



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO City Council
City of Sacramento**
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
September 9, 2008

**Honorable Mayor and
Members of the City Council**

**Title: Authority to Act as Unit of General Local Government for Environmental Review
of the U.S. Department of Housing and Urban Development (HUD) Grants**

Location/Council District: N/A

Recommendation: Adopt a **City Resolution:** 1) Authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to act as general unit of government for environmental review of US Housing and Urban Development (HUD) grants; 2) authorizing the SHRA Interim Executive Director or designee to execute agreements with appropriate entities to carry out the environmental review for HUD grants; 3) authorizing SHRA to charge and receive fees for environmental services provided to non-profit entities.

Contact: Gregory H. Wessel, Assistant Director, Housing & Community Development, 440-1346; Geoffrey M. Ross, Program Manager, Housing & Community Development, 440-1357

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Federal Government requires non-profit entities who apply for community development grants to identify a local unit of government who can conduct an environmental review, complete Finding of No Significant Impact (FONSI), and Request for Release of Funds (RROF) to HUD on their behalf. As the City's administrator of Community Development Block Grants (CDBG), SHRA typically conducts environmental review, completes FONSI and submits RROF to HUD on the City's behalf.

Policy Considerations: The recommended actions in this staff report are consistent with SHRA policies and no new policies are being recommended.

Environmental review of HUD grants to third parties

Environmental Considerations:

California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA): The proposed action is exempt from environmental review based on the specific CEQA and NEPA exemptions:

Administrative and management activities – NEPA per 24 CFR 58.34(a)(3) and CEQA per Guidelines Section 15378 (b)(2).

Sustainability Considerations: The activity in this report has 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 Goal number five – Public Health and Nutrition, item 3 – Create Healthy Urban Environments through Restorative Redevelopment.

Committee/Commission Action: At its meeting on August 20, 2008, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Burruss, Chan, Coriano, Dean, Fowler, Mohr, Morgan, Shah, Stivers

NOES: None

ABSENT: Gore, Otto

Rationale for Recommendation: As a condition of the receipt of the Economic Development Initiative (EDI) and Self-help Homeownership Opportunity Program (SHOP) grants provided through HUD, a FONSI and a RROF are required. Non-profit entities cannot act on their own behalf in submitting environmental clearance documentation. To complete and submit an RROF to HUD, environmental clearance must be certified by the Unit of General Local Government. SHRA currently administers the City of Sacramento's community development grants originating from HUD; accordingly, HUD has requested SHRA to act as Unit of General Local Government and complete the environmental requirements on behalf of the non-profits receiving the grants.

Financial Considerations: The non-profit organizations receiving the grants will be responsible for all expenses relating to the environmental process. SHRA's fee, to be paid by each applicant, will be \$850 based on the average hourly staff costs and costs of publication for notices.

September 9, 2008

Environmental review of HUD grants to third parties

M/WBE Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by: 
LA SHELLÉ DOZIER
Interim Executive Director

Recommendation Approved:


for RAY KERRIDGE
City Manager

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Background

Sacramento Housing and Redevelopment Agency (SHRA) has been asked to complete a Finding of No Significant Impact (FONSI) and a Request for Release of Funds (RROF) for a Self-Help Homeownership Opportunity Program (SHOP) grant and Economic Development Initiative (EDI) grant for two local non-profit organizations.

The SHOP grant is being awarded to Habitat for Humanity to construct 14 2-story single family homes. The SHOP program requirements provide that no activity or project may be undertaken until all required environmental reviews and notifications have been completed by a unit of general local government, tribe or state.

The EDI grant is being awarded to Stanford Settlement Neighborhood Center to construct a new Teen Center. While this program complements the Community Development Block Grant (CDBG) program, the City has not explicitly delegated authority to administer EDI grants to SHRA for the current year. This authority is generally delegated via the consolidated plan and/or the annual budget.

As a joint powers agency, SHRA may exercise only those powers delegated to it by the constituent entities. In the absence of explicit authority, the Agency is requesting authority from the City Council to conduct such environmental review via a staff report.

