
File ID: 2023-00325

4/18/2023

Consent Item 8.

Modification of Scope with Habitat for Humanity for Development of Oak Park Scattered Sites

File ID: 2023-00325

Location: District 5, Represented by Councilmember Maple

Recommendation: Adopt a **Resolution** to amend Exhibit B to Resolution No. 2022-0328, to allow the City Manager or the City Manager’s designee to negotiate and execute a funding agreement with Habitat for Humanity (“Habitat”) for the development of 5 scattered sites in Oak Park with a \$100,000 per unit subsidy, instead of 10 scattered sites with a \$50,000 per unit subsidy, as originally approved.

Contact: Leslie Fritzsche, Economic Investment Manager, (916) 808-5450, lfritzsche@cityofsacramento.org, Office of Innovation and Economic Development; Axel Magellanes, Housing Analyst, amagellanes@cityofsacramento.org, (916) 808-1844.

Presenter: None

Attachments:

- 1-Description/Analysis
- 2- Resolution

Additional Description/Analysis

Issue Detail: On October 25, 2022, Council adopted Resolution No. 2022-0328, which allocated \$500,000 for the development of 10 Sacramento Housing and Redevelopment Agency-owned scattered sites in Oak Park. Since Council approval, staff has had additional conversations with Habitat on the timing for development of these lots. In order to jump start development of this much-needed affordable housing, staff is recommending allocating \$100,000 per lot for the first five lots. In addition to other resources already obtained by Habitat, this reallocation of City funds will allow Habitat to initiate construction within the year on the first of the lots.

Habitat is still committed to delivery of the ten lots as a condition of the Disposition and Development Agreement executed by Habitat and the Sacramento Housing and Redevelopment Agency on December 13, 2022.

Policy Considerations: The actions outlined in this report will support the City's policy of focusing resources to key infill areas such as Oak Park and furthering the development of affordable housing and assisting existing residents with housing rehabilitation needs. These policies are reflected in the City's 2030 General Plan, Housing Element, Transportation Priorities Plan and Vision Zero Action Plan.

Economic Impacts: None.

Environmental Considerations: The City's establishment of a funding mechanism for local projects is a fiscal activity and not a project pursuant to CEQA Guidelines section 15378(b)(4) because it does not constitute the commitment to or approval of any particular project that could have a significant effect on the environment. CEQA Guidelines Sections 15378(b)(4); 15060(c) (3).

Sustainability: The allocations outlined in this report will provide funding to assist with the redevelopment of Oak Park and further sustainability goals for promoting infill development.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The recommendations included in this report will assist in the development of 5 new affordable residential units in Oak Park. The change in funding allocation per lot is recommended to facilitate initiation of housing construction within the year.

Financial Considerations: On October 25, 2022, Council adopted Resolution 2022-0328, approving allocations of funds to Affordable Housing Projects and Programs including \$500,000 for Habitat's development of 10 scattered sites in Oak Park. The actions included in this report modify the allocation to \$100,000 for 5 lots instead of the previously approved \$50,000 for 10 lots. This change has no overall financial impact.

RESOLUTION NO.

Adopted by the Sacramento City Council

AMEND RESOLUTION NO. 2022-0328 TO MODIFY THE SCOPE FOR HABITAT FOR HUMANITY'S DEVELOPMENT OF OAK PARK SCATTERED SITES

BACKGROUND

- A. On October 25, 2022, Council adopted Resolution No. 2022-0328, which included the allocation of \$1 million in 2005 Oak Park Tax-Exempt Tax Allocation Bond Funds (Fund 3817) to the FY 2022/23 Affordable Housing Project Fund (I02189050) for two Oak Park housing projects with Habitat for Humanity ("Habitat").
- B. Exhibit B to Resolution No. 2022-0328 included the "Oak Park Affordable Single Family Lots-Scattered" program, which provided \$500,000 for construction of new affordable housing on 10 scattered sites.
- C. On February 7, 2023, by Resolution No. 2023-2071, Council modified the funding for these projects to use loan repayment proceeds from the Oak Park Revolving Loan Fund (I02423100), which were transferred to the Innovation and Growth Fund (Fund 2031).
- D. Since the time of approval, Habitat has requested a modification to the scattered site program which would expedite the construction of the initial houses. To do so, \$100,000 subsidies would be provided for five homes instead of \$50,000 subsidies for ten homes.
- E. To allow for this program modification, Exhibit B to Resolution No. 2022-0328 must be amended.

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

- Section 1. Exhibit B to Resolution No. 2022-0328, is hereby amended to reflect that the "Oak Park Affordable Single-Family Lots-Scattered" program will provide a \$100,000 per unit subsidy 5 affordable ownership homes in Oak Park, to be developed by Habitat for Humanity.
- Section 2. Except as amended in Section 1 above, all other provisions of Resolution No. 2022-0328 and its exhibits shall remain the same, and in full force and effect.