

Boards of Commissioners Update

April 2015



Boards of Commissioners Update – April 2015

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BOARD UPDATE

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TO: Boards of Commissioners

Fresno Housing Authority

DATE: April 16, 2015

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FROM: Preston Prince, Executive Director/CEO



SUBJECT: Performance Update for Mixed Finance Properties

Executive Summary

In last month's Board Update, staff provided a presentation that was given to the Boards of Commissioners on April 23, 2014 on the performance of our mixed finance properties. Shown within this month's packet is a revised version of that presentation.

Since 2007, the Fresno Housing Boards of Commissioners has been asked to approve twenty omnibus resolutions authorizing staff to apply for tax credits on affordable housing projects. Included in these omnibus memos are projected construction and operating budgets which are used to underwrite the project's financing. Shown within this memo is a summary of each project's underwritten construction budget that was included in the omnibus memo compared to completed cost certifications as of March 31, 2015. Please note, some properties do not include figures from the completed cost certification because construction is still on-going. Also, included is a comparison of the pro-forma operating budget compared to the 2013 and 2014 financial results, as well as the 2015 operating budget.

PROPERTIES IN OPERATIONS

Yosemite Village

Location: 709 West California Avenue, Fresno, CA

Total Units: 69

Subsidized Units: 68

Type of Subsidy: ACC/Public Housing

Tax Credits: 4% Credits

Equity Investor: PNC Real Estate

Financial Closing: November 2008

Development Performance

- Construction costs: underwritten at \$10.6 million; actual costs were \$9.7 million.
- Actual costs were lower than initial projections as a result of cost savings in construction interest and fees due to a shortened loan period, lower than expected impact and permit fees, and overall construction savings due to changes in the economy.
- Total Housing Authority financing = \$6.2 million
 - o HOPE VI Grant = \$4.77 million
 - o Housing Authority Loan = \$990 thousand (Seller-carry back loan)
 - o RHF Loan = \$362 thousand

YOSEMITE VILLAGE- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
HOPE VI	5,472,277	4,776,215
HACF	990,000	990,000
RHF	362,984	362,984
Fresno School Fee Waiver	93,228	108,500
General Partner	110,000	110,000
Limited Partner	3,648,127	3,324,616
Total Sources	10,676,616	9,672,315
Uses		
Land/Acquisition	1,100,000	1,100,000
Construction	5,886,553	5,716,332
Architectural	480,000	709,162
Construction Interest	279,427	235,816
Legal Fees	121,100	175,148
Reserves	371,121	371,122
Other Project Costs	1,573,616	499,936
Developer Costs	864,799	864,799
Total Expenses	10,676,616	9,672,315

Operating Performance

- Net Income is higher than originally underwritten due to increases in the operating subsidy calculations. See Rental Assistance line item.
- The fees charged for Eligibility & Screening work were not originally included in the underwriting, which is why there is such a large variance in the Administrative Expenses line item.

- Maintenance is higher than originally anticipated due to too few repairs on the property when it was rehabbed.

	Yosemite Village			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	188,644	188,270	188,379	183,360
RENTAL ASSISTANCE	139,536	240,000	240,000	240,000
OTHER INCOME	-	1,396	-	1,500
Total Income:	328,180	429,666	428,379	424,860
EXPENSES				
PAYROLL & PAYROLL TAXES	90,000	70,942	71,636	73,800
ADMINISTRATIVE EXPENSES	12,000	27,385	45,488	48,550
MANAGEMENT FEES	41,000	32,920	32,520	33,120
TAXES & INSURANCE	30,175	22,201	22,390	23,165
UTILITIES, WATER & SEWER	46,260	78,028	78,235	80,320
MAINTENANCE	44,500	95,753	147,550	119,500
RESIDENT SERVICES	7,800	17,467	21,884	44,200
Total Operating Expenses:	271,735	344,696	419,703	422,655
Net Operating Income:	56,445	84,970	8,676	2,205

Renaissance at Trinity

Location: 524 South Trinity Street, Fresno, CA

Total Units: 21

Subsidized Units: 20

Type of Subsidy: Project Based Vouchers (Section 8)

Tax Credits: 9% Credits

Equity Investor: PNC Real Estate

Financial Closing: December 2010

Development Performance

- Construction costs: underwritten at \$3.9 million; actual costs were \$3.7 million.
- Total Housing Authority financing = \$764 thousand
 - o HRFC = \$164 thousand
 - o HUD COC = \$400 thousand (pass-thru funds from Continuum of Care)
 - o AHP = \$200 thousand (pass-thru funds)

RENAISSANCE AT TRINITY LP- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
HRFC	350,965	164,155
MHSA	875,000	875,000
AHP	200,000	200,000
HUD COC	400,000	400,000
Limited Partner	2,089,474	2,089,474
<i>Other (incl. deferred/accrued int.)</i>	159,719	115,600
Total Sources	4,075,158	3,844,229
Uses		
Land/Acquisition	685,000	545,000
Construction	1,554,463	1,749,275
Architectural	310,000	320,406
Construction Interest	194,945	106,940
Legal Fees	60,000	81,444
Reserves	426,479	426,479
Other Project Costs	505,674	276,088
Developer Costs	338,597	338,597
Total Expenses	4,075,158	3,844,229

Operating Performance

- 2013 and 2014 expenses are considerably lower than the underwritten values because the property had just opened and was still in the stabilization phase.
- Payroll expenses are higher than originally anticipated due to more staffing needed at the property. This is mainly due the time requirement associated with running a property serving this specific population.

