REPORT TO LAW & LEGISLATION COMMITTEE
City of Sacramento

915 I Street, Sacramento, CA 95814-2671

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STAFF REPORT
June 17, 2008

Honorable Members of the
Law and Legislation Committee

Title: Legislation Position: Support if Amended AB 2494 Relating to Proposition 1C Funding for Park and Recreation Facilities

Location/Council District: Citywide

Recommendation: Staff recommends that the Law and Legislation Committee adopt a support if amended position on AB 2494.

Contact: Greg Sandlund, Assistant Planner, (916) 808-8931

Presenters: Greg Sandlund, Assistant Planner, Desmond Parrington, Infill Coordinator

Department: Planning Department, Parks and Recreation Department

Division: Long Range Planning

Organization No: 4912

Description/Analysis

Issue: Assembly Bill 2494, authored by Assembly Member Anna Caballero, would establish the Housing-Related Park Program, which would grant funds authorized by Proposition 1C for park and recreation facilities to qualifying jurisdictions that have issued building permits for affordable housing. The program would be administered by the Department of Housing and Community Development (HCD). To receive a grant, the City would need to meet all the following criteria:

1. Be critically underserved by park and recreation facilities based on criteria established by the State Department of Parks & Recreation (DPR);

2. Have an adopted housing element that HCD has found to be in substantial compliance with Section 65580 of the Government Code; and

3. Have issued building permits for a housing development that consists of newly constructed units that are affordable to low or very low income (80% of area median income or less) households.

Grants would not be competitive, but rather awarded proportionally to all qualified jurisdictions based on amount of the affordable housing units produced in a twelve month period. The bill would require that grants be used for park and recreation facility creation, development or rehabilitation. Additionally the funding must be for a project meeting minimum park standards, and be located in an area that is "critically underserved" by park and recreation facilities.

While staff supports the concept of a Housing-Related Parks Program, a key criterion for determining funding is vague and undefined. The bill states that only jurisdictions that are "critically underserved" by park and recreation facilities would qualify for funding. Staff would like to have the bill be amended to clarify the criteria for "critically underserved" in order to ensure the City is eligible to receive these funds. Staff recommends that "critically underserved" be defined by the following two criteria:

1. A city or county has not met its adopted standard for adequate park facilities (e.g. a Quimby ordinance requirement of five or three acres per one thousand persons); and
2. A city or county has at least one area that does not have an existing park within a ½ mile radius of residential development.

Staff recommends taking a "support if amended" position on this legislation in the hope that our recommended criteria (above) be incorporated into future incarnations of the bill.

Policy Considerations: If amended, this bill would be consistent with City's Smart Growth principles, by helping to "provide innovative parks and recreational facilities for all of Sacramento's existing and new neighborhoods."

Environmental Considerations: None.

Committee/Commission Action: None.

Rationale for Recommendation: Staff supports the concept of the Housing-Related Parks program because it could provide additional, much needed funding for areas that are in need of parks and recreation facilities. City Parks and Planning Staff recommend support of AB 2494 if it is amended and clarified to ensure the City is eligible for such funding.

Financial Considerations: None

Emerging Small Business Development (ESBD): None

June 17, 2008

Respectfully Submitted by: _____
Greg Sandlund
Assistant Planner

Approved by: _____
Thomas S. Pace
Long Range Planning Manager

Recommendation Approved:

for Patti Bishard

RAY KERRIDGE
City Manager

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Attachment 1 - Draft Letter of Support

June 17, 2008

Assembly Member Caballero
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0028

RE: Support AB 2494 if Amended - Proposition 1C Funding for Park and Recreation Facilities

Assembly Member Caballero:

On behalf of the City of Sacramento, I am writing to inform you that we have taken a support if amended position for AB 2494 relating to Proposition 1C funding for parks and recreation facilities. This bill would establish the Housing-Related Park Program, which would grant funds authorized by Proposition 1C for park and recreation facilities to qualifying jurisdictions that have issued building permits for affordable housing. AB 2494 would reward the City and other jurisdictions for responsible affordable housing planning and production by providing critical funding for our park and recreation facilities.

While we support and appreciate the intent of this bill, our concern is that the language in the bill is not adequately clear for us to determine whether Sacramento, or other jurisdictions, could qualify for the funding. As the bill is currently written, it would allow jurisdictions that are "critically underserved" by park and recreation facilities to receive grant funding. The bill states that criteria for defining "critically underserved" will be developed by the Department of Parks and Recreation. We feel such criteria should be put in the bill and suggest a jurisdiction be determined "critically underserved" by park and recreation facilities based on the following criteria:

1. A city or county has not met its adopted standard for adequate park facilities (e.g. a Quimby ordinance requirement of five or three acres per one thousand persons); and
2. A city or county has at least one area that does not have an existing park within a ½ mile radius of residential development.