Environmental review of HUD grants to third parties

RESOLUTION NO. 2008 -

Adopted by the Sacramento City Council

on date of

AUTHORITY TO ACT AS UNIT OF GENERAL LOCAL GOVERNMENT FOR ENVIRONMENTAL REVIEW OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) GRANTS

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (Agency) annually serves as the designee for the City of Sacramento to administer community development grants originating from the US Department of Housing and Urban Development (HUD).
- B. The Economic Development Initiative and the Self-help Homeownership Opportunity Program are one-time community development grants from HUD that pass through HUD and the local unit of government to be administered directly by the recipient.
- C. Nonprofit recipients of HUD grants are not authorized to submit a determination of environmental clearance on their own behalf.

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 this action are approved.
- Section 2. The Agency is authorized to act as Unit of General Local Government for environmental review of the HUD grants.
- Section 3. The Agency is authorized to execute agreements with appropriate entities to carry out the environmental review for HUD grants.
- Section 4. The Agency is authorized to charge and receive fees for environmental services provided to non-profit entities in connection with environmental review for HUD grants.

CONTRACT FOR REIMBURSEMENT OF ENVIRONMENTAL REVIEW COSTS

Date

AS OF THE ABOVE-WRITTEN DATE, AND IN CONSIDERATION OF THEIR MUTUAL OBLIGATIONS, THE GRANTEE AND AGENCY (DEFINED BELOW) ENTER INTO THIS "CONTRACT" AND AGREE AS FOLLOWS:

RECITALS.

- A. Grantee has been awarded a grant from a program administered by the Department of Housing and Urban Development ("HUD") for a project which will _____ ("Project").
- B. The Project will advance the mission of the Agency to develop affordable housing and oversee residential and commercial revitalization activities or provide necessary community development or economic development services in the City of Sacramento by _____.
- C. HUD requires that the Grantee obtain environmental review and notifications for the Project pursuant to the National Environmental Policy Act ("NEPA") from the unit of local government. The Agency is charged with the responsibility for administering the City of Sacramento's community development grants originating from HUD and has been delegated authority from the City to conduct environmental review of HUD grants to nonprofit groups.
- D. In order to ensure that the Agency's use of public funds to perform the environmental review do not unduly benefit a private party in violation of California law, the Grantee has agreed to reimburse the Agency for all costs of completing the environmental review of the Project and requesting release of funds from HUD.

AGREEMENT

GENERAL. This Contract includes the Recitals, this Agreement, and the Exhibits referenced below, which are attached and incorporated into this Contract by this reference.

ARTICLE I DEFINITIONS AND SPECIFIC TERMS.

This Contract is comprised of this Article I Definitions and Specific Terms, Article II General Contract Provisions, and the Exhibits and Attachments referenced in this Article I.

1. "Agency" and Agency's name and address for its principal place of business are the following:

| PARTY NAME | ADDRESS |
|---|--------------------------------------|
| Sacramento Housing and Redevelopment Agency | 630 I Street Sacramento, CA 95814 |

“Grantee” and Grantee’s name and address for its principal place of business are the following:

| PARTY NAME | ADDRESS |
|------------|---------|
| | |
| | |

Grantee is the organized as the legal entity selected immediately below and organized in Grantee’s State of Organization.

| | | |
|--|--|--|
| <input type="checkbox"/> Sole Proprietor/Individual(s) | <input type="checkbox"/> Corporation | <input type="checkbox"/> General Partnership |
| <input type="checkbox"/> Nonprofit Corporation | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Limited Liability Partnership | <input type="checkbox"/> Public Contractee | <input type="checkbox"/> Other: |
| <input type="checkbox"/> “Grantee’s State of Organization” | | |

2. “Attachments” for this Contract are the following, which are incorporated in this Contract as if included in full in the body of this document:

| ATTACHMENT NUMBER | DESCRIPTION OF ATTACHMENT (Attachments that are blank, marked N/A or stricken are not included) |
|-------------------|---|
| 1 | Contract Provisions (This Contract is invalid without the Contract Provisions attachment) |
| | |

Unless expressly stated otherwise the Attachments shall supersede any provisions of this Contract with which they conflict.

