



CITY OF BIGGS Planning Staff Report

TO: CITY OF BIGGS CITY COUNCIL

FROM: Scott Friend, AICP – City Planner

MEETING DATE: July 12, 2016; 6:30 p.m.
Biggs City Hall, 3016 Sixth Street, Biggs, CA 95917

SUBJECT: Housing Related Parks Grant: 2015 Program Year Awards Announcement

BACKGROUND

The Community Housing Improvement Program (CHIP) recently developed 56 single family residential dwelling units as part of the North Biggs Estates affordable housing project. Based upon planning staff research and information provided by the developer, these new units were confirmed to meet the criteria established by the Housing and Community Development Department (HCD) of the State of California to qualify as low or very-low income dwelling units due to the qualifying status of the purchasers of the dwellings. As a result, the City of Biggs was deemed eligible to apply for grant funds to construct new, or make improvements to existing, parks and recreation facilities in the City.

At the January 12th meeting, the City Council authorized planning staff to prepare and submit an application on behalf of the City of Biggs for the Housing Related Parks Program (HRPP) grant. As previously discussed with the Council, the purpose of the HRPP is to increase the overall supply of housing affordable to lower income households by providing financial incentives to cities and counties with documented housing starts for newly constructed units affordable to very low or low-income households. Grant amounts are calculated based on the number of bedrooms in newly constructed rental and ownership units restricted for very low and low-income households for which building permits have been issued during the designated program year (DPY) covered by the Notice of Funding Availability (2015).

DISCUSSION

The North Biggs Estates project resulted in the construction of 26 very low income units (100 bedrooms) and 30 low income units (114 bedrooms) during the 2015 DPY. These units were used to calculate a minimum base award, which totaled \$132,000. In addition, the City applied for three (3) of the grant's bonus award categories: 1) New Construction Units; 2) Infill Units; and, 3) Units located in a Park-Deficient Community. The award amounts for these bonus categories varied from \$250 to \$500 per bedroom, depending on income-level.

Grant awardees and amounts were announced June 30th, 2016. Planning staff is pleased to share that the City of Biggs has not only received the base award amount, but also qualified for all three bonus award categories. The City has been awarded a total of \$406,100 in grant funding through the Housing Related Parks Program!!

ELIBILE USE OF FUNDS

Grant funds can be used for the costs of Park and Recreation Facility creation, development, rehabilitation, or acquisition of land. Program grant funds may not be used for administrative costs, such as grant administration, or for other costs not directly related to the acquisition, rehabilitation or construction of a capital asset.

The City will enter into a State Standard Agreement for distribution of funds, which must be spent within two (2) years of the date of award announcement. Requests for fund disbursements must be for at least 25 percent of the total grant amount awarded.

Please note: This is a reimbursement grant. See **Attachment B** for further details and instructions regarding the eligible use of grant funds.

EXPENDITURE TIMELINE

Awards Announced.....	June 2016
Standard Agreements.....	August – September 2016
Requests for Fund Disbursement.....	from August 2016
Final Fund Disbursements.....	April 30 th , 2018
Final Reports*.....	Within 60 days of End of Standard Agreement

**Based on this example, while all Program funds must be requested by April 30, 2018 and expended no later June 30, 2018, the qualifying park project is not required to be completed by that date. The grantee must, however, report on the anticipated completion date of the park project in its final report.*

ENVIRONMENTAL REVIEW

Not Applicable.

PUBLIC COMMENT

No comment has been sought on this matter and none has been received.

FISCAL IMPACT

To be determined.

RECOMMENDATION

At this time, staff recommends that the City Council consider forming an ad-hoc committee to discuss project costs and details, timelines, and use of grant funds.

ATTACHMENT(S):

- **Attachment A:** Award Announcement Letter
- **Attachment B:** HRPP Guidelines - Eligible Use of Funds

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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June 30, 2016

Mr. Scott Friend, City Planner
City of Biggs
465 C Street
Biggs, CA 95917

**RE: Award Announcement – Housing-Related Parks Program Award
Contract #: 15-HRPP-10937**

Dear Mr. Friend:

The Department of Housing and Community Development (Department) is pleased to announce the City of Biggs has been awarded a Housing-Related Parks (HRP) Program award for the 2015 Designated Program Year (DPY). The goal of the HRP Program is to increase the overall supply of housing affordable to lower-income households by providing financial incentives for the creation, expansion or renovation of community park and recreation amenities. Funding for the HRP Program is available pursuant to the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition IC). The HRP Program reflects the Department's commitment to work in partnership with local governments to address California's critical housing and community development needs, recognizing and reinforcing the critical linkages between housing, jobs, and the economy in creating vital, livable communities.

As you know, all local government applicants with eligible units for new, preserved, rehabilitated and acquired rental or ownership housing affordable to lower-income households and which are in compliance with State housing element law, are eligible to receive HRP Program grant funds for use in local capital improvement park-related projects.

The application submitted in response to the Department's HRP Program DPY 2015 Notice of Funding Availability (NOFA) indicated the City met these programmatic requirements and has implemented the objectives of the Program. This letter, therefore, constitutes a conditional commitment of grant funds in the amount of \$406,100.

Staff will be contacting you shortly to initiate the process of preparing the Standard Agreement for fund distribution. Please note, no funds may be expended, nor any costs incurred, until the standard agreement is fully executed. Congratulations on your successful application. For further information, please contact Jennifer Seeger, HRP Program Manager, at jennifer.seeger@hcd.ca.gov or (916) 263-7421.

Sincerely,

Lisa Bates
Deputy Director

cc: kelly.murphy@mbakerintl.com

Section 108 Eligible Use of Funds
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A. Grant funds shall be used for the costs of Park and Recreation Facility creation, development, or rehabilitation, including, but not limited to, the acquisition of land for the purposes of those activities consistent with the requirements set forth in Section 16727 of the Government Code. Program grant funds may be used for the following types of projects:

1. Costs to construct, rehabilitate, or acquire capital assets, meaning:
 - a. Physical property with an expected useful life of 15 years or more.
 - b. Major maintenance, reconstruction, or demolition for purposes of reconstruction of facilities, and retrofitting work that is ordinarily done no more often than once every 5 to 15 years, or expenditures that continue or enhance the useful life of the capital asset.
 - c. Equipment with an expected useful life of two years or more.
2. Costs incidental to but directly related to the construction or acquisition of a capital asset are allowable.

PLEASE NOTE: QUALIFYING PARK PROJECTS ARE NOT REQUIRED TO BE TIED TO THE HOUSING UNITS USED TO QUALIFY FOR THE BASE GRANT AWARD.

- B. Program grant funds **may not** be used for administrative costs of persons employed by the grantee, such as grant administration, or for other costs not directly related to the acquisition, rehabilitation or construction of a capital asset.
- C. A jurisdiction that receives funds under this Program may subcontract with an Eligible Subcontractor. The subcontract shall be subject to the approval of the Department and shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the jurisdiction of its responsibilities under the Program.
- D. Successful Program applicants will enter into a State Standard Agreement (Standard Agreement) for distribution of funds. Program grant funds must be spent within two years of the date of award announcement.
- E. No costs incurred prior to the execution date of the Standard Agreement may be charged to Program funds. After the contract has been executed by the State, eligible expenditures may be incurred and expended for the project(s) subject to the terms and conditions of the Standard Agreement.

Requests for fund disbursements must be for at least 25 percent of the total grant amount awarded.