



Board Agenda Item 53

DATE: February 10, 2026

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Resolution Authorizing Commitment of Cycle One, Year Three Permanent Local Housing Allocation funds for Cherry Crossing II

RECOMMENDED ACTION(S):

- 1. Adopt Resolution authorizing the reservation of loan funding originating from the California Department of Housing and Community Development's Permanent Local Housing Allocation (PLHA) program, Cycle One, Year Three funds, for the new construction of the 64-unit Cherry Crossing II affordable multifamily housing development project in Sanger, CA (\$2,670,353); and**
- 2. Authorize the Director of Public Works and Planning, or his designee, to act on behalf of the County in connection with the PLHA Award and any additional PLHA allocations, and to enter into, execute, and deliver any and all administrative documents required to participate in the PLHA program or be awarded the PLHA awards, and any amendments or corrections to such documents.**

Approval of the recommended actions will commit \$2,670,353 in State Permanent Local Housing Allocation (PLHA) funds allocated to the County of Fresno by the California Department of Housing and Community Development (HCD) for the new construction of 64 units of affordable housing in Sanger, CA via the Cherry Crossing II project, developed by Self-Help Enterprises, which will be owned by a yet-to-be formed limited partnership. This matter pertains to a location in District 4.

ALTERNATIVE ACTION(S):

Your Board may direct staff to return with a new resolution committing the funds to a different affordable multifamily housing project in the County that is anticipated to be close to securing all financing necessary for development. The Department is not aware of any other such project and has coordinated with the County Administrative Office's Office of Housing and Homelessness to assess alternative projects. If the funds are not committed via resolution to a specific project by April 30, 2026, there is substantial risk that the funds, generated by locally-captured recording fees, will revert to HCD and be converted into additional funding for the State's Multifamily Housing Program (MHP), with no guarantee that they would be used in support of a local project.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. When the Cherry Crossing II project has secured all necessary financing to construct the project, the Department will return to your Board for approval of an affordable housing development agreement and loan documents for the \$2,670,353. Approval of the recommended actions also allows the Department to draw and retain \$140,544

from the Cycle 1, Year Three funds (5% of the total allocation) to cover the costs of administering the PLHA program.

DISCUSSION:

In 2017, the California Legislature passed Senate Bill 2 to fund affordable housing through real estate recording fees. Much of these funds return to local governments as PLHA awards, which carry commitment and disbursement deadlines set by HCD. Consistent with the County's current PLHA 5-Year plan, the Department issued a Notice of Funding Opportunity in January 2025 to make PLHA funds available for the development of affordable multifamily rental housing for households earning up to 80% of the Area Median Income (AMI).

Of the five project proposals received, all were selected for funding, with the Cycle One, Year Three PLHA funds initially reserved by the review panel for the Sanger Modular project, which features 88 new rental housing units, with 87 units affordable to households earning up to 30% AMI, to support the project's greater need for public funding subsidy. However, the developer of the Sanger Modular project did not secure necessary State funding commitments by a November 1, 2025 deadline set by staff to ensure timely use and expenditure of funding. While the Sanger Modular project retains other Federal funds and currently has a replacement reservation of newer PLHA funding, the Year Three funds must be shifted to a project more likely to quickly secure all necessary funding. As none of the projects with a remaining funding gap will also complete the financing process by April 30, 2026, Department staff have coordinated with HCD to utilize a commitment via Resolution in lieu of final agreement and loan documents to satisfy HCD's commitment deadline.

Of the three project proposals that have not secured all funding, staff have identified Cherry Crossing II as the project most likely to quickly secure all funding necessary to develop the project. Although Cherry Crossing II was not successful at securing tax credit financing in 2025 due to the timing of the MHP award cycles, it has been recently awarded Joe Serna, Jr Farmworker Housing Grant funds from MHP and is anticipated to be strongly competitive in the 2026 State tax credit cycle. To accept the PLHA allocation, the developer of Cherry Crossing II will voluntarily forgo their previous reservation of \$1 million in Federal funds, as the project does not require both sources to proceed.

If Cherry Crossing II successfully obtains State tax credit funding in 2026, staff will present an agreement and loan documents to the Board for approval. However, if the project fails to secure tax credit financing in 2026, staff will coordinate with HCD to present a new recommendation to your Board.

REFERENCE MATERIAL:

BAI #40, August 18, 2020

BAI #9, June 23, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution

CAO ANALYST:

Dylan McCully