

**U.S. Department of Housing and Urban Development**  
**FY24 Pathways to Removing Obstacles to Housing (PRO Housing)**  
**FR-6800-N-98**

**Proposal for the City of Fresno**

**October 10, 2024**

**Draft For Public Preview**

**REVISED September 30, 2024**

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**Exhibit A | Executive Summary**  
**City of Fresno**

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## EXECUTIVE SUMMARY

The City of Fresno, California is pleased to submit this proposal seeking \$7,000,000 in funding from the U.S. Department of Housing and Urban Development (HUD) under the Pathways to Removing Obstacles in Housing (PRO Housing) program. The funding request aims to address critical barriers resulting from housing demand outpacing housing supply. The City's proposal is a reflection of its "One Fresno Housing Plan", a strategic commitment by the City of Fresno to address the City's demand for affordable housing, reduce and remove barriers to creating and preserving affordable housing, and affirmatively further fair housing.

Incorporated in 1885, Fresno is the largest city in the San Joaquin Valley and the fifth-most populous city in California, encompassing over 112 square miles. As a result of an exponential growth in population and stagnant wages, the City's availability of affordable housing is not keeping pace with population growth. Contributing to the crisis are aging housing stock, a high percentage of extremely low-income renter households, and a 20% increase in the average home sales price. These factors have led to a rise in severely housing cost-burdened households, exacerbating the challenges faced by many residents.

In response to the pressing crisis, the City has made a historic commitment to transforming its housing landscape. This commitment includes reversing long-standing patterns of segregation, significantly increasing the production and preservation of affordable housing, and improving access to fair and equitable housing for all community members. As a result of the City's strong Mayoral commitment, the City's "One Fresno Housing Strategy" was published in 2022, which outlines 47 actionable priorities. These priorities leverage a comprehensive set of tools and strategies to effectively address and mitigate housing barriers. Additionally, for the first time, the City has joined other local governments in Fresno County to create a regional housing element. Convening through the Fresno Council of Governments, the Multi-Jurisdictional Housing Element represents an innovative and unified approach to effectively address housing issues and needs regionally.

Building on these and other efforts made or underway, the City's proposal includes a two-fold approach of increasing housing production and staffing capacity. The total cost of the proposed Project activities is \$14,000,000 and will be funded through the grant request of \$7,000,000 and the City's leveraged match of \$7,000,000. The proposal activities include:

*Activity 1: Increase Housing Production* Provide funding to support new construction of multi-family rental units within Fresno's Downtown Corridor. This area has been identified as a key opportunity for development due to its strategic location and potential to stimulate economic growth while providing affordable housing options. The City aims to create a substantial increase in the availability of affordable housing units, addressing a critical shortage and directly benefiting the most vulnerable population.

*Activity 2: Increase Staffing Capacity* Add a dedicated staff member to oversee, facilitate, and enhance the administrative management of the proposed activities and other affordable housing development activities. This role will be crucial in ensuring the efficient execution and monitoring

of the project(s), facilitation and coordination among various stakeholders, and maintaining rigorous oversight to ensure that all activities are completed on time and within budget.

Securing a PRO Housing Grant will provide essential gap funding, enabling the City to make significant strides in addressing the affordable housing crisis. The grant funding will allow the City to implement these activities between February 2025 and September 2030, delivering immediate and long-term relief to the community through the creation of 125 affordable housing units in a high priority area. The funds will not only assist in creating and preserving affordable housing units but will also support the broader goal of fostering inclusive and equitable growth in Fresno.

**Exhibit B | Threshold Requirements and Other Submission Requirements**

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## THRESHOLD REQUIREMENTS AND OTHER SUBMISSION REQUIREMENTS

This proposal, submitted by the City of Fresno (City), confirms its full compliance with the Threshold Eligibility Requirements outlined in Section III.D and Other Submission Requirements outlined in Section IV.G of the HUD PRO Housing Notice of Funding Opportunity (NOFO).

### I. Threshold Eligibility Requirements

- a. *Resolution of Civil Rights Matters.* The City has no outstanding civil rights matters that would render the City ineligible for funding.
- b. *Timely Submission of Application.* The City has met the application publishing requirement of 15 days' notice for public comment and public hearing and will submit this application in advance of the application deadline of October 15, 2024.
- c. *Eligible Applicant.* The City is an eligible applicant as a city government as stated in Section III.A of the NOFO.
- d. *Number of Applications.* The City is a sole applicant and will submit a single application.

### II. Other Submission Requirements

- a. *Standard Application, Assurances, Certifications, and Disclosures.*
  - i. Fresno has completed and will submit all required forms with the application as outlined in the NOFO. Fresno assures that, upon selection for an award, the City will comply with all statutory and other requirements and will submit assurances of compliance.
- b. *Other Program-Specific Requirements.*
  - i. **Limited English Proficiency (LEP):** The City's public notice of the grant application was published in the local newspaper in Spanish and English, and shared on Hmong radio, and shared with organizations that specifically serve LEP populations.
  - ii. **Physical Accessibility:** All meetings for the application will be held in facilities that are physically accessible to persons with disabilities, and all notices of and communications during all public meetings will be provided in a manner that ensures effective communications for persons with hearing, visual, and other communication or speech-related disabilities.
  - iii. **Environmental Review:** The City will comply with all applicable environmental requirements and statutory requirements related to potential awarded funds; including environmental justice requirements set forth in 24 CFR parts 50 and 58, as applicable.

**Exhibit C | Need**  
**City of Fresno**

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## NEED

### **I. Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.**

The City of Fresno faces an acute need for additional affordable housing units. A substantial share of households are not able to afford housing costs, with 32% of homeowners experience housing cost burdens and an even greater number of renter households at 53% experiencing housing cost burdens. The scarcity of affordable housing threatens the well-being of Fresno's working-class families and the City's long-term economic stability. Addressing the housing crisis is imperative, and the City has implemented many strategies to maximize the use of limited resources available to protect, preserve, and create affordable housing over the last several years.

*One Fresno Housing Strategy 2023-2025:* Published in 2022, this local housing strategy outlines 47 priorities to address housing barriers and utilize the full set of tools Fresno has developed to reduce those barriers. Recommendations were consolidated from over 3,000 residents through meetings and other reports which include input from public, community, nonprofit, philanthropic, and corporate representatives to facilitate more housing production and maintain affordability.

*Five-Year Consolidated Plan and Analysis of Impediments to Fair Housing Choice:* The City carries out a planning process every five years to identify the scope of housing and community development needs in its jurisdiction and to identify barriers to fair housing and outline strategies to address them. The process also determines goals for how available federal funding can be utilized to meet those needs. During the most recent process, a community needs survey was deployed and received input from more than 500 individuals.

*Annual Action Plan:* The City carries out an annual process to seek input on the community's greatest needs and how the City's annual entitlement allocations from HUD should be spent to meet those needs. The process includes multiple community meetings, public hearings, and surveys to receive input from the community.

*Downtown Neighborhoods Community Plan:* Adopted in 2016, this Community Plan is the result of an intense public process that involved input from over 300 residents, business owners, and property owners from Fresno's downtown neighborhoods in a series of public meetings and a week-long open, participatory design workshop.

