



# Board Workshop: Development Pipeline and Priorities

October 27, 2015



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# *Real Estate Development Update*

*Board of Commissioner Meeting  
July 23, 2014*



## Presentation Overview

- Strategic Priorities
- Development Highlights
- Projects In Construction
- Projects in the Pipeline

### **Goal One: Place**

*Develop and expand the availability of quality affordable housing options throughout the City and County of Fresno by growing and preserving appropriate residential assets and increasing housing opportunities for low-income residents.*

\* Previous Updates April 2014, November 2013



## Strategic Priorities

- Current portfolio conversion utilizing RAD or other tools
- Focus on neighborhoods surrounding existing properties
- Explore acquisition opportunities
  - Neighborhoods with low quality rental stock
- Downtown development including Admin Site
- Permanent Supportive Housing or related projects
  - Must include strong support from partners
- New construction opportunities to increase quality stock and diversify income streams
- Neighborhoods of opportunity

\* Priorities from Board Retreat in May 2013

# Development Summary Highlights

- Since 2007, FH has developed or will develop 1,289 units for a total development cost of \$248 million
- FH leveraged over \$190 million of 3<sup>rd</sup> Party funds including private equity, funds from private banks, or City/County HOME and NSP funds
- Nearly \$30 million of funds were secured from sources like AHP, Continuum of Care and Capital Funds, reducing the agency commitment
- FH permanent commitment of funds is currently \$28 million, including the use assets, and \$16 million cash from HRFC (about \$14K-16K per unit)
- On average, 26 jobs are created for every \$1 million of capital spent by housing authorities on construction; portfolio construction of nearly \$130 million created over 3,300 jobs\*

\*Research by Econsult Corporation

# 2007-2012 Development Summary

	# of Units	TDC	3rd Party Funds	FH Pass-Thru Funds	HRFC	HRFC per Unit	TDC per Unit
Alta Monte	30	6,478	5,427	771	280	9.3	216
Santa Clara	70	13,062	11,972	740	350	5.0	187
Pacific Gardens	56	7,394	4,850	2,544	-	0.0	132
Trinity	21	3,844	3,079	600	165	7.9	183
Granada	16	3,843	3,249	594	-	0.0	240
Parc Grove II (S)	215	36,386	28,164	5,122	3,100	14.4	169
Yosemite Village	69	9,672	3,433	6,129	110	1.6	140
<b>Total</b>	<b>477</b>	<b>80,679</b>	<b>60,174</b>	<b>16,500</b>	<b>4,005</b>	<b>8.4</b>	<b>169</b>

Values represented in '000's.

3<sup>rd</sup> Party funds are funds from investors, HOME Funds, NSP, etc. Pass-thru funds are funds like AHP grants, MHP, Hope 6, Capital Funds, LIPH Op Reserves, etc.

# 2013-14 Development Projects

	# of Units	TDC	3rd Party Funds	FH Pass-Thru Funds	HRFC	HRFC per Unit	TDC per Unit
PGNW	148	33,464	29,735	-	3,729	25.2	226
Bridges	34	7,031	5,701	330	1,000	29.4	207
Droge	45	11,164	7,354	-	3,810	84.7	248
San Ramon	32	4,110	3,000	-	1,110	34.7	128
Kings River	60	12,938	11,856		1,082	18.0	216
Marion Villas	46	9,583	8,083	400	1,100	23.9	208
Fresno RAD	193	34,509	22,853	11,656	-	0.0	179
Orange Cove RAD	90	20,444	14,095	6,349	-	0.0	227
Mendota RAD	124	26,732	20,732	6,000	-	0.0	216
Viking RAD	40	7,820	6,071	1,749	-	0.0	196
<b>Total</b>	<b>812</b>	<b>167,796</b>	<b>129,480</b>	<b>26,484</b>	<b>11,832</b>	<b>14.6</b>	<b>207</b>

Values represented in '000's. Numbers are estimates since projects are still in progress.

3<sup>rd</sup> Party funds are funds from investors, HOME Funds, NSP, etc. Pass-thru funds are funds like AHP grants, MHP, Hope 6, Capital Funds, LIPH Op Reserves, etc.