3. “Scope of Work” for this Contract is the following:

| “PERFORMING PARTY” | “TASK/OBLIGATION”: | “LOCATION” | “ESTIMATED COMPLETION TIME” |
|--------------------|---|--------------------|-----------------------------|
| Agency | Review and comment on Developer environmental documents | City of Sacramento | |
| Agency | Publish required notices | City of Sacramento | |
| Agency | Complete necessary environmental review forms and submit the forms to HUD | City of Sacramento | |
| | | | |

4. “Deposit” is the estimated amount required to complete the Scope of Work under this Contract. Grantee shall deliver to Agency the amount set forth below. Agency may expend the Deposit solely for: (1) reimbursement of all Agency costs related to this Contract; and (2) all third-party fees, costs and expenses related to this Contract (“Third Party Costs”). Agency Costs shall be fixed at Eight Hundred Fifty Dollars (\$850). Fifteen days prior to any such expenditures, Agency shall provide the Developer with a schedule of anticipated expenditures for the Third Party Costs. The parties anticipate that Agency Costs and Third Party Costs will not exceed the Deposit.

If the actual expenditures of Third Party costs exceed the anticipated amount, the parties shall meet and confer with respect to the budget for such costs, and Agency is not obligated to continue with the activities covered under the Scope of Work until Grantee has deposited such additional funds as may reasonably be needed to pay such remaining Third Party Costs. It is agreed and understood that the required Deposit is a Deposit only, and that to the extent that the Third Party Costs of the Scope of Work exceed the Deposit, Grantee is responsible for the payment of any and all such additional costs.

If the Agency declines to approve the environmental documents for the Project, Agency will refund to Grantee the Deposit remaining after deduction of all Agency Costs and payment of all Third Party Costs incurred to the date of the Agency's decision.

| | |
|------------------------------------|-------|
| AGENCY COSTS | \$850 |
| ESTIMATED THIRD PARTY COSTS | \$ |
| TOTAL DEPOSIT | \$ |

5. "Insurance Requirements" are described in Article II of this Contract. Grantee shall obtain insurance coverage for the Project in the following amounts unless marked as "Requirements waived."

| TYPE OF INSURANCE | REQUIREMENTS WAIVED (if marked) | MAXIMUM ALLOWABLE DEDUCTIBLE | MINIMUM INSURANCE COVERAGE |
|--|--|---|---------------------------------------|
| Comprehensive general liability coverage including, without limitation, coverage for contractual liability, public liability and property damage | | \$25,000.00 | \$1,000,000.00 |

THIS CONTRACT IS EXECUTED in Sacramento, California as of the date first above written.

GRANTEE

By:

AGENCY

Sacramento Housing and Redevelopment Agency

By:

LaShelle Dozier
Interim Executive Director

Approved as to form: _____

Agency Counsel

Attachment 1: Contract Provisions

1. **CONTRACT CONTENTS, PRECEDENCE AND DEFINITIONS.** The Contract consists of the Contract document and all of the Attachments named in the Contract. Except for matters required by law or expressly stated otherwise, the provisions of the attachments supersede any provisions of the body of the contract with which they conflict. Unless otherwise defined in this Attachment 1, capitalized terms shall have the definitions stated in the Contract.

2. **CONTRACT TERM.** The "Contract Term" shall begin on the date of the Contract and shall end upon HUD's issuance of Authorization to Use Grant Funds or upon completion of all services, whichever shall first occur. Certain of the Contract requirements, as expressly stated in this Contract, shall survive the completion or termination of the Contract.

3. **TIME OF PAYMENT.** Grantee shall provide Deposit to Agency prior to Agency taking any action or incurring any costs pursuant to this Contract.

4. **NO LEGAL ADVICE.** Grantee acknowledges that any work done pursuant to this Contract is not offered or intended as legal advice. Grantee will consult its own attorneys before relying on any representation made by Agency pursuant to this Agreement.

