

**HOMELESSNESS COMMITTEE VOTING MEMBERS WILL RECEIVE A UNIQUE
PANELIST LINK BY EMAIL. PLEASE USE THIS LINK TO PARTICIPATE IN THIS MEETING.**



Pursuant to Assembly Bill 361 and the findings made by CVAG, this meeting will only be conducted via video/teleconferencing.

HOMELESSNESS COMMITTEE MEETING AGENDA

**WEDNESDAY, SEPTEMBER 21, 2022
10:00 a.m.**

INSTRUCTIONS FOR PUBLIC PARTICIPATION

Members of the public may use the following link:

<https://us02web.zoom.us/j/85259781574?pwd=SmZXcFJXSXBHd3g2RWJGZ01WMGxLQT09>
Password: 469344

One Tap Mobile: +16699009128,,85259781574#

Dial In: +1 669 900 9128

Webinar ID: 852 5978 1574

Password: 469344

***This will provide listening access and ability to address the
Homelessness Committee when called upon.***

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127.

Public comment is encouraged to be emailed to the Homelessness Committee prior to the meeting at cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud should be no more than 300 characters.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

**UNLESS OTHERWISE STATED, ALL ACTION ITEMS WILL BE PRESENTED TO
THE EXECUTIVE COMMITTEE FOR FINAL APPROVAL.**

1. **CALL TO ORDER** – Chair Christy Holstege, Councilmember, City of Palm Springs

2. **ROLL CALL** –

A. **Member Roster**

P4

3. **PUBLIC COMMENT ON AGENDA ITEMS**

This is the time and place for members of the public to address the Homelessness Committee on agenda items. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to three (3) minutes.

4. **CHAIR / COMMITTEE / CVAG STAFF ANNOUNCEMENTS**

5. **CONSENT CALENDAR**

A. **Approve the June 15, 2022 Homelessness Committee Meeting Minutes**

P5

B. **Receive and file the quarterly report for the CV Housing First program, representing clients served in the second quarter of 2022**

P9

6. **DISCUSSION / ACTION**

A. **Update on the Revenue Stream Feasibility Study for Affordable Housing and Associated Transportation Needs – Peter Satin**

P12

Recommendation: Provide input on the Regional Early Action Planning project and the continued evaluation of identified funding tools and community engagement strategy

B. **Regional Early Action Planning (REAP) 2.0 Program Overview and Next Steps – Peter Satin**

P70

Recommendation: Information

C. **Update on the State's Community Assistance, Recovery and Empowerment (CARE) Court – Greg Rodriguez, Riverside County Housing and Workforce Solutions**

P72

Recommendation: Information

D. **Election of Homelessness Committee Officers – Tom Kirk**

P79

Recommendation: Elect a Homelessness Committee Chair and Vice Chair for Fiscal Year 2022/2023

7. **INFORMATION**

- A. **Attendance Record** P80
- B. **Ex Officio Updates**
- C. **Unaudited Financial Statement for CV Housing First Program through June 2022** P81
- D. **Feedback from Members on the Continued Use of Virtual Meetings** P82
- E. **Member jurisdictions' contributions to CV Housing First** P84
- F. **Update on the Navigation Center in the City of Palm Springs** P86

8. **PUBLIC COMMENT ON NON-AGENDA ITEMS**

This is the time and place for members of the public to address the Homelessness Committee on items of general interest within the purview of this committee. Please limit comments to two (2) minutes

9. **ANNOUNCEMENTS**

Upcoming Meetings:

The next meeting of the **Homelessness Committee** will be held on Wednesday, November 16, 2022, at 10:00 a.m. via Zoom webinar.

The next meeting of the **Executive Committee** will be held on Monday, September 26, 2022, at 4:30 p.m. via Zoom webinar.

10. **ADJOURNMENT**

ITEM 2A

**Coachella Valley Association of Governments
Homelessness Committee
Member Roster
2022- 2023**



VOTING MEMBERS	
Agua Caliente Band of Cahuilla Indians	Councilmember John Preckwinkle III
City of Blythe	Councilmember Johnny Rodriguez
City of Cathedral City	Councilmember Mark Carnevale
City of Coachella	Mayor Pro Tem Josie Gonzalez
Desert Healthcare District	Director Carole Rogers, RN
City of Desert Hot Springs	Councilmember Jan Pye
City of Indian Wells	Councilmember Rob Bernheimer
City of Indio	Mayor Waymond Fermon
City of La Quinta	Councilmember John Peña – <u>Vice Chair</u>
City of Palm Desert	Mayor Pro Tem Sabby Jonathan
City of Palm Springs	Councilmember Christy Holstege – <u>Chair</u>
City of Rancho Mirage	Mayor Charles Townsend
Riverside County – District 4	Supervisor V. Manuel Perez
Ex-Officio / Non-Voting Members	
Pedro S.G. Rodriguez, Executive Director, Coachella Valley Housing Coalition	
Darla Burkett, Executive Director, Coachella Valley Rescue Mission	
Vacant, Executive Director, Home Aid Inland Empire	
Samuel Hollenbeck, Chief Executive Officer, Martha's Village and Kitchen	
Vacant, The Salvation Army	
Angelina Coe, Executive Director, Shelter from the Storm	
Additional Support Staff	
Carrie Harmon, Assistant Director Housing, Homelessness Prevention and Workforce Solutions	Dr. Conrado Bãrzaga, CEO, Desert Healthcare District
Tanya Torno, Principal Development Specialist, Housing, Homelessness Prevention and Workforce Solutions	Marcus Cannon, Behavioral Health Services Supervisor, Riverside University Health System-Behavioral Health

CVAG Staff
Tom Kirk, Executive Director
Erica Felci, Assistant Executive Director
Greg Rodriguez, Contract Staff
Anyse Smith, Management Analyst

Updated: 2/3/2022

ITEM 5A

Homelessness Committee Meeting Minutes June 15, 2022



The audio file for this meeting can be found at: <http://www.cvag.org/audio.htm>

1. **CALL TO ORDER** - The June 15, 2022 meeting was called to order by Homelessness Committee Chair Christy Holstege, City of Palm Springs, at 10:01 a.m. on Zoom videoconference, pursuant to AB 361 and the guidelines for virtual public meetings.
2. **ROLL CALL** - Roll call was taken and it was determined that a quorum was present.

Members Present

City of Palm Springs
City of Cathedral City
Desert Healthcare District
City of Desert Hot Springs
City of Indian Wells
City of La Quinta
City of Rancho Mirage
Agua Caliente Band of Cahuilla Indians
City of Indio

City of Palm Desert

Councilmember Christy Holstege
Mayor Ernesto Gutierrez
Board Director Carole Rogers, RN
Councilmember Jan Pye
Councilmember Rob Bernheimer
Councilmember John Peña, Vice Chair
Mayor Charles Townsend
Councilmember John Preckwinkle III
Mayor Waymond Fermon (*Arrived during Item 4, Left during Item 5B*)
Mayor Pro Tem Sabby Jonathan

Ex-Officio Members Present

Shelter from the Storm

Angelina Coe

Members and Ex-Officios Not Present

City of Blythe
City of Coachella
Riverside County – District 4
Coachella Valley Housing Coalition
Coachella Valley Rescue Mission
Martha's Village and Kitchen

Councilmember Johnny Rodriguez
Mayor Pro Tem Josie Gonzalez
Supervisor Manuel Perez
Pedro S.G. Rodriguez
Darla Burkett
Linda Barrack

3. **PUBLIC COMMENTS ON AGENDA ITEMS**

None.

4. **CHAIR / COMMITTEE MEMBER/CVAG STAFF COMMENTS**

Chair Holstege introduced the newest committee member, Councilmember Rob Bernheimer of Indian Wells.

Assistant Executive Director Erica Felci reminded the Committee of the upcoming General Assembly meeting.

5. CONSENT CALENDAR

IT WAS MOVED BY MAYOR TOWNSEND AND SECONDED BY DIRECTOR ROGERS TO:

A. Approve the April 20, 2022 Homelessness Committee Meeting Minutes

THE MOTION CARRIED WITH 10 AYES AND 3 MEMBERS ABSENT.

Councilmember John Preckwinkle III	AYE
Councilmember Johnny Rodriguez	ABSENT
Mayor Ernesto Gutierrez	AYE
Mayor Pro Tem Josie Gonzalez	ABSENT
Director Carole Rogers	AYE
Councilmember Jan Pye	AYE
Councilmember Rob Bernheimer	AYE
Mayor Waymond Fermon	AYE
Councilmember John Peña	AYE
Mayor Pro Tem Sabby Jonathan	AYE
Councilmember Christy Holstege	AYE
Mayor Pro Tem Charles Townsend	AYE
Supervisor Manuel Perez	ABSENT

6. DISCUSSION / ACTION

A. Annual Point-in-Time County of Unsheltered Individuals – Greg Rodriguez

Greg Rodriguez provided the staff report and responded to members' questions and comments. Mr. Rodriguez offered to make this presentation at City Council meetings, Mayor Gutierrez requested a copy of the slide presentation be provided to all members.

No action was taken as this was an informational item.

B. "The Path Forward" and a Recap of Collaborative Efforts Implemented in the Coachella Valley – Greg Rodriguez

Greg Rodriguez gave a detailed presentation of the work conducted during the contract with CVAG. Member discussion followed, with Committee members expressing appreciation for the progress made.

No action was taken as this was an informational item.

C. Acceptance of Surplus Vehicles for the CV Housing First Program – Erica Felci

Erica Felci provided the staff report and a brief discussion ensued.

IT WAS MOVED BY MAYOR PRO TEM JONATHAN AND SECONDED BY COUNCILMEMBER BERNHEIMER TO AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE THE NECESSARY STEPS TO ACCEPT UP TO TWO SURPLUS VEHICLES FROM THE COUNTY OF RIVERSIDE FOR USE BY THE CV HOUSING FIRST PROGRAM

THE MOTION CARRIED WITH 9 AYES AND 4 MEMBERS ABSENT.

Councilmember John Preckwinkle III	AYE
Councilmember Johnny Rodriguez	ABSENT
Councilmember Mayor Ernesto Gutierrez	AYE
Mayor Pro Tem Josie Gonzalez	ABSENT
Director Carole Rogers	AYE
Councilmember Jan Pye	AYE
Councilmember Rob Bernheimer	AYE
Mayor Waymond Fermon	ABSENT
Councilmember John Peña	AYE
Mayor Pro Tem Sabby Jonathan	AYE
Councilmember Christy Holstege	AYE
Mayor Pro Tem Charles Townsend	AYE
Supervisor Manuel Perez	ABSENT

7. **INFORMATION** – The following items were provided for the Committee's information.

- A. Attendance Record
- B. Ex-Officio Update
- C. CVAG Meeting Calendar for Fiscal Year 2022/23
- D. Funding Resources for Homelessness Programs
- E. Cooling Center Plans for Summer 2022
- F. Funding Agreements for CV Housing First
- G. Unaudited Financial Statement for CV Housing First Program through March 2022

There were no ex-officio updates.

8. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

None.

9. **ANNOUNCEMENTS**

Upcoming Meetings:

The next meeting of the **Homelessness Committee** will be held on Wednesday, September 21, 2022, at 10 a.m. via Zoom webinar.

The next meeting of the **Executive Committee** will be held on Monday, June 27, 2022 at 4:30 p.m. via Zoom webinar.

The next meeting of the **General Assembly** will be held on Monday, June 27, 2022, at 6 p.m. via Zoom webinar.

10. ADJOURN

There being no further business, Chair Holstege adjourned the meeting at 11:06 a.m.

Respectfully submitted,

Jennifer Nelson

CVAG Executive Assistant/Clerk

ITEM 5B

**Coachella Valley Association of Governments
Homelessness Committee
September 21, 2022**

**STAFF REPORT**

Subject: CV Housing First: Second Quarter Report for 2022

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org) and Ivan Tenorio, Management Analyst (itenorio@cvag.org)

Recommendation: Receive and file the quarterly report for the CV Housing First program, representing clients served in the second quarter of 2022

Background: CVAG is now in its second year of operating the CV Housing First program with staff. The program is focused on the CV200, a by-name list of chronically homeless individuals residing in desert cities that have frequent contacts with law enforcement and who are likely to be shelter resistant or who have already fallen out of housing. The list was developed in partnership with CVAG's member jurisdictions and local law enforcement.

CVAG staff has committed to adjusting CV Housing First programming based on the data, and provides quarterly updates to its members about the program. The CV Housing First team uses two primary methods to get clients to housing solutions: rapid resolution and crisis stabilization units. CVAG staff will continue to provide quarterly reports as it provides services in 2022.

CV Housing First Clients – By the Numbers through June 30, 2022

CV200 as of 6/30/2022	Q1	Q2	Q3	Q4	TOTAL
Clients housed in Crisis Stabilization Units (CSH)	33	26			59
Clients being helped through Rapid Resolution (RR)	0	1			1

Clients returned to the street (failures)	5	13			18
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Clients moved into permanent housing from CSH (successes)	15	12			27
Clients moved into permanent housing through RR (successes)	0	1			1

TOTAL HOUSED FROM LIST OF 200	15	13			28
NON CV200 as of 3/31/2022	Q1	Q2	Q3	Q4	TOTAL
Households Housed in CSH Units	1	4			5
Households being helped through RR	6	5			12

Households returned to the street (failures)	0	3			3
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Households moved into permanent housing from CSH (successes)	1	1			1
Households moved into permanent housing from RR (successes)	6	5			5
TOTAL HOUSEHOLDS HOUSED	7	6			13
TOTAL INDIVIDUALS HOUSED	7	6			13

CVAG staff continues to track program metrics, such as the length of stay in the units. For the second quarter, the CV200 clients who successfully exited the program into permanent housing stayed in a crisis stabilization unit for **72 days**. Those CV200 clients who exited the program unsuccessfully stayed **70 days**.

CVAG staff also incorporated additional program metrics to track permanent housing resolutions. Knowing the type of housing where clients resolve will help with identifying future opportunities and options for housing, while also highlighting where we face challenges in finding placement for clients. Of the 13 permanent housing resolutions in the second quarter, the breakdown of clients' Exit Destination is as follows:

- Family/Friends – 3
- Permanent Supportive Housing (PSH) – 6
- Rental With Ongoing Subsidy (Low Income Senior Housing) – 1
- Rental With Ongoing Subsidy (VASH Voucher) – 2
- Rental With Ongoing Subsidy (Housing Choice Voucher) – 1
- Rental with No Ongoing Subsidy - 0
- Rapid Rehousing - 0
- Shared Housing - 0

For the clients who are still in housing or who have been recently housed, CVHF staff remains ready and available to assist with providing supportive services and linkages to services to prevent a return to homelessness.

CVHF staff continues to work with law enforcement, member jurisdictions, and healthcare resources to provide services to those who most frequently use first responder and hospital resources. An additional metric that CVHF has been tracking is hospital discharges and law enforcement contacts for CV200 clients. During the first two quarters, a total of 55 CV200 clients participated in the Street Outreach and CSH programs. Of those clients, 13% reported having been discharged from the hospital 10+ times within the previous 12 months, and 13% reported having had 10+ encounters with law enforcement during that same time period. CVHF staff will continue to track this data to more accurately identify client engagement with hospital and law enforcement resources.

