

MOTION BY SUPERVISORS KATHRYN BARGER AND
HILDA L. SOLIS

October 27, 2020

**Approve and Order Publication of Notice of Intention for the County to Acquire
One Property in the City of Commerce Through the Homekey Program**

On September 28, 2020, Governor Newsom announced that he had requested the Joint Legislative Budget Committee to allocate an additional \$200 million of Coronavirus Relief Funding for the Homekey Program (Homekey), which was initially funded at \$600 million and established to purchase and rehabilitate various properties, including hotels and motels, and convert them into permanent, long-term housing for people experiencing or at risk of experiencing homelessness (PEH). If approved, the Department of Housing and Community Development (HCD) will provide funding for approximately 20 more Homekey projects now on a waitlist pending additional funds.

On September 29, 2020, the Board took the first step towards acquiring 8 hotels through Homekey. The Board initiated the acquisition of a 9th property on October 13, 2020 through Homekey. Concurrently, staff were able to advance negotiations with another property (Property #10) in the City of Commerce (City), as presented in Attachment 1. As with the Homekey acquisitions #1-9, staff performed its due diligence for Property #10 to ensure it is appropriate for use as interim or permanent supportive housing for PEH and the building condition supports a fair market purchase price for the property. Negotiations were also conducted with the property owner so that the County could acquire the property on appropriate terms and conditions.

On August 18, 2020, a notice of the proposed acquisition was submitted to the City’s Planning Department. The notice requested the City advise the County on whether the proposed Project Homekey site would conform with the City’s adopted General Plan pursuant to Section 65402 of the California Government Code. On August 25, 2020, the City provided a response letter requesting additional information on the proposed acquisition; the County has responded to the request.

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MOTION

SOLIS _____

RIDLEY-THOMAS _____

KUEHL _____

HAHN _____

BARGER _____

NOI: November 24, 2020

On August 4, 2020, the Board authorized the Chief Executive Officer, or her designee, to apply for and accept Homekey grant funding to acquire properties in Los Angeles County for use as interim or permanent supportive housing for PEH.

The County has requested additional Homekey grant funds of \$11,750,000 for acquisition costs related to the purchase of Property #10, to be used for non-congregate shelter and permanent supportive housing, which will help to reduce the risk of transmission of COVID-19. Due to federal funding requirements, the State mandates that Homekey funds must be expended by December 30, 2020; therefore, all acquisitions must be consummated, and escrow closed, no later than December 30, 2020.

As required by Homekey, the County must provide a local match to fund a portion of the cost to acquire a property over \$100,000 per door in accordance with a sliding scale. The estimated total County match for acquisition of Property #10 is \$4,006,000 to be funded by County Coronavirus Relief Funds (CRF) already allocated by the Board on August 4, 2020. The amount and distribution of the Homekey grant funds will be confirmed if the County receives a grant award, allowing the County to confirm allocation of CRF to this acquisition. The CEO will return to the Board to realign the Project budget, if necessary.

The federal funds the State has authorized for distribution through Homekey are Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Funds (CRF) funds. A separate component of the CARES Act provides CRF to local governments. The CARES Act provides financial assistance and resources to assist various sectors including small businesses, workers, and state and local governments, as well as other programs critical to the COVID-19 pandemic response.

The CARES Act provides that payments from the CRF may only be used to cover costs that: 1) are necessary expenditures incurred due to the public health emergency with respect to the COVID-19 pandemic; 2) were not accounted for in a jurisdiction's approved budget as it existed on March 27, 2020, the date of enactment of the CARES Act; and 3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

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On July 21, 2020, the Board approved the CRF spending plan that totaled \$1.220 billion for COVID-19 related expenditures using federal revenues through direct and State contingency planning. The implementation of the CRF spending plan was approved on August 4, 2020, including an increase of \$111 million in appropriation in the Homeless and Housing Program budget. On September 15, 2020 the Board adopted a supplemental spending plan for expending \$129.7 million of CRF for a range of programs and initiatives to further support the County's efforts to support the public health of County residents while addressing the needs of some of the County's most vulnerable populations, particularly communities of color, which data continues to reveal have been disproportionately impacted. Use of these funds to meet the County's match requirement for the Homekey acquisitions meets all of the criteria for use of the CARES Act CRF.

