City of FRESNO

ITEM NO.
MEETING: March 24, 2009
APPROVED BY
(Executive Director)

REPORT TO THE REDEVELOPMENT AGENCY
REPORT TO THE CITY COUNCIL

DATE: March 24, 2009

FROM: Marlene Murphey, Executive Director

BY: Chad Wakefield, Project Manager

SUBJECT: Consider adopting a Resolution approving the Redevelopment Agency apply as joint applicant with EAH Housing Inc. for the State of California Housing and Community Development Department Proposition 1-C Infill Infrastructure Grant Program for the Sequoia Village Project; and Consider adopting a Resolution approving the Redevelopment Agency apply as joint applicant with Fresno Historic Chinatown, LLC for the State of California Housing and Community Development Department Proposition 1-C Infill Infrastructure Grant Program. Consider adopting Resolutions of support by the City of Fresno for the Sequoia Village and Chinatown Loft applications for the State of California Housing and Community Development Department Proposition 1-C Infill Infrastructure Grant Program.

RECOMMENDATIONS

1. Adopt a resolution authorizing application for and acceptance of Proposition 1C) Infill Infrastructure Grant Program funding from the State of California Department of Housing and Community Development for the Sequoia Village Project, and execution of documents

2. Adopt a resolution authorizing application for and acceptance of Proposition 1C) Infill Infrastructure Grant Program funding from the State of California Department of Housing and Community Development for the Chinatown Lofts Project, and execution of documents

3. Adopt a resolution in support of Proposition 1C Infill Infrastructure Grant Program application to the State of California Department of Housing and Community Development for Sequoia Village Project

4. Adopt a resolution in support of Proposition 1C Infill Infrastructure Grant Program application to the State of California Department of Housing and Community Development for Chinatown Lofts Project

BACKGROUND

On January 30, 2009 The State of California Business, Transportation and Housing Agency, Department of Housing and Community Development (HCD) Department Division of Financial Assistance released the 2008-2009 Funding Round Notice of Funding Availability (NOFA) for the Infill Infrastructure Grant (IIG) Program. The NOFA provides a total of $197,000,000 for infrastructure financing for the development of affordable infill housing. The Central Valley has been targeted to receive 10% of these funds. The applications are due April 1, 2009.

The IIG program is divided into three categories, 1) Qualified Infill Projects (QIP): 2) Qualified Infill Areas (QIA); and Large Multi-phased Qualifying Infill Project (MPP). HCD anticipates approximately 50% of the funds being awarded for QIA and MPP applications and 50% to QIP applications.

EAH Housing Inc. and the Redevelopment Agency/ City of Fresno are co-applying for approximately $3.5 million dollar grant for the Sequoia Village under the QIP category. Additionally the Fresno Historic Chinatown, LLC, and the Redevelopment Agency/ City of Fresno are co-applying for approximately $3.5 million dollar grant for the Chinatown Lofts Project under the QIP category.

The competitive scoring criteria includes the project's state of readiness such as the status of it's discretionary land use approvals and financing, the level of affordability of the housing units, the projects density, proximity of amenities that serve the population of the housing units and it's proximity to transit. The criteria also include the project's proximity of amenities that serve the population of the housing units and it's proximity to transit. It is anticipated that the Projects will achieve the maximum possible points in the areas of density, affordability levels, proximity to amenities, and proximity to transit.

Co-application Resolutions

The Redevelopment Agency owns the site for both the proposed Sequoia and Chinatown Projects. It is expected that (to the extent necessary) site value will be contributed to help project financial feasibility. The Agency's site control and intent to contribute land value is a demonstration of local support under the 11G Program Guidelines. The Agency's presence as a co-applicant with the developer supports the local commitment to ensuring the project's success. One of the application requirements is that the applicant(s) must submit a resolution by the governing board authorizing the applicant(s) to submit the application and authorization for the applicant(s) party authorized to execute the standard agreement for the grant. Based on this requirement the Developer's board must ratify a resolution authorizing its Chief Executive Officer (CEO) and the Agency Board must ratify a resolution allowing its Director to submit an application and execute the standard agreement. Without such a resolution the application will not be considered by HCD. If the applications for funding are approved, the Agency agrees to use the Infill Infrastructure Grant Program funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with Program guidelines.