To expand services to clients and reduce barriers to acquiring permanent housing, the CVHF Mobile Access Center has been deployed throughout the Coachella Valley to provide necessary documentation and referrals for housing, medical, mental health, substance abuse, employment, and mainstream benefits.

Fiscal Analysis: The CV Housing First program, including the staffing and CV200 program, is incorporated into the CV Housing First budget, which has been funded by contributions from cities, Riverside County, the Desert Healthcare District/Foundation, and grants.

ITEM 6A

Coachella Valley Association of Governments Homelessness Committee September 21, 2022



STAFF REPORT

Subject: Update on the Revenue Stream Feasibility Study for Affordable Housing and Associated Transportation Needs

Contact: Peter Satin, Regional Planner (psatin@cvag.org)

Recommendation: Provide input on the Regional Early Action Planning project and the continued evaluation of identified funding tools and community engagement strategy

Background: The State's Fiscal Year 2019/2020 budget included funding for the Regional Early Action Planning (REAP) program to address the housing crisis from a planning perspective at the regional level. Through REAP, \$47 million was allocated to the Southern California Association of Governments (SCAG) to administer on behalf of the region. Of this, \$23 million was set aside for noncompetitive subregional partnerships. As a subregional partner, CVAG was eligible to receive approximately \$558,000 to be used toward one or more planning efforts that boost housing production and related supportive infrastructure.

In April 2021, the Executive Committee authorized the Executive Director to execute the agreements necessary to move forward with two projects. One of those projects was to conduct a revenue stream feasibility study for housing and associated transportation needs. The study was designed in response to feedback from CVAG's Transportation, Homelessness, and Executive Committees to identify funding alternatives that could support affordable housing and infrastructure. In December 2021, after a competitive procurement process, the Executive Committee authorized the Executive Director to enter into a contract with Kosmont Companies (Kosmont) to conduct the feasibility study. The study involves an evaluation of existing revenue sources both within the Coachella Valley and in other communities, a quantitative analysis of the most promising funding tools, an assessment of potential policy initiatives needed to implement the tools, and stakeholder engagement. The study will result in a regional strategic plan to streamline the creation of affordable housing and associated transportation needs.

Kosmont completed a survey of existing revenue generation tools in use both within the Coachella Valley as well as other communities in California. These findings, alongside a draft stakeholder engagement plan, were presented to the Homelessness Committee in April 2022. Based on the results of the survey and feedback from the Homelessness Committee, Kosmont honed in on tax increment financing as a promising avenue for further exploration, and has since conducted a quantitative analysis of the potential revenue that could be generated based on three different conceptual implementation strategies. The initial results suggest that implementation of a tax increment financing district could generate over its 50-year lifespan between \$137 million and \$343 million across the CVAG region, depending on the district parameters. This analysis was complemented by an assessment of one-time revenue tools, including grants, housing linkage and in-lieu fees, and zoning incentives. Their findings are included in the attached report, and the team will present an update to the Homelessness Committee at its September meeting.

CVAG staff, in conjunction with Kosmont, have also been moving forward with community engagement. An outreach meeting for the project was held in June 2022 to solicit feedback from interested stakeholders. A total of 23 participants from local agencies, housing advocacy groups, and nonprofits attended. The initial meeting focused on introducing attendees to the variety of tools available and gauging community interest in those tools. This engagement identified inclusionary housing policies as being of highest interest to attendees, followed by housing-related grants, then housing sustainability districts. The project team will conduct a second community engagement meeting in October 2022 to present the findings of the quantitative analysis.

Findings from the revenue tool survey and quantitative evaluation, analysis of supportive policy initiatives, and community feedback will be compiled into a regional strategic plan that will detail potential avenues for implementation of a sustainable revenue source. The regional strategic plan will be presented to the Homelessness Committee and Executive Committee in spring 2023.

The study is one of two REAP-funded projects at CVAG. The second project is the implementation of an Affordable Housing Catalyst Fund by Lift to Rise. As of the end of June, the Catalyst Fund has provided pre-development financing for a total of 340 units, and an additional 296 units are expected to receive similar funding by the end of September. The Catalyst Fund has identified 6,000 units for inclusion in its funding pipeline, and \$20,500,000 in complementary funding.

Fiscal Analysis: This update has no additional cost to CVAG.

CVAG was initially expected to receive at least \$558,000 in REAP funds, which increased to \$558,918 after the RHNA adjusted allocation initiated by SCAG. CVAG allocated \$254,000 of the funding to this revenue stream feasibility study, with \$214,049 set aside for consultant services. In December 2021, the Executive Committee authorized CVAG to accept an additional 5 percent allocation for CVAG's REAP projects, which equates to \$27,946, for a total REAP project budget of \$586,864 .

SCAG has made this additional funding available as of September 2022, and CVAG staff is currently assessing how best to apply the funds. The deadline for expenditure of funds was extended by the housing trailer bill SB 197. REAP funds must now be expended by December 31, 2022.

Attachment:
Potential Funding Capacity & Supporting Policy Initiatives Report



COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

REAP HOUSING & TRANSPORTATION REVENUE STUDY: POTENTIAL FUNDING CAPACITY & SUPPORTING POLICY INITIATIVES

September 2022



2301 Rosecrans Ave., Suite 4140
El Segundo, CA 90245
TEL: 424-297-1070 | URL: www.kosmont.com

EXECUTIVE SUMMARY

- Kosmont and Arellano Associates (“Consultant Team”) were retained by CVAG in accordance with Regional Early Action Plan (REAP) guidelines for the evaluation of revenue tools for the funding of housing and associated transportation needs in the CVAG region
- Evaluation includes a variety of potential one-time and ongoing / sustainable revenue tools, along with potential policy initiatives that would support such funding tools
- This report is intended to summarize Consultant Team Scope of Work Tasks 2.3 and 3.1, focused on quantitative evaluation of relevant revenue tools and supportive policy initiatives for housing and transportation projects
- Immediate next steps include continued stakeholder engagement for feedback on potential tools and policies and analysis refinement accordingly, prior to drafting a Regional Strategic Plan

OUTLINE

1. Quantitative Evaluation of Relevant Revenue Tools

- a. Sustainable / Ongoing Revenue Streams
- b. Complementary One-Time Revenue Tools

2. Supportive Policy Initiatives

3. Next steps

1.A. SUSTAINABLE / ONGOING REVENUE TOOLS

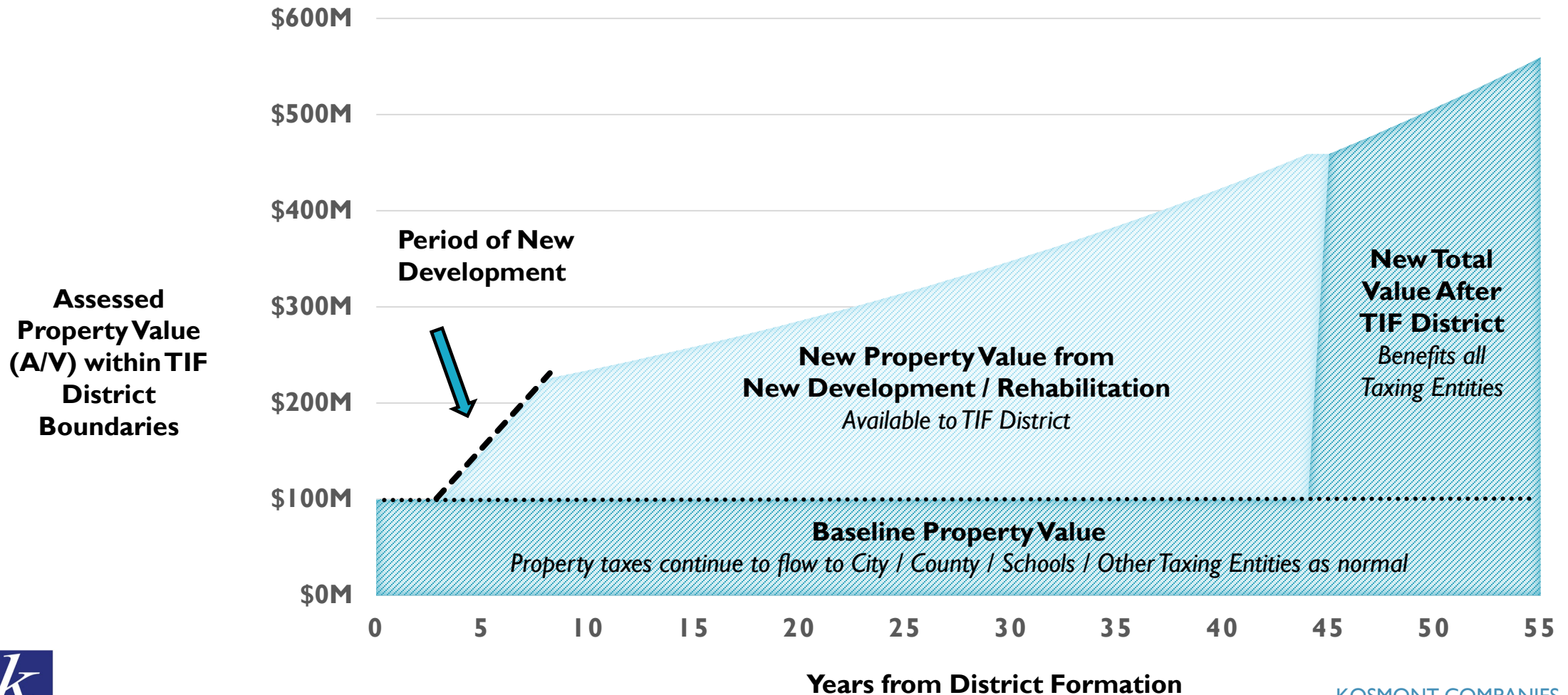
CVAG – REAP REVENUE STUDY

ONGOING REVENUE TOOLS: SUMMARY

- Early stakeholder outreach with CVAG committee members guided the Consultant Team's work to focus on [Tax Increment Financing \(TIF\)](#), as a means of generating ongoing, sustainable revenue to housing and transportation infrastructure without adding a new tax to residents, property owners, or businesses
- Apart from funding projects directly, the intent would be to leverage such ongoing revenue to bundle and attract additional sources of funds, such as [state and federal grants](#), as well as to couple with relevant implementation mechanisms of interest to the CVAG region, such as [Community Land Trusts \(CLTs\)](#)
- This study estimates that between **\$137 million** and **\$343 million** (in present value terms) would be available for affordable housing and related housing- and transportation-supportive infrastructure across the CVAG region under the scenarios of tax increment financing (TIF) implementation evaluated, reflecting a conservative base case of property value growth and NOT including funding from other complementary sources
- [Enhanced Infrastructure Financing Districts \(EIFD\)](#) are likely the most suitable form of TIF for the types of housing and infrastructure targeted in the CVAG region in the context of this study, due primarily to the ease of the qualification process, the flexibility in delineation of district boundaries, and the statutory eligible uses of funds
- Complementary one-time revenue tools such as grants and other potential tools are discussed in the following section

WHAT IS TAX INCREMENT FINANCING (TIF)?

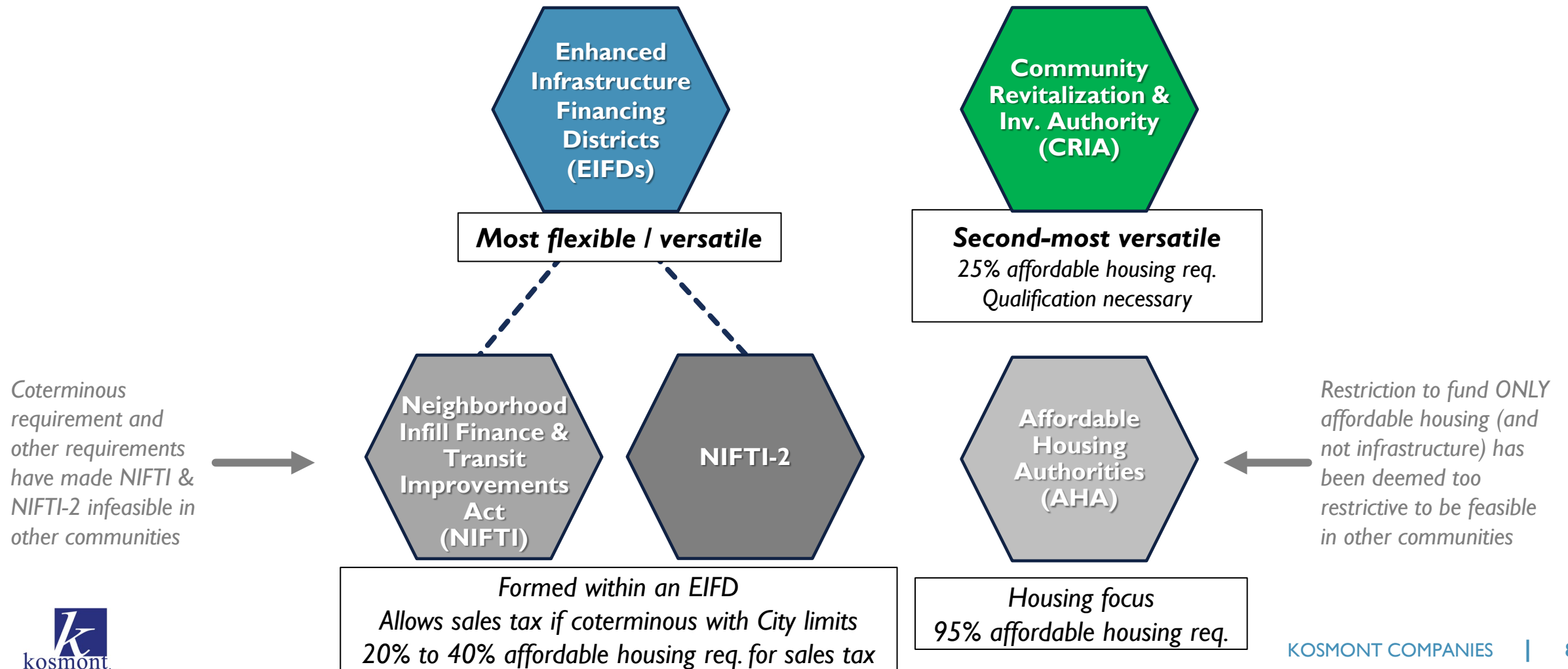
NOT A NEW TAX



MECHANICS OF TIF



TIF ALTERNATIVES IN CALIFORNIA



ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD) FUNDAMENTALS

Long Term Districts	45 years from first bond issuance; can be formed in 12-18 months
Governance	Public Financing Authority (PFA) implements Infrastructure Financing Plan (IFP)
Approvals	Mandatory public hearings for formation with protest opportunity; no public vote (other than elected bodies)
Non-contiguous Areas	EIFD project areas <u>do not have to be contiguous</u>
Eligible Projects	Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, and <u>maintenance</u>

COMMUNITY REVITALIZATION AND INVESTMENT AUTHORITY (CRIA) FUNDAMENTALS

Term	30 years to issue debt; 45 years to repay
Governance	Public agency separate from the city, county that created it; implements governing document (CRIA Plan)
Eligibility	City or County that meets disadvantaged community definitions (median income, unemployment, crime, deterioration)
Approvals	Mandatory public hearings for formation (includes protest opportunity); no public vote to issue debt (other than elected bodies)
Eligible Projects	Infrastructure, affordable housing, remediation, acquire and transfer property (incl. via eminent domain), loans and grants to property owners and businesses; 25% affordable housing set aside

