

CITY COUNCIL / LRA BOARD

Mayor/Chair

Rachel Hernandez

Council/Authority Members

District 1 - Luis Uribe

Vice Mayor District 2 – Cindy Fosi

District 3 – John Pimentel

District 4 – Stacy Call



CITY OF RIVERBANK

Regular City Council and Local Redevelopment Authority Board Meetings

Council Chambers
6707 Third Street, Suite B
Riverbank, CA 95367



TUESDAY, FEBRUARY 11, 2025 – 6:00 P.M.

(THE AGENDA PACKET IS ONLINE AT [HTTP://WWW.RIVERBANK.ORG/AGENDACENTER](http://www.riverbank.org/agendacenter))

1. CALL TO ORDER

2. FLAG SALUTE

3. INVOCATION

4. ROLL CALL

5. AGENDA CHANGES

6. CONFLICT OF INTEREST

Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.

7. PRESENTATIONS (Informational only)

Item 7.1 **Presentation- Community Development Department – Planning Division Long-Range Planning-**It is recommended that the City Council receive a presentation from the Community Development Department – Planning Division on Long-Range Planning.

8. PUBLIC COMMENTS (No action can be taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 3 minutes (or as stated by the presiding Officer)** and time cannot be yielded to another person. Under State Law, matters presented during the public comment period cannot be discussed or acted upon.

Refer to the last page of this agenda for the Public Comment Procedures via ZOOM.

IN PERSON Comments- Please fill out a Comment Card & Return to the City Clerk

9. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless requested by an individual Council/Authority Member or member of the public for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by motion of the City Council/LRA Board.

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- Item 9.1** **Waive Readings.** All Readings of ordinances and resolutions, except by title, are waived.
- Item 9.2** **Approval** of the City Council and Local Redevelopment Authority Board Minutes for January 28, 2025
- Item 9.3** **Resolution** Approving the Purchase of a New Cart for Jacob Myers Park in the Amount of \$14,500.00.
- Item 9.4** **Resolution** Authorizing a Joint Application to and Participation in the Homekey+ Program.

10. PUBLIC HEARING

The Public Notice for Item 10.1 was published in the Riverbank Newspaper on 11/27/2024 & 01/08/2025.

- Item 10.1** **Resolution Ratifying the Adoption of Development Impact Fees Established by Stanislaus Consolidated Fire Protection District-** City Council to consider adopting a resolution ratifying the adoption of Development Impact Fees established by Stanislaus Consolidated Fire Protection District.

11. NEW BUSINESS

- Item 11.1** **Consider Petition from Riverbank 108, LLC to Waive the Storm Drain System Development Fee and reduce the Traffic System Development Fee for the Tractor Supply Project-** It is recommended that the City Council consider the petition from Riverbank 108, LLC to waive payment for the Storm Drain System Development Fee and reduce Traffic System Development Fee which will be assessed on the construction of the Tractor Supply Project at permit issuance.
- Item 11.2** **Discussion on the Direction for the Vacant City Property Located at the NW Corner of Kentucky Ave and Eleanor Road-** It is recommended that the City Council provides direction to city staff on the financial direction related to the city owned property located at the Northwest corner of Kentucky Ave and Eleanor Road.

12. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council/LRA Board during this time.

- Item 12.1** Staff
- Item 12.2** Council/Authority Member
- Item 12.3** Mayor/Chair

13. CLOSED SESSION- No Items Scheduled.

The public will have a limit of **3 minutes** to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board recessing to Closed Session

14. ADJOURNMENT

The Next Regular City Council Meeting will be on: **Tuesday, February 28, 2025**

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted at the meeting location, on the North City Hall public exterior bulletin board, South City Hall public exterior Bulletin, Riverbank Community Center exterior bulletin, and the City's website 72 hours prior to the meeting in accordance to the California Ralph M. Brown Act.

Posted this 6th Day of February, 2025

/s/ **Gabriela Hernandez, CMC, City Clerk**



ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, and the Governor's Executive Order N-29-20, the City will make every effort to make reasonable modifications or accommodations from individuals with disabilities. Contact the Administration Dept. at (209) 863-7122 or the City Clerk at cityclerk@riverbank.org at least (48) hours prior to the meeting to enable the City to make reasonable arrangements for accessibility.

NOTICE REGARDING NON-ENGLISH SPEAKERS

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Riverbank City Council/LRA Board shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.



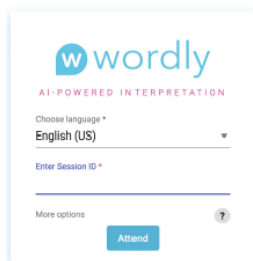
How to Use Live Spanish Translation/ Como Usar Traducción en Español En Vivo

STEP 1/PASO 1



Scan QR Code
Escanea el código

STEP 2/ PASO 2



Choose Spanish language
Escoja el idioma Español

STEP 3/ PASO 3



Read Captions on Device
Use headset for Audio
Lea subtítulos en su aparato
Use auriculares para audio

<https://attend.wordly.ai/join/LHDA-5715>



TELECONFERENCE/VIRTUAL PLATFORM PUBLIC PARTICIPATION COMMENT PROCEDURES FOR CITY COUNCIL MEETING HELD IN CONFORMANCE WITH THE BROWN ACT

PUBLIC “LIVE” VIEWING

- Government Channels: Charter– 2 and AT&T U-VERSE – 99
- YouTube Live – City of Riverbank
- Via ZOOM Platform (See instructions below)

SUBMITTING PUBLIC COMMENTS FOR THE RECORD

Written comments must be received before 5:00 p.m. on the date of the meeting in order for them to be distributed to the Council prior to consideration of the matter. Written comments will not be read aloud at the meeting, but will be reported as received for the record. If you do not receive an acknowledgement of receipt within an hour of submission or by 5:00 pm, please call the City Clerk's Office at (209) 863-7198 or the Administration Dept. at (209) 863-7122.

ACCEPTABLE METHODS OF SUBMITTING COMMENTS **BEFORE THE 5:00 PM DEADLINE**

- **Via Mail Service:** Mail comments to City of Riverbank, Attn. City Clerk, 6707 Third Street, Suite A, Riverbank, CA 95367. (Call 209-863-7198 / 209-863-7122 to ensure they were received.)
- **Via Email:** Mail to cityclerk@riverbank.org *(Note: This technology is not a guaranteed method.)*
 - Indicate Agenda Item # in the ***subject line***. (Call 209-863-7198 /209-863-7122 to ensure receipt)
- **Oral Comments In-Person:** The Mayor will ask the public if anyone wishes to comment, at that time you may approach the podium.
- **Oral Comments Via Zoom:** The Mayor will announce when public comments may be made for a limit of 3 minutes on the agenda item being considered, at which time you will:
(please make sure the volume on your video device or any nearby device is turned down.)
 - Using a computer – click on the “raise hand” feature in the webinar controls. This will alert staff that you wish to speak, and you will be unmuted.
 - Using a Phone – press ***9** to “raise the hand”. This will alert staff that you wish to speak, and you will be unmuted.

Teleconference Phone Number (This system is a backup for ZOOM technical difficulties only when providing oral comments.) If there are technical difficulties or disconnection with ZOOM while making oral comments, please immediately call the **teleconference phone number (209) 863-7151 so that Council may receive your comments. Council will be waiting for your call. Thank you**

JOIN THE MEETING VIA ZOOM PLATFORM

Join by this link: <https://us02web.zoom.us/j/89443415826>

Join by accessing website: <https://zoom.us/join>, enter Webinar ID: **894 4341 5826**

Join by telephone: **1 669 444 9171 OR 1 669 900 9128**, plus Webinar ID: **894 4341 5826**

Learn about using ZOOM - Visit <https://zoom.us/j/94943925973?status=success> for a free account or to download the app.

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 7.1

SECTION 7: PRESENTATIONS

Meeting Date:	February 11, 2025
Subject:	Presentation – Community Development Department – Planning Division Long-Range Planning
From:	Marisela H. Garcia, City Manager
Submitted by:	Joshua Mann, Director of Community Development

RECOMMENDATION

It is recommended that the City Council receive a presentation from the Community Development Department – Planning Division on Long-Range Planning.

SUMMARY:

The City of Riverbank Community Development Department – Planning Division oversees long-range planning efforts, guiding the growth and development of the community. This includes managing land use policies, zoning regulations, housing programs, and environmental planning initiatives. Ensuring thoughtful development and strategic infrastructure planning is essential to supporting residents and businesses. The Planning Division often hears from residents, business owners, and developers who have questions about how the city is growing and changing. Residents want to know what they can build on their property, how zoning laws affect their plans, and what steps they need to take to get a project approved. Others are curious about broader issues, like how the city is planning for future growth, housing efforts, and infrastructure improvements.

The following presentation will provide an overview on long-range planning and related efforts within the Community Development Department – Planning Division.

STRATEGIC PLAN

This item directly addresses the City Council's Strategic Plan goal to "Improve Internal and External Communication" and the City's desire to "Proactively communicate news about the City to residents, businesses, and surrounding communities."

FINANCIAL IMPACT

There is no financial impact with the report.

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.1

SECTION 9: CONSENT CALENDAR

Meeting Date:	February 11, 2025
Subject:	Waiver of Readings
From:	Marisela H. Garcia, City Manager
Submitted by:	Gabriela Hernandez, City Clerk/LRA Secretary

RECOMMENDATION

It is recommended that the City Council / LRA Board approve the waiver of readings of any proposed ordinances and resolutions for consideration, except by title.

SUMMARY

In lieu of reading the entire text of a proposed ordinance or resolution that is introduced for consideration for adoption and approval, by majority vote, the City Council/LRA Board may waive the reading of the text and introduce the ordinance or resolution by title only for the record.

The full text of the proposed ordinances and resolutions, and any related documents that are part of the agenda packet, are available for review by the public on the City's website and in the City Clerk's office at City Hall (North) upon distribution to a majority of the City Council/LRA Board; typically 72 hours prior to the scheduled date and time of the meeting.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENTS

There are no attachments to this report.

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.2

SECTION 9: CONSENT CALENDAR

Meeting Date:	February 11, 2025
Subject:	Approval of the City Council and Local Redevelopment Authority Board Minutes for January 28, 2025
From:	Marisela H. Garcia, City Manager
Submitted by:	Gabriela Hernandez, City Clerk/LRA Secretary

RECOMMENDATION

It is recommended that the City Council/ Local Redevelopment Authority Board approve the City Council/LRA Meeting Minutes of January 28, 2025.

SUMMARY

The Draft Minutes of the City Council and the Local Redevelopment Authority Board meeting have been prepared for review and approval.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENTS

1. City Council/LRA Meeting Minutes for January 14, 2025
 - a. Exhibit A: 2025 Stanislaus Homeless Alliance (SHA) & Economic Development Action Committee (EDAC) Appointments
2. Written Public Comment-Garry Pearson

CITY COUNCIL / LRA BOARD

Mayor/Chair
 Rachel Hernandez
 Council/Authority Members:
 District 1-Luis Uribe
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 District 3-John Pimentel
 District 4-Stacy Call

**CITY OF RIVERBANK**

**Regular City Council and
 Local Redevelopment Authority
 Board Meetings**
 Council Chambers
 6707 Third Street, Suite B
 Riverbank, CA 95367



TUESDAY, JANUARY 28, 2024 – 6:00 P.M.

(THE AGENDA PACKET IS ONLINE AT [HTTP://WWW.RIVERBANK.ORG/AGENDACENTER](http://www.riverbank.org/agendacenter))

1. **CALL TO ORDER** -Mayor / Chair Hernandez called the meeting to order at 6:00pm
2. **FLAG SALUTE** – Vice Mayor Fosi led the pledge of allegiance.
3. **INVOCATION** – Reverend Randy Richardson provided the invocation.
4. **ROLL CALL** – City Clerk Hernandez conducted Roll Call.

Members of the City Council / Local Redevelopment Authority Board present:

Council Member / Authority Member District 1 Luis Uribe
 Council Member/ Authority Member District 3 John Pimentel
 Council Member / Authority Member District 4 Stacy Call
 Vice Mayor / Vice Chair District 2 Cindy Fosi
 Mayor / Chair Rachel Hernandez

5. AGENDA CHANGES

Mayor Hernandez asked that Item 9.6 be pulled from the Consent Calendar and be tabled to a future meeting for staff presentation and discussion.

6. CONFLICT OF INTEREST

Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.

None Declared.

7. PRESENTATIONS (Informational only)

- Item 7.1** **Recognition- Cardozo Middle School Girls Basketball Team-** It is recommended that the City Council present a Certificate of Recognition to the Cardozo Middle School Girls Basketball Team, Athletic Director Luis Solorio, Coach Bargas, Coach Golding, and Coach Ramos for their championship achievement.

Mayor Hernandez read and presented a Certificate of Recognition to the Cardozo Middle School Girls Basketball team in recognition of their Championship Achievement.

Item 7.2 **Presentation- Riverbank Recycled Water Project-** It is recommended that the City Council receive a presentation from Neal Colwell, Consulting Engineer with Kjeldsen, Sinnock, Neudeck, regarding information on the history and status of the Riverbank Regional Recycled Water Project (RRRWP) for the City of Riverbank.

Neal Colwell, Consulting Engineer with KSN gave a PowerPoint presentation regarding the status of Riverbank Regional Recycled Water Project (RRRWP).

Item 7.3 **Presentation-Strategic Plan Progress Report-** It is recommended that the City Council receive a progress report on the status of the 2022 – 2027 Strategic Plan Report.

City Manager Garcia, gave a Presentation on the Progress of Strategic Plan of 2022-2027.

8. PUBLIC COMMENTS (No action can be taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 3 minutes (or as stated by the presiding Officer)** and time cannot be yielded to another person. Under State Law, matters presented during the public comment period cannot be discussed or acted upon.

Mayor Hernandez opened Public Comment Period at 6:55 P.M.

Steve Wallace, Stanislaus County resident, to express his concern in regard to highspeed traffic between Central Ave. and Snedigar Rd.

Sally Wallace, Stanislaus County resident, to express her concern in regards to a drug problem in her neighboring area.

Garry Pearson, Riverbank resident (see attached written comment).

David Collins, Love our Schools Program Director, to extend an invitation to Council to support this local nonprofit organization which is partnering with Cardozo Middle School.

Eddie Cuellar, Riverbank resident, to extend his gratitude to Mayor Hernandez and Councilmember Call for reaching out and making him feel welcomed. Also, would like to see more commercial developments come into town.

Michael Christie, Riverbank resident, to express his concern in regards to poor lighting with in the walking trail at Oakdale Rd. up to Sorenson Park.

Patricia Howard, Riverbank resident to express her concern in regards to street sweeping and lighting in her neighborhood off of 8th street and Texas Ave.

Olivia Arambula, Chamber of Commerce, to extend an invitation for upcoming events.

Jami Aggers, Stanislaus County resident, regarding her opposition to the River Walk Project.

Mayor Hernandez closed the Public Comment Period at 7:17 P.M.

9. CONSENT CALENDAR

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Item 9.1 **Waive Readings.** All Readings of ordinances and resolutions, except by title, are waived.

Item 9.2 **Approval** of the City Council and Local Redevelopment Authority Board Minutes for January 14, 2025.

Item 9.3 **Resolution 2025-003** Approving and Authorize the City Manager to Execute an Investment Fiduciary & Retirement Plan Consulting Agreement with The Baldwin Group Wealth Advisors, LLC for ongoing Administration Services of the City's Deferred Compensation Plan.

Item 9.4 **Resolution 2025-004 Accepting** the Annual Financial Report for Fiscal Year 2022-2023.

Item 9.5 **Resolution 2025-005** to Award Bid for the Woodhaven Drywell, Catch Basin and Hard Scape Project to Sinclair General Engineering Construction Inc. and Authorize Execution of Future Change Orders.

There being no public comments, Mayor Hernandez brought the item back to City Council.

ACTION: *By motion moved and seconded (Uribe / Call 5/0) to approve Consent Calendar **with the exception of Item 9.6.***

Motion carried by unanimous City Council and LRA Board roll call vote:

AYES: Uribe, Fosi, Pimentel, Call, and Mayor Hernandez

NAYS: None / ABSENT: None / ABSTAINED: None

Item 9.6 **Resolution** Approving a Land Lease Agreement and Memorandum of Land Lease Agreement with Verizon Wireless to Install a Cellular Tower at Castleberg Park and Authorizing the City Manager to Execute Said Agreements.

Public Comment:

Kelly Velasco, Riverbank resident to express her opposition to Item 9.6.

Michael Christie, Riverbank resident to express his concern and suggestions on Item 9.6.

Olivia Arambula, Riverbank resident to share suggestions on Item 9.6.

There being no further public comments, Mayor Hernandez brought the item back to City Council.

ACTION: *Table the item 9.6 to the March 11, 2025 meeting.*

10. PUBLIC HEARING- No items Scheduled.

11. NEW BUSINESS

Item 11.1 **A Discussion on Direction for the Founder's Day Carnival and/or Cultural Music Festival-** It is recommended that the City Council provide direction to the Parks and Recreation Department on the Founder's Day Carnival, scheduled for April 26, 2025, and the Cultural Music Festival proposed to happen on the same day.

Director of Parks & Recreation Patton, gave a comprehensive staff report and PowerPoint presentation on the proposed Cultural Music Festival in lieu of the Founders Day Carnival.

Public Comment:

Evelyn Halbert, Riverbank resident to express her concerns on Item 11.1.

Randy Richardson, Riverbank resident to provide positive feedback on Item 11.1.

Olivia Arambula, Riverbank resident to provide positive feedback on Item 11.1.

There being no further public comments, Mayor Hernandez brought the item back to City Council.

ACTION: *By motion moved and seconded (Fosi / Uribe 5/0) to approve the Cultural Music Festival on April 26, 2025.*

Motion carried by unanimous City Council and LRA Board roll call vote:

AYES: Uribe, Fosi, Pimentel, Call, and Mayor Hernandez

NAYS: None / ABSENT: None / ABSTAINED: None

Item 11.2 **Direction on the Proposed Use of the Transitional/Permanent Supportive Housing Funds Provided by Senator Eggman-** It is recommended that the City Council provide direction to staff regarding the use of the funds granted to the City by Senator Eggman of approximately \$1.5 million.

City Manager Garcia gave a comprehensive staff report and PowerPoint Presentation on the proposed use of the Transitional/Permanent Supportive Housing Funds provided by Senator Eggman.

Public Comment:

Deanna Garcia, CVRC representative to speak in support of Option 1

Olivia Arambula, Riverbank resident to express her thoughts and suggestions to support Option 1.

There being no public comments, Mayor Hernandez brought the item back to City Council.

ACTION: *By motion moved and seconded (Fosi / Call 5/0) to use the funds provided by Senator Eggman for Option 1 to work w/ Rebuilding Green & CVRC on the proposed development.*

Motion carried by unanimous City Council and LRA Board roll call vote:

AYES: Uribe, Fosi, Pimentel, Call, and Mayor Hernandez

NAYS: None / ABSENT: None / ABSTAINED: None

Item 11.3 **Consideration of City Council Appointments to the Stanislaus Homeless Alliance (SHA) and the Economic Development Action Committee (EDAC) for the Year 2025-**It is recommended that City Council:
1) Review the appointment and 2) Volunteer or nominate a member of the Council to serve as the representative; and 3) By roll call vote, ratify the appointment for the year 2025.

City Clerk Hernandez gave a comprehensive report and PowerPoint presentation on the consideration of appointments to the Stanislaus Homeless Alliance Board (SHA) and the Economic Development Action Committee (EDCA) for the 2025 Year.

City Council discussed item with staff.

There being no public comments, Mayor Hernandez brought the item back to City Council.

ACTION: *By motion moved and seconded (Uribe / Fosi 5/0) to approve the appointments to the SHA Board and EDAC for the 2025 Year.
(See Attached List)*

Motion carried by unanimous City Council and LRA Board roll call vote:

AYES: Uribe, Fosi, Pimentel, Call, and Mayor Hernandez

NAYS: None / ABSENT: None / ABSTAINED: None

12. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council/LRA Board during this time.

Item 12.1 Staff

City Manager Garcia:

- *No Comments*

Item 12.2 Council/Authority Member

Councilmember Uribe:

- *I would also like to encourage everybody to attend the Mixer, the Ribbon Cutting event for LGI Homes, Diamond Bar East. I'm personally inviting all of the Council. I printed out the flyers, set them on your desk and for the audience as well. There are copies right underneath the Agenda. So, if you guys can grab one on your way out, it's family event. So, bring the kids as well, too. It's going to be from 6pm to 8pm. All the info is in the back. If you have questions reach out to me. Thank you.*

Councilmember Pimentel:

- *I would like to thank you all for sitting through a long meeting. I'll keep mine short. Like Olivia, said February 8th and 12th Red Robin has partnered with Love Riverbank. So, if you go and eat, you'll be giving to Love Riverbank.*
- *It's nice to see a full room. Let's keep encouraging people to come. Thank you.*

Councilmember Call:

- *As Vice Mayor Fosi said her and I both attended the new mayors and councilmember academy, hosted by Cal Cities whose goal is to protect local decision making and leaving the decisions to the cities themselves. I was able to learn about effective advocacy, financial responsibility, civic engagement, and land use planning, which was a big one for me. And the biggest takeaway that I had is that people are passionate about where they live. So, we need to be an advocate for our community.*
- *Now, through February 28th Stanislaus Latino Chamber has scholarship applications available. They're going to be awarding 10 \$500 scholarships for local seniors, current college students or trade students. I'll be posting it to my Instagram and Facebook. So, if you want more information, if you have a high school senior or somebody in junior college or college or trade school, I encourage you to check that out. \$500 is a couple books.*
- *There is a multi-chamber mixer with Riverbank Chamber of Commerce and Stanislaus Latino Chamber of Commerce on February 6th at the Stonegate Community Center in Patterson.*

Vice Mayor Fosi:

- *I would like to say a big thank you to Development Services for the flashing stop signs on Roselle and South Rosebrook. Yay, my daughter and myself have seen people kind of go through those stop signs because they are kind of hard to see. So, thank you very much for getting those up.*
- *This past week Stacy and I attended the new mayor and councilmember training academy, held by the League of Cities. It was great to meet other representatives from around the state, actually Northern California, and to be updated on several topics that will affect us as new Councilmembers. All of us also attended the emergency executive management training by OES. I would just like to say that*

yes, that sounds very boring, but OES was really good, and kept us entertained through the meeting, and we got some very useful information, and we're hoping never to have to use it, because it's emergency. So please no emergencies.

- Riverbank Historical Society meeting and Installation dinner is February 8th at 6pm at Perko's. I hope to see everybody there.
- I would like to bring an Agenda Item to the next council meeting about an alternative to the Riverbank Regional Recycle Water Project, and it's over 90 million dollars cost. The city of Modesto has a Tertiary Plant that is part of the North Valley Regional Recycled Water Project. The city of Riverbank could become part of this project by transferring our wastewater through a pipeline that would be constructed. The cost of this project would potentially be a lot less than the cost of the Recycled Water Project here in Riverbank. I also would like to note that this would make us part of a regionalization, whereas the project presented now is not. Since these costs will be paid by our citizens, and there are basically little grants and lots of loans that are available that would need to be paid back. I believe that it is in the best interest of the City and for our citizens that we do a cost feasibility study to compare what it would be like to join the City of Modesto. I am asking my council colleagues, to comment tonight by requesting that the City Manager contact the city of Modesto and forward an agenda item for approval to do a cost feasibility study so that we can review this alternative to the Riverbank Regional Recycle Water Project. Thank you.

Item 12.3 Mayor/Chair

Mayor Hernandez:

- Tomorrow is Lunar New Year, and I am wearing a traditional Vietnamese outfit. I have left I didn't have enough, but I left some red envelopes for you all, and it's to symbolize good fortune in the New Year.
- I attended the United States National Conference for Mayors in DC. I returned the day before inauguration. It was enlightening to be able to connect with mayors from across the nation, and to hear that, at the end of the day honestly, what we're all dealing with is similar issues. And so, the whole theme of it was how we can prepare for the new incoming Federal administration and housing was huge for everybody across the nation. And so, I have built some partnerships and hopefully looking forward to bringing some positive ideas that we can adopt to the city.
- Now with going back to the regional water recycling plant. The original price tag was \$90 million, and we were presented with \$124 million at this point I think it is difficult to depend on FEMA with the federal grants, so I would like to also second the option to at least bring to council the ability to talk about a cost feasibility, study. And there's the option for other Council colleagues to send an email. If you're interested in learning more about that again, just to have it as an agenda item to discuss.

13. CLOSED SESSION

The public will have a limit of **3 minutes** to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board recessing to Closed Session.

- *No items Scheduled*

14. ADJOURNMENT OF THE REGULAR MEETING

There being no further business, Mayor / Chair Hernandez adjourned the regular meeting at 8:20 P.M.to the next regular scheduled City Council / LRA Meeting of February 11, 2025 at 6:00 P.M.

ATTEST: (Adopted 02/11//2025)

APPROVED:

Gabriela Hernandez, CMC
City Clerk / LRA Recorder

Rachel Hernandez
Mayor/ Chair

2025 List of Appointments
(Ratified on January 28, 2025)

BOARD / COMMITTEE	COUNCIL REPRESENTATIVE (2025 - Appointments)
<u>ECONOMIC DEVELOPMENT ACTION COMMITTEE (EDAC)</u> <u>Meets:</u> March 5 and October 8, 2025 from 2-5 pm <u>Location:</u> 1010 10th Street, Modesto Room 1013 (CEO Training Room)	Joshua Mann Director of Community Development (Primary) Melissa Holdaway, Administrative Analyst II (Alternate)
<u>STANISLAUS HOMELESS ALLIANCE BOARD (RESOLUTION NO. 2019-032)</u> <u>Meets:</u> 1st Wednesday of Each Month at 5:30 pm <u>Location:</u> Tenth Street Place, Board Chambers, 1010 10th Street (Basement), Modesto The Alliance Is a Collaborative Board formed to align Homeless Service, Planning, & Funding among Stakeholders in Stanislaus County. The Board consists of several Community Leaders of Governmental and Nongovernmental Entities. A Primary Voting Member Is appointed by the City Council annually. An Alternate Member may be an elected official or an executive-level administrative official in each government entity.	Councilmember Stacy Call (Primary) City Manager (Alternate)

Good Evening, I am Garry Pearson, Resident [REDACTED] in Riverbank Ca

Three weeks ago I served in a rural community called Planada which is 10 miles east of Merced Ca. Just over 2 years ago this local community of 4700 residents was flooded with 80% of the homes flooded. I volunteered with Habitat of Humainty and Mennoite Disaster relief for a week. We provided our skills as repair, construction, plumbing, painting, installation of showers, Floors, etc for 4 local homes. Now there are 160 homes that requested to have various repairs done to bring these home back to livable condition. Each Week there are 15 volunteers and support staff that go this community and provide the repairs necessary at no cost to the residents. These volunteers are from all over the US and California. I worked alongside young adults to seasoned folks from all walks of Life.

My story was building a closet, installing sheetrock, and installing a door for a family of 5. I sat and had lunch with this family and listened to how their family has recovered somewhat. Being this family is low income having a house they call home is very important. I sat with Maya and watched her make her own lunch of Mandarins, Almonds and Cheese. Her other little sister pulled out her tools of a saw, Screwdriver, and drill. I was able to teach her the simple things of how these tools were used on the door I was installing.

Of course the work is not finished and the Habitat team and Mennoite disaster relief will be on site thru the end of March. Habitat also rebuilt a house in Downtown Merced that was destined for demolition..This project after Habitat leaves will be used for Homeless folks in the City! As Pastor Carlos said, "This is not a period" but a Coma, in the process of serving homeless and low income Folks.

As the City of Riverbank considers future developments such as the Riverwalk let us rememeber the Lessons learned about Planada... Merced County and the State of California FAILED to maintain a levee and drainage/ Creek next to Planada... Let us as a city be proactive in considering the Riverwalk project since there is a levee that is not state reviewed and approved, as I have come to learned from the State Levee commission and other agencies.

AS the EIR becomes Finalized I urge the council to consider this question: Would I personally build a community next to a river and levee that would likely fail given the likelihood of high river flows during those Atmosphic river events..

Reference:

<https://www.kvpr.org/local-news/2024-02-01/planada-residents-look-back-one-year-after-a-devastating-flood-i-lost-everything-i-had-to-start-from-zero>



RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT

AUTHORITY AGENDA ITEM NO. 9.3

SECTION 9: CONSENT CALENDAR

Meeting Date: February 11, 2025

Subject: Resolution Approving the Purchase of a New Cart for Jacob Myers Park in the Amount of \$14,500.00

From: Marisela H. Garcia, City Manager

Submitted by: Michael Patton, Parks and Recreation Director

RECOMMENDATION

It is recommended that the City Council approves the purchase of a new cart for Jacob Myers Park in the amount of \$14,500.00.

SUMMARY

The Parks and Recreation Department is currently preparing for the upcoming Summer season at Jacob Myers Park. The department has two park hosts (one in the front of the park and one in the back of the park) that monitor and upkeep the park. Each park host is given a cart to be able to traverse the 25+ acre park to complete their duties. Currently the city owns two carts with one being purchased in 2022 and is in great working condition. The other cart however was purchased 10-15 years ago and regularly requires maintenance and upkeep during the busy season. The department has received bids to replace the problem cart with one that will be serviceable for the department and the park.

To purchase the cart, the city has accumulated entry fees from Jacob Myers Park. As of January 7, 2025, the city's account for Jacob Myers Park stands at \$56,601.24. The Parks and Recreation Department recommends that the city council approves the purchase of a new cart not to exceed \$14,500.00 with funds procured through the Jacob Myers Park fund.

BACKGROUND

The Parks and Recreation Department is in the process of preparing for the upcoming season at Jacob Myers Park. Jacob Myers Park is a 25+ acre regional park that attracts thousands all throughout California in the Summer months. With such a high demand at Jacob Myers Park, the department has traditionally contracted park hosts to assist with

upkeep and operations of the park. Contracted Park Hosts are expected to clean the park, provide exceptional customer service, and ensure park rules are being followed by patrons. With so much park to cover, the city has provided park hosts with carts to be able to perform all of their duties efficiently and effectively. With two park hosts, the department owns two carts. One of the carts was recently purchased in 2022 and continues to operate well. The second cart was purchased between 10 to 15 years ago. In recent years, this cart has become unreliable with it being consistently taken out of commission for repairs and maintenance. This has caused issues, especially during the crowded summer months, with park hosts having to share one functional cart to complete all necessary duties.

To prepare for the 2025 season, the department has sought out quotes on carts that would meet the needs of the park host. Of the quotes received, the lowest price was \$13,539.38. The department is requesting additional funds to purchase the vehicle to offset any potential cost increases between when the bid was received to the possible approval of the expenditure.

To cover this expenditure, the city charges parking fees at Jacob Myers Park during the warm-weather months. In January 2025, the Parks and Recreation Department requested an updated financial report from the city's Finance Department to determine the available cash to make improvements at the park. The report indicated that there is \$56,601.24 available in this fund. With this approval, the Jacob Myers Park would be able to absorb the expenditure without requiring funds from the general fund.

FINANCIAL IMPACT

The city would spend no more than \$14,500.00 to acquire a new cart for Jacob Myers Park. The new cart would reduce maintenance and operation costs that are currently being incurred to maintain the struggling vehicle.

STRATEGIC PLAN

The city's strategic plan prioritizes maintaining and improving parks, trails, and facilities to provide an exceptional experience for visitors. To enhance the experience at Jacob Myers Park, the city contracts with park hosts to assist with park maintenance and operations. To help them perform their duties effectively, the department aims to equip them with the necessary tools and resources. This will ensure that the city's most visited park remains in excellent condition.

ATTACHMENTS

1. Resolution
2. Bids Received
3. January 2025 Jacob Myers Park Financial Report

CITY OF RIVERBANK

RESOLUTION 2025-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK
APPROVING THE PURCHASE OF A NEW CART FOR JACOB MYERS PARK IN
THE AMOUNT OF \$14,500.00.**

**THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS
THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:**

WHEREAS, the City of Riverbank is committed to maintaining and improving the facilities and equipment at Jacob Myers Park to enhance park operations and visitor experience; and

WHEREAS, the purchase of a new cart is necessary for park maintenance, transportation of staff and equipment, and overall operational efficiency; and

WHEREAS, the City has identified the need for a reliable and efficient utility cart to replace or supplement existing equipment; and

WHEREAS, the total cost for the purchase of the new cart, including applicable taxes and fees, is not to exceed \$14,500; and

WHEREAS, funds for this purchase have been identified and received within the approved budget for park operations and maintenance; and

WHEREAS, the City Council finds that this purchase is in the best interest of the City and its residents to ensure the continued upkeep and efficiency of park maintenance operations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank does hereby approve the purchase of a new cart for Jacob Myers Park in the amount not to exceed \$14,500 and authorizes the City Manager or designee to execute any necessary documents to complete the purchase.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 11th day of February, 2025; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of _____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

Gabriela Hernandez,CMC
City Clerk

APPROVED:

Rachel Hernandez
Mayor

ATTACHMENT 2**STOCKTON POWERSPORTS**

3295 AD ART ROAD
 STOCKTON CA 95215
 (209) 931-7940

CITY OF RIVERBANK 2025 PIONEER 520 **Buyer's Order**

Date
 Deal No.
 Salesperson GARY ALEXANDER
 Lienholder NONE

H W C 209-505-6182 Email DMCDANIEL@RIVERBANK.ORG

I hereby agree to purchase the following unit(s) from you under the terms and conditions specified. Delivery is to be made as soon as possible. It is agreed, however, that neither you nor the manufacturer will be liable for failure to make delivery.

Unit Information

New/U	Year	Make	Model	Serial No.	Stock No.	Price (Incl factory options)
New	2025		Temporary MU		TEMP	\$10,496.17

Options:

Dealer Unit Price	\$10,496.17
Factory Options	\$0.00
Added Accessories	\$500.00
Freight	\$885.00
Dealer Prep	\$500.00
CALIF. TIRE FEE	\$3.50
ELECTRONIC FILING	\$34.00

HARDTOP

\$500.00 D

Cash Price	\$12,418.67
Trade Allowance	\$0.00
Payoff	\$0.00

Notes:

Net Trade	\$0.00
Net Sale (Cash Price - Net Trade)	\$12,418.67
Sales Tax	\$981.71
Title/License/Registration Fees	\$54.00
Document or Administration Fees	\$85.00
Credit Life Insurance	\$0.00
Accident & Disability	\$0.00

Trade Information

Total Other Charges	\$1,120.71
Sub Total (Net Sale + Other Charges)	\$13,539.38
Cash Down Payment	\$0.00

Amount to Pay/Finance \$13,539.38

Monthly Payment of \$13,539.38 For 1 Months at 0.00% Interest

NOTICE TO BUYER: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled in copy of this agreement. (3) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.

TRADE-IN NOTICE: Customer represents that all trade in units described above are free of all liens and encumbrances except as noted.

*With Approved Credit. Interest rates and monthly payment are approximate and may vary from those determined by the lender.

Customer Signature _____ Dealer Signature _____

Thank You for Your Business!



Jan 27, 2025

CITY OF RIVERBANK ATTN: ACCTS PAYABLE

Account # CITYO25

ATTN: ACCTS PAYABLE

6617 THIRD STREET

RIVERBANK, California 95367

Attention: DAVID MC DANIEL

New Polaris Model: RGR POLARIS with all standard equipment in addition to the additional specifications listed below:

STOCK NUMBER:

SERIAL NUMBER:

YEAR:

SMU:

ADDITIONAL SPECIFICATIONS

Reference #	Description of Material and Equipment	Price	Reference #	Description of Material and Equipment	Price
R25MAA57B1	2025 RANGER SP 570 SAGE GREEN	\$11,499.00	2885077	POLY ROOF	\$429.99
SET UP	SET UP	\$980.00		SOURCEWELL DISCOUNT	(\$871.97)
	FREIGHT	\$1,095.00			

WARRANTY INFORMATION

Standard Warranty:

12 months / unlimited hours

Sell Price	\$13,132.02
DMV DOC	\$80.00
DMV EVR FEE	\$34.00
Net Balance Due	\$13,246.02
STANISLAUS COUNTY (7.875%)	\$1,043.12
TIRE TAX	\$7.00
DMV LICENSE	\$54.00
After Tax Balance	\$14,350.14

F.O.B/TERMS: HAS - POLARIS

This quote is good for (30) days. Any machine quoted outside of HOLT AG SOLUTIONS inventory is subject to revision. All quotes are subject to credit approval and prior sale. Any quoted interest rates are subject to change without notice. Quote is void unless machine is delivered, and remains, within HOLT AG SOLUTIONS Dealership territory for two years or unless the machine has at least 1000 hours.

THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE ARE PART OF AND INCORPORATED IN THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSIDERED ENFORCEABLE UNTIL ACCEPTED BY HOLT AG SOLUTIONS AND EXECUTED BY ITS OFFICE. ANY INDIVIDUAL SIGNING THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE/SHE IS AT LEAST 18 YEARS OLD AND HAS THE AUTHORITY TO BIND CUSTOMER TO THE TERMS OF THE AGREEMENT.

