



Review
September 30, 2014

Honorable Mayor and Members of the City Council

Title: Approval of 2014 One-Year Action Plan Amendments for the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative Acquisition, Predevelopment and Planning Activities

Location/Council District: Citywide and District 3

Recommendation: Review a staff report recommending that the City Council Adopt a **Council Resolution:** a) approving and adopting amendments to the 2014 One-Year Action Plan for Community Development Block Grant (CDBG) funded projects and programs; b) amending prior years' Action Plans; c) amending the Sacramento Housing and Redevelopment Agency (SHRA) budget to allocate \$ 2 million in funding for programs and activities in accordance with the amendments, including acquisition, predevelopment, and planning activities for the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative (Initiative); d) authorizing the SHRA to submit the 2014 Action Plan amendments and prior year action plan amendments to the United States Department of Housing and Urban Development (HUD) and to execute the subsequent grant agreements and contracts with HUD and other appropriate entities to carry out activities in accordance with the Action Plans; e) authorizing the SHRA to execute any and all related documents and agreements as necessary to carry out the federal programs as described in the Action Plans, f) authorize the purchase of five properties for the Initiative, g) making related environmental findings, and h) continue to October 7, 2014 for approval.

Contact: Tyrone Roderick Williams, Director of Development, (916) 440-1316
Kyle Flood, Program Manager-Development (916) 440-1311

Presenters: Tyrone Roderick Williams, Director of Development

Department: Sacramento Housing and Redevelopment Agency (SHRA)

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) Planning grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers

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- River District/Railyards neighborhood (see Attachment 1 map), with a primary goal of revitalizing the Twin Rivers public housing development.

Over the two year planning period, SHRA staff worked with a multitude of organizations, community groups, and Twin Rivers public housing residents to craft the comprehensive neighborhood vision which recommends strategies to address three core areas: Housing, People, and Neighborhoods. If determined feasible and approved, the NTP will serve as basis for revitalization of the 218-unit Twin Rivers public housing site into a mixed-use, mixed income community, while simultaneously encouraging the transformation of the surrounding neighborhood with positive outcomes for families.

The Twin Rivers public housing development is the oldest development in the Housing Authority of the County of Sacramento's public housing inventory. Twin Rivers has existed as an isolated and disconnected community, cut off from the surrounding area by railroad tracks, levees and rivers, and limited connections via rail, road, or transit to other parts of the City. Through the CNI Planning Grant, the opportunity to re-engage this community not only through physical design but also socially through the linkage to services and the creation of a mixed-income housing environment became a reality.

The Plan was informed by the City of Sacramento's General Plan, as well as the Specific Plans for the River District and Railyards. The Plan envisioned the replacement of the 218-unit Twin Rivers public housing site with a mixed use, mixed income, transit-oriented development, both on the existing Twin Rivers site, and adjacent parcels off-site, consisting of over 800 units which could be developed over multiple phases. Further, the Plan included the development of a new light rail transit station (Dos Rios Station) to serve the revitalized site, to be located in the area of Richards Boulevard, Sproule Avenue, and 12th Street.

The NTP for the River District-Railyards sets forth a comprehensive blueprint of the neighborhood, housing, and people strategies essential to realize the collective vision for this pivotal community in the City of Sacramento, though the Twin Rivers development is owned by the Sacramento County Housing Authority.

In December 2013 Sacramento Regional Transit (RT) was awarded a \$500,000 Community Design Funding Program Grant from Sacramento Area Council of Governments (SACOG) to plan and design the new Dos Rios Light Rail Station. SHRA committed \$500,000 as the match towards the planning effort, including environmental review. The design phase is scheduled to begin in November 2014 and completed within 18 months.

