



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

Discussion

October 23, 2012

Honorable Mayor and Members of the Council

Title: Twin Rivers – River District/Railyards Choice Neighborhoods Initiative Update

Location/Council District: Twin Rivers – 321 Eliza Street, District 3.

Recommendation: Receive and file report.

Contact: Chris Pahule, Program Manager, 916-440-1350; Nick Chhotu, Assistant Director, 916-440-1334

Presenters: Chris Pahule

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: On January 31, 2012, the U.S. Department of Housing and Urban Development (HUD) awarded the Housing Authority of the County of Sacramento (Housing Authority) a \$300,000 Choice Neighborhoods Initiative (CNI) grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers - River District/Railyards neighborhood. The County's Housing Authority was the only jurisdiction west of the Mississippi to receive such an award. A major component of the NTP planning process is a revitalization strategy for the Housing Authority's 218-unit Twin Rivers Public Housing site.

Background

Twin Rivers is a 218-unit Public Housing complex in the River District –Railyards neighborhood bounded roughly by North 12th Street on the southeast, Richards Boulevard to the north, and Dos Rios Street on the west. Although the property is located in the City of Sacramento, it is owned by the County's Housing Authority. Constructed between 1942 and 1946, with a small subset of buildings built in the 1970s, much of the infrastructure serving the development is original to the site and has reached the end of its useful life. The suburban style development consists of a community building and 93 one and two-story residential buildings and a community building on 21 acres and is now functionally obsolete.

Choice Neighborhoods Planning Grant

To address the repurposing of the Twin Rivers site, the Housing Authority applied for and received a HUD CNI Planning Grant to develop and implement a NTP for the River District/Railyards neighborhood. The NTP is a comprehensive neighborhood revitalization plan which focuses on directing resources to address three core goals: Housing, People and Neighborhoods. Once completed, the NTP becomes the guiding document for the revitalization of the public assisted housing units while simultaneously directing the transformation of the surrounding neighborhood with positive outcomes for families. It is envisioned that the development of the NTP will take two years to complete.

Steering Committees and Task Force Teams

Recognizing that the development of the NTP requires significant buy-in and consensus among a number of private, public and philanthropic organizations, the Housing Authority has formed a Steering Committee to guide the progress of the NTP. The Steering Committee had its first meeting in April 2012 and meets quarterly at the Twin Rivers Public Housing site. Key representatives on the Steering Committee include Councilmember Steve Cohn; Mike McKeever, Executive Director of the Sacramento Area Council of Governments; Mike Wiley, General Manager of Sacramento Regional Transit; and Jerry Way, Director of Transportation for the City of Sacramento.

Additionally, the Housing Authority has formed Task Force teams comprised of subject area experts to develop the core strategies for the NTP. Therefore, there are teams focused on People, Housing, Neighborhood, and Education/ Workforce. These teams have been meeting monthly and are making significant progress in developing strategies for consideration in the NTP.

Resident Engagement

The Housing Authority is committed to ensuring meaningful public input and discourse as part of the NTP Planning Grant process. There are Twin Rivers' residents on the Steering Committee and on all four of the task force teams. Also, there have been monthly resident meetings for the Housing Authority staff to provide progress reports and receive input. The meetings have been well-attended with approximately 40 residents participating at each meeting.

Foundational Work

To date, the Housing Authority and its task force teams have been focused on assembling accurate and reliable foundational reports to use in developing core strategies for the NTP. The Housing Authority engaged LPC Consulting Associates to conduct a comprehensive resident needs assessment that was completed by almost 90% of Twin Rivers' families. The assessment provided resident information on access to transportation, services and amenities, as well as expressing their desire to continue to live at a revitalized Twin Rivers site.

The Housing Authority also hired AIM Consulting, SACOG and AECOM to complete a Community Assessment Report, which detailed vacant/underutilized

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properties, inadequate public infrastructure, and amenities in the River District/Railyards.

Finally, the Housing Authority has hired Economic and Planning Systems (EPS) to complete a Commercial and Residential Market Study for the River District/Railyards area. The study will be completed in October 2012 and will be used to develop strategies related to housing and economic development.

Master Developer

On July 24, 2012, the Housing Authority released a Request for Qualifications (RFQ) to determine the most qualified Master Developer to serve as Housing Lead to assist in developing a housing program to carryout the potential revitalization of the Twin Rivers Public Housing site. During the development of the NTP, the Housing Lead will advise on the program and design for the replacement housing and other affordable and market-rate unit types; identify other investments essential to creating a sustainable and healthy community; coordinate housing activities with neighborhood, resident services, and educational programs; and take the lead in securing state, other federal, and private funding in support of the NTP.

