



REPORT TO HOUSING AUTHORITY
City of Sacramento
 915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
July 26, 2011

Chair and Members of the Housing Authority Board

Title: Application for Choice Neighborhoods Initiative (CNI) Planning Grant

Location/Council District: Northwest Land Park, bound by X Street to the North, 4th Avenue to the South, Riverside Boulevard to the East and Highway 5 to the West, including the Marina Vista (240 Seavey Circle) and Alder Grove (916 Revere Street) public housing communities; and including the Sacramento Marina to the west and the Docks Area to the north; Council District 4

Recommendation: Adopt a **Housing Authority Resolution** authorizing the Executive Director or her designee to: a) submit an application to the United States Department of Housing and Urban Development (HUD) for up to \$300,000 in 2011 CNI Planning Grant funds to assist in the development of a Neighborhood Transformation Plan for the Marina Vista and Alder Grove public housing communities; b) amend the Housing Authority budget to receive and expend, pursuant to HUD and Agency procurement regulations and policies, not more than \$300,000 in CNI Planning Grant funding for the development of a Neighborhood Transformation Plan for the Marina Vista and Alder Grove public housing communities; c) allocate \$250,000 of City Housing Authority Central Office funding and \$184,588 in City Housing Asset Management Aggregated Low/Moderate Tax Increment (Low/Mod TI) funds as a required match funding amount; d) enter into a professional services contract in an amount not to exceed the Executive Director's administrative authority with EJP Consulting Group for planning and consulting services for the development of the Neighborhood Transformation Plan; e) enter into a Memorandum of Understanding (MOU) with SHRA, who will serve as the Project Manager for purposes of the CNI Planning Grant; and f) execute agreements and such additional documents, as approved by SHRA Counsel, and to take such additional actions as necessary to implement the authorized contracts and this resolution; and g) make related findings.

Contact: Nick Chhotu, Assistant Director, Housing Authority, 440-1334; Chris Pahule, Assistant Director, Community Development, 440-1350

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Application for Choice Neighborhoods Initiative Planning Grant

Description/Analysis

Issue: On June 6, 2011, the Federal Department of Housing and Urban Development (HUD) issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Planning Grants for Fiscal Year 2011. The Choice Neighborhoods Initiative expands the reach of HOPE VI-style investments which focus on improving severely distressed public housing and resident self-sufficiency to include HUD-assisted multifamily units and to assist local jurisdictions transformation of distressed neighborhoods into revitalized mixed-income neighborhoods. Choice Neighborhoods is focused on three core goals:

1. Transforming distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term;
2. Supporting positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to residents' health, safety, employment, mobility, and education; and
3. Transforming distressed, high-poverty neighborhoods into viable, mixed-income neighborhoods with access to well-functioning services, high quality public school and education programs, high quality early learning programs and services, public assets, public transportation, and improved access to jobs.

Choice Neighborhood Planning Grants, specifically, are intended to assist communities in developing a comprehensive neighborhood revitalization strategy, or Neighborhood Transformation Plan (NTP), and build the support necessary for the plan to be successfully implemented. The NTP will become the guiding document for the revitalization of the public housing units, and will direct the transformation of the surrounding neighborhood and positive outcomes for families.

Consistent with the goals and objectives of the Choice Neighborhoods Initiative, two separate applications for Planning Grant funds will be submitted on behalf of the City Housing Authority and County Housing Authority respectively, to HUD for projects in the City of Sacramento. The City application will encompass the Housing Authority of the City of Sacramento's 391 unit, Marina Vista and 360 unit, Alder Grove resident communities (see Attachment 1). The County application will include the 218 unit, Twin Rivers public housing community owned by the Housing Authority of the County of Sacramento.

Available Funds HUD has made available \$3.6 million in assistance through the FY2011 Choice Neighborhoods Initiative for Planning Grants. It is anticipated that 12-15 Planning grants of up to \$300,000 each will be awarded through this application process. Planning grant funds may be used to develop the NTP, align investments, and develop the relevant planning and evaluation capacity of the applicant and its partners.

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To receive grant funding, applicants must submit a completed application to HUD by August 8, 2011. A match commitment of at least five percent (5%) of the grant amount is required. However, to receive full application credit for leverage commitments, applicants must demonstrate a 200 percent (200%) match from sources other than the lead or co-applicants, of which, only half can be provided as in-kind contribution.

