



DEPARTMENT OF
FINANCE

FINANCE ADMINISTRATION

CITY OF SACRAMENTO
CALIFORNIA

SACRAMENTO CITY HALL
730 I STREET
ROOM 215
SACRAMENTO, CA
95814-2684

PH: 916-808-1240
FAX: 916-808-5755
TDD (ONLY) 916-264-7227

February 1, 2005

Law and Legislation Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: 2004 REPORT ON LEGISLATIVE ACTIVITIES

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION

This report is for Committee information. Staff recommends forwarding the report to the Mayor and the City Council for information.

CONTACT Tina Lee-Vogt, Legislative Affairs Analyst, 808-2679

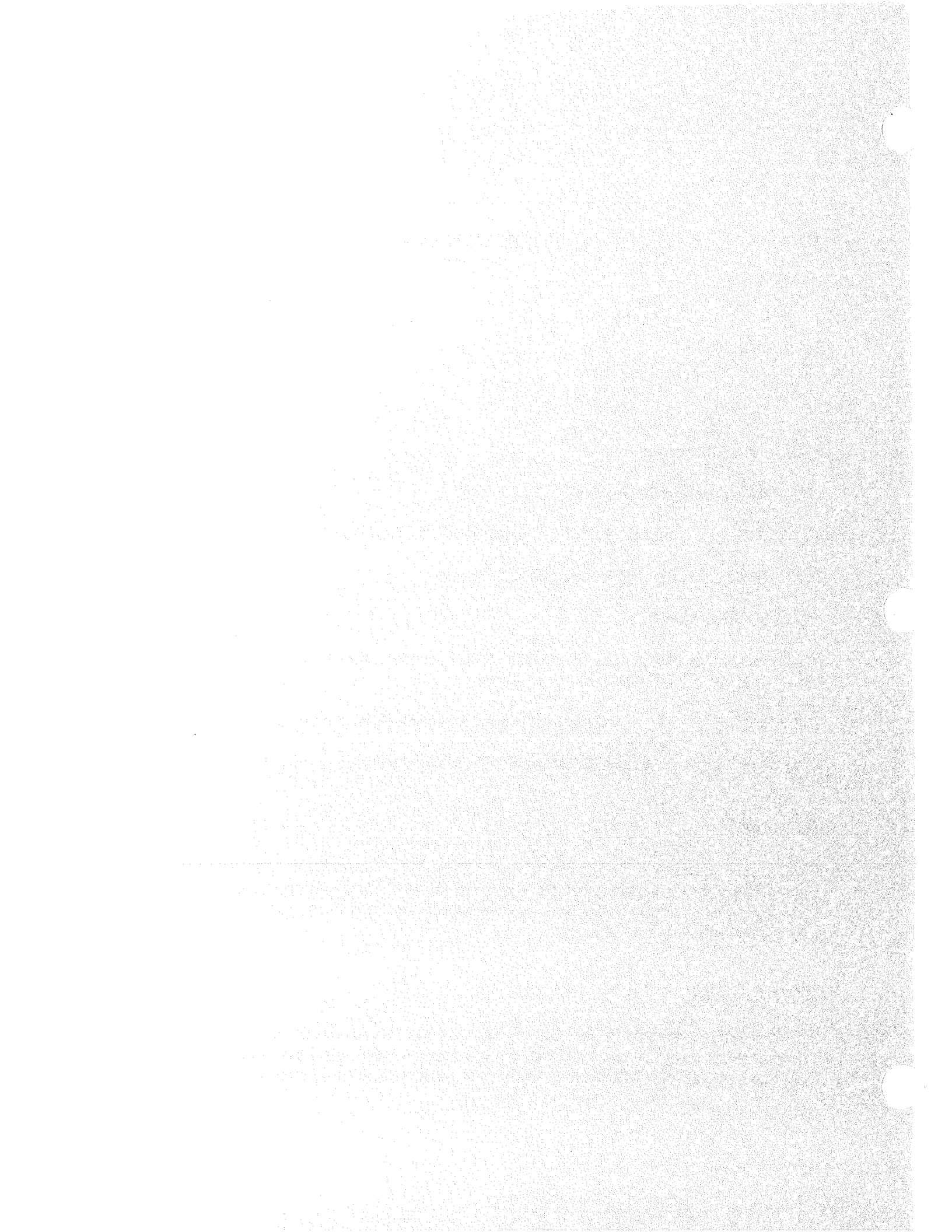
FOR THE COMMITTEE MEETING OF February 15, 2005

