



# Boards of Commissioners Update

January 2019

## **Boards of Commissioners Update – January 2019**

### **Table of Contents**

<b>Topic:</b>	<b>Page</b>
<b>Federal Budget Update</b>	<b>3</b>
<b>Financial Report – November 2018</b>	<b>4</b>
<b>HAP Report – November 2018</b>	<b>9</b>
<b>Blackstone and Simpson Development Update</b>	<b>12</b>
<b>Chinatown – Transformative Climate Communities Development Update</b>	<b>14</b>

## BOARD UPDATE

O (559) 443-8400  
F (559) 445-8981

1331 Fulton Mall  
Fresno, California 93721  
TTY (800) 735-2929

[www.fresnohousing.org](http://www.fresnohousing.org)

**TO:** Boards of Commissioners

Fresno Housing Authority

**DATE:** January 15, 2019

**AUTHOR:** Tammy Townsend

**FROM:** Preston Prince, CEO / Executive Director

**SUBJECT:** Federal Budget Update

---

### Executive Summary

The purpose of this memo is to provide the Boards of Commissioners an update on the federal budget and partial government shutdown.

As previously discussed, the start of the new budget year for the Federal government is always the first day of October. For the 2019 Federal budget, lawmakers did not anticipate having an approved budget by the end of September, so they passed a "Continuing Resolution"(CR) to maintain funding through December 21, 2018. The partial government shutdown became a national reality on December 22, 2018, due to a lapse in congressional appropriations for the 2019 fiscal year. Monday, January 14, 2019 represents the 24<sup>th</sup> day of the shutdown with no obvious end in sight.

The Department of Housing and Urban Development (HUD) is one area of the federal government that remains unfunded at this time. The Fresno Housing Authority normally receives (from HUD) and pays out (to property owners) about seven million dollars in funding (HAP) each month to support the Housing Choice Voucher (formerly Section 8) program. Fortunately, payments were processed seamlessly for January and the Agency has been notified by HUD to expect the same for February payments.

During the January meeting of the Boards of Commissioners, staff will present additional information and request a line of credit from HRFC in the event that the shutdown lasts beyond February. This option is made possible because of the history of prudent fiscal decisions by the Boards and will ensure the most streamlined approach to landlord HAP payments for March. The Boards will recall that staff made this same request last January 2018, when the nation faced federal budget uncertainties.

## BOARD UPDATE

O (559) 443-8400  
F (559) 445-8981

1331 Fulton Mall  
Fresno, California 93721  
TTY (800) 735-2929

[www.fresnohousing.org](http://www.fresnohousing.org)

**TO:** Boards of Commissioners

**DATE:** January 15, 2019

Fresno Housing Authority

**AUTHOR:** Emily De La Guerra

**FROM:** Preston Prince, CEO/Executive Director

**SUBJECT:** Fresno Housing Operating Budget as of November 30, 2018

### Executive Summary

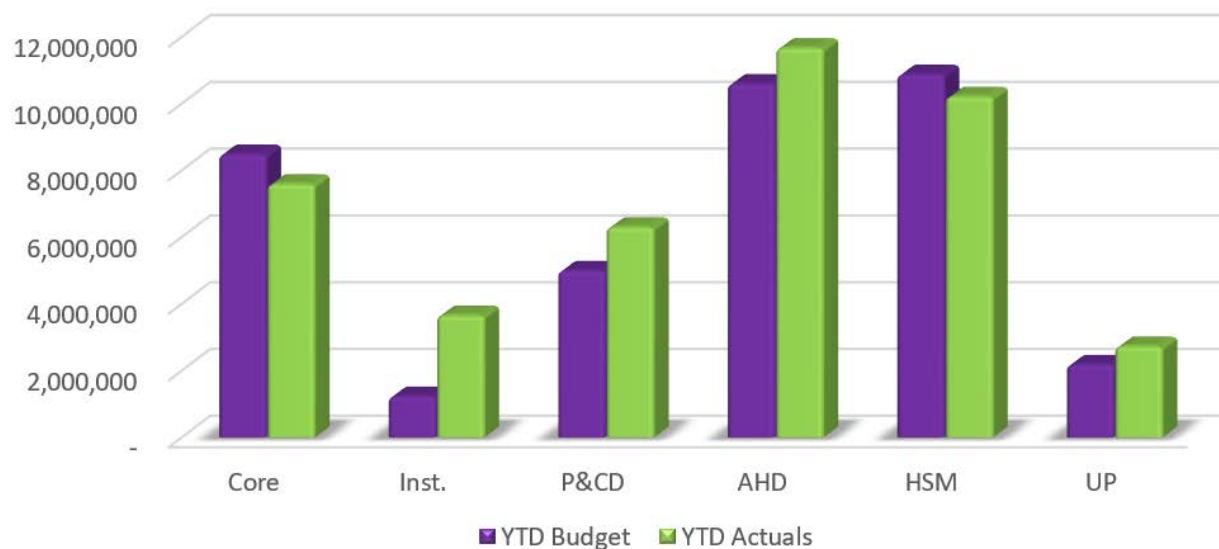
The purpose of this update is to present an overview of the financial operating results for the Fresno Housing Authority as of November 30, 2018. The attached financial report shows the consolidation of all Agency operational budgets combined into six divisions. Projections have been incorporated into the year-to-date budget to account for the timing of cash flows and known variable expenses. These adjustments were based on historical trends and the most current information available.

