

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

March 25, 2025

FROM

CARRIE HARMON, Director, Community Development and Housing

SUBJECT

Grant Application to the California Department of Housing and Community Development Homekey+ Program

RECOMMENDATION(S)

1. Approve and authorize the submission of a grant application to the California Department of Housing and Community Development for \$13,500,000 for the Homekey+ Program for the U.S. VETS "E" Street Project in the City of San Bernardino.
2. Adopt Resolution authorizing a joint application to and participation in the Homekey+ Program for the U.S. VETS "E" Street Project, the execution of a grant agreement, and any amendments thereto.
3. Authorize the Chief Executive Officer, Assistant Executive Officer, or Director of the Community Development and Housing Department to execute and electronically submit the grant application, including any ancillary documents required by the California Department of Housing and Community Development, and any subsequent non-substantive amendments to the Homekey+ Program application, subject to County Counsel review.
4. Direct the Director of the Community Development and Housing Department to transmit the grant application and any subsequent non-substantive amendments to the Homekey+ Program application 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

Promote the Countywide Vision.

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

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

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

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

FINANCIAL IMPACT

This item does not impact Discretionary General Funding (Net County Cost). San Bernardino County (County), along with the joint U.S. VETS Housing Corporation and United States Veterans Initiative and Kingdom Development, Inc. (Developer), will apply for a Homekey+ Program allocation of \$13,500,000. Homekey+ funds are provided by the California Department of Housing and Community Development (HCD). Community Development and Housing (CDH) will return to the Board of Supervisors (Board) to request acceptance of the Homekey+ Program grant and any necessary budget adjustments.

BACKGROUND INFORMATION

**Grant Application to the California Department of Housing and Community Development Homekey+ Program
March 25, 2025**

HCD issued the Homekey+ Program 2024 Notice of Funding Availability (NOFA) on November 26, 2024. This program is designed to rapidly expand housing for individuals experiencing or at risk of homelessness who also live with behavioral health challenges. This initiative provides capital funding for the acquisition, rehabilitation, and construction of permanent supportive housing.

CDH requests Board approval for San Bernardino County to serve as the applicant for a \$13,500,000 Homekey+ grant for the "E" Street Veterans Housing Project in San Bernardino with co-applicants U.S. VETS Housing Corporation, Kingdom Development, Inc., and United States Veterans Initiative, with E Street Veterans Apartments, LP as property owner. If successful, this grant will allow the County to leverage state funds to advance its housing goals while creating critically needed homes for veterans.

This development will create 29 affordable housing units for low-income and formerly homeless veterans, plus one manager's unit. Located at 1351 North E Street (APN: 0145-211-55-0-000), the project will be built on 0.76 acres of donated land from a Holocaust survivor honoring World War II veterans who helped liberate concentration camps. The three-story development includes 21 one-bedroom and nine two-bedroom units, all serving households at or below 30% Area Median Income (AMI). As part of receiving Homekey+ funding, the state requires a 55-year affordability covenant recorded in first position incorporating the terms of the Homekey+ Program requirements, restricting rents to 30% AMI and naming HCD as third-party beneficiary.

The total development cost is \$26,350,213, with significant funding already secured, as detailed below:

Funding Source	Amount
Homekey+ (pending)	\$13,500,000
Housing Development Grant Fund	\$5,000,000
HCD – Veterans Housing and Homelessness Prevention	\$4,426,369
City of San Bernardino	\$2,000,000
Donated Land	\$860,000
The Home Depot Foundation	\$500,000
Deferred Developer Fee	\$63,844
Total	\$26,350,213

This project qualifies as a priority application due to the following factors: the project only requires gap funding to proceed with construction; it is permit-ready; construction will commence within six months of funding; and construction will be completed within 20 months of funding.

The Homekey+ Program requires the adoption of a Resolution approving the Homekey+ application and will require the execution of the Standard Agreement (Agreement), which will incorporate all of the terms of the NOFA, the application, the Multifamily Housing Program (Health and Safety Code 50675, et seq.), the Multifamily Housing Program Guidelines, the California Code of Regulations Title 25, Section 42, and the Uniform Multifamily Regulations (Homekey+ Program Requirements). The Agreement will include the following non-standard contract terms:

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1. The County and the co-applicants will be bound to the Homekey+ Program Requirements and shall remain jointly and severally liable to HCD for performance under the Agreement, including compliance with all Homekey+ Program Requirements.
 - Joint and several liability makes each party responsible for the liability.
 - Potential Impact: A breach of the Agreement by any of the parties could result in the County being liable for the responsibilities and damages. The County would remain liable to HCD for compliance with and performance of all Homekey+ Program Requirements.

2. The Agreement imposes certain insurance requirements on the County and requires that the State and HCD be named as additional insureds.
 - The County standard contract does not impose any insurance obligations on the County.
 - Potential Impact: The County will need to be mindful of the insurance obligation to ensure compliance.

The ancillary documents included in this application are required to meet HCD's requirements and include, but are not limited to, Certification and Legal Disclosure, Government TIN Form, and Housing First Statement. Delegated Authority will be requested for ancillary documents that require signature by the County Chief Executive Officer, Assistant Executive Officer, or CDH Director.

If the application is successful and HCD awards funding, CDH will return to the Board for contract approval and move forward with the above non-standard contract terms.

The Board previously demonstrated support by approving a \$5,000,000 commitment from the Housing Development Grant Fund on June 11, 2024 (Item No. 44).

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on March 14, 2025; Risk Management (Greg Ustaszewski, Staff Analyst II, 386-9008) on March 17, 2025; Finance (Paul Garcia, Administrative Analyst, 386-8392) on March 17, 2025; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on March 18, 2025.

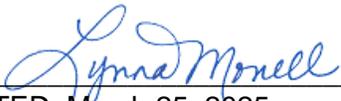
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Record of Action of the Board of Supervisors
San Bernardino County

OFF CALENDAR

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: March 25, 2025



cc: File - Community Development & Housing
CCM 03/28/2025