

Agenda Report

January 11, 2016

TO: Honorable Mayor and City Council

FROM: Housing and Career Services Department

SUBJECT: ADOPTION OF A RESOLUTION TO AUTHORIZE SUBMITTAL OF AN APPLICATION TO THE STATE OF CALIFORNIA FOR HOUSING-RELATED PARKS PROGRAM GRANT FUNDS

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment;
- 2) Adopt a resolution authorizing the City to submit a grant application to the State of California under the Housing-Related Parks ("HRP") Program; and
- 3) Authorize the City Manager or his designee to approve any documents in connection with the HRP grant application or, in the event that the City receives an award, any HRP grant contract documents that may be required by the State.

BACKGROUND:

On October 26, 2015 the State of California issued a Notice of Funding Availability announcing \$30 million in grant funds under the Housing-Related Parks ("HRP") Program. The HRP Program objectives are to incentivize the production/preservation of affordable housing, reward compliance with State Housing Element Law, and fund the creation of community park and recreational projects. The funds are available to local jurisdictions statewide. Applicants must meet threshold eligibility criteria which include submittal of Housing Element annual progress reports to the State.

The amount of funding that an eligible local jurisdiction can receive is based on the number of very low- and low-income affordable housing units, and the total number of bedrooms in those units, that were permitted from January 1 through December 31 of the HRP program year funding cycle. Also, the scoring system awards bonus points

which result in additional grant funds to park projects which are located within low- or moderate-income census tracts and “park-deficient” areas (i.e., the amount of useable park space for every 1,000 residents within a ½-mile radius of the project is less than three acres).

The City’s application is currently in preparation and will be in the amount of approximately \$300,000. The City applied for and was awarded HRP funds in the previous two funding rounds - \$449,050 in program year 2013 and \$113,250 in program year 2014. The HRP funds awarded to the City were allocated for the Phase II Implementation of Robinson Park Recreation Center Renovation Project (the “Project”). Even with the HRP grant awards totaling \$562,300, the Project has an unfunded need as indicated in the following table:

| | |
|---|---------------------|
| HUD Section 108 Loan | \$ 6,000,000 |
| City General Fund | \$ 1,000,000 |
| HUD Community Development Block Grant | \$ 1,312,193 |
| Housing Related Parks Program Grant | \$ 562,300 |
| City Residential Impact Fees (to be programmed) | \$ 1,000,000 |
| Total Current Funding | \$ 9,874,493 |
| Total Estimated Project Cost | \$11,400,000 |
| Project Funding Gap | \$ 1,525,507 |

Therefore, it is proposed that any HRP funds awarded to the City under program year 2015 be allocated to the Project.

The application deadline for the current funding cycle is February 4, 2016. It is anticipated that the State will announce grant awards by June 30, 2016.

COUNCIL POLICY CONSIDERATION:

The proposed action supports the City Council strategic objectives to maintain fiscal responsibility and stability and to support and promote the quality of life and the local economy.

ENVIRONMENTAL ANALYSIS:

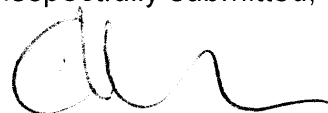
The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the “General Rule” provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The submittal of an application to the State for Housing-Related Parks Program grant funding will not have a significant effect on the environment and, hence, is not subject to CEQA.

At its meeting of November 4, 2002, the City Council approved the Initial Study and Negative Declaration that were prepared for the Robinson Park Master Plan pursuant to CEQA requirements. The implementation of the Robinson Park Recreation Center Renovation Project is contained within the Master Plan.

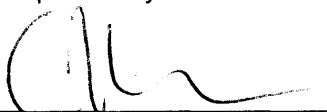
FISCAL IMPACT:

Approval of the staff recommendation will have no fiscal impact on the City. However, in the event that the City receives an HRP Program grant award, staff will return with a recommendation to appropriate the grant proceeds of approximately \$300,000 to the Robinson Park Recreation Center Renovation CIP project (number 78043).

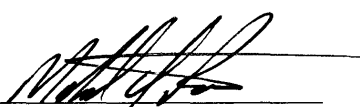
Respectfully submitted,


WILLIAM K. HUANG, Director
Housing and Career Services

Prepared by:


JAMES WONG
Senior Project Manager

Approved by:


MICHAEL J. BECK
City Manager