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Special Council Meeting
April 27, 2022

FRESNO CITY COUNCIL



Information Packet

ITEM(S)

File ID 22-628

WORKSHOP - One Fresno Housing Plan

Contents of Supplement:

One Fresno Housing Strategy

Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

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ONE FRESNO Fiscal Year 23–25 Housing Strategy

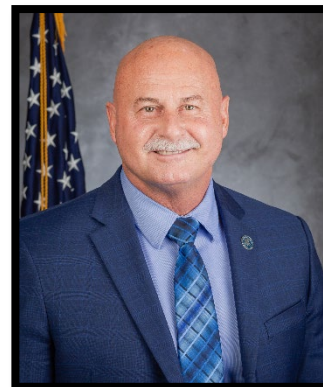


Published April 18th, 2022
Office of the Mayor

ONE
FRESNO

Introduction – An open letter

Fresno's residents have spoken. We desire an *"inclusive, prosperous, beautiful city where people take pride in their neighborhoods and community. We seek a government that listens, keeps its promises and is owned by the people."* I am confident that we will realize this **One Fresno** vision. First, however, we must, as a community, address our city's housing crisis.



As of 2019, 46 percent of **U.S.** renters reported being cost burdened (spending more than 30% of their income on rent), while nearly one of four Americans reported being severely cost burdened (spending more than half of their income on housing).¹ When a person is spending more than half their income on shelter, they must make some very tough decisions between shelter, food, childcare and health care. These are decisions no one should have to make – and the recent pandemic has exacerbated these realities.

In our great state of **California**, the housing crisis is even more pronounced. Californians at every income level spend a larger share of their income on rent than households in the rest of the nation.² And while the **City of Fresno** is relatively affordable compared to Bay Area and Southern California metro areas, a 28 percent jump in one-bedroom rent prices between January 2021 and January 2022 put our city among the top 10 highest increases in the nation during that same time span.³ In fact, just last year the Los Angeles Times reported that the City of Fresno has become the nation's "hottest housing market."⁴

While we value growth and open our arms to those who desire to make Fresno their home, it is incumbent as a local government that we shepherd responsible growth. Historic poor land use planning, inequitable fair housing practices and the basic imbalance of supply and demand have all led Fresno to its current state of needing approximately 15,000 new and converted affordable housing units between now and 2025 to meet our residents' needs.

I admit that solving our housing challenges will not be simple. And while 'developing as much quality housing as fast as possible at a price every Fresno resident can afford' is a lofty goal – I believe it is an important pursuit. To make progress towards our needs, it will take all of us as One Fresno to roll up our sleeves and chip in. Fresno residents deserve nothing less. My first mayoral priority is focused on this effort. Through this document, I invite you into a new three-year journey to make significant progress on our city's housing challenges through this actionable housing strategy.

One Fresno,

A handwritten signature in blue ink, appearing to read 'Jerry Dyer', written over a faint blue line.

Mayor Jerry P. Dyer | City of Fresno

CONTENTS

Introduction – An open letter.....	2
Acknowledgments	4
ONE FRESNO Housing Strategy - Background.....	5
CHAPTER 1: Introduction – The State of Housing.....	8
CHAPTER 2: State of Vulnerable Populations	16
CHAPTER 3: National, State, and Regional Response	20
CHAPTER 4: Different Markets Different Needs.....	26
CHAPTER 5: Affordable Housing Strategy Overview	40
CHAPTER 6: Affordable Housing Strategy Priority Recommendations	50
CHAPTER 7: Housing the Unhoused Strategy Overview.....	71
CHAPTER 9: Fresno Housing Forward.....	93
Appendix.....	95
Public Input References – Item A	96
Cited Source References – Item B	97
Other References	100

Acknowledgments -

The Dyer Administration would like to acknowledge the voices of over **3,000 Fresnans** who have provided public input via City Council meetings and through various reports. This collective input has served as a basis by which the One Fresno Housing Strategy is framed. From 2017 to the present, these reports include but are not limited to **Fresno's 2021 -2022 Annual Action Plan, Evicted in Fresno Report, Downtown Neighborhoods Community Plan, DRIVE's Permanent Affordable Housing Plan, Financing Valley Infill Report, Here to Stay Report, 2020 Impediments to Fair Housing Report, Southwest Specific Plan, and Street2Home Report**. In addition to this input, we would like to thank the following individuals who have personally contributed to content found within this plan.

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ONE FRESNO Housing Strategy - Background

Incorporated on October 12th, 1885, the City of Fresno is California's fifth-largest city. Like other cities across the Nation, over time our housing needs have evolved. Similar to other California cities, housing availability and affordability have risen to the top of Fresno's most pressing issues. Accordingly, as part of his One Fresno vision, Mayor Jerry Dyer identified 'Housing and Homelessness' as the most important of his six Mayoral initiatives.

Upon taking office in January 2021 in the midst of a global pandemic, the Dyer Administration was met with a public safety crisis on our freeways. In the span of a few weeks, several of our unhoused neighbors walked into traffic and were hit and killed, and 618 fires had been started on our embankments over the previous year. Immediate action had to be taken for the sake of public safety.

Leveraging state Project Homekey grant funding to acquire and transform hotels into emergency housing, the Dyer Administration launched Project Off-Ramp. Project Off-Ramp aimed to 'off-ramp' individuals from a life of homelessness to an on-ramp to housing, services, and a productive life. Through our collective efforts, last year we were able to house and provide wrap-around services for over 500 of our unhoused neighbors. The great result of this effort is that our freeways are no longer home to the unhoused in our community.

While focusing on addressing the urgent needs through Project Off-Ramp, Mayor Dyer desired to initiate a longer and more strategic effort to confront our City's housing needs. In January, he convened an initial group of City Staff and City Council members to initiate the development and launch of the **One Fresno Housing Strategy**.

Led by Deputy Mayor Matthew Grundy and co-chaired by Jennifer Clark, the City's Director of Planning & Development, Phil Skei, Assistant Director of Planning & Development, and Fresno Housing Authority CEO Tyrone Williams, the following 3-year housing strategy was created. This effort involved research, thought, and collaboration from a broad group of stakeholders, including City Staff and Council, for- and not-for profit developers, housing advocates and other individuals who all care deeply about the present and future state of Fresno's housing.



What is a Housing Strategy?

Not to override or compete with a city's Housing Element, a local housing strategy comprehensively describes the approach a city plans to take to meet its housing objectives. Often developed by the Mayor's Office, a local housing strategy coordinates the actions of all the local government agencies and divisions that administer policies and programs affecting housing. According to localhousingsolutions.org, "the best local housing strategies utilize the full set of tools that local governments have at their disposal, including zoning ordinances, building codes permitting processes, property tax abatements, and federal, state, and local housing subsidies. They also engage the private and nonprofit sectors as key partners." Aligned with best practice, the **Fresno's Housing Strategy** aims to:

1. Analyze Fresno's housing needs that illustrate the problems Fresno is seeking to solve. (I.E. The strategy aims to identify the city's current and projected housing need by affordability level and product type, and then make recommendations that will help satisfy the need).
2. Identify areas where policy objectives will need to be employed to achieve the strategy goals.
3. Develop a comprehensive approach to meeting these objectives by identifying the full array of resources available in the community to reach the strategy priorities.
4. Identify funding sources and contingencies to meet strategy priorities.
5. Develop a plan for implementing the recommended approaches.
6. Establish a list of numerical goals and associated milestones to use to track and monitor progress and to uncover shortfalls

It is important to note that this plan is an actionable, iterative and living document that makes recommendations based on data points known at the time of publishing. As community needs, funding opportunities, and priorities shift, so too could recommendations found within this strategy.



**“Nothing in life is to
be feared, it is only to
be understood. Now is
the time to understand
more, so that we may
fear less.”**

Marie Curie

Noble Prize Winner



CHAPTER 1: Introduction – The State of Housing

Our Nation is in the midst of an affordable housing crisis. It is no different in California or Fresno. As we aim to continue addressing our local housing needs, it is essential that we become intimately aware of the challenges we face. As Nobel Prize winning physicist Marie Curie stated, “nothing in life is to be feared, it is only to be understood.” This introductory chapter of the **One Fresno Housing Strategy** is aimed squarely at providing context regarding the depth and breadth of our national, state and local affordable housing challenges.

U.S Rental Housing Market

According to the National Low Income Housing Coalition, “the U.S. has a shortage of ~6.8 million rental homes affordable and available to extremely low-income renters, whose household incomes are at or below the poverty guideline or 30% of their area median income.” In fact, per the map in *chart 1a*, nationally **only 37 affordable and available rental homes exist for every 100 extremely low-income renter households**. Extremely low-income renters face a housing shortage in every state and major metropolitan area, including the District of Columbia. Among states, the supply of affordable and available rental homes ranges from 20 for every 100 extremely low-income renter households in Nevada to 61 in Mississippi and Wyoming. Among the 50 largest metropolitan areas in the U.S, the supply ranges from 16 affordable and available rental homes for every 100 extremely low-income renter households in Las Vegas, NV to 50 in Providence, RI.” The reality is **no state has an adequate supply of affordable rental housing for the lowest income renters**.

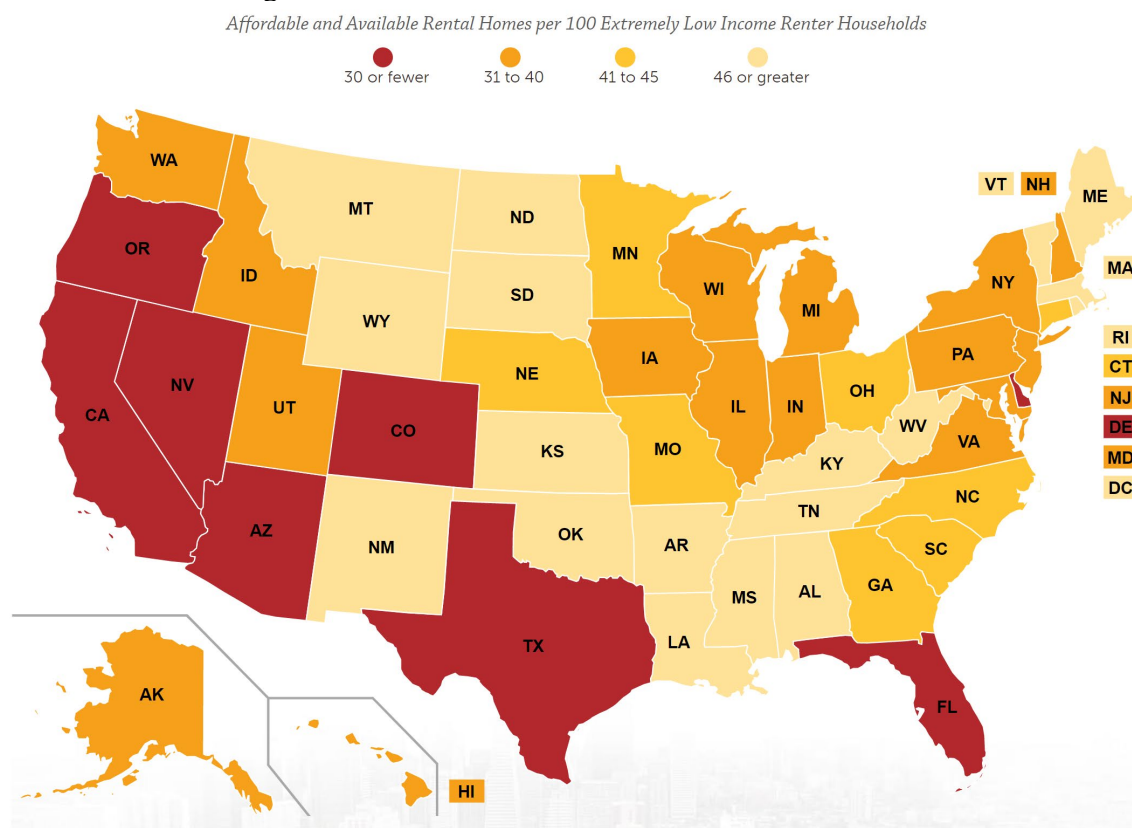


Chart 1A -The Gap: A Shortage of Affordable Rental Homes Chart- <https://reports.nlihc.org/gap>

The basic economic principle of supply and demand has greatly affected housing affordability and burden for renters across the U.S. According to Harvard University's Joint Center for Housing Studies, "in 2019, some 46 percent of renters were at least moderately cost burdened (spending more than 30 percent of income for rent and utilities), including 24 percent with severe burdens (spending more than half of income for housing).⁵" See *chart 2a*.

After a cool down early in the pandemic, rental housing markets in 2021 heated up again. Harvard's Housing Vacancy Survey in the third quarter of 2021 put the total number of U.S. renter households at 44 million, "an increase of about 870,000 households from the first quarter of 2020. With this resurgence in demand, the overall rental vacancy rate dropped to just 5.8 percent – its lowest reading since the mid-1980s." With record low supply and record high demand, the lack of housing affordability has been felt by every state in our Union.

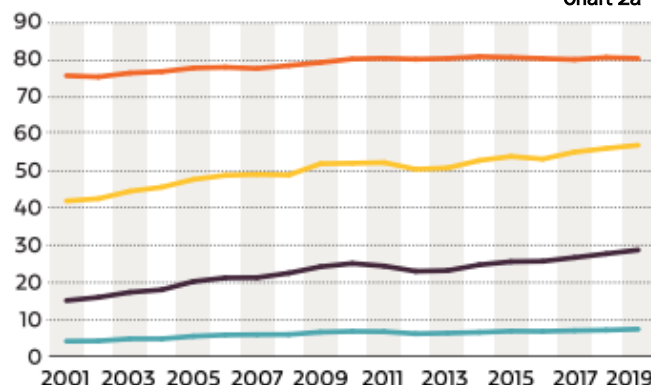
U.S Ownership Housing Market

Unfortunately, affordable home ownership nationally has also been trending in the wrong direction. According to the American Community Survey, in 2019 **1 out of 3 households were cost burdened in the U.S.** (1 in 5 homeowner and 1 out of 2 renter households). Cost burden has become more pronounced after the start of the pandemic. In fact, due to the combination of record-high home prices and record-low inventory, housing affordability has eroded for many consumers since the pandemic's start. "Since 2019, home prices have spiked 30 percent – or about \$80,000 for a typical home, while housing inventory has declined to under one million units available for sale" according to the National Association of Realtors.

The Share of Lower-Income Renters with Cost Burdens Remains Stubbornly High

Share of Households with Cost Burdens (Percent)

Chart 2a



Household Income

- Under \$30,000
- \$30,000–44,999
- \$45,000–74,999
- \$75,000 and Over

Notes: Incomes are adjusted for inflation using the CPI-U for All Items. Cost-burdened households pay more than 30% of income for housing.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

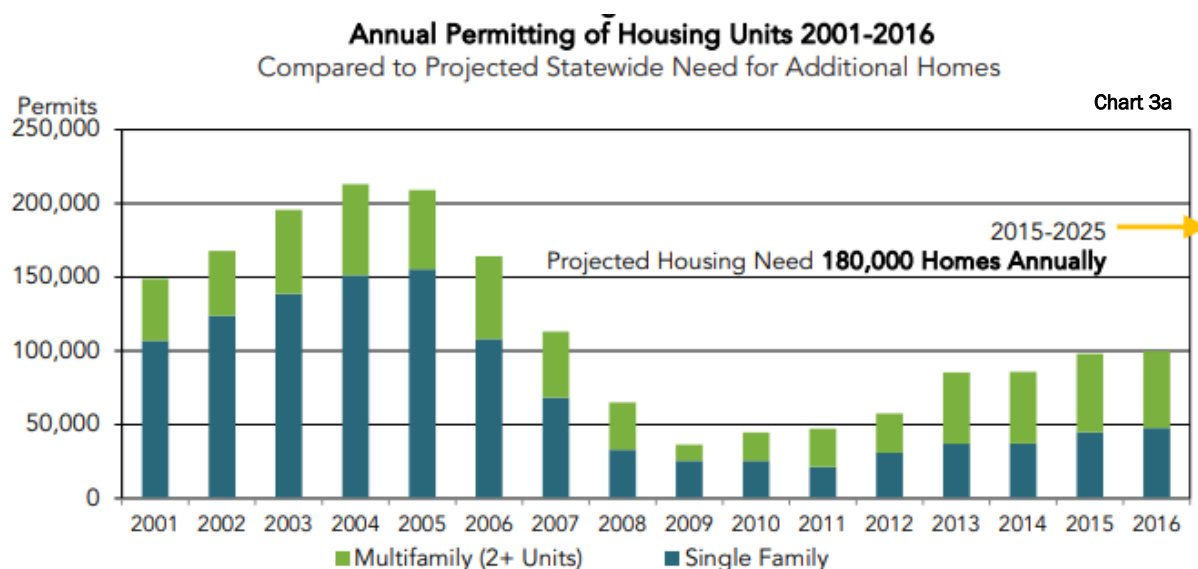
1 out of every 3 households are cost burdened in the U.S.



California Housing Overview

It is no secret that the State of California has long experienced an affordable housing crisis. High housing costs are the major reason California has the nation's highest functional poverty rate, and the second lowest home ownership⁶ rate. Despite periodic production spurts, a new Public Policy Institute of California⁷ report found that **“the state added 3.2 times more people than housing units over the last 10 years. There are now 2.93 Californians for every occupied housing unit...”** Compared to other states, a recent McKinsey Global Institute report found that California ranks 49th in the nation for housing units per capita with only 358 homes per 1,000 people.

Beyond our current need, California's Department for Housing and Community Development's (HCD) 'Statewide Housing Assessment through 2025⁸ indicated our state must produce 180,000 new units annually to meet demand. Unfortunately, for the past 10 years California has averaged less than 80,000 new homes annually. While this has not always been the case, following the “Great Recession” production of housing has not returned to the level required to meet the projected housing need. At our current rate of housing production projections forecast by 2025 California will be 1.8 million housing units short of demand. The result of this unconscionable truth is that without a drastic change, our state is not only facing an affordable housing crisis, but also a shelter crisis.



At our current rate of housing production, projections forecast by 2025 California will be 1.8 million housing units short of demand.

California Rental Housing Market

California currently has 5.89 million renter households. Of those, 53.4 percent are considered 'cost burdened,' while 28.7 percent are considered 'severely rent burdened.' It's no wonder 9 of 10 Californians consider housing affordability a problem, and because of it, nearly one in three are considering leaving the state, per 2021 Public Policy Institute of California Research⁹.

Income Category Definitions

- **Extremely Low-Income:** 0-30% of area median income (AMI)
- **Very Low-Income:** 31-50% AMI
- **Low-Income:** 51-80% AMI
- **Moderate-Income:** 81-120% AMI
- **Above-Moderate Income:** 121% and above AMI

Percentage of California's Renter Households Experiencing Rent Burden by Income Chart 4a

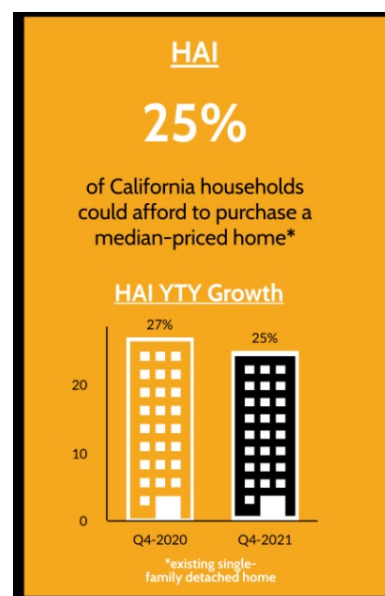
Income	Total Renter Households (million)	% Rent Burdened	% Severely Rent Burdened
Extremely Low-Income or Below Poverty Line	1.41	90.2%	76.9%
Very Low-Income	.82	85.4%	47.4%
Low-Income	1.13	64.6%	16.9%
All Lower-Income Renter Households (80% AMI and below) Subtotal of above	3.36	80.4%	49.5%
Moderate-Income	.59	41.5%	5.3%
Above Moderate-Income	2.03	12%	0.9%
All Renter Households Total	5.97	53.4%	28.7%

Source: 2017 National Low-Income Housing Coalition tabulations of 2015 American Community Survey Public Use Microdata Sample (PUMS) housing file.

California Ownership Housing Market

HCD's statewide housing assessment found that "since the 1950s, California's homeownership rate has fallen below the national rate, with a significant gap persisting since the 1970s. Between 2006 and 2014, the number of housing units that were owner occupied fell by almost 250,000 in California, while the number of renter-occupied units increased by about 850,000." As of 2020, 55 percent of all California households were owner occupied. According to the Public Policy Institute of California, "much of the increase in rental units occurred among formerly owned single-family detached housing units."

In the final quarter of 2021, the median priced California home was \$797,470. At this price, **only 1 in 4 Californians' can currently afford to purchase a median-priced single-family detached home**¹⁰.



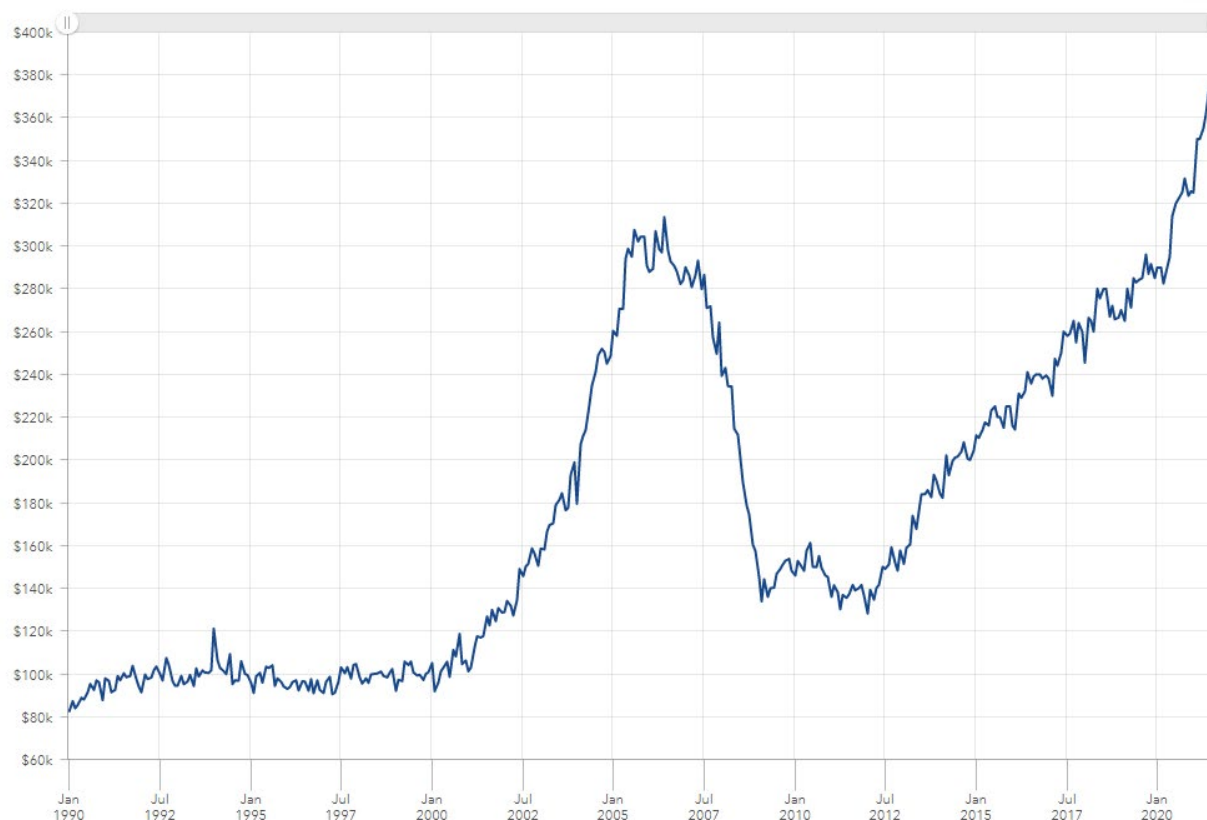
Regional + Local Housing Market Overview

Fresno County, long known as being one of California's few remaining metropolitan areas with relatively affordable housing, is seeing continued population growth – and rising housing cost. Countywide, an estimated **76,228 renter households – which accounts for around 53 percent of all rental households – spend more than 30 percent of their income on housing.** And according to the California Housing Partnerships Housing Needs Report for Fresno County **more than 36,000 low-income households lack affordable housing in Fresno County.**

An estimated 36,779 owner households with mortgages – around **32 percent of all owner households with mortgages – spend more than 30 percent of their income on housing.** As the chart below reveals, median home prices for single-family homes post-recession have continued to climb across Fresno County¹¹.

Fresno County Median Price of Single-Family Home

Chart 5a



Magnified by the recent pandemic, population growth does not appear to be slowing in the greater Fresno area. According to HCD, through 2025 the Fresno region is expected to realize a 17 percent population increase. Population growth rate is forecast to be particularly higher in historically disadvantaged communities.

Fresno County has a long history of concentrated poverty and housing challenges. According to Cal-EnviroScreen 4.0, in Fresno nearly **a third of the census tracts are in the 90th percentile most environmentally and economically disadvantaged in the State**. As seen in heat map 6a, the State's highest housing growth is expected in places like Fresno (communities with existing environmental and socioeconomic disparities).

Projected Household Growth Is High in Counties with Disadvantaged Communities

Map 6a



Sources: State of California, Department of Finance P-4: State and County Projected Households, Household Population, Group Quarters, and Persons per Household 2010-2030—Based on Baseline 2013 Population Projection Series, 3/10/2015, CalEnviroScreen 2.0, Disadvantaged Communities, Graphic by HCD

Regional + Local Rental Housing Market

According to data from real estate listing website Zumper, “rent increases in Fresno topped national charts in 2021, with a 28 percent increase in one-bedroom rent prices between January 2021 and January 2022. Prices for two-bedroom rentals also shot up nearly 27 percent and were among the **top 10 highest increases in the nation** during that same time span. As of January 2022, rental prices in Fresno for a one-bedroom apartment have increased to a median of \$1,400 a month, and two-bedroom apartments are an average of \$1,700 a month.”

This is the second straight year that Fresno’s rental prices have been among the nation’s highest. An Apartment List study found that Fresno’s 2020 rent increases were 10.8 percent – second highest in the nation – and **the city of Fresno had the nation’s highest four-year rent increase**.

Regional + Local Ownership Housing Market

As of 2019, only 46.3 percent of the Fresno’s housing units were owner-occupied. This percentage is well below both the national and state averages of 64.8 percent and 54.8 percent respectively.

Currently, Fresno’s housing market is very competitive, scoring 82 out of 100 on Redfin.com’s ‘compete score’ rate (where 100 is most competitive). **In February 2022, Fresno home prices were up 20.2 percent compared to last year, selling for a median price of \$367,000.**

One reason for the record housing cost increases is due to the fact that Fresno has become the pressure valve release for high-cost housing in the Bay Area and L.A. areas. In fact, a 2021 Los Angeles Times article deemed Fresno the nation’s “Hottest Housing Market.”¹³

**The nation's
hottest housing
market? Surprise
- it's Fresno**
- Los Angeles Times - 2021

Chapter 1 - State of Housing Summary

1. The U.S. is in an affordable housing crisis **where 1 out of every 5 homeowners and 1 out of every 2 renters are cost burdened** (spending more than 30 percent of their income on housing costs).
2. The State of California is in an affordable housing crisis where 1 out of every 2 renters are cost burdened and **only 1 in 4 Californians' can currently afford to purchase a median-priced single-family detached home.**
3. The County of Fresno is in an affordable housing crisis where **1 out of every 2 renters are cost burdened and 1 out of every 3 homeowners are cost burdened.**
4. The City of Fresno is in an affordable housing crisis. With one of the hottest housing markets in the Nation, Fresno, **the state's fifth largest city is affordable to only 1 in 3 renters.**



**“The true measure of
any society can be
found in how it treats
its most vulnerable
members”**

Mahatma Gandhi

Indian Lawyer and Social Activist



CHAPTER 2: State of Vulnerable Populations

To understand our most urgent housing needs, we look at how housing affordability impacting our most housing-challenged. **Unhoused and precariously housed populations require targeted policy and programmatic responses.** Some of these vulnerable populations are described below including older adults, persons with disabilities, low-income households, and persons experiencing homelessness. Generally speaking, studies show that low-income homeowners are more likely to be older, live in the Southern U.S, be people of color, and have no more than a high school education.¹⁴

Age - Studies show low-income homeowners are significantly more likely to be 65 or older. Meanwhile, homeownership among Americans over 65 years old is declining, whereas most Millennial renters plan to buy a home in the near future. Seniors will make up more than a quarter of California's population by the year 2060, according to state projections. Affordable, accessible, and well-located housing is central to quality of life for people of all ages, but especially for older adults. A study from the Harvard Joint Center for Housing Studies estimates that by 2038, 2.4 million more seniors will be low-income and without affordable housing. As of 2017, respectively, 26 percent of homeowners and 54 percent of renters aged 65 and older are housing cost burdened.

Known as the 'Silver Tsunami'
10,000 Americans turn 65 every
day

Helping our seniors secure affordable and accessible housing is key. Particularly important is the need to help our aging community 'age in place.' The Centers for Disease Control and Prevention (CDC) defines aging in place as "the ability to live in one's own home and community safely, independently, and comfortably, regardless of age, income, or ability level."

As mentioned, our aging population is growing rapidly. The population over age 75 began to accelerate after 2020. According to a JCHS report, "at that time of life, renters are more likely to require assistance with activities of daily living. Investing in supportive housing for the elderly is necessary to keep up with the forecasted demand.

Income - Housing affordability is inextricably linked to household income. In terms of income, in the U.S. **approximately half of all homes currently listed for sale (51 percent) are affordable for households with at least \$100,000 of income.** Median household income was \$67,521 as of the 2020 U.S. Census, which means **most homes are unaffordable to most U.S. households**¹⁵.

A minimum annual income of \$148,000 was needed to qualify for the purchase of a \$797,470 statewide median-priced, existing single-family home in the fourth quarter of 2021, per PRN Newswire.¹⁶



Local housing costs have increased at a record level in the City of Fresno while wages have not kept pace with the increase. According to UC Berkeley's Labor Center, 41.7 percent of residents in Fresno County work in low wage jobs (earning less than \$14.35 per hour). Per HCD, **affordable 1-bedroom rent for a full-time minimum wage worker is \$728 currently per month in the City of Fresno whereas median rental prices for that same one-bedroom apartment in Fresno have increased to a median of \$1,400 a month.**

While Fresno is more affordable than average state rents, according to Payscale.com the City of Fresno's housing costs are still 2 percent higher than the national average while utility costs are 26 percent higher than the National average.¹⁷

Race and Ethnicity - Median income is an important factor when considering housing affordability by race and ethnicity. Nationwide, nearly half of all Asian households earn more than \$100,000 annually. However, 35 percent of white households, 25 percent of Hispanic households and only 20 percent of black households have incomes greater than \$100,000, as depicted below in chart 8a.

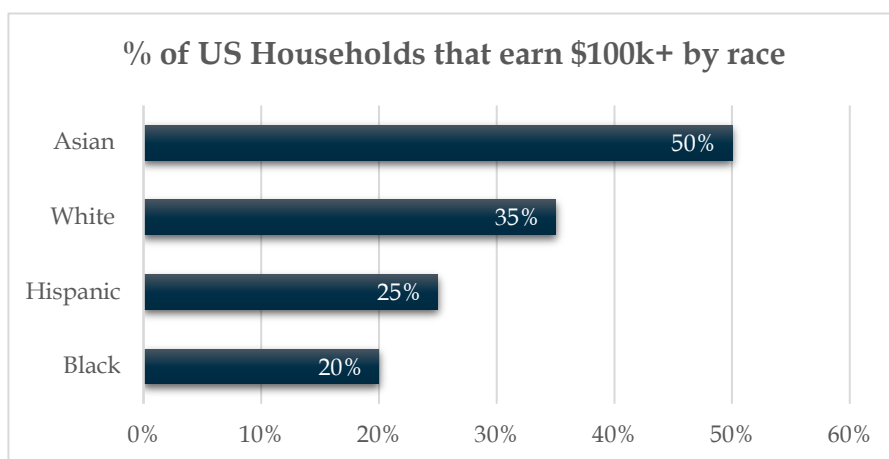


Chart 8a

In both times past and present home ownership continues to be the foremost way households accumulate generational wealth. When looking at homeownership by race and ethnicity, we see a fairly large discrepancy. Where about 64 percent of white (non-Hispanic) people own homes, only 47 percent of ethnic minorities are homeowners. The rate is lowest among black people (43 percent) and Hispanics follow at 46 percent. Ownership amongst other minorities, including Asian Americans, is around 57 percent per Eye on Housing.

For nearly a century, a racial homeownership gap ranging between 20 and 30 percentage points has existed between black and white Americans. Shockingly, 52 years after housing discrimination was outlawed via the Fair Housing Act of 1968, the black homeownership rate is essentially the same (43 percent). This rate of homeownership by race is the nation's lowest.¹⁸ Race is particularly relevant as California's population is projected to become increasingly racially diverse through 2040 according to the National Equity Atlas.

In the U.S., white people, on average, are **50%** more likely to own homes than other races.

Within our State, the California Association of Realtors tracks housing affordability by ethnicity. The affordability gap between Black and white households in 2020 was the greatest in San Francisco County with a differential of 27 percent. Fresno County is not far behind with the differential between black and white households at 23 percent.¹⁹

As previously mentioned, according to Cal-EnviroScreen 3.0, in the City of Fresno nearly a third of the census tracts are in the 90th percentile most environmentally and economically disadvantaged in the State. Due to historic housing segregation, much of this poverty is concentrated in previously racially redlined areas of South and Southwest Fresno. These areas are disproportionately overrepresented by people of color. As a result of substandard housing and other factors Fresnoans in these areas are expected to live on average 20 years less than the life expectancy of those in North Fresno per Fresno State Sociology research.²⁰ Now, **we can trace the roots of today's affluence and poverty back to the neighborhoods where people grew up** via interactive mapping tools like the U.S. Census Bureau's Opportunity Atlas.²¹

Persons Experiencing Homelessness - A

wise man once said, "the truth will set you free, but at first glance it might hurt." Our State's last homeless count in January 2020 found at least 161,000 people without a roof over their heads on any given night. This number represents 22 percent of the entire nation's homeless population. By comparison, California has 12 percent of the total population in the United States. California also had the highest number of unaccompanied homeless youth, homeless veterans, and people experiencing chronic homelessness in the United States, with nearly one-third of the nation's homeless youth, nearly one-fourth of the nation's homeless veterans, and more than one-third of the nation's chronically homeless residents. Most of California's homeless population resides in major metropolitan areas; however, homelessness impacts communities of all sizes and people experience homelessness throughout all regions of the state.

