

MINUTES
10x10 Blue Ribbon Affordable Housing Meeting
Thursday, August 30, 2007, 4:00 p.m.
Fresno City Hall, 3rd Floor, Meeting Room 3054

Committee Members Present: Cynthia Sterling, Council Member (Co-Chair)
Keith Bergthold, City of Fresno, (Chair)
Michael Sigala, City of Fresno
Sara Hedgpeth-Harris, League of Woman Voters (via telephone)
Jess Negrete, Central California Legal Services
Rev. Sharon Stanley, FIRM
Dennis Woods, United Security Bank
Rev. Paul Werfelmann

Others Present: Bonnie Rusko, CIL
Jose Luis Barraza, CIL
Leslie Gacad, FHA, CSUF
Charlotte Hylton, Deputy City Attorney
Mary Chaisson, Fresno Madera Continuum of Care
David Cisneros, Public Works, City of Fresno
Sara Pomare, City of Fresno
Larry Roselle, HUD
Gil Haro, City of Fresno
Claudia Cázares, City of Fresno
Stacy Sandoval
Val Summer
Stephanie Espinosa, CAA
Eric Mays
Kiel Schmidt
Dave Martin
Corrina Nunez, City of Fresno

Members Absent
Dan Fitzpatrick, Lantana Investment, LLC
Veda Stamps. The Ramsay Group
Lee Brand
Ned Stacy
Robert Wood

- A. Call to Order**
Meeting was called to order at 4:15 p.m. by Keith Bergthold
- B. Introductions**
Attendees introduced themselves
- C. Approval of Minutes**
Minutes from June 14th 2007, and July 12, 2007. Paul Werfelmann moved to approve the minutes, Michael Sigala seconded, the motion was approved. Keith Bergthold said that

he would like to put on today's agenda a discussion regarding waiving street fees for affordable housing. Sharon Stanley stated that she would like to add to the agenda an update on all the subcommittees. The committee agreed that those items be added to the agenda.

D. Condo Conversion:

Michael Sigala said that the city is working potential changes to the city condo conversion policy. Claudia Cázares, from the City of Fresno, presented the item. City staff used "best practices" model to research other city's condo conversion policies to develop an amendment to the policy for the City of Fresno. In order to establish a condo conversion policy, staff went through the Fresno Municipal Code and its requirements. In the code, there is a requirement to provide affordable housing options. There are, however, no minimum requirements for providing vacancy rates and for assistance to relocate displaced tenants. At this time, the City would like to amend the existing condo conversion policy to require owners who convert their rental units to condos to provide to tenants a list of comparable units within 1.5 mile radius. This list would also include vacancy rates outside the area as well as within 1.5 miles of the condo conversion. The owner would also have to provide a listing of affordable and available rental units in the area, if an affordable unit is being converted. If the condo conversion project receives federal funding, by law, the owners have to provide a relocation strategy for the tenants. Dennis Woods asked whether a consultant was needed to determine whether a condo conversion should be approved. Gil Haro, from the Planning Department stated that the current conversion laws are from the 80's and therefore different issues existed then. Gil stated that a consultant would help with quality control, and is familiar with the current market conditions. Dennis Woods said that he was concerned that all consultants would be or not be on the list, especially the consultants that were from out of town. Dennis Woods stated that he was concerned that an out of town consultant would be unfamiliar with unique issues concerning the City. Keith Bergthold stated the language in the conversion policy should state that any report must be from a "qualified consultant."

Stephanie Espinosa, from the Apartment Association asked when apartment owners would be required to provide a list of comparable/available units, because the market can greatly fluctuate. Gil stated during the conversion process there are due process issues that slows down the actual conversion process and the market can change. Dennis Woods, asked what would happen if the process took so long that the requirements change and the application is, therefore invalid. Gil, stated at this time, there does not seem any way to avoid this dilemma because of state law requirements. Sara Hedgpeth-Harris asked how owners could identify truly comparable rental units. Gil said that is what Claudia Cázares is trying work through theses issues concerning the condo conversion ordinance. Council Member Sterling asked if the Apartment Association could assist owners and the City in gathering information regarding rental rates in the area. Stephanie Espinosa stated that the Apartment Association could help out with gathering information regarding rental rates, but these numbers may not be exact. Michael Sigala stated the owners who are converting rental units into condos would be required to provide information regarding rental units. Sharon Stanley asked if during the condo conversion process that some of the units remain rental units. Gil stated that the owner has to phase the project, and therefore rental units may still be available. Council Member Sterling said that if the project is not receiving a federal or state subsidy, the owner is not required make a certain number of condos available to displaced tenants. Sharon Stanley said that condo conversions can displace people,

especially low income residents. Keith Bergthold stated that he would like to see a sophisticated process in tracking rents. Claudia Cázares stated other cities do a lot more, but their circumstances may not apply to the conditions of Fresno. Keith Bergthold said the ordinance will be brought back to the committee once it has gone through HCDC and the additional language. Keith Bergthold said that the committee should see the condo conversion ordinance before it goes to city council.