TYPES OF PROJECTS AN EIFD AND OR CRIA CAN FUND

PARTIAL LIST



Water / Sewer / Storm / Flood



Roadway / Transportation



Parks / Open Space / Recreation



Childcare Facilities & Libraries



Brownfield Remediation



Affordable Housing



Broadband



**Wildfire Prevention / Other
Climate Change Response**



Small Business / Nonprofit Facilities

TIF/EIFD AS A COMPONENT OF THE ECONOMIC DEVELOPMENT AND PUBLIC FINANCING TOOLKIT

- There are advantages / disadvantages to TIF/EIFDs compared to other mechanisms, such as general obligation (GO) bonds, lease revenue bonds / COPs, Mello-Roos Community Facilities District (CFD) financing, assessment districts, and other public financing tools
- **Advantages of EIFD** include no encumbrance of existing city/county resources, can attract tax increment contributions from other taxing entities, increased priority for grant funding, ability to demonstrate commitment to multiple infrastructure (and/or affordable housing) projects to catalyze private sector development, capacity to fund maintenance, no additional taxes to property owners / residents / businesses, and ease of voter approval
- **Disadvantages of EIFD** include lack of comparable financings thus far, statutory authority (as opposed to constitutional authority) to issue debt may require separate judicial validation, and subordination to redevelopment successor agency obligations
- **Advantages of EIFD vs. Other CA TIF Tools** (e.g., CRIA, IFD, IRFD, AHA, SIFD) include flexibility in delineating project areas, capacity to dedicate property tax in lieu of motor vehicle license fees (MVLFF), district duration, and governing board composition and corresponding implications for taxing entity partnership
- **Complementary Tool:** EIFD should not be considered a replacement for other useful financing mechanisms, but rather a complementary tool; other jurisdictions have been successful in utilizing EIFDs as well as other tools for different projects within the same community (see complementary tools discussion of public financing and real estate strategies)

COMPARISON OF TIF/EIFD AND OTHER TOOLS

POTENTIAL FUNDING AND FINANCING STRATEGY CAN UTILIZE MULTIPLE MECHANISMS

District Type	Description	Revenue Source	Approval Structure	Use of Funds
TIF (e.g., EIFD, CRIA, IFD, IRFD)	Incremental property tax revenues from new development used to fund local infrastructure. Max term is 45 years from approval to issue debt.	Incremental (new development) property tax revenues (incl. MVLF) – does not increase taxes	<i>District formation</i> – Elected bodies + majority protest opportunity by landowners and registered voters <i>Bond issuance</i> – Elected bodies and Public Financing Authority (PFA)	<ul style="list-style-type: none"> • Infrastructure of regional or communitywide significance • Maintenance • Affordable housing
Mello-Roos Community Facilities District (CFD) and/or Assessment District	Additional assessment or “special tax” used to fund infrastructure / services that benefit property. Max term is 40 years from date of debt issuance.	New property assessment or tax – appears as separate line item on tax bill	<i>District formation</i> – Elected body + 2/3 vote of landowners or registered voters in district* <i>Bond issuance</i> – Elected body	<ul style="list-style-type: none"> • Infrastructure capital expenditures of benefit to landowners • Maintenance • Public services (e.g., safety, programs)
General Obligation	Voter-approved debt that is repaid with “override” to 1% tax levy; City-wide	Direct property tax levied on all properties at same millage rate	Elected body + 2/3 vote of registered voters in entire City	<ul style="list-style-type: none"> • In accordance with bond plebiscite
Lease Revenue / Certificates of Participation (COPs)	General Fund-supported borrowing, generally utilizing City-owned assets to be leased and leased back	General Fund (or other legally available revenues as determined by City)	Elected body	<ul style="list-style-type: none"> • In accordance with bond authorization

EIFD VERSUS FORMER REDEVELOPMENT AGENCIES

SAMPLE OF DIFFERENCES

	Former RDAs	EIFDs
Eligible Use of Funds	<ul style="list-style-type: none"> • Infrastructure and affordable housing • Market-rate housing • Land clearing and parcel assembly • Tax and other private business / developer subsidies 	<ul style="list-style-type: none"> • Public infrastructure (e.g., roads, sewers, open space, utilities) • Affordable housing
Eminent Domain / Condemnation	<ul style="list-style-type: none"> • Allowed 	<ul style="list-style-type: none"> • Not allowed
Eligible Areas	<ul style="list-style-type: none"> • Must qualify as “blighted” 	<ul style="list-style-type: none"> • No “blight” finding required
Governance	<ul style="list-style-type: none"> • City Council or County Board 	<ul style="list-style-type: none"> • Public Financing Authority including Public Members
Formation	<ul style="list-style-type: none"> • Vote of governing body 	<ul style="list-style-type: none"> • 3 public hearings, majority protest opportunity

WHY ARE PUBLIC AGENCIES AUTHORIZING EIFDS?

1. Return on Investment: Private sector investment induced by district commitment on a “but for” basis accelerates growth of **net fiscal revenues, job creation, housing production, essential infrastructure improvements**
2. Ability to attract additional funds (“OPM”) – tax increment from other entities (county, special districts), federal / state grants / loans (e.g., for TOD, water, housing, parks, remediation)

EIFDS WORK BETTER WITH A CITY/COUNTY PARTNERSHIP

- Ideal strategy includes City and County partnership
- EIFDs which involve a City / County joint effort are more likely to win state grant funding sources
- EIFDs explicitly increase scoring for CA state housing grants (e.g., IIG, AHSC, TCC)

Federal & State Sources

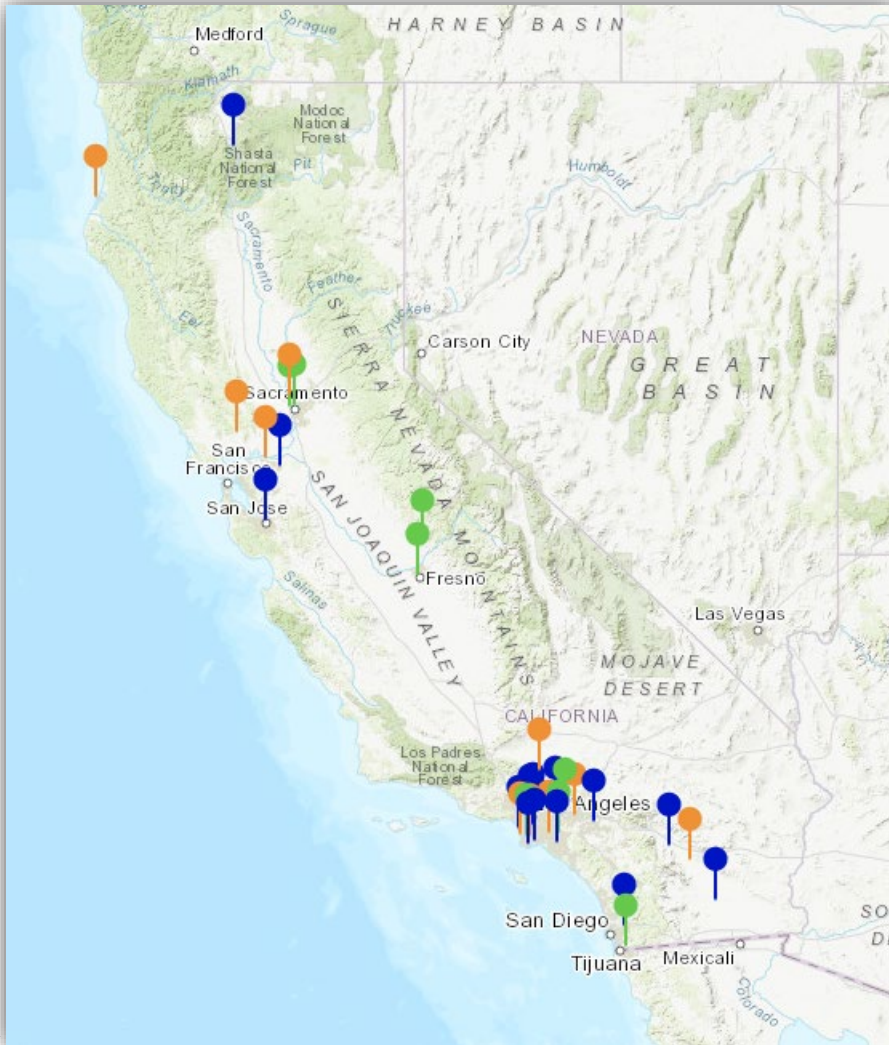
- Cap-and-Trade / HCD grant & loan programs (AHSC, IIG, TCC, CERF)
- Prop 68 parks & open space grants
- Prop 1 water/sewer funds
- Caltrans ATP / HSIP grants
- Federal EDA / DOT / EPA funding
- Federal Infrastructure Grant Program



Other Potential Funding Sources

- Development Agreement / impact fees
- Benefit assessments (e.g., contribution from CFD)
- Private investment

TIF DISTRICTS IN PROGRESS STATEWIDE (PARTIAL LIST)



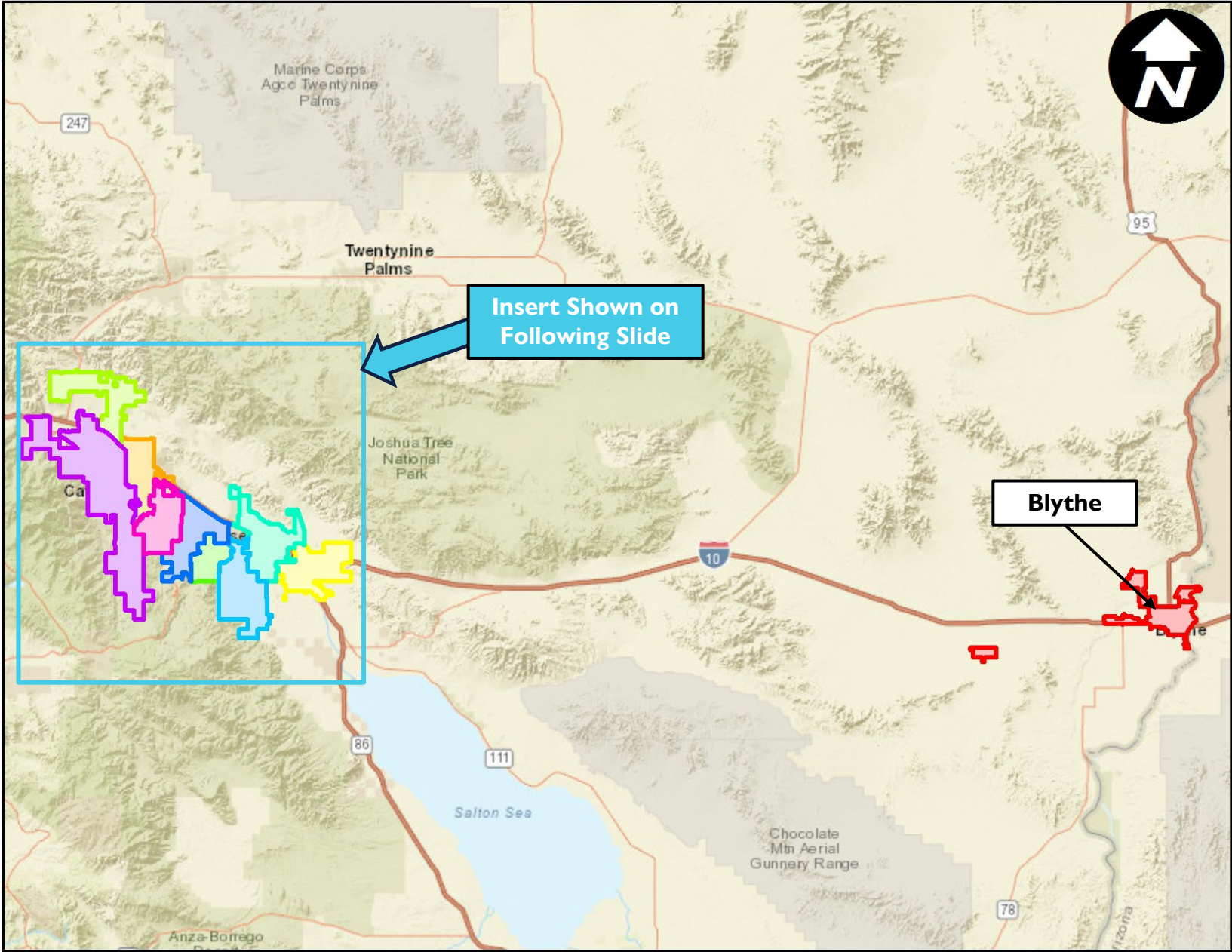
Jurisdiction	Purpose
Azusa	Housing and transit-supportive infrastructure
Brentwood	Housing and transit-supportive infrastructure
Buena Park	Mall reimagination, housing-supportive infrastructure
Carson + L.A. County	Remediation, housing infrastructure, recreation
Coachella Valley Association of Govts (CVAG) Cities	Housing and transportation-supportive infrastructure
Covina	Housing and transit-supportive infrastructure
El Cajon	Housing and transit-supportive infrastructure
El Segundo + L.A. County	Various infrastructure, regional connectivity
Fairfield	Housing and transit-supportive infrastructure
Fontana	Housing, mixed-use and industrial infrastructure
Fresno	Housing and transit-supportive infrastructure
Fresno County	Industrial and commercial supportive infrastructure
Humboldt County	Coastal mixed-use & energy supportive infrastructure
Indian Wells	Housing and tourism-supportive infrastructure
Imperial County	Housing and greenfield infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Long Beach (Multiple Areas)	Housing and transit-supportive infrastructure
Los Angeles (Downtown, San Pedro)	Housing and transit-supportive infrastructure
Los Angeles County Uninc. West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Greenfield infrastructure (water / sewer)
Modesto + Stanislaus County	Housing, transit, recreation-supportive infrastructure
Mount Shasta + Siskiyou County	Rural Brownfield site mixed-use infrastructure
Napa	Housing and transit-supportive infrastructure
Oakland	Affordable housing and housing-supportive infrastructure
Ontario	Housing and transit-supportive infrastructure
Palmdale + L.A. County	Housing and transit-supportive infrastructure
Pittsburg	Housing and transit-supportive infrastructure
Placentia + Orange County	Housing and transit-supportive infrastructure
Rancho Cucamonga	Housing and transit-supportive infrastructure
Redlands	Housing and mixed-use supportive infrastructure
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside	Housing and transit-supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Bernardino County (Unincorporated)	Transit-supportive infrastructure
San Jose	Housing and transit-supportive infrastructure
Sanger	Housing and commercial supportive infrastructure
Santa Ana	Housing and transit-supportive infrastructure
South Gate	Housing and transit-supportive infrastructure
Vacaville	Housing and transit-supportive infrastructure
Yucaipa	Housing and transit-supportive infrastructure
Fully Formed	In Formation Process
	Under Evaluation