SUMMARY

This report transmits to the Law and Legislation Committee the 2004 Report of Legislative Activities prepared by the Legislative Affairs Office. This annual report includes information on State and Federal legislation and issues monitored by staff and funding received by the City.

BACKGROUND

The legislative program for the City of Sacramento has two main components. The first component is the Law and Legislation Committee which was established to coordinate City policies related to State and Federal legislation and local ordinances. The second



component is legislative advocacy at the State and Federal level on behalf of the City by the City's contract legislative lobbyists. These activities are supported by the Legislative Affairs Office whose primary purpose is to advocate, coordinate, and advance the City's legislative agenda to enhance the City's ability to govern and provide essential municipal and community services.

The Legislative Affairs staff has prepared the 2004 Annual Report of Legislative Activities (Attachment A) to provide the Mayor and the City Council with a summary of the City's efforts over the past year. This annual report includes information on State and Federal legislation and issues monitored by staff as well as funding awarded to the City. In addition to the issues addressed in the annual legislative report, other activities in the Legislative Program include:

- Appointment of the Legislative Affairs Analyst in February 2004.
- Updating the Legislative Affairs Website accessible via the City's home page (www.cityofsacramento.org).
- Development and adoption of the 2005 State and Federal Legislative Platform.
- Conducted the Legislative Analysis class with over twenty-five students including participants from the City Management Institute in September 2004. This is the third year this class was offered by City University.

FINANCIAL CONSIDERATIONS:

There are no financial considerations associated with this report

ENVIRONMENTAL CONSIDERATIONS:

There are no environmental considerations associated with this report.

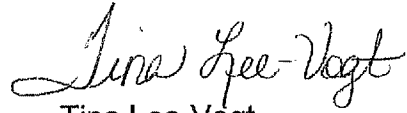
POLICY CONSIDERATIONS:

The efforts included in the 2004 Report Legislative Activities are consistent with the City's vision to be the city of choice to live, learn, work and play.

ESBD CONSIDERATIONS:

No goods or services are being purchased at this time.

Respectfully submitted:



Tina Lee-Vogt
Legislative Affairs Analyst

RECOMMENDATION APPROVED:

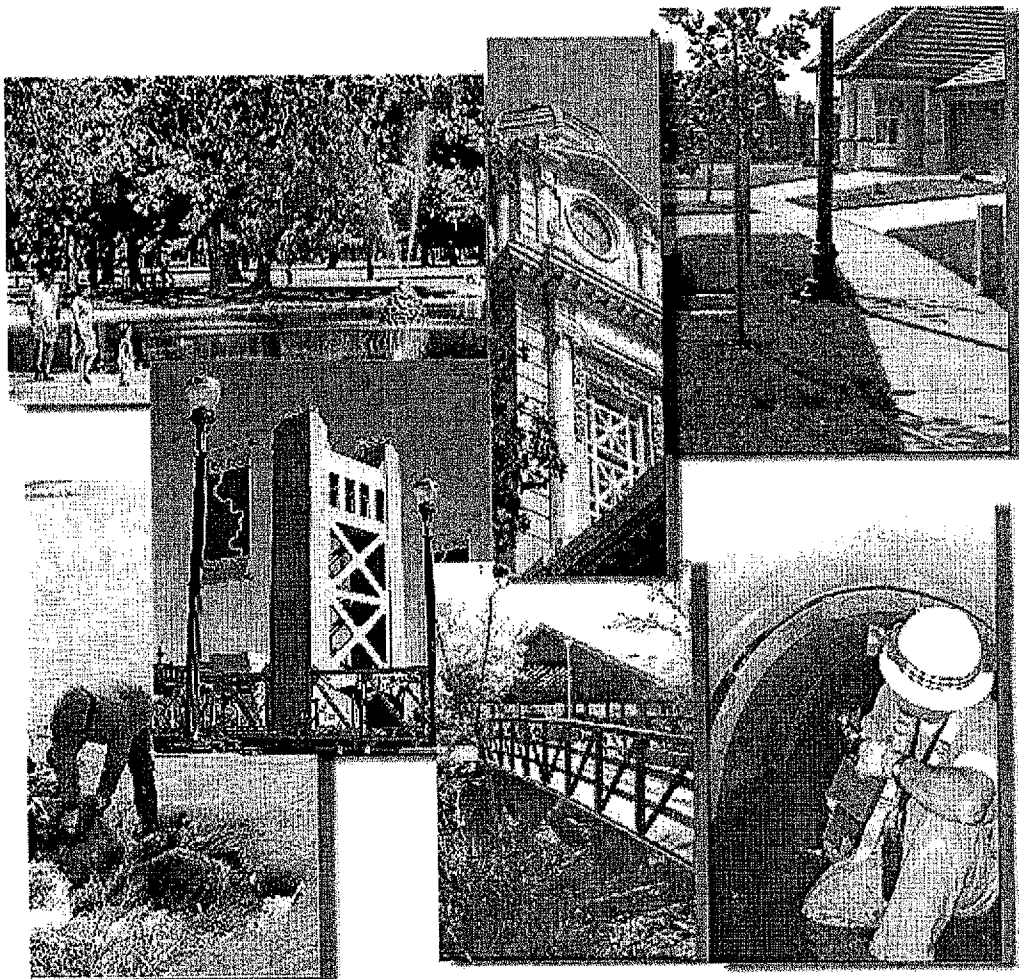


KEN NISHIMOTO
Assistant City Manager

ATTACHMENTS:

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City of Sacramento



2004 REPORT OF LEGISLATIVE ACTIVITIES

Legislative Affairs Office
730 I Street, Suite 215
Sacramento, California 94814

City of Sacramento
2004 REPORT OF LEGISLATIVE ACTIVITIES

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LAW AND LEGISLATION COMMITTEE

The Law and Legislation Committee was established by the City Council to coordinate City policy related to State and Federal legislation and local ordinances. The Committee addresses and adopts positions on pending State and Federal legislation, local ordinances, and resolutions that impact, preserve or improve the City of Sacramento.

The Mayor appoints four Council members to the Law and Legislation Committee annually with one member serving as the Chair. The four members are voting members of the Committee. For 2004, the following Council Members served on the Committee:

- Chairperson: Steve Cohn
- Committee Member: Sandy Sheedy
- Committee Member: Robbie Waters
- Committee Member: Bonnie Pannell

During 2004, the Committee held nineteen meetings. The Committee heard and adopted positions on nearly fifty separate staff reports on a variety of different issues and ordinances. These issues and ordinances include, but are not limited to:

- Zoning for Ground Floor Retail Uses in the Central Business District
- Licensure of Tobacco Retailers
- Freeport Annexation Pre-Zoning and Special Planning District
- Low Emission Vehicle and Fleet
- Housing Preservation
- Parks and Recreation Advisory Committee
- Engine Idling
- Mixed Income Housing
- Power Centers and Big Box Retail
- Green Contracting
- Non-discrimination in Benefits
- Housing Trust Fund Fee
- California Performance Review
- Transit Overlay Zone
- Illegal Street Racing Spectators
- Consumption of Alcoholic Beverages in Public Places
- Drug/Gun Free Zones

Positions on seventeen (17) State bills were adopted by the Committee or by the Chair on behalf of the Committee. Additionally, the Committee played a key role in the development of the City's 2005 State and Federal Legislative Platform.