There is a for-sale sign posted regarding most of the parcels in the property. If these parcels can be purchased on a voluntary basis for not substantially more than their fair market value, this would be a useful acquisition for future transformative development opportunities. The triangular site is strategic for the redevelopment of River District for many reasons. It is a gateway into and out of the Downtown, along two of Sacramento's major commercial corridors, 12th and

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16th streets; as a result the use(s) and building design are critical. Its proximity to the Twin River public housing community is also very important because the area lacks neighborhood serving retail, this is could be an important development opportunity site. There is significant development activity occurring to the west, including the Railyards, and Township 9 which will impact this site, allowing for an increase in development opportunities for the site that will be evaluated at a later date. The potential uses are CDBG eligible activities.

This report requests the authority to negotiate the purchase on a voluntary basis of five properties located at 520, 540 and 550 North 16th Street, 515 North 12th Street, and 1451 Sproule Avenue for not substantially more than just compensation for the potential future light rail station and transit oriented development (see Attachment 2 map). This property acquisition would not obligate SHRA or the Housing Authority to pursue any particular type of development, nor does the acquisition obstruct the City, SHRA or the Housing Authority from considering alternatives.

The NTP was completed and submitted to the City Council in December 2013 and to HUD in January 2014. It is important to note that the NTP is not an adopted, regulatory plan, but currently serves as a vision document and planning study that warrants further evaluation of the feasibility and potential environmental effects that could occur if the plan were formally adopted and implemented. As it stands, the NTP does not commit or otherwise limit the discretion of SHRA, the Housing Authority, or the City of Sacramento in the geographic area described in the NTP.

This report recommends approval of an amendment to the 2014 One-Year Action Plan and prior years' action plans as detailed in Exhibit A to further the NTP. An allocation of \$2,000,000 in Community Development Block Grant (CDBG) funding is recommended to provide for costs related to delivery, environmental review/clearance, real property acquisition, environmental remediation, predevelopment costs, and engineering planning and analysis in connection with the Twin Rivers (Dos Rios) Transit-Oriented Development (TOD) and Light Rail Station Initiative. Details on the proposed allocation and transfer of funds for the Initiative are outlined in Exhibit A.

Policy Considerations: The proposed appropriation of funds for new and existing activities is consistent with the goals and objectives in the adopted Five Year Consolidated Plan (Consolidated Plan) which guides the use of federal community development funds in Sacramento. The Consolidated Plan goals include assisting low- and moderate-income persons and areas with the following: community services, housing, homeless facilities and services, public improvements and facilities, economic development, and planning activities. Further, these activities support the Housing Authority's Asset Repositioning Strategy, the goal of which is to invest in and modernize the public housing stock while reducing the reliance on federal funding.

Economic Impacts: The acquisition of properties and other predevelopment and planning activities will not have any immediate economic impacts. At such time

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when the site is developed, the economic impacts including jobs and revenue will be projected.

Environmental Considerations:

California Environmental Quality Act (CEQA): Activities authorized in this report have been analyzed in accordance with CEQA and are determined to be Exempt per CEQA Guidelines 15262 "Feasibility and Planning Studies" and 15061(b)(3). Acquisition of these properties does not in any way obligate SHRA to pursue any particular type of development, nor does such acquisition obstruct SHRA's ability to consider alternatives.

Sustainability Considerations: Not applicable

Other: National Environmental Protection Act (NEPA): Activities authorized in this report have been analyzed in accordance with NEPA and are determined to be Exempt per 24 CFR 58.34(a)(1), (a)(3), (a)(5), (a)(8) and Categorically Excluded per 24 CFR 58.35(a)(1), (a)(5), (b)(3) and (b)(6).

Commission Action: At its meeting of September 17, 2014, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Alcalay, Chan, Creswell, Griffin, Johnson, Macedo, Morton, Morgan, Raab

NOES: none

ABSENT: Stivers

Rationale for Recommendation: Funding is needed for the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative in order to further the River District-Railyards Neighborhood Transformation Plan developed as a result of a Choice Neighborhoods Initiative Planning Grant awarded to the Housing Authority of the County of Sacramento by HUD in 2012. The acquisition, predevelopment, and planning activities will facilitate the submission of funding applications to HUD and other entities for which site control and readiness to proceed are critical elements.

