



Legislation Details (With Text)

File #: ID 22-131 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 1/11/2022 **In control:** City Council

On agenda: 2/10/2022 **Final action:** 2/10/2022

Title: ***RESOLUTION - Supporting FCTC Family, LP's submission of a Low-Income Housing Tax Credit application for the construction of affordable housing at 200 N. Salma and expressing the City's intent to contribute to the Project in an amount not to exceed \$6,180,000 upon full award of tax credit funding for the Project. (Subject to Mayor's Veto)

Sponsors: Office of Mayor & City Manager

Indexes:

Code sections:

Attachments: 1. Resolution, 2. Supplement_Feb10th_22-131_FCTC_RevisedResolution

Date	Ver.	Action By	Action	Result
2/10/2022	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

THROUGH: PHIL SKEI, Assistant Director
Planning and Development Department

BY: KAREN JENKS, Housing Manager
Housing and Community Development Division

SUBJECT:

***RESOLUTION - Supporting FCTC Family, LP's submission of a Low-Income Housing Tax Credit application for the construction of affordable housing at 200 N. Salma and expressing the City's intent to contribute to the Project in an amount not to exceed \$6,180,000 upon full award of tax credit funding for the Project. (Subject to Mayor's Veto)

RECOMMENDATION

Staff recommends the City Council approve the resolution supporting FCTC Family, LP's submission of a Low-Income Housing Tax Credit (LIHTC) application for the construction of affordable housing at 200 N. Salma (Project) and expressing the City's intent to contribute to the Project in an amount not to exceed \$6,180,000 upon full award of tax credit funding for the Project.

EXECUTIVE SUMMARY

FCTC Family, LP (Developer) desires to apply for LIHTC to develop and construct 120 units, located at 200 N. Salma in Fresno, referred to as Sarah's Court 1. The City's resolution to appropriate an amount not to exceed \$6,180,000 to the Project would assist the Developer to obtain and leverage funding for the Project. Up to \$2,700,000 would be funded through the HOME Program (an amount previously approved by a City Council Resolution on June 24, 2021) and up to \$3,480,000 would be funded through America Rescue Plan Act of 2021 (ARPA).

BACKGROUND

The California Tax Credit Allocation Committee (TCAC) facilitates the investment of private capital into the development of affordable rental housing for low-income Californians. TCAC allocates federal and state tax credits to the developers of these projects. Corporations provide equity to build the projects in return for the tax credits. TCAC verifies that the developers have met all the requirements of the program and ensures the continued affordability and habitability of the developments for the succeeding 55 years.

Developer plans to apply for the March 2022 round of LIHTC for its Sarah's Court 1 project. Developer previously applied for tax credits in 2021 and did not receive an award. This Project includes the construction of 120 units, located at 200 N. Salma. One of the key scoring criteria for the LIHTC application is the applicant's ability to locate and leverage affordable housing resources. The City's resolution to appropriate an amount not to exceed \$6,180,000 would assist the developer's ability to obtain leverage funding for the Project. The City's investment represents an average investment of \$51,500 per unit, an amount that falls within a typical public investment range for affordable housing development and is less than other previously funded projects. The City would not be an applicant or co-applicant with the Developer's application for the Project. Rather, the resolution would show the City's support of the Project and its commitment to provide \$6,180,000 upon award of the Developer's full LIHTC allocation and ability to show that the Project is fully funded.

Should Developer receive a LIHTC award from the March 2022 round, staff will bring one or more funding agreements in a total amount not to exceed \$6,180,000 to Council for approval. If Developer is not awarded LIHTC funds in the March 2022 round, the City's commitment to the Project shall terminate.

ENVIRONMENTAL FINDINGS

This is not a project for purposes of CEQA pursuant to CEQA guidelines Section 15378. These plans, strategies and studies are an exempt activity under HUD NEPA Requirements (24 CFR 58.34 (1)).

LOCAL PREFERENCE

Local preference is not applicable because the resolution provides support for a state funding application.

FISCAL IMPACT

The action today does not approve a funding agreement, and as such, has no fiscal impact.

ATTACHMENTS:

-Resolution