Thank you for introducing this important piece of legislation. We hope you will address our concerns and include our recommended criteria in future incarnations of the bill.

Sincerely,

Sandy Sheedy, Chair
Law and Legislation Committee

cc: Senator Dave Cox
Senator Darrell Steinberg
Assembly Member Dave Jones
Assembly Member Alan Nakanishi
Assembly Member Roger Niello
Mayor Fargo and Members of the City Council
Members and Consultant, Senate Local Government Committee
Members and Consultant, Senate Transportation and Housing Committee
David Jones, Emanuels and Jones and Associates

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL No. 2494

Introduced by Assembly Member Caballero

February 21, 2008

An act to add Chapter 8 (commencing with Section 50700) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL S DIGEST

AB 2494, as introduced, Caballero. Housing-Related Parks Program.

The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds in the amount of $2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. The act establishes the Housing and Emergency Shelter Trust Fund of 2006 in the State Treasury, requires the sum of $200,000,000 to be deposited in the Housing Urban-Suburban-and-Rural Parks Account, which the act establishes in the fund, and makes the money in the account available, upon appropriation, for housing-related parks grants in urban, suburban, and rural areas, subject to the conditions and criteria that the Legislature may provide in statute.

This bill would establish the Housing-Related Parks Program under the administration of the Department of Housing and Community Development. The bill would require the department to use funds allocated from the account, upon appropriation by the Legislature, to provide grants, in conjunction with the Department of Parks and Recreation, for the creation, development, or rehabilitation of park and recreation facilities, to cities, counties, and cities and counties that meet

certain criteria and issue building permits for housing developments consisting of newly constructed units that are affordable to very low or low-income households.

The bill would require the department to adopt guidelines for the program, which would be exempt from the procedural requirements for the adoption of regulations. The department would be authorized to enter into an interagency agreement with the Department of Parks and Recreation to assist in the administration of the program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 8 (commencing with Section 50700) is
2 added to Part 2 of Division 31 of the Health and Safety Code, to
3 read:
4
5 CHAPTER 8. HOUSING-RELATED PARKS PROGRAM
6
7 50700. There is hereby established in state government the
8 Housing-Related Parks Program, to be administered by the
9 department, using funds allocated, upon appropriation, under
10 subdivision (d) of Section 53545, for the purpose of providing
11 grants for the creation, development, or rehabilitation of park and
12 recreation facilities to cities, counties, and cities and counties that
13 issue building permits for housing developments consisting of
14 newly constructed units that are affordable to very low or
15 low-income households.
16 50702. (a) To the extent that funds are available for this
17 purpose, the department, in conjunction with the Department of
18 Parks and Recreation, shall provide grants under this chapter to
19 any city, county, or city and county that meets all of the following
20 criteria:
21 (1) The jurisdiction shall be critically underserved by park and
22 recreation facilities, based on criteria established by the Department
23 of Parks and Recreation.
24 (2) On or before the end of the period covered by the Notice of
25 Funding Availability required under subdivision (b), the jurisdiction
26 has adopted a housing element that the department, pursuant to
27 Section 65585 of the Government Code, has found to be in

substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, and the jurisdiction has submitted to the department the annual progress report required under Section 65400 of the Government Code within the preceding 12 months.

(3) The jurisdiction has issued a building permit for a housing development that consists of newly constructed units that are affordable to very low or low-income households within the designated time period and that meets either of the following criteria:

(A) In the case of rental units, the development is subject to a regulatory agreement recorded against the property that obligates the owner to maintain rents on the restricted units at levels affordable to very low or low-income households for at least 55 years.

(B) In the case of ownership housing, units in the development are initially sold to households of very low or low income at an affordable housing cost. If public funds are used to achieve an affordable housing cost, then upon the sale of an assisted unit to a low- or very low income household, the public entity shall ensure the repayment of the public funds and reuse of those funds for affordable housing for a period of at least 20 years. The proposed mechanism for restrictions of ownership units shall be consistent with criteria established by the department and specified in the Notice of Funding Availability.

(b) For each year that funds are available, the department shall issue a Notice of Funding Availability to cover permits issued during the designated time period. The department shall accept applications at the close of the designated period. Grant amounts shall be determined as a per-bedroom incentive for each unit restricted for very low and low-income households. For the purposes of this section, single-room occupancies and studio apartments shall be considered as one-bedroom units. The grant for very low income units shall be greater than the grant for low-income units. If the eligibility for funds exceeds the amount of funding available for this program, the department shall reduce all qualifying grant amounts proportionally.