The 2018 Operating Budget was approved by the Boards of Commissioners in December 2017 with total revenues of \$41.4 million and total operating expenses of \$38.0 million. As of November, total revenues are \$42.2 million, and total operating expenses are \$33.9 million. Net Operating Income is \$8.3 million, which means that the operating income exceeds the gross operating expenses during the first eleven months of the year.

	Fresno Housing Authority		
	Annual Budget	YTD Budget	YTD Actuals
<b>OPERATING BUDGET</b>			
TOTAL INCOME	41,402,540	38,367,300	42,171,802
TOTAL EXPENSES	37,974,220	34,941,702	33,894,230
<b>NET OPERATING INCOME</b>	<b>3,428,320</b>	<b>3,425,598</b>	<b>8,277,573</b>
TOTAL NON-OPERATING EXPENSES	1,957,088	1,793,997	2,272,713
<b>NET INCOME</b>	<b>1,471,232</b>	<b>1,631,600</b>	<b>6,004,859</b>
<b>UNRESTRICTED NET INCOME</b>	<b>(441,488)</b>	<b>(121,726)</b>	<b>2,301,323</b>

## Agency Revenue

### YTD Revenue: Budget to Actual



UP - Unrestricted Properties: Agency-owned non-subsidized properties, for example Dayton, Woodside, and San Ramon (formerly known as Affordable Housing)

HSM - Housing Management: Restricted, subsidized properties including all public housing, farm labor and migrant properties

AHD - Assisted Housing Division: Housing Choice Voucher, Resident Services and Homeless programs

P&CD - Planning & Community Development: Real Estate Development and Construction Management departments

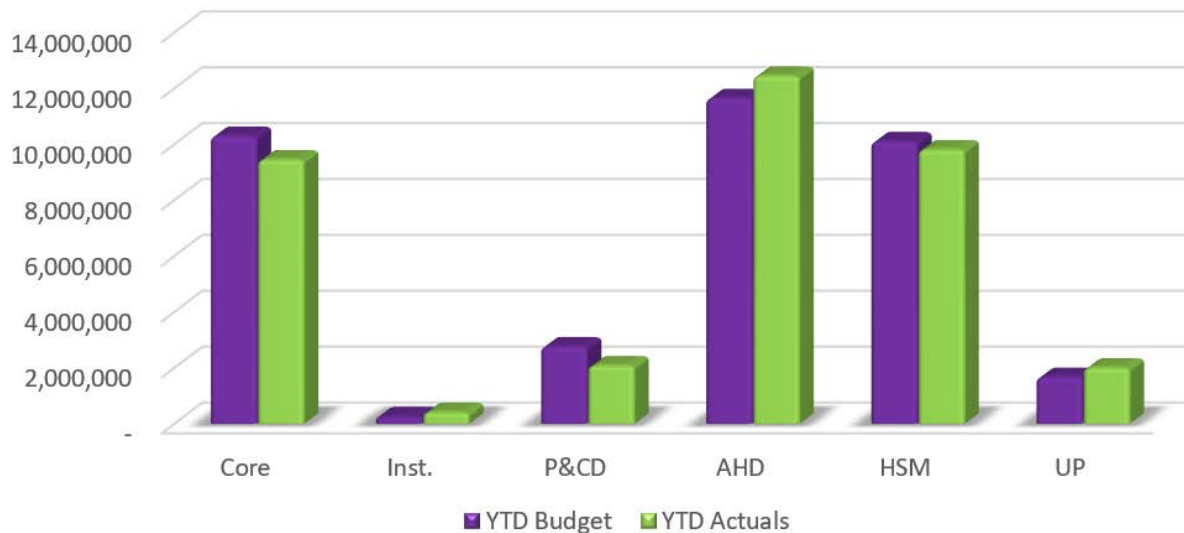
Inst. - Instrumentalities: Wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest

Core: Administrative Services departments including Accounting, Executive, Human Resources and Asset Management