1 in 5 homeless persons in our Nation live in California.

While **the City of Fresno realized 59.3 percent reduction in homelessness in Fresno between 2011 and 2017**, which represented the most significant reduction in homeless for any major City on the West Coast over that time period, the number has continued to increase in recent years.

Recent estimates indicate that the City of Fresno has approximately 4,000 individuals experiencing homelessness within its borders (67 percent of which are unsheltered). As we await new Point in Time (PIT) count data in June of 2022 (a count of sheltered and unsheltered people experiencing homelessness on a single night conducted by the Fresno-Madera Continuum of Care per HUD requirements), we believe of the 4,000+ persons experiencing homelessness, there are approximately 1,500 shelter beds available to our homeless on a given night. **Thus, we have a net approximate need of 2,500+ available emergency shelter beds** to truly start our City's unhoused down a successful path on the housing continuum.



Chart 9a

Other - The 2021 City of Fresno Annual Action Plan Needs Assessment identified particular need among populations including domestic violence survivors, veterans, LGBTQ+, deaf and hard-of-hearing, persons with intellectual disabilities, youth, victims of human trafficking, and the elderly. Services of need identified included employment programs and services, mental health services, and addiction and recovery services.³²

Chapter 2 – State of Vulnerable Populations Summary

1. Studies show that low-income homeowners are more likely to be older, live in the South, be people of color, and have no more than a high school education.
2. Unhoused and Precariously Housed populations require targeted policy and programmatic responses.
3. **Age** - Studies show low-income homeowners are significantly more likely to be 65 or older
4. **Income** - Local housing costs have increased at a record level in the City of Fresno while wages have not kept pace with the increase. In Fresno, affordable 1-bedroom rent for a full-time minimum wage worker is \$728 however as of January 2022 prices for 1-bedroom apartments have increased to a median of \$1,400 a month.
5. **Race** - In the U.S homeownership rates among blacks are the lowest. Nationally, historic racial inequities have led to a significant affordability gap between black and white households. Fresno County is second worst in the state with a 23 percent gap.
6. **Persons experiencing homelessness** - 1 in 5 persons experiencing homelessness in our Nation live in California. 2,500+ emergency shelter beds are needed now to meet the needs of our City's unhoused population.



CHAPTER 3: National, State, and Regional Response

Federal Housing Crisis Response

While many have been aware of the housing crisis for some time, more recently additional resources and collaborations have taken shape. In March 2021, President Biden signed the American Rescue Plan Act (ARPA), “which provided needed relief from the COVID-19 pandemic, including a variety of housing relief funding such as \$5 billion for emergency Housing Choice Vouchers, \$10 billion for the Homeowner Assistance Fund and \$5 billion for the HOME program. This relief included \$21.55 billion in Emergency Rental Assistance funds, also known as ERA2. The Consolidated Appropriations Act of 2021, signed during the previous administration, but mostly implemented by the Biden administration, made the first round of ERA, or ERA1, possible and provided \$25 billion, but with different rules than ERA2.



During his first year in office, the President also worked to increase the nation’s affordable housing stock. On the campaign trail, the President made a series of promises to increase and improve the supply of affordable housing. These pledges included constructing 1.5 million energy-efficient homes to address the affordable housing crisis, providing Section 8 (choice) housing vouchers for all who need them, and eliminating exclusionary zoning practices. Though all of these goals have not yet been realized, as many are contingent on passing the Build Back Better Act (BBBA), some tangible steps to increase the supply of affordable housing through regulatory and administrative actions have been taken.

In September 2021, the President announced a plan to increase affordable housing by 100,000 homes for both renters and homeowners over the next three years. One segment of this plan included restarting the Federal Financing Bank and HUD Risk Sharing program. This program provides low-cost capital to state housing finance agencies to build and preserve more affordable rental housing. This capital can be used in conjunction with the investments in the American Rescue Plan Act and other sources.

To further increase housing supply, the Federal Housing Finance Agency (FHFA) increased Fannie Mae’s and Freddie Mac’s (the government sponsored entities, or GSEs) LIHTC investment cap to \$850 million each per year, up from \$500 million each per year. To better target underserved communities with this LIHTC investment, FHFA increased the portion of the GSE LIHTC investment cap for mission-related investments from 40 percent to 50 percent. FHFA set new housing goals for the GSEs at the end of 2021.

If the housing provisions in the BBBA were to pass, either as a part of a pared down bill or separately, the impact on affordable homes could be substantial. According to a Novogradac analysis²², **these provisions would finance nearly 1 million affordable homes over 2022-2031.** An estimated 819,900 homes could be financed using the LIHTC and an estimated 125,000 owner-occupied homes using the proposed Neighborhood Homes Tax Credit.”

State Housing Crisis Response

The Governor of California has also prioritized resources to address the housing crisis. Governor Gavin Newsom has stated “the idea that every person can achieve a better life, regardless of where they start out — is central to who we are as Californians. Even in a time of economic growth and record employment, too many Californians are experiencing the squeeze of stagnant wages and the rising price of building-block necessities such as housing, health care, education, and childcare. We can and must reanimate the California Dream, building a California for All.”

On September 16, 2021, Governor signed bipartisan legislation intended to expand housing production in California, streamline the process for cities to zone for multi-family housing, and increase residential density, all in an effort to help ease California’s housing shortage. The suite of housing bills includes California Senate Bill (“SB”) 8 (Skinner), SB 9 (Atkins), and SB 10 (Weiner). Each of the bills took effect on January 1, 2022.

Additionally, the California Department of Housing and Community Development (HCD) released a new Statewide Housing Plan, a statutorily required report updated every four years to outline housing challenges and strategies to address them over the next 10 years. The updated plan sets a path forward to meet California’s required **goal of adding at least 2.5 million homes over roughly eight years, with no less than 1 million of those homes targeted for lower-income households**. This represents the cumulative number of homes that cities and counties across California must zone for through 2030 by law and is **more than double the housing planned for in the last eight-year housing needs cycle**²³.

The Statewide Housing Plan lays out a vision to ensure every Californian has a safe, stable, and affordable home. The state is working towards three objectives to achieve this vision:

1. Keep Californians in their homes
2. Produce more affordable and climate-smart housing; and
3. Continue to act with urgency to address homelessness and housing need



Similar to the **One Fresno Housing Strategy**, the Statewide Housing Plan describes why we need to urgently act to address the state’s housing affordability crisis, what we know about California’s housing crisis, including how we got here and growing challenges, what the housing needs in California are, what our state and local governments are currently doing to address the problem, where we are going in the future, and how we will track our progress.

Additionally, the 2021-22 state budget appropriated \$1.75 billion to fund a new HCD program, California Housing Accelerator. The California Housing Accelerator program is funded with monies received from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA). The intent of this program is to reduce the backlog of projects “stuck” in the funding pipeline. Then in April of 2022, the California Housing Finance Agency introduced a forgivable equity builder loan to help first-time homeowners, while HCD also announced \$67 million for CalHome Program projects.

Vulnerable Populations Response

Aging populations – HUD’s Section 202 program, established in 1959, has been the primary means of expanding housing with supportive services” for our aging population. Aside from addressing a growing demand for subsidized housing for aging adults, aging in place friendly accessibility enhancements such as grab-bars or handrails in the bathroom, extra-wide hallways and doors, and a bedroom on the entry level are needed.²⁴

At the State level, recognizing that California’s over-65 population is projected to grow to 8.6 million by 2030, Governor Gavin Newsom issued an executive order calling for the creation of a **Master Plan for Aging (MPA)**. The Master Plan serves as a blueprint that can be used by state government, local communities, private organizations and philanthropy to build environments that promote an age friendly California.²⁵

The MPA was released on January 6th, 2021. It outlines five goals and twenty-three strategies to build a California for All Ages by 2030. The State’s 2021-22 Enacted Budget includes significant new investments to build an age and ability friendly California and support the growing and diversifying population of older adults, people with disabilities, and family caregivers. There are currently two existing City of Fresno Aging in place programs in operation. They include a senior paint and critical repair programs that focus on aging homeowner home rehabilitation.

Income Response - To realize housing affordability, housing prices must come down and/or wages must go up. **From the top-down we must deploy more affordable units into our market. From the bottom up, wages must increase so households can afford the cost of available housing.** A recent report by Fresnoland shared that “average wages for common Fresno jobs found that only those employed in two of the top 10 most common occupations locally — healthcare and educational professionals — garner enough wages to afford... a two-bedroom apartment today.”²⁶

The Dyer Administration is committed to working collaboratively with regional partners to focus on improving economic growth and mobility for residents in sectors that provide not only entry level employment opportunities, but paths that lead to higher paying jobs. An example of this is found in the flyer (*image 10a*) where the Dyer Administration has worked with the Big 13 City Mayors and the Governor to secure **\$7.4 million to launch a youth workforce program** in the Summer of 2022. Targeting marginalized young people aged 16 -30, the program will provide job training, wrap around services, a livable wage, and provide career paths for better paying jobs at City Hall. This is but one of many local efforts focused on workforce development.



Racial Equity in Homeownership – Today, the homeownership rate for African Americans is approximately 42 percent to 45 percent. To eliminate the gap between black and white homeownership rates it would require the addition of approximately 165,000 new black homeowners annually over the next 20 years in the U.S. to reach a 60 percent black homeownership by 2040, per the National Community Reinvestment Coalition.²⁷

In 2021, CalHFA launched its **Building Black Wealth Initiative** to address homeownership gaps. The purpose of the campaign – which includes elements of education, outreach and connection to housing resources – is to address the significant gap in homeownership between black families and other races. The California Association of Realtors¹⁹ has initiated a similar effort. “The wide affordability gap in California between whites and people of color demonstrates the legacy of systemic racism in housing, which has created inequities in homeownership rates across these communities,” said C.A.R. President Dave Walsh. “Closing the homeownership gap is essential to closing the generational wealth gap in our country, and that’s why C.A.R. is committed to addressing barriers and disparities to make equity in housing and access to affordable homes a reality for all people.”

Among legislative actions C.A.R. is taking to address housing discrimination is introducing several Fair Housing and Equity bills including:

- Requiring California real estate professionals to take implicit bias training
- Removing discriminatory language in property records
- Prohibiting discrimination against people living in affordable housing
- Repealing Article 34 of the California Constitution
- Boosting housing construction so homeownership is accessible to all

In addition to the Administration offering its support in the repealing of Article 34 of the California Constitution and other strategic efforts, the Dyer Administration is committed to identifying funding sources that improve home ownership amongst minority groups in Fresno.

In 2021 the Administration formed a partnership with the Realtist of Fresno County²⁸ (a NAREB trade association focused advancing home ownership amongst blacks), and the National Association of Hispanic Real Estate Professionals (NAHREP)²⁹ to provide homeownership education and down payment assistance through Federal Home Loan Bank of San Francisco’s WISH program. This program which provides up to \$22,000 in down payment assistance to low to moderate income makers will be continued to be leveraged to improve home ownership rates of first-time home buyers in Fresno.

FresnoCONNECT Community Homeownership Initiative
A OneFresno Program

First-Time Homebuyer Workshop

The initiative is designed with a high level of comprehensive Home Buyer Education and Counseling, Financial Literacy, First-Time Home Buyer Workshops, Down payment Assistance Programs, Grants, and Flexible Mortgage Products/Programs for the communities of Greater Fresno. The purpose of this innovative initiative is designed to increase the homeownership rate for Low-To-Moderate First-Time Home Buyers in the Greater Fresno Region.

FOR MORE INFORMATION ATTEND THE UPCOMING WORKSHOP

JANUARY 15TH, 2022 SATURDAY 10:30AM TO 12:00PM	JANUARY 29TH, 2022 SATURDAY 10:30AM TO 12:00PM	FEBRUARY 12TH, 2022 SATURDAY 10:30AM TO 12:00PM	FEBRUARY 26TH, 2022 SATURDAY 10:30AM TO 12:00PM
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REGISTER: WWW.ONEFRESNOCONNECT.COM

Logos for City of Fresno, UnionBank, FHLBank San Francisco, BANK OF WEST, and UNIVERSAL LENDING are displayed at the bottom.

Image 11a

Addressing Homelessness - In September of 2021 the Biden Administration launched a new initiative called House America.³⁰ House America is an “All-Hands-on-Deck Effort to Address the Nation’s Homelessness Crisis is a federal initiative in which the U.S. Department of Housing and Urban Development (HUD) and the U.S. Interagency Council on Homelessness (USICH).” The initiative invites mayors, city and county leaders, tribal nation leaders, and governors into a national partnership. House America is utilizing historic investments provided through the American Rescue Plan (ARP) to address the crisis of homelessness through a Housing First approach.

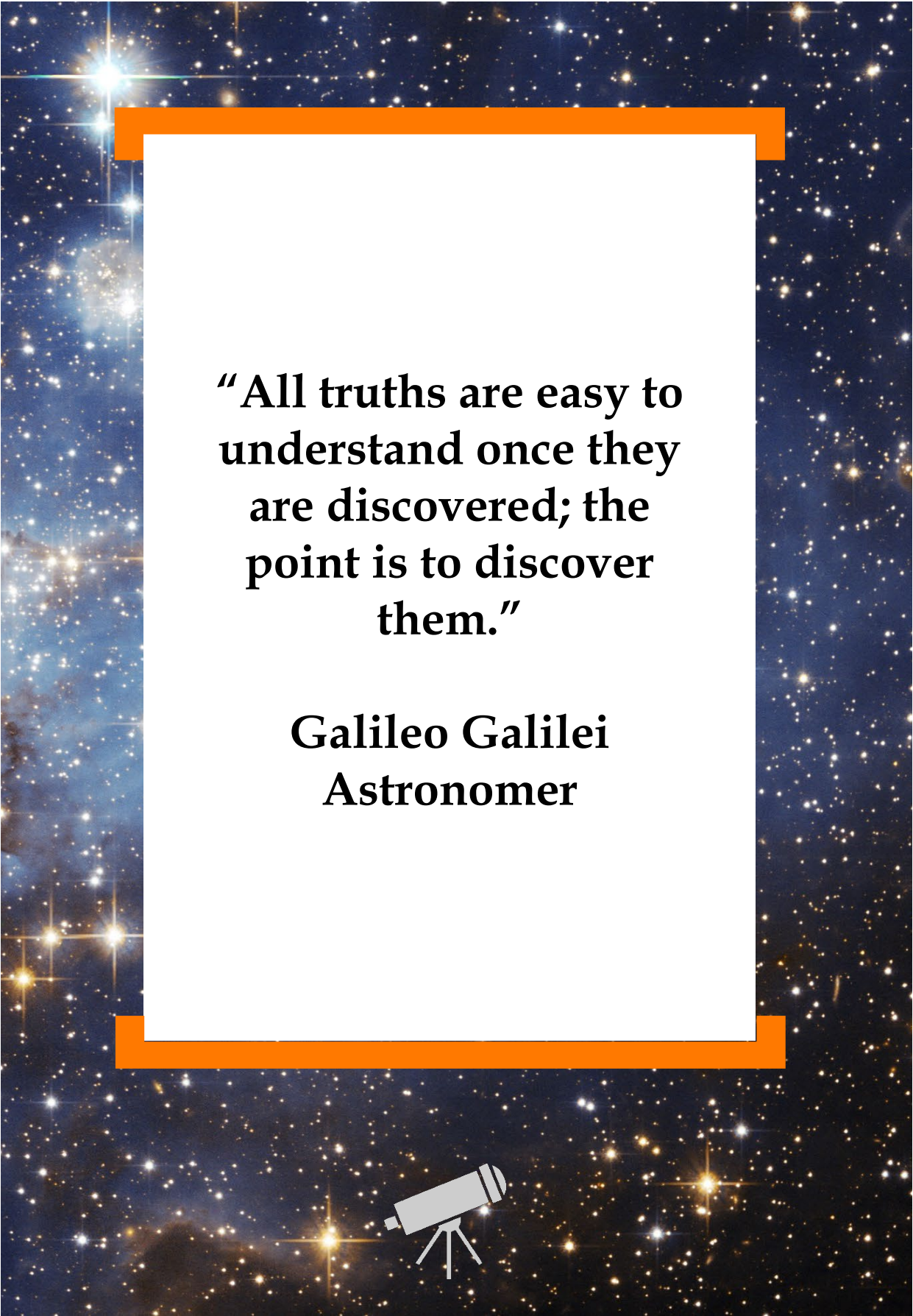
Meanwhile California has enacted a bevy of recent bills and is investing \$22 billion to tackle these systemic issues, with \$12 billion allocated for homelessness and behavioral health services to help get tens of thousands of people off the streets or avoid homelessness altogether. Combined, the funding will lead to the creation of over 84,000 new affordable homes for Californians, including over 44,000 new housing units and treatment beds for people exiting homelessness. The new homelessness funding also includes \$5.8 billion to add more than 35,000 new housing units through Homekey – a national model for homeless housing.

With regard to Homekey funding, since 2021 the City of Fresno has utilized Homekey funding to successfully launch the Mayor’s ‘Project Offramp’ initiative. And as mentioned earlier, since January of 2021 over 500 unhoused individuals have received housing and services through strategic hotel conversions into emergency shelter. While there is much yet to be done to fully address the needs of the unhoused, these most recent successes offer reason for future optimism as one way we can address our City’s homelessness challenges.

Chapter 3 - National, State, and Regional Response Summary

1. In light of our National housing crisis the Biden administration has initiated provisions will finance nearly **1 million affordable homes over 2022-2031**.
2. At the state level, HCD has released a new Statewide Housing Plan goal of adding at least **2.5 million homes** over roughly eight years, with no less than 1 million of those homes targeted for lower-income households.
3. Both Federal, State and local efforts have begun to address racial equity and our unhoused and precariously housed populations’ housing needs. Chief amongst them have been efforts centered around **closing the black/white ownership gap and housing our homeless**.
4. The City of Fresno is committed to doing its part to address the needs of our unhoused and precariously housed and has already launched and or supported innovative programs to support the unhoused, workforce development, aging in place, and minority focused down payment assistance programs.





**“All truths are easy to
understand once they
are discovered; the
point is to discover
them.”**

**Galileo Galilei
Astronomer**



CHAPTER 4: Different Markets Different Needs

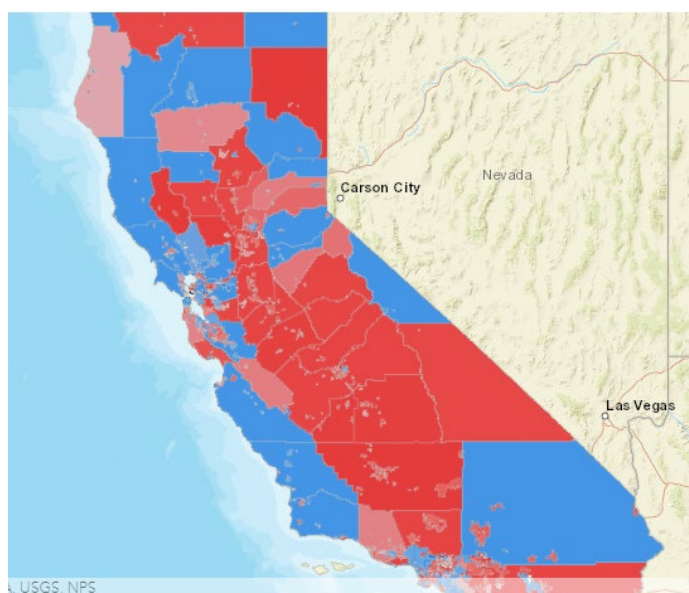
Chapters 1 and 2 the One Fresno Housing Strategy raised awareness on the state of housing at the national, state and regional levels; with a focus on the needs of our unhoused and precariously housed community members. Chapter 3 provided insight on the corresponding response at each level. We will now look at the City of Fresno's unique housing needs. Only once we 'discover' these needs, we can position ourselves locally to best address them.

Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. California's local governments meet this requirement by adopting housing plans (aka housing elements) as part of their "general plan." General plans serve as the local government's "blueprint" for how the city and/or county will grow and develop and include seven elements: land use, circulation, housing, conservation, open space, noise, and safety.

Each jurisdiction (city council or board of supervisors) must prepare an Annual Progress Report (APR) on the jurisdiction's status and progress in implementing its housing element using forms and definitions adopted by the California Department of Housing and Community Development (HCD).

Each jurisdiction's APR must be submitted to HCD and the Governor's Office of Planning and Research annually (covering the previous calendar year). Every eight years, California sets a target to meet the State's housing needs. This target sets the number of homes needed at each income level. As a local government, we must likewise plan for enough housing to meet the housing needs in our community. This is the **Regional Housing Needs Assessment (RHNA)**.³¹

Recently, in Fresno County – like the vast majority of jurisdictions statewide – housing production during the last RHNA cycle did not keep pace with need. Per HCD, "local jurisdictions are required to both zone sufficient land to meet housing need and adopt plans and regulations to make it easier for developers to build housing to serve households of all income levels." For the 5th round need cycle (2015 – 2023), Fresno County, like many other Counties across the state, did not meet the target housing goals per RHNA's 2020 annual progress report as markets are not developing and constructing affordable housing units at an amount necessary to satisfy RHNA. (*Map 12a* red indicates counties that have not met goals)³²



Map 12a

In our current RHNA cycle (5th cycle) the City of Fresno's RHNA target for the 8-year period ending in 2023 has a planning goal aimed to accommodate 23,565 units. As of the end of 2021, (and with only two years remaining in the current cycle) the City of Fresno has significant ground to make up in order to meet its target RHNA. See *chart 13a* below.

COF RHNA vs. Building Permits Issued				
2015-2019	2020	2021	Total	Remaining RHNA
489*	68	92	649*	5,017
285*	-	25	310*	2,979
1,505	-	11	1,516	2,055
7,099	2,184	2,134	11,417	-
9,378	2,252	2,262	13,892	10,051

Chart 13a

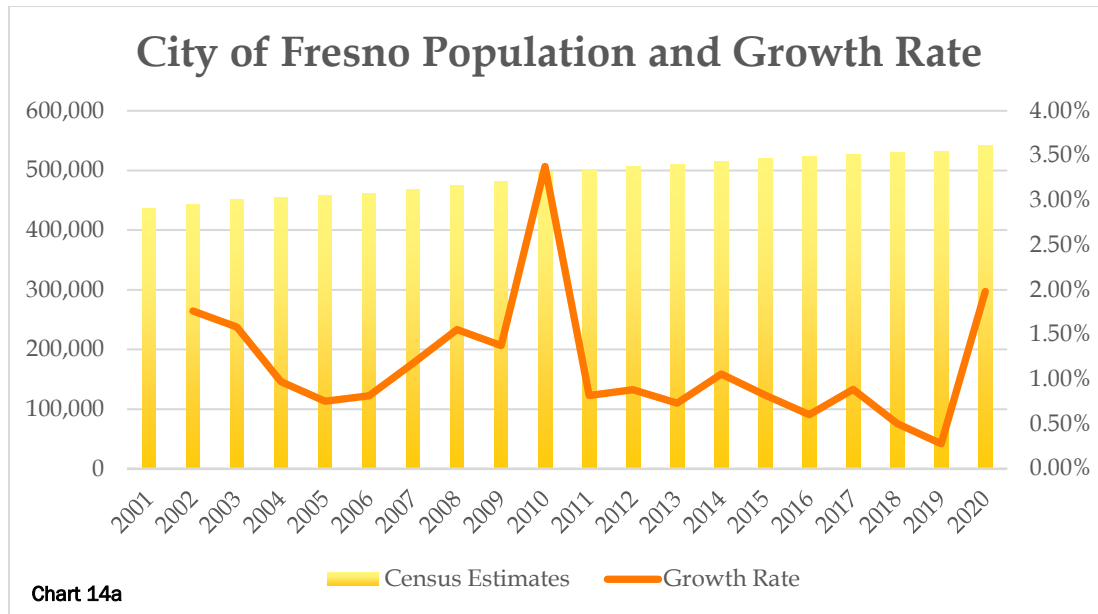
In this new housing need cycle for RHNA (6th round), the state is not only requiring that local governments plan for more housing, it insists on a much larger proportion of the planned units actually getting built, and has provided local governments with some of the needed tools.

Unfortunately, local housing data beyond 2019 is not readily available to assess Fresno's local needs. Our City Housing team, however, has conducted thorough research to better understand the City's local housing needs by affordability levels and housing types across the housing continuum. First, let's look at where we have been.

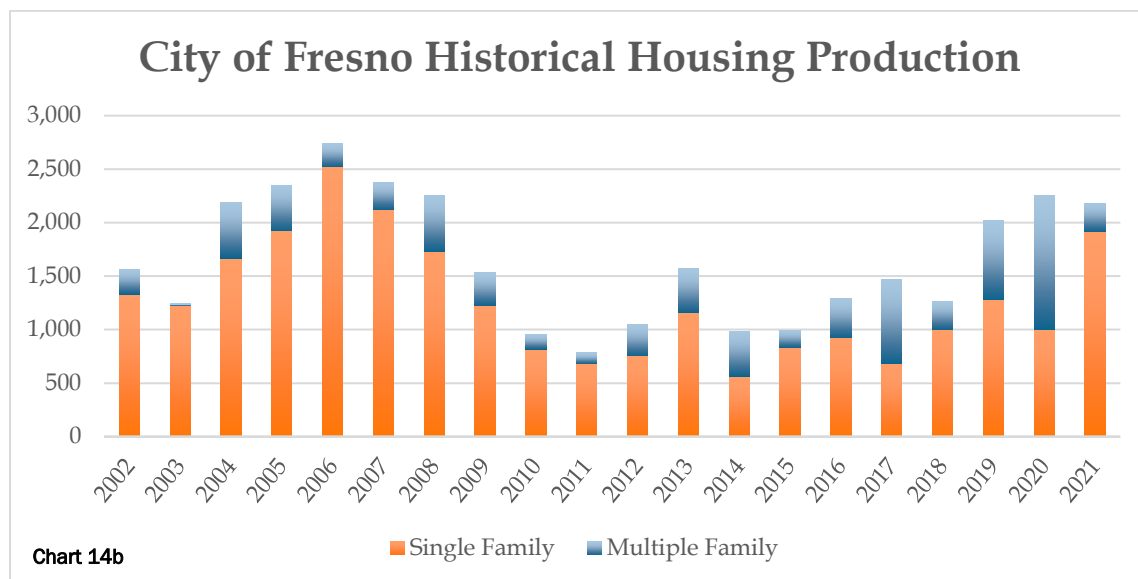


Fresno's Historic Housing Production

In the last 20 years, the City of Fresno's population has grown by approximately 90,000. Since 2010, our local population has grown 6.79 percent. See *chart 14a*



During that same time period, the City has added 30,000 housing units. In the graph below 14b orange represents single-family production, and blue represents multifamily production.



With these data points in mind, since 2010, available housing units have grown at 6.62 percent, or approximately 0.16 percent slower than the population growth. If household size remained constant over that period, the City of Fresno would have produced approximately 4,800 fewer units than population demand. This was, however, not the case, and **the City of Fresno now not only has a shortage of affordable housing units, but a mismatch of housing product compared to our community need.** We will now investigate our community's needs.

Fresno's Housing Needs by Income Level

When addressing Fresno's affordable housing needs, we must look at cost burden. As mentioned earlier in this plan, being housing cost burdened means **spending more than 30 percent of income for rent/mortgage and utilities**, whereas being severely cost burdened means **spending more than half of income for rent/mortgage and utilities**. In order to avoid housing cost burden, *chart 15a* provides an overview of what households can afford by income level per HUD guidelines.

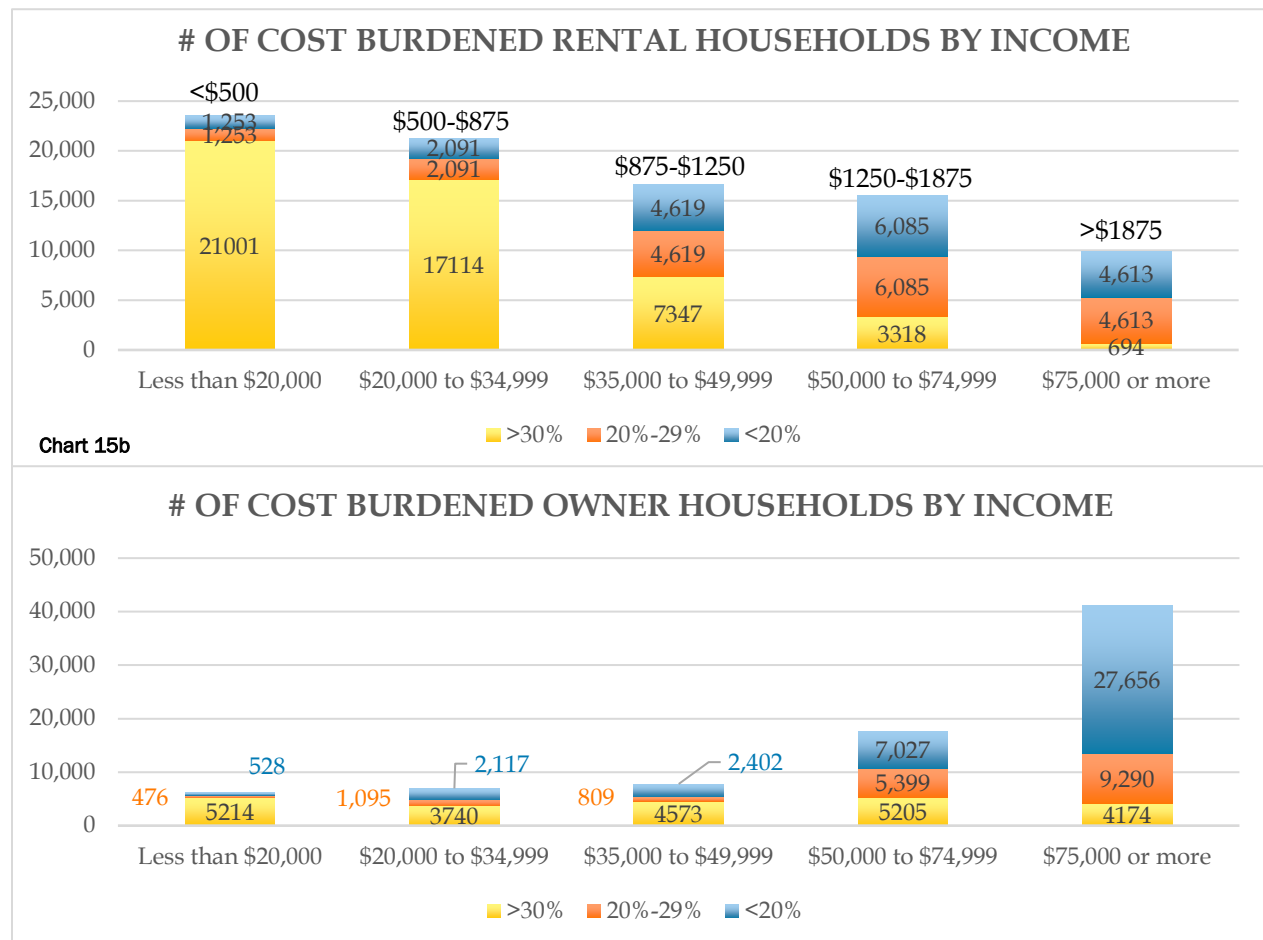
Monthly Housing Cost

- Homeless – \$0
- Extremely low – between \$0 and \$500
- Very low – between \$500 and \$1000
- Low – between \$1000 and \$1500
- Moderate – between \$1500 and \$2000
- Above moderate – more than \$2000

Chart 15a

Since household income and costs don't line up precisely – i.e., the lowest income households do not live in the lowest cost units – it is difficult to accurately predict the exact need. However, we can make some assumptions. First, we need to focus on both housing production and affordability. As shown earlier, there is a gap in production based on population growth.

Second, we need to prioritize the housing production of units for households with the highest need. *Chart 15b* below provides a look at the necessary number of units needed in Fresno by income level to ensure renters and owners are not cost burdened. **As an example, the City of Fresno needs 21,001 units for Fresnoans who can afford no more than \$500 on monthly housing costs.** The fact that there are not many units that meet this criterion underscores the mismatch between the availability of affordable housing and needs of households in our City.



Fresno's Housing Needs by Market Segments

Aside from looking at the housing of our City by income level, individual people have unique needs. Understanding the uniqueness of different constituent personas can help us produce housing appropriate to each need. ESRI is a GIS mapping software that boasts being “the most powerful mapping & spatial analytics technology available.” Its homelessness and housing solution ensures governments can identify the most suitable areas for affordable housing, mitigating homelessness, and growth capacity. The City of Fresno’s housing team utilized ESRI tapestry segmentation that classifies U.S. neighborhoods into unique segments, based on demographics and socioeconomic characteristics.

There are 14 ‘Life Modes’ in the ESRI Tapestry segmentation report. Of the 14, the City of Fresno has 10 which have at least 1 percent representation or greater. The five dominant segments in Fresno represent the majority (75 percent) of our Fresno households. The chart below provides definition to each segment.

