REPORT TO COUNCIL
City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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CONSENT
March 13, 2007

Honorable Mayor and
Members of the City Council

Title: Workforce Housing Reward Grant Application

Location/Council District: Northwest side of the Broadway and Martin Luther King Jr. Boulevard intersection (Council District 5) and the northwest corner of Casa Linda Drive and 24th Street (Council District 8)

Recommendation:

The Planning Department, Department of Transportation, and Parks and Recreation Department Staff recommend that Council approve the attached Resolution authorizing the application for additional state grant funding for intersection improvements at Broadway and Martin Luther King Jr. Boulevard and the development of Steve Jones Park in the Meadowview neighborhood.

Contact: Susanne Cook, Associate Planner, 808-5375 (Planning Department); Desmond Parrington, AICP, Infill Coordinator, 808-5044 (Planning Department); Ryan Moore, Associate Civil Engineer, 808-8279 (Department of Transportation); JP Tindell, Parks Planning and Development Manager, 808-1955 (Department of Parks and Recreation)

Presenters: Not applicable

Department: Planning

Division: New Growth/Infill

Organization No: 4912

Description/Analysis

Issue: The City is eligible to apply for funding from the State Workforce Housing Reward Grant Program (WFH Grant), which is a three-year, statewide, non-competitive, formula-based grant for local governments with state-certified housing elements. Grant awards for this round are based on the level of affordable housing production.

Funding received from this grant will be used on projects that meet the City's Infill Strategy goal of promoting quality infill projects. In addition, the selected projects must meet the criteria outlined in the WFH Grant. The WFH Grant requires that the project must result in the construction or acquisition of a capital asset and provide a community benefit. Capital assets, as defined in

Government Code, Section 16727, must meet at least one of four criteria that includes: 1) project will be a tangible physical property, 2) major work that continue or enhances the useful life of a capital asset, 3) equipment with an expected useful life of two years or more, or eligible soft costs directly related to the construction, rehabilitation, or 4) acquisition of a capital asset project.

Staff has determined that the City is eligible to receive approximately $1.8 million. However, the final amount depends on the number of applicants for the grant and may be less than $1.8 million. In the past, the City has received between $800,000 to $900,000.

The projects selected for the 2006 WFH grant are to include:

Broadway and Martin Luther King Jr. Intersection Improvements

- Reconstruction of the existing sidewalk on the northwest side of the intersection from rolled to vertical curb
- Construction of a bike lane
- Application of slurry seal
- Re-striping of travel and bike lanes

Steve Jones Park

- Construction of children's play area, landscaping, and other amenities

Anticipated costs of the northwest Broadway and Martin Luther King Jr. Boulevard intersection improvements are approximately $300,000. The remaining funds from the WFH Grant will be allocated to the construction of Steve Jones Park, including amenities such as a children's play area and landscaping. The grant funds would allow the City to complete most of the park construction in the first phase rather than in later phases.

Policy Considerations: The recommended action advances the City's goal to achieve sustainability and livability and advances the new General Plan's Vision and Guiding Principles to provide quality public services, facilities, and infrastructure that are distributed equitably throughout the city and use the existing assets of infrastructure and public facilities to increase infill and re-use, while maintaining important qualities of community character.

In addition, the recommended action supports the major goals and policies of the Infill Strategy which are to: 1) promote infill development, rehabilitation, and reuse that contributes positively to the surrounding area and assists in meeting neighborhood and other City goals; 2) provide improvements to infrastructure to allow for increased infill development potential; and 3) provide focused incentives and project assistance to assist in infll development in target areas and sites.

Committee/Commission Action: None

Environmental Considerations: The Workforce Housing Reward Grant

Application is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3). These are activities covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The individual projects to be funded by the Workforce Housing Reward Grant will undergo CEQA review.

Rationale for Recommendation: As the grant will be rewarded to all eligible applicants, some funding is guaranteed. The Workforce Housing Reward Grant will provide needed funding for projects to benefit and enhance the community's quality of life.

