

**MOTION BY SUPERVISOR HOLLY J. MITCHELL**

**Transfer Ownership of Willow Tree Inn Acquired through Homekey Round 1 and Provide Funding for Rehabilitation**

In July 2020, California Governor Gavin Newsom announced the Homekey Program (Homekey), which made \$550 million available for local jurisdictions to purchase and rehabilitate hotels and other properties to be used as interim and permanent housing for people experiencing homelessness (PEH) who are impacted by COVID-19, and \$50 million for operating subsidies. Later in 2020, Governor Newsom announced the addition of another \$200 million in funding for Homekey. Through the first round of Homekey, the County of Los Angeles (County) was awarded \$108 million to acquire 10 properties for use as housing for PEH who are impacted by COVID-19, and to temporarily subsidize operations. Nine of the 10 properties are currently operating as interim housing and will be converted to permanent supportive housing (PSH) beginning in 2023. One of the properties is currently operating as PSH. To date, nearly 1,500 PEH have been served at the County's Homekey sites.

On October 4, 2022 and November 15, 2022, the County Board of Supervisors (Board) approved transfer of nine Homekey Round 1 properties to qualified affordable housing developers. A tenth property, the Willow Tree Inn, is located at 1919 West Artesia Boulevard, Compton, CA 90220, was also purchased with the intent to convert it to PSH. This property is comprised of two, two-story motel buildings and will result in 100 units of PSH in Compton. The remodel and conversion of the motel to PSH will include interior and exterior alterations, including fire/life/safety/ADA upgrades; utility upgrades; bathroom remodels; the addition of a kitchenette in each unit; upgrading and/or replacing an existing chain link fence; replacing parking lot asphalt; completing concrete flatwork; installing a new heating and ventilation system; replacing windows, drywall, and ceiling wood beams; improving site drainage; replacing water system piping;

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installing a new electrical transformer and new electrical wiring; and installing a fire alarm system. The proposed Project would also relocate an existing transformer and install electric vehicle charging stations.

When renovations are completed, the Willow Tree Inn Project will include a reception/intake area, clinical and counseling areas, resident community areas for client programming/conferencing, individual resident apartments with private bathrooms and kitchens (ADA and regular), an on-site managers apartment (ADA), administrative spaces, storage space, facility maintenance space, a resident laundry room, individual resident mailboxes, and space for pets. Exterior improvements would also include landscaped and resident outdoor meeting space, security/decorative lighting, surface parking, and fencing to enclose the site.

The construction cost for the Willow Tree Inn Project is estimated to be \$19,051,371, which will be fully offset by the recognition of \$19,052,000 of American Rescue Plan (ARP) Act Coronavirus Local Fiscal Recovery Funds for the Project via ARP's revenue loss provisions.

Pursuant to Government Code Section 26227, the Board has the authority to make available real property not needed for County purposes to non-profit entities for operation of programs which serve public purposes and are necessary to meet the social needs of the population of the County. The People Concern (TPC), a 501(c)(3) non-profit organization, will carry out the renovations through the Housing for Health Capital Improvement Intermediary Program (CIIP) and will operate the Willow Tree Inn Project. TPC has been selected from the Department of Health Services (DHS) Master Service Agreement list to operate the Willow Tree Inn Project. TPC was selected due to its considerable experience both in constructing and operating facilities that are consistent with the vision for the Willow Tree Inn Project. TPC is uniquely qualified to carry out the Willow Tree Inn Project. TPC is also familiar with the site, as they operated it as a medical shelter site for the County during the COVID-19 pandemic, and most recently as an interim housing site in collaboration with DHS.

TPC has been providing health, mental health, and substance use services since 1963 and has grown from a grassroots agency in Santa Monica to an over \$70 million dollar agency

supporting the entire County. The agency provides innovative and wrap-around care services utilizing a broad array of integrated resources and practices to promote recovery and ensure that the most vulnerable individuals receive the crucial services they need. Currently, TPC operates homeless walk-in centers, interim housing facilities, PSH, and outreach services across the County. TPC is also a preferred service provider for many affordable housing developers, partnering to ensure that recently housed clients remain housed.