Life Mode	Common Descriptors of Household	Chart 16a	% of Fresno Households
7 – Sprouting Explorers	<ul style="list-style-type: none"> • Young homeowners with families. • Multilingual and multigenerational households with children who represent second-, third-, or fourth-generation Hispanic families. • Neighborhoods feature single-family, owner-occupied homes built at city's edge, primarily built after 1980. • Hardworking and optimistic, most residents aged 25 years or older have a high school diploma or some college education. • Shopping and leisure also focus on their children – baby and children's products from shoes to toys and games and trips to theme parks, water parks, or the zoo. • Children enjoy playing video games on personal computers or handheld or console devices. • Many households have dogs for domestic pets. • Generally, families living in single-family housing; in Fresno, this group largely lives south of Shaw Ave. and north of the Tower District. • 30 percent are above moderate income, 30 percent are moderate income, and the other 40 percent are low or very low-income households. • Note: Sprouting Explorers represent more than 26 percent of all households in Fresno but represent about 6 percent of all US households. (For more information on this segment see Appendix item 2a) 		26.4%
13 – Next Wave	<ul style="list-style-type: none"> • Urban dwellers; young, hardworking families. • A large share are foreign born and speak only their native language. • Young, or multigenerational, families with children are typical. 		15.5%

	<ul style="list-style-type: none"> • Most are renters in older multiunit structures, built in the 1960s or earlier. • Hardworking with long commutes to jobs, often using public transit to commute to work. • Spending reflects the youth of these consumers, focus on children (top market for children's apparel) and personal appearance. • A top market for moviegoers (second only to college students) and fast food. • Partial to soccer and basketball. • Primarily comprised of renters and would generally be grouped in the Tower or Southeast areas of Fresno. • These renters are challenged to find affordable housing in Fresno as 20 percent are low income, while the remaining 80 percent are very and extremely low income. Nearly all experience a housing cost burden. • Note: Next Wave represents 15 percent of the households in Fresno but represent less than 5 percent of all US households. (For more information on this segment see Appendix item 2a) 	
8 – Middle Ground	<ul style="list-style-type: none"> • Lifestyles of thirtysomethings. • Millennials in the middle: single/married, renters/homeowners, middle class/working class. • Urban market mix of single-family, town home, and multiunit dwellings. • Majority of residents attended college or attained a college degree. • Householders have traded their landlines for cell phones, which they use to listen to music, read the news, and get the latest sports updates on their favorite teams. • Online all the time: use the internet for entertainment (downloading music, watching YouTube, finding dates), social media (Facebook, Twitter, LinkedIn), searching for employment. • Leisure includes nightlife (clubbing, movies), going to the beach, some travel and hiking. • Looking for experiences rather than building wealth through homeownership. • Predominantly renters and prefer smaller homes. • 25 percent of this life mode are moderate income, 67 percent are low income and the remaining less than 10 percent is very low income. • Note: Middle Ground represents 13 percent of all households in Fresno but nationally is a faster growing segment. 	12.5%
Mode 11 – Midtown Singles	<ul style="list-style-type: none"> • Millennials on the move – single, urban. • Millennials seeking affordable rents in apartment buildings. • Work in service and unskilled positions, usually close to home or public transportation. • Single parents with very young children. • Embrace the internet, for social networking and downloading content. • From music and movies to soaps and sports, radio and television fill their lives. 	10.3%

	<ul style="list-style-type: none"> • Brand-savvy shoppers select budget-friendly stores. • Prefers to rent and is much more mobile than other market segments. • About 3 percent are extremely low income while slightly more than 33 percent are low income, and the remaining 60 percent are in between at very low income. • Note: Midtown Singles represent about 10 percent of all households in Fresno but nationally represent about 3 percent of the population. 	
Mode 5 – GenXurban	<ul style="list-style-type: none"> • Gen X in middle-aged families with fewer kids and a mortgage. • Second-largest Tapestry group, composed of Gen X married couples, and a growing population of retirees. • About a fifth of residents are 65 or older; about a fourth of households have retirement income. • Own older single-family homes in urban areas, with 1 or 2 vehicles. • Live and work in the same county, creating shorter commute times. • Invest wisely, well insured, comfortable banking online or in person. • News enthusiasts (read a daily newspaper, watch news on TV, and go online for news). • Enjoy reading, renting movies, playing board games and cards, doing crossword puzzles, going to museums and rock concerts, dining out, and walking for exercise. • Typically, homeowners – generally south of Herndon. • Just under half are moderate income and the remainder are above moderate. The households generally do not have cost burden. • Note: GenXurban represent about 10 percent of all Fresno households but about 20 percent nationally. 	10.2%

After studying the five dominant segments per ESRI, City of Fresno households generally:

1. Are largely renter occupied (53.7 percent in Fresno vs. 35.9 percent nationally)
2. Are younger (median age in Fresno is 31 vs. 38.1 nationally)³³
3. Have larger representation of dominant segments compared to national norms (see chart 16a); and
4. Have higher housing cost burdens than the national average (36 percent in Fresno vs. 30 percent nationally)³⁴

Fresno's Existing Housing Product and Need

Currently there are approximately **183,547 housing units** in the City of Fresno (of which ~86,193 are registered rental units). *Chart 17a* provides a count of existing owner and renter occupied units based on affordability level. The cost of housing has been assigned into income tiers to provide a better comparison with need. As one may see, most existing rental units fall into the very low- and low-income categories. (Note: this is an average based on an income range and a range of rents).

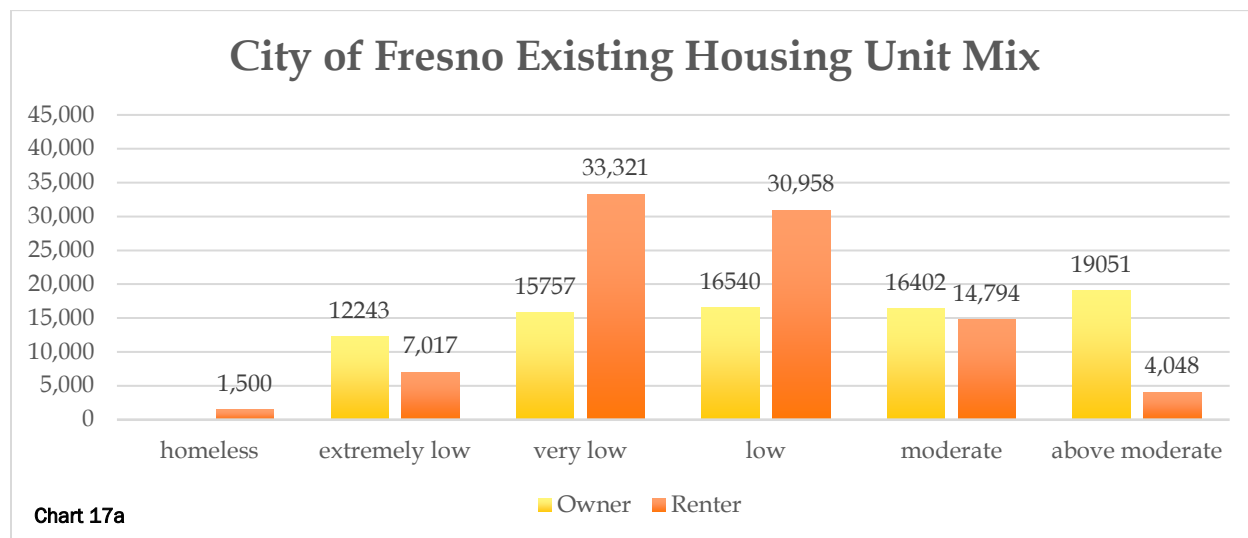
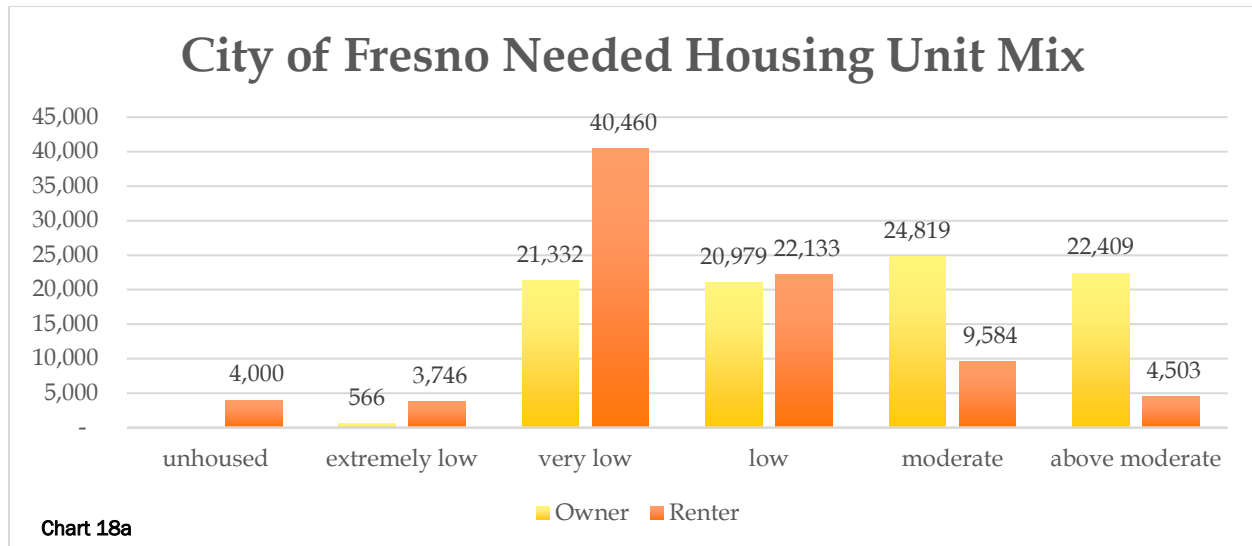
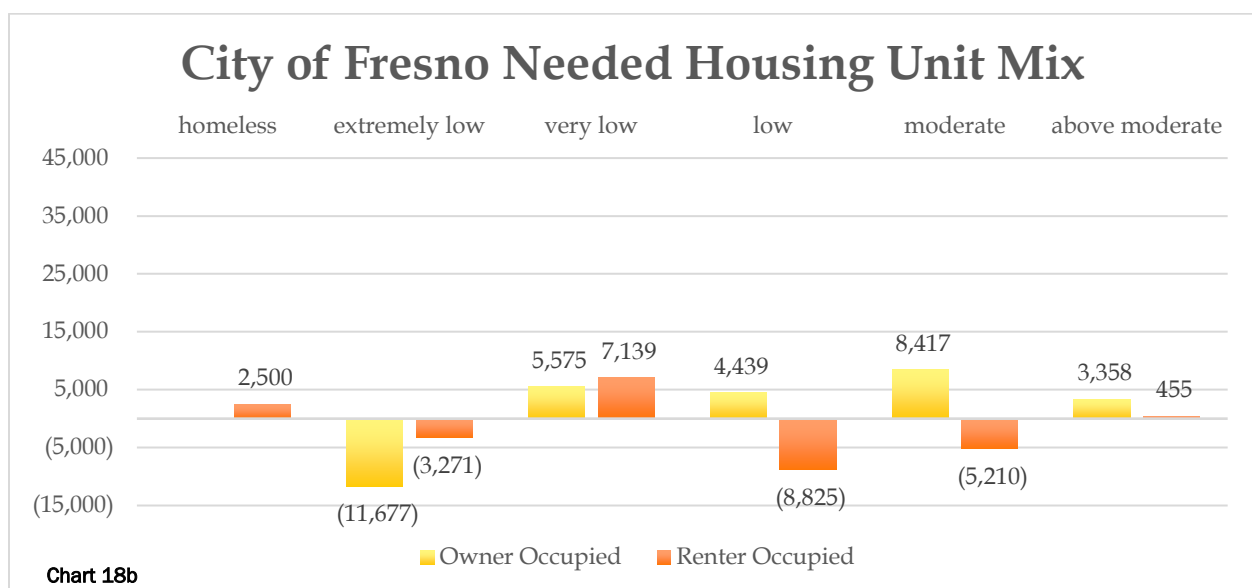


Chart 18a provides an overview of the existing housing needs of our community. (Note: housing needs for the unhoused are approximated as new Point In Time (PIT) data on homelessness will be released in June of 2022). When comparing this data there is a clear mismatch between available units and household needs within the City of Fresno. Most notably, there is a huge need for rental housing for very low-income households – and even some homeownership in this category.



When you combine the previous two charts of existing housing versus need we are left with *chart 18b* below. Negative numbers represent excess units that exist within the City of Fresno for the income category, while positive numbers represent a need for additional units within the income category. As an example, **the City of Fresno needs 7,139 additional units produced or current inventory made available for those of the very low income range** (those who can afford a housing cost of between \$500 to \$1,000 per month). Its no wonder why 60 percent of Fresno renter households are cost burdened.



Fresno's Housing Needs by Household Size

Based on average household size by life mode, we established a demand model that shows which units have the strongest market need. As you will find in charts 19a and 19b below, our review of units by bedroom size and demand indicates that **we have a much higher need for family units of 3-bedrooms** while there are particularly a much greater number of smaller units available in the rental market.

Household size to unit size need

- Size of 1.25-1.75 Needs 1-2 bed
- Size of 1.75-2.25 Needs 2 bed
- Size of 2.25-2.75 Needs 2-3 bed
- Size of 2.75-3.25 Needs 3 bed
- Size of 3.25-3.75 Needs 3-4 bed
- Size of 3.75-4.25 Needs 4 bed

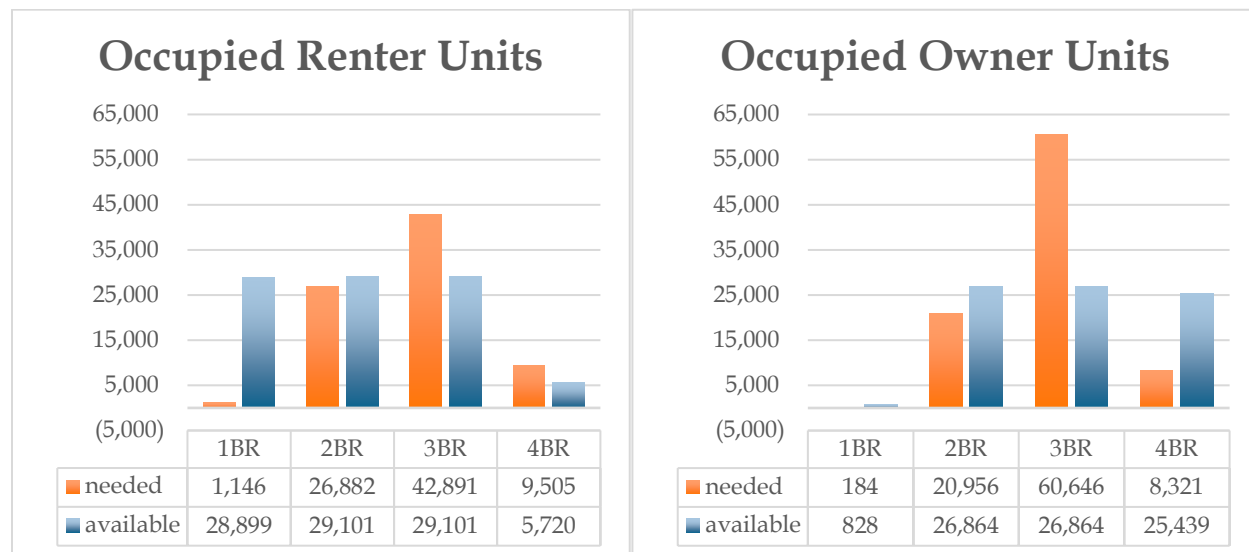


Chart 19a

Chart 19b

When combining a review of rental demand by size and price, below in chart 19c one can see that the highest demand for rental units is again in the very low income category for three-bedroom units.

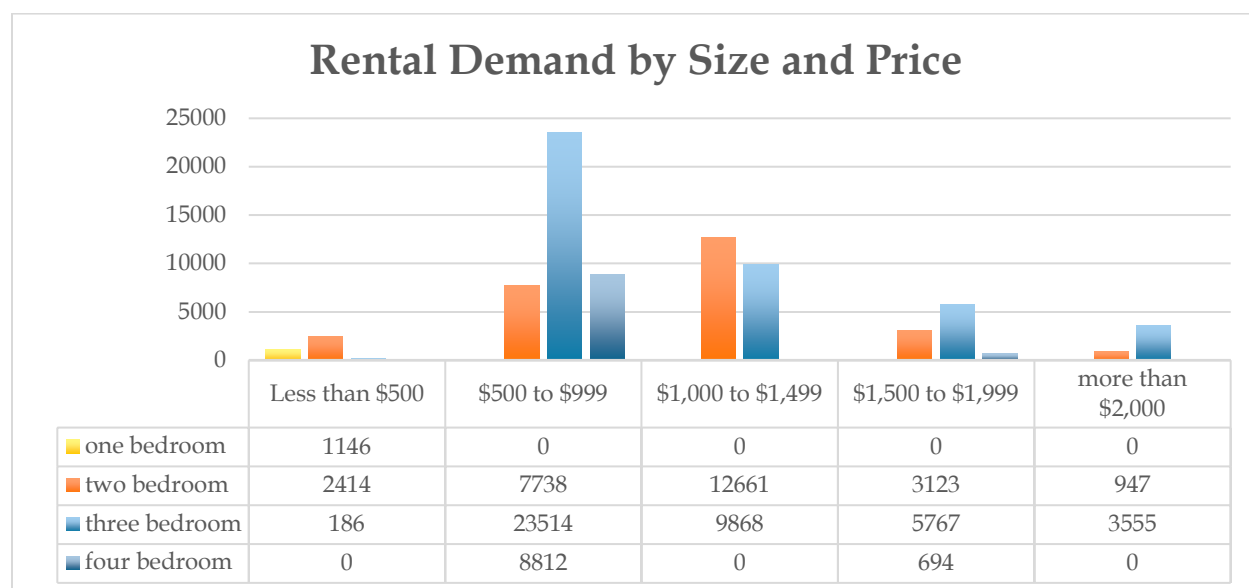
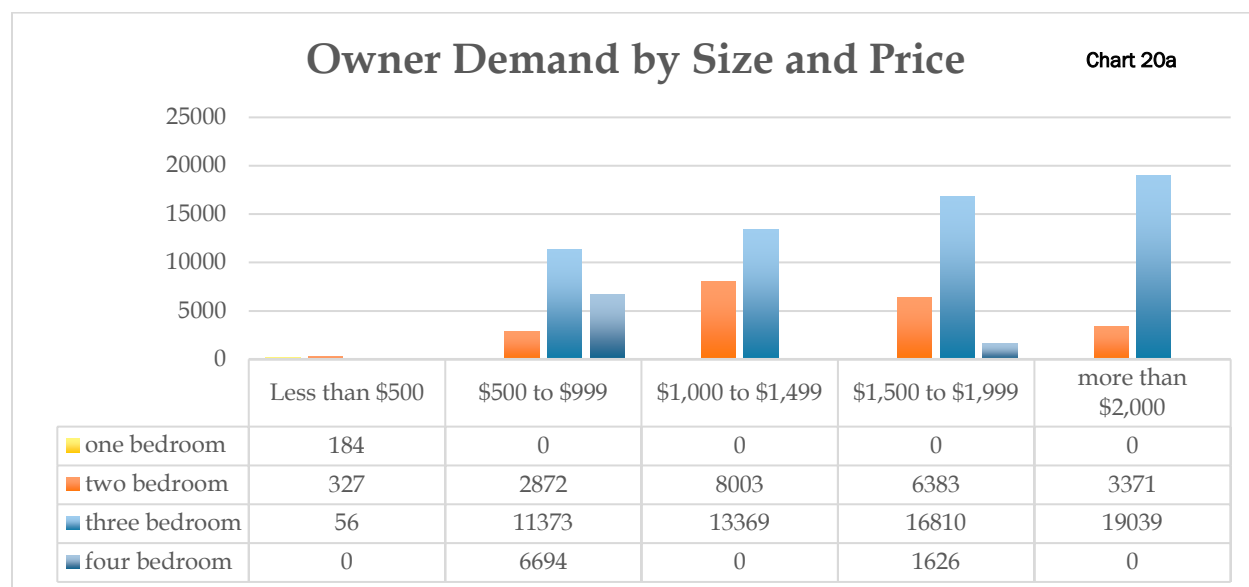


Chart 19c

For homeownership demand, the same is true of three-bedroom units dominating all categories. See *chart 20a* below. At first glance it may seem odd that there the analysis is reporting a 0 need for one bedroom units across affordability levels. Again, this analysis assumes we are able to match existing and projected inventory with actual household size needs. This analysis is displaying if households were occupying units requisite to their household size, there would be sufficient inventory for one bedroom units at various levels. Currently this is not the case as larger households are occupying smaller units that are intended for households of 1.25 to 1.75 persons.



Fresno's Housing Needs by Unit Type

Through our demand modeling, *chart 20b* below shows that the **Fresno market is dominated by detached single-family units**. This is extraordinary. Not just due to the juxtaposition with other markets nationally but because of the demand based on Life Mode types locally. In sum, 75,123 owner occupied single-family detached units plus 32,863 renter occupied single-family detached units totals 107,986 single-family detached units currently existing in Fresno.

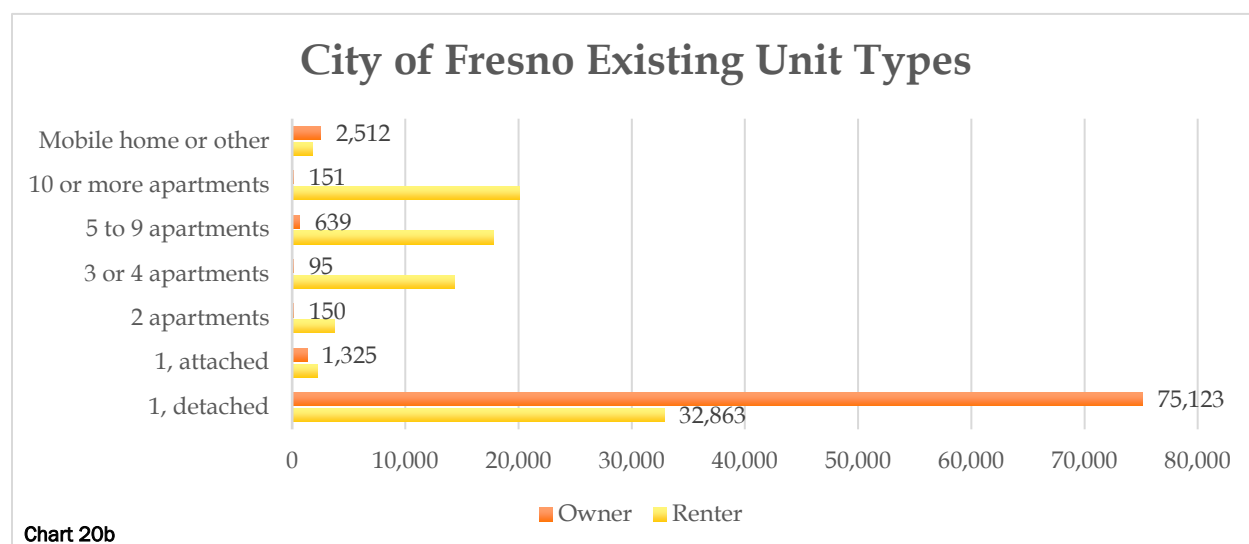
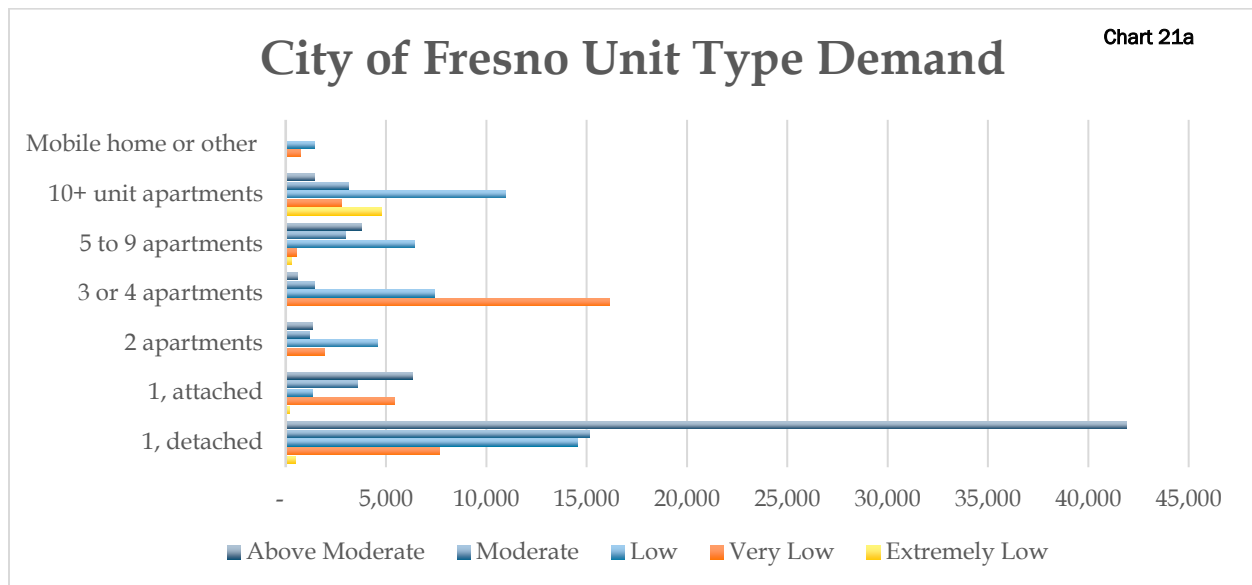


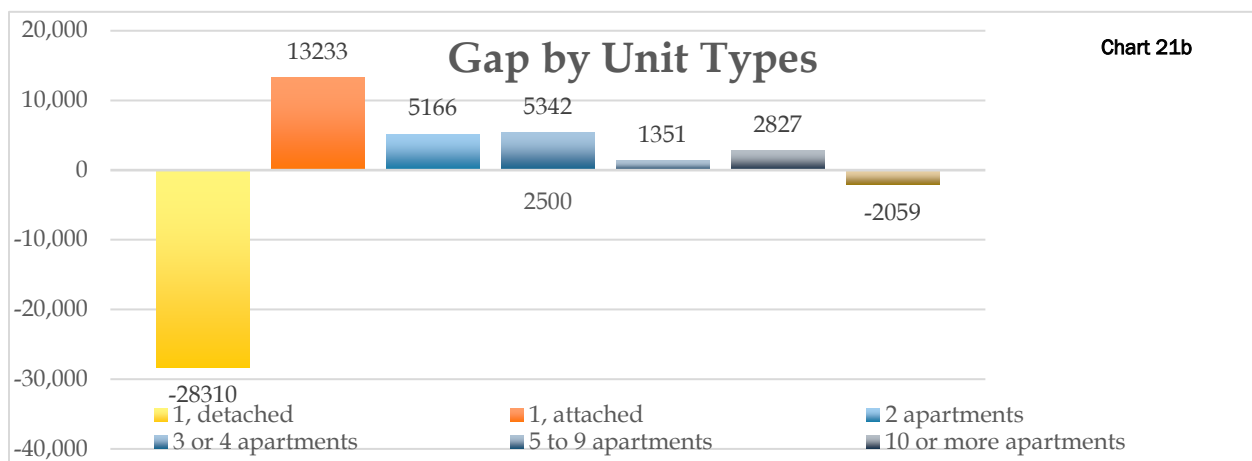
Chart 21a showcases the demand for various unit types within our City ranging from single-family detached units, to single-family attached units, to multifamily housing units, to mobile home or other types of housing.



Note the previous chart's scale extended to 80,000 units. This chart extends to 45,000 units to allow data to be viewable.

As one may see, the demand for single-family detached units is much lower than the product's availability. There is a significantly higher demand for attached products ranging from single-family attached – sometimes known as townhomes or row houses – to larger multifamily buildings.

In the *chart 21b* below, existing unit types have been overlaid with the need. While the middle five categories (single-family attached, duplex, 3-4 unit, and 5-9 unit buildings) could be interchangeable in demand, all lead to the same conclusion. **Our supply is not meeting the demand for a diversity of rental options, especially those in a apartment building.** For instance, we need an additional 13,233 single-family attached units to meet Fresnoan housing needs. While this could be due to a number of factors, the most important is that total housing cost including some utilities and maintenance is generally included in a complex but less likely to be included in a single-family detached unit.



There is real demand not currently being met by supply. This need has been exacerbated by out of town investors purchasing homes in an already competitive market, and renting these homes to locals rather than the locals being able to purchase the homes in the first place because they can not compete with out of town investors.. To meet our community's needs and to bring about market balance, we estimate it is nessessary that we **convert 8,000 units of rental single-family homes to homeownership for persons in the 60 to 80 percent AMI bracket.**

Furthermore, to address additional demand within our housing contiuum, we estimate needing approximately **500 units of accessory dwelling units (ADUs), 1,000 units of for hotel/motel acquisition and conversion, and 1,000 units of single room occupancy units (SROs).** The afreomentioned needs will largely support our homeless and will be further discussed in chapter 7 of this plan.

In the City of Fresno's current housing pipeline, we are aware of ~1,700 affordable housing units planned for completion in Fresno within the next three years. And while we are thankful for these developers and the households that these units will serve – this number is well below our need. Sadly, only 73 of these units are currently earmarked for affordable homeownership.

It is said that 'insanity is doing the same thing and expecting a different result.' If we do not as community band together with an aggressive plan to meet our community's housing needs, we are bound to repeat history.

Chapter 4 – Different Markets Different Needs Summary

1. **The City of Fresno does not have sufficient housing inventory to meet the affordability needs of its households.** As an example, Fresno needs 21,001 units for households who can afford no more than \$500 on monthly housing costs.
2. **There is a significant mismatch between existing types of housing stock and the needs of households by family size.** As an example, the City of Fresno has a glut of 28,310 single-family detached units over and above what Fresno households need based on household size.
3. **Between now and the end of 2025, to meet demand, City of Fresno residents need:**
 - a. **7,139** additional units produced and made available for those of the very low-income range (can afford a housing cost of between \$500 to \$1,000 per month).
 - b. **8,000** units of rental single-family homes converted to homeownership for persons in the 60 to 80 percent AMI bracket.
 - c. **500** units of ADUs, **1,000** units of hotel/motel acquisition, and **1,000** units of Single Room Occupancy Units (SROs) to address the needs of the unhoused



**“Where there is no
vision, the people
perish...”**

King David
King and Psalmist



CHAPTER 5: Affordable Housing Strategy Overview

Having heard from constituents across our city, Mayor Jerry Dyer set forth his One Fresno vision to unify our entire community around something every Fresnoan desires. We desire “An inclusive prosperous, beautiful city where people take pride in their neighborhoods and community. We seek a government that listens, keeps its promises and is owned by the people.” To make this vision a reality Mayor Dyer has set forth six priorities with the first being focused on housing and homelessness. Having spent significant time listening to our City’s needs, in 2022 Mayor Dyer initiated the creation of this One Fresno Housing Strategic Plan.

What is a housing strategy?

As mentioned earlier, a local housing strategy comprehensively describes the approach a city plans to take to meet its housing objectives. Often developed by the Mayor’s Office, a local housing strategy coordinates the actions of all the local government agencies and divisions that administer policies and programs affecting housing. According to localhousingsolutions.org, “the best local housing strategies utilize the full set of tools that local governments have at their disposal, including zoning ordinances, building codes permitting processes, property tax abatements, and federal, state, and local housing subsidies. They also engage the private and nonprofit sectors as key partners.”

The City of Fresno’s **Housing Strategy Vision** is simple. Our goal is:

**To develop as much quality housing as fast as possible
at a price every Fresno resident can afford.**

Our **Housing Strategy Objective** aims to:

**Seek to take advantage of every housing opportunity to
maximize short term production of housing types.**

The City of Fresno’s **Housing Strategy Goal** is as follows:

Create an environment that leads to the 3-year completion, rehabilitation, and preservation of 6,926 affordable and 4,110 market-rate housing units by identifying available land, vacant property and financial resources while deploying a wide range of development partners to increase housing options across the housing spectrum throughout the City.

Definition of Priorities

In light of our housing crisis we are making various recommendations to address our challenges. We have grouped our priorities within several categories. Every recommendation falls within the four categories of **Preserving** housing, **Producing** housing, **Promoting Equity**, and/or **Preventing Displacement**. Priority recommendations are a result of public input that has informed reports from a variety of sources spanning the last decade. The following are definitions and details regarding each priority by category.

Preserve Housing

Continue funding Aging in Place home preservation programs – Aging in Place (AIP) is focused on supporting our aging population. By definition, AIP is the ability to live in one's own home and community safely, independently, and comfortably, regardless of age, income, or ability level. Two existing City of Fresno AIP programs include the senior paint and critical repair programs. The City's Planning Year 2022 Annual Action Plan will go to Council in April and we are recommending funding levels similar to years past. Ultimately, funding levels will be determined by the annual action plan process.

Create (R³) restore, rehabilitate, and revitalize loan fund – Building the capacity of the 'builders' is key to our reaching our housing goals. Often times organizations do not have cash problems but have cash flow problems. We recommend establishing a revolving loan fund that will empower organizations focused on rehabilitation of Naturally Occurring Affordable Housing (NOAH), that secures affordability as a condition of a low or no-interest loan.

This priority cooperates with Developing the Region's Inclusive and Vibrant Economy (DRIVE) Permanent Affordable Housing investment plan, it's Community Investment Act Plan and is recommended by local affordable housing agencies like Habitat for Humanity Greater Fresno Area.



Produce Housing

Declare City of Fresno ‘State of housing emergency’ - In light of the severity of the issues outlined in this report a state of housing emergency should be declared in the City of Fresno. Said declaration will assist our strategic streamlining efforts at addressing our housing crisis.

Deploy multiple rounds of funding availability notices - We recommend determining new and recurring local, state, and federal funding opportunities and then deploying multiple rounds of funding availability notices instead of the current one round funding availability window. This recommendation comes by way of affordable housers like the Fresno Housing Authority as they aim to more quickly produce affordable housing.

Employ City Staff to shepherd the housing strategy and affordable housing projects through completion - For many developers the entitlement process in Fresno has proven to be a major barrier for developing projects efficiently. Two ombudsmen with real power will be hired to work closely with developers in an effort to shepherd affordable projects to fruition. The creation of a proactive City staff annexation team would also be value. This aligns with the Mayors intent on establishing a 'We work for you' culture and complements our operations improvement plan efforts.