The Housing Lead will also work collaboratively with the CNI Planning team including the Housing Authority, the Steering Committee and Task Force teams, Twin Rivers residents, and the broader community. The Housing Lead will be responsible for developing redevelopment concepts during the planning process. The Housing Lead will also play a guiding and consulting role during the planning process to ensure that the preferred housing redevelopment concept set forth in the NTP is market-appropriate and financially feasible.

The Housing Authority cast a wide net to garner interest from the most experienced developers to respond to the Twin Rivers – River District/Railyards Housing Lead RFQ. The RFQ required that respondents demonstrate their success in implementing comprehensive neighborhood multi-site revitalization plans that include mixed-income (public housing, project-based vouchers, low income housing tax credit and market-rate unrestricted units), mixed-finance and mixed use developments.

The RFQ also stated that the NTP would be neighborhood focused and include the one-for-one replacement of the 218 Twin Rivers public housing units with deeply subsidized units in mixed-income developments. The NTP would also include, to the extent supported by the community and market conditions, for-sale housing, commercial/retail uses and other neighborhood improvements to be identified during the CNI planning process.

The Housing Authority received four (4) proposals in response to the RFQ. Those proposals were scored by a seven-member selection panel based on predetermined Evaluation Criteria contained in the solicitation. The panel and process was governed by federal HUD procurement rules. Based on the recommendation of the selection panel and Executive Director, the Sacramento

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County Housing Authority Board approved the selection of McCormack Baron Salazar as the Master Developer to serve as the Housing Lead on October 16, 2012.

McCormack Baron Salazar is a nationally recognized and experienced developer of comprehensive, urban, mixed-income communities across the country. Over the past 35 years, they have built 16,000 residential units and 1.2 million square feet of commercial space with total development costs in excess of \$2.6 billion. McCormack Baron Salazar specializes in a comprehensive approach to transforming public housing units and the surrounding neighborhood. They have closed 57 phases of HUD mixed-finance developments in 15 cities involving over 7,300 units and \$1.3 billion in total development costs. Additionally, they are working on two of the five public housing communities awarded HUD Choice Neighborhoods Initiative Implementation grants, including San Francisco’s Alice Griffith development at Hunter’s Point. Over the next couple of months, Housing Authority staff will work with McCormack Baron Salazar to develop terms for an Exclusive Negotiations Agreement (ENA) that will outline roles, responsibilities and compensation for the Housing Lead during the NTP process.

City of Sacramento Involvement

Although the Twin Rivers Public Housing Development is owned by the County Housing Authority and CNI Planning Grant was awarded to the County’s Housing Authority, the City of Sacramento is the Housing Authority’s most critical partner in developing the NTP. Additionally, should the Housing Authority pursue a CNI Implementation Grant award of up to \$30 million, the City of Sacramento would likely be a co-applicant. CNI Implementation grant funding can be used to assist the housing program as well as other key aspects of the NTP.

Currently, City staff are participating on various task force teams and the steering committee and are assisting in the development of the NTP. It is important to note that the NTP must identify lead implementation entities for the three core areas – Housing, People and Neighborhood. Lead entities are responsible for ensuring the NTP strategies and outcomes are met.

Next Steps

As noted above, the NTP is estimated to be complete by the end of 2013. The schedule moving forward is included in the table below:

Task	Timeline
Develop strategies for NTP	Dec 2012
Explore Replacement Housing Alternatives	Jan 2013
Connect NTP strategies to City, County, Regional Activities	Feb 2013
Housing: Develop replacement plan, prepare site plans, prepare development financing strategy	July 2013
People: Design case management system, seek service provider commitments, develop financing plan and secure MOUs	July 2013
Neighborhood: Identify specific neighborhood improvements,	July 2013

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plan for economic development activities, develop financing plan	
Adopt Final NTP	Aug 2013

Policy Considerations: The actions recommended in this report are consistent with the City and County Housing Authority 2007 Asset Repositioning Strategy. The successful transformation of Twin Rivers would result in the replacement of approximately 218 units within the Housing Authority’s portfolio with high-quality units.

It should be noted that there is an expectation that the redevelopment of the Twin Rivers Public Housing Development is a high priority for the City and County of Sacramento. The eventual redevelopment housing program for the site will likely require local financial assistance, land for replacement housing, and priority status for competitive funding programs.

Currently, the Sacramento Housing and Redevelopment Agency is working on a number of housing development projects in the City of Sacramento that could be impacted from a local resource standpoint. These include the Marina Vista and Alder Grove Public Housing Developments, Downtown Railyards, and Curtis Park Railyards. Given the demise of redevelopment which would have been a major source of funding, the priority for projects will need to be considered for the limited state and federal resources available to finance revitalization projects.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed actions constitute administrative activities and government fiscal activities consisting of this report only and do not require any action or involve commitment to any specific project and will not result in any physical impacts on the environment. As such, the proposed actions do not constitute a project under the California Environmental Quality Act (CEQA) per Guidelines Section 15378.

