

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

July 23, 2024

FROM

CARRIE HARMON, Director, Community Development and Housing Department

SUBJECT

Release of the Original Homekey Regulatory Agreement for the Pacific Village Campus Expansion, Resolution Approving the Subdivision of the Pacific Village Campus, and Updated Regulatory Agreement

RECOMMENDATION(S)

1. Approve the Full Release of Homekey Regulatory Agreement to release the original Homekey Regulatory Agreement, dated January 11, 2022, for the Pacific Village Campus.
2. Adopt Resolution Approving the Subdivision and Accepting the Transfer of the Pacific Village Campus into three separate parcels necessary to facilitate the Pacific Village Campus Expansion Project.
3. Approve three Grant Deeds, to be issued and accepted by San Bernardino County, to subdivide the Pacific Village Campus into three parcels.
4. Approve and authorize recordation of an updated Homekey Regulatory Agreement and Declaration of Restrictive Covenants for the Pacific Village Homekey parcel.
5. Authorize the Chair of the Board of Supervisors, Chief Executive Officer, or Director of the Community Development and Housing Department, upon consultation with County Counsel, to execute and make any necessary non-substantive modifications to the three Grant Deeds, Full Release of Homekey Regulatory Agreement, and the updated Homekey Regulatory Agreement, and to execute all required documents and modifications, including escrow instructions, related to this transaction.
6. Direct the Director of the Community Development and Housing Department to transmit the fully executed Grant Deeds, Full Release of Homekey Regulatory Agreement, and the updated Homekey Regulatory Agreement, to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Carrie Harmon, Director, 382-3983)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health, and Social Service Needs of County Residents.

Promote the Countywide Vision.

Create, Maintain and Grow Jobs and Economic Value in the County.

Ensure Development of Well-Planned, Balanced and Sustainable County.

Pursue County Goals and Objectives by working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The request to release the original Homekey Regulatory Agreement (Agreement), issue three grant deeds, and recordation of the updated Regulatory Agreement does not commit San Bernardino County (County) to any additional expenditures for the project nor does it add any additional conditions on the County.

BACKGROUND INFORMATION

The County is expanding County-owned property, known as the “Pacific Village Campus” (Campus) located at 2626 Pacific Street in the City of San Bernardino, to create a Campus that will offer housing and social services to county residents who are experiencing or are at risk of homelessness. Unlike traditional homeless projects or large-scale congregate shelters, this development will include an array of housing interventions designed to address the root causes of homelessness and provide a viable pathway to independent living and permanent housing.

On October 6, 2020 (Item No. 33), the Board of Supervisors (Board) approved the purchase of the 6.82-acre Campus site for \$2,700,000, utilizing Homekey Round 1 funds. The purchase of the Campus included six existing permanent buildings: one three-bedroom, two-bathroom home; two apartments; an administration building; a dining hall with a kitchen; and former church facility. The Campus also includes centralized parking.

On October 27, 2020 (Item No. 48), the Board approved the Capital Improvement Program (CIP) - Pacific Village Project CIP No. 21-157 (Project), in the amount of \$3,193,500, for the rehabilitation of the Campus. Phase I of the Project was completed in March of 2021 and provided 28 interim housing beds to shelter homeless individuals impacted by the COVID-19 pandemic.

The Campus is currently comprised of a single legal parcel. During the development of the 28 original Homekey interim housing beds, the California Department of Housing and Community Development (HCD) required the County to execute and record the Agreement against the property. The Agreement restricts the use of the property solely for the development and operation of an interim shelter.

The County now plans to expand the Campus into a full-service hub with onsite substance use treatment, recuperative care, interim housing and permanent supportive housing. The Project will address gaps in continuum of care for people with behavioral health conditions and will meet the needs of vulnerable populations with barriers to housing, including older adults, adults with disabilities, and people experiencing homelessness.

To facilitate the creation of the continuum of care Campus and offer the proposed broadened range of services, HCD is requiring that the County update the Agreement and record it solely against the property that will fulfill the requirements of the Homekey program. This necessitates the following steps: release of the existing Agreement recorded on the property, recordation of three Grant Deeds to effectively subdivide the property into three parcels, and record an updated Homekey Regulatory Agreement solely on one of the three new legally subdivided parcels that will contain the Homekey units.

The parcelization of the property is described below:

Parcel 1 will be comprised of the following: 30 newly constructed Permanent Supportive Housing units with exterior common areas; the converted chapel which will serve as a 32 bed Recuperative Care facility, and the remodeled cafeteria which will service ~~recuperative care clients,~~

Deleted: the entire Campus

Parcel 2 will house the 13,148 square foot Substance Use Disorder Facility which includes 16 residential beds. Services will include withdrawal management and residential treatment.

Parcel 3 will serve as the Homekey parcel and will provide 28 new permanent supportive housing units with common areas. The property currently has 28 Homekey interim housing beds (consisting of 20 travel trailers and eight units of interim housing). The new unit mix will include 27 one-bedroom units and one two-bedroom unit. The 20 travel trailers will be decommissioned upon completion of construction.

Approval of these recommendations will allow the County and HCD to complete the remaining steps required for the development and construction of additional interim and permanent supportive housing units through a multi-use collective partnership between the Department of Aging and Adult Services (DAAS), Department of Behavioral Health (DBH), and the Community Development and Housing Department (CDH) working collaboratively to increase access to a safe home environment and resources for overall wellness and self-sufficiency.

On May 21, 2024 (Item No. 59), the Board approved the CIP for the CDH portion of the Campus Expansion Project and authorized the release of a Design-Build Request for Proposal for the DAAS, DBH, and CDH projects.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on June 28, 2024; Finance (Christopher Lange, Deputy Director, 386-8392) on July 5, 2024; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0332) on July 5, 2024.