Enact Restrictive Covenants - For all developments receiving public funds including but not limited to CDBG, HOME, ESG, Housing Trust Fund, Land Trust Funding, Impact Fee Waivers, General Fund Contributions etc. the City proposes requiring that a predetermined percentage of the development include affordable housing unit development. Receipt of funding would be tied to requiring affordability covenants.

Encourage the completion of new private sector market rate housing - Housing types across the housing continuum are needed; including market rate housing. Through our planning and building department, the City will continue to encourage the development of market rate housing developed by market rate builders including but not limited to entities like Granville Homes, Lennar Homes, McCaffrey Homes, Gary McDonald Homes, Wilson Homes, DeYoung Homes, Bonadelle Neighborhoods and others.

Encourage accessory dwelling unit (ADU) development - Accessory Dwelling Units are secondary housing units on a traditional single-family residential property. ADU's includes a variety of housing types, including cottages, flats, conversions, etc. ADUs are not typically mobile, or on wheels. ADU's can be helpful in multi-generational households, and as wealth generators.

We recommend partnering with local ADU builders such as California Tiny Homes and Pre-Fab Innovations to acquire and deploy units across the city. Forging partnerships with CBO's with career tech school programs like Fresno City College's Construction Department will provide opportunities for the construction of units at competitive price points, while simultaneously providing valuable volunteer, workforce development, and trade training experience to its participants.

Enhance City affordable housing density

bonus – Currently state law requires that the City have certain bonuses and considerations for projects that include covenanted affordable housing based on income classifications. The City can go further than the state bonus law in ensuring the long-term affordability of not just rental units but owner-occupied units as well. We recommend tying developer density bonuses and/or concessions to the affordability of units built. This is a recommendation from the 2020 Analysis on Impediments to Fair Housing Choice report³⁴.

Enhance code lien waiver program –

The City of Fresno currently has a code lien waiver program in which it publishes APNs of properties with existing code lien's, along with programs for responsible property owners to apply for waivers of those lien's, should they purchase from the responsible property owner in a private sale. We recommend taking steps to better market this program and tying tiered incentives to affordability covenants placed on the subject property.

Ensure RHNA targets are revisited, discussed, and re-aligned with state –

Regional Housing Needs Assessment (RHNA) is a process mandated by California state law that requires cities and unincorporated areas of counties to plan for new housing to accommodate projected growth. RHNA operates on an eight-year cycle. The Dyer Administration will meet with key decision makers to push for equitable expectations and revised RHNA targets.

Establish inclusionary zoning ordinance –

Inclusionary housing programs are local policies that tap the economic gains from rising real estate values to create affordable housing for lower income families. We recommend establishing a program that requires developers to sell or rent 10 percent

of new residential units to lower-income residents. Affordability covenants can be coupled with existing density bonus and other incentive programs. This is a statewide best practice supported by multiple agencies and is a necessary measure to meet our RHNA targets and address our affordable housing crisis.

Establish Land Bank - Land banking is the process of accumulating parcels of land for future development. For real property that does not meet the threshold to qualify for the City's receivership program, land banking could be utilized. With the authority of the land bank, the City would identify underutilized land and vacant properties. After establishing the Land Bank, over the next three years hundreds of units could be added to the affordable housing pipeline.

Establish Pre-Receivership loan program -

Receivership is a legal remedy that exists in federal and state courts and provides an aggrieved party the option of placing an asset (in our context real property) into legal custody, meaning that the court dispossesses the party in control of that real property and puts it into the hands of a court-appointed agent – the receiver. While the City currently has a receivership program, this strategy recommends the creation of a Pre-Receivership program.

The Pre-Receivership program could integrate affordable housing permanency through coordination of local non-profits with the City of Fresno through access to or right of first refusal to purchase and/or complete rehabilitation of substandard housing poised for receivership with the ASET Division. This program could leverage R3 loan fund while tying properties to affordability covenants. This sort of program is supported by organizations like Central California Legal Services (CCLS).

Establish social impact bond / loan fund -

Social Impact Bonds (SIBs) are an outcomes-based (pay-for-success) model where private investors contribute debt capital to fund projects with social goals. Repayment to investors is contingent upon achieving certain program targets. The repayment will be less if outcomes are not achieved. The City of Richmond has a good example of launching a successful social impact bond for housing revitalization. Fresno's establishment of a social impact bond/loan will help us fund our mission.

Execute recommendations from 2021 planning and development operations improvement plan -

An effort was undertaken to conduct a preliminary finding review of the building and planning department to identify ways the City could enhance/streamline its services to its customers. This report (*see appendix item 1a*) yielded **three staffing, four systems, and 10 structural findings** along with corresponding improvement recommendations that are all currently being addressed. The result of this effort will lead to expedited timing and 'red carpet' customer service. 140 current and past employees along with customers provided input into this report.

Grant broad ministerial approval process throughout City of Fresno -

The City of Fresno's current site plan review process is at odds with ministerial vs. discretionary process best practices. By enacting broad citywide ministerial housing approvals, it is estimated that our planning process could be reduced from nine to three months. This is an important long term remedy to expedite housing production in light of our housing emergency.

Launch alternative affordable housing finance model via pilot program -

This is an option for the City of Fresno

and/or Fresno's Public Housing Authority revolving loan to offer private affordable housing developer funding for renovation of naturally occurring affordable housing. In exchange for a small loan with competitive terms, and a non-profit tax break, the private company will be required to lock in affordability for up to 55 year covenants and support housing for lower income AMIs.

Identify then form strategic relationships with financial institutions to support affordable housing lending -

The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods. Financial institutions with a less than 'satisfactory' CRA rating will be strategically targeted by Fresno with the request that they identify affordable housing projects that they can underwrite for community benefit.

Leverage housing trust fund - Housing trust funds are distinct funds established by the City that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes.

The City of Fresno established its housing trust fund in 2021 championed by Councilmember Esmeralda Soria. We intend to focus funds on eligible projects that include new construction of affordable rental housing for households earning below 60 percent of AMI. Other uses include affordable rental and ownership housing, emergency shelters, permanent supportive housing, transitional housing and ADUs.

Leverage section 108 loan - loan guarantee pool and/or loan fund – HUD’s Section 108 Loan Guarantee Program provides Community Development Block Grant (CDBG) recipients with the ability to leverage their annual grant allocation to access low-cost, flexible financing for economic development, housing, public facility, and infrastructure projects. The City of Fresno will use these dollars to facilitate additional affordable housing development for projects below 80 percent of AML.

Partner with tax objector agencies –

A nonprofit affordable housing organization may file an objection to the sale for taxes on any property in order to rehabilitate and sell or rent to low-income persons, or construct residential dwellings to sell or rent to low-income persons. The City will work closely with such non-profits interested in utilizing this Chapter 8 tax objection to add additional units to our City’s affordable housing stock.

Partner with and support capacity building of local Community Land Trust – Community land trusts (CLT’s) are nonprofit, community-based organizations designed to ensure community stewardship of land. CLT’s are primarily used to ensure permanent housing affordability. The City of Fresno would help build the capacity of our local CLT which would in turn acquire and/or build affordable housing that remains so in perpetuity. Establishing or parting with a CLT is a recommendation of the 2016 City of Fresno consultant report on the ‘Impediments to Fair Housing’ and the recently produced ‘Here to Stay Report’ by the Thrivancegroup.

Partner with and build capacity of local Mixed-Income Neighborhood Trust (MINT) - The MINT has been identified as a powerful tool for accelerating the development of high quality affordable rental housing. Through the Fresno Community & Economic Development Partnership (CEDP) Housing Working Group, Fresno Community Development Corporations (CDCs) across Council Districts 1, 3, and 7 have been collaborating on the launch of the Central Fresno Neighborhood Trust (“CFNT”). CFNT will develop, own, and manage a scattered site rental portfolio, governed by community stakeholders, and legally mandated to preserve affordability and belonging for today’s renters. The MINT and Central California Land trust would complement one another in purpose.

Provide more options within single-family only zoning districts – The 2020 Analysis of Impediments to Fair Housing Choice report states that “when Fresno drafted and adopted its current General Plan in 2014 (along with a Housing Element Amendment in 2017), it recommended large-scale rezones to allow for both more housing units and greater diversity of housing types, infill development, and use of vacant land for residential uses. The City then adopted a new Development Code and updated Zoning Map in 2015 and 2016, respectively, to be more consistent with the policy goals of the General Plan related to housing and to codify those rezonings.”

The City's Planning Department intends to bring forward a large package of updates to the zoning code in late 2022 which would include an update to the City's cottage home section, and would allow for more missing middle housing types to bridge the gap between single-family and multi family districts. Ultimately this effort will provide more options and flexibility of housing types above and beyond the State’s current requirement.

Pursue attracting pre-fabricated housing headquarters to re-locate to Fresno -

No longer novel, pre-fab housing has proven to reduce construction costs, waste and time. Meanwhile the construction of quality housing would not be compromised. Attracting a business(es) that would headquarter in Fresno will align housing needs, workforce development efforts, and lead to positive economic impact. The City's Economic Development Department will work to identify and work with the EDC to locate two to five potential agencies ultimately endeavoring to make at least one builder local.

Pursue strategic conversion of office space to affordable housing -

Evaluating then fast-tracking the conversion of existing facilities for affordable housing use will be essential to developing not just affordable but market rate housing as well. The market currently has a reduced need of commercial space, and an increased interest by the developer community to convert office spaces to mixed-use buildings and housing.

Remove density cap / By Right -

Density caps are a common challenge for affordable housing. Density caps often raise the development cost per unit as it limits the number of dwelling units on a property, and does not allow developers to maximize the number of units that can be built. The City of Fresno is currently working on a corridor focused mixed use text amendment that will help alleviate this concern.

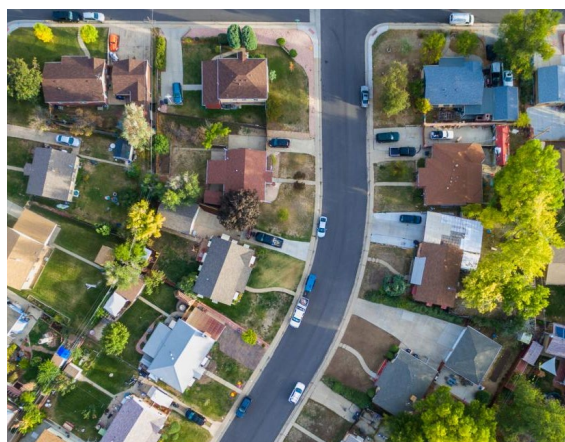
Shepherd existing affordable housing projects in process through the pipeline -

The City is currently aware of ~1,700 affordable housing units that are currently in the queue to be developed by FY25. We intend to support the shepherding of these projects through completion.

Strategically incentivize the development of affordable housing - In order to further incentivize the development of affordable housing, the City of Fresno will prioritize the offering of fee waivers to affordable housing projects only. While this relegation will exclude downtown development projects, we will proactively market this waiver program to affordable housing agencies.

Additionally, we are recommending a significant subsidization of affordable housing projects that will provide affordable housing options to households making between 50 and 80 percent of AMI. Later in our strategic plan chapter we will outline how this investment would be allocated to yield 1,200+ units of affordable shelter in the next three years.

Based on a recent survey monkey survey of 11 agencies involved in local affordable housing, the primary impediment to their "organization maximizing its ability to create housing stock to help satisfy our community's needs" was due to the lack of "subsidies to offset development and/or construction costs."



Prevent Displacement

Continue eviction protection program –

Championed by the City Council in 2021 the City of Fresno launched its Eviction Protection Program (EPP). The program is designed to fight potentially unlawful evictions and is overseen by the City Attorneys Office.

Continue to deploy and seek additional funding for ERAP –

The City of Fresno has received nearly \$64 million in Emergency Rental Assistance Program (ERAP) I and ERAP II funding from the federal and state governments to provide emergency rental assistance to improve housing stability. The City of Fresno's ERAP is available to City of Fresno renters and landlords that have been negatively impacted by COVID-19 and are unable to pay their rent and utilities. The City intends to also apply for ERAP III when funding becomes available.

Conduct environmental justice and climate resiliency planning –

Climate Resilience Planning complements public sector planning efforts. It is the process by which residents of under-resourced and impacted communities define for themselves the complex climate challenges they face, and the climate solutions most relevant to their unique assets and threats. Council Vice President Maxwell led an effort to allocate \$400,000 to initiate a climate resilience plan in the most recent budget.

Additionally the City recently updated its Greenhouse Gas Reduction Plan on 2021, which serves as the City's Climate Action Plan. Environmental justice and climate resiliency planning are separate state-required planning mandates. Staff intends to do this work for our next General Plan update, which is scheduled for 2024.

Execute housing stability fund objective –

Housing Stabilization Funds (HSF) typically support the preservation, new construction, and rehabilitation of affordable housing projects, including first-time homebuyer opportunities and affordable rental projects. In 2021 the city of Fresno allocated funding to Breaking the Chains and the Marjoree Mason Center for the purpose of furthering housing stability.

Re-juvenate the Mobilehome Rent Review & Stabilization Commission -

The Commission serves the purpose of protecting mobilehome park residents from excessive rent increases. The Mayors office will continue to recommend new appointments to the commission subject to Council approval to help ensure that should a need to meet occur, the Commission is available to ensure rent increases are occurring as allowed by current regulations.

Support SB847 (State) – This bill under consideration creates a commonsense grant program administered by California's Housing and Community Development Department (HCD), which would distribute state funds on behalf of tenants who are unable to pay rent due to a COVID-19 hardship and do not qualify under the Federal Emergency Rental Assistance Program (FERAP).



Promote Equity

Advocate for Repeal of Article 34 (state) - Article 34 of the State Constitution prohibits the development of a low-income affordable housing project with state or local public financing or assistance unless and until a majority of the voters of the jurisdiction has approved it. This dampens the capacity of public housing authorities developing affordable housing statewide. Fresno will engage lobbyists to assist with ways the Administration can support repeal efforts.

Disincent rental of single-family owner occupied homes - In order to meet our community need of converting 8,000 units of rental single-family homes to homeownership for persons between 60 to 80 percent of AMI we must responsibly disincentive the rental of certain owner occupied units in strategic ways. (including but not limited to long term rental housing like Airbnb). This is necessary to begin to shift the single-family detached rental product to homeowners to stabilize neighborhoods and increase affordability. To do this we will employ a combination of increasing the business license fees for single-family detached product and decreasing the business license fees for attached product. Additionally, we will identify high volume owners of single-family residential properties for rent, and develop a program that incentivizes them to sell to first-time home buyers, or extend a rent-to-own option to prospective buyers.

Establish Affordability Index - It has been recommended by the Here to Stay Report that the City of Fresno should establish a affordability index which "takes into account other contributing factors to displacement burden. Households that technically earn above the median income are also subject to displacement risks that are unique to Fresno and skew the validity of standard affordability."

Establish 'Open Fresno' - Full Access to Data and Plans through a GeoHub Platform - The City's Planning and Development Department is currently exploring more user-friendly portals that would allow viewers to see development projects in their area and follow projects more easily. As such, pursuit of a GeoHub is underway.

Fight PG&E Rate Increases - Outside of housing costs, utility costs pose the second greatest cost burden on households. Mayor Dyer has publicly challenged PG&E regarding its proposed rate hike. Over the last 10 years, the utility's electricity rates have increased by 85 percent. If approved by the California Public Utilities Commission, the proposed hike, along with already approved increases this year and next, would send utility costs skyrocketing by an additional 40 percent over the next five years. In addition to opposing these increases, the City will promote opportunities for residents to take advantage of utility assistance programs and solar opportunities.

Fund rent stabilization program - The administration recommends supporting a voluntary pilot program that financially incentivizes landlords in exchange for tying rental property to affordability covenants. In exchange for rehabilitation funds, affordability covenants would be required on the subject property. It is worth noting that State laws have currently limited rent increase amounts allowed for mobilehome parks due mainly to fixed incomes often found in the aging population. The One Fresno Housing Strategy does not propose rent caps for the private market outside of what already exists for mobilehome parks.

Launch rapid rehousing landlord voucher incentive program – Fresno’s Housing Authority has proposed a voucher incentive program that promotes equity for voucher holders who are competing with non-voucher holders in the housing market. The program is intended to incentivize landlords to continue renting to housing choice voucher holders (HCV), and also incentivize landlords to begin renting to HCV holders.

Pursue attaining State ‘pro-housing’ designation (state) - The Prohousing Designation Program was officially established with the passage of the Governors Fiscal Year 2019-2020 Budget, which provided a spectrum of support, incentives, and accountability measures to help meet California’s housing goals. The Program provides incentives to cities and counties in the form of additional points or other preference in the scoring of competitive housing, community development, and infrastructure programs. The City of Fresno will pursue attaining this designation.

Re-establish City and partner led downpayment assistance programs - In an effort to increase low income ownership (specifically targeting black and brown homeownership in Fresno), the Mayors office has partnered with Realtist of Fresno County and the National Association of Hispanic Real Estate Professionals (NAHREP), to market downpayment assistance through Federal Home Loan Bank of San Francisco’s WISH program. Additionally, the City will connect perspective 1st time homebuyers to Bank of America’s Community Homeownership Commitment® program³⁶ and other down payment assistance programs. Separately, the city will leverage HCD’s Permanent Local Housing Allocation funding to resurrect its own down payment assistance program.

Reduce or waive Vehicle Miles Traveled (VMT) impact fees for affordable housing projects (state) - New CEQA rules on Vehicle Miles Traveled (VMT) require projects to mitigate the number of VMTs generated above the adopted threshold. Projects within 1/2 mile of high quality transit corridors are mostly exempt, as are projects that include a "high" amount of affordable housing. The city will determine what that percentage will be. The City is proposing to create a VMT mitigation fee that would pay for active transportation capital improvements (that would increase pedestrian, bike and transit ridership). Our for-profit developer community has expressed real concern regarding VMT’s.

Support affordable housing education resident academy - The City will leverage the Mayor’s newly launched Office of Community Affairs (OCA) to partner residents with agencies that are providing homebuyer education counseling. We will market via City media outlets and to community groups such as neighborhood / homeowners’ associations, Rotary and other similar clubs, and associations of Realtors, homebuilders, and lenders.



CHAPTER 6: Affordable Housing Strategy Priority Recommendations

Strategy Overview

With the housing strategy ‘vision, objective, goal’ and priority definitions in mind, the One Fresno Housing Strategy Committee worked with City Staff, City Council, and members of the community to best understand how we might build a S.M.A.R.T (Simple, Measurable, Attainable, Realistic, and Timebound) strategy to meet desired outcomes.

The One Fresno Housing Strategy’s priorities are aligned with HUD’s ‘House America’ priorities, California’s Statewide Housing Objectives³¹, the City of Fresno’s local Housing Element³⁷, and local studies and reports produced by outside agencies (see Appendix item A). In total, this plan highlights **47 priorities** that will help meet this strategy’s goal in the area of affordable housing with additional priorities specific to addressing our unhoused needs in chapter 6. (**Note:** Priorities below are not listed in order of importance but are grouped by category)

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report Alignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
1	Preserve Existing Housing	Continue funding Aging in Place home preservation programs		Keep Californians in their homes	Objective 4/Program 22: Housing Rehabilitation	O = Fresno/Madera Agency on Aging O = Habitat for Humanity R = Financing Valley Infill		Ownership
2	Preserve Existing Housing	Create (R ³) restore, rehabilitate, and revitalize loan fund		Keep Californians in their homes	Objective 2/Program 5: Housing Funding Sources	R - DRIVE R - Southwest Specific Plan	Funding resolution and program guidelines. (Potential policy change)	Rental + Ownership
3	Prevent Displacement	Continue eviction protection program		Keep Californians in their homes	Objective 3/Program 12A: Downtown Displacement	O - CCLS R - Evicted in Fresno R - Here to Stay	Annually adopted resolution with funding to the CAO	Rental

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
4	Prevent Displacement	Continue to deploy and seek additional funding for ERAP		Keep Californians in their homes	Objective 2/Program 5: Housing Funding Sources	R - Evicted in Fresno R - DRIVER - Here to Stay		Rental + Ownership
5	Prevent Displacement	Execute housing stability fund objective		Keep Californians in their homes	Objective 2/Program 5: Housing Funding Sources	R - Here to Stay R - Evicted in Fresno	Funding resolution	Rental
6	Prevent Displacement	Re-juvenate Mobilehome Rent Review & Stabilization Commission		Keep Californians in their homes	Objective 2/Program 10A: Mobile Home Parks			Rental
7	Prevent Displacement	Support SB 847 (State)		Keep Californians in their homes	Objective 2/Program 5: Housing Funding Sources	R - Evicted in Fresno R - Financing Valley Infill		Rental
8	Produce	Declare state of housing emergency	Add new units of affordable housing into the development pipeline + Re-house households experiencing homelessness through a housing first approach	Produce more affordable and climate-smart housing + Continue to act with urgency to address homelessness and housing need	Objective 2/Program 5: Housing Funding Sources		Resolution	Rental + Ownership

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
9	Produce	Deploy multiple rounds of funding availability notices		Produce more affordable and climate-smart housing	Objective 2/Program 5: Housing Funding Sources	R = Financing Valley Infill	Policy direction	Rental + Ownership
10	Produce	Employ City Staff to shepherd housing strategy and affordable housing projects through completion				O = Private Developers		Rental + Ownership
11	Produce	Enact Restrictive Covenants		Produce more affordable and climate-smart housing	Objective 2,4/Program 5: Housing Funding Sources; Program 15: Development Incentives	O = Habitat for Humanity O = Self-Help Enterprises O = South Tower Trust R = Southwest Specific Plan	Text amendment	Rental + Ownership
12	Produce	Encourage the completion of private sector new market rate housing			Objective 1/Program 1: Adequate Sites for Housing	O = Private Builder/Developers R = Southwest Specific Plan		Rental + Ownership
13	Produce	Enhance City affordable housing density bonus	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2/Program 4: Density Bonus	R = Impediments to Fair Housing R = Financing Valley Infill	Text amendment	Rental + Ownership

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
14	Produce	Enhance code lien waiver program	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2,4: Program 5: Housing Funding Sources; Program 22: Housing Rehabilitation	O - Private property owners O - Habitat for Humanity R- Here to Stay R - Southwest Specific Plan	Resolution	Rental + Ownership
15	Produce	Ensure RHNA targets are revisited, discussed, and re-aligned with state			Objective 1/Program 1: Adequate Sites	R = Financing Valley Infill		Rental + Ownership
16	Produce	Establish inclusionary zoning ordinance	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 5/Program 26: Fair Housing	O = Other city and National best practices	Code modification and resolution	Ownership
17	Produce	Establish Land Bank	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 1/Program 1: Adequate Sites for Housing	O = Housing Authority R = Evicted in Fresno, R = Financing Valley Infill R = Here to Stay	Resolution establishing program and funding	Rental + Ownership
18	Produce	Establish Pre-Receivership loan program	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 4/Program 22: Housing Rehabilitation	O - CCLS R - Here to Stay R - Southwest Specific Plan	Policy direction and/or funding resolution	Rental + Ownership

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
19	Produce	Establish social impact bond - loan fund	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2/Program 5: Housing Funding Sources	R = DRIVE R = Evicted in Fresno R = Financing Valley Infill R = Southwest Specific Plan	Funding resolution and policy	Rental + Ownership
20	Produce	Execute recommendations from 2021 planning and development operations improvement plan				O = Private Developers R = Survey Monkey staff survey		Rental + Ownership
21	Produce	Grant broad ministerial approval process throughout City of Fresno	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 3/Program 15: Development Incentives	O = Other cities O = Financing Valley Infill		Rental + Ownership
22	Produce	Launch alternative affordable housing finance model via pilot program	Add new units of affordable housing into the development pipeline		Objective 2/Program 5: Housing Funding Sources	R - DRIVE		Rental + Ownership
23	Produce	Identify then form strategic relationships with financial institutions to support affordable housing lending	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2/Program 5: Housing Funding Sources	R = DRIVE R = Evicted in Fresno R = Financing Valley Infill R = Southwest Specific Plan	Policy direction	Rental + Ownership

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
24	Produce	Leverage housing trust fund	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2/Program 5: Housing Funding Sources	R = Evicted in Fresno R = Financing Valley Infill R = Here to Stay	Funding resolution	Rental + Ownership
25	Produce	Leverage section 108 loan - loan guarantee pool and/or loan fund	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2/Program 5: Housing Funding Sources	R = DRIVE R = Evicted in Fresno R = Financing Valley Infill R = Southwest Specific Plan	Funding resolution and policy	Rental + Ownership
26	Produce	Partner with affordable housing tax objector agencies	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 4/Program 22: Housing Rehabilitation	O - Habitat for Humanity R - Here to Stay	Policy direction	Rental + Ownership
27	Produce	Partner with and build capacity of local Community Land Trust	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2/Program 5: Housing Funding Sources	O = Central California Land Trust R = Here to Stay R = Downtown Neighborhoods Community Plan R = HFHI Affordable for Good Report	Funding resolution and policy direction	Rental + Ownership
28	Produce	Partner with and build capacity of local Mixed-Income Neighborhood Trust (MINT)	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 2/Program 5: Housing Funding Sources	R = DRIVE R = Evicted in Fresno	Funding resolution and policy direction	Rental

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
29	Produce	Provide more options within single-family only zoning districts	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 3/Program 15: Development Incentives	R = Financing Valley Infill R = Here to Stay	Text amendment	Rental + Ownership
30	Produce	Pursue attracting pre-fab housing headquarters to relocate to Fresno	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing + Continue to act with urgency to address homelessness and housing need	Objective 2/Program 6: Partnerships with Affordable Housing Developers		Policy direction	Rental + Ownership
31	Produce	Pursue strategic conversion of office space to affordable housing		Produce more affordable and climate-smart housing	Objective 1/Program 1: Adequate Sites for Housing	R = Southwest Specific Plan	Code modification	Rental + Ownership
32	Produce	Remove density cap / By Right	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 1/Program 1: Adequate Sites for Housing		Text amendment	Rental + Ownership
33	Produce	Shepherd existing housing projects in process through the pipeline	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing	Objective 4/Program 21: Neighborhood Infrastructure	R = Southwest Specific Plan		Rental + Ownership

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
34	Produce	Strategically incentivize the development of affordable housing	Add new units of affordable housing into the development pipeline	Produce more affordable and climate-smart housing + MPA Strategy A: More Housing Options	Objective 3/Program 15: Development Incentives	O = Community Development Corporations O = Economic Development Corporations O = Fresno Housing Authority O = Habitat for Humanity O = Self-Help Enterprises O = South Tower Trust R = DRIVE R = Evicted in Fresno R = Financing Valley Infill R = Southwest Specific Plan	Funding resolution	Rental + Ownership
35	Produce	Encourage accessory dwelling unit (ADU) development	Re-house households experiencing homelessness through a housing first approach	Produce more affordable and climate-smart housing + Continue to act with urgency to address homelessness and housing need	Objective 1/Program 1: Adequate Sites for Housing; Objective 3/Program 15: Development Incentives		Funding resolution	Homeless
36	Promote Equity	Advocate for Repeal of Article 34			Objective 5/Program 27: Equitable Communities		Only applies to public housing authority	Rental + Ownership
37	Promote Equity	Conduct Environmental Justice and Climate Resiliency Planning			Objective 5/Program 27: Equitable Communities	R = Here to Stay		

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
38	Promote Equity	Disincent rental of single-family owner occupied homes			Objective 2/Program 8: Homebuyer Assistance	O = SW Fresno Development Corporation R = Southwest Specific Plan	Policy direction and possibly a funding resolution and/or code modification	Ownership
39	Promote Equity	Establish Affordability Index			Objective 2/Program 5: Housing Funding Sources	R = Here to Stay		Rental + Ownership
40	Promote Equity	Establish 'Open Fresno' - Full Access to Data and Plans through a GeoHub Platform			Objective 5/Program 27: Equitable Communities	R = Here to Stay		Rental + Ownership
41	Promote Equity	Fight PG&E Rate Increase			Objective 3/Program 13: Home Energy Tune-Up or Objective 2/Program 5: Housing Funding Sources		Policy direction	
42	Promote Equity	Fund rent stabilization program			Objective 2/Program 5: Housing Funding Sources	R = DRIVE	Policy direction and funding resolution	Rental
43	Promote Equity	Launch rapid rehousing landlord voucher incentive program			Objective 5/Program 26: Fair Housing	O = Housing Authority R = DRIVE R = Here to Stay	Funding resolution	Rental

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report Alignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
44	Promote Equity	Pursue attaining State prohousing designation			Objective 2/Program 5: Housing Funding Sources	R = Financing Valley Infill R = Southwest Specific Plan	Resolution	Rental + Ownership
45	Promote Equity	Re-establish City and partner led down payment assistance programs			Objective 2/Program 8: Homebuyer Assistance	O = Habitat for Humanity O = Highway City CDC O = Self Help Enterprises R = Southwest Specific Plan	Policy direction and funding resolution	Ownership
46	Promote Equity	Reduce or waive Vehicle Miles Traveled (VMT) impact fees for affordable housing projects			Objective 3/Program 15: Development Incentives	O = For and not-for profit developers R = Financing Valley Infill R = Downtown Neighborhoods Community Plan R = Here to Stay R = Southwest Specific Plan		Rental + Ownership

Item	Category	Priority	HUD National Housing Objective Alignment	Statwide Housing Plan Objective Alignment	Housing Element Alignment	Local Organization or Report iAlignment (O = Org. recommendation R = Report recommendation)	Policy/Resolution or Code modification recommendation	Impact on Rental, Ownership or Housing for the unhoused
47	Promote Equity	Support affordable housing education resident academy			Objective 5/Program 26: Fair Housing	O = Lowell CDC O = SW Fresno Development Corp O = Realtist of Fresno County O = NAHREP O = Habitat for Humanity O = Self-Help Enterprises O = Community Housing Council O = FIRM R = DRIVE R = Financing Valley Infill R = Downtown Neighborhoods Community Plan R = Southwest Specific Plan	Policy direction	Rental + Ownership

Strategy funding recommendations and outputs

Being good stewards of once in a lifetime State and Federal funding to invest in housing is key. In order for this strategy to be comprehensive, it not only ties priorities to policies, but it outlines funding recommendations (where applicable) along with the expected output of said investment.

In sum, this three-year strategy calls for an investment of **\$101,645,000** and will yield **4,695** affordable housing units between 15 to 100 percent of area median income. Of the 4,695 affordable units, approximately 25 percent will be built to satisfy this strategy's goal of constructing two to three bedroom units affordable to households who can pay between \$500 - \$1000 per month.

Currently this strategy also projects an additional **4,110 units of market rate housing** to be completed over the next three years in Fresno. While the city of Fresno has averaged 1,340 new housing units annually over the past three years, this strategy if executed, will set Fresno on a path to meet these targets.