- Overall, year-to-date revenue is \$42.2 million, which is 10% higher than the year-to-date budget.
- **Core:** Admin & Management Fee Income in Core is less than budgeted due to a reduction in allocation revenue earned from Central Office charges, IT Services and Staff Development. Fees for these services are collected from Agency properties and programs and the revenue is booked in Core. As of November, expenses related to Central Office, IT Services and Staff Development have been less than budgeted therefore, less revenue has been collected and the net effect on the overall budget is neutral.
- **Inst.:** Other income is higher than projected due to a \$1.3 million payment received from the lawsuit regarding the 2012 public housing reserves offset. In July, HRFC also received just over \$1.1 million dollars in sales proceed from Viking Village Rental Assistance Demonstration (RAD). This money was transferred from the Housing Authority and into HRFC to be used for affordable housing purposes. Both these payments are one-time only revenue sources and should not be expected again in future years.
- **P&CD:** P&CD is significantly ahead of budget for 2018 because the department has received all of the developer fee revenue it will get for 2018. No additional developer fee will be received during the year. P&CD has also earned additional fees for the prevailing wage monitoring of construction projects that are in progress, which is represented under Other Income.
- **AHD:** HUD Grant Income is higher than budgeted due to increased proration for Housing Choice Voucher Administrative Fees. The budget estimated 75% proration, and HCV is currently receiving an 80% proration, which represents an additional \$600 thousand to the HCV program in unbudgeted revenue.

## Agency Expenses

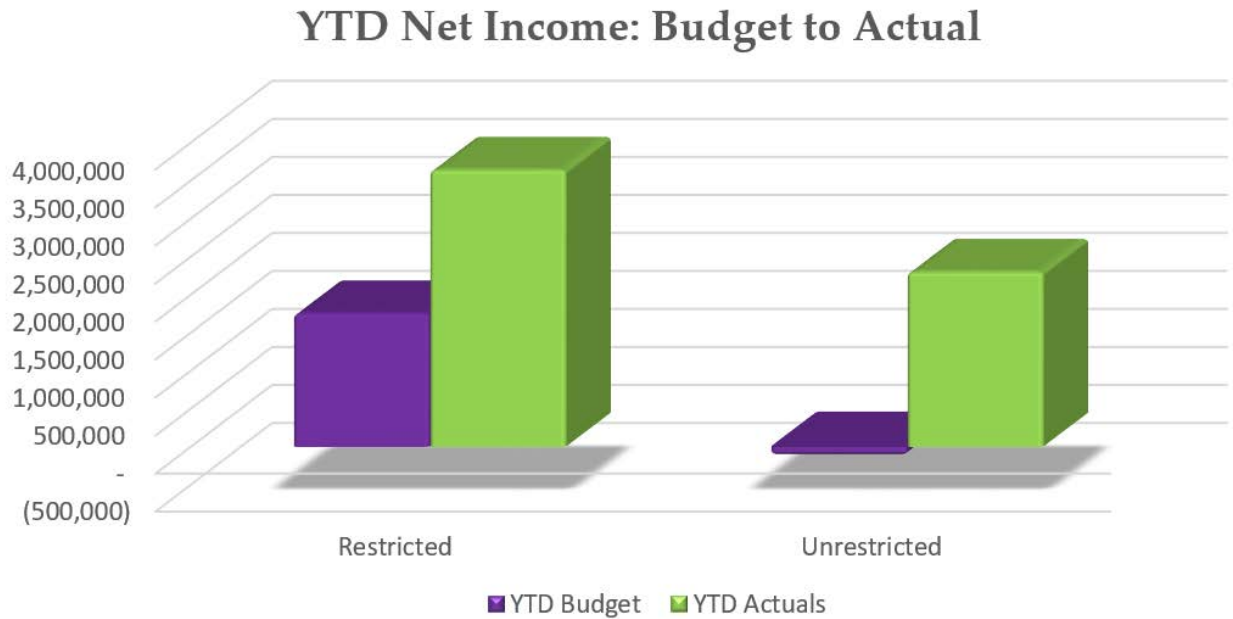
### YTD Expenses: Budget to Actual



UP - Unrestricted Properties: Agency-owned non-subsidized properties, for example Dayton, Woodside, and San Ramon (formerly known as Affordable Housing)  
HSM - Housing Management: Restricted, subsidized properties including all public housing, farm labor and migrant properties  
AHD - Assisted Housing Division: Housing Choice Voucher, Resident Services and Homeless programs  
P&CD - Planning & Community Development: Real Estate Development and Construction Management departments  
Inst. - Instrumentalities: Wholly-owned subsidiaries of the Agency, including HRFC, HSIC, and Silvercrest  
Core: Administrative Services departments including Accounting, Executive, Human Resources and Asset Management