National Environmental Policy Act (NEPA): The proposed action is an exempt activity under National Environmental Policy Act (NEPA) as the proposed action is informational only (24 CFR 58.34(a)(2) and (3)). Full environmental review will be conducted before the Authority seeks approval to commit to a definite course of action or approval of a specific project on the Twin Rivers Public Housing site.

Commission Action: The Sacramento Housing and Redevelopment Commission was briefed on this report at its October 3, 2012 meeting.

Rationale for Recommendation: This report is presented as a receive and file item and no specific action is required.

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Financial Considerations: None

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 federal funding.

Respectfully Submitted by:



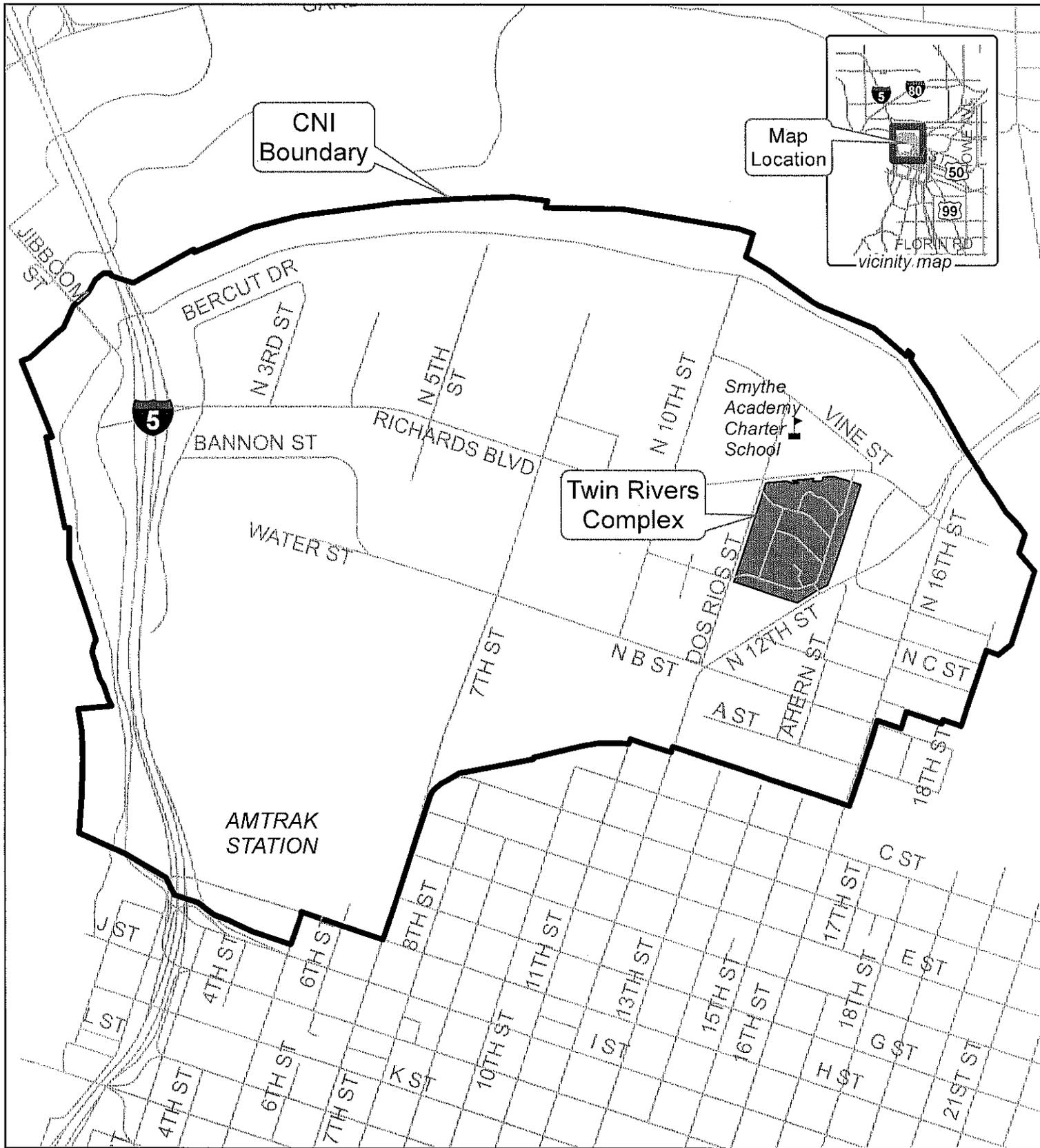
LA SHELLE DOZIER
Executive Director

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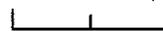


CNI Planning Area Boundary

School

Housing Authority Owned Parcel

0 500 1,000 Feet



SHRA GIS
October 11, 2012