

NOTICE OF PUBLIC HEARING AND COMMENT PERIOD FOR DRAFT AMENDMENT TO THE 2017 ANNUAL ACTION PLAN AND PREVIOUS YEARS' ACTION PLANS, TRANSFER AND ALLOCATION OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS AND APPROVAL TO CLOSE OUT THE PROGRAM, AUTHORIZATION TO REMEDIATE AND DISPOSE OF ONE VACANT OWNED LOT OWNED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, AND DEMOLITION AND DISPOSITION OF ONE PROPERTY OWNED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Pursuant to California Health and Safety Code sections 34312.3, 24 CFR Section 91.505 and the Sacramento Housing and Redevelopment Agency's (SHRA) approved Citizen Participation Plan, notice is hereby given that SHRA will hold a public hearing on behalf of SHRA and the Housing Authority of the City of Sacramento (Authority) before the Sacramento Housing and Redevelopment Commission (SHRC) regarding the following proposed actions:

- Amending the 2017 Annual Action Plan and previous year's action plans for federally funded projects, including, but not limited to the Community Development Block Grant Program (CDBG).
- Transfer and allocate Neighborhood Stabilization Program (NSP) funds and close out the program with assistance from the US Department of Housing and Urban Development (HUD). This proposed action was previously noticed and approved by SHRC and the County Board of Supervisors.
- Transfer and reallocate NSP Program Income funds to the CDBG program for future CDBG-eligible projects. This proposed action was previously noticed and approved by SHRC and the County Board of Supervisors.
- Demolition and disposition of a property located at 3740 9th Avenue owned by SHRA and remediation and disposition of one vacant lot located at 810 Roanoke Avenue owned by the Housing Authority.

The staff report will be available on July 4, 2017, in one of three ways:

- Online at www.shra.org
- Contact (916) 440-1393
- In person at:
 - Sacramento Housing and Redevelopment Agency
801 12th Street, 2nd Floor Reception Desk
Sacramento, CA 95814

The Public Hearing will be held at the following date, time and location:

Sacramento Housing and Redevelopment Commission
Wednesday, August 2, 2017, 6:00 p.m.
SHRA Commission Chambers
801 12th Street, 2nd Floor
Sacramento, CA 95814

To make comments regarding the proposed actions, you may do so in one of two ways:

1. Present your comments at the public hearing above.
2. Submit written comments to the Sacramento Housing and Redevelopment Agency at the address listed above. Address the envelope to "Federal Programs Division".

If for any reason this item is postponed, a new hearing date may be obtained by calling the number listed above.

Americans With Disabilities Act: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



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

Business Item
August 22, 2017

Honorable Mayor and Members of the City Council

Title: 2017 Action Plan Amendment, NSP Closeout, Demolition and Disposition of 3740 9th Avenue, and Rio Linda Superblock Remediation

Location/Council District: Citywide, District 2, District 5

Recommendation: Adopt a **City Council Resolution** authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to (a) amend the 2017 Action Plan and Previous Years' Action Plans; (b) submit the amendment to the United States Department of Housing and Urban Development (HUD); (c) transfer and allocate Neighborhood Stabilization Program (NSP) funds and approval to close out the program; (d) demolish and dispose of a duplex located at 3740 9th Avenue; (e) amend its budget; and (f) make environmental findings and adopt a **Housing Authority Resolution** authorizing the Housing Authority to include 810 Roanoke Avenue as part of the Rio Linda Superblock Site and "Future Opportunity Site" as identified in the previously approved Vacant Lot Disposition Strategy Report and Resolution 2016-0022.

Contact: La Shelle Dozier, Executive Director, 440-1319; Geoffrey M. Ross, Assistant Director, Development & Federal Programs, 440-1357

Presenters: Geoffrey M. Ross, Assistant Director, Development & Federal Programs

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: This report recommends three distinct, but related actions including 1) adding 810 Roanoke Avenue (APN: 251 0131 016) to the Rio Linda Superblock project and undertake remediation activities for all 11 parcels; 2) demolish, dispose, abate and remediate 3740 9th Avenue; and 3) close out the NSP program.