Financial Considerations: This report recommends amending the 2014 One-Year Action Plan, previous years' action plans, and the Agency budget to reduce funding to existing CDBG activities and Unallocated Capital Reserve in the amount of \$2,000,000 and allocate funds in the amount of \$2,000,000, to new activities as detailed in Exhibit A.

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M/WBE and Section 3 Considerations: Minority and Women's Business Enterprise will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable.

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

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Report pg. 1

Attachments

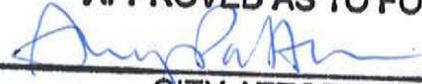
- 1 Map of Transformation Plan Area pg. 6
- 2 Map of Potential Parcel Acquisitions pg. 7
- 3 City Council Resolution pg. 8
- 4 Exhibit A pg. 11

Approved as to form:



Agency Counsel

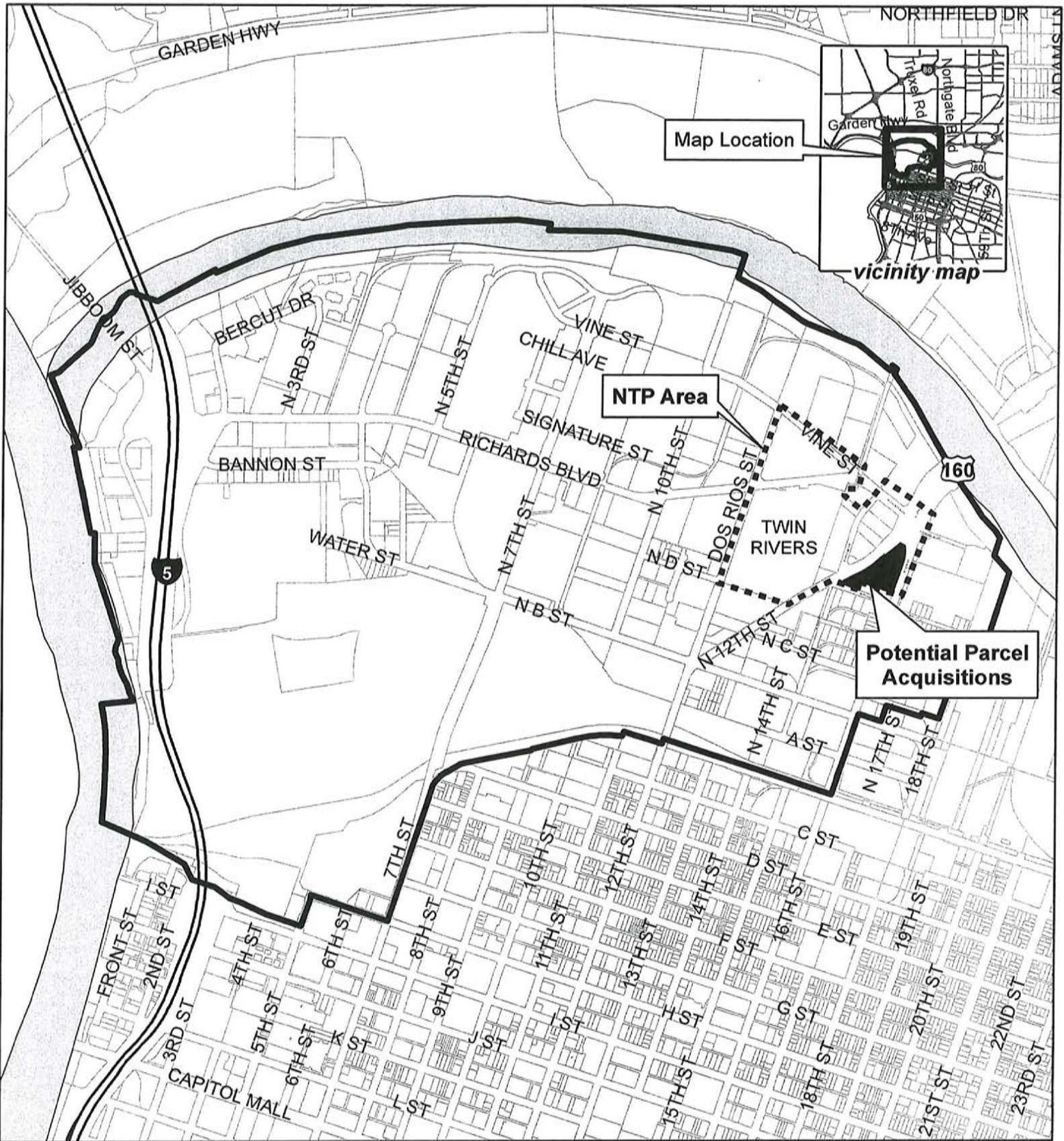
APPROVED AS TO FORM:



CITY ATTORNEY



River District / Railyards Choice Neighborhoods - Neighborhood Transformation Plan Study Area



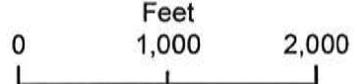
Map Location

vicinity map

NTP Area

Potential Parcel Acquisitions

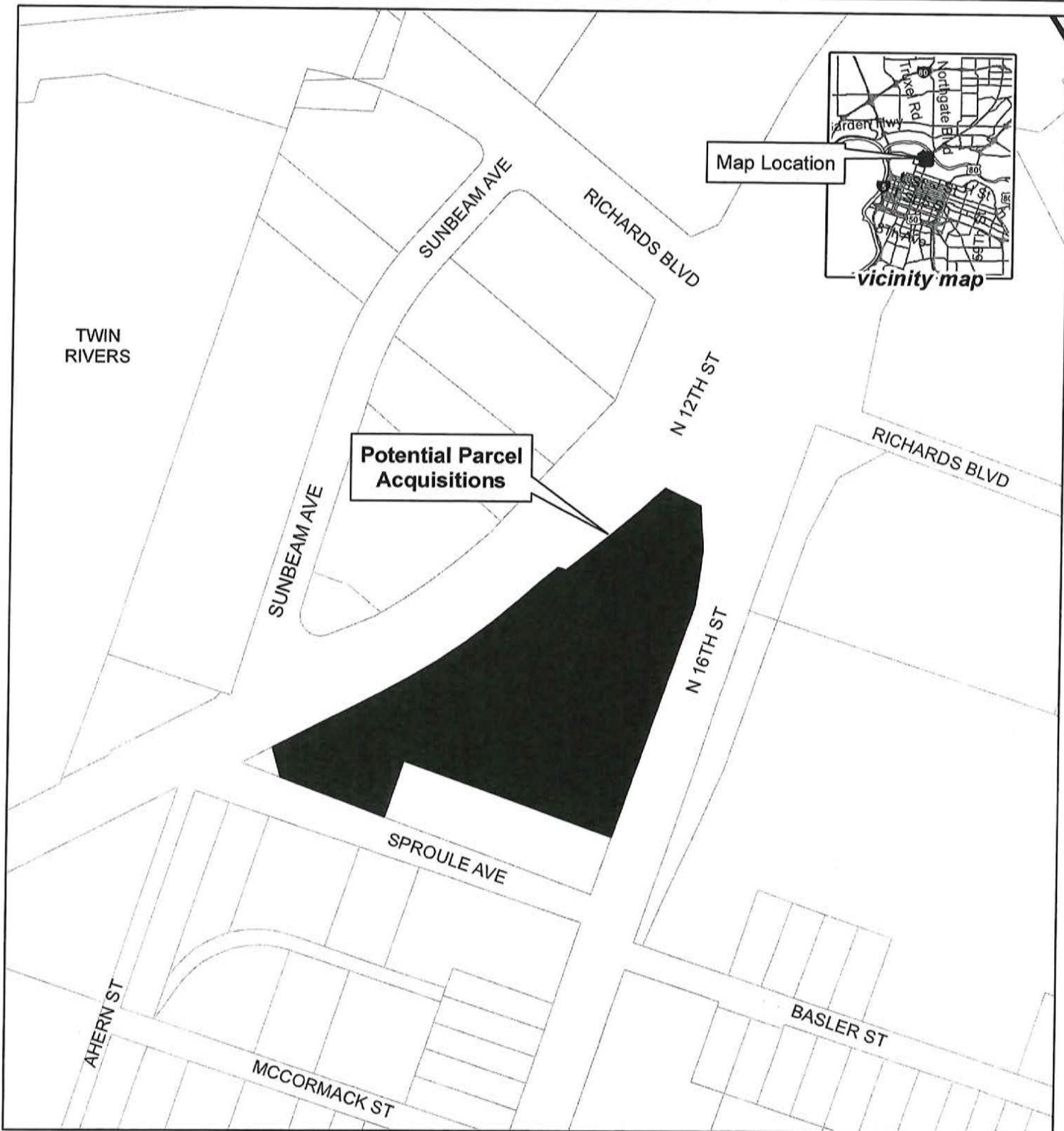
 River District/Railyards Planning Area
  Potential Acquisition
 NTP Area