	Trinity			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	70,252	41,317	34,987	30,320
RENTAL ASSISTANCE	79,072	108,819	114,454	121,000
OTHER INCOME	2,520	7,184	2,796	2,910
Total Income:	151,844	157,321	152,237	154,230
EXPENSES				
PAYROLL & PAYROLL TAXES	40,124	20,721	31,787	62,216
ADMINISTRATIVE EXPENSES	17,400	31,070	25,527	17,997
MANAGEMENT FEES	8,820	9,600	9,560	9,600
TAXES & INSURANCE	8,700	9,431	6,834	8,627
UTILITIES, WATER & SEWER	36,000	23,738	21,134	21,590
MAINTENANCE	22,812	15,120	23,216	23,615
RESIDENT SERVICES	6,300	7,813	2,095	6,300
Total Operating Expenses:	140,156	117,493	120,153	149,945
Net Operating Income:	11,688	39,828	32,085	4,285

Renaissance at Santa Clara

Location: 1555 Santa Clara Street, Fresno, CA

Total Units: 70

Subsidized Units: 69

Type of Subsidy: Project Based Vouchers (Section 8)

Tax Credits: 9% Credits

Equity Investor: PNC Real Estate

Financial Closing: December 2010

Development Performance

- Construction costs: underwritten at \$12.0 million; actual costs were \$12.0 million. Actual costs reflect a change in financing sources and associated cost impacts.
- Original underwriting included MHP funds from the State of California. However, this funding source would have triggered a change in labor rates during construction from Federal to State wages increasing construction cost approximately \$700K. After paying for other expenses relating to the loan closing, there would be no net benefit to the property but with added debt and restrictions, therefore the Agency chose not to pursue it.
- Total Housing Authority financing = \$1.6 million
 - o HUD COC = \$400 thousand (pass-thru funds from Continuum of Care)

- HRFC = \$1.2 million

RENAISSANCE AT SANTA CLARA - DEVELOPMENT		
	Underwriting	Actual Cost Certification
Sources		
HRFC	1,850,000	1,180,092
MHSA	1,000,000	1,000,000
HOME	1,500,000	1,500,000
HUD-COC	400,000	400,000
Non-Profit Discounted Land	67,499	67,499
Limited Partner Equity	7,200,354	7,200,354
MHP	-	-
AHP	-	690,000
	12,017,853	12,037,945
Uses		
Land/Acquisition	135,000	135,000
Construction	6,434,289	6,384,289
Architectural	422,972	422,972
Construction Interest	257,788	257,788
Legal Fees	170,000	170,000
Reserves	1,830,762	1,830,762
Other Project Costs	1,651,642	1,721,734
Developer Costs	1,115,400	1,115,400
Total Expenses	12,017,853	12,037,945

Operating Performance

- Total income is lower than originally projected due to several long-term vacancies at the property in 2014. This is due to the amount of time it takes a client to get prepared to move-in and to get the unit ready. Based on the 2014 results, staff budgeted conservatively for 2015.
- Utilities are much lower than the initial underwriting because solar was introduced at the property, which was not originally included in the budget.
- The maintenance line item is higher than the underwriting due to increased security that is still needed at the property.

	Santa Clara			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	141,056	97,335	80,465	80,000
RENTAL ASSISTANCE	323,450	422,921	337,461	337,406
OTHER INCOME	8,400	13,100	29,184	10,058
Total Income:	472,906	533,356	447,110	427,464
EXPENSES				
PAYROLL & PAYROLL TAXES	127,609	38,723	63,609	126,658
ADMINISTRATIVE EXPENSES	29,544	32,018	43,113	30,341
MANAGEMENT FEES	33,120	33,000	31,440	33,600
TAXES & INSURANCE	19,004	13,828	23,380	25,109
UTILITIES, WATER & SEWER	85,100	33,811	63,083	64,400
MAINTENANCE	114,185	139,832	171,488	176,889
RESIDENT SERVICES	16,425	13,000	4	-
Total Operating Expenses:	424,987	304,213	396,116	456,996
Net Operating Income:	47,919	229,143	50,994	(29,532)

Renaissance at Alta Monte

Location: 205 North Blackstone Ave, Fresno, CA

Total Units: 30

Subsidized Units: 29

Type of Subsidy: Project Based Vouchers (Section 8)

Tax Credits: 9% Credits

Equity Investor: PNC Real Estate

Financial Closing: December 2011

Development Performance

- Construction costs: underwritten at \$6.6 million; actual costs were \$6.4 million.
- Total Housing Authority financing = \$1.05 million
 - o HRFC = \$280 thousand
 - o HUD COC = \$400 thousand (pass-thru funds from Continuum of Care)
 - o AHP Grant = \$371 thousand (pass-thru funds)

RENAISSANCE AT ALTA MONTE LP- DEVELOPMENT		
Descriptions	Underwriting	Actual thru September 2012
Sources		
HRFC	307,288	280,000
MHSA	1,500,000	1,500,000
Fresno HA (COC-Snap)	400,000	400,000
AHP	371,000	371,000
Limited Partner	3,980,528	3,884,776
Other (incl. deferred/accrued int)	42,063	42,063
Total Sources	6,600,879	6,477,839
Uses		
Land/Acquisition	800,000	800,000
Construction	3,555,000	2,876,942
Architectural	190,000	186,176
Construction Interest	34,928	157,278
Legal Fees	150,000	185,661
Reserves	581,505	30,000
Other Project Costs	742,922	2,121,783
Developer Costs	546,524	120,000
Total Expenses	6,600,879	6,477,839

Operating Performance

- Payroll expenses are higher than originally anticipated due to more staffing needed at the property. This is mainly due the time requirement associated with running a property serving this specific population.
- Taxes and insurance for the property should stabilize in 2015 now that the property in regular operations.

	Alta Monte			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	95,169	36,333	51,499	47,634
RENTAL ASSISTANCE	103,709	171,318	146,828	145,000
OTHER INCOME	3,640	7,063	22,918	21,726
Total Income:	202,518	214,714	221,245	214,360
EXPENSES				
PAYROLL & PAYROLL TAXES	49,474	23,645	28,250	66,500
ADMINISTRATIVE EXPENSES	26,750	27,632	29,382	23,761
MANAGEMENT FEES	13,920	12,840	12,320	14,400
TAXES & INSURANCE	14,004	19,326	1,302	9,882
UTILITIES, WATER & SEWER	33,600	36,847	32,800	32,520
MAINTENANCE	29,280	15,904	54,899	55,300
RESIDENT SERVICES	15,000	9,724	11,839	10,000
Total Operating Expenses:	182,028	145,917	170,791	212,363
Net Operating Income:	20,490	68,797	50,454	1,997

Pacific Gardens

Location: 5161 Kings Canyon Road, Fresno, CA

Total Units: 56

Subsidized Units: 22

Type of Subsidy: Public Housing

Tax Credits: 9% Credits

Equity Investor: PNC Real Estate

Financial Closing: March 2011

Development Performance

- Construction costs: underwritten at \$7.9 million; actual costs were \$7.3 million.
- Total Housing Authority financing = \$2.4 million
 - o City HA Loans (Cap funds, ARRA cap funds, RHF) = \$2.4 million