Previously, TPC completed a capital improvement project at 627 San Julian, Los Angeles, CA 90014. The project consisted of renovating and converting an existing 6,000 square foot building into a flexible day-use center with programs serving homeless individuals and families. The building is comprised of interview and exam rooms, a meeting room, showers, a kitchen, storage space, and administrative offices. TPC also carried out the construction of capital improvements at the Lancaster Kensington Campus consisting of three interim housing facilities for homeless individuals, each with approximately 52 beds, a separate kitchen and dining hall, and an intake and supportive services building. In both locations, TPC oversaw the construction in a manner that ensured operational effectiveness, and is now operating and maintaining the facilities.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

1. Find that the proposed Willow Tree Inn Project, including the actions below, are statutorily exempt from the California Environmental Quality Act (CEQA) under Public Resources Code section 21080.50, which provides that CEQA does not apply to an interim motel housing project for supportive housing which meets specified conditions, including that the project will not result in a change from existing use and operations and therefore will not result in significant effects relating to traffic, noise, air quality or water quality. There will be no expansion of the floor area of the facilities. Further, find that the project is categorically exempt from CEQA as it involves repair and refurbishment of a hotel site for conversion to permanent supportive housing. The project is within certain classes of projects that have been determined not to have a

significant effect on the environment in that it meets the criteria set forth in sections 15301 (a), (d), (f), and (h); 15302(c); 15303 (d) and (e); 15304(f) and 15311(a) of the State CEQA Guidelines, and Classes 1(c),(d) (i),(j) and (m), 2(e), 3(a) and (b) , 4(c) and (k) and 11(d) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The project provides for repair, refurbishment, replacement of features, minor alterations to facilities and land, including landscaping, and placement of equipment in existing facilities involving negligible expansion of an existing use. Replacement structures would have the same general purpose and capacity as the structures replaced. No tree removal is included. Additionally, the project will comply with all applicable regulations, is not located in a sensitive environment, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste sites complied pursuant to Government Code section 65962.5, or indications that the project may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable based on the record of the proposed project. Upon the Board's approval of the project, the Chief Executive Office (CEO) will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with section 21152 of the Public Resources Code and with the State Office of Planning and Research and will post the Notices on its website pursuant to section 21092.2.

2. Approve the Willow Tree Inn Project.
3. Find that the Willow Tree Inn Project is necessary to meet the social needs of the population of the County pursuant to Government Code section 26227, that the County property located at 1919 West Artesia Blvd, Compton, CA 90220 (Property), is not needed for other County purposes.
4. Approve the attached appropriation adjustment that reflects an increase of \$19,052,000 in appropriation for Department of Health Services (DHS) to support the proposed renovations, fully offset by the recognition of \$19,052,000 of American

Rescue Plan Act (ARP) Coronavirus Local Fiscal Recovery Funds (CLFRF) for the Project via ARP's revenue loss provisions.

5. Approve the proposed Willow Tree Inn Project as a DHS-Capital Improvement Intermediary project, in the amount of \$19,052,000, for renovations of the site.
6. Approve and authorize the Director of DHS to deliver the Project through the DHS-Capital Improvement Intermediary Program.
7. Authorize the Director of DHS, either directly or through its Capital Improvement Intermediary, to enter into agreements, as necessary, with approval as to form by County Counsel, to provide funding to The People Concern (TPC) to carry out the renovations of the proposed Project.
8. Authorize and direct the CEO, or her designee, to negotiate and enter into a 36-month gratis lease of the Property with TPC, with renewal options at the discretion of the County, an option to transfer title of the Property to TPC, and any restrictive covenants or conditions placed on the Property by State Homekey grant requirements, after approval as to form by County Counsel.
9. Authorize the CEO, or her designee, to negotiate, execute and/or consent to any other ancillary documentation, approved as to form by County Counsel, which is necessary to effectuate the proposed lease agreement and to take any other actions necessary and appropriate to implement activities permitted under this motion and the proposed lease agreement.
10. Approve the attached authorizing resolution, authorizing and directing the CEO, Assistant Chief Executive Officer, or Director of the Los Angeles County Homeless Initiative to amend the Homekey Standard Agreement for Willow Tree Inn identified in Attachment 1 to add TPC to the Standard Agreement, and take any further action required by the California Department of Housing and Community Development for participation in the Homekey Program.

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December 20, 2022

COUNTY OF LOS ANGELES

**REQUEST FOR APPROPRIATION ADJUSTMENT**

CHIEF EXECUTIVE OFFICE

**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 2022-23****4 - VOTES****SOURCES****USES****PSS-INDIGENT AID**

A01-SS-90-90WQ-26300-26460

ARP - GENERAL GOVERNMENT SERVICES

**INCREASE REVENUE****19,052,000****HEALTH SERVICES - HEALTH SERVICES ADMINISTRATION**

A01-HS-5500-20000

OTHER CHARGES

**INCREASE APPROPRIATION****19,052,000****SOURCES TOTAL****\$ 19,052,000****USES TOTAL****\$ 19,052,000****JUSTIFICATION**

Reflects an increase of \$19,052,000 in appropriation for the Department of Health Services to support the Project Homekey Compton West/Willow Tree Inn project, which will be fully offset by the recognition of \$19,052,000 of American Rescue Plan Act (ARP) Coronavirus Local Fiscal Recovery Funds (CLFRF) for the project via ARP's revenue loss provisions.