Accepted by _____

(Please Print)

Date, _____

ATTACHMENT 3

Jacob Myers Park

118-441,008-872.005

CASH RECEIPTS	2023 Total	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	2024 Total
Parking Fee	\$ 93,300.06	\$ 7,517.00	\$ 16,370.25	\$ 20,689.00	\$ 21,040.30	\$ 12,810.75	\$ 14,168.05	\$ 316.00						\$ 92,911.35
Reservations	\$ 9,805.00	\$ 1,880.00	\$ 1,350.00	\$ 550.00	\$ 1,000.00	\$ 1,425.00	\$ 550.00	\$ 275.00						\$ 7,030.00
Citations	\$ 3,725.00		\$ 400.00	\$ 310.00	\$ 1,210.00	\$ 700.00	\$ 600.00	\$ 333.22		\$ 110.00				\$ 3,663.22
Hayride revenue	\$ 9,701.13													\$ -
Vendor fees/donations	\$ -													\$ -
Photography permit	\$ -													\$ -
Concessions	\$ -	\$ 41	\$ 160	\$ 600	\$ 600	\$ 632.75		\$ 221						\$ 2,217.25
AP	\$ (125.00)													\$ -
Total cash available	\$ 116,406.19	\$ 9,400.50	\$ 18,280.25	\$ 22,149.00	\$ 23,850.30	\$ 15,568.50	\$ 15,318.05	\$ 1,145.22	\$ -	\$ 110.00	\$ -	\$ -	\$ -	\$ 105,821.82

118-441,008-703.066

CASH PAID OUT	Total	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Park Aides	\$ 23,608.79									\$ 20,911.69				\$ 20,911.69
Security	\$ 26,579.06	\$ 654.00	\$ 2,537.55	\$ 8,517.46	\$ 3,775.12	\$ 2,482.48	\$ 8,575.09	\$ 604.00						\$ 27,145.70
Park Hosts	\$ 3,200.00	\$ 1,200.00		\$ 1,600.00	\$ 593.56	\$ 400.00	\$ 400.00		\$ 800.00					\$ 4,993.55
Playground equipment	\$ 5,661.63			\$ 3,132.47										\$ 3,132.47
Equipment & Supplies	\$ 16,488.72	\$ 871.45	\$ 1,167.92	\$ 1,573.29		\$ 788.56	\$ 439.93	\$ 1,549.41	\$ 233.28	\$ 990.13				\$ 7,613.97
Portable Restrooms	\$ 2,480.94													\$ -
Safe Tree Cuts	\$ 34,265.00					\$ 16,695.49								\$ 16,695.49
Movies in the park	\$ 790.00		\$ 810.00											\$ 810.00
Uniforms	\$ -													\$ -
Iron Ranger	\$ -													\$ -
Rodent Control	\$ 2,925.00													\$ -
Signage	\$ -	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 450.00				\$ 2,250.00
Programs	\$ -			\$ 912.36										\$ 912.36
Golf Cart	\$ 3,232.80													\$ -
Dust Suppressant-parking lot	\$ -													\$ -
Workcamp/er news membership	\$ 79.00													\$ -
Extra Load of Bark Surfacing	\$ 1,806.70													\$ -
Parking lot striping	\$ -													\$ -
Tires	\$ -													\$ -
Mule Repair	\$ -													\$ -
Hand Dryers	\$ -													\$ -
Park Host Recruitment	\$ -													\$ -
Sprayer replacement	\$ -													\$ -
Phone card	\$ -													\$ -
Yamaha Utility Vehicle	\$ -													\$ -
Drum circle	\$ -													\$ -
Parking lot lighting replacement	\$ -													\$ -
Concert series	\$ -													\$ -
Dog park equipment	\$ -													\$ -
Trail design improvements	\$ 1,696.40													\$ -
Citation copies	\$ -													\$ -
Office supplies	\$ -													\$ -
BBQ replacement	\$ -													\$ -
Square Fees	\$ 687.15	\$ 69.61	\$ 181.13	\$ 194.58	\$ 137.08	\$ 128.63	\$ 146.37							\$ 847.40
Hayride volunteers-prizes-stipend	\$ 5,063.20													\$ -
Hayride transfer-FT Employees	\$ -													\$ -
MISC	\$ -													\$ -
Total	\$ 128,564.39	\$ 3,020.06	\$ 4,921.60	\$ 16,145.16	\$ 4,730.75	\$ 20,720.16	\$ 9,786.39	\$ 2,378.41	\$ 1,258.28	\$ 22,351.82	\$ -	\$ -	\$ -	\$ 85,312.63

	\$ 116,406.19													Total Revenue \$ 105,821.82
	\$ (128,564.39)													Total Expense \$ (85,312.63)
	\$ (12,158.20)													Total= \$ 20,509.19
	\$ 36,092.05													Total with carry over \$ 56,601.24

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.4

SECTION 9: CONSENT CALENDAR

Meeting Date: February 11, 2025

Subject: Resolution Authorizing a Joint Application to and Participation in the Homekey+ Program

From: Marisela H. Garcia, City Manager

RECOMMENDATION

It is recommended that the City Council consider a resolution authorizing the City of Riverbank to be a Co-Applicant with Central Valley Community Resources, Inc. for an application for funding from the Homekey+ Program.

SUMMARY

Central Vally Community Resources, Inc., a local nonprofit organization in Riverbank, has submitted a request to the City to consider being a Co-Applicant for funding for a proposed permanent supportive housing development project from the Homekey+ Program.

BACKGROUND

Proposition 1, passed by California voters in March 2024, is a critical step in advancing the state's goals to reduce homelessness and protect our most vulnerable populations through important changes to the Mental Health Services Act (MHSA). Proposition 1 includes the Behavioral Health Services Act (BHSA) and the Behavioral Health Infrastructure Bond Act (BHIBA). Homekey+ is the Permanent Supportive Housing component of the BHIBA and will support the development of housing for Veterans and individuals with mental health or substance use disorder challenges who are at-risk of or experiencing homelessness.

In November 2024, the State of California Department of Housing & Community Development, in collaboration with the California Department of Veterans Affairs (CalVet), announced the availability of approximately \$2.145 billion in Homekey+ funding. Homekey+ aims to sustain and rapidly expand the inventory of Permanent Supportive Housing (PSH) for Veterans, young people, and other individuals and their households, with mental health and/or substance use disorder challenges who are at-risk of or

experiencing homelessness. All units must be reserved for individuals (and their households, if applicable) with a Behavioral Health Challenge regardless of whether they are serving Veterans, Homeless Youth, or other eligible populations.

Homekey+ Projects receiving an Award must complete construction within 12 months, starting 60 days from the date of the Award letter, with the exception of new construction and gap financing Projects, which must complete construction within 24 months, starting 60 days from the date of the Award letter.

Appropriate supportive services are critical to serving the eligible populations. All applicants will need to demonstrate coordination or efforts to coordinate with the county behavioral health department in their community. In addition, Veteran-serving Projects will need to have cultural competency and experience serving Veterans or commit to completing a certification training to gain these competencies.

CENTRAL VALLEY COMMUNITY RESOURCES, INC. PROPOSAL

Central Valley Community Resources, Inc. (CVCR) is a local nonprofit organization in the City of Riverbank. Recently, the City and CVCR had been working together to develop a transitional/permanent supportive housing project on city-owned property. Unfortunately, the project was not able to move forward due to the decision to develop a park site on the property instead.

As such, CVCR continued to find ways to assist the community and is proposing the development of a permanent supportive housing project on a piece of land that is currently on the market at the Northwest corner of Morrill & Oakdale Road, including a vacant lot next door. CVCR and the property owner are currently working on a Letter of Intent to purchase the land should CVCR be successful in obtaining the grant funding.

At the January 28, 2025 meeting the City Council authorized the re-allocation of approximately \$1.5 million in funds received from a direct allocation via the State of California budget requested by Senator Eggman to support a project by CVCR.

CVCR proposes the development of a 40-unit permanent supportive housing project that will incorporate wrap around services for its residents. Their target population will focus on those who are at risk of being homeless, such as young adults ages 18 and over, seniors, behavioral health, veterans, and families with children, including Farmworkers and Native Americans. The funding must be used to be able to provide easy access to behavioral health services for their target population. These services will include counseling, vocational training, substance abuse support, and health care coordination.

As a co-applicant, the City will show its support to CVCR and their proposed development that will benefit the Riverbank community. The total grant request will be \$15.5 million.

Should the City & CVCR be successful in obtaining this grant, a Regulatory Agreement setting forth the obligations of both parties will be developed and presented to the City Council for consideration.

STRATEGIC PLAN

This item directly addresses the City Council's Strategic Plan Goal to "Enhance Quality of Life" which has an Objective to "Engage the community and non-profit partners in the development of programs, facilities, transitional housing and/or solutions for homeless services."

FINANCIAL IMPACT

The City of Riverbank has committed approximately \$1.5 million in funding from Senator Eggman towards this project. Should the project successfully receive grant funding, the funds may be used as matching funds and be used towards the acquisition of land or towards construction costs.

ATTACHMENTS

1. Resolution
2. Central Valley Community Resources, Inc. Proposal
3. Notice of Funding Availability

CITY OF RIVERBANK

RESOLUTION 2025-

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIVERBANK, CALIFORNIA
AUTHORIZING A JOINT APPLICATION TO AND PARTICIPATION IN THE
HOMEKEY+ PROGRAM FOR THE RIVERBANK RESIDENTIAL HOME VILLAGE
PROJECT**

THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:

WHEREAS, The Department of Housing and Community Development (“HCD”) has issued a Notice of Funding Availability, dated November 26, 2024 (“NOFA”), for the Homekey+ Program (“Homekey+” or “Program”). HCD has issued the NOFA for Homekey+ grant funds pursuant to Health and Safety Code Section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.); Health and Safety Code Section 50675.1.5 (Assem. Bill No. 531 (2023-2024 Reg. Sess.); Section 14184.402 of the Welfare and Institutions Code; Section 5891.5 of the Welfare and Institutions Code; and Round 5 and 6 of the Homeless Housing, Assistance and Prevention (HHAP) grant program. (Assem. Bill No. 129 (Chapter 40, Statutes 2023) and Assem. Bill No. 166 (Chapter 48, Statutes 2024), respectively; and

WHEREAS, the City of Riverbank (“Applicant”) desires to jointly apply for Homekey+ grant funds with Central Valley Community Resources, Inc. Therefore, Applicant is joining Central Valley Community Resources, Inc. in the submittal of an application for Homekey+ funds (“Application”) to HCD for review and consideration; and

WHEREAS, HCD 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 HCD-approved STD 213, Standard Agreement (“Standard Agreement”), and all other legal requirements of the Homekey+ Program; and

WHEREAS, should the Applicant and Co-Applicant be successfully awarded funds, a Regulatory Agreement establishing the terms and conditions of the funding will be negotiated between the two parties.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank:

1. City of Riverbank is hereby authorized and directed to submit a joint Application to HCD in response to the NOFA, and to jointly apply for Homekey+ grant funds in a total amount not to exceed \$15,500,000.
2. If the Application is approved, City of Riverbank is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$15,5 00,000, any and all other documents required or deemed necessary or appropriate to secure the Homekey+ funds from HCD and to participate in the Homekey+ Program, and all amendments thereto (collectively, the "Homekey+ Documents").
3. City of Riverbank 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.
4. The Mayor, or his or her designee, is authorized to execute the Application and the Homekey+ Documents on behalf of the City of Riverbank for participation in the Homekey+ Program.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 11th day of February, 2025; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of _____:

AYES:

NAYS:

ABSENT:

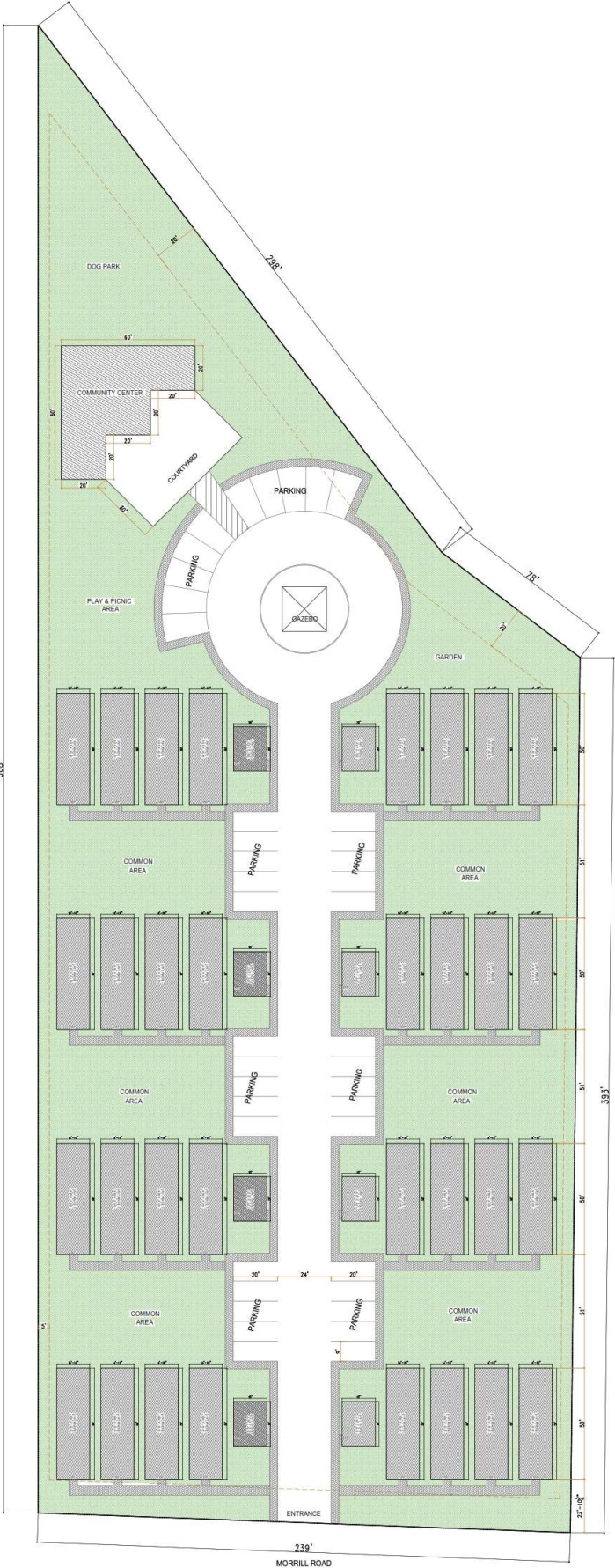
ABSTAINED:

ATTEST:

Gabriela Hernandez, CMC
City Clerk

APPROVED:

Rachel Hernandez
Mayor



1 SITE LAYOUT PLAN
A-01 SCALE NTS



Riverbank Residential Home Village

Executive Summary

Project Overview:

- Location: 2167 Morrill Road, Riverbank, CA 95367
- Lot Size: 125,452.8 sq ft = 2.880 of acres
- Project Owner: Central Valley Community Resources, Inc.
- Project Developer: Brad Hawn, Civil Engineer CHG Structural (CHG)
- Project Manager for Housing Units: Genny Crane, RBG USA (RBG)
- Project Manager: Brad Hawn, Civil Engineer CHG Structural (CHG)
Deanna Garcia, Garcia's General Construction Inc. (GGC)
- Builder (Community Services Center): Deanna Garcia, Garcia's
General Construction Inc. (GGC)
- Service Providers: Central Valley Community Resources, Inc. (CVCR)
Darlene Barber-Martinez, CEO/Executive Director
Arlene Figueroa-Morales, CFO/Executive Director

Executive Summary

Central Valley Community Resources, Inc. (CVCR) is a 501(c)3 organization that will be the program owner/operator for the Residential Home Village to provide:

- supportive housing
- training in:
 - education and employment development,
 - life skills, parenting skills, financial literacy.

The Residential Home Village will include those who are at risk of being homeless, such as young adults ages 18 and over, seniors, behavioral health, veterans, and families with children, including Farmworkers and Native Americans.

Wrap-around services: Services will be provided in collaboration with other agencies, such as case management, behavioral health, medical and physical health, social benefits, educators, employment training/staffing, and essential documents. These supportive services will be provided in the Community Services building. The hours of the Community Services building will be from 9 a.m.-6 p.m., Monday through Friday. An -On-Site Manager will live on the premises in one of the units.

Housing Units: The plan and design of the property include 40 units, which have the potential to house 184 people. The proposed units consist of:

- 8 (1) bedroom units 503.33 house up to three people per unit
- 32 (2) bedrooms units 652.67 square feet. House up to five people per unit

Affordability: By tailoring rent to individual family budgets, the Residential Home Village aims to make housing affordable for a wide range of residents. This approach recognizes that financial situations vary among families and seeks to accommodate those differences.

Income-Based Rent: It is envisioned that the rent structure will be based on a percentage of the resident's income. This means that families with lower incomes will pay a lower rate of their income as rent, while those with higher incomes may contribute a larger portion of their income to rent.

Fairness and Inclusivity: This rent model promotes fairness and inclusivity by ensuring that housing costs are not disproportionately burdensome for lower-income families. It can help prevent economic barriers to accessing stable housing and support residents in achieving financial stability.

Financial Support: The village may also offer financial counseling or support services to help residents manage their budgets effectively, and access any available resources or assistance programs.

Community Stability: By providing affordable housing options and support tailored to individual needs, the Residential Home Village contributes to community stability and well-being. Stable housing is foundational for individuals and families to thrive and participate fully in community life. Overall, the rent structure based on individual family budgets aligns with the village's goal of creating an inclusive and supportive environment for residents from diverse backgrounds and income levels. The Residential Home Village will provide shelter and transitional housing in fully self-contained ADA-accessible housing units equipped with all amenities.

Community Services Building: The Community Services Building plays a central role in the village by offering various services and facilities. These may include a food and clothing closet to address basic needs, laundry facilities, mailbox services for communication, a community garden for recreational and sustainable purposes, and open grass areas for relaxation and community gatherings.

Central Solar System: The inclusion of a central solar system on the Community Services Building's roof demonstrates a commitment to sustainability and eco-friendly practices. Solar energy can help reduce the village's environmental impact, contribute to long-term energy efficiency, and lower the utility cost.

Attachments:

Site Plan

Site Plan





Common Area



Community Center & Playground



Dog Park



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE**

651 Bannon St, Suite 400
Sacramento, CA 95811
www.hcd.ca.gov



November 26, 2024

MEMORANDUM FOR: Potential Applicants

FROM: Jennifer Seeger, Deputy Director
Division of State Financial Assistance

SUBJECT: Homekey+ Program
2024 Notice of Funding Availability

The California Department of Housing and Community Development (HCD or Department), in collaboration with the California Department of Veterans Affairs (CalVet), is pleased to announce the **availability of approximately \$2.145 billion of Homekey+ grant funding** through this Notice of Funding Availability (NOFA).

Proposition 1, passed by California voters in March 2024, is a critical step in advancing the state's goals to reduce homelessness and protect our most vulnerable populations through important changes to the Mental Health Services Act (MHSA). Proposition 1 includes the Behavioral Health Services Act (BHSA) and the Behavioral Health Infrastructure Bond Act (BHIBA). Homekey+ is the Permanent Supportive Housing component of the BHIBA.

Homekey+ will support the development of Permanent Supportive Housing for Veterans and individuals with mental health or substance use disorder challenges who are at-risk of or experiencing homelessness. Building on the success of both [Roomkey](#) and approximately \$3.572 billion awarded over three rounds of [Homekey](#), Homekey+ continues a statewide effort to sustain and rapidly expand Permanent Supportive Housing for persons experiencing homelessness.

Like other programs administered by the State of California that serve people experiencing homelessness, Homekey+ requires the use of Housing First, which is an evidenced-based model that quickly and successfully connects individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry or continued tenancy, such as sobriety, treatment or service participation requirements. With safe, affordable housing, and supportive services to address Behavioral Health Challenges, California's most vulnerable residents will have the foundation they need to thrive.

The Homekey+ funding available in this NOFA is **to provide Permanent Supportive Housing for individuals or households with an individual who is Homeless, Chronically Homeless, or At Risk of Homeless, and who are also living with a Behavioral Health Challenge**. Homekey+ also establishes allocations for Veterans

Homekey+ Notice of Funding Availability

and for Youth relative to that Target Population. Homekey+ is largely derived from Proposition 1 bond funds established by the BHIBA (AB 531, Chapter 789, Statutes of 2023).

For this NOFA, as detailed in the table below, an estimated \$1.033 billion in Proposition 1 bond funds is available for Veteran-serving Projects. Additionally, an estimated \$1.11 billion is available for Projects serving the Target Populations, of which \$805 million is derived from Proposition 1 and approximately \$307 million is available from the Homeless Housing, Assistance, and Prevention (HHAP) Homekey+ Supplemental funding, made available in the 2023-24 and 2024-25 state budgets.

Description of Project Type	Funds Available
Veteran-serving projects	\$1.033 billion
All other Target Population Projects	\$1.11 billion

Tribal Applicants: Please note that a separate Tribal Homekey+ NOFA of approximately \$121 million for tribal applicants is available on the Department's [Tribal Homekey+ Program website](#).

Homekey+ provides housing to persons with Behavioral Health Challenges. Although Homekey+ largely remains similar to prior Homekey rounds, there are important differences to note. Homekey+ will only fund Permanent Supportive Housing; Interim Housing is no longer an eligible use. Homekey+ Projects are supported by laws that allow for a streamlined, ministerial approval process, provided certain conditions are met. However, it is important to note that these conditions have changed significantly from prior rounds of Homekey, as described in Appendix C. In addition to Appendix C, there are a variety of other development streamlining paths in state law that Applicants may wish to consider, which will be available on the Homekey+ website at the time of application release.

A hallmark of prior rounds of Homekey has been producing housing quickly and cost-effectively, mostly through adaptive reuse. HCD will continue to retain and build upon these principles and will offer funding for Permanent Supportive Housing Projects that incorporate cost-containment strategies in new construction Projects. As with the rest of the Homekey+ NOFA, this new construction cost containment pilot will fund Permanent Supportive Housing only. Homekey+ also introduces new flexibility to fund shovel-ready Projects with prior HCD or other awards in need of gap financing to commence construction. Please see Sections 501 and 502 for the new construction and gap financing requirements.

Homekey+ Projects receiving an Award must complete construction within 12 months, starting 60 days from the date of the Award letter, with the exception of new construction and gap financing Projects, which must complete construction within 24 months, starting 60 days from the date of the Award letter (see NOFA Section 204 for more details on all program deadlines).

Appropriate services, as specified in Section 302 “Supportive Services Requirements”, are critical to serving eligible populations in this NOFA. All applicants will need to demonstrate coordination or efforts to coordinate with the county behavioral health department in their community. In addition, Veteran-serving Projects will need to have cultural competency and experience serving Veterans or commit to completing a certification training to gain these competencies.

Lastly, this NOFA prioritizes Projects that commit to sustainable operations. Applicants are encouraged to discuss operating match capacity and local services partnerships during the required pre-application consultation. The NOFA affords HCD the right to prioritize funding for applications that are complete and commit to greater amounts of operational match, regardless of the order of applications received, as outlined in Sections 400-403.

To receive information on the upcoming Homekey+ NOFA webinar and other updates, please [click here](#) subscribe to HCD’s Homelessness Prevention Programs listserv.

If you want to learn more, Please visit HCD’s Homekey+ website at [Homekey+ | California Department of Housing and Community Development](#) Resources such as guidance and templates mentioned within this NOFA will be published to the website with the release of the Homekey+ Application.

If you have any questions, please submit them to Homekey@hcd.ca.gov.

Homekey+

2024 Notice of Funding Availability



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November 26, 2024

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Homekey +

Notice of Funding Availability

November 2024

Article I. Program Overview

Section 100. Notice of Funding Availability (NOFA)

The California Department of Housing and Community Development (HCD), in collaboration with the California Department of Veterans Affairs (CalVet), is pleased to announce the availability of approximately \$2.145 billion in Homekey+ funding. Homekey+ aims to sustain and rapidly expand the inventory of Permanent Supportive Housing (PSH) for Veterans, young people, and other individuals and their households, with mental health and/or substance use disorder challenges who are at-risk of or experiencing homelessness. All units must be reserved for individuals (and their households, if applicable) with a Behavioral Health Challenge regardless of whether they are serving Veterans, Homeless Youth, or other eligible populations under Title 24 CFR 578.3. Behavioral Health Challenge is defined in the California Welfare and Institutions Code Section 5965.02 to include but not be limited to a serious mental illness, as described in subdivision (c) or (d) of Section 14184.402, or a substance use disorder, as described in Section 5891.5. Enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed. Please see Article VII of this NOFA under the Behavioral Health Challenge definition for the specific statutory language.

Recent estimates using Point-in-Time Count data from the Turner Center for Housing Innovation show that Black people in California experienced the highest rate of homelessness, about 205 people per 10,000—almost five times higher than the state’s overall homelessness rate of 44 per 10,000. Native Hawaiian and Pacific Islander, Native American and Indigenous, and multiracial people also experienced disparate homelessness rates compared to the state’s overall population. The pandemic made racial disparities even more apparent. California’s homeless population is also aging rapidly, with adults 50+ the fastest growing age group. However, California’s sustained investment in Veterans housing has resulted in significant reductions in the number of Veterans experiencing homelessness. In fact, California had the largest decrease in the country between 2010 and 2022. Homekey+, as with prior Homekey rounds, recognizes these trends and impacts and encourages Applicants to examine disproportionate impacts in their own communities and to develop strategies to address them, particularly for populations experiencing a Behavioral Health Challenge. Pursuant to Welfare and Institutions Code 8255, Homekey+ Projects are required to follow Housing First, which is an evidence-based model that connects homeless persons to permanent housing without preconditions or barriers to entry and continued tenancy, as outlined in Section 504 of this NOFA.

Homekey+ is an opportunity for Local Public Entities, including state and regional entities, to newly construct PSH, or acquire and convert to PSH a broad range of building types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, and manufactured housing.

There is approximately \$2.145 billion in Homekey+ funding that is derived from Proposition 1 bond funds established by the Behavioral Health Infrastructure Bond Act (BHIBA) (AB. 531, Chapter 789, Statutes of 2023), and the Homeless Housing Assistance and Prevention (HHAP) program Homekey Supplemental funding, made available in the 2023-24 and 2024-25 state budgets. For this NOFA, an estimated \$1.033 billion in Proposition 1 bond funds are available for Projects for Veterans with a Behavioral Health Challenge. Additionally, an estimated \$1.11 billion is available for Projects serving all eligible populations, of which, \$805 million is derived from Proposition 1 and approximately \$307 million is available from the HHAP Homekey+ Supplemental funding.

Section 101. Authorizing Legislation and Applicable Law

AB 140 (2021-2022 Reg. Sess.) and AB 531 (2023-2024 Reg. Sess.) provide the statutory basis for the Homekey+ Program. AB 140 added Section 50675.1.3 to the Health and Safety Code (HSC). AB 531 added Section 50675.1.5 to the HSC, and it added Chapter 4 (commencing with Section 5965) to Part 7 of Division 5 of the Welfare and Institutions Code.

AB 531 provides for the funding of Permanent Supportive Housing for individuals or households with an individual who is Homeless, Chronically Homeless, or At Risk of Homeless, and who are also living with a Behavioral Health Challenge. AB 531 also establishes allocations for Veterans and for Youth relative to that Target Population. AB 531 provides that such Homekey+ funds shall be disbursed in accordance with Section 50675.1.3 of the HSC, among other laws. AB 531 further provides an exemption pathway for Homekey+ Projects from the California Environmental Quality Act (CEQA). Please see Section 510 and Appendix C for details on this pathway.

HSC section 50675.1.3, subdivision (e) states: “The Department of Housing and Community Development may adopt guidelines for the expenditure of the funds appropriated to HCD, and for the administration of this program. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.”

Assembly Bill 129 (Chapter 40, Statutes 2023) and Assembly Bill 166 (Chapter 48, Statutes 2024) established Round 5 and 6, respectively, of the Homeless Housing Assistance Prevention (HHAP). In accordance with HSC Section 50232, subdivision (h), the administration of HHAP 5 funds is not subject to the rulemaking provisions of the Administrative Procedure Act (APA) ((Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code)). In accordance with HSC Section 50239, subdivision (h), the administration of HHAP 6 funds is not subject to the rulemaking provisions of the APA. HCD is utilizing money from HHAP 5 and HHAP 6 to supplement this NOFA. This funding will be awarded to eligible cities, counties, and Tribal Entities pursuing the eligible uses of Homekey+ and meeting the HHAP eligible applicant requirements detailed in Section 200.

This NOFA serves as HCD’s guidelines for the expenditure of Homekey+ funds and the administration of the Homekey+ Program. Under this NOFA, references to “Homekey+” means both the guidelines for Homekey+ funded by Proposition 1 and for HHAP. As such, this NOFA establishes the terms, conditions, forms, procedures, and other mechanisms that HCD deems necessary to exercise its powers and to perform its duties pursuant to the

Homekey+ Program. The matters set forth herein are regulatory mandates and are adopted as regulations that have the dignity of statutes. (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal. 4th 785, 799 [85 Cal.Rptr.2d 844].)

The Multifamily Housing Program (MHP) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the HSC), and as subsequently amended, is hereby incorporated by reference. In accordance with HSC Section 50675.1.3, subdivision (d), in the event of a conflict between this NOFA and the MHP, the provisions of this NOFA are controlling.

The MHP Final Guidelines (MHP Guidelines), effective May 18, 2023, and as subsequently amended, are hereby incorporated by reference. In the event of a conflict between any of this NOFA and the MHP Guidelines, the provisions of this NOFA are controlling.

California Code of Regulations (CCR) Title 25, Section 42 requires an onsite manager, maintenance, or other responsible person for rental housing of 16 or more units, as specified in Section 302 Supportive Services requirements, of this NOFA.

The following administrative notices, policies, and guidance are hereby incorporated herein by reference and shall be deemed to have the same force and effect as if set forth in full herein:

- HCD's "[Disencumbrance Policy](#)" (Administrative Notice No. 2022-02), dated March 30, 2022, as amended on December 19, 2022, and as may be subsequently amended;
- HCD's "[Negative Points Policy](#)" (Administrative Notice No. 2022-01), dated March 31, 2022, as amended on November 9, 2022 and April 3, 2023, and as may be subsequently amended;
- HCD's "[Repeal of Stacking Prohibition of Multiple Department Funding Sources](#)" (Administrative Notice No. 21-06), dated August 20, 2021, and as may be subsequently amended, with the exception noted in Section 207 Funding Limits; and
- The Program's "Homekey Appraisal Guidelines" and as may be subsequently amended.

The [Uniform Multifamily Regulations](#) (UMRs) (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended, are hereby incorporated by reference, except to the extent that any UMR provision would be inconsistent with the provisions of this NOFA.

All other criteria and matters set forth within the NOFA shall also govern Tribal Entity applications submitted under this NOFA, unless and except to the extent expressly provided to the contrary by terms set forth within this NOFA and subject to any potential modification or waiver under or pursuant to Assembly Bill No. 1010 (Chapter 660, Statutes 2019), which is set forth in HSC §50406, subdivision (p).

Section 102. Program Timeline

Homekey+ funds will generally be available to Eligible Applicants on a continuous, Over the Counter basis, with exceptions noted in Section 400. The following table summarizes the anticipated Homekey+ program timeline. HCD reserves the right to modify the projected timeline at any time.

Table 1: Anticipated Timeline for Homekey+ Applications

NOFA release	November 26, 2024
Stakeholder Webinar	January 2025
Application release	Late January 2025
Final application due date	For gap financing Projects: March 14, 2025. For all others, May 30, 2025, or until funds are exhausted, whichever occurs first.
Award announcements	Continuous, expected to begin June 2025
Standard Agreements	All required documentation is due no later than 45 days from a Conditional Award letter, with SA execution to occur no later than 90 days from the date all required documentation is received.
Disbursement of funds	Continuous after Standard Agreement execution, satisfaction of all conditions precedent to disbursement, and completion of a request for funds form.
Homekey+ Annual Report	Annually by March 31 st , starting after construction completion.

Article II. Program Requirements

Section 200. Eligible Applicants

Each of the following entities may apply independently, or each entity may apply jointly with a nonprofit or for-profit corporation, a limited liability company (LLC), and/or a limited partnership (LP) as a Co-Applicant. This includes Applicants applying for gap financing. Under California Code of Regulations Title 25, Section 8313.2. HCD permits Co-Applicants to also be Special Purpose Entities (SPEs). A Special Purpose Entity (SPE) is an entity formed to develop, own, and operate a Project while isolating financial risk. The entity's sole asset is the property, and its sole purpose is to own and manage the property or assets. Please see Sections 300 and 301, and Article VII for more information and required SPE documents.

Eligible Applicants include the following, with the exception noted for HHAP in item (iii.):

- i. Cities, counties, cities and counties, and all other state, regional, and Local Public Entities, including councils of government, metropolitan planning organizations, Public Housing Authorities, and regional transportation planning agencies designated in Section 29532.1 of the Government Code.
- ii. Tribal Entities.

Tribal Entities are eligible under this NOFA but are also encouraged to apply for Homekey+ via a forthcoming Homekey+ Tribal Entity NOFA of approximately \$121 million, to be released under separate cover in November 2024 and available on the Department's [Tribal Homekey+ Program website](#), that will be developed exclusively for and in consultation with Tribes.

The requirements set forth in this NOFA are subject to AB 1010 (Stats. 2019, c. 660), which is set forth in HSC Section 50406, subdivision (p). Accordingly, and pursuant to HSC Section 50406, subdivision (p), **(a)** where the provisions of Tribal law, Tribal governance, Tribal charter, or difference in Tribal Entity or legal structure would cause a violation or not satisfy the requirements of this NOFA, said requirements may be modified as necessary to ensure program compatibility; and **(b)** where provisions of Tribal law, Tribal governance, Tribal charter, or difference in Tribal Entity legal structure or agency create minor inconsistencies (as determined by the Director of HCD or a duly authorized designee thereof) with the requirements set forth in this NOFA, HCD may waive said requirements, as deemed necessary, to avoid an unnecessary administrative burden. Matters set forth or otherwise provided for in this NOFA that may be modified or waived include, without limitation, threshold scoring requirements and any other matters set forth in HSC Section 50406, subdivision (p)(2). Tribal Applicants are accordingly encouraged to discuss any such potential modifications or waivers and their options in that regard at the pre-application consultation.

- iii. Pursuant to CA HSC Sections 50237 and 50241, HHAP Homekey+ Supplemental eligible applicants are:
 - a. California's 14 largest cities with a population of 300,000 or more as of January 1, 2022.
 - b. California's 58 Counties
 - c. The entities in a. and b. must have:
 - 1. A compliant housing element as defined in Government Code Section 65589.9, at the time a Homekey+ application is submitted; and
 - 2. An approved HHAP regionally coordinated homelessness action plan.
 - d. Tribal Entities

Section 201. Eligible Uses

Awarded funds must be used to provide housing for the Target Population of individuals or households including a person who is experiencing a Behavioral Health Challenge and experiencing or At Risk of Homelessness. Projects targeting funds allocated for Veterans Projects must provide housing for Veteran households including experiencing a Behavioral Health Challenge and experiencing or At Risk of Homelessness.

Nothing in the Homekey+ NOFA precludes Applicants from pursuing Projects that include both Homekey+ and non-Homekey+ units, however, Homekey+ will only fund the units that meet the guidelines of the Homekey+ NOFA.

Prospective Applicants are further advised that Projects may contain a mix of eligible Homekey+ subpopulations, including Veterans, non-Veterans, Homeless Youth, etc.

- i. The list of eligible uses is as follows:
 - a. Acquisition or Rehabilitation, or Acquisition and Rehabilitation, of motels, hotels, hostels, apartments or homes, assisted living residences, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to Permanent Supportive Housing (PSH).
 - b. Master leasing of properties for PSH.
 - c. Conversion of units from nonresidential to residential PSH. (i.e. adaptive reuse) and conversion of Interim Housing to PSH.
 - d. New construction of dwelling units (see Section 501).
 - e. Gap financing (see Section 502).
 - f. The purchase of affordability covenants and restrictions for units.

- g. Relocation costs for individuals who are being displaced because of the Homekey+ Project.
 - h. Capitalized operating subsidies for PSH units purchased, converted, constructed, or altered with funds provided pursuant to HSC Section 50675.1.3.
- ii. Ineligible uses include:
- a. Interim Housing.
 - b. Existing Homekey Assisted Units, previously awarded under Rounds 1, 2 and 3 of Homekey, are ineligible for funding under this NOFA, with the exception of the following:
 - 1. Previously funded Homekey Projects that will expand to create new PSH units, or
 - 2. Previously funded Interim to Perm Homekey Assisted Units are eligible for gap financing under Section 502 of this NOFA, if the units are currently occupied and need funding to convert from Interim Housing to PSH.
 - c. The Homekey+ program is intended to support the development of PSH units and will not fund congregate shelter.
 - d. Licensed behavioral health care facilities, which may be eligible for Proposition 1 funding through the Department of Health Care Services (DHCS).