*Prohousing Designation:* The City has achieved Prohousing Designation status from the California Department of Housing and Community Development (HCD), recognizing our commitment to streamlining housing development and promoting affordable housing solutions. This designation unlocks critical funding incentives and resources through State grant programs enabling the City to expedite housing production, addressing the urgent need for affordable housing and allowing the City to leverage State funding opportunities to amplify local impacts. Notably, the City has secured \$2,064,891.45 in Prohousing grant funding under the Prohousing Incentive Pilot Program to date, demonstrating our effective stewardship of State resources to deliver results driven housing solutions.

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*Project Homekey:* In 2021, the California Department of Housing and Community Development (HCD) awarded \$35,001,892.00 for projects within Fresno through Round 1 of Project Homekey to create 529 new units of interim housing. In 2022, the City of Fresno secured \$54,579,372 in grant funding through Round 2 of the Project Homekey program, administered by HCD. The award supported the acquisition and conversion of numerous motels for use as non-congregate shelters for unhoused individuals, with a future planned conversion to permanent affordable housing. In Round 3 of Project Homekey, HCD awarded the City with \$31,581,738 of additional grant funding for the development of 130 units of permanent supportive housing, specifically designed for individuals and youth experiencing or at-risk of homelessness.

*Local Housing Trust Fund:* Established in 2021, the City of Fresno's Local Housing Trust Fund (LHTF) creates opportunities to address the pressing need for decent, safe, and affordable housing within the City. This innovative fund leverages community-supported, housing-related activities and programs that emphasize a proactive approach to addressing affordable housing needs. Additionally, the program fosters partnerships with local stakeholders, nonprofits, and philanthropic organizations while amplifying the impact of funding investments. With approximately \$7.5 million in committed dollars from various state and local funding, this innovative fund catalyzes the City's affordable housing development activities.

*Local Early Action Planning:* The City of Fresno has secured \$300,000 in funding through the competitive Local Early Action Planning (LEAP) program. This strategic investment will accelerate housing development by supporting site and infrastructure planning for high priority, catalyst sites throughout the City.

*Mobile Homes:* The City has allocated \$827,000 for mobile home rehabilitation through state sources. Additionally, the City has recently assumed responsibility for enforcing regulations in mobile home parks, including overseeing building permitting for the placement of new mobile homes.

*Senior Exterior Repair Program:* Using HUD entitlement dollars, the City operates an owner-occupied exterior paint program for eligible seniors to preserve affordable housing.

*Infrastructure:* The City has committed \$170 Million to enhance neighborhood infrastructure through 189 projects, encompassing critical improvements in parks, sewer systems, streets, traffic management, and water services projects.

*Accessory Dwelling Units:* The City developed pre-approved accessory dwelling unit (ADU) home plans for residents to use free of charge. These comprehensive plans include architectural designs and elevations, empowering homeowners to easily integrate ADUs into their properties.

*Lodging-to-Dwelling Ordinance:* The City enacted the Lodging-to-Dwelling Ordinance enabling the conversion of existing motels from commercial lodging to a residential use. This initiative aims to provide stable housing for non-transient residents while ensuring that motel buildings are upgraded to safe and habitable standards. To date, the City has successfully converted two motels into apartments, with plans for additional conversions to address our community's housing needs.

*Anti-Displacement Task Force:* The City established the Anti-Displacement Task Force and hired a consultant to conduct a comprehensive study on displacement within the city. As a result, the “Here to Stay: Displacement Avoidance Policy Report” was developed, outlining recommended anti-displacement policies formulated in partnership with residents and community-based organizations.

*Rental Housing:* The City has implemented a Rental Housing Registry and Rental Inspection Program to address the issue of substandard rental properties, promote compliance with health and safety standards, and preserve the quality of neighborhoods and available housing opportunities. To date, 86,350 rental units have registered, and 13,375 inspections have been conducted, resulting in numerous improvements to rental units.

*Code Enforcement:* The School Area Code Enforcement Team was established to revitalize neighborhoods, reduce blight, enhance safety, and equip residents through civil engagement, while connecting low-income residents to essential housing resources. The team has successfully engaged 20 school areas and has received the Innovative Program of the Year Award from the California Association of Code Enforcement Officers.

*Shelter Services:* Between 2016 and 2019, the City of Fresno has provided 2,141 households with temporary shelter, 2,258 individuals received emergency shelter, 425 individuals received Rapid Rehousing assistance, and 231 clients with HIV/AIDS received Special Needs Housing Services.

*Homeless Assistance:* Between 2020 and 2021, the City of Fresno has provided supportive services to 12,430 unsheltered individuals; 983 new beds were added to the system; 4,812 unduplicated individuals accessed overnight shelter, triage, or bridge housing. Furthermore, 5,243 people successfully exited the system: with 1,687 transitioning to permanent housing.

## **II. Do you have an acute need for affordable housing? What are your remaining affordable housing needs and how do you know?**

The City has made significant progress in maximizing the use of limited resources available to protect, preserve, and create affordable housing. Nevertheless, we continue to face a critical need for affordable housing. The U.S. Department of Housing and Urban Development (HUD) has identified Fresno as a priority geography, citing insufficient affordable housing, a market that has failed to keep pace with demand, and/or widespread housing cost burdens alongside substandard living conditions. This acute demand for affordable housing is driven by numerous factors, including age of housing stock, rapid population growth, fluctuations in the local housing market, and increasing vulnerable populations.

*Age of Housing Stock:* Fresno’s housing stock serves as a key indicator of the overall housing conditions. Notably, over half of all housing units in Fresno (56.7%) were built more than 30 years ago, and 34.5% built more than 50 years ago. This aging infrastructure is in urgent need of rehabilitation, including essential updates such as new roofing, foundation work, lead abatement, and new plumbing to ensure the safety and quality of living for residents.

*Population Growth:* Fresno's population has experienced an average increase of 1.2% between 2000 and 2022, while the number of households in Fresno increased by 0.7 percent between 2010 and 2020. According to HCD, the Fresno region is expected to see a 17% population increase through 2025, with the highest growth forecasted in historically disadvantaged communities. According to the 2020 Census, the population of Fresno was 542,710, and it has continued to increase at an approximate rate of 0.74% since 2020.

*Housing Cost Burden:* Fresno continues to face critical challenges with 41.3% of households spending more than 30% of their income for housing as of 2018. This issue is even more pronounced among lower-income households, where a staggering 74.8% are severely-cost burdened, paying 50% or more of their gross income for housing. To effectively address the pressing need for housing production for those with the highest need, Fresno must prioritize over 21,000 housing units for households that can afford housing costs of no more than \$500 per month.

*Local Rental Housing Market:* Fresno's rental housing market is one of the most competitive in the nation. In 2020, over half of the City's households were renters at 53.2% and rent increases reached 10.8%, the second highest rate in the nation. Also in 2020, Fresno recorded the nation's highest four-year rent increase. In 2021, one-bedroom apartments experienced a staggering 28% increase between January 2021 and January 2022. During that time, two-bedroom rentals surged nearly 27% and were among the highest increases in the nation. As of January 2022, the median rental prices in Fresno for a one-bedroom apartment have increased to \$1,400 per month, with a two-bedroom apartment averaging \$1,700 per month.