The Acting Chief Executive Officer recommends acquiring through Homekey and CRF, Property #10, for the purchase price in Attachment 1. In addition to the purchase price, due diligence and closing costs are included for a total capital project amount for Property #10 as stated on Attachment 1. The acquisition will include all furniture, fixtures and equipment to support new interim housing. In addition, Property #10 will be used as Permanent Supportive Housing (PSH) as soon as repairs and upgrades needed for permanent housing supportive housing are completed. This property needs Americans with Disabilities Act (ADA) upgrades, mechanical, electrical, and plumbing repairs, potential structural repairs, and other miscellaneous repairs estimated to cost \$1.5 million. Establishing a capital project for these upgrades and repairs allow the County to begin design and implement renovations for this property to be used as PSH.

Homekey generally requires that properties acquired using Homekey funds be substantially occupied within 90 days (one property has a 30-day occupancy requirement). CEO will work with the Department of Health Services (DHS) and Los Angeles Homeless Services Authority (LAHSA) to ensure that service providers will be matched to the properties acquired by the County so that they will be ready for occupancy and operation as interim housing or PSH to serve PEH, consistent with Homekey requirements.

Section 25353 of the California Government Code authorizes the Board to purchase real property for use of the County for buildings or for other public purposes. Government Code Sections 25350 and 6063 require that a notice of the Board's intention to purchase property be published once a week for three successive weeks in a newspaper of general circulation in the County, identifying the property to be acquired and the seller, the purchase price, and the time and place at which the Board will meet to consummate the potential acquisition.

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Assembly Bill 83 (Chapter 15, Statutes of 2020) establishes a statutory exemption from the California Environmental Quality Act (CEQA) for activities meeting certain conditions funded by Homekey (California Health and Safety Code Section 50675.1.2).

WE, THEREFORE MOVE that the Board of Supervisors:

1. Find that the "Project," the proposed acquisition and renovation, as applicable, of Property #10 listed on Attachment 1, is exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Section 50675.1.2, because the Project utilizes Homekey grant funds and other public funds, will provide housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness, and those units will be in decent, safe, and sanitary condition at the time of their occupancy. Further, the Project will meet all of the following conditions, as applicable: (1) no units will be acquired by eminent domain; (2) the acquisitions will be paid for exclusively by public funds; (3) the County will obtain an enforceable commitment that all contractors and subcontractors performing work on the Project will use a skilled and trained workforce for any rehabilitation, construction, or alterations in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code; (4) letters of support will be obtained for any rehabilitation, construction, or alteration work; (5) long-term covenants and restrictions will be imposed that require the units to be restricted to persons experiencing homelessness or who are at risk of homelessness, which may include lower income, and very low income households, as defined by Health and Safety Code Section 50079.5, for no fewer than 55 years; and (6) no footprint of any Project structure will increase by more than 10 percent of the original footprint. Upon approval of the recommended actions, the Chief Executive Office will file a Notice of Exemption with the County Clerk pursuant to Section 21152 of the California Public Resources Code.
2. Approve the proposed Project and establish Capital Project No. 77626, with an estimated total project cost of \$15,756,000, as identified in Attachment 1; and the proposed Homekey Commerce Repairs and ADA Upgrades project, Capital Project No. 87728, with an estimated total project cost of \$1,500,000 to fund the improvements.

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3. Approve appropriation adjustment (Attachment 2) to increase \$15,756,000 in appropriation and revenue offset with Homekey grant funds and CRF revenue funding from the Homeless and Housing Program budget to the proposed Homekey Commerce Project #77626; and transfer \$500,000 in appropriation and CRF revenue funding from the Homeless and Housing Program budget, and \$1,000,000 in appropriation from the Affordable Housing budget unit to the proposed Homekey Commerce Repairs and ADA Upgrades project, Capital Project No 87728 to fully fund project.
4. Approve the Notice of Intention to Purchase (Attachment 3), setting November 24, 2020 as the date that the Board will meet to receive comments and consummate the proposed acquisition of Property #10 at the specified purchase price from the stated owner.
5. Instruct the Executive Office-Clerk of the Board of Supervisors to publish the Notice of Intention to Purchase, in accordance with Government Code Section 6063, following publication of the Notice of Intention to Purchase.
6. Authorize and direct the Acting Chief Executive Officer, or her designee, to negotiate and execute gratis licenses and other agreements with service providers and/or LAHSA, approved as to form by County Counsel, as necessary to ensure timely occupancy and operation of all County Homekey sites as interim housing and or PSH for PEH, consistent with Homekey requirements.
7. Authorize and direct the Acting Chief Executive Officer, or her designee, to negotiate and execute any other ancillary documentation, approved as to form by County Counsel, necessary to effectuate the licenses and other agreements, and to take any other actions necessary and appropriate to ensure the occupancy and operation of all County Homekey sites as PSH for PEH, consistent with Homekey requirements.

