

TO: James L. App, City Manager
FROM: Ed Gallagher, Community Development Director
SUBJECT: Authorization to Apply for a Housing-Related Parks Program Grant
DATE: December 17, 2013

Needs: For the City Council to authorize staff to apply to the State Department of Housing and Community Development (HCD) for a Housing-Related Parks Program (HRPP) Grant.

Facts:

1. HRPP Grants are non-competitive grants, funded by Proposition 1C (2006) that reward local jurisdictions for having permitted construction of affordable housing between January 1, 2010 and June 30, 2013.
2. HRPP grant funds must be used to improve public parks. No local match is required.
3. HRPP funds are awarded on several criteria:
 - a. Grant awardees must have an HCD-accepted Housing Element and have submitted annual reports on the status of the Housing Element to HCD since 2010;
 - b. Number of bedrooms in new affordable housing complexes; grant amounts increase as the percentage of occupants' income levels decrease;
 - c. Bonus awards are granted for housing in urban infill areas;
 - d. Bonus awards are granted for parks in areas in which more than 51% of the households are low income;
 - e. Bonus awards are granted for parks in area that are primarily underserved with parks (as defined by the State).
4. The two parks that would be eligible for the greatest amount of bonus awards are:
 - a. City Park, which needs improvements to the playground and gazebo;
 - b. Oak Park, the proposed park to serve the redevelopment of Oak Park Public Housing. The Housing Authority is seeking funding to develop this park.
5. The City may be eligible to receive up to \$860,000 in HRPP funds as a reward for having permitted Hidden Creek Village (at 80 Cary Street) and Phase One of Oak Park. Both housing projects were permitted between January 1, 2010 and June 30, 2013.
6. Costs to maintain grant-funded improvements will be estimated and reported if/when the City Council considers the grant award.
7. Grant funds are disbursed on a reimbursement basis, i.e., the City or Housing Authority must first expend the funds and then be reimbursed.
8. The regulations governing HRPP Grants require that grant funds must be spent by June 30, 2016.
9. Applications for HRPP Grants must be filed with HCD no later than January 22, 2014. Award of HRPP Grants must occur no later than June 30, 2014.

Analysis and Conclusion:

The HRPP Grant is similar to the Workforce Housing Reward Grants (funded by Proposition 42), which could be used for any public improvements. The City received two of these grants from HCD: one in 2004; the other in 2006 as a reward for permitting Canyon Creek Apartments and Chet Dotter Senior Housing. Those grant funds, which collectively totaled about \$300,000, were used to construct street improvements in 28th Street (adjacent to Chet Dotter Senior Housing), street improvements on Riverside Avenue (at the Event Center/Fairgrounds), and install three LED-lighted crosswalks: two on Scott Street and one at the main entrance to the Event Center.

Public Works and Recreation Staff have indicated that improvements to City Park (playground and gazebo upgrades) can be completed by June 2016.

The Housing Authority may use HRPP grant funds to: relocate families in existing units where the park will be located, for demolition of existing units, for site preparation, and for park improvements. HCD has indicated that use of grant funds for any of these activities would be valid, and that the State would have no requirement that the park be fully-developed within a certain time frame. However, it will be necessary for the Housing Authority to demonstrate that they can complete the funded activity by June 2016.

The Director of the Housing Authority has informally indicated the Housing Authority's interest in having the City pursue this grant. The City has requested that the Housing Authority document this interest via a written request. The Board of Commissioners is scheduled to discuss this at its meeting of December 10. Assuming that the Board of Commissioners agrees to send a letter of request, copies will be distributed to the Council prior to the December 17 Council meeting.

HCD has advised staff that the City may apply to use the funds at either or both parks. However, prior to accepting the grant via Council Resolution (in July or August 2014), the City will need to determine if either park project can be completed by June 2016.

The City's current (2011) Housing Element has been accepted by HCD. The City has sent annual reports on the status of the Housing Element to HCD since 2004.

Policy

Reference: Housing Element; Approved Development Plan (PD) 10001) for Redevelopment of Oak Park Public Housing; HCD's Guidelines for the Housing-Related Parks Program

Fiscal

Impact: Minimal impact to the General Fund for staff time to prepare the grant application. Acceptance of the grant, which would be presented to the City Council for action at a future date, would commit the City to devote staff time to administer the grant. The costs to maintain grant-funded improvements will be itemized for consideration if/when the City Council considers acceptance of the grant award.

- Options:**
- a. By minute action (voice vote), authorize staff to apply to the State Department of Housing and Community Development (HCD) for a Housing-Related Parks Program Grant; or
 - b. Amend, modify, or reject the above option.