FRESNO PACIFIC GARDENS LP- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
Fresno HA Loans (CFRC, RHF, Cap Fund)	2,734,536	2,461,614
Predev Loan Accrued Interest	82,337	82,337
Limited Partner	4,971,307	4,850,283
<i>Other (incl. deferred/accrued int.)</i>	126,978	
Total Sources	7,915,158	7,394,234
Uses		
Land/Acquisition	1,750,000	1,814,143
Construction	3,341,435	3,520,779
Architectural	206,701	206,701
Construction Interest	138,778	261,980
Legal Fees	279,643	190,500
Reserves	137,193	137,193
Other Project Costs	1,274,968	504,467
Developer Costs	786,440	758,471
Total Expenses	7,915,158	7,394,234

Operating Performance

- Net Income at the property is higher than the underwriting due to additional income from tenants with Housing Choice vouchers. Also, the initial underwriting assumed that the original tenants would remain at the property indefinitely, and rents would remain flat. As the original tenants have been moving out of the property, new tenants have been moving in and paying higher rents.
- Payroll & Administrative expenses are higher at this property due to additional resources that have been needed to keep the property fully leased up. Staff has spent additional time and resources on advertising and mailings in order to market the property to eligible tenants.
- Maintenance expenses are lower than originally budgeted due to less maintenance needed on the property because it is newer. This has reduced the amount of time a maintenance worker would be allocated to the budget in the initial years, but we expect that in future years, the expenses will align with the underwriting.

	Pacific Gardens			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	229,373	199,387	188,470	188,470
RENTAL ASSISTANCE	45,144	117,728	110,960	131,340
OTHER INCOME	6,770	2,842	6,112	2,200
Total Income:	281,287	319,957	305,542	322,010
EXPENSES				
PAYROLL & PAYROLL TAXES	51,000	33,774	58,552	106,985
ADMINISTRATIVE EXPENSES	30,000	29,700	30,935	36,318
MANAGEMENT FEES	26,880	25,530	23,000	26,880
TAXES & INSURANCE	21,000	4,199	1,975	12,086
UTILITIES, WATER & SEWER	39,995	40,457	33,305	35,000
MAINTENANCE	50,970	27,345	33,119	18,965
RESIDENT SERVICES	13,125	15,617	10,551	13,125
Total Operating Expenses:	232,970	176,622	191,437	249,359
Net Operating Income:	48,317	143,335	114,104	72,650

Granada Commons

Location: 14570 California Ave, Kerman, CA

Total Units: 16

Subsidized Units: 8

Type of Subsidy: Public Housing

Tax Credits: Loan in lieu of credits

Equity Investor: N/A (TCAP loan from CTCAC)

Financial Closing: March 2010

Development Performance

- Construction costs: underwritten at \$4.4 million; actual costs were \$3.8 million.
- Total Housing Authority financing = \$2.9 million
 - o CFRG Grant = \$593 thousand
 - o HACF/Land = \$147 thousand
 - o Fresno HA loan = \$2.2 million (ARRA pass thru funds)

GRANADA COMMONS- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
County of Fresno HOME	900,000	900,000
HACF/Land	147,238	147,238
Fresno HA (CFRG)	1,200,000	593,672
TCAC ARRA Award	2,202,968	2,202,168
Total Sources	4,450,206	3,843,078
Uses		
Land/Acquisition	-	-
Construction	2,738,023	2,436,658
Architectural	155,802	145,858
Construction Interest	70,294	89,714
Permanent Financing	-	-
Legal Fees	40,000	180,920
Reserves	21,175	36,815
Other Project Costs	1,002,597	479,113
Developer Costs	422,314	474,000
Total Expenses	4,450,205	3,843,078

Operating Performance

- Administrative expenses are higher than originally projected due to the costs of accounting and auditing that was not included in the original budget. The audit and tax return preparation for each limited partnership is approximately \$11,000 each, which put the administrative line item significantly over the original budget.
- Management Fees were incorrectly included in the Administrative Expenses line item for 2015.

	Granada			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	71,289	75,277	77,169	77,000
RENTAL ASSISTANCE	21,216	21,666	30,063	25,000
OTHER INCOME	4,160	546	9,247	640
Total Income:	96,665	97,489	116,479	102,640
EXPENSES				
PAYROLL & PAYROLL TAXES	25,739	19,247	30,949	38,492
ADMINISTRATIVE EXPENSES	5,900	23,767	16,618	19,694
MANAGEMENT FEES	8,208	7,160	6,600	-
TAXES & INSURANCE	5,652	4,617	3,609	3,583
UTILITIES, WATER & SEWER	14,004	14,919	14,772	14,300
MAINTENANCE	15,396	9,120	7,458	6,450
RESIDENT SERVICES	5,800	9,466	7,909	7,000
Total Operating Expenses:	80,699	88,295	87,916	89,519
Net Operating Income:	15,966	9,194	28,563	13,121

Parc Grove Commons II (South)

Location: 2674 E. Clinton Ave, Fresno, CA

Total Units: 215

Subsidized Units: 103

Type of Subsidy: 72 Project Based Vouchers, 31 Public Housing Units

Tax Credits: 9% Credits

Equity Investor: Wells Fargo Bank

Financial Closing: January 2010

Development Performance

- Construction costs: underwritten at \$37.4 million; actual costs were \$36.4 million.
- Total Housing Authority financing = \$8.2 million
 - o Fresno HA Loan (ARRA Cap Funds/RHF) = \$5.2 million
 - o HRFC Loan = \$3 million

PARC GROVE COMMONS LP (SOUTH)- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
CCRC	2,900,000	2,009,184
HOME	2,000,000	2,000,000
Accrued/Deferred Interest HOME	193,750	193,750
RDA	500,000	500,000
Fresno HA	8,330,165	8,222,730
Limited Partner	23,460,403	23,460,403
Total Sources	37,384,318	36,386,067
Uses		
Land/Acquisition	4,047,336	4,046,775
Construction	25,178,279	23,864,320
Architectural	1,484,474	1,559,083
Construction Interest	1,604,955	2,115,890
Permanent Financing		55,500
Legal Fees	140,487	455,653
Reserves	475,000	1,094,000
Other Project Costs	2,453,787	1,194,846
Developer Costs	2,000,000	2,000,000
Total Expenses	37,384,318	36,386,067

Operating Performance

- Property was originally underwritten at lower income targeting levels, but staff was able to lease the units to higher income tenants, thus increasing the annual income.
- The original underwriting assumed that eligibility services and the project-based waitlist would be managed by the on-site staff. Due to the complexities of the unit mix and lengthy waitlist, the Agency stepped in to provide additional resources. These eligibility fees charged by the Agency were not originally included in the underwriting. See Administrative Expenses line item.
- Utilities are much higher than originally anticipated. The project has a very large community space, as well as lots of green space that requires ample site lighting, and the original budget underestimated the cost of these expenses. We expect that on-going utility expenses will remain relatively consistent with what we've incurred over the past three years.