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WE, FURTHER MOVE that at the duly noticed Board meeting on November 24, 2020, the Board:

1. Authorize the use of Homekey grant funds and CRF to provide for the purchase and associated costs for Property #10 as listed in Attachment 1.
2. Order the purchase of Property #10 to be consummated, in accordance with Government Code Section 25350.
3. Approve the attached authorizing resolution, authorizing the Acting Chief Executive Officer, or her designee, to enter into, execute and deliver the application and all Homekey Documents, as defined therein, necessary for the County to secure Homekey grant funds and participate in, and carry out its obligations under, the Homekey Program.
4. Authorize the Acting Chief Executive Officer, or her designee, to execute the Purchase and Sale Agreement, approved as to form by County Counsel, and to purchase Property #10, and take all further actions necessary and appropriate to effectuate and implement the transaction contemplated herein, including opening and management of escrow, any administrative adjustments to the transfer documents, execution of all the requisite documentation for the completion of the transfer and acceptance of the deed conveying title to Property #10 to the County of Los Angeles.
5. Authorize the Auditor-Controller to issue warrants, as directed by the Acting Chief Executive Officer or her designee, for the purchase of Property #10 and any other related transactional costs.
6. At the close of escrow for Property #10, instruct the Assessor's Office to place Property #10 under the complete ownership of the County, and remove Property #10 from the tax roll effective upon the transfer of title to the County of Los Angeles.

#

KB:dvs

Attachment 1 to Motion
Approve and Order Publication of Notice of Intention to Acquire 1 Property
Through the Homekey Program

No.	Property Name and Address	Improvements	Seller	Purchase Price	Estimated Due Diligence and Closing Costs	Total Capital Project Amount	Capital Project No.	Capital Project Name
10	Studio 6 7701 East Slauson Avenue Commerce, 90040	Hotel	Anmol LLC	14,950,000	806,000	15,756,000	77626	Homekey Commerce
	Total:			\$ 14,950,000	\$ 806,000	\$ 15,756,000		

Notes: Property No. 1 - 8 was approved by the Board on September 29, 2020. Property 9 was approved by the Board on October 13, 2020.

Attachment 2

PINK(1)

BA FORM 05142019

BOARD OF SUPERVISORS
OFFICIAL COPY

October 27, 2020

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2020-21

4 - VOTES

SOURCES

USES

BA DETAIL - SEE ATTACHMENT PAGE 1

BA DETAIL - SEE ATTACHMENT PAGE 1

SOURCES TOTAL \$ 21,762,000

USES TOTAL \$ 21,762,000

JUSTIFICATION

Reflects an increase in appropriation offset with Homekey grant funds and revenue transfer of federal CARES Act funding from Homeless and Housing Program budget for Homekey Commerce project (CP# 77626); and transfer \$500,000 in appropriation and federal CARES Act revenue funding from the Homeless and Housing Program budget, and \$1,000,000 from the Affordable Housing budget unit to fund the Homekey Commerce Repairs and ADA Upgrades project (CP# 87728).

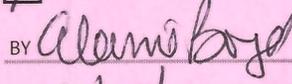
ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES


AUTHORIZED SIGNATURE James Yun, Manager, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

14 OCT 27 2020

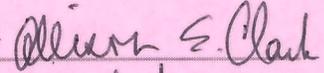
REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