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81- 100%	> 100%	Total Units
1	Preserve Existing Housing	Continue funding Aging in Place home preservation programs	\$350,000	\$2,100,000	CDBG	\$700,000	\$700,000	\$700,000								
2	Preserve Existing Housing	Create (R ³) restore, rehabilitate, and revitalize loan fund		\$1,000,000	HOME	\$250,000	\$250,000	\$500,000			10	5	10			25
3	Prevent Displacement	Continue eviction protection program	\$750,000	\$900,000	ERAP III	\$900,000										

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81- 100%	> 100%	Total Units
4	Prevent Displaceme nt	Continue to deploy and seek additional funding for ERAP	\$64,000,000	TBD	ERAP III	TBD	TBD	TBD								
5	Prevent Displaceme nt	Execute housing stability fund objective	\$750,000													
6	Prevent Displaceme nt	Re-juvenate Mobilehome Rent Review & Stabilization Commission														
7	Prevent Displaceme nt	Support SB 847 (State)														
8	Produce	Declare state of housing emergency														
9	Produce	Deploy multiple rounds of funding availability notices	HOME-ARP: \$4,000,000 ARPA(1of2): \$11,880,000 LHTF: \$5,000,000 HOME: \$14,960,056.42 HOME-CHDO: \$1,437,316 CDBG: \$2,369,784 NSP3: \$1,173,304.22 TOTAL: \$40,820,460.60		CDBG HOME HOME- CHDO ARPA 2 PLHA 1 & 2 PLHS LHTF	CDBG: \$4,658,852.03 HOME: \$2,872,260 HOME- CHDO: \$493,453 ARPA(2of2): ~\$50,000,000 PLHA 1 & 2: \$4,961,322 LHTF: \$1,500,000 TOTAL: \$64,485,887	PLHA 3&4: TBD HOME: HOME: TBD HOME- CHDO: TBD LHTF: \$1,500,000 CDBG: \$1,500,000 CDBG: TBD TOTAL: TBD	HOME: TBD HOME- CHDO: TBD LHTF: \$1,500,000 CDBG: \$TBD TOTAL: TBD								

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81- 100%	> 100%	Total Units
10	Produce	Employ City Staff to shepherd housing strategy and affordable housing projects through completion		\$270,000+ / per year	General Funds	\$278,100	\$286,443	\$295,036								
11	Produce	Enact Restrictive Covenants											20			20
12	Produce	Encourage the completion of private sector new market rate housing													3960 Market rate not included in totals	3960 Market rate not included in totals
13	Produce	Enhance City affordable housing density bonus								10	10	20	20			60
14	Produce	Enhance code lien waiver program											15			15
15	Produce	Ensure RHNA targets are revisited, discussed, and re-aligned with state														

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81- 100%	> 100%	Total Units
16	Produce	Establish inclusionary zoning ordinance									130	130	130			390
17	Produce	Establish Land Bank		\$5,000,000	CDBG		\$5,000,000			10	40	10	40			100
18	Produce	Establish Pre-Receiver ship loan program		\$1,000,000	HOME	\$250,000	\$250,000	\$500,000		10	20	10				40
19	Produce	Establish social impact bond - loan fund		\$3,000,000	Bond	\$3,000,000					20	10	20			50
20	Produce	Execute recommendations from 2021 planning and development operations improvement plan														
21	Produce	Grant broad ministerial approval process throughout City of Fresno									20	20	20			60
22	Produce	Launch alternative affordable housing finance model via pilot program			TBD											

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81-100%	> 100%	Total Units
23	Produce	Identify then form strategic relationships with financial institutions to support affordable housing lending											50			50
24	Produce	Leverage housing trust fund	\$5,000,000	\$4,500,000		\$1,500,000	\$1,500,000	\$1,500,000				100				100
25	Produce	Leverage section 108 loan - loan guarantee pool and/or loan fund		\$15,000,000	CDBG	\$0	\$15,000,000	\$0		25	100	50	25			200
26	Produce	Partner with affordable housing tax objector agencies											10	10	10	30
27	Produce	Partner with and build capacity of local Community Land Trust		\$1,000,000	CDBG	\$1,000,000				5	5	5	10			25

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81- 100%	> 100%	Total Units
28	Produce	Partner with and build capacity of local Mixed-Income Neighborhood Trust (MINT)		\$2,000,000	TBD	\$2,000,000										
29	Produce	Provide more options within single family only zoning districts											10	20		30
30	Produce	Pursue attracting pre-fab housing headquarters to relocate to Fresno		\$250,000			\$250,000				10	10	10			30
31	Produce	Pursue strategic conversion of office space to affordable housing									5	5	10		180 Mark et Rate	20
32	Produce	Remove density cap / By Right								10	10	20	20			60
33	Produce	Shepherd existing housing projects in process through the pipeline		\$3,000,000	TBD	\$3,000,000			249	146	249	434	622			1700

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81- 100%	> 100%	Total Units
34	Produce	Strategically incentivize the development of affordable housing	\$14,000,000 through FY25 (HOME, HOME-CHDO, PLHA 3&4) Additional funding could come from ARPA 2of2, LHTE, CDBG	\$56,000,000	HOME & CDBG	\$50,000,000	\$20,000,000				400	200	600			1200
35	Produce	Encourage accessory dwelling unit (ADU) development		\$5,625,000	TBD	\$1,875,000	\$1,875,000	\$1,875,000			75	10	20	20		125
36	Promote Equity	Advocate for Repeal of Article 34														
37	Promote Equity	Conduct Environmental Justice and Climate Resiliency Planning	\$400,000													
38	Promote Equity	Disincent rental of single family owner occupied homes														

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81- 100%	> 100%	Total Units
39	Promote Equity	Establish Affordability Index														
40	Promote Equity	Establish 'Open Fresno' - Full Access to Data and Plans through a GeoHub Platform														
41	Promote Equity	Fight PG&E Rate Increase														
42	Promote Equity	Fund rent stabilization program		\$1,000,000		\$1,000,000					10	5	10			25
43	Promote Equity	Launch rapid rehousing landlord voucher incentive program	\$1,000,000		ARPA I	\$1,000,000				50	125	25	100			300
44	Promote Equity	Pursue attaining State prohousing designation														

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15 %	< 30 %	< 50 %	< 60 %	< 80 %	81-100%	> 100%	Total Units
45	Promote Equity	Re-establish City and partner led down payment assistance programs	\$2,471,100		PLHA						10	20	10			40
46	Promote Equity	Reduce or waive Vehicle Miles Traveled (VMT) impact fees for affordable housing projects														TBD
47	Promote Equity	Support affordable housing education resident academy														
	TOTALS		\$74,721,100	\$101,645,000		\$64,878,100	\$43,236,443	\$3,495,036	249	266	1249	1089	1782	50	10	4695

*Note to the reader: The FY23 – FY25 individual year totals may not equal the total ‘recommended additional investment’ as there are instances where dollars are currently committed on an annual basis to certain programs beyond the recommended additional investment.

Chapter 6 – Affordable Housing Recommendations Summary

1. We have identified **47 priorities that will help us meet our strategic housing goals.**
2. Our plan's priorities are aligned with HUD's 'House America' priorities, California's Statewide Housing Objectives, the City of Fresno's local Housing Element, and local studies and reports produced by outside agencies
3. **Our three-year strategic plan effort call for an investment of \$101,645,000 and will yield 4,695 affordable housing units** between 15 to 100 percent of area median income. Of the 4,695 affordable units, approximately 25 percent of the units will be built to satisfy this plan's goal of building two to three bedroom units affordable to households who can pay between \$500 - \$1000 per month.
4. We also project an additional **4,110 units of market rate housing** to be completed over the next three years in Fresno.



CHAPTER 7: Housing the Unhoused Strategy Overview

As mentioned in Chapter 2's focus on vulnerable populations, Fresno is not dissimilar to many other cities across the nation that are experiencing the challenge of homelessness. Addressing our City's homelessness challenge has become priority number one.

Following a series of early 2020 incidents involving the unhoused, it became apparent for public safety, that persons experiencing homelessness living on these embankments were the most endangered residents in our community. Leveraging state Project Homekey Round 1 grant funding to acquire and transform hotels into emergency housing, the Dyer Administration launched Project Off-Ramp upon taking office in 2021. Project Off-Ramp aimed to 'off-ramp' individuals from a life of homelessness to an on-ramp to housing, services, and a productive life. Through these efforts, in 2021 over 500 of Fresno's unhoused were housed which became a demonstrable success highlighted by our State's Governor.

One thing that became abundantly clear during the City's Project Off-Ramp effort was that additional shelter options were needed to successfully transition unhoused persons along the housing continuum; and to ensure there were no bottlenecks for others needing emergency shelter. This plan addresses this need. As a part of this planning process a 20 member **Housing for the Unhoused and Precariously Housed Subcommittee** was convened to address this issue. The committee was comprised of the following members:

One Fresno Housing for the Unhoused and Precariously Housed Subcommittee	
<ul style="list-style-type: none"> • Zach Darrah, <i>Poverello House</i> • Sonia De La Rosa, <i>Fresno County</i> • Matt Dildine, <i>Fresno Mission</i> • Doreen Eley, <i>Fresno Housing</i> • Brad Hardie, <i>RH Community</i> • Nicole Henson, <i>Fresno Housing</i> • Malissa Holt, <i>Mental Health Systems</i> • Robert Huerta, <i>Poverello House</i> • Angie Jenkins, <i>Mental Health Systems</i> • Shawn Jenkins, <i>West Care</i> 	<ul style="list-style-type: none"> • Jody Ketcheside, <i>Turning Point</i> • Maryann Knoy, <i>West Care</i> • Sara Mirhadi, <i>Poverello House</i> • Edith Rico, <i>Mental Health Systems</i> • Priscilla Robbins, <i>Fresno Mission</i> • Michael Smith, <i>RH Community</i> • Michael Thomas, <i>Turning Point</i> • Katie Wilbur, <i>RH Community</i> • H Spees, <i>City of Fresno</i> • Phil Skei, <i>City of Fresno</i>

The Subcommittee realized immediately that there are many whose life situations cause them to experience shelter or housing vulnerability including but not limited to:

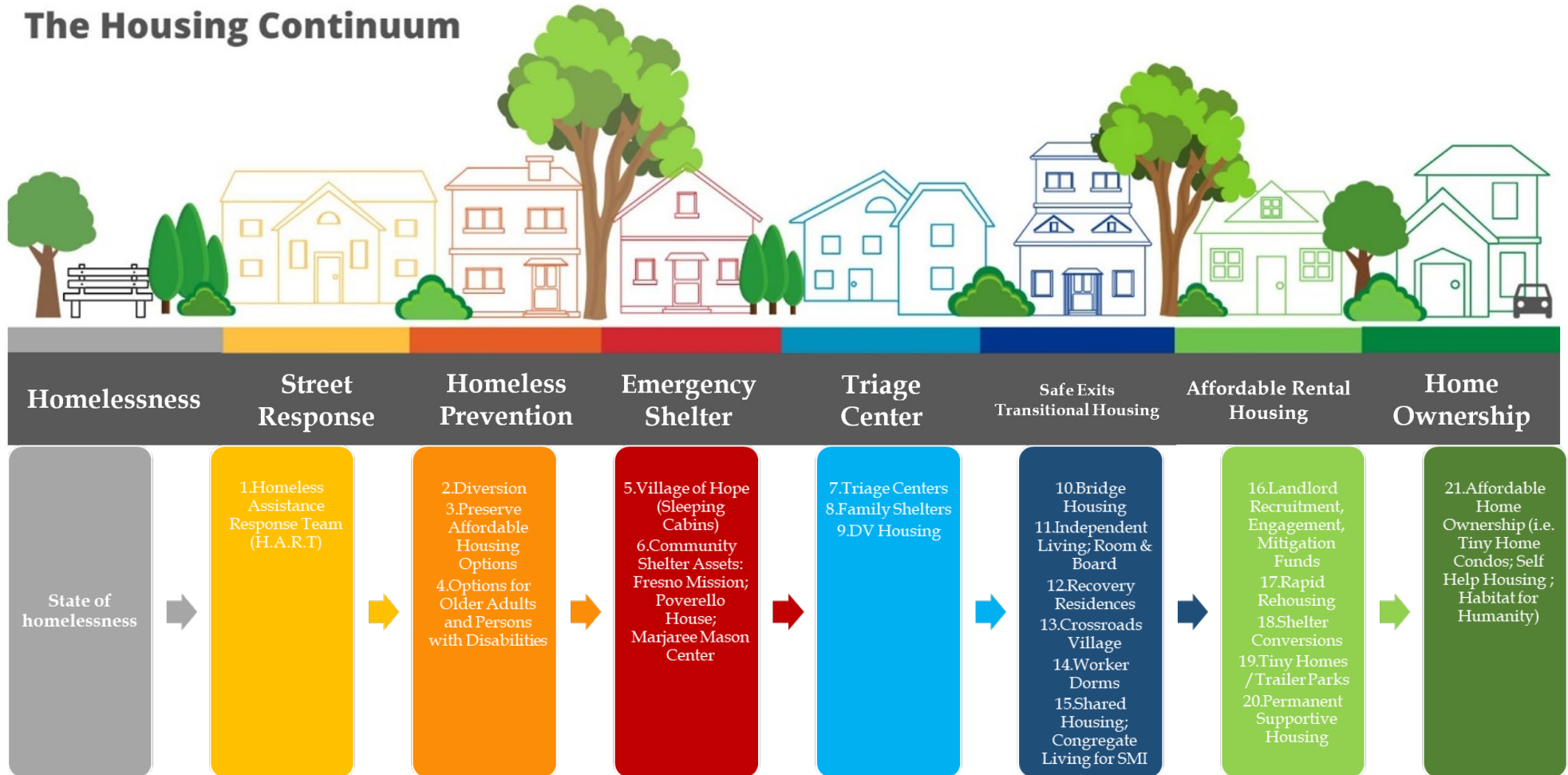
- Older Adults
- Foster Youth
- Victims of Domestic Violence and Human Trafficking
- Those formerly incarcerated/reentry population
- LGBTQ+
- Those with physical or behavioral health needs and/or suffering substance abuse disorder
- Those impacted by poverty and/or other negative social determinants of health

For the purpose of this report, The Subcommittee focused on the unhoused population, first because this unique population touches on many if not all of these additional vulnerable populations, and second because of the extreme vulnerability experienced by the unhoused.

Definition of Priorities in Addressing Homelessness

The Subcommittee has grouped priorities within several categories across the City of Fresno’s homeless services and housing continuum. (see *graphic 22a* below). Every recommendation falls along the continuum spanning from homelessness through homeownership. Each step has a series of strategic priority recommendations that totaling **24** in all. The descriptions on the next page provide insight into each of these priorities.

The Housing Continuum



Graphic 22a

Street Response and Beyond

Leverage Homeless Assistance Response Team (H.A.R.T)

H.A.R.T is a compassionate, responsive, lawful and effective outreach engaging unsheltered individuals and families to take the first step off the streets and into a new future. Outreach activities include essential services necessary to reach out to people experiencing homelessness and connect them with housing options and/or critical services. HART's multi-disciplinary, multi-agency team includes outreach workers, code enforcement professionals, law enforcement officers, housing providers, community-based organizations (CBOs) committed to whole-person care and response.

We intend to utilize the Mayors H.A.R.T team on an ongoing basis to meet people where they are and engaging them at the first step along the continuum.

Encourage accessory dwelling unit (ADU) development (for persons at-risk of or experiencing homelessness)

While our affordable housing section of this strategy highlighted the priority to utilize ADUs to address our broad affordable housing needs, we believe various types of ADUs can be deployed at different stages along the continuum including use for emergency shelter, transitional housing, rental housing and even home ownership for the unhoused.

Additionally, per local LGBTQ+ community feedback, the lack of non-congregate housing for transgender houseless individuals is of great need and this housing product could certainly help.

Establish Shelter Housing Reserve Fund

In providing housing supports, funding ongoing operations is key. We recommend establishing a reserve fund for operations, support services, maintenance, and repair for various types of shelters and activities (e.g., case management provided at shelters, triage centers, including tiny home villages, sleeping cabins, Project Homekey-funded shelters/triage centers, hotels used for temporary housing, etc.)

Support Fresno Mission Urban Housing Initiatives

Fresno Mission, one of the most longstanding faith-based CBOs serving the unhoused and under-resourced in our community, has a wide range of urban housing plans in the works ranging from micro homes to tiny homes to dormitories to apartments with up to 1,000 units in their plans for three separate projects within the city limits of Fresno. We recommend supporting these initiatives.



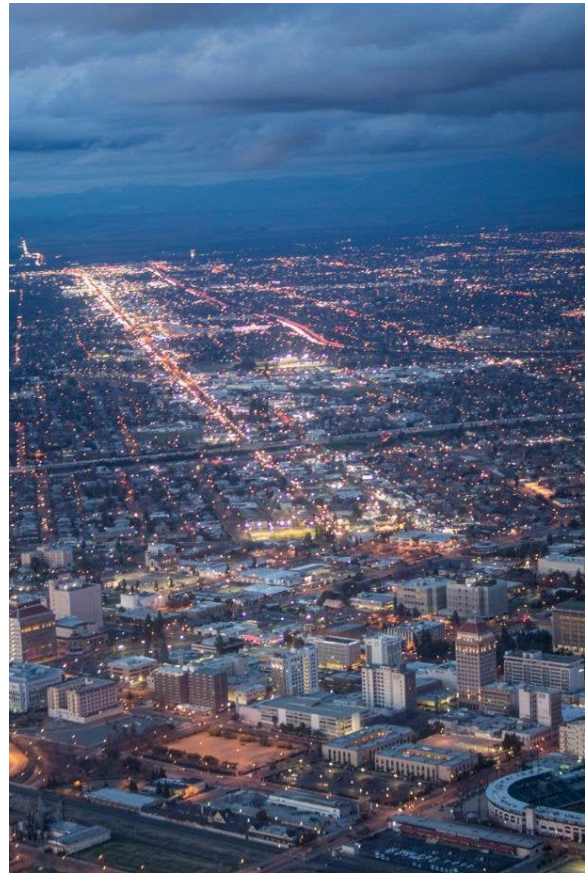
Homelessness Prevention

Employ Diversion Strategies - Diversion employs strategies that help people experiencing a housing crisis quickly identify and access safe alternatives to emergency shelter. Aimed at helping households stay safely in current housing or, if that is not possible, move to other housing without requiring a shelter stay first. Priority is given to households who are most likely to be admitted to shelters or be unsheltered if not for this assistance.

Encourage permanent supportive housing- Decent, safe, affordable, community-based housing that provides tenants with the rights of tenancy and links to voluntary and flexible supports and services for people with disabilities who are experiencing chronic homelessness is important.

Permanent supportive housing (PSH) is housing with indefinite leasing or rental assistance paired with support services to assist persons with a disability or families with an adult or child member with a disability achieve housing stability. PSH provides community-based housing enabling individuals and families that were unhoused to live as independently as possible. The Housing First approach is a cornerstone of effective PSH programs. The first priority for admission to PSH should be for those who experience chronic homelessness. PSH can be at a single site model or a scattered site model. Numerous cost studies across the country have demonstrated the cost-effectiveness of PSH.

Preserve and Increase Permanent Supportive Housing – Housing for Healthy California Program (HHC) and No Place Like Home (NPLH) programs are funding sources that can be leveraged for providing the resources needed to build and operate PSH. These efforts will require a behavioral/mental (through the Fresno County Department of Behavioral Health for NPLH) and/or medical supportive services agreement in addition to working with the Housing Authority to secure Housing Choice Vouchers for these sites.



Emergency Shelter

Establish Sleeping Cabin Village) - A sleeping cabin community provides emergency shelter as a transformational first step off the streets for the unhoused in downtown Fresno.

Poverello House's Village of Hope community will provide 24-hour staff, security and navigation services to those staying in the 100 square foot prefabricated sleeping cabin unit. These units are used throughout the country as a temporary, quick, cost-effective way to provide safe, humane emergency shelter for people experiencing homelessness. Units include electricity, air conditioning, heating, lighting, and charging stations as well as beds and a desk area. The Village of Hope will include an 800 square foot community services unit and six bathroom/shower units, two of which will meet Americans with Disabilities Act (ADA) accessibility standards.

Increase capacity and sustainability of long-standing community shelter assets -

These longstanding privately funded shelters and service providers are critical for the long-term viability of Fresno's homeless service delivery system. They include but are not limited to:

- Fresno Mission
- Poverello House
- Marjaree Mason Center
- Salvation Army
- Evangel Home, and others



Triage Center

Fund Domestic Violence (DV) housing -

The support of shelters/triage centers that serve women and families who are in danger, fleeing violence or victims of domestic violence is an important ongoing investment in our community.

Right size and sustain Family Shelters -

Shelters/Triage Centers serving families and households with dependent minors which may include but not limited to pregnant parents, parenting youth, households engaged in reunification and/or child welfare services need funding to render said services.

Right size and sustain Triage Centers -

Triage Centers provide 24/7 housing-focused emergency shelter that provides low barrier access to either dormitory or semi-private accommodations with on-site services including diversion, case management, connection to community resources, housing placement, and stabilization of health issues. Funding these efforts requires the largest investment of all of our existing efforts in order to address our City's homelessness challenge.

Acquire additional Motels for shelter transition and affordable housing conversion -

Through the acquisition of former motels, transitioning them into Triage Centers/Emergency Shelters and then renovating them into Affordable Housing, several goals along the continuum of housing for unhoused populations can be met. This effort has already proven successful however our housing plan calls for an additional 1,000 hotel/motel room conversions to meet our housing needs.



Safe Exits / Transitional Housing

Continue support of Crossroads Village -

Crossroads Village is home to 165 households that are exiting homelessness. While residing at Crossroads Village, residents receive case management and supportive services from RH Community Builders and other community partners. Additionally, Crossroads Village has ample community meeting space to host trainings, collaborative meetings, and community engagement.

Convert some Triage Center Housing to Bridge Housing - Bridge Housing provides a shelter for households that have been assessed for housing and are in the process of being permanently housed. Bridge housing allows for households to be in a safe environment and easily located while housing is being secured. Converting some triage center housing into bridge housing is an important step to add more units along the continuum.

Encourage shared housing; congregate living - Shared housing is defined as using written agreements to formalize the co-residence of two or more households within the same housing unit where each household contributes to the finances using their own income or benefits. Shared housing tends to result in a somewhat equal power dynamic, wherein each family feels that it has a claim to the space. Shared housing is not time-limited or temporary housing. There are many forms of shared housing, and we believe it is a necessary spoke in the wheel of our combatting homelessness in Fresno, including for those with serious mental illnesses.

Expand Recovery/Sober Living residences

- Relapse can be common among people treated for substance use disorders. High rates of relapse highlight the need for new ways to address substance use disorder treatment. This is where peer-run, recovery-oriented housing can fill a service gap. These homes offer safe, alcohol- and drug-free environments that afford people in recovery with the opportunity to continually surround themselves with other people who are pursuing the same goal of recovery and wellness. These homes do not require state licensure or a conditional use permit (CUP).

We see these offering potentially two levels of service for single or double occupancy. (i.e., three-bedroom homes with six residents or three-bedroom homes with three residents, with the latter residents at a higher level of self-sufficiency/income.

Explore expansion of worker dorms -

Worker dormitories/bunk houses for employed individuals are a great safe exit/transitional housing option. Residents live in a safe and secure dormitory-style environment and are not required to participate in any program functions. Individuals pay a daily, weekly or monthly rate to live in the facility. Residents are self-sufficient and provide their own food and hygiene products. Facilities provide bedding and lockers. Residents may have access to on-site medical care, limited case management and connection to employment specialists.

Promote independent living; room & boards – Independent Living and Room & Board options are privately owned homes or complexes. They serve residents that do not need medication oversight, are able to function without supervision, and live independently.

Based in San Diego, the Independent Living Association (ILA) has developed quality standards that are best practices for independent living facilities and provides an online directory of certified independent living facilities. The Fresno County Department of Behavioral Health plans contracted with the ILA for technical assistance to ensure quality shared living environments. There is an opportunity to grow capacity by marketing the ILA concept to potential owners/operators.

Convert Triage Centers to Affordable Housing – We recommend the conversion of various former motels transitioned into emergency shelter into Affordable Housing through private partnerships and the use of Low Income Housing Tax Credits.



Affordable Rental Housing

Invest in Rapid Rehousing - Rapid Rehousing provides housing relocation and stabilization services as well as short- and/or medium-term rental assistance as necessary to help individual and households move as quickly as possible into permanent housing and achieve stability.

Launch landlord recruitment, engagement, mitigation funds program - Landlord Engagement and Risk Mitigation services recruit and retain landlords to house families experiencing homelessness. For example, the Fresno/Madera Continuum of Care (FMCoC) Risk Mitigation Funds have provided financial compensation to landlords that have rented to clients and experienced monetary losses beyond the security deposit.

Home Ownership

Support Affordable home ownership - The final step along the continuum is to assist households in achieving the American Dream – home ownership. A lower cost opportunity to build equity can come by way of buying one's own Accessory Dwelling Unit.

As we partner with local ADU builders such as California Tiny Homes and Pre-Fab Innovations to acquire and deploy units, permanent financing can be secured by ready home buyers.



CHAPTER 8: Housing the Unhoused Strategic Plan

Plan Overview

The goal of the housing the unhoused strategy is **‘to reduce Fresno’s family homelessness by 35 percent and single adult homelessness by 20 percent by June 2024 while maintaining a safe exit rate of above 50 percent in 90-120 days from our shelters/triage centers.’** Similar to the affordable housing strategy, the housing the unhoused strategy intends to utilize a S.M.A.R.T (Simple, Measurable, Attainable, Realistic, and Timebound) goal approach to ensure success.

This strategy’s priorities are aligned with HUD’s ‘House America’ priorities, California’s Statewide Housing Objectives³¹, the City of Fresno’s local Housing Element³⁷, and local studies and reports produced by outside agencies (see *Appendix item A*). Below you will see each priority and the alignment of these other agencies and reports (if applicable). Additionally, the chart below calls which underlying policies, resolutions, text amendments and/or code modifications will be required to make the priority a reality.

In total, we have identified **24 priorities** that will meet this strategy’s goal in the area of housing the unhoused. (**Note:** Priorities below are not listed in order of importance but are grouped by category)

Item	Category	Priority	Statewide Housing Plan Objective Alignment	Housing Element Alignment	Outside agency recommendation	Policy/Resolution or Code modification recommendation
1	a. Street Response	Leverage Homeless Assistance Response Team	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
2	All	Encourage accessory dwelling unit (ADU) development (for persons experiencing homelessness)	Produce more affordable and climate-smart housing + Continue to act with urgency to address homelessness and housing need	Objective 1/Program 1: Adequate Sites for Housing; Objective 3/Program 15: Development Incentives		Funding resolution and text amendment needed
3	All	Establish Shelter Housing Reserve Fund		Objective 2/Program 9: Homeless Assistance		Funding resolution

Item	Category	Priority	Statewide Housing Plan Objective Alignment	Housing Element Alignment	Outside agency recommendation	Policy/Resolution or Code modification recommendation
4	All	Partner with Fresno City College for HOPE Project (students experiencing homelessness 18-74 years of age)	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction
5	All	Support Fresno Mission Urban Housing Initiatives	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Depending on location any of the sites may require a GPA/rezone to allow the mix of uses
6	b. Homelessness Prevention	Employ Diversion Strategies	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction
7	b. Homelessness Prevention	Encourage permanent supportive housing (Connected to Preserve and Increase Permanent Supportive Housing)	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
8	b. Homelessness Prevention	Preserve and Increase Permanent Supportive Housing	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Funding resolution
9	c. Emergency Shelter	Establish Sleeping Cabin Villages	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Potential code modification
10	c. Emergency Shelter	Increase capacity and sustainability of long-standing community shelter assets.	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
11	d. Triage Center	Fund Domestic Violence housing	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
12	d. Triage Center	Right size and sustain Family Shelters	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution

Item	Category	Priority	Statewide Housing Plan Objective Alignment	Housing Element Alignment	Outside agency recommendation	Policy/Resolution or Code modification recommendation
13	d. Triage Center	Right size and sustain Triage Centers	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
14	d. Triage Center	Acquire additional Motels for shelter transition and affordable housing conversion	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
15	e. Safe Exits/ Transitional Housing	Continue support of Crossroads Village	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Funding resolution
16	e. Safe Exits/ Transitional Housing	Convert some Triage Center Housing to Bridge Housing	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
17	e. Safe Exits/ Transitional Housing	Encourage shared housing; congregate living	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Possibly a code modification
18	e. Safe Exits/ Transitional Housing	Expand Recovery/Sober Living residences	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Possibly a code modification
19	e. Safe Exits/ Transitional Housing	Explore expansion of worker dorms	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Possibly a code modification
20	e. Safe Exits/ Transitional Housing	Promote independent living; room & boards	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Possibly a code modification
21	e. Safe Exits/ Transitional Housing	Convert Triage Centers to Affordable Housing	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Policy direction and funding resolution
22	f. Affordable Rental Housing	Invest in Rapid Rehousing	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Funding resolution

Item	Category	Priority	Statewide Housing Plan Objective Alignment	Housing Element Alignment	Outside agency recommendation	Policy/Resolution or Code modification recommendation
23	f. Affordable Rental Housing	Launch landlord recruitment, engagement, mitigation funds program	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Funding resolution
24	g. Home Ownership	Support Affordable home ownership (i.e. Tiny Home condos; Self-Help housing; Habitat for Humanity) See Item #3 ADUs for similar cost/investment/unit information.	Continue to act with urgency to address homelessness and housing need	Objective 2/Program 9: Homeless Assistance	Homeless Collaborative Subcommittee	Possibly a code modification

Strategic plan funding and outputs

Leveraging, state, federal, local and private funding will be essential to tackle the challenges our unhoused community faces. In order for this strategy to be comprehensive, it not only tied priorities to policies, but also outlined the funding recommendations (where applicable) along with the expected output of said investment.

In sum, the three-year housing the unhoused strategy calls for an investment of **\$153,184,000** and will yield **2,231** affordable housing units for the unhoused between 0 to 50 percent of area median income. We believe these 2,231 units will provide shelter for thousands of formerly unhoused persons.

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15%	< 30%	< 50%	< 60%	< 80%	81-100%	> 100%	Total Units
1	a. Street Response	Leverage Homeless Assistance Response Team	\$2,500,000	\$7,500,000	City General Fund, various State and Federal funding sources	\$2,500,000	\$2,500,000	\$2,500,000								0
2	All	Encourage accessory dwelling unit (ADU) (exits from homelessness)		\$3,375,000		\$1,125,000	\$1,125,000	\$1,125,000	25	50						75
3	All	Establish Shelter Housing Reserve Fund		\$4,500,000	Part of COF Annual Budget	\$1,500,000	\$1,500,000	\$1,500,000	All							N/A
4	All	Partner with Fresno City College for HOPE Project (students experiencing homelessness 18-74 years of age)			State HHAP Grants											TBD

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15%	< 30%	< 50%	< 60%	< 80%	81-100%	> 100%	Total Units
5	All	Support Fresno Mission Urban Housing Initiatives		\$2,500,000		\$2,500,000			32	32						64
6	b. Homeless ness Prevention	Employ Diversion Strategies	\$402,000	\$1,500,000	HHAP HEAP	\$500,000	\$500,000	\$500,000	469 Hous ehold s	469 Hous ehold s						938 Hous ehold s
7	b. Homeless ness Prevention	Encourage permanent supportive housing (Connected to Preserve and Increase Permanent Supportive Housing)														N/A
8	b. Homeless ness Prevention	Preserve and Increase Permanent Supportive Housing			County Housing Authority				200							200
9	c. Emergenc y Shelter	Establish sleeping cabins village	\$3,000,000 (includes \$1.3M acquisition and \$1.7M operations for downtown Village of Hope in 2022	\$11,500,000	State and Federal funding sources	\$4,700,000	\$3,400,000	\$3,400,000	50	50	100					200

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15%	< 30%	< 50%	< 60%	< 80%	81-100%	> 100%	Total Units
10	c. Emergency Shelter	Increase capacity and sustainability of long-standing community shelter assets.		\$5,000,000	Multi-Agency Response to Community Homelessness (MARCH); Philanthropies; Qualifying Public Dollars	\$1,000,000	\$2,000,000	\$2,000,000	333	333	334					1000
11	d. Triage Center	Fund Domestic Violence housing	Check HHAP, ESG and other current COF, County, FMCoC and private funding.	Ongoing at current or increased levels	Private and Public											
12	d. Triage Center	Right size and sustain Family Shelters	Check HHAP, ESG and other current COF, County, FMCoC and private funding	\$15,000,000	City is currently applying for Family Homeless Challenge Funds from the State of California to provide continued services in place currently at Step Up on 99, which is scheduled for conversion to affordable housing in 2023.	\$5,000,000	\$5,000,000	\$5,000,000								

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15%	< 30%	< 50%	< 60%	< 80%	81-100%	> 100%	Total Units
13	d. Triage Center	Right size and sustain Triage Centers	\$18,370,000	\$55,110,000	State and Federal funding sources (tentative)	\$18,370,000	\$18,370,000	\$18,370,000	835 Operations							835 Operations
14	d. Triage Center	Acquire additional Motels for shelter transition and affordable housing conversion	Multiple via ARPA funding	TBD	TBD											TBD
15	e. Safe Exits/ Transitional Housing	Continue support of Crossroads Village	County operating and supporting this site with plans to convert to permanent housing in late 2022/early 2023													N/A
16	e. Safe Exits/ Transitional Housing	Convert some Triage Center Housing to Bridge Housing	Included under Item 11 (Triage Centers)													
17	e. Safe Exits/ Transitional Housing	Encourage shared housing; congregate living		\$1,500,000	State/Federal/Private	\$500,000	\$500,000	\$500,000	50	50						100

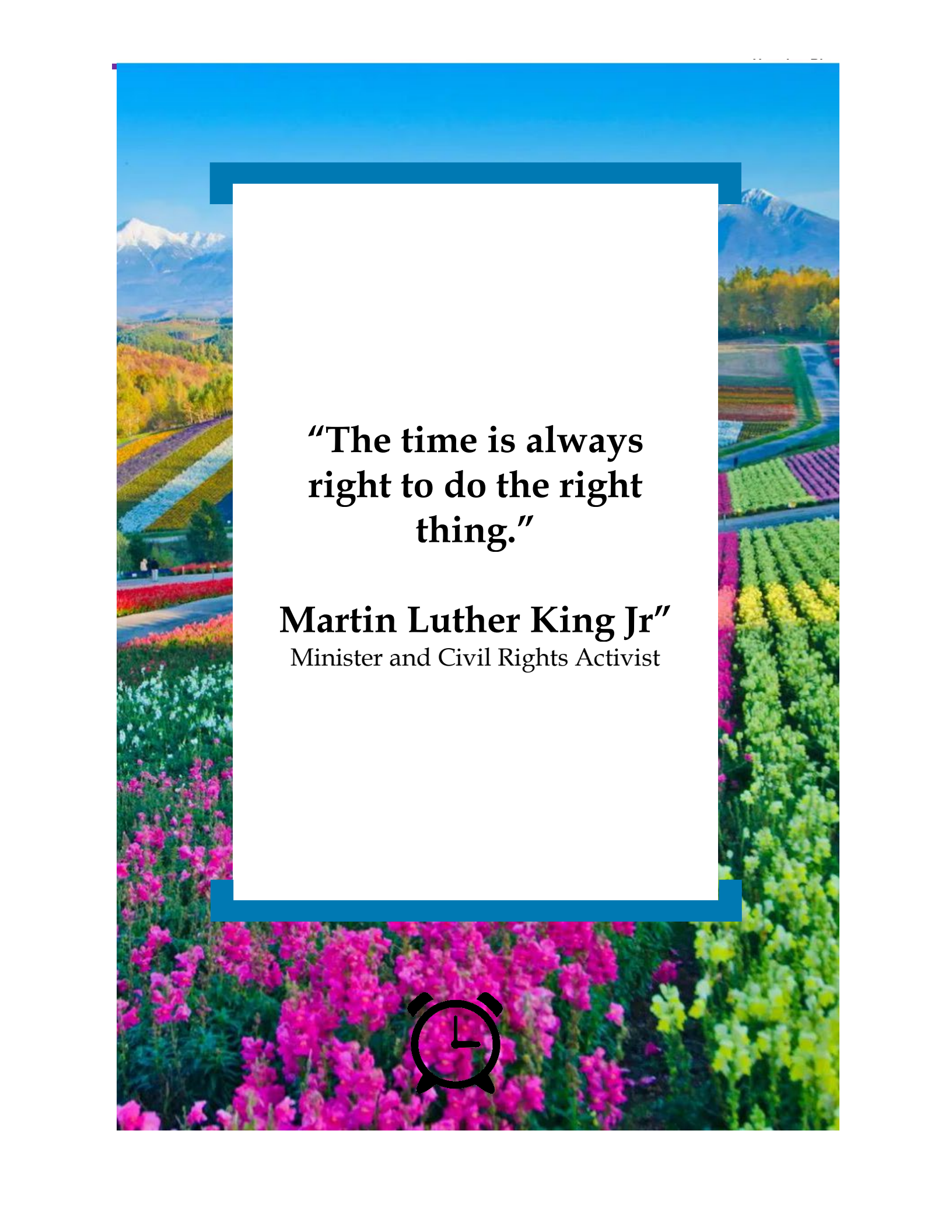
#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15%	< 30%	< 50%	< 60%	< 80%	81-100%	> 100%	Total Units
18	e. Safe Exits/ Transitional Housing	Expand Recovery/Sober Living residences		\$600,000	State funds due to their flexibility. Requires more research. Philanthropic investment could be strategic here.	\$200,000	\$200,000	\$200,000	60							60
19	e. Safe Exits/ Transitional Housing	Explore expansion of worker dorms														N/A
20	e. Safe Exits/ Transitional Housing	Promote independent living; room & boards		\$600,000	State funds due to their flexibility. Requires more research. Philanthropic investment could be strategic here.	\$200,000	\$200,000	\$200,000	60							60
21	e. Safe Exits/ Transitional Housing	Convert Triage Centers to Affordable Housing	\$14,000,000	\$42,000,000	LIHTC, Local, State, Fed	\$14,000,000	\$14,000,000	\$14,000,000	192							192
22	f. Affordable Rental Housing	Invest in Rapid Rehousing		\$1,500,000	State or Federal Funding	\$500,000	\$500,000	\$500,000	100							100

#	Category	Priority	Existing funding/ investment	Recommended Additional Investment	Funding source	FY23 Funding amount	FY24 Funding amount	FY25 Funding amount	< 15%	< 30%	< 50%	< 60%	< 80%	81-100%	> 100%	Total Units
23	f. Affordable Rental Housing	Launch landlord recruitment, engagement, mitigation funds program	Agreement between County and RH Community Builders beginning 2019 through 2024 in the amount of 1,093,000	\$999,000	State Funding	\$333,000	\$333,000	\$333,000	60	60	60					180
24	g. Home Ownership	Support Affordable home ownership (i.e. Tiny Home condos; Self-Help housing; Habitat for Humanity) See Item #3 ADUs for similar cost/investment/unit information.														TBD
			\$35,272,000	\$153,184,000		\$52,928,000	\$50,128,000	\$50,128,000	1162	575	494	0	0	0	0	2231

Chapter 8 – Housing the Unhoused Strategic Plan Summary

1. We have identified **24 priorities that will help us meet our strategic homeless housing goals.**
2. Our plan's priorities are aligned with HUD's 'House America' priorities, California's Statewide Housing Objectives, the City of Fresno's local Housing Element, and local studies and reports produced by outside agencies
3. **Our three-year strategic plan effort calls for an investment of** In sum, our three-year homeless strategic plan effort calls for an investment of **\$153,184,000** and will yield **2,231** affordable housing units for homeless individuals between 0 to 50 percent of area median income. These 2,231 units will provide shelter for thousands of homeless persons.





