

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, IN SUPPORT OF A CONTRIBUTION OF CITY FUNDS IN AN AMOUNT NOT TO EXCEED \$5,000,000 FOR ELIGIBLE EXPENSES ASSOCIATED WITH THE AFFORDABLE HOUSING DEVELOPMENT PROJECT LOCATED ON VENTURA BETWEEN SEVENTH AND EIGHTH STREET.

WHEREAS, Corporation for Better Housing, a California nonprofit public benefit corporation (Developer) is proposing to develop three parcels on Ventura Street between Seventh Street and Eighth Street (Property) into an affordable housing development with up to 54 units of affordable housing (Project); and

WHEREAS, the City of Fresno (City) has significant interest in encouraging Developer to develop the Project on the Property; and

WHEREAS, Council recognizes that the development of permanent affordable housing on the Property will assist in addressing the City's homelessness and housing crisis; and

WHEREAS, Developer intends to submit a pre-application to Rural Housing Services, United States Department of Agriculture (USDA) for Section 514 Off-Farm Labor Housing Loans and Section 516 Off-Farm Labor Housing Grants for New Construction for Fiscal Year 2024 funding (Application); and

WHEREAS, the City is supportive of Developer's Application; and


WHEREAS, the City intends to provide a conditional commitment of City funds to the to the Project in the amount not to exceed \$5,000,000 for eligible construction costs associated with the Project; and

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Date Adopted:

Date Approved:

Effective Date:

City Attorney Approval: 

Resolution No.

WHEREAS, upon Developer's provision of sufficient evidence that the Project is fully funded, the City and Developer will execute an enforceable financing commitment for future City funding in an amount not to exceed \$5,000,000; and

WHEREAS, in order to further assist with the Project, the City owns and intends to contribute two parcels located on Ventura Street between Seventh Street and Eighth Street APNs 470-052-02T and 470-052-03T (City Parcels) to Developer through a long term ground lease of \$1 per year subject to Developer's receipt of a full award from the USDA for its July Application, sufficient evidence that the Project is fully-funded, and approval of the disposition terms by the California Department of Housing and Community Development (HCD) and the City Council; and

WHEREAS, the Housing Successor to the Redevelopment Agency of the City of Fresno (Agency), as its sole commitment to the Project, intends to contribute one parcel located on Ventura Street between Seventh Street and Eighth Street APN:470-052-01T (Agency Parcel) to Developer through a long term ground lease of \$1 per year subject to Developer's receipt of a full award from the USDA for its July Application, sufficient evidence that the Project is fully-funded, and approval of the disposition terms by the California Department of Housing and Community Development (HCD) and the City Council; and

WHEREAS, the City's conditional commitment of funds, the City and Agency's conditional disposition of the Property, and this resolution shall terminate on December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. The Council has adopted this Resolution to provide a conditional commitment of City Funds to the Project in an amount not to exceed \$5,000,000 for eligible construction costs associated with the Project.

2. The City's conditional commitments of City Funds are subject to the Project being fully-funded and the Council's approval for City and Developer to execute and record an enforceable financing commitment, which shall be prepared and provided by the City, consistent with the following terms and conditions:

a. Full award from the United States Department of Agriculture (USDA) July application round.

b. Funding not to exceed \$5,000,000;

c. The affordability period shall be 55 years;

d. The loan shall be for a term of 55 years;

e. The loan shall consist of loan repayments from residual receipts;

f. Interest will accrue on the loan at a rate of 3% annually;

g. The loan will be subject to all the state and/or federal requirements of the City funds;

h. The Project shall undergo and successfully pass underwriting;

i. Developer shall ensure the appropriate number of affordable units depending on the funding source;

j. Developer shall verify that eligible tenants for the affordable units have income equal to or less than 80% of the Area Median Income (AMI).

3. The City shall have received eligible funding available for affordable housing prior to entering into a funding agreement with the Developer.

4. The City's and Agency's conditional contribution of the City Parcels and Agency Parcel, respectively, shall be initiated through separate, long term ground leases of no less than 57 years for \$1 per year to qualify as donated land for Application purposes only, subject to Developer's receipt of a full award from the USDA for its July Application, sufficient evidence that the Project is fully-funded, and approval of the disposition terms by the California Department of Housing and Community Development (HCD) and the City Council.

5. The City's conditional commitment of City Funds, the City and Agency's conditional contribution of the Property, and this Resolution shall terminate on December 31, 2024.

6. This Resolution is subject to all applicable City and Agency rules and regulations.

7. This Resolution shall become effective immediately upon final Council approval.

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

I, TODD STERMER, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____ 2024.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2024
Mayor Approval/No Return: _____, 2024
Mayor Veto: _____, 2024
Council Override Vote: _____, 2024

TODD STERMER, CMC
City Clerk

By: _____
Deputy Date

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: _____
Tracy N. Parvanian Date
Assistant City Attorney