



Legislation Details (With Text)

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**File created:** 4/24/2023      **In control:** City Council  
**On agenda:** 4/27/2023      **Final action:** 4/27/2023

**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):  
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 Valley Teen Ranch’s Welcome Home project. (Subject to Mayor's Veto)

**Sponsors:** Planning and Development Department, Mike Karbassi

**Indexes:**

**Code sections:**

**Attachments:** 1. 23-689 Resolution – Application to HCD Homekey 3, 2. 23-689 Resolution – City Contribution of Funds to Homekey 3 Project, 3. 23-689 Environmental Assessment No. P23-01302

Date	Ver.	Action By	Action	Result
4/27/2023	1	City Council	ADOPTED	Pass

**REPORT TO THE CITY COUNCIL**

**FROM:** JENNIFER CLARK, Director  
Planning and Development Department

**BY:** PHIL SKEI, Assistant Director  
Planning and Development Department

**SUBJECT**

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).
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**RECOMMENDATION**

Staff recommends Council approve the resolution authorizing joint application with Valley Teen Ranch 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 Valley Teen Ranch's Welcome Home Project.

## **EXECUTIVE SUMMARY**

HCD has announced the availability of approximately \$736 million through the Homekey Round 3 Notice of Funding Availability. Valley Teen Ranch 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, Valley Teen Ranch will work with City staff to 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.

Valley Teen Ranch 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 Valley Teen Ranch will work with City staff to complete the application. Valley Teen Ranch is a Fresno-Madera nonprofit organization with 40 years of experience serving as a foster family agency, providing adoption services, operating short-term residential therapeutic programs, and a transitional living home. Valley Teen Ranch's vision is that all children, youth, young adults, and families will live and thrive in safe and healthy homes. Valley Teen Ranch has partnered with EA Family Services to develop the proposed Homekey project where they will blend the strength of their experience to serve as onsite supportive services providers. 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. EA Family Services will provide matching contributions to the Project for development and ongoing funding for operations.

## **ENVIRONMENTAL FINDINGS**

This project is ministerially 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:**

Resolution - Application to HCD Homekey 3

Resolution - City Contribution of Funds to Homekey 3 Project

Environmental Assessment No. P32-01302