As part of this report, staff is recommending \$474,588 of Housing Authority, Low/Mod Tax Increment, and Community Development Block Grant (CDBG) Scoping funds be set aside as a grant match for the Marina Vista/Alder Grove application. Additionally, SHRA's Community Development staff will provide in-kind support for the project. The total match will be approximately \$645,000.

Housing and Neighborhood Selection Planning grant applicants must focus on the revitalization of severely distressed public and/or HUD assisted housing in high-poverty neighborhoods. For the City application, the Housing Authority has selected the public housing communities of Marina Vista and Alder Grove, to focus its revitalization efforts. In 2007, the Housing Authority commissioned an in depth evaluation of its existing public housing inventory. The evaluation identified Marina Vista and Alder Grove as two of the strongest candidates for repositioning and recommended establishing a programmatic mix of incomes through redevelopment of the properties to ensure long term financial viability of these communities. These properties and the proposed Planning Area Boundary meet additional application threshold requirements for determining neighborhood eligibility related to above average violent crime rates and adjacency to low-performing schools. Additionally, given their size (over 60 acres combined), their location and proximity to a key commercial corridor (Broadway) as well as to downtown Sacramento, these communities provide the greatest opportunity for redevelopment and revitalization of both the housing developments themselves and the surrounding neighborhoods.

Neighborhood Transformation Plan (NTP) The NTP developed through the Choice Neighborhoods Planning program will complement and draw upon existing planning and design efforts of the adjacent Northwest Land Park Planned Unit Development and will be created in partnership with existing community residents, local stakeholders and partner organizations who will provide technical expertise to various aspects of the plan including but not limited to urban design, education and youth empowerment, food access, transportation and mobility, services and employment.

The Housing Authority of the City of Sacramento will serve as the Lead Applicant for the Planning Grant. The Housing Authority will work directly with the Community Development Department of SHRA, which will serve as the Project Manager overseeing all aspects of the planning process

Application for Choice Neighborhoods Initiative Planning Grant

including public outreach and management of contracted consultants and other partner organizations providing technical assistance on plan development.

As part of this report, staff recommends hiring EJP Consulting Group (EJP) as the Planning Coordinator for the project to facilitate a comprehensive evaluation and planning process for neighborhood revitalization including housing and economic development components, and the identification of creative financing and implementation approaches. As a requirement of the grant, Planning Coordinators must be identified in the application. EJP is uniquely qualified to serve in this capacity, to provide strategy planning and facilitation services, program design and implementation assistance, evaluation and assessment, and capacity building and training services for the repositioning of public housing properties specifically. EJP has over 25 years of combined experience working with HUD and local housing authorities on similar master planning and repositioning strategies and has assisted numerous localities in the preparation of successful Choice Neighborhoods and Hope VI applications. EJP is familiar with the organization and with the goals and objectives of SHRA.

Planning activities will focus on the needs of the residents of the public housing sites and the surrounding neighborhood and will include neighborhood assets and needs assessment, education opportunities planning, capacity building and knowledge sharing, and community outreach and engagement. The final NTP will focus on providing high quality, energy efficient housing, complimentary of the surrounding neighborhood. The NTP will provide a framework and guidance on transforming the Marina Vista and Alder Grove public housing communities into viable, mixed-income neighborhoods with access to services, quality educational program, transportation, and jobs.

Policy Considerations: This action furthers the commitment of the City through the 2008-2013 Housing Element to preserve and rehabilitate existing affordable housing and to provide housing for extremely low income households. The HUD approved 5-year Public Housing Authority Plan affirms Marina Vista, Alder Grove and Twin Rivers as public housing developments designated for demolition and or disposition. Specifically, these actions support policies H-3.1.1 related to extremely low income housing needs, policy H-4.4 regarding the preservation of affordable housing, and Program 74 which confirms the City's commitment to the Housing Authority Asset Repositioning Strategy.

Public Housing Authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA). No new policies are recommended in this report.

Environmental Considerations:

California Environmental Quality Act (CEQA): Activities covered in the grant application and in furtherance of preparing the Neighborhood Transformation Plan are considered planning and feasibility studies which are statutorily exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262.