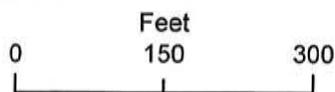
SHRA GIS
September 5, 2014



Twin Rivers (Dos Rios) Transit - Oriented Development and Light Rail Station Property Acquisition



Potential Acquisition



SHRA GIS
September 5, 2014

RESOLUTION NO. 2014 -

Adopted by the Sacramento City Council

OCTOBER 7, 2014

APPROVAL AND ADOPTION OF AMENDMENTS TO THE 2014 ONE-YEAR ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDED PROJECTS AND PROGRAMS; AMENDMENT OF VARIOUS PRIOR YEARS' ACTION PLANS; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET TO ALLOCATE \$2 MILLION IN FUNDING FOR PROGRAMS AND ACTIVITIES IN ACCORDANCE WITH THE AMENDMENTS INCLUDING ACQUISITION, PREDEVELOPMENT AND PLANNING ACTIVITIES IN SUPPORT OF THE TWIN RIVERS (DOS RIOS) TRANSIT-ORIENTED DEVELOPMENT AND LIGHT RAIL STATION INITIATIVE; AUTHORITY TO ACQUIRE PROPERTIES FOR THE INITIATIVE; AND SUBMIT AMENDMENTS AND EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF THE FEDERAL PROGRAMS DESCRIBED IN THE ACTION PLANS AND RELATED ENVIRONMENTAL FINDINGS

BACKGROUND

- A. Since 1982, the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the City of Sacramento, has served as the public entity designated to efficiently administer the CDBG program funding originating from HUD.
- B. HUD requires the annual submittal of a One-Year Action Plan and any amendments describing proposed activities and expenditures for the following year in accordance with the goals and priorities of the Consolidated Plan.
- C. Funding is needed for the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Project in order to further evaluate the feasibility of the River District-Railyards Neighborhood Transformation Plan developed as a result of a Choice Neighborhoods Initiative Planning Grant awarded to the Housing Authority of the County of Sacramento by HUD in 2012.
- D. The Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Projects are located in a low-income community, and include the severely distressed Twin Rivers public housing development.
- E. On October 22, 2013, the City Council approved the 2014 One-Year Action Plan by City Resolution 2013-1002-02. A noticed public hearing soliciting comments on the amendments to the 2014 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on September 17, 2014.
- F. The recommend activities have been analyzed in accordance with California Environmental Quality Act (CEQA) and are found to be Exempt per CEQA Guidelines Sections 15262 "Feasibility and Planning Studies" and 15061(b)(3).