*Local Ownership Housing Market:* Fresno's housing market is highly competitive and as of February 2022, home prices increased by 20.2% from the previous year, resulting in a median selling price of \$367,000. Unfortunately, only 46.3% of housing units are owner-occupied, which is significantly below the national average of 64.8% and state average of 54.8%.

*Need for Multifamily Housing:* Fresno's median age of residents is 31.4 years, with the largest demographic group at 29.3% comprised of young adults aged 25 to 44 years old. A similar percentage, 28.3% of residents, are school-age students. These households typically, need more multifamily housing options, including homes with three or more bedrooms, as well as opportunities for Homeownership.

*Median Household Income:* In Fresno, local housing costs have increased to unprecedented levels, while wages have failed to keep pace. As of January 2022, a full-time minimum wage worker earns just \$728 per month, nearly half the median cost of a one-bedroom apartment which is \$1,400 per month. As of 2020, the household median income in Fresno was \$53,568 which is below both state and national average incomes.

#### *Vulnerable Populations:*

a. Fresno's homeless residents are among the City's most vulnerable and rapidly increasing populations. The 2023 Point-in-Time count estimated that 3,207 individuals were experiencing homelessness in Fresno at the time of the count. It is estimated that approximately 1,819 of those residents were unsheltered, representing a 7% increase in the unsheltered population.

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b. Fresno's aging population is expanding swiftly, with 10.9% of individuals aged 65 years or older. Among these seniors, 44.5% face a disability or a combination of factors that complicates their ability to access and maintain affordable housing. Seniors and individuals with disabilities are particularly likely to live on a fixed income and often require accessible housing options.

b. Extremely low-income residents (those earning 30% or less of median income) constitute 15.5% of all households in Fresno. Among this group, 84.7% are renters, indicating a greater need for rental housing supporting extremely low-income households. These households typically consist of minimum wage workers, seniors on a fixed income, individuals with disabilities, and farmworkers. Without adequate housing, this vulnerable population faces a high risk of homelessness and virtually all extremely low-income households will require assistance, including housing cost subsidies and essential social services.

The City is resolutely committed to utilizing its available resources to address the diverse housing needs of all economic segments within our community. For the first time, the City has partnered with other local governments in Fresno County to develop a regional housing element, reflecting an innovative and cohesive approach to effectively address housing challenges at a broader, regional level. Through the creation of the Fresno Multi-Jurisdictional 2023-2031 Housing Element, the City's Housing Needs Assessment provided key findings that informed the goals, policies, and programs of the City's Housing Element.

Despite the City's successful development of over 1,600 affordable housing units (whether built, under construction, or in the pipeline) as of 2023, the City's population continues to increase, along with the cost to maintain housing in Fresno. The City's Regional Housing Needs Assessment (RHNA) allocation for 2013 to 2023, as defined by the State of California, was 23,565 units, including 3,289 units for households earning less than 80% of area median income, and 5,666 units for households earning less than 50% of area median income. However, significant funding and financing constraints limit the City's ability to meet these urgent housing needs. The City's limited opportunities for creating sustainable funding streams presents a considerable barrier to the production and preservation of affordable housing, impeding our efforts to provide safe, accessible, and affordable living options for all residents.

### **III. What key barriers still exist and need to be addressed to produce and preserve more affordable housing?**

Limited availability of financing and subsidies for affordable housing represents a significant and ongoing barrier to housing production in Fresno. To effectively address the City's acute demand for affordable housing, it is imperative to identify and secure diverse funding sources to alleviate the high cost of housing in Fresno. Developers who build affordable rental housing face substantial challenges, requiring significant funding subsidies, that encompass acquisition and predevelopment costs. Additionally, rental projects require large parcels of land for development and often encounter infrastructure and development challenges that increase both the timeline and budget cost of a project. As a result, funding requests frequently exceed the total available funding resources the City can allocate through a competitive application process. For instance, in response to the City's 2023 Notice of Funding Availability, the City's Housing Divisions received 12

complete applications totaling \$62 million in funding requested. However, due to funding limitations, only five projects were able to secure funding.

The City's acute need for affordable housing, combined with a significant lack of funding for new developments, creates an urgency for additional organizational capacity. Fresno can benefit from the addition of a dedicated staff member whose primary responsibility would be to oversee and advance the City's housing strategies and ensure the timely completion of affordable housing projects. The new role would further allow the effective prioritization of federal funds for the development of projects located in areas of opportunity, as well as support investments in neighborhood infrastructure that enhance the viability of affordable housing.

**Exhibit D | Soundness of Approach**  
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## **SOUNDNESS OF APPROACH**

### **I. What is your vision?**

The City of Fresno envisions a transformative project that addresses two interrelated priorities, enhancing housing production and bolstering staffing capacity. By implementing strategic initiatives in the historic Fulton Corridor of Downtown Fresno, we aim to facilitate impactful infill development that enhances accessibility to vital amenities for both residents and workers. Through the proposed activities, the City anticipates the production of 125 units of affordable housing over the five-year grant period. This significant investment will directly address the acute housing shortage by promoting sustainable and equitable development that benefits our most vulnerable populations. By prioritizing affordable housing, the City aims to foster inclusive communities that provide all residents with a stable and supportive environment.

The proposed activities align with the primary Community Development Block Grant (CDBG) national objective (a) of benefitting low- and moderate-income persons. These initiatives are carefully designed to meet the criteria outlined in Section III.F.2 of the Notice of Funding Opportunity (NOFO), ensuring eligibility and alignment with federal priorities. Facilitating both production and preservation of affordable housing, the City aims to create lasting solutions to housing insecurity. Moreover, these activities resonate strongly with HUD's Strategic Goals to advance efforts to support underserved communities while promoting housing justice (Goal 1A), reduce homelessness (Goal 1B), and invest in the overall success of communities (Goal 1C). Additionally, by focusing on ensuring access to affordable housing and increasing the supply of affordable housing production (Goal 2), the City is committed to ensure every resident has access to safe, affordable housing.

The infill development approach not only enhances housing stock but also revitalizes the community, making Downtown Fresno a more attractive place to live and work. Integrating housing with access to public services, transportation, and green space, the City fosters a holistic approach to urban development that supports the well-being of all community members. The City's vision for this Project is rooted in a commitment to equitable growth and community enhancement. The City's ongoing efforts in paving the way for a brighter and more inclusive future provides the opportunity to continue making a meaningful difference in the lives of low-and moderate-income residents of Fresno.

#### **Activity 1 – Increase Housing Production**

In early 2024, the Housing Authority of the City of Fresno submitted a comprehensive application to the City's Affordable Housing Development Notice of Funding Availability (NOFA), proposing the North Fulton Development. This project is strategically located on 0.66 acres of land at 1302 Fulton Street, Fresno, California 93721, and represents a vital opportunity for infill new construction in an area that has long sought revitalization. The North Fulton Development is designed to provide 125 deed-restricted units, fostering a sense of community through thoughtfully integrated amenities such as a community room and open space for residents. These features will not only enhance the livability of the development but also promote social interaction and



community engagement among residents, which is essential for building a supportive neighborhood.