National Environmental Policy Act (NEPA): Activities covered in the grant application and in furtherance of preparing the Neighborhood Transformation Plan are considered studies, resource identification and the development of plans and strategies, and are exempt under NEPA per 24 CFR 58.34 (a)(1).

Sustainability Considerations: The activities included in this report have been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets: rehabilitating units following green building standards aligns with goal number one – Energy Independence, item 3 – Improve energy efficiency and the overall NSP-2 activities support goal number five – Public Health and Nutrition, item 3 – Create Healthy Urban Environments through Restorative Redevelopment.

Committee/Commission Action: In preparing the Choice Neighborhoods Planning Grant application, the Housing Authority briefed various community partners including the Greater Broadway Partnership. Additionally, a community meeting will be held on July 18th for the residents of Marina Vista and Alder Grove.

At its meeting on July 20, 2011, it is anticipated that the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Housing Authority Board in the event this does not occur.

Rationale for Recommendation: Located just south of Broadway, between Interstate 5 and Riverside Boulevard, the Marina Vista and Alder Grove public housing communities suffer from severe physical distress with outdated, 60 year old building systems. Many of the over 700 residential units at the two locations are too small and do not meet the needs of today's families. Additionally, the site layouts of these communities, with sprawling open lawns do not promote safety and cannot be considered "defensible space."

Application for Choice Neighborhoods Initiative Planning Grant

The NTP developed with the Choice Neighborhoods Planning Grant will create a comprehensive, master plan for redevelopment of these public housing sites, building upon existing neighborhood assets. The NTP will complement and draw upon the current planning and design efforts taking place immediately adjacent to the public housing sites as part of the Northwest Land Park Planned Unit Development project.

In planning for the repositioning of the Marina Vista and Alder Grove housing developments, strategies will be developed and partners identified to ensure resident children have access to high quality educational opportunities, including high quality early learning opportunities and increased access to programs that combine a continuum of effective community services, strong family supports to improve the educational and life outcomes for resident children and youth. The NTP will include action steps necessary to provide supportive services, including economic development, job training, self-sufficiency, and asset building activities that promote economic self-sufficiency of the neighborhood residents

Additionally, a significant opportunity exists to increase densities along the Broadway corridor and to take better advantage of what is currently low-density, passive and underutilized open space within these communities. The two communities combined, total over 60 developable acres with over 800 feet of frontage along Broadway. The redevelopment of these properties will have a far reaching impact on not only the public housing communities themselves, but on the surrounding neighborhoods and commercial corridors.

A successful CNI planning grant application provides the Housing Authority with the framework in meeting the requirements for HUD's CNI Implementation Grant. HUD awards up to \$35 million for each project under the CNI implementation Grant for revitalization of public housing.

Financial Considerations: This report recommends submitting an application for federal funding of up to \$300,000 under the FY2011 Choice Neighborhoods Initiative Planning Grant. As the application requires matching funds, this report recommends allocating \$250,000 in City Housing Authority Central Office funding and \$40,000 in City Community Development Block Grant (CDBG) Scoping funds. Additionally, \$184,588 in Low/Mod Tax Increment previously allocated for Housing Asset Management will be utilized for the match conditioned upon removal of the suspension imposed on the transfer of these funds by operation of AB1X26. Finally, \$172,370 in in-kind support from SHRA's Community Development will be made available to provide a \$646,958 match for the grant request.

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M/WBE Considerations: Minority and Women's Business enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that funding.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

Recommendation Approved:



for WILLIAM H. EDGAR
Interim City Manager

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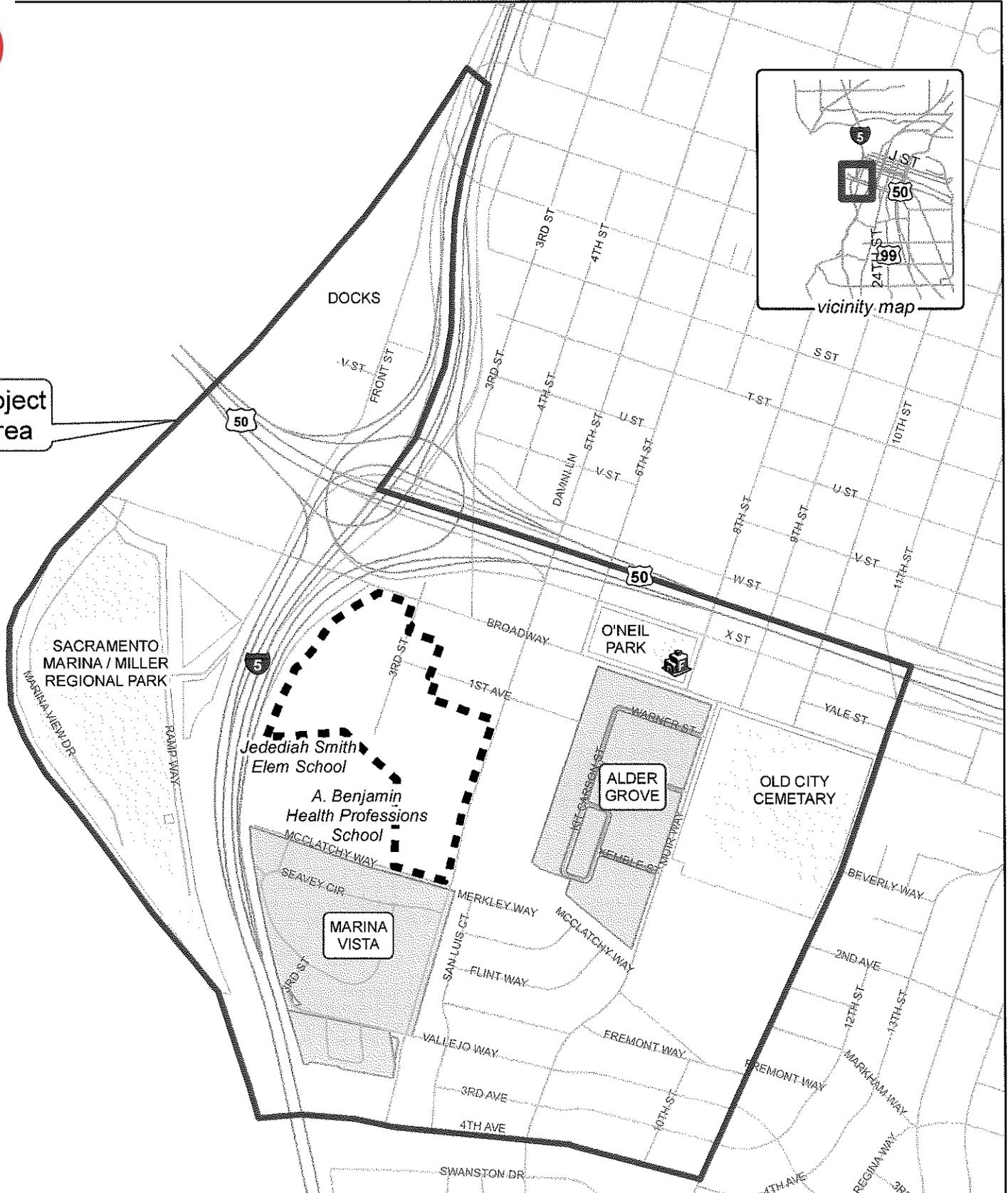
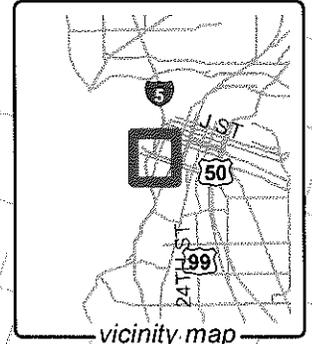
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2011 Choice Neighborhoods Initiative Planning Area



