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Regular Council Meeting
August 18, 2022

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CITY OF FRESNO
CITY CLERK'S OFFICE

FRESNO CITY COUNCIL



Supplemental Packet

ITEM(S)

3-C File ID 22-1287

Actions pertaining to using the Villa Motel located at 817 N. Parkway Drive, Fresno 93728, as an interim low-barrier homeless shelter:

1. Adopt a finding of Categorical Exemption pursuant to Section 15301 of the California Environmental Quality Act (CEQA) guidelines; and
2. Affirm City's Manager's determination with RH Community Builders LP is uniquely qualified; and
3. Approve a Repair Services Agreement with the RH Community Builders LP not to exceed \$4,702,108 (District 3)

Contents of Supplement:

Staff Report and Uniquely Qualified Memo

Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

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REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

BY: PHIL SKEI, Assistant Director
Planning and Development

SUBJECT

..Title

Actions pertaining to using the Villa Motel located at 817 N. Parkway Drive, Fresno 93728, as an interim low-barrier homeless shelter:

1. Adopt a finding of Categorical Exemption pursuant to Section 15301 of the California Environmental Quality Act (CEQA) guidelines; and
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..Body

RECOMMENDATION

Staff recommends the City Council affirm City's Manager's determination that RH Community Builders LP is uniquely qualified and approve a Repair Services Agreement with RH Community Builders LP to rehabilitate Villa Motel using Homekey 2 funds to serve as an interim low-barrier emergency homeless shelter as part of Project Homekey; and authorize the City Manager to sign the agreement.

EXECUTIVE SUMMARY

The City of Fresno (City) recently purchased the Villa Motel, located at 817 N. Parkway Drive, Fresno 93728 to serve as an interim low-barrier emergency homeless shelter as part of Project Homekey. Since receiving a fully executed Homekey 2 award agreement on August 2, 2022, in order to meet the State of California's deadlines, rehabilitation must commence as soon as possible. RH Community Builders LP has agreed to serve as the City's Developer for this Homekey 2 project. This action will enable the City to comply with accessibility requirements, building and safety requirements, and make improvements that will enhance the experience of residents at this shelter. This vendor is uniquely qualified as one of only two vendors with experience rehabilitating motels for shelter operations and who also have Homekey 2 experience.

BACKGROUND

On December 9, 2021 City Council adopted Resolution 2021-316 authorizing staff to submit applications to the California Department of Housing and Community

Development's (HCD) second round of funding under the Homekey Program (Homekey 2) for the operational and support services that support sustaining and expanding housing for persons experiencing homelessness. Accordingly, staff submitted an application for the Villa Motel, located at 817 N. Parkway Drive, Fresno 93728, and on July 21, 2022 the City was awarded \$10,754,500 to rehabilitate and repair this motel to serve as an interim low-barrier emergency homeless shelter. On August 2, 2022 the City's Homekey agreement was fully executed with HCD.

As part of the City's Homekey award for the Villa Motel was a development budget totaling \$4,702,108 which includes ADA upgrades, interior upgrades, installation of a fire sprinkler system, replacement of mechanical systems, commons space upgrades and enhanced security features, and new furnishings, among other improvements.

Rehabilitation of this motel will temporarily displace existing clients to other shelters on Parkway Drive, but each family displaced will have the opportunity to return to the Villa Motel when it is completed no later than March 21, 2023, at which time it will continue to provide 52 shelter beds for those who are homeless or at risk of homelessness.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of this Project and has determined it falls within the Categorical Exemption set forth in CEQA Guidelines Section 15301/Class 1 (existing facilities) which exempts projects involving a negligible or no expansion of an existing facility. This exemption applies because this project involves the purchase of Parkway Inn without expansion of the facility. Staff determined under the CEQA Guidelines this project fits within the definition of existing facilities in Section 15301/Class 1, as Categorically Exempt from further CEQA review. Staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference is not applicable because of the use of State funds.

FISCAL IMPACT

Funding for this agreement will be through the State of California's Project Homekey award to the City of Fresno for this project.

Attachments:

Repair Service Agreement (RH Community Builders - Villa Motel)
Uniquely Qualified Memo (RH Community Builders – Villa Motel)



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Planning and Development Department
Jennifer Clark, AICP, Director

MEMORANDUM

DATE: August 12, 2022

TO: GEORGEANNE A. WHITE, City Manager

FROM: PHIL SKEI, Assistant Director
Planning and Development Department

SUBJECT: Uniquely qualified services contract with RH Community Builders LP to develop Villa Motel Homekey 2 Project

The purpose of this memorandum is to request authorization to dispense with the City's standard Request for Proposals (RFP) process for contractors, set forth in Administrative Order 6-28, so that the Office of the Mayor and City Manager may ask Council to award a contract for services to RH Community Builders LP as uniquely qualified to serve as the City of Fresno's Developer for the Villa Motel Homekey 2 project.

RH Community Builders LP is the largest private developer of shelter housing in the City. In addition to the 380 homeless/at-risk of homelessness units they have developed across Fresno County, they have also rehabilitated one motel on Parkway Drive previously for the City of Fresno.

In addition to their unique experience rehabilitating motels into shelters, they also have significant experience as participants in the State of California's Homekey program.

Lastly, RH Community Builders LP's robust experience complying with Federal Uniform Relocation Assistance requirements through its development of 670 residential units is invaluable to the City as we prepare to rehabilitate the Villa Motel, ensuring the City remains in compliance throughout the rehab process.

This collective experience makes them uniquely qualified to serve as the City of Fresno's Developer for our Homekey project at Villa Motel, to not only rehabilitate this property in preparation for a future full conversion to permanent affordable housing, but to complete the work in a timely fashion enabling the City to meet the State's performance deadlines and realize critical financial bonuses that will further the City's efforts to end homelessness.

The Repair Services Agreement, if approved, would allow for up to \$4,702,108 to be spent to rehabilitate the Villa Motel to continue to provide 52 units of emergency shelter to homeless individuals in Fresno. This agreement will be funded utilizing Project Homekey dollars.

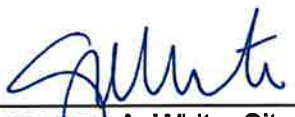
MEMORANDUM

City Manager Georgeanne A. White

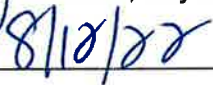
August 12, 2022

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Denied _____ Approved ☒



Georgeanne A. White, City Manager



Date