



**REPORT TO THE CITY COUNCIL**

March 25, 2008

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

**BY:** KEITH BERGTHOLD, Interim Manager  
Housing and Community Development Division

**SUBJECT:** APPROVE ADDITIONAL HOME/HOME CHDO PROGRAM FUNDS IN THE AMOUNT OF \$650,000 FOR THE ARBOR COURT DEVELOPMENT OF AFFORDABLE RENTAL HOUSING FOR THE DISABLED

AGENDA ITEM NO.:
COUNCIL MEETING: March 25, 2008
APPROVED BY
DEPARTMENT DIRECTOR 
CITY MANAGER

**KEY RESULT AREA**

One Fresno

**RECOMMENDATION**

Staff recommends Council approve additional HOME/HOME Community Development Housing Organization (CHDO) Program funds in the total amount of \$650,000 for development of Arbor Court affordable rental housing for the disabled, and authorize staff to negotiate and finalize the amended agreement for the project, subject to City Attorney approval to form.

**EXECUTIVE SUMMARY**

The City's Housing and Community Development Division has received a request for additional HOME/HOME CHDO Program funds in the amount of \$650,000 from EAH Inc. and Lockhart Family Center Inc. (LFCI) for the increased costs associated with the development of 19 affordable rental housing units for disabled persons (see Exhibit A - Location Map, Site Plan and Elevations). On January 15, 2008, City Council approved the assignment of the HOME CHDO Program contract from the initial developer (Central Community Development Center – CCDC) to EAH Inc. EAH and LFCI assumed responsibility for developing this project with the understanding that the City would provide additional financing, as available, to assist in meeting the funding gaps for the development.

**KEY OBJECTIVE BALANCE**

The approval of additional funds for the Arbor Court project presents an opportunity to make a positive impact to the Customer Satisfaction, Employees Satisfaction, and Financial Management Key Objectives. Approval impacts the Customer Service aspect by demonstrating the City's commitment to strengthening local and private partnerships to ensure adequate and affordable housing for disabled households at or below 60% of area median income. The approval also attributes to Employee Satisfaction by supporting efforts that help achieve the Housing Element goals of producing affordable housing. In addition, it demonstrates creative and resourceful Financial Management by encouraging the practice of leveraging public funds to develop affordable housing.

## **BACKGROUND**

EAH, Inc. is a non-profit housing corporation with a demonstrated interest in providing affordable housing for Fresno residents. EAH has been collaborating with the City since early 2007 to assume development responsibilities for the Arbor Court project. On January 15, 2008, City Council approved assignment of the project responsibilities from the initial developer, CCDC, to EAH Inc. and LFCI. LFCI is a local EAH affiliate and City-approved Community Housing Development Organization (CHDO) under the HOME Program, with 100% EAH-appointed board members.

The project was awarded \$2.27 million in HUD 811 Program funds in 2004 and an additional \$750,000 in HOME CHDO funds from the City in 2005 for development of the project. The project will construct 19 affordable rental housing units for disabled persons and is located at 4830 E. Laurel Ave., just east of Chestnut Avenue in southeast Fresno. The project's development has been delayed due to the lack of capacity of the initial developer to commence the project.

Since assuming the responsibilities for the project, EAH Inc. commissioned an updated construction estimate, which identified an estimated financing gap of over \$2 million. City staff has been working with EAH to identify additional financing sources to ensure the developer is utilizing all available outside funding programs. EAH will apply for \$1.23 million in grant funds to the State of California's Multifamily Housing Program (MHP) and \$120,000 from the Federal Reserve's Affordable Housing Program (AHP), for this project. To secure the competitiveness of the MHP grant application, EAH has requested the City commit additional funds in the amount of \$650,000 to fill the remaining gap needs of the project financing.

The additional HOME/HOME CHDO funds are currently available, but it is anticipated that these funds will not be utilized by EAH for this project until September 2008. The additional HOME/HOME CHDO funds will be provided only to the extent of annually allocated and available program funding at the time when the funding is requested for payment. It is intended that the City's obligation to pay the additional HOME/HOME CHDO funds will be conditioned on the awarding of MHP funds to this project or other acceptable full project funding.

All project units will carry a fifty-five year affordability period. The HOME funds will be provided in the form of forgivable loan secured by a lien on the real property at the site. The loan will be forgiven at the end of the affordability period.

Development of Laurel Homes helps to fulfill the affordable housing goals and objectives of the Housing Element of the 2025 General Plan and the 2006-2010 Consolidated Plan to HUD.

## **HOUSING AND COMMUNITY DEVELOPMENT COMMISSION**

The Housing and Community Development Commission considered and recommended approval of the project scope on April 13, 2005.

## **FISCAL IMPACT**

HOME/HOME CHDO funds for this project are budgeted in the Planning and Development Department's FY 2008 Budget.

