



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Julie Edmonds-Mares

SUBJECT: SEE BELOW

DATE: December 13, 2013

Approved

Date

12/23/13

COUNCIL DISTRICT: 3 and 5

**SUBJECT: APPLICATION TO THE STATE OF CALIFORNIA FOR GRANT
FUNDING FROM THE HOUSING-RELATED PARKS PROGRAM**

RECOMMENDATION

Adopt a resolution:

1. Authorizing the Director of Housing, or designee, to submit grant applications in an aggregate amount up to \$3.5 million to the California Department of Housing and Community Development (HCD) under the Housing-Related Parks Program (HRPP) for the development of parkland in the Tamien area and to acquire the Alum Rock and 31st Street property.
2. Authorizing the Director of Housing, or designee, to accept HRPP grant awards and conduct all negotiations, execute and submit all documents, including, but not limited to, applications, agreements, amendments, and payment requests, which may be necessary in connection with these grants, provided that the Director is not authorized to expend funds on these projects prior to receiving specific California Environmental Quality Act (CEQA) approval for each project.

OUTCOME

If received, the HRPP grants will provide funding to be combined with potential funding from other sources to construct a park in the Tamien area and to acquire property for park development in the Alum Rock and 31st Street property, both projects are in park-deficient neighborhoods. Staff currently anticipates being eligible to apply for \$2,700,000. However, staff is requesting approval to apply for up to \$3,500,000 in case the opportunity presents itself for additional funding as the grant application is finalized by staff and later reviewed by HCD for bonus dollars.

BACKGROUND

On October 2, 2013, the HCD announced that it would issue a \$25,000,000 Notice of Funding Availability (NOFA) under its HRPP for the 2013 funding round, with grant applications due in Sacramento by January 22, 2014.

HRPP is a program funded through the passage of Proposition 1C (the Housing and Emergency Shelter Trust Fund Act of 2006) that creates an incentive for local governments to build affordable housing by providing the reward of grant funds to meet the need for park facilities in their communities.

In March 2012, the City was awarded \$1,269,650 through the 2010 HRPP NOFA for the acquisition of the Rosemary Park. The 2010 funds will purchase the land at Rosemary Park and funding is now needed to construct the park with sport courts, playground equipment and site furnishings.

ANALYSIS

In each funding round, HRPP grants are made to jurisdictions based on affordable housing developments that have started construction and have received at least a foundation inspection in the applicable calendar year(s). The HRPP does not use a competitive process to award funds. Rather, all cities and counties that apply and meet the eligibility requirements are funded. To the extent that any one round is over-subscribed, each jurisdiction award is proportionately reduced so that no more than \$20,000,000 is disbursed. Disbursement of grant funds will be made upon each qualifying housing development's receipt of a Certificate of Occupancy upon completion of construction.

The base amount of the HRPP grant award is based on the number of bedrooms in units restricted to occupancy by low- and very low-income households. Additional bonus dollars may be included above the base amount depending on a variety of criteria related to the construction type and location of the qualifying affordable units/bedrooms and the location of the proposed park project. Finally, HCD may also allocate bonus dollars based on a jurisdiction's performance in meeting its regional housing needs allocation relative to the performance of the county in which the jurisdiction resides. HCD will determine a jurisdiction's applicability of this final bonus round after it has received all applications and are under review. The State's intent for the various bonus criteria is to reward cities that are doing their part in meeting their fair share residential obligations.

Qualifying Housing Developments and Grant Eligibility

In years 2010 through 2013, eleven affordable housing developments have received or are expected to receive foundation inspections, and it is these developments that form the basis for the City's applications for HRPP funds:

<u>Name</u>	<u>Type</u>	<u># of Bdrms</u>
Archer Street	Family	41
Rosemary Family	Family	339
Rosemary Seniors	Seniors	105
McCreery Courtyards	Family	220
Ford Apartments	Special Needs	24
Ford & Monterey Family	Family	74
La Moraga	Family	152
San Carlos Seniors	Seniors	98
Taylor Oaks	Family	84
Roundtable	Youth	10
Peacock Commons	Youth	27

TOTAL BEDROOMS 1,174

Based on the complex formula for determining potential HRPP grant amounts, it is anticipated that the grant applications to be filed through 2013 will total \$2,700,000 (subject to HCD review). However, staff is requesting approval to apply for up to \$3,500,000 in case the opportunity presents itself as the grant application is being completed. Also, as mentioned above, there is the opportunity for HCD to reward additional bonus dollars during its review of applications. If the City qualifies for this bonus criteria, the award amount may be higher than \$2,700,000. However, it is possible that the City may not receive even the \$2,700,000 if the NOFA is over-subscribed by applications from around the State.