SHRA proposes to utilize a combination of funds including Community Development Block Grant, NSP and, an Environmental Protection Agency (EPA) sub-grant from the City to complete assessment and remediation of the Rio Linda Superblock site (see attached map). Since 2006, SHRA has been undertaking the acquisition of 11 parcels to assemble a contiguous cluster of properties at the Rio Linda Boulevard Site in an effort to eliminate blight through the development of housing. 10 of the 11 parcels were

previously purchased by the Redevelopment Agency and subsequently transferred to the Housing Authority, as the Housing Successor Agency. Negotiations for the final parcel, 810 Roanoke Avenue, with the previous owner, the Sacramento Metropolitan Utility District (SMUD), halted when Redevelopment Agencies were eliminated. However, the parcel was purchased with NSP funds in December 2016 and is contiguous to the other 10 parcels. The parcel was purchased by the Housing Authority to create consistent property ownership with the other 10 parcels.

On October 13, 2016, the Housing Authority, by Resolution 2016-022, approved the Vacant Lot Disposition Strategy which designated the Rio Linda Boulevard Site as part of the “Future Opportunity Sites”; and authorized the Housing Authority to solicit and award contracts required for the environmental review of each of these sites. The Housing Authority was further authorized to apply for grants, site planning, and environmental remediation for eligible activities required for “Future Opportunity Sites”; and to amend the Agency budget, to accept and expend grant and site planning funding. Once site planning and remediation was determined and complete the Resolution authorized the Housing Authority to issue an RFP for the development of these sites for residential use and to return to the governing board with recommendations for site development.

This report recommends adding 810 Roanoke Avenue in the Rio Linda Boulevard Site project and “Future Opportunity Site” designation as identified to the previously approved Vacant Lot Disposition Strategy Report and Resolution 2016-0022.

Site acquisition and remediation of these parcels was also previously approved by the Redevelopment Agency in 2006 by Resolution 2006-041, 2009 by Resolution 2009-056, and in 2010 by Resolution 2010-027. The cleanup plan was previously approved by the local oversight agency, the Sacramento County Environmental Management Department (SCEMD), and a significant amount of contaminated soil was previously removed and stockpiled on-site in 2010-2011. However, further testing determined that the contamination was more extensive than originally anticipated and remediation was halted. Additionally, the ability to use non-housing Tax Increment funds was lost when the Redevelopment Agency was dissolved.

To address the loss of Redevelopment funding, the Housing Authority unsuccessfully applied for an EPA cleanup grant to remediate the site in 2015 and 2016. However, the City of Sacramento Economic Development Department (EDD) received EPA cleanup funds in 2008 and is proposing to use these funds as match to the funds SHRA is proposing to allocate. This will allow EDD to successfully close out their grant program, which will be detailed in a different staff report.

As part of the EPA grant applications, community meetings on the cleanup plans were held on December 8, 2015; December 5, 2016; and December 19, 2016. This project has the support of SCEMD, EDD, the California Department of Toxic Substances Control (DTSC), the Del Paso Heights Community Association, Mutual Assistance Network, and the Northern Sacramento Community Coalition.

Approval of the proposed activities and CDBG funding related to the Rio Linda Superblock and 810 Roanoke Avenue require an amendment to the 2017 Action Plan

and previous years' Action Plans and this report requests authorization to submit the amended plan to the United States Department of Housing and Urban Development (HUD). The 2017 Annual Action Plan was approved by Resolution 2016-0370 on November 1, 2016. Exhibit A outlines the funding allocations for this project.

Staff is also requesting authorization to take actions necessary to demolish, dispose, and abate and remediate any environmental concerns for the duplex and property located at 3740 9th Avenue. The property was previously purchased as part of the NSP Property Recycling Program (PRP). It has been determined that the building and property are plagued with mold, asbestos, and lead, as such rehabilitation and conversion to a single-family home would be cost prohibitive and staff recommends abating and remediating environmental concerns, demolishing the duplex, and selecting a developer to build a single-family home. Exhibit A outlines the funding allocations for this project.