Section 202. Eligible Projects

Homekey+ funds Permanent Supportive Housing (PSH) and will require a 55-year affordability term. HCD welcomes and will consider a variety of innovative housing solutions as eligible Projects, including excess state-owned property developments. The following list of eligible Projects is not exhaustive.

- i. Conversion of nonresidential structures to residential dwelling units.
- ii. Conversion of commercially zoned structures, such as office or retail spaces, to residential dwelling units.
- iii. Conversion of buildings with existing residential or interim uses that will be used to create PSH units.
- iv. Multifamily rental housing Projects.
- v. Scattered site housing on multiple contiguous or non-contiguous sites is permitted as long as the resulting housing has common ownership, financing, and property management.

- vi. PSH units in a shared housing setting. Shared housing is a structure shared by two or more households where each household resides in a separate private bedroom that can be locked and has a lease, with all the rights and responsibilities of tenancy.
- vii. Any of the Eligible Projects above, developed in excess state-owned properties.

Section 203. Allocations and Geographic Distribution

Unless otherwise indicated, all NOFA provisions and scoring criteria shall govern the allocations in this NOFA. HCD will deploy unused funds from any undersubscribed allocation and region to fund applications in the manner described in the Discretionary Reserve. HCD will also redeploy undersubscribed and unused funds, as specified at Section 400 of this NOFA. Table 2 shows the funding available in this NOFA by allocation.

Table 2: Homekey+ Funding Allocations

Allocation (% of appropriation)	Veterans	General Population	NOFA Total
Youth - 8%	\$85,200,000	\$102,320,000	\$187,520,000
Rural - 5%	\$53,250,000	\$63,950,000	\$117,200,000
Discretionary Reserve - 10%	\$106,500,000	\$127,900,000	\$234,400,000
Available for Regions	\$788,100,000	\$817,586,000	\$1,605,686,000
Totals	\$1,033,050,000	\$1,111,756,000	\$2,144,806,000

i. Allocations

a. Youth At Risk of or Experiencing Homelessness

Pursuant to HSC Section 50675.1.3, subdivision (c), HCD shall allocate not less than eight percent (8%) of the Homekey+ funding appropriated, for Projects serving Homeless Youth, or Youth at Risk of Homelessness, as defined in 24 Code of Federal Regulations (CFR) part 578.3.

b. Rural Target Allocation

HCD will allocate five percent (5%) of the appropriated Homekey+ funding for Projects in Rural Area jurisdictions as set forth in HSC Section 50199.21.

c. Discretionary Reserve

HCD will allocate ten percent (10%) of available Homekey+ funds for a Discretionary Reserve to address the following:

1. Covering overages from other allocations, where there are funds available, but the funds are insufficient to fully fund the next eligible Project in the region or allocation.
2. Funding high scoring Projects from oversubscribed regions. Awards will not be made until application period closes to the extent funds are available.

d. Geographic Distributions

Homekey+ aims to equitably offer opportunities throughout the state for Eligible Applicants to apply to this NOFA. After distributing funds to the Homeless Youth, Rural Target and Discretionary Reserve Allocations, this NOFA allocates the balance of the funds geographically. The Homekey+ geographic regions outlined in Table 3 below are largely aligned with California's Councils of Government (COGs).

Each region's share of the Homekey+ allocation is calculated based on its proportionate share of Veterans and other persons experiencing homelessness as indicated by the sheltered and unsheltered 2023 Homeless Point-in-Time Count (PIT), plus each region's proportionate share of Extremely Low Income (ELI) renter households that are paying more than 50 percent of their income for rent (Severely Rent-Burdened), sourcing data from the 2022 American Community Survey (ACS) Integrated Public-use Microdata Sample. In order to most accurately account for need, the regional funding allocations in this NOFA consist of a distribution for Projects serving the general population and a distribution for Veterans. The Veteran PIT and Severely Rent-Burdened figures are deducted from the general population numbers as to not double count Veterans.

Table 3: Homekey+ Geographic Regions

Counties by Region					
Balance of State	Alpine	Bay Area	Alameda	San Diego County	
	Amador		Contra Costa	San Joaquin Valley	Fresno
	Butte		Marin		Kern
	Calaveras		Napa		Kings
	Colusa		San Francisco		Madera
	Del Norte		San Mateo		Merced
	Glenn		Santa Clara		San Joaquin
	Humboldt		Solano		Stanislaus
	Inyo		Sonoma		Tulare
	Lake		Central Coast		Monterey
	Lassen	San Benito		Orange	
	Mariposa	San Luis Obispo		Riverside	
	Mendocino	Santa Barbara		San Bernardino	
	Modoc	Santa Cruz		Ventura	
	Mono	Los Angeles County			
	Nevada	Sacramento County	El Dorado		
	Plumas		Placer		
	Shasta		Sacramento		
	Sierra		Sutter		
	Siskiyou		Yolo		
	Tehama		Yuba		
	Trinity				
	Tuolumne				

Table 4 shows the regional allocations resulting from deducting the Veterans PIT and Veterans who are Severely Rent-Burdened from the general population

numbers. Table 5 shows the regional allocations for units and Projects serving Veterans. Table 6 below shows the total funding available in this NOFA by regional allocation.

Table 4: Homekey+ Geographic Allocation for General Population
***Figures do not include Veterans**

Region	2023 PIT Count*	Severely Rent-Burdened*	Allocation
Balance of State	7,665	22,714	\$28,990,773
Bay Area	34,643	203,285	\$161,667,416
Central Coast	7,138	43,253	\$33,727,136
Los Angeles County	71,236	381,880	\$321,433,030
Sacramento Area	11,455	61,717	\$51,781,757
San Diego County	9,450	95,499	\$56,293,533
San Joaquin Valley	12,499	90,772	\$63,635,222
Southern California	16,247	174,940	\$100,057,133
Total	170,333	1,074,060	\$817,586,000

Table 5: Homekey+ Geographic Allocation for Veterans

Region	2023 Veteran PIT Count	Severely Rent-Burdened Veterans	Veteran Allocation
Balance of State	582	2,277	\$41,923,051
Bay Area	2,013	7,388	\$141,592,331
Central Coast	405	1,252	\$26,847,679
Los Angeles County	4,282	12,382	\$277,863,641
Sacramento Area	752	2,266	\$49,438,314
San Diego County	814	7,939	\$91,905,882
San Joaquin Valley	606	3,781	\$53,520,342
Southern California	1,135	7,763	\$105,008,761
Total	10,589	45,048	\$788,100,000

Table 6: Summary of Homekey+ Regional Allocations (Tables 4 and 5)

Region	Veteran Allocation	General Population Allocation	Total Allocation
Balance of State	\$41,923,051	\$28,990,773	\$70,913,823
Bay Area	\$141,592,331	\$161,667,416	\$303,259,747
Central Coast	\$26,847,679	\$33,727,136	\$60,574,815
Los Angeles County	\$277,863,641	\$321,433,030	\$599,296,672
Sacramento Area	\$49,438,314	\$51,781,757	\$101,220,070
San Diego County	\$91,905,882	\$56,293,533	\$148,199,415
San Joaquin Valley	\$53,520,342	\$63,635,222	\$117,155,564
Southern CA	\$105,008,761	\$100,057,133	\$205,065,894
Totals	\$788,100,000	\$817,586,000	\$1,605,686,000

Section 204. Program Deadlines

Awardees will be subject to the following deadlines, summarized in Table 7. The dates begin 60 days after the Homekey+ Conditional Award letter date to allow time for Standard Agreement execution. If the due date falls on a weekend or holiday, then the due date becomes the next business day after the weekend or holiday. Construction Completion can be proven by a Temporary Certificate of Occupancy, Certificate of Completion, or Contractor scope of work with signed statement of completion. Occupancy completion is proven by Rent Roll or other forms of verification to prove units are occupied.

Table 7: Program Deadlines*

Eligible Uses	Break Ground (if applicable)	Complete Construction	Complete Expenditure	Complete Occupancy
New Construction and Gap Financing	6 months	24 months	27 months	27 months
All other Eligible Uses in Section 201	N/A	12 months	15 months	15 months

*Deadlines begin 60 days from date of Award letter and may only change upon HCD approval.

- i. New construction and gap financing Projects must break ground within 6 months.
- ii. All Eligible Uses in Section 201, except new construction and gap financing, must be completed in 12 months. New construction and gap financing projects must be completed in 24 months.
- iii. Capital Expenditure for all Eligible Uses in Section 201, except new construction and gap financing, must be completed within 12 months. Capital Expenditure for new construction and gap financing must be completed within 24 months. Any project type may request an expenditure deadline extension to Occupancy completion.
- iv. Full occupancy must be achieved 90 days upon completing construction. For acquisition of new construction projects with no Rehabilitation, occupancy must be achieved within six (6) months of acquisition. HCD reserves the right to recommend special conditions for longer occupancy timeframes for large Projects (over 75 units) up to an additional three (3) months.
- v. All Awards for Operating Expenses must be expended within ten (10) years from initial occupancy. HCD may, in its sole and absolute discretion, extend the expenditure deadline up to a total of 15 years.

HCD may, in its sole and absolute discretion, approve an extension of the acquisition, Rehabilitation, construction, and/or occupancy deadlines if the Grantee demonstrates, to HCD's satisfaction, that the relevant delay is caused by reasonably unforeseeable events, conditions, or circumstances. Construction labor shortages and supply chain issues do not constitute reasonably unforeseeable events, conditions, or circumstances for purposes of an extension request. Extension requests shall be submitted in electronic format on a form provided by HCD.

HCD may reimburse eligible costs incurred beginning on March 5, 2024, with the exception of operating costs. Applicants are encouraged to discuss their options at the required pre-application consultation.

Section 205. Capital Award and Match

Homekey+ will fund a maximum grant amount per door, pursuant to the conditions of this Section, which includes both the acquisition cost and any needed Rehabilitation or new construction. **The Award will be the lower of the following: (1) the maximum grant amount, or (2) the sum of the acquisition amount and any additional construction or Rehabilitation expenses, as supported by an appraisal and such other reasonable documentation required by HCD.** For new construction and conversion of office, commercial, or other non-residential structures into residential dwelling units, Homekey+ will fund a maximum grant amount per completed Assisted Unit serving the Target Population, or an amount as supported by an appraisal, whichever is lower. "Assisted Unit," as defined in Article VII, refers to units that are available to serve the Target Population after the construction or conversion of the property.

For PSH Projects that are not seeking gap funding under Section 502, HCD will contribute a baseline amount of \$200,000 per door for each Assisted Unit and Manager's Unit. This baseline contribution does not require capital match.

Note that Homekey+ will fund "doors" based upon the number of units at the time of acquisition which may differ from the number of units that are available in the final Project. For those Projects that undergo a conversion, the number of doors may need to be reduced in the Project to accommodate kitchenettes, additional bedrooms, space for Supportive Services, and other amenities.

In situations where units at acquisition are combined to make larger Assisted Units, Awards will be calculated according to the number of doors at acquisition. In situations where multi-bedroom (two or more bedrooms) units at acquisition are divided into smaller Assisted Unit sizes, Awards will default to the number of Assisted Units created after the conversion of the property. Manager's Units may be included in the calculation for the capital Award only.

i. Additional Contribution Amount – Capital Match

Beyond the baseline amount, the Eligible Applicant may leverage a 1:1 local match to provide up to \$100,000 in additional funds per door. For example, where the Applicant shows \$100,000 or more in matching funds, HCD will fund

no more than \$300,000 for an Assisted Unit serving the Target Population. Appendix A shows how maximum funding Awards from Homekey+ vary with different Applicant contribution levels. Capital match may be obtained from any source, including any federal, state, local, private, or philanthropic source.

For the purchase of Affordability Covenants and restrictions, and for master-leasing, HCD may size the Award per door based on a recent market study within the past year which conforms to guidelines adopted by the California Tax Credit Allocation Committee (TCAC), and/or a rent roll, and/or other supporting documentation. For these uses, the maximum Homekey+ contribution per door shall not exceed the maximum amounts referenced in this Section for acquisition, Rehabilitation, and new construction.

For relocation costs, HCD will pay for one-half of the relocation cost per door in addition to the capital Award. For example, if a Project includes \$15,000 in relocation costs, then HCD will pay for \$7,500 of that relocation cost.

Section 206. Operating Awards and Match

Homekey+ will fund a maximum operating grant amount per door, pursuant to the conditions of this Section:

- i. Where an Award for Operating Expenses is requested, the total amount of operating Award per Assisted Unit shall not exceed \$1,400 per month for the duration of the operating Award, as described below.
- ii. The total duration of the operating Award is tied to the amount of the Applicant's fully committed matching funds. Sources are only considered fully committed when an EFC meets the standard in Article VII demonstrating that a contract or commitment of funds is guaranteed at the time of application.
 - a. If Projects can demonstrate a commitment of three years of non-Homekey+ operating funds for Assisted Units, HCD will provide an operating Award sized for up to three years.
 - b. If Projects can demonstrate a commitment of four years of non-Homekey+ operating funds for Assisted Units, HCD will provide an operating Award sized for up to four years.
 - c. If Projects can demonstrate a commitment of five or more years of non-Homekey+ operating funds for Assisted Units, HCD will provide an operating Award sized for up to five years.
- iii. Operating Awards are determined based on need, exclusive of items referenced in subsection (v). The amounts and durations referenced in (i) and (ii) represent maximums. To be eligible to receive an operating Award based on need, the Applicant must submit documentation showing that additional sources of operating funding were sought but were unavailable to support Project operations. The Applicant must demonstrate that they:

- a. Identified all possible federal, state, and local sources of rental assistance and other operating assistance to support operating the Assisted Units; and
 - b. Submitted unfunded applications or other written requests to the appropriate entity to secure Project-based rental or other operating assistance to support operating the Assisted Units; or
 - c. Can provide other evidence from the appropriate entities that rental assistance and other operating assistance is not available to support operating the Assisted Units.
 - d. Applicants must also commit to continuing to seek operating funding in future years as funding becomes available. Applicants are encouraged to collaborate with their county behavioral health department to secure housing intervention services funded by the Behavioral Health Services Act, which becomes available in July 2026.
- iv. Awards for Operating Expenses may pay for a Project's necessary, recurring Operating Expenses in an amount approved by HCD. Operating Expenses should be included in the Project's submitted budget. Qualifying expenses can include a variety of expenses such as utilities, maintenance, management fees, taxes, licenses, and Supportive Services costs.
- v. Awards for Operating Expenses shall not pay for the following expenses:
 - a. Costs associated with non-Assisted Units, including Manager's Units.
 - b. Debt service.
 - c. UMR-required reserve account initial and/or annual deposits.
 - d. Deposits to reserves beyond those required by HCD under the UMRs, including reserves required by other Project financing sources.
 - e. Distributions.
 - f. Developer fees.
 - g. Under no circumstances may Homekey+ operating funds be used for or in connection with a limited partner buyout, substitution, or assignment of ownership interest.
- vi. The Homekey+ funded portion of the Award for Operating Expenses must be expended no later than ten (10) years from initial occupancy as per Section 204, with the Grantee establishing a capitalized operating subsidy reserve (COSR) and expending the eligible Operating Expenses, as outlined in this

NOFA. HCD has the sole right to extend the expenditure deadline up to a total of 15 years. The deposit of the Homekey+ Award for Operating Expenses into the COSR does not count as expended.

- vii. Eligible Applicants are required to demonstrate a minimum three (3)-year commitment to provide operating funds for the proposed Project to qualify for the Homekey+ Award for Operating Expenses. As noted in (ii.), additional local match may result in additional Homekey+ funding, for a period up to five (5) years. Eligible Applicants may include funds from the Homekey+ Award for Operating Expenses in the Project budget for up to ten years from occupancy, as described in (vi.). Non-Homekey+ sources may be obtained from any source, including any federal, state, local, private, or philanthropic source. Applicants are encouraged to consider:
 - a. HUD funded Project-based Vouchers (PBV), Housing Choice Vouchers (HCV), and Veterans Affairs Supportive Housing (HUD-VASH) Vouchers;
 - b. Mainstream Vouchers;
 - c. Foster Youth to Independence Vouchers (FYI);
 - d. Faircloth to Rental Assistance Demonstration (RAD) conversions;
 - e. Homeless Housing Assistance and Prevention Program (HHAP) funding;
 - f. Permanent Local Housing Allocation (PLHA) funding;
 - g. Transitional Housing Program (THP) or Transitional Housing Program Plus (THP-Plus) funding;
 - h. Mental Health Services Act (MHSA) funding;
 - i. Behavioral Health Services Act (BHSA) funding; and
 - j. HOME-ARP funding.

The preceding list of potential match sources is not exhaustive. Operating match requirements and the Project's potential match sources will be discussed during the required pre-application consultation.

Additionally, the following requirements apply to operating match contributions:

- viii. The Eligible Applicant must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Homekey+ funds; and
- ix. If State General Funds are used to satisfy the matching requirements of another program, then funding from that program may not be used to fulfill the matching requirements of the Homekey+ program.

Section 207. Funding Limits

- i. In addition to the funding limits described throughout this NOFA, Homekey+ will implement additional funding limits as follows:
 - a. Any Co-Applicant that is not an Eligible Applicant will be limited to a maximum of four (4) Homekey+ Awards. At the sole discretion of the Director of HCD or the Director's designee, requests for an exemption to this limit may be approved based on factors including, but not limited to, CalVet consultation as applicable, Co-Applicant capacity and Co-Applicant performance on prior HCD awards.
 - b. Per Project Funding Limit:
 1. Single Family Scattered-Site Projects shall be limited to \$10 million total per Project, as detailed in Section 303.
 2. For other Projects, exclusive of gap financing projects described in Section 502, no more than \$35 million in total HCD sources may be used per Project.

The Project funding limits applies to Homekey+ capital and operating funds, and to all HCD sources of permanent loans for onsite development costs and operating costs. Grants from other HCD programs are excluded from this per Project funding limit.

At the sole discretion of the Director of HCD or the Director's designee, with CalVet consultation as applicable, per Project funding limit requests in excess of \$10 million for Single Family Scattered Site Projects and \$35 million for all other Projects, may be approved as an exemption to the Project funding limits, if the Project uniquely advances state policy priorities, is high scoring, is located in high or highest resource areas as identified in the [2023 Opportunity Maps – Adopted January 2023](#), and/or is located in a high-cost region. Applicants asserting the Project is in a high-cost area shall provide data from HUD, the United States Census Bureau, or another authoritative source to validate the assertion. All exemption requests shall not exceed ten percent (10%) above the per Project funding limit.

To request an exemption to the limits in 1 and 2, Applicants must submit justification at the time of application. The justification will be reviewed with the application package in accordance with Section 400. A form to request an exemption will be available on the Homekey+ website when the Homekey+ application is released.

- ii. HCD's [Repeal of Stacking Prohibition of Multiple Department Funding Sources memo](#) (Administrative Notice Number: 21-06), dated August 20, 2021, is hereby incorporated by this reference as if set forth in full herein, and it shall be applicable. Applicants must ensure that all HCD funding sources in the Project

are represented pursuant to the memo. Homekey+ Awards shall not be layered with other HCD funding sources in a manner that causes either the per unit or total Project funding to exceed the total development cost.

- a. Projects applying under gap financing Section 502, are excluded from the limits within the memo.

Section 208. Affordability Covenant

The Grantee shall duly encumber all Projects with a 55-year Affordability Covenant for Permanent Supportive Housing that (a) is recorded in first position against the Project real property for the benefit of the state, regional, local, or tribal Grantee, (b) restricts the use, operation, occupancy, and affordability of the Project in accordance with all applicable requirements of this NOFA and all other Homekey+ Program Requirements, (c) duly names HCD as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof, (d) incorporates the Homekey+ Program Requirements by reference, and (e) is otherwise in form and substance acceptable to HCD.

No exceptions will be made to the requirement to record the Affordability Covenant in first position.

The Affordability Covenant must be approved by HCD prior to disbursement and recorded as part of the escrow transaction. Upon its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, and it shall continue in full force and effect for a period of not less than 55 years after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project.

Permanent Supportive Housing Projects located on Tribal trust land shall be duly encumbered with an Affordability Covenant containing all of the terms listed above excepting that they shall have an initial term of 50 years to match the period of affordability restrictions under the Low-Income Housing Tax Credit (LIHTC) program, commencing with the date of recordation of HCD's Affordability Covenant. Prospective applicants are advised to also review the Tribal Entity Homekey+ NOFA for Tribal applicants, which may have different requirements.

Article III. Threshold and Scoring Criteria

Section 300. Threshold Requirements

To be eligible to receive Homekey+ funding, all applications must meet the threshold requirements of this Section. HCD reserves the right to request clarification of unclear or ambiguous statements made in an application and other supporting documents.

- i. Applications may be submitted independently by an Eligible Applicant, as defined in Section 200 and Article VII. Alternatively, each Eligible Applicant may apply jointly with a Co-Applicant, as specified. No additions of Co-Applicants or special purpose entities will be considered subsequent to the date of application, including after Standard Agreement execution.
- ii. Projects must serve persons qualifying or households that include persons qualifying as members of the Target Population.
- iii. Applicants must submit a completed application workbook with all worksheets, documents and supplemental information.
- iv. Applications must include a Project-specific Supportive Services Plan, that shall be consistent with any representations made in the application, and it shall meet the Homekey+ Program Requirements noted in NOFA Section 302.
- v. Project Ownership Structure submitted with the application workbook that demonstrates the relationship of the Applicants, Co-applicants, and Project entities within the ownership structure.
- vi. Required documents from each Eligible Applicant and Co-Applicant as applicable, including but not limited to:
 - a. A duly executed resolution authorizing the entity to apply for funds and to participate in the Homekey+ Program in connection with each discrete Project; attested to by a person other than the person identified as the authorized signatory. If there is more than one authorized signatory identified, state whether one or all signatories are required to submit and execute program documents. If the application is being signed by a designee of the authorized signatory, the Applicant must also submit a designee letter or other proof of signing authority. The resolutions should materially comport with the Homekey+ resolution templates that will be available on the Homekey+ [website](#) when the application is released.
 - b. Organizational documents supporting the resolutions submitted with the application. Eligible Applicants are exempted from this requirement. Notwithstanding the foregoing, HCD reserves the right to request additional documentation at any point to verify any entity's authority and/or organizational structure. For a complete list of organizational documents, refer to Appendix B.

- vii. Applicants shall provide a written non-discrimination policy that complies with the requirements in Section 508.
- viii. Applications shall provide a statement how the Project will address equity that must answer the following question: What specific actions will the Applicant take to ensure equitable access to housing and services for groups that are overrepresented among residents experiencing homelessness in its jurisdiction and region? Examples of what applicants should consider include race, ethnicity, age (e.g. youth, elderly), disability status, LGBTQ+ status, etc. The response shall reference the latest Continuum of Care (CoC) Homelessness Management Information System (HMIS) demographics data to explain. Please see the Homekey+ [website](#) for the template at the time of Application release.
- ix. Applications shall provide a statement how the Project will engage the Target Population that must answer the following question: How did/will the Applicant engage with the Target Population to inform the design of the Project operations and Supportive Services? Please see Homekey+ [website](#) for guidance documents at the time of Application release.
- x. The Applicant shall have site control of the property at the time of application, and such control shall not be contingent on the approval of any other party. The status and nature of the Applicant's title and interest in the property shall be subject to HCD's approval. Site control may be evidenced by one of the following:
 - a. Fee title, evidenced by a current title report dated within 90 days of application submission showing the Applicant holds fee title, or for Tribal trust land, a title status report (TSR) or an attorney's opinion regarding chain of title and current title status.
 - b. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all Homekey+ Program Requirements.
 - c. A leasehold estate held by a Tribal Entity in federal Tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs.
 - d. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency.
 - e. A fully executed sales contract, or other enforceable agreement for the acquisition of the property.
 - f. A letter of intent, executed by a sufficiently authorized signatory of the Eligible Applicant, that expressly represents to HCD, without condition or reservation, that, upon successful application, the Eligible Applicant shall purchase or otherwise acquire a sufficient legal interest in the property to

accomplish the purpose of the award. The letter of intent must also be acknowledged by the party selling or otherwise conveying an interest in the subject property to the Eligible Applicant.

If this form of evidence is relied upon at the time of application, HCD may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow.

- g. Other forms of site control that give HCD assurance (equivalent to items a. through f. above) that the Applicant will be able to complete the Project in a timely manner and in accordance with all the Program's objectives and requirements.
 - h. For Applicants proposing sites that will require a use change, lot split or other local approvals for Permanent Supportive Housing, include a commitment and plan to facilitate or expedite those processes, to not delay expenditure and occupancy requirements.
- xi. Applicants shall provide a preliminary title report for each site, dated within 90 days of application submission.
- xii. Applicants shall provide a detailed development plan that supports acquisition of a site, completion of Rehabilitation or construction, occupancy, and fund expenditure before all program deadlines, factoring in entitlements, permits, procurement, potential construction delays and supply chain issues, and demonstrates evidence of strong organizational and financial capacity to develop the Project. Please see Homekey+ [website](#) for guidance at the time of application release.
- xiii. Applicants shall provide an appraisal prepared no earlier than 12 months prior to application submission date for all Projects seeking acquisition funds from Homekey+ or if property value will be used as local match. The appraisal must comply with the Homekey+ requirements outlined in the Homekey+ Appraisal Guidance document, which will be available on the Homekey+ [website](#).
- xiv. All Projects seeking funding for Rehabilitation must submit the following:
 - a. Rehabilitation narrative of current condition of structure(s) and overall scope of work; and
 - b. Physical Needs Assessment (PNA) or equivalent prepared by a qualified independent third-party contractor and dated within 12 months prior to application submission.
- xv. For Projects seeking funding for master leasing and purchase of Affordability Covenants, Applicant shall provide a market study prepared no earlier than 12 months prior to application submission which conforms to TCAC guidelines, and/or a rent roll, and/or other supporting documentation.
- xvi. All Projects seeking funding for Rehabilitation and new construction are

required to submit a Phase I Environmental Site Assessment (ESA) which was prepared or updated no earlier than 12 months prior to application submission.

- xvii. Relocation Assistance Narrative. Applicant shall submit a concise, sufficiently detailed narrative to demonstrate its consideration of, and early engagement with, applicable relocation assistance laws and requirements. An Applicant's unsupported conclusion that relocation law does not apply or that the Project Site is vacant does not sufficiently demonstrate such consideration and engagement. The Applicant must support any representation that relocation law does not apply or that the Project Site is vacant by including either an explanation that supports this representation or supporting documentation that establishes that the property is vacant. This Relocation Assistance Narrative will be evaluated by HCD to determine whether a relocation plan is required by law or whether a certificate of no-relocation can be issued. The Relocation Assistance Narrative does not take the place of these two documents. Grantee shall submit either a relocation plan or a certificate of no-relocation as a condition of disbursement. See Section 507 and Homekey+ [website](#) for more information and template, which will be uploaded when the application is released.

Applicant's Relocation Assistance Narrative shall include or identify the following:

- a. A diagrammatic sketch of the Project site that illustrates the boundaries of the Project Site and all existing improvements thereon.
- b. Clear, recent, high-resolution photographs of the Project site and all improvements thereon (e.g., exterior and interior photos of the buildings, parking lots, billboards).
- c. The Projected dates of any Homekey+-funded acquisition, construction, Rehabilitation, demolition, or similar development activities at the Project site.
- d. A description of any persons, businesses, or farm operations that will or may be displaced from the Project site by the foregoing development activities. Applicant shall specify whether any such displacement will be permanent or temporary.
 1. If no such displacement will occur, Applicant shall conclude the narrative by expressly confirming that Applicant's eligible use(s) of the funds will not result in the displacement of any persons, businesses, or farm operations from the Project site.
 2. If such displacement will occur, Applicant shall further develop the narrative by including the additional elements set forth at (e) – (i) below.
- e. A description and evidence of attempts made to maintain the tenure of

existing residents that may qualify under the criteria for the Target Population.

- f. A description of the aggregate relocation needs of the persons, businesses, or farm operations that will or may be displaced by the Homekey+ funded activities.
 - g. A brief description of how those relocation needs will be met, as well as the Applicant's projected timeline for fully meeting those needs, including the dates of planned notices to displaced persons, businesses, or farm operations.
 - h. An identification of the Applicant's relocation consultant and/or relocation services provider in connection with the Project site. Applicant shall also submit legible copies of its contract or letter of intent with or to the relocation consultant and/or relocation services provider.
 - i. Applicant's cost estimate (and associated funding strategy) for providing relocation assistance and benefits to the persons, businesses, or farm operations that will or may be displaced by the Homekey-funded activities.
- xviii. Enforceable Funding Commitments (EFCs) as defined by Article VII (xvii) for:
- a. Development costs with specific funding sources, including federal, state, local, private, or philanthropic sources for the proposed Project.
 - b. Rental subsidies, operations, and service costs with specific funding sources, including federal, state, local, private, or philanthropic sources for ongoing sustainability. For projects applying for a program operating Award (see Section 206) EFCs must be fully committed to match the numbers of years of the operating award. Please see Section 305(3)(a) for potential points and the Homekey+ [website](#) for EFC templates, which will be posted at the time of application release.
- xix. The Eligible Applicant or Co-Applicant applying for Homekey+ funding is the entity that HCD relies upon for experience and capacity, and will control the Project during acquisition, development, and occupancy. The Eligible Applicant or Co-Applicant shall demonstrate the following minimum experience and capacity requirements:
- a. Development, ownership, or operation of a Project similar in scope and size to the proposed Project; or development, ownership, or operation of at least two affordable rental housing Projects in the last 10 years, with at least one of those Projects containing at least one unit housing a tenant who qualifies as a member of the Target Population.
 - b. The property manager and LSP shall have three or more years of experience serving persons of the Target Population. If a property

manager or LSP is not yet selected for the proposed Project, the Eligible Applicant shall certify that this requirement will be reflected in any future solicitation or memorandum of understanding.

- c. Statement confirming experience administering a Project in accordance with the core components of Housing First (Welfare and Institutions Code Section 8255).
 - d. Current capacity to develop, own, and operate the proposed Project. For purposes of satisfying this requirement, an Applicant has “capacity” if it has adequate staff, capital, assets, and other resources to efficiently meet the operational needs of the Project; to maintain the fiscal integrity of the Project; and to satisfy all legal requirements and obligations in connection with the Project. Evidence of Permanent Supportive Housing experience and capacity must be reasonably acceptable to HCD in form and substance.
- xx. The Eligible Applicant and all Co-Applicants shall attend a pre-application consultation with HCD prior to applying, as required in Section 401.
- xxi. One-for-one replacement of assisted housing:
- a. If the acquired housing or site is to be redeveloped/repositioned as part of the Local Public Entity's overall goal to address the needs of the Target Population and the community, the Applicant shall provide as part of the application a commitment to ensure one-for-one replacement of units.
 - b. If acquired units will be subsequently combined to add kitchens, create larger units, and/or create units with additional bedrooms, the Applicant will provide such information in the application and ensure an approximate equivalence of square footage available for the benefit of Project residents.
 - c. If the acquired site is going to be demolished before any occupancy by the Target Population, no one-for-one replacement commitment needs to be provided. The unit mix will be evaluated based on the Project proposal.
 - d. The application shall include a site map indicating the original acquired housing location and all proposed housing location(s). If all proposed housing will be located within the neighborhood, no additional documentation is necessary.
 - e. If replacement housing is proposed outside the neighborhood of the acquired site, the application must also include a justification explaining why it is necessary to locate this replacement housing outside the neighborhood of the acquired site (i.e., offsite) and how doing so supports

and enables the Target Population to maintain housing.

Section 301. Additional Application Materials

In addition to requirements detailed in Section 300, to be eligible for Homekey+ funding, an application shall demonstrate to HCD the following:

- i. Applicants and Co-Applicants must be in good standing with the State of California and all agencies and departments thereof. By way of example and not limitation, an Applicant and Co-Applicant must be qualified to do business in the State of California and must be in good standing with the California Secretary of State and the California Franchise Tax Board. Applicants that are delinquent in meeting the material requirements of previous HCD Awards may, in HCD's reasonable discretion, fail threshold review. A Certificate of Good Standing, dated within 30 days of application due date, must be submitted with the application.
- ii. Completed Certification and Legal Disclosure Statement
- iii. Signature Block for all Applicants entities in Word Format
- iv. Payee Data Record STD204 (except for Eligible Applicants)
- v. Taxpayer Identification Number (FI\$Cal TIN Form)
- vi. EIN Verification (IRS form SS-4) (except for Jurisdictions)
- vii. Tax-Exempt State from IRS or FTB (if applicable)
- viii. CEQA Determination (if applicable)
- ix. NEPA Authority to Use Grant Funds (if applicable)
- x. Phase 2 Environmental Report if needed as stated in Phase I ESA report (if Applicable)
- xi. A letter from the local county behavioral health department describing the support for the Project (capital, operating or service commitments, referrals, stakeholder collaboration, etc.). If the letter can't be secured, Applicant must describe efforts to obtain the letter.

Section 302: Supportive Services Requirements

To be eligible to receive funding, all applications must include a Project-specific Supportive Services plan, that shall be consistent with any representations made in the application, and it shall meet the Homekey+ Program Requirements. HCD in its sole discretion shall make the determination (1) if the Supportive Services plan is sufficiently complete to pass threshold and (2) if the Supportive Services plan and property management plan is compliant with Housing First and other evidence-based practices for each unique Target Population served by the Project. For example,

Projects serving Veterans must incorporate evidence-based practices specific to Veterans. Applications must include:

- i. A description of the Supportive Services to be offered, how frequently each service will be offered or provided depending on the nature of the service, who is anticipated to be providing the services, and the location, whether on or off-site, and general hours of availability of the Supportive Services. Applicants must ensure that the Supportive Services are made available to Homekey+ tenants in a manner that is voluntary, flexible, and individualized, so Homekey+ tenants may continue to engage with Supportive Services providers, even as the intensity of services needed may change. Furthermore, access to or continued occupancy in housing cannot be conditioned on participation in Supportive Services or on sobriety. Adaptability in the level of services should support tenant engagement and housing retention. Behavioral health treatment services co-located onsite of Homekey+ Project sites are allowable however, tenants in Homekey+ funded housing cannot be mandated to receive behavioral health services as a condition of housing, pursuant to Housing First.
 - a. The following Supportive Services shall be made available to Homekey+ tenants based on tenant need. The lead service provider for the Project shall coordinate the provision of, referral, or linkage to services needed by individual tenants. The following required services must be provided onsite at the Project or offsite at another location easily accessible to tenants. Easily accessible to tenants means access does not require walking more than one-half mile and shall include a plan and budget for transportation to off-site Supportive Services where tenants are not able to walk less than one-half mile:
 1. A Lead Service Provider (LSP) meeting the experience requirements described in Section 302(c) of this NOFA should be selected prior to application submittal. If the LSP has been selected, a formal commitment must be established and maintained between the Applicant and the LSP. The commitment may be a commitment letter(s) or MOU, and must detail roles and responsibilities of all parties and must be consistent with organizational charts and the property management plan detailed in Section 302(ii). If the LSP has not been selected at the time of application submittal, the commitment must be submitted to the Department prior to Standard Agreement execution. If the LSP and Applicant are the same organization, the Applicant shall provide a document signed by an authorized signatory defining roles and responsibilities in implementing all elements of the Supportive Services plan. Designated Supportive Services staff shall not also be property management staff. HCD may request additional information to further demonstrate the distinction between roles (see Section 305 for potential points). In the event of a change to the LSP, the Applicant or Grantee shall provide the new formal commitment to the Department no later than 30 days after the date that the new LSP

commits Supportive Services to the Project.

2. Case management performed by a Case Manager, as defined in Article VII. Definitions. For Projects with Assisted Units serving Target Populations that require intensive services, specifically including high acuity Homeless and Chronically Homeless populations, services to be provided must include at a minimum, on-site comprehensive case management as well as on or off-site mental health care, physical health care and substance use services. Where one or more of the Restricted Units are limited under HCD Regulatory Agreements to occupancy, comprehensive case management shall be provided with staffing at ratios of full-time Case Managers directly providing services to tenants, as indicated below in Table 8.

