

## **RESOLUTION NO. 2010-129**

Adopted by the Sacramento City Council

March 9, 2010

### **AMENDMENT TO THE CITY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) AND VARIOUS YEARS' ACTION PLANS**

#### **BACKGROUND**

- A. On October 23, 2007, the Sacramento City Council approved the 2008-2012 Consolidated Plan. The Consolidated Plan identifies the City's housing and community development needs and describes a long-term strategy for meeting those needs. In addition, it specifically addresses federally funded housing and community development programs: Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Shelter Grant (ESG) Programs.
- B. On October 21, 2008, the Sacramento City Council approved a substantial amendment to the 2008 – 2012 Consolidated Plan containing Neighborhood Stabilization Plan (NSP). (Resolution – 2008-691)
- C. On February 24, 2009, the City Council approved Amendments to the 2009 One-Year Action Plan containing the implementation guidelines for the NSP, to include the implementation of the Block Acquisition and Rehabilitation Strategy for Morrison Creek Estates. (Resolution - 2008-114)
- D. On October 27, 2009, the Sacramento City Council approved the 2010 One-Year Action Plan. (Resolution – 2009-688)
- E. The Department of Housing and Urban Development (HUD) requires the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the following year using the goals and priorities of the Consolidated Plan.
- F. A noticed public hearing soliciting comments on the 2010 One-Year Action Plan, the amendments to the Morrison Creek Estates project as part of the NSP and Agency budget was held by the Sacramento Housing and Redevelopment Commission on March 3, 2010.
- G. Action under CDBG constitute updates to existing planning studies, budget amendments and designation of authority to carry out activities associated with the allocation of funding only. This action does not constitute approval for any specific projects, or the allocation of funding to any specific projects, that may have an adverse effect on the environment. As such, these actions are exempt from or do not require environmental review under CEQA or NEPA.

- H. All new CDBG funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and per HUD regulations prior to any commitment of federal funds for expenditures, unless they are exempt from such review. Commitment of funding for new projects that could result in a direct or indirect physical change to the environment is subject to environmental review under the California Environmental Quality Act (CEQA) if implementation of the projects is authorized as part of the budgeting process. Therefore, the appropriate level of CEQA and/or NEPA review will be carried out for individual projects under this plan as they are identified.

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

- Section 1. All evidence presented having been duly considered, the findings, above are true and correct.
- Section 2. Sacramento Housing and Redevelopment Agency (Agency) is authorized to amend various years' Action Plans.
- Section 3. The 2010 One-Year Action Plan is amended to add the projects set out in Exhibit B, which is attached to this resolution, is hereby approved.
- Section 4. The Agency is authorized to amend the Agency Budget to allocate the CDBG funding for programs and projects in accordance with the amendment of the prior years' Action Plan.
- Section 5. The Agency is authorized to submit the amendments of the 2010 One-Year Action Plan and prior years' Action Plan to HUD.
- Section 6. The City Manager is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this resolution, each in a form approved by Agency Counsel.
- Section 7. The County of Sacramento Department of Human Assistance (DHA) is authorized to identify a provider to replace MAAP for the case management services.
- Section 8. Agency is authorized to establish two revolving fund accounts to receive repayments of loans from the Vacant Property Program and Property Recycling Program to be used for future activities by each program respectively.
- Section 9. Agency is authorized to augment the Modernization of 626/630 I Street (Public Housing ) project with \$500,000 of current funding and up to an additional \$500,000 derived from increased 2010 CDBG entitlement, if and when received from HUD, for the design and construction to rehabilitate public housing and support office space at 626/630 I Street.
- Section 10. The Amendment to the 2009 Action Plan, which leaves \$500,000 of the original \$4 million NSP allocation to the Morrison Creek Estates Project and reallocates

\$1,100,000 to the Vacant Property Program and \$2,400,000 to the Property Recycling Program, is approved.

Section 11. The modifications to the Property Recycling Program Guidelines set out in Exhibit D, which is attached to this resolution, is hereby approved.

**Table of Contents**

- Exhibit A: Defunded Activities for Various Years' Action Plan
- Exhibit B: Amendments to 2010 One-Year Action Plan Activities
- Exhibit C: Morrison Creek Estates Sources and Uses
- Exhibit D: Property Recycling Program Guidelines

Adopted by the City of Sacramento City Council on March 9, 2010 by the following vote:

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

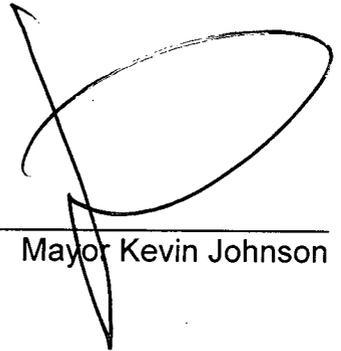
Noes: None.

Abstain: None.

Absent: None.

Attest:

  
Shirley Concolino, City Clerk

  
\_\_\_\_\_  
Mayor Kevin Johnson

**City of Sacramento**  
**Defunded Activities for Various Years' Action Plan**

Activities being defunded are those that have been completed, cancelled or funded through alternative sources. Newly funded activities are scheduled to be implemented and completed by December 31, 2012 to comply with federal regulations governing the timely expenditure of funds.

