

RESOLUTION NO. 7

RESOLUTION OF THE HUNTINGTON BEACH HOUSING AUTHORITY APPROVING AN AFFORDABLE HOUSING AGREEMENT WITH AMERICAN FAMILY HOUSING AND NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA FOR \$2.40 MILLION IN LOW AND MODERATE INCOME HOUSING ASSET FUNDS FOR THE HOMEKEY MOTEL CONVERSION PROJECT LOCATED AT 17251 BEACH BOULEVARD AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY ACTIONS TO EXECUTE AND IMPLEMENT SAID AGREEMENT

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 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 of Huntington Beach ("City") desires to allocate \$4.21 million to the Project 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; and

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, the City Council has made a finding and determined that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.50, because the Project is an interim hotel/motel/housing project as defined in Section 21080.50, and no additional environmental review is required; and

RESOLUTION NO. 7

WHEREAS, since LMIHAF will be used to partially fund the Project, the Huntington Beach Housing Authority ("Authority") will be party to the proposed Affordable Housing Agreement ("Agreement"); and

WHEREAS, the City special legal counsel has prepared a draft proposed Agreement between the Authority and the Developer for purposes of implementing activities related to the Project.

NOW, THEREFORE, the Huntington Beach Housing Authority Board, DOES HEREBY RESOLVE as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Authority hereby approves the Affordable Housing Agreement by and between the Authority and the Developer for the Project, substantially in the form presented to the Authority, which contains a loan in the amount of \$2.40 million in LMIHAF funds.

Section 3. The Executive Director, or designee, is delegated the authority to take any and all actions necessary to execute the Agreement and any attachments (sub-agreements) thereto. The Executive Director, with approval as to form by City Attorney's Office, shall have the authority to make typographical, non-funding related corrections to the attachments (sub-agreements) in order to implement the Project.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Huntington Beach Housing Authority at a regular meeting held on the 7th day of June, 2022.

Chair

REVIEWED AND APPROVED:

APPROVED AS TO FORM:

Executive Director

City Attorney *W*

INITIATED AND APPROVED:

W. D. P.

Director of Community Development