**“The time is always
right to do the right
thing.”**

Martin Luther King Jr”
Minister and Civil Rights Activist

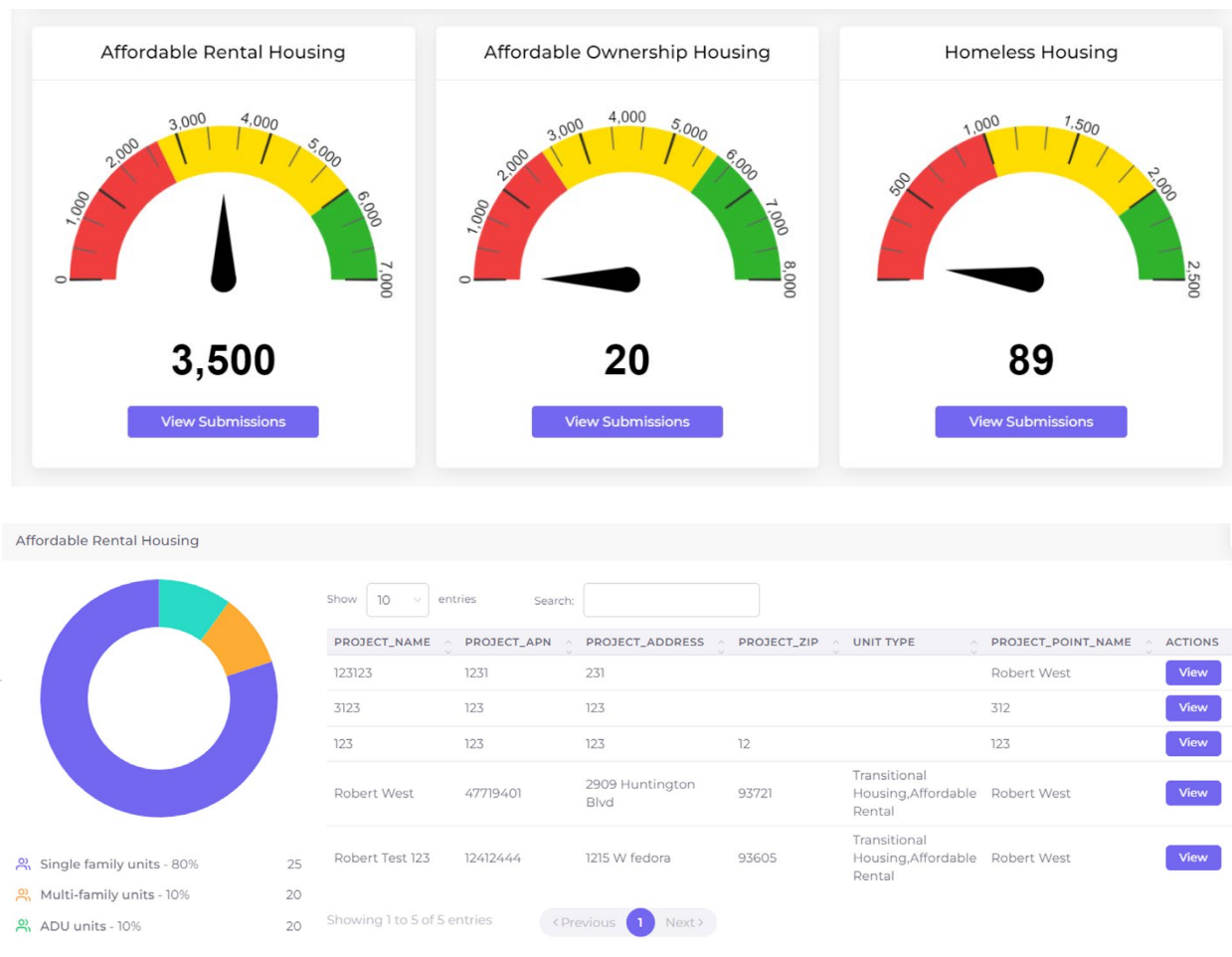


CHAPTER 9: Fresno Housing Forward

Benchmarks and tracking

To ensure the strategy goals are met, we must **measure and benchmark progress** towards the strategy along the way. To this end, the City of Fresno's ISD team has created an externally facing tool where we will be able to track our communal progress on a quarterly basis. First we will invite developers granted personal sign on privileges to access our **One Fresno Housing database**. Then they will provide updates on prospective projects they anticipate on the horizon and provide details regarding unit count, type, affordability level, estimated time of completion etc. City of Fresno Planning and Development staff will work to ensure there is synchronization between these prospective projects and actual permitted project progress. (See sample below)

The good news is that in the spirit of transparency and our collective pursuit this strategy's goals, the public will have full access to view these high level details with the push of a button.



For our homeless efforts we will continue to track our progress through our Homeless Management Information System (HMIS) Multi-Agency Access Program (MAP)³⁸ and remain connected at the State level via California's, Homeless Data Integration System (HDIS)³⁹.

Reason for Optimism

The City of Fresno's housing challenges were not created overnight. Nor will they be solved in a single day – however, being One Fresno means being collectively aware of what our community's needs are, and as loving neighbors, individually contribute to the solution. With communitywide concern, historic inbound funding, tremendous political will, and some favor, we will turn the tide of Fresno's housing affordability issues. This strategy is a living document and will be revised as needed, as the plan is executed over the next three years.

With an eye on the future and the realities of our housing crisis, the time is now to rally together as One Fresno to make strategic housing investments for the sake of those who need it most. There is a cost to what has been proposed in this strategy, but rhetorically we must ask, if not now then when? As the Reverend Dr. Martin Luther King Jr. once said, "The time is always right to do the right thing." Now is our time.

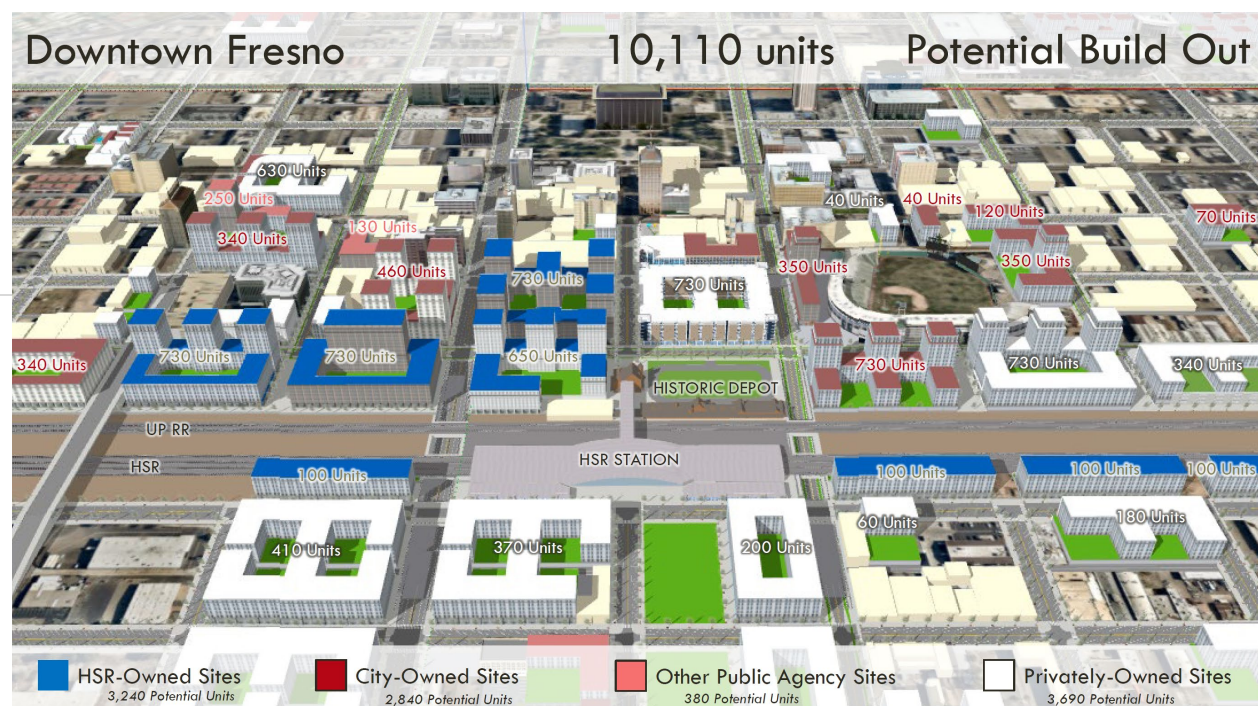
The following is a glimpse of a potential project initiative that was not addressed in this strategy that demonstrates the type of innovation and creative potential our City has on the horizon.

Project initiative: Scaling Up Equitable Housing in California

The Vision: Be one of three CA communities that will contribute towards the goal of creating 30,000 new affordable and middle-income units prepared with three shovel ready master planned developments in two years that build equity and sustainability into the process and outcomes.

Partners: Mayor's Office, Fresno Housing Authority, Downtown Partnership, Central Valley Community Foundation

Goal: Build 10,000+ Units on 30 Acres of publically identified land in Downtown Fresno Proximate to the Future High Speed Rail Station





Appendix



Public Input References – Item A

This report is a byproduct of input from a broad group of stakeholders from public, community, nonprofit, philanthropic and corporate representatives. Recommendations found within this strategy considered input from the following reports:

Annual Action Plan - City of Fresno (2021-2022): To access utilization of federal funds, the City carries out a planning process to identify the scope of housing and community development needs in its jurisdiction and how the available funding can best be used to meet those needs. As part of the plan, a community needs survey was deployed and received input from 500 individuals.

Evicted in Fresno: A report published in 2019 by Dr. Janine Nkosi, Dr. Amber Crowell, Karla Arana, Central California Legal Services, Leadership Counsel for Justice and Accountability, and Faith in the Valley.

Downtown Neighborhoods Community Plan: adopted in 2016, this Community Plan is the result of an intense public process that involved input from over 300 residents, business owners, and property owners from Fresno's Downtown Neighborhoods in a series of public meetings and a six-day, open, participatory Design Workshop.

DRIVE's Permanent Affordable housing Plan: Launched in 2019, the Fresno D.R.I.V.E. Initiative (Developing the Region's Inclusive and Vibrant Economy) is a 10-year Community Investment Plan drafted with input from a 300-person steering committee representing over 150 organizations in the Greater Fresno Region.

Financing Valley Infill: A 2021 report published by the Council of Infill Builders; a 501(c)(3) nonprofit corporation of real estate professionals committed to improving California through infill development.

Here to Stay: Funded by the California Strategic Growth Council, Thrivence's a 2021 report as part of the Transformative Climate Communities work, represents input from 582 individuals who participated in city and partner led workshops, surveys and letters writing.

Impediments to Fair Housing: A 2020 report published by the City of Fresno included the input of 790 Fresno residents.

Southwest Specific Plan: Adopted in 2017, this plan included input from 255 residents across various forums.

Street 2 Home Report: In 2018 Barbara Poppe engaged 66 individuals from 36 agencies to assess the Fresno community's overall strengths and opportunities and advised on proven practices that have been shown to reduce homelessness in other communities.

Cited Source References – Item B

- 1 -Harvard America's rental housing report 2022 -
https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2022.pdf
- 2 -State of CA Governors Housing Plan 22-23 Budget - <https://lao.ca.gov/Publications/Report/4535>
- 3 -Fresno Bee - Zumper - <https://www.fresnobee.com/fresnoland/article258073823.html>
- 4 -Los Angeles Times - <https://www.latimes.com/homeless-housing/story/2021-03-31/fresno-rent-spike-taps-into-california-covid-housing-trends>
- 5 -Harvard's America's Rental Housing Report 2022-
https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2022.pdf
- 6 -Cal Matters: California still No. 1 in poverty - <https://calmatters.org/commentary/2019/09/high-cost-california-no-1-in-poverty/>
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WE WORK FOR YOU

Operations improvement recommendation report

City of Fresno | Planning and Building

2600 Fresno St.
Fresno CA 93721-3600

By Matthew Grundy
V3.3 February 22, 2021



ONEFRESNO

City of
FRESNO 

Preface

History

Incorporated on October 12, 1885 the City of Fresno is the 5th largest city in California with a population of 533,232 as of July 1, 2020. Fresno ranks in the upper quartile for Population Density and Diversity Index when compared to the other cities, towns and Census Designated Places (CDPs) in California. **Due to its size, over the years the departments under the purview of City Hall have had to keep pace with the volume and complexity requisite to serve its growing number of residents and clients well.**

As aspired by all City of Fresno administrations to date, city staff and elected' s aim to be good public servants. Similarly, and in the spirit of continuous improvement, Mayor Elect Dyer has cast a '**One Fresno**' vision where local government is ultimately "*owned by the people.*" He has committed his administration to furthering a culture of service - "*removing red-tape and rolling out red carpet*" first to staff and by extension, all who engage City Hall. Accordingly, Mayor Dyer has asked his Deputy Mayor to conduct a preliminary finding review of the building and planning department to identify ways the city, through its building and planning department, can enhance/streamline its services to its clients and residents. To this end, I humbly submit this ***Operations Improvement Recommendation Report.***

Scope of work

Between Tuesday January 15th and Thursday, February 18th a series of trainings, interviews, emails, surveys, phone calls and teleconferences were conducted in an effort to gather substantive data points to better understand our building and planning department structures, systems, processes, and personnel. Information was collected from over **140 stakeholders** including but not limited to:

- ☐ Current City of Fresno staff
- ☐ Formerly employed City of Fresno staff
- ☐ Neighboring city staff; and
- ☐ Current City of Fresno customers

Given the scope of this review the following report findings are not exhaustive, nor do they purport to be 100% accurate as they are subject to human error. However, the following summary report represents a combination of both widely known and little-known facts with suggested mitigations that will help us serve better.

One Fresno,



Matthew Grundy | Deputy Mayor

Summary

Big Rock Findings and Mitigations

When conducting this assessment, a review of the City's planning and building department's staffing, systems, structures (and processes) were reviewed. These are hereby referred to as the **S³ Study**. Good news first - The City of Fresno's planning and building department have all the ingredients present to meet its mission.

- **Staffing** - City of Fresno staff are largely bright, hardworking self-sacrificing employees. City staff are generally dedicated employees that are interested in pursuing continuous improvement.
- **Systems** - The City of Fresno has the technology and systems in place that, if used properly can more than meet our growing city's demands. (eg Accela, Bluebeam etc.)
- **Structures/Processes** - Structures and processes are established and in place to provide guidance for customer success under our current operational paradigm. Policies have been established and largely support code requirements.

In completing the **S³ Study** there are however several key observations that if remedied, would drastically improve the planning and building department operations. While there are no 'silver bullet' solutions to our doing business better in these departments, this mitigation summary aims to target the 'Big Rocks.' The phrase 'Big Rocks' is a focused best practice solution from Franklin Covey - a world leader in helping organizations achieve results that lead to meaningful and lasting changes. These Big Rocks represent the important priorities. Below is a list of this report's said Big Rock priorities identified during the scope of this study along with a short and non-exhaustive list of potential recommended mitigations. More in-depth detail and analysis will follow the summary.

Big Rocks	Observations	Recommended Mitigations
Staffing	a. Based on our current way of doing business, the building and planning departments are understaffed b. Lack of staff with subject matter expertise for proper Accela program implementation and support; lack of training for existing staff	a. Execute true staff capacity survey study; Hire key staff and create staff retention plan b. Hire this Accela SME as soon as possible (focused job description on supporting staff through system training and development and writing of program script); roll out comprehensive training plan for existing staff (targeted technical training modules)
Systems	a. Systems are not being fully utilized to their potential. Departments utilize Accela to varying degrees cross-organizationally. b. Systems are not fully integrated: Disconnect between Blue Beam and Accela integration.	a. Leverage full potential of process automation and ability to automate pre-configured workflows to identify request types, route tasks associated with submissions, send internal communications, and deliver push notifications to the customers. b. Ensure current plan for integration occurs on time with fidelity.
Structures / Processes	a. Deep seated organizational cultural issues: 1. Lack of trust between line staff and management 2. Departments not working cohesively (siloeed activities) 3. Lack of alignment between city vision and goals of CEO and all city staff b. Better Business - Site plan review process: We often treat what is ministerial as what other cities best practices would consider discretionary.	a. (Effectively deploy 'We Work for You' culture shift plan) Administration to work closely with Directors to ensure priorities are clearly shared with proper performance reporting in place to measure outcomes. Deploy various avenues of information sharing across the organization including but not limited to staff newsletters, roundtables, etc.. Create program to highlight good behavior. b. Consider creating/changing/redefining the rules/code to ensure that less variances surface which increases time and cost expenditure. (i.e. Modify the rules to fit the model we aspire to have). Recommendation is to review and reconsider what needs to be treated as ministerial vs. discretionary. A best practice example of this would be to eliminate site plan review in planning dept. Procedurally site plan review would go straight to building department a la Sacramento, Visalia, Stockton etc.

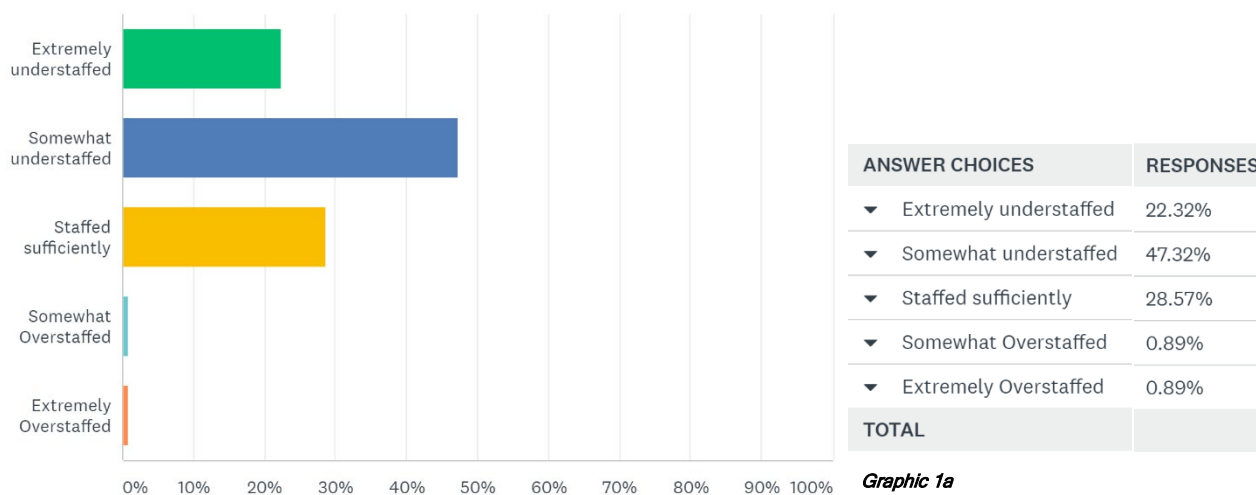
Staffing Analysis

Fresno city staff are bright, hardworking self-sacrificing employees. Staff are generally dedicated employees that are interested in pursuing continuous improvement. This fact has been most evident over the past 8-10 years where improvements have been made. It cannot be understated that during this period of time, **process volume has increased by 100% while staffing has increased by only 25%**. Still, staff are in pursuit of continuous improvement. As such many were willing to participate in this survey and study.

Of the 140 stakeholders that were surveyed and or interviewed in this study, **112 were current City of Fresno staff** with 10 being former City of Fresno Staff. Questions were asked formally via survey and informally via zoom meetings. **55% of respondents have worked for the city for six years or less, while 45% of the respondents have worked for the city 7+ years**. Individuals that provided input were told their anonymity would be maintained over the course of reporting out their feedback.

Key Findings

- Employees feel as if their departments are understaffed.** (see graphic 1a)
When interviewing staff and asking the question 'How well staffed do you feel your department is?' 78 of 112 respondents answered *somewhat or extremely understaffed*.



- Based on our current way of doing business, the department is understaffed.**

Per a February 1, 2021 report from building and planning department leadership, there is a 14% vacancy rate in the building department (two of 22) and a 20% vacancy rate in the planning department (six of 19). (Per FY20 data: See exhibit A). Additionally, the current org structure in planning and building department is not conducive to optimizing staff capacity. (See exhibit B).

3. **As a result of higher turnover, there is a general lack of expertise and subject matter experts within building and planning department. There are deficits in department specific onboarding and ongoing staff training.**

The average tenure for planning staff employees is 7.6 years while the average tenure for building and safety staff is 9.5 years. The average tenure for all city staff is 11.6 years; thus planning/building/safety is not retaining staff as long as other departments.

When meeting with **external** stakeholders, there was consistent sentiment expressed that they believe there are bright spots with our staff. Names such as Randy Guill, Will Tackett, Kristine Longoria, Charles Clark and Gustavo Rangel were all repeatedly highlighted by external respondents. However, it was also repeatedly stated that there just “weren’t enough of them to go around.”

Internal recurring discussions have surfaced a critical gap in staffing. There is an absolute need to hire of an **Accela Implementation Project Manager**. Without this position, there is a critical gap that would hinder our ability to provide ‘red carpet service’ to our staff and subsequently to the community. This need will be more thoroughly underscored in the ‘Systems’ section of this report.

Recommended mitigations to staff findings

1. **Problem:** Employees feel as if their departments are understaffed.
Proposed Mitigation: a. Senior leadership/personnel to meet with department directors to review most recent staff class and comp study, current job descriptions and employee roles and responsibilities. b. Consider re-classing/revising and redistributing responsibilities c. Operate with transparency providing regular updates to staff.
2. **Problem:** Based on our current way of doing business, departments are understaffed
Proposed Mitigation: a. Based on the aforementioned class and comp study, work with personnel department to expeditiously fill positions. (*See exhibit A*) b. Consider restructuring to a more versatile organizational structure. (*See exhibit B*)
3. **Problem:** There is a general lack of expertise and subject matter experts within building and planning department. There are deficits in department specific onboarding and staff ongoing training
Proposed Mitigation: Create standardized framework for all department specific Accela onboarding training. Ensure personnel supports management in creation of individual training and cross training plans for every employee; Manage progress.

Systems Analysis

In Mid-2016, City Council at the request of city staff approved the purchase of the Accela Service Request Management system to be utilized cross departmentally. Accela as an SRM/CRM - is a branded, mobile and web-based application, that aims to help government keep pace with evolving citizen demands and facilitates customer relationship management. This system was well worth the investment and was deployed in April of 2018. While there was a significant capital investment made in acquiring/deploying this system, there are also challenges related to its historic and current utilization by City Staff.

During this analysis a staff survey was deployed to measure user satisfaction. Approximately **half** of the respondents represented users in the building or planning department with **85%** of the users stating that **they use Accela on a daily basis**. (see *graphic 2a and 2b*)

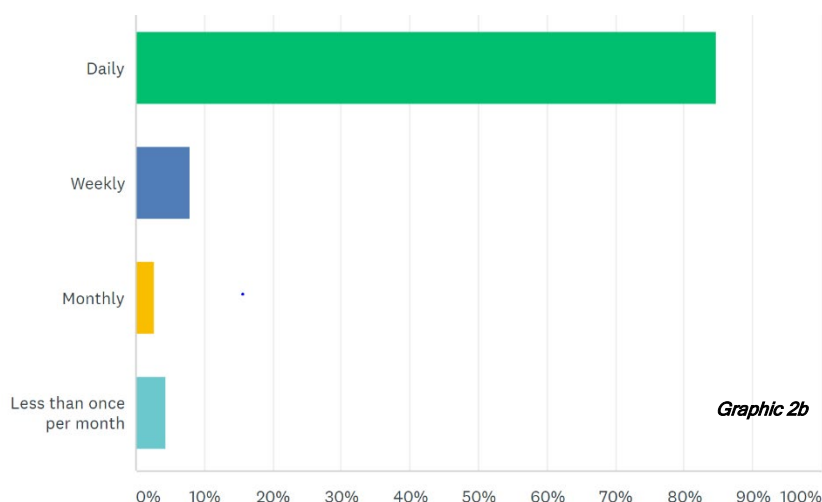
ANSWER CHOICES	RESPONSES
▼ Planning	28.57% 32
▼ Building	28.57% 32
▼ Fire Department	1.79% 2
▼ Public Works	3.57% 4
▼ Department of Public Works	1.79% 2
▼ Code enforcement	32.14% 36
▼ Other	3.57% 4
TOTAL	112

Graphic 2a

Key Findings

1. **Accela platform roll out was rushed, not fully thought out, built out, or fully adopted. System was deployed in a non-harmonious way across departments.**

Due to urgent timelines and deadlines placed on staff to deploy the system in earnest, unfortunately Accela was not built out with full department adoption. Additionally, full functional knowledge of system appears to not have been known or integrated at the time of deployment. Furthermore, ongoing system build out appears to be largely done in response to issues as opposed to proactive preemptive development with internal/external end users in mind.



Graphic 2b

2. **Accela system onboarding and ongoing training is sub-par.**

General Accela training does occur when new staff members are onboarded, however it is reported that job specific / department level Accela training is not fully standardized or “thorough enough.” It has also been reported that ongoing technical training is virtually “non-existent.” Several survey questions underscored this fact. We asked 112 users:

- a. On a scale of 1-10 (10 being the highest), how easy is Accela to use?
The average response was 5.8.
- b. On a scale of 1-10 (10 being the highest), how helpful is Accela to fulfilling your core job responsibilities?
The average response was 6.

These responses demonstrate that system utilization in its current state, to its primary internal users is non-optimal. *(See Exhibit F in appendix)*

3. **External user feedback in the Accela FAASTER interface is largely negative**

External users primarily interface with Accela through the FAASTER portal. While recently added video tutorials have been a strong addition to supporting users, when surveying external customers (developers, engineers, architects etc.) there is overwhelming feedback that the system is:

- a. Difficult to navigate
- b. Transparency is lacking (regarding where they are in the real time queue); and
- c. Unless you have learned to navigate system nuances through prior use, you will likely struggle to utilize the system successfully for the first time.

These data points have resulted in an external experience where users feel our system is “not customer friendly.”

4. **City systems are available for Accela integration but are not being leveraged for optimal use / user support**

In the fall of 2020 staff successfully lobbied to secure Bluebeam via CARES funding as an ancillary system to integrate with Accela. Bluebeam is a software application that allows users to markup, takeoff, organize, and collaborate with PDF files. This was a needed solution given the COVID-19 pandemic and the need to enable customer plan submission support in a remote and paperless manner. The idea to procure Bluebeam was a good idea however integration has not fully taken place yet. Thus, there have been a series of early challenges and unintended consequences experienced by both internal and external stakeholders during the initial stages of roll out.

Additionally, The GIS function of Accela is being underutilized. In surveying comparable high performing cities, customers can leverage GIS systems to access full property details and have access to step-by-step improvement process plan based on the property location and desired outcome. When used optimally, this same customer detail is synchronized/shared across all city departments for over-the-counter customer communication support.

Recommended mitigations to system findings

1. **Problem:** Accela platform roll out was rushed, not fully thought out, built out, or fully adopted. System and was deployed in a non-harmonious way across departments.
Proposed Mitigation: While this is largely water under the bridge, senior leadership should call departments together for a re-visioning of building system for optimal use.
2. **Problem:** Accela system onboarding and ongoing training is sub-par.
Proposed Mitigation: Immediately hire internal Accela implementation project manager. Work with front line staff, new hires, and Accela manager to build out training plan and modules.
3. **Problem:** External user feedback in the Accela FASTER interface is largely negative
Proposed Mitigations (includes external feedback suggestions):

FAASTER Customer Experience Recommendations

- If markup occurs in the system, ensure automatic notifications and reminders go out to customer.
- Expedite plan routing and routing communication.
- Ensure notes are or are not consistently being entered in system by staff.
- Provide notes in real time by department as opposed to notes being received in aggregate at the end by the planning manager.
- Allow customer agencywide sign on access so that it is not relegated to one or 2 users.
- Add ticketing function that allows customers to see in real time where they are in the queue of plans submitted. (e.g. You are #45 of #125 plans under review etc.)

4. **Problem:** City systems are available for Accela integration but are not being leveraged for optimal use / user support
Proposed Mitigation: a. Complete currently scheduled Bluebeam/Accela integration by June 2021. b. Build out GIS system functionality for optimal cross departmental and customer support. c. Invest in digital customer kiosks outside of building and planning department to provide step by step virtual guidance on planning/building process to walk ins. d. Consider adopting new technology to meet needs (e.g. Integral GIS etc.)

Structures/Processes Analysis

The greatest challenges within the planning and building departments lie within the structures/processes component of this analysis; however, the greatest opportunities for growth and positive change also reside here. Current City Structures/Processes fall into one of three buckets:

- A. Some structures/processes are a bi-product of archaic and outdated methods (dating back to 1972) that have never been fully overhauled. Instead, these structures/processes have continued to be added onto, modified, and augmented over the years without real re-structuring based on modern best practices.
- B. Some structures/processes are a derivative of more recent efforts that despite being aligned with best practices, are not being followed.
- C. Some structures/processes are aligned with best practices and are being followed

For the sake of brevity and intent, this report will focus on elements that fall into buckets A and B.

1. City cultural structures are impeding progress in departments.

According to survey and interview data, staff generally feel “beat up, underappreciated, overworked and/or underpaid.” Much of this sentiment is an outcome of structures that need repair. **While management has recently put forth efforts to remedy these issues, decades long dysfunction** influencing broken structures include but are not limited to:

- a. City Administration not empowering staff, giving them autonomy to solve problems, think outside the box and occasionally make mistakes.
- b. Some staff not feeling supported by administration.
- c. A history of Council members publicly humiliating staff.
- d. Developers who when not happy with a project or plan outcome, usurp staff, and go directly to Council members and the Mayor’s office.
- e. Council members/others giving direction to staff outside the chain of command.
- f. City attorney office had a history of operating in more of an advisory role, however in recent years have transitioned into more of a decision maker role, often making policy calls that “feel” unnecessarily cumbersome to staff.

2. City government regulations and structural deficiencies have created an environment where it is hard to remove bad actors.