Table 8: Required Caseload Ratios

Population	Minimum Ratio
Homeless Youth, or Youth at Risk of Homelessness	1:15
Chronic Homelessness	1:20
Disability Homelessness	1:25

3. Peer support activities, including 24/7 telephone, online, or in- person support.
4. Mental health care, including but not limited to assessment, crisis counseling, individual and group therapy, and peer support groups.
5. Substance use services, including but not limited to treatment, relapse prevention, and peer support groups. NOTE: Co-locating outpatient behavioral health treatment services onsite of Homekey+ Project sites are potentially allowable however, tenants in Homekey+ funded housing cannot be mandated to receive behavioral health services as a condition of housing, pursuant to Housing First. Additionally, these outpatient services should be available to individuals outside of Homekey+ housing to prevent creating unlicensed residential Mental Health or Substance Use Disorder treatment programs.
6. Support in linking to physical health care, including but not limited to access to routine and preventive health and dental care, medication management and medication assisted treatment, and wellness services.
7. Benefits counseling and advocacy, including but not limited to assistance in accessing and maintaining SSI/SSD, enrolling in and maintaining Medi-Cal and CalFresh;

8. Veteran serving projects shall coordinate, or make efforts to coordinate, with the applicable County Veteran Service Officer for benefits counseling and advocacy
9. Basic housing retention skills (including but not limited to unit maintenance and upkeep, identifying safety concerns in the unit, understanding lease terms, and money management).
10. Supportive Services for persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders not listed above.
11. Recreational and social activities, including peer-led groups and events.
12. Educational services, including assessment, GED, school enrollment, assistance accessing higher education benefits and grants, and assistance in obtaining reasonable accommodations in the education process.
13. Employment services, such as supported employment, job readiness, job skills training, job placement, and retention services, or programs promoting volunteer opportunities for those unable to work, and
14. Obtaining reasonable access to other needed services, such as legal services, or access to food and clothing.
15. Projects serving 16 or more units in a single site must include an onsite manager, maintenance, or other responsible person, as required by California law 25 CCR §42. Applicants seeking an exemption from this requirement must demonstrate that they will provide an equivalent number of desk or security staff, who are not tenants, capable of responding to emergencies for the hours when property management staff is not working.
16. Physical health care, including but not limited to access to routine and preventative health and dental care.
17. Potential out-placements, should they become appropriate alternatives for current Homekey+ residents, either because a higher level of care is required (i.e., residential treatment facilities and hospitals), or because Permanent Supportive Housing is no longer required (i.e., other affordable housing or market rate housing).
18. Representative payee.
19. Legal assistance.

20. Attendant care.
 21. Adult day care.
 22. Parenting education, childcare, and family legal and counseling services including, but not limited to, family reunification.
 23. Financial counseling, and
 24. Domestic violence support, including but not limited to access to temporary shelter, family and individual counseling, and legal support.
- b. Applicants shall provide and maintain written policies and procedures covering:
1. Payment of rent by residents during periods of hospitalization.
 2. Coordination with property management for resolution of complaints from tenants or on behalf of tenants.
 3. Use of best practices in service delivery for each unique Target Population served by the Project, including but not limited to critical time intervention; trauma-informed care and de-escalation; motivational interviewing; peer support; case conferencing; and providing care in a culturally competent manner.
 - i. Supportive Services for Youth Assisted Units must also include a Positive Youth Development (PYD) model and trauma-informed care. Services may include, but are not limited to, case management, income supports, educational and employment counseling, life skills, legal assistance, health and wellness, and family connection services.

Youth Assisted Units occupied by a tenant over age 25 shall be replaced with a comparable unit in the same Project, if available. When a tenant older than 25 moves out of a unit restricted for Youth, the Youth Assisted Unit shall go back to serving Homeless Youth.
 4. Initial and ongoing staff training in all of the above, and in the operator's program philosophy, values, and principles.
 5. Description of each unique Target Population to be served by the Project, and identification of any additional subpopulation target or occupancy preference for the Homekey+ Project that the Applicant wishes to undertake beyond what is permitted under the Target Population requirements.

- c. The property manager and LSP shall have three or more years of experience serving persons of each unique Target Population of people with Behavioral Health Challenges. If a property manager or LSP is not yet selected for the proposed Project, the Eligible Applicant shall certify that this requirement will be reflected in any future solicitation or memorandum of understanding (MOU) (see Section 305 for points awarded). If the property management and/or LSP has three or more years serving persons experiencing homelessness, but not Veterans experiencing homelessness, HCD in its sole discretion may deem the property manager and/or LSP to have met this requirement, provided the property manager and/or LSP agrees to completing a training provided by CalVet.

Projects with Youth Assisted Units must jointly apply and/or partner with a nonprofit corporation(s), including community-based organization(s), with at least three years of experience serving current or former Foster Youth, Homeless Youth, or Youth at Risk of Homelessness.

- d. A tenant engagement plan (i.e., plan to encourage voluntary tenant participation in services as well as in community building, such as resident councils or similar forums) including a description of tenant outreach, engagement and stability strategies to be used. A tenant satisfaction survey shall be conducted at least annually to inform and improve services, building operations, and property management. Applicant shall make tenants aware of when summary of survey data will be prepared and shall share the results with tenants.
- e. A description of plans and measures to ensure the safety and security of residents and staff (e.g., guest and visitor policies, policies on the violation of safety rules, staff training, and building design features intended to promote security);
- f. For Supportive Services provided offsite, the plan must describe what public or private transportation options will be offered to tenants in order to provide them reasonable access to these services. Reasonable access is access that does not require walking more than one-half mile. Reasonable access shall include a plan and budget for transportation to off-site Supportive Services where tenants are not able to walk less than one-half mile.
- g. Description of how the Supportive Services will be culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, gender expressions, age, and disabilities. This includes explaining how services will be provided to Homekey+ tenants who do not speak English, or have other communication barriers, including sensory and/or cognitive disabilities, and how communication among the LSP, the property manager and these tenants will be facilitated. The services need to include reasonable accommodation and auxiliary aids and services for effective communications.

- h. A staffing plan with staffing levels sufficient to meet the needs of each unique Target Population served by the Project and in accordance with section 302(ii)(a)(1).
 - i. Estimated itemized budget, and sources of funding for Supportive Services.
 - j. Identification of outcome measures to be tracked, description of the data to be collected for each measure, and explanation of the methods for data collection and entry. Sample forms may be requested by HCD.
 - k. Other information and documentation needed by HCD to evaluate credentials of the proposed LSP and the Supportive Services to be offered for consistency with the Program.
 - l. HCD may request necessary updates to the Supportive Services plan or related documents, including fully executed written agreements. All updates must be approved prior to occupancy as determined by milestones listed in the Standard Agreement. Grantees who fail to provide all requested updates by Standard Agreement Execution shall be subject to withholding a portion of the Homekey+ Award until the Supportive Services plan is approved by HCD.
- ii. Property management and tenant selection policies submitted with the Homekey+ application will be evaluated for the following, consistent with state Housing First requirements and any other state and federal fair housing laws as applicable. These documents must identify and describe alignment with Housing First tenant screening, selection, and other practices consistent with Welfare and Institutions Code Section 8255(b). The descriptions of the use of Housing First and tenant selection in this Supportive Services plan shall be consistent with the property management and tenant selection policies. Applicants should review Assembly Bill No. 1991 (Chapter 645, Statutes of 2022) to inform the Project's property management and tenant selection policies. The property management and tenant selection policies should address the following and be consistent with state Housing First requirements, as well as other Homekey+ Program Requirements:
- a. Applicant eligibility and screening standards including identification of any and all roles in screening activities, including third-parties, and a clear description of those roles. This should include the process for verifying tenants have a Behavioral Health Challenge or suspected Behavioral Health Challenge. Verification can be from county behavioral health staff, qualified supportive service staff, etc.
 - b. Confidentiality.
 - c. Substance misuse policy.
 - d. Compliance with harm reduction principles.
 - e. Communication between property manager and LSP staff, as well as the

Project owner.

- f. Eviction policies and eviction prevention procedures, including how property management and LSP staff will work together to prevent evictions.
- g. Process for assisting tenants to apply for different forms of cash and non-cash benefits to aid the household in retaining their housing, if needed.
- h. How potential tenants and in-place tenants will be assisted in making reasonable accommodation requests, in coordination with the LSP and persuasive to outside entities, such as Housing Authorities, to ensure that persons with disabilities have access to and can maintain housing.
- i. Policies and practices to facilitate voluntary moving on strategies.
- j. Emergency plan for onsite emergencies and natural disasters.
- k. Appeal and Grievance Procedures to include how tenants are made aware of these procedures.

Section 303. Single-Family Scattered Site Housing Requirements

HCD may Conditionally Award up to \$10 million per Single-Family Scattered Site Project for acquisition, Rehabilitation, and an Award for Operating Expenses. Applications may include up to five (5) sites each. Additional funding may be approved at the discretion of the Director or his/her designee, as specified in Section 207. Applicants for this Project type must meet all requirements identified in Homekey+ NOFA Sections 202(vi), 202(v), and UMR Section 8303(b). Additionally, applications must:

- i. Submit all documents required in Article III with the following exceptions:
 - a. Eligible Projects under this Project type must meet the following threshold requirement, sixty (60) days from the date of the Conditional Award to be considered for an Award. Failure to meet this requirement will rescind the Conditional Award.
 - 1. Evidence of site control for each site, as defined in Section 300(x).
 - 2. A preliminary title report for each site, dated within 60 days of submittal, as defined in Section 300(xi).
 - b. Eligible Projects under this Project type must meet the following threshold requirements, ninety (90) days from the date of the Conditional Award to be considered for an Award. Failure to meet these requirements will rescind the Conditional Award.

1. Relocation Assistance Narrative, as defined in Section 300(xvii).
 2. Appraisal for each site, as noted in Section 300(xiii).
 3. All Projects seeking funding for Rehabilitation must submit the following, as noted in Section 300(xiv):
 4. Rehabilitation narrative of current condition of structure(s) and overall scope of work; and
 5. Physical needs assessment (PNA) or equivalent evidence of Rehabilitation costs prepared by a qualified independent third-party contractor for each site.
 6. All Projects seeking funding for Rehabilitation and new construction are required to submit a Phase I ESA or equivalent, as noted in Section 300(xvi).
 7. One-for-one replacement of assisted housing, as defined by Section 300(xxi), including a site map, as defined in Section 300(xxi)(d).
 8. Meet the minimum points score required in Section 305 of 100 points.
- c. Eligible Projects under this Project type must submit updates to the following threshold documents, previously submitted at the time of application as required by Article III, ninety (90) days from the date of the Conditional Award to be considered for an Award. Updates are limited to those pertaining to the identification of Project sites. Failure to meet these requirements will rescind the Conditional Award:
1. Authorizing resolutions, as defined in Section 300(vi)(a);
 2. Supportive Services Plan including budget, as defined in Section 302.
 3. Overview of plan and timeline for any required entitlements, permits, and environmental clearances, as defined in Section 300(xii) and supported by updated Local and Environmental Verification forms for each site, as required by the application;
 4. Equity statement, as defined in Section 300(viii).
 5. Engaging the Target Population statement, as defined in Section 300(ix).
 6. Development plan, as defined in Section 300(xii).
 7. Rehabilitation description, as defined in Section 300(xiv).

8. Enforceable Funding Commitment(s), as defined in Section 300(xviii) and Article VII.
9. Application workbook updates. Including unit mix, development and operating budgets, and all other necessary areas to complete the application package, as defined in Section 300(iii).
10. All Grantees must coordinate disbursement of funds into an escrow account. Funds shall only be disbursed once all special conditions of disbursement are satisfied and HCD has determined that the Project has sufficiently demonstrated the unification of all sites into one Project, with a single owner and property manager.

Section 304. Recording, Income and Underwriting Requirements

- i. Homekey+ may fund all units in a Project or a portion of the units. If seeking Homekey+ funding for a portion of the units in a Project, Applicants must identify committed sources for the non-Homekey+ units. The non-Homekey+ units are not required to serve the Homekey+ Target Population and may therefore be restricted at higher AMI levels, which may help promote Project feasibility.
- ii. If, at the time of acquisition, an existing tenant's household income is at or below 50 percent AMI, but the tenant does not qualify as a member of the Target Population, the tenant may remain in place and the unit may still be funded by Homekey+. An Applicant may not include units in the Homekey+ application intended for Veterans if the existing tenant household is not a Veteran or a member of a Veteran's household. When, in the course of normal tenant turnover, the ineligible household moves from the unit, the unit shall thereafter be occupied by the Target Population. There should be no more than 49 percent of the Assisted Units that do not meet the Target Population at the time of acquisition. An existing household who meets the Target Population definition or was a member of the Target Population at the time they moved into the property will not be counted towards the 49 percent cap. Evidence confirming that existing tenants qualify as either at or below 50 percent AMI or Target Population will be required of the Applicant.
- iii. At year 15 from the recordation of the Affordability Covenant, in circumstances where the Grantee has not waived their right and Grantee has exhausted available operating funding and demonstrated to HCD that the Project is no longer feasible, HCD may approve an increase in income levels, to the minimum extent required for fiscal integrity, in five percent increments of Assisted Units up to 50 percent AMI.
 - a. HCD reserves the right to set restrictions on the unit mix, rent levels, and other factors deemed necessary. To the maximum extent possible, these changes shall minimize the impact on the lowest income Project residents and shall be phased in as gradually as possible. If, following any increase in rents and income limits, or modification of Target Population

occupancy requirements, new resources become available, or market demand changes, allowing reversion to the former income and rent limits or Target Population occupancy requirements, HCD may re-impose these income limits and rent limits or Target Population occupancy requirements, in whole or in part, subject to an analysis of Project feasibility.

- iv. In addition to Section 300 above, Applicants purchasing Affordability Covenants and restrictions will also be evaluated on the following requirements:
 - a. The Grantees that purchase Affordability Covenants and restrictions for existing residential units shall restrict those units to individuals and households with an individual with Behavioral Health Challenges and who are Homeless or who are At Risk of Homelessness, as defined in 24 CFR part 578.3. Such restriction shall run for 55 years.
- v. In addition to Section 300 above, master leasing Projects will also be evaluated on the following requirements:
 - a. The Grantee shall provide a 15-year plan from the recordation of the Affordability Covenant to cover operations and service costs for the Project with specific funding sources (government/philanthropic/private).
- vi. As described in Section 101, the Project shall comply with the UMRs (Cal. Code Regs., tit. 25, § 8300 et seq.), to the extent those regulations are consistent with Homekey+ requirements, and shall meet the following Homekey+ underwriting requirements:
 - a. In analyzing Project feasibility, Projects planning to use Tenant Based Vouchers (TBV) for rental income/subsidy sources shall limit projected TBV revenue sources to no more than 50% of the Project's assisted housing units in the application. Nothing in this NOFA shall be construed to conflict with or limit the operation of state law prohibiting discrimination against tenants based on source of income. Refer to section 508 for non-discrimination policy requirements.
 - b. Projects that do not have debt service, Project cashflow shall not exceed 12 percent of Operating Expenses in the first 15 years of operations.

Section 305. Scoring Criteria

In addition to meeting the other minimum Homekey+ Program Requirements outlined in Article III, Applicants must score a **minimum of 100 points to be eligible for funding**. Points earned from the application scoring criteria will be incorporated into the project report and the Standard Agreement. Applicants should select criteria based on what accurately represents the Project and is achievable. By earning these points, the Applicant commits to the deliverable throughout the tenure of Homekey+ Project. Scores will be based on the following:

Table 9: Homekey+ Application Scoring Criteria

Categories and Maximum Point Scores	Evaluation Criteria
1. Site Control (Up to 20 points)	a. Identification of the site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, an exclusive negotiating agreement, ground lease, etc.). NOTE: Sections 300-303 of this NOFA further outline site control requirements related to specific Project type. (up to 20 points) - Fee title (20 points) - Leasehold (20 points) - Option agreement/sales contract (20 points) - Exclusive negotiating agreement (15 points) - Letter of intent (15 points) - Other forms approved by HCD (10 points)
2. Cost Containment (Up to 15 points)	a. For any Project where the average total cost per Assisted Unit is below baseline per door of \$200,000, one (1) point will be assigned for every \$10,000 under the baseline amount. (up to 10 points) b. Utilizing Publicly Owned Land: 5 points will be awarded to Project that is located on a site selected under Excess Sites (Executive Order N-06-19) or any land declared as Surplus Land by a local agency. (5 points)

3. Sustained
Operating
Leverage

(Up to 45 points)

Documented commitment of non-Homekey+ rental or operating subsidies (including funded services) that will be used to maintain the ongoing affordability and sustainability of operations of the Project. Sources include, but not limited to, Project-based vouchers, VASH vouchers, Mainstream vouchers, Faircloth to RAD conversions, tenant-based vouchers, or locally funded rental assistance. **(up to 45 points)**

a. Score is based on weighted subsidy type, percentage of costs covered, and length of commitment. Applications will need to score at least **10 points** to be prioritized by the Homekey+ Program. See Section 400 on the process and determination for Projects that will be prioritized in Homekey+.

- Project operation subsidies: Up to one (1) point for each year through year fifteen (15). **(up to 15 points)**

Weighted Point Value by Subsidy Type	
Project-Based Rental Subsidy	1
Committed Operating Subsidy	1
Renewable Source*	0.75
Tenant Based Voucher	0.5
Supportive Services / Healthcare Reimbursement	0.5
Intent to pursue funding	0.25
<i>*For years that are uncommitted or not allocated. Years with existing current subsidy will be considered Committed Operating Subsidy.</i>	

b. Homekey+ Award Utilization:

Applications that request less Homekey+ Operating Award than the Maximum Eligible Award amount will earn more points. Applications that do not request an operating Award will automatically earn 20 points. **(up to 20 points):**

- Two (2) points for each 10% increment of Maximum Eligible Homekey+ Operating Award not utilized.
- No Homekey+ Operating Award Requested (20 points)

c. Mental Health Services Act or Behavioral Health Services Act funds committed to the Project as evidenced by a letter from the local county behavioral health department meeting the EFC requirements in Article VII of this NOFA. **(10 points)**

Categories and Maximum Point Scores	Evaluation Criteria
4. Experience and Coordination (Up to 40 points)	a. Demonstration of Applicant or member(s) of development team's experience in development, ownership, or operation of a Project(s) similar in scope and size to the proposed Project. NOTE: Sections 300-303 of this NOFA further outline threshold experience requirements. - Five (5) points awarded for each additional Project beyond the base threshold requirement (development, ownership, or operation of affordable rental housing or interim Projects in the last ten (10) years serving at least one member of the Target Population). (up to 15 points) b. Documented evidence of LSP's experience helping persons address barriers to housing stability and providing other support services, not necessarily within a housing Project. The LSP may be an Applicant, or a member of the development team described in Applicant's response to point category 4.c., below. LSP experience must be with the specific population(s) with Behavioral Health Challenges housed within the Homekey+ units to count toward points in this section (e.g., families, singles, veterans, Homeless Youth, Chronically Homeless) and must describe how the Supportive Services are culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, gender expressions, ages, and disabilities. NOTE: Sections 300-303 of this NOFA further outline threshold experience requirements. - One point awarded for each year of service experience, after 3 years. (up to 10 points) c. Commitment letter(s), MOU(s) or other formal agreement between the Primary and Co-Applicant(s) and/or other involved partners documenting how the complete development and management team (which includes the Applicant, developer, property manager, LSP, etc.) are connected and will work together on the Project. Applicants are encouraged to complete due diligence checklists to ensure all members of the team are aware of roles and responsibilities. (15 Points)

Categories and Maximum Point Scores	Evaluation Criteria
5. Community Impact (Up to 40 points)	a. Assisted Units include units for large family housing types (10 points) - At least 25% of the Assisted Units in the Project shall be two-bedroom or larger units, consistent with TCAC Regulations (4 CCR § 10325(g)(1)(A-I)), (10 points) b. Applicant waives any potential accommodation by HCD to increase income limits at year 15 from the recordation of the Affordability Covenant, as described in Section 304(iii). (up to 20 points) - At least 25% of Assisted Units restricted (3 points) - At least 50% of Assisted Units restricted (5 points) - At least 75% of Assisted Units restricted (10 points) - 100% of Assisted Units restricted (20 points) c. The extent to which the Project commits to being accessible to persons with disabilities. (up to 10 points) - Exceeds the state and federal accessibility requirements set forth in Section 508, specifically providing a minimum of 15 percent of units with features accessible to persons with mobility disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC provisions; (5 points) - A minimum of 10 percent of units with features accessible to persons with hearing or vision disabilities, as defined in 24 CFR Part 8.22 and the parallel ADAAG 2010 and CBC Chapter 11B provisions. (5 points)

6. Site Selection (Up to 40 points)	Site Selection (Up to 12 points; for Rural Projects: up to 16 points; for Youth Projects: up to 15 points) a. The Project site is located within 1/2 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop OR the Project includes an alternative transportation service for residents (e.g., van or dial-a-ride service), if costs of obtaining and maintaining the van and its service are included in the budget and the operating schedule is either on demand by tenants or a regular schedule is provided. (4 points) The Project site is in proximity to essential services: b. Grocery store – a full-scale grocery store/supermarket where staples, fresh meat, and fresh produce are sold. (up to 2 points) - within 1/2-mile radius of Project (2 points) - within 1 mile radius of Project (1 point) - within 1 mile radius for Projects in Rural Areas (2 points) - within 2 miles radius for Projects in Rural Areas (1 point) NOTE: If applying for TCAC, it is advisable that the grocery store be at least 25,000 gross interior square feet. c. Health facility – a medical clinic (not merely a private doctor's office) with a physician, physician's assistant, or nurse practitioner on-site for a minimum of 40 hours each week, or hospital (health facilities operated by Veterans Health Administration qualify if project is veteran serving). (up to 1 point) - within 1/2-mile radius of Project (1 point) - within 1 mile radius of Project (1/2 point) - within 1 mile radius for Projects in Rural Areas (1 point) - within 2 miles radius for Projects in Rural Areas (1/2 point) A qualifying medical clinic must accept Medi-Cal payments, or Medicare payments, or Health Care for the Homeless, or have an equally comprehensive subsidy program for low-income patients. d. Library – a book-lending public library. (up to 1 point) - within 1/2-mile radius of Project (1 point) - within 1 mile radius of Project (1/2 point) - within 1 mile radius for Projects in Rural Areas (1 point) - within 2 miles radius for Projects in Rural Areas (1/2 point)

6. Site Selection (continued) (Up to 40 points)	e. Pharmacy – may be included in a grocery store or health facility. (up to 2 points) - within 1/2-mile radius of Project (2 points) - within 1 mile radius of Project (1 point) - within 1 mile radius for Projects in Rural Areas (2 points) - within 2 miles radius for Projects in Rural Areas (1 point) f. A public park or a community center accessible to the general public. (up to 1 point) - within 1/2-mile radius of Project (1 point) - within 1 mile radius of Project (1/2 point) - within 1 mile radius for Projects in Rural Areas (1 point) - within 2 miles radius for Projects in Rural Areas (1/2 point) g. High speed internet service, with a minimum average download speed of 25 megabits/second must be made available to each Unit for a minimum of 15 years, free of charge to the tenants, and available within six months of the Project's placed-in-service date. Documentation of internet availability must be included in the application. (up to 2 points) - 2 points - 3 points for rural Projects h. For Projects with units serving Homeless Youth: community colleges, universities, trade schools, apprenticeship programs, employment programs, childcare centers for parenting youth, and/or community centers for youth (e.g., LGBTQ+ centers, drop-in youth centers). (up to 2 points) - at least two amenities located within 1 mile radius of Project (2 points)
7. Relocation Impacts (Up to -20 points)	a. For any Project resulting in the permanent displacement of residents (not businesses or farm operations), as outlined below: - The Project permanently displaces existing residents in 5% of total units. (- 5 points) - Applicants lose one point (up to an additional 15 points) for each additional percentage point of households displaced out of total units.

8. Negative Points	a. Negative Points assessed by HCD to the Applicant pursuant to the Department's Negative Points Policy .
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In the event of program oversubscription, where Applicants have the same score and the same date and time stamp, HCD may consider additional criteria as a tiebreaker, including, but not limited to, cost-effectiveness, community impact (i.e. meeting the needs of individuals with behavioral health challenges), affirmatively furthering fair housing, innovative housing types, tenant stability and proximity to transit, and services and amenities.

Article IV. Application Submission, Review, and Award Process

Section 400. Application Process and Submission

For Over the Counter (OTC) processing, except for the prioritization criteria enumerated below, applications will be accepted and evaluated on a first-come, first-served basis at any time from the release of the application until the final application due date, or until the available funds are exhausted, whichever occurs first. Funds will be awarded to Applicants that successfully meet threshold criteria and the minimum point score, with HCD reserving the right to prioritize applications that demonstrate Project readiness and committed long-term sustainable operating sources, regardless of the timestamp of the application submission.

Homekey+ application materials must be submitted electronically to HCD's [website](#). Applications must be on HCD's forms and HCD's forms cannot be altered or modified by the Applicant. Excel forms must be submitted in Excel format, not as a PDF document. Supplemental documents should follow program guidance documents or templates provided on the Homekey+ website.

Electronic Submission - Requirements for uploading the Homekey+ application and required supporting documentation, including naming conventions, are described in the Homekey+ application instructions/checklist tab. Per Section 102, Applicants must upload all complete application materials to HCD's website no later than 5:00 p.m. Pacific Time on the due date.

HCD reserves the right to prioritize the review and awarding of applications based on the following criteria:

- i. Demonstrate Project Readiness by providing a completed and accurate application workbook; providing all required support documentation and application materials at time of application submission; identifying all Special Purpose Entities and other entities that will be a party to the Project and Standard Agreement; and confirming that all Project entities are appropriately listed as Co-Applicants and are formed at the time application; and
- ii. Applications have a minimum of 10 points in Section 305(3)(a) of the Application Scoring Criteria to demonstrate to HCD the Project has operating and rental subsidies to support long-term operations for the Project.
- iii. Applications not achieving a minimum score of 10 points in Section 305(3)(a), but which have higher scores than other submitted applications.

Application packages that do not meet the above-mentioned criteria may be placed on hold for Award consideration by HCD and may not be considered for funding.

- i. Applications will be prioritized as described in Section 203 and Section 400.
- ii. HCD will evaluate applications for compliance with the minimum Homekey+ Program Requirements set forth in this NOFA.

- iii. After each Applicant has been certified to meet the minimum Homekey+ Program Requirements, each Project must receive a minimum overall score of 100 points, as outlined in Section 305, to be considered for a funding Award.
- iv. Each Applicant and Co-Applicant shall submit an authorizing resolution that, in HCD's reasonable determination, materially comports with the Program's requirements and is legally sufficient. In addition, each Co-Applicant shall submit a complete set of its organizational documents (including any amendments thereto). HCD will not execute the Standard Agreement until it receives the foregoing documentation, as specified.
- v. Applicant shall self-acknowledge the ability to obtain the insurance coverages outlined in Section 606 of this NOFA.
- vi. The application is a public record, which may be available for public review pursuant to the California Public Records Act (CPRA) (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). After final Homekey+ Awards have been issued, HCD may disclose any materials provided by the Applicant to any person making a request under the CPRA. HCD cautions Applicants to use discretion in providing information not specifically requested, including but not limited to bank account numbers, personal phone numbers, and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the potential disclosure of submitted material upon request.
- vii. HCD reserves the right to do the following:
 - a. Score an application as submitted even if information is missing from the application.
 - b. Consult with CalVet on any Veteran serving Project's Application.
 - c. Request clarification of unclear or ambiguous statements made in an application or request additional clarifying documentation or information; and
 - d. Upon the final application due date or the date when funds are exhausted, whichever is earlier, deploy unused funds from an undersubscribed allocation to fund other Eligible Applicants for other subsets of the Target Population.
- viii. HCD will review, and score based on information provided in the application. If there is a significant departure from the application after a Project has been awarded, HCD may re-evaluate the Project's score, reduce the grant amount, or assign negative points to the Applicant.

Section 401. Required Pre-Application Consultation and Technical Assistance

HCD requires all Eligible Applicants and Co-Applicants to engage in a pre-application consultation with HCD prior to applying. The consultation will allow the prospective Applicant to provide basic information about the proposed Project, along with other applicable programmatic considerations, including those related to site acquisition; operating match requirements; the CEQA, land use and land entitlements; local county behavioral health department coordination and other services partnerships; and long-term financing approaches. Applicants will be able to request a pre-application consultation using the pre-application survey to meet with Homekey+ program staff prior to applying. Information on pre-application consultations will be available and posted on the Homekey+ [website](#).

Section 402. Award Process

HCD will send a Conditional Award Commitment and Acceptance of Terms and Conditions letter (Conditional Award letter) to the successful Applicant. This Conditional Award may only be accepted by timely delivery of a fully executed Acceptance of Terms and Conditions of Conditional Award form to the Department. Funds will be disbursed after the Standard Agreement has been fully executed and approved by HCD and after the Grantee has satisfied all conditions precedent to disbursement.

Please see Section 102 for further details on Standard Agreement and fund disbursement timelines.

HCD must be notified and invited to participate in any and all groundbreakings, grand openings, and press conferences related to the Award by emailing HCD Homekey@hcd.ca.gov. Awardees must follow all marketing/promotional guidelines from HCD. Please see Appendix D for details on communication procedures.

Section 403. Appeals

- i. Basis of Appeals.
 - a. Applicants may appeal HCD's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an Award.
 - b. At the sole discretion of HCD, HCD's written determination may include a request for clarifying and/or corrective information. For purposes of this Section, "clarifying information" includes information and/or documentation that resolves ambiguities in any application materials that will inform HCD's determinations.
 - c. No Applicant shall have the right to appeal a decision of HCD relating to another Applicant's application (e.g., eligibility, Award).
 - d. If the Applicant is subject to negative points assessment, HCD shall notify the Applicant in writing within the point score letter and will provide

opportunity to appeal negative points assessment, or any disagreed points assessment, pursuant to the appeals process as set forth in the NOFA. Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with the Guidelines and the NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of HCD.

- e. Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with this NOFA. All decisions rendered shall be made by the Branch Chief or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.
- f. The appeal process provided herein applies solely to decisions of HCD made pursuant to this NOFA.

ii. Appeal Process and Deadlines.

- a. Process: To file an appeal, Applicants must submit to HCD, by the deadline set forth below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must provide a detailed reference to the area or areas of the application that provide(s) clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to HCD at homekeyappeals@hcd.ca.gov according to the deadline set forth in HCD's written determination letter.
- b. Filing Deadline: Appeals must be received by HCD no later than 5:00 p.m. five (5) business days from the date of HCD's written determination letter made in response to the application.

Article V. Additional Program Requirements

Section 500. Veterans Assisted Units

- i. Homekey+ Projects proposing to serve Veterans may also serve other qualifying members of the Target Population. The Veterans units will be funded from the Veterans allocation, and the remaining units will be funded from the other applicable allocation(s).
- ii. The remaining units should still be used to house the most vulnerable Veterans, and the Grantee is required to demonstrate a good faith effort to place the Target Population in Veteran units. Good faith efforts include 1) adequate marketing of vacant units for at least 90 days prior to the commencement of initial lease-up or at least 60 days after a unit turns over, 2) partnering with local homeless and Veterans service providers to identify the Target Population, 3) coordination with the local Continuum of Care to receive prioritized Target Population referrals, 4) coordination with the U.S. Department of Veterans Affairs to identify the Target Population, and 5) documented contacts with the Target Population, along with their Case Manager(s), who were referred to the Project with vacant Veteran units and choose not to lease the unit.
- iii. HCD reserves the right to review documentation that substantiates the timing and frequency of such good faith efforts, including the date that the Grantee was notified of the vacancy, whenever such documentation exists and provide a descriptive timeline in the absence of documents to evidence activities such as phone calls and meetings. Documentation by the Grantee of these good faith efforts, along with information about Applicants that were not matched with a unit, is required as part of the Secondary Tenant process.
- iv. If units cannot be filled with Veterans at or below 30% AMI, Secondary Tenants can be housed. Secondary Tenants are defined in statute as either: Veterans experiencing homelessness with an income of up to 60% of the AMI. Rents for any redesignated units are determined by income that corresponds to the Secondary Tenant's household income.
- v. Upon vacancy, the Grantee is required to redesignate the next vacant unit as a PSH unit available to Veterans with incomes at or below 30% AMI with the goal of returning the Project into compliance with the unit mix required by the Project's Standard Agreement.
- vi. For new construction the vacancy period will be measured from the date the Certificate of Occupancy or Temporary Certificate of Occupancy is issued and for Rehabilitation Projects the vacancy period will be measured from the date the Notice of Completion is issued. Vacancy for previously occupied Homekey+ units during regular Project operations will be measured from the

- vii. date the Grantee or their operator takes possession of the unit. The Grantee or their operator may use the time from abandonment noticing timeframes and unlawful detainers at its discretion.
- viii. In no instance shall a Project have less than 30% of its Veterans units leased to 30% AMI households*. In no instance shall a Project have less than 30% of its Veterans units leased to 30% AMI households*.
- ix. HUD-VASH Special Rule: On August 13, 2024, HUD published the “Section 8 Housing Choice Vouchers: Revised Implementation of the HUD Veterans Affairs Supporting Housing Program (VASH)”¹ (“special rule”) that provides a new requirement to exclude Veterans’ service-connected disability benefits from household income calculations for the purpose of determining income eligibility. This rule for VASH applicants applies for both Project-based and tenant-based vouchers. Homekey+ income determinations for VASH applicants must exclude Veterans’ service-connected disability income and therefore are excluded from the Homekey+ Secondary Tenant alternative requirements and process. Eligible HUD-VASH program tenants are not considered Secondary Tenants and are not counted against the cap on the number of Veteran units that can be leased to Secondary Tenants under this policy.

The purpose of this is to resolve issues with matching unhoused Veterans with vacant PSH units restricted to Veterans, while retaining the program’s original intent of serving the highest need Veterans experiencing homelessness.

**Veterans who are experiencing homelessness that are eligible to occupy veteran 30% AMI units after excluding VA service-connected disability benefits are recognized as eligible tenants. They are not treated as Secondary Tenants.*

- x. Each Veteran Project shall establish a goal of no amount less than five percent of total construction costs for work performed, or supplies provided to be spent with entities certified by the California Department of General Services (DGS) as a Disabled Veteran Business Enterprise (DVBE).

Pursuant to a five percent DVBE goal on total construction, each Project shall identify a DVBE Specialist who shall coordinate directly with CalVet in the identification and use of DVBEs.

Upon the commencement of construction, the Project shall submit a report to the Department and CalVet on DVBE plan implementation. This report will include: (A) The total amount budgeted for construction costs; (B) The names and addresses of DVBE contractors, subcontractors and/or suppliers that have received or are scheduled to receive payment.

¹ Section 8 Housing Choice Vouchers: Revised Implementation of the HUD Veterans Affairs Supporting Housing Program Development, 89 Fed. Reg. 65769 (Aug. 13, 2024) (amending 24 CFR Parts 982 and 983).

Upon completion of construction, the DVBE Specialist shall submit a report to the Department and Calvet detailing actual payments to DVBEs.

If the lead applicant is an established [DVBE Reciprocity Partner \[dgs.ca.gov\]](https://dgs.ca.gov) with DGS before the start of construction, then the Project shall only submit to the Department and Calvet a report detailing actual payments to DVBEs upon completion of construction.

Section 501. New Construction Cost Containment

A hallmark of Homekey has been producing housing quickly and cost-effectively, mostly through adaptive reuse. HCD will continue to retain and build upon these principles by requiring that Applicants seeking funding for new construction incorporate cost-containment strategies and commit to Total Development Cost (TDC) per unit caps.

New construction cost containment Projects will be eligible for the same Award structure as outlined in Section 205, but in addition must agree to and provide evidence that the Project can be completed based on the applicable TDC per unit cap. The TDC per unit cap is inclusive of the Homekey+ Award and all other capital sources and expenditures, with the exceptions of land costs, COSRs, and other required reserves.

TDC per unit caps will be the lesser of: \$450,000 per unit, OR the [2024 TCAC Basis Limits](#) for the applicable county where the Project is located and unit size.

Like other Homekey+ Project types, Awards will be in the form of a grant and will provide up to 80% of the funds upfront. Unlike other Homekey+ Project types which must complete construction within 12 months starting 60 days from the date of Award, all new construction Projects awarded must commence construction within 6 months, starting 60 days after the Homekey+ Award, and have a temporary certificate of occupancy (TCO) no later than 24 months, starting 60 days from the date of Award. The remaining 20% of funds will be disbursed upon submission of the TCO.

Applicants are advised that Homekey+ new construction Projects are not contemplated to be paired with tax credits or other highly competitive sources which are not secured by the date of application, in light of the above 6-month and 24-month deadlines. Rather, like other Homekey+ Project types, the Project must be fully funded and ready to proceed following a Homekey+ Award.

Applicants are further advised that construction shall not be contingent or reliant on any reasonably foreseeable externalities or timelines not disclosed in the application. Grantees unable to meet critical milestone dates within applicable cure periods will be in breach of the Standard Agreement and may be subject to negative points under HCD's Negative Point Policy.

As with all Homekey+ applications, a Local Public Entity must be the lead entity and may apply with a Co-Applicant developer.

Section 502. Gap Financing

Consistent with the Homekey principles of flexibility and innovation, HCD will accept gap financing applications from Projects which meet, or could meet, the population targeting requirements of Homekey+, but have not started construction. The intent is to move Projects forward that are otherwise “shovel ready” and thereby quickly increase the number of units available.

Projects within this use must be submitted by the application due date listed in the program timeline table above. At the close of the application period, the applications will be prioritized as follows:

- i. Projects with an Existing HCD Award Commitment with a pending disencumbrance per HCD’s disencumbrance policy within 6 months of the date of this NOFA.
- ii. Projects with an Existing HCD Award Commitment with at least one prior unsuccessful application for tax credit/bonds ranked by total HCD funds committed.
- iii. All other HCD funded Projects ranked by total amount of HCD funds committed.
 - a. All prior Homekey Projects awarded as “interim to permanent”, seeking funding to convert interim units to Permanent Supportive Housing, fall into this category. Only Projects that complied with the terms of the original Homekey “interim to permanent” award by completing construction and are currently achieving full on-site occupancy as interim housing will qualify for this funding. HCD at its sole discretion will determine compliance.
- iv. All other Projects that are stalled due to an unsuccessful tax credit/bond application ranked by total amount of public resources committed (may include resources such as local or federal funding, donated land, etc.).