The project will feature a diverse mix of housing types, including studios, one-bedroom, two-bedroom, and three-bedroom units. Variety is intentionally crafted to accommodate families of all sizes, aligning with the California Tax Credit Allocation Committee (CTCAC) guidelines for Large Family affordable housing. Offering units with affordability levels ranging from 30% to 60% of the area median income, the North Fulton Development aims to address the pressing need for accessible housing for low- and moderate-income families in our community. Sustainability and inclusivity are at the core of the North Fulton Development. The project is committed to implement energy-efficiency design strategies that comply with the City of Fresno's Green Building requirements, ensuring that the development minimizes its environment impact while proving long-term savings for residents. Additionally, the project will adhere to the City's Universal Design Ordinance (2008-53), making it accessible and welcoming for individuals of all abilities, thus promoting inclusivity in our housing offerings.

The project not only seeks to alleviate the housing crisis in Fresno but also aspires to invigorate the surrounding neighborhood, contributing to the economic and social revitalization of Downtown. Creating high-quality, affordable housing that meets the needs of diverse families, the North Fulton Development will serve as a model for future developments in the region. The North Fulton Development is not just a housing project; it is a commitment to fostering vibrant, equitable, and sustainable communities.

<b>Units</b>	125 units <ul style="list-style-type: none"><li>• Studios</li><li>• 1-bedrooms</li><li>• 2-bedrooms</li><li>• 3-bedrooms</li></ul>
<b>AMI</b>	30% to 60% AMI
<b>Costs</b>	Construction cost estimate \$62,000,000
<b>Sources</b>	<ul style="list-style-type: none"><li>• Tax-exempt Construction Loans</li><li>• Taxable Construction Loans</li><li>• City of Fresno Loans</li><li>• Deferred Interest and Developer Fees</li><li>• LP Equity</li></ul>
<b>Schedule</b>	<ul style="list-style-type: none"><li>• June 2026 Finance Closing/Construction Start</li><li>• March 2028 Construction Completion</li><li>• June 2028 Lease-Up Completion</li></ul>

The North Fulton Development site is strategically positioned within the Central Business District of the Fulton Corridor Specific Plan, placing it at the heart of a vibrant and accessible urban environment. Its primary location ensures proximity to essential public transportation options, including the City's FAX Bus Rapid Transit line (The Q), which is conveniently situated within half a mile. This transit line provides residents with seamless access to major shopping centers,

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In addition to transportation, the site benefits from its closeness to a variety of critical services and recreational space. Within a half mile radius, residents will find Courthouse Park, the Fresno County Public Library, and Lowell Elementary School, fostering a family-friendly atmosphere that prioritizes education, recreation, and community engagement. The accessibility to schools and parks underscores the commitment to creating a supportive environment for families and individuals alike. The project has undergone a thorough Phase I Environmental Assessment, which found no evidence of recognized environmental conditions. This positive outcome underscores our dedication to environmental stewardship and ensures that the development will contribute to the community without posing an ecological risk.

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In May 2023, California Governor Gavin Newsom announced that \$250 million in State funds will be allocated to revitalize downtown Fresno through infrastructure and transportation improvements over a three-year period. These funds are intended to complete the City's plans to repair and enhance downtown water and sewer systems, as well as improve amenities such as parking and sidewalks, all necessary to support the planned housing units in the area.

To further the City's goals to reinvigorate the downtown area, the City was awarded \$43,733,136 on August 22, 2023, from the California Department of Housing and Community Development (HCD) Infill Infrastructure Grant Program – Catalytic Qualifying Infill Area (IIGC). This significant funding will be directed toward three critical capital improvement projects designed to enhance the urban infrastructure of Downtown Fresno. The grant will specifically support essential upgrades in water and sewer systems, ensuring that our infrastructure can meet the growing demands of a revitalizing urban area. Additionally, improvements will be made to the streets at Tuolumne and Van Ness, strategically located near the North Fulton project site. These enhancements will improve accessibility and safety, fostering a more pedestrian-friendly environment.

Another key component of the funding will be the construction of structured parking facilities. While the IIGC grant funds cannot be utilized for the direct construction or development of housing units, they are instrumental in creating a robust infrastructure framework that support the future development of affordable housing in Downtown Fresno. Improving the foundational infrastructure, is setting the stage for successful housing initiatives that will benefit our community for years to come.

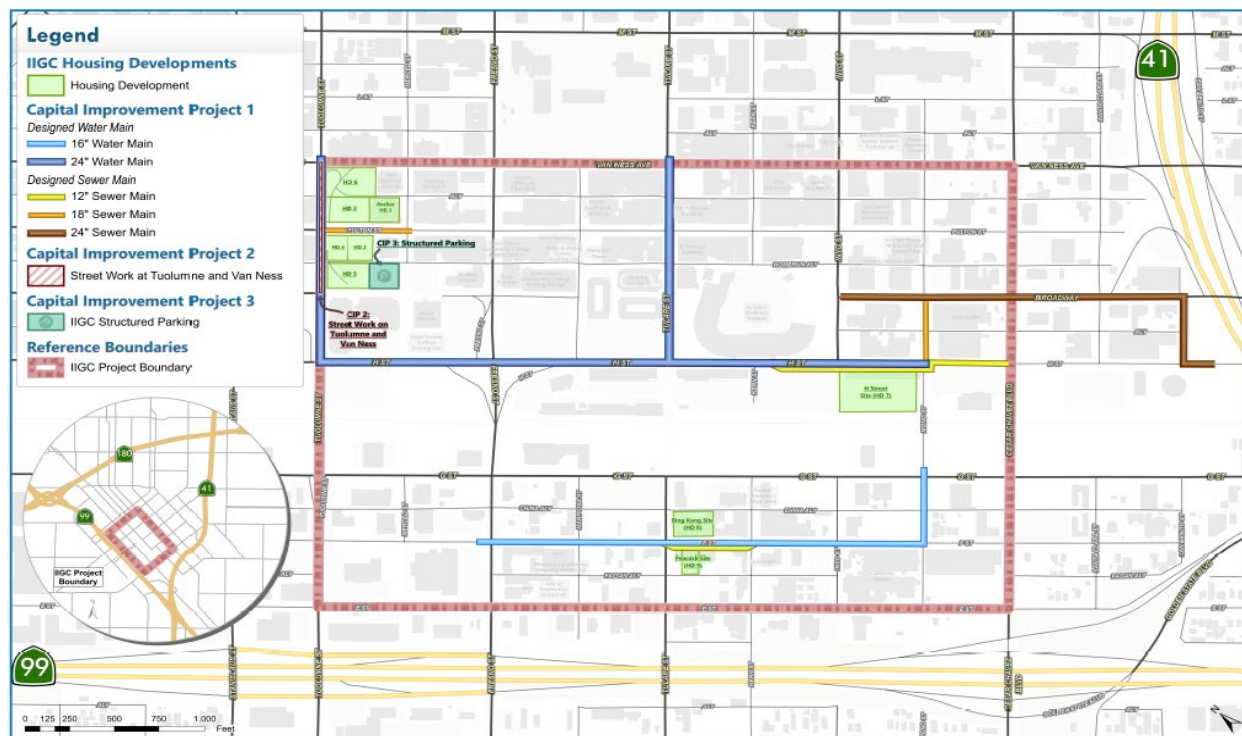


Figure 2 IIGC Capital Improvement Projects Map

These improvements align seamlessly with the City's long-term vision for the urban grid and pedestrian network within the Fulton Corridor area. Investing in infrastructure now not only addresses the immediate need but also lays the groundwork for a vibrant, interconnected community that prioritizes sustainable living and accessibility.