<b>CDBG</b>		
<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<b>River Gardens/Gardenland Neighborhood Acquisition/Rehabilitation (District 1):</b> Funding for the development and or rehabilitation of a new or existing neighborhood park/community center. Specific projects have been identified and staff recommends the funds be reprogrammed for the projects identified in Exhibit B.	\$114,000	CDBG
<b>Neighborhood Acquisition/Rehabilitation Project (District 1):</b> Funding for the development and or rehabilitation of a new or existing neighborhood park/community center. Specific projects have been identified and staff recommends the funds be reprogrammed for the projects identified in Exhibit B.	\$114,000	CDBG
<b>Total</b>	<b>\$228,000</b>	

<b>NSP</b>		
<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<b>Block Acquisition and Rehabilitation (Morrison Creek Estates):</b> Funds to be used to acquire and/or rehabilitate 46 foreclosed units to leverage the Housing Authority's investment and management of 57 existing units. Due to unforeseen slowdown in the foreclosure market and significant competition the funds are not moving in a timely manner, staff recommends funds be reallocated to the NSP Vacant Property Program and the Property Recycling Program.	\$3,500,000	NSP

**City of Sacramento  
Amendment to 2010 Action Plan**

This report formally amends the 2010 Action Plan by augmenting existing and new projects with CDBG. These activities have been identified as those that need immediate funding. Also, these adjustments will facilitate timely expenditures as required by HUD.

<b>CDBG</b>		
<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<b>Jibboom Street Infrastructure Project (District 1):</b> Funds will be used for design and construction of Infrastructure improvements to Jibboom Street, beginning 875 feet south of the intersection of Jibboom Street and Richards Boulevard and continuing south for 750 feet.	\$100,000	CDBG
<b>Robert T. Matsui Waterfront Park Improvements (District 1):</b> Funds will be used for design and construction of park improvements.	\$5,000	CDBG
<b>Twin Rivers Public Housing Rehabilitation in support of public services (District 1):</b> Funds will be used to improve the building and grounds housing after school program at Twin Rivers Public Housing Development.	\$20,000	CDBG
<b>Historic Chinese Mall Improvements (District 1):</b> Funds will be used for, but not limited to pedestrian improvements, safety improvements, park features improvements, lighting, sidewalk/paver improvements and signage.	\$30,000	CDBG
<b>Zapata Park Playground Project (District 1):</b> Funds will be used for the demolition of existing structures and site preparation to install playground equipment.	\$15,000	CDBG
<b>Modernization 626/630 I Street (Public Housing):</b> Funds will be used for the design and construction to rehabilitate public housing units and support office spaces at 626/630 I Street. An Additional CDBG amount up to \$500,000 is committed to this project if the 2010 funding allocation when released by HUD is greater than staff anticipated when the Action Plan was submitted to HUD in November 2009. Total project funding may be up to \$1 million.	\$500,000	CDBG
<b>Mayes Jewelers' Street Clock Restoration Project (District 1):</b> Funds will be used for the historic preservation of the clock on J Street.	\$6,000	CDBG
<b>Total</b>	<b>\$676,000</b>	

Project Summary Morrison Creek Estates

<b><u>Address</u></b>	Morrison Creek Estates		
<b><u>Number of Units</u></b>	19		
<b><u>Year Built</u></b>	1970		
<b><u>Acreage</u></b>	14		
<b><u>Affordability</u></b>	19 units (100%) at or below 50% of median income		
<b><u>Unit Mix and Rents</u></b>	(50% AMI)		
2 Bedroom	19		
<b><u>Unit Square Footage</u></b>			
2 Bedroom	920 square feet (approx.)		
Total	Approx. 17,480 square feet		
<b><u>Permanent Sources</u></b>	<i>Total</i>	<i>Per Unit</i>	<i>Per Square Foot</i>
Tax Increment Loan	\$1,500,000	\$ 78,947	\$ 85.81
NSP Loan	500,000	26,316	28.60
<b>TOTAL SOURCES</b>	<b>\$ 2,000,000</b>	<b>\$ 105,263</b>	<b>\$ 114.42</b>
<b><u>Permanent Uses</u></b>			
Acquisition	\$ 532,000	\$ 28,000	\$ 30.43
Construction Costs	760,000	40,000	43.48
Contingency	69,000	3,632	3.95
Fees/Permits	110,000	5,789	6.29
Relocation Costs	175,000	9,211	10.01
Appraisal	9,500	500	0.54
Replacement Reserves	70,000	3,684	4.00
Developer Fee	156,200	8,221	8.94
Insurance and Marketing	38,000	2,000	2.17
Miscellaneous	80,300	4,226	4.59
<b>TOTAL USES</b>	<b>\$ 2,000,000</b>	<b>\$ 105,263</b>	<b>\$ 114.42</b>
<b><u>Management / Operations</u></b>			
Operations Budget:	\$125,400	\$6,600 per unit	
Replacement Reserves:	\$5,700	\$300 per unit	

**NSP**

<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<p><b>Property Recycling Program:</b> The Sacramento Property Recycling Program (PRP) focuses on stabilizing neighborhoods through strategic investments and partnerships. The PRP aims to transform the most impacted neighborhoods, streets and properties; those areas where the market alone cannot ensure change. Working with governmental, non-profit and for-profit partners, the PRP provides access to properties and funding to remove the blight of foreclosures through redevelopment activities, acquisition and rental of affordable housing, and acquisition and rehabilitation of single family homes for sale throughout Sacramento. The PRP is complimentary to the other programs funded under the Neighborhood Stabilization Program (NSP), all of which seek to reduce the impacts of foreclosures.</p>	\$2,000,000	NSP
<p><b>Vacant Property Program:</b> The Sacramento Vacant Property Program (VPP) focuses on stabilizing neighborhoods through the acquisition and rehabilitation of foreclosed, single-family vacant homes in targeted areas. The program is designed to encourage participating builders to purchase foreclosed single-family properties using their own financial resources, receive a loan from SHRA to cover the costs of rehabilitation, and upon successful sale to an eligible owner-occupant, receive a developer fee.</p>	\$1,500,000	NSP