HCD will rank projects within each priority based on total gap per unit. Depending on total demand for this typology, HCD reserves the right to prioritize funding for Priority (i.), above, either in full or partially, and to not fund or fund a subset of, otherwise eligible Projects from ii, iii, and/or iv above. All prospective Applicants are encouraged to use cost containment strategies to seek the lowest amount of gap financing possible that will allow the Project to commence and complete construction.

Qualifying HCD funding programs include the following:

- a. Affordable Housing and Sustainable Communities Program
- b. Community Development Block Grant Program – Disaster Recovery
- c. HOME American Rescue Plan

- d. HOME Investment Partnerships Program
- e. Homekey
- f. Housing for a Healthy California Program Article I
- g. Infill Infrastructure Grant Program
- h. Joe Serna, Jr. Farmworker Housing Grant Program
- i. Local Government Matching Grants Program
- j. Multifamily Housing Program
- k. Multifamily Super NOFA
- l. National Housing Trust Fund
- m. No Place Like Home Program – competitive and non-competitive HCD-administered funds and Alternative Process County funded Projects
- n. Permanent Local Housing Allocation Competitive Allocation
- o. Veterans Housing and Homelessness Prevention Program

All prior HCD award(s) must not have expired, or been terminated, disencumbered, or otherwise held to be void.

As with all other Homekey+ Projects, a Local Public Entity is required as a lead Applicant. In addition, the gap financing application must include all Sponsors in connection with Existing HCD Award Commitment(s). Homekey+ gap financing funds are not intended to supplant Performing Debt. The amount and terms of Performing Debt shown in the Homekey+ gap financing application must generally remain the same or be higher and more restrictive than the amount and terms shown in previous HCD applications unless there are extenuating circumstances that are clearly explained in writing by the Applicant and agreed to in writing by HCD.

For the purposes of this gap financing Projects only, Homekey+ will award no more than \$450,000 per unit, inclusive of any Operating Award needed to buy down units originally contemplated as higher than 30% AMI. Any amount over \$450,000 per unit will be required to provide an Enforceable Funding Commitment at the time of application.

Applicants may seek gap financing for all units or a portion of units. If Applicants seek gap financing for only a portion of units, an alternative, non-Homekey+ source is required at the time of application to fill any capital gaps associated with the non Homekey+ units. All units funded by Homekey+ will be required to serve the Target Population.

Funds shall be used only for expenses that would be categorized as Project costs by the federal low-income housing tax credit program, including, but not limited to, commercial costs and reasonable reserves. HCD reserves the right to disallow costs that do not constitute reasonable Project costs, as determined by HCD in its sole and absolute discretion.

Gap financing applications should request the full capital amount needed to proceed with and complete construction, thereby avoiding the need to apply for tax credits or seek other sources of funds.

Homekey+ gap financing awards are not intended to supplant local public agency funds. Accordingly, any local agency resources shown as committed in the applications for any Existing HCD Award Commitments must be included in the financing proposed in the Homekey+ gap financing application at the same or higher level of funding as previously identified.

Homekey+ Gap Financing Terms, Deadlines, and Restrictions

Requests for reducing Performing Debt or the term of the Performing Debt will be reviewed on a case-by-case basis and are not a guaranteed approval. Reduced principal loan amounts of Performing Debt must include a corresponding reduced amount in the development budget.

- i. Gap financing awards will be in the form of a grant. All Homekey+ gap financing awarded Projects must commence construction no later than 6 months, starting 60 days from the date of the Homekey+ Conditional Award letter. For the purposes of the Homekey+ Award, commencement of construction means the first land-disturbing activity associated with a Project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building. HCD may, in its sole and absolute discretion, extend this deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.
- ii. The Homekey+ gap financing awarded Project must receive, and submit evidence to HCD, a temporary certificate of occupancy (TCO) within 24 months, starting 60 days from the Homekey+ Award.
- iii. All Homekey+ gap financing Grantees are prohibited from applying for or receiving a tax credit allocation on a Homekey+ funded Project for a period of 20 years from the Homekey+ Conditional Award date for that Project. This prohibition will be memorialized in the Homekey+ Standard Agreement and in amendments to the Standard Agreements for any Existing HCD Award Commitment.
- iv. If, following a Homekey+ application and award, a Sponsor syndicates and sells a portion of their ownership interest to a partner or equivalent party seeking tax losses associated with the Project, nine-tenths of the gross proceeds of that sale shall be remitted to HCD. Negative points may be assessed to the Sponsor in the event the Project is sold or refinanced with a distribution of net equity.

Section 503. Article XXXIV

Homekey+ provides permanent supportive housing for persons (including Veterans and Youth) who are homeless, chronically homeless, or at risk of homelessness, and who are living with a Behavioral Health Challenge. As such, article XXXIV, section 1 of the California Constitution is not applicable to Homekey+ funded development, consistent with Health and Safety Code sections 37000-37002.

Section 504. Housing First

The Eligible Applicant shall certify to employ the core components of Housing First, as set forth at Welfare and Institutions Code Section 8255, subdivision (b), in its property management and tenant selection practices. Projects shall accept tenants regardless of sobriety, participation in services or treatment, history of incarceration, credit history, or history of eviction in accordance with practices permitted pursuant to Housing First practices, including local Coordinated Entry System prioritization protocols, or other federal or state Project funding sources.

Section 505. Tenant Referrals

Referrals to Homekey+ Assisted Units shall be made through the local Coordinated Entry System (CES), or another comparable prioritization system based on greatest need for housing and services, to determine the most appropriate referral. Homekey+ units should be reserved for serving the Target Population where households are more appropriately served by PSH, including referrals from persons exiting encampments. Households with lower levels of need may be better served by other housing and less intense service interventions.

Applicants must demonstrate efforts to coordinate with their local county behavioral health department, to ensure the referral process to the Homekey+ units is aligned with the requirements of this NOFA.

If referrals will be made using a prioritization system other than CES, the Applicant must describe the plan for tenant referrals in detail, including which agency is responsible for managing the referral approach and what stakeholders are involved in the prioritization process. Awardees are encouraged to consider an alternative referral system consisting of referrals for persons exiting encampments, incarceration, or treatment facilities. Prioritization for Homekey+ units should be based on greatest need factors and assessments established by the local jurisdiction in collaboration with the Continuum of Care (CoC). CoC collaboration in Project and Supportive Services design is also strongly encouraged to help target and serve those with the greatest need.

Section 506. Participation in the Homeless Management Information System (HMIS)

Pursuant to Assembly Bill 977 (Statutes of 2021-22), Grantees who have been awarded HCD funding under the Homekey+ program must enter Universal and Common Data Elements as defined by HUD, on the individuals and families served into the Homeless

Management Information System (HMIS). For more information about this requirement visit [Homelessness Program Data Reporting | California Department of Housing and Community Development](#)

Any health information provided to, or maintained within, the statewide Homeless Management Information System shall not be subject to public inspection or disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). “Health information” means “protected health information” as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and “medical information,” as defined in subdivision (j) of Section 56.05 of the Civil Code.

Section 507. Relocation

In addition to the Relocation Assistance Narrative required in Section 300 submitted at the time of application, before the Homekey+ Award will be disbursed, Grantee must submit either:

- i. An HCD-approved relocation plan; or
- ii. An HCD-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement (certificate of no-relocation), which has been duly executed and approved by HCD.

Grantee must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Grantee must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law.

HCD will identify its form, substance, and submittal requirements for these relocation documents in the Homekey+ application materials. Where the Grantee’s activities will or may result in displacement, the Grantee’s development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by HCD in writing.

Section 508. Non-Discrimination and Accessibility

Grantees shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits

of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this NOFA.

Grantees shall comply with the Fair Housing Amendments Act (42 U.S.C § 3601 et seq.), the California Fair Employment and Housing Act (Gov. Code, § 12900 et seq. and Cal. Code of Regs. Tit. 2, §§ 12264 – 12271), the Unruh Civil Rights Act (Civ. Code, § 51), Government Code section 11135, Government Code section 8899.50, Government Code § 65583 et seq., Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and all regulations promulgated pursuant to those statutes, including 24 C.F.R. Part 8, 24 C.F.R. Part 100 and its design and construction requirements, including ANSI A117.1 Standards and the March 6, 1991 Fair Housing Accessibility Guidelines, in conjunction with the June 28, 1994 Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, 28 C.F.R. Part 35, and 28 CFR Part 36.

Grantees shall comply with the requirements of the Americans with Disabilities Act of 1990 (U.S.C § 12101 et seq.). All developments shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act, Title II and Title III. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/23/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Notice"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the Project and be available in a sufficient range of sizes and amenities consistent with 24 CFR part 8.26.

Applicants are further advised that while Homekey+ incorporates the [MHP guidelines](#), as explained in Section 101, as a courtesy and point of emphasis, HCD directs prospective Applicants to Section 7314 (a) and (b) of the MHP guidelines, which further articulates Fair Housing, Nondiscrimination, and Accessibility requirements. HCD also suggests Applicants review its April 2021 Affirmatively Furthering Fair Housing document at this [link](#).

Section 509. Prevailing Wages

Applicant's contemplated use of Homekey+ funds is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Applicant is urged to seek professional legal advice about the law's requirements. Prior to disbursing the Homekey+ funds, HCD will require a certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law, or a certification that the development is exempt from prevailing wage as defined in Government Code 65913.4(a)(9). The certification must verify that prevailing wages have been or will be paid, and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Grantee. The Department will not disburse funds for Rehabilitation or construction until the certification is signed by the general contractor.

Section 510. Environmental Clearances

Projects, including phased Projects, that satisfy the requirements HSC 50675.1.5, shall be exempt from the California Environmental Quality Act (CEQA) Projects under this section are considered a “use by right”, which are specifically exempt from CEQA (CA Public Resources Code section 21000 *et seq.*). (HSC 50675.1.5(e)(2)(A)). Moreover, HSC 50675.1.5(c) specifically exempts HCD actions taken to “provide financial assistance or insurance for the development and construction of Projects” from CEQA review. HCD encourages Eligible Applicants to fully engage with HCD’s technical assistance and to review the CEQA exemption set forth at HSC section 50675.1.5 and the provision for land use consistency and conformity set forth at HSC section 50675.1.3, subdivision (i).

Applicants should consult with their counsel for legal advice in construing application of the foregoing exemptions to their Project. It is entirely within an Applicant’s discretion to determine whether to use the statutory CEQA exemption, whether the exemption applies to the Applicant’s proposed activity, or whether some other mechanism applies and could be used to satisfy obligations under CEQA.

Applicants must provide National Environmental Act (NEPA) clearance, as applicable. According to the National Environmental Policy Act (NEPA), Grantees must consider environmental impacts early in the planning process before decisions are made, and actions are taken. The Project must assess environmental impacts if a Project has applied for HUD assistance (HOME, CDBG, PBVs, Choice Neighborhoods Grant, ShelterCare Plus, etc.). HUD’s regulations prohibit grant recipients and their partners/contractors from committing or spending HUD or non-HUD funds on an activity that could limit the choice of reasonable alternatives before completing the environmental review process. The prohibition of choice-limiting actions does not apply to commitments of non-federal funds before the Project has applied for HUD funding. When an application is submitted for a federal grant/loan, all activity must stop until the environmental review process is complete.

There is no flexibility or waiver of NEPA environmental review requirements. The Project must receive an Authority to Use Grant Funds (AUGF) before the Project proceeds with the acquisition or physical activities, including non-HUD-funded activities. A choice-limiting action can result in a violation that jeopardizes HUD funding for the Project.

The prohibition on choice-limiting actions prohibits physical activity, including acquisition, Rehabilitation, and construction, as well as contracting for or committing to any of these actions before completion of the environmental review. Some examples of choice-limiting actions are:

- Acquisition
- Rehabilitation
- Demolition
- Site improvements (including site clearance/grubbing)
- Leases or Transfers
- Entering into contracts such as construction bidding
- A change in Project conditions or unexpected conditions arise

Choice-Limiting Actions are not:

- Plans or designs
- Activities necessary to support an application for federal, state, Tribal, or local permits
- Option agreement on a proposed property (make sure that the contract is contingent on environmental review clearance and don't close escrow before the review process is complete)

HCD does not determine which Projects will require NEPA clearance. Applicants shall provide HCD a status of any required NEPA review at the time of application. For more information, visit the [HUD Exchange](#), review HCD's Environmental Review Guidance by clicking [here](#), or contact HCD's Environmental Services Team at NEPA@hcd.ca.gov.

Section 511. Land Use

HSC Section 50675.1.5 outlines the criteria by which a Homekey+ Project shall be a use by right and subject to a streamlined, ministerial review process. Appendix C provides the full list of criteria for 50675.1.5. Applicants should consult with their counsel for legal advice in the application of the law to their Project. HCD may also request documentation that Applicants have considered the law in their development planning.

Section 512. State Requirements

All Assisted Units and other Units of the Projects must meet all applicable state and local requirements pertaining to rental housing, including but not limited to, requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition.

Section 513. Grantee Liability

All entities in the Grantee structure (to include the Eligible Applicant, any Co-Applicants, and any other entities added to the ownership structure of the Project pursuant to [Section 303 vi.] of this NOFA) shall be bound by the Homekey+ Program Requirements; and shall remain jointly and severally liable to HCD for performance under the Standard Agreement and for compliance with all Homekey+ Program Requirements. This provision shall remain applicable notwithstanding any Department-approved transfer or assignment of interest, or any designation of a third party for the undertaking of all or any part of the Scope of Work in the Standard Agreement.

Article VI. Project Operations

Section 600. Project Oversight

As specified by HCD and upon request, Grantees shall provide progress reports in connection with completed milestones and any updates to the timeline for completion of the Project. Grantees shall promptly notify HCD upon any changes to the Project development, changes to the Project and changes in Grantee organization, authorization, or capacity.

Section 601. Reporting

Grantees shall submit a Homekey+ annual report (annual report) to HCD following Standard Agreement execution. The annual report will be due no later than March 31 for the prior calendar year of January 1 to December 31. The annual report will continue to be required for at least five years following full occupancy of the Project and until the Homekey+ operating subsidy has been fully expended. The report shall be in such form and contain such information as required by HCD in its sole and absolute discretion. At minimum, the Annual Report shall include the following data:

- i. The amount of funds expended for the Project.
- ii. The location of any properties for which the funds are used.
- iii. The number and bed size of useable housing units produced, or planned to be produced, using the funds.
- iv. The number of individuals housed, or likely to be housed, using the funds.
- v. The number of units, and the location of those units, for which operating subsidies have been, or are planned to be, capitalized using the funds.
- vi. Any lessons learned from the use of the funds.
- vii. Proposed changes to the program to address lessons learned.
- viii. An explanation of how funding decisions were made for acquisition, conversion, or Rehabilitation Projects, or for COSRs, including what metrics were considered in making those decisions.
- ix. Total project development costs
- x. Total operating costs

If a Project received an operating Award, Grantees shall also report their operating expenditures in the annual report.

In addition to the foregoing, the Grantee shall submit to HCD such periodic reports, updates, and information as deemed necessary by HCD to monitor compliance and/or perform program

evaluation. Any requested data or information shall be submitted in electronic format on a form provided by HCD.

The Grantee shall ensure that the expenditure of Homekey+ funds is consistent with the requirements of the Program. HCD shall monitor the expenditures to ensure that those expenditures comply with this NOFA.

HCD may request the repayment of funds or pursue any other remedies available, at law or in equity, for failure to comply with Program requirements or contractual commitments.

Grantees receiving an Award for Veteran Assisted Units shall submit any additional information as requested by HCD or CalVet, including but not limited to staffing and training details, tenant demographic and veteran-oriented data, and tenant survey results.

Section 602. Disbursement of Grant Funds

HCD may disburse funds to cover Homekey+-critical expenditures that were incurred prior to Homekey+ application pursuant to Section 204. Homekey+ program funds will be disbursed to the Grantee after HCD has approved the relocation plan or issued a certificate of no-relocation, received a request for funds from the Grantee, received and approved an Affordability Covenant for recordation at close of escrow, and approved a fully executed Standard Agreement between the Grantee and HCD. The Grantee cannot request funds for rehabilitation or construction until they have provided a certification of compliance with prevailing wage laws signed by the Grantee and their selected general contractor, as detailed in Section 509.

The Standard Agreement will set forth the general conditions of disbursement, any conditions precedent to disbursements (e.g., proof of recordation of the Affordability Covenant, documentation requirements for pre-Standard Agreement expenditures or conditional performance measures), and HCD's remedies upon an event of default. The Standard Agreement will also identify which of the Co-Grantees will be the designated payee.

Homekey+ funds awarded to an Applicant may not be transferred to another entity to expend on an eligible use unless that other entity is a signatory on the Standard Agreement.

All Homekey+ funds must be wired to an escrow company. The Applicant shall identify the name and address of the escrow company, the name of the escrow officer, the escrow number, and any other information requested by HCD. The appropriate Affordability Covenant must be on file and approved by HCD to be included in the escrow transaction for recordation. The Grantee may only request awarded operating funds, if applicable, after providing confirmation that construction and/or Rehabilitation on the Project is completed, and the Project is ready to begin leasing up. HCD reserves the right to disburse funds prior to construction completion if the Grantee sufficiently demonstrates need for Homekey+ operational funds prior to construction completion.

Section 603. Legal Documents

Upon the Award of Homekey+ funds to a Project, HCD shall enter into one or more agreements with the Grantee, including a Standard Agreement, which shall encumber funds from the Homekey+ program, subject to specified conditions. The agreement or agreements shall include, but not be limited to:

- i. A description of the approved Project and the permitted uses of funds.
- ii. The amount and terms of the program grant.
- iii. The use, income, occupancy, and rent restrictions to be imposed on the Project through the Affordability Covenant.
- iv. Performance milestones, and other progress metrics, governing the completion of the Project, along with the remedies available to HCD in the event of a failure to meet such milestones or metrics.
- v. Provisions governing the manner, timing, and conditions of the disbursement of the program grant.
- vi. Special conditions imposed as part of HCD's approval of the Project.
- vii. Terms and conditions required by federal and state law.
- viii. Requirements for reporting to HCD.
- ix. Remedies available to HCD in the event of a violation, breach, or default of the agreement; and
- x. Provisions regarding Grantee liability. Specifically, the Grantee will remain liable to HCD for compliance with and the performance of all Program requirements regardless of any HCD-approved transfer or assignment of interest. Likewise, each co-Grantee will remain jointly and severally liable to HCD for compliance with and the performance of all Program requirements regardless of any HCD- approved transfer or assignment of interest, and notwithstanding the co- Grantees' identification of a designated payee.

The agreement will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of the program.

Section 604. Sales, Transfers, and Encumbrances

An Applicant(s) shall not sell, assign, transfer, encumber, or convey the awarded Project, or any interest therein or portion thereof, without the express prior written approval of HCD, which may be granted, delayed, or withheld in HCD's sole and absolute discretion. All Applicants and Co-Applicants must be signatories on the Standard Agreement and may not be removed, even upon an approved transfer to another entity.

Section 605. Defaults and Grant Cancellations

Funding commitments may be canceled by HCD under any of the following conditions:

- i. The objectives and requirements of the Homekey+ program cannot be met, and the implementation of the Project cannot proceed in a timely fashion in accordance with the timeframes established in the Standard Agreement or the regulatory agreement.
- ii. In the event of a breach or violation by the Grantee, HCD may give written notice to the Grantee to cure the breach or violation. If the breach or violation is not cured to the satisfaction of HCD within a reasonable time period, HCD, at its option, may declare a default under the relevant document and may seek legal remedies for the default including the following:
 - a. HCD may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the Project in accordance with Homekey+ Program Requirements; and
 - b. HCD may seek such other remedies as may be available under the relevant agreement or at law, or in equity.

Section 606. Insurance Requirements

- i. Commercial General Liability

Due at time of disbursement, Applicants shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the Applicant's limit of liability. The policy must name the State of California and the California Department of Housing and Community Development, as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.

If available in the open market at a reasonable cost, the policy shall also include an endorsement for physical abuse and child/sexual molestation coverage. Coverage shall include actual or threatened physical abuse, mental injury, sexual molestation, negligent hiring, employment, supervision, investigation, reporting to proper authorities, and retention of any person for whom the Applicant is responsible. This insurance shall apply separately to each insured against which claim is made, or suit is

brought subject to the Applicant's limit of liability. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.

If available in the open market at a reasonable cost, the policy shall also include an endorsement for assault and battery.

ii. Automobile Liability

If Applicable. Due at time of Application and at time of disbursement. Applicant shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. The policy must name the "State of California and the California Department of Housing and Community Development", as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.

If Applicant will not have or use any commercially owned vehicles during the term of the Standard Agreement, by signing the Standard Agreement, the Applicant certifies that the Applicant and any appointees, employees, subcontractors, or servants possess valid automobile coverage in accordance with California Vehicle Code sections 16450 to 16457, inclusive. HCD reserves the right to request proof at any time.

iii. Workers' Compensation and Employer's Liability

Due at time of disbursement, Applicant shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the contract. In addition, employer's liability limits of \$1,000,000 are required. By signing the Standard Agreement, Applicant acknowledges compliance with these regulations. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California and the California Department of Housing and Community Development must be attached to the certificate.

iv. Builder's Risk/Installation Floater

Due at time of disbursement and prior to starting construction, if there is installation or construction of property/materials on or within the facility at any time during the term of the Standard Agreement, the Applicant shall maintain in force, at its own expense, Builders Risk/Installation Floater covering the labor, materials, and equipment to be used for completion of the work performed under this contract against all risks of direct physical loss, excluding earthquake and flood, for an amount not less than the full amount of the property and/or materials being installed and/or constructed on or within the facility. The Applicant agrees as a provision of the contract

to waive all rights of recovery against the state.

v. Property Insurance

Due at time of acquisition and/or construction completion, the Applicant shall maintain fire, lightning and extended coverage insurance on the facility which shall be in a form of a commercial property policy, in an amount equal to one hundred percent (100%) of the then current replacement cost of the facility, excluding the replacement cost of the unimproved real property constituting the site. The extended coverage endorsement shall, as nearly as practicable, include but not be limited to loss or damage by an explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism, and malicious mischief and such other hazards as are normally covered by such endorsement.

vi. Self-Insured

Due at time of disbursement, if a state, regional, or Local Public Entity is the sole Applicant, and if that entity is self-insured in whole or in part as to any of the above-described types and levels of coverage, then that entity shall provide HCD with a written acknowledgment of this fact before execution of the Standard Agreement. If, at any time after the execution of the Standard Agreement, the state, regional, or Local Public Entity abandons its self-insured status, that entity shall immediately notify HCD of this fact and shall comply with all of the terms and conditions of this Section pertaining to insurance requirements. HCD may accept evidence of self-insurance from other Eligible Applicants in its sole and absolute discretion.

Article VII. Definitions

Below are the definitions for purposes of the Homekey+ program:

- i. "Affordability Covenant" means the legally binding 55-year instrument which (a) is recorded in first position against the Project real property for the benefit of the state, regional, local, or Tribal Grantee; (b) imposes use, operation, occupancy, and affordability restrictions on the real property and improvements; (c) duly names HCD as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof, (d) incorporates the Homekey+ Program Requirements by reference, and (e) is otherwise in form and substance acceptable to HCD. Upon its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, in accordance with Section 208 of this NOFA, after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project. Affordability Covenants on Tribal trust land are addressed separately under Section 208 of this NOFA.
- ii. "Applicant" means the "Eligible Applicant," as that term is defined in this NOFA, as well as the Eligible Applicant's Co-Applicant(s), if applicable. As allowed or required by context, the term "Applicant" shall refer to all such entities in their individual and/or collective capacity.
- iii. "Area Median Income" or "AMI" means the most recent applicable county median family income published by the California Tax Credit Allocation Committee (TCAC) or HCD.
- iv. "Assisted Unit" means a Homekey+-funded residential dwelling unit in PSH that is subject to rent, income, occupancy, or other restrictions associated with Homekey+ requirements. See also "Youth Assisted Unit."
- v. "At Risk of Homelessness" has the same meaning as defined in Title 24 CFR Part 578.3.
- vi. "Award" means the portion of program funds available for a Grantee to expend toward eligible program uses.
- vii. "Behavioral Health Challenge" is defined within the California Welfare and Institutions Code (WIC) Section 5965.01, subdivision (b). The term includes, but is not limited to a serious mental illness, as described in subdivision (c) or (d) of Section 14184.402 and below, **however enrollment in Medi-Cal as a beneficiary is not a conditions for Homekey+ housing**. Behavioral Health Challenge may also include a substance use disorder, as described in Section 5891.5, subdivision (c)..

For those who meet the criteria of this definition, enrollment in Medi-Cal as a Beneficiary is not a condition for Homekey+ housing.

WIC §14184.402(c), defines “serious mental illness” pursuant to the following criteria for individuals that are 21 years of age or older:

- (1) The [individual] has one or both of the following:
 - (A) Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities.
 - (B) A reasonable probability of significant deterioration in an important area of life functioning; and
- (2) The beneficiary's condition as described in paragraph (1) is due to either of the following:
 - (A) A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders and the International Statistical Classification of Diseases and Related Health Problems.
 - (B) A suspected mental disorder that has not yet been diagnosed.

WIC §14184.402 (d.) defines “serious mental illness” pursuant to either of the following criteria for individuals that are under 21 years of age:

- (1) The [individual] has a condition placing them at high risk for a mental health disorder due to experiencing trauma evidenced by scoring in the high-risk range under a trauma screening tool approved by the (non-HCD) department, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness; OR
- (2) The [individual] meets both of the following requirements:
 - (A) The [individual] has at least one of the following:
 - (i) A significant impairment.
 - (ii) A reasonable probability of significant deterioration in an important area of life functioning.
 - (iii) A reasonable probability of not progressing developmentally as appropriate.

- (iv) A need for specialty mental health services, regardless of presence of impairment, that are not included within the mental health benefits that a Medi-Cal managed care plan is required to provide;
AND

(B) The beneficiary's condition as described in subparagraph (A) is due to one of the following:

- (i) A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders and the International Statistical Classification of Diseases and Related Health Problems.
- (ii) A suspected mental health disorder that has not yet been diagnosed.
- (iii) Significant trauma placing the beneficiary at risk of a future mental health condition, based on the assessment of a licensed mental health professional.

WIC §5891.5, subdivision (c.) (1).:

(c)(1) For purposes of this section, "substance use disorder" means an adult, child, or youth who has at least one diagnosis of a moderate or severe substance use disorder from the most current version of the Diagnostic and Statistical Manual of Mental Disorders for Substance-Related and Addictive Disorders, with the exception of tobacco-related disorders and non-substance-related disorders.

- viii. "Case Manager" is a social worker or other qualified person who has or is supervised by a person with a relevant master's degree. At its sole discretion, the Department may approve Supportive Service plans where Case Managers cannot be supervised by a person with a master's degree. A Case Manager facilitates individualized service planning, and the assessment, coordination, monitoring, referral, and advocacy of services to meet tenants' Supportive Services needs, including, but not limited to, access to medical and mental health services, substance use disorder treatment and services, vocational training, employment, home and community-based services and crisis management and interventions. Resident service coordinators are not Case Managers. For Homekey+ tenants who are also HUD-VASH program participants, the Case Manager for services will be the applicable U.S. Department of Veterans Affairs (VA) Case Manager (or third-party provider selected by the VA), in accordance with the HUD-VASH Program.
- ix. "Chronic Homelessness" means a person who is chronically homeless, as defined in Title 24 CFR Part 578.3.

- x. "City" means a City or City and County that is legally incorporated to provide local government services to its population. A City can be organized either under the general laws of this state or under a charter adopted by the local voters.
- xi. "Co-Applicant" means the nonprofit corporation, for-profit corporation, limited liability company (LLC), and/or limited partnership (LP) that is jointly applying for Homekey+ funds with a state, regional, or Local Public Entity, or with a Tribal Entity.
- xii. "Conditional Award" or "Conditional Award Commitment and Acceptance of Terms and Conditions letter" means a letter specifying the portion of program funds available for a Grantee to expend toward eligible program uses once the Grantee has acknowledged and fulfilled the terms and conditions.
- xiii. "Continuum of Care" means the same as defined by Title 24 CFR Part 578.3.
- xiv. "Coordinated Entry System" means a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate homelessness program tenant intake, assessment, and provision of referrals. To satisfy this subdivision, a centralized or coordinated assessment system shall cover the geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.
- xv. "HCD" means the California Department of Housing and Community Development.
- xvi. "Discretionary Reserve" means the same as in Section 203 (i)(c) and will be prioritized in the manner described in Section 400 of this NOFA.
- xvii. "Eligible Applicant" means a City; county; a City and county; any other state, regional, and Local Public Entity, including a council of government, metropolitan planning organization, and regional transportation planning agency designated in Section 29532.1 of the Government Code; or a Tribal Entity(ies) as defined in this NOFA. For purposes of this definition, a "Local Public Entity" is further defined in accordance with HSC section 50079. As allowed or required by context, "Applicant" shall be interpreted to include any of the foregoing entities, as well as that entity's Co-Applicant. Upon receiving an Award of Homekey+ funds, the Eligible Applicant and any Co-Applicant(s) will, both individually and collectively, be referred to as the "Grantee" for purposes of this NOFA. Please see Section 200 for specific eligible applicant requirements for Homekey+ HHAP Supplemental Funds.

- xviii. “Enforceable Funding Commitment” (EFC) means a letter or other document, in form and substance satisfactory to HCD, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:
- a. The name of the Applicant.
 - b. The Project name.
 - c. The Project site address, assessor’s parcel number, or legal description; and
 - d. The amount, interest rate (if any), and terms of the funding source including eligible and ineligible costs.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as “subject to senior management approval,” or a statement that omits the word “commitment,” but instead indicates the lender’s “willingness to process an application” or indicates that financing is subject to loan committee approval of the Project.

Contingencies in commitment documents based upon the receipt of tax-exempt bonds or low-income housing tax credits will not disqualify a source from being counted as committed. EFC types include sustained sources such as Project-based vouchers, Renewable Sources such as Continuum of Care, tenant-based subsidies like tenant-based vouchers, or intent to pursue sources like private funding or HHAP sources exceeding expiration and yet to be announced in the legislature.

Where local sources may be dependent upon future budget allocations or are in the process of being allocated, please submit one of the two documents below. For further information on this, please see Definition (xl.) on Renewable Sources below. Applicants can demonstrate funding commitments by submitting one of the following:

- i. An executed authorizing resolution from the governing body of the Local Public Entity describing the commitment or intent to commit the funds to the Eligible Project (by name) upon allocation approval, or
- ii. A formal letter, on official letterhead, from the Local Public Entity’s governing body or from an official with authority, that demonstrates the Local Public Entity’s intent to commit funds to the Eligible Project (by name) upon allocation approval. These funding commitments will be noted in the Homekey+ Standard Agreement.

- xix. "Existing HCD Award Commitment" means the existing commitment of Department funds to the Project, as well as the Department loan program making that commitment.
- xx. "Extremely Low Income" or "ELI" has the same meaning as in Title 24 CFR Part 93.2.
- xxi. "Foster Youth" means a child or nonminor dependent, as defined by Section 475 of Title IV-E of the Social Security Act (42 U.S.C. Sec. 675(8)) and subdivision (v) of Section 11400 of the Welfare and Institutions Code, who has been removed from the custody of their parent, legal guardian, or Indian custodian pursuant to Section 361 or 726 of the Welfare and Institutions Code, and who has been ordered into any placement described in paragraphs (2) to (9), inclusive, of subdivision (e) of Section 361.2 of, or paragraph (4) of subdivision (a) of Section 727 of, the Welfare and Institutions Code.
- xxii. "Grantee" means the Eligible Applicant (and, if applicable, the Co-Applicant) that has been awarded funds under Homekey+, and that will be held responsible for compliance with and performance of all Homekey+ Program Requirements. The Grantee may comprise one or more entities, so long as the Grantee structure includes an "Eligible Applicant," as that term is defined in this NOFA. All such entities shall, in their individual and collective capacity as the "Grantee," be bound by the Homekey+ Standard Agreement and each and every one of the Homekey+ program terms, conditions, and requirements.
- xxiii. "Homekey+ Program Requirements" means the following, all as amended and in effect from time to time:
 - a. the Homekey+ Program Notice of Funding Availability
 - b. Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code.
 - c. the Grantee's application for Homekey+ funding.
 - d. the Project report prepared by HCD in reliance on the representations and descriptions included in the Grantee's application for Homekey+ funding.
 - e. the award letter issued by HCD to the Grantee.
 - f. the relevant STD 213, Standard Agreement for the Homekey+ funding; and
 - g. all other applicable law.
- xxiv. "Homeless" has the same meaning as defined in Title 24 CFR Part 578.3.

- xxv. "Homeless Youth" means a child, youth, or current or former Foster Youth through the age of 25 who qualifies as "Homeless" under any of the relevant definitions set forth or identified in Title 24 CFR Part 578.3.
- xxvi. "Housing First" has the same meaning as in Welfare and Institutions Code section 8255, including all the core components listed therein.
- xxvii. "HUD" means the U.S. Department of Housing and Urban Development.
- xxviii. "Interim Housing" means any facility whose primary purpose is to provide a temporary shelter for the Homeless in general or for specific populations identified in this NOFA and which does not require occupants to sign leases or occupancy agreements. Interim Housing is not an eligible use under this NOFA with the exception noted in Section 201.
- xxix. "Lead Service Provider" or "LSP" is the organization that has overall responsibility for the provisions of Supportive Services and implementation of the Supportive Services plan in the Project. The LSP may directly provide comprehensive case management services or contract with other agencies that provide services. For HUD-VASH tenants, the LSP will enable the applicable Veterans Affairs Case Manager to administer services in accordance with the HUD-VA Supportive Housing (VASH) Program.
- xxx. "Local Public Entity" is defined in accordance with HSC section 50079, and means any county, City, City and county, the duly constituted governing body of an Indian reservation or rancheria, Tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. "Local Public Entity" also includes two or more Local Public Entities acting jointly.
- xxxi. "Manager's Unit" is a unit in which the onsite manager of the Project resides. A Manager's Unit will not be an Assisted Unit. Manager's Units may be included for Homekey+ funding under the development budget, however no Manager's Unit may be included in funding requests for a Homekey+ operating award. Manager's Units shall be restricted to households at or below 60% AMI.
- xxxii. "NOFA" means this Notice of Funding Availability.
- xxxiii. "Operating Expenses" means the amount approved by HCD that is necessary to pay for the recurring expenses of the Project, such as utilities; maintenance; management fees; taxes; licenses; and Supportive Services costs, which may

include staffing and service coordination. Operating Expenses do not include debt service or required reserve account deposits.

- xxxiv. "Performing Debt" refers to non-government, long-term (or permanent) financing of a Project intended to generate a profit for a private or non-profit lender requiring ongoing mandatory debt service payments.
- xxxv. "Permanent Supportive Housing" or "PSH" means housing with no limit on length of stay, that is occupied by the Target Population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community, as defined at California Government Code Section 65582 (g) , except that "Permanent Supportive Housing" shall include associated facilities if used to provide services to housing residents.
- xxxvi. "Point-in-Time Count" or "PIT" means a count of sheltered and unsheltered Homeless persons on a single night conducted by Continuums of Care as prescribed by HUD.
- xxxvii. "Positive Youth Development" (PYD) is an intentional, prosocial approach that engages youth within their communities, schools, organizations, peer groups, and families in a manner that is productive and constructive; recognizes, utilizes, and enhances young people's strengths; and promotes positive outcomes for young people by providing opportunities, fostering positive relationships, and furnishing the support needed to build on their leadership strengths.
- xxxviii. "Project" means a structure or set of structures providing housing with common financing, ownership, and management.
- xxxix. "Project Ownership Structure" means a Project-specific entity organizational chart that shows the ownership relationship between the Project Applicants and all Project entities (including the special purpose entity). This document is used by HCD to connect the Project Ownership Structure with the provided legal organizational documents (i.e. Operating Agreement, Limited Partnership Agreement, By Laws, etc.) to ensure the Primary Applicant or Co-Applicant has legal control over the Project site. This is NOT a staff organizational chart. The Project Ownership Structure chart must be provided with the application.
- xl. "Rehabilitation" means repairs and improvements to a substandard residential structure necessary to make it meet Rehabilitation standards. As used in this section, "substandard residential structure" has the same meaning as the term "substandard building," as defined in HSC Section 17920.3. "Rehabilitation" also includes improvements and repairs made to a residential structure acquired for the purpose of preserving its affordability and use by the Target Population.

