Real Estate Development Update

Boards of Commissioners Retreat

October 20, 2020
The Immediate Opportunity

Fresno Housing would receive and utilize over $20 million in funding from the State Home Key Program for the purchase of a portfolio of motels to house and protect our most vulnerable individuals and families during the pandemic and provide them permanent housing.
The “Once in a Generation” Opportunity

Fresno Housing would leverage those assets, partner with the City of Fresno, Fresno Unified, community-based organizations, residents and other developers and participate in the creation of a transformation plan for the neighborhood. Following the transformation plan, FH would renovate, convert and rebuild those assets into high-quality housing and community amenities for a variety of incomes, adding to the vibrancy of the Jane Addams neighborhood.
Jane Adams Neighborhood Vision
Phase I: Years 1-2

• The near term vision is to utilize Homekey funding to house and keep safe homeless individuals, families and children and those at risk of homelessness impacted by the pandemic

• Services will be made available through partnerships with the appropriate experienced providers

• FH staff will prepare a permanent housing plan during the interim housing period

• Creation, in partnership, of a neighborhood strategy regarding the conversion of 2-3 of the highest quality hotels in addition to improved neighborhood infrastructure
Jane Adams Neighborhood Vision
**Phase II: Years 3-6**

- Implementation of permanent housing conversion plans of the selected motels
- Further permanent housing conversion planning for remaining motels, which may include demolition for the design of new multi-family housing or neighborhood amenities, like community centers
- Further development of a transformative neighborhood strategy to allow for street improvements, parks, community space, and appropriate retail amenities
- All Phase I Homekey residents will be provided housing choices during the conversion process in order to avoid displacement
Jane Adams Neighborhood Vision
*Phase III: Years 5-8*

- Final build out of the remaining new construction housing, retail and community space
- Partnership with private developers to create retail centers and market rate housing interlaced with affordable housing
- Transformative neighborhood strategy will be implemented in partnership with the community, residents, partners, private developers, and the City of Fresno
Overview

- Aerials
- Motel 99
- Day’s Inn
- Parkside Inn
- Welcome Inn
- Alamos Motel
- Homekey Award Breakdown
- Homekey Ops Budgets
Motel 99

- Located at 1240 & 1280 N. Crystal Ave, Fresno
- Motel currently has 99 Rooms
- Owner: Adinath Hospitality
- Purchase Price is $4.425 million
- Estimated value $5 million (appraisal pending)
- Board ratified Purchase and Sale Agreement on August 25, 2020
- On September 21, 2020 the governor’s office released award notifications for the first round of applications, including Motel 99
- Staff applied to the City of Fresno for operating support
**Day’s Inn**

- Located at 1101 N Parkway Drive, Fresno
- APNs: 449-270-41
- Motel currently has 98 Rooms
- Owner: Day’s Inn of Fresno Partnership
- Purchase Price is $4.79 million
- Estimated value $4.8 million (appraisal pending)
- Board ratified Purchase and Sale Agreement on August 25, 2020
- On October 9, 2020 the governor’s office released award reservation notifications for the waitlisted applications, including Day’s Inn
- Staff applied to the City of Fresno for operating support
Parkside Inn

- Located at 1415 W. Olive Avenue, Fresno
- APNs: 449-270-56
- Motel currently has 48 Rooms
- Owner: Akshar, Inc.
- Purchase Price is $3 million
- Estimated value $3 million (appraisal pending)
- Board ratified Purchase and Sale Agreement on August 25, 2020
- On October 9, 2020 the governor’s office released award reservation notifications for the waitlisted applications, including Day’s Inn
- Staff applied to the City of Fresno for operating support
Parkside Inn (Fresno) Aerial
Welcome Inn

- Located at 777 N Parkway Drive, Fresno
- APNs: 449-335-19, 449-342-01
- Motel currently has 80 Rooms
- Owner: Shrigi, Inc.
- Purchase Price is $4.4 million
- Estimated value $4.4 million (appraisal pending)
- Board ratified Purchase and Sale Agreement on August 25, 2020
- On October 9, 2020 the governor’s office released award reservation notifications for the waitlisted applications, including Day’s Inn
- Staff applied to the City of Fresno for operating support
Welcome Inn (Fresno) Aerial

Belmont Avenue
# Homekey – Parkway Financing Summary

## Project HomeKey: Development and Op Subsidy (Yr 1-2)

<table>
<thead>
<tr>
<th>Project</th>
<th># of Doors</th>
<th>Acquisition</th>
<th>Repairs &amp; Soft Costs</th>
<th>Op Subsidy</th>
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## Project HomeKey: Development and Op Subsidy (Yr 1-2)

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<th>Project</th>
<th># of Doors</th>
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## Local Operating Subsidy (Yr 3-5)

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## Homekey – City of Fresno Funding

### City of Fresno Commitment Letters

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### City of Fresno Operating Subsidy Summary

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September 18, 2020

Preston Prince, CEO
Fresno Housing Authority
1331 Fulton Street
Fresno, CA 93721

Re: State of California Homekey Program – Motel 99
Funding Commitment

Dear Mr. Prince,

Please accept this letter as a commitment from me, as the Mayor of the City of Fresno, to seek the approval of the City Council to provide funding for operational support and services support for temporary shelter for residents in the proposed Homekey Program being proposed by the Fresno Housing Authority (FHA).

FHA’s proposal includes requests for $4,425,000 for acquisition costs and $834,125 for minor repairs and soft costs.

The shelter operations and services that would result as part of this application would be located at the current Motel 99 (APN 449 232 01, 449 232 02), 1240 Crystal Avenue, Fresno, CA and will ultimately provide permanent housing for residents.
In addition, a portion of the facility will operate as interim housing for a period of from two to five years with services. Operations and services at this location are being provided by a number of partners, including Fresno Housing Authority, as described in the application budget.

As Mayor, the City of Fresno also commits to work with Fresno Housing Authority to identify and secure the following support funding for this project:

1. A portion of the operational funding necessary to support this project for two to five years in the amount of up to $612,375.
2. A portion of the costs related to conversion and development of this property into permanent affordable housing in the amount of at least $1.5 million.

Support for this project will likely use a combination of CARES Act, ESG, ESG-CV2, CDBG-CV, HOME or PHLA Funds.

Should you have any questions regarding this commitment, please contact me at (559) 396-9596.

Sincerely,

Lee Brand, Mayor
City of Fresno
Alamos Motel

- Located at 36010 S. Lassen Avenue, Huron
- APNs: 075-110-16 S
- Motel currently has 25 Rooms
- Owner: Patel Avni
- Purchase Price is $1.1 million
- Board ratified Purchase and Sale Agreement on August 25, 2020
- On October 9, 2020 the governor’s office released award reservation notifications for the waitlisted applications, including Day’s Inn
- Staff applied to the City of Fresno for operating support
# Homekey – Huron Financing Summary

## Project HomeKey: Development and Op Subsidy (Yr 1-2)

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## Project HomeKey: Development and Op Subsidy (Yr 1-2)

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## Local Operating Subsidy (Yr 3-5)

<table>
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<tr>
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Questions?