STATE LEGISLATIVE ACTIVITIES

State Legislation

- In 2004, the Legislative Affairs Unit tracked forty-one (41) bills of which the City adopted a formal position on seventeen (17).
- The City supported thirteen bills of which six (6) failed to pass the Legislature; five (5) were enacted; and two (2) were vetoed by the Governor.
- The City opposed four (4) bills of which one (1) failed to pass the Legislature; one (1) was enacted; and two (2) were vetoed by the Governor.

Bill No.	Title	Summary	Result	City Position
AB340	Vehicles: Traffic Control Signals: Interruptive Devices	Prohibits a person from buying, possessing, manufacturing, installing, selling, offering for sale or distributing a mobile infrared transmitter.	Chaptered, 338	Support
AB392	Environmental Justice and Community Transportation	Provides grants for the design, construction or expansion of new transportation facilities to undertake certain environmental justice projects and transportation planning projects.	Failed	Support
AB1362	Labor Dispute Resolution: Firefighters and Police	Applies the provisions of existing law that allows for an labor dispute between employers and firefighters and law enforcement officers to be submitted to an arbitration panel to disputes.	Vetoed	Oppose
AB1426	Affordable Housing: Greater Sacramento Region	Requires that funds appropriated to the Department of Housing and Community Development for the Workforce Housing Reward Program be reserved by the department to provide funds to cities and counties in the greater Sacramento Regional Compact for the Production of Affordable Housing.	Vetoed	Support
AB1916	Occupancy Taxes: Exemptions and Delinquencies	Requires a local government that exempts from occupancy taxes certain governmental employees and officers to create a form for these employees and officers to claim such exemption. Requires procedures to allow property owners that are required to collect such tax to apply for, and be issued an occupancy tax clearance certificate. Relates to past due taxes; exempts charter cities and counties.	Chaptered, 936	Oppose
AB2065	Health Care Facilities: Fire Protection	Requires adult residential facilities and residential care facilities for the elderly that house or care for no more than 6 clients or residents, to have an automatic fire sprinkler system on and after January 1, 2010, if they are licensed as of December 31, 2005. Requires every facility for which a license	Failed	Support

Bill No.	Title	Summary	Result	City Position
		was issued on or after January 1, 2006, to have such system on and after the date of issuance.		
AB2446	School Facilities: Joint-Use Projects	Amends the Leroy F. Greene School Facilities Act to includes parks and preschool facilities as eligible joint-use facilities.	Vetoed	Support
AB2702	Housing: Second Units	Provides that local agency ordinances, regulations or policies may not preclude or effectively preclude 2 nd units unless the local agency makes certain findings. Prohibits a local agency from adopting an ordinance that requires an owner's dependent or caregiver to occupy the primary dwelling or 2nd unit or that limits occupancy based on familial status, age or other specified characteristics. Prohibits the imposition of deed restrictions or minimum unit size requirements on the 2nd unit.	Vetoed	Oppose
ACA7	Transportation Funding: Transactions and Use Tax	Authorizes a local transportation agency and a regional transportation agency to impose an additional transactions and use tax for a specified period at a rate of 0.5% only for transportation purposed within jurisdiction of the local transportation agency if the additional tax is approved by 55% of voters of the jurisdiction affected by the tax imposition. Requires funds from this tax to be allocated to the local transportation agency.	Failed	Support
ACA10	Local Government: Property-Related Fees	Proposes a Constitutional amendment to exclude fees and charges for storm water and urban runoff management from voter approval requirements for the imposition or increase of property-related charges and fees.	Failed	Support
ACA14	Local Government: Transactions and Use Taxes	Proposes a Constitutional amendment to condition the imposition by a local government for an additional transactions and use tax upon the approval of 55% of its voters voting on the proposition in an election, if the tax is imposed exclusively to fund projects for local infrastructure.	Failed	Support
SB1087	Highways: Safe Routes to School Construction	Extends the repeal date of projects for the improvement of highway safety and the reduction of traffic congestion. Extends the operation of the Safe Routes to School construction program.	Chaptered, 392	Support
SB1280	Flood Damage Reduction: American River Watershed	Authorizes a project for flood damage reduction and environmental restoration in the American River watershed in Sacramento County upon the recommendation and advice of the Department of Water Resources.	Chaptered, 616	Support