Financial Considerations: The Resolution authorizes City Staff to apply for and execute an agreement with the State for an estimated $1.8 million from the State's Workforce Housing Reward Grant Program. The precise and final amount will depend on the level of eligible jurisdictions competing for state funds. There are no City matching requirements.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Respectfully Submitted by: _____
Desmond Parrington, AICP
Infill Coordinator

Approved by: _____
Carol Shearly
Director of Planning

Recommendation Approved:

_____
Ray Kerridge
City Manager

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ATTACHMENT 1

BACKGROUND – WORKFORCE HOUSING REWARD PROGRAM

On May 14, 2002, the City Council adopted Resolution 2002-279, the Infill Strategy, and directed Staff to pursue the State Workforce Housing Reward Program (WFH) grant to support infill development and neighborhood revitalization.

The WFH is a three-year, statewide, non-competitive formula-based grant for local jurisdictions and is overseen by the State Housing and Community Development Department (HCD). Over the past three years, the City has received between $800,000 and $900,000 each year from the grant. In the past, the City has spent this money, as well as Jobs-Housing Grant Program funds to support the following projects: 1) Globe Mills mixed-use housing project (District 1); 2) streetscape improvements on Del Paso Boulevard (District 2) and 65th Street (District 3); 3) street lighting at Tahoe Park (District 6) and in Midtown (District 3); 4) development of pocket parks in South Natomas (District 1); 5) water conservation and other park improvements to several parks throughout the city; 6) combined sewer infrastructure improvements in the R Street corridor to assist housing development there (District 4); and 7) park acquisition in the R Street Corridor (District 4).

Calendar year 2006 is the third and final round of the WFH program. WFH has approximately $23 million available to California jurisdictions for projects that result in the construction or acquisition of a capital asset and provide a community benefit. Capital asset projects are defined in Government Code Section16727.

The grant amount awarded is determined based on the number of low- to very low-income housing projects that received building permits in calendar year 2006, land use approvals in calendar year 2004 or later, and the number of jurisdictions that apply for the grant. Based on building permits issued in 2006, the City is eligible for up to $1.8 million, though the actual reward will be less.

ATTACHMENT 2

RESOLUTION NO.

Adopted by the Sacramento City Council
March 13, 2007

WORKFORCE HOUSING REWARD PROGRAM GRANT APPLICATION

BACKGROUND

A. On May 14, 2002, the City Council adopted Resolution 2002-279, the Infill Strategy, and directed Staff to pursue the State Workforce Housing Reward Program (WFH) grant to support infill development and neighborhood revitalization.

B. The WFH is a three-year, statewide, non-competitive formula-based grant for local jurisdictions and is overseen by the State Housing and Community Development Department (HCD).

C. Calendar year 2006 is the third and final round of the WFH program. WFH has approximately $23 million available to California jurisdictions for projects that result in the construction or acquisition of a capital asset and provide a community benefit. Capital asset projects are defined in Government Code Section16727.

D. The grant amount awarded is determined based on the number of low- to very low-income housing projects that received building permits in calendar year 2006, land use approvals in calendar year 2004 or later, and the number of jurisdictions that apply for the grant.

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

Section 1. Staff is hereby authorized and directed to apply for and submit to HCD the December 2006 application package for the WFH program. If the application is approved, Staff is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (the "Standard Agreement"), and any and all other documents required or deemed necessary or appropriate to secure a WFH Grant from HCD, and all amendments thereto (collectively, the "WFH Grant Documents").

Section 2. The City shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented

in the application are enforceable through the Standard Agreement. The City hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by HCD and in accordance with the Notice of Funding Availability (NOFA) and Program Guidelines and application package.

Section 3. The Director of Planning is authorized to execute in the name of the City, the application package and the WFH Grant Documents as required by HCD for participation in the WFH Program.

Section 4. Staff is directed to allocate WFH grant funds to the northwest Broadway and Martin Luther King Jr. intersection improvements and the construction of Steve Jones Park, including amenities such as a children's play area and landscaping.