



REPORT TO COUNCIL

City of Sacramento

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CONSENT
March 21, 2006

Honorable Mayor and
Members of the City Council

Subject: Workforce Housing Reward Grant Application

Location/Council District:

R Street Corridor/Districts 3 and 4

Recommendation:

Development Services and Parks and Recreation staff recommend that Council approve the attached Resolution authorizing application for additional state grant funding for park acquisition and development in the R Street Corridor.

Contact: Lucinda Willcox, Infill Coordinator, 808-5052; Janet Baker, Park Development Manager, 808-8234

Presenters: Not applicable

Department: Development Services

Division: Planning/Infill

Organization No: 4814

Summary:

The City is eligible to apply for the next round of funding from the State Workforce Housing Reward Grant Program. The City Council authorized an initial investment in R Street Corridor park land acquisition from the last round of grant funding. Additional funding from this year's grant program will bring the amount closer to anticipated needs for land acquisition. This investment is intended to provide for park land acquisition in advance of development in order to reserve park land opportunities. Fees collected as development occurs will provide additional funding for park and recreational facilities.

Committee/Commission Action:

None.

Background Information:

The Workforce Housing Reward Grant (WFH) program is a three-year, statewide, non-competitive, formula-based grant for local governments with state-certified housing

elements, based on levels of affordable housing production. This grant is in the second year of the three year program. The terms of the grant require funds to be used for "capital assets" as defined by state law. Specific requirements regarding timing of encumbering and spending funds will be outlined in the Standard Agreement upon award announcement by the State.

With adoption of the City's Infill Strategy in May 2002, the City Council adopted Resolution 2002-279 directing staff to pursue this grant to support infill development and neighborhood revitalization. Last year, the City Council authorized staff to apply for and the City received grant funding for two projects. The City was eligible for a total of \$1.3 million dollars in funding in the first round of grant funding. The Council authorized \$500,000 to support infrastructure requirements associated with the development of the Globe Mills project and the remaining grant funds were allocated to initiate acquisition of park land in the R Street Corridor.

Although the City was eligible for \$1.3 million in grant funds, the City received only a pro-rated share of \$956,121 as a result of the number of applications for grant funds statewide. As a result, there was less funding available for park land acquisition than anticipated. Based on staff's investigation of potential park properties, additional funding will be required to acquire suitable property. Park land acquisition costs in the R Street Corridor are estimated to exceed \$1 million.

The City currently has \$456,000 from the first round of grant funds, and it is estimated that the City is eligible for funding in the range of \$800,000 to \$900,000 in this round of funding, depending on the total number of applications received by the state. This should provide a total balance of more than \$1 million to pursue land acquisition.

Through this program, the City seeks to obtain park land up front to be reimbursed as development occurs in the corridor, in order to make the area more attractive for investment and reserve park land opportunities. Escalating land costs and the typical scale and rate of development of individual infill projects make it difficult to adequately address park needs in infill areas. In these areas, it typically takes many years to collect sufficient fees and projects are typically not large enough to support park land dedication. By the time sufficient park land dedication in-lieu (Quimby) fees have been collected, land costs have typically risen beyond the capacity for the City to acquire and develop park land in the area. By acquiring land early in the process, the City will be better able to preserve recreational opportunities for anticipated new residents and businesses.

As development occurs, the City will be able to recapture the grant investment through fees to support additional park land acquisition and/or park development in the area.

Financial Considerations:

The Resolution authorizes City staff to apply for and execute an agreement with the State for an estimated \$800,000 to \$900,000 from the State's Workforce Housing

Reward Grant Program. The precise amount will depend on the level of eligible jurisdictions competing for state funds. There are no City matching requirements.

Environmental Considerations:

This action authorizes an application to the State for grant funds and is not a project under CEQA. Individual projects to be funded using the grant funds will undergo environmental review.

Policy Considerations:

General Plan Policy- It is the policy of the City to promote infill development, rehabilitation, and reuse that contributes positively to the surrounding area and assists in meeting neighborhood and other City goals.

Strategic Plan Implementation- The recommended action advances the City goal to achieve sustainability and livability.

Emerging Small Business Development (ESBD):

No goods or services are being purchased under this report.

Respectfully Submitted by: 
Lucinda Willcox
Infill Coordinator

Approved by: 
Carol Shearly
Director of Planning

Recommendation Approved:

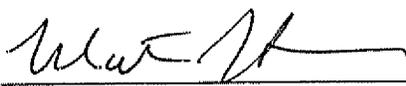

Ray Kerridge
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

March 21, 2006

**AUTHORIZING APPLICATION FOR WORKFORCE
HOUSING REWARD GRANT**

BACKGROUND

- A. On May 14, 2002, the City Council adopted Resolution 2002-279 directing City Staff to apply for the Workforce Housing Reward Grant to support infill development and neighborhood revitalization.
- B. On March 8, 2005, the City Council adopted Resolution 2005-145 directing City staff to allocate funding in the first round of Workforce Housing Reward Grant program in part for park land acquisition in the R Street Corridor.
- C. Additional funding is necessary to address costs for suitable park land acquisition within the R Street Corridor.
- D. The California Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (NOFA) dated May 2005 under its Workforce Housing Reward (WFH) Program for the second round of grant funding.
- E. The City of Sacramento desires to apply for a WFH grant and submit the Application Package released December 2005 by HCD for the WFH Program.
- F. HCD is authorized to approve funding allocations for the WFH Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement.

**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 Application Package released December 2005 by HCD 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 Exhibit A of 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 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 planning, design, acquisition, and/or development of an urban park or plaza in the R Street Corridor.