

**Meeting Date:** 5/3/2016

**Report Type:** Consent

**Report ID:** 2016-00359

**Title:** Approval of 2016 One-year Action Plan Substantial Amendment and Disposition of 3601 Pansy Avenue

**Location:** Citywide

**Recommendation:** Pass 1) a Resolution: a) approving the One-Year Action Plan Substantial Amendment to defund completed/cancelled projects and allocate funds to new projects as outlined in Exhibit A and amending the Sacramento Housing and Redevelopment Agency budget; b) authorizing the Sacramento Housing and Redevelopment Agency to submit the 2016 One-Year Action Plan Substantial Amendment to the United States Department of Housing and Urban Development; c) authorizing the Sacramento Housing and Redevelopment Agency to enter into an agreement with municipalities to solicit and bid an Affirmatively Furthering Fair Housing Contract; d) approving disposition of 3601 Pansy Avenue to Alchemist CDC; e) authorizing the Sacramento Housing and Redevelopment Agency to enter an agreement with Alchemist CDC; and f) making environmental findings.

**Contact:** La Shelle Dozier, Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency

**Presenter:** None

**Department:** Sacramento Housing & Redevelopment Agency

**Division:**

**Dept ID:**

**Attachments:**

1-Description/Analysis

2-Resolution

3-Exhibit A (Proposed Reprogramming)

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### **City Attorney Review**

Approved as to Form

Sheryl Patterson

4/25/2016 9:57:14 AM

### **Approvals/Acknowledgements**

Department Director or Designee: La Shelle Dozier - 4/8/2016 10:51:03 AM

## Description/Analysis

**Issue:** Staff is requesting approval of a Substantial Amendment to the 2016 One-Year Action Plan and previous year's Action Plans as detailed in Exhibit A and requests authorization to submit the amended plan to the United States Department of Housing and Urban Development (HUD). The 2016 One-Year Action Plan was approved by Resolution No. 2015-0337 on October 27, 2015. The One-Year Action Plan outlines proposed priority activities and projects for the expenditure of Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grant (ESG) and Neighborhood Stabilization Program (NSP). Activities being defunded are those that have been completed, cancelled or funded through alternative sources. Newly funded activities are scheduled to be implemented and completed within six months to comply with federal regulations governing the timely expenditure of funds in the current year.

In order to develop a coordinated regional approach to addressing fair housing issues, including those that cross jurisdictional boundaries, staff is requesting approval to work with the Cities of Citrus Heights, Rancho Cordova, and Elk Grove to hire a consultant to prepare an Assessment of Fair Housing (AFH) to comply with the new Affirmatively Furthering Fair Housing (AFFH) Final Rule adopted by HUD on July 16, 2015. The new rule requires that HUD grant recipients incorporate the purposes and policies of the updated Fair Housing Act into their planning processes. HUD will provide additional data for communities to analyze which can be used to affirmatively address fair housing activities related to the expenditure of federal community development funds. The AFH, which is due on April 6, 2017, replaces the Analysis of Impediments process previously used to evaluate fair housing activities within a given community.

Staff is also requesting approval to dispose of 3601 Pansy Avenue to the Alchemist Community Development Corporation (CDC) for \$1.00 and enter into agreement with Alchemist CDC for development of a community use playground and garden. SHRA purchased the property through the Neighborhood Stabilization Program (NSP)-Vacant Properties Program and has determined that disposition of the property and development of the playground and garden is an eligible use under NSP as it meets the CDBG and NSP national objective of redeveloping vacant and blighted property with a project that benefits the community. The playground and garden will be operated and maintained for public use by Alchemist CDC and its partners. Use of the site must remain CDBG eligible and use restrictions will be placed on the property when it is deeded to the CDC.

In December 2014, SHRA assumed administration of the Emergency Repair Program (ERP) from Rebuilding Together. ERP provides grants for emergency repairs for low-income homeowners. To improve the efficiency of the program, staff is proposing to solicit bids and contract with a consultant to develop an online portal/database to make it easier for residents to apply for the program online and for staff to track and administer the program.

**Policy Considerations:** The proposed activities are consistent with the adopted Consolidated Plan and include assisting low- and moderate-income persons and areas with the following: community services, housing, facilities and services for homeless individuals, public improvements and facilities, economic development and planning activities.

