

## **REPORT TO THE CITY COUNCIL**

**October 22, 2020**

**FROM:** City Council President Miguel Arias

LEE BRAND, Mayor  
Office of the Mayor & City Manager

**BY:** H. SPEES, Director, Strategic Initiatives  
Office of the Mayor & City Manager

### **SUBJECT**

#### **..Title**

RESOLUTION - In support of a future City contribution of up to \$6,842,138 over a period of up to five years for operational and support services to prevent COVID-19 among residents temporarily sheltered in four motels to be acquired by the Fresno Housing Authority (FHA) through the State of California's Homekey Program.

#### **..Body**

### **RECOMMENDATION**

Adopt Resolution of the Fresno City Council in support of a future City contribution toward operational and support services that support the community-wide COVID-19 Homeless Response and add to Fresno's inventory of affordable housing (See Attachment A). Today's action is non-binding. Any firm commitment by the City to provide funding or other support shall require future Council action, and nothing in today's action will bind the City to any future legislative act, including approval of a funding commitment.

### **EXECUTIVE SUMMARY**

Adoption of the proposed resolution will demonstrate the Council's conceptual support of a future contribution of up to \$6,842,138 over a period of up to five years for operational and support services to prevent COVID-19 among residents temporarily sheltered in four motels to be acquired by the Fresno Housing Authority (FHA) through the State of California's HomeKey Program.

The State's HomeKey Program utilizes a portion of its Federal CARES Act Funding to allow communities to acquire motels, use them initially as a part of their community's COVID-19 Homeless Response, then convert them to permanent affordable housing (See Attachment B).

The City of Fresno's future commitment of these dollars would allow the Fresno Housing Authority's applications to the State to move forward, resulting in over \$22,000,000 in acquisition funding for the purchase of Day's Inn, Motel 99, Parkside Inn and Welcome Inn for a total of 321 doors.

These four motels are all located along the Parkway Drive Corridor. This is an area of Fresno consisting of a densely populated strip of motels visible along Highway 99, with a history of being the

epicenter for families and individuals living in poverty. The subculture of human trafficking, gangs, and drugs draw adults and their children into a cycle of despair, creating Adverse Childhood Experiences of abuse, neglect and trauma. During COVID-19, it is crucial that they are provided with improved quality living conditions where cost is not a barrier. This project, in combination with several other proposed efforts would support these individuals and begin a significant transformation of this neighborhood.

One of the facilities will become the new home for the Golden State Triage Center, currently being operated under a contract between the City of Fresno and Turning Point of Central California. HomeKey will allow for the expansion of this triage facility at no additional cost.

The City's support for this project will potentially be drawn from a combination of HEAP, HHAP, CARES Act, ESG, ESG-CV2, CDBG, CDBG-CV, HOME, Permanent Local Housing Allocation funds and other potential sources.

## **BACKGROUND**

On July 15, 2020 the California Department of Housing and Community Development (Department) announced the availability of approximately \$600 million of Homekey Program (HomeKey) grant funding through this Notice of Funding Availability (NOFA). (See Attachment B). HomeKey is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness and impacted by COVID-19.

Of the \$600 million in HomeKey funding, \$550 million is derived from the state's direct allocation of the federal Coronavirus Relief Fund (CRF) and \$50 million is state General Fund. The \$50 million in state General Fund money is intended to supplement the acquisition of, and provide initial operating subsidies for, HomeKey sites to promote Project feasibility. Accordingly, the Department is using these moneys to fund 24-month operating subsidies. Projects receiving an award from the state's direct allocation of the federal CRF must expend the funds by December 30, 2020. The portion of a Project's award associated with state General Fund must be expended by June 30, 2022.

Depending on the funding award, the successful applicant must close escrow by the expenditure deadline.

Previously the City, the County of Fresno and the Fresno Madera Continuum of Care have aligned various resources to execute the COVID-19 Homeless Response for the prevention and containment of COVID-19 among individuals experiencing homelessness throughout the greater Fresno community. This has resulted in making available over 300 beds for various uses and has to date effectively prevented any major outbreak among our community's homeless population.

In addition, the City has provided funding to the communitywide COVID-19 Homeless Response in the form of its one-time State COVID-19 Emergency Homelessness Funding Grant (\$1,012,869.44), as well as its Federal Coronavirus Aid, Relief, and Economic Security Act Emergency Solutions (ESG-CV1) Grant (\$2,103,510) as well as \$2,000,000 of its Federal Coronavirus Aid, Relief, and Economic Security Act Emergency Solutions (ESG-CV2) Grant.

The passing of this resolution and the execution of subsequent agreements would add to these previous actions representing the City's participation in the community wide COVID-19 homeless response and will add significant housing spaces provided as safe exits to residents of COVID-19 related shelters.

## **ENVIRONMENTAL FINDINGS**

This Resolution is not a project as defined by the California Environmental Quality Act.

## **LOCAL PREFERENCE**

Local preference is not applicable because this resolution does not include an award of a construction or service contract.

## **FISCAL IMPACT**

The action today does not represent a firm funding commitment by the City, and as such, has no fiscal impact.

Attachments:

Attachment A – HomeKey Resolution

Attachment B -- 2020 State of California HCD HomeKey NOFA July 15, 2020