Project Area



CNI Planning Area Boundary



Northwest Land Park PUD

City Owned Parcel

Housing Authority Owned Parcel



Fire Station

0 600 1,200 Feet



SHRA GIS
July 14, 2011

RESOLUTION NO. 2011 -

Adopted by the Housing Authority of the City of Sacramento

on date of

APPLICATION FOR CHOICE NEIGHBORHOODS INITIATIVE PLANNING GRANT

BACKGROUND

- A. On June 6, 2011, the Federal Department of Housing and Urban Development (HUD) issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Planning Grants for Fiscal Year 2011. Planning Grants are intended to assist communities in developing a successful neighborhood transformation plan and build the support necessary for the plan to be successfully implemented.
- B. In 2007, the Asset Repositioning Study was completed to establish a framework and guiding principles for a proactive strategy to align Housing Authority operations to the HUD funding environment while simultaneously eliminating ongoing operating and capital deficits. On August 21, 2007, the Housing Authority of the City of Sacramento ("Authority") approved the Housing Authority Guiding Principles to address repositioning of its public housing assets including the Marina Vista, Alder Grove and Twin Rivers public housing communities.
- C. In 2008, the Sacramento Housing and Redevelopment Agency Budget allocated \$700,000 of Aggregated City Low/Moderate Tax Increment (Low/Mod TI) for initial implementation of the Asset Reposition Study and the Repositioning Strategy Guiding Principles adopted by the Housing Authority on August 21, 2007 (Resolution No. 2007-010).
- D. If awarded, the Choice Neighborhoods Initiative (CNI) Planning Grant will provide up to \$300,000 toward the development of a comprehensive neighborhood revitalization strategy, or Neighborhood Transformation Plan (NTP), to guide the revitalization of public housing units, while simultaneously directing the transformation of the surrounding neighborhoods and positive outcomes for families.
- E. Applications are due to HUD by August 8, 2011.
- F. Utilization of Aggregated City Low/Mod TI funding for the Marina Vista/Alder Grove CNI Planning Project to plan for the improvement, preservation and possible increase of affordable housing at the Marina Vista and Alder Grove public housing communities, is an eligible use of Low/Mod TI funds.

- G. The City Council previously approved in the 2011 Action Plan funds to be used for site specific scoping activities to include design and infrastructure development.
- H. The proposed actions are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34 (a)(1) and statutorily exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15262.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated above, are approved.
- Section 2. The Executive Director, or designee, is authorized to submit an application to HUD for up to \$300,000 in 2011 CNI Planning Grant funds to assist in the development of a Neighborhood Transformation Plan for the Marina Vista and Alder Grove public housing communities.
- Section 3. The Executive Director, or designee, is authorized to amend the Housing Authority budget to receive and expend, pursuant to HUD and Agency procurement regulations and policies, not more than \$300,000 in CNI Planning Grant funding for the development of a Neighborhood Transformation Plan for the Marina Vista and Alder Grove public housing communities.
- Section 4. The Executive Director, or designee, is authorized to allocate \$250,000 of City Housing Authority Central Office funding to the Marina Vista/Alder Grove CNI Planning project as a required match funding amount.
- Section 5. The Executive Director, or designee, is authorized to allocate \$184,588 in City Housing Asset Management Aggregated Low/Mod TI funds to the Marina Vista/Alder Grove CNI Planning project as a required match funding amount conditioned upon removal of the suspension imposed on the transfer of funds out of the Low and Moderate Income Housing Funds by operation of AB1X 26.
- Section 6. The Executive Director, or designee, is authorized to enter into a professional services contract, in an amount not to exceed the Executive Director's administrative authority, with EJP Consulting Group for planning and consulting services for the development of the Neighborhood Transformation Plan.

- Section 7. The Executive Director, or designee, is authorized to enter into a Memorandum of Understanding (MOU) with SHRA in a form substantially conforming to Exhibit A, attached hereto and incorporated by this reference, which will serve as the Project Manager for purposes of the CNI Planning Grant.
- Section 8. The Executive Director, or designee, is authorized to execute agreements and such additional documents as approved by SHRA Counsel, and to take such additional actions as necessary to implement the authorized contracts and this resolution.

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Exhibit A: DRAFT Memorandum of Understanding

-DRAFT-
**MEMORANDUM OF UNDERSTANDING FOR
CHOICE NEIGHBORHOODS INITIATIVE PLANNING GRANT**

This **MEMORANDUM OF UNDERSTANDING** (“MOU”) is made and entered into this ____ day of _____ 2011, by and between the **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**, a municipal corporation, hereinafter referred to as "SHRA," and the **HOUSING AUTHORITY OF THE CITY OF SACRAMENTO**, a public body, corporate and politic, hereinafter referred to as "Housing Authority".