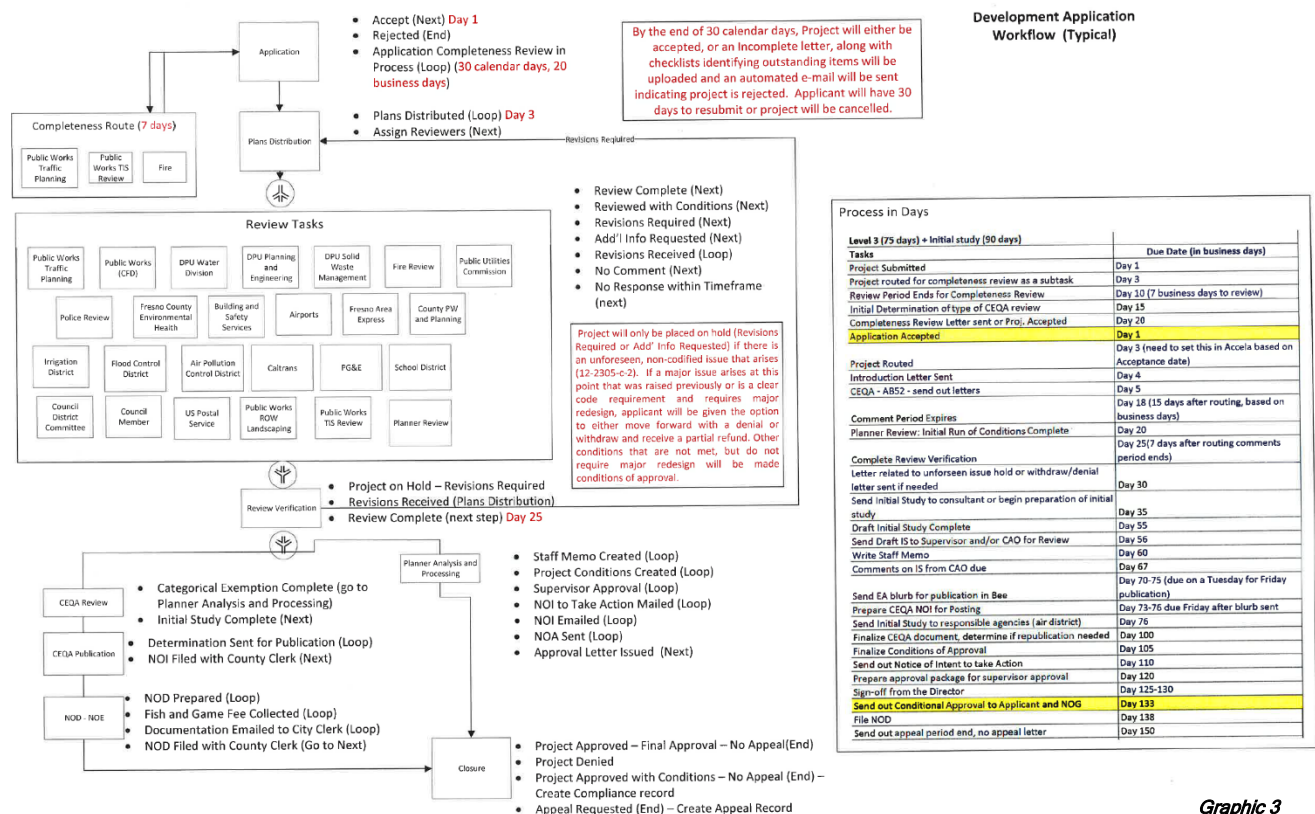
Currently it is very difficult to secure employee enterprise-wide performance and personnel data - let alone interpret it. As a result, in some cases there are perceived inequities that are an outcome of improper and/or inconsistent documentation of personnel matters. These known issues among staff and their peers appear to disincentivize positive performance.

3. While policies are in place, they are followed with extreme rigidity

In 2010 a Policies and Procedures manual was created. 10-15 policies were subsequently developed through 2019. In light of a significant amount of new planning staff in recent years that have not been trained well, they seem to interpret policies with extreme rigidity and often fail to be “problem solvers.”

4. City plan review process not in line with best practices

The development application workflow is spelled out below. After researching best practices across other CA cities, it appears our site plan review process is at odds with ministerial vs. discretionary process best practices. The City of Fresno often treats what most other cities consider ministerial as discretionary. As a result, we have created a structure that is an incubator for variances (subsequently leading to an increase in staff time and costs to provide services). *See our current workflow below in graphic 3 with explanation of proposed changes in Exhibit C of the appendix.*



Graphic 3

5. We appear to be process oriented as opposed to outcome oriented.

In surveying the developer community, there is nothing more important to them than “time and certainty.” We appear to be very process driven and not people driven. Examples include the amount of staff time spent on drafting reports that few, if any actually read. Standard current reports that are generated and shared among staff don’t appear to truly drive action.

While not verified, externally developers, engineers, and other customers have stated that they automatically estimate a ~20-30% increase in cost and 3X factor in time when developing in the City of Fresno. As an example, when comparing like project timelines across cities; what took five weeks for lot line adjustment in one city took six months in Fresno still without response or resolve.

6. Prior structures seemed to disincentivize outcome-oriented performance

Previous programs aimed to improve productivity appear to have created an opposite effect. The 'Money Back Guarantee' program aimed to provide a full refund of costs associated with a project that did not meeting certain timeline guarantees. To avoid being penalized, some staff appeared to "find reasons" to kick projects back, thereby avoiding 'starting the clock.' This has carried on in some ways in our DNA in a form of risk-aversion. An example of this involves our planning checklist. The checklist must be completed prior to plan submission include an abundance of items that are not necessarily relevant for most projects, and are an amalgamation of items that seem to have been accumulated and layered on one another over time as a result of novel needs for unique projects and circumstances. Said checklist appears to impede customer plan submission but afford the city some protection against any and all potential risks.

Evidence was found when surveying customers. Many state that they get the impression that staff would "rather not say anything then to say something wrong." Moreover, customers state that during plan submittal they have to have "i's triple dotted and t's triple crossed to ensure their project doesn't get kicked back."

7. Budget cuts and pandemic stymied some internal mitigation progress

To remedy some of the aforementioned concerns, staff laid plans that address some issues, however budget structures limited the ability of staff to mitigate problems effectively. In one such example, staff were told during the summer of 2020 that they would be meeting with our consultant, Byrne, every other Friday. Regular meetings were halted in October 2020 due to budget concerns and reservations about our ability to perform during the pandemic.

8. We are not asking the right questions. We are not asking the right people.

With a focus on customer service, it would serve us to perform more customer satisfaction related surveys. We must ask the right people.

While we boast having an on-time rate for 99% of planning applications processed, and 92% on-time rate for building application processed, unfortunately, these numbers are a bit misleading. We are not asking the right question. What we should be asking is "how easy or difficult is it for customers to submit applications for process?" In conducting this study it is evident that these rates are a bit artificial. Due to customers not having access to contact staff to verbally ask questions prior to application submission; many applications simply go unsubmitted. As a result, the clock never starts on many potential projects. This has been exacerbated during the pandemic and remote work; where staff have been less accessible by phone than before.

9. We are not structured for customer support

When reviewing 'customer friendly' city environments, often structures support a communicative, collaborative, partnership, exchange between the city and customer. We have inherent structures that serve as barriers to customer support best practice. As an example, we charge customers a fee to consult during idea stage, other high performing cities do not.

10. There is a fair amount of cynicism about the idea of systemic change

From DPC to ACC, to BFF and BFF 2.0, there have been no shortage of ideas to streamline and improve structures/processing in our planning and building department. Each novel initiative has been relatively similar in terms desired outcome, however each plan has been carried out with various degrees of follow completion.

As a result, staff and customers that have been around the city for 7+ years have developed a fair amount of pessimism around the thought of a 'we work for you, cultural phrasing as to them it appears to be just another iteration of past failed attempts to fix core issues. Only 1/3 or all survey participants expressed an interest in being contacted to be a part of future change.

Recommended mitigations to structural findings

1. **Problem:** City Cultural structures are impeding progress in departments
Proposed Mitigation: (Effectively deploy 'We Work for You' culture shift plan). Administration should work with directors to purposely deploy a 'how can I serve you culture.' Ensure priorities are clearly shared with proper performance reporting in place to measure outcomes. Deploy various avenues of information sharing across the organization including but not limited to staff newsletters, roundtables, etc..
2. **Problem:** City government regulations and structural deficiencies have created an environment where it is hard to remove bad actors
Proposed Mitigation: Follow through with deployment of Tyler technologies HR platform. Ensure enterprise-wide adoption, create proper reports and dashboards. Build structure of regular manager and personnel department detail reviews.
3. **Problem:** While policies are in place, they are followed with extreme rigidity
Proposed Mitigation: See mitigation suggestion for problem 1. Consider deploying 360 evaluations or double-blind evaluations for management to ensure they are aware of how their staff views them.
4. **Problem:** City plan review process not in line with best practices
Proposed Mitigation: Consider creating/changing/redefining the rules/code to ensure that less variances surface which increases time and cost expenditure. (i.e. Modify the rules to fit the model we aspire to have). Recommendation is to review and reconsider what needs to be treated as ministerial vs. discretionary. A best practice example of this would be to eliminate site plan review in planning dept. Procedurally site plan review would go straight to building department a la Sacramento, Visalia, Stockton etc. *(See Exhibit C in appendix)*
5. **Problem:** We appear to be process oriented as opposed to outcome oriented.
Proposed Mitigation: See mitigation suggestion for problem 1.
6. **Problem:** Prior structures seemed to disincentivize outcome-oriented performance
Proposed Mitigation: Be vigilant 'watchmen' to ensure all future process or structural enhancements serve the mission and cultural priorities.

Recommended mitigations to structural findings cont

7. **Problem:** Budget cuts and pandemic stymied some internal mitigation efforts
Proposed Mitigation: Work closely with senior leadership and City Manager's office to ensure all future budget priorities are kept to the degree possible. Work collaboratively and communicate openly as we ease out of pandemic and return to some normalcy.
8. **Problem:** We are not asking the right questions. We are not asking the right people.
Proposed Mitigation: Program then roll out regular surveys to stakeholders. Review the results and prioritize addressing common theme issues. The following is a distillation of the highest priority feedback recommendations from our external customers per recent interviews. (*Review internal stakeholder feedback in graphic 3 of appendix*)
9. **Problem:** We are not structured for customer support.
Proposed Mitigation: a. Create ticketing system and ensure customers can talk to staff by phone during idea phase to ask questions b. Do not charge for consultation c. Hire planner for over-the-counter consultory support. c. Move fire back to the 3rd floor.
10. **Problem:** There is a fair amount of cynicism about the idea of systemic change..
Proposed Mitigation: Ensure internal structures are set up that will enable our meeting the Mayor's Vision - to be a government that listens (to its own staff), keeps its promises, and is owned by the people.

Customer Service Recommendations

1. Planning: Modify thresholds to allow larger square footage projects to be considered ministerial and not routed or have minimal routing. Recommend these low-level projects be approved by a committee (like DRC), rather than be formally routed. These minor projects can be huge time sinks waiting for approval. Most cities approve these types of project in a few days/weeks, not 2-3 months.
2. Public Works: Bring back the weekly engineers meeting (via Zoom or a similar mechanism).
3. General Comment: Response times. Use the Development Team meeting or a Director/AD level meeting to allow applicants a set time to get a question answered. This would save a lot of time compared to the e-mail back and forth that can go on for weeks or months now. If staff can't get the answer in a few days, the applicant should have another option to move forward.
4. Public Works/Planning/Building and Safety: Public Works shouldn't be so involved in the site plan review process or required to sign off on site plans for permits. Street work plans are required and that is the time for review by PW to verify standards are met.
5. Planning: DRC should be optional but not required for minor projects (unless DRC means approval/conditional approval).
6. Planning and Building: Fire's comments/conditions are the only agency comments that can't be seen in Accela/FAASTER. If they are short comments, Fire should put them in the system the same way other departments do so that they are visible to the applicant. This would reduce staff time.
7. For Building and Safety: Allow backchecks/correction verification via zoom, instead of having to resubmit and wait for comments.
8. For Building and Safety: The first set of comments requiring minor revisions/corrections on a plan check should only be routed to the person who made the comment and should be turned around quicker than three weeks. It is understandable that it is harder to monitor electronic documents and what was changed, but there are ways to do this without requiring a re-review of everything, by everyone.
9. Planning: Reduce timeline for projects requiring more than a CEQA exemption when an applicant hires a consultant through a 3rd party agreement (which is what the City is requiring now). Right now, 90 business days are added to the timeline for anything that can't be exempted, but this only requires a couple of extra weeks for staff review (attorney review time is already part of the normal process).
10. Public Works: Plan checkers for improvement plans should only review to verify standards are met, not try to design or redesign.
11. General: A more comprehensive/high functioning website so people can get their questions answered there, instead of calling (this may not be an easy fix).
12. General: After a project goes through DRC approval, inspectors should not be able to request costly modifications after the fact. This leads to regular cost overruns which hurts us and our clients.
13. Planning: Eliminate level 1 - 4 intake priority status as these are completely arbitrary priority levels which receive no greater priority based on level.
14. For Building and Safety: System is online now. In backcheck customer has to resubmit plans that city staff reviewed originally under a new number. Why cant staff see the first submission and previous info submitted. Leads to more time and work for customer. New addendum required each time. (e.g. structural calcs etc.)

Conclusion

After reviewing this Operations Improvement Recommendation report it is easy to focus on the areas for improvement without paying attention to what we are doing well. As the report summary stated, with regard to our **Staffing, Systems and Structures** (and Processes), 'the City of Fresno's planning and building departments have all the ingredients to meet its mission.'

However, the findings within this report if left unchecked, will at best continue to leave large numbers of internal and external stakeholders dissatisfied. And at worst, if left unchecked, our reputation among our own staff and customers will worsen, leading to higher degrees of turnover and customers ultimately seeking services elsewhere. More pointedly, we will be responsible for mismanaging people and capital, two irreplaceable assets we have been entrusted with by the public during our time at City Hall.

The good news is that many are rooting for our success. During this study it was made clear that:

- Staff largely value working for the City of Fresno and are hopeful for the future. (in fact staff believe that if the Accela recommendations alone are made, productivity will increase by ~25%)
- Developers overwhelmingly would prefer to build in Fresno. (Sentiment is that we have geographic, demographic and other strategic advantages over neighboring cities. e.g. Water Access)
- While outside cities have benefitted from some of our past challenges, one high ranking neighboring official stated that - 'Even though Fresno's building and planning failures have given us more business in the past, the region will be hurt in the long run if Fresno does not do well. It would be prudent for us to look past our noses and do what we can to support Fresno's progress.'

While Mayor Dyer has a vision for removing red tape and rolling out red carpet to our community, we must from the top down, first demonstrate red carpet treatment to our teammates. We must be the change we aspire to realize at City Hall. While it will undoubtedly take much political will, commitment, hard-work and no small amount of intellect to meet this mission; we are well able to accomplish this feat and be the implementers of change our community and co-workers need us to be.

-end-

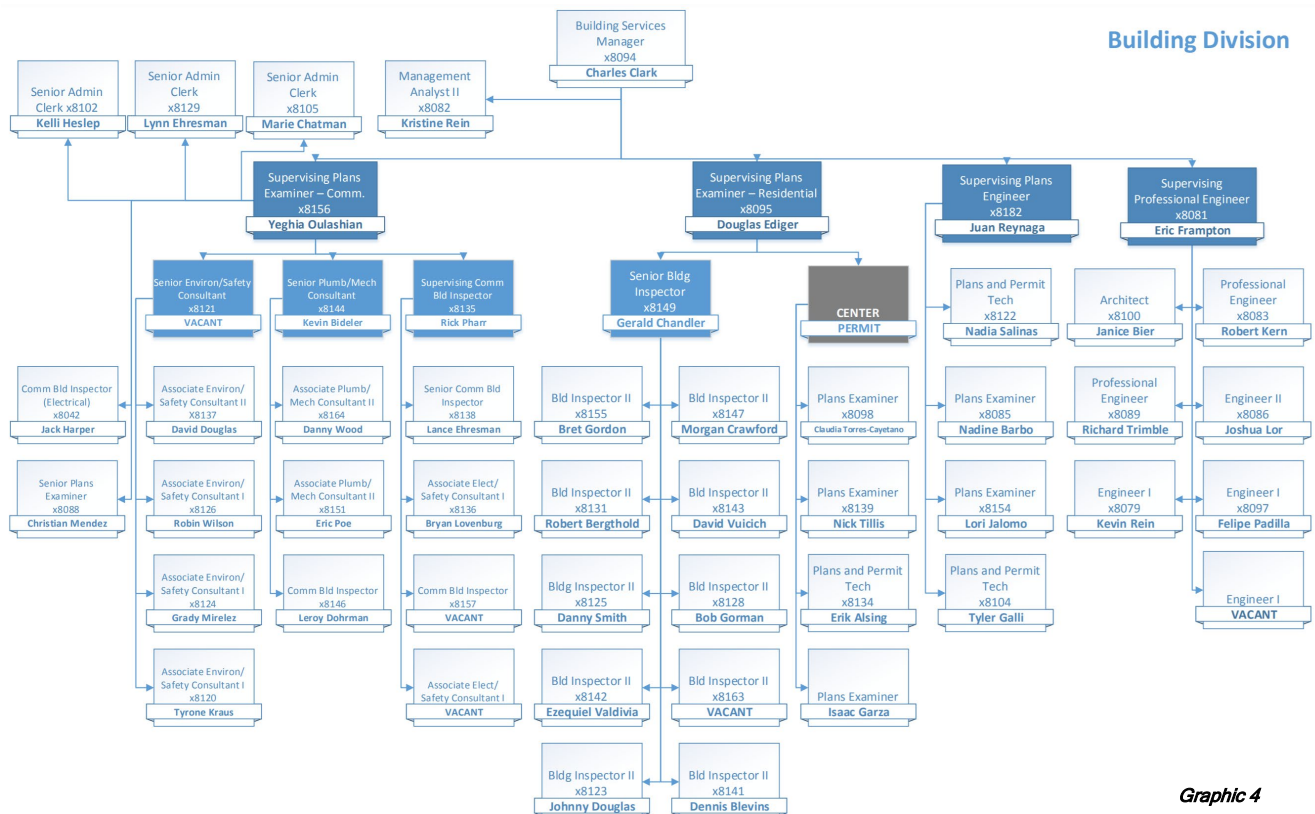
Appendix

Exhibit A - Planning, Building and Safety Vacancy Matrix

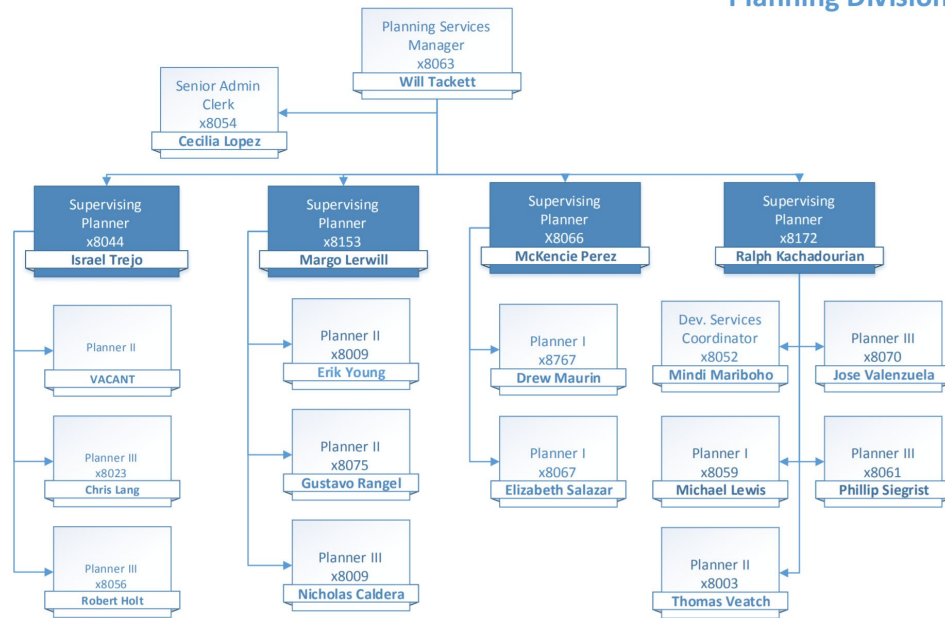
	Building and Safety			Planning		
Date	Allocated	Filled	Vacancy Rate	Allocated	Filled	Vacancy Rate
1/1/2013	36	33	8%	17	13	24%
1/1/2014	36	34	6%	22	16	27%
1/1/2015	40	34	15%	21	19	10%
1/1/2016	41	34	17%	19	17	11%
1/1/2017	45	38	15%	21	19	10%
1/1/2018	51	44	14%	19	19	0%
1/1/2019	50	39	22%	24	20	17%
1/1/2020	50	45	10%	25	21	16%
1/1/2021	50	46	8%	24	18	25%

Exhibit B - Staffing hierarchy (current and proposed)

Staffing is currently supported via the following org chart structures (see graphic 4 and 5 below):



Planning Division

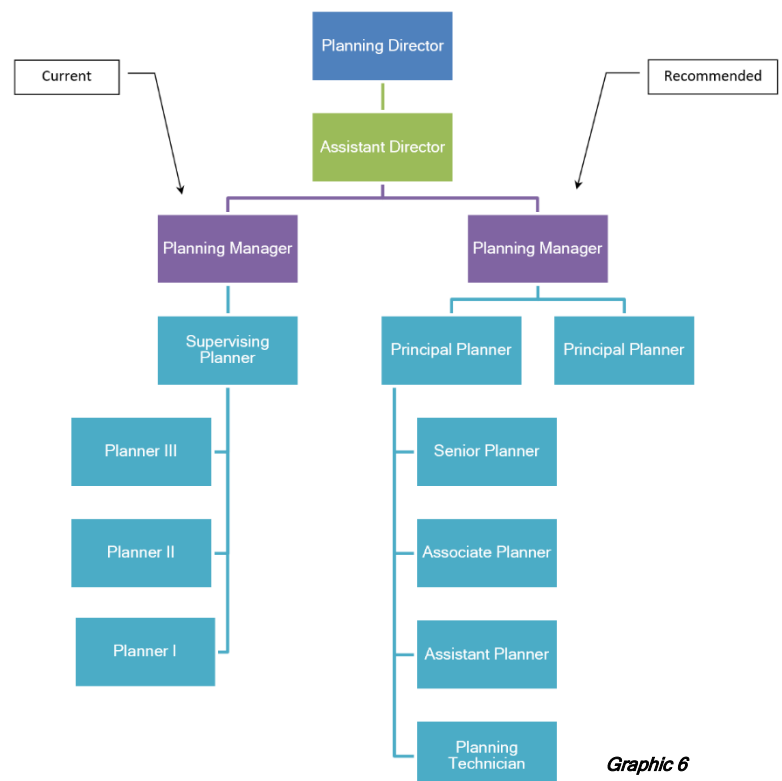


Graphic 5

Currently, the City of Fresno's Planning Dept. resembles more of a para-military structure (e.g. Fresno PD), which works for some departments, but is not necessarily ideal for all (Planning). While there may be no 'silver bullet' answer, conceptually there appears to be a more appropriate approach that would help us better support staffing capacity and outcomes. (see graphic 6 below)

The chart below refocuses our management structure to be more 'project oversight oriented' than 'people oversight oriented.' If restructured, we can have numerous 'Principal Planners' because the title does not imply that they must manage others, rather they would manage projects.

In numerous other cities, complex projects or programs are not compatible with the traditional management hierarchy that exists in Fresno's current job classification system. Currently supervisors are currently a bit more involved in project management than would seem optimal. A more appropriate model for Fresno could be to supplement the existing one-dimensional hierarchy largely organized around the management or supervision of staff, with a more versatile structure for the management of large complex projects which more likely includes teams of consultants and interdepartmental coordination.



Graphic 6

Exhibit C - Recommendation on Ministerial vs. Discretionary process changes

Historically, Site Plan Reviews in the City of Fresno have been subject to CEQA. They were treated as quasi-discretionary permits. In 2008 when the updated Zoning Code was being designed, the intent was to make them ministerial, thereby they would be exempt from CEQA.

At that time, the goal of the updated Development Code was to have a modified Site Plan Review that was referred to as a 'Development Permit' rather than 'Site Plan Review' - thereby subjecting projects where appropriate to ministerial as opposed to a discretionary process. This can be accomplished by establishing clear thresholds between, **Building Permits, Development Plans and Conditional Use Permits**.

By established said clear thresholds:

1. **Building Permits** would be ministerial, thereby they would be exempt from CEQA. Taking such action would subsequently save a significant amount of processing/staff time and subsequent costs.
2. **Development Plans** would be ministerial or discretionary quasi-judicial. If the latter, they will require CEQA review. In addition, where the City has thresholds for certain studies, they would be subject to CEQA (e.g. # of vehicle trips, air quality, etc.).

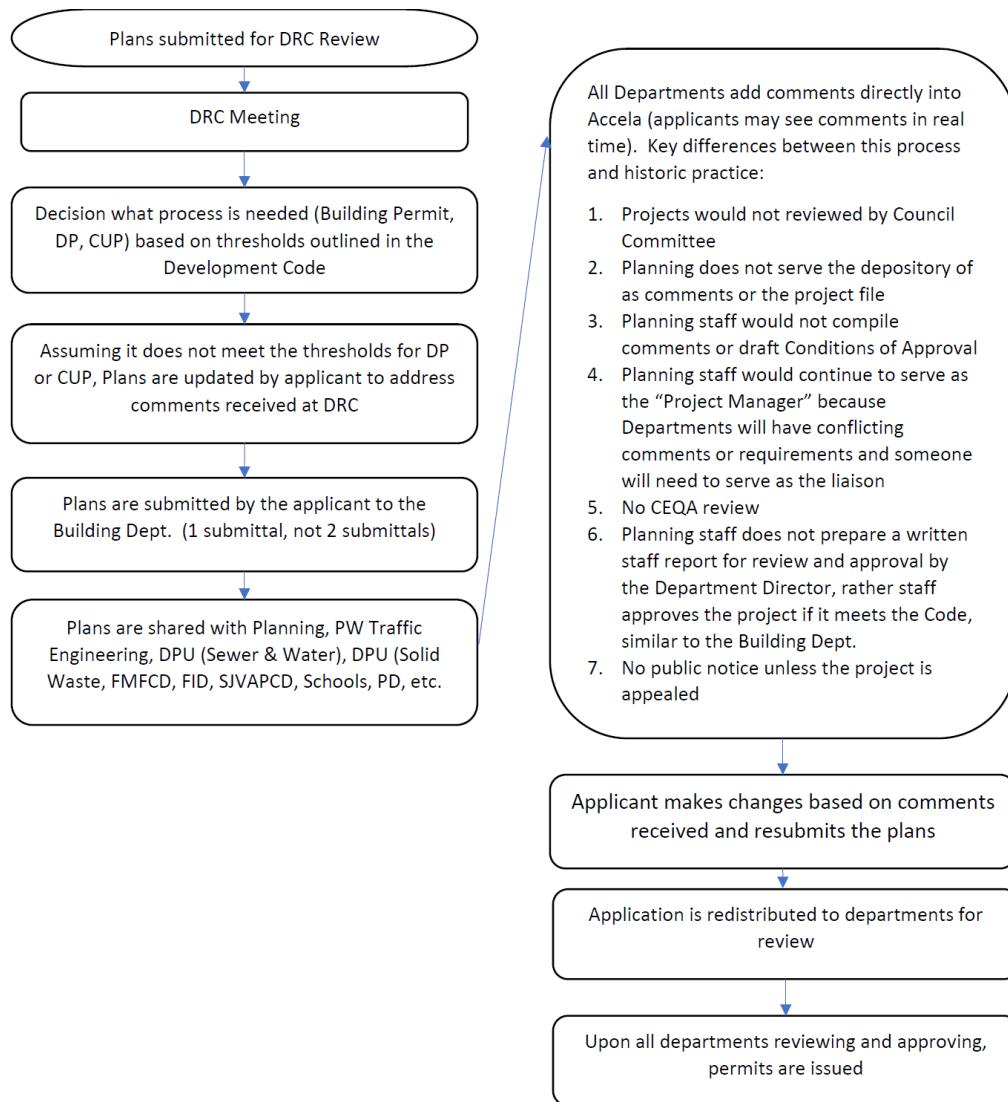
With this segregation, most projects would be reviewed as part of the building permit process and would not require a separate submittal to planning. Defining segregations to inform options could include:

- a. **Building Permits:** Apartments of less than 20 units; commercial and office space less than 20,000 sf, industrial space less than 40,000 sf.
- b. **Development Plan:** Anything that exceeds the thresholds of a Building Permit under this option would apply. The planning team would have a longer and more in-depth review period. Additionally, projects that fall into this category would be subject to Council District Committee review, etc. In other words, this category is reserved for larger scale projects that require greater analysis but the use is still permitted by-right.
- c. **Conditional Use Permits:** The CUP category is reserved for uses, not buildings. For example, alcohol sales, animal rendering, cannabis, drive-thrus, night clubs, etc.

Most projects would fall under the Building Permit and would not require lengthy Planning processes that include but are not limited to staff reports, conditions, etc. Projects would not be subject to review, by District Review Committees. This is a departure from our current way of doing business. While there may be a hesitance from the Council body to accept this recommendation, as it may appear there is a concession of authority, the Development Code provides a plethora of thresholds to ease concerns of not meeting council review standards (e.g. when are bike racks are required, refuse enclosures are needed, etc.).

Note: When the current version of the code was prepared, the intent at that time was to define various scenarios, to ensure staff would review projects against the code, thereby eliminating the need for discretionary review, CEQA, lengthy negotiations, etc. While the code was established with this in mind, it is not being lived out in practice today.

In short, the City has invested much effort in codifying clear and objective standards that could anticipate the issues and concerns that the City negotiates on a case-by-case basis. By reviewing most permits as part of the 'Building Permit' process, staff's role and responsibility would become more of a technical review. (Comparable to the Building Department reviewing plans for compliance with the CA Building Code).



While the proposed appears like an oversimplification of the process; it is feasible. In fact, currently staff is in the process of ensuring all future projects in the South-Central specific planning area are approved as ministerial. This is the perfect case study for this recommendation being validated. Furthermore:

1. The focus is outcome oriented rather than process oriented.
2. This process relies on objective criteria. If the code is subjective or should there be political interference, it will not work. However, the code can be revised as deemed necessary.
3. If a project exceeds the thresholds or the use requires a CUP, the process would resemble the current Site Plan Review process. Note: that the SPR/DP process should be reserved for large scale projects and most projects are not large scale, rather they are moderate industrial, office, or commercial buildings

Different Markets Different Needs

One Fresno Housing Plan Insights

Market Segments

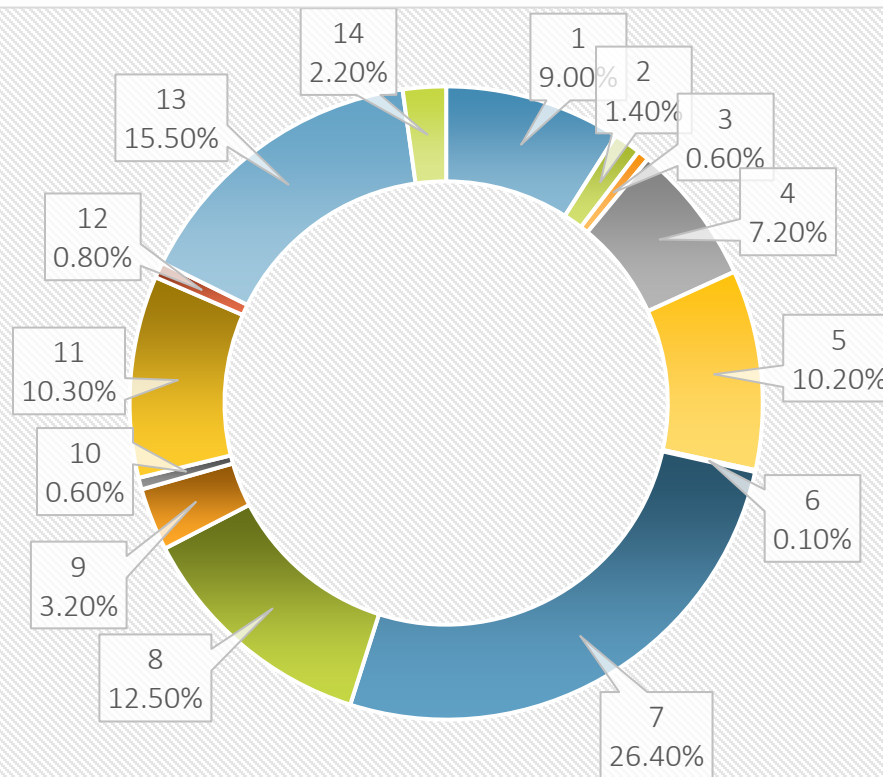
Market Segmentation Analysis

ESRI Tapestry

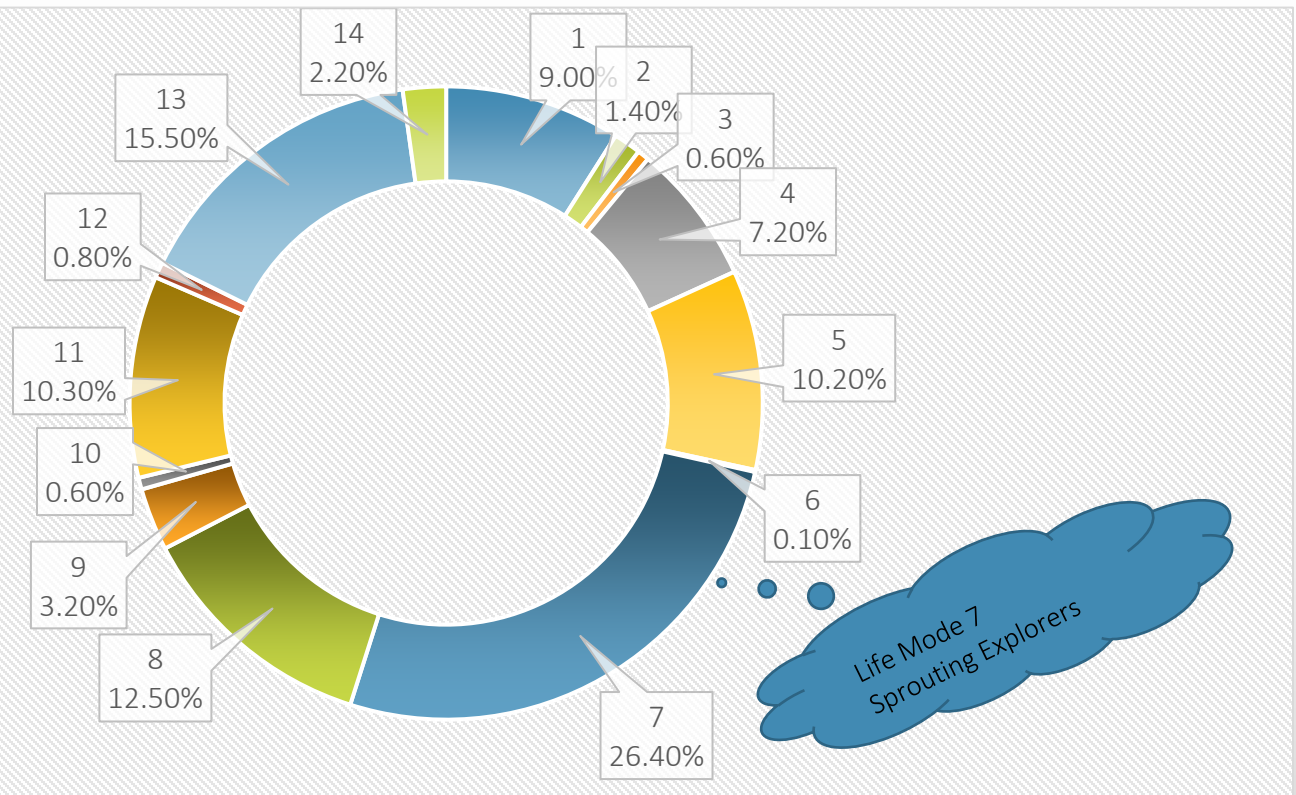
Understand what makes your customers unique

People have unique needs. Understanding the uniqueness of different consumer personas can help you produce valuable products and services. Tapestry Segmentation classifies US neighborhoods into 67 unique segments, based on demographics and socioeconomic characteristics.

