



**REPORT TO THE
FRESNO REDEVELOPMENT AGENCY**

AGENCY ITEM NO. 8:30 am "E"
AGENCY MEETING 03/10/11

APPROVED BY


(Executive Director)

DATE: March 10, 2011
FROM: Marlene Murphey, Executive Director
BY: Lupe Perez, Project Manager

SUBJECT: The Agency Board Consider Adoption of a Resolution Authorizing Deposit of Tax-Increment Funds into the Low and Moderate Income Housing Fund for the Southeast Fresno Revitalization Redevelopment Project Area

RECOMMENDATION

The Agency Board considers adopting a resolution authorizing deposit of Tax-Increment Funds into the Low and Moderate Income Housing Fund for the expenditures of improvements associated with low and moderate income housing projects in the Southeast Fresno Revitalization Redevelopment Project Area.

EXECUTIVE SUMMARY

Agency staff proposes to allocate \$1,534,000 of Tax-Increment Funds into the Low and Moderate Income Housing Fund for two proposed affordable mixed-use residential developments at Ventura Avenue between Seventh and Eighth Streets, and Tenth and Eleventh Streets, located in the Southeast Fresno Redevelopment Project Area. The Agency's adopted FY 10/11 Budget provides and identifies tax increment funds to directly assist these affordable housing projects. The sum is being placed into the Housing Set-Aside fund to ensure that the original purpose to support affordable housing is sustained.

BACKGROUND

Over the past ten years, the Agency has been working in concert with area representatives, and stakeholders to revitalize the Ventura/Kings Canyon Corridor, and other areas of Southeast Fresno. The Agency has invested over \$10,000,000 into various projects that include streetscape improvements, infrastructure improvements/upgrades, land acquisition, and affordable housing projects. A primary goal has been to increase mixed-use affordable housing along the Ventura/Kings Canyon corridor, more specifically, the two sites along Ventura Street, between Seventh and Eighth Streets, and Tenth and Eleventh Streets. The blighted sites are located between two established residential and commercial neighborhoods.

For the past three years the Agency has been working in partnership with the City of Fresno to redevelop the 3.40 acres at Ventura Street between Seventh and Eighth Streets. In April 2010, the City Council approved an Exclusive Negotiation Agreement with AMCAL Multi-Housing, Inc., for a proposed affordable mixed-use residential development. AMCAL's conceptual plan is 60 to 90 units of senior affordable rental housing. Additionally, the commercial street frontage portion of the site will enhance the appearance of Ventura Street by providing attractive commercial/retail.

The Project at Seventh and Ventura continues to move forward, and the Developer is expected to finalize design plans within the next few weeks in preparation for submittal to the City's Development Department for their review and approval.

At Tenth and Eleventh Streets on Ventura, the Agency acquired the dilapidated partially vacant site

in 2008, for the purpose another affordable mixed-use residential development. In 2009, Council approved a Purchase Option Agreement with Advanced Development & Investment, Inc for 92 units of affordable housing. Unfortunately, that Developer was unsuccessful in applying for Low income Housing Tax Credits. Nonetheless, the Agency has continued to move forward to clearing the site and market to potential developers. Both sites are blighted, underutilized, and have been partially vacant for more than 20 years. Critical infrastructure is needed to facilitate the development of infill sites for low and moderate income housing, and mixed-use commercial development at Ventura and Seventh, and Tenth and Eleventh Streets.

The Agency's FY 10/11 Budget under Commercial Corridor Revitalization describes the Ventura and Seventh, and Tenth and Ventura affordable housing developments, and allocated \$1,780,000 to support these affordable projects. Following the demolition necessary for the Ventura and Seventh Project, approximately \$1,534,000,000 remains to help site and infrastructure work necessary for the affordable housing. The sum is being placed into the Housing Set-Aside fund to ensure that its original purpose to support affordable housing is sustained.

Agency staff has determined that approval of the resolution does not constitute a project for purposes of CEQA. The resolution constitutes the authorization of depositing Tax Increment Funds into the Low Moderate Income Housing Fund for Southeast Fresno Revitalization Redevelopment Project Area.

On March 7, 2011 at a special meeting, the Housing and Community Development Commission considered recommendation of this item.

Attachments: "A" Resolution
Exhibit 1 – Location Map

REDEVELOPMENT AGENCY RESOLUTION NO _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AUTHORIZING DEPOSIT OF TAX INCREMENT FUNDS INTO THE LOW AND MODERATE INCOME HOUSING FUND FOR THE SOUTHEAST FRESNO REVITALIZATION REDEVELOPMENT PROJECT AREA AND AMENDING THE AGENCY'S FY 2010-2011 BUDGET TO ALLOCATE THE DEPOSITED FUNDS.

WHEREAS, the Redevelopment Agency of the City of Fresno (Agency) is engaged in activities necessary to execute and carry out the redevelopment plan ("Plan") for Southeast Fresno Revitalization Redevelopment Project Area, (the "Project Area") adopted by Ordinance No. 99-45, on June 29, 1999, and all amendments thereto, and

WHEREAS, by its Ordinance No. 99-45 and amendments thereto the Agency adopted the Plan finding that the Project Area suffers from significant remaining physical and economic blighting conditions as specified therein, which blighting conditions continue to cause reduced or lack of proper utilization of land in the Project Area and lack of affordable housing in the Project Area and affects the Project Area as a whole to such an extent that it is a serious physical and economic burden that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment, and

WHEREAS, the Agency administers the Low and Moderate Income Housing Fund established pursuant to Cal. H. & S. C. Sections 33334.2 et seq., and

WHEREAS, the Agency's FY 10/11 Budget allocated \$1,780,000 under Commercial Corridor Revitalization, for two affordable housing developments at Ventura

Avenue and Seventh Street, and Ventura Avenue and Tenth Street (the "Projects"), of which \$1,534,000 remains unspent (the "Unspent Funds"),

WHEREAS, pursuant to Cal. H & S C. Section 33334.6, the Agency now desires to deposit the Unspent Funds into the Low and Moderate Income Housing Fund established pursuant to Cal. H. & S C Section 33334.3 and used for the purposes set forth in Section 33334.2 for the Project Area

NOW, THEREFORE, BE IT RESOLVED by the Agency of the City of Fresno as follows

- 1 The Agency hereby reallocates and deposits the Unspent Funds into the Low and Moderate Income Housing Fund
2. The Agency hereby amends the Agency's FY 10/11 Budget to authorize the use of \$1,534,000 of the Low and Moderate Income Housing Fund money for the Projects, including but not limited to necessary site and infrastructure work required for these two affordable housing projects.
3. This resolution shall take effect immediately upon passage

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STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss
CITY OF FRESNO)

I, REBECCA E KLISCH, Ex Officio Clerk of the Redevelopment Agency of the City of Fresno, certify that the foregoing resolution/ordinance was adopted by the Redevelopment Agency of the City of Fresno, at a public hearing held on the ____ day of _____, 2011, and that the same was passed by the following vote

AYES :
NOES :
ABSENT :
ABSTAIN :

REBECCA E KLISCH
Ex Officio Clerk
of the Redevelopment Agency

BY _____
Deputy

APPROVED AS TO FORM
JAMES C SANCHEZ
Ex Officio Attorney of the
Redevelopment Agency

BY _____
Deputy

1. Vacant Property, RDA Owned

2. FUSD Maintenance Yard, City Owned

3. Potential Site Acquisition, 791 S. Seventh

4. Single Family Home, City Owned