The proposed AFFH activities ensure that SHRA and the City meet the legal requirement that federal grantees must further the purposes of the Fair Housing Act.

SHRA has determined that the 3601 Pansy Avenue project to transfer the property for a community playground and garden is an eligible activity and meets the requirements of CDBG and the NSP goal of revitalizing neighborhoods through strategic redevelopment of vacant properties. Consistent with HUD regulations and SHRA policies, disposition of a NSP property is required to be brought forward as part of a One-Year Action Plan or an Action Plan amendment.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** With the exception of the 3601 Pansy Avenue project, please refer to Exhibit A for environmental clearance information.

**California Environmental Quality Act (CEQA):** The disposition of 3601 Pansy Avenue is Categorically Exempt pursuant to CEQA Guidelines Section 15312. Development of the site with a playground, garden and related features is Categorically Exempt under CEQA pursuant to Guidelines Section 15303(d) and (e) and 15304.

**National Environmental Policy Act (NEPA):** Site specific environmental review is underway for the 3601 Pansy Avenue project.

**Sustainability Considerations:** The 2016 One-Year Action Plan and Consolidated Plan are consistent with the City's Sustainability Master Plan's Focus Area 5 – Public Health and Nutrition by improving residents' health, and providing a five-year planning document to improve health, nutrition, social and economic sustainability.

**Commission Action:** At its meeting of April 20, 2016, the Sacramento Housing and Redevelopment Commission held a public hearing on the Substantial Amendment to the 2016 One-Year Action Plan and previous year's Action Plans and recommended approval of the staff recommendation for this item. The votes were as follows:

AYES: Creswell, Griffin, Morgan, Raab, Rios, Staajabu

NOES: none

ABSENT: Alcalay, Johnson, Macedo, Painter, Simas

ABSTAIN: none

**Rationale for Recommendation:** As a condition of the receipt of various federal grants provided through HUD, the regulations require the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the upcoming year using the goals and priorities in the Consolidated Plan. In general, the purpose of the activities is to revitalize lower-income neighborhoods and to assist disadvantage populations by providing adequate public facilities and services, generate affordable housing opportunities and stimulate economic development. Newly funded activities are scheduled to be implemented and

completed within six months to comply with federal regulations governing the timely expenditure of funds in the current year.

HUD adopted the Affirmatively Furthering Fair Housing (AFFH) Final Rule on July 16, 2015, which requires that HUD grant recipients incorporate the purposes and policies of the Fair Housing Act into their planning processes and replaces the Analysis of Impediments with the new Assessment of Fair Housing (AFH), which is due April 6, 2017.

The 3601 Pansy Avenue project is an eligible activity and meets the requirements of CDBG and the NSP goal of revitalizing neighborhoods through strategic redevelopment of vacant properties

**Financial Considerations:** This report recommends amending the 2016 One-Year Action Plan and SHRA budget to reduce funding to existing CDBG activities and Unallocated Capital Reserve and allocate funds in the amount of \$1,403,377 to new and existing activities as detailed in Exhibit A.

**M/WBE/Local Business Enterprise (LBE), Section 3 and First Source Considerations:**

The One-Year Action Plan Substantial Amendment recommended in this report is administrative. Therefore; there are no M/WBE or Section 3 requirements. The First Source Program is not applicable to this report. City LBE will be applied to applicable activities to the extent required by City policies.

## RESOLUTION NO. \_\_\_\_\_

Adopted by the Sacramento City Council

on date of

**ADOPTING SUBSTANTIAL AMENDMENT TO 2016 ONE-YEAR ACTION PLAN AND PRIOR YEAR'S ACTION PLANS; AMENDING THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) BUDGET ACCORDINGLY; AUTHORIZATION TO SUBMIT THE SUBSTANTIAL AMENDMENT TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AUTHORIZATION FOR SHRA TO WORK WITH OTHER MUNICIPALITIES TO CONDUCT AN ASSESSMENT OF FAIR HOUSING; APPROVING DISPOSITION OF 3601 PANSY AVENUE PROPERTY AND AGREEMENT WITH ALCHEMIST CDC;; AUTHORIZATION TO EXECUTE RELATED DOCUMENTS; AND MAKE ENVIRONMENTAL RELATED FINDINGS**