## **APPENDICES**

Exhibit A - Project Map, Elevations, Site Plan

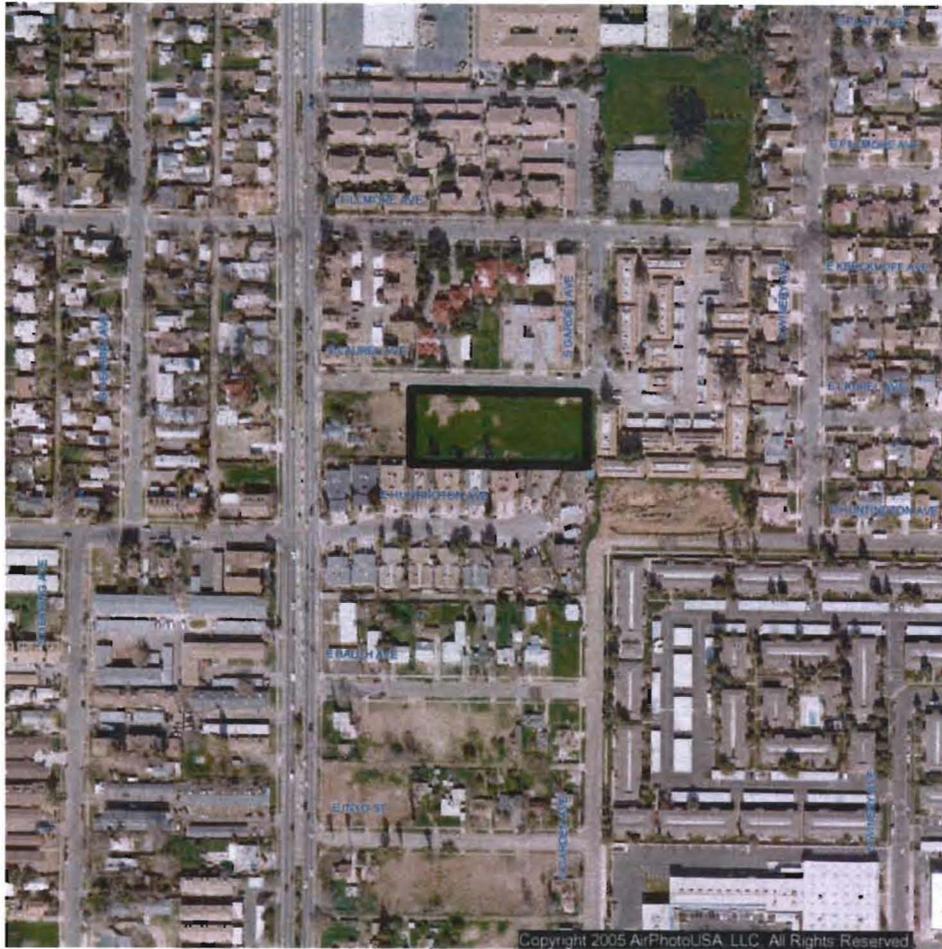


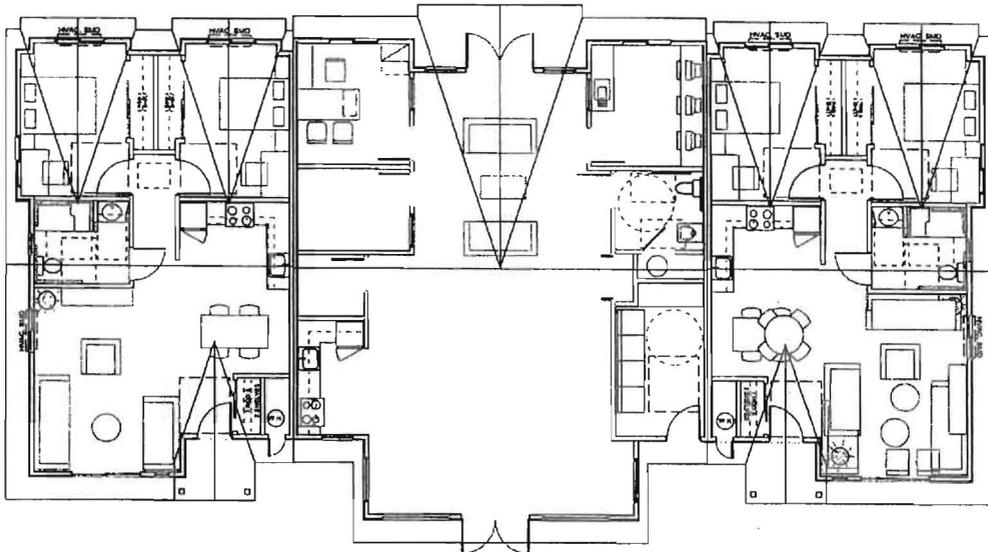
Exhibit A – Project Location Map



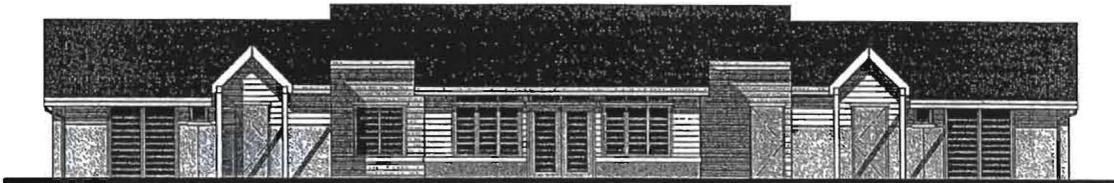




NORTH ELEVATION - COMMUNITY BUILDING



FLOOR PLAN - COMMUNITY BUILDING



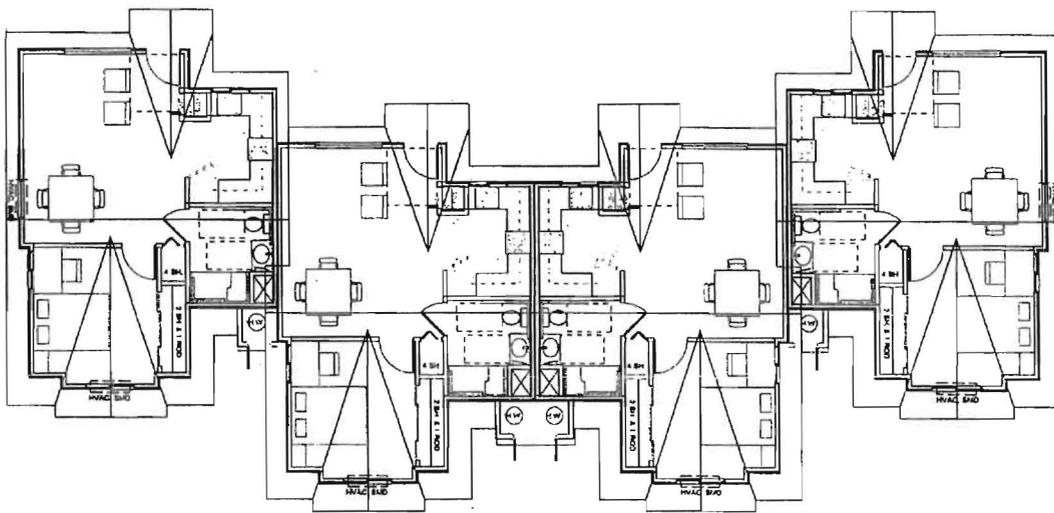
SOUTH ELEVATION - COMMUNITY BUILDING

ARBOR COURT  