Proposed Parks

Staff used three basic criteria to determine which park facility to recommend for HRPP funding. First, the park should be in support of any residential infill projects within a quarter mile radius of the park being developed, or within a half mile walkable route of the park being developed. Second, the park should be located within a disadvantaged community. And third, the park should be located within a park-deficient community.

Staff put numerous potential park sites in various council districts through the selection criteria and only two sites met all three above criteria. By both projects meeting all three criteria, the City is able to apply for the maximum currently anticipated grant award of \$2,700,000.

Staff recommends that the City pursue a joint grant application in the amount of \$2,700,000. If awarded, approximately \$2,000,000 will be used to construct the Tamien area park and the remaining approximately \$700,000 would be used to purchase the Alum Rock/31st Street property for a future park project. See attachments for project locations.

- **Tamien Park:** As discussed at the November 19, 2013 City Council meeting, the project site consists of 3.5 acres (west of Lick Avenue location and north of Humboldt Street) in Council District 3. The future park will consist of a multi-use field, picnic area under arbor, restrooms, jogging/walking pathway, security lights, fencing and associated landscaping. The City is discussing a joint use partnership with Rocketship for a potential charter school at this site. As part of this partnership, Rocketship would purchase 0.6 acres of the site and build out the joint use park on an additional 0.8 acres. This would leave 2.1 acres to be constructed by the City. The \$2,000,000 grant, combined with a potential \$1,500,000 from Rocketship, would be sufficient to construct this remaining 2.1 acres based on conceptual estimates.
- **Alum Rock/31st Street property:** The project site consists of 1.5 acres (between Alum Rock Avenue and Hwy 101 north on ramp) in Council District 5. Currently, there is not a Master Plan for the future project. However, City staff is in discussions with the current property owner (Caltrans) to purchase the site as a potential park. The \$700,000 grant, combined with City capital funds, would be sufficient to purchase the property and potentially provide seed funding to begin the project design.

While staff is currently projecting applying for \$2,000,000 for Tamien and \$700,000 for Alum Rock/31st Street, the staff recommendation is to request authority for applying for both in the aggregate amount of \$2,700,000 and up to \$3,500,000 in case the opportunity presents itself for additional dollars as the grant application is being completed. This will provide staff flexibility to adjust these dollar amounts if necessary as the grant applications and associated cost estimates are being finalized. The grant requires that the City Council approve a grant-specific resolution allowing the submission of an application to the HRPP and, if awarded, accepting the award and entering into an agreement with HCD for the purposes of complying with the terms and conditions of the grant program.

EVALUATION AND FOLLOW UP

The Administration will return to City Council to recognize the final grant amount and recommend budgetary actions necessary to completely fund the development and acquisition of the park.

POLICY ALTERNATIVES

Alternative #1: Seek funds for a different park project

Pros: There are other park improvement and acquisition needs within the City's parks and recreation system.

Cons: As these two sites allow for the maximum amount of bonus points, they allow the City to secure the highest potential grant dollar amount.

Reason for not recommending: In the City's current fiscal situation, it is prudent to maximize the dollar amount for grant opportunities in order to meet the important and diverse goals of the City.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The action recommended in this report does not meet any of the above criteria. Nonetheless, this memorandum will be posted on the City Council's Agenda website prior to the January 14, 2014 City Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

The proposed action is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. In addition, the proposed Tamien park site is referenced in the Council-adopted Greenprint Update (December 8, 2009, item 5.2). Delivery of both projects supports Goal 10 of the Council-adopted Green Vision (October 30, 2007 item 9.1) to provide a 100-mile Trail Network by 2022.

COST SUMMARY/IMPLICATIONS

At this time, staff estimates that the operating and maintenance impact will be approximately \$35,000 annually for Tamien Park and approximately \$15,000 annually for the Alum Rock/31st

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Street property. A more precise estimate of the operating and maintenance impact will be developed once it is known if the City is awarded the grant and after plans are finalized for the development of Tamien Park. As the parks would not likely be completed in the next few years, these costs will also be included in the 2015-2019 Five-Year General Fund Forecast scheduled for release February 2014.

CEQA

Not a Project, File No. PP10-068(a), Grant Application.

/s/
LESLYE CORSIGLIA
Director of Housing

/s/
JULIE EDMONDS-MARES
Director of Parks, Recreation and
Neighborhood Services

For questions please contact Matt Cano, Deputy Director, at 408-535-3580.

Attachments

EXHIBIT - A-1

PROPOSED TAMIEN STATION PARK SITE