- In 2013 the property received a large refund for property taxes that were paid during construction. Staff expects that these expenses will level out in 2014 and 2015.

	Parc Grove Commons			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	1,193,570	1,210,043	1,188,178	1,176,051
RENTAL ASSISTANCE	456,715	617,039	619,226	528,000
OTHER INCOME	17,995	7,044	93,675	5,729
Total Income:	1,668,280	1,834,126	1,901,079	1,709,780
EXPENSES				
PAYROLL & PAYROLL TAXES	207,000	284,014	286,496	294,400
ADMINISTRATIVE EXPENSES	83,500	37,826	57,718	56,000
MANAGEMENT FEES	92,500	105,169	90,689	89,763
TAXES & INSURANCE	105,000	(6,468)	4,623	51,950
UTILITIES, WATER & SEWER	97,000	172,698	168,269	184,780
MAINTENANCE	226,000	311,297	342,908	317,700
RESIDENT SERVICES	102,770	86,770	40,583	86,000
Total Operating Expenses:	913,770	991,306	991,286	1,080,593
Net Operating Income:	754,510	842,820	909,793	629,187

Bridges At Florence

Location: 649 E. Florence, Fresno, CA

Total Units: 34

Subsidized Units: 0

Type of Subsidy: N/A

Tax Credits: 9% Credits

Equity Investor: PNC Real Estate

Closing: March 2013

Development Performance

- Total development costs: underwritten at \$7.1 million; actual costs were \$6.9 million.
- Deferred developer fees were less than originally anticipated. This is a positive gain for the Housing Authority since these fees go directly to the Planning & Development Department.
- Total Housing Authority financing = \$1.0 million
 - o HRFC Loan = \$1 million

BRIDGES AT FLORENCE - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Cert
Sources		
City of Fresno	1,400,000	1,400,000
Fresno Housing Authority	1,000,000	1,000,000
FHLB AHP	330,000	330,000
Limited Partners	4,221,005	4,210,420
Deferred Dev. Fee	100,000	2,582
Total Sources	7,051,005	6,943,002
Uses		
Land/Acquisition	--	
Construction	4,238,000	4,482,694
Architectural	250,000	270,358
Construction Interest	187,100	119,003
Legal Fees	100,000	59,300
Reserves	60,854	75,795
Other Project Costs	1,400,264	1,121,065
Developer Costs	814,787	814,787
Total Expenses	7,051,005	6,943,002

Operating Performance

- Property opened in 2014.
- 2015 Budget should be more indicative of on-going operational costs.
- Total expenses are slightly higher than the original pro-forma budget, however due to an increase in tenant revenue the net income is comparable to the original budget.

	Bridges at Florence			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	166,541	-	177,062	202,080
RENTAL ASSISTANCE	-	-	-	-
OTHER INCOME	-	-	70	300
Total Income:	166,541	-	177,132	202,380
EXPENSES				
PAYROLL & PAYROLL TAXES	38,000	-	42,435	37,800
ADMINISTRATIVE EXPENSES	10,000	-	14,223	9,900
MANAGEMENT FEES	15,840	-	15,710	15,840
TAXES & INSURANCE	3,407	-	-	10,250
UTILITIES, WATER & SEWER	24,500	-	23,786	29,560
MAINTENANCE	19,730	-	26,133	29,000
RESIDENT SERVICES	17,000	-	7,732	32,000
Total Operating Expenses:	128,477	-	130,019	164,350
Net Operating Income:	38,064	-	47,113	38,030

Southeast Fresno RAD

Location: Scattered Site, Fresno, CA

Total Units: 193

Subsidized Units: 191

Type of Subsidy: Project Based Vouchers (RAD)

Tax Credits: 9% Credits

Equity Investor: R4 Capital

Financial Closing: December 2013

Development Performance

- Total Housing Authority financing = \$34.5 million
 - o FHA Loan (Cap Funds, Op Reserves, RHF) = \$5 million
 - o Seller Financing = \$6.38 million (portion of property value)

FRESNO RAD- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
City HOME loan	1,500,000	
HACCF	5,000,000	
Seller Financing	6,377,000	
Deferred Developer Fee	278,614	
Limited Partner	21,289,100	
Other (incl. deferred/accrued int.)	64,330	
Total Sources	34,509,044	-
Uses		
Land/Acquisition	7,877,000	
Construction	17,482,767	
Architectural	1,083,715	
Construction Interest	818,757	
Legal Fees	200,000	
Reserves	375,050	
Other Project Costs	4,671,755	
Developer Costs	2,000,000	
Total Expenses	34,509,044	-

Operating Performance

- Property is an acquisition/rehab project, therefore on-going operations of the property is occurring at the same time as construction.
- Pro-forma budget is more indicative of the financial performance during stabilized occupancy.

	Fresno-RAD			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	1,167,876	-	542,371	550,000
RENTAL ASSISTANCE	344,952	-	639,088	1,283,348
OTHER INCOME	-	-	1,300	8,485
Total Income:	1,512,828	-	1,182,759	1,841,833
EXPENSES				
PAYROLL & PAYROLL TAXES	306,162	-	210,735	291,628
ADMINISTRATIVE EXPENSES	200,000	-	93,984	55,450
MANAGEMENT FEES	91,680	-	77,928	157,488
TAXES & INSURANCE	79,000	-	1,245	36,766
UTILITIES, WATER & SEWER	188,745	-	174,853	181,402
MAINTENANCE	267,600	-	27,269	110,766
RESIDENT SERVICES	77,200	-	24,827	81,900
Total Operating Expenses:	1,210,387	-	610,840	915,400
Net Operating Income:	302,441	-	571,919	926,432

Kings River Commons

Location: 2020 E. Dinuba Ave, Reedley, CA

Total Units: 60

Subsidized Units: 0

Type of Subsidy: N/A

Tax Credits: 9% Credits

Equity Investor: R4 Capital

Financial Closing: December 2013

Development Performance

- Total Housing Authority (HRFC) financing = \$1.18 million
 - o HRFC Loan = \$1.18 million

KINGS RIVER COMMONS - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
Perm Loan	1,273,100	
HOME Loan	1,758,673	
Fresno HA Loan	1,182,108	
FHLB-AHP	578,000	
Limited Partner	8,187,000	
<i>Other (incl. deferred/accrued int.)</i>	58,673	
Total Sources	13,037,554	-
Uses		
Land/Acquisition	627,820	
Construction	7,163,952	
Architectural	320,000	
Construction Interest	293,154	
Legal Fees	140,000	
Reserves	567,079	
Other Project Costs	2,483,145	
Developer Costs	1,442,404	
Total Expenses	13,037,554	-

Operating Performance

- Property opened in 2014.
- 2015 Budget should be more indicative of on-going operational costs.
- Total expenses are slightly lower than the original pro-forma budget, however due to a decrease in tenant revenue the net income is comparable to the original budget.

