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Title: *** RESOLUTION - Authorizing and directing the submission of a grant application to the California Department of Housing and Community Development Infill Infrastructure Grant - Catalytic Qualifying Infill Area Program, Phase II, totaling up to \$45,000,000 in a request for funding. (Subject to Mayor's Veto)

Sponsors: Office of Mayor & City Manager, Miguel Angel Arias

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Code sections:

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3/30/2023	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: JERRY P. DYER, Mayor
Office of the Mayor & City Manager

BY: KELLI FURTADO, Chief of Staff
Office of the Mayor & City Manager

SUBJECT

*** RESOLUTION - Authorizing and directing the submission of a grant application to the California Department of Housing and Community Development Infill Infrastructure Grant - Catalytic Qualifying Infill Area Program, Phase II, totaling up to \$45,000,000 in a request for funding. (Subject to Mayor's Veto)

RECOMMENDATION

Staff recommends the City Council authorize and direct staff to submit an Infill Infrastructure Grant - Catalytic Qualifying Infill Area (IIGC) Application to the Department of Housing and Community Development (HCD).

EXECUTIVE SUMMARY

The City of Fresno (City) is eligible and has been invited by HCD to apply for IIGC funding, by no later than April 10, 2023. Staff requests authorization to finalize and submit a Downtown Fresno IIGC application to HCD for up to \$45 million in catalytic capital improvements, including water, wastewater, and structured parking.

BACKGROUND

A total of \$105 million is available in the State of California's 2022-23 fiscal year for IIGC, \$90 million of which is dedicated to large jurisdictions such as Fresno. HCD estimates the maximum award for large jurisdictions will be \$45 million and the minimum is \$15 million, based on this information there are expected to be between two to six large jurisdiction awardees, respectively. The maximum grant amount for capital improvements is determined through a calculation of the total number of housing units proposed within the identified Catalytic Qualifying Infill Area, the bedroom count of these units, and the density and affordability of the proposed housing.

On December 29, 2022, HCD opened a grant portal to announce the IIGC Program guidelines, and the availability of \$105 million in IIGC funds. The City completed and submitted a Downtown Fresno Concept Proposal - Phase I Application on February 3, 2023. HCD received concept proposals from an unknown quantity of jurisdictions for Phase I, in excess of \$760 million in funding needs.

The City's Concept Proposal identified 232 acres in Downtown Fresno, including a portion of Chinatown, between Van Ness Avenue and E Street, and Tuolumne Street and Ventura Street. The Concept Proposal supported a request for \$45 million in catalytic capital improvement projects that would support 1,189 units of planned housing. Although the housing units are important in calculating the maximum grant amount, any potential funding award is limited to capital infrastructure projects. The Concept Proposal identified water, wastewater, and structured parking improvements - all important parts of an important part of catalyzing downtown investment and accelerating new investment in residential and mixed-use buildings.

Key stakeholders convened to assist with the development of the Downtown Fresno Concept Proposal, including agencies with expertise and experience in previous and future planning efforts, visioning, and engagement. Additional stakeholder engagement is anticipated, but to date has included the Fresno Housing Authority, State Center Community College District, Central Valley Community Foundation, Housing Successor Agency to the Redevelopment Agency of the City of Fresno, and private developers and property owners.

The City aims to grow from the 3,000 residents currently living in the downtown core, to more than 10,000. This application is an opportunity to develop under-utilized and vacant land into low-income and market rate housing and bring important improvements to aging and insufficient local infrastructure to support proposed and future development at higher densities. By increasing housing development and delivering infrastructure improvements, Fresno expects to attract investment, businesses and entrepreneurs, create and retain jobs.

Additionally, the application has the potential to become a best practice for walkable neighborhoods, which will allow residents to live more healthy and sustainable lives. Walkability and proximity to a variety of transit options also aligns with climate goals to reduce the average number of vehicle miles driven. Without the capital improvements described, the desired development of the neighborhood is likely to mirror years past - on a slower and smaller scale. Significant infrastructure investment is necessary, and the proposed projects represent true catalytic change. Fresno's density, equity, transit, commercial, walkability, and climate goals cannot be achieved without adequate infrastructure.

On March 10, 2023, HCD confirmed the City's eligibility, and invited the City to apply for IIGC Phase

It by no later than April 10, 2023. The Phase II IIGC application will enhance work done previously on the Downtown Fresno Concept Proposal.

Pending approval, staff intends to apply for up to \$45 million for the Downtown Fresno catalytic capital improvements outlined in the Concept Proposal, including water, wastewater, and structured parking.

If awarded, staff will return to the City Council for approval to accept funds.

ENVIRONMENTAL FINDINGS

This item is not a project as defined by the California Environmental Quality Act.

LOCAL PREFERENCE

Local Preference is not implemented because of state funding.

FISCAL IMPACT

This resolution will have no impact on the General Fund

Attachments:

Resolution

HCD Invitation to Apply

Maps