This report also recommends authorization to allocate NSP funds to the proposed activities, as detailed above; transfer any leftover and future Program Income (PI) to the CDBG program; and close out the NSP program. In accordance with 24 CFR §570.489(e) and HUD Notice 81 FR 38730, NSP grantees are allowed to transfer NSP PI to the CDBG program since NSP Entitlement (EN) funds can only be expended following the obligation of PI. The proposed activities in this report will allow for the close out of the NSP1 and NSP3 programs by leveraging remaining NSP funds for actions designed to fulfill original NSP goals and objectives including:

- Return vacant, foreclosed, or abandoned residential properties to occupancy as quickly as possible;
- Revitalize neighborhoods through the strategic redevelopment, rehabilitation and reuse of vacant properties; and
- Provide affordable homeownership and improved affordable rental opportunities to Sacramento families.

Specific accomplishments within the City were the rehabilitation of 154 units (83 from VPP, 66 from PRP, and 5 from BLOCK).

Policy Considerations: The proposed activities are consistent with the adopted Consolidated Plan and include assisting low- and moderate-income persons and areas with the following: community services, housing, facilities and services for homeless individuals, public improvements and facilities, economic development and planning activities.

SHRA has determined that the proposed activities are eligible activities and meet the requirements of CDBG and the NSP goal of revitalizing neighborhoods through strategic redevelopment of foreclosed, abandoned, or vacant properties. Consistent with HUD regulations and SHRA policies, disposition of a NSP property is required to be brought forward as part of an Annual Action Plan or Mid-Year Action Plan.

Economic Impacts:

This section is currently being developed. The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations:

Environmental review for project implementation for the 9th Avenue Project and the Rio Linda Superblock Project is underway and no funds will be committed or spent prior to completion of environmental review and adoption of environmental findings, if required. If required, environmental findings will be brought back for governing board approval.

Soliciting bids is not considered a project pursuant to California Environmental Quality Act (CEQA) Guidelines under Title 14, § 15378 of the California Code of Regulations (CCR), and is exempt under the National Environmental Policy Act (NEPA) under Title 24, § 58.34(a)(3) of the Code of Federal Regulations (CFR).

The 9th Avenue Project is expected to be Exempt pursuant to CEQA Guidelines § 15302, 15304, 15312, 15330, and 15332, and is expected to be Categorically Excluded pursuant to NEPA at 24 CFR § 58.35(a)(4)(i) and (5). The Superblock Project is expected to require an Initial Study pursuant to CEQA Guidelines § 15063 and an Environmental Assessment pursuant to 24 CFR § 58.40.

Sustainability Considerations: The One-Year Action Plan and Consolidated Plan are consistent with the City's Sustainability Master Plan's Focus Area 5 – Public Health and Nutrition by improving residents' health, and providing a five-year planning document to improve health, nutrition, social and economic sustainability.

Commission Action:

Rationale for Recommendation: As a condition of the receipt of various federal grants provided through HUD, the regulations require the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the upcoming year using the goals and priorities in the Consolidated Plan. In general, the purpose of the activities is to revitalize lower-income neighborhoods and to assist disadvantage populations by providing adequate public facilities and services, generate affordable housing opportunities and stimulate economic development. Newly funded activities are scheduled to be implemented and completed within six months to comply with federal regulations governing the timely expenditure of funds in the current year.

Pursuant to AB 26, the disposition of former redevelopment assets must take place. The Rio Linda Boulevard Superblock is currently a blighted and vacant site targeted for the development of affordable single family homes. The cost of remediation and

elimination of redevelopment stalled the project and approval of the proposed activities will ensure the site is remediated for unrestricted use.

The disposition of 3740 9th Avenue is an eligible activity and meets the requirements of CDBG and the NSP goal of revitalizing neighborhoods through strategic redevelopment of vacant properties.

Financial Considerations: This report recommends amending the 2017 Action Plan, previous year's Action Plans, and SHRA budget and to allocate funds as outlined in Exhibit A. NSP- and CDBG-related funding allocations maximize the effectiveness of federal funds and leverage additional public and private investments. It is not anticipated that NSP funds will remain following the allocation to the proposed activities, but the proposed actions will give SHRA the flexibility to transfer remaining PI funds to CDBG to allow for closeout of NSP.

