Legislation Details (With Text)

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Title:	Approve Memorandum of Understanding between the City of Fresno and UP Holdings, LLC for the construction of sustainable transportation infrastructure and transit related amenities pursuant to UP Holdings' Affordable Housing and Sustainable Communities (AHSC) Program application due April 4, 2023.
Sponsors:	Planning and Development Department
Indexes:	
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Attachments:	1. UP Holdings MOU

Date	Ver.	Action By	Action	Result
3/30/2023	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

PHIL SKEI, Assistant Director
Planning and Development Department

SUBJECT

Approve Memorandum of Understanding between the City of Fresno and UP Holdings, LLC for the construction of sustainable transportation infrastructure and transit related amenities pursuant to UP Holdings' Affordable Housing and Sustainable Communities (AHSC) Program application due April 4, 2023.

RECOMMENDATION

Staff recommends approval of this Memorandum of Understanding between the City of Fresno and UP Holdings, LLC (Developer) for the construction of sustainable transportation infrastructure and transit related amenities to serve the development at 3787 N. Blackstone upon full funding of the Developer's April 4, 2023 application for the Affordable Housing and Sustainable Communities ("AHSC") Program.

EXECUTIVE SUMMARY

The Developer has a $66 million project that consists of a 114-unit affordable multi-family

development (68 family units, 45 veteran units, and 1 manager's unit) and Transit Related Amenity (TRA) and Sustainable Transportation Infrastructure (STI) components such as improved walk paths, dedicated bike paths, additional bus stops, and improved service frequency along Route 39 connecting residents to major retail, social services, education, and employment opportunities. The Developer is applying for Round 7 of the California Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) Program to obtain needed funding to support this affordable housing project. In order for the Developer to submit a complete AHSC application, the City must enter into a contractual agreement to develop the TRA and STI elements of the project, if the project is awarded. Included in the Developer's application is up to $15,000,000 for the City to make these improvements.

BACKGROUND

The Affordable Housing and Sustainable Communities Program (AHSC) was created by Senate Bill 862 (2014) to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development. The AHSC Program is funded by the Greenhouse Gas Reduction Fund (GGRF), otherwise known as the auction proceeds derived from California's cap-and-trade program, or California Climate Investments. The AHSC Program funds projects that increase the supply of affordable places to live near jobs, stores, transit, and other daily needs. The goal of the AHSC Program is to reduce personal vehicle use by funding affordable housing projects that make it easier for residents to get out of their cars and walk, bike, or take public transit. The AHSC Program explicitly funds projects through affordable housing loans, and capital grants for housing-related infrastructure, sustainable transportation infrastructure, transit related amenities, and other related programs.

This $66 million project consists of a 114-unit affordable multi-family development (68 family units, 45 veteran units, and 1 manager's unit) and Transit Related Amenity (TRA) and Sustainable Transportation Infrastructure (STI) components such as improved walk paths, dedicated bike paths, additional bus stops, and improved service frequency along Route 39 connecting residents to major retail, social services, education, and employment opportunities. The Developer is applying for Round 7 of the California Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) Program to obtain needed funding to support this affordable housing project. In order for the Developer to submit a complete AHSC application, the City must enter into a contractual agreement to develop the TRA and STI elements of the project, if the project is awarded. Included in the Developer's application is up to $15,000,000 for the City to make these improvements.

This project addresses the city's need for quality affordable housing by providing 113 units (1 manager's unit) for families and veterans who earn between 30% and 60% Area Median Income (AMI). Investment in infrastructure such as new bike and walk paths will make this a better transit area, thereby increasing community safety and opportunity.

During construction, in partnership with the Fresno Regional Workforce Development Board, local residents will have the opportunity to participate in the ValleyBuild's MC3 Apprenticeship Readiness Training Program. Following the conclusion of construction, residents will be provided career skills training on an ongoing basis, as well as receive on-site supportive services, including case management.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary assessment and determined this project is exempt under Section 15332/Class 32 of the California Environmental Quality Act (CEQA) Guidelines. None of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to the project.

LOCAL PREFERENCE

Local preference is not applicable as this Memorandum of Understanding does not include a bid or award of a construction or services contract.

FISCAL IMPACT

If awarded, the City will receive up to $15,000,000 to pay for TRA and STI improvements which will be incorporated into the City of Fresno annual budget for the fiscal year(s) in which funds will be available.

Attachment: UP Holdings MOU