

George Hostetter: Trying to make sense of Thursday's Fresno housing vote

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A dozen thoughts on the amazing journey of the Fresno Housing Authority's Lowell Neighborhood Project:

1. One vote down, one to go

The [City Council on Thursday shot down the Housing Authority's request](#) for a \$1.3 million loan to help fund affordable-housing in the historic neighborhood on the north edge of downtown. But things never stay down for long in government. The council will hold a special meeting at 11 a.m. Monday to reconsider the issue.

2. Two missing members cancel each other?

Counting noses is everything in a legislative body. The motion before the council on Thursday was approval of the loan. This lost on a 2-3 vote. Council Vice President Paul Caprioglio and Council Member Esmeralda Soria voted yes. Council Members Lee Brand, Sal Quintero and Clint Olivier voted no.

Missing were Council President Oliver Baines and Council Member Steve Brandau. Both were out of town on policy-related business. They most likely will be in their Council Chamber seats on Monday.

Baines serves the Lowell area. Brandau has been known to cast a jaundiced eye toward government spending. If these two split and everything else remains unchanged, the loan on Monday fails 3-4.

Looks like someone on the dais needs to become the swing vote for the project to survive.

3. Swearingin's stake

Mayor Ashley Swearingin has a lot riding on this vote. The revitalization of Lowell has been a high-profile goal since she took office in January 2009. She and her team have made a lot of progress. Much remains to be done. To lose on this project would be a blow to her vision and prestige. Swearingin wasn't in the council chamber on Thursday. Will she show up on Monday?

4. What's at stake in Lowell

Let's take a look the proposed project. It has two parts. The Housing Authority wants to rehabilitate the 22-unit Calaveras Court Apartments on Calaveras Street, a short walk from Dickey Playground. The Authority also plans to build an eight-unit complex on an empty lot on Glenn Avenue, a short walk from Parks Department headquarters. Total cost: \$6.8 million. The city's \$1.3 million loan would come from federal housing funds directed by City Hall.

I took a walk through Lowell on Thursday afternoon. The Calaveras Court apartment complex needs a lot of help. Several small apartment complexes are located near the empty lot on Glenn. I saw a fair number of men (seemed to be in their 20s or 30s) just hanging around the two sites.

Some people say wise government policy can go a long way toward resolving various social ills. If so, then Calaveras and Glenn are appropriate places to prove it.

5. Inside the numbers

According to city documents, the \$6.8 million will come from the city loan (\$1.3 million), the Housing Relinquished Fund Corp. (\$480,000) and tax credit equity (\$5,048,000).

The money will go toward acquisition (\$1.04 million), construction (\$3.77 million), soft costs/impact fees (\$1.54 million), architecture/environmental work (\$277,950) and contingencies (\$202,810).

6. Drawing the line with Quintero

Why did the council members vote no?

Olivier didn't say much from the dais.

Quintero at one point asked Housing Authority officials: What about Southeast? Anybody who has watched Quintero over the years knew this was the make-or-break moment for his vote. He represents southeast Fresno and is fiercely territorial when it comes to the spoils of government treasuries. He wants Southeast to get its fair share. If Southeast gets a little extra, well, that's the way the cookie crumbles in Quintero's view.

Housing Authority officials in essence replied: Sorry, Sal. Next time.

I thought to myself: Mayor Swearingin and Housing Authority — you're doomed.

7. Brand vs. Hanrahan

Brand grabbed his microphone. Housing Authority Deputy Director Tracewell Hanrahan grabbed the public microphone. The Big Duel had begun.

It wasn't clear to me how much money goes to the Calaveras part of the project and how much to the Glenn part. Brand pretty much said it doesn't matter — \$6.8 million for 30 units is simply too expensive.

For example, Brand said, the plan is to spend \$600 per unit for new mirrors in each of the 30 units — a total of \$18,000. Brand said that's way out of line.

Brand also was skeptical of the \$1.54 million in soft costs/impact fees. He clearly thought that line item was a way for the administration/Housing Authority to gouge the taxpayer.

8. Bruce Rudd chimes in

Hanrahan fought back. She said lots of strings come with various forms of federal funding for affordable housing. For example, the Lowell project must pay "prevailing wage" to workers. This is bureaucratese for union-type wages.

City Manager Bruce Rudd said any project funding from the feds triggers the prevailing-wage mandate. His unstated message to Brand: You've been around long enough to know that.

Brand had taken issue with the approximately \$700,000 that the Housing Authority would take as a developer fee. Hanrahan shot back that the Housing Authority 1) deserved the money, 2) half of the fee would go to the Lowell community development corporation, 3) all \$700,000 eventually would be pumped back into Lowell and other deserving neighborhoods.

9. Red-letter word: deadline

Housing Authority officials said they were pushing hard for the loan because they were facing some sort of paperwork deadline with the feds on Wednesday. That was another mistake. This council — any council — hates to have bureaucrats put a gun to its collective head.

Hanrahan later told me the Housing Authority would have gladly brought the deal to the council weeks ago. The timing was strictly an administration decision, she said.