BOUNDARY AND STRATEGIC CONSIDERATIONS FOR CVAG

1. Define potential district boundary parameters for each CVAG community based on scenarios that have functioned well for other jurisdictions statewide, balancing TIF funding capacity and general fund solvency
2. Estimate future growth of assessed value based on historical growth (5-yr history) within the CVAG region and Kosmont staff experience with property tax revenue projections
3. Identify primary eligible public agencies that receive property tax increment within the district (e.g., local City, County of Riverside), as well as their corresponding shares of future property tax increment
4. Evaluate scenarios of tax increment allocation percentages based on factors above, also balancing need to reserve future property tax revenues for general fund solvency / day-to-day municipal services

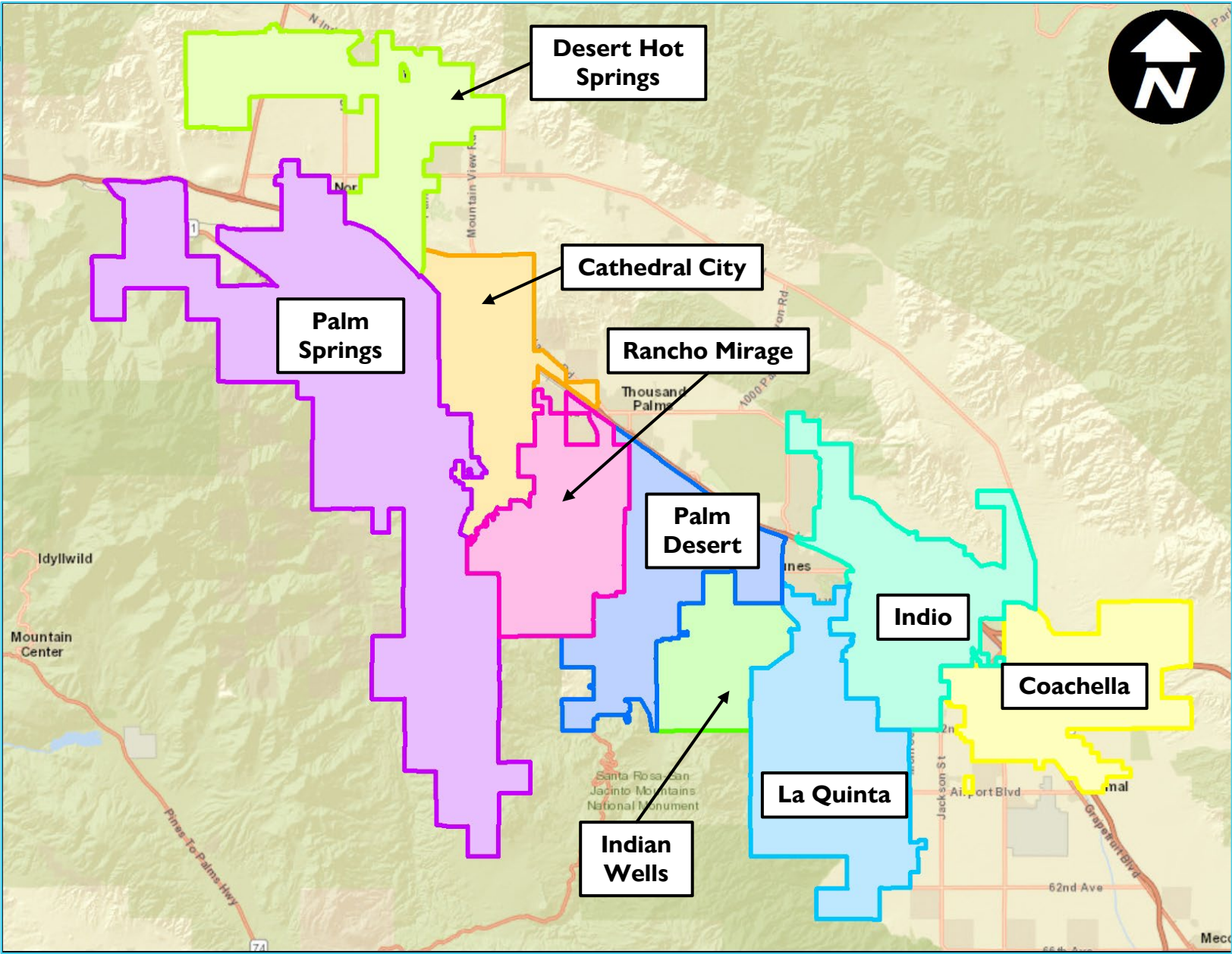
CVAG CITIES

CVAG Cities	Approx. Acres
Blythe	17,510
Cathedral City	14,560
Coachella	21,171
Desert Hot Springs	19,622
Indian Wells	9,331
Indio	21,274
La Quinta	22,835
Palm Desert	17,286
Palm Springs	60,595
Rancho Mirage	16,474
Estimated Total Acreage	220,659



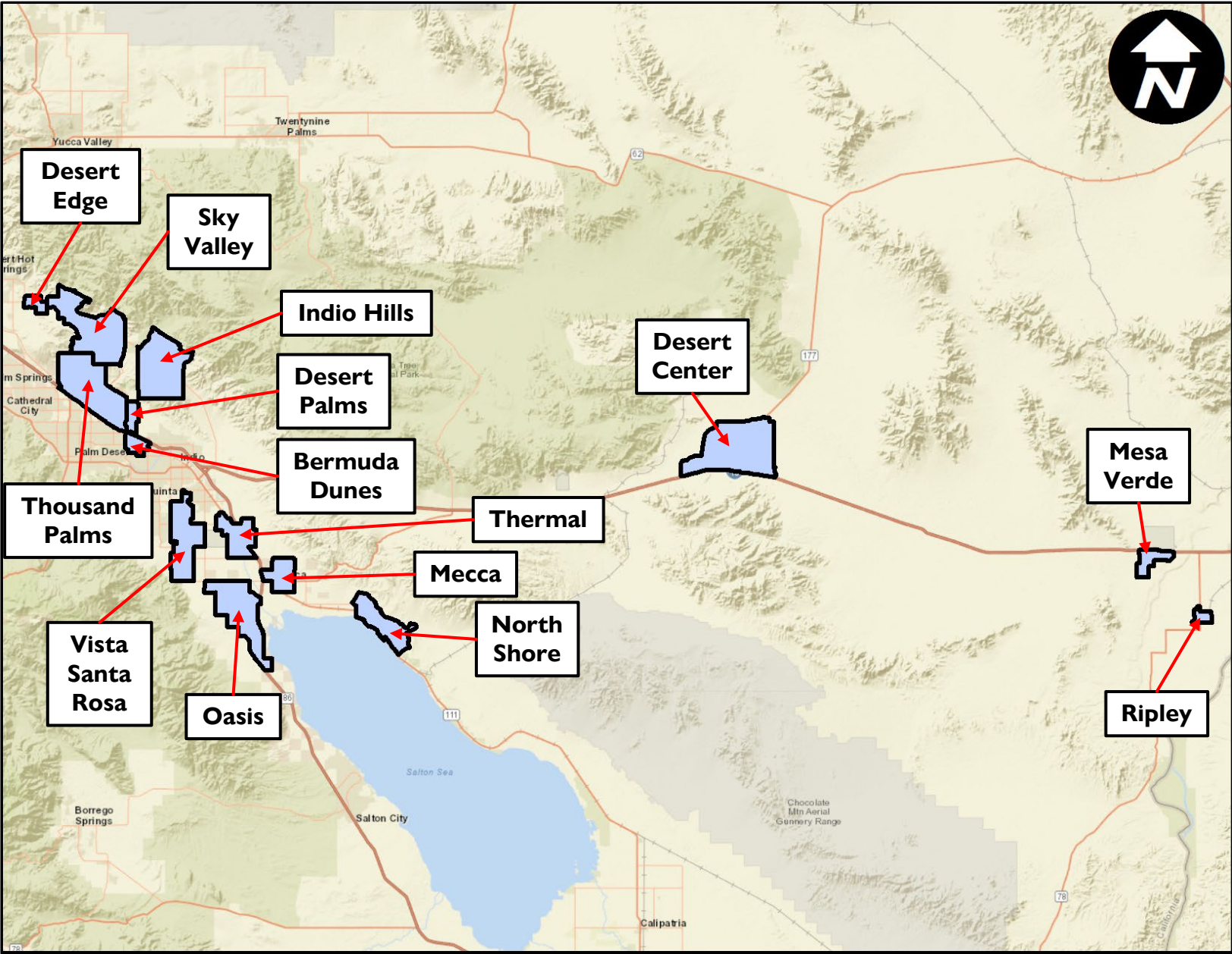
CVAG CITIES

(ZOOMED)



UNINCORPORATED COMMUNITIES

CVAG Unincorporated Communities	Approx. Acres
Bermuda Dunes	1,888
Desert Center	19,475
Desert Edge	1,453
Desert Palms	1,709
Indio Hills	13,766
Mecca	4,454
Mesa Verde	2,778
North Shore	7,155
Oasis	12,563
Ripley	1,088
Sky Valley	15,533
Thermal	6,048
Thousand Palms	15130
Vista Santa Rosa	10,323
Estimated Total Acreage	113,363



EXISTING ASSESSED VALUE AND PROPERTY TAX DISTRIBUTION

Jurisdiction	Estimated Total Existing Assessed Value (A/V)	City Share of 1% Property Tax Levy	City VLF Equivalent	Total City Property Tax Available to EIFD	County Share of 1% Property Tax Levy
Blythe	\$814,110,455	22.3%	16.4%	38.6%	9.9%
Cathedral City*	\$5,345,023,091	7.1%	9.6%	22.6%	12.9%
Coachella	\$2,220,955,238	3.6%	23.7%	27.3%	9.8%
Desert Hot Springs	\$2,238,383,572	11.0%	12.1%	23.1%	11.3%
Indian Wells	\$6,599,612,415	4.6%	0.8%	5.4%	15.1%
Indio	\$9,740,238,046	14.9%	11.2%	26.1%	12.1%
La Quinta	\$15,209,866,340	4.6%	3.0%	7.6%	11.6%
Palm Desert	\$16,755,218,136	5.4%	2.8%	8.2%	11.0%
Palm Springs	\$15,524,959,794	22.7%	3.9%	26.6%	13.0%
Rancho Mirage	\$9,765,384,821	7.8%	1.7%	9.6%	12.9%
Unincorporated Communities	\$3,924,357,809	N/A	N/A	N/A	9.8%

*Includes 6.0% City Fire

Source: Riverside County Auditor Controller (2021-2022 Assessed Values)

Post-ERAF distribution. Where portions of this boundary overlap with former RDA project areas, property tax is subject to separate project-area-wide distribution schedule until expiration / maturation of outstanding Successor Agency enforceable obligations

METHODOLOGY FOR BOUNDARY AND REVENUE ALLOCATION SCENARIO DEFINITION

- Each city and the County would, in practice, have flexibility to delineate a district boundary encompassing specific parcels in each jurisdiction, typically parcels positioned for new development or rehabilitation
- In order to illustrate realistic funding capacity without pre-determining the specific area within each community that could be included within an EIFD, this analysis utilizes three (3) sample boundary alternatives that represent mathematical parameters that have functioned well in previously established districts statewide
- Two primary factors are varied in Scenarios A, B, and C on following pages:
 - a) Percentage of the community in the district (50% versus 25% versus 10%) – this factor represents how much of a city or unincorporated community, in terms of existing assessed value, would be placed into an EIFD
 - b) Percentage allocation (5% versus 25% versus 50%) – this factor reflects the percentage of future tax increment revenue within the EIFD boundary that would be allocated to the EIFD as opposed to the jurisdiction's general fund
- While a community may include up to 100% of its jurisdiction within a special district (i.e., a citywide district), more common practice is to include a smaller portion of city within a special district, so as not to over-encumber future general fund property tax revenues

METHODOLOGY FOR BOUNDARY AND REVENUE ALLOCATION SCENARIO DEFINITION (CONTINUED)

- As an example, in Scenario A (50% / 5%), each community is assumed to define a district boundary that encompasses 50% of the community (in terms of existing assessed value), and the community would allocate 5% of its future tax increment generated within that district boundary
- It is Kosmont's experience that the larger the district boundary is drawn within a community, the smaller the percentage allocation that can be fiscally supported by the general fund over the long term

SUMMARY OF TAX INCREMENT FINANCING (TIF) AVAILABLE REVENUES OVER TIME

Scenario	Total 50-Year Tax Increment Revenue Available (<i>across CVAG region</i>)	Present Value of Available Revenues (<i>6% Discount Rate</i>)
A) 50% / 5%	\$344M	\$137M
B) 25% / 25%	\$860M	\$343M
C) 10% / 50%	\$688M	\$274M

- Analysis estimates that between approx. **\$137 million** and **\$343 million** (in present value terms) would be available for affordable housing and related housing- and transportation-supportive infrastructure across the CVAG region under the scenarios of TIF implementation evaluated (very conservative estimates of future growth based on historical rates)

FUNDING CAPACITY ILLUSTRATIONS

- The following tables illustrate various ways to utilize EIFD revenues to fund targeted projects
- EIFD revenues may be used on a pay-as-you-go basis, leveraged to issue bonds, and/or pledged as reimbursement for funding advanced by other public or private entities
- Bonding scenarios shown assume “level debt service”, meaning that a Year 5 bond assumes that only Year 5 level of annual EIFD revenue will be available for bond debt service (as opposed to “escalating debt service”, which assumes growth beyond Year 5 levels)
- The “present value” figures shown are a helpful reflection of the value of future EIFD revenues if used as a pledge of reimbursement for funding advanced by other public or private partners (a 6% discount rate is utilized as a benchmark only)
- The “nominal dollar” figures represent the total “current” dollar amounts realized over time, not adjusting for inflation

SCENARIO A DETAIL: 50% OF COMMUNITY IN DISTRICT / 5% ALLOCATION

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	\$79,200	\$316,600	\$2,502,400	\$6,274,800
Cathedral City*	\$744,800	\$3,086,200	\$10,012,000	\$25,105,600
Coachella*	\$165,300	\$1,293,900	\$5,224,800	\$13,101,300
Desert Hot Springs*	\$154,400	\$1,164,900	\$4,880,300	\$12,237,600
Indian Wells*	\$141,600	\$1,013,200	\$4,475,100	\$11,221,400
Indio	\$2,652,300	\$8,167,900	\$23,585,000	\$59,140,300
La Quinta	\$1,392,800	\$4,812,400	\$14,622,700	\$36,667,100
Palm Desert	\$1,799,300	\$5,895,500	\$17,515,500	\$43,920,900
Palm Springs	\$4,812,400	\$13,922,600	\$38,955,600	\$97,682,800
Rancho Mirage*	\$1,001,400	\$3,769,800	\$11,837,800	\$29,683,700
Unincorporated Communities*	\$114,200	\$689,500	\$3,610,400	\$9,053,100
Total CVAG Region	\$18,115,000	\$49,361,200	\$137,221,600	\$344,088,600

City contribution includes contribution from both AB8 + MVL in-lieu property tax. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Kosmont's experience)

* Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes \$25,000 admin charge, 125% debt service coverage, 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at \$350,000.

Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

SCENARIO B DETAIL:

25% OF COMMUNITY IN DISTRICT / 25% ALLOCATION

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	\$216,900	\$1,679,900	\$6,255,900	\$15,686,900
Cathedral City*	\$2,855,400	\$8,708,900	\$25,030,100	\$62,764,000
Coachella*	\$1,173,400	\$4,228,100	\$13,061,900	\$32,753,300
Desert Hot Springs*	\$1,052,400	\$3,905,700	\$12,200,800	\$30,594,100
Indian Wells*	\$910,000	\$3,526,400	\$11,187,600	\$28,053,500
Indio	\$7,624,100	\$21,413,100	\$58,962,500	\$147,850,900
La Quinta	\$4,475,300	\$13,024,500	\$36,556,800	\$91,667,700
Palm Desert	\$5,491,700	\$15,732,100	\$43,788,800	\$109,802,300
Palm Springs	\$13,024,400	\$35,799,800	\$97,389,000	\$244,206,900
Rancho Mirage*	\$3,496,900	\$10,417,800	\$29,594,500	\$74,209,300
Unincorporated Communities*	\$606,200	\$2,717,000	\$9,025,900	\$22,632,900
Total CVAG Region	\$46,280,800	\$124,396,500	\$343,053,800	\$860,221,800

City contribution includes contribution from both AB8 + MVL in-lieu property tax. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Kosmont's experience)

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Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

SCENARIO C DETAIL: 10% OF COMMUNITY IN DISTRICT / 50% ALLOCATION

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	\$158,300	\$1,211,500	\$5,004,700	\$12,549,500
Cathedral City*	\$2,151,900	\$6,834,700	\$20,024,100	\$50,211,200
Coachella*	\$806,300	\$3,250,000	\$10,449,500	\$26,202,700
Desert Hot Springs*	\$709,500	\$2,992,100	\$9,760,700	\$24,475,300
Indian Wells*	\$595,600	\$2,688,600	\$8,950,100	\$22,442,800
Indio	\$5,966,900	\$16,998,000	\$47,170,000	\$118,280,700
La Quinta	\$3,447,800	\$10,287,100	\$29,245,400	\$73,334,100
Palm Desert	\$4,260,900	\$12,453,200	\$35,031,100	\$87,841,800
Palm Springs	\$10,287,100	\$28,507,400	\$77,911,200	\$195,365,500
Rancho Mirage*	\$2,665,000	\$8,201,800	\$23,675,600	\$59,367,400
Unincorporated Communities*	\$352,500	\$2,041,200	\$7,220,700	\$18,106,300
Total CVAG Region	\$36,892,200	\$99,384,700	\$274,443,100	\$688,177,300

City contribution includes contribution from both AB8 + MVL in-lieu property tax. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Kosmont's experience)

* Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes \$25,000 admin charge, 125% debt service coverage, 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at \$350,000.

Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

POTENTIAL CASH FLOW / DEBT ISSUANCE APPROACHES

- Kosmont Financial Services is in active discussions with public finance underwriters regarding EIFD debt issuances in other jurisdictions
- Underwriters have proposed several approaches for leveraging EIFD tax increment for accelerated debt issuance (e.g., 2-3 years from EIFD formation), for example:
 - a) EIFD increment only, based on completed (or nearly completed) improvements
 - b) EIFD increment only, based on completed improvements PLUS near-term growth
 - c) Overlapping EIFD and CFD (CFD Backstop) – landowners / developers must be willing to pay CFD special taxes in the short term (e.g., 5-10 years) until EIFD increment reaches a level to cover debt service
 - d) EIFD increment with City or County general fund backstop
- There are advantages and disadvantages with each approach (e.g., upfront proceeds available, public agency risk, cost of capital)

PRIVATE SECTOR / NONPROFIT PARTNERSHIP APPROACHES

- Outside of debt issuance alternatives, certain other EIFDs have negotiated partnerships with private sector landowner / developer partners (e.g., Madera County EIFDs, Carson / L.A. County EIFD)
- Private sector or nonprofit community may be willing to advance housing/infrastructure funding in exchange for reimbursement from EIFD proceeds (e.g., Lift to Rise)
- Could be documented via Reimbursement Agreement, Development Agreement, other alternatives

ILLUSTRATIVE EIFD FORMATION SCHEDULE

Target Date	Task
Q3-Q4 2023	a) Conduct outreach / discussion among City staff and Council, County staff and Board of Supervisors, relevant stakeholders related to potential projects
Q4 2023	b) Final determination of boundaries, tax increment allocations, targeted projects, Public Financing Authority composition
Q4 2023	c) Participating taxing agencies adopt Resolution(s) of Intention (ROI) to form EIFD and establish Public Financing Authority (PFA)
Q4 2023	d) PFA drafts Infrastructure Financing Plan (IFP)
Q4 2023	e) Distribute <u>draft</u> IFP to property owners, affected taxing entities, PFA, City Council, and planning commission
Q1 2024	f) PFA holds an initial public meeting to present the draft IFP to the public and property owners
Q1 2024	g) PFA holds first “official” public hearing to hear written and oral comments but take no action (noticing must occur at least 30 days after “f”)
Q1 2024	h) PFA holds second public hearing to hear additional comments and take action to modify or reject IFP (at least 30 days after “g”)
Q2 2024	i) City Council / legislative bodies of other affected taxing entity contributing increment adopt resolution(s) approving IFP
Q2 2024	j) PFA holds third public hearing to consider oral and written protests and take action to terminate proceedings or adopt IFP by resolution (at least 30 days after “h”)

- Tax increment allocation begins fiscal year following district formation
- Debt issuance, if desired, would occur after a stabilized level of tax increment has been established

SINGLE VERSUS MULTIPLE CVAG EIFDS

- In Kosmont's experience, it is difficult to coordinate a single TIF district across more than two jurisdictions, for reasons including defining projects of common benefit, mutually agreeable financial terms, and various administrative factors, such as establishing meeting schedules that work for all relevant representatives
- A more realistic approach for communities within the CVAG region may be to have multiple EIFDs, so that each community could customize boundaries, revenue allocation scenarios, and targeted projects that meet the local community's needs, but also having a common dedication of funding specifically for housing and transportation infrastructure, such as a common percentage allocation of total EIFD funding (e.g., 20% of all tax increment revenues generated within each CVAG community's EIFD can be "earmarked" for housing and transportation infrastructure)
- A further possibility is that all or some portion of that common dedication (e.g., 20%) is specifically deposited into a single funding vehicle, such as a [regional trust fund](#), to implement a specifically defined set of eligible housing and transportation infrastructure that would be deemed of common benefit to all CVAG communities participating (e.g., regional rail extension, regional navigation center, [North Lake / Salton Sea related infrastructure](#))
- CVAG may be able to incentivize participation in these mechanisms via technical advisory (SCAG REAP Technical Advisory example) or other means
- Such funding could be amplified with other complementary revenues and implementation mechanisms, as described in following section

1.B. COMPLEMENTARY ONE-TIME REVENUE TOOLS

CVAG – REAP REVENUE STUDY

COMPLEMENTARY ONE-TIME REVENUE TOOLS: SUMMARY

- While ongoing revenue sources such as tax increment financing (TIF / EIFD) provide reliable, sustainable revenues that can be leveraged for debt issuances, reimbursement obligations, and other forms of leverage, there often remains a need to supplement such revenues with other funding sources on a targeted, one-time basis to fully fund projects of communitywide and regional significance
- Examples of these critical, one-time sources are grants, fee programs, zoning incentive contributions from the private sector, and in some cases, public sector liquidity strategies
- While such potential funding sources can be significant (in the range of tens of millions of dollars), it is important that such sources are not guaranteed, and often require competitive applications, negotiations, planning, and/or due diligence activities as discussed on the following pages

RELEVANT GRANT PROGRAMS FOR HOUSING AND TRANSPORTATION INFRASTRUCTURE – STATE OF CA

Program	Eligible Project Improvements	Potential Award Amounts	Application Process / Timing
American Rescue Plan Act (ARPA)	Priority for water, sewer, and broadband, but other infrastructure eligible (very competitive)	Direct City Allocations Vary	<ul style="list-style-type: none"> • Direct with City • Rolling “application”
CA Housing and Community Development (HCD) Infill Infrastructure Grant (IIG)	Housing and transit supportive infrastructure	\$2M to \$30M	<ul style="list-style-type: none"> • Most recent “Super-NOFA” (includes Multifamily Housing Program and other programs) deadline July 12, 2022 (future rounds anticipated)
HCD Affordable Housing and Sustainable Communities (AHSC) Grant	Housing and transit supportive infrastructure	\$12M to \$30M	<ul style="list-style-type: none"> • Round 6 closed June 2021 (future rounds anticipated)
CA State Transportation Agency Transit and Intercity Rail Capital Program (TIRCP)	Transportation infrastructure to reduce emissions of greenhouse gases, vehicle miles traveled, and congestion	\$1M to \$50M	<ul style="list-style-type: none"> • Cycle 5 deadline March 3, 2022 (future rounds anticipated)
CalTrans – Active Transportation Program (ATP)	Roadways; Disadvantaged Community preference (City of Redlands includes qualifying census tracts, not including University Village); no City match	\$250K +	<ul style="list-style-type: none"> • Cycle 6 deadline June 15, 2022 (future rounds anticipated)
CA State Transportation Agency/Caltrans – Highway Safety Improvement Program (HSIP)	Roadways; 10% City match	\$100K to \$10M	<ul style="list-style-type: none"> • Cycle 11 applications due September 12, 2022 (future rounds anticipated)
California Natural Resources Agency Urban Flood Protection (Prop 68) Grant	Flood control / mitigation improvements	\$200K to \$6M	<ul style="list-style-type: none"> • Most recent application cycle closed March 2020 (future rounds anticipated)
CA Dept of Parks & Recreation (DPR) – Prop 68 Grants	Parks, trails, open space improvements	\$200K to \$8.5M (average award ~\$4M)	<ul style="list-style-type: none"> • Recreational Trails Program - April 7, 2022 • Habitat Conservation Fund - April 7, 2022 • Land and Water Conservation Fund –February 1, 2022 • Regional Parks Program –January 20, 2022 • Rural Recreation and Tourism Program (RRT) –January 20, 2022 • Outdoor Equity Grants Program October 8, 2021 • Locally-Operated State Parks Program –August 31, 2021 • Outdoor Recreation Legacy Partnership (ORLP) Program – June 18, 2021 • Statewide Park Program (SPP) - March 12, 2021 <p>(future rounds anticipated)</p>

RELEVANT GRANT PROGRAMS FOR HOUSING AND TRANSPORTATION INFRASTRUCTURE – FEDERAL

Program	Eligible Project Improvements	Potential Award Amounts	Application Process / Timing
U.S. Economic Development Administration (EDA) CARES Act Economic Adjustment Assistance (EAA) Grant	Infrastructure to support to jobs-producing (e.g., commercial) project components	\$100K to \$30 million	<ul style="list-style-type: none"> • Rolling
U.S. Department of Transportation: Reconnecting Communities Pilot Program - Planning Grants and Capital Construction Grants	Removing, retrofitting, or mitigating highways or other transportation facilities that create barriers to community connectivity, including to mobility, access, or economic development	Planning grants \$100K to \$2M Construction grants \$5M to \$100M	<ul style="list-style-type: none"> • Application deadline October 13, 2022

HOUSING LINKAGE AND IN-LIEU FEES

Housing linkage fees – attempt to link the production of market-rate real estate to the production of affordable housing; enables flexible use of funds, but does not always promote economic integration

- Example: City of Los Angeles linkage fee on new residential development ranges from \$1.04 to \$18.69 per square foot (depending on the market area); new non-residential developments ranges from \$3.11 to \$5.19 per square foot (depending on the market area) – \$32.6M raised 2019-2021

Housing in-lieu fees – common as an alternative for on-site inclusionary requirements, often deposited into housing trust fund at city or county level to fund off-site affordable housing

- Examples: City of Pasadena, West Hollywood, San Jose, San Francisco; often defined at a per-unit rate by economics of residual land value and price/rent difference between market-rate and affordable levels within a community (e.g., City of Pasadena \$40K-\$115K per unit depending on sub-area and rental vs. for-sale)
- Sometimes implemented in alternative formats, such as land dedication

ZONING INCENTIVE CONTRIBUTIONS

- **Zoning and entitlements can create value for potential use as currency to drive housing and community benefits**
- Zoning changes that are needed for new development can provide significant economic benefits to property owners, **who may likely be non-developers.**
- Prematurely up-zoning can also increase land values, which can **limit the possibility of development & affordability.**
- **Specific plans often “give away” density** with entitlements without tying density to projects that deliver **community benefits and public amenities.**
- By reserving new housing density in a “reserve” bucket, cities can comply with RHNA while also retaining some control over new development.
- Reserve lets a community dole out new density for specific projects that comply with a benefit agreement and in compliance with RHNA – ensuring projects come with amenities and other community benefits, such as housing or transportation infrastructure contributions



ZONING INCENTIVE CASE STUDY ILLUSTRATIONS

City of Buellton: *Avenue of Flags*

- **Goal:** Induce housing development in downtown area
- **Benefits & Amenities:** public restrooms, off-site improvements, public parking, parking district, public art, parks, green buildings, other
- **Incentives:** Increase density up to 40 units / acre, increase heights, reduce on-site parking, reduced setbacks, reduced traffic and application fees

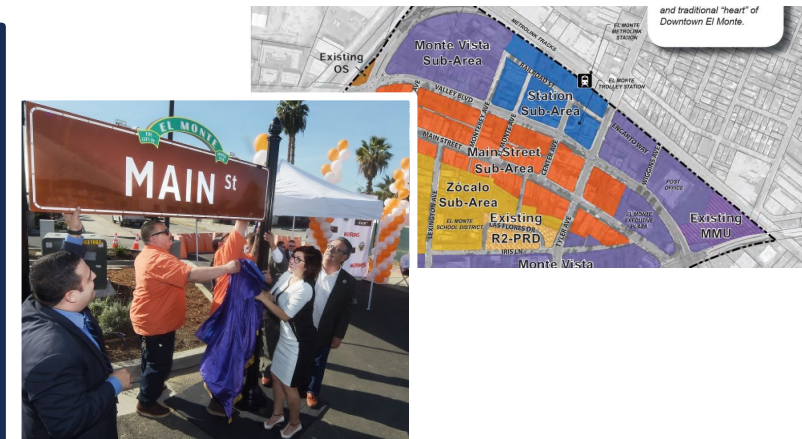


Implementation Steps

1. Conduct market housing / economic study to match RHNA needs
2. Discuss new density and public amenities with community
3. Create DOR mechanism as new Zoning / Specific Plan provision
4. Implement on project basis via Development Agreement

City of El Monte: *Downtown Main St*

- **Goal:** Increase downtown density along with community benefits and public improvements
- **Benefits & Amenities:** streets, bicycle facilities, parking, open space, beautification, transit, arts / cultural spaces, lot consolidation; developer can either install improvements or make payment into public improvement fund; value based on a portion of residual land value (~75%)
- **Incentives:** Increase density, heights, FAR, dwelling units per acre



PUBLIC FINANCE / LIQUIDITY STRATEGIES

Current low interest rate environment is an opportunity to generate savings and create general fund resources for community reinvestment, such as with housing- and transportation-supportive infrastructure

- Revenue Bonds to fund vital projects
- Lease – Leaseback (P3) Structures can cut costs and deliver public projects (no vote needed)
- Pension Obligation Bonds and other refinancing structures can generate savings (no vote needed)

Reducing debt payments can create capacity to pursue housing and infrastructure programs to reset the local economy.

