



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



9

November 9, 1988

Budget and Finance Committee  
of the City Council  
Sacramento, CA

Honorable Members in Session:

SUBJECT: 1989 Community Development Block Grant Statement of Objectives/Proposed Use of Funds and Amendment to the CDBG Program - City of Sacramento

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency and City Council of the City of Sacramento.

RECOMMENDATION


The staff recommends approval of the attached resolutions approving the statement and funding.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COMMITTEE:

  
\_\_\_\_\_  
JACK R. CRIST  
Deputy City Manager

Attachment



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



November 5, 1988

Redevelopment Agency of the  
City of Sacramento and  
Sacramento City Council  
Sacramento, California

Honorable Members In Session:

SUBJECT: 1989 Community Development Block Grant (CDBG) Statement  
of Objectives/Proposed Use of Funds  
and  
Amendment to the CDBG Program

## SUMMARY

This report presents the City of Sacramento's 1989 Final Statement (Application) to the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant (CDBG) funds. The attached resolutions (1) approve the 1989 Final Statement and carryover budget amendments including cancellation of the Gardenland Community Garden project (Exhibit A); (2) authorize the Executive Director to submit the application and execute the subsequent grant agreement; (3) authorize the Executive Director to amend the 1989 CDBG contingency fund in the event the final 1989 entitlement is greater or smaller than that estimated in the application; (4) authorize the Executive Director to execute contracts with the appropriate entities to carry out the projects contained within the 1989 Application; (5) authorize the Executive Director to execute contracts or memoranda of understanding when CDBG-funded agencies are awarded City General Funds; and (6) adopt the Anti-Displacement and Relocation Plan shown as Exhibit B.

## BACKGROUND: Application

Each year the City of Sacramento submits an application to HUD in order to receive CDBG funds. The application is due at HUD by December 1, 1988, in order for the City to receive CDBG funds by January (or early February) of 1989.

The attached application has been developed in conformance (1) with the CDBG Three-Year Plan (1988-1990) which was approved by your Council in April 1987 and (2) with the 1989 Priority Statement approved in August of this year.

(1)

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Congress has passed and the President has signed the 1989 federal budget which includes three (3) billion dollars for the CDBG Program nationwide. This allocation represents approximately four (4) percent more than the CDBG appropriation for 1988. However, HUD has not yet calculated the impact of new entitlement jurisdictions on this overall amount or on individual grants. Therefore, staff has prepared the projected use of funds based on the 1988 grant amount of \$3,411,000. The attached resolutions authorize adjustments to the contingency fund should the final entitlement be greater or smaller than this estimate.

Staff has reviewed all proposed projects and finds them to be in accordance with HUD regulations regarding eligibility and program benefit to low- and moderate-income persons or neighborhoods. Public input from the Target Area Committees and interested citizens was obtained in the preparation of the City's Three-Year Community Development Plan and in preparation of the projects proposed herein. This application represents the second year's funding recommendations from that plan.

The major components of the application are as follows:

SECTION I - COMMUNITY DEVELOPMENT OBJECTIVES - This section lists the local program goals and objectives of the City's CDBG Program. The major goals of the program are to improve the quality of the neighborhood environment in low-income target areas, provide housing assistance to low-income City residents, and create expanded economic opportunities for low-income persons within the City of Sacramento.

SECTION II - 1989 PROJECTED USE OF FUNDS - This section is actually a summary of the entire application in that it outlines the proposed use of 1989 CDBG funds.

In addition to the 1989 entitlement funds, staff is recommending reprogramming of surplus unused funds from prior years (see Exhibit A). The addition of \$586,790.14 in surplus carryover funds will create a total projected budget of \$3,997,790.14.

The recommended programs and funding levels are categorized as follows: Capital Improvements, Housing Programs, Public Services, Economic Development, Administration, and Contingency. The Capital Improvement category is then broken out according to project by target area.

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The recommended allocations are based on the priorities approved by the Council in August of this year and on the 1988-90 Three Year Plan which recommended targeting CDBG capital improvement funds to East Del Paso Heights, Gardenland/Noralto, and Del Paso Heights and which also recommended funding guidelines for each category of activity. In the case of the Section 108 loan, the allocation is a committed loan repayment and may not be adjusted.

SECTION III - 1989 DESCRIPTION OF ACTIVITIES AND MAPS - A detailed description of each of the programs and projects listed in Section II is presented here along with maps showing project locations.

PUBLIC SERVICES: This section briefly summarizes the recommended funding level for each of the public service activities.