### **Activity 2 – Increase Staff Capacity**

In light of the City's recent significant advancements in dismantling barriers to affordable housing production and preservation, it has become increasingly clear that bolstering our administrative support is crucial for sustaining and expanding these vital initiatives. The City's increased efforts to address the acute need for affordable housing has exceeded its internal capacity to administer such efforts. The City's application, therefore, includes the addition of a Management Analyst II. This position will allow the City to increase its capacity, thereby increasing its ability to support affordable housing related activities.

Additionally, given the complexity of this grant, including its substantial requirements for compliance and performance metrics, specialized skills and focused attention that our current staff cannot fully provide is necessary. The proposed Management Analyst II will play a pivotal role in the day-to-day administration of the grant, significantly enhancing the City's capacity to meet Federal regulations, optimize resource allocation, effectively achieve the objectives outlined in our grant application, and manage documentation and reporting.

The Management Analyst II will be responsible for preparing comprehensive reports that detail progress and compliance while also providing actionable insights, thereby ensuring transparency and accountability to all stakeholders. The Management Analyst II will conduct regular evaluations to ensure strict alignment with federal guidelines and grant stipulations, proactively mitigating risks associated with non-compliance. Utilizing advanced data-driven methodologies, the Management Analyst II will assess grant performance, uncovering trends and identifying opportunities for continuous improvement that will inform strategic decision-making. Acting as a vital liaison among the management team, federal agencies, and community stakeholders, the Management Analyst II will foster collaboration and effective communication to enhance project outcomes and community engagement. Additionally, the Management Analyst II will support the meticulous tracking of expenditures, ensuring that resources allocation aligns seamlessly with the objectives articulated in the grant application, thereby promoting fiscal responsibility and efficiency.

The intricate nature of managing this grant demands specialized skills and dedicated focus that our current staff cannot adequately provide. By integrating a Management Analyst II into our team, the City will significantly enhance its capacity to meet federal requirements, optimize resource utilization, and effectively achieve the ambitious objectives outlined in our grant application. To ensure overall effective management and implementation, a portion of multiple existing staff members time would also be dedicated to this grant. Therefore, the application includes funding for a 0.1 FTE Housing & Neighborhood Revitalization Manager, a 0.1 FTE Project Manager, a 0.05 FTE Senior Administrative Clerk, and a 0.1 FTE Senior Management Analyst.

## **II. What is your geographic scope?**

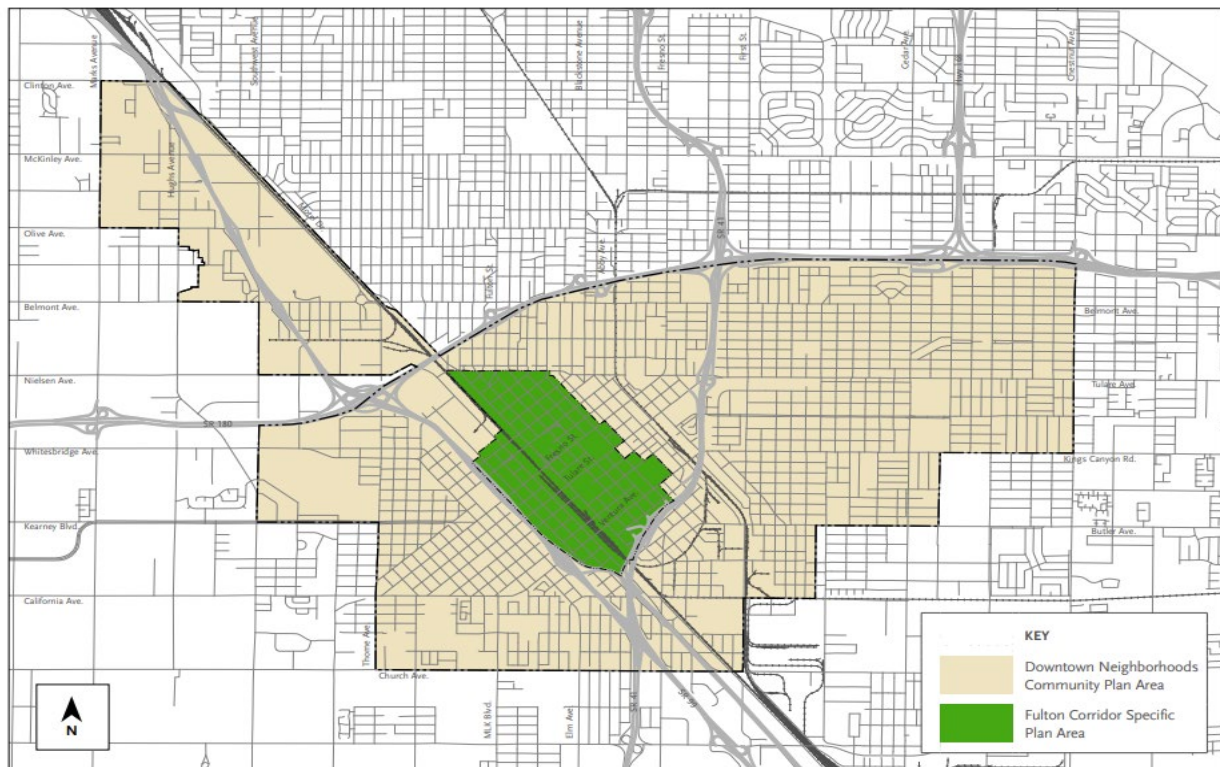
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The revitalization of Downtown Fresno has long been a paramount priority for the City’s elected officials, business leaders, and residents, representing a collective vision for a vibrant urban core. This proposal has been meticulously crafted with this overarching goal in mind, aiming to foster a thriving Downtown that encompasses economic prosperity, safe and affordable living conditions, and accessible educational and recreational amenities. The proposal will create housing units in a high-opportunity area, specifically targeting households grappling with the most acute shortage of affordable housing.

Situated within the Fulton Corridor Specific Plan (FCSP) for Downtown Fresno, adopted October 2016, the project site is integral to the broader vision for the area’s revitalization. The development of the FCSP emerged from an extensive public process, which included design workshops, community meetings, and contributions from the Planning Commission and City Council. This collaborative effort enabled the community to shape a shared vision, articulate core values, and establish a clear implementation plan for the Fulton Corridor. A key objective of the FCSP is the addition of 6,300 residential units through a variety of high-density housing options, including the infill development of vacant parcels.



