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Title: Approve a \$2,568,000 HOME Investment Partnerships, Community Housing Development Organization Program Agreement with Self-Help Enterprises for the construction of the proposed Annadale Commons Apartments, a 40-unit affordable senior rental housing project at Annadale Avenue and Elm Avenue in southwest Fresno

Sponsors: Planning and Development Department

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Code sections:

Attachments: 1. Exhibit A - HOME CHDO Agreement.pdf, 2. Exhibit B - Project Location Map, 3. Exhibit C - Sources and Uses of Funds, 4. Exhibit D - Site Plan and Elevations

Date	Ver.	Action By	Action	Result
12/6/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

December 6, 2018

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SUBJECT

Approve a \$2,568,000 HOME Investment Partnerships, Community Housing Development Organization Program Agreement with Self-Help Enterprises for the construction of the proposed Annadale Commons Apartments, a 40-unit affordable senior rental housing project at Annadale Avenue and Elm Avenue in southwest Fresno

RECOMMENDATION

Staff recommends the City Council approve a \$2,568,000 HOME Investment Partnerships (HOME), Community Housing Development Organization (CHDO) Program Agreement (Exhibit "A" - HOME CHDO Agreement) with Self-Help Enterprises for the construction of Annadale Commons, a 40-unit affordable senior rental housing project located in southwest Fresno (Exhibit "B" - Project Location Map); and authorize the City Manager to sign all implementing documents required by the United States Department of Housing and Urban Development (HUD).

EXECUTIVE SUMMARY

On July 11, 2018, Self-Help Enterprises was selected through a January 16, 2018, Notice of Funding Availability (NOFA) to receive \$2,568,000 in 2018-2019 HOME CHDO funds for its proposed Annadale Commons Senior Housing Project. Self-Help Enterprises is a City-certified CHDO eligible to receive HOME CHDO funding for its Annadale Commons Housing Project. The project includes 40 units of senior housing, a community center for on-site resident services, bike lanes and sidewalk improvements along Annadale from Elm to Martin Luther King Jr. Boulevard.

BACKGROUND

On January 16, 2018, the Housing and Community Development Division released a NOFA for 2018-2019 HOME and CHDO funding. In response to the NOFA, the City received several applications one of which was Self-Help Enterprises' Annadale Commons Senior Housing Project. After preliminary underwriting and technical assessment of the applications, the Annadale Commons Senior Housing Project was determined to be the most viable and was therefore recommended to receive 2018-2019 HOME (\$2,090,000) and CHDO (\$478,000) funding for a total of \$2,568,000, as a residual receipts loan with a 1st position lien, at 1 percent interest, with the balance due and payable in full at a 55-year maturity date.

In accordance with the City of Fresno Better Business Act, the proposed funding was issued through a Notice of Funding Availability and is therefore not subject to the Act process.

On April 13, 2017, the Housing Successor Agency Board approved a Disposition and Development Agreement with Self-Help Enterprises for the development and funding of the proposed project. The Housing Successor Agency Board also approved the donation of four acres of vacant parcels located in southwest Fresno to Self-Help Enterprises for its proposed senior housing project and estimated funding in the amount of \$3,878,749. Other sources of funds include the City of Fresno impact fee waiver in the amount of \$291,461, tax credit equity in the amount of \$6,792,630, and a sponsor loan from Self-Help Enterprises in the amount of \$609,055. The estimated project cost is \$14,139,895 (Exhibit "C" - Project Sources and Uses of Funds), which equates to approximately \$353,497 per housing unit. The unit construction of the project is approximately \$8,525,187 which is a cost of approximately \$246 per sq. ft. (34,590 sq.ft. total). This project includes solar photovoltaics (PV), a community building and furnishings, and prevailing wage/Davis-Bacon wage rates.

The estimated completion date of this affordable senior housing development is scheduled for March, 2020. The project will exceed Title 24 by 10 percent, and include solar PV to offset all of the common area and residential electrical loads. Also included are additional senior housing amenities such as accessibility upgrades (e.g. grab bars, etc.) and a hearing aid loop in the community building, and expanded pedestrian access to the adjacent Clinica Sierra Vista health clinic.

