



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604

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CONSENT

February 2, 2010

Honorable Mayor and
Members of the City Council

Title: 2006/07 Workforce Housing Grant - Additional Projects

Location/Council District: Citywide/All Districts

Recommendation: Adopt a **Resolution** authorizing eight additional projects in the Deferred Facilities Maintenance Program to use the remainder of 2006/07 Workforce Housing (WFH) Reward Program grant funds.

Contact: Desmond Parrington, AICP, Infill Coordinator, 808-5044, David Kwong, Planning Director, Community Development Department, 808-2691; Cynthia Kranc, Facilities Manager, General Services Department, 808-2258; Tony Alexander, Operations General Supervisor, General Services Department, 808-6360.

Presenters: Not Applicable

Department: Community Development and General Services

Division: Planning

Organization No: 21001224

Description/Analysis

Issue: On October 6, 2009, City Council authorized (2009-630) the use of up to \$1,019,134 from the City's 2006/07 Workforce Housing Reward (WFH) Program grant for the City's Deferred Facilities Maintenance Program. Background information on this program may be found in Attachment 1 (page 4). At that time, Exhibit A of Resolution 2009-630 (refer to Attachment 2, page 5) identified five maintenance projects, which were expected to use all of the remaining funds from the grant. However, all bids for these projects have come in significantly lower than expected resulting in a savings of approximately \$336,000. As a result, staff is proposing to add eight (8) more projects in order to utilize all of the State WFH grant funding (Attachment 3, page 8).

The Deferred Maintenance Program is currently funded at \$1 million a year and the estimated cost to address deferred maintenance of City facilities is approximately \$35 million. By using the WFH grant funds to address more

maintenance projects, this will enable staff to make these improvements without requiring additional City funding.

Committee/Commission Action: Not applicable.

Policy Considerations: The use of the WFH grant funds for the Deferred Facility Maintenance Program is consistent with the City's Infill Strategy goals for neighborhood revitalization. It also supports the City's 2005-2008 Strategic Action Plan goal of enhancing livability.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action to fund maintenance repair and rehabilitation projects is exempt from environmental review under CEQA per Guidelines section 15301.

Sustainability Considerations: The use of the WFH grant funds for the Deferred Facility Maintenance Program fosters sustainability by preserving and improving existing City facilities. Failure to maintain these assets would result in the need for the construction of new facilities, which would result in higher green house gas emissions.

Rationale for Recommendation: Council Resolution 2009-630 authorized the use of WFH grant funds for five projects in the City's Deferred Facilities Maintenance Program. This would allow the City to complete additional projects since the costs for the original five projects were lower than expected.

Financial Considerations: No City funds will be used. Funding will come from the State WFH Program grant that the City was awarded in October 2007. Approximately \$336,000 in WFH funding is available for redistribution to the eight projects which staff has identified.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: Scott Mendel for
David Kwong
Planning Manager

Approved by: Shelli G. Harris
David Kwong
Interim Director of Community Development

Approved by:  For: _____
Reina Schwartz
General Services Director

Recommendation Approved:

 _____
Ray Kerridge
City Manager

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Attachment 1

Background

On May 14, 2002, the City Council adopted Resolution 2002-279, the Infill Strategy, and directed staff to pursue the State Workforce Housing Reward (WFH) Grant Program grant to support infill development and neighborhood revitalization.

The WFH program is a three-year, statewide, non-competitive formula-based grant for local jurisdictions with state-certified Housing Elements and is overseen by the State Housing and Community Development Department (HCD). Over the past three years, the City has typically received between \$800,000 and \$900,000 each year from the grant. In the past, the City has spent this money, as well as Jobs-Housing Grant Program funds, to support the following projects: 1) Globe Mills mixed-use, mixed-income housing project (District 1); 2) streetscape improvements on Del Paso Boulevard (District 2) and 65th Street (District 3); 3) street lighting at Tahoe Park (District 6) and in Midtown (District 3); 4) development of pocket parks in South Natomas (District 1); 5) water conservation and other park improvements to several parks throughout the city; 6) combined sewer infrastructure improvements in the R Street corridor to assist housing development there (District 4); and 7) park acquisition in the R Street Corridor (District 4).