*Figure 3 Fulton Corridor Specific Plan Area*

The community outreach conducted during the FCSP’s creation spanned over six years, demonstrating a robust commitment to community involvement. Initial outreach efforts, which

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took place from February through September 2010, included stakeholder interviews and public input during several Community Advisory Committee meetings. A design workshop in September and October 2010 attracted substantial engagement, with over 400 community members contributing their insights. Follow-up outreach from October 2010 through April 2011 involved additional community meetings, design review, and public feedback. The City released the Draft FCSP for public comment in October 2011, accompanied by four public workshops to facilitate further dialogue. Continued outreach in 2016, prior to the FCSP's final release, involved presentations to stakeholders, meetings, and workshops to ensure widespread community support.

Beyond its immediate goal of providing safe and affordable housing within the Downtown Fulton Corridor, this proposal aspires to extend its benefit to underserved communities throughout Fresno.

### **III. Who are your key stakeholders? How are you engaging them?**

The City of Fresno has prioritized extensive community engagement as a cornerstone of its proposal development process, drawing upon a wealth of local plans and research initiatives. Key documents guiding this effort include the 2023-2031 Housing Element, the 2020-2024 Consolidated Plan, the 2020 Annual Action Plan, the 2023-2024 Consolidated Annual Performance and Evaluation Report (CAPER), the 2023 Analysis of Impediments to Fair Housing Choice, as well as the Downtown Neighborhoods Community Plan, Fulton Corridor Specific Plan, and the One Fresno 2023-2025 Housing Strategy.

Through the creation of these comprehensive plans and various housing development activities, the City has actively sought to engage all stakeholders in identifying and addressing housing needs while enhancing access to vital opportunities. The strategies incorporated in this proposal are primarily derived from recommendations outlined in the City's new Housing Element. This process of developing the Housing Element commenced in 2022 and was marked by extensive outreach efforts, including the establishment of a dedicated website, six community workshops, and twelve focus group meetings with key stakeholders. Public participation was further encouraged through a review and comment period, as well as presentation to both the Planning Commission and City Council. The stakeholders involved in this process encompassed a diverse array of voices, including housing and homelessness advocates, community organizations, housing and real estate professionals, local officials, developers, and City staff. This inclusive approach ensures that a wide range of perspectives was considered, fostering a collaborative environment for effective decision-making.

In addition to leveraging the intensive outreach conducted from the new Housing Element, this proposal incorporates input from multiple City departments. The Housing and Community Development Department, the Office of the Mayor, and various Planning and Development staff contributed valuable insights to the proposal's formulations. The draft application for the PRO Housing grant was made publicly available for review and comment on September 25, 2024, through the City's website and traditional publishing channels. Furthermore, the draft application was presented to the City Council during their public hearing on October 10, 2024. Comments

received from this process are documented in Attachment A and will be addressed in the final application submitted to HUD.

#### **IV. How does your proposal align with requirements to affirmatively further fair housing?**

As a local community benefiting from grant funds through HUD's entitlement process, the City of Fresno has long been committed to affirmatively furthering fair housing. For many years, this dedication has been reflected in our proactive initiatives aimed at dismantling barriers to housing access. The City's most recent Analysis of Impediments to Fair Housing (AI), published in 2020, identified critical areas for action and outlined meaningful strategies to combat segregation while fostering inclusive communities free from discrimination based on protected class characteristics.

The City's Housing Team is deeply invested in promoting diversity, equity, and inclusion within our housing policies and practices. Through a series of community engagement events and comprehensive surveys, we have actively sought input from residents to address disparities in housing needs. Our commitment extends to transforming segregated living patterns into integrated and balanced communities and turning racially and ethnically concentrated areas of poverty into vibrant areas of opportunity. Furthermore, we are steadfast in maintaining compliance with civil rights and fair housing laws, ensuring that all community members have equitable access to housing resources. The initiatives outlined in this proposal align with these objectives and are designed to prevent displacement, ultimately contributing to the alleviation of housing instability if fully funded.

Activity 1 of the City's proposal specifically targets the potential funding for the construction of affordable housing. As part of our commitment to equity, the City mandates that all applicants and awarded subrecipients submit an Affirmative Marketing Plan. This plan details the outreach activities and strategies intended to engage protected classes effectively. Staff will rigorously review and confirm these activities during the monitoring process to ensure compliance and effectiveness. Additionally, the project aims to address the unique needs of protected classes by providing affordable housing options that are accompanied by access to essential services, particularly for the most vulnerable members of our community.

All proposed activities will strictly adhere to Federal nondiscrimination requirements, reinforcing our commitment to fostering an equitable housing landscape in Fresno.

#### **V. What are your budget and timeline proposals?**

The City of Fresno is proposing a budget of \$14,000,000 for the outlined project, with a comprehensive cost analysis detailed in the HUD-424-CBW form submitted with this application. This budget is structured to ensure the successful implementation of the proposed activities, incorporating all necessary expenses as summarized below. As the sole applicant, the budget has been developed based on the midpoint salary data for all staff positions involved in the project, supplemented by experiential data gathering from recent funding applications, City reports, and other relevant municipal references.

The City is requesting \$7,000,000 in HUD PRO Housing funding to support the addition of one new staff position and a portion of existing positions that will contribute to the proposed activities. Additionally, the budget reflects leveraged source funds of \$7,000,000 from the HCD IIGC Program award, ensuring a strong financial foundation for the project. The budget is both cost-effective and aligned with industry standards, positioning us to effectively execute the proposed activities.

With the full request of \$7,000,000 in HUD funding and the \$7,000,000 match, the City is prepared to complete all activities outlined in Exhibit D within the designated grant period. The budget distribution is as follows:

- \$10,594,660 for New Affordable Housing Developments
- \$3,315,624 for Personnel, Direct Labor, and Benefits
- \$89,716 for Supplies, Materials, and Miscellaneous Expenses

Task	Annual Cost	# of Years	Total	HUD PRO Housing Grant	City of Fresno
<b>Personnel</b>					
Salaries	\$510,096	5	\$2,550,480	\$662,605	\$1,887,875
Benefits	\$153,029	5	\$765,144	\$198,781	\$566,363
<b>Operations</b>					
Consumable Supplies	\$1,443	5	\$7,216	\$2,800	\$4,416
Non- Consumable Supplies	\$2,500	5	\$12,500	\$1,000	\$11,500
Sub-Grantees	\$1,219,963	5	\$6,099,814	\$6,099,814	\$0
Site Work	\$14,000	5	\$70,000	\$35,000	\$35,000
HCD IIGC Program	\$898,969	5	\$4,494,846	\$0	\$4,494,846
<b>Total</b>	<b>\$2,800,000</b>		<b>\$14,000,000</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>

It is important to note that if the City of Fresno is awarded less than the full requested amount, the scale of projects funded through the grant award will be diminished, resulting in a corresponding decrease in the number of affordable housing units.