- xli. “Renewable Sources” means funding sources that are dependent upon future budget allocations, competitive applications, or are in the process of being allocated. Per UMR Section 8310 (i) HCD may assume funds may be renewed, where the renewal of the rental assistance or operating assistance is likely. The Homekey+ Program will evaluate the following to determine whether renewal is likely:
 - a. The number of years that the funding has been renewed and/or that the Homekey+ Applicant has received the renewal; and
 - b. Any back-stop funds or alternative funds the Project may utilize should the funds fail to renew.
- xlii. “Rural Area” in accordance with HSC Section 50199.21, means an area, which, on January 1 of any calendar year satisfies any of the following criteria:
 - a. The area is eligible for financing under the Section 515 program, or successor program, of the Rural Development Administration of the United States Department of Agriculture.
 - b. The area is located in a nonmetropolitan area as defined in HSC Section 50090; or
 - c. The area is either:
 - i. An incorporated City having a population of 40,000 or less as identified in the most recent Report E-1 published by the Demographic Research Unit of HCD of Finance; or
 - ii. An unincorporated area which adjoins a City having a population of 40,000 or less, provided that the City and its adjoining unincorporated area are not located within a census tract designated as an urbanized area by the United States Census Bureau. HCD shall assist in determinations of eligibility pursuant to this subdivision upon request. With respect to areas eligible under subdivision (b) and this subdivision, the committee may rely upon the recommendations made by HCD. Any inconsistencies between areas eligible under subdivisions (a) and (b), and this subdivision, shall be resolved in favor of considering the area a Rural Area. Eligible and ineligible areas need not be established by regulation.
- xliii. “Secondary Tenant” is defined as 1) Veterans who are Homeless whose incomes are up to 50% AMI and are receiving income as a result of service-connected disability benefits, or 2) Veterans experiencing homelessness with an income of up to 60% AMI.
- xliv. “Severely Rent-Burdened” means being Extremely Low-Income (under 30% AMI) and paying more than 50% of income for rent.

- xliv. “Sponsor” means the definition of “Sponsor” at UMR Section 8301(s), which is: the legal entity or combination of legal entities with continuing control of the Project. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the Project, unless the seller will retain control of the Project for the period of time necessary to ensure Project feasibility as determined by the Department.
- xlvi. “Standard Agreement” means the STD 213, Standard Agreement, and all exhibits thereto.
- xlvii. “Supportive Services” means social, health, educational, income support, employment, and housing stability services and benefits; coordination of community building and educational activities; individualized needs assessment and case management; and individualized assistance with obtaining services and benefits.
- xl. “Target Population” means individuals, or households with an individual, who are experiencing homelessness or who are At Risk of Homelessness as defined under part 578.3 of Title 24 of the Code of Federal Regulations and who have or are suspected of having a Behavioral Health Challenge. These individuals and households must include a person described in subdivision (c) or (d) of Section 14184.402, or a person with a substance use disorder, as described in Section 5891.5. However, enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed. For Veteran-serving Projects the Target Population also includes Veterans.
- xli. “Tribal Entity(ies)” means an Applicant that is any of the following:
 - a. Applicant meets the definition of Indian Tribe under Section 4103(13)(B) of Title 25 of the United State Code.
 - b. Applicant meets the definition of Tribally Designated Housing Entity under 25 USC 4103(22).
 - c. If not a federally recognized Tribe, either:
 - i. Applicant is listed in the Bureau of Indian Affairs Office of Federal Acknowledgement petitioner list pursuant to Section 82.1 of Title 25 of the Federal Code of Regulations.
 - ii. Applicant is an Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to Section 65352.3 of the Government Code.

- iii. Has organized a separate legal entity, either a non-profit or for-profit entity, in compliance with CCR Title 25, Section 8301(s) and it has demonstrated to the satisfaction of the Department that the separate legal entity is controlled by the Tribal Applicant.
- xlii. "Unit" means a residential unit that is used as a primary residence by its occupants, including individual units within the Project.
- xliii. "Veteran" means a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable and who is experiencing or at risk of homelessness as defined in Title 24 CFR Part 578.3.
- xliv. "Youth Assisted Unit" means an Assisted Unit serving Homeless Youth, or Youth at Risk of Homelessness, as defined in Title 24 CFR Part 578.3. Pursuant to Section 203, Youth Assisted Units may also serve current and former Foster Youth through the age of 25.
- xlvi. "Youth at Risk of Homelessness" means a child, youth, or current or former Foster Youth through the age of 25 who qualifies as "At Risk of Homelessness" or "Homeless" under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.

APPENDIX A: Homekey+ Capital Contributions

Assisted Unit, 1:1 Match	Homekey+ Capital Contributions		
	Total Cost Per Door *	Maximum Homekey+ Contribution	Applicant Contribution
Homekey+ Target Population and Manager's Units	\$180,000	\$180,000	\$0
	\$190,000	\$190,000	\$0
	\$200,000	\$200,000	\$0
	\$220,000	\$210,000	\$10,000
	\$240,000	\$220,000	\$20,000
	\$260,000	\$230,000	\$30,000
	\$280,000	\$240,000	\$40,000
	\$300,000	\$250,000	\$50,000
	\$320,000	\$260,000	\$60,000
	\$340,000	\$270,000	\$70,000
	\$360,000	\$280,000	\$80,000
	\$380,000	\$290,000	\$90,000
	\$400,000+	\$300,000	\$100,000+

* The total cost per door referenced in the table above includes all eligible capital expenses, including acquisition, Rehabilitation, and new construction costs.

APPENDIX B: Homekey+ Organizational Document Requirements

	Documents to submit with Application	Needed to pass Threshold	Needed to pass Feasibility
All Applicants	Certification & Legal Disclosure		x
	Signature Block (in Word document format)		x
	Payee Data Record (STD 204) (except jurisdictions)		x
	EIN Verification (IRS form SS-4) (except jurisdictions)		x
	Tax-Exempt Status from IRS and FTB (if applicable)		x
Eligible Applicant or Co-Applicant	Project Ownership Structure (<i>only one needed</i>)	x	
Eligible Applicant (Jurisdiction)	Authorizing Resolution	x	
	Taxpayer Identification Number (FI\$Cal TIN Form)	x	
Tribal Entity	Authorizing Resolution	x	
	Tribe Formation Documents (constitution, charters, etc.)	x	
	Federal Register of Indian Entities Recognized (if applicable)	x	
Corporation	Authorizing Resolution	x	
	Articles of Incorporation	x	
	Certificate of Amended Articles of Incorporation, if applicable	x	
	Corporate Bylaws (all amendments and/or restatements)	x	
	Restated Articles of Incorporation	x	
	Cert of Good Standing (dated within 30 days of app due date)		x
	Statement of Information		x
	Shareholder Agreements (if applicable)		x
Limited Liability Company	Authorizing Resolution	x	
	Articles of Organization including restatements (LLC-1)	x	
	Certificate of Amended Articles of Organization (LLC-2) if applicable	x	
	Operating Agreement	x	
	Cert of Good Standing (dated within 30 days of app due date)		x
Limited Partnership	Authorizing Resolution	x	
	Certificate of Limited Partnership (LP-1)	x	
	Amendment to Certificate of Limited Partnership (LP-2)	x	
	Limited Partnership Agreement	x	
	Cert of Good Standing (dated within 30 days of app due date)		x
LLC: Manager of LLC if applicable	See org doc requirement based on organization type	x	
Limited Partnership: MGP	See org doc requirement based on organization type	x	
Limited Partnership: AGP	See org doc requirement based on organization type	x	

	Documents to submit with Application	Needed to pass Threshold	Needed to pass Feasibility
Limited Partnership: LP or GP	See org doc requirement based on organization type	x	

APPENDIX C: Homekey+ Streamlining

State of California Health and Safety Code Section 50675.1.5: Streamlined Ministerial Review Process (excerpt from Homekey+ authorizing statute)

50675.1.5. (a) (1) Notwithstanding any other law, projects to provide housing pursuant to paragraph (1) or (2) of subdivision (a) of Section 5965.04 of the Welfare and Institutions Code, shall be a use by right and shall be subject to the streamlined, ministerial review process, pursuant to subdivision (b), if it meets all of the following criteria:

(A) It is located in a zone where multifamily residential use, office, retail, or parking are a principally permitted use.

(B) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.

(C) It satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4 of the Government Code.

(D) It is not on a site or adjoined to any site where more than one-third of the square footage on the site is dedicated to industrial use.

(E) The development will meet the following objective zoning standards, objective subdivision standards, and objective design review standards:

(i) The applicable objective standards shall be those for the zone that allows residential use at a greater density between the following:

(I) The existing zoning designation for the parcel if existing zoning allows multifamily residential use.

(II) The zoning designation for the closest parcel that allows residential use at a density deemed appropriate to accommodate housing for lower income households in that jurisdiction as specified in paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code.

(ii) The applicable objective standards shall be those in effect at the time that the development application is submitted to the local government pursuant to this section.

(iii) A development proposed pursuant to this section shall be eligible for the same density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios applicable to a project that meets the criteria specified in subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915 of the Government Code.

(F) No housing units were acquired by eminent domain.

(G) The housing units will be in decent, safe, and sanitary condition at the time of their occupancy.

(H) The project meets the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.

(I) The project provides housing for persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code and their families.

(J) Long-term covenants and restrictions require the housing units to be restricted to persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code for no fewer than 30 years.

(2) (A) For purposes of this subdivision, parcels only separated by a street or highway shall be considered to be adjoined.

(B) For purposes of this subdivision, “dedicated to industrial use” means any of the following:

- (i) The square footage is currently being used as an industrial use.
- (ii) The most recently permitted use of the square footage is an industrial use.
- (iii) The site was designated for industrial use in the latest version of a local government’s general plan adopted before January 1, 2022.

(b) The project shall be subject to the following streamlined, ministerial review process:

(1) (A) If the local government determines that a development submitted pursuant to this section is consistent with the objective planning standards specified in this section, it shall approve the development.

(B) If a local government determines that a development submitted pursuant to this section is in conflict with any of the objective planning standards specified in this section, it shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, within the following timeframes:

- (i) Within 60 days of submission of the development proposal to the local government if the development contains 150 or fewer housing units.
- (ii) Within 90 days of submission of the development proposal to the local government if the development contains more than 150 housing units.

(C) If the local government fails to provide the required documentation pursuant to subparagraph (B), the development shall be deemed to satisfy the required objective planning standards.

(D) (i) For purposes of this section, a development is consistent with the objective planning standards if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(ii) For purposes of this section, a development is not in conflict with the objective planning standards solely on the basis that application materials are not included, if the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(E) The determination of whether a proposed project submitted pursuant to this section is or is not in conflict with the objective planning standards is not a “project” as defined in Section 21065 of the Public Resources Code.

(2) Design review of the development may be conducted by the local government’s planning commission or any equivalent board or commission responsible for design review. That design review shall be objective and be strictly focused on assessing compliance with criteria required for streamlined, ministerial review of projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submittal of the development to the local government and shall be broadly applicable to developments within the jurisdiction. That design review shall be completed as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:

(A) Within 90 days of submittal of the development proposal to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 180 days of submittal of the development proposal to the local government pursuant to this section if the development contains more than 150 housing units.

(c) Division 13 (commencing with Section 21000) of the Public Resources Code shall not apply to actions taken by HCD of Housing and Community Development, the State Department of Health Care Services, or a local agency to provide financial assistance or insurance for the development and construction of projects built pursuant to this section.

(d) The applicant shall file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code.

(e) For purposes of this section, the following definitions shall apply:

(1) “Objective zoning standards,” “objective subdivision standards,” and “objective design review standards” mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal. These standards may be embodied in alternative objective land use specifications adopted by a City or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.

(2) “Use by right” means a development project that satisfies both of the following conditions:

(A) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.

(B) The development project is not a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

APPENDIX D: Homekey+ Grantee Publicity Guidelines

Grantees are required to acknowledge HCD in all publications, websites, signage, invitations, and other media-related and public-outreach products and events related to the Homekey+ Project. HCD staff will provide their respective logo file(s) and guidance on their usage directly to the Grantees.

- i. Long-form written materials, such as reports, must include the following standard language about HCD and Homekey+:
 - a. Housing stability is vital to mental health wellness. With safe, affordable housing and Supportive Services to address Behavioral Health Challenges California's most vulnerable residents will have the foundation they need to thrive. With funding allocated from the passage of Proposition 1 and HHAP Supplemental funds, HCD will expand on the success of its Homekey program through Homekey+ to help support the development of PSH for Veterans and individuals (or households with individuals) who are At Risk of or experiencing homelessness and with mental health or substance use challenges.
- ii. Informational materials that do not qualify as long-form, but include at least a paragraph of text, such as press releases, media advisories, short case studies, some flyers, etc., should include the following language:
 - a. Long version: Homekey+ is funded by almost \$2.145 billion from Proposition 1 bond and HHAP supplemental funds, allowing HCD to expand on the success of its Homekey program to help support the development of Permanent Supportive Housing for Veterans and individuals At Risk of or experiencing homelessness and with mental health or substance use challenges.
 - b. Short version: Funded by Proposition 1 and HHAP, Homekey+ creates Permanent Supportive Housing for Californians with Behavioral Health Challenges.
- iii. Grantees may at times produce promotional materials that are primarily visual in nature, such as banners, signage, certain flyers, and sharable images for social media. In such cases, when including the boilerplate language acknowledging Homekey+ support is not practical, Grantees should instead include the official logo of HCD preceded by the words "Funded by."
- iv. Grantees are required to identify a point of contact for all press inquiries and communications needs related to the Project and provide the name, phone number, and email address of this individual to HCD.

- v. Grantees are encouraged to distribute a press release after grant decisions are made public by the HCD or Governor's Office and any embargo lifted, and for other major milestones throughout the lifecycle of the Project. All press releases must be approved by HCD prior to distribution, and HCD must be alerted and invited to participate in any and all groundbreakings, grand openings, and press conferences related to the Award by emailing HCD Homekey@hcd.ca.gov.
- vi. Grantees are required to prepare one or more two- to four-page documents that provide a summary of the Project components and tell the story of the Homekey+ development process and/or implementation. All such materials must be approved by HCD prior to distribution. These materials may be displayed on the Homekey+ website.
- vii. Applicants and Grantees are encouraged to use social media to share the process of creating a Homekey+ proposal and to inform the public throughout implementation. @California_HCD and @CAbcsh should be tagged on all posts related to the Homekey+ grant. Use of the hashtags #Homekey+ and #WhereFoundationsBegin is encouraged.

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 10.1

SECTION 10: PUBLIC HEARING

Meeting Date: February 11, 2025

Subject: Resolution Ratifying the Adoption of Development Impact Fees Established by Stanislaus Consolidated Fire Protection District

From: Marisela H. Garcia, City Manager

RECOMMENDATION

City Council to consider adopting a resolution ratifying the adoption of Development Impact Fees established by Stanislaus Consolidated Fire Protection District.

SUMMARY

On October 17 the Board of Directors of the Stanislaus Consolidated Fire Protection District ("District") adopted Resolution 24-07 approving the Development Impact Fee Nexus Study and approving the study to be forwarded to the Cities of Riverbank and Waterford and the County of Stanislaus for adoption. This item is being presented to the City Council at the request of the District.

BACKGROUND

The Stanislaus Consolidated Fire Protection District ("District") provides fire protection, fire prevention, emergency medical, hazardous materials, technical rescue and disaster response to the cities of Riverbank, Waterford and the communities of Empire, Hickman, La Grange, the Airport Neighborhood and the Beard Industrial Tract in eastern Stanislaus County.

The District recently underwent the preparation of a Development Impact Fee Study ("Study") which is intended to update the development impact fee imposed by the District. The Study is an analysis of the need for fire facilities and equipment to accommodate new development within the District's boundaries and documents a reasonable relationship between new development, the fee, and the facilities & capital equipment to be funded. As all local jurisdictions do, the District also faces the challenge of providing fire facilities and services to new development within its boundaries. The impact fees

collected as a result of new construction provides a funding source for the construction of fire facilities and purchase of vehicles and equipment necessary for this purpose.

This Study calculates the development impact fee based on the current values of all fire equipment and facilities necessary to protect current residents at current service levels. This fee is translated into a per square foot cost that is imposed on any new construction which may occur. Impact fees paid will allow for the District to provide the necessary facilities, vehicles, and equipment necessary to maintain current service levels.

The District's proposed fee takes into account new facilities for the west side of Riverbank. In order to adequately serve the fire and emergency medical service demands of the District's current and future population, the District has determined that a new station will be needed in the Crossroads West area. It is assumed that the District would acquire new apparatus for a new station, including 1 Ladder Truck, 1 Type 3 Engine and 1 Water Tender, as well as two new vehicles and various life-saving equipment including personal protection equipment, self-contained breathing apparatus, a vehicle exhaust capture system, fire hoses, a communications system and rescue tools. The cost of equipment is estimated to be equal to 15% of the costs of a new fire station and vehicles and apparatus. The District anticipates that financing will be necessary because fire impact fees are paid as units are constructed but Fire Facilities will be needed prior to development build-out. As such, it is assumed that the fire station construction will need to be financed over a period of 30 years and the apparatus and vehicles for the new fire station and capital equipment for new fire station will need to be financed for a period of 15 years. Estimated Costs are as follows:

New Station Costs	
Component	Estimated Cost
New Fire Station	\$11,569,800
Apparatus for New Fire Station	\$3,950,000
Vehicles for New Fire Station	\$200,000
Capital Equipment for New Fire Station	\$3,143,960
Financing Costs (Up-Front and Interest)	\$15,558,930
Total	\$34,422,690

CURRENT VS. PROPOSED FEE

The current fee structure differentiates between buildings (including homes) with sprinklers vs. no sprinklers as follows:

Current Fee	
Building Category	Fee per Square Foot
Residential/Commercial/Industrial	\$0.32 sq. ft.
Fully Fire Sprinklered	\$0.24 sq. ft.

Based on the findings in the Study the District has proposed, and the District Board has approved, a single fee structure of \$0.81 per sq. ft. which includes a 2% administration fee.

This updated fee will not apply to the Crossroads West Specific Plan which has a rate of \$0.82 per sq. ft. established by a separate agreement between the District and the developers.

MEMORANDUM OF UNDERSTANDING

While the City ratifies and allows for the collection of the fee based on the authority established by Government Code Section 66000, the District is the authorized entity to receive the funds. Legal Counsel for the District and the City have agreed upon a Memorandum of Understanding (“MOU”) that delegates the authority to collect the fee to the District and indemnifies the City should the fee be challenged by residents or developers in the future. Tonight’s Resolution will allow the City Manager to sign the MOU on behalf of the City.

STRATEGIC PLAN

This item is related to the City’s Strategic Plan Objective to “Ensure adequate funding for appropriate levels of staffing for law enforcement and fire department personnel”.

FINANCIAL IMPACT

There is no financial impact to the City. This fee is imposed on new development to mitigate the impact of their development on existing services and fund future needs.

ATTACHMENTS

1. Resolution
2. Memorandum of Understanding
Exhibit A: Stanislaus Consolidated Fire Protection District Development Impact Fee Study Fire Facilities
3. Stanislaus Consolidated Fire Protection District Staff Report to the Board of Directors – September 5, 2024
4. Stanislaus Consolidated Fire Protection District Resolution 24-07
5. Building Industry Association of the Greater Valley Letter

CITY OF RIVERBANK

RESOLUTION 2025-

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIVERBANK, CALIFORNIA
RATIFYING THE ADOPTION OF DEVELOPMENT IMPACT FEES ESTABLISHED BY
STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT**

THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:

WHEREAS, the Stanislaus Consolidated Fire Protection District (the “District”) is a fire protection district organized and existing under the Fire Protection District Law of 1987 and is authorized to and does provide fire protection services to persons and properties located within the District service area, which includes the Cities of Riverbank and Waterford, and the County of Stanislaus; and

WHEREAS, pursuant to Government Code Section 66001 the City of Riverbank may levy a fee on all new residential, commercial, and industrial development within the District’s boundaries to fund the capital equipment and facilities construction needs of the District in order to maintain the current level of service provided in light of new development, and to mitigate the impacts of new development on the ability of the District to provide fire protection services within its boundaries; and

WHEREAS, the District retained Capitol PFG, an independent third party consultant to perform a Development Impact Fee Study in order to determine the development impact fees necessary for the Cities of Riverbank and Waterford, and the County of Stanislaus, to impose on new development, in order to proportionately allocate the cost of mitigating the impacts of new development on fire protection services therein; and

WHEREAS, the District Board of Directors has deemed that the Development Impact Fee Study justifies the impact fees based on the amount and type of development and fire service response standards identified in each City’s/County’s General Plan, and are designed to proportionately allocate the costs of mitigating the impacts of new development on fire protection services; and

WHEREAS, the District Board of Directors has deemed that the Development Impact Fee Study complies with California Government Code section 66001 by establishing the basis for the imposition of the development impact fee on new development via the adoption of District Resolution 24-07; and

WHEREAS, the Cities of Riverbank and Waterford, and County of Stanislaus are each authorized to enact an increase to the development impact fee on behalf of the District; and

WHEREAS, new development will be required to pay this development impact fee prior to the issuance of a building permit by the City; and

WHEREAS, City of Riverbank will delegate the collection of the fees to the District, as memorialized through the Memorandum of Understanding (**Exhibit A**) between the City and the District, considered as part of this action.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank does hereby ratify the adoption of the Development Impact Fees established by the Stanislaus Consolidated Fire Protection District.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Riverbank does hereby authorize the City Manager to sign the Memorandum of Understanding between the City and the District.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 11th day of February, 2025; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of _____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Gabriela Hernandez, CMC
City Clerk

Rachel Hernandez
Mayor

Attachment(s): *Memorandum of Understanding*

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RIVERBANK, CALIFORNIA AND
THE STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
REGARDING FIRE SUPPRESSION DEVELOPMENT IMPACT FEES**

This Memorandum of Understanding (“MOU”) is entered into as of this day of February, 2025 by and between the **City of Riverbank**, a municipal corporation and general law city (the “City”), and the **Stanislaus Consolidated Fire Protection District**, a California fire protection district (the “District”) to confirm the understanding between the District and the City regarding the collection, transfer, and use of Fire Suppression Development Impact Fees (“DIF”). The District and the City are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, since 1995 the District has sought to provide fire protection services to the territory included within the boundaries of the City in an effort to enhance the quality of life for residents and visitors through the protection of life, property and the environment from the effects of fire, health, and hazardous threats; and

WHEREAS, the District responds to emergency incidents on behalf of the City; and

WHEREAS, the City Council of the City (the “City Council”) recognizes the need to finance adequate fire suppression facilities, vehicles, and equipment for the benefit of its residents, made necessary by the increasing impacts from new residential, commercial, office, and industrial development in the City; and

WHEREAS, the Parties agree this MOU and a document entitled the “Development Impact Fee Study, Fire Facilities” (“Nexus Study”) dated September 2024, which assesses the impact of anticipated future development and analyzes the need for increased fire suppression facilities, vehicles, and equipment generated by the impacts from new development will be approved by the City Council concurrently; and

WHEREAS, the Nexus Study addressing the need for new and upgraded fire suppression facilities, vehicles, and equipment generated by the impacts of new development are attached hereto as Exhibit “A,” and is incorporated herein by this reference; and

WHEREAS, the Nexus Study indicates that the general plan policies and zoning designations applicable in the City anticipate and plan for the development of additional residential subdivisions and other commercial, office, and industrial uses which will generate the need for additional fire suppression facilities, vehicles, and equipment; and

WHEREAS, pursuant to the Mitigation Fee Act, commencing with Government Code Section 66000, *et. seq.* (the “Act”), the City is empowered to impose fees and other exactions to provide necessary public facilities required to mitigate the impacts of new

development including fees to mitigate the impacts of fire suppression facilities, vehicles, and equipment in the City (as previously defined the "Fire Suppression Development Impact Fee" or the "DIF"); and

WHEREAS, pursuant to its authority under the Mitigation Fee Act and the terms of this Agreement, the City desires to authorize the District to collect the Fire Suppression Development Impact Fee on behalf of the City for the District's use in compliance with the Act and the Nexus Study, as further set forth in this MOU.

AGREEMENT

NOW, THEREFORE, based upon the foregoing recitals which are incorporated herein by this reference, and in consideration of the mutual promises and covenants made by the Parties contained herein, the value and adequacy of which are hereby acknowledged, the Parties hereby state their mutual understandings and agreements as follows:

1. Effective Date. This MOU shall not become operative unless and until the City Council adopts a Fire Suppression Development Impact DIF, as approved and submitted by the District, to finance fire suppression facilities, vehicles, and equipment goes into effect.

2. Term. The term of this MOU shall be from the Effective Date and shall continue in effect until terminated as provided in Section 7 of this MOU.

3. Collection of DIF. The City hereby authorizes the District to collect any Fire Suppression Development Impact DIF adopted and imposed by the City during the Term of this MOU.

4. District's Fund. The District shall create and maintain a separate fund for the DIF collected on behalf of the City, which fund may be further segregated by specific projects. The District's fund shall be known as "The Fire Suppression Facilities, Vehicles, and Equipment Fund" (the "District's Fund"). All DIF received by the District shall be placed in the District's Fund and shall be segregated to avoid any commingling with other revenues and funds of the District. The District agrees to comply with the Mitigation Fee Act.

5. Condition of Project Approval. The City shall make payment of the DIF to the District a condition of approval upon all property seeking development within the jurisdictional boundaries of the City. The City agrees to (1) notify the District within five (5) business days of receipt of each application for development it receives; (2) provide all information of the applicant and the project in order for the District to calculate the required DIF to be paid; and (3) take any and all action required to assist the District in the collection of such DIF, including but not limited to, rejection or revocation of certificates of occupancy for projects that have failed to make payment of the DIF to the District.

6. Indemnification. Each Party shall indemnify and hold harmless the other Party and its officers, officials, employees, agents and representatives from and against any and all costs, losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) ("Losses") incurred or suffered by the indemnified Party resulting from a failure by the indemnifying Party to perform its obligations under or comply with the terms of this MOU, or

resulting from the negligence, or any violation of law, of the indemnifying Party or its officers, officials, employees, agents and representatives, except to the extent such Losses arise from the indemnified Party's fraud, gross negligence or willful misconduct. This Section 6 shall survive termination of this MOU.

Notwithstanding the foregoing, the District shall indemnify and hold harmless the City against any claim challenging the propriety of the Nexus Study conducted for or on behalf of the District or the amounts to be collected for the Fire Suppression Development Impact Fee pursuant to the Nexus Study. The City shall indemnify and hold harmless the District against any claim challenging the propriety of the procedural requirements to approve the Nexus Study, the adoption of the Fire Suppression Development Impact Fee, and the requirements to review, publish, and provide notice of the annual report and the five-year report pursuant to the Act, as may be amended.

7. Termination.

7.1.1. Termination. Either Party may terminate this MOU by providing written notice to the other Party of its intent to terminate pursuant to the provisions defined in the remainder of this Section 7.

7.1.2. Limitation on Termination. Notwithstanding Section 7.1.1, the Parties agree that the City may not terminate this MOU prior to completion by the District of any outstanding capital projects or purchases that the District is currently accumulating funds for or has commenced, based on any City-approved Nexus Study, that is in progress at the time of written notice of termination. Upon receipt of a notice of termination, the District shall, within thirty (30) days, provide a report to the City detailing all such pending capital projects or purchases, including the remaining anticipated costs, and the anticipated date of completion ("Pending Projects Report"). The District shall not expend the DIF on any capital project or purchase that is not in progress as of the date of receipt of written notice of termination. For purposes of this Section 7.1.2, the reference "in progress" included in the preceding sentences includes the prior and ongoing accumulation of funds for a project that has not yet been started but will commence once the requisite amount of funding needed is collected. The Parties agree that critical projects and equipment have significant costs and as such can take significant time to accumulate the required funding before actually starting construction on the project or purchase of the equipment. Upon completion of the capital projects and purchases specified in the Pending Projects Report, this MOU shall terminate and the Parties shall have no further obligations under this MOU, but shall meet and confer regarding continued administration of the DIF.

7.1.3. Requirement to Meet and Confer. The Parties acknowledge the vital importance the DIF has in providing ongoing funding for critical fire suppression services and without such DIF funding the District may not be able to adequately fund the level of service required to keep pace with the increased demands caused by new development. To that end, in the event written notice to terminate this MOU is received, the Parties agree to first meet and confer within thirty (30) days of receipt of the Pending Projects Report. During the meeting each Party agrees to negotiate in good faith a compromise to resolve any disputes leading to such request for termination. If following such meeting the Parties are not

able to reach an agreement to keep this MOU in effect, this MOU may be terminated subject to the limitations set forth in Section 7.1.2 above.

8. Representations and Warranties. The City and the District have all requisite power and authority to execute and perform this MOU. Each person executing this MOU warrants that he or she has the legal power, right, and authority to make this MOU and bind his or her respective party.

9. Governing Law and Venue. This MOU shall be governed by and construed in accordance with the laws of the State of California. Venue shall be in Stanislaus County.

10. Relationship of the Parties. Nothing contained in this MOU shall be construed as creating a joint venture, partnership or any other similar arrangement between the Parties. Neither Party to this MOU shall be deemed to be a representative, an agent or an employee of the other Party. Unless otherwise expressly specified in this MOU, neither Party shall have any authority or right to assume or create any obligation of any kind or nature, express or implied, on behalf of, or in the name of the other Party, nor bind the other Party in any respect, without the specific prior written authorization of the other Party. The obligations of the Parties shall be several and not joint.

11. Accounting Records. The Parties shall maintain complete and separate accounting records with respect to the DIF, and all costs, expenses, and bank funds related to this MOU.

12. Amendments. No change, amendment or modification of this MOU shall be valid or binding upon the Parties unless such change, amendment or modification is in writing and duly executed by both Parties.

13. Waiver. Neither Party shall be deemed to have waived any provision of this MOU unless such waiver is in writing and signed by such Party.

14. Legal Compliance. The Parties shall comply with all of applicable laws and regulations related to the transactions contemplated by this MOU.

15. Further Assurances. Upon the reasonable request of a Party, the other Party shall take such actions, and execute such certificates, documents or instruments, necessary or appropriate to fulfill the obligations under this MOU, the Mitigation Fee Act, and the collection of the DIF thereof.

16. Headings. The section headings used in this MOU are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of this MOU.

17. Entire Agreement. This MOU constitutes the entire agreement between the Parties with respect to the matters herein and shall supersede and replace any and all other prior understandings, correspondence and agreements, oral or written, between the Parties.

[Signatures on Following Page]

SIGNATURE PAGE
TO
MEMORANDUM OF UNDERSTANDING

IN WITNESS WHEREOF, the Parties hereto have executed this MOU on the date and year first-above written.

Stanislaus Consolidated Fire Protection District

APPROVED AS TO FORM:

By: _____

By: _____

Its: President of the Board of
Directors

Agency Counsel

City of Riverbank, California

APPROVED AS TO FORM:

By: _____

By: _____

Its: Mayor

City Attorney

Attest: _____

Its: City Clerk

EXHIBIT "A"

The Nexus Report

[attached behind this page]

DRAFT



DEVELOPMENT IMPACT FEE STUDY FIRE FACILITIES

MAY 2024



Capitol | PFG

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SECTION 1: EXECUTIVE SUMMARY

The Stanislaus Consolidated Fire Protection District (“District”) provides fire protection, fire prevention, emergency medical, hazardous materials, technical rescue and disaster response to the cities of Riverbank, Waterford and the communities of Empire, Hickman, La Grange, the Airport Neighborhood and the Beard Industrial Tract in eastern Stanislaus County.

This Development Impact Fee Study (“Study”) is intended to update the development impact fee imposed by the District. This report summarizes an analysis of the need for fire facilities and equipment to accommodate new development within the District’s boundaries and documents a reasonable relationship between new development, the fee, and the facilities and capital equipment to be funded.

Stanislaus County has and will continue to experience growth. As a consequence, local public works are faced with the challenge of providing service to an expanding customer base with limited resources for improving the infrastructure necessary to accommodate such expansion. The District also faces the challenge of providing fire facilities and services to new development within its boundaries. The impact fees collected as a result of new construction provides a funding source for the construction of fire facilities and purchase of vehicles and equipment necessary for this purpose.

This Study calculates the development impact fee based on the current values of all fire equipment and facilities necessary to protect current residents at current service levels. This fee is translated into a per square foot cost that is imposed on any new construction which may occur. Impact fees paid will allow for the District to provide the necessary facilities, vehicles, and equipment necessary to maintain current service levels.

This Study supports the adoption of a development impact fee for fire facilities of **\$0.81** per square foot of new construction. The methods used to calculate impact fees in this report are intended to satisfy all legal requirements governing such fees, including provisions of the California Constitution and the Mitigation Fee Act (California Government Code Section 66000 et. seq.).

Upon the submittal of this Study to the District, the Board of Directors of the District (“Board”), along with District Staff will review and evaluate the report for accuracy. The Board of Directors will also evaluate the recommended actions and provide policy direction. Once the Board is satisfied that the legislative requirements of Government Code section 66000 et. seq. have been met and the fee recommendations are valid, the Board shall submit a recommendation regarding the fee adjustments to the various land use agencies (County of Stanislaus, City of Riverbank and City of Waterford) for implementation.

After accepting and considering public input, the County and each City shall vote to approve findings and a resolution to set the appropriate fees. If accepted, the fees would be imposed pursuant to the Board of Supervisor’s or the Councils’ “police powers” under Article XI, section 7, of the California Constitution.

SECTION 2: THE MITIGATION FEE ACT

This brief summary of the legal framework for development fees is intended as a general overview. It was not prepared by an attorney and should not be treated as legal advice.

In 1987, the California Legislature adopted Assembly Bill 1600 which established a uniform process for formulating, adopting, imposing, collecting, accounting for, and protesting impact fees. In order to impose an impact fee, a local agency must go through a process to establish a reasonable relationship between a development project and the public improvement for which the development fee is charged.

The most important part of AB 1600 is the requirement for findings that connect any impact stemming from a development project to the type and amount of the fee imposed or what is commonly referred to as the “Nexus” requirement. Government Code Section 66001 states that after January 1, 1989, in any action “establishing, increasing, or imposing a fee as a condition of approval of a development project,” the local agency shall do all of the following:

- 1) Identify the purpose of the fee.
- 2) Identify how the fee is to be used. If the use is for financing public facilities, the facilities shall be identified.
- 3) Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- 4) Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- 5) Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Purpose of the Fee

The purpose of this development impact fee is to ensure that new development within the District pays its proportionate share of the capital investments to be made by the District along with its share of future capital costs, which are necessary to provide fire protection, fire suppression and other fire safety services adequate to accommodate a growing service population. The District is prudent in requiring that new development not burden existing property owners with the cost of public facilities required to accommodate growth. The District can further this objective through the imposition of development impact fees. The purpose of the development impact fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee helps to ensure that the level of service is maintained as new development offsets the increased costs of providing service as growth occurs.

Use of the Fee

The Fee will be used to fund expansion, refurbishment and/or addition of Fire Facilities (land, buildings, other structures, apparatus and vehicles, equipment and related financing costs) to mitigate the impact of new development on the need for such facilities within the District, as well as to fund the administration of the Fee Program (Fee collection, accounting, reporting, nexus studies, and other expenses related to compliance with the Act requirements). The Fee revenue will not be used to fund operations, maintenance, or existing facility deficiencies that do not expand the District's system capacity.

Benefit Relationship

The District will restrict fee revenues as described above under Use of the Fee. Fire Facilities funded by the fee will further the existing District-wide network of services accessible to the additional residences and businesses associated with new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and non-residential types of new development that will pay the fee.

Burden Relationship

The purpose of assessing an impact fee is to provide the capital resources necessary to maintain the existing level of service for fire protection, emergency medical response, rescue and extrication, containment and mitigation of hazardous materials exposure, and other life safety services that is required of a growing service population. Based on the District's historical experience in responding to calls for service among the varying types of development in its boundaries, it is appropriate to assess the fee on a uniform basis in order to share the costs on a pro rata basis among existing and new development. Thus, there is a reasonable relationship between the use of the fee and the type of development served by the capital assets funded by the fee.

Proportionality

The reasonable proportionality relationship can be established by identifying the facility costs attributable to future development, then establishing fee rates that allocate those costs in proportion to the demands created by each type of development project. The fee apportions costs between the existing population and new development in a manner proportional to their contribution of the need for that asset. Further, fees are imposed based on building size as measured by habitable and enclosed square feet of each building. Thus, larger buildings that have a greater demand for fire service and related capital facilities and equipment pay a proportionately higher fee than smaller buildings.

Accounting, Reporting and Other Requirements of AB 1600

In addition to the Nexus requirements, AB 1600 also outlines the accounting for future revenue received through imposition of impact fees on new construction projects. AB 1600 requires that upon receipt of a fee, the local agency deposit the fee into a separate capital facilities account or fund, in a manner to avoid any commingling of the fees with other revenues and funds of the agency and expend the fees solely for the purpose for which the fee was collected. Interest gained on the capital facilities accounts or funds shall be separated, accounted for, and expended in the same manner.

The agency shall make findings once each fiscal year with respect to any portion of the fee remaining unexpended or uncommitted in its account five or more years after the deposit of the fee. The finding shall identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged.

The agency shall refund to the current record owner(s) of the project, on a prorated basis, the unexpended or uncommitted portion of the fee, with interest, for which the required findings cannot be made. Upon certain circumstances, with appropriately noticed hearings, the legislation allows alternative actions.

The agency shall annually adopt and update, by resolution at a publicly noticed hearing, any capital improvement plan defined in this legislation.

