

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

February 27, 2024

FROM

CARRIE HARMON, Director, Community Development and Housing Department

SUBJECT

Ratification of Notice of Termination of the Homekey County Grant Agreement and Authorization for Expenditure of California Emergency Solutions and Housing Funds

RECOMMENDATION(S)

1. Ratify the Chief Executive Officer's Notice of Termination, dated February 13, 2024, of the Homekey County Grant Agreement No. 20-1229 between the County, Shangri-La Industries, LLC, 450 G Street, LP, and Step Up on Second Street, Inc.
2. Authorize the Chief Executive Officer to approve the expenditure of California Emergency Solutions and Housing Round 1 funds in an amount up to \$900,000, and Round 2 funds in an amount up to \$626,809, for a total of \$1,526,809, and to execute any documents necessary to expend the California Emergency Solutions and Housing funds, including agreements, subject to review by County Counsel.

(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.

Operate in a Fiscally-Responsible and Business-Like Manner.

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

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

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). California Emergency Solutions and Housing (CESH) Round 1 funds in the amount of \$900,000, and Round 2 funds in the amount of \$626,809, totaling \$1,526,809, remain in the Community Development and Housing Department's budget for expenditure in accordance with the terms of the grant award agreements accepted by the Board of Supervisors (Board) on August 6, 2019 (Item No. 13) and March 10, 2020 (Item No. 25).

BACKGROUND INFORMATION

On December 15, 2020 (Item No. 44), the Board approved Homekey County Grant Agreement No. 20-1229 (Agreement) with Shangri-La Industries, LLC, 450 G Street, LP, and Step Up on Second, Inc., in an amount not to exceed \$5,000,000 for the operating costs of the All Star Lodge project, partially funded in the amount of \$1,526,809 with the CESH grant funding. On February 9, 2021 (Item No. 34), the Board approved Amendment No. 1 to the Agreement, modifying the financing plan and schedule of performance for the All Star Lodge project. On

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February 13, 2024, the Chief Executive Officer executed and sent a letter terminating the Agreement due to the default by Shangri-La Industries, LLC and 450 G Street, LP.

On August 6, 2019 (Item No. 13), the Board accepted CESH Round 1 funds in the amount of \$1,459,234, and on March 10, 2020 (Item No. 25), the Board accepted CESH Round 2 funds in the amount of \$835,737. Approval of Recommendation No. 2 will authorize the Chief Executive Officer to approve the expenditure of the remaining CESH funds in the total amount of \$1,526,809, and to execute all necessary documents, including agreements, to timely expend these CESH funds.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on February 14, 2024; Finance (Paul Garcia, Administrative Analyst, 386-8392) on February 22, 2024; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0332) on February 22, 2024.

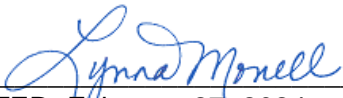
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 27, 2024



cc: File - w/agree w/attach
CCM 02/27/2024