- a) Workcreation - The funding level recommended maintains funding at the 1989 level; no significant expenditure increases are anticipated.
- b) Shared Housing (SAIL) - The funding level recommended maintains funding at the 1989 level. Initially, this program was to become self-sufficient; however, because amounts anticipated from other funding sources have not reached projections and because some of these sources require matching funds, the need for CDBG funding continues. The program also receives allocations from Area 4 Agency on Aging, the State Housing and Community Development Department, and local tax funds (Payment in Lieu of Taxes).
- c) Housing Outreach Maintenance Education - An approximate 3.9 percent cost of living increase is recommended for this program as requested by the operator, Lutheran Social Services (LSS). CDBG is the primary source of funding for this program which provides 1) home maintenance education for Indo-Chinese refugees and other disadvantaged groups, and 2) a support component for the Homeless Transitional Housing Program.

(3)

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- d) Homeless Program for the Mentally Ill - A 3.9 percent cost of living increase is recommended for this program based on the County Welfare Department's recommendations for increases to its community-based organizations.
- e) Human Rights/Fair Housing Commission (HR/FHC) - Although this program is not categorized as a public service but is part of administration, the funding level recommended maintains funding at the 1988 level. CDBG is the major source of funds for the HR/FHC. However, this year the HR/FHC will obtain a substantial increase in City and County general funds allocated for the program. The 1988/89 general fund allocation is \$30,000 from each the City and the County. This funding is more appropriate for human rights activities for which SHRA staff has urged the Commission to seek additional funding. It is especially appropriate that these funds are coming from the City and County, since the Commission is a joint powers agency and responds to City and County requests for human rights related activities.

## BACKGROUND: Anti-Displacement and Relocation Plan

To receive funds after October 1, 1988, CDBG entitlement jurisdictions must certify that they are following a residential anti-displacement and relocation assistance plan which conforms to the Housing and Community Development Act of 1987. To meet this requirement, staff has prepared and is implementing the plan shown as Exhibit B. It provides assurances that low and moderate income housing units demolished or converted to another use by CDBG-funded activities will be replaced within three years. It also provides for payment of the required relocation benefits to low- and moderate-income households displaced as a direct result of CDBG-funded activities.

## BACKGROUND: Cancellation of the Gardenland Community Garden Project

This project was funded in 1985. However, when an extensive search for a site proved futile, the TAC agreed to cancel the project and make these funds (\$8,000) available for 1989 projects in Gardenland.

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## **FINANCIAL DATA**

The attached application conforms to staff's best estimate of 1989 CDBG revenues. It includes surplus funds reprogrammed from completed projects in East Del Paso Heights and Gardenland/Noralto Target areas to new projects in these respective target areas. Staff estimates the 1989 CDBG entitlement will be approximately \$3,411,000.

## **ENVIRONMENTAL REVIEW**

All projects have been submitted for review under the requirements of the National Environmental Protection Act (NEPA). Per HUD regulations, no funds will be expended prior to NEPA clearance.

All projects have been reviewed to ensure compliance with the California Environmental Quality Act (CEQA); the results are shown as Exhibit C.

## **POLICY IMPLICATION**

The attached application is developed in accordance with the Federal CDBG regulations regarding primary benefit to low-income persons and neighborhoods. This application follows adopted policy by addressing the CDBG Three-Year Plan (1988-1990) goals of providing decent housing and improving the living environment of the low-income target areas within the City.

## **VOTE AND RECOMMENDATION OF COMMISSION**

At its regular meeting of November 7, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

## RECOMMENDATION

The staff recommends adoption of the attached resolutions which (1) approve the 1989 Final Statement and carryover budget amendments including cancellation of the Gardenland Community Garden project (Exhibit A); (2) authorize the Executive Director to submit the application and execute the subsequent grant agreement; (3) authorize the Executive Director to amend the 1989 CDBG contingency fund in the event the final 1989 entitlement is greater or smaller than that estimated in the Final Statement, (4) authorize the Executive Director to execute contracts with the appropriate entities to carry out the projects contained within the 1989 Final Statement; (5) authorize the Executive Director to execute contracts and memoranda of understanding when CDBG-funded agencies are awarded City General Funds; and (6) adopt the Anti-Displacement and Relocation Plan shown as Exhibit B.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COUNCIL:

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WALTER J. SLIPE  
City Manager

Contact Person: Maxine Cornwell 440-1322

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# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF

SUBMITTAL OF 1989 COMMUNITY DEVELOPMENT BLOCK GRANT  
STATEMENT OF OBJECTIVES AND PROJECTED USE OF FUNDS

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO:

Section 1: The Executive Director of the Redevelopment Agency is authorized to submit to the United States Department of Housing and Urban Development the final 1989 Community Development Block grant (CDBG) Statement of Objectives and Projected Use of Funds ("Application") together with necessary application materials, as approved by the Board of Supervisors.