CELIA ZAVALA
EXECUTIVE OFFICER
 RECOMMENDATION
BY 
DATE 10/21/20

APPROVED AS REQUESTED
 APPROVED AS REVISED
BY 
CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER

B.A. NO. 072

BY 
DATE 10/21/20

Attachment 2

COUNTY OF LOS ANGELES
 REQUEST FOR APPROPRIATION ADJUSTMENT
 CHIEF EXECUTIVE OFFICE

FY 2020-21
 4 - VOTES

SOURCES		USES	
HOMELESS AND HOUSING PROGRAM A01-CB-5500-26685 OTHER CHARGES DECREASE APPROPRIATION	4,506,000	HOMELESS AND HOUSING PROGRAM A01-CB-90-90W1-26685 FEDERAL-COVID3-THE CARES ACT DECREASE REVENUE	4,506,000
AFFORDABLE HOUSING A01-AM-5500-10160 OTHER CHARGES DECREASE APPROPRIATION	1,000,000	VARIOUS CAPITAL PROJECTS HOMEKEY COMMERCE REPAIRS AND ADA UPGRADES A01-CP-6014-65099-87728 CAPITAL ASSETS - B & I INCREASE APPROPRIATION	1,500,000
VARIOUS CAPITAL PROJECTS HOMEKEY COMMERCE REPAIRS AND ADA UPGRADES A01-CP-90-90W7-65099-87728 FEDERAL-COVID-19 GRANT/CAP PROJ INCREASE REVENUE	500,000		
VARIOUS CAPITAL PROJECTS HOMEKEY COMMERCE A01-CP-90-90W7-65099-77626 FEDERAL-COVID-19 GRANT/CAP PROJ INCREASE REVENUE	4,006,000	VARIOUS CAPITAL PROJECTS HOMEKEY COMMERCE A01-CP-6006-65099-77626 CAPITAL ASSETS - LAND INCREASE APPROPRIATION	15,756,000
VARIOUS CAPITAL PROJECTS HOMEKEY COMMERCE A01-CP-88-89U6-65099-77626 STATE-COVID-19/CP INCREASE REVENUE	11,750,000		
SOURCES TOTAL	\$ 21,762,000	USES TOTAL	\$ 21,762,000

ADOPTED
 BOARD OF SUPERVISORS
 COUNTY OF LOS ANGELES

14

OCT 27 2020

Celia Zavala
 CELIA ZAVALA
 EXECUTIVE OFFICER

ok as 10/21/20

BA # 072

Attachment 3
NOTICE OF INTENTION TO
PURCHASE REAL PROPERTY

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Supervisors of the County of Los Angeles, State of California, to purchase the following described Real Property, located in Los Angeles County, State of California, from the named vendors at the designated prices. It is the intent of the County to use the Real Property to provide housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness.

Property: Studio 6
Assessor's Parcel Number(s): 6356-012-010

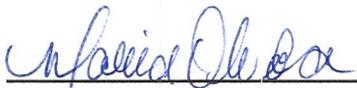
The property consists of approximately 0.89 acres, located at 7701 East Slauson Avenue, Commerce, CA 90040.

SELLER: Anmol LLC

PRICE: \$14,950,000

NOTICE IS HEREBY GIVEN that the purchase of the Real Property described above will be consummated by the Board of Supervisors of the County of Los Angeles, State of California, on November 24th, 2020, at 9:30 a.m. at the regular meeting of the Board of Supervisors. Please note that due to the COVID-19 pandemic and the County's Safer at Home Order, a virtual public hearing may be held. The Los Angeles County facilities may still be closed to the public at this time. Please visit <http://bos.lacounty.gov/Board-Meeting/Board-Agendas> for details on how to listen to the virtual meeting and/or address the Board. No obligation will arise against the County and in favor of the Sellers with respect to the purchase of the Real Property described herein until the Board of Supervisors approves the purchase on the named consummation date.

CELIA ZAVALA, Executive Officer
Board of Supervisors, County of Los Angeles

By 
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By 
Deputy



AUTHORIZING RESOLUTION

Studio 6, 7701 East Slauson Avenue, Commerce, CA 90040

A RESOLUTION OF THE GOVERNING BODY OF THE COUNTY OF LOS ANGELES AUTHORIZING APPLICATION TO THE HOMEKEY PROGRAM

WHEREAS:

A. The Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (“NOFA”), dated July 16, 2020, for the Homekey Program (“Homekey” or “Homekey Program”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.)

B. **THE COUNTY OF LOS ANGELES (“Applicant”)** desires to apply for Homekey grant funds. Towards that end, Applicant is submitting an application for Homekey funds (“Application”) to the Department for review and consideration.

