



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.:
COUNCIL MEETING: September 18, 2007
APPROVED BY
DEPARTMENT DIRECTOR 
CITY MANAGER

September 18, 2007

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

BY: MICHAEL SIGALA, Manager 
Housing and Community Development Division

SUBJECT: APPROVE AMENDMENT NO. 3 TO HOME PROGRAM AGREEMENT BETWEEN CITY OF FRESNO AND SELF-HELP ENTERPRISES APPROVING A TIME EXTENSION FOR COMPLETION OF THE LITTLE LONG CHENG SINGLE FAMILY HOME SUBDIVISION LOCATED AT WILLOW AND JENSEN AVENUES IN SOUTHEAST FRESNO

KEY RESULT AREA

One Fresno

RECOMMENDATION

Staff recommends Council approve Amendment No. 3 to HOME Investment Partnerships Program Agreement between the City of Fresno and Self-Help Enterprises approving a time extension from October 15, 2007 to July 15, 2008, subject to City Attorney approval, for the construction of 30 single-family homes at the Little Long Cheng subdivision in southeast Fresno.

EXECUTIVE SUMMARY

On June 15, 2004, the City approved a \$1.2 million HOME Program Agreement with Self-Help Enterprises for the construction of 30 single-family homes in the Little Long Cheng subdivision near the northwest corner of Willow and Jensen Avenues (Exhibit A – Location Map). The project's original completion date was March 31, 2006. In January 2006, due to unexpected delays in site design approval, staff approved a time extension for the project to October 15, 2007. Since that time, Self-Help Enterprises has diligently worked to meet this deadline. At this time, 10 homes are completed and 20 homes are under construction. Staff recommends a project completion extension to July 15, 2008, as detailed in the attached Amendment No. 3 the HOME agreement.

KEY OBJECTIVE BALANCE

Approval of the time extension for the Self-Help Enterprises Little Long Cheng Agreement 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 administering and providing financing for the construction of new single-family housing for City residents. 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 creative and resourceful Financial Management by encouraging the practice of leveraging private and public funds to develop affordable housing.

BACKGROUND

Self-Help Enterprises (SHE) has been successfully building homes for low-income families using the "sweat equity" method since 1965. SHE requires that each homebuyer complete a 12-hour homeownership training course and contribute a total of 1,600 hours of "sweat equity" over a 10 to 12-month period to construct their new home. The Little Long Cheng project is located in southeast Fresno near the northwest intersection of Willow and Jensen Avenues. The project will provide for the construction of 30 new single-family homes for low-income families.

The City will provide a \$40,000 HOME Program mortgage assistance loan to 30 families to assist the homebuyer in purchasing their home. The Project has also received funds from the Rural Community Assistance Corporation (Agricultural Worker Health and Housing Program) and Wells Fargo Co. for site development and construction financing, and from CalHFA in the form of permanent financing.

SHE submitted their Tentative Map for approval in August 2004. After encountering several unexpected delays in review and approval times related to sound mitigation negotiations, determination of water source responsibility, annexation into assessment district, site plan and final map approval, SHE was able to break ground with site work commencing in August 2005. The work included grading and site preparation for housing construction. SHE expected to commence housing construction in early 2006, but site improvements were further delayed by unusually wet weather in spring 2006. Construction of the first ten homes then started in September 2006.

Currently, SHE has twenty homes under construction, with work moving steadily ahead. The first ten homes are completed, with a planned family move-in date of October 2007. The second phase of ten homes is approximately 40% complete, and construction will be completed in November 2007. The last phase of ten homes started construction in September 2007 and are currently being trenched.