My interview with Hanrahan outside the Council Chamber also got me thinking: Where was Housing Authority Chief Executive Preston Prince?

I spoke by phone with Prince later in the day. He said he missed the meeting for unavoidable personal reasons.

10. Soria's twist

I thought of Council Member Esmeralda Soria's effort during the recent budget hearings to add \$1 million to the Parks Department's budget. The money in question was part of a larger chunk of change that Sacramento had unexpectedly sent to Fresno.

We've already put away millions in the general fund reserve, Soria said. Let's spend a portion of this dough from the state on parks maintenance and programming, she said.

No, Swearengen said. That's an extravagance the city can't afford at this time. The \$1 million must go into the reserve, she said. Brand was part of a council majority that agreed with the mayor.

Now we've got Swearengen championing a housing project that Brand views as extravagant while Soria at this point is the project's (and Swearengen's) most enthusiastic council champion.

Soria on Thursday was generous enough not to mention this.

11. Housing's mess

I spoke with Hanrahan, Prince, Communications Director Mark Standriff, Brand and Baines Chief of Staff Greg Barfield in the hours after the vote.

I asked: What's really going on here?

My thinking: The city's Housing Division is a mess. It might even be a disaster.

City Manager Bruce Rudd told me a couple of weeks ago that he was going to roll up his sleeves and get more involved with the Housing Division. That suggests my thinking isn't off base.

Jennifer Clark, who oversees housing as director of the Development and Resource Management department, isn't to blame. She brought home the 2035 general plan and is about to deliver on a new development code. How much can you heap on a department head's plate?

But surely someone at the top levels of the executive branch is thinking about Housing Division reform. Right?

As you may recall, the federal Department of Housing and Urban Development in late 2012 blasted City Hall for a long list of failures in the Housing Division. Things were so bad that the Fiscal Year 2016 budget — three years later! — contains a \$500,000 contingency fund just in case the city has to send money back to HUD for past sins.

Several officials saw their City Hall careers come to an end over this fiasco. But no one at the very top got in trouble. Neither the mayor (the city's chief executive) nor the council (the city's policy-making body) rushed to take responsibility.

Then, as budget hearings got going earlier this month, people called me about more trouble in the Housing Division. "Money's not getting out the door," they said.

Translation: All sorts of money (most of it from the feds) comes to the Housing Division for all sorts of purposes. The

red tape is stunningly complex. But spending the money wisely and with some degree of speed is a fundamental part of municipal government. If that's not your cup of tea, then don't run for mayor, don't ask to be city manager, don't apply for a Housing Division job. Yet, even as the Swearingin administration was trying to put the 2012 HUD disaster behind it, the Housing Division apparently was screwing up again. For example, more than one person in the know told me the Housing Division was unable to get hundreds of thousands of dollars of federal Emergency Solutions Grants "out the door" in a timely manner. This money generally goes to various sectors of the homeless population.

Swearingin, champion of the homeless — Fresno, still with plenty of homeless people — piles of federal dollars for the homeless in City Hall's hands. How hard could it be?

The Housing Division's woes came up briefly during budget hearings and again last Tuesday when the council approved a five-year housing plan plus a one-year action plan. Everyone on Tuesday was careful with their words. But "getting money out the door" was again a theme.

So, we come to Thursday's request from the Housing Authority for a \$1.3 million loan of federal housing dollars controlled by the city. It's obvious that the Housing Authority and the Swearingin administration are partners in this deal. Both want to get the \$1.3 million "out the door." After all, that's why HUD sent the money here in the first place.

The City Council has good reason to "get the money out the door," as well. Yes, government at every level can be terribly wasteful. Yes, each taxpayer dollar should be spent prudently. But if perfection winds up being the enemy of the good, then why go into government in the first place?

It seemed to me on Thursday that something else was at play. Did the council majority decide to send a message to Swearingin about the state of her Housing Division? Did the majority decide they'd had enough of Swearingin's constant focus on the Lowell Neighborhood? Was the Administration using the project in part to funnel money to the Lowell CDC? Was Brand with his number-crunching talents trying to show off for his fiscally conservative supporters? Was Quintero trying to leverage something juicy for Southeast?

Maybe we'll find out Monday.

12.

Finally, there's Brand's future.

He wants to be Fresno's fourth "strong" mayor in January 2017, when Swearingin is termed out. He is the only declared candidate so far.

Brand prides himself on being a deal-maker of the kind that benefits all 515,000 Fresnans. He says he can turn any policy challenge into one of fiscal prudence and human compassion.

Fresno clearly needs good housing of all kinds. Federally subsidized housing goes with the territory when you become mayor. Why didn't Brand from the dais come up with an idea or two for making the Housing Authority's proposal more to his liking? Why did he shoot it down based on his analysis of numbers and avoid any attempt at compromise? Why was he content to simply stand in the doorway as HUD money tried to find its way into Lowell?

Ashley Swearingin doesn't need to worry about Henry R. Perea in 2016. Lee Brand does.

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