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Title: Approve a \$964,482 State and Local Fiscal Recovery Funds (part of the American Rescue Plan Act) Grant Agreement with Poverello House for the construction of 26 tiny homes to be used as non-traditional permanent housing for those experiencing homelessness.

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. Exhibit A - SLFRF Agreement, 2. Exhibit B - Sample Units.pdf

Date	Ver.	Action By	Action	Result
2/23/2023	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

THROUGH: PHIL SKEI, Assistant Director
Planning and Development Department

BY: CORRINA NUNEZ, Project Manager
Housing and Community Development Division

SUBJECT

Approve a \$964,482 State and Local Fiscal Recovery Funds (part of the American Rescue Plan Act) Grant Agreement with Poverello House for the construction of 26 tiny homes to be used as non-traditional permanent housing for those experiencing homelessness.

RECOMMENDATION

Staff recommends the City Council approve a \$964,482 State and Local Fiscal Recovery Funds (SLFRF) Agreement (Exhibit "A" - SLFRF Agreement) with Poverello House for the construction of 26 tiny homes to be used as non-traditional permanent housing for those experiencing homelessness.

EXECUTIVE SUMMARY

Under the City's Encampment Resolution Funding (ERF) project, the City's services provider, Poverello House, is responsible for acquiring and constructing 26 tiny houses for the permanent housing of individuals. Following a Notice Inviting Bids, Poverello House has selected the lowest

responsible bid of \$1,964,482, of which \$1 million is allocated from the ERF funding. Staff is proposing to use \$964,482 in SLFRF to fund the remaining balance.

BACKGROUND

On April 23, 2023, the City Council approved a \$5 million grant award from the State of California for funding under the Encampment Resolution Funding (ERF) Program and approved a \$4,662,554.80 services agreement with Poverello House to provide the services in downtown Fresno. As part of the services agreement, Poverello House would provide permanent housing for 26 individuals within the City of Fresno in the form of tiny homes.

On September 30, 2022, Poverello House released a Notice Inviting Bids (Bid File No.: 002) for bids to construct 26 tiny home units and on December 1, 2022, awarded the bid to PreFab Innovations, Inc., of Fresno. PreFab Innovations was the lowest responsible bidder at \$1,964,482 for the 26 structures or \$75,557 each. Poverello House will use \$1,000,000 of its ERF funds for the construction contract with PreFab Innovations for the construction of the 26 tiny home units. The use of the ERF funding for the construction of the tiny homes is an eligible use of funds under the program as it provides the permanent housing and helps to resolve homelessness.

Staff is proposing to grant Poverello House \$964,482 in SLFRF funds to pay for the remaining balance for the construction of 26 tiny homes to be developed into a cottage-home community in Council District 5 that will provide non-traditional permanent housing units for individuals who have experienced homelessness.

The prefabricated tiny home structures will consist of a minimum of 288 square feet with the capacity to house one to two individuals and will include a living room, kitchen, and bathroom. The living room must have at least one window, two electrical outlets, and space for a bed. The kitchen must include an oven, stove or range, refrigerator, and space for food preparation, storage, and serving. The bathroom must be located in a separate room, have a flushing toilet, sink basin, tub or shower, have a least one window, exhaust ventilation, and at least one light fixture. The units must also provide appropriate cooling and heating, lockable doors, and at least one battery-operated smoke detector (Exhibit B - Sample Units). All units are required to comply with California Building Standards Code, City of Fresno Building Codes, and the Housing Quality Standards of the United States Department of Housing and Urban Development. Poverello House will own, place, and manage the tiny home cottage home development community. Tenants' eligibility for the units will be through the Coordinated Entry System and must be matched to the project.

Poverello House is currently working in cooperation with the Planning and Development Department, Housing and Community Development Division to select appropriate sites to place the tiny homes. One potential location is at Cedar Avenue and Heaton Avenue. In any case, the tiny homes will be placed on City-owned land which will be leased to the Poverello House.

Since 1973, Poverello House, a private non-profit organization, continues to provide food, shelter, and social services to those experiencing homelessness. Once the 26 tiny home structures are complete, up to 26 households will be housed in the project.

ENVIRONMENTAL FINDINGS

Pursuant to Government Code section 15378(b)(4), this grant agreement is not a project for the

purposes of the California Environmental Quality Act (CEQA) because it involves the creation of a government funding mechanism which does not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment. CEQA will be assessed prior to the start of construction and placement of the tiny homes.

LOCAL PREFERENCE

This service agreement is not subject to local preference.

FISCAL IMPACT

The State and Local Fiscal Recovery Funds for the proposed service agreement were appropriated to the Planning and Development Department as part of its fiscal year 2023 Budget.

Attachments:

Exhibit A - SLFRF Agreement

Exhibit B - Sample Units