



**REPORT TO THE CITY COUNCIL**

AGENDA ITEM NO.:
HCDC MEETING:            March 6, 2007
APPROVED BY
<i>DEPARTMENT DIRECTOR</i>

March 6, 2007

FROM:            RENENA SMITH, Budget Manager  
Finance Department/ Budget and Management Studies Division

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SUBJECT:        PROPOSED AMENDMENT TO THE FY 2005-2007 ANNUAL ACTION PLANS TO FUND THROUGH THE HOME PROGRAM AFFORDABLE HOUSING PROJECTS OCCURRING ON NORTH ECHO AVENUE; NORTH DIANA STREET; NORTH SAN PABLO AVENUE; CALIFORNIA AND MAPLE AVENUES; VAN NESS AND MILDREDA AVENUES, AND DELETE THE BROADWAY ROW, HOTEL FRESNO AND SUMMERSET HOMES PROJECTS PROPOSED FOR DEVELOPMENT.

**KEY RESULT AREA**

One Fresno

**RECOMMENDATION**

Staff recommends Council adopt the amendments to the FY 2005, the FY 2006, and the FY 2007 Annual Action Plans to include certain acquisition, rehabilitation and new construction projects, and to delete certain cancelled projects under the HOME Investment Partnerships Grant Program (HOME).

**EXECUTIVE SUMMARY**

The Planning and Development Department, Housing and Community Development Division (HCD) requests an amendment to the FY 2005 Annual Action Plan to delete the Broadway Row and Hotel Fresno new construction projects and to release \$3.975 million of committed HOME funds. HCD also requests an amendment to the FY 2006 Annual Action Plan to delete the 10-unit unit new construction project identified as Summerset Homes proposed for development in the Jefferson/ Lowell area. Additionally, HCD requests an amendment to the FY 2007 Annual Action Plan HOME funded projects to acquire, rehabilitate and/or construct affordable housing located on Echo Avenue, Diana Street, San Pablo Avenue, the southeast corner of California and Maple Avenues, and Van Ness and Mildreda Avenues.

**BACKGROUND**

The City of Fresno is the annual recipient of federal housing and community development funds through the U.S. Department of Housing and Urban Development. As a condition of receiving the funds the City prepares an annual action plan detailing the activities funded with the federal dollars. The City proposes an amendment to the FY 2005-2007 Annual Action Plans to delete three cancelled affordable housing projects and to release \$3.975 million of committed HOME funds, and to fund affordable housing projects totaling approximately \$2.893 million under the HOME Program. The following table provides details of the proposed amendments.

<b>Project</b>	<b>Funding</b>	<b>Annual Action Plan</b>	<b>Amendment and Eligible Activity</b>
164 N. Echo Ave and 172 N. Echo Ave	\$ 425,000	2005-2006	Acquisition and rehabilitation of 2 sfh.*
125 N Diana St. and 129 N Diana St	133,250	2006-2007	Acquisition and construction of 2 sfh.
Tanager Springs II (California & Maple)	2,000,000	2006-2007	New construction of 84 multifamily units.
Van Ness Ave and Mildreda Ave.	260,000	2006-2007	Acquisition/construction of 15 sfh.
214 N San Pablo	75,000	2006-2007	Acquisition and development of 1 sfh.
Broadway Row	<2,000,000>	2004-2005	Delete new construction project.
Fresno Hotel	<1,525,000>	2004-2005	Delete acquisition & construction project.
Summerset Homes	<450,000>	2005-2006	Delete new construction project.
Total Change to the HOME Program	\$1,081,750		*sfh = single family house

Under the HOME Program an amendment to the Annual Action Plan is required when the City carries out activities not previously identified in the Plan, when an approved project changes from its original intent, or when project changes exceed 25% of the HOME entitlement. The amendment process requires: (1) public notification with a 30-day comment period; (2) a recommendation by HCDC, and (3) formal approval by the governing body. A public notice was published on January 31, 2007, in The Fresno Bee. Council will consider the item on March 6, 2007.

### **HOUSING AND COMMUNITY DEVELOPMENT COMMISSION (HCDC)**

On February 21, 2007, the HCDC reviewed the proposed amendment to the Annual Action Plans. After questions regarding the cancelled projects the Commissioners approved the recommendation to Council in a 5-0 vote.

### **FISCAL IMPACT**

Adoption of the proposed amendments releases \$3.975 million of HOME dollars into the HOME Program fund and approves funding of \$2.893 million of acquisition, rehabilitation and new construction projects. The net increase to the HOME Program is \$1.082 million and will be used for other HOME eligible affordable development projects