RECITALS

WHEREAS, on June 6, 2011, the Federal Department of Housing and Urban Development (HUD) issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Planning Grants for Fiscal Year 2011. Planning Grants are intended to assist communities in developing a successful Neighborhood Transformation Plan (NTP) and build the support necessary for the plan to be successfully implemented.

WHEREAS, in 2007, the Asset Repositioning Study was completed to establish a framework and guiding principles for a proactive strategy to align Housing Authority operations to Housing and Urban Development (HUD) funding environment while simultaneously eliminating ongoing operating and capital deficits. On August 21, 2007, the Housing Authority of the City of Sacramento (“Authority”) approved the Housing Authority Guiding Principles to address repositioning of its public housing assets including the Marina Vista and Alder Grove public housing communities.

WHEREAS, the HUD approved 5-year Public Housing Authority Plan affirms Marina Vista, Alder Grove and Twin Rivers as public housing developments designated for demolition and or disposition.

WHEREAS, if awarded, the Choice Neighborhoods Initiative (CNI) Planning Grant will provide up to \$300,000 toward the development of a comprehensive neighborhood revitalization strategy, or Transformation Plan to guide the revitalization of public housing units, while simultaneously directing the transformation of the surrounding neighborhoods and positive outcomes for families.

WHEREAS, the Sacramento Housing and Redevelopment Agency’s Community Development Department has significant experience managing neighborhood revitalization and planning projects similar to the Marina Vista/Alder Grove CNI Planning Project, otherwise known as the “Northwest Land Park CNI Planning Project,” and will provide the capacity required of the CNI Planning Grant application.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. PURPOSE

The Housing Authority and SHRA shall cooperate for the purposes of applying for FY 2011 CNI Planning Grant funds and undertaking or assisting in undertaking eligible activities identities in the application for Planning Grant funds including the development of an NTP for the Marina Vista and Alder Grove public housing communities and larger Northwest Land Park CNI Planning Area.

2. SCOPE OF WORK

The Housing Authority shall serve as the Lead Applicant for the purposes of the CNI Planning Grant application and Northwest Land Park CNI Planning Project and SHRA shall serve as the Project Manager.

In support of the proposed \$300,000 HUD-funded planning effort for the Northwest Land Park CNI Planning Area, SHRA will commit \$172,370 of its resources towards the planning process. This commitment of funds consists of approximately one Full Time Equivalent position for two years. SHRA may obtain reimbursement for administrative expenses exceeding one FTE position that relate to the planning effort.

3. HOUSING AUTHORITY'S ADMINISTRATION RESPONSIBILITY

In its role as the Lead Applicant, the Housing Authority shall have the overall responsibility under the CNI Planning Grant and in the view of the U.S. Department of Housing and Urban Development (hereinafter "HUD") and the right under this MOU to: 1) ensure that the Planning project is carried out in compliance with all Planning Grant requirements and in substantial compliance with the Planning Grant application; 2) to determine the adequacy of performance under project agreements and procurement contracts; 3) to assume all responsibility for environmental review, decision-making, and action for requirements for proposed projects within the City of Sacramento jurisdiction; and 4) to submit documents to HUD as required for participation in the CNI Planning Grant program.

3. SHRA'S ADMINISTRATION RESPONSIBILITY

In its role at the Project Manager, SHRA shall have the overall responsibility under the CNI Planning Grant to oversee all aspects of the Planning process, particularly in the development of the NTP which will serve as the guiding document for future public housing and neighborhood revitalization implementation strategies. SHRA shall manage the Planning Coordinator and related contracts in the development of the NTP.

4. MODIFICATION

No waiver, alteration, modification, or termination of this MOU shall be valid unless made in writing and signed by the authorized parties hereof.

5. TERMINATION

This Agreement shall terminate upon completion of all obligations of the parties.

IN WITNESS WHEREOF, the parties entered into this MOU on the day and year first hereinabove appearing.

**SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY**

**HOUSING AUTHORITY OF
THE CITY OF SACRAMENTO**

By: _____
Lisa Bates
Deputy Executive Director

By: _____
LaShelle Dozier,
Executive Director

Approved as to Legal Form:

Approved as to Legal Form:

By: _____
Agency Counsel

By: _____
Agency Counsel