	Kings River Commons			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	419,592	-	114,842	384,456
RENTAL ASSISTANCE	-	-	719	-
OTHER INCOME	-	-	10,080	6,744
Total Income:	419,592	-	125,641	391,200
EXPENSES				
PAYROLL & PAYROLL TAXES	52,000	-	12,677	78,675
ADMINISTRATIVE EXPENSES	25,000	-	40,368	9,400
MANAGEMENT FEES	32,400	-	35,451	30,980
TAXES & INSURANCE	25,000	-	357	-
UTILITIES, WATER & SEWER	40,000	-	13,895	53,291
MAINTENANCE	50,000	-	11,603	20,069
RESIDENT SERVICES	-	-	8,596	21,000
Total Operating Expenses:	224,400	-	122,946	213,415
Net Operating Income:	195,192	-	2,695	177,785

Orange Cove RAD

Location: Scattered Site, Orange Cove, CA

Total Units: 90

Subsidized Units: 87

Type of Subsidy: Project Based Vouchers (RAD)

Tax Credits: 9% Credits

Equity Investor: PNC Real Estate

Financial Closing: December 2013

Development Performance

- Total Housing Authority financing = \$5.43 million
 - o FHA Loan (Cap Funds, Op Reserves) = \$1.38 million
 - o FHA Seller Finance = \$4.13 million (full value of the property)
 - o Deferred Developer Fee= \$600 thousand

ORANGE COVE RAD- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
FHA Cap Funds	1,372,504	
FHA Seller Finance	4,372,507	
Deferred Developer Fee	603,676	
Limited Partners	14,095,173	
Total Sources	20,443,860	-
Uses		
Land/Acquisition	4,130,000	
Construction	10,679,199	
Architectural	580,715	
Construction Interest	356,289	
Legal Fees	200,000	
Reserves	324,384	
Other Project Costs	2,355,936	
Developer Costs	1,817,337	
Total Expenses	20,443,860	-

Operating Performance

- Property is an acquisition/rehab project, therefore on-going operations of the property is occurring at the same time as construction.
- Pro-forma budget is more indicative of the financial performance during stabilized occupancy.

	RAD-OC			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	545,892	-	289,944	299,369
RENTAL ASSISTANCE	194,172	-	154,779	462,319
OTHER INCOME	-	-	19,004	2,995
Total Income:	740,064	-	463,727	764,683
EXPENSES				
PAYROLL & PAYROLL TAXES	195,000	-	126,548	168,721
ADMINISTRATIVE EXPENSES	30,000	-	41,187	44,659
MANAGEMENT FEES	80,200	-	65,000	73,440
TAXES & INSURANCE	41,600	-	73,440	15,400
UTILITIES, WATER & SEWER	-	-	84,152	91,500
MAINTENANCE	57,600	-	71,665	67,600
RESIDENT SERVICES	36,000	-	-	55,424
Total Operating Expenses:	440,400	-	461,991	516,744
Net Operating Income:	299,664	-	1,736	247,939

Mendota RAD

Location: Scattered Site, Mendota, CA

Total Units: 124

Subsidized Units: 123

Type of Subsidy: Project Based Rental Assistance (RAD)

Tax Credits: 9% Credits

Equity Investor: PNC Real Estate

Financial closing: December 2013

Development Performance

- Total Housing Authority financing = \$6.0 million
 - o FHA Loan (cap funds, op. reserves) = \$5.4 million
 - o Seller Financing = \$600 thousand (partial value of the property)

MENDOTA RAD - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
Permanent Loans	2,350,000	
FHA Loan	5,400,000	
County HOME	500,000	
Seller Financing	600,000	
Limited Partner	17,832,324	
<i>Other (incl. deferred/accrued int.)</i>	49,533	
Total Sources	26,731,857	-
Uses		
Land/Acquisition	6,300,000	
Construction	13,751,451	
Architectural	812,315	
Construction Interest	478,000	
Legal Fees	200,000	
Reserves	503,201	
Other Project Costs	2,686,890	
Developer Costs	2,000,000	
Total Expenses	26,731,857	-

Operating Performance

- Property is an acquisition/rehab project, therefore on-going operations of the property is occurring at the same time as construction.
- Pro-forma budget is more indicative of the financial performance during stabilized occupancy.

	RAD-Mendota			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	767,076	-	520,672	530,000
RENTAL ASSISTANCE	299,640	-	208,600	545,248
OTHER INCOME	-	-	11,101	5,000
Total Income:	1,066,716	-	740,373	1,080,248
EXPENSES				
PAYROLL & PAYROLL TAXES	319,572	-	101,148	178,244
ADMINISTRATIVE EXPENSES	50,000	-	20,185	36,200
MANAGEMENT FEES	-	-	75,000	101,184
TAXES & INSURANCE	41,500	-	1,023	22,500
UTILITIES, WATER & SEWER	166,850	-	146,328	156,100
MAINTENANCE	22,271	-	34,154	30,850
RESIDENT SERVICES	49,600	-	-	76,362
Total Operating Expenses:	649,793	-	377,838	601,440
Net Operating Income:	416,923	-	362,535	478,808

City View at Van Ness

Location: 802 Van Ness Ave, Fresno, CA

Total Units: 45

(approximately 3000 sq ft of commercial space)

Subsidized Units: 0

Type of Subsidy: N/A

Tax Credits: 4% Credits

Equity Investor: PNC Real Estate

Financial Closing: October 2013

Development Performance

- Total Housing Authority financing = \$3.81 million
 - o HRFC Residential Loan = \$3.45 million
 - o HRFC Commercial Loan = \$360 thousand

CITY VIEW - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
Perm Bond	1,051,600	
HRFC Residential Loan	3,447,830	
HRFC Commercial Loan	362,170	
Better Opportunity Builders	700,000	
City HOME Loan	1,800,000	
Limited Partners	3,715,825	
<i>Other (incl. deferred/accrued int.)</i>	85,874	
Total Sources	11,163,299	-
Uses		
Land/Acquisition	720,667	
Construction	6,593,280	
Architectural	845,000	
Construction Interest	280,331	
Legal Fees	145,000	
Reserves	90,893	
Other Project Costs	1,262,049	
Developer Costs	1,226,079	
Total Expenses	11,163,299	-

Operating Performance

- Property opened in 2014.
- 2015 Budget should be more indicative of on-going operational costs.