Section 2: The Executive Director of the Redevelopment Agency is authorized to execute and submit all certifications necessary to receive CDBG funds and to execute the subsequent grant agreement related to the Application.

Section 3: The 1989 Agency budget shall be amended to reflect receipt of such CDBG funds in the amount and for purposes designated in the approved Application.

Section 4: The Executive Director of the Redevelopment Agency is hereby authorized to amend the 1989 CDBG Contingency to the extent that such funds received are greater or smaller than estimated in the Application's projected use of funds.

Section 5: The Executive Director of the Redevelopment Agency is hereby authorized to enter into contracts with those subrecipients who will complete the projects and programs listed in the approved Application.

Section 6: The Executive Director of the Redevelopment Agency is hereby authorized to amend the 1988 and 1989 Agency budgets in accordance with Exhibit "A" attached hereto.

Section 7: The Executive Director of the Redevelopment Agency is hereby authorized to execute necessary contracts and Memoranda of Understanding when CDBG-funded agencies are awarded County General Funds.

Section 8: The 1985 Gardenland Community Garden project is hereby cancelled.

Section 9: The Anti-Displacement and Relocation Plan shown as Exhibit B is hereby adopted.

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CHAIR

ATTEST:

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SECRETARY

1100WPP2(162)

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

## SUBMITTAL OF 1989 COMMUNITY DEVELOPMENT BLOCK GRANT STATEMENT OF OBJECTIVES AND PROJECTED USE OF FUNDS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director of the Redevelopment Agency of the City of Sacramento (RACS) is authorized to submit to the United States Department of Housing and Urban Development the final 1989 Community Development Block grant (CDBG) Statement of Objectives and Projected Use of Funds together with necessary application materials, as approved by the Board ("Application").

Section 2: The Executive Director of the RACS is authorized to execute and submit all certifications necessary to receive CDBG funds and to execute the subsequent grant agreement related to the Application.

Section 3: The 1989 Agency budget shall be amended to reflect receipt of such CDBG funds in the amount and for purposes designated in the approved Application.

Section 4: The Executive Director of the RACS is hereby authorized to amend the 1989 CDBG Contingency to the extent that such funds received are greater or smaller than estimated in the Application's projected use of funds.

Section 5: The Executive Director of the RACS is hereby authorized to enter into contracts with those subrecipients who will complete the projects and programs listed in the approved Application.

Section 6: The Executive Director of the RACS is hereby authorized to amend the CDBG Program budgets in accordance with Chart "A" attached hereto.

Section 7: The Executive Director of the RACS is hereby authorized to execute necessary contracts and Memoranda of Understanding when CDBG-funded agencies are awarded City General Funds.

Section 8: The City Council hereby approves amendments to the City's Capital Improvement Plan and Budget reflecting the changes reflected in Chart A.

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MAYOR

ATTEST:

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CITY CLERK

1100WPP2(162)

EXHIBIT A

CHART A: RECOMMENDED REPROGRAMMING ACTIONS  
 CITY OF SACRAMENTO  
 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

YEAR POST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTINGENCY	COMMENTS
987 04286		<u>Beginning Contingency Balance:</u>		\$ 829.58	
981/82 04244	Florin Reservoir Park	\$110,000.00	\$ 93,517.14	+ 16,482.86	Project complete; surplus funds.
985 04277	East Del Paso Heights Street Improvements Phase 3	325,000.00	171,868.57	+153,131.43	Project complete; surplus funds.
985 04401	Community Garden	8,000.00	- 0 -	+ 8,000.00	Project cancelled.
985 04266	Woodbine Street Improvements Phase 4	45,000.00	34,222.70	+ 10,777.30	Project complete; surplus funds.
985 04407	48th and 49th Avenue Street Lights	45,000.00	11,769.01	+ 33,230.99	Project complete; surplus funds.

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## EXHIBIT A

CHART A: RECOMMENDED REPROGRAMMING ACTIONS  
 CITY OF SACRAMENTO  
 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

YEAR COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTINGENCY	COMMENTS
1986 BO4261	Workreation	\$145,000.00	\$108,359.16	+ 36,640.84	Project complete; surplus funds.
1986 BO4414	Stanford Settlement Restroom/Office	109,000.00	91,773.59	+ 17,226.41	Project complete; surplus funds.
1986 AO4502	East Del Paso Heights Street Improvements Phase 5A	752,000.00	726,109.06	+ 25,890.94	Project complete; surplus funds.
1986 AO4504	Stanford Settlement Phase II/ Office	34,628.00	10,853.15	+ 23,774.85	Project complete; surplus funds.
1986 AO4615	Stanford Settlement Parking Lot	10,000.00	6,495.00	+ 3,505.00	Project complete; surplus funds.
1986 FO6412	Riverview Plaza	297,400.00	462,742.00	-165,342.00	Funds needed to cover eligible costs in previously approved project.
1986	Flood Rebate	91,342.50	- 0 -	+ 91,342.50	Rebate from federal government for CDBG costs incurred during 1986 flood.

