



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

04

Consent
January 27, 2015

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board**

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

Location/Council District: Twin Rivers Public Housing Development; Council District 3

Recommendation: Adopt 1) a **Council Resolution:** authorizing the City Manager or designee to: a) submit as the local municipality and co-applicant with the Housing Authority of the County of Sacramento (HACOS) to the United States Department of Housing and Urban Development an application for up to \$30,000,000 in 2014/2015 CNI Implementation Grant funds to assist in implementing the River District/Railyards Neighborhood Transformation Plan for the HACOS' Twin Rivers public housing community; and b) sign documents and forms required by the CNI Implementation Grant application including the partnership certificate ; and Adopt 2) a **Housing Authority Resolution** authorizing the Executive Director or her designee to a) amend the Agency budget to allocate \$2,340,000 of 2002 Tax Exempt Low and Moderate Income Housing Bond Funds to the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative; b) amend the Agency budget to allocate \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the 2014 Twin Rivers (Dos Rios) Transit Oriented Development (TOD) and Light Rail Station Initiative

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

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Federal Department of Housing and Urban Development (HUD) recently issued the Choice Neighborhoods Initiative Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Year 2014 and 2015. Grant funds are intended to support those communities which have completed a comprehensive local planning process and are positioned to implement a

CNI Implementation Grant Application

Neighborhood Transformation Plan (NTP) to redevelop the public housing, provide well functioning services, and revitalize the surrounding neighborhood. This report recommends the submission of an Implementation Grant application for the River District – Railyards NTP which will focus revitalization efforts on the Twin Rivers public housing community and surrounding neighborhood, drawing on the redevelopment and urban planning efforts currently taking place within the surrounding River District.

The Twin Rivers public housing development is the oldest development in the Housing Authority of the County of Sacramento's public housing inventory. The 218-unit public housing community 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.

In 2012, the HUD awarded the Housing Authority of the County of Sacramento (HACOS) Choice Neighborhoods Initiative (CNI) Planning grant to develop a NTP for the Twin Rivers - River District/Railyards neighborhood.

The Choice Neighborhoods Initiative focuses on improving severely distressed public housing and resident self-sufficiency and to assist local jurisdictions transformation of distressed neighborhoods into revitalized mixed-income neighborhoods. Choice Neighborhoods is comprised of 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.
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.

As a result of a 24-month planning process in which staff worked with organizations, community groups and residents, the River District/Railyards NTP was developed. The vision for the River District-Railyards is the creation of a dynamic and vibrant community that plugs the area and its people back into the network of the City – physically, economically, and socially:

- **Physically** by creating higher quality and safe access points into and out of the area, whether through roadways, public transportation or visual connections.
- **Economically** by attracting businesses to the area, providing potential employment opportunities and amenities and services for local residents.
- **Socially** by building energy efficient, mixed-income housing that serves and attracts households across a range of family types, abilities and income, and establishing a cohesive system to connect residents to services and programs that address their individual needs.

CNI Implementation Grant Application

On November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Year 2014 and 2015. It is anticipated HUD will award three grants up to \$30,000,000, with grant terms of seven (7) years. Applicants must demonstrate how the grant and other leverage funds will transform a neighborhood of extreme poverty into a sustainable mixed-income neighborhood with well-functioning services, schools, public assets, transportation and access to jobs over the seven year grant period.

Applicant Eligibility: The Housing Authority of the County of Sacramento will be lead applicant, and the City of Sacramento (City) will be co-applicant due to a new applicant eligibility threshold. This threshold requires that either the lead applicant or a co-applicant be a unit of local government, and that both entities shall be jointly and severally liable for meeting the grant requirements. By having local government participation, implementation is more integrated with implementation of City goals, policies and capital improvement projects. In its role as the Project Manager, SHRA acting on behalf of the HACOS will be the primary entity responsible for implementing the activities identified in the NTP. SHRA will be responsible for overseeing and coordinating all elements of the NTP, including managing partner entities and grant administration. HACOS will be required to indemnify the City for its actions and SHRA activities before the City will formally accept the grant.

