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Title: Recommend approval of 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 southeast Fresno

Sponsors: Planning and Development Department

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

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11/28/2018	1	Housing and Community Development Commission		

REPORT TO THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

November 28, 2018

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SUBJECT

Recommend approval of 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 southeast Fresno

RECOMMENDATION

Staff recommends the Housing and Community Development Commission recommend approval of 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 southeast Fresno (Exhibit "B" - Project Location Map).

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 the proposed Annadale Commons Senior Housing Project. Self-Help Enterprises is a City-certified CHDO eligible to receive the HOME CHDO funding for its Annadale Senior Housing Project. HOME funding is available through the City of Fresno (City) approved 2018-2019 Annual Action Plan, in both the Housing Development and CHDO Set-aside categories.

BACKGROUND

On January 16, 2018, the Housing and Community Development Division released a NOFA for 2018-19 HOME and CHDO funding. In response to the NOFA, the City received seven 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 and CHDO funding for a total of \$2,568,000, as a residual receipts loan with a 1st position lien, at 2% interest, with any 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 (Housing Successor) approved a Disposition and Development Agreement with Self-Help Enterprises for the development and funding of the proposed project. The Housing Successor also approved the donation of vacant land located in southeast Fresno to Self-Help Enterprises for the proposed senior housing project and estimated funding in the amount of \$3,837,000. Other sources of funds include the City impact fee waiver in the amount of \$291,461, entitlement fee loan in the amount of \$41,749, 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).

Annadale Commons will consist of eight 584 square foot (1bed/1bath) apartment units, thirty-two 846 square foot (2bed/1bath) apartment units, one of which will be reserved for an on-site property manager, and a 1,912 sq. ft. community room. 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 from 30% to 60% of the Fresno area median income as determined by HUD.

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 homes 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, banking, 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.

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.

The Annadale Commons 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.

Once the project is complete, the multifamily 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.

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, a pursuant to the National Environmental Policy Act (NEPA) guidelines, a review of the project activities resulted in a Finding of No Significant Impact. The Housing and Community Development Division received authorization to use grant funds on October 8, 2018.

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.

Attachments:

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