**ADOPTED**BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES**14 DEC 20 2022****Cheri Todoroff**

Digitally signed by: Cheri Todoroff  
DN: CN = Cheri Todoroff email = ctodoroff@ceo.lacounty.  
gov C = AD  
Date: 2022.12.07 15:22:42 -08'00'

**AUTHORIZED SIGNATURE**

Cheri Todoroff, HI Executive Director

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

CELIA ZAVALA  
EXECUTIVE OFFICERREFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR---☐ ACTION☒ RECOMMENDATION**Lan Sam**

Digitally signed by Lan Sam  
Date: 2022.12.08  
09:15:03 -08'00'

BY

DATE

**12/08/2022**

APPROVED AS REQUESTED



APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

**Matthew J. Diaz**

Digitally signed  
by Matthew J.  
Diaz  
Date: 2022.12.08  
13:27:07 -08'00'

BY

DATE

**12/08/2022**

AUDITOR-CONTROLLER

B.A. NO. **065**

## AUTHORIZING RESOLUTION

Property: Homekey - Willow Tree Apartments - 1919 West Artesia Blvd, Compton, California 90220

### A RESOLUTION OF THE GOVERNING BODY OF THE COUNTY OF LOS ANGELES AUTHORIZING AMENDMENT TO HOMEKEY STANDARD AGREEMENT ADDING A CO- APPLICANT(S) AND THE TRANSFER OF OWNERSHIP OF HOMEKEY REAL PROPERTY FROM THE COUNTY

#### 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 (the "**County**" or "**Applicant**") submitted 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 (collectively the "**Homekey Documents**"), and all other legal requirements of the Homekey Program.

D. The Department awarded grant funds in the amount of \$8,934,526 to the County and executed the Department approved STD 213 - Standard Agreement on November 3, 2020, under Contract Number 20-HK-00016. That the awarded grant funds included capital expenditures (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(1)-(6)) and capitalized operating subsidies (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(7)).

E. County shall remain liable to the Department for performance under the Homekey Documents and compliance with all Homekey Program requirements regardless of any Department approved transfer or assignment of property interest, or of any designation of a third party for the undertaking of all or any part of the scope of work. Likewise, Co-Applicant One (as defined below) shall remain jointly and severally liable to the Department for performance under the Homekey Documents and compliance with all Homekey Program requirements regardless of any Department approved transfer or assignment of interest; any designation of a third party for the undertaking of all or any part of the scope of work.

#### THEREFORE, IT IS RESOLVED THAT:

1. The County of Los Angeles' Chief Executive Officer, Chief Operating Officer, Assistant Chief Executive Officer, or Director of the Los Angeles County Homeless Initiative (individually each an "**Authorized Officer**"), are each individually authorized to execute or amend the Homekey Documents on behalf of Applicant for participation in the Homekey Program.

2. Authorized and direct an Authorized Officer to amend the Homekey Documents in order to add THE PEOPLE CONCERN, a California nonprofit public benefit corporation (**Co-Applicant One**) to the Homekey Documents.
3. Authorize the Authorized Officer to execute any ancillary documentation, approved as to form by County Counsel, that is necessary to effectuate the addition of Co-Applicant One to the Homekey Documents.
4. Approve and authorize the transfer of the County's right, title, and interest in real property located at 1919 West Artesia Blvd, Compton, CA 90220, identified as APN: 7319-024-044, to Co-Applicant One, at no cost to Co-Applicant One, and instruct the Authorized Officer, to execute the Transfer Agreement, Quitclaim Deed, and Restrictive Covenants, after approval as to form by County Counsel.
5. Authorize the Authorized Officer to complete and execute any additional documentation, after approval as to form by County Counsel, necessary to complete the transfer of the real property and the amendment of the Homekey Documents.

PASSED AND ADOPTED this 20th day of December, 2022, 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: Celia Zavala

DATE: 12/20/2022

NAME: Celia Zavala

TITLE: Executive Officer

**APPROVED AS TO FORM:**

**DAWYN R. HARRISON**

Interim County Counsel

By

Roberto Saldana

Roberto Saldana, Senior Deputy



**ATTEST: CELIA ZAVALA  
EXECUTIVE OFFICER  
CLERK OF THE BOARD OF SUPERVISORS**

By Tanya Ruiz, Deputy