The application requires an entity be responsible for each of the three core areas: Neighborhood, Housing and People. The City of Sacramento is designated in the grant application to implement the Neighborhood Plan, which is focused on short- and mid-term community coordination improvements that both address the immediate concerns of current residents and lays the ground work for future coordination of planned and anticipated development. McCormack Baron Salazar (MBS), the private developer and manager of the proposed new housing, is a leading developer in urban transformation projects as exemplified by its numerous mixed-income communities across the country. The 843 proposed units of new housing are estimated to cost over \$206 million. MBS will be the Housing entity for the application. Urban Strategies will oversee the implementation of the People Plan and provide comprehensive case management services. They are responsible for securing the partnerships necessary to carry out the identified strategies and obtaining funding to support both implementation as well as the long-term sustainability of the service model.

Policy Considerations: The recommended strategies in the Neighborhood Transformation Plan are consistent with the City and County Housing Authority 2007 Asset Repositioning Strategy.

The strategies also further the commitment of the City through the 2013-2021 Housing Element to preserve and rehabilitate existing affordable housing and to provide housing for extremely low income households. The HUD-approved five-year Public Housing Authority Plan affirms Twin Rivers as a public housing development designated for demolition and/or disposition. Specifically, the recommendations support policies H-3.1.1 related to extremely low income housing needs, policy H-4.4 regarding the preservation of affordable housing,

CNI Implementation Grant Application

and Program 74 which confirms the City's commitment to the Housing Authority Asset Repositioning Strategy.

Economic Impacts: Not applicable.

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).

SHRA will not proceed with any project, contract or agreement that is not defined within the scope of this report and resolution without proper environmental review.

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.

Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting of January 21, 2015, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

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

NOES: none

ABSTAIN: none

ABSENT: Johnson

Rationale for Recommendation: The Plan for the River District-Railyards sets forth a comprehensive blueprint of the neighborhood, housing, and people strategies essential to realizing the collective vision for this pivotal community.

January 27, 2015

CNI Implementation Grant Application

Due to limited resources, all eligible and appropriate funding opportunities should be pursued.

Financial Considerations: This report recommends submitting an application for federal funding of up to \$30,000,000 under the FY2014 and FY2015 Choice Neighborhoods Initiative Implementation Grant, of which the City would receive up to \$4.5 million and a portion of the administrative fee for implementation of the Neighborhood Plan. The application requires local matching funds of five percent (\$1.5 million) which has been satisfied by the prior allocation of Community Development Block Grant (CDBG) funds by both the City of Sacramento (\$2 million) and County of Sacramento (\$950,000) in the Fall of 2014. Additional leverage commitments over and above the required match earn points for the application on a sliding scale. Two funding sources have been identified for this leverage: 1) Tax Exempt Low and Moderate Income Housing Bond Funds which must be used for or to support affordable housing and cannot be repaid; and 2) sale proceeds from a Housing Authority property which must be expended for public housing activities. In order to obtain additional points, this report recommends the Housing Authority of the City allocate a) \$2,340,000 in 2002 Tax Exempt Low and Moderate Income Housing Bond Funds; and b) \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the Twin Rivers (Dos Rios) Transit-Oriented Development and Light Rail Station Initiative.

M/WBE/Section 3 and First Source Program 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. Section 3 requirements will be applied to the extent as may be applicable. Developers and contractors involved in this program will be encouraged to use the First Source Program for employment opportunities.

Respectfully Submitted by:

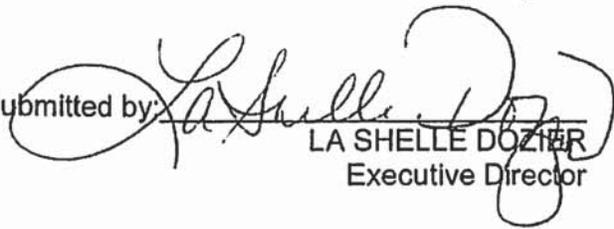

LA SHELLE DOZIER
Executive Director

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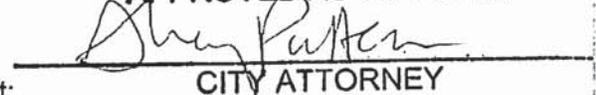
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5 Neighborhood Transformation Plan link to document:	

http://www.shra.org/Portals/0/pdf/public_housing/CNI%20TW/Final%20Plan%20Jan14.pdf

Approved as to form:


Agency Counsel

APPROVED AS TO FORM:


CITY ATTORNEY

BACKGROUND

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.

