



Legislation Details (With Text)

File #: ID 23-679 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 4/21/2023 **In control:** City Council

On agenda: 5/11/2023 **Final action:** 5/11/2023

Title: Approve a \$1.5 million Permanent Local Housing Allocation Agreement with Broadway Plaza Family Apartments, LP for its Hotel Fresno Apartments currently underway and located at 1241-1263 Broadway Plaza in downtown Fresno

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. Exhibit A - PLHA Agreement

Date	Ver.	Action By	Action	Result
5/11/2023	1	City Council	APPROVED	Pass

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
Planning and Development Department

THROUGH: PHIL SKEI, Assistant Director
Planning and Development Department

BY: CORRINA NUNEZ, Project Manager
Housing and Community Development Division

SUBJECT

Approve a \$1.5 million Permanent Local Housing Allocation Agreement with Broadway Plaza Family Apartments, LP for its Hotel Fresno Apartments currently underway and located at 1241-1263 Broadway Plaza in downtown Fresno

RECOMMENDATION

Staff recommends the City Council approve a \$1.5 million Permanent Local Housing Allocation Agreement with Broadway Plaza Family Apartments, LP for its Hotel Fresno Apartments currently underway and located at 1241-1263 Broadway Plaza in downtown Fresno.

EXECUTIVE SUMMARY

On December 15, 2022, the Council approved Resolution No. 2022-306 to support and fund the project with \$1.5 million in PLHA funds. As provided for in the Resolution, the Housing and Community Development Division staff is presenting for Council approval the attached Exhibit "A" -

PLHA Agreement for the \$1.5 million in funding to Developer to complete the project.

BACKGROUND

APEC International, LLC is the developer of the Hotel Fresno project which consists of the adaptive/reuse/conversion of the former Hotel Fresno building. Construction of the project began in July 2019 and is currently about 90% complete. Developer has made its best effort to mitigate some of the unforeseen cost increases through securing additional tax credits. However, a shortfall of \$1.5 million currently exists. Despite the delays and cost overruns, the developer has avoided cessation of construction and has made significant progress toward completion of the project.

The Hotel Fresno project cost is approximately \$32,496,122 comprised of \$16,900,000 in Tax Exempt Bonds, \$3,037,676 in State Affordable Housing Sustainable Community Grant funds, \$1.9 million in Fresno Housing Successor Agency funds, \$6,287,100 in tax credit equity, \$1,204,134 in developer equity, and \$1,667,212 in other deferred development costs.

This adaptive reuse project consists of the rehabilitation of the former Hotel Fresno into an affordable housing structure that will currently consist of 43 one-bedroom units of 511 square feet, 26 two-bedroom units of 811 square feet (includes a 2 BR manger unit), and 12 three-bedroom units of 1,129 square feet. Eleven of the total units will be PLHA assisted. In addition, the Hotel Fresno affordable housing project will be rehabilitated to meet the Secretary of Interior Standards and will include on-site amenities consistent with the intended tenant population, parking at the adjacent property, laundry room, and community center. Qualifying tenants' income will range from 30% to 80% of area median income.

Once completed, the Hotel Fresno housing project will assist the City of Fresno with meeting its affordable housing goals and objectives as outlined in the Housing Element of the 2035 General Plan and 2020-2024 Consolidated Plan and One Fresno Housing Strategy.

ENVIRONMENTAL FINDINGS

The Project was previously determined to be Categorical Exempt as set forth in CEQA Guidelines Section 15331 which exempts the maintenance, repair stabilization, rehabilitation restoration, preservation, conservation, or reconstruction of historically resources. Furthermore, none of the exceptions to the Categorical Exemptions set forth in CEQA Guidelines Section 15300.2 apply to this Project.

FISCAL IMPACT

The PLHA Program funds for the proposed Hotel Fresno Housing project were appropriated to the Planning and Development Department as part of its fiscal year 2023 Budget.

Attachment: Exhibit A - PLHA Agreement