EAH Housing – Sequoia Village

On September 15, 2008 the Agency Board approved the selection of EAH Housing Inc., from a competitive RFP process to develop 7.4+/- acres of Agency owned land in the Southwest Fresno GNRA Redevelopment Project Area. The Agency and the Developer executed an Exclusive Negotiation Agreement (ENA) in November 2008 and have been working towards a Disposition and Development Agreement (DDA). The Developer submitted a conditional use permit (CUP) application to the City in February 2009 including review of the Project under the California Environmental Quality Act (CEQA), which proposes 225 units of senior and family affordable rental housing units and onsite community facilities. The Project also includes the first PACE program (Program for All-Inclusive Care for the Elderly) in Central California. The Developer will pursue certification of the U.S. Green Building Council's (USGBC) LEED for Homes Program, which is the highest green building certification available for residential projects. The Project is anticipated to be financed primarily with IIG Funding and 9% Low Income Housing Tax Credits (LIHTC). The developer anticipates submitting a LIHTC application in July 2009.

Historic Chinatown, LLC – Chinatown Lofts

Historic Chinatown, LLC proposes the development of a three phase mixed use project consisting of 200 +/- affordable housing units, 9,000 +/- square feet of ground floor commercial/retail space, and subterranean parking on 1.5 +/- acres of property on Mono Street between F and G Streets. The first phase consists of this 68 unit and 3,000 sq ft of retail over podium parking. On March 17, 2009, the Agency Board entered a Memorandum of Understanding (MOU) for the development of the project on the Agency owned site. The developer is submitting a Conditional Use Permit (CUP) application in March 2009 and a LIHTC application in July 2009. The Developer's financing plan for the project includes

leveraging the State of California Housing and Community Development Department's Proposition 1-C Infill Infrastructure Grant (IIG) program and the California Tax Credit Allocation Committee's Low Income Housing Tax Credits (LIHTC).

Policy Objectives

The Agency expects the Sequoia Village Project to leverage the Agency's investment in the project with $35.1 million in public and private financing ($28.1 million in 9% Low Income Housing Tax Credits, $3.5 million in Proposition 1-C funds, and $3.5 million in conventional financing). The Agency expects Chinatown Lofts Project to leverage the Agency's investment in the project with $14.8 million in public and private financing ($9.3 million in 9% Low Income Housing Tax Credits, $3.5 million in Proposition 1-C funds, and $1.4 million in conventional financing).

Application to the Proposition 1-C IIG program supports Agency goals to pursue third-party funding sources appropriate for bridging the financial feasibility gap associated with the development of affordable housing projects; and, effectively leverages the Agency's Housing Set-aside Funds and land assets.

The Sequoia Village and Chinatown Lofts Projects will assist the Agency's implementation of the respective Project Area Plans and satisfy the Agency's statutory requirements for replacement housing and to produce inclusionary housing under Section 33334.2, 33334.3, and 33334.5 of the California Community Redevelopment Law (CRL). These Projects will also aide in the implementation of several programs under Goal 2 – New Construction of Affordable Housing, Policy 2.1 – New Construction, within the City of Fresno's Housing Element. Programs implemented by this project are 2.1.15 – Very Low Income Large Family Multiple Family Housing, 2.1.16 – Extremely Low, Very Low, Low Income Senior Housing (91 units or 40% of the total project), 2.1.17 – Other Extremely Low, Very Low, and Low Housing, and 2.1.19 – Proposition 1-C.

Resolutions of Support

As this program is a competitive process, awards are made to the highest scoring projects up to the limits set by the program. All Fresno projects pursuing funding will compete against other projects in the Central Valley. The highest point scoring projects from the Central Valley, including all projects from Fresno, will be awarded funds pursuant to the funds available in this geographic target. Precedent has been set by the IIG program that multiple projects in the same jurisdiction can receive awards. In the 2007-2008 IIG funding round the Cities of Los Angeles and Oakland received awards for four (4) projects each; Los Angeles received $43.1 million and Oakland received $33 million in IIG funds. By comparison the Central Valley received $24 million in IIG funds for projects in Fresno, Stockton, and Porterville.