LBE - M/WBE and Section 3 requirements: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. City LBE will be applied to applicable activities to the extent required by City policies.

Respectfully Submitted by: _____
LA SHELLIE DOZIER
Executive Director

Attachments

- 01 Description/Analysis and Background
- 02 City Council Resolution
- 03 Exhibit A to Resolution
- 04 Housing Authority Resolution
- 05 Rio Linda Superblock Map (currently being prepared)
- 06 3740 9th Avenue Map (currently being prepared)

BACKGROUND

On July 30, 2008, Congress passed and the President signed into law House Resolution 3221, the Housing and Economic Recovery Act of 2008 (HERA). As part of this action, on September 29, 2008 HUD released the formula allocation and program guidelines pertaining to an additional one-time special \$4 billion CDBG allocation relating to foreclosure on and established the first round of NSP funding, known as NSP1. The City received \$13,264,829 in total funding from this allocation. In 2008, the Neighborhood Stabilization Program 1 (NSP1) and the associated programs to carry out NSP1 were approved by Resolutions 2008-691 and 2009-114.

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) provided an additional \$1 billion for NSP. The Act constituted a third round of NSP funding, NSP3, which continued the efforts of the program to stabilize neighborhoods whose viability had been, and continues to be, damaged by the economic effects of foreclosed and abandoned properties. As part of this award, the City and County elected to file a joint application whereby HUD formula allocations were \$3,762,329 and \$4,595,671 respectively for a total award of \$8,358,000. The Council approved the implementation plan for NSP3 and SHRA as the administrator on behalf of the City and County of Sacramento on February 15, 2011 by Resolution 2011-087. As a joint grant, the County must also approve close-out which it did on December 6, 2016 by BOS Resolution 2016-0926.

Throughout the life of the program, SHRA staff has returned to the Council to provide frequent updates and to receive necessary authorities for amendments as needed. NSP goals included the following:

- Return vacant foreclosed or abandoned residential properties to occupancy as quickly as possible;
- Revitalize neighborhoods through the strategic redevelopment, rehabilitation and reuse of vacant properties; and
- Provide affordable homeownership and improved affordable rental opportunities to Sacramento families.

Several activities were conceptualized and approved by the Council to achieve these goals, including the Vacant Properties Program (VPP), the Block Acquisition/Rehabilitation Program (BLOCK), and the Property Recycling Program (PRP).

To date, the NSP program has been responsible for the significant transformation of previously vacant and foreclosed properties into homeownership and rental housing with the successful completion of 349 units (159 from VPP, 112 from PRP, and 78 from BLOCK) in both the City and County.

RESOLUTION NO. 2017 -

Adopted by the Sacramento City Council

On date of

AUTHORIZATION TO AMEND THE 2017 ACTION PLAN AND PREVIOUS YEARS' ACTION PLANS; AUTHORIZATION TO SUBMIT TO HUD; AUTHORIZATION TO TRANSFER AND ALLOCATE NEIGHBORHOOD STABILIZATION PROGRAM FUNDS AND APPROVAL TO CLOSE OUT THE PROGRAM; AUTHORIZATION TO AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AUTHORIZATION OF DEMOLITION AND DISPOSITION OF DUPLEX LOCATED AT 3740 9th AVENUE; MAKE ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The U.S. Department of Housing and Urban Development (HUD) requires adoption of a Five-Year Consolidated Plan and Annual Action Plans, consistent with the Consolidated Plan, to identify programs and projects for expenditure of federal Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grant (ESG), and Neighborhood Stabilization Program (NSP) funds. Adoption of Amendments to Annual Action Plans or the Consolidated Plan is also required.
- B. Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of City, has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME, ESG, HOPWA and NSP funding originating from HUD.
- C. In 2008, the Neighborhood Stabilization Program 1 (NSP1) and the associated programs to carry out NSP1 were approved by Resolutions 2008-691 and 2009-114.
- D. On January 8, 2013 the Consolidated Plan was adopted by Resolutions 2013-001 and 2013-0010.
- E. On February 15, 2011, by Resolution 2011-087, the City Council authorized SHRA to submit the 2010 Action Plan Substantial Amendment to HUD and administer the Neighborhood Stabilization Program 3 (NSP3) on behalf of the County and City of Sacramento.
- F. The proposed projects represent the sole remaining opportunities for SHRA to utilize NSP1 and NSP3 funds in order to successfully close out NSP.
- G. The proposed actions meet the goals of NSP and CDBG by revitalizing neighborhoods through strategic redevelopment of foreclosed, abandoned, or vacant properties with the development of affordable housing.