SECTION 3: METHODOLOGY FOR IMPACT FEE STUDY

Development impact fees are calculated to fund additional Fire Facilities that are a direct result of growth due to new development. In order to fund Fire Facilities needed due to growth occurring within the District, it is necessary to determine what the appropriate fee should be. There are four basic steps followed in the calculation of any development impact fee, these include:

1. Prepare growth projections;
2. Identify facility standards;
3. Determine the amount and cost of facilities required to accommodate new development based on facility standards and growth projections;
4. Calculate the public facilities fee by allocating the total cost of facilities per unit of development (on a square foot basis).

Facility Standards Methodology

One important issue in development impact fee studies is the identification of facility standards. Facility standards determine new development's total need for new facilities and each development unit's fair share of those needs. Standards also ensure that new development does not fund deficiencies associated with existing development.

The District will determine the size and location of Fire Facilities necessary to ensure they will be sufficient to accommodate the personnel needed to serve the amount of new development anticipated. This study uses the District's existing inventory of Fire Facilities combined with planned Fire Facilities needed to accommodate future development as the District's facilities standard. The District's existing inventory of Fire Facilities serve the entire District and will serve future development. Further, additional Fire Facilities will be needed to serve the anticipated future service population because of new development.

The District currently provides fire and emergency response services to a large response area. Given the District's size and protection facilities, vehicles, and equipment available at any one time, it is understandable that new construction will only exacerbate the protection challenges of the District. Given such facts, the District has determined that current service levels will be used as a benchmark and that new construction will not adversely affect these service levels.

To mitigate new construction's impact on the District's service capabilities, new development must be required to pay development impact fees. Assuming that the current levels of service being provided to the District's residents are to be considered the standard, any additional construction within the District's boundaries which requires fire or emergency response services, will pay an impact fee that is proportionate to such service. Given the existing demands placed on the District, existing Fire Facilities should not be utilized to accommodate new construction at the expense of existing service levels. To offset the impact of new

development, the development impact fees will be used in accordance with the Use of the Fee as described above.

The District's inventory of existing and planned Fire Facilities is used as part of the basis for calculating the District's facility standard. This standard is used to determine new development's fair share obligation for expanded Fire Facilities as growth occurs. The District's existing Fire Facilities described in this Report currently serve the entire District. The facility standard utilized in the Study will specifically benefit any new development that will occur within the District as it will fund the expansion of Fire Facilities at the same standard currently serving existing development.

The District has the flexibility to alter the list of necessary Fire Facilities shown in this report as conditions change. If the overall cost of facilities necessary to mitigate the anticipated residential and non-residential growth is altered significantly then the District should update this fee program to incorporate those changes.

SECTION 4: PREVIOUS STUDIES / CURRENT FEES

The Stanislaus Consolidated Fire Protection District's previous development impact fee study was prepared in November 2007. Based upon the analysis performed by Capitol Public Finance Group, the development impact fees for fire facilities, shown in **Table 1** below, were approved by the District.

TABLE 1

2007 Justified Fees			
Building Category	Zone 1 (City of Riverbank) Fee Per Square Foot	Zone 2 (City of Waterford) Fee Per Square Foot	Zone 3 (Unincorporated Areas) Fee Per Square Foot
Residential, Commercial and Industrial	\$1.50	\$1.50	\$0.18
Fully Fire Sprinklered	\$1.13	\$1.13	\$0.14
Surcharge for Space Over 30 Feet High	\$0.75	\$0.75	\$0.09
Unoccupied or Non-Electrical Structure	\$0.75	\$0.75	\$0.09

Source: Stanislaus Consolidated Fire Protection District

Following District approval, the District implemented a revised fee structure. Current fees under the revised fee structure are shown in **Table 2**.

TABLE 2

Current Fees	
Building Category	Fee Per Square Foot
Riverbank CEQA	\$0.32
Riverbank CEQA Sprinklered	\$0.24
Waterford CEQA	\$0.49
Waterford CEQA Sprinklered	\$0.37
Waterford CEQA Non-Electrical	\$0.26

Source: Stanislaus Consolidated Fire Protection District

Capitol Public Finance Group was contracted by the Stanislaus Consolidated Fire Protection District to provide this Study. The Study is intended to establish the legal and policy basis for the calculation and imposition of impact fees on all new development within the District. Ultimately, this Study will justify a development impact fee to mitigate the increasing amount of development within the District's boundaries and the rapidly increasing cost of Fire Facilities.

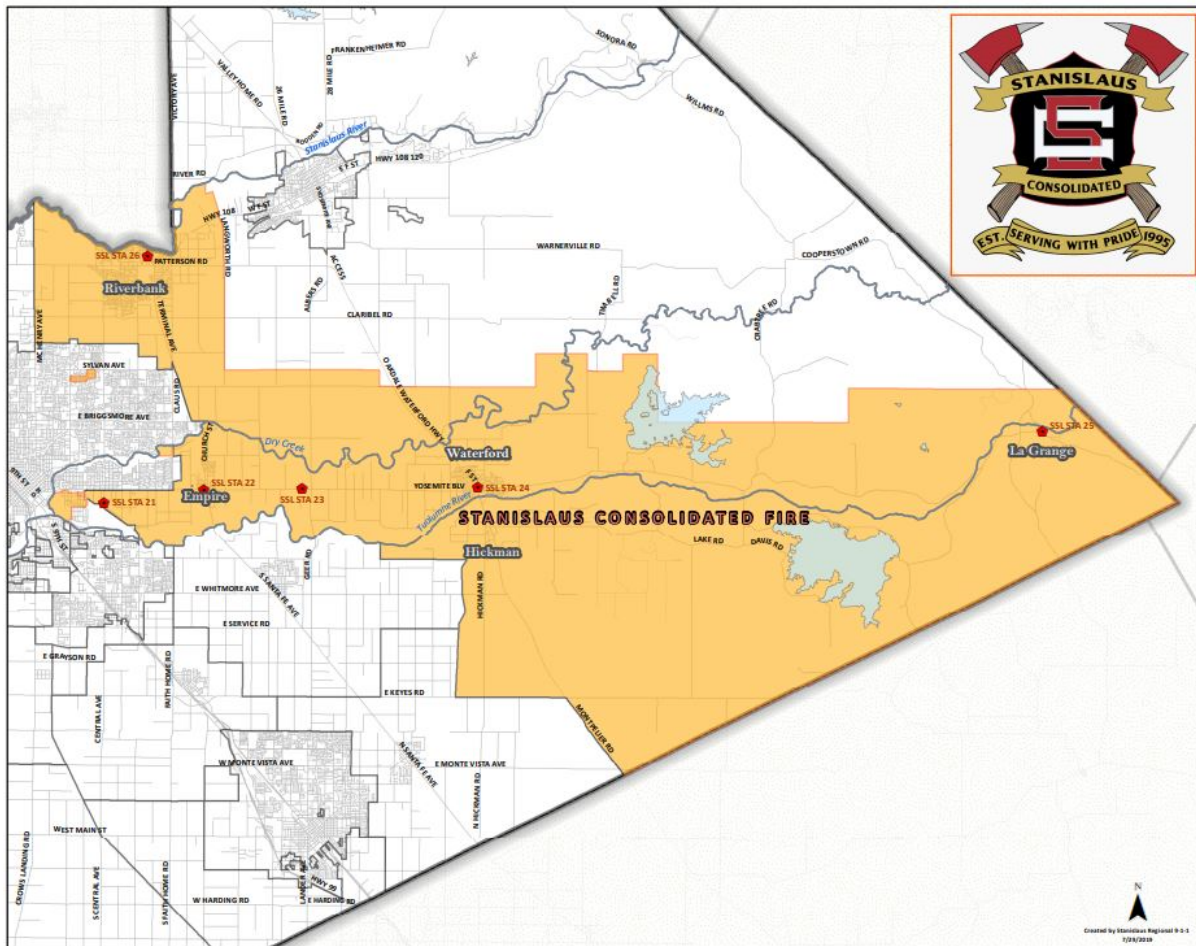
SECTION 5: DISTRICT DEMOGRAPHIC DATA

The District is located in the central to eastern portion of Stanislaus County. The District's boundaries stretch from the eastern edge of McHenry Avenue east to the county lines of Tuolumne, Mariposa and Merced. The District also touches the southern edge of San Joaquin County. Within the District's boundaries are two cities – Riverbank and Waterford – along with several unincorporated communities, including Empire, Hickman, and La Grange. The District also provides service to the Airport Neighborhood, Beard Industrial Tract, the Turlock and Modesto Reservoirs and portions of the Stanislaus and Tuolumne Rivers.

The terrain within the District is mostly flat land and lower rolling hills. There are very large agricultural and wildland areas, the latter prone to wildfires. Suburban areas within the District contain modest to large single-family homes, multi-family residential complexes, a rail system, convalescent/assisted living facilities, and businesses of all types.

The District covers 199 square miles, a map of the District's boundaries is shown in **Figure 1**.

FIGURE 1

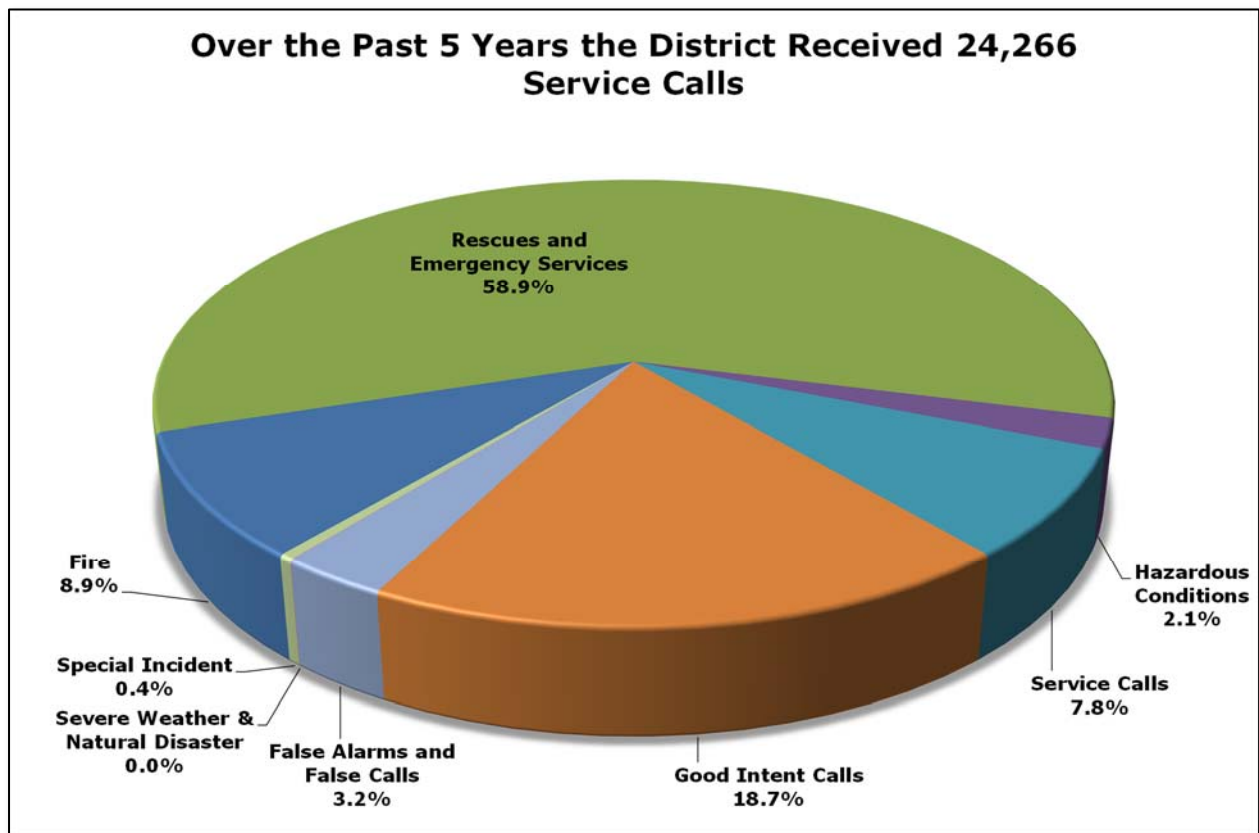


Other District Information

The District provides a full range of services, including fire prevention, fire suppression, and emergency medical response in addition to a variety of other miscellaneous requests. The District is a Special District, a self-governed agency led by a five-member Board of Directors. The District is a career staffed department, with 58 staff members under contract with the City of Modesto to staff these positions. In addition, the District also has mutual and automatic aid agreements with the surrounding fire districts.

The District responded to 36,597 service calls from 2019 through 2023. Rescue and EMS calls amounted to 58.9% of the service calls, as shown in Chart 1. On average the District had approximately 6,853 service calls per year over the past five years.

CHART 1



Source: Stanislaus Consolidated Fire Protection District

SECTION 6: EXISTING ASSETS

Facilities

The District currently operates out of six fire stations. Two are located in Modesto and one in Empire, Waterford, La Grange and Riverbank. Station 25, which is located in the community of La Grange, is owned by the La Grange Homeowners Association and is leased by the District for \$2,400 per year. An inventory of the District's stations and the year they were constructed is shown in **Table 3** below. The insured value includes an estimated land value of \$300,000 per acre.

TABLE 3

Stanislaus Consolidated Fire Protection District Fire Station Inventory and Estimated Value			
Station Name	Address	Year Built	Estimated Value
21	461 Mitchell Road, Modesto (Airport)	1950	\$925,900
22	4845 Yosemite Boulevard, Empire	1939	\$1,041,100
23	7737 Yosemite Boulevard, Modesto (Fruit Yard)	1985	\$1,243,000
24	129 E Street, Waterford	2017	\$2,240,000
25	30198 Main Street, La Grange	1980	\$19,200
26	3318 and 3324 Topeka Street, Riverbank	1947	\$1,696,700
Total:			\$7,165,900

Source: Stanislaus Consolidated Fire Protection District

Note: Station 25 estimated value is cost of 8-year lease, at \$2,400 per year.

Apparatus, Vehicles and Capital Equipment

The District's current apparatus and vehicle inventory is shown below in **Tables 4 and 5**. The value of the District's current capital equipment is not available; however, it was determined that the estimated value of its capital equipment would be equal to 15% of the District's total value of its existing stations, not including the lease costs for Station 25 (\$7,146,700), and apparatus and vehicles (\$5,444,940). Therefore, the District's current capital equipment is valued at \$1,888,746.

TABLE 4

Stanislaus Consolidated Fire Protection District Apparatus Inventory and Estimated Value			
Apparatus Type	Location	Model Year	Estimated Value
Ford 550 Type 6 Engine	Station 26	2003	\$35,000
Ford 550 Type 6 Engine	Station 21	2003	\$35,000
Pierce Arrow XT Pumper	Station 23	2004	\$396,242
Pierce Arrow XT Pumper	Station 26	2004	\$396,242
Pierce Type 1 Engine	Station 21	2004	\$396,242
International 7600 SFA	Station 21	2008	\$260,000
HME Ahrens-Fox 1871 Series Pumper	Station 24	2008	\$340,000
International Type 3 Engine	Station 24	2011	\$306,000
Pierce/Velocity Truck	Station 22	2013	\$981,788
Pierce/Velocity Engine	Station 26	2015	\$564,694
Pierce/Velocity Engine	Station 21	2015	\$564,699
Kenworth Fire Truck	Station 23	2017	\$400,000
Rosenbauer Pumper LDH	Station 24	2018	\$576,490
Total			\$5,252,397

Source: Stanislaus Consolidated Fire Protection District

TABLE 5

Stanislaus Consolidated Fire Protection District Vehicle Inventory and Estimated Value		
Vehicle Type	Year Purchased	Estimated Value
Dodge Pickup	1998	\$3,700
Chevy Tahoe	2002	\$29,175
Ford Expedition SUV	2004	\$27,800
Chevy Silverado	2008	\$10,400
Chevy Tahoe	2009	\$6,700
Ford Expedition SUV	2010	\$7,400
Ford Expedition SUV	2011	\$38,000
Ford Expedition SUV	2012	\$7,000
Ford Expedition XL 4x4	2012	\$7,000
Ford Explorer	2016	\$15,000
Ford Explorer	2016	\$26,368
Ford Escape	2017	\$14,000
Total		\$192,543

Source: Stanislaus Consolidated Fire Protection District

SECTION 7: ANTICIPATED GROWTH

Residential Development

Stanislaus County and the District have and continue to experience growth given the relative affordability of land and homes and proximity to major urban centers. Therefore, it is important for the District to monitor the development plans of the local land use agencies. For the District, there are three land use agencies within its boundaries – the Cities of Riverbank and Waterford and the County of Stanislaus.

City of Riverbank

The City of Riverbank has several planned residential development projects with a total of 4,721 projected new residential units, shown in **Table 6** below.

TABLE 6

City of Riverbank Projected Residential Development	
Development	# of Units
Countryside 2	40
Countryside 3	22
Crossroads West	1,964
Diamond Bar East	83
Elm Wood Estates	20
Lucky House Tiny Homes	40
Pocket Senior Housing	28
River Walk	2,432
The Heritage Collection at Sierra Street	64
Ward Avenue Villas	28
Total Projected Units	4,721

Source: City of Riverbank

To estimate the square footage of new residential development within Riverbank, the average square footage of residential units built over the last eight years within Riverbank was determined using ParcelQuest and then applied to the estimated number of projected residential units, shown in **Table 7**.

TABLE 7

City of Riverbank Estimated Residential Development Square Footage		
Total Estimated # of Units	Average Current Residential Square Footage	Estimated Square Footage
4,721	1,988	9,385,348

City of Waterford

The City of Waterford adopted the Lake Pointe Master Development Plan in November 2007. The project is comprised of approximately 425 acres located in the northeastern portion of the city and is a mixed-use residential community. The development will include multi-family and single-family dwelling units, shown in **Table 8**.

TABLE 8

City of Waterford Projected Residential Development	
Development	# of Units
Lake Pointe Master Development Plan	2,812

Source: Waterford Vision 2025 General Plan, Chapter 10 Housing Plan

To estimate the square footage of new residential development within Waterford, the average square footage of residential units built over the last eight years within Waterford was determined using ParcelQuest and then applied to the estimated number of projected residential units, shown in **Table 9**.

TABLE 9

City of Waterford Estimated Residential Development Square Footage		
Total Estimated # of Units	Average Current Residential Square Footage	Estimated Square Footage
2,812	1,656	4,656,672

Unincorporated County of Stanislaus

There are currently no planned development projects within the unincorporated portion of the County of Stanislaus that is within the District's boundaries. Using the developer fee collections of the District from the last eight years, the unincorporated portions of Stanislaus County within the District have added an average of 65 residential units per year, shown in **Table 10** below. It is expected that this rate of growth will continue over the next eight years for a total of approximately 520 new residential units.

TABLE 10

Unincorporated 8 Year Historical New Residential Development	
Year	# of Residential Units
2016	64
2017	68
2018	63
2019	75
2020	58
2021	53
2022	83
2023	57
Average	65

Source: Stanislaus Consolidated Fire Protection District

To estimate the square footage of new residential development within the unincorporated portion of the District, the average square footage of residential units built over the last eight years was determined using ParcelQuest and then applied to the estimated number of projected residential units, shown in **Table 11**.

TABLE 11

Unincorporated Estimated Residential Development Square Footage		
Total Estimated # of Units	Average Current Residential Square Footage	Estimated Square Footage
520	2,372	1,233,440

Table 12 below shows the combined total estimated residential square footage expected to be constructed within the District over the next eight years.

TABLE 12

Combined Estimated Residential Development		
Location	# of Units	Estimated Square Footage
City of Riverbank	4,721	9,385,348
City of Waterford	2,812	4,656,672
Unincorporated	520	1,233,440
Total Projected Units	8,053	15,275,460

Commercial/ Industrial Development

As residential construction continues, an inherent demand for commercial facilities may also be created. As these developments may significantly affect the District's service requirements, the District must consider these properties when planning and assessing its ability to maintain high levels of service to existing residents and as well these new properties that will be added to its service population.

The City of Riverbank currently has four planned commercial/industrial projects expected to be built within the next eight years, with a total of 821,523 square feet, shown in **Table 13**.

TABLE 13

City of Riverbank Projected Commercial/ Industrial Development	
Project	Commercial/ Industrial Square Footage
Costco	160,523
Industrial Biofuel Plant	20,000
River Walk Commercial	625,000
Storage Facility	16,000
Total Commercial/ Industrial Square Footage	821,523

Source: City of Riverbank

ParcelQuest was used to determine the projected commercial/industrial development within the District's boundaries, not including the City of Riverbank, over the last eight years. The District has added an average of 106,107 square feet of commercial/industrial building space per year. It is expected that this rate of growth will continue over the next eight years for a total of approximately 848,856 square feet of new commercial/industrial building space, shown in **Table 14**.

TABLE 14

City of Waterford and Unincorporated County of Stanislaus 8 Year Historical New Commercial/ Industrial Development	
Year	Commercial/ Industrial Square Footage
2016	490,159
2017	25,364
2018	278,120
2019	24,603
2020	1,356
2021	16,031
2022	5,204
2023	8,021
Average	106,107

Source: ParcelQuest

The combined total estimated square footage of new commercial/industrial building space to be construction within the District over the next eight years is shown below in **Table 15**.

TABLE 15

Combined Estimated Commercial/ Industrial Development Square Footage	
Location	Estimated Square Footage
City of Riverbank	821,523
City of Waterford and Unincorporated	848,856
Total	1,670,379

Source: City of Riverbank and ParcelQuest

As the demand for fire suppression and emergency response increases due to new construction, the capabilities and overall quality of protection services and personnel provided degrades proportionally. The only plausible mitigation from the District's perspective is the increase of Fire Facilities to provide existing service levels to new development which may occur. This is accomplished through the modernization and upgrade of existing Fire Facilities or the construction of entirely new Fire Facilities. This will serve to support timely response and maintain adequate supplies of Fire Facilities so that the District may maintain its current service levels while accommodating any new growth.

SECTION 8: NECESSARY FACILITIES

Existing Capital Resources

As previously detailed in Section 6 and summarized in **Table 16** below, the District has invested approximately \$14.5 million into its capital assets.

TABLE 16

Capital Asset Summary	
Type of Asset	Total Insured Value
Fire Stations	\$7,165,900
Apparatus and Vehicles	\$5,444,940
Equipment	\$1,888,746
Total	\$14,499,586

Capital Improvement Plan

The District's Capital Improvement Plan includes a new fire station at the Crossroads West development as described below and an annual set of priority short term projects at its existing stations. The District's Capital Improvement Committee approved the annual District-wide improvements in September 2023. These annual improvements are not included in the calculation of the development mitigation fee.

New Fire Facilities at Crossroads West

In order to adequately serve the fire and emergency medical service demands of the District's current and future population, the District has determined that a new station will be needed in the Crossroads West area. **Table 19** provides an overview of the estimated costs related to the new fire station. These costs not only include the station construction itself, but also the related apparatus, vehicles and capital equipment necessary to operate the station and related financing costs due to cash flow limitations of the District.

It is assumed that the District would acquire new apparatus for a new station, including 1 Ladder Truck, 1 Type 3 Engine and 1 Water Tender, as well as two new vehicles and various life-saving equipment including personal protection equipment, self-contained breathing apparatus, a vehicle exhaust capture system, fire hoses, a communications system and rescue tools. The cost of equipment is estimated to be equal to 15% of the costs of a new fire station and vehicles and apparatus.

The District anticipates that financing will be necessary because fire impact fees are paid as units are constructed but Fire Facilities will be needed prior to development build-out. As such, it is assumed that the fire station construction will need to be financed over a period of 30 years and the apparatus and vehicles for the new fire station and capital equipment for new fire station will need to be financed for a period of 15 years.

TABLE 19

New Station Costs	
Component	Estimated Cost
New Fire Station	\$11,569,800
Apparatus for New Fire Station	\$3,950,000
Vehicles for New Fire Station	\$200,000
Capital Equipment for New Fire Station	\$3,143,960
Financing Costs (Up-Front and Interest)	\$15,558,930
Total	\$34,422,690

Available Revenue Sources

The District intends to commit all available developer fee funds to the projects. As of February 29, 2024, the District had approximately \$777,746 in developer fees collected from the City of Riverbank Sphere of Influence available to commit to facilities projects and approximately \$80,810 in developer fees collected from the City of Waterford Sphere of Influence available to commit to facilities projects.

The District has approximately \$858,557 in developer fees available to commit to facilities projects, shown in **Table 20** below.

TABLE 20

Available Revenue Sources	
Developer Fees	Total Revenue Available
City of Riverbank	\$777,747
City of Waterford	\$80,811
Total Available Revenue	\$858,557

Source: Stanislaus Consolidated Fire Protection District

Total Estimated Costs

Adding together the current capital assets with the cost of improvements to the existing stations and new apparatus results in the total estimated capital impact from new development in the District, as shown in **Table 21**.

TABLE 21

Combined Total Capital Assets and Future Costs	
Type of Asset	Total Estimated Value / Costs
Current Capital Assets	\$14,499,586
Future Improvement Costs	\$34,422,690
Total Estimated Capital Impact	\$48,922,276
Less Development Fee Balance	\$858,557
Net Total Estimated Capital Impact	\$48,063,719

Source: Stanislaus Consolidated Fire Protection District

The District is currently utilizing all available Mitigation and General Fund revenues to fund existing expenditures and will not have sufficient funds to offset the cost of future capital needs.

SECTION 9: DEVELOPMENT IMPACT FEE CALCULATION

To properly express the impact of new construction on the service quality and capabilities of the District, the District's impact fee will be justified by taking the total value of assets of the District and dividing the value across all assessable square footage within the District boundaries. Then, the average size of units within the District will be applied to the per unit value to determine a per square foot value.

Impact Fee Calculation

To calculate the amount of the development impact fee necessary on a per square foot basis, for all properties within the District's boundaries, we will identify the cost to provide facilities and equipment to new construction at existing levels. To accomplish this goal, we must first identify the total square footage of structures within the District. Although the District covers a wide-ranging service area, including open land and river bottoms, the impact fee calculation only includes structures with assessable square footage.

As described in Section 7, the estimated square footage of new construction within the District is 16,945,839. Using ParcelQuest it was determined that there is currently 44,145,254 total square footage of building space within the District. As shown in **Table 22**, over the next 8 years the District expects to have approximately 61 million square feet of building space within its boundaries.

TABLE 22

Estimated Current and Future Development by Square Footage	
	Square Footage
Current Structures	44,145,254
Anticipated New Construction	16,945,839
Total Square Footage	61,091,093

To calculate the amount of the development impact fee necessary, on a per square foot basis, we first identify the unfunded facilities cost of \$47,418,845, as stated in Section 8. We then determine the total square footage of residential, commercial, and industrial construction within the District, which is 61,091,093 square feet. Finally, we divide the total facilities cost (\$48,063,719) by the total square footage of building space within the District (61,091,093 square feet).

TABLE 23

Impact Fee Calculation	
Total Estimated Costs	\$48,063,719
Future Service Square Footage	61,091,093
Cost per Square Foot	\$0.79

Therefore, as shown in **Table 23**, the District can justify a development impact fee for fire facilities of **\$0.79** per square foot of new construction.

Imposing the Fee on Different Types of Property Types

The District serves non-residential parcels with the same capital equipment as residential parcels, based on the relative size of the development, with a more equipment intense response for larger buildings. For all calls that the District responds to, the Type 1 engine is the first to respond, with the exception of wildfire/vegetation calls, when the Type 3 engine is first. The type of property does not impact the apparatus or equipment that is used for response. As such, the same fee is applied to all new construction, regardless of the use of the property. Imposing the impact fee on a per square foot basis provides for proportionate funding based on the size of the building and the resulting fire response.

As stated above, the District can justify a development impact fee for fire facilities of \$0.79 per square foot of new construction. In addition to the cost of fire facilities and equipment necessary to serve new development, there is an administrative cost to the District to justify, impose and collect development impact fees. The administrative cost is estimated to be 2% of the fee. As such, approximately \$0.02 is added to the fee to cover the cost of administering the fee program bringing the total fee up to **\$0.81** per square foot of new construction.

SECTION 10: ASSESSING THE FEE

The fee is a uniform fee that will be applicable to new construction, including residential, commercial, office, and industrial building space as well as to additions to existing buildings which requires the issuance of a permit or approval from the County of Stanislaus, the City of Riverbank or the City of Waterford.

Future large or specialized commercial/industrial development may require special considerations and should be judged on a project-by-project basis. Commercial and industrial development should be reevaluated during the routine review of impact fees for fire and hazmat response data to support the different fee structure. An in-lieu mitigation agreement may be needed in order to adequately collect mitigation fees from commercial and/or industrial development with unique considerations.

Residential categories other than single-family dwellings, are differentiated by their size as the fee is assessed on a per square foot basis. These fees are recommended to include the square footage of all classes of covered structures constructed within the District.

SECTION 11: IMPLEMENTATION

If the District Board concurs with and chooses to increase the fee as provided for in this study, the following process should be followed for fee implementation.

Fire District Board Approval

The District Board should adopt a resolution and make a recommendation to the County Board of Supervisors to adopt this fee pursuant to the County's "police powers" under Article XI, section 7 of the California Constitution.

District Board Approval

Following thorough consideration, and public input, should the District Board act to implement the fee program, the District Board would adopt a resolution and then make a recommendation to the Riverbank and Waterford City Councils and the Stanislaus County Board of Supervisors to adopt this fee pursuant to the City and County's development "police powers" under Article XI, section 7 of the California Constitution.

City Council and County Board of Supervisors' Approval

The Riverbank and Waterford City Councils and Stanislaus County Board of Supervisors could be expected consider adoption of the proposed fee schedule in compliance with California Government Code section 66016 through 66018. The Cities and County will then:

- ◆ Send a notice of a public hearing at least 14 days prior to the hearing to any party that has submitted a written request for such a notice. Have this report and all supporting documentation available for review by the public at least 10 days prior to the hearing. Publish notice of the public hearing in a newspaper of general circulation at least 10 days prior to the scheduled hearing, with a second notice published at least 5 days after the first hearing notice. The notice should include the time and place of the meeting as well as a general explanation of the matter to be considered;
- ◆ Hold the public hearing to consider adoption of the development impact fee;
- ◆ Adopt an implementing resolution or ordinance to impose the proposed fee and automatically adjust the fee annually for inflation. If the city and/or county has previously adopted impact fees by ordinance, the updated impact fee must also be approved by ordinance;
- ◆ Begin collecting the fee no sooner than 60 days following adoption of the ordinance and resolution.

Fee Accounting

The District should deposit all fee revenues into a restricted public facility fee account. Interest earned on fund balances should be credited to the fund.

Use of the Fee

The District should only use fee revenues for capital expenditures that expand the District ability to deliver fire services to accommodate new development. Use of the fee in this manner documents a reasonable relationship between new development and the use of fee revenue. The Fire District may alter the scope of the capital expenditures or substitute new capital projects as long as the project continues to represent an expansion of the District's capabilities. If the total cost of all capital expenditures varies from the total cost used as a basis for the fee, the District should revise the fee accordingly.

Fee Exemptions

The following development projects are exempted from payment of the fee:

- ◆ Structures owned by a governmental agency.
- ◆ Structures which are reconstructed, so long as the square footage of the reconstructed structure is no greater than the square footage of prior structure.
- ◆ Structures found to have no impact on the District's fire system.
- ◆ Accessory dwelling units less than 750 square feet.

Inflation Adjustment

The District should adjust the fee annually for inflation in the cost of the capital expenditures to be funded by the fee. A construction cost index should be based on a reputable and easily identifiable source such as the *Engineering News Record*. Any inflationary adjustment must first be authorized in the enacting resolution or ordinance approved by the County.

Reporting Requirements

The District should comply with the annual and five-year reporting requirements of Government Code section 66000 et. seq. Annually, the District must identify the fee revenues received and for what purposes they were expended.



Stanislaus Consolidated Fire Protection District
3324 Topeka Street
Riverbank, CA 95367
Phone: (209) 869-7470 · Fax: (209) 869-7475
www.scfpd.us

STAFF REPORT

TO: President and Members of the Board of Directors

FROM: Tim Tietjen, Fire Chief

SUBJECT: Development Impact Fee Study/Adjustment

DATE: September 5, 2024

DISCUSSION/BACKGROUND:

New development projects have an impact on the service delivery model of the Fire District. Impact fees paid by new development are intended to provide a mechanism for the District to fund the necessary facilities, apparatus, vehicles and capital equipment necessary to maintain current service levels as new development occurs.

California Government Code Section 66000 et. seq. (the "Mitigation Fee Act") sets forth the legal requirements whereby local government agencies can justify, levy and collect development impact fees. The District commissioned a study to justify an impact fee per square foot of residential, commercial and industrial development within its boundaries, based on the parameters set forth in the Mitigation Fee Act.

The Development Impact Fee Study will be presented to the Board for consideration. If the fees are acceptable, the Board can adopt the resolution approving the Development Impact Fee Study and recommending the three land use agencies within the District's boundaries - City of Riverbank, City of Waterford and Stanislaus County-accept the fees and vote to set the fees on behalf of the District, after considering public input. If accepted, the fees would be imposed pursuant to the Councils'/Board of Supervisor's "Police Powers" under Article XI, Section 7 of the California Constitution.

If the Development Impact Fees are imposed by the Cities of Riverbank and Waterford, and the County of Stanislaus, the District can begin collecting the fees 60 days after each individual approval. The District would be required to deposit all fee revenue into a restricted account. Fee revenue may only be used for capital expenditures which are required to serve new development, as further described in the Fee Study. The District would also be required to provide an annual and 5-year accounting of the fee revenue, identifying the funds received and for what purposes they were expended.

Currently we charge varying fees based upon the area and type of construction. Those fees are as follows:

RIVERBANK

TYPE OF CONSTRUCTION	CEQA FEES
RESIDENTIAL/ COMMERCIAL/ INDUSTRIAL	\$0.32 SQ FT *
FULLY FIRE SPRINKLERED	\$0.24 SQ FT *
SUR-FEE FOR SPACE OVER 30FT HIGH	\$0.15 SQ FT *
UNOCCUPIED OR NON-ELECTRIC STRUCTURE	\$0.16 SQ FT *

* Includes 1% Admin Fee

**The chart above excludes the Crossroads West Specific Plan (CWSP), which was a separate agreement reached between the district and the developers. The current fee within CWSP is \$0.82 SQ FT. (which includes the 1% Admin Fee).

WATERFORD/ HICKMAN/ LA GRANGE

TYPE OF CONSTRUCTION	CEQA FEES
RESIDENTIAL/ COMMERCIAL/ INDUSTRIAL	\$0.49 SQ FT *
FULLY FIRE SPRINKLERED	\$0.37 SQ FT *
SUR-FEE FOR SPACE OVER 30FT HIGH	\$0.24 SQ FT *
UNOCCUPIED OR NON-ELECTRIC STRUCTURE	\$0.25 SQ FT *

* Includes 1% Admin Fee

As you can see these numbers can become cumbersome and do not cover the costs associated with the expanding customer base and needed improvements to the infrastructure necessary to accommodate this expansion.

Thus, in the latest study we have simplified the process and strived to develop a fair and equitable single fee, across the district, that would assist in addressing our challenges as it relates to the impact's we face due to this expansion. This study supports the adoption of a development impact fee of \$0.79 SQ FT of new construction, plus a 2% admin fee. Total cost is \$0.81 SQ FT.

RECOMMENDATION:

Staff recommends that the Board moves to approve the fee study and the stated change from our current fee structure as stated above (except CWSP), to reflect the new single fee structure of \$0.81 SQ FT (which includes the 2% admin fee).