The timeline for the proposed activities is designed to be completed within the five-year grant period, spanning from February 2025 through September 2030. The estimated timeline includes the following milestone:

*Activity 1: Increase Housing Production*

- Within 12 months of award, appropriate environmental review will be completed to ensure compliance with all regulations.



- Within 14 months of award, the City will enter into a funding agreement with the selected developer.
- Within 18 months of award, initial funding disbursements will be released.
- Within 36 months of award, all remaining project funds will be secured.

*Activity 2: Increase Staffing Capacity*

- Within 3 months of award, the City will initiate the hiring process for the new staff position.
- Within 6 months of award, the City will successfully fill the Management Analyst II position to enhance project oversight and implementation.
- The new staff position will be retained through September 2030, ensuring continuity and support throughout the project duration.

By adhering to this timeline and budget, the City of Fresno is poised to make substantial progress in increasing affordable housing availability and enhancing community well-being.

**Exhibit E | Capacity**  
**City of Fresno**

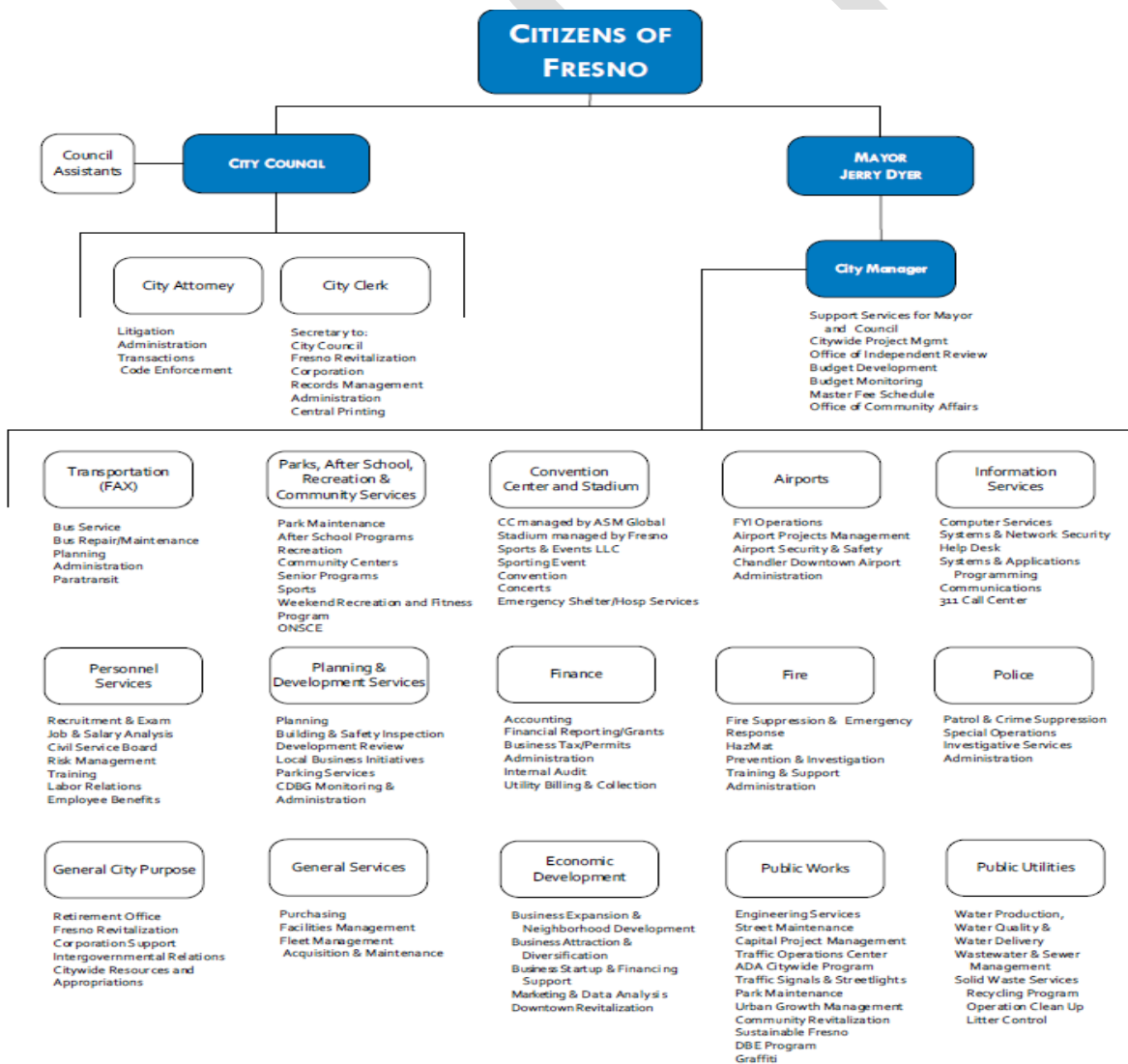
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## CAPACITY

### I. What capacity do you and your Partner(s) have? What is your staffing plan?

The City of Fresno is a municipal government, the 5<sup>th</sup> largest in the State of California, and a charter city operating under a strong mayor form of government. There are seven elected City Council Members who make up the legislative body and whose duties include the consideration of land use decisions, and other actions taken by ordinance, resolution, etc., at publicly noticed City Council Meetings. The City has the legal authority to make amendments to zoning, permitting, density, and other requirements to increase the production and retention of affordable housing. City Leaders have successfully reduced obstacles to housing development (as described in Exhibit C) and supported affordable housing development by committing initial seed funding to the City's Local Housing Trust Fund. In addition, following a 15-day review period, the City Council approved this application.

### CITY OF FRESNO ORGANIZATIONAL CHART



The City of Fresno possesses the administrative capacity, experience, and skilled personnel necessary to effectively implement the proposed activities. Within the City's Planning and Development Department, the specialized and diverse teams of the Housing Finance Division and Community Development Division, will form a cohesive project team. Each Division brings substantial expertise and resources to oversee the proposed projects, ensuring coordinated management and successful execution. We are also seeking funds to expand our current capacity by hiring one additional staff.

The PRO Housing project team will be led by the Assistant Director of Planning and Development and supported by the Community Development Division Manager and the Housing Finance Division Manager. Additional staff positions will include a Project Manager, Senior Administrative Clerk, Senior Management Analyst, and a newly hired Management Analyst II.

The grant will be overseen by the Assistant Director of the Planning and Development Department, who will facilitate the dispersal of grant funds to support the affordable housing initiatives. The Housing Finance Division and Community Development Division collectively have extensive combined experience managing federal, state, and local grants. Currently, City of Fresno staff administer 15 local grants totaling \$81,000,000; 84 state grants totaling \$358,000,000; and 149 federal grants totaling \$912,000,000. Among these, the Community Development Division oversees federal funding sources including HUD programs such as the Community Development Block Grant Program, Home Investment Partnerships Act Program, Emergency Solutions Grant Program, and Housing Opportunities for Persons with HIV/AIDS Program. The Housing Finance Division oversees various state grants, including HCD's Permanent Local Housing Allocation Program, Homekey 3 Program, Local Housing Trust Fund Program, Prohousing Incentive Pilot Program, as well as HUD's State and Local Fiscal Recovery Funds allocated to the City's affordable housing production and preservation efforts.