- Overall, year-to-date operating expenses are \$33.9 million and non-operating expenses are \$2.3 million, which together are about 2% lower than budgeted.
- **Agency-wide:** Payroll Expenses are approximately \$1.6 million (9%) lower than anticipated, mainly due to unfilled positions and/or hiring delays. While staff is hoping to fill some of these positions before year-end, there will be some budgeting savings in this line item for 2018. As compared to October, payroll expenses have increased as year-end projections have been incorporated to account for compensated absences.
- **Agency-wide:** Administrative Expenses are approximately \$1 million lower than budgeted across the Agency. Core, P&CD and HSM shows the largest reductions in this line item as staff has strategically reduced contract costs. Staff expects that as the year progresses, Professional & Consulting Fees will increase slightly as planned projects begin and expenses are incurred. However, projections still show that there will be some savings in this line item at year-end.
- **AHD:** Tenant Services Expenses are higher than anticipated at this point in the year due to higher than projected leasing in our grant programs. Shelter Plus Care, CalWORKs and Home TBRA have all been utilizing additional funds in order to house more individuals. The Tenant Services Expenses under these grant programs are on a reimbursement basis so the net budget effect is neutral.
- **HMD:** Maintenance Expenses are higher than projected primarily due to the preparation for HUD's Real Estate Assessment Center (REAC) inspections at our public housing and farm labor sites. The Agency has also shown an increase in maintenance costs related to emergency repairs and after-hour callbacks. Staff is working on a plan to address these issues and reduce the overall costs for emergency maintenance repairs.

## Agency Net Income



- Unrestricted net income is approximately \$2.4 million dollars higher than budgeted as of November 2018. This will decrease during the last month of the year, as operating expenses are incurred and no additional developer fees will be received. However, the Agency can expect to see an unbudgeted surplus in unrestricted net income at the end of the year.
- Restricted net income is higher than budgeted due to the receipt of unbudgeted lawsuit proceeds in HRFC. This will remain a net positive increase to the 2018 financials throughout the year.

Fresno Housing Authority  
Financial Results as of November 30, 2018

	Core			Inst.			P&CD			AHD			HSM			UP			Fresno Housing Authority			YTD \$ Variance	YTD % Variance
	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals	Annual Budget	YTD Budget	YTD Actuals		
OPERATING BUDGET																							
INCOME																							
NET TENANT INCOME	-	-	-	-	-	-	-	-	-	-	-	21	5,935,766	5,441,119	5,222,913	2,300,350	2,108,654	2,253,917	8,236,116	7,549,773	7,476,850	(72,923)	-1%
INTEREST INCOME	7,000	6,417	9,860	866,667	794,445	979,938	-	-	-	-	-	73,485	17	16	397,311	-	-	-	873,684	800,877	1,460,593	659,716	82%
OTHER INCOME	808,000	740,667	537,723	177,299	162,524	2,658,071	20,000	18,333	543,932	710,822	651,587	719,288	14,014	12,846	141,407	43,000	39,417	34,644	1,773,135	1,625,374	4,635,065	3,009,692	185%
ADMIN & MANAGEMENT FEE INCOME	8,441,439	7,737,986	7,045,875	300,000	275,000	21,010	-	-	-	-	-	51,423	-	-	-	-	-	-	8,741,439	8,012,986	7,118,308	(894,678)	-11%
DEVELOPER FEE INCOME	-	-	-	-	-	-	4,979,660	4,979,660	5,758,199	-	-	-	-	-	-	-	-	-	4,979,660	4,979,660	5,758,199	778,539	16%
HUD GRANT INCOME	-	-	-	-	-	-	-	-	-	9,491,065	8,700,143	9,937,565	4,916,293	4,506,602	3,874,232	-	-	-	14,407,358	13,206,745	13,811,797	605,053	5%
OTHER GRANT INCOME	-	-	-	-	-	-	-	-	-	1,354,390	1,241,524	889,597	1,000,338	916,977	579,247	36,420	33,385	442,146	2,391,148	2,191,886	1,910,990	(280,896)	-13%
TOTAL INCOME	9,256,439	8,485,069	7,593,458	1,343,966	1,231,969	3,659,019	4,999,660	4,997,993	6,302,131	11,556,277	10,593,254	11,671,379	11,866,428	10,877,559	10,215,109	2,379,770	2,181,456	2,730,707	41,402,540	38,367,300	42,171,802	3,804,502	10%
EXPENSES																							
PAYROLL EXPENSES	7,135,977	6,541,312	6,043,701	-	-	4,181	1,285,953	1,178,790	1,150,133	6,891,221	6,316,953	5,889,338	3,026,970	2,774,723	2,111,497	330,528	302,984	365,890	18,670,648	17,114,762	15,564,738	(1,550,023)	-9%
ADMINISTRATIVE EXPENSES	3,445,759	3,158,612	2,817,248	237,825	218,006	291,746	1,583,998	1,583,998	914,350	4,741,805	4,346,655	4,566,950	2,169,865	1,989,043	1,696,748	213,403	195,619	208,530	12,392,655	11,491,934	10,495,572	(996,362)	-9%
TENANT SERVICES EXPENSES	50,000	45,833	68,699	-	-	-	-	-	-	899,843	824,856	1,626,834	335,581	307,616	256,697	5,250	4,813	4,265	1,290,674	1,183,118	1,956,495	773,377	65%
UTILITY EXPENSES	173,427	158,975	150,062	-	-	-	-	-	-	-	-	128,218	1,882,686	1,725,796	1,543,582	270,410	247,876	358,073	2,326,523	2,132,646	2,179,936	47,289	2%
MAINTENANCE EXPENSES	404,862	371,124	347,003	25,000	22,917	86,113	3,000	2,750	15,931	44,354	40,658	74,769	1,922,431	1,762,228	1,968,413	351,490	322,199	811,615	2,751,137	2,521,876	3,303,845	781,969	31%
TAXES & INSURANCE EXPENSES	23,720	21,743	27,961	8,900	8,158	5,757	1,000	917	6,407	7,900	7,242	6,210	460,962	422,549	330,828	40,101	36,759	16,480	542,583	497,368	393,644	(103,724)	-21%
TOTAL EXPENSES	11,233,745	10,297,600	9,454,674	271,725	249,081	387,797	2,873,951	2,766,455	2,086,821	12,585,122	11,536,363	12,292,320	9,798,495	8,981,954	7,968,836	1,211,182	1,110,250	1,764,852	37,974,220	34,941,702	33,894,230	(1,047,473)	-3%
NET OPERATING INCOME	(1,977,306)	(1,812,531)	(1,861,215)	1,072,241	982,888	3,271,222	2,125,709	2,231,539	4,215,310	(1,028,845)	(943,109)	(620,942)	2,067,933	1,895,605	2,246,273	1,168,588	1,071,206	965,854	3,428,320	3,425,598	8,277,573	4,851,975	142%
NON-OPERATING EXPENSES																							
TOTAL NON-OPERATING EXPENSES	-	-	-	500	458	22,073	-	-	-	120,000	110,000	158,774	624,771	572,707	1,140,014	279,850	256,529	6,763	1,025,121	939,694	1,327,624	387,930	41%
TOTAL FINANCING EXPENSES	-	-	-	-	-	5,327	-	-	-	-	-	-	602,183	552,001	512,713	329,784	302,302	234,389	931,967	854,303	752,430	(101,873)	-12%
TOTAL ADJUSTMENTS & OPERATING TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	(2,241)	-	-	194,901	-	-	-	-	-	192,660	192,660	0%
TOTAL NON-OPERATING EXPENSES	-	-	-	500	458	27,401	-	-	-	120,000	110,000	156,533	1,226,954	1,124,708	1,847,628	609,634	558,831	241,152	1,957,088	1,793,997	2,272,713	478,716	27%
NET INCOME	(1,977,306)	(1,812,531)	(1,861,215)	1,071,741	982,429	3,243,821	2,125,709	2,231,539	4,215,310	(1,148,845)	(1,053,109)	(777,474)	840,979	770,897	398,645	558,954	512,375	724,703	1,471,232	1,631,600	6,004,859	4,373,259	268%
UNRESTRICTED NET INCOME	(1,977,306)	(1,812,531)	(1,861,215)				2,125,709	2,231,539	4,215,310	(1,148,845)	(1,053,109)	(777,474)				558,954	512,375	724,703	(441,488)	(121,726)	2,301,323	2,423,049	1991%