Staff recommends approval of a time extension to allow SHE sufficient time to complete this much needed project.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

The Housing and Community Development Commission considered and recommended approval of this item on August 22, 2007.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

APPENDICES

- Exhibit A - Project Location Map and Pictures
- Exhibit B - Draft Amendment No. 3 to Agreement

Self-Help Enterprises – Little Long Cheng Project
September 7, 2007



EXHIBIT A – PROJECT PICTURES

Self-Help Enterprises – Little Long Cheng Project
September 7, 2007

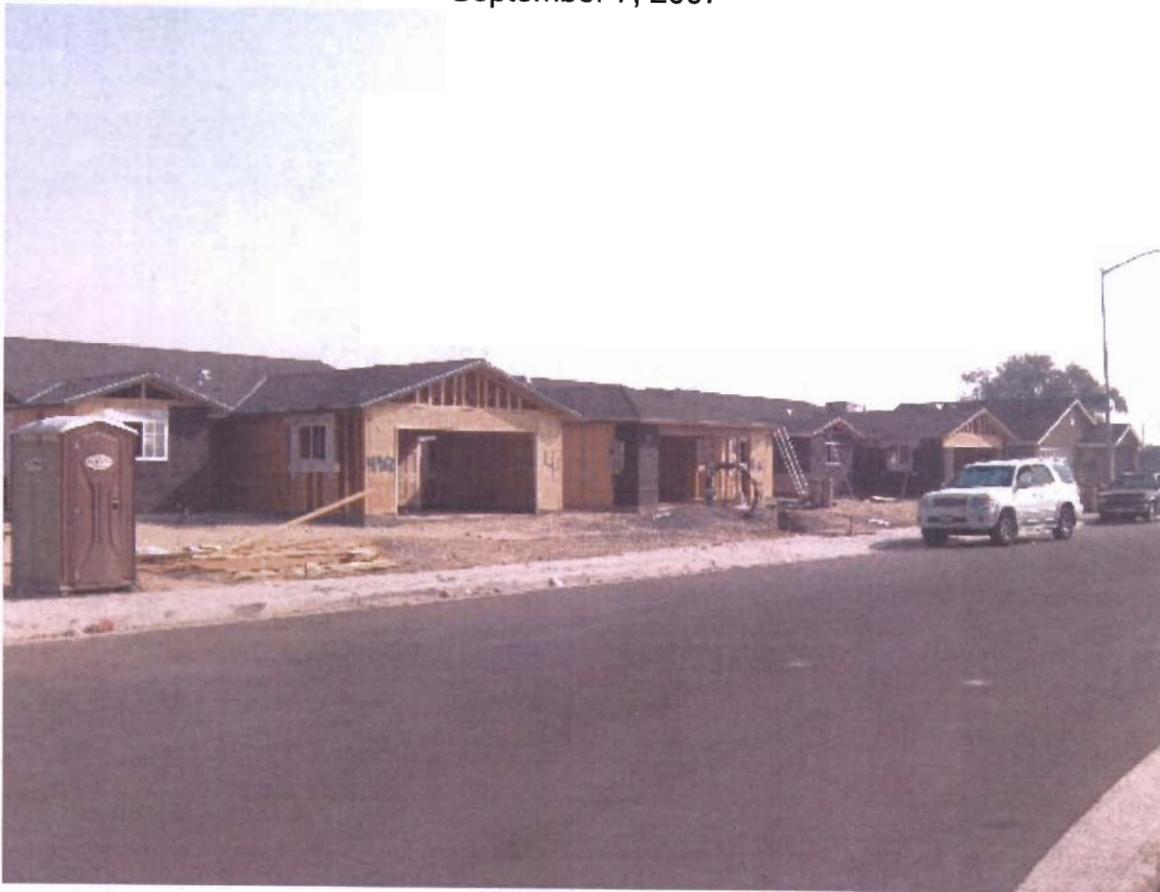


EXHIBIT A – PROJECT PICTURES

DRAFT

Recorded at the Request of
and When Recorded Return to:

City of Fresno
Planning and Development Department
Housing and Community Development Division
Attention: Housing Manager
2600 Fresno Street, Room 3076
Fresno, CA 93721-3605