Bill No.	Title	Summary	Result	City Position
SB 1508	Real Property Loans: Restrictions	Prohibits a person or entity, other than a federally or state chartered financial institution, from making a loan secured by a deed of trust or mortgage on non owner occupied residential real property if the person or entity has actual or constructive notice that a notice of pendency of action relative to a code violation has been recorded against the property under certain circumstances.	Vetoed	Support
SB1663	Sanitation Districts: Sacramento/ West Sacramento	Provides that the chairperson of the board of directors of the Sacramento County Sanitation District shall have the additional vote if the vote is tied. Relates to the membership of a the Board of Supervisors of Yolo County. Requires the governing body of the district to include from one to 8 members, depending upon population, of the governing bodies of included cities. Requires one member of the governing body of a city as an alternate.	Chaptered, 199	Support
SB 1756	State Property	Provides that the Legislature declares as surplus all residential and retail rental property owned by the joint powers agency in the Capitol Area Plan area. Authorizes the Director of General Services to sell it to any public or private party.	Failed	Oppose
SB1808	Booking Fees	Specifies that the appropriation for booking fees shall be allocated to cities and qualified special districts for reimbursement for actual costs incurred during the period of July 1, 2002 to July 1, 2003, and each school year thereafter.	Failed	Support

State Legislative Advocacy

General Lobbying Activities

The City has retained the services of Emanuels Jones and Associates to assist with its lobbying efforts. The responsibilities of the City's State lobbyist includes, but is not limited to:

- Advocate and advance City's legislative agenda.
- Identify opportunities to advance City's agenda in the legislative process and assist on sponsoring legislation.
- Identify and monitor bills of interest and advocate City's position on those bills.
- Actively seek amendments to legislation affecting the City.
- Provide legislative updates to the Law and Legislation Committee and City Council.
- Lead contract lobbyist on all activities related to State legislative matters.

During 2004, Emanuels Jones and Associates actively monitored and/or advocated the following bills on behalf of the City:

BILL/AUTHOR	SUBJECT	STATUS	POSITION/COMMENTS
BUDGET			
SB 1113 (Chesbro)	2004-2005 Budget Act.	Signed by Governor. Chapter 208.	City:
FISCAL			
AB 1916 (Maddox)	Mandates on cities specific conditions and exemptions for local transient occupancy tax ordinances.	Signed by Governor. Chapter 936.	City: Oppose
ACA 7 (Dutra)	Authorizes 55% vote for county or regional 1/2-cent transportation sales taxes.	Assembly Floor. Inactive file.	City: Support
ACA 10 (Harman)	Excludes from Prop. 218 vote requirement all fees and charges for storm water and urban run-off management.	Assembly Floor. Inactive file.	City: Support
SB 1808 (Sen. Local Gov't Comm.)	Revises how state booking fee reimbursement is calculated for cities.	Died in Committee. Addressed by Budget.	City: Support
LOCAL ISSUES			
AB 107 (Steinberg)	American River Flood Control District. Permits ARFCD to adopt standards that are more protective than state Reclamation Board.	Signed by Governor. Chapter 498.	City: Support
AB 466 (Steinberg)	Sacramento Regional Transit District	Signed by Governor. Chapter 620.	City:
AB 1426 (Steinberg)	Affordable housing: pilot production standard in six-county Sacramento region.	Vetoed by Governor	City: Support
AB 1939 (Cox)	California State Military Museum & Resource Center	Signed by Governor. Chapter 133.	City: Support