## BOARD UPDATE

O (559) 443-8400  
F (559) 445-8981

1331 Fulton Mall  
Fresno, California 93721  
TTY (800) 735-2929

[www.fresnohousing.org](http://www.fresnohousing.org)

**TO:** Boards of Commissioners

**DATE:** January 15, 2019

Fresno Housing Authority

**AUTHOR:** Aurora Ibarra

**FROM:** Preston Prince, CEO/Executive Director

**SUBJECT:** Update on 2018 Leasing and Housing Assistance Payments for  
The Housing Choice Voucher Program

---

### Executive Summary

The purpose of this memo is to update the Boards of Commissioners on the status of voucher leasing and Housing Assistance Payments (HAP) for the Housing Choice Voucher (HCV) program as of November 30, 2018. The department will present a final year-end report to the Boards after its final 2018 year-end submission to HUD this month.

### City HCV

HAP expenditures for the months of January through November totaled \$40,212,341 with an overall projected HAP utilization rate of 98.7%. Current voucher utilization for the month of November is 97.1% with an overall projected voucher utilization for CY 2018 of 97%.

### County HCV

HAP expenditures for the months of January through November totaled \$31,360,271 with an overall projected HAP utilization rate of 97.7%. Current voucher utilization for the month of November is 100.3% with an overall projected voucher utilization rate for CY 2018 of 96.1%.

The program will enter 2019 with a voucher utilization rate above 100% and staff will continue to closely monitor leasing activities to ensure that vouchers and HAP funds are within target utilization rates.

### Leasing Update

Staff spent additional time and allocated resources to conduct initial (move-in) inspections to meet the needs of families moving into their new units as the holiday season approached. In addition, they worked diligently to generate Housing Assistance Payments (HAP) to landlords to ensure HAP contracts were paid for all residents who leased up through December 1, 2018. Staff continues to grant extensions on vouchers to increase search times for families struggling to find affordable housing in a tight rental market.