Fresno has a proven track record of adhering to HUD standards, rules, and regulations and completing necessary reporting and expenditures tracking. City of Fresno staff are experienced in quarterly and annual reporting, reimbursement requests, and grant agreement and compliance requirements. Their experience managing HUD programs, in addition to other state and City funded initiatives, equips City staff with the knowledge and proficiency to coordinate funding sources, engage subrecipients, collaborate with community stakeholders, and liaise with other government agencies. This includes developing and managing competitive applications, overseeing subrecipient awards and legal documents, and ensuring accurate distribution and accounting of funds and program income, as well as reporting to HUD and other relevant entities, while keeping City staff, committees, and City Council informed.

The City of Fresno is committed to furthering fair housing efforts by promoting fair and equal housing opportunities for its residents. The City provides services without regard to race, color, national origin, religion, gender identity, sexual orientation, familial status, or disability. This commitment extends to grant-funded housing programs. The project team has experience working with civil rights and fair housing issues on a regular basis, as well as the design and operation of programs that have provided tangible reductions in racial disparities. In addition, the project team has a strong background in administering grants that fund activities that handle civil rights and fair

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housing issues. The project team will be responsible for project management, supplemental analysis, guiding the project through the public hearing process, and community engagement.

The development of this application was prepared on behalf of the Planning and Development Department by the Housing Finance Division, led by Senior Management Analyst, Jennifer Davis, and Housing Finance Manager, Maria Cambron, with coordination and contributions from Community Development Manager, Karen Jenks, and Assistant Director of Planning and Development, Phil Skei.

**Exhibit F | Leverage**

**City of Fresno**

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## LEVERAGE

### **I. Are you leveraging other funding or non-financial contributions?**

The City of Fresno is fully committed to advancing the projects outlined in this proposal. The budget has been submitted and uploaded alongside other application documents, clearly detailing our leveraged commitments. The total project cost for all activities is \$14,000,000. The City is requesting \$7,000,000 from HUD, with the remaining \$7,000,000 in leveraged source funds from HCD's IIGC Program. Leverage documentation submitted with this application includes the IIGC award letter and City of Fresno Resolution. This investment underscores the City's dedication and brings our leveraged commitment to 50%.

#### *Infill Infrastructure Grant Program – Catalytic Qualifying Infill Area (IIGC)*

On August 22, 2023, the California Department of Housing and Community Development (HCD) awarded \$43,733,136 to the City of Fresno through its Infill Infrastructure Grant Program – Catalytic Qualifying Infill Area (IIGC). While the IIGC grant funds cannot be utilized for the direct construction or development of housing units, they are instrumental in creating a robust infrastructure framework that supports the future development of affordable housing in Downtown Fresno, and directly supports the City's proposed activities.

The IIGC award funds several elements of critical capital improvement projects designed to enhance the urban infrastructure of Downtown Fresno. The grant will specifically support essential upgrades in water and sewer systems, ensuring that our infrastructure can meet the demands of the North Fulton Development and other future affordable housing developments in the downtown area. Additionally, improvements will be made to the streets at Tuolumne and Van Ness, strategically located near the North Fulton project site. These enhancements will improve accessibility and safety, fostering a more pedestrian-friendly environment. Another key component of the funding will be the construction of structured parking facilities near the North Fulton project site, which will improve the foundational infrastructure of the area.

These investments in infrastructure in Fresno's downtown area will provide for the creation of a safe and walkable neighborhood, with proximity to a variety of transit options, aligning with the City's climate goals to reduce the average number of miles driven. The significant infrastructure investment provided by the IIGC grant, along with the proposed activities outlined in this proposal, will allow residents of the downtown area to live more healthy and sustainable lives, setting the stage for successful housing initiatives that will benefit our community for years to come.

**Exhibit G | Long-Term Effects and Expected Outcomes**  
**City of Fresno**

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## LONG-TERM EFFECTS AND EXPECTED OUTCOMES

### **I. What permanent, long-term effects will your proposal have? What outcomes do you expect?**

With the implementation of the proposed activities outlined in Exhibit D, the City of Fresno anticipates achieving permanent long-term impacts that will not only provide but also preserve affordable housing units well beyond the duration of this grant. The anticipated outcomes included increased housing production with stringent long-term affordability requirements and deed restrictions, ultimately reducing housing cost-burden on community members by providing options available to lower-income households.

The development of housing within the Downtown Fulton Corridor is particularly significant as it will alleviate the financial strains on residents while simultaneously enhancing access to essential resources such as public transportation, educational institutions, and employment opportunities. This approach directly addresses the City's acute demand for affordable housing. By incorporating affordability covenants, deed restrictions, and provisions for loan repayment, we ensure that the benefits of this proposal are sustained, positively impacting the Fresno community for generations to come.

#### *Outcome for Activity 1: Increase Housing Production*

Leveraging support from the PRO Housing grant alongside local tax dollars and other public funding sources, the City will facilitate the production of 125 units of affordable housing in the Downtown Fulton Corridor. The North Fulton Development will focus on infill new construction specifically designed for large family households, with affordability levels ranging from 30% to 60% of the average median income. This project is strategically located near vital amenities, including public transportation, schools, grocery stores, parks, and downtown retail businesses, thereby fostering a vibrant community atmosphere.

The completion of the North Fulton Development is anticipated in 2028, and the long-term effects will be reinforced through affordability covenants that safeguard the affordability of the housing units. The primary deliverable for this outcome will be the successful completion and occupancy of these affordable housing units funded through gap funding, and which will serve as a model for future developments aimed at addressing housing needs in Fresno. Through these initiatives, the City is committed to creating a sustainable and inclusive environment where all residents have access to affordable housing options, ultimately contributing to the overall well-being and resilience of the community.

#### *Outcome for Activity 2: Increase Staffing Capacity*

The City of Fresno faces an acute need for affordable housing, compounded by a significant lack of funding for the development of additional affordable units. This challenge underscores the urgency for increased organizational capacity to effectively address housing demands. By adding a dedicated staff member, the City can advance its housing strategies and ensure the successful completion of affordable housing projects.

The introduction of a new Management Analyst II position within the Housing Divisions team, will greatly enhance administrative oversight of the proposed activities. This role will be instrumental in prioritizing the allocation of federal funds to projects situated in high-opportunity areas, while also facilitating essential investments in neighborhood infrastructure that supports affordable housing initiatives. The deliverables for this outcome will be the successful recruitment and integration of the new Management Analyst II, whose expertise will bolster the City's housing efforts.

All proposed activities will be firmly aligned with the City's commitment to provide equitable and fair housing, adhering to affirmatively further fair housing practices. Through this enhanced capacity, the City aims to significantly increase both the production and preservation of affordable housing during the grant period and into the future. Investing in organizational capacity, Fresno can better serve its community, ensuring that all residents have access to safe, affordable housing and other opportunities to thrive.