BILL/AUTHOR	SUBJECT	STATUS	POSITION/ COMMENTS
AB 2572 (Kehoe)	Mandatory water meters (as amended June 28). Requires meters on all existing residences by 2025. Must charge by volume by 2010 on installed meters.	Signed by Governor. Chapter 884.	City: Oppose
SB 559 (Ortiz)	Establishes within CalEPA a brownfields response unit. Sponsored by SHRA.	Vetoed by Governor	City:
SB 1280 (Ortiz)	Authorizes state matching funds (does not appropriate funding) for raising of Folsom Dam to provide increased lower American River flood protection.	Signed by Governor. Chapter 616.	City: Support
SB 1663 (Machado)	(Amended June 2). Sacramento Regional Sanitation District Board of Directors. Additional seats for City of Sacramento and Yolo County.	Signed by Governor. Chapter 199.	City: Support
SB 1756 (Battin)	State property: Declares as surplus all residential and retail rental property owned by CADA and authorizes CADA to sell it.	Defeated in Senate Governmental Organization Committee	City: Oppose
PARKS & RECREATION			
AB 1222 (Montanez)	Roberti-Z'berg-Harris Open-Space Recreation Program Act	Signed by Governor. Chapter 499.	City:
AB 1300 (Laird)	Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002: expenditures: annual report	Died in Committee	City:
SB 994 (Hollingsworth)	Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002	Died in Committee	City:
GENERAL PLAN/HOUSING ELEMENTS			
SB 744 (Dunn)	State Housing Accountability Committee. Sponsored by CRLA and CBIA. Bill establishes a state committee to hear appeals from affordable housing project developers of adverse decisions that have denied approval of projects or rendered them infeasible.	Defeated in Assembly Local Government Committee	City:
OTHER			
AB 340 (Frommer)	Traffic control signal. Creates an infraction to sell, buy or make device that sends signal to interrupt signals.	Signed by Governor. Chapter 338.	City: Support
AB 2065 (Nakano)	Health and care facilities: fire protection.	Died in Committee	City: Support
AB 2446 (Montanez)	School facilities: joint use projects	Vetoed by Governor	City: Support

BILL/AUTHOR	SUBJECT	STATUS	POSITION/ COMMENTS
AB 2702 (Steinberg)	Housing: second units. Limits city discretion.	Vetoed by Governor	City: Oppose
ACA 14 (Steinberg)	Local government: transitions and use taxes: local development	Assembly Appropriations Committee. Inactive file.	City: Support
SB 1087 (Soto)	Highways: Safe Routes to School construction program	Signed by Governor. Chapter 392.	City: Support
SB 1508 (Ducheny)	Real property loans: restrictions: code violations	Vetoed by Governor	City: Support

Route 275

The City specifically retained the services of Holloway Rasmusson and Molodanof to assist with the process to relinquish Route 275 (Capitol Mall, east of the Tower Bridge to 9th street). Control of Route 275 is an important part of the City's overall strategy to significantly enhance the Capitol Mall area.

Acquiring control of this significant commercial street would increase the City's ability to respond to issues and needs related to traffic operations, improve aesthetics, enhance development activities and provide total control of this downtown street without having to go to Caltrans for any encroachment permits.

The firm assisted with the successful negotiation of an agreement whereby Caltrans would relinquish control of Capitol Mall to the City. As full consideration for the relinquishment, Caltrans will compensate the City in the amount of \$2,053,000, subject to the California Transportation Commission approval.

The Mayor and the City Council approved the relinquishment agreement with Caltrans at its October 19, 2004 hearing. The agreement is scheduled to be heard by the California Transportation Commission in March 2005.

State Ballot Propositions

March 2004 Primary Election Ballot Measures

- For the March 2004 Primary Election, the Mayor and the City Council adopted positions on three of the four initiatives on the ballot.
- The Mayor and the City Council supported three measures with two measures being approved by the voters.

Measure	Title	City Position	Election Result
Proposition 55	Kindergarten - University Public Education Facilities Bond Act of 2004	Support	Yes
Proposition 56	State Budget, related Taxed and Reserve. Voting Requirements. Penalties. (The Budget Accountability Act)	Support	No
Proposition 57	The Economic Recovery Bond