# HCV Leasing and Spending Projection

## CA006 Two-Year Voucher Forecasting Summary

1/10/2019

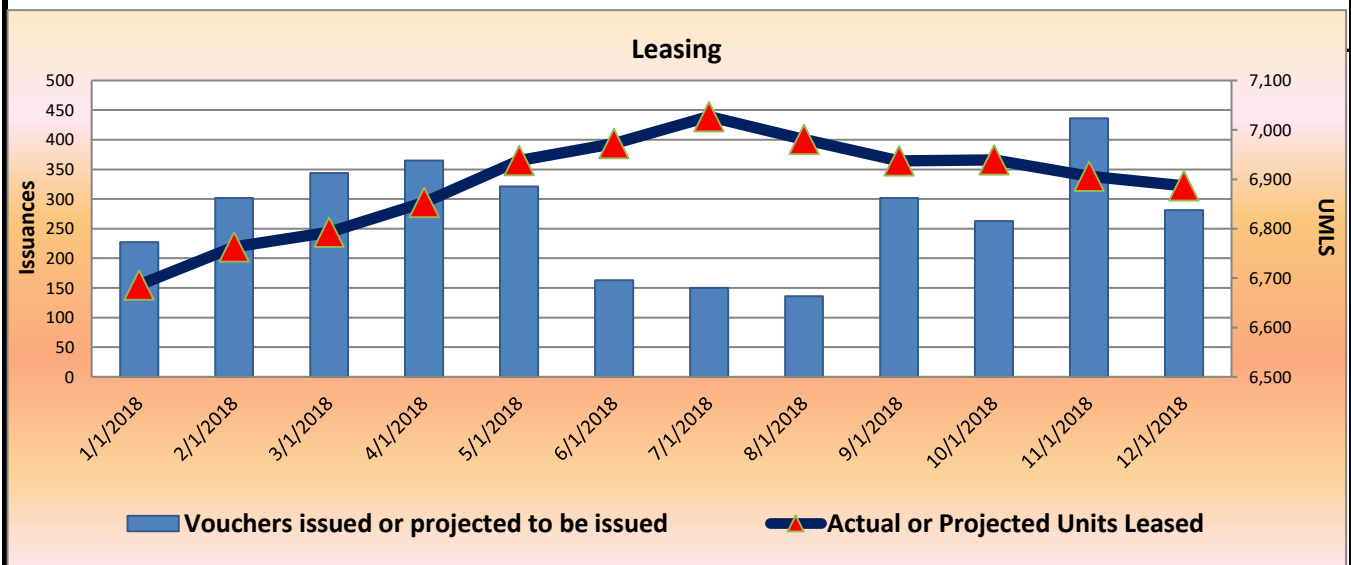
Prepared for: City Board of Commissioners

Prepared by: Housing Choice Department

Using the Housing Choice Voucher (HCV) Two-Year Tool, which allows a user to examine a PHA's voucher program under a variety of leasing, per-unit cost (PUC), and other key program scenarios, the attached tool estimates the program to end the current year with \$4,866,634 HAP reserves or 11% of budget authority. This scenario relies upon the following key variables:

Success Rate	Attrition Rate	Time from Issuance to HAP Effective Date	
(How many issued vouchers will go to HAP)	(What percent of participants annually leave)	(How fast do successful issuances lease up)	
53%	10%	Leased in	Percent
		0-30 Days	16%
Year 1 PUC	Year 2 PUC	31-60 Days	29%
(Average monthly cost of a voucher - Year 1)	(Average monthly cost of a voucher - Year 2)	61-90 Days	22%
\$532	\$574	91-120 Days	19%
		121-150 Days	14%

After deciding upon the above variables, the largest driver of the program revolves around the decision to issue vouchers. Please see the below graph, which shows issued vouchers and associated leasing, as well as the total program UMLs, which takes into account attrition:



Under this scenario, the PHA has no offset for next year or the following year. Additionally, the higher of this year's leased units (97.0%) or dollars (98.7%), is 98.7%, indicating full leasing indicator points in SEMAP. This is an estimate.

## Leasing Activity Update

HAP expenditures for the months of January through November totaled \$40,212,341 with a HAP utilization rate for the month of November of 101.3%. Current voucher utilization for the month of November is 97.1% with an overall projected voucher utilization rate for CY 2018 of 97%.