Attachments:

1. Resolution No. 24-07
2. Exhibit "A" Development Impact Fee Study

RESOLUTION NO. 24-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
APPROVING THE DEVELOPMENT IMPACT FEE NEXUS STUDY
AND APPROVING THE STUDY TO BE FORWARDED TO THE
CITIES OF RIVERBANK AND WATERFORD AND THE COUNTY OF
STANISLAUS FOR ADOPTION BY THEIR COUNCIL/BOARD**

WHEREAS, the Stanislaus Consolidated Fire Protection District (the "District") is a fire protection district organized and existing under the Fire Protection District Law of 1987 (commencing with Health and Safety Code section 13800), and is authorized to and does provide fire protection services to persons and properties located within the District service area, which includes the Cities of Riverbank and Waterford, and the County of Stanislaus;

WHEREAS, pursuant to Government Code section 66001 the Cities of Riverbank and Waterford, and County of Stanislaus may levy a fee on all new residential, commercial, and industrial development within the District's boundaries, to fund the capital equipment and facilities construction needs of the District in order to maintain the current level of service provided in light of new development, and to mitigate the impacts of new development on the ability of the District to provide fire protection services within its boundaries;

WHEREAS, the District previously retained Capitol PPG, an independent third-party consultant, to perform a Development Impact Fee Study in order to determine the development impact fees necessary for the Cities of Riverbank and Waterford, and the County of Stanislaus, to impose on new development, in order to proportionately allocate the cost of mitigating the impacts of new development on fire protection services therein;

WHEREAS, the Development Impact Fee Study justifies the impact fees based on the amount and type of development and fire service response standards identified in each City's/County's General Plan, and are designed to proportionately allocate the cost of mitigating the impacts of new development on fire protection services;

WHEREAS, the Development Impact Fee Study complies with California Government Code section 66001 by establishing the basis for the imposition of the development impact fees on new development. In particular, the Development Impact Fee Study:

1. Identifies the purpose of the proposed fees;
2. Identifies the use to which the fees will be put;
3. Demonstrates a reasonable relationship between the fees' use and the types of projects on which the fees are imposed;
4. Demonstrates a reasonable relationship between the need for the public facilities and the types of developments on which the fees are imposed; and
5. Demonstrates a reasonable relationship between the amount of the fees and the cost of the public facilities or portions of the facilities attributable to the developments on

which the fees are imposed;

WHEREAS, (1) the development impact fees will be used to acquire property and equipment, expand and construct new fire stations, acquire fire apparatus and vehicles, and other related costs; (2) development impact fees will be used to maintain the current level of service and mitigate the impacts on fire protection services from new development; (3) development impact fees will be used in a way that is reasonably related to the impacts created by new development because new development generate the need for expanded fire protection services; (4) there is a reasonable relationship between the need for expanded fire protection services new development upon which the fee is imposed because such new development generates additional persons and property in need of fire protection services to be provided by the District; and (5) there is a reasonable relationship between the amount of the development impact fees charged and the costs of maintaining the current level of service created by new development, as reflected in the Development Impact Fee Study;

WHEREAS, the Cities of Riverbank and Waterford, and County of Stanislaus, are each authorized to enact an increase to the development impact fees on behalf of the District;

WHEREAS, upon the approval from the Stanislaus Consolidated Fire Protection District Board of Directors the Development Impact Fee Study shall be forwarded to the Cities of Riverbank and Waterford, and the County of Stanislaus for their approval;

WHEREAS, the Impact Fees would go into effect 60 days after each individual approval; and

WHEREAS, the Board of Directors accepts the report as submitted.

NOW, THEREFORE. BE IT RESOLVED:

Section 1. The Recitals set forth above are true and correct and the Board of Directors hereby adopts such recitals as if fully set forth herein.

Section 2. The Board of Directors approves the Development Impact Fee Study attached hereto as Exhibit A in substantially the same form as submitted in the report.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the District Board by the following vote:

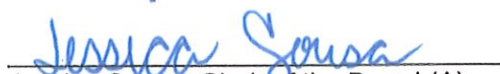
AYES:	Directors:
NOES:	Directors:
ABSENT:	Directors:
ABSTAIN:	Directors:

Dated: September 19, 2024


Greg Bernardi, Board President

ATTEST:

APPROVED AS TO FORM:


Jessica Sousa, Clerk of the Board (A)


Frank Splendorio, District Counsel



Building Industry Association of the Greater Valley

1701 W. March Ln., Ste. F
Stockton, CA 95207
(209) 235-7831 • (209) 235-7837 fax

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October 23, 2024

Chief Tim Tietjen and
Board President Greg Bernardi
Stanislaus Consolidated Fire Protection District
3324 Topeka Street
Riverbank, CA 95367

Re: Development Impact Fee Nexus Study.

Board President Bernardi and Board of Directors,

I want to thank Chief Tietjen and his staff for meeting with the BIA to discuss this important matter. We have reviewed the nexus study, the analysis and the foundational information supporting the study.

Both the nexus study and the proposed fee update are in full compliance with the Mitigation Fee Act.

We appreciate the cooperative spirit of the consultant and the Stanislaus Consolidated Fire Protection District in working with the BIA as the interested stakeholders on development related matters.

Please keep us informed when conducting the annual AB 1600 reports and when this fee will be updated again sometime within the next eight years.

Respectfully,

John R. Beckman
Chief Executive Officer

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 11.1

SECTION 11: NEW BUSINESS

Meeting Date:	February 11, 2025
Subject:	Consider Petition from Riverbank 108, LLC to Waive the Storm Drain System Development Fee and Reduce the Traffic System Development Fee for the Tractor Supply Project Located on Patterson Road
From:	Marisela H. Garcia, City Manager
Submitted by:	Joshua Mann, Director of Community Development

RECOMMENDATION

It is recommended that the City Council consider the petition from Riverbank 108, LLC to waive payment for the Storm Drain System Development Fee and reduce Traffic System Development Fee which will be assessed on the construction of the Tractor Supply Project at permit issuance.

SUMMARY

Riverbank 108, LLC submitted a written request (*see Attachment 1 – Waiver Request Letter*) to waive payment for their Storm Drain System Development Fee and reduce Traffic System Development Fee which will be assessed on the construction of the Tractor Supply Project. There is currently no administrative process to consider waiver requests at staff level and therefore, the request has been brought forward to the City Council for consideration.

BACKGROUND

On December 17, 2024 the Planning Commission granted approval for a new development located on Patterson Road (adjacent to Dutch Bros. Coffee). The approved project consists of an entirely new commercial development that will be anchored with a 23,729 sq. ft. Tractor Supply Company (TSC) building with a 20,000 sq. ft. outdoor display area, a 16,000 sq. ft. retail building, and two Quick Service Restaurants (QSRs). The approved project is now entering its construction phase.

The City currently collects System Development Fees at Building Permit issuance to defray the impact of new development as authorized by Government Code §66000-66025. The City's System Development Fee program is codified in §150.30 titled "System Development Fees" which establishes the authority for imposing and charging the fees. System Development fees are collected in order to:

- 1) To provide an adequate and constant method for the financing of the unfunded portion of need systems development costs throughout the city, reasonably related to projected community growth.
- 2) To promote the orderly and efficient expansion of public improvements to adequately meet the domestic and economic needs of the community and to minimize adverse fiscal and environmental impacts of new development.
- 3) To ensure the continuation of necessary services including, but not limited to, police and general administrative services.
- 4) To establish equitable methods for minimizing public facility and service costs to the city associated with new development.

As defined within Riverbank's municipal code, System Development Fees are ***charged to new construction, including the expansion of and/or the addition to an existing, nonresidential structure, to mitigate the unfunded portion of the determined impact of the development.***

On December 23, 2024, the City received a request from Riverbank 108, LLC to waive the Storm Drain System Development Fee for the project and reduce the Traffic System Development Fee by 60% for the Tractor Supply building. Since the development includes multiple buildings, the request proposes the following:

- **Waiver of all Storm Drain System Development Fees** for all buildings within the development. Based on current building permit estimates, this includes \$141,662 for the Tractor Supply building and \$95,520 for the 16,000 sq. ft. retail building. The fee for the two quick-service restaurants (QSRs) is currently unknown, as their designs have not yet been completed. However, similar QSR developments have incurred storm drain fees of approximately \$15,000 each, suggesting an estimated total of \$30,000 for both. As a result, the total anticipated Storm Drain System Development Fee waiver is approximately **\$267,182**.
- **Reduction of the Traffic System Development Fee by 60%** for the Tractor Supply building only. All other buildings within the project site would be required to pay the full Traffic System Development Fee or pursue a separate agreement through City Council action. Based on current building permit estimates, the reduced Traffic Fee for the Tractor Supply building would be **\$74,129** (down 60% from the full fee of \$185,323).

For this proposed waiver request, the payment at building permit issuance would include all other System Development Fees, including the Water Fee, Sewer Fee, Police/General Government Fee, 5% Administrative Fee, and all standard permit fees, along with the fee

collected by staff for Stanislaus County. The waiver would apply exclusively to Riverbank's Storm Drain System Development Fee and a 60% reduction in the Traffic Fee for the Tractor Supply building. This waiver does not cover plan check fees or fees imposed by other agencies, such as the fire district or school district. Riverbank 108, LLC may negotiate separately with those agencies to waive or defer their fees.

ANALYSIS

The City Manager and the Director of Community Development have reviewed the request submitted by Riverbank 108, LLC. The supporting information included detailed data from the Institute of Transportation Engineers (ITE) Trip Generation Manual, demonstrating that Tractor Supply stores generate significantly fewer trips per square foot than high-traffic retailers such as supermarkets, department stores, and discount warehouses (e.g., Walmart, Ralphs Supermarket, or Costco). After evaluating the potential impacts of this project, the following determinations were made:

- 1) The site design incorporates a large stormwater retention pond, with additional land available for future expansion, ensuring that all stormwater is contained entirely on-site. As a result, the development will not contribute runoff to the City's storm drain system, thereby eliminating any impact on municipal stormwater infrastructure.
- 2) Granting a 60% reduction in the Traffic System Development Fee ensures that the fee more accurately reflects the actual traffic impact of the Tractor Supply building, rather than applying a one-size-fits-all approach. This reduction promotes fair and proportional fee assessment, aligning costs with real-world trip generation data. Additionally, it supports economic development by encouraging investment in businesses that generate lower traffic volumes, helping to attract and retain commercial enterprises without imposing excessive financial burdens.

Waiving and/or reducing fees can drive economic development by attracting businesses, promoting desirable land use, and supporting small and medium-sized enterprises. It ensures that fees are proportionate to actual infrastructure impact, preventing businesses from overpaying for services they do not utilize. Additionally, reducing upfront costs enhances the city's competitiveness for investment, fosters job creation, and accelerates project completion, leading to earlier revenue generation through property and sales taxes. Overall, fee waivers serve as a strategic tool to encourage business growth while maintaining a fair and balanced approach to development costs. Based on this analysis, staff recommends that the City Council consider waiving the Storm Drain System Development Fee for the entire project and reduce the Traffic System Development Fee by 60% for the Tractor Supply building.

FUTURE CONSIDERATION

The City's current System Development Fee (SDF) program does not provide an administrative process for fee waivers or negotiations for fee reductions. Staff encourages

the City Council to consider establishing an administrative procedure that would allow the City Manager to waive or defer fees up to a specified dollar amount. Should the Council support this direction, staff will return at a later date with a proposed ordinance amendment for consideration.

FINANCIAL IMPACT

The System Development Fee program is designed to collect impact fees for the infrastructure needed to support new growth city-wide. A thorough evaluation of each proposed project is essential to assess potential funding shortfalls that may arise from granting waiver requests. In the case presented, the Storm Drain fee of approximately \$267,182 would be waived, and the Traffic Fee for the Tractor Supply building would be reduced to \$74,129, representing a 60% reduction from the original fee of \$185,323. As a result, the total estimated financial impact is approximately \$378,376.

STRATEGIC PLAN

This item is indirectly related to the City's Strategic Plan through fee program updates.

ATTACHMENT

1. Riverbank 108, LLC Waiver Request Letter
2. CC Resolution 2025-XXX

Riverbank 108, LLC.

December 23, 2024

VIA EMAIL

Mr. Joshua Mann
Community Development Director
City of Riverbank
6707 3rd Street
Riverbank, CA 95367

RE: Riverbank 108 Project Fees: Storm Water and Traffic Impact

Hi Joshua:

Per our previous discussions on this matter, I am writing to start the formal process to have the following city fees associated with our Riverbank 108 project waived (storm water) and reduced (traffic).

1. Storm Water Fees

Based on the estimates provided by the City, the storm water fee for the Tractor Supply building is \$141,662.00 and the fee for the 16,000sf Retail building is \$95,520.00. That total amount is: \$237,182.00*. *Please note this total does not include the storm water fees that will be requested by the city for both of our two quick-serve buildings.

We are requesting the storm water fees for all four buildings within our project be waived. Our request for this waiver is based on the fact that our development is required, by mandate from the City, to contain all storm water onsite. To accomplish this, we will construct an onsite open basin that will capture all of the project's storm water and that water will percolate down into the aquapher, never connecting to nor impacting the City's storm water infrastructure.

We understand if we were able to sheet drain our storm water out onto City streets or if the City had storm water infrastructure we could direct connect to, the City storm water fees would be warranted to allow the City to recompense for the additional load to the system. However, that is not the case with our project.

Therefore, we ask the City waive all storm water fees for all four buildings within our project.

9454 WILSHIRE BOULEVARD SUITE 210 BEVERLY HILLS, CA 90212
P: (310) 277-4697 SOBELDEVELOPMENT@EARTHLINK.NET

2. Traffic Impact Fees

Every municipality has their own formula for calculating traffic impact fees. The City of Riverbank uses a fixed multiplier of \$7.81 per square foot for every type of commercial use. Other municipalities use a variable dollar amount based on the specific type of commercial use and the amount of traffic generated by that specific use. Utilizing a variable method allows for an accurate and fair assessment of traffic impact fees for both the city and the project developer.

As mentioned, Riverbank's current method charges the same \$7.81 per square foot whether it's a Tractor Supply, Walmart, Ralphs, Home Depot, Ace Hardware, etc., as if to say all commercial uses generate the same number of trips per 1,000 square feet of retail space and therefore all would have the same impact to the City's streets, resources and infrastructure. However, based on traffic data, the Tractor Supply will have infinitely less daily vehicle trips than a Walmart (or the others) and therefore, substantially less impact on city streets, resources and infrastructure.

I asked my traffic engineer to put together the analysis (on page 4) using data from the Institute of Transportation Engineers (ITE) Trip Generation Manual, both 10th and 11th editions. (the ITE is the gold standard used by Caltrans and all others when analyzing traffic data.) As you can see in the examples below, Tractor Supply is a surprisingly low trip generating retail use compared to other types of retail uses:

1. A Home Depot generates 219% more daily trips than Tractor Supply.
2. A Ralphs supermarket generates 670% more daily trips than Tractor Supply.
3. An Ace Hardware generates 122% more daily trips than Tractor Supply.
4. A Dunn-Edwards paint store generates 58% **less** trips than a Tractor Supply store.
5. A mom and pop local retailer would generate substantially less trips than a Tractor Supply.

Therefore, we ask the city, in all fairness, to consider reducing the amount of Traffic Impact Fees assessed on the Tractor Supply building. The current assessment is 23,729 square feet x \$7.81 = \$185,323.00. We are requesting a reduction of 60% (an assessed Traffic Impact Fee of \$74,129.00) which we feel is more than fair to the city based on the low trip counts that are generated by a Tractor Supply store vs. the other retail uses.

Please let me know if you have any questions.

We look forward to your response.

Thank you,

Bradley Sobel

Bradley A. Sobel
Managing Member, The Sobel Company, Inc.

ITE TRIP GENERATION RATES						
	ITE LAND USE CODE		DAILY TRIP RATE	PEAK RATE HOUR PM	TOTAL DAILY TRIPS TSC (23.7)	% DIFFERENCE
Hardware/Paint Store (per 1,000 sq. ft.) (DUNN-EDWARDS)	816		8.07	2.98	191	-57.64%
Tractor Supply Store (per 1,000 sq. ft.) (10th Edition)	810		14.00	1.40	332	100.00%
Tractor Supply Store (per 1,000 sq. ft.) (11th Edition)	810		N/A	1.40	N/A	N/A
Building Materials and Lumber Store (per 1,000 sq. ft.) (ACE HARDWARWE)	812		17.05	2.25	404	121.79%
Discount Home Furnishing Superstore (per 1,000 sq. ft.) (HOME GOODS)	869		20.00	1.57	474	142.86%
Department Store (per 1,000 sq. ft.) (BLOOMINGDALES)	875		22.88	1.95	542	163.43%
Sporting Good Superstore (per 1,000 sq. ft.) (DICKS)	861		23.78	2.14	564	169.86%
Bed and Linen Superstore (per 1,000 sq. ft.)	872		N/A	2.22	N/A	N/A
Factory Outlet Center (per 1,000 sq. ft.)	823		26.59	2.29	630	189.93%
Home Improvement Superstore (per 1,000 sq. ft.) (HOME DEPOT)	862		30.74	2.29	729	219.57%
Office Supply Superstore (per 1,000 sq. ft.) (STAPLES)	867		N/A	2.77	N/A	N/A
Electronics Superstore (per 1,000 sq. ft.) (BEST BUY)	863		41.05	4.25	973	293.21%
Discount Club (per 1,000 sq. ft.) (COSTCO)	857		42.46	4.19	1,006	303.29%
Free-Standing Discount Store (per 1,000 sq. ft.) (DOLLAR TREE)	815		53.87	4.86	1,277	384.79%
Strip Retail Plaza (<40k) (per 1,000 sq. ft.)	822		54.45	6.59	1,290	388.93%
Automobile Parts Sales (AUTOZONE)	843		54.57	4.90	1,293	389.79%
Toy/Children's Superstore (per 1,000 sq. ft.)	864		N/A	5.00	N/A	N/A
Variety Store (per 1,000 sq. ft.) (WALMART)	814		63.66	6.70	1,509	454.71%
Apparel Store (per 1,000 sq. ft.) (ROSS)	876		66.40	4.12	1,574	474.29%
Supermarket (per 1,000 sq. ft.) (RALPHS)	850		93.84	8.95	2,224	670.29%

Notes:

1. Trip generation rates published by Institute of Transportation Engineers (ITE) "Trip Generation Manual," 11th Edition, 2021, unless otherwise noted.
2. Trip generation rates for "(10th Edition)" published by Institute of Transportation Engineers (ITE) "Trip Generation Manual," 10th Edition, 2017.
3. sq. ft. = square feet.
4. N/A = ITE does not publish a rate for this category.

Keith Higgins
Traffic Engineer

CITY OF RIVERBANK**RESOLUTION 2025-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK TO
APPROVE THE WAIVER OF STORM DRAIN SYSTEM DEVELOPMENT FEES AND
A REDUCTION OF THE TRAFFIC SYSTEM DEVELOPMENT FEES FOR THE
RIVERBANK 108, LLC / TRACTOR SUPPLY PROJECT
LOCATED ON PATTERSON ROAD**

THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:

WHEREAS, it is necessary as established in the Riverbank Municipal Code for the proper and effective operation of City Government to establish, amend, or authorize fees for services in order to provide for the financial support of City Government; and

WHEREAS, from time to time, the City Council reviews the fees to ensure that they are adequately supporting the operation of City Government; and

WHEREAS, on December 17, 2024, the City of Riverbank Planning Commission held a Public Hearing and approved the Patterson Road Retail project including a 23,729 sq.ft. Tractor Supply building, 16,000 sq.ft. Retail Building, and two Quick Service Restaurants; and

WHEREAS, on December 23, 2024, the City received a formal request from Riverbank 108, LLC to waive the Storm Drain System Development Fee for the Tractor Supply - Patterson Road Retail Project and to approve a 60% reduction in the Traffic System Development Fee for the Tractor Supply building; and

WHEREAS, the Tractor Supply - Patterson Road Retail project will be assessed the following estimated Storm Drain System Development Fees for the project on their Building Permit:

Storm Drain System Development Fee	Amount
Tractor Supply Store (23,729 sq. ft)	\$141,662.00
Retail Building (16,000 sq. ft)	\$95,520.00
Quick Service Restaurant #1	\$15,000.00
Quick Service Restaurant #2	\$15,000.00
Total Storm System Development Fees	\$267,182.00

WHEREAS, the 23,729 sq.ft. Tractor Supply building will be assessed the following estimated Traffic System Development Fees for the project on their Building Permit:

Traffic System Development Fee	Amount
Tractor Supply Building (23,729 sq. ft)	\$185,323.00
Traffic System Development Fee Reduced by 60%	\$74,129.00

WHEREAS, for this proposed waiver, the payment at building permit issuance would include the Water fee, Waste Water fee, Police/General Government fee, 5% Administrative Fee, and all the normal permit fees, plus the fee staff collects for Stanislaus County; and

WHEREAS, this waiver for Riverbank's Storm Drain System Development Fee would only apply to the entire proposed development and does not include waiving any plan check fees or fees imposed by any other agency such as the Fire District, School District, or County; and

WHEREAS, this waiver for a 60% reduction in Riverbank's Traffic System Development Fee would only apply to the Tractor Supply building (23,729 sq. ft) and does not include waiving any plan check fees or fees imposed by any other agency such as the Fire District, School District, or County.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby approves a 60% reduction in Traffic System Development Fees for the Tractor Supply building and waives the Storm Drain System Development Fees for the Project, totaling \$267,182.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 11th day of February, 2025; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

Gabriela Hernandez, CMC
City Clerk

APPROVED:

Rachel Hernandez
Mayor

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 11.2

SECTION 11: NEW BUSINESS

Meeting Date: February 11, 2025

Subject: Discussion on the Direction for the Vacant City Property Located at the NW Corner of Kentucky Ave and Eleanor Road

From: Marisela H. Garcia, City Manager

Submitted by: Michael Patton, Parks and Recreation Director

RECOMMENDATION

It is recommended that the City Council provides direction to city staff on the financial direction related to the city owned property located at the Northwest corner of Kentucky Ave and Eleanor Road.

SUMMARY

In the early 2000's, the City of Riverbank purchased 10 acres of agricultural property on the East side of town located at the intersection of Eleanor Avenue and Kentucky Avenue. The intent of the purchase was to use property to house a future parks corporation yard. The purchase of the property was also in conjunction with the Riverbank Oakdale Transportation Authority (ROTA). The goal was to have a location for ROTA to have a dedicated maintenance facility for their fleet. Since the purchase, ROTA has merged with Stanislaus Regional Transit (StaRT).

The Parks and Recreation is interested in the option to sell the property and utilize the funds received from the sale on other park projects in the city, specifically as seed money to develop the Stanislaus Street and Jackson Avenue property into park space.

BACKGROUND

In 2007, the City of Riverbank purchased 10 acres of agricultural property on the East side of town located at the intersection of Eleanor Avenue and Kentucky Avenue. The intent of the purchase was to use property to house a future parks corporation yard. The purchase of the property was also in conjunction with the Riverbank Oakdale Transportation Authority (ROTA). Since the purchase, ROTA has merged with Stanislaus Regional Transit (StaRT). Since the purchase, the property has remained vacant. In 2024,

the Parks and Recreation Department learned of the property and its intention to be used for the department. Department staff began reviewing the property and learned that nearby neighbors had been using the property for grazing. Staff have discussed if plans to develop a parks corporation would be in the near-to-long-term future. In discussions, staff would need to grow exponentially in order to demand the need of land for a parks corporation yard. With the property being vacant for 18 years, the department recommends selling the property to address current demands in regards to parks and recreation.

If the sale of this property were to happen, Parks and Recreation staff have discussed how the city could use the funding received. In 2024, the city council voted to re-designate a 2 acre property located at the intersection of Stanislaus Street and Jackson Avenue from affordable housing to a local park. This decision was made due to the neighborhood not having a local park nearby. The department would propose that the revenue received from the land sale could be used as seed money to develop the Stanislaus and Jackson property into a park.

Staff is seeking direction from the city council on their interest in keeping or selling this property. Should Council decide to proceed with this option, the City will bring back a formal agenda item to initiate the process delineated by the State of California Surplus Land Act to dispose of the property.

FINANCIAL IMPACT

Direction provided to staff in regards to this property will have no financial impact at this time. In the scenario that council provides direction to pursue the sale of the property, the city would eliminate the asset owning the property and in turn receive an influx of cash to be used on other projects. If the city council elects to retain the property, the city will continue the responsibility of maintaining the property until the city is prepared to develop or sell at a later date.

STRATEGIC PLAN

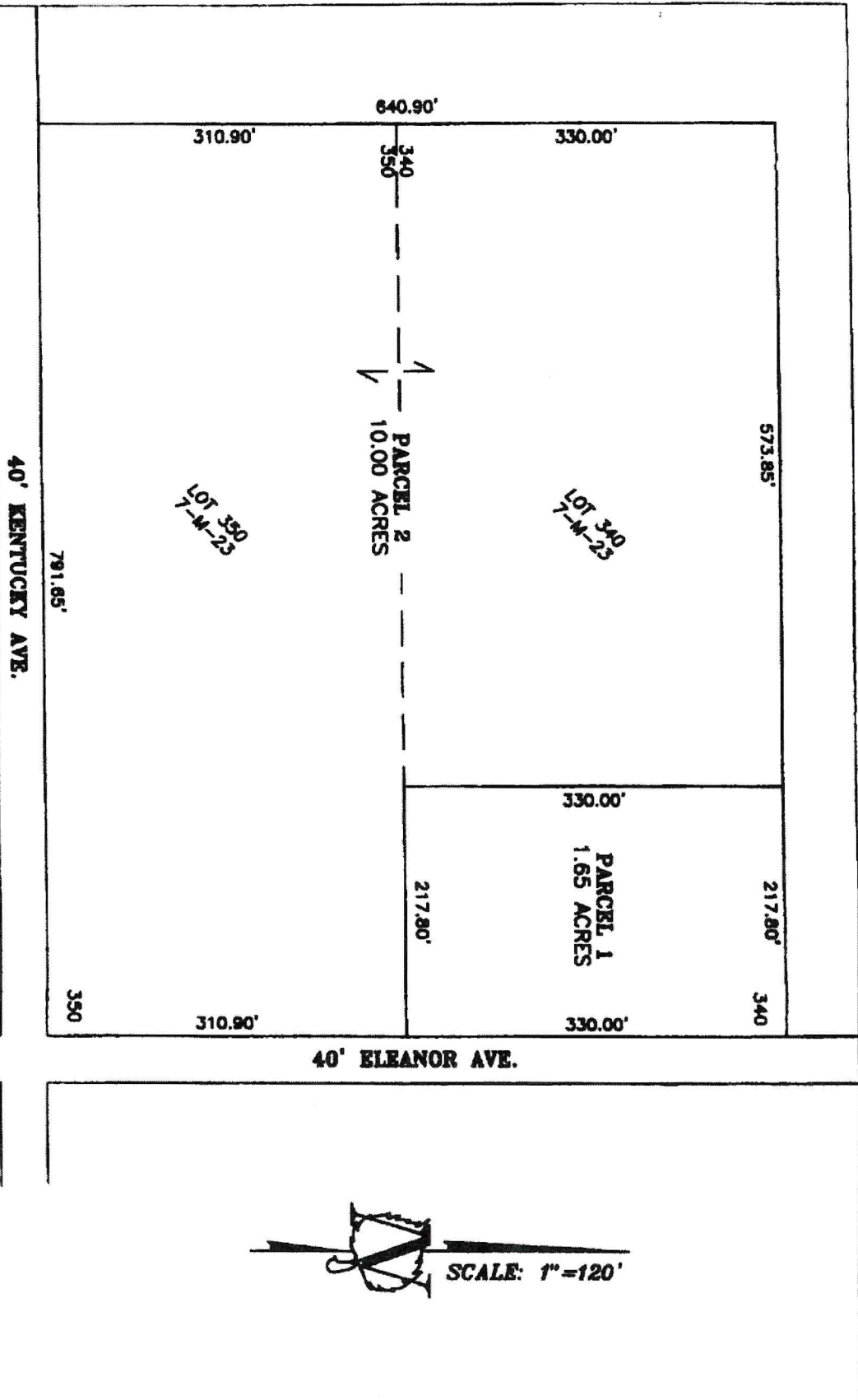
The City's Strategic Plan has a goal to 'maintain and refresh the parks, trails, and facilities to provide exceptional experiences.' An objective of that goal is 'seek ways to provide amenities and facilities to underserved/ aging neighborhoods.' The Parks and Recreation Department is suggesting the sale of a property that was purchased nearly 20 years ago and focus the revenue received from the sale to focus on serving areas in town lacking parks, such as the two-acre property on at Jackson and Stanislaus.

ATTACHMENTS

1. Aerial View of Property
2. Property Survey
3. Assessor's Valuation of Property in 2009-2010
4. Grant Deed
5. Certificate of Acceptance

ATTACHMENT 1
AERIAL VIEW OF PROPERTY





ASPEN SURVEY
 1121 OAKDALE RD., STE. 3 MODesto, CA 95366
 PH: (209) 528-9724 FAX: (209) 528-0472
 PH: (900) 528-9724

EXHIBIT "C"
SARLOOS FAMILY
6067 ELEANOR AVENUE, OAKDALE
 BEING A RECONFIGURATION OF LOTS 340 AND 350
 OF RIVERBANK IRRIGATED FARMS AS SHOWN ON THE
 MAP FILED FOR RECORD JANUARY 15TH, 1913 IN
 VOLUME 7 OF MAPS AT PAGE 23, STANISLAUS
 COUNTY RECORDS.

STANISLAUS COUNTY ASSESSOR'S OFFICE

Douglas Harms, Assessor
1010 Tenth Street, Suite 2400
Modesto, CA 95354-0847
www.stancounty.com/assessor

PRESORTED
FIRST CLASS
US POSTAGE
PAID
PERMIT #213
MODESTO, CA

RETURN SERVICE REQUESTED

Assessor Parcel No. 062024033000 Tax Rate Area 091001 Acreage 10
Fee Parcel No. 062024033000
Situs Location: 0 ELEANOR AVE, OAKDALE CA 95360

Factored Base Value \$76,739

Market Value \$76,739
(As of Jan 1, 2009)

535 120346

Assessed Value Used \$76,739

Exemptions \$0

Net Assessed Value \$76,739

Assessed Valuation for 2009-2010

For details of the valuation visit <http://www.stancounty.com/assessor/on-line.shtm>

RIVERBANK CITY OF
6707 3RD ST
RIVERBANK CA 95367-2305



RECORDING REQUESTED BY:

Chicago Title Company

Escrow No.: 07-51110990-DDM

Locate No.: CACTI7750-7750-4511-0051110990

Title No.: 07-51110990-SI

**When Recorded Mail Document
and Tax Statement To:**City of Riverbank, a Municipal Corporation
6067 Eleanor Avenue
Riverbank, CA 95367Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office**DOC- 2007-0109817-00**

Acct 501-Chicago Title

Tuesday, AUG 28, 2007 08:00:00

Ttl Pd \$0.00

Nbr-0002396996

OTE/R3/1-4

APN: 062-024-033

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED**RECEIVED****The undersigned grantor(s) declare(s)****Documentary transfer tax is \$820.00** NONE

- [x] computed on full value of property conveyed, or
 [] computed on full value less value of liens or encumbrances remaining at time of sale OF RIVERBANK
 [] Unincorporated Area City of **Riverbank**, BY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Lane Saarloos, a single man, an undivided 20% interest; John Saarloos, an unmarried man who acquired title as a married man, an undivided 20% interest; Bastian Saarloos, an unmarried man who acquired title as a married man, as his sole and separate property, an undivided 60% interest

hereby GRANT(S) to City of Riverbank, a Municipal Corporation

the following described real property in the City of Riverbank, County of Stanislaus, State of California:
 SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

DATED: July 13, 2007

STATE OF CALIFORNIA
COUNTY OF StanislausON July 13, 2007 before me,

Debbie V. Morris, Notary
 (here insert name and title of the officer), personally appeared Lane Saarloos, John Saarloos and Bastian Saarloos, and Lane Saarloos

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

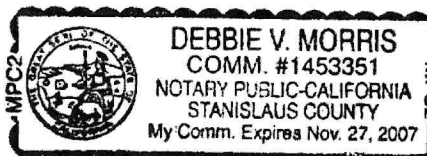
Witness my hand and official seal.

Signature Debbie V. Morris (Seal)

Lane Saarloos
 Lane Saarloos

John Saarloos
 John Saarloos

Bastian Saarloos
 Bastian Saarloos

**MAIL TAX STATEMENTS AS DIRECTED ABOVE**

Escrow No.: 07-51110990-DDM
Locate No.: CACTI7750-7750-4511-0051110990
Title No.: 07-51110990-SI

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lots 340 and 350 of Riverbank Irrigated Farms, according to the Official Map thereof, filed in the Office of the Recorder of Stanislaus County, California, on January 15, 1913 in Vol. 7 of Maps, at page 23.

Excepting therefrom the East 217.8 feet of Lot 340 of aforesaid Map.

The above description is also described as Parcel 2 in Exhibit "B", of that certain Certificate of Lot Line Adjustment, recorded June 29, 2006, as Document No. 2006-0097439-00, Official Records.

STATE OF California

COUNTY OF CONTRA COSTA

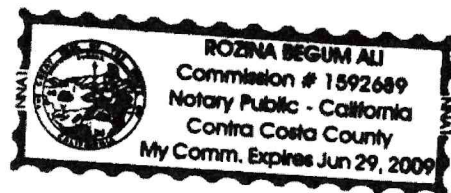
On AUGUST 2, 2007 before me, ROZINA B ALI **Notary Public**
(Name of Notary Public)

personally appeared John Saarloos

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
(Signature of Notary Public)



(This area for notarial seal)

WHEN RECORDED RETURN TO:

City of Riverbank
City Clerk
6707 Third Street
Riverbank, CA 95367

CERTIFICATE OF ACCEPTANCE

Assessor's Parcel No.	062-024-033
Street Address:	6067 Eleanor Avenue
City:	Riverbank, California 95367

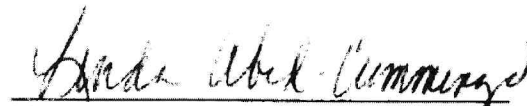
This is to certify that the interest in real property conveyed by the within deed, the provisions of which are incorporated by this reference as though fully set forth in this Certification, to the City of Riverbank, a political subdivision of the State of California, is hereby accepted by the undersigned officer pursuant to authority conferred by Resolution No. 98-97 of the City Council of the City of Riverbank, adopted on the 24th day of August 1998, recorded at the Office of the Recorder for Stanislaus County (98-0081606-00) and the Grantee consent to recordation thereof by its duly authorized officer.

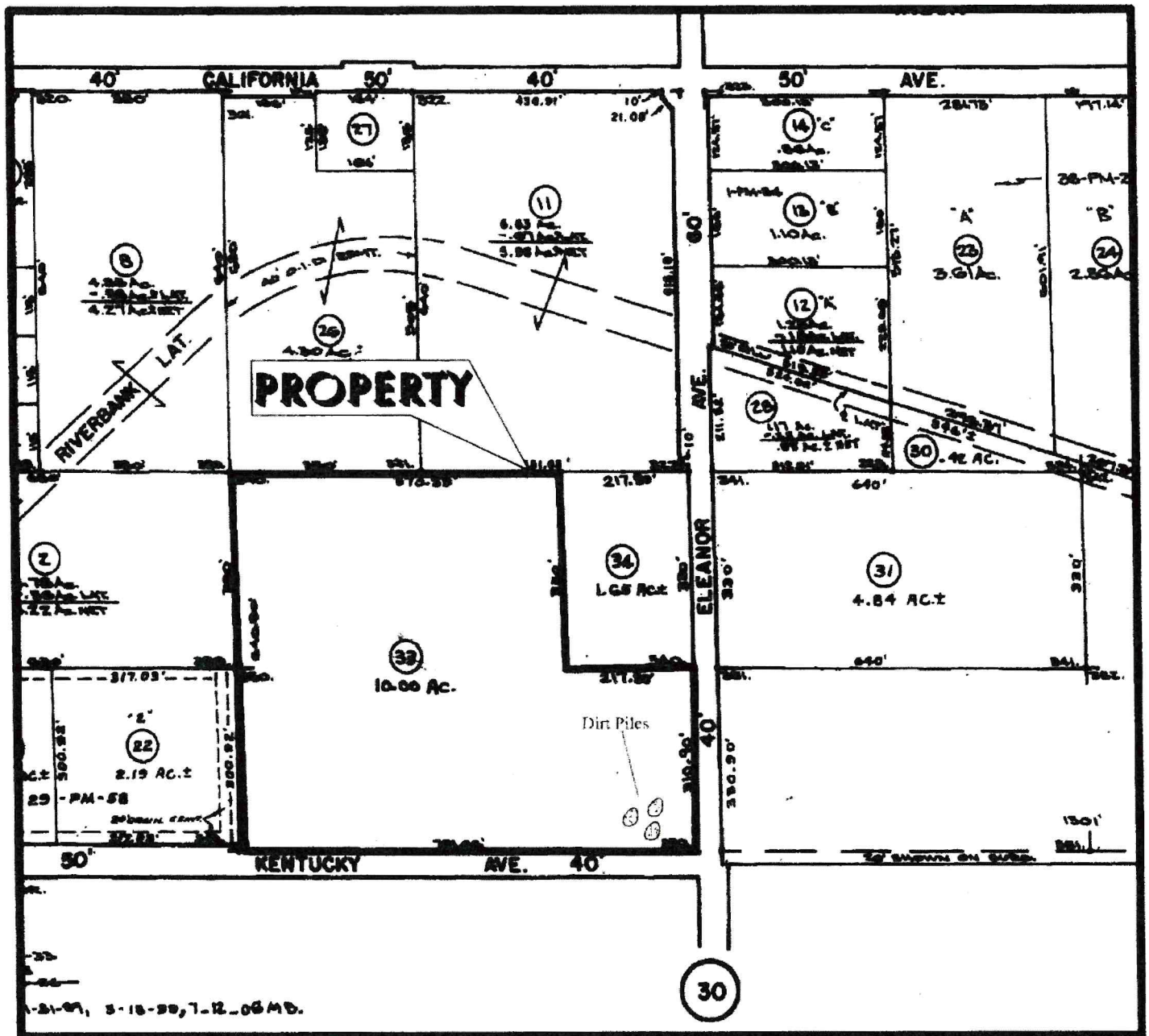
By:


Richard P. Holmer, City Manager

Dated: August 22, 2007

ATTEST:


Linda Abid-Cummings, City Clerk



Assessor's Parcel Map
With Site Information
6067 Eleanor Ave.
Riverbank, CA