- A. The U.S. Department of Housing and Urban Development (HUD) requires adoption of a Five-Year Consolidated Plan and an annual Action Plan, consistent with the Consolidated Plan, to identify the programs and projects for expenditure of federal Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grant (ESG) and Neighborhood Stabilization Program (NSP) funds.
- B. Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of City, has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME, ESG, HOPWA and NSP funding originating from HUD.
- C. On January 8, 2013, the 2013-2017 Consolidated Plan was adopted by the Housing Authority by Resolution No. 2013-0001 and by the City Council by Resolution No. 2013-0010.
- D. HUD adopted the Affirmatively Furthering Fair Housing (AFFH) Final Rule on July 16, 2015, which requires HUD grant recipients to incorporate the purposes and policies of the Fair Housing Act into their planning processes and replaces the Analysis of Impediments with the new Assessment of Fair Housing, which is due April 6, 2017.
- E. The Cities of Citrus Heights, Rancho Cordova and Elk Grove have elected to work with SHRA to perform the Assessment of Fair Housing required by AFFH Final Rule.
- F. In 2008, the Neighborhood Stabilization Program 1 (NSP1) was approved by City Council by Resolution No. 2008-691.

- G. SHRA purchased 3601 Pansy Avenue through the NSP1 Vacant Properties Program and has determined that disposition is an eligible use as it meets a CDBG low-mod area (LMA) national objective.
- H. Alchemist CDC desires to acquire the 3601 Pansy Avenue property to develop a community use playground and garden.
- I. The actions contained in this report regarding 3601 Pansy Avenue meet the Neighborhood Stabilization Program (NSP1) goal of revitalizing neighborhoods through strategic redevelopment of vacant properties.
- J. Community development grants from HUD that are administered directly by the recipient are required to secure environmental clearance. SHRA is designated as the agent for the City and County of Sacramento and is the general unit of local government for the purpose of environmental clearance on the City and County's behalf and on behalf of non-profit organizations which are sub-grantees for such grants.
- K. A noticed public hearing soliciting comments on the 2016 One-Year Action Plan Substantial Amendment was held by the Sacramento Housing and Redevelopment Commission on April 20, 2016.
- L. The disposition of 3601 Pansy Avenue property is Categorically Exempt pursuant to CEQA Guidelines Section 15312, surplus government property. Development of the site with a playground, garden and related features is Categorically Exempt under CEQA pursuant to CEQA Guidelines Sections 15303(d) and (e) and 15304, new construction of small structures and minor alterations to land. Site specific environmental review is underway for the purposes of complying with the National Environmental Policy Act.

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

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding these actions, as stated in the background above and Exhibit A, are found to be true and correct and are hereby adopted.
- Section 2. The 2016 One-Year Action Plan Substantial Amendment, to defund the activities and add the programs and projects set out in Exhibit A, is adopted.
- Section 3. SHRA is authorized to amend its budget to allocate funding in accordance with the amendment of the prior years' Action Plans as set out in Exhibit A.
- Section 4. The Action Plan Substantial Amendment revises the Analysis of Impediments to Fair Housing Choice to HUD's newly adopted Affirmatively Further Fair Housing (AFFH) Rule as described in Exhibit A.

- Section 5. SHRA is authorized to work with the regional partners, the Cities of Rancho Cordova, Elk Grove, and Citrus Heights, on behalf of the City of Sacramento and the County of Sacramento to hire a consultant to perform the required Assessment of Fair Housing.
- Section 6. SHRA is authorized to execute a Transfer Agreement and a Regulatory Agreement transferring the property located at 3601 Pansy Avenue (APN: 013-0352-007) with Alchemist CDC for \$1.00. The Transfer Agreement will specify the scope of work and schedule of performances related to the improvement of 3601 Pansy Avenue and the Regulatory Agreement will insure its use as a community playground and garden.
- Section 8. SHRA is authorized and delegated authority to act as agent on behalf of the City of Sacramento to submit the Substantial Amendment of the 2016 One-Year Action Plan and prior years' Action Plans to HUD; execute the subsequent grant agreements with HUD; and to execute agreements and contracts with the appropriate entities to carry out the CDBG, HOME, HOPWA, ESG and NSP programs and projects in accordance with the Action Plans. All such agreements shall be in compliance with applicable federal laws and regulations.
- Section 9. SHRA is authorized to make any budget adjustments and execute related documents, and agreements as necessary to carry out the federal programs as described in the 2016 One-Year Action Plan Substantial Amendment in compliance with applicable federal laws and regulations.