Annadale Commons will consist of thirty-two (1bed/1bath) 760 sq. ft. apartment units, eight

(2bed/1bath) 1,011 sq. ft. apartment units, one of which will be reserved for an on-site property manager, and a community building. Also, included in the construction will be the City's Universal Design elements into each unit (Exhibit "D" - Site Plan and Elevations). Qualifying senior tenants occupying the units will have an income between 30 percent and 60 percent of area median income.

Self-Help Enterprises has been a leading non-profit housing development organization in Fresno County since 1965 and continues to provide safe, decent, and affordable housing for lower income residents. Its mission is to work together with low-income families to build and sustain healthy home and communities. Since its inception, Self-Help Enterprises has assisted over 55,000 families achieve affordable housing. All of Self-Help Enterprises' 31 rental communities are professionally managed and are located near amenities such as transit, shopping, and service providers. Also, all of Self-Help Enterprises' rental communities feature energy efficient appliances, gas stoves and ovens, a dishwasher, refrigerator and central heating and air conditioning.

In addition, Self-Help Enterprises in conjunction with partners will be providing a number of service amenities to the residents of the proposed project. Eighty-four hours of instruction per year will be provided in adult educational classes, health and wellness and skill building classes. Sixty hours of Health and Wellness Services and Programs will be provided by Clinica Sierra Vista. Clinica Sierra Vista will also provide on-site services to assist seniors with aging in place.

The project partners include Architecture Plus, Inc., Law Offices of Gubb & Barshay, LLC, AWI Management Corporation, California Housing Partnership, Raney Planning and Management, MELAS Energy Engineering, James Palmer Appraisals, Inc., MVE, Inc., and Clinica Sierra Vista. Self-Help Enterprises is also collaborating through the Transformative Climate Communities (TCC) to install sidewalks and bike lanes from Elm to M.L.K. Jr. Boulevard and is coordinating with the Fresno Metro Black Chamber of Commerce to provide electric vehicle charging infrastructure for the TCC ride share pilot. Overall, this project will improve non-motorize transit to and from the health clinic, schools, Mary Ella Brown Center and the Annadale Commons housing project.

In addition, Self-Help Enterprises will be developing approximately 30 single-family homes immediately adjacent to the Annadale Commons senior housing project. Those homes will be developed through the mutual self-help housing program and will include extensive homebuyer education, including credit counseling and financial fitness, to assist families in becoming mortgage ready.

Once the Annadale Commons project is complete, the units will assist the City in meeting its affordable housing goals as identified in the Housing Element of the 2035 General Plan, Consolidated Plan, and HOME CHDO Program funding priorities for new housing development. The project is also expected to make a positive impact to the neighborhood by offering new, in-fill, quality, durable, affordable senior housing.

The Housing and Community Development Commission reviewed this item on November 28, 2018.

ENVIRONMENTAL FINDINGS

On March 17, 2017, pursuant to the California Environmental Quality Act guidelines, the proposed activities related to the Annadale Commons Senior Housing Project resulted in a Mitigated Negative Declaration. On June 17, 2017, the Fresno City Council approved a General Plan Amendment, Rezone, and Mitigated Negative Declaration environmental assessment for the project.

An analysis has been performed pursuant CEQA Guidelines §15162 to determine whether subsequent environmental review is required for the Annadale Commons Senior Housing Project. Based upon this analysis the following findings are made to support the determination that no subsequent environmental review is required:

1. No substantial changes are proposed in the project which will require major revisions of the previous Mitigated Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
2. No substantial changes have occurred with respect to the circumstances under which the project was undertaken which will require major revisions of the previous Mitigated Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
3. There is no new information, which was not known and could not have been known at the time of the previous Mitigated Negative Declaration.

Based upon these findings, it has been determined that no further environmental documentation is required for this project.

Additionally, on September 6, 2018, pursuant to the National Environmental Policy Act (NEPA) guidelines, a review of the project activities resulted in a Finding of No Significant Impact.

LOCAL PREFERENCE

Local preference is not applicable based on conditions of federal funding.

FISCAL IMPACT

The HOME Program funds for the proposed Annadale Commons Senior Housing project were appropriated to the Development and Resource Management Department as part of its fiscal year 2019 Budget.

APPENDICES

- Exhibit A - HOME CHDO Agreement
- Exhibit B - Project Location Map
- Exhibit C - Sources and Uses of Funds
- Exhibit D - Site Plan and Elevations