



City of Grass Valley City Council Agenda Action Sheet

Title: Approve a Resolution Authorizing a Joint Application to and Participation in the Homekey Program.

CEQA: Not a Project.

Recommendation: That Council review and approve Resolution 2023-18 authorizing a joint application with Foothill House of Hospitality dba Hospitality House (HH) and the participation in the HomeKey Program.

Prepared by: Tim Kiser, City Manager

Council Meeting Date: April 25, 2023

Date Prepared: April 19, 2023

Agenda: Administrative

Background Information: In partnership with the City of Grass Valley and County of Nevada, Foothill House of Hospitality dba Hospitality House (HH) intends to apply for the State of California Housing and Community Development (HCD) Homekey 3 Capital Grant. The City of Grass Valley will be the applicant and Hospitality House is the co-applicant. The proposed project includes 20-40 studio apartments for people experiencing chronic homelessness. The property for development is currently owned by the County of Nevada. It is located at 936 Old Tunnel Road and is also home to the newly developed Brunswick Commons. As part of the process, the County of Nevada will provide a Letter of Intent to allow the Homekey 3 Project upon execution of a successful application to be built on the property. The County of Nevada also understands the Affordability covenant that will need to be in place for no less than 55 years upon final completion of the project.

The program model provided by HH will provide 24/7 on-site monitoring through a live-in property manager. Hospitality House will also provide wrap-around case management services by having a full-time case manager for the tenants living on site. Case management services include but are not limited to referrals to partner agencies for behavioral health, medical needs and job training and placement. Direct services provided by Hospitality House include transportation, housing navigation and tenancy, food donations from Interfaith Food Ministry (IFM) and community engagement activities.

HH initially had proposed the project be located on a property they own at 246 Glenwood Avenue, Grass Valley, CA. However, due to zoning restrictions as they relate to bonus density laws, it was determined that property would not be financially viable. Since the project has already been in design for more than 10 months, the Request for Proposals (RFP) and Statement of Qualifications (SOQ) for an approved contractor and modular manufacturer was completed in by August 2022. In May 2022, Robert Wallis

with Wallis Design Architects reached out to 3 local contractors to gauge their interest in being the general contractor for the project. The general contractors in question are Sierra Foothill Construction, C&D Construction, PNP Constructions and REN Construction. Out of 4 contractors that were provided with the RFP, only 2 were interested. They were Sierra Foothill Construction and PNP Construction. Both general contractors provided a Statement of Qualifications. Interviews took place on July 27, 2022. Scoring for the general contractors took place on August 3, 2022. PNP was the preferred contractor, scoring 271 points out of 300. Sierra Foothill Construction scored 251 out of 300.

The RFP process for the modular manufacturer followed a similar process due to the complexity of the request. Darren Seary with Optimum Modular Solutions assisted HH in the process. An email was sent out to 3 modular manufacturers that had manufacturing facilities within the State of California. Choosing a manufacturer within the State of California was suggested due to the permitting process and cost savings associated with shipping the modulares. The 3 modular manufactures that were provided with the RFP were Volumetric Building Company (VBC), Factor OS and Guerdon. Only 2 modular manufacturers responded to the RFP. They were VBC and Factory OS. The interviews took place in July 2022 and Factory OS decided to rescind their interest in the RFP. Factory OS did not want to design a modular to fit our needs and instead wanted to provide us with a predesigned modular. This was not going to work for our project. Therefore, HH went with VBC. A scoring process still took place and VBC scored 288 out of 300.

Upon finishing the RFP process for a general contractor and modular manufacturer, the design team for the project consisted of Wallis Design Studio Architects, Volumetric Building Company, PNP Construction, Optimum Modular Solutions and True Management Services. Hospitality House intends to use modular construction due to the time restraints surrounding the Homekey 3 Grant Program. Homekey 3 requires upon successful application the proposed project to take no longer than 15 months from the date of award to full occupancy. Modular design results in less project time, cost savings, less construction waste, less construction noise and proven quality.

Due to AB140 passed by the California State Legislator on July 15, 2021, capital building projects for people experiencing homelessness will be exempt from the California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) until July 1, 2024. More information regarding this temporary exemption can be found at: Bill Text - AB-140 Housing. (ca.gov)

The Homekey 3 Grant Program application is funded on a first come first serve process and the application portal will open on April 24, 2023. The State of California has a Balance of State or Rural Set Aside amount of \$20 million. It is important that this process moves quickly while providing any information necessary to the partners, contractors, manufacturers, and consultants with a current interest in the project. HCD requires that the City of Grass Valley as the applicant and Hospitality House as the co-applicant provide a Board Resolution approving the project. The Resolution must be formatted per The State of California Housing and Community Development guidelines.

The City's main role will be the applicant for the potential grant funds. HH will be the co-applicant and assist City staff with all the grant activities. City staff is recommending the approval of the attached Resolution 2023-18.

Council Goals/Objectives: The execution of this action attempts to achieve Strategic Goal #5 - High Performance Government and Quality Service.

Fiscal Impact: No direct fiscal impact to the City. The City will in general terms will receive HomeKey funds from the State to pay approved invoices for the potential project.

Funds Available: N/A

Account #: N/A

Reviewed by: Tim Kiser, City Manager

Attachments: Resolution 2023-18