

RESOLUTION NO. 2022-20

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HUNTINGTON BEACH APPROVING ACTIONS RELATED TO THE
USE OF \$4.21 MILLION IN LOW AND MODERATE INCOME
HOUSING ASSET AND HOME-ARP FUNDING FOR THE HOMEKEY
MOTEL CONVERSION PROJECT LOCATED AT 17251 BEACH
BOULEVARD; FINDING THE HOMEKEY PROJECT EXEMPT FROM
CALIFORNIA ENVIRONMENTAL QUALITY ACT PER SECTION
21080.50 AND DIRECTING STAFF TO FILE A NOTICE OF
EXEMPTION; AND AUTHORIZE THE CITY MANAGER TO
NEGOTIATE, EXECUTE, AND IMPLEMENT A FUTURE FUNDING
AGREEMENT AS NECESSARY RELATED TO THE \$1.81 MILLION
IN HOME-ARP FUNDS

WHEREAS, on September 9, 2021, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (Round 2) for Project Homekey ("Homekey") in the amount of \$1.45 billion 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; and

WHEREAS, the purpose of Homekey is to provide 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 supportive housing or interim housing; and

WHEREAS, Homekey funds will be available to eligible applicants on a continuous, over-the-counter basis, rather than on a competitive basis; and

WHEREAS, on or around December 28, 2021, the City of Huntington Beach ("City") in collaboration with AMERICAN FAMILY HOUSING, a California nonprofit public benefit corporation, and NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (together, "Developer") and the County of Orange ("County") submitted an application for the Homekey program grant funding for the acquisition, rehabilitation, and conversion of the motel located at 17251 Beach Boulevard, Huntington Beach for both interim housing and permanent supportive housing phases ("Project"); and

WHEREAS, the City Council previously adopted Resolution 2021-74, whereby the City approved conditional funding of the proposed Project in the amount of \$4.21 million consisting of \$2.40 million in Low and Moderate Income Housing Asset Funds (LMIHAF) for rehabilitation and conversion of the rooms into supportive housing units, and \$1.81 million in HOME Investment Partnerships-American Rescue Plan Act (HOME-ARP) funds for the fifth-year of supportive services costs. The Huntington Beach Housing Authority ("Authority") will be considering approval of a proposed Affordable Housing Agreement as a related item to this Resolution. The Affordable Housing Agreement addresses the loan of the \$2.40 million in LMIHAF and this Resolution addresses the funding of the \$1.81 million in HOME-ARP funds; and

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WHEREAS, on February 16, 2022, the County and Developer as co-applicant, were awarded Homekey funds by HCD in the amount of up to \$17.0 million for the Project; and

WHEREAS, all of the conditions of funding for the Project as outlined in Section 3 of Resolution No. 2021-74 have been or will be met prior to the funding of the \$4.21 million in Authority/City funds.

NOW, THEREFORE, the City Council of the City of Huntington Beach, DOES HEREBY RESOLVE as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby finds and determines that the Project is exempt from California Environmental Quality Act pursuant to Public Resources Code Section 21080.50, because the Project is an interim motel/hotel/housing project as defined in Section 21080.50, and directs staff to file a Notice of Exemption.

Section 3. The City Council delegate's authority to the City Manager, or their designee, to negotiate, execute, and implement a future funding agreement, as deemed necessary, related to the \$1.81 million in HOME-ARP funds for the Project.

Section 4. Due to the anticipated use of HOME-ARP funds, the Project shall undergo an environmental review prior to any release of funds consistent with the Program Regulations found in 24 CFR, Part 58.6 and the City Manager, or their designee, is authorized to execute all environmental documentation required by the U.S. Department of Housing and Urban Development.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting held on the 17th day of May, 2022.

Mayor

REVIEWED AND APPROVED:

APPROVED AS TO FORM:

City Manager

City Attorney *MJ*

INITIATED AND APPROVED:

Amelia P. P.

Director of Community Development