Acquisition of these properties does not in any way obligate SHRA to pursue any particular type of development, nor does such acquisition obstruct the City's or SHRA's OR Housing Authority's ability to consider alternatives.

- G. The recommend activities have also been analyzed in accordance with National Environmental Policy Act (NEPA) and are determined to be Exempt per 24 CFR 58.34(a)(1), (a)(3), (a)(5), (a)(8) and Categorically Excluded per 24 CFR 58.35(a)(1), (a)(5), (b)(3) and (b)(6).

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

- Section 1. All evidence presented being duly considered, the findings, including environmental findings regarding this action are approved.
- Section 2. The 2014 One-Year Action Plan and previous years' action plans are revised and amended as set forth in Exhibit A.
- Section 3. SHRA is authorized to amend its budget to allocate the \$ 2 million in CDBG funding for the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Initiative as set forth in Exhibit A.
- Section 4. SHRA is authorized and delegated authority to act as agent on behalf of the City of Sacramento to submit the amendments to the 2014 One-Year Action Plan to HUD; execute grant agreements with HUD; and to execute agreements with appropriate entities to carry out CDBG projects in accordance with the 2014 One-Year Action Plan, as amended. All such agreements shall be in compliance with federal law and regulations.
- Section 5. SHRA is authorized to establish just compensation for vacant properties located at 520, 540 and 550 North 16th Street, 515 North 12th Street, and 1451 Sproule Avenue, and authorizing other actions related to voluntary, negotiated acquisitions of said properties.
- Section 6. SHRA is authorized to execute any and all related documents, including invoicing, contracts and amendments as necessary to carry out the federal programs and projects as described in the 2014 One-Year Action Plan and amended action plans in compliance with applicable federal law and regulations.
- Section 7. SHRA is authorized to amend the SHRA budget to allocate \$ 2 million in CDBG funding for programs and activities in accordance with the amendments including acquisition, predevelopment and planning activities for the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative.

2014 One-Year Action Plan Amendment

Section 8. The Executive Director is authorized to take all actions, and enter into any agreements and contracts as may be necessary to carry out the activities. These activities shall be carried out in accordance with the procurement policies of SHRA.

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Exhibit A Amended Action Plan Proposed Funding Transfers and Appropriations

**City of Sacramento
Proposed Funding Transfers and Appropriations**

Proposed funding transfers are being recommended due to program suspension, project cancelation and appropriation of Unallocated CDBG Capital Reserve and MESA funds/reserves to new activities. Newly funded activities are scheduled to be implemented and completed within 18 months to comply with federal regulations governing the timely expenditure of funds.

Proposed Funding Transfers	Amount	From
Multi-Family Rehabilitation Revolving Loan Fund (RLF): Staff recommends transferring a portion of the existing loan proceeds to the CDBG Program Income (PI) Fund.	\$100,000	CDBG RLF
Single-Family RLF: Staff recommends transferring a portion of the existing loan proceeds to the CDBG PI Fund.	\$100,000	CDBG RLF
First-Time Homebuyer RLF: Staff recommends transferring a portion of the existing loan proceeds to the CDBG PI Fund.	\$100,000	CDBG RLF
Subtotal	\$300,000	
2012 Joint Use Facility: This project is canceled and staff recommends the project be defunded and funds returned to CDBG Unallocated Capital Reserve.	\$400,000	CDBG Activity
Unallocated Capital Reserve: Defund reserve account to fund activity listed below.	\$1,300,000	CDBG Capital Reserve
Subtotal	\$1,700,000	
Total Funding Transfer	\$2,000,000	
Proposed Appropriations	Amount	From
2014 Twin Rivers (Dos Rios) TOD and Light Rail Station Initiative: - Funds to provide for costs related to delivery, environmental review/clearance, real property acquisition, environmental remediation, predevelopment costs, and infrastructure analysis and planning.	\$300,000	CDBG PI Fund
	\$1,700,000	CDBG Capital Reserve
Total Appropriations	\$2,000,000	