	City View @ Van Ness			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	378,624	-	150	299,250
RENTAL ASSISTANCE	-	-	-	-
OTHER INCOME	-	-	-	2,500
Total Income:	378,624	-	150	301,750
EXPENSES				
PAYROLL & PAYROLL TAXES	50,300	-	16,225	50,300
ADMINISTRATIVE EXPENSES	13,700	-	2,115	16,000
MANAGEMENT FEES	27,120	-	3,600	18,900
TAXES & INSURANCE	20,000	-	182	18,000
UTILITIES, WATER & SEWER	29,300	-	1,717	60,000
MAINTENANCE	49,100	-	5,284	44,200
RESIDENT SERVICES	-	-	-	13,500
Total Operating Expenses:	189,520	-	29,122	220,900
Net Operating Income:	189,104	-	(28,972)	80,850

Parc Grove Commons Northwest

Location: 2674 E. Clinton Ave, Fresno, CA

Total Units: 148

Subsidized Units: 50

Type of Subsidy: Project Based Vouchers (Section 8)

Tax Credits: 9% Credits

Equity Investors: Wells Fargo Bank

Financial Closing: February 2013

Development Performance

- Total development costs: underwritten at \$33.8 million; actual costs were \$32.9 million.
- Sources have changed dramatically since the original inception of the project. The City of Fresno provided a HOME loan in the amount of \$4.5 million. Additional funds were committed from the

California Community Reinvestment Corporation. Additional equity was also pledged from Wells Fargo. These sources, along with a savings in the construction cost, reduced the HRFC commitment from \$8.5 million to \$1.5 million.

- Total Housing Authority financing = \$1.5 million
 - o HRFC Loan = \$1.5 million

PARC GROVE NW - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Cert
Sources		
Perm Loan/CCRC Loan - Tranche A	3,877,500	3,877,500
CCRC Loan - Tranche B	2,722,500	3,847,500
FH/HRFC	8,529,442	1,489,145
HOME Loan		4,500,000
Limited Partners	18,635,372	19,090,473
Rebates		58,664
Total Sources	33,764,814	32,863,282
Uses		
Land/Acquisition	2,250,000	2,222,000
Construction	19,284,804	20,900,154
Architectural	1,224,000	1,673,798
Construction Interest	1,206,000	1,341,810
Legal Fees	283,000	127,566
Reserves	570,000	1,020,000
Other Project Costs	6,947,010	3,577,954
Developer Costs	2,000,000	2,000,000
Total Expenses	33,764,814	32,863,282

Operating Performance

- Property opened in 2014.
- 2015 Budget should be more indicative of on-going operational costs.

	Parc Grove NW			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	1,093,692	-	1,113,615	1,374,000
RENTAL ASSISTANCE	1,056	-	-	-
OTHER INCOME	-	-	7,982	4,800
Total Income:	1,094,748	-	1,121,597	1,378,800
EXPENSES				
PAYROLL & PAYROLL TAXES	90,000	-	169,404	212,800
ADMINISTRATIVE EXPENSES	27,000	-	14,608	13,800
MANAGEMENT FEES	73,440	-	54,375	68,000
TAXES & INSURANCE	67,500	-	800	32,350
UTILITIES, WATER & SEWER	96,000	-	141,762	145,750
MAINTENANCE	83,400	-	108,030	146,800
RESIDENT SERVICES	50,000	-	20,066	54,000
Total Operating Expenses:	487,340	-	509,045	673,500
Net Operating Income:	607,408	-	612,552	705,300

Viking Village RAD

Location: 4250 N. Chestnut Ave, Fresno, CA

Total Units: 40

Subsidized Units: 39

Type of Subsidy: Project Based Rental Assistance (RAD)

Tax Credits: 9% Credits

Equity Investors: PNC Bank

Financial Closing: March 2014

Development Performance

- Total Housing Authority financing = \$1.8 million
 - o FHA Loan (cap funds, op. reserves) = \$900 thousand
 - o Seller Financing = \$831 thousand (partial value of the property)

VIKING VILLAGE RAD - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
City HOME Loan	1,000,000	
Seller Financing	831,886	
FHA Loan	917,387	
Limited Partners	5,043,084	
<i>Other (incl. deferred/accrued int.)</i>	27,342	
Total Sources	7,819,699	-
Uses		
Land/Acquisition	2,000,000	
Construction	3,385,499	
Architectural	160,750	
Construction Interest	252,000	
Legal Fees	175,000	
Reserves	334,000	
Other Project Costs	896,258	
Developer Costs	616,192	
Total Expenses	7,819,699	-

Operating Performance

- Property is an acquisition/rehab project, therefore on-going operations of the property is occurring at the same time as construction.
- Pro-forma budget is more indicative of the financial performance during stabilized occupancy.

	Viking Village			
	Pro Forma Budget	2013 Actuals	2014 Actuals	2015 Budget
INCOME				
TENANT RENTAL INCOME	265,572	-	120,242	125,000
RENTAL ASSISTANCE	48,360	-	45,266	195,220
OTHER INCOME	-	-	469	-
Total Income:	313,932	-	165,977	320,220
EXPENSES				
PAYROLL & PAYROLL TAXES	123,000	-	36,085	58,687
ADMINISTRATIVE EXPENSES	56,640	-	15,258	19,185
MANAGEMENT FEES	19,200	-	20,000	32,640
TAXES & INSURANCE	20,000	-	17,782	11,250
UTILITIES, WATER & SEWER	12,000	-	24,074	24,521
MAINTENANCE	-	-	15,239	19,250
RESIDENT SERVICES	16,000	-	5,735	3,000
Total Operating Expenses:	246,840	-	134,173	168,533
Net Operating Income:	67,092	-	31,804	151,687