The City and Agency joint resolutions of support underscore local attention, commitment and need for affordable housing.

Attachment:

Draft Resolutions

REDEVELOPMENT AGENCY RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT 2009 FUNDING UNDER THE INFILL INFRASTRUCTURE GRANT PROGRAM, PROGRAM PARTICIPATION AND AUTHORIZING EXECUTION OF DOCUMENTS

Qualified Infill Project:
(Eligible Infill Housing Development/Infrastructure relating to Sequoia Village Project)

WHEREAS, The Redevelopment Agency of the City of Fresno, a public body corporate and politic, (hereinafter referred to as "the Agency") as co-applicant with EAH Housing Inc., a California nonprofit corporation, (hereinafter referred to as "EAH") wishes to apply for and receive an allocation of funds through the 2009 Infill Infrastructure Grant Program NOFA; and

WHEREAS, The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant Program established under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to the Infill Infrastructure Grant Program established Part 12 of Division 31 of the Health and Safety Code, commencing with Section 53545.12. Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the Infill Infrastructure Grant Program Guidelines implemented JANUARY 30, 2009; and

WHEREAS, the Agency as co-applicant wishes to submit an application to obtain from HCD an allocation of Infill Infrastructure funds this affordable senior and family housing project in the amount of approximately $3.5 million; and

WHEREAS, said procedures established by HCD require the applicant's governing body to certify, by resolution, the approval of the application to HCD and the authorization for execution of the Program standard agreement with HCD for the grant funded Program; and

WHEREAS, the Agency wishes as co-applicant to enter into a standard agreement with HCD for the grant funded Program.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY THAT:

1. Consistent with constitutional and local law requirements and this resolution, the Agency Board hereby approves the application for and the acceptance of grant funding from the Infill Infrastructure Grant Program and participation therein, in response to the NOFA issued on January 30, 2009, which will request a funding allocation in the amount of approximately $3.5 million for the following area/activities:

(a) Infrastructure for the Agency's Sequoia Village Project consisting of affordable senior and family housing and associated supporting services to be developed on the approximate 7.4 acres of real property located at 1527, 1525, 1505, 1449, 1433, 1411, and 1405 E. Annadale Ave. in the Southwest Fresno G.N.R.A. Redevelopment Project Area.

2. If the application for funding is approved, the Agency as co-applicant, consistent with constitutional and local law requirements hereby agrees to use the Infill Infrastructure Grant Program funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with Program guidelines cited above.

3. Appoints and authorizes the Executive Director of the Redevelopment Agency of the City of Fresno and his/her designee(s) and each of them as agent(s) of the Agency, to conduct all negotiations, execute and submit documents required by HCD for Program participation including, but not limited to, the standard agreement, Project application(s), amendments, memoranda of understanding, payment requests and so on, which may be necessary for participation in and completion of the aforementioned Program/Project/Area, including any extensions or amendments thereof, subject to prior approval as to form by the City Attorney's Office.

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CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno and the Redevelopment Agency, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the 24th day of March, 2009.

AYES:
NOES:
ABSENT:
ABSTAIN:

REBECCA E. KLISCH
City Clerk/Ex Officio Clerk of the
Redevelopment Agency

By: _____
Deputy

APPROVED AS TO FORM
James Sanchez
City Attorney and Ex Officio
Attorney of the Redevelopment
Agency

BY: R
Deputy

Date: 3-20, 2009
RRC:sn [48523sn/RESO] 3/20/09

REDEVELOPMENT AGENCY RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT 2009 FUNDING UNDER THE INFILL INFRASTRUCTURE GRANT PROGRAM, PROGRAM PARTICIPATION AND AUTHORIZING EXECUTION OF DOCUMENTS

Qualified Infill Project:
(Eligible Infill Housing Development/Infrastructure relating to Chinatown Lofts Project)

WHEREAS, The Redevelopment Agency of the City of Fresno, a public body corporate and politic, (hereinafter referred to as "the Agency") as co-applicant with Historic Chinatown, LLC, a California limited liability company, wishes to apply for and receive an allocation of funds through the 2009 Infill Infrastructure Grant Program NOFA;