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

This Agreement is recorded at the request and for the benefit of the City of Fresno and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

By: _____
Andrew T. Souza
City Manager

Date: _____

Amendment No. 3
to HOME Investment Partnerships Program Agreement

by and between

CITY OF FRESNO,
a municipal corporation

and

SELF HELP ENTERPRISES, INC.
a nonprofit public benefit corporation

regarding

WILLOW/JENSEN PROJECT
Little Long Cheng

(Time Extension)

EXHIBIT B

DRAFT

AMENDMENT NO. THREE TO
HOME INVESTMENT PARTNERSHIPS AGREEMENT

This Amendment No. Three to the HOME Investment Partnerships (HOME) Program Agreement, hereinafter referred to as "Amendment No. Three", is made and effective this _____, 2007, by and between the CITY OF FRESNO, a municipal corporation, acting through its Planning and Development Department - Housing and Community Development Division ("CITY"), and SELF HELP ENTERPRISES, INC., a California non-profit public benefit corporation in good standing with principal offices in Fresno, California ("SUBRECIPIENT").

RECITALS

WHEREAS, the CITY and SUBRECIPIENT are parties to a June 15, 2004 HOME Investment Partnerships Program Agreement, referred to herein as the "HOME Agreement" incorporated herein, and attached hereto as Exhibit A, as amended by Amendment No. 1 and No. 2, attached hereto as Exhibit B and Exhibit C, pursuant to which the CITY, to further its goal to increase the supply of Affordable Housing within the City of Fresno, agrees to assist SUBRECIPIENT by providing HOME Program funds, upon the terms and conditions in the HOME Agreement, as amended, related to thirty (30) separate single-family Affordable Housing Units constructed within the Little Long Cheng subdivision, Exhibit D, at the northwest corner of Willow and Jensen Avenues in southwest Fresno, including related on-site and off-site improvements; and

WHEREAS, due to unexpected delays in processing entitlement activities SUBRECIPIENT has requested a time extension for the performance of the Services; and

WHEREAS, SUBRECIPIENT's Board of Directors approved this Amendment No. Three on _____, 200__.

AMENDMENT

NOW THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual promises herein contained, and for other good and valuable consideration hereby acknowledged, the parties agree to the following:

1. The Agreement is hereby amended to extend the Project Completion Date to July 15, 2008.
2. SUBRECIPIENT hereby waives and releases any and all claims or causes of action against CITY it possesses or may possess arising out of or related to this Amendment No. Three.
3. In the event of a conflict between the body of this Amendment No. Three and any exhibit or Attachment hereto, the terms and conditions of the body of this Amendment No. Three shall control and take precedence over the Exhibit/Attachment.

4. Except as expressly modified and amended hereby, the Agreement shall remain in full force and effect. From and after the effective date of this Amendment, references in the Agreement to “this Agreement” shall mean the Agreement as hereby amended.

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DRAFT

IN WITNESS WHEREOF, the parties have executed this Amendment No. Three to Agreement in Fresno, California, the day and year first above written.

CITY OF FRESNO
a Municipal Corporation

SELF HELP ENTERPRISES, INC
a non-profit Public Benefit Corporation

By: _____
(Attach notary certificate of acknowledgment)
ANDREW T. SOUZA
City Manager

By: _____
(Attach notary certificate of acknowledgment)
THOMAS COLLISHAW,
Assistant Secretary

Date: _____

Date: _____

APPROVED AS TO FORM:
JAMES SANCHEZ
City Attorney

By: _____
(Attach notary certificate of acknowledgment)
CAROL A. GLASS,
Assistant Secretary

By: _____
Robert Coyle, Deputy

Date: _____

ATTEST:
REBECCA E. KLISCH
City Clerk

By: _____
Deputy

Date: _____

Attachment:
Exhibit A: June 15, 2004 HOME Agreement
Exhibit B: Amendment No. One
Exhibit C: Amendment No. Two
Exhibit D: Project Properties