



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.:

COUNCIL MEETING: January 23, 2007

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

January 23, 2007

FROM: NICK P. YOVINO, Director
Planning and Development Department

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Housing and Community Development Division

SUBJECT: RECOMMEND CITY COUNCIL APPROVE TWO (2) VACANT REAL PROPERTY PURCHASES LOCATED AT 125 AND 129 N. DIANA ST. (NORTH OF DIVISADERO ST) UTILIZING HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM FUNDS FOR SINGLE-FAMILY INFILL HOUSING

KEY RESULT AREA

One Fresno

RECOMMENDATION

Staff recommends that City Council approve two real property purchases utilizing \$133,250 in Home Investment Partnerships (HOME) Program funds for single-family affordable infill housing.

EXECUTIVE SUMMARY

The City's Housing and Community Development Division has met City and U.S. Department of Housing and Urban Development (HUD), Home Investment Partnerships (HOME) Program requirements for property acquisition and is recommending approval to enter into a City Attorney approved *Agreement for Purchase and Sale of Real Property* with the property owner. The Division is proposing to purchase two vacant parcels in the Lowell Neighborhood of downtown Fresno (Exhibit A). The parcels are being purchased for the purpose of constructing two affordable single-family infill houses using the City's standard house plan (Exhibit B). The purchase price for the two parcels is \$118,250. Staff is requesting that additional HOME funds in the amount of \$15,000 also be allocated to the project for additional cost associated with the proposed development. The total amount of HOME funds proposed for construction of the two single-family houses is \$133,250. The Division will seek other private funding sources for the remaining development cost.

KEY OBJECTIVE BALANCE

Approval of the property acquisitions presents an opportunity to make a positive impact to the Customer Satisfaction, Employees Satisfaction, and Financial Management Key Objectives. The approval impacts the Customer Service aspect by demonstrating the City's commitment to ensuring adequate and affordable housing for households at or below 80% of area median income. The approval also attributes to Employee Satisfaction by supporting efforts that help to achieve the Housing Element goals of producing affordable housing. In addition, it demonstrates Financial Management by encouraging the practice of leveraging public funds with private resources.

BACKGROUND

The Planning and Development Department's Housing and Community Development Division routinely identifies suitable infill lots for affordable housing. One property owner (Notalli CMC) has responded to the City's *Interest to Purchase Property* letter and has agreed to a voluntary sale of the vacant parcels to the City. Housing and Community Development staff is requesting that City Council grant approval to enter into an *Agreement for Purchase and Sale of Real Property* with the property owner.

The property information is as follows:

<u>Location</u>	<u>Assessor's Parcel No.</u>	<u>Size</u>	<u>Appraised Value</u>	<u>Purchase Price</u>
125 N. Diana	459-333-08	4,791 sq. ft.	\$52,500	\$57,750
129 N. Diana	459-333-07	5,662 sq. ft.	\$55,000	\$60,500

Purchase and development of these vacant parcels will bring the City closer to meeting the Housing Element goals for infill housing development.

A Phase I, National Environmental Policy Act (NEPA) and California Environmental Protection Act (CEQA) environmental assessment, and State Historic Preservation review were completed for the proposed property purchase. The NEPA assessment concluded that the activity had a Finding of No Significant Impact and the CEQA assessment concluded that the activity was statutorily exempt.

The Interagency Housing Task Force and Housing and Community Development Commission approved this item on November 15, 2006.

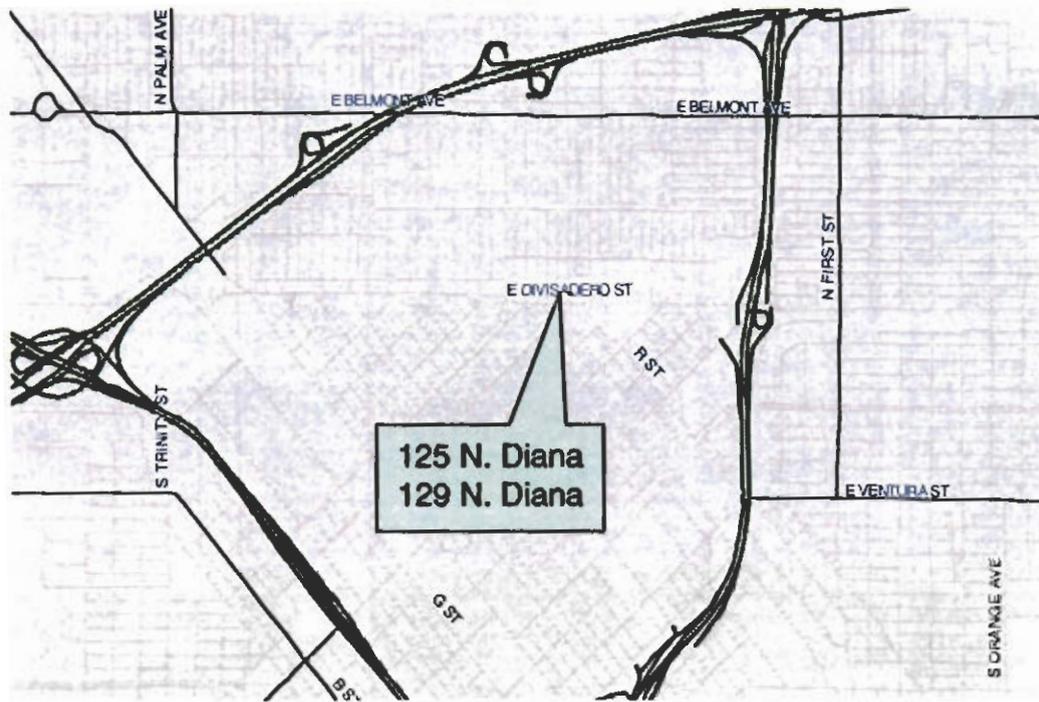
FISCAL IMPACT

HOME funds for the proposed single-family infill housing project are available in the Planning and Development Department's FY 2006-07 Budget.

APPENDICES

- Exhibit A - Property Location Map
- Exhibit B - City Standard Housing Plan

PROPERTY LOCATON MAP



125 North Diana
4,791 Sq. Ft.
459-333-08

129 North Diana
5,662 Sq. Ft.
459-333-07

EXHIBIT A



City Standard House Plan

EXHIBIT B