- H. SHRA has completed all NSP goals and objectives outlined in the applications to HUD for NSP funding, the 2008-12 and 2013-17 Consolidated Plans, and associated Annual Action Plans.
- I. Since 2006, SHRA has been undertaking the acquisition of 11 parcels to assemble a contiguous cluster of properties at the Rio Linda Boulevard Site in an effort to eliminate blight through environmental remediation and the development of housing. All 11 parcels are owned by the Housing Authority, 10 of which were previously owned by the Redevelopment Agency and subsequently transferred to the Housing Authority, as the Housing Successor Agency.
- J. The City of Sacramento Economic Development Department (EDD) received EPA cleanup funds in 2008 and is proposing to use these funds as match to the funds SHRA is allocating. This will allow EDD to successfully close out their grant program.
- K. On October 13, 2016, the Housing Authority, by Resolution 2016-022, approved the Vacant Lot Disposition Strategy designating the Rio Linda Boulevard Site as part of the "Future Opportunity Sites"; and authorized the Housing Authority to solicit and award contracts required for the environmental review of each of these sites is authorized, but not limited, to apply for grant and site planning and environmental remediation funding for eligible activities required for "Future Opportunity Sites"; and to amend the Agency budget, to accept and expend grant and site planning funding. The Resolution also authorized the Housing Authority to issue an RFP for the development of these sites for residential use and return to the governing board with recommendations for site development.
- L. SHRA purchased 3740 9th Avenue through NSP.
- M. SHRA's intent is to develop housing at each location once adequate environmental remediation has been completed.
- N. Per 24 CFR §570.489(e), NSP entitlement (EN) funds can only be expended following the obligation of program income (PI). Per HUD Notice 81 FR 38730, NSP grantees are allowed to transfer NSP PI to the Community Development Block Grant (CDBG) program allowing SHRA to access EN funds and subsequently close out NSP.
- O. In 2016, the County Board of Supervisors authorized SHRA to close out NSP1 and NSP3, which is a joint City-County grant.
- P. A noticed public hearing soliciting comments was held by the Sacramento Housing and Redevelopment Commission (SHRC) on August 2, 2017 in accordance with 24 CFR §91.505 and SHRA's approved Citizen Participation Plan.
- Q. Environmental review for project implementation for the 9th Avenue Project and the Rio Linda Superblock Project is underway and no funds will be committed or spent prior to completion of environmental review and adoption of environmental findings, if required. If required, environmental findings will be brought back for

governing board approval. Soliciting bids is not considered a project pursuant to California Environmental Quality Act (CEQA) Guidelines under Title 14, § 15378 of the California Code of Regulations (CCR), and is exempt under the National Environmental Policy Act (NEPA) under Title 24, § 58.34(a)(3) of the Code of Federal Regulations (CFR). The 9th Avenue Project is expected to be Exempt pursuant to CEQA Guidelines § 15302, 15304, 15312, 15330, and 15332, and is expected to be Categorically Excluded pursuant to NEPA at 24 CFR § 58.35(a)(4)(i) and (5). The Superblock Project is expected to require an Initial Study pursuant to CEQA Guidelines § 15063 and an Environmental Assessment pursuant to 24 CFR § 58.40.