**Fresno Housing Real Estate Development Pipeline and Pre-development Opportunities**  
 Planning Guide September 2015

2015 Round 1 Tax Credits	2015 Round 2 Tax Credits	2016 Round 1 Tax Credits	2016 Round 2 Tax Credits
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COUNTY PIPELINE	Project	Firebaugh Gateway	Shockley Terrace	Magill Terrace	Oak Grove
	Units/Type	30 units, senior NC	48 units, family D-NC	60 units, family D-NC	80 units, family D-NC
	TDC Estimate	\$7.4 million	\$14.5 million	\$18.3 million	\$21.6 million
	Financing Gap (Est.)	\$1.2 million	\$1.8 million	\$2 million	\$3 million
	Potential Sources for Gap	AHP (\$300k); HRFC	County HOME, AHP, Seller Finance (\$1.1m), HRFC, HA LIPH	AHP, County HOME, HRFC, Seller Finance (\$1.1m), HA LIPH	AHP, HRFC, Seller Finance (\$2.2m), Bank Loan, HA LIPH
	Developer Fee	\$796 thousand	\$1.5 million	\$2.0 million	\$2.0 million
	Estimated HRFC				
	Commitment/Unit	\$1.2 million	\$1.8 million	\$2.0 million	TBD
	Project	Trailside Terrace		Memorial Village	Huron
	Units/Type	55 units, family/commercial NC		60 units, family D-NC	80 units, family D-NC
TDC Estimate	\$15.4 million		\$16.2 million	\$21 million	
Financing Gap (Est.)	\$2.2 million		\$2.5 million	\$3 million	
Potential Sources for Gap	AHP (\$540k), County HOME (\$1m), HRFC, HA (LIPH)		AHP, Seller Finance (\$1.6 m), HRFC, HA LIPH, HOME	AHP, Seller Finance (\$1.7 m), HRFC, HA LIPH	
Developer Fee	\$1.7 million		\$1.6 million	\$2.0 million	
Estimated HRFC					
Commitment/Unit	\$2.2 million		TBD	TBD	
Planning Work		RAD 2.0- LIPH Portfolio Oak Grove (Parlier) LIPH Huron LIPH Firebaugh General Planning Magill Terrace (Fowler) LIPH Memorial Village (Sanger) LIPH Clovis Opportunities	Kerman LIPH Parkside (Huron) San Joaquin LIPH Biola LIPH		

Notes: Estimates only and subject to change. Document is for planning purposes as new opportunities may arise and existing opportunities may fall off. All subject to Board guidance.

Financing Gap does not include HRFC commitment, but does include seller finance

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CITY PIPELINE	Project	Edison Apartments Phase I	Lowell Neighborhood Project	Edison Apartments Phase II	Parc Grove NE - Veterans
		<b>Units/Type</b>	64 units, family NC	30 units, family rehab/NC	64 units, family NC
	<b>TDC Estimate</b>	\$16.7 million	\$7.1 million	13.2 million	\$10 million
	<b>Financing Gap (Est.)</b>	\$450 thousand	\$680 thousand	\$2.5 million	\$2 million
	<b>Potential Sources for Gap</b>	RDA Loan Committed, HRFC, Bank Loan	HOME Funds (\$1.2m); Wells Fargo (\$125k); HRFC, Better Opportunities Builders;	HRFC	HRFC, City HOME, VHHP, seller finance
	<b>Developer Fee</b>	\$850 thousand	\$350 thousand	\$650 thousand	\$950 thousand
	<b>Estimated HRFC Commitment/Unit</b>	\$450 thousand	\$680 thousand	\$2.5 million	TBD
	<b>Project</b>			<b>Parc Grove NE - Senior</b>	
	<b>Units/Type</b>			60 units, senior NC	
	<b>TDC Estimate</b>			\$14.3 million	
	<b>Financing Gap (Est.)</b>			\$2.6 million	
	<b>Potential Sources for Gap</b>			HRFC, City HOME, seller finance, AHP	
	<b>Developer Fee</b>			\$1.4 million	
	<b>Estimated HRFC Commitment/Unit</b>			TBD	
	<b>Planning Work</b>		West Fresno Pre-Planning Parc Grove NE (Vets/Senior) Parc Gove NE Early Learning RAD 2.0- LIPH Portfolio Central Office Property Blackstone Corridor (BRT) Neighborhoods of Opportunity Family Reunification Edison Apartments II Monte Vista LIPH	Emergency Shelter AA Museum Partnership Hmong Cultural Campus Garland Gardens Highway City LIPH	

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