5. **INDEMNIFICATION.** Grantee shall indemnify, save harmless and defend the Agency, the Agency's officers, directors, commissioners, advisory committee members, agents, and employees from liability, claims, demands, attorney's fees and litigation and related costs, including without limitation, court costs and investigator, witness, arbitrator and mediator fees, for any injury or damages to persons or property resulting from Agency's prosecution of work under the Contract, or otherwise related to this Contract, whether caused, in whole or part, by an intentional act, negligent act or omission by Agency, its officers, employees, or agents acting within the scope of their authority. This provision shall survive the termination of the Contract.

6. **INSURANCE COVERAGE REQUIREMENTS.** During the Contract Term, Grantee must maintain the following insurance coverage from insurance providers licensed to do business in California and having an industry rating that is reasonably acceptable to Agency. Failure to maintain the required insurance is a material breach of this Contract. Before Agency begins any work under this Contract, Grantee must provide Agency with certificates of insurance or copies of the insurance policies demonstrating the required coverage, and the required endorsements naming Agency as an additional insured. Grantee must assure that such certificates and endorsements are in a form reasonably acceptable to the Agency and reflect fulfillment of all of the requirements of this Contract. Grantee must assure that the coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the Agency of the pending cancellation. Grantee must mark such notice to the attention of the Agency's Procurement Services Office at the following address:

SACRAMENTO HOUSING & REDEVELOPMENT AGENCY
320 Commerce Circle – Procurement Services (PS)
Sacramento, California 95815

a) The required insurance coverage is the following: (i) One Million Dollars (\$1,000,000) or more of comprehensive general liability coverage including, without limitation, coverage for contractual liability, public liability and property damage and having a deductible of Twenty-five Thousand Dollars (\$25,000) or less. The general liability policy shall be endorsed to name the Agency as an additional insured.

b) Grantee is in material breach of this Contract for so long as Grantee fails to maintain all of the required insurance. Agency has the right, but not the obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Upon Agency's demand, Grantee must immediately reimburse Agency for any and all costs incurred by Agency in so obtaining or maintaining insurance. If Agency does incur such costs, Agency shall have the right to deduct such amount from the Deposit.

7. **TERMINATION OF CONTRACT.** Either Party may terminate this Contract, at any time and without cause, by a notice in writing from the terminating party to the other party. In the event of termination, Agency shall return the Deposit remaining after deduction of all Agency Costs and payment of all Third Party Costs incurred up to the date of termination.

8. **COMPLIANCE WITH LAWS.** Agency will comply with all applicable laws, ordinances and codes of the federal, state and local governments in performing any of the work embraced by this Contract.

9. **GRANTEE COOPERATION.** Grantee will reasonably cooperate with Agency regarding this Contract. Grantee must furnish to Agency all pertinent information that Grantee may possess during the time of performance of Agency's duties under this Contract, including, without limitation, writings, data, plans, brochures, forms, surveys, reports, lists, records, maps, photographs, and other information.

10. **CONTRACT CONSTRUCTION AND ENFORCEABILITY.** The existence, validity, construction and operation of this Contract, and all its representations, terms and conditions shall conform to the laws of the State of California, exclusive of its conflicts of law rules. Throughout this contract, the use of singular and plural forms, or the various gender forms, shall each include the other as the context may indicate. If any provision of this Contract is held in whole or in part to be unenforceable for any reason, the remainder of that provision and the entire Contract will be severable and remain in effect.

11. **NOTICES.** Any notices, bills, invoices, or reports required by this Contract shall be sufficient if sent by the parties in the United States mail, postage paid, to the address of the other party as indicated in this Contract.

12. **ENTIRE CONTRACT.** This Contract contains the entire agreement of the parties. No other agreement, statement or promise made on or before the date of this Contract will be binding on the parties. No changes to this Contract are valid unless they are made by written amendment duly executed by the parties.

13. **VENUE.** Unless otherwise agreed in writing by the parties, the venue for all actions related to this Contract is Sacramento County, California.