PROPERTIES IN DEVELOPMENT/CONSTRUCTION

Marion Villas

Location: Kingsburg
 Total Units: 46
 (Approximately 2400 sq ft of commercial space)
 Subsidized Units: To Be Determined
 Type of Subsidy: To Be Determined
 Tax Credits: 9% Credits
 Equity Investor: PNC Real Estate
 Financial Closing: March 2014

Development Performance

- County HOME = \$1 million
- Total Housing Authority financing = \$1.5 million
 - o HRFC = \$1.5 million

MARION VILLAS LP- DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
HRFC	1,500,000	
County HOME loan	1,000,000	
Deferred Interest	26,465	
Limited Partners	7,056,886	
Total Sources	9,583,351	-
Uses		
Land/Acquisition	500,000	
Construction	5,366,675	
Architectural	237,461	
Construction Interest	134,927	
Legal Fees	155,000	
Reserves	144,384	
Other Project Costs	1,998,235	
Developer Costs	1,046,669	
Total Expenses	9,583,351	-

Trailside Terrace

Location: 1255 "G" Street, Reedley, CA
 Total Units: 55
 Subsidized Units: To Be Determined
 Type of Subsidy: To Be Determined
 Tax Credits: 9% Credits
 Equity Investor: To Be Determined
 Financial Closing: To Be Determined

Development Performance

- County HOME = \$1 million
- Total Housing Authority financing = \$2.7 million
 - o HRFC = \$2.7 million

TRAILSIDE TERRACE - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
Fresno County HOME Loan	1,000,000	
HRFC	2,750,000	
Limited Partners	11,246,595	
Total Sources	14,996,595	-
Uses		
Land/Acquisition	575,000	
Unit Construction (exl. GC profit and overhead)	8,626,900	
Architectural	540,000	
Construction Interest	313,102	
Legal Fees	200,000	
Reserves	204,045	
Other Project Costs	2,787,250	
Developer Costs	1,750,298	
Total Expenses	14,996,595	-

Edison Plaza (Phase I)

Location: 2250 Walnut Avw, Fresno, CA

Total Units: 64

Subsidized Units: To Be Determined

Type of Subsidy: To Be Determined

Tax Credits: 9% Credits

Equity Investor: To Be Determined

Financial Closing: To Be Determined

Development Performance

- City of Fresno RDA Loan = \$5.6 million
- Total Housing Authority financing = \$450 thousand
 - o HRFC = \$450 thousand

EDISON PLAZA - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
Perm Loan	660,700	
Redevelopment Agency	5,655,000	
HRFC	450,000	
City Land Donation	271,000	
Limited Partners	9,817,888	
Total Sources	16,854,588	-
Uses		
Land/Acquisition	664,000	
Unit Construction (exl. GC profit and overhead)	10,455,550	
Architectural	245,000	
Construction Interest	280,024	
Legal Fees	215,000	
Reserves	225,723	
Other Project Costs	2,769,291	
Developer Costs	2,000,000	
Total Expenses	16,854,588	-

Firebaugh Gateway

Location: 1238 P Street, Firebaugh, CA
 Total Units: 30
 Subsidized Units: To Be Determined
 Type of Subsidy: To Be Determined
 Tax Credits: 9% Credits
 Equity Investor: To Be Determined
 Financial Closing: To Be Determined

Development Performance

- Total Housing Authority financing = \$1.2 million
 - o HRFC = \$1.2 million

FIREBAUGH GATEWAY - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
HRFC	1,200,000	
FHLB AHP	300,000	
Land Discount	40,000	
Limited Partners	5,506,594	
Total Sources	7,046,594	-
Uses		
Land/Acquisition	400,000	
Unit Construction (exl. GC profit and overhead)	3,340,113	
Architectural	225,000	
Construction Interest	160,206	
Legal Fees	150,000	
Reserves	87,384	
Other Project Costs	1,887,318	
Developer Costs	796,573	
Total Expenses	7,046,594	-

Fulton/Cedar Heights

Location: Scattered Site, Fresno, CA
 Total Units: 45
 Subsidized Units: To Be Determined
 Type of Subsidy: To Be Determined
 Tax Credits: 9% Credits
 Equity Investor: US Bank
 Financial Closing: March 2015

Development Performance

- City of Fresno HOME Loan = \$2.1 million
- Total Housing Authority financing = \$90 thousand
 - o HRFC = \$90 thousand

FULTONIA WEST/CEDAR HEIGHTS - DEVELOPMENT		
Descriptions	Underwriting	Actual from Cost Certification
Sources		
City of Fresno HOME Loan	2,100,000	
Redevelopment Agency	870,000	
HRFC	90,500	
Limited Partners	6,832,130	
Accrued Interest	25,200	
Deferred Developer Fee	72,161	
Total Sources	9,989,991	-
Uses		
Land/Acquisition	335,141	
Construction	6,182,203	
Architectural	424,660	
Construction Interest	200,417	
Legal Fees	170,262	
Reserves	107,260	
Other Project Costs	1,457,829	
Developer Costs	1,112,219	
Total Expenses	9,989,991	-

BOARD UPDATE

O (559) 443-8400

F (559) 445-8981

1331 Fulton Mall

Fresno, California 93721

TTY (800) 735-2929

www.fresnohousing.org

TO: Boards of Commissioners

DATE: April 16, 2015

Fresno Housing Authority

AUTHOR: Tracewell Hanrahan

FROM: Preston Prince, CEO/Executive Director



SUBJECT: Site Plan Update – North End of Fulton Mall/Street

Executive Summary

The purpose of this update is to provide the Boards with information on the progress of Site Planning for the North End of the Fulton Mall. As you know, a Request for Proposals (RFP) was developed and released last year, soliciting a consulting team that would provide guidance on development opportunities and relevant feasibility analyses to the Boards and other stakeholders. The RFP was drafted with assistance from other housing authorities who have done similar projects, as well as various participants from the City of Fresno, including Wilma Quan-Schecter, from the City of Fresno, and Marlene Murphey, from the RDA Successor Agency.

A Selection Committee for the RFP Review and Consultant Selection consisted of:

1. Gregory Barfield – City of Fresno District 3
2. Dan Zack – City of Fresno
3. John Hayes – County of Fresno
4. Marlene Murphey – RDA Successor Agency
5. Michael Duarte – Fresno Housing
6. Christina Husbands – Fresno Housing
7. Shanece Childress – Fresno Housing
8. Gary Grinstead – Fresno Housing

The Committee reviewed the proposals, and based on the initial scoring of the proposals, they interviewed the top two firms/candidates:

- DRA/Pyatok
- GGLO

Upon interviews with the finalists, the Committee's recommendation was to award DRA/Pyatok the contract. The final award was announced in December 2014, with the contract being executed January 2015.