WHEREAS, The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant Program established under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to the Infill Infrastructure Grant Program established Part 12 of Division 31 of the Health and Safety Code, commencing with Section 53545.12. Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the Infill Infrastructure Grant Program Guidelines implemented JANUARY 30, 2009; and

WHEREAS, the Agency wishes to submit an application to obtain from HCD an allocation of Infill Infrastructure funds in the amount of approximately $3.5 million; and

WHEREAS, said procedures established by HCD require the applicant's governing body to certify, by resolution, the approval of the application to HCD and the authorization for execution of the Program standard agreement with HCD for the grant funded Program; and

WHEREAS, the Agency wishes as co-applicant to enter into a standard agreement with HCD for the grant funded Program;

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY THAT:

1. Consistent with constitutional and local law requirements and this resolution, the Agency Board hereby approves the application for and the acceptance of grant funding from the Infill Infrastructure Grant Program and participation therein, in response to the NOFA issued on January 30, 2009, which will request a funding allocation in the amount of approximately $3.5 million for the following area/activities:

(a) Infrastructure for the Agency's Chinatown Lofts Project consisting of a mix of affordable senior and family housing, retail space, and associated supporting services to be developed on the approximate 1.5 acres of real property located on the properties with the Assessor Parcel Numbers 467-073-06, 467-073-07, 467-073-16T, and 467-081-16T in the Chinatown Expanded Redevelopment Project Area.

2. If the application for funding is approved, the Agency as co-applicant, consistent with constitutional and local law requirements hereby agrees to use the Infill Infrastructure Grant Program funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with Program guidelines cited above.

3. Appoints and authorizes the Executive Director of the Redevelopment Agency of the City of Fresno and his/her designee(s) and each of them as agent(s) of the Agency, to conduct all negotiations, execute and submit documents required by HCD for Program participation including, but not limited to, the standard agreement, Project application(s), amendments, memoranda of understanding, payment requests and so on, which may be necessary for participation in and completion of the aforementioned Program/Project/Area, including any extensions or amendments thereof, subject to prior approval as to form by the City Attorney's Office.

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STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno and the Redevelopment Agency, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the 24th day of March, 2009.

AYES:
NOES:
ABSENT:
ABSTAIN:

REBECCA E. KLISCH
City Clerk/Ex Officio Clerk of the
Redevelopment Agency

By: _____
Deputy

APPROVED AS TO FORM
James Sanchez
City Attorney and Ex Officio
Attorney of the Redevelopment
Agency

BY: R
Deputy

Date: 3-20, 2009
RRC:sn [48521sn/RESO] 3/20/09

CITY COUNCIL RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO SUPPORTING THE APPLICATION BY THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AND EAH HOUSING INC., TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE 2009 INFILL INFRASTRUCTURE GRANT PROGRAM

Qualified Infill Project:
(Eligible Infill Housing Development/Infrastructure relating to Sequoia Village Project)

WHEREAS, the Redevelopment Agency of the City of Fresno, a public body corporate and politic, (hereinafter referred to as the "Agency") and EAH Housing Inc., a California nonprofit corporation, (hereinafter referred to as "EAH"), wish to apply as co-applicants for and receive an allocation of 2009 funds through the Infill Infrastructure Grant Program for the Project located within the boundaries of the City of Fresno, a California municipal corporation and local governmental entity; and

WHEREAS, California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant Program provided under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to Chapter 2 of Part 12 of Division 31 of the Health and Safety Code, Sections 53545.12 and 53545.13, pursuant to which the HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the Infill Infrastructure Grant Program, subject to the terms and conditions of the statute and the Infill Infrastructure Grant Program guidelines adopted by HCD on January 30, 2009 ("Guidelines"), the application package and standard agreement and amendments thereto and related documents/instruments necessary to Program participation; and

WHEREAS, the Project will provide affordable senior and family housing, in furtherance of the public interest, and based thereon the Council of the City of Fresno desires to manifest by this resolution its support the Project Program application; and

