City View at Van Ness: A Public/Private Partnership

February 3, 2017
Discussion Overview

• “Droge” Site History
• City of Fresno Partnership
• Project Timeline
• Design Considerations
• Project Financing
• Impact to Downtown Revitalization
• Questions?
“Droge” Site History

• Built in 1922; developed by Peter Droge, designed by James McCullough
• Headquarters for the California Peach and Fig Growers Association
• Registration site for Japanese internment camps during World War II
• Housed offices for the Works Project Administration in the 1930s that helped put locals to work during the Great Depression
• Deemed ineligible for local/national historic registry due to loss of integrity to its period of significance
City of Fresno Partnership

- The City of Fresno reached out to Fresno Housing in early 2010 to acquire the property.
- The City had sued the former owner twice over the conditions of structure; a developer with plans for renovation whose plans were halted when structural issues were identified.
- The site was ideally located at an entrance to the Downtown Corridor.
- City staff coordinated with Fresno Housing to align the project with an updated development code designed to guide the city’s future growth.
Project Timeline

- February, 2010 – Approached by City of Fresno
- July, 2010 – Fresno Housing acquired site
- August, 2011 – Architect selected
- April thru Nov., 2012 – Design charette held, final site plan approved for CUP
- March, 2013 – Applied for tax credit funding
- October, 2013 – Finance closing/construction start
- January, 2015 - Construction complete
- February, 2015 - 100% Lease Up
Design Considerations

• The project scope initially had three options proposed:
  – 1) rehabilitation of the existing building;
  – 2) rehabilitation with construction of up to three additional floors to accommodate residential units on the upper floors and commercial/retail on the ground floor; and
  – 3) demolition of both the Droge Building and the one-story commercial building adjacent to it located at 814 Van Ness, should the Droge Building be found structurally unsound.
Design Considerations Continued

- Demolition was the selected option due to structural issues; however, artwork and a historic site marker were incorporated to honor the historic significance of the site.

- The final design is a four-story building that includes three stories of workforce housing above 3,000 s.f. ground-floor commercial/retail space.

- 45 total units: One manager’s unit and six studios, 30 one-bedrooms, and eight two-bedrooms ranging in size from 413 to 955 square feet and renting to 50% and 60% AMI households.
Project Financing

- Developer Fee $1.23M
- Expected annual return:
  - $39k residential c.f.
  - $36k commercial rent

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Tax Exempt Perm Bond</td>
<td>$1,051,600</td>
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<tr>
<td>City of Fresno HOME Loan</td>
<td>$1,800,000</td>
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<td>4% Tax Credit Equity</td>
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<td>HRFC Loan (FH Instrumentality)</td>
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<td>Better Opportunities Builder</td>
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<td><strong>Total Sources of Funds</strong></td>
<td><strong>$11,077,425</strong></td>
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Impact to Downtown Revitalization

- Removed old blighted office building constructed in the 1920’s
- The property occupies a focal point at Inyo and Van Ness, a major intersection of the downtown area
- Commercial space is now occupied by Fitness 365, providing a new fitness location for those who live and work downtown
- Catalyst for additional downtown investment; BitWise Industries opened offices directly adjacent to the site and has created over 1,000 tech jobs
Questions?

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