REVENUE FROM PUBLIC AGENCY OWNED ASSETS

REAL ESTATE & LEASING STRATEGIES

Cities can use a variety of strategies to leverage the value of their properties:

- Performance-based leases / ground leases
- Monetizing assets (such as parking garages)
- Selling property to private sector – includes lease-back strategies, continued operation of existing use, redevelopment into new uses



Agencies must follow Surplus Land Act (SLA) requirements / procedures



REVENUE FROM PUBLIC AGENCY OWNED ASSETS

REAL ESTATE & LEASING STRATEGIES (CONTINUED)

Previously: If an agency wanted to sell publicly-owned property, it could directly offer via developer RFQ/P

Now: Surplus Land Act (SLA) requires process of offering property to affordable housing developers before pursuing other opportunities.

- Declare “Surplus” and provide notice to affordable housing developers
- Notice must be circulated for 60 days
- Affordable housing developer responds, City to negotiate in good faith – 90 days
- If no responses to notice (or City / affordable housing developer do not reach agreement), City can proceed with other developer selection process
- Site will likely have a 55-year restrictive covenant to require 15% of units in residential development be restricted for low-income households

2. SUPPORTIVE POLICY INITIATIVES

CVAG – REAP REVENUE STUDY

SUPPORTIVE POLICY INITIATIVES: SUMMARY

- The effectiveness and viability of previously discussed ongoing and one-time revenue tools can be significantly bolstered by supportive policy initiatives adopted at either the communitywide or regional scale
- Of note, there are certain grant programs at the state level (e.g., IIG, AHSC, TCC, TIRCP) that explicitly prioritize grant applications from communities that achieve “Pro Housing Designation” from the State Department of Housing and Community Development (HCD)
- The Pro Housing Designation offers a particularly insightful example of how supportive policy can amplify the effectiveness of ongoing or one-time revenue tools for housing and transportation
- Example policies discussed on following pages include (1) favorable zoning and land use policies, (2) policies to accelerate housing production timeframes, (3) policies to reduce construction and development costs, and (4) policies that provide financial subsidies to housing development

1) EXAMPLES OF FAVORABLE ZONING AND LAND USE POLICIES

- a. Rezoning to accommodate more than (e.g., 125-150%) RHNA target allocation by total or by income category
- b. Permitting missing middle housing uses (e.g., duplexes, triplexes and fourplexes) by right in existing low-density, single-family residential zones
- c. **Density bonus programs** which exceed statutory requirements by 10 percent or more
- d. Increasing allowable density in low-density, single-family residential areas beyond the requirements of state Accessory Dwelling Unit law (e.g., permitting more than one ADU or JADU per single family lot)
- e. Reducing or eliminating parking requirements for residential development, or adopting maximum parking requirements
- f. Zoning to allow for residential or mixed uses in one or more non-residential zones (e.g., commercial, light industrial)
- g. Modification of development standards and other applicable zoning provisions to promote greater development intensity. Potential areas of focus include floor area ratio; height limits; minimum lot or unit sizes; setbacks; and allowable dwelling units per acre.
- h. Establishment of a Workforce Housing Opportunity Zone (WHOZ) or a Housing Sustainability District (HSD)

2) EXAMPLES OF POLICIES THAT ACCELERATE HOUSING PRODUCTION TIMELINES

- a. Establishment of ministerial approval processes for a variety of housing types, including SF and MF housing
- b. Establishment of streamlined, program-level CEQA analysis and certification of general plans, community plans, specific plans with accompanying Environmental Impact Reports (EIR) (similar to Coachella Valley Multiple Species Habitat Conservation Plan or CVMSHCP)
- c. Documented practice of streamlining housing development at the project level, such as by enabling a by-right approval process or by utilizing statutory and categorical exemptions as authorized by applicable law
- d. Establishment of permit processes that take less than four months to issuance of building permits
- e. Absence or elimination of public hearings for projects consistent with zoning and the general plan
- f. Absence, elimination or replacement of subjective development and design standards with objective development and design standards that simplify zoning clearance and improve approval certainty and timing
- g. Establishment of **one-stop-shop permitting** processes or a single point of contact where entitlements are coordinated across city approval functions (e.g., planning, public works, building) from entitlement to occupancy
- h. Priority permit processing or reduced plan check times for ADUs/JADUs, multifamily housing, or affordable units
- i. Establishment of a standardized application form for all entitlement applications
- j. Practice of publicly posting status updates on project permit approvals on the Internet
- k. Limitation on the total number of hearings for any project to three or fewer

3) EXAMPLES OF POLICIES TO REDUCE CONSTRUCTION AND DEVELOPMENT COSTS

- a. Waiver or significant reduction of development impact fees for residential development
- b. Adoption of ordinances or implementation of other mechanisms that reduce barriers for property owners to create ADUs/JADUs (e.g., development standards improvements, permit processing improvements, dedicated ADU/JADU staff, technical assistance programs, and pre-approved ADU/JADU design packages)
- c. Adoption of other fee reduction strategies, including fee deferrals and reduced fees for housing for persons with special needs
- d. Promoting innovative housing types (e.g., manufactured homes, recreational vehicles, park models) that reduce costs
- e. Measures that reduce costs for transportation-related infrastructure or programs that encourage active modes of transportation or other alternatives to automobiles (e.g., publicly funded programs to expand sidewalks or protect bike/micro-mobility lanes; creation of on-street parking for bikes; transit-related improvements; establishment of carshare programs)
- f. Adoption of universal design ordinances
- g. Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas (example in incorporated County – Employee Housing Act)

4) EXAMPLES OF POLICIES THAT PROVIDE FINANCIAL SUBSIDIES FOR HOUSING DEVELOPMENT

- a. Establishment of local housing trust funds or collaboration on a **regional housing trust fund**
- b. Provide grants or low-interest loans for ADU/JADU construction affordable to lower- and moderate-income HHs
- c. Comprehensive program that complies with the Surplus Land Act and makes publicly owned land available for affordable housing, or for multifamily housing projects with the highest feasible percentage of units affordable to lower income households (e.g., including land donations, land sales with significant write-downs, or below-market land leases)
- d. Establishment of an **Enhanced Infrastructure Financing District (EIFD)** or similar local financing tool that, to the extent feasible, directly supports housing developments in an area where at least 20 percent of the residences will be affordable to lower income households
- e. Directed residual redevelopment funds to affordable housing
- f. Development and regular (at least biennial) use of a **housing subsidy pool, local or regional trust fund**, or other similar funding source (or **Community Land Trust “CLT”**)
- g. Prioritization of local general funds for affordable housing

POTENTIAL POLICIES WITH GREATEST RELEVANCE TO CVAG REAP REVENUE EVALUATION

- a. **Density bonus programs** which exceed statutory requirements by 10 percent or more
- b. Establishment of **one-stop-shop permitting** processes or a single point of contact from entitlement to occupancy
- c. Waiver or significant reduction of development impact fees for residential development
- d. Adoption of other fee reduction strategies, including fee deferrals and reduced fees for housing for targeted HHs
- e. Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas (**example in unincorporated County – Employee Housing Act**)
- f. Establishment of local housing trust funds or collaboration on a **regional housing trust fund**
- g. Establishment of an **Enhanced Infrastructure Financing District (EIFD)** or similar local financing tool
- h. Development and regular (at least biennial) use of a **housing subsidy pool, local or regional trust fund**, or other similar funding source (or **Community Land Trust “CLT”**)

SPOTLIGHT: COMMUNITY LAND TRUSTS (CLT)

Community Land Trusts (CLTs) are typically non-profits who receive money from cities and counties in the form of grants to acquire and provide affordable housing units for low-income households

How do they work?

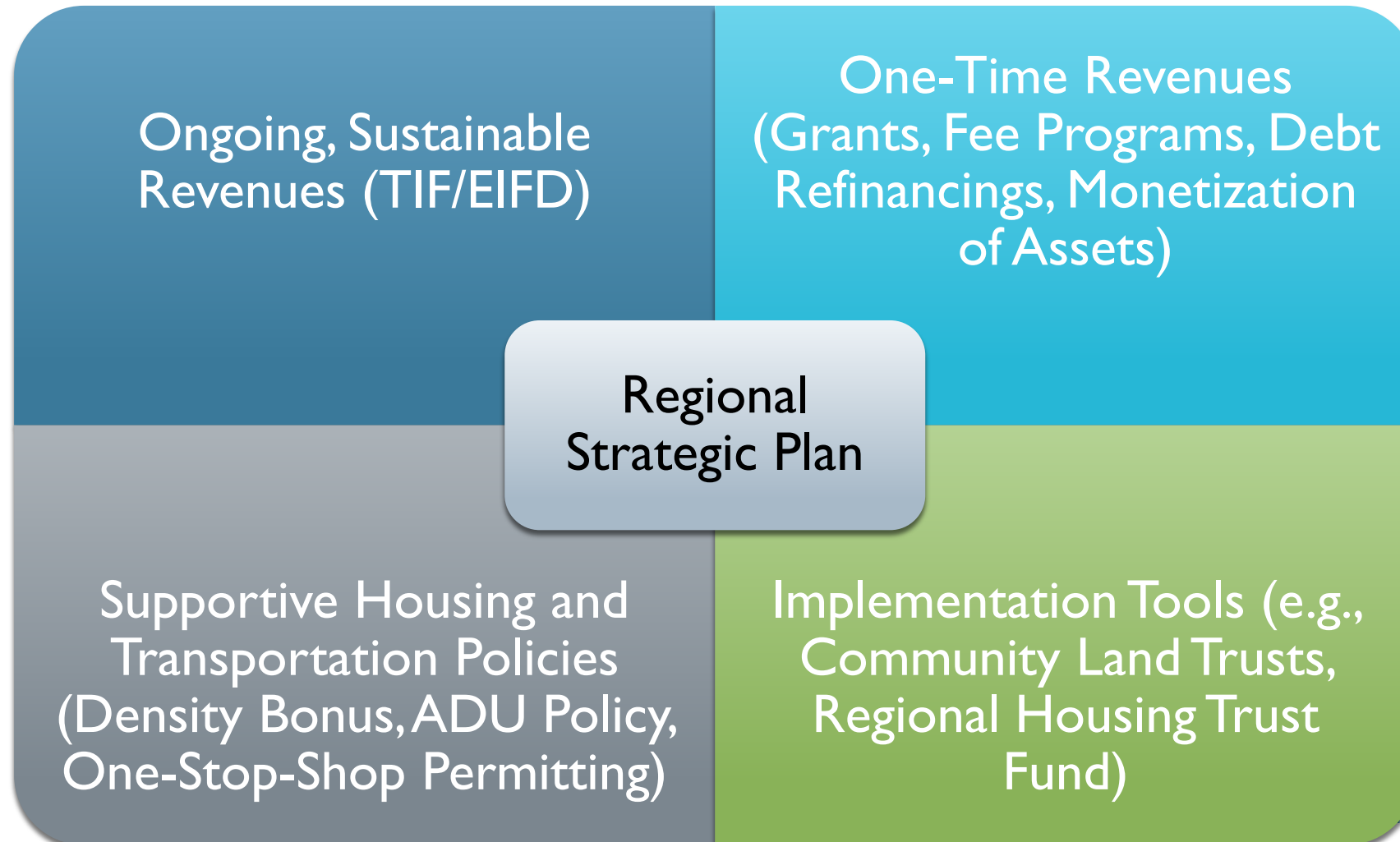
- CLTs buy real estate and secure mortgages on the open market then sell the properties to low-income households while retaining ownership of the land (CLT owns land, buyer owns house)
- CLTs then lease the land to a low-income homebuyer for a low monthly rate over a long period of time (99-year lease)
- If homebuyer sells house, they agree to sell to individuals who need CLT assistance. In doing so, the homebuyer will receive 25% profit, while CLT retains equity in the land
- Thus, CLTs create an affordable housing option that can last in perpetuity, while helping the homebuyer amass enough wealth upon a sale to enter the housing market

Examples of CLTs in California

- San Francisco CLT (SFCLT)
 - Founded in 2003
 - Focuses on acquiring and rehabilitating buildings that are in danger with losing their affordability
 - Recently acquired 285 Turk St. (40-unit building) for \$9.4M using two private lenders
- Northern California Land Trust (founded 1973, 15 projects, 78 housing units and one community center), operates in San Francisco, Berkeley, Oakland, and Palo Alto
- Irvine CLT (founded 2006, 6 projects, 475 housing units)
- Oakland CLT (founded 2009, 6 projects, 35 housing units, along with commercial space and community centers)



REGIONAL STRATEGIC ROADMAP OUTLINE



NEXT STEPS

1. Address questions, incorporate feedback from CVAG Committees and other key stakeholders on evaluation of revenue tools and policy initiatives
2. Continued stakeholder engagement (incl. future Committee briefings)
3. Drafting of Regional Strategic Plan (targeting draft in April 2023)



APPENDIX

GLOSSARY OF ACRONYMS

CFD: Community Facilities District

CLT: Community Land Trust

COPs: Certificates of Participation

CRIA: Community Revitalization and Investment Authority

EIFD: Enhanced Infrastructure Financing District

IRFD: Infrastructure and Revitalization Financing District

MVLF: Motor Vehicle License Fees

REAP: Regional Early Action Plan

TIF: Tax Increment Financing

PROPERTY TAX GROWTH RATE ASSUMPTIONS

- Assessed value growth was projected based on historical growth within the CVAG Region and larger Riverside County region
- An annual growth rate of 5.00% was assumed for the first 10 years of a potential TIF district lifetime, decreasing to 2.5% thereafter consistent with standard property tax forecasting methodology

	YoY Growth of Assessed Property Value
2012-2013	-0.28%
2013-2014	4.00%
2014-2015	8.16%
2015-2016	5.53%
2016-2017	5.33%
2017-2018	5.17%
2018-2019	6.30%
2019-2020	4.81%
2020-2021	6.11%
5-Yr CAGR:	5.60%
10-Yr CAGR:	4.99%

Source: Riverside County Auditor-Controller (2022)

ITEM 6B

Coachella Valley Association of Governments Homelessness Committee September 21, 2022



STAFF REPORT

Subject: Regional Early Action Planning (REAP) 2.0 Program Overview and Next Steps

Contact: Peter Satin, Regional Planner (psatin@cvag.org)

Recommendation: Information

Background: As noted in a separate staff report, CVAG has been working to implement two projects that were funded through the first round of the state's Regional Early Action Planning (REAP) grants. This staff report provides an update on the second round of the program – commonly called REAP 2.0. The program was authorized as part of the mid-year revision of the State of California's Fiscal Year 2021-2022 budget, when the California Legislature passed Assembly Bill 140 and the 2021 California Comeback Plan. This legislation allocated \$600 million to REAP 2.0, designed to build on the success of REAP 2019 while simultaneously expanding the program focus to integrate the State's housing and climate goals through planning and implementation investments. Funding under REAP 2.0 will prioritize transformative planning and implementation activities that 1) accelerate infill development that facilitates housing supply, choice, and affordability; 2) affirmatively further fair housing; and 3) reduce vehicle miles traveled (VMT). Monies made available through REAP 2.0 must be allocated by June 2024 and expended by June 2026.