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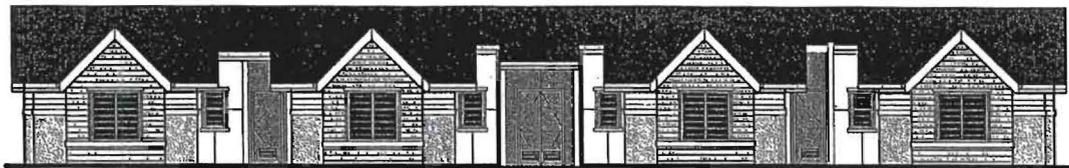




FRONT ELEVATION - BUILDING TYPE 1



FLOOR PLAN - BUILDING TYPE 1



REAR ELEVATION - BUILDING TYPE 1

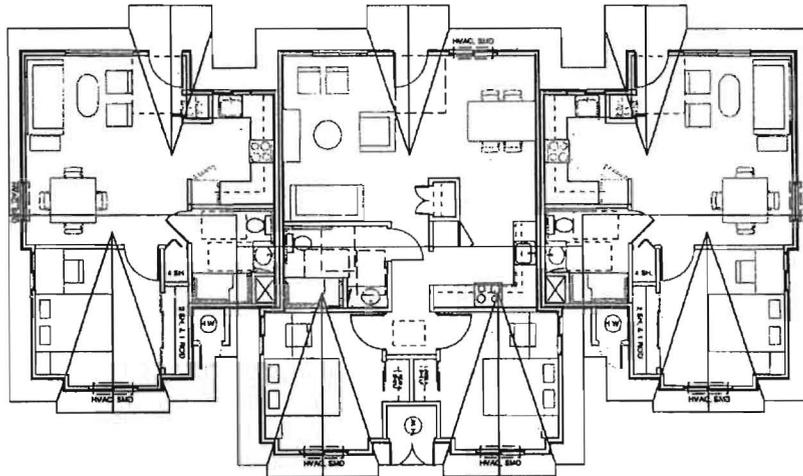
ARBOR COURT  
scale: 3/32"=1'-0"



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FRONT ELEVATION - BUILDING TYPE 2



FLOOR PLAN - BUILDING TYPE 2



REAR ELEVATION - BUILDING TYPE 2

ARBOR COURT  
scale: 3/32"=1'-0"