C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“Standard Agreement”), and all other legal requirements of the Homekey Program.

THEREFORE, IT IS RESOLVED THAT:

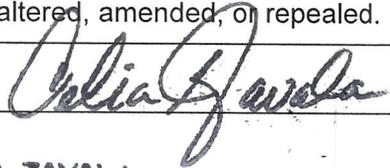
1. Applicant is hereby authorized and directed to submit an Application to the Department in response to the NOFA, dated July 16, 2020, and to apply for Homekey grant funds in a total amount not to exceed \$27,388,000. That amount includes \$23,500,00 for capital expenditures (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(1)-(6)) and \$3,888,000 for a capitalized operating subsidy (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(7)).
2. If the Application is approved, Applicant is hereby authorized and directed to ensure that any funds awarded for capital expenditures are spent by **December 30, 2020**, and that any funds awarded for capitalized operating subsidies are spent by **June 30, 2022**.
3. If the Application is approved, Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$27,388,000 any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “Homekey Documents”).
4. Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.
5. Fesia Davenport, Acting Chief Executive Officer, or her designee David Howard, Assistant Chief Executive Officer, is authorized to execute the Application and the Homekey Documents on behalf of Applicant for participation in the Homekey Program.

PASSED AND ADOPTED this 24th day of November, 2020, by the following vote:

AYES: 5 NAYES: 0 ABSTAIN: 0 ABSENT: 0

The undersigned, Celia Zavala, Executive Officer of the Board of Supervisors of Applicant, does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

SIGNATURE:



DATE:

NOV 24 2020

NAME:

CELIA ZAVALA

TITLE:

EXECUTIVE OFFICER

Ayes: Supervisors Solis, Ridley-Thomas, Kuehl, Hahn and Berger

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By

Deputy

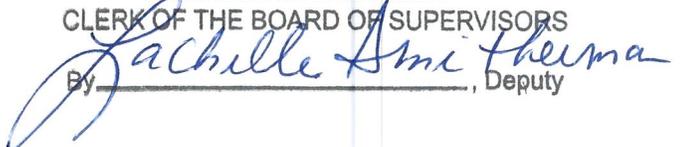


ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER

CLERK OF THE BOARD OF SUPERVISORS

By

Deputy



NOTICE AND INSTRUCTIONS

1. **Notice.** The Department is providing this template Authorizing Resolution as informational guidance only. The Department encourages each Applicant to consult with professional legal counsel during the development of its own formal, legally binding statement that it is authorized to apply to and participate in the Homekey Program.
 - a. Please note, however, that any limitations or conditions on the authority of the signatory or signatories to execute the Application or the Homekey Documents may result in the Department rejecting the Authorizing Resolution.
2. **Accuracy, Verification.** The Department will verify that this Authorizing Resolution comports with the legal authority and composition of Applicant's governing body. Applicant must timely notify the Department, in writing, of any factors that limit its ability to provide an Authorizing Resolution which is materially in line with this template.
3. **Dollar Amounts of Grant Awards.** The Department recommends identifying an authorized dollar amount that is at least double the anticipated award (based on current formula calculations). Award amounts are subject to change. If Applicant is ultimately awarded an amount in excess of the amount identified in the Authorizing Resolution, the Department will require a new Authorizing Resolution from Applicant before execution of a Standard Agreement.
4. **Authorized Signatory or Signatories, Designee.** Applicant, as a Local Public Entity, may designate an authorized signatory by title only. In addition, Applicant may authorize multiple signatories, so long as there is clarifying language as to whether the signatories are authorized to execute the Homekey Documents individually or collectively. In addition, Applicant may authorize a designee of the authorized signatory to execute the Homekey Documents. In such case, Applicant must append a supporting document (e.g., memorandum, meeting notes of official action), which indicates the name and title of the designee who is authorized to legally bind the governing body.
5. **Vote Count.** Please fill out the field by every voting category (i.e., Ayes, Nays, Abstain, Absent). If none, please indicate zero (0) for that field. The vote count must comport with the legal authority and membership of the Applicant's governing body.
6. **Certification of Authorizing Resolution.** The individual who certifies the Authorizing Resolution cannot also be authorized to execute the Homekey Documents on behalf of Applicant.