REAP 2.0 will be administered regionally by Southern California Association of Governments (SCAG), who have been allocated approximately \$246 million for disbursement to eligible applicants. SCAG has developed three programmatic funding areas:

- The first is Early Action Initiatives, which will focus on projects that further SCAG's Sustainable Communities Program, Go Human initiative, and Regional Data Platform, as well as providing funding to the Subregional Partnership Program 2.0 (SRP 2.0), which is detailed below.
- The second program area is the County Transportation Commission (CTC) Partnership Program. It is designed to facilitate the development of transit and other multimodal services to reduce VMT, with particular emphasis on projects that reduce greenhouse gas emissions in accordance with State goals established by SB 375. Funds will be made available to CTCs based on a competitive application process, and will be administered locally by the Riverside County Transportation Commission (RCTC).
- Finally, the Housing and Supportive Infrastructure Program (HSIP) will target infrastructure and utility projects that support housing development and preservation, housing trust funds, and technical assistance to implement eligible projects. Funding under this program will also be based on a competitive application process.

Under SRP 2.0, SCAG will allocate \$23 million to subregional councils of governments on a non-competitive basis – making CVAG eligible for up to \$541,975. In addition to meeting the three REAP 2.0 programmatic criteria listed above, projects proposed for SRP 2.0 funding must also fall under at least one of the following uses:

- Land use planning, related studies, and/or programs that result in implementable/adoptable programs and policies required to meet the programs, projects, and commitments in draft, adopted, and/or compliant 6th cycle Housing Elements;
- Outreach supporting programs, projects, or plans required in draft, adopted, and/or compliant 6th cycle Housing Elements and consistent with SCAG's adopted Racial Equity Action Plan;
- Housing strategies for increasing supply and lasting affordability including strategic planning and/or seed funding for subregional housing trust funds and community land trusts;
- Technical assistance to implement eligible activities and uses; and
- Activities otherwise eligible for HSIP.

In order to reserve funding, CVAG must submit a notice of Intent to Apply for Funding to SCAG by October 14, 2022. This notice can be non-specific and does not require governing body approval. To secure funding, CVAG must submit completed applications by February 10, 2023 alongside governing body approval. Implementation of the regional strategic plan currently being developed as part of the REAP 2019-funded sustainable revenue stream feasibility study would, based on the current guidelines, qualify for SRP 2.0 funding as a strategy for increasing housing supply and lasting affordability, should CVAG choose to continue the project.

Alternatively, CVAG may choose to pass on submitting a project under SRP 2.0. To be frank, administrative challenges coordinating with SCAG on REAP 2019 activities have taken up extensive staff resources, an experience shared by project implementation partners Lift to Rise. Because of these hurdles and the significant administrative steps that have come with REAP, CVAG staff wants to express its reluctance to accepting SRP 2.0 funding. Staff at Lift to Rise, which has been tracking this funding as a potential investment into the Coachella Valley's affordable housing projects, have also expressed reservations about how SCAG will implement REAP 2.0 given the bureaucratic difficulties that have been experienced to date.

Funds that remain unallocated through SRP 2.0 will be shifted to HSIP and will be earmarked for use within the region for which they were originally intended. This means that, should CVAG pass on any portion of the \$541,975, those funds would then be made competitively available under HSIP and prioritized for projects within the CVAG boundary. The guidelines of the HSIP program are still being finalized by SCAG.

In addition to the SRP 2.0 funding, CVAG staff has been closely tracking the availability of other REAP 2.0 funding. This includes coordinating with RCTC staff as they prepare a funding application for a variety of projects under the CTC Partnerships Program, including the planning and design of active transportation projects in the Coachella Valley.

Fiscal Analysis: Should CVAG choose to move forward with an SRP 2.0 application, as much as \$541,975 would be available for eligible projects, including project management and staff time.

ITEM 6C

Coachella Valley Association of Governments Homelessness Committee September 21, 2022



STAFF REPORT

Subject: Update on the State's Community Assistance, Recovery and Empowerment (CARE) Court

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: Since September 2021, the Homelessness Committee's ad hoc committee has been meeting to consider additional approaches to addressing homelessness, particularly for those who are refusing current services. The goal of the ad hoc has been to evaluate optional programs that would be in addition to CV Housing First, then return to the full Homelessness Committee with recommendations. The following members of the Homelessness Committee are on the ad hoc: Cathedral City Councilmember Mark Carnevale, Desert Healthcare District/Foundation Director Carole Rogers, Indio Mayor Waymond Fermon, Palm Desert Mayor Pro Tem Sabby Jonathan, and Palm Springs Councilmember Christy Holstege, who is chair of the Homelessness Committee.

The ad hoc members have provided regular updates to the Homelessness Committee. This included an update in February 2022, where the ad hoc detailed the exploration of the City of Sacramento's policy proposal to have the City adopt a first-in-the-nation right to housing, which includes an obligation of homeless individuals to accept housing if offered. In April 2022, the ad hoc committee provided an update on Riverside County new sentencing program to help homeless facing criminal prosecution for low-level crimes. The Homeless Outreach Mediation and Education (HOME) program is a collaborative court approach that is being launched in partnership with a number of agencies and organizations, including the county's behavioral health services.

On September 8, the ad hoc committee met to discuss the roll out of Gov. Gavin Newsom's Community Assistance, Recovery and Empowerment (CARE) Court. The CARE Court, which was approved by the Legislature and then signed by the Governor on September 14, will allow courts to order CARE plans, which would require counties to provide comprehensive treatment to the most severely impaired and untreated Californians and hold patients accountable to following their treatment plans. The program will not be for every unhoused individual, but it is designed as a way to address those who have severe mental health issues. As described by the Governor's office, "CARE Court is a paradigm shift; it focuses on providing individuals with mental health and substance use services before they end up cycling through prison, emergency rooms, and encampments. CARE Court prioritizes the sickest Californians, helping many who live on our streets without shelter or medical care."

The roll out of the program will be done in phases starting in 2023, and the details are being finalized. Riverside County is expected to be among one of the first counties to implement the

CARE Court next year. A County-led working group has already started navigating some of the logistics, which will include coordination with existing services – such as CVAG's CV Housing First program – to provide client referrals to the program.

At the recommendation of the ad hoc committee, Greg Rodriguez, Riverside County Housing and Workforce Solutions' Deputy Director for Government Affairs and Community Engagement, will provide a briefing to the Homelessness Committee.

Fiscal Analysis: There is no cost to CVAG for this update. However, depending on the extent of the ad hoc's scope and analysis in the future, CVAG staff may ask the Homelessness and Executive Committee to consider allocating additional resources beyond staff time.

Attachment: CalMatters' article from September 8, 2022: *California lawmakers approved CARE Court. What comes next?*

HOUSING

California lawmakers approved CARE Court. What comes next?



BY MANUELA TOBIAS AND JOCELYN WIENER
SEPTEMBER 8, 2022



Lawyers address a judge in Madera County Superior Court in Madera on Tuesday, Sept. 29, 2021. Photo by Larry Valenzuela for CalMatters

Listen to this article



IN SUMMARY

Now that Gov. Gavin Newsom's court system for people with severe mental illness cleared the state Legislature, counties face a series of practical questions critical to turning the fuzzy concept into a reality.

In the next two years, California's 58 counties will be tasked with setting up new court systems to address the needs of people with severe mental illness who often languish on the streets.

Gov. Gavin Newsom's Community Assistance, Recovery, and Empowerment (CARE) Court proposal swept through the state Legislature with resounding approval from Democrats and Republicans in both houses on Aug. 31 – only two of the state's 120 legislators voted against it – and is expected to be signed into law by the governor any day. The proposal was authored by Democratic Sens. Tom Umberg of Garden Grove and Susan Talamantes Eggman of Stockton through [Senate Bill 1338](#).

Originally, Newsom's proposal – which would compel people with untreated schizophrenia and other severe mental illness into housing and treatment – had a start date of July 1, 2022. But it faced resistance from county officials who said they were unprepared to create and maintain an entire legal apparatus, much less provide the [necessary](#) services. After months of successful lobbying to slow down the timeline devised by the governor and secure more money for planning, the California State Association of Counties now says it stands ready to help implement the far-reaching proposal.

Under the new timeline, seven counties will have to establish new courts by Oct. 1, 2023, followed by the remaining 51 counties in December 2024. The pilot counties are San Francisco, San Diego, Orange, Riverside, Stanislaus, Tuolumne and Glenn.

The system will [theoretically work like this](#): Family, close friends, first responders and behavioral health workers will be able to submit a petition to the court, signed under penalty of perjury, on behalf of a person with untreated schizophrenia spectrum or other psychotic disorders that shows why they qualify for CARE Court. In order to qualify, the person must be either unlikely to survive safely without supervision or be a threat to themselves or others without support. The petition must include either an affidavit from a licensed health care professional who examined them or tried to – or proof the person was recently detained under intensive treatment.

The court would then order a clinical evaluation of the person – and review the evaluation to see if the person qualifies for CARE Court services. If they do, they'll get legal counsel and a "supporter" – an advocate to walk them through the process, as well as a "Care Plan" that can include recommended treatment, medication and housing. Medication can be court-ordered, but not forcibly administered. During 12 months, a participant will have to attend hearings to make sure they're adhering to the plan – and counties are providing the court-ordered services.

Following that year, a person could receive another year of treatment or a graduation plan, which would not be enforceable by the court. If a person received the court-mandated services but failed to complete their treatment, they could be considered by the court for [conservatorship](#), though refusing medication alone wouldn't be grounds for failure. The idea is to make it easier for people who need help, but may not be seeking it, to get it before they lose legal autonomy or end up in jail.

"CARE Court is a paradigm shift: providing housing and services in the community, where people can heal – and not behind locked walls of institutions and prisons," Newsom said in a statement on Aug. 30.

This is the governor's latest and boldest strategy to address homelessness, which consistently ranks [at the top of the list](#) of voter concerns in California – albeit participants don't have to be unhoused to qualify. The governor has previously [pledged to deal with encampments](#) and dedicated unprecedented budget funding to the issue. But his administration concedes this will only serve a small sliver of the [161,000 Californians who were unhoused](#) in 2020 – an estimated 7,000 to 12,000 people a year.

Implementing CARE Courts

Counties now face a series of practical questions critical to turning the fuzzy concept into a reality: How will unhoused people get to court? What happens if someone doesn't show up? Which courts will house CARE Court? Which judges will preside? Who will conduct the medical evaluations?

There's about \$88 million in this year's budget to help figure it out. The counties will get \$57 million for startup costs, with \$26 million earmarked for the first seven counties. Farrah McDaid Ting, public affairs director for the California State Association of Counties, said that money would go toward everything from cell phones and transportation to setting up an information sharing system that tracks data on counties' progress. A working group for those first seven courts hasn't yet been pulled together, she said.

The state Department of Health Care Services, the Health and Human Services Agency and the Judicial Branch will get another \$31 million to also help set up and coordinate the court system and train staff.

But many of the big questions that swarmed the proposal from the start still linger – such as whether the necessary housing, mental health services or workforce would be available, or whether forcing people to receive treatment is an effective form of help.

The administration's response to many of these concerns is that there's unprecedented funding available through the [last two budgets](#), including \$1.4 billion to support the behavioral health workforce and \$14 billion for housing and clinical residential placements, including [\\$1.5 billion in bridge housing](#) for which CARE Court participants would be prioritized.

The staggered start should allow the state's counties to answer some current unknowns, including how many petitions come in and if housing or services are available for them, said Michelle Cabrera, executive director of the County Behavioral Health Directors Association. But with so many unanswered questions, she said, "even estimating how much staff you'll need is a shot in the dark."

Cabrera anticipates the next few months will be devoted to coming up with a framework for how the court will look in those seven counties, including figuring out financing and training and drawing up forms.

"Even estimating how much staff you'll need is a shot in the dark."

CAL MATTERS

Orange County officials don't expect their new court to represent a dramatic departure from the status quo – they already operate a drug court and a mental health court – which is partly why they volunteered to go first.

"I think the bulk of the people who are going to be referred are not going to have schizophrenia," said Veronica Kelley, chief of Mental Health and Recovery Services at the Orange County Health Care Agency. "We have many people who are clinically stable, meaning they're not going to hurt themselves or others. They can function, but they still might shout at their voices. They still are experiencing symptoms. So if they are involved in treatment, they're clinically stabilized, they don't qualify for this."

Luke Bergmann, director of behavioral health in San Diego County – another of the first seven counties – says he is especially concerned about the workforce. He worries about what CARE Court will mean for long-term care, which is “already under a lot of stress.” He anticipates a substantial uptick in demand for such facilities, including board-and-care homes, where [serious shortages already exist](#).

In addition, he says, it is not yet clear who will pay for a lot of the ongoing operational costs of CARE Court. “We don’t currently have a good model for how that kind of work should be reimbursed,” he said, especially for people insured by Medi-Cal.

The state’s Health and Human Services department told CalMatters most CARE Court participants will be either insured by or eligible for Medi-Cal. Those with commercial insurance would be required to reimburse the county for eligible behavioral health care costs. They pointed to nearly \$10 billion counties already receive annually for behavioral health care.

Civil rights concerns

Still, advocates worry the court system will backfire.

Eve Garrow, homelessness policy analyst and advocate at the ACLU of Southern California, which opposes the bill, says people who need help the most may avoid the mental health system – or even avoid family members who can file petitions – “because they fear being hauled into court.”

Garrow also fears the number of people funneled into conservatorships – which restrict far more aspects of a person’s life – will climb. And she believes Black people will be disproportionately impacted because they are more likely to be [over-policed](#), [experience homelessness](#) and [be misdiagnosed with psychotic disorders](#).

“The last thing I want to see is a system where, in order to get timely access to the kinds of resources that you need to survive, you have to give up all of your rights and be subjected to a court order,” Garrow said.

In fact, civil rights groups argue the program would “unravel decades of progress for people with disabilities to have the same civil rights of everyone else,” said Lili Graham, litigation counsel at Disability Rights California. Her group says it plans to sue once the law goes into effect.

“We’re outraged. We’re horrified. We’re ready to file suit.”

– LILI GRAHAM, LITIGATION COUNSEL, DISABILITY RIGHTS CALIFORNIA

“We’re outraged,” Graham said. “We’re horrified. We’re ready to file suit.”

But vehement opposition from similar groups across the country and dozens of other civil rights groups and homelessness advocates – who are now urging Newsom to veto his own bill – was not enough to stop it from flying through both houses.

As legislator after legislator took to the microphone on the penultimate day of the legislative session, they spoke to a choice between an imperfect solution and continued inaction.

"I don't think this is a great bill, but it seems to be the best idea that we have, at this point, to try to improve a God awful situation," said Assemblymember Al Muratsuchi, a Democrat from Torrance.

"To walk away and say we can't do anything, to basically say this isn't good enough, is to in a perverse kind of way say, 'We really don't care,'" said Assemblymember Jim Patterson, a Republican from Fresno. Patterson acknowledged casting a vote would not be enough, either.

"This is going to take walking beside these folks, not just today, when we push the button, but next week, next year, perhaps another decade or so."

Learn more about legislators mentioned in this story



D AL MURATSUCHI
State Assembly, District 66 (Torrance)
[Expand for more about this legislator](#)



R JIM PATTERSON
State Assembly, District 23 (Fresno)
[Expand for more about this legislator](#)



MORE ON MENTAL HEALTH

CARE Court: Can California counties make it work?