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 - River District/Railyards neighborhood.

The Choice Neighborhoods Initiative focuses on improving severely distressed public housing and resident self-sufficiency and to assist local jurisdictions transformation of distressed neighborhoods into revitalized mixed-income neighborhoods. Choice Neighborhoods is comprised of 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.
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.

Over a 24 month period, from January 2012 through December 2013, Housing Authority staff worked with a multitude of organizations, community groups, and Twin Rivers' public housing residents to craft the NTP. It is a comprehensive neighborhood revitalization plan which focuses on recommending strategies to address the three core goals. The NTP serves as the guide to revitalization of the 218-unit Twin Rivers public housing site while simultaneously encouraging the transformation of the surrounding neighborhood with positive outcomes for families. Since January 2014, staff has begun implementation of core components of the NTP.

On November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for Fiscal Year 2014 and 2015. It is anticipated HUD will award three grants up to \$30,000,000, with grant terms of seven (7) years. Applicants must demonstrate how the grant and other leverage

funds will transform a neighborhood of extreme poverty into a sustainable mixed-income neighborhood with well-functioning services, schools, public assets, transportation and access to jobs over the seven year grant period.

The NTP focuses revitalization of the site in a manner that capitalizes upon the planned investments in the neighborhood and expands options for residents to live and work and learn in a revitalized mixed-income and mixed-use environment rich with opportunities. Now, in conjunction with the River District and the Railyards Specific Plans, there is a plan for how Twin Rivers public housing and other neighborhood residents, including the homeless, can improve their employment, educational, and health outcomes through case management and supportive services such as job training, connection to jobs, improved health care, and access to excellent educational opportunities from early childhood to college and beyond. As part of the NTP, each of the three core areas: Housing, People and Neighborhood have an entity responsible for implementation with the community and the other partnership organizations.

The Plan 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 the highlights of the goals and strategies for each component are described below. For each core goal, projects which have progressed in the last year are identified.

Neighborhood Strategy

The City of Sacramento will implement the Neighborhood Plan which is focused on short- and mid-term community improvements that both address the immediate concerns of current residents and lays the ground work for future planned and anticipated development. Activities address public safety from a built-environment perspective; identify place-based strategies to mitigate the issues surrounding the concentration of homeless service providers in the area; and increase the number and quality of amenities available to neighborhood users from open space to retail to transportation. Anchoring the Neighborhood Plan are the existing assets of the community including its proximity to downtown, the rivers, and local and regional employment centers. The City is working on ongoing collaborations with other local, regional, and state organizations to guide investment in the River District and Railyards areas. This includes the 12th Street corridor Safety Improvement Project; North 12th Street Complete Street Project; I Street Bridge Replacement Project; Sacramento Intermodal Transportation Facility – historic depot renovation; and A Street Property owners committee. Additionally, the Sacramento Housing and Redevelopment Agency (SHRA) and the Sacramento Regional Transit District (RT) are jointly working on the design and environmental review of the planned Dos Rios Light Rail station. SHRA initiated property acquisition for the station site and adjacent transit oriented development.

Housing Strategy

Constructed primarily between 1942 and 1946, many of the systems and infrastructure at Twin Rivers have reached the end of their useful life, existing buildings do not conform to current seismic standards, the site plan that lacks defensible space, and the units do not meet the space and amenity requirements of today's families.

