

Hotel Fresno, farmworker vanpools likely to receive state greenhouse-gas grants

By Tim Sheehan
tsheehan@fresnobee.com

The renovation of the dilapidated Hotel Fresno building into affordable apartments is destined to receive about \$4.8 million in cap-and-trade money from California's greenhouse-gas reduction program, while a vanpool program headquartered in Hanford is slated to get about \$3 million.

The grant recommendations were announced Monday by the California Strategic Growth Council. The awards are preliminary until a final vote by the council next week in Sacramento, but are expected to be approved. The two Valley programs are among 28 statewide to receive a total of almost \$122 million.

The grants are the first to be awarded under the state's Affordable Housing and Sustainable Communities Program. The money — generated by the auction of air pollution credits to California companies in lieu of cutting their own emissions — is intended to support projects that reduce air pollution through more compact urban development that encourages use of public transportation.

The Hotel Fresno project being undertaken by APEC International LLC is a \$21 million effort to rehabilitate the 103-year-old, seven-story building at the edge of Fresno's downtown and convert it into 79 apartment units with an adjacent 81-space parking garage. Forty of the new apartments would be reserved as "affordable" units for low- or moderate-income households, and 38 would be priced at market rates. The remaining unit would be for an on-site manager.

The Hotel Fresno award is a combination of grants and low-interest loans, said Lefeba Gougis Jr., APEC's general counsel. "It's a critical piece of the financing structure, and the project can move forward and apply for federal tax credits," Gougis said. The federal credits provide a valuable tax break for developers of affordable housing projects. "It's very difficult to be competitive for those federal tax credits without this public source of funds," Gougis added.

Besides the state cap-and-trade money, other expected financial sources for the renovation include the federal tax credits, anticipated to be worth up to \$10 million; a \$1.9 million low-interest loan from the city of Fresno; deferral of about \$1 million in development fees by the city; and a conventional construction loan.

The \$21 million Hotel Fresno project will rehabilitate the 103-year-old, seven-story downtown building and convert it into 79 apartment units, some reserved as "affordable" for low- to moderate-income households.

Once the financing comes together, Gougis said construction on the extensive renovation can begin with completion anticipated in late 2017. "In a best-case scenario, we're looking at tenants moving in either in late 2017 or early 2018," Gougis said. "When you're dealing with a big rehab project, you only think you know what's going on inside until you get inside."

Farmworker vanpools

The California Vanpool Authority is tabbed to receive a \$3 million grant from the greenhouse-gas program — enough money to allow the Hanford-based agency to purchase 100 new vans to serve farm laborers in Fresno, Kern, Kings, Madera and Merced counties as well as in Monterey and Imperial counties, director Ron Hughes said.

The vanpool organization has about 500 vans operated by volunteer drivers in 12 counties. Of those, 220 are dedicated to transporting farmworkers, each averaging about 13 passengers six days a week. The other vans are for

a wide range of other workers, including prison employees, to get to and from work. Hughes said the grant will allow California Vanpool Authority to expand the number of people who can share rides instead of commuting in their own cars.

“What excites (the state council) is that each van means 12 to 14 people who aren’t driving to work, in a part of the state that’s impoverished and in an area with serious air quality issues,” Hughes said.

Falling short

While the Hotel Fresno and van pool programs were recommended to receive grants, a proposed senior housing project in southeast Fresno was passed over by the Strategic Growth Council. Cheslea Investment Corp. had sought \$7.9 million for the senior portion of the Fancher Creek Town Center development near Belmont and Clovis avenues. In the scoring for the recommendations, the project came in just under the line for the amount of money available from the state in this first year of the grant program.

In Tulare County, Self-Help Enterprises’ application for \$5.8 million to boost its Lindsay Village project in Lindsay also fell short in the scoring.

Tim Sheehan: [559-441-6319](tel:559-441-6319), [@TimSheehanNews](https://twitter.com/TimSheehanNews)