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 these actions, as stated in the background above and Exhibit A, are found to be true and correct and are hereby adopted.
- Section 2. SHRA is authorized to amend the 2017 Annual Action Plan and previous years' Action Plans, make any budget adjustments, and execute related documents and agreements as necessary to carry out the proposed projects as described in this resolution and accompanying staff in compliance with applicable federal laws and regulations.
- Section 3. SHRA is authorized to submit the amended Action Plan to HUD.
- Section 4. SHRA is authorized to take all actions reasonably necessary to demolish, dispose of, and abate and remediate any environmental concerns for the property located at 3740 9th Avenue.
- Section 5. SHRA is authorized to take all actions reasonably necessary to assess and remediate the Rio Linda Superblock.
- Section 6. SHRA is authorized to amend its Budget to allocate \$285,000 from CDBG Capital Reserve (2015-2017) funds to the Rio Linda Superblock project.
- Section 7. SHRA is authorized to amend its Budget to allocate funds as outlined in Exhibit A.
- Section 8. SHRA is authorized to close out NSP1 and NSP3 following the conclusion of all outstanding NSP projects, pending corresponding approval from HUD.

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Attachment 5: Rio Linda Superblock Map (currently being prepared)

Attachment 6: 3740 9th Avenue Map (currently being prepared)

EXHIBIT A
Proposed Funding Allocations

Rio Linda Superblock Estimated Remediation Budget	
City of Sacramento EPA RLF Grant	\$575,000
CDBG Capital Reserve (2015-2017)	\$285,000
NSP3 PRP SF EN and PI	\$295,000
Unexpended Remediation Grant Funds	\$66,500
TOTAL	\$1,221,500

3740 9th Avenue Estimated Budget	
NSP3 PRP SF EN and PI	\$90,000

RESOLUTION NO. 2017 -

Adopted by the Housing Authority of the City of Sacramento

on date of

REMEDIATION OF THE RIO LINDA SUPERBLOCK

BACKGROUND

- A. Pursuant to Health and Safety Code Section 34176, City Resolution 2012-018, and Housing Authority Resolution 2012-001, the City of Sacramento designated the Housing Authority as the local authority to retain housing asses and housing functions previously performed by its Redevelopment Agency and the Housing Authority elected to serve that role.
- B. On October 25, 2016, the Housing Authority, by Resolution 2016-0022, approved the Vacant Lot Disposition Strategy designating the Rio Linda Boulevard Site as part of the “Future Opportunity Sites”; and authorized the Housing Authority to solicit and award contracts required for the environmental review of each of these sites is authorized, but not limited, to apply for grant and site planning and environmental remediation funding for eligible activities required for “Future Opportunity Sites”; and to amend the Agency budget, to accept and expend grant and site planning funding. The Resolution also authorized the Housing Authority to issue an RFP for the development of these sites for residential use and return to the governing board with recommendations for site development.
- C. One additional parcel (810 Roanoke Avenue) was purchased with Neighborhood Stabilization Program (NSP) funds under the name of the Housing Authority in December 2016 in order to complete the assembly of 11 contiguous parcels at the Rio Linda Superblock site to eliminate blight through environmental remediation and the development of housing. All 11 parcels are owned by the Housing Authority, 10 of which were previously owned by the Redevelopment Agency and subsequently transferred to the Housing Authority, as the Housing Successor Agency.
- D. The City of Sacramento Economic Development Department (EDD) received EPA cleanup funds in 2008 and is proposing to use these funds as match to the funds SHRA is allocating. This will allow EDD to successfully close out their grant program.
- E. Consistent with HUD policies, disposition of a NSP property is required to be brought forward as part of an Annual Action Plan or Mid-Year Action Plan.
- F. Although disposition of the parcel is not being requested at this time, a noticed public hearing soliciting comments was held by the Sacramento Housing and Redevelopment Commission (SHRC) on August 2, 2017 in accordance with California Health and Safety Code sections 34312.3.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Housing Authority is authorized to take all actions reasonably necessary to assess and remediate the Rio Linda Superblock.
- Section 2. The Housing Authority is authorized to include 810 Roanoke Avenue as part of the Rio Linda Superblock Site and “Future Opportunity Site” as identified in the previously approved Resolution 2016-0022.
- Section 3. The Housing Authority is authorized to execute related documents and agreements as necessary to carry out the proposed projects as described in this resolution and accompanying staff report in compliance with applicable federal laws and regulations.