The Housing Plan for the River District-Railyards recommends the replacement of all 218 public housing units at Twin Rivers with an approximately 840-unit mixed-income; mixed-use community that will result in vastly improved living conditions for current residents. This includes development on privately owned parcels adjacent to the existing public housing site. The units proposed will offer a diverse range of housing types to be constructed both on- and off-site, with public housing, affordable, and market-rate units being indistinguishable from one another. Featuring energy-efficient design and accessibility for people of all abilities, the new housing will give residents an unprecedented opportunity to re-engage not only with the local neighborhood but with other parts of the City and region. Phase 1 of the housing development will include approximately 100 units adjacent to the proposed light rail station. Together with the construction of the light rail station, it will be a key catalyst for change in the area as well as provide an inventory new of units to allow the redevelopment of Twin Rivers to proceed with minimal resident displacement.

McCormack Baron Salazar (MBS), the private developer and manager of the proposed new housing, is the developer of the housing plan and was procured through a national competition. MBS is a leading developer in urban transformation projects as exemplified by its numerous mixed-income communities across the country. The 843 units of new housing are estimated to cost over \$206 million. MBS will implement the Housing for the application.

People Strategy

The People Strategy focuses on facilitating connections with Twin Rivers' residents, including youth, adults, the disabled and the elderly, to the appropriate services and programs that address their individually-identified barriers to success, whether defined as higher educational achievement, gainful employment, physical well-being, independent living, and/or homeownership. Grounded in a case management approach, each Twin Rivers' resident is recommended to have a family development plan that identifies specific goals along with the action steps and supports needed to achieve those goals.

Through a comprehensive Service Provider Network, residents would be proposed to be linked to existing programs. For services not delivered on-site, Twin Rivers' residents will receive transportation support to assist with access issues. For adults, a "Work First" approach that focuses on transitional employment and job skills training with wrap-around support targeting health, mobility, and family support services will be adopted. For youth, the program will

be based on a dual generation model that focuses on school readiness for younger children and college/career preparation for older youth, all of which is supported by involvement from the child's immediate family network including parents, grandparents, and caregivers. SHRA is preparing to start a resident leadership academy in the spring of 2015. Additionally, the Housing Authority submitted an application for a Promise Zone designation in November 2014. This partnership with the City, County and multiple service providers is consistent and supports the strategies in the NTP.

Urban Strategies was procured to oversee the implementation of the People Plan and provide comprehensive case management services. They are responsible for securing the partnerships necessary to carry out the identified strategies and obtaining funding to support both implementation as well as the long-term sustainability of the service model.

RESOLUTION NO. 2015 -

Adopted by the Sacramento City Council

On date of

APPROVING APPLICATION FOR CHOICE NEIGHBORHOODS INITIATIVE IMPLEMENTATION GRANT FOR TWIN RIVERS - RIVER DISTRICT/RAILYARDS CHOICE NEIGHBORHOODS TRANSFORMATION PLAN

BACKGROUND

- A. The Housing Authority of the County of Sacramento (the "Authority") was awarded a U.S. Department of Housing and Urban Development (HUD) Choice Neighborhoods Initiative (CNI) grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers – River District/Railyards Neighborhood.
- B. The NTP was submitted to the City Council and the Housing Authority of the County of Sacramento Board in December 2013 and to HUD in January 2014.
- C. The Authority issued a Request for Qualifications (RFQ) to determine the most qualified developer to assist in developing a housing program for the Twin Rivers – River District/Railyards neighborhood. On October 16, 2012, the Authority Board approved the selection of McCormack Baron Salazar (HA-2337) as the Housing Lead to implement the Twin Rivers – River District/Railyards Neighborhood Transformation Plan.
- D. On October 7, 2014, the City Council allocated \$2 million in Community Development Block Grant (CDBG) funds to acquire property for the Choice Neighborhoods Initiative.
- E. On November 6, 2014, HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for the Fiscal Year 2014 and 2015. Implementation Grants are intended to assist communities with a NTP to continue building the support necessary for the NTP to be successfully implemented.
- F. The NOFA identifies Public Housing Authorities as eligible Lead Applicants and requires a unit of local government to be a Co-Applicant.
- G. The Choice Neighborhoods Implementation Grant application is due to HUD by February 9, 2015.
- H. If awarded, the CNI Implementation Grant will provide up to \$30 million per grant award toward implementation of the NTP. Subsequent City Council approval will be required before the grant is accepted to allocate the funding and address the

Authority's indemnity obligations for its activities as well as SHRA's actions on its behalf.