E. Density Bonus Ordinance:

Michael Sigala presented the proposed density bonus ordinance. The density bonus ordinance provides developers bonuses that build at certain density levels and provide affordable housing. Density bonuses are popular with private developers. Sara Hedgpeth-Harris asked if the developers provide very low income housing does the bonus amount increase. Michael Sigala stated that the incentive does increase up to 30%. Michael Sigala said that the density bonus would run consistent with the housing trust fund and qualify fee waivers for affordable housing. Sara Hedgpeth-Harris asked if there is a discussion in the Planning Department is encouraging developers to build low and very low income housing. Keith Bergthold stated that in the new south east growth area the goal is to have at least 20% of housing is considered affordable. Mike Sigala stated the Housing and Community Development Division as well as the Planning Department has encouraged developers to incorporate low income housing by offering incentives to off set the expense of land and cost. Gil stated that the ordinance will contain incentives for developers who build affordable housing for seniors. Sara Hedgpeth-Harris asked if a bonus for childcare facilities are included in the ordinance. Gill stated they do try to incorporate a bonus for child care facilities. Jess Negrete asked how does equity sharing applies to the ordinance. Gil said that the equity sharing reflects the state law, and it may not be a requirement in the ordinance. Dennis Woods moved to approve the density bonus, Council Member Sterling second. Consensus by the committee was achieved to approve the density bonus.

F. Fee Waiver Program.

Keith Bergthold stated that he will present to City Council a fee waiver program for affordable housing. Impact fees cannot automatically be waived, unless there is a plan to replace them. Each year the Planning and Development Department would present a fee amount that should be waived and request city council to reimburse those fees. Sara Hedgpeth-Harris if this proposal has been sent to the public. Keith Bergthold said he would after the committee has reviewed the plan.

G. Housing Trust Fund:

Michael Sigala presented the Housing Trust Fund Ordinance to the committee. Michael Sigala stated that he wanted the committee to review the allocation and source of funds in the trust fund. At this time, it is recommended that City Council allocate \$250,000 of general fund to the housing trust fund. \$35,000 from the trust fund would be earmarked from the trust fund for a consultant to engage the community. The consultant would be required to bring a budget to city council. Keith Bergthold said that the final document needs to be completely integrated. The completely integrated document would include the funding sources and how the housing trust fund is to be administered. Sara

Hedgpeth-Harris stated that it appears that the committee has reached a consensus on the document except for the targeted income levels that the trust fund would be applied to. Dennis Woods stated that he is concerned that if the housing funds trust fund is administered solely by the City of Fresno, it might limit outside donations. Michael Sigala stated that probably will not apply in this case because matching funds would come from Prop 1C. Michael Sigala stated that the City Council is the governing body, and the Housing Division would administer the day to day activities. Sharon Stanley stated that she recommends to strike out the above moderate income language and send it to the City attorney for review and bring it back to the next meeting. Keith Bergthold made a motion to accept Sharon Stanley's recommendations and Michael Sigala second the motion. Consensus achieved.

H. New Committee Members:

Council Member Sterling recommended that a letter be sent asking if committee members are still interested in being members. The letter would have a specific deadline in which members should respond. Council Member Sterling stated that new committee members from different areas of the community are needed. Sara Hedgpeth-Harris said that the committee should bring people from the Housing Authority and RDA to serve on the committee. Keith Bergthold stated a plan needs to be formulated regarding new members and their names submitted to the Mayor. Keith Bergthold said that the Housing Trust Fund Ordinance and future of committee should be at next week's agenda.

I. Public Announcements/Subcommittee Update Innovative Code Enforcement:

Sharon Stanley stated that additional inspectors will be changed to four. Healthy Families training had good attendance, especially from Code Enforcement.

Kyle Schmidt expressed interest in the Homeless situation and stated that he has architecture experience and I would be interested in the planning aspect for housing for the homeless.

Meeting adjourned at 6:05