Table of Contents:

Attachment 5: Rio Linda Superblock Map (including 810 Roanoke Avenue) (currently being prepared)

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF
August 2, 2017

AUTHORIZATION TO AMEND THE 2017 ACTION PLAN AND PREVIOUS YEAR'S ACTION PLANS; AUTHORIZATION TO TRANSFER AND ALLOCATE NEIGHBORHOOD STABILIZATION PROGRAM FUNDS AND CLOSE OUT THE PROGRAM; EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS AND OTHER ENVIRONMENTAL FINDINGS

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires adoption of a Consolidated Plan to identify the programs and projects for the expenditure of federal Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) funds.

WHEREAS, since 1982 (by Resolutions HA-2342, 82-424, 82-425, 82-650, 82-651, 82-652, RA-94, RA-107, HA-1526, HA-82-006, HA 2013-0001, 2013-0001, 2013-0018, HA-2342), the Sacramento Housing and Redevelopment Agency (Agency) and its constituent entities has served as the public entity designated to efficiently administer the CDBG program, and was subsequently designated as the public entity to administer Neighborhood Stabilization Program (NSP), HOME, and ESG funding originated from HUD on behalf of the City and County of Sacramento.

WHEREAS, SHRA serves as a joint staffing agency for administration of Consolidated Plan programs in both the City of Sacramento and the County of Sacramento.

WHEREAS, on October 8, 2008, by Resolution 08-034, the Sacramento Housing and Redevelopment Commission (SHRC) approved the 2009 One-Year Action Plan containing the Substantial Amendment to the Consolidated Plan establishing NSP, specifically NSP1.

WHEREAS, on February 18, 2009, by Resolution 09-05, the SHRC authorized the Agency by Resolution 2009-0104 to amend and submit changes to NSP in the 2009 One-Year Action Plan to HUD, authorized the Agency's Executive Director to execute agreements and contracts with the appropriate entities to carry out NSP.

WHEREAS, on February 2, 2011, by Resolution 11-01, the SHRC authorized the Executive Director to submit the 2010 Action Plan Substantial Amendment to HUD; and administer NSP3 on behalf of the County and City of Sacramento.

WHEREAS, on January 8, 2013 the 2013-2017 Consolidated Plan was adopted by Resolution SHRC-13-1.

WHEREAS, on October 5, 2016, the authorization to extend the Consolidated Plan and Analysis of Impediments to 2019 was adopted by Resolution SHRC-2016-16.

WHEREAS, on October 5, 2016, the 2017 One-Year Action Plan was adopted by Resolution SHRC-2016-16.

WHEREAS, On October 13, 2016, the Housing Authority, by Resolution 2016-022, approved the Vacant Lot Disposition Strategy designating the Rio Linda Boulevard Site as part of the “Future Opportunity Sites”; and authorized the Housing Authority to solicit and award contracts required for the environmental review of each of these sites is authorized, but not limited, to apply for grant and site planning and environmental remediation funding for eligible activities required for “Future Opportunity Sites”; and to amend the Agency budget, to accept and expend grant and site planning funding. The Resolution also authorized the Housing Authority to issue an RFP for the development of these sites for residential use and return to the governing board with recommendations for site development.

WHEREAS, on November 2, 2016, by Resolution SHRC-2016-21, the SHRC authorized the Executive Director to close out County NSP1 and NSP3 following the conclusion of all outstanding County NSP projects, pending corresponding approval from HUD and the City of Sacramento for the jointly filed NSP3 funds.

WHEREAS, per 24 CFR 570.489(e), NSP entitlement funds can only be expended following the obligation of program income (PI) and per HUD Notice 81 FR 38730, NSP grantees are allowed to transfer NSP PI to the Community Development Block Grant (CDBG) program before program close-out allowing the Agency to access entitlement funds.