- I. The proposed action to apply for grant is 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 CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager, or his designee, is authorized to submit, on behalf of the City of Sacramento as the local municipality as the Co-Applicant with the Housing Authority of the County of Sacramento as Lead Applicant, a grant application to HUD for up to \$30 million in CNI Implementation funds to assist in the implementation of the River District/Railyards Neighborhood Transformation Plan for the Twin River public housing community.

Section 2. The City Manager, or his designee, is authorized sign documents and forms required as part of the CNI Implementation Grant application, including the Partnership Certificate.

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Exhibit A – Partnership Certificate for CNI Implementation Grant application

PARTNERSHIP CERTIFICATION

This Certification is made this ____ day of _____ 2015, by the City of Sacramento (“City”), 915 I Street, Sacramento, California 95814

I. PURPOSE AND SCOPE

The Housing Authority of the County of Sacramento (“HACOS”), the Lead Applicant, and the City of Sacramento, the Co-Applicant (collectively “Applicants”), together with additional partners, are applying to the U.S. Department of Housing and Urban Development (“HUD”) for the Choice Neighborhoods Initiative-Implementation Grant Program (“CNI Grant”) to undertake a comprehensive revitalization, pursuant to a Neighborhood Transformation Plan, of the River District/Railyards neighborhood. If the CNI Grant is awarded for this project, the Applicants will undertake and/or coordinate the revitalization of the River District/Railyards neighborhood in accordance with the Neighborhood Transformation Plan. This certification comports with HUD’s requirement under the Fiscal Year 2014/2015 Notice of Funding Availability that there be a “Partnership Certification” from each Principal Team Member, committing to specific duties and responsibilities corresponding to implementation of the Neighborhood Transformation Plan.

II. ROLE AS CO-APPLICANT

The Lead Applicant will be responsible for the entire project, including activities carried out by the Co-Applicant and all the partners throughout the Grant term. The Co-Applicant is willing, along with the Lead Applicant, to accept the obligations under the CNI Grant Agreement and they will allocate their respective responsibilities for implementing the activities identified in the Neighborhood Transformation Plan. The Co-Applicant shall be jointly and severally liable with the Lead Applicant for the performance of the grant. The Lead Applicant will ensure timely and correct reporting to HUD and ensure that efficient administrative management and control systems are established within the project. The Co-Applicant will work with the Lead Applicant to ensure proper communication with the partners, including the residents of Twin Rivers. The Lead Applicant will ensure that proper financial management and control procedures are applied and that the HUD procedures concerning financial management and control, as well as procurement, information, communication and visibility activities and rules are observed. The Lead Applicant will be responsible for selecting and entering into agreements with one or more entities for the provision of all services required under the CNI Grant, with the exception of the Neighborhood Implementation Plan. The Co-Applicant will serve as the Neighborhood Implementation Entity for the CNI Grant to undertake the activities as described below.

III. ROLE OF CITY OF SACRAMENTO AS NEIGHBORHOOD IMPLEMENTATION ENTITY

The City of Sacramento will serve as the Neighborhood Implementation Entity for the CNI Grant and shall be responsible for:

- a. Coordinating the implementation of activities needed to achieve the core Neighborhood goals defined in the Transformation Plan over the CNI Grant period.