# HCV Leasing and Spending Projection

## CA028 Two-Year Voucher Forecasting Summary

1/10/2019

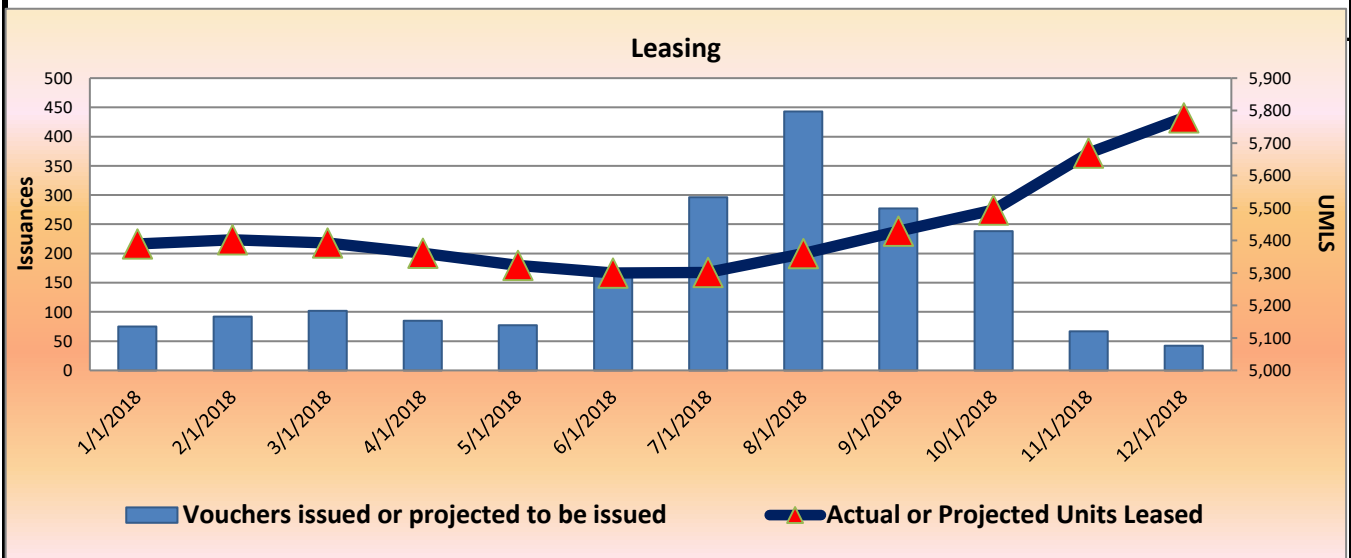
Prepared for: County Board of Commissioners

Prepared by: Housing Choice Department

Using the Housing Choice Voucher (HCV) Two-Year Tool, which allows a user to examine a PHA's voucher program under a variety of leasing, per-unit cost (PUC), and other key program scenarios, the attached tool estimates the program to end the current year with \$3,313,314 HAP reserves or 9% of budget authority. This scenario relies upon the following key variables:

Success Rate	Attrition Rate	Time from Issuance to HAP Effective Date	
(How many issued vouchers will go to HAP)	(What percent of participants annually leave)	(How fast do successful issuances lease up)	
53%	10%	Leased in	Percent
		0-30 Days	16%
Year 1 PUC	Year 2 PUC	31-60 Days	29%
(Average monthly cost of a voucher - Year 1)	(Average monthly cost of a voucher - Year 2)	61-90 Days	22%
\$529	\$547	91-120 Days	19%
		121-150 Days	14%

After deciding upon the above variables, the largest driver of the program revolves around the decision to issue vouchers. Please see the below graph, which shows issued vouchers and associated leasing, as well as the total program UMLs, which takes into account attrition:



Under this scenario, the PHA has no offset for next year or the following year. Additionally, the higher of this year's leased units (96.1%) or dollars (97.7%), is 97.7%, indicating full leasing points in SEMAP. This is an estimate.

## Leasing Activity Update

HAP expenditures for the months of January through November totaled \$31,360,271 with a HAP utilization rate for the month of November of 104.6%. Current voucher utilization for the month of November is 100.3% with an overall projected voucher utilization rate for CY 2018 of 96.1%.

## BOARD UPDATE

O (559) 443-8400

F (559) 445-8981

1331 Fulton Street  
Fresno, California 93721  
TTY (800) 735-2929

[www.fresnohousing.org](http://www.fresnohousing.org)

**TO:** Boards of Commissioners

Fresno Housing Authority

**FROM:** Preston Prince

CEO/Executive Director

**DATE:** January 15, 2019

**AUTHOR:** Michael Duarte

**SUBJECT:** Blackstone & Simpson Project Update (APN's: 443-104-08, -09, -10, and 443-104-23).

---

### Executive Summary

The purpose of this Board Update is to provide the Commissioners with information on the status of the Blackstone & Simpson Housing Development.

The project is a proposed rehabilitation with new construction development located on .78 acres at the SW corner of Blackstone and Simpson Avenues. Initial concepts proposed approximately 45 units of affordable housing and commercial space at the street level. The site was originally acquired as it fulfilled the Board's strategic priorities of an acquisition/rehab project along a transit corridor and aligned with the release of a major funding source for affordable housing from the State of California - the Affordable Housing and Sustainable Communities (AHSC) grant program.

