

Regular Council Meeting

April 20, 2023

FRESNO CITY COUNCIL



Supplement Packet

ITEM(S)

1-L (ID 23-576)

Actions pertaining to the State of California's Homekey 3 Program and development of permanent affordable housing at 6507 North Polk Avenue (506-130-04) (District 2):

1. ***RESOLUTION - Authorizing joint application to and participation in the State of California's Homekey 3 Program to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness and authorizing the City Manager or designee to sign all required implementing documents. (Subject to Mayor's Veto).
2. ***RESOLUTION - In support of future City Contribution of Funds for construction and development expenses associated with the project in an amount not to exceed \$2,800,000 upon full award of Homekey 3 funding for the ACTS Foundation project. (Subject to Mayor's Veto).

Contents of Supplement: Revised staff report to include "Attachment C – Exemption Assessment No. P32-01302" and update the Environment Findings

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.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

PHIL SKEI, Assistant Director
Planning and Development Department

BY: DYLAN MCCULLY, Senior Management Analyst
Homeless Services Division

SUBJECT

..Title

Actions pertaining to the State of California's Homekey 3 Program and development of permanent affordable housing at 6507 North Polk Avenue (506-130-04) (District 2):

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..Body

RECOMMENDATION

Staff recommends Council approve the resolution authorizing joint application with ACTS Foundation to the California Department of Housing and Community Development's (HCD) Homekey 3 Program to sustain and rapidly expand housing for persons experiencing or at risk of homelessness and authorizing the City Manager to sign all required implementing documents; and approve the resolution declaring a commitment for a future City contribution of funds for construction and development expenses in an amount not to exceed \$2,800,000, contingent upon full award of Homekey 3 funding for the ACTS Foundation Project.

EXECUTIVE SUMMARY

HCD has announced the availability of approximately \$736 million through the Homekey Round 3 Notice of Funding Availability. ACTS Foundation has proposed to apply jointly with the City as Co-Applicants for up to \$25,000,000 in financial assistance to develop permanent affordable housing for families and individuals experiencing or at risk of homelessness. If approved, ACTS Foundation will complete the application and administer the grant on behalf of the City.

BACKGROUND

HCD has issued a Notice of Funding Availability, dated March 29, 2023, announcing the availability of approximately \$736 million of Homekey Program grant funding through Round 3. Homekey 3 builds on the success of Project Roomkey, as well as the first two rounds of Homekey, to continue a statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at risk of

homelessness, and who are, thereby, disproportionately impacted by and at risk for medical diseases or conditions due to the COVID-19 pandemic and other communicable diseases.

Of the \$736 million in available Homekey 3 funding, \$435 million is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF) established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2) and \$301 million is State General Fund. The \$301 million in State General Fund money is intended to supplement the acquisition of, and to provide initial operating subsidies for, Homekey sites to promote project feasibility. Homekey 3 funding is available on a first-come, first-served basis until July 28, 2023, or until the available funds are exhausted, whichever occurs first. Projects receiving an award from the state's direct allocation of the federal ARPA must expend the funds within eight months of the date of award. The portion of a project's award associated with State General Fund must be expended by June 30, 2026.

ACTS Foundation has requested to apply jointly with the City for its proposed modular housing development project of 6507 North Polk Avenue providing permanent affordable housing for families and individuals experiencing or at risk of homelessness, including youth experiencing or at risk of homelessness. As the eligible entity, the City would be the Lead Applicant with the understanding that ACTS Foundation will complete the application and be the primary contact for HCD. ACTS Foundation is a nonprofit organization aimed at providing food, supplies, and education to underserved individuals in the city of Fresno. ACTS Foundation has partnered with EA Family Services to develop the proposed Homekey project and serve as the onsite supportive services provider. EA Family Services is a nonprofit corporation with over 30 years of experience in providing mental health support, transitional housing and other supportive services to youth and adults throughout Northern California and the Central Valley.

The proposed Homekey 3 project will provide 96 units of affordable housing for qualified households who are experiencing or are at risk of homelessness. Approval of the resolutions will authorize submission of the joint application to HCD and declare a future funding commitment. Staff intends to return to council for authority to accept funding and to approve an MOU establishing the roles and responsibilities of the parties in administering the grant. ACTS Foundation and EA Family Services will provide matching contributions to the Project for development and ongoing funding for operations.

ENVIRONMENTAL FINDINGS

This project is ministerial exempt from the California Environmental Quality Act (CEQA) pursuant to Assembly Bill 2162.

LOCAL PREFERENCE

Local preference is not applicable because of state funding.

FISCAL IMPACT

There is no impact on the City's General Fund as a result of these actions.

Attachments:

Attachment A - Resolution – Application to HCD Homekey 3

Attachment B - Resolution – City Contribution of Funds to Homekey 3 Project

Attachment C - Environmental Assessment No. P32-01302

**CITY OF FRESNO
MINISTERIAL EXEMPTION
ENVIRONMENTAL ASSESSMENT NO. P23-01302**

THE PROJECT DESCRIBED HEREIN IS DETERMINED TO BE
EXEMPT FROM THE PREPARATION OF ENVIRONMENTAL DOCUMENTS
PURSUANT TO ARTICLE 19 OF THE STATE CEQA GUIDELINES.

APPLICANT: Lorren Smith
Harbour & Associates
389 Clovis Avenue, Suite 300
Clovis, CA 93612

PROJECT LOCATION: 6507 North Polk Avenue; Located on the southwest corner of
West Sierra and North Polk Avenues (APN: 506-130-04S)

PROJECT DESCRIPTION: Zone Clearance Application No. P23-01032 proposes the
construction of a 96-unit affordable housing complex on a 3.99-
acre property pursuant to AB 2162. The project will consist of
four two-story residential buildings, community amenities
including landscaping and laundry facilities, and a community
center which will contain offices and classrooms. The subject
property is zoned RM-2 (Multi-Family Residential, Urban
Neighborhood).

**This project is exempt under Section 15268 (Ministerial Projects), of the California
Environmental Quality Act (CEQA) Guidelines as follows:**

The project qualified for ministerial approval as a qualifying supportive housing project pursuant
to Assembly Bill (AB) 2162 (Gov. Code Sec. 65650 et seq.). Ministerial projects approved by
public agencies are not subject to the CEQA (Pub. Res. Code Sec. 21080(b)(1)). None of the
project approvals require discretionary review subject to the CEQA, including Zone Clearance
applications.

Date: April 17, 2023

Submitted by:



Chris Lang
Supervising Planner
City of Fresno
Planning & Development Dept.