- b. Coordinating the planning and implementation of neighborhood activities with the Lead Applicant, other Principal Implementation Entities (Housing, People, Education), and other partners in order to ensure successful completion of all Choice Neighborhood goals.
- c. Coordinating Neighborhood-related activities, including CNI Grant-funded neighborhood development programs, including participating in regular meetings, contributing to the flow of information, developing and updating work plans, and providing regular updates of activity to Neighborhood partners, community residents, and other stakeholders.
- d. Advancing other Neighborhood-related opportunities in support of the Neighborhood Transformation Plan goals over the seven-year CNI Grant period, including activities to transform the River District/Railyards neighborhood into a dynamic and interconnected community that is the premier in-town living and destination for residents and visitors across the Sacramento region.
- e. Assisting the Lead Applicant and contributing to tracking and reporting, in a format proscribed by HUD, on activities, metrics, and outcomes associated with Neighborhood Transformation Plan. Neighborhood components including monitoring and tracking changes and activities related to other neighborhood housing, neighborhood services, public transportation, public safety, job access, and education.
- f. Assisting in securing leveraged funding for Neighborhood activities, including leverage committed in support of the Neighborhood Transformation Plan, Neighborhood Vision and, if feasible, additional leveraged resources during the CNI Grant period.
- g. Cooperating and collaborating with evaluation contractor(s) and participate in periodic HUD site visits and reviews.
- h. Serving on the Twin Rivers Revitalization Advisory Board that will meet regularly throughout the CNI Grant period to review the data collected to track progress for the Housing, People, Education and Neighborhood program outcomes and working with CNI Grant partners to adjust programming as needed to ensure CNI goals and outcomes are achieved.

For CITY OF SACRAMENTO(CO-APPLICANT):

By: John F. Shirey, City Manager

Date:

RESOLUTION NO. 2015 -

Adopted by the Housing Authority of the City of Sacramento

on date of

APPLICATION FOR CHOICE NEIGHBORHOODS INITIATIVE IMPLEMENTATION GRANT FOR TWIN RIVERS - RIVER DISTRICT/RAILYARDS CHOICE NEIGHBORHOODS TRANSFORMATION PLAN

BACKGROUND

- A. The Housing Authority of the County of Sacramento (the "Authority") was awarded a U.S. Department of Housing and Urban Development (HUD) Choice Neighborhoods Initiative (CNI) grant to develop a Neighborhood Transformation Plan (NTP) for the Twin Rivers – River District/Railyards Neighborhood, located in the City of Sacramento.
- B. The NTP was submitted to the City Council and the Housing Authority of the County of Sacramento Board in December 2013 and to HUD in January 2014
- C. The Authority issued a Request for Qualifications (RFQ) to determine the most qualified developer to assist in developing a housing program for the Twin Rivers – River District/Railyards neighborhood. On October 16, 2012, the Authority Board approved the selection of McCormack Baron Salazar (HA-2337) as the Housing Lead to implement the Twin Rivers – River District/Railyards Neighborhood Transformation Plan.
- D. On October 7, 2014, the Sacramento City Council allocated Community Development Block Grant (CDBG) funds in the amount of \$2,000,000 and on November 4, 2014 the Sacramento County Board of Supervisors allocated CDBG funds in the amount of \$950,000 to the project.
- E. On November 6, 2014, the HUD issued the Choice Neighborhoods Notice of Funding Availability (NOFA) for Implementation Grants for the Fiscal Year 2014 and 2015. Implementation Grants are intended to assist communities with a NTP to continue building the support necessary for the NTP to be successfully implemented.
- F. The NOFA identifies Public Housing Authorities as eligible Lead Applicants and requires a unit of local government to be a Co-Applicant.
- G. The Choice Neighborhoods Implementation Grant application is due to HUD by February 9, 2015.

- H. If awarded, the CNI Choice Neighborhoods Implementation Grant Implementation Grant will provide up to \$30 million per grant award toward implementation of the NTP. Subsequent City and County Housing Authority approvals will be required before the grant is accepted to allocate the funding and address the Authority's indemnity obligations for its activities as well as SHRA's actions on its behalf.
- I. The proposed action to apply for grant is 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. After due consideration of the facts presented and the environmental findings regarding this action, as stated above, have been found to be true and correct and are approved.

Section 2. The Housing Authority Budget is amended to allocate \$2,340,000 in 2002 Tax Exempt Low and Moderate Income Housing Bond Funds to the Twin Rivers (Dos Rios) Transit-Oriented Development (TOD) and Light Rail Station Initiative. This is consistent with the bond covenants and will increase and preserve the communities affordable housing stock.

Section 3. The Housing Authority Budget is amended to allocate \$1,292,000 in proceeds from the sale of 320 Commerce Circle to the 2014 Twin Rivers (Dos Rios) TOD and Light Rail Station Initiative.