In January of 2018, Fresno Housing made application for an award of funding to the State of California through the AHSC grant program, as well as the Infill and Infrastructure Grant (IIG) Program to help finance the project. Fresno Housing was informed that the project did not receive funding in July 2018.

Staff continues to work to develop alternative design and financing plans utilizing the variety of funding sources that are becoming available from the State of California for affordable housing, as well as existing funding sources. Staff also continues to work with community partners including the Better Blackstone Association and our architects to create a feasible program for the property.

The vacant property has been secured and is monitored closely.

### Background

The project is a proposed rehabilitation with new construction development located on .78 acres at 3039 N Blackstone Ave, Fresno CA (APN's: 443-104-08, -09, -10, 443-104-23).

- Board approved Assignment of Purchase and Sale Agreement March 2017

- Board approved HRFC commitment of \$1.4 million June 2017
- Board approved authorization to proceed with acquisition June 2017
- Acquisition of site completed November 2017
- January 2018 AHSC/IIG Application –Not Awarded
- New Solar Home Partnership for solar energy - \$200K reservation

## BOARD UPDATE

O (559) 443-8400

F (559) 445-8981

1331 Fulton Street  
Fresno, California 93721  
TTY (800) 735-2929

[www.fresnohousing.org](http://www.fresnohousing.org)

**TO:** Boards of Commissioners  
Fresno Housing Authority

**DATE:** January 15, 2019

**AUTHOR:** Michael Duarte

**FROM:** Preston Prince  
CEO/Executive Director

**SUBJECT:** Chinatown Project Update (APN's: 467-065-06, 467-065-07)

---

### Executive Summary

The purpose of this Board Update is to provide the Commissioners with information on the Chinatown Housing Development (the "Project"). The Project is located in the Chinatown Neighborhood on the Northeast corner of Mariposa and F streets (APN's: 467-065-06, 467-065-07) in close proximity to the planned High Speed Rail Station on approximately 0.60 acres.

The Project is currently designed as a mixed-use project with fifty-seven units (57) of residential housing units and approximately 4,500 sq. ft. of commercial and retail space. Staff has been in constant communication with the Chinatown Fresno Foundation and the Chinatown area residents to get their input on the design of the project.

The Chinatown Project is part of a comprehensive set of projects across the City of Fresno selected to be part of the Transformative Climate Communities (TCC) program initiated by the Strategic Growth Council and funded by the State of California. The Chinatown project fulfills the strategic priorities set by the Boards as a Downtown area infill development along a transit corridor, and was authorized for concept proposal submission to the City of Fresno at the August 2017 Board Meeting. It also helps the broader TCC package meet certain eligibility criteria including the affordable housing component and readiness.

The Chinatown project has been in the pipeline for several years as staff have worked to complete a financing package in coordination with the City of Fresno.

Key milestones anticipated in the coming months include:

- Finalization of the TCC sub-agreement with the City of Fresno that will authorize funding
- Finalization of the financing plan that will include an application for 4% Low Income Housing Tax Credits

- Finalization of discussions with the City of Fresno that will outline future plans for the relocation and/or reuse of the Fire Department burn tower on the adjacent parcel to the property

## **Background**

The Chinatown Project is part of a comprehensive set of projects across the City of Fresno selected to be part of the Transformative Climate Communities (TCC) program initiated by the Strategic Growth Council and funded by the State of California. The State-wide TCC program includes a \$70 million set-aside for Fresno. The TCC program was created to fund the development and implementation of neighborhood-level transformative climate community plans that include multiple coordinated greenhouse gas emissions reduction projects and provide local environmental and health benefits to disadvantaged communities.

Following an extensive community process, Chinatown was one of over 20 projects selected by the Fresno community to receive TCC funding at a community meeting in October of 2017. The City of Fresno submitted the final application package to the State on December 6<sup>th</sup> of 2017 and The City of Fresno was awarded TCC funds in January 2018.

During 2018, the City of Fresno worked with SGC to finalize the master grant agreement between the City and SGC, as well as finalize the sub-agreements between the City and all of the project partners, including the Fresno Housing Authority. Staff were involved in all public meetings and provided input into the draft sub-agreements. General Counsel for the housing authority has also been involved in the reviewing the drafts of those agreements. Staff is anticipating being able to bring the sub-agreement to the Boards in the coming months.

Staff has also been working with representatives from the State on the underwriting for the Project and other important elements of the Project. The financing plan for the project is currently being completed and will be presented to the Boards in the coming months along with the sub-agreement. Staff also continues to work with the City of Fresno on a resolution to the location or utilization of a burn tower that sits on an adjacent parcel to the project property. The burn tower is utilized by the City of Fresno Fire Department for training purposes and concerns have been raised about its continued use once the project is underway.

Staff will bring additional updates to the Boards on all elements of the Chinatown Project as they become available.