WHEREAS, The City of Fresno is the 16th most impoverished city in the United States. According to several reports and studies by the Brookings Institute, including the recently released "Reversal of Fortune: A New Look at Concentrated Poverty in the 2000's," Fresno has the highest rate of working poverty in the nation. Fresno consistently ranks as having the highest urban and concentrated poverty in the nation; and

WHEREAS, the December 2005 Congressional Research Report found per capita income in the eight-county San Joaquin Valley lower than in the 68-county Central Appalachia region; rates of welfare dependency were higher in the San Joaquin Valley. Both regions are anchored by one industry: the San Joaquin Valley depends largely on agriculture, while Appalachia depends largely on mining.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRESNO THAT:

1. The Council of the City of Fresno supports the Sequoia Village Project 2009 Infill Infrastructure Grant Program Project application with regard to the NOFA issued on January 30, 2009, provided that nothing herein binds or obligates whatsoever the City of Fresno, its general fund or taxing authority, with regard to the Project, the Program, or otherwise.

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CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the 24th day of March, 2009.

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NOES:
ABSENT:
ABSTAIN:

REBECCA E. KLISCH
City Clerk

By: _____
Deputy

APPROVED AS TO FORM
James Sanchez
City Attorney

BY: R
Deputy

Date: 3-20, 2009
RRC:sn [48520sn/RESO] 3/20/09

CITY COUNCIL RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO SUPPORTING THE APPLICATION BY THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AND HISTORIC CHINATOWN LLC, TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE 2009 INFILL INFRASTRUCTURE GRANT PROGRAM

Qualified Infill Project:
(Eligible Infill Housing Development/Infrastructure relating to Chinatown Lofts Project)

WHEREAS, the Redevelopment Agency of the City of Fresno, a public body corporate and politic, (hereinafter referred to as the "Agency") and Historic Chinatown LLC, a California nonprofit corporation, (hereinafter referred to as "Chinatown LLC"), wish to apply as co-applicants for and receive an allocation of 2009 funds through the Infill Infrastructure Grant Program for the Project located within the boundaries of the City of Fresno, a California municipal corporation and local governmental entity; and

WHEREAS, California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant Program provided under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to Chapter 2 of Part 12 of Division 31 of the Health and Safety Code, Sections 53545.12 and 53545.13, pursuant to which the HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the Infill Infrastructure Grant Program, subject to the terms and conditions of the statute and the Infill Infrastructure Grant Program guidelines adopted by HCD on January 30, 2009 ("Guidelines"), the application package and standard agreement and amendments thereto and related documents/instruments necessary to Program participation; and

WHEREAS, the Project will provide mixed use affordable housing, retail and commercial space and parking, in furtherance of the public interest, and based thereon the Council of the City of Fresno desires to manifest by this resolution its support the Project Program application.

WHEREAS, The City of Fresno is the 16th most impoverished city in the United States. According to several reports and studies by the Brookings Institute, including the recently released "Reversal of Fortune: A New Look at Concentrated Poverty in the 2000's," Fresno has the highest rate of working poverty in the nation. Fresno consistently ranks as having the highest urban and concentrated poverty in the nation; and

WHEREAS, the December 2005 Congressional Research Report found per capita income in the eight-county San Joaquin Valley lower than in the 68-county Central Appalachia region; rates of welfare dependency were higher in the San Joaquin Valley. Both regions are anchored by one industry: the San Joaquin Valley depends largely on agriculture, while Appalachia depends largely on mining.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRESNO THAT:

1. The Council of the City of Fresno supports the Chinatown Lofts Project 2009 Infill Infrastructure Grant Program Project application with regard to the NOFA issued on January 30, 2009, provided that nothing herein binds or obligates whatsoever the City of Fresno, its general fund or taxing authority, with regard to the Project, the Program, or otherwise.

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CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the 24th day of March, 2009.

AYES:
NOES:
ABSENT:
ABSTAIN:

REBECCA E. KLISCH
City Clerk

By: _____
Deputy

APPROVED AS TO FORM
James Sanchez
City Attorney

BY: R
Deputy

Date: 3-20, 2009
RRC:sn [48519sn/RESO] 3/20/09