WHEREAS, SHRA purchased 3740 9th Avenue and 810 Roanoke Avenue through the NSP program and has determined that disposition is an eligible use as it meets a CDBG LMMA national objective and it meets the NSP goal of revitalizing neighborhoods through strategic redevelopment of vacant properties; and

WHEREAS, the Rio Linda Boulevard Superblock is currently a blighted and vacant site targeted for the development of affordable single family homes. The cost of remediation and elimination of redevelopment stalled the project and approval of the proposed activities will ensure the site is remediated for unrestricted use.

WHEREAS, the proposed projects represent the sole remaining opportunity for SHRA to utilize NSP1 and NSP3 funds in order to successfully close out NSP.

WHEREAS, the proposed actions meet the goals of NSP and CDBG by revitalizing neighborhoods through strategic redevelopment of foreclosed, abandoned, or vacant properties with the development of affordable housing.

WHEREAS, SHRA has completed all NSP goals and objectives outlined in the applications to HUD for NSP funding, the 2008-12 and 2013-17 Consolidated Plans, and associated Annual Action Plans.

WHEREAS, for the efficient and timely administration of HUD programs request the continued ability to enter into automatically renewing agreements with jurisdictions within Sacramento County's boundary that wish to enter into a Cooperation or Consortium Agreement with the Agency; and

WHEREAS, community development grants from HUD administered directly by the recipient are required to secure environmental clearance; SHRA is designated as the agent for the City and County of Sacramento and is the general unit of local government for the purpose of environmental clearance on the City and County's behalf of nonprofit organizations which are sub-grantees; and

WHEREAS, a duly noticed public hearing soliciting comments on the 2017 One-Year Action Plan Substantial Amendment and previous years' Action Plan and the disposition of 810 Roanoke Avenue took place on August 2, 2017 before the Sacramento Housing and Redevelopment Commission.

WHEREAS, Environmental review for project implementation for the 9th Avenue Project and the Rio Linda Superblock Project is underway and no funds will be committed or spent prior to completion of environmental review and adoption of environmental findings, if required. If required, environmental findings will be brought back for governing board approval. Soliciting bids is not considered a project pursuant to California Environmental Quality Act (CEQA) Guidelines under Title 14, § 15378 of the California Code of Regulations (CCR), and is exempt under the National Environmental Policy Act (NEPA) under Title 24, § 58.34(a)(3) of the Code of Federal Regulations (CFR). The 9th Avenue Project is expected to be Exempt pursuant to CEQA Guidelines § 15302, 15304, 15312, 15330, and 15332, and is expected to be Categorically Excluded pursuant to NEPA at 24 CFR § 58.35(a)(4)(i) and (5). The Superblock Project is expected to require an Initial Study pursuant to CEQA Guidelines § 15063 and an Environmental Assessment pursuant to 24 CFR § 58.40.

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. All evidence presented having been duly considered, including environmental findings as set forth in this resolution and accompanying staff report. These actions are found to be true and correct and are hereby adopted.

Section 2. Subject to approval by the Sacramento City Council, the Executive Director, or designee is, authorized to:

- Amend and submit to HUD the SHRA budget, amended 2017 Annual Action plan, and previous years' Action Plans to amend the budget to allocate \$285,000 in CDBG Capital Reserve (2015-2017) funds to the Rio Linda Superblock project.
- Amend its Budget to allocate current NSP PI funds totaling \$104,000 and NSP EN funds totaling \$228,000 to the proposed projects and transfer any remaining and future NSP PI to the CDBG program.
- Close out NSP1 and NSP3 following the conclusion of all outstanding NSP projects, pending corresponding approval from HUD.
- Take all actions reasonable necessary to assess and remediate the Rio Linda Superblock.
- Take all actions necessary to demolish, dispose of, and abate and remediate any environmental concerns for the property at 3740 9th Avenue.
- Make any budget adjustments and execute any and all related documents, including reporting, invoicing, contracts and amendments as necessary to carry out activities described in this staff report in compliance with adopted policies, guidelines, regulations and federal law as approved to form by agency counsel.

CHAIR

ATTEST:

CLERK