



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
September 29, 2009

Honorable Mayor and
Members of the City Council

Title: Railyards Transit Oriented Development (TOD) Capital Improvement Project (CIP)(T15029050)

Location/Council District: District 1

Recommendation: Adopt a **Resolution:** 1) establishing the Railyards Transit Oriented Development (TOD) CIP (T15029050); and 2) establishing a \$17 million revenue and expenditure budget in the project (T15029050) for the State Proposition 1C - Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) grant funds (Fund 3704).

Contact: Fran Halbakken, Operations Manager, (916) 808-7194

Presenters: None

Department: Transportation

Division: Office of Director

Organization No: 15001011

Description/Analysis

Issue: The City of Sacramento, in partnership with Thomas Enterprises of Sacramento, LLC (Thomas), applied for and was awarded \$17 million in TOD Proposition 1C grant funds for the extension of 5th Street over the relocated Union Pacific Railroad tracks. On June 23, 2009, City Council authorized acceptance of the TOD grant (Resolution 2009-429), under which Thomas is a sub-recipient, and to enter into an Assignment Agreement to provide for the funding pass-thru and to require Thomas to indemnify the City for any defaults under the terms of the grant agreement. The establishment of a Capital Improvement Project is necessary to account for the grant funds awarded to the City for infrastructure projects that are being designed and constructed in the railyards development area by Thomas.

Policy Considerations: These recommendations are consistent with Council direction on February 12, 2008 (Resolution No. 2008-098) and March 17, 2009 (Resolution No. 2009-146) that the railyards project is the City's top priority for funding through the Proposition 1C TOD Housing Program. It is also consistent with Council direction to authorize acceptance of the TOD grant funds and the Assignment Agreement.

Environmental Considerations:

California Environmental Quality Act (CEQA): The establishment of a CIP and appropriation of funds are not subject to the provisions of the California Environmental Quality Act (CEQA). Under CEQA general rule 15061-B-3, CEQA applies only to projects which have the potential for causing a significant effect on the environment. These actions will have no effect on the environment, thus are not subject to CEQA.

The environmental impact of construction of 5th Street was included in the Railyards Specific Plan Environmental Impact Report, which was certified on December 11, 2007.

Sustainability Considerations: The TOD grant funded improvements have been reviewed for consistency with the Sustainability Master Plan and the 2030 General Plan. The improvements comply with many of the goals as 5th Street provides a new roadway and pedestrian crossing of the relocated Union Pacific Railroad tracks and helps to reduce trip length and encourage pedestrian trips.

Other: None.

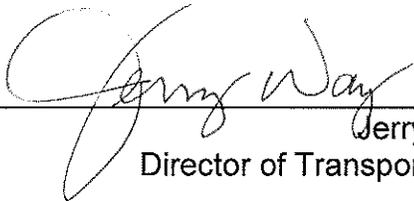
Commission/Committee Action: None.

Rationale for Recommendation: A CIP is necessary in order to accurately record and account for the receipt and disbursement of State grant awards to the City.

Financial Considerations: The City of Sacramento (recipient) and Thomas (sub-recipient) received a State Proposition 1C TOD grant for infrastructure at the railyards. A CIP (T15029050) is needed in order to properly account for these grant funds, and the assets being constructed. Staff is recommending that a CIP be established with a \$17 million revenue and expenditure budget to reflect the State grant award (Fund 3704) for this project.

Emerging Small Business Development (ESBD): None, since no goods or services are being procured with this action.

Respectfully Submitted by: 
Francesca L. Halbakken
Operations Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

RESOLUTION NO.

Adopted by the Sacramento City Council

ESTABLISHING A CAPITAL IMPROVEMENT PROJECT AND ESTABLISHING A REVENUE AND EXPENDITURE BUDGET FOR THE RAILYARDS TRANSIT ORIENTED DEVELOPMENT (TOD) PROJECT (T15029050)

BACKGROUND

- A. On February 12, 2008, City Council approved submittal of an application to the State Department of Housing and Community Development (HCD) for Proposition 1C - Housing and Emergency Shelter Trust Fund Act of 2006 funding on behalf of the railyards development project as only public agencies are permitted to request TOD grants.
- B. In June 2008, HCD awarded the City \$17 million in TOD funding for the railyards project. The funding will be used for extension of 5th Street over the relocated Union Pacific Railroad tracks to improve access to the Sacramento Valley Station in consideration for the development of the first phase of the railyards affordable and market rate housing within a certain time period after completion of infrastructure improvements.
- C. On June 23, 2009, City Council authorized acceptance of the TOD grant, under which S. Thomas Enterprises of Sacramento, LLC (Thomas) is a sub-recipient and approval of the Assignment Agreement under which Thomas is obligated to indemnify the City of Sacramento for any defaults under the terms of the TOD grant agreement.
- D. A CIP is necessary in order to accurately record and account for the receipt and disbursement of State grant awards to the City.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The railyards Proposition 1C TOD project (T15029050) is hereby established as a new Capital Improvement Project.
- Section 2. A \$17 million revenue and expenditure budget in the railyards TOD project (T15029050) for the State Proposition 1C grant funds (Fund 3704) is hereby established.