In 2006 Sacramento produced more affordable housing than any other jurisdiction in California. In March 2007, the City of Sacramento submitted an application to the State of California for three WFH Program grant projects. As a result of the affordable housing developed within the City and because there were fewer applicants to the WFH program grant than in previous years, the City received \$2,239,134 in 2007, which was significantly more than anticipated. This record award resulted in the City receiving \$1,019,134 more than anticipated.

On October 6, 2009, Council adopted Resolution 2009-630 which approved the use of the remaining \$1,019,134 for five projects in the City's Deferred Facility Maintenance Program. The five projects include maintenance projects at the Coloma Center, Camp Sacramento, Robertson Center, Belle Coolegge Center, and Sacramento History Museum. The bids on these five projects came in significantly lower than expected. As result, staff proposes to add additional Deferred Facility Maintenance projects in order to fully utilize the grant. All these projects meet the criteria of the WFH grant.

2006 Workforce Housing Grant Program Approved Projects (Resolutions 2007-149 and 2009-360)	Proposed WFH Funds	Council Districts
MLK and Broadway Street Improvements	\$300,000	5
Steve Jones Park Improvements	\$120,000	8
65th Street Detention Basin (Basin 31)	\$800,000	6
Deferred Facility Maintenance Program	\$1,019,134	1, 2, 4, 6
<i>Total:</i>	\$2,239,134	

RESOLUTION NO. 2009-630

Adopted by the Sacramento City Council

October 6, 2009

**APPROVING THE USE OF FUNDS FROM THE 2006
WORKFORCE HOUSING REWARD GRANT FUNDS FOR
THE CITY'S DEFERRED FACILITY MAINTENANCE (C13000500)
CAPITAL IMPROVEMENT PROGRAM (CIP)**

BACKGROUND

- A. On May 14, 2002, the City Council adopted an Infill Strategy (Resolution 2002-279) and directed Staff to pursue a State Workforce Housing Reward (WFH) Program grant to support infill development and neighborhood revitalization.
- B. The WFH program is a three-year, statewide, non-competitive formula-based grant for local jurisdictions and is overseen by the State Housing and Community Development Department (HCD).
- C. The WFH grant requires that projects must result in the construction, rehabilitation or acquisition of a capital asset and provide a community benefit.
- D. In 2007, the City received \$2,239,134 from the WFH program, which was \$1,019,134 more than anticipated.
- E. The City's Deferred Facility Maintenance Program projects listed in Exhibit A are important community assets and improvements to these facilities are consistent with the requirements of the WFH program.
- F. The State Department of Housing and Community Development has approved the use of WFH Reward Program grant funds for the projects listed in Exhibit A.
- G. As a result of the State budget situation all State grant funds are currently frozen. Given the State's fiscal challenges it is uncertain when the City will receive reimbursement for the WFH Program grant projects. However, staff does expect to receive these funds once the State is able to sell bonds again given the existing contract that the City has with the State for these funds.

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

- Section 1. The WFH Reward Program grant funds shall be used to deliver the deferred maintenance projects included in Exhibit A.
- Section 2. The City's Deferred Facility Maintenance Program (C13000500) Capital Improvement Project (CIP) is amended to include a \$1,019,134 revenue and expenditure budget for the State WFH Grant funds (Fund 3704) for the projects listed in Exhibit A.

Section 3. A General Fund project reserve in the City's Deferred Facility Maintenance Program shall be established to backfill the State WFH Grant funds. The funding for the reserve will be established from current (FY2009/10) and future (FY2010/11) CIP allocations subject to budget approval to backfill the State WFH Grant funds.

Section 4. Staff shall report back to the City Council when the State grant funds are received to discuss the use of the General Funds set aside in the Deferred Facility Maintenance Program reserve. Staff encourages Council at that time to consider using such funds for critical shovel-ready development efforts in the Central Business District.