The consulting team is being led by Mike Pyatok and Nora Lake-Brown. Mr. Pyatok is an architect and urban designer - Principal of PYATOK Architects (PA) of Oakland; and Nora Brown is a development consultant/housing policy analyst - a Principal of DRA located in Oakland, Irvine and Los Angeles. This consulting team has been charged with exploring development options for properties on the northern end of the Fulton Mall - soon to be the newly restored Fulton Street - and capitalizing on the physical changes as we, one of the major stakeholders, look ahead to downtown Fresno's economic development.

A Steering Committee was developed in concert with the consultants, that included the Evaluation Committee and other key stakeholders. A list of the committee members is below. With the guidance of the Steering Committee, the consultants intend to build upon recent planning efforts and take advantage of the fact that a considerable portion of land on the site is owned by public entities, specifically the Fresno Housing Authority. This fact could create a critical mass of improvements and land use changes that could be a catalyst for a much broader transformation of the surrounding area.

The Steering Committee had the opportunity to meet in March 2015, for an introductory brainstorming session with the consulting team. The Steering Committee, with the help of the consulting team, has yielded specific deliverables which are expected to include several physical and financial scenarios for redeveloping and transitioning the northern end of Fulton Mall to Fulton Street. Additionally, with the assistance of the consulting team, the Committee will explore market trends and the reality of rising construction costs, while at the same time, challenge the existing ideas of the site, respond creatively to changing lifestyles and demographics, consider stakeholder desires and constraints, and explore the positive potential of an evolving downtown area.

The next Steering Committee meeting is tentatively being scheduled for the second week of May, and will include a discussion of case studies from across the country and potential conceptual designs. Staff will continue to keep the Boards informed of our progress and status as we move forward.

Steering Committee Members:

Marlene Murphey, RDA Successor Agency
Aaron Blair, Downtown Partnership Association
Dan Zack, City of Fresno
Councilmember Oliver Baines, City of Fresno
Greg Barfield, City of Fresno
Preston Prince, Fresno Housing
Wilma Quan-Schechter, City of Fresno
John Hays, County of Fresno
Lee Ann Eager, Fresno County EDC
Lupe Perez, City of Fresno
Mick Marderosian, Marderosian, Cercone &
Cohen – Attorneys at Law
CVS Representative

BOARD UPDATE

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1331 Fulton Mall

Fresno, California 93721

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www.fresnohousing.org

TO: Boards of Commissioners

Fresno Housing Authority

FROM: Preston Prince, CEO/Executive Director

SUBJECT: EMS Update

DATE: April 16, 2015

AUTHOR: Jim Barker



Enterprise Management System Progress Report

Two independent consulting firms engaged to analyze the EMS selection process have completed their assessments and have presented their conclusions to the selection committee. Neither firm identified any deficiencies or omissions in the Agency's selection process.

In the past two weeks we requested and received additional feature demonstrations regarding resident data, data history and database capacities. We are now exploring more fully the extent to which external data may be imported and merged with existing housing data.

Concurrently, we are doing a comprehensive cost analysis of the proposed systems, taking into consideration all facets of financial impact, such as sources of funding, allocations of costs to programs, costs of implementation, project management and changes in staffing composition.

We are progressing with purposeful caution, realizing that this decision will have a major impact on efficiency of operations and reporting for years to come. We continue to anticipate a recommendation to the Boards shortly, followed by a period of implementation planning.

If you have questions or concerns, please feel free to contact Jim Barker, CFO.

BOARD UPDATE

O (559) 443-8400

F (559) 445-8981

1331 Fulton Mall

Fresno, California 93721

TTY (800) 735-2929

www.fresnohousing.org

TO: Boards of Commissioners

DATE: April 16, 2015

Fresno Housing Authority

AUTHOR: Angie Nguyen

FROM: Preston Prince, CEO/Executive Director



SUBJECT: Status of Fresno Housing Authority's Housing Counseling Agency

Overview

The Fresno Housing Authority operated as a HUD Certified Housing Counseling Agency since 1995. Over the years, many families were assisted by certified Counselors in making smart financial decisions that helped them obtain or retain their homes. Funding from HUD and other financial institutions allowed the Local Housing Counseling Agency (LHCA) to offer classes and counseling that would help families qualify for Down-Payment Assistance programs.

At the height of the LHCA, our Counselors assisted 2,400 people in one year (2010), in both one-on-one and group education and counseling. Unfortunately, as fewer families sought out homeownership or foreclosure assistance, the need and financial support for such programs also decreased. We found that in 2014, the LHCA had served only 334 people through our one-on-one or group counseling and education activities, and as participation decreased, so did the financial support for the program. Since 2010, funding has been reduced by approximately 85%, which meant that in order to sustain the program, the Agency had to use its own unrestricted funds to fill the gap. Over the past four years, the Agency has contributed over \$450 thousand to the housing counseling program. Staff originally proposed to eliminate this program in the proposed 2013 Budget, but due to the projected impacts on staffing and the community-at-large, the Boards voted to continue the program.

As resources supporting the LHCA activities were reduced and the Agency's contributions increased, staff began an analysis of program operations in order to stave off continued losses. Staff took into consideration our cash and in-kind contributions for payroll and administrative expenses, consumer demand for services, and the availability of existing housing counseling activities offered by other community partners. Because of the financial requirements and the fact that other housing counseling programs were offered in Fresno, staff made a strategic and conscientious decision to terminate our agreement with HUD as a Certified Housing Counseling Agency. The Counselors created a plan to close out all of their existing files and notified all of the appropriate parties.

Transparent conversations took place between our agency staff and other local agencies offering housing counseling services to determine their ability to continue providing quality services to the community. It was determined that residents in the community would continue to have access to housing counseling services from qualified agencies such as the Community Housing Council of Fresno. The two Counselors currently working for the LHCA program, are eligible and have opted to take advantage of the early retirement program; thus, the program closure will not result in any layoffs.

In our final conversations with HUD, the Housing Program Specialist responsible for oversight of our LHCA thanked us for our years of partnership. She noted that our excellent track record of compliance and service left the door open for future opportunities, should we ever decide to reapply as a Certified Housing Counseling Agency.