

October 9, 2013

Mayor Ashley Swearengin
City of Fresno
2600 Fresno Street
Fresno, California 93740

Re: Recommendations from Infill Finance Task Force

Dear Mayor Swearengin:

The Infill Finance Task Force has met three times in Fresno and engaged by email and telephone with your staff and others over the course of the past six months. We appreciate the opportunity to do so and want to particularly acknowledge your clear and focused commitment to the revitalization of your City. As the Task Force process comes to an end, we want to provide you with a summary of our observations and recommendations to your community. We have been very pleased to be a part of this process and pledge our continued support for the work you are doing in Fresno.

The Task Force believes that the City of Fresno is on the right track with your 2035 General Plan Update, including the goal of 45% of growth accommodated in existing parts of your community. If implemented, this plan (and its accompanying Downtown Development Code and citywide code update) has the potential to make infill development more viable; improve the value and livability of the City's older, established neighborhoods; and have positive health benefits for the entire region. We also believe that the approach set forth in the General Plan Update will improve the City's financial stability.

As you know, national trends indicate a growing market for desirable, walkable urban environments among both older and younger populations. Today, Fresno does not have the supply of infill development available to meet this market demand. This creates an opportunity, recognized by the General Plan Update, for the City to develop housing in Downtown and in Fresno's historic neighborhoods.

In addition to supporting the overall approach of the General Plan Update, we offer the following recommendations for the successful implementation of your 2035 General Plan.

- **Focus "Anchor Institution" Investment in the Downtown Core:** The community's anchor institutions (e.g. major civic, cultural, medical, economic and academic institutions) should direct major investment to the Downtown core wherever possible. Putting these institutions outside of Downtown will make it much more difficult to meet the goals of infill development and Downtown revitalization and will likely be counterproductive to the city's and region's goals of economic prosperity and fiscal sustainability.

- **Incorporate Phasing of New Development Areas:** Investment on the edges of town is directly correlated with disinvestment in the inner core. The City and the County should work together to find a workable balance that allows every opportunity for the revitalization of downtown.
- **Coordinate and Focus Efforts on Downtown:** Rebuilding downtown is hard but will be worthwhile. Continued efforts by city, business, and civic leaders are difficult but essential. The first ten year increment is the most fragile period of time and the period during which tremendous local leadership will continue to be required. City leaders should focus on public infrastructure investments that bring about the most amount of private investment, and they must ensure there is a consistent focus on good decision making that supports a vibrant Downtown core. Other recommendations that will support Downtown Fresno include:
 - **Parking:** Remember that all successful downtowns have parking and traffic problems. They are a sign of healthy, vibrant city centers. Fresno needs a rational strategy that appropriately prices parking and restricts it in places where there is actually too much parking.
 - **Transit Connectivity to Downtown:** A critical factor for the success of your downtown revitalization efforts will be ensuring connectivity to transit. Concentrating public and private investment along the six blocks of the Fulton Corridor where you already have the greatest potential for housing density, fixed-route bus service and a planned BRT station, as well as the High Speed Rail station makes sense. The ingredients for success in any downtown are a mix of transit, transportation, housing, and commercial activities. You should continually evaluate your existing transit system and determine how it can best connect Downtown to other neighborhoods.
 - **Activation of Downtown through Programming:** The property owners association is a critical partner in the effort to revitalize Downtown Fresno. Their efforts to make downtown more lively and to add destinations are necessary to build the market. Public infrastructure investments must be supplemented with other public/private strategies to improve market conditions.
 - **Implementing the Fulton Corridor Specific Plan and Downtown Neighborhoods Plan:** Your community has focused much time and resources on the development of the Fulton Corridor Specific Plan and the Downtown Neighborhoods Plan. These plans, when adopted by the City Council, should be consistently implemented. They provide the guidelines needed to create great public spaces in the City's core that will help attract people back to the Downtown.
- **Examine and Implement Incentives for Infill:** The City needs to create incentives for developing infill land Downtown and in the older neighborhoods. Infill property owners and developers need focused incentives to make investments, including programs to reward homeowners in older neighborhoods for investment in the upkeep of their properties.

- **Develop In-House Expertise in Housing and Economic Development Financing:** Working with subsidy programs for development projects is complex. Many local developers and municipal staff are unfamiliar with the ins and outs of creating public/private transactions using various Federal, state and local programs. Likewise, local lenders are often unfamiliar with changing products and programs. The City of Fresno should develop that capacity in house and then serve as a resource to develop financing strategies for infill housing and commercial projects.
- **Adopt District-Based Financing and Value Capture Mechanisms:** Particularly along BRT corridors, it is important to put in place mechanisms now that can help fund improvements in key areas over time.
- **Ensure Clear Permitting Review Processes, Policies and Codes:** We understand the City is undertaking an evaluation of its interdepartmental development review process with the goal of improving efficiencies. This is an important priority, and the City's new General Plan, MEIR and development code should make it much easier for City staff and investors to understand the rules of development in Fresno.

In closing, we applaud your work and affirm that you are on the right track. Having seen this revitalization process work in other major cities in the state, we know what a challenge it is in the early stages of revitalization. Our strongest recommendation to you is that you keep going. Your efforts will pay off, particularly in light of the substantial Federal investment your community is beginning to receive from highly competitive grants like TIGER, Bus Livability, and the NEA grant for Mariposa Plaza, to the high speed rail and bus rapid transit programs.

We are confident in the City's future.

Sincerely,

Rona Cristie-Blay

Chris Hart

Jack Allen

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