work supports the Monterey County Health Department 2018-2022 Strategic Plan Initiatives: 1. To empower the community to improve health; and 2. Ensure access to culturally and linguistically appropriate, customer-friendly, quality health Services. It also supports the following of the ten essential public health services, specifically: 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:

The office of County Counsel has reviewed and approved this Agreement as to legal form.

FINANCING:

There is no fiscal impact.

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: Frances Stevens, Management Analyst II, 755-4532

Approved by:

Date:

Elsa Mendoza Jimenez, Director of Health, 755-4526

Attachment:

Certification/Agreement