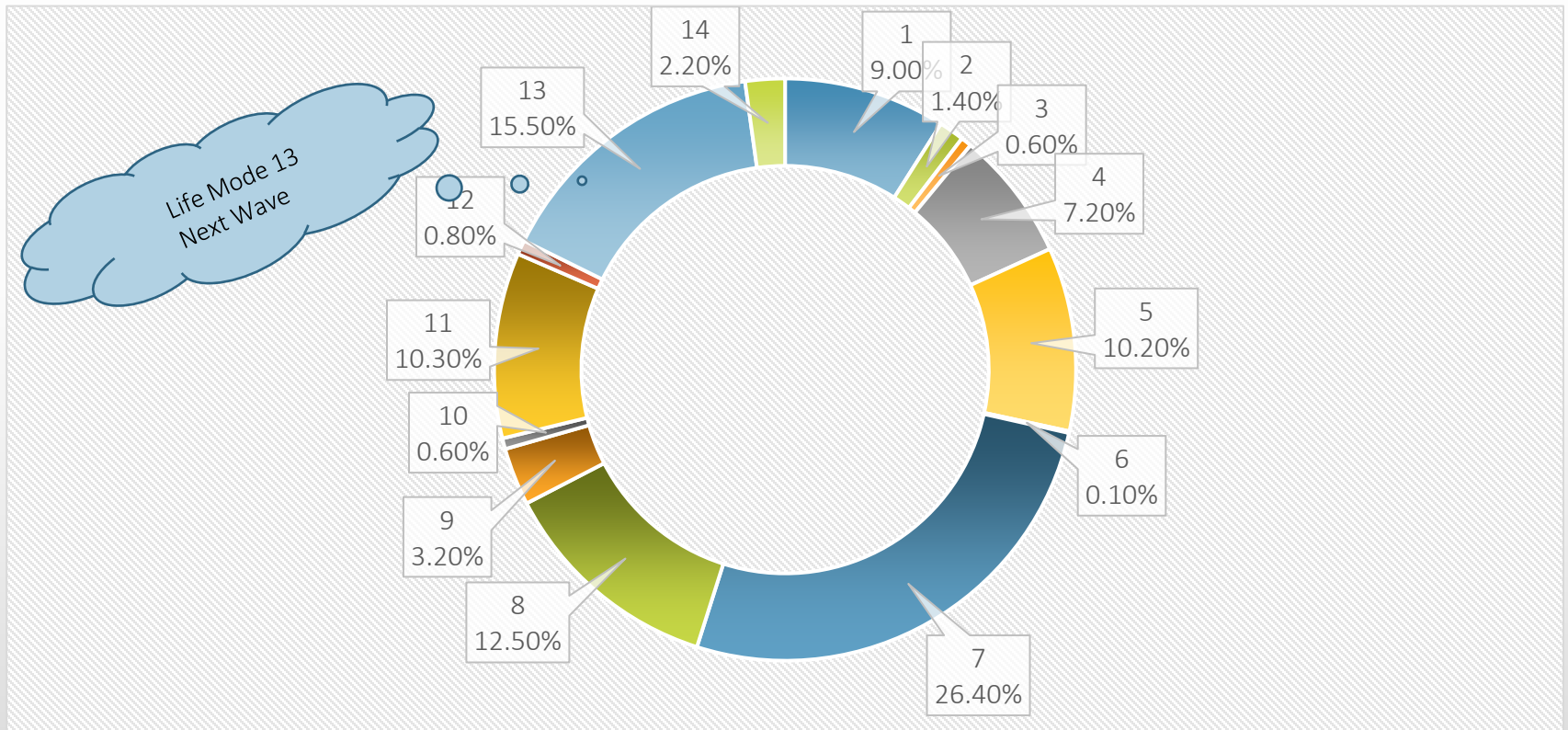
Life Modes



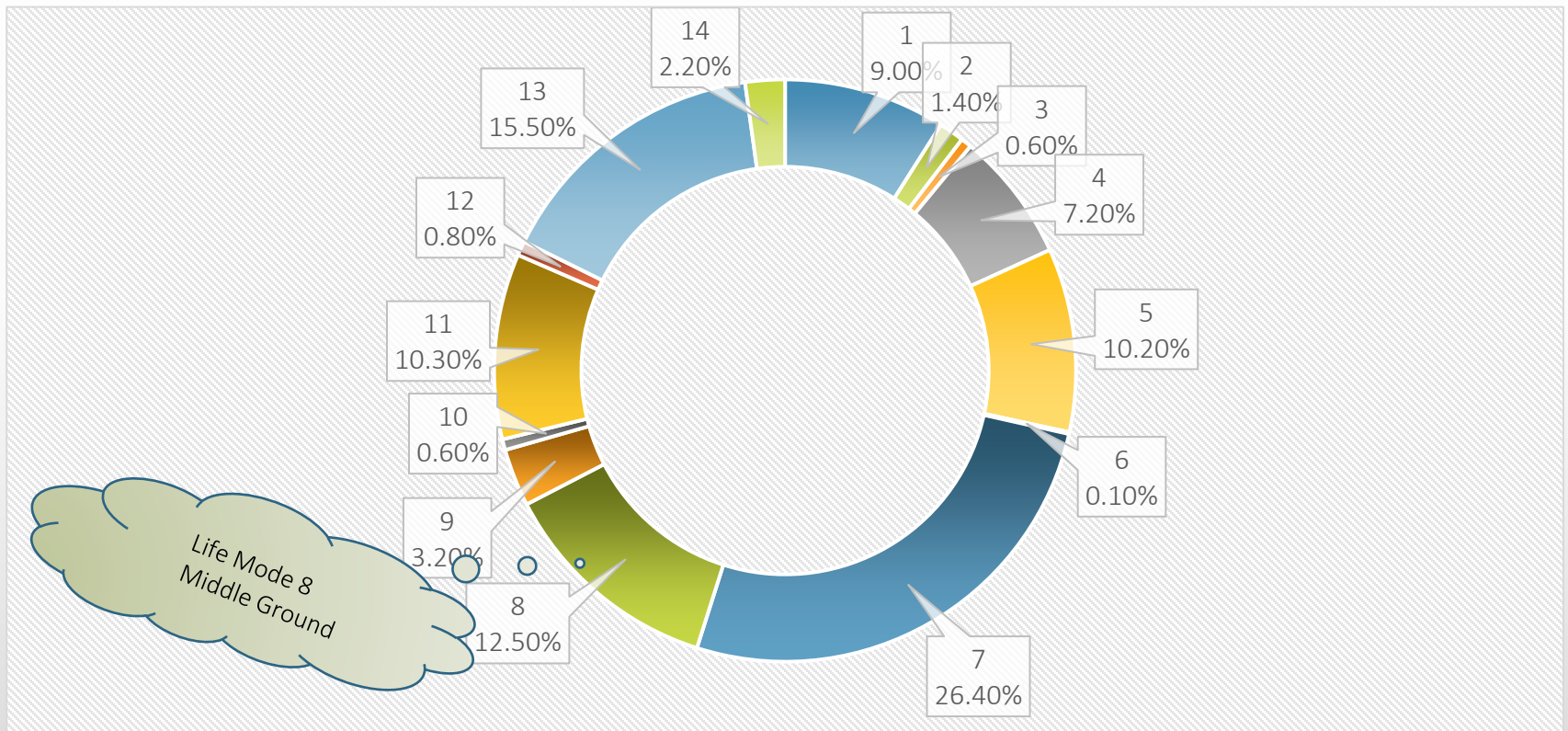
Life Modes



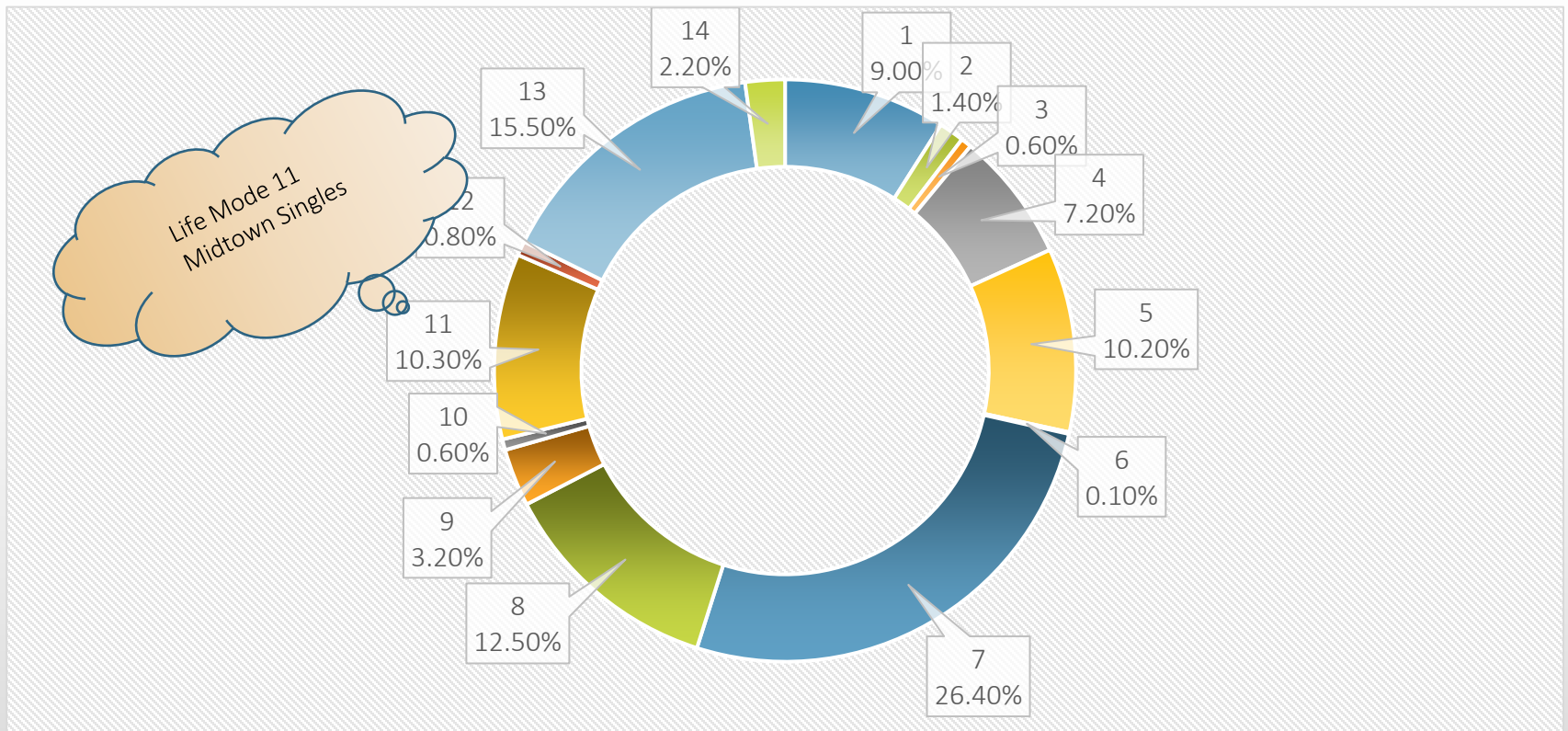
Life Modes



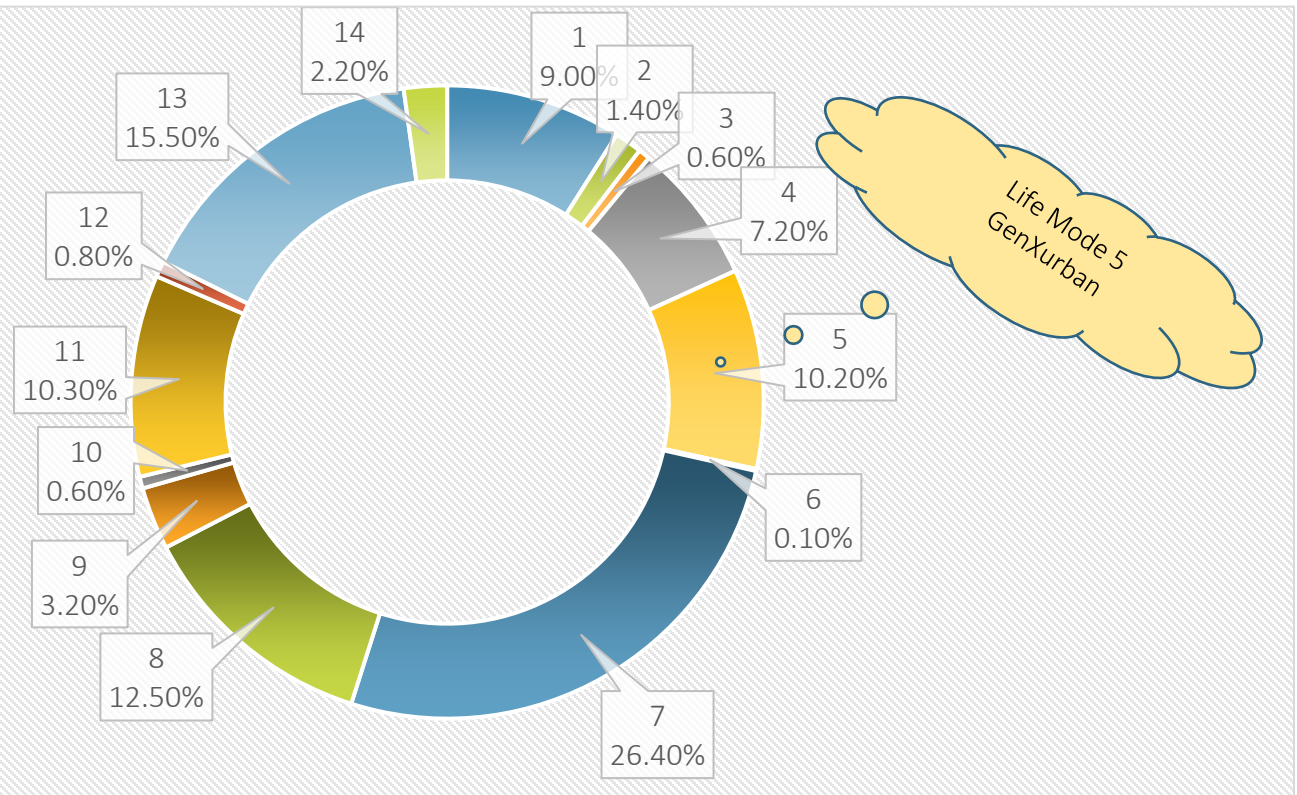
Life Modes



Life Modes



Life Modes



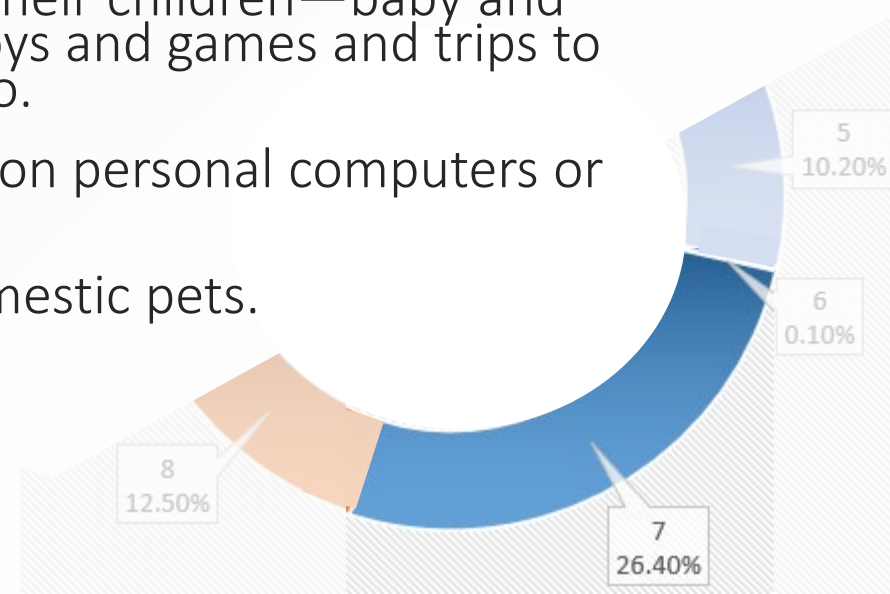
Top 5 Life Modes Represented

In Ranked Order

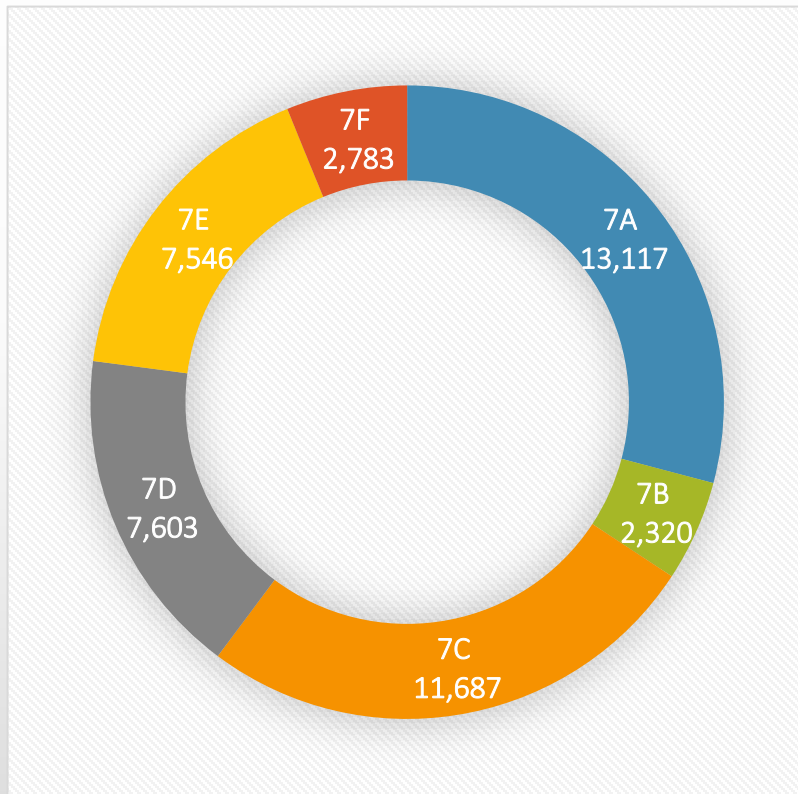
1. Life Mode 7 – 26.4%
2. Life Mode 13 – 15.5%
3. Life Mode 8 – 12.5%
4. Life Mode 11 – 10.3%
5. Life Mode 5 – 10.2%

Life Mode 7 – Sprouting Explorers

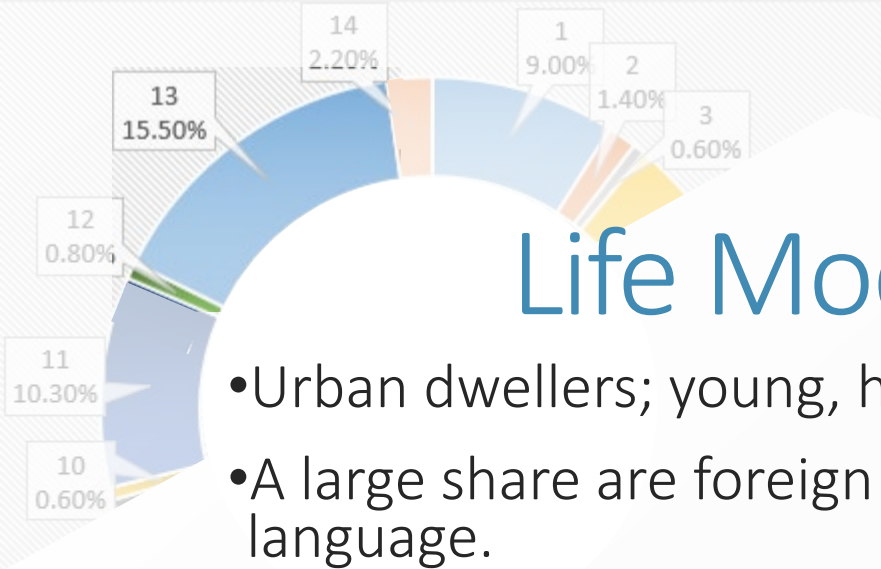
- Young homeowners with families.
- Multilingual and multigenerational households with children who represent second-, third-, or fourth-generation Hispanic families.
- Neighborhoods feature single-family, owner-occupied homes built at city's edge, primarily built after 1980.
- Hardworking and optimistic, most residents aged 25 years or older have a high school diploma or some college education.
- Shopping and leisure also focus on their children—baby and children's products from shoes to toys and games and trips to theme parks, water parks, or the zoo.
- Children enjoy playing video games on personal computers or handheld or console devices.
- Many households have dogs for domestic pets.



Life Mode 7 – Sprouting Explorers



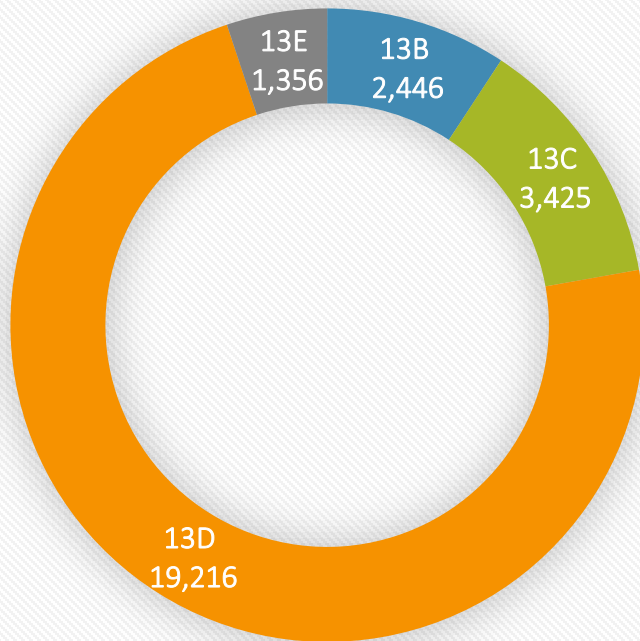
Household Demographics			
Sub Group	Avg Age	Size	Income
7A	31.4	3.12	\$ 72,000
7B	34.0	3.78	\$ 62,300
7C	32.5	3.19	\$ 50,900
7D	28.9	3.62	\$ 38,000
7E	27.4	3.98	\$ 35,300
7F	34.6	3.20	\$ 30,400



Life Mode 13 – Next Wave

- Urban dwellers; young, hardworking families.
- A large share are foreign born and speak only their native language.
- Young, or multigenerational, families with children are typical.
- Most are renters in older multiunit structures, built in the 1960s or earlier.
- Hardworking with long commutes to jobs, often using public transit to commute to work.
- Spending reflects the youth of these consumers, focus on children (top market for children's apparel) and personal appearance.
- Also a top market for moviegoers (second only to college students) and fast food.
- Partial to soccer and basketball.

Life Mode 13 – Next Wave

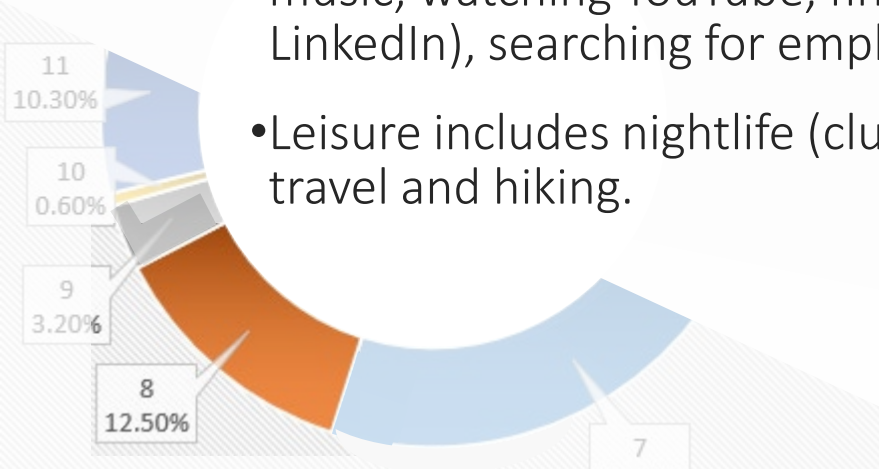


Household Demographics

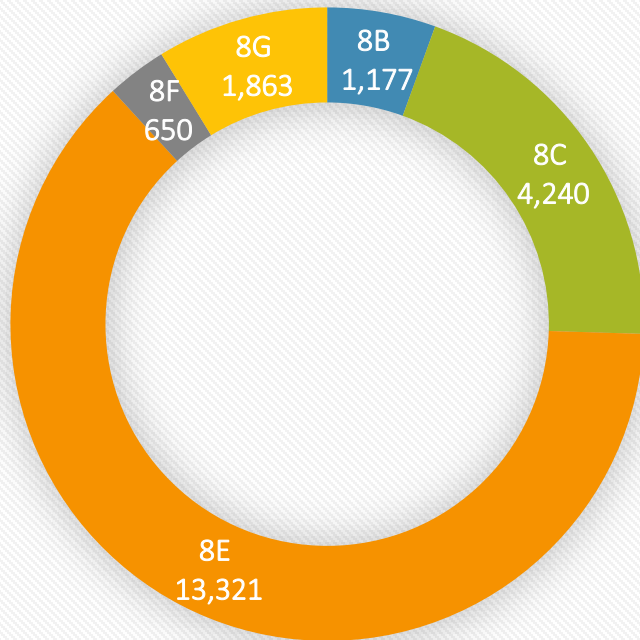
Sub Group	Avg Age	Size	Income
13B	28.3	4.12	\$ 38,300
13C	27.3	3.35	\$ 30,200
13D	28.6	3.17	\$ 26,700
13E	32.2	2.82	\$ 22,800

Life Mode 8 – Middle Ground

- Lifestyles of thirtysomethings.
- Millennials in the middle: single/married, renters/homeowners, middle class/working class.
- Urban market mix of single-family, town home, and multiunit dwellings.
- Majority of residents attended college or attained a college degree.
- Householders have traded their landlines for cell phones, which they use to listen to music, read the news, and get the latest sports updates on their favorite teams.
- Online all the time: use the internet for entertainment (downloading music, watching YouTube, finding dates), social media (Facebook, Twitter, LinkedIn), searching for employment.
- Leisure includes nightlife (clubbing, movies), going to the beach, some travel and hiking.



Life Mode 8 – Middle Ground

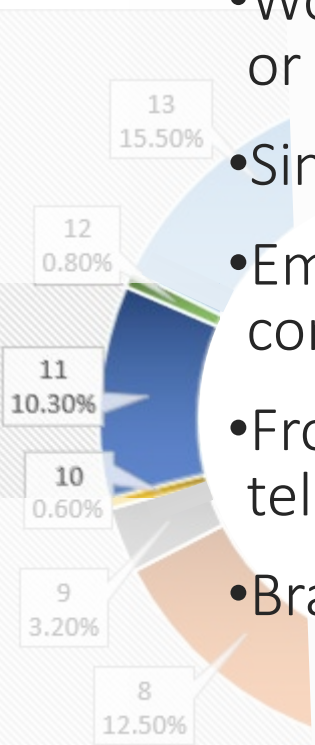


Household Demographics

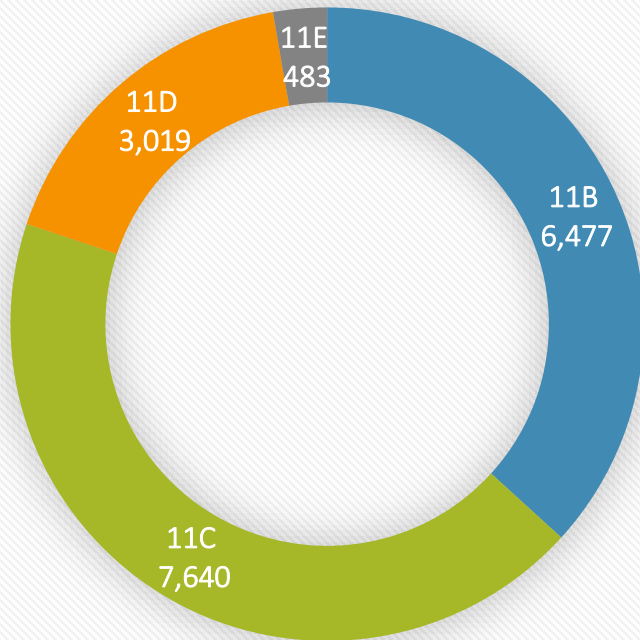
Sub Group	Avg Age	Size	Income
8B	37.4	2.06	\$ 59,200
8C	33.0	2.41	\$ 54,000
8E	34.9	2.57	\$ 43,700
8F	39.4	2.12	\$ 44,900
8G	32.4	2.66	\$ 28,200

Life Mode 11 – Midtown Singles

- Millennials on the move—single, urban.
- Millennials seeking affordable rents in apartment buildings.
- Work in service and unskilled positions, usually close to home or public transportation.
- Single parents with very young children.
- Embrace the internet, for social networking and downloading content.
- From music and movies to soaps and sports, radio and television fill their lives.
- Brand-savvy shoppers select budget-friendly stores.



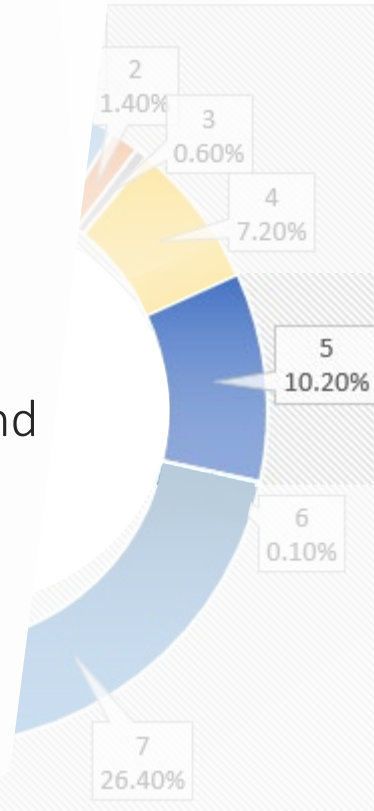
Life Mode 11 – Midtown Singles



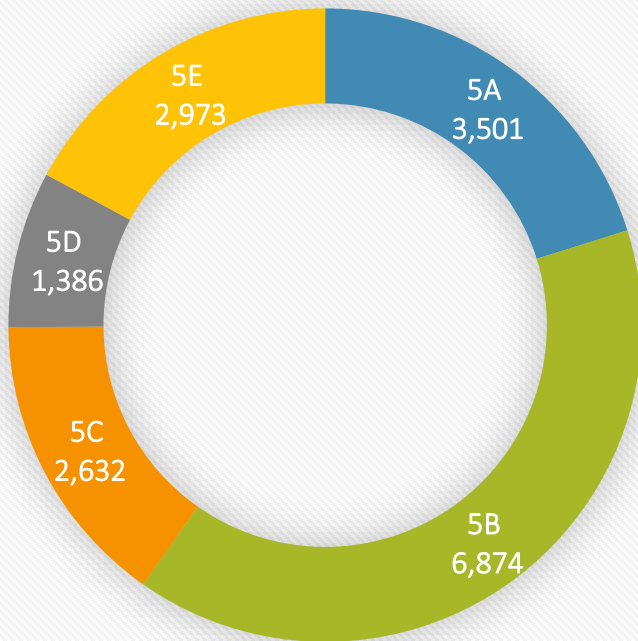
Household Demographics			
Sub Group	Avg Age	Size	Income
11B	29.8	2.04	\$ 40,500
11C	29.3	2.65	\$ 35,700
11D	33.9	2.12	\$ 32,800
11E	28.5	2.67	\$ 18,300

Life Mode 5 – GenXurban

- Gen X in middle age; families with fewer kids and a mortgage.
- Second-largest Tapestry group, composed of Gen X married couples, and a growing population of retirees.
- About a fifth of residents are 65 or older; about a fourth of households have retirement income.
- Own older single-family homes in urban areas, with 1 or 2 vehicles.
- Live and work in the same county, creating shorter commute times.
- Invest wisely, well insured, comfortable banking online or in person.
- News enthusiasts (read a daily newspaper, watch news on TV, and go online for news).
- Enjoy reading, renting movies, playing board games and cards, doing crossword puzzles, going to museums and rock concerts, dining out, and walking for exercise.



Life Mode 5 – GenXurban



Household Demographics

Sub Group	Avg Age	Size	Income
5A	48.0	2.52	\$ 75,000
5B	42.0	2.35	\$ 73,000
5C	40.9	2.51	\$ 60,000
5D	39.0	2.47	\$ 51,800
5E	47.0	2.31	\$ 53,200

An aerial photograph of Fresno, California, taken during the "golden hour" of sunset. The sky is filled with soft, pinkish-purple clouds. The city's urban landscape is visible, featuring a mix of modern high-rise buildings and older, lower structures. A prominent tall, white, rectangular building stands out on the right side. The city is surrounded by greenery, and the distant mountains are visible on the horizon. The text "City of Fresno" is overlaid in the bottom left corner.

City of Fresno
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Fresno CA 93721