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CITY OF SACRAMENTO  
RESIDENTIAL ANTIDISPLACEMENT AND  
RELOCATION ASSISTANCE PLAN  
SECTION 104d OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT  
OF 1974, AS AMENDED

The Redevelopment Agency will replace all occupied and vacant occupiable low/moderate-income dwelling units demolished or converted to a use other than as low/moderate-income housing as a direct result of activities assisted with funds under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR 570.606 (b) (1). These funds include Community Development Block Grant (CDBG), Urban Development Action Grant (UDAG), and Section 108 Loan proceeds.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the Redevelopment Agency will make public and submit to the Housing and Urban Development Field Office the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by number of bedrooms that will be demolished or converted to a use other than low/moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of a demolition or conversion;
4. The general location on a map and approximate number of dwelling units by number of bedrooms that will be provided as replacement dwelling units;
5. The source of funding and a schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low/moderate-income dwelling unit for at least 10 years from the date of initial occupancy.

The Redevelopment Agency will provide relocation assistance, as described in CFR 570.606 (b) (2), to each low/moderate-income household displaced by the demolition of housing or by the conversion of a low/moderate-income dwelling to another use as a direct result of assisted activities. The relocation assistance shall be as follows:

1. Any individual, group of individuals, farm, or business displaced by a CDBG activity covered under the Uniform Relocation and Acquisition Act (URA) shall receive relocation assistance and benefits in accordance with the Act and any supplemental federal instructions applicable.
2. CDBG recipients involuntarily or permanently displaced not covered under URA shall receive reasonable relocation benefits and assistance. Recipients include residential and commercial tenants.

Benefits to involuntary displacees include notification, reasons, and timelines for rehab work, eligibility for relocation expenses and rental assistance from the Redevelopment Agency.

Consistent with the goals and objectives assisted under the Act, the Redevelopment Agency will take the following steps to minimize the displacement of persons from their homes as follows:

1. In structuring proposed projects for funding consideration, the Redevelopment Agency shall:
  - (a) make an assessment of the potential displacement which might occur from the project as proposed, (b) consider alternatives which would minimize displacement, and (c) select the most feasible alternative which both meets project goals and minimizes displacement.
2. For programs assisted through CDBG or Section 108 resources, in which a property owner voluntarily seeks such assistance (such as a rehabilitation loan), the Redevelopment Agency will assess the potential displacement which may result from the project and the costs associated with such displacement and advise the property owner. The property owner shall be further advised of his/her responsibility to pay for such costs. The Redevelopment Agency will also give technical assistance to owners on means of minimizing permanent displacement (and therefore costs) such as scheduling construction activities in phases to allow

tenants to temporarily move and thereby avoid permanent displacement, referring eligible tenants to assistance programs (such as Section 8) to help stabilize the tenant's rent, or other alternatives as appropriate to the project.

3. For major publicly initiated programs (example: public housing site acquisition) where the displacement assessment indicates substantial direct or indirect displacement may occur, the Redevelopment Agency will prepare a project specific displacement mitigation/relocation plan in order to ensure implementation of these policies and strategies.

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CITY OF SACRAMENTO  
1989 COMMUNITY DEVELOPMENT BLOCK GRANT  
PROJECTS AND PROGRAMS  
CALIFORNIA ENVIRONMENTAL QUALITY ACT  
REVIEW RESULTS

PROJECT

CAPITAL IMPROVEMENTS:

REVIEW RESULTS

EAST DEL PASO HEIGHTS

- . EDPH Street Improvements 4A, 4B,  
and 4C

Negative Declaration\*

DEL PASO HEIGHTS

- . Del Paso Heights Street  
Improvements 9

Negative Declaration\*

GARDENLAND/NORALTO

- . Noralto Street Improvements - Design
- . Stanford Settlement Miscellaneous  
Improvements
- . Street Undulations -
- . Las Palmas Avenue
- . Gardenland/Noralto  
Park Improvements
- . Bus Shelters

Categorically Exempt

Categorically Exempt

Categorically Exempt

Categorically Exempt

Categorically Exempt

All other projects/programs are continuing ones that have been reviewed in prior years.

\* Negative Declarations within the City public right-of-way are noticed, adopted, and filed by City Council action at time of contract bid advertising.

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