**City of Sacramento**  
**Amendment to 2016 Action Plan and Previous Year's Action Plans**

This report formally amends the 2016 Action Plan and previous year's action plans by augmenting existing and new projects within CDBG. Activities being defunded are those that have been completed, cancelled or funded through alternative sources. Newly funded activities are scheduled to be implemented and completed within six months to comply with federal regulations governing the timely expenditure of funds.

<b>Beginning CDBG Capital Reserve</b>	\$1,094,101
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<b>Defunded Activities for Previous Year's Action Plans</b>		
<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<b>Fourth Street Pedestrian Access Project Planning (2016):</b> Project scope reduced and funding reduced from \$300,000 to \$150,000. Reduced funds to be reprogrammed to Capital Reserve.	\$150,000	CDBG
<b>Veterans/Affordable Housing Rehabilitation Program (2015):</b> Project unidentified. Reduced funds to be reprogrammed to Capital Reserve.	\$250,000	CDBG
<b>Total</b>	<b>\$400,000</b>	

<b>Amended CDBG Capital Reserve</b>	\$1,494,101
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<b>2016 One-Year Action Plan Amendment</b>		
Defund Capital Reserve to fund activities listed below		
<b>Recommendation</b>		
<b>Mack Road and Valley Hi Drive Traffic Signal Upgrade:</b> Upgrades and safety improvements to intersection to address high collision incidents at this intersection. <i>Environmental review is complete. NEPA: Cat Ex per 24 CFR 58.35(a)(1). CEQA: Exempt per Guidelines Section 15301(c).</i>	\$400,000	CDBG
<b>El Camino and Clay Traffic Signal/Crosswalks:</b> Construct a new traffic signal, crosswalks and signage to improve safety for pedestrians, bicyclists and vehicles. <i>Environmental review is underway.</i>	\$300,000	CDBG
<b>Hite Park (5375 Valley Hi Drive):</b> Replace burned playground. <i>Environmental review is complete. Environmental review is complete. NEPA: Cat Ex per 24 CFR 58.35(a)(1). CEQA: Exempt per Guidelines Section 15302.</i>	\$300,000	CDBG
<b>4<sup>th</sup> Avenue Park (4040 4<sup>th</sup> Avenue):</b> Renovate playground. <i>Environmental review is complete. NEPA: Cat Ex per 24 CFR 58.35(a)(1). CEQA: Exempt per Guidelines Section 15302.</i>	\$200,000	CDBG
<b>Fair Housing:</b> Provides additional funds to further fair housing, including outreach, referral and other eligible activities to affirmatively further fair housing. <i>Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Not a project subject to review.</i>	\$105,000	CDBG
<b>Meals on Wheels:</b> To address cost of increase in meals and to bring contributions in line with surrounding jurisdictions. <i>NEPA: Cat Ex per 24 CFR 58.35(b)(2). CEQA: Not a project subject to review.</i>	\$56,377	CDBG
<b>3601 Pansy Avenue:</b> Dispose of property under NSP and develop a	\$32,000	NSP/CDBG

community space, play area, and gardens for community use as part of the CDBG program.		
<b>Emergency Repair Program Online Portal:</b> Hire consultant/company to help SHRA develop an online portal for the Emergency Repair Program. <i>NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Not a project subject to review.</i>	\$10,000	CDBG
<b>Total</b>	\$1,403,377	

<b>Remaining Capital Reserve</b>	\$90,724
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<b>Update of Previously Approved Project Descriptions</b>		
<b>Recommendation</b>	<b>Amount</b>	<b>Fund</b>
<b>Analysis of Impediments (2015):</b> Amended to incorporate Affirmatively Furthering Fair Housing (AFFH). HUD released the AFFH Final Rule on July 16, 2015 which requires HUD grant recipients to incorporate the purposes and policies of the Fair Housing Act into their planning processes and replaces the Analysis of Impediments with the new Assessment of Fair Housing (AFH).		
<b>Edgewater Electric Vehicle Charging Station (2016):</b> The title is amended to say “Electric Vehicle Charging Station” and the description now includes the Alder Grove community: Funding to construct and install battery electric vehicle (BEV) parking/charging stations at Alder Grove and Edgewater Housing Complex located at 630 I Street.		