



Legislation Details (With Text)

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Title: Actions pertaining to the acquisition of 959 N. Parkway Drive (APN 449-324-11) (District 3):

1. Adopt a finding that of Categorical Exemption pursuant to Section 15301/Class 1 (Existing Facilities) of the California Environmental Quality Act (CEQA) guidelines.
2. Approve Assignment of Purchase and Sale Agreement from the Fresno Housing Authority in the amount not to exceed of \$3,234,000.
3. Approve an Option Agreement for 959 N. Parkway Drive (APN 449-324-11) with the Fresno Housing Authority for \$1,000.

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. Attachment A - Fresno Housing Purchase and Sale Agreement, 2. Attachment B - PSA Addendums, 3. Attachment C - Escrow Disclosures, 4. Attachment D - Appraisal, 5. Attachment E - Phase I Environmental Report, 6. Attachment F - Fresno Housing Reimbursement Summary, 7. Attachment G - Fresno Housing Assigment of Purchase Agreement, 8. Attachment H - Fresno Housing Purchase Option Agreement

Date	Ver.	Action By	Action	Result
12/9/2021	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

December 9, 2021

FROM: JENNIFER CLARK, Director
Planning & Development Department

THOMAS ESQUEDA, City Manager
Office of the Mayor and City Manager

BY: PHILIP SKEI, Assistant Director
Planning & Development Department

SUBJECT

Actions pertaining to the acquisition of 959 N. Parkway Drive (APN 449-324-11) (District 3):

1. Adopt a finding that of Categorical Exemption pursuant to Section 15301/Class 1 (Existing Facilities) of the California Environmental Quality Act (CEQA) guidelines.
2. Approve Assignment of Purchase and Sale Agreement from the Fresno Housing Authority in

the amount not to exceed of \$3,234,000.

3. Approve an Option Agreement for 959 N. Parkway Drive (APN 449-324-11) with the Fresno Housing Authority for \$1,000.

RECOMMENDATION

Staff recommends the City Council adopt a finding that this approval is exempt from the requirements of CEQA pursuant to Section 15301/Class 1 (Existing Facilities) of the California Environmental Quality Act(CEQA) guidelines; approve the assignment of a Purchase and Sale Agreement from Fresno Housing Authority, in the amount of \$3,234,000 for real property located at 959 N. Parkway Drive (APN 449-324-11); approve an Option Agreement with the Fresno Housing Authority in the amount of \$1,000 for 959 N. Parkway Drive (APN 449-324-11); and authorize the City Manager, or his designee, to sign all documents necessary to complete these transactions.

EXECUTIVE SUMMARY

In accordance with City Council's authorization for the City to apply for Homekey 2.0 funding to acquire the Parkway Inn, located at 959 N. Parkway Drive, approval of this assignment of a purchase and sale agreement is necessary in order to meet the site control threshold requirement of CalHCD's Homekey 2.0 application process.

BACKGROUND

On February 27, 2021, the Fresno Housing Authority entered into a purchase and sale agreement to acquire 959 N. Parkway Drive (APN 449-324-11) for \$3,234,000. This agreement was extended on several occasions and requires an additional, non-refundable \$30,000 deposit by the City within 5 days of approving the Assignment Agreement. Close of escrow is contingent upon the City receiving an award of Homekey 2.0 funds and must occur on or before May 31, 2022.

The Fresno Housing Authority is not applying for Homekey 2.0 funds and has committed to assign this agreement to the City in order to create 66 new interim housing units and is requesting reimbursement expenses in an amount of \$29,245, comprised of a \$20,000 deposit, and \$9,245 in due diligence expenses for an appraisal and Phase 1 environmental assessment to be used as part of the City's Homekey 2.0 application.

The Fresno Housing Authority is also requesting an Option Agreement to re-purchase the property from the City for \$1000. The Option would allow the Fresno Housing Authority to purchase the Property between the third and fifteenth year (Option Window) after the City acquires the Property. The Option requires that Fresno Housing Authority acquire the property for the sole and exclusive purpose of developing permanent affordable and/or mixed income housing on the property and furthermore provide the City will supplemental information such as funding plans, site development plans, building elevations, construction cost estimates, and construction schedules for the project. If Fresno Housing Authority does not exercise its option during the Option Window, the City may extend the Option Agreement, dispose of the land pursuant to City processes and procedures in accordance with the Surplus Land Act in effect at the time, or continue to own the property.

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 PREFERNCE

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 this action.

Attachments:

Attachment A: Fresno Housing Authority Purchase and Sale Agreement (2/27/2021)

Attachment B: Purchase and Sale Agreement Addendums

Attachment C: Escrow Disclosures

Attachment D: Appraisal

Attachment E: Phase 1 Environmental Report

Attachment F: Fresno Housing Authority Reimbursement Summary

Attachment G: Fresno Housing Assignment of Purchase Agreement

Attachment H: Fresno Housing Authority Purchase Option Agreement