(c) (1) Additional bonus funds may be awarded for any of the following:

(A) Qualifying units affordable to very low and low-income households developed in infill projects.

(B) Jurisdictions that have met or exceeded housing production thresholds established by the department, in consultation with the Department of Finance.

(C) Qualifying units affordable to extremely low-income households.

(2) (A) For the purposes of this program, an infill project means a residential or mixed-use residential project located within an urbanized area on a site that has been previously developed, or on a vacant site where at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.

(B) A property is adjoining the side of a project site if the property is separated from the project site only by an improved public right-of-way.

(C) "Urbanized area" means an incorporated city or an urbanized area or urban cluster as defined by the United States Census Bureau. For unincorporated areas outside of an urban area or urban cluster, the area must be within a designated urban service area that is designated in the local general plan for urban development and is served by public sewer and water.

(D) "Urban uses" mean any residential, commercial, industrial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

(3) The amount of the bonus grants to be awarded shall be established in the Notice of Funding Availability.

50704. (a) Grants provided pursuant to this chapter shall be used for the costs of park and recreation facility creation, development, or rehabilitation, including, but not limited to, the acquisition of land for the purposes of those activities, consistent with the requirements set forth in Section 16727 of the Government Code.

(b) To be eligible for funding, the park or recreation facility for which grant funds will be used shall meet minimum standards based on criteria established by the Department of Parks and Recreation.

(c) To be eligible for funding, the park or recreation facility for which grant funds will be used shall have a primary service area that is critically underserved by park and recreation facilities, based on criteria established by the Department of Parks and Recreation.

(d) The department shall adopt guidelines for the operation of the program. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(e) The department may deny funding to any jurisdiction that it determines, based on reasonable evidence, failed to issue permits for qualifying residential units on a timely basis, as set forth in the guidelines established under subdivision (d).

(f) The department may enter into an interagency agreement with the Department of Parks and Recreation to assist in the administration of the program.

(g) A grantee may contract with another entity to complete the park or recreation facility project for which it has received funds.

(h) Funds awarded pursuant to this section shall supplement, not supplant, other available funding.

50706. For the purposes of this chapter "park and recreation facility" includes, but is not limited to, places for organized team sports, outdoor recreation, and informal turf play; nonmotorized recreational trails; permanent play structures; landscaping; community gardens; places for passive recreation, enjoyment of scenic open space, nature appreciation and study, and outdoor education; multipurpose structures designed to meet the special recreational, educational, vocational, and social needs of youth, senior citizens, and other population groups; recreation areas created by the redesign and retrofit of urban freeways; community swim centers; regional recreational trails; and infrastructure and other improvements that support these facilities.

50708. (a) Every applicant for a grant pursuant to this chapter and the entity that will operate and maintain the property for which grant funds will be used, if that entity is different than the applicant, shall agree to comply with all of the following requirements:

(1) To operate and maintain the property developed pursuant to this chapter so that it is usable by residents of the targeted critically underserved community. With the approval of the Department of Parks and Recreation, the grant recipient, or its successor in interest in the property, may transfer its property interest and the responsibility to operate and maintain the property, in accordance with the terms of the grant and any applicable law, to a public agency or nonprofit organization that is able to operate

1 and maintain the property in perpetuity. Any attempt to make a
2 transfer in violation of this subdivision is void.
3 (2) To use the property only for the purposes for which the grant
4 was made and to make no other use or sale or other disposition of
5 the property, except as authorized by specific act of the Legislature.
6 If the use of the property is changed to a use that is not permitted
7 by the terms of the grant, or if the property is sold or otherwise
8 disposed of, the grant recipient shall reimburse the state an amount
9 equal to the amount of the grant, the fair market value of the land
10 and any improvements constructed with the grant, or the proceeds
11 from the sale or other disposition, whichever amount is greatest.
12 If the property that is sold or otherwise disposed of is less than the
13 entire interest in the property funded with the grant, the grant
14 recipient shall reimburse the state an amount equal to either the
15 proceeds from the sale or other disposition of the interest or the
16 fair market value of the interest sold or otherwise disposed of,
17 whichever amount is greater.
18 (b) In lieu of seeking reimbursement pursuant to paragraph (2)
19 of subdivision (a), the Department of Parks and Recreation may
20 impose restrictions on the use of public park property identical to
21 the requirements for the preservation of public parks set forth in
22 the Public Park Preservation Act of 1971 (Chapter 2.5
23 (commencing with Section 5400)) with respect to any property
24 used, sold, or otherwise disposed of in a manner not permitted by
25 the terms of the grant.

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