While lawmakers are still gung-ho about Gov. Gavin Newsom's CARE Court, county officials are worried they don't have the resources to implement the idea.

by Jocelyn Wiener and Manuela Tobias JULY 14, 2022

Inmate shuffle: How California bounces around its mentally ill prisoners

One in four California prisoners has a mental illness. The state's solution? Move them around.

by Byrhonda Lyons and Jocelyn Wiener JUNE 2, 2022

ITEM 6D

**Coachella Valley Association of Governments
Homelessness Committee
September 21, 2022**



STAFF REPORT

Subject: Election of Homelessness Committee Officers

Contact: Tom Kirk, Executive Director (tkirk@cvag.org)

Recommendation: Elect a Homelessness Committee Chair and Vice Chair for Fiscal Year 2022/2023

Background: Each fiscal year, the Homelessness Committee considers the election of a Chair and Vice Chair. The Committee does not have a formal officer rotation, or a set policy for how to select the Chair and Vice Chair.

The Homelessness Committee has often re-elected the same chair over many years. Indio Councilmember Lupe Ramos Amith was chair from the Homelessness Committee's formation in 2006 until 2016. Palm Desert Mayor Pro Tem Sabby Jonathan served as chair from 2016 until June 2019, when Palm Springs Councilmember Christy Holstege became chair. The Committee's current vice chair is La Quinta Councilmember John Peña.

Staff recommends that the Homelessness Committee provide nominations and elect its officers for the fiscal year.


Fiscal Analysis: There is no additional cost to the budget as Homelessness Committee officers receive the same per diem as other committee members.

ITEM 7A

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
HOMELESSNESS COMMITTEE
ATTENDANCE RECORD
FY2021-2022

Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	ATTENDED
Agua Caliente Band of Cahuilla Indians			●		●			●		○		●	4 out of 5
City of Blythe			○		●			○		○		○	1 out of 5
City of Cathedral City			●		●			●		●		●	5 out of 5
City of Coachella			○		○			●		○		○	1 out of 5
Desert Healthcare District			●		●			●		●		●	5 out of 5
City of Desert Hot Springs			●		●			●		●		●	5 out of 5
City of Indian Wells			●		●			●		●		●	5 out of 5
City of Indio			●		●			●		○		●	4 out of 5
City of La Quinta			●		●			●		●		●	5 out of 5
City of Palm Desert			●		●			●		○		●	4 out of 5
City of Palm Springs			●		●			●		●		●	5 out of 5
City of Rancho Mirage			●		●			●		●		●	5 out of 5
County of Riverside			●		●			○		●		○	3 out of 5
Total Attendance Per Meeting			11		12			11		8		10	

Ex Officio / Non-Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	ATTENDED
Coachella Valley Housing Coalition			○		○			○		○		○	0 out of 5
Coachella Valley Rescue Mission			○		○			○		○		○	0 out of 5
HomeAid Inland Empire			●		●			*		*		*	2 out of 5
Martha's Village and Kitchen			●		○			●		○		○	2 out of 5
The Salvation Army (vacant)			*		*			*		*		*	0 out of 5
Shelter From the Storm			●		●			●		●		●	5 out of 5
Total Attendance Per Meeting			3		2			2		1		1	

No Meeting 
 Vacant *

Present ●

Absent ○

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
HOMELESS & BUS PASS PROGRAM
UNAUDITED STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD FROM JULY 1, 2021 THROUGH JUNE 30, 2022**

REVENUES

CONTRIBUTIONS	1,707,117
TOTAL REVENUES	<u>1,707,117</u>

EXPENDITURES

SALARIES AND BENEFITS	631,940
BUILDING LEASE MAINTENANCE/RENT	255,470
PROFESSIONAL SERVICES	119,417
MISC SUNDRIES/HOUSING ESSENTIALS	29,270
RAPID RESOLUTIONS	56,143
LEGAL SERVICES	1,596
PROJECT COSTS/OTHER EXPENSES	80,484
ELECTRIC (UTILITIES)	27,585
OFFICE SUPPLIES	6,534
LOCAL MEETINGS/STAFF MILEAGE	29,063
MOBILE ACCESS CENTER (MAC)	24,908
ADVERTISING	1,524

TOTAL EXPENDITURES	<u>1,263,934</u>
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NET INCOME (DEFICIT)	<u>443,184</u>
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FUND BALANCE AT THE BEGINNING OF THE YEAR	<u>1,786,498</u>
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PRELIMINARY FUND BALANCE AS AT JUNE 30, 2022	<u><u>2,229,682</u></u>
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ITEM 7D

Coachella Valley Association of Governments Homelessness Committee September 21, 2022



STAFF REPORT

Subject: Feedback from Members on the Continued Use of Virtual Meetings

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: All meetings of CVAG's standing committees are subject to the Ralph M. Brown Act (Gov. Code §§ 54950 *et seq.*), and must be open and public so that any member of the public may attend and participate in the meetings.

Starting in March 2020, CVAG, along with many of its member jurisdictions, began having committee meetings via video/ teleconferencing in place of in-person meetings due to the COVID-19 pandemic. This has proven to be an efficient way to conduct business for CVAG and its sister agencies – the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy (DCE) – which collectively cover an expansive geographic area across eastern Riverside County. Meetings have been well attended, leading to thoughtful and robust conversations on policies, projects and programs. The use of both videoconference and telephone access has also fostered public engagement, as people can join the meetings from a convenient location instead of driving to CVAG's Palm Desert conference room.

In May and June 2021, CVAG staff provided information to its committees that it would be seeking feedback from members on meeting formats that could be implemented this fiscal year, including exploring the options of continuing with at least some form of videoconferencing. The 2021 survey of CVAG's members found overwhelming support for continuing with virtual meetings. In September 2021, the CVAG Executive Committee authorized the Chair and/or the Executive Director to advocate for Brown Act changes that would allow regional agencies such as CVAG to continue utilizing virtual meetings. With the passage of Assembly Bill 361, CVAG, CVCC and DCE have also made findings that support the continued use of virtual meetings.

Over the summer 2022, CVAG staff circulated another survey to elected officials to gauge the interest in continued use of virtual meetings. The survey was simplified for members' ease, and designed for staff to identify if there was any particular committee where the members preferred a change. CVAG received responses from 33 elected officials who were asked for insight on the committees on which they serve. A total of 58 responses were recorded for the standing CVAG committees and CVCC, and 50 of them – or more than 86 percent – were for continuing virtual meetings. Only eight of the responses indicated a preference for in-person meetings, which equated to no more than a couple of votes per committee. Because DCE has only a two-member Board, staff solicited feedback outside of the poll.

The results were more split for the General Assembly, which includes the elected representatives of every member jurisdiction. The General Assembly meets annually, historically on the last Monday in June, to adopt a CVAG's budget as well as elect a Chair and Vice Chair. Of those who replied, 13 preferred virtual meetings and 11 preferred in-person meetings.

Finally, the poll asked elected officials about what meeting format would be most beneficial for their constituents. Of those who responded, 24 respondents – or more than 70 percent – indicated they prefer virtual meetings for their constituents.

Staff would also note that the use of virtual meetings has generally promoted good attendance, and there has not been any meetings rescheduled due to lack of quorum. Virtual meetings have also created less impact to member schedules and made it easier for them to attend during the workday. The public also benefited from virtual meeting attendance, given they didn't have to drive to CVAG's Palm Desert office during their busy day.

Given the feedback, CVAG staff anticipates continued use of Zoom for its meetings and will work with the Chair of the Executive Committee about options for the 2023 General Assembly meeting, which will be a celebration of CVAG's 50th anniversary.

Fiscal Analysis: There are no additional costs to CVAG hosting virtual meetings. Committee members are paid the same stipends as they would in person.

ITEM 7E

Coachella Valley Association of Governments Homelessness Committee September 21, 2022



STAFF REPORT

Subject: Member jurisdictions' contributions to CV Housing First

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: Since 2008, CVAG has funded its regional homelessness programs – first Roy's Desert Resource Center, and then later programs that evolved into CV Housing First – by contributions from member jurisdictions. This process previously involved CVAG staff sending a request to each city and tribe as well as the County of Riverside. Sometimes the jurisdictions approve the request as part of the annual budget; other times, it is done through a separate action. Some have done this based on calendar year, and others on fiscal year – adding to additional record keeping at CVAG.

In 2021, at the recommendation of the CVAG Homelessness Committee, the CVAG Executive Committee authorized the Executive Director to negotiate and execute Memorandums of Understanding (MOU) with member jurisdictions to secure multi-year funding commitments for the CV Housing First program. CVAG staff has since circulated a draft MOU to member jurisdictions for their consideration, which would secure \$100,000 a year through at least fiscal year 2023/24. To date, the cities of Palm Desert, Cathedral City and Indian Wells have all voted to support multi-year MOUs. In addition, the City of La Quinta authorized a one-year MOU. The County of Riverside, which has been instrumental in helping CVAG secure additional funds through grants, has an agreement for general fund contributions through fiscal year 2025/2026. CVAG staff will continue to reach out to member jurisdictions to seek their consideration and approval of the funding agreements.

In addition, CVAG has received great news from the Agua Caliente Band of Cahuilla Indians. On August 2, the Tribal Council voted to renew its financial support for the program and provide \$25,000 for CV Housing First services.

Fiscal Analysis: The CV Housing First program, including the staffing and program operations, is funded by contributions from member jurisdictions and grants. CVAG's city and tribal member jurisdictions are each asked to contribute \$100,000 a year for the operations. Riverside County's contribution through June 2026 is for \$359,711 annually.

An unaudited financial report is provided as part of the September agenda packet, showing revenue and expenditures through June 30, 2022. In addition, CVAG staff is providing a status update on the received and outstanding payments for Fiscal Year 2021-22 from member cities, which had all committed to funding the program last fiscal year.

City	FY 21/22	MOU
Cathedral City	\$100,000	Approved
Coachella	\$100,000	Pending with City
Desert Hot Springs	\$100,000	Pending with City
Indian Wells	\$100,000	Approved
Indio	Awaiting payment	Pending with City
La Quinta	\$100,000	One-year MOU approved
Palm Desert	\$100,000	Approved
Palm Springs	Awaiting payment	Pending with City
Rancho Mirage	\$100,000	Pending with City

Support for the CV Housing First program, and the transition to in-house operations, has been resounding. The program also has a strong financial backer in the Desert Healthcare District/ Foundation. The recent agreement extended through fiscal year 2021-22 for \$500,000, and the District/ Foundation's agreement has a clause that CVAG needs to demonstrate a continued commitment of current funding levels from the CVAG member agencies.

ITEM 7F

**Coachella Valley Association of Governments
Homelessness Committee
September 21, 2022**



STAFF REPORT

Subject: Update on the Navigation Center in the City of Palm Springs

Contact: Erica Felci, Assistant Executive Director (efelci@cvaq.org)

Recommendation: Information

Background: In August 2022, Riverside County and the City of Palm Springs announced they were receiving a \$19 million grant from the state's Homekey Program to build and operate the Palm Springs Navigation Center. The campus is being designed as a location where shelter, food and the full suite of support services can be co-located to expand the region's network of services for homeless individuals and reduce secondary impacts that can negatively impact quality of life.

As noted in previous updates to the CVAG Homelessness Committee, the navigation center is located on 3.64 acres along McCarthy Road in the City of Palm Springs. The site has three existing buildings totaling 46,760 square feet. The campus will consist of a shelter facility, 80 interim housing units and full wrap-around services that will include behavioral health care, workforce training, linkage to state and county services, and other resources to get unhoused individuals linked to permanent housing. In addition to providing services directly to homeless individuals, a navigation center with comprehensive services has potential to provide services to housed residents such as childcare; assisting individuals with securing health, disability, social security, and other benefits; computer skills, access to internet, employment support and assessments; basic first aid; computer labs; and referrals to other resources. An appropriately sized facility and property could also provide an opportunity to co-locate other services, including the county's mental and/or behavioral health programs, or to have an on-site medical clinic.

With this funding, the city will continue to move forward with design, renovations and construction. Additionally, the funding provides operational dollars for Martha's Village & Kitchen, which has been selected by the city as the center's operator. The anticipated opening of the navigation campus is spring of 2023.

Fiscal Analysis: There is no cost to CVAG for this update. The County and City have secured \$30 million for the Palm Springs Navigation Center, including the Homekey funding, \$5.7 million from Riverside County Fourth District's federal American Rescue Plan Act funding, and the \$5.3 million of Homeless Housing, Assistance and Prevention (HHAP) funds the City contributed to the project.

Attachment: Joint news release from Riverside County and Palm Springs, August 24, 2022

24 August 2022

Palm Springs and Riverside County Awarded \$19 Million in State Funding for Navigation Center

PALM SPRINGS – Today, the State of California awarded the City of Palm Springs and Riverside County a \$19 million allocation from the Homekey Round 2 program to address homelessness and housing.



V. MANUEL PEREZ
SUPERVISOR, FOURTH DISTRICT



CITY OF PALM SPRINGS

PALM SPRINGS – Today, the State of California awarded the City of Palm Springs and Riverside County a \$19 million allocation from the Homekey Round 2 program to address homelessness and housing.

The city and county were co-applicants for the funding to build and operate the Palm Springs Navigation Campus. The navigation campus is a holistic and comprehensive approach to address the city's and western Coachella Valley's unhoused residents.

The campus will consist of a shelter facility, 80 interim housing units and full wrap-around services that will include behavioral health care, workforce training, linkage to state and county services, and other resources to get unhoused individuals linked to permanent housing.

Riverside County has allocated \$5.7 million to the Navigation Campus from the Fourth District's federal American Rescue Plan Act funding, and the City of Palm Springs is contributing \$5.3 million of Homeless Housing, Assistance and Prevention (HHAP) funds to the project. With today's \$19 million state grant, \$30 million has been secured for the Palm Springs Navigation Campus.

Riverside County Fourth District Supervisor V. Manuel Perez stated, "I am proud of this successful award of state funding, an effort that was led out of my office and an example of the collaborative work the county and City of Palm Springs have been working on for five years to bring holistic help for our unhoused residents. I am also glad the \$5.7 million American Rescue Plan Act allocation from the county, which we propose to increase to a total of \$7 million, is acting as matching dollars for this project."

"We couldn't be more grateful and excited about today's announcement of the state's significant investment in the Palm Springs Navigation Center. This funding will allow us to make a significant impact and real time solutions for our homeless residents," said Palm Springs Mayor Lisa Middleton.

With this funding, the city will continue to move forward with design, renovations and construction. Additionally, the funding provides operational dollars for Martha's Village & Kitchen who the city has selected as the operator. The anticipated opening of the navigation campus is spring of 2023.

"Riverside County is excited that the State has awarded Homekey Round 2 funds to the Palm Springs Navigation Center. We are proud to be partners in this holistic effort to bring needed resources to our unhoused residents in the western Coachella Valley," said Riverside County's Director of Housing and Workforce Solutions Heidi Marshall.

Homekey Round 2 continues a statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness. Administered by the California Department of Housing and Community Development, approximately \$1.4 billion (FY 2021-22) in grant funding will be made available to local public entities, including cities, counties, or other local public entities, such as housing authorities or Tribal Entities within California.

Homekey is an opportunity for state, regional, and local public entities to develop a broad range of housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing, and to convert commercial properties and other existing buildings to permanent or interim housing.

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