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Exhibit A – Project List

Adopted by the City of Sacramento City Council on October 6, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

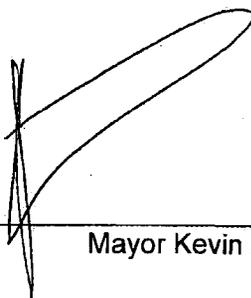
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, City Clerk



Mayor Kevin Johnson

Exhibit A

Proposed 2006 Workforce Housing (WFH) Grant Program Projects	Proposed WFH Funds	Council District
Proposed General Services Projects (1/2009-4/2010)		
Robertson Community Center -- Fire Alarm System Renewal		2
Sacramento History Museum -- Heating, Ventilation and Air Conditioning (HVAC), and Humidity Control		1
Belle Coledge Community Center -- HVAC		4
Camp Sacramento -- Lighting Replacement		N/A
Coloma Community Center -- Replace Windows		6
Grand Total:	\$1,019,134	

**Additional Maintenance Projects
Recommended for WFH Grant Funding**

The following are the recommended additional projects to be funded through the 2006/07 Workforce Housing Reward Grant Program.

Additional Proposed Maintenance Projects	Council District
Shepard Garden and Arts Center - Flooring Renewal	3
Johnston Community Center - Roof Renewal Project	2
Johnston Community Center Admin - HVAC Renewal	2
Fire Station #56 Apparatus Room - Roof Renewal Project	5
Fire Station #60 - Roof & HVAC Renewal Project	6
Kinney Police Station - Roof Repairs	4
Fire Station #9 - Roof Repairs	4
Fire Station #1 - Roof Repairs	1

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING THE USE OF 2006/07
WORKFORCE HOUSING REWARD GRANT FUNDS FOR
ADDITIONAL DEFERRED FACILITIES
MAINTENANCE PROJECTS**

BACKGROUND

- A. On May 14, 2002, the City Council adopted an Infill Strategy (Resolution 2002-279) and directed Staff to pursue a State Workforce Housing Reward (WFH) Program grant to support infill development and neighborhood revitalization.
- B. In October 2007, the City was awarded \$2,239,134 from the WFH program which was more than anticipated.
- C. On October 6, 2009, Council approved Resolution 2009-630 allowing five projects in the City's Deferred Facilities Maintenance Program to use the remaining grant funds.
- D. The bids for the five projects came in lower than expected which would allow the City to use the remaining grant funds to complete additional maintenance projects.
- E. The additional Deferred Facility Maintenance Program projects listed in Exhibit A are important community assets and improvements to these facilities are consistent with the requirements of the WFH program.

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

- Section 1. The WFH Reward Program grant funds may be used to deliver the additional deferred maintenance projects included in Exhibit A.
- Section 2. The City Manager or his designee may add additional Deferred Facility Maintenance Program projects so long as they meet the WFH grant criteria if it is necessary to utilize remaining WFH grant funds before the grant expiration date.

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Exhibit A – Additional Projects List

**Exhibit A
Additional Projects List**

Additional Maintenance Projects for 2006/07 Workforce Housing (WFH) Grant Program	Estimated Cost*	Council District
Shepard Garden and Arts Center - Flooring Renewal	\$30,000	3
Johnston Community Center - Roof Renewal Project	\$90,000	2
Johnston Community Center Admin - HVAC Renewal	\$15,000	2
Fire Station #56 Apparatus Room - Roof Renewal Project	\$70,000	5
Fire Station #60 - Roof & HVAC Renewal Project	\$32,000	6
Kinney Police Station - Roof Repairs	\$60,000	4
Fire Station #9 - Roof Repairs	\$15,000	4
Fire Station #1 - Roof Repairs	\$24,000	1
Total:	\$336,000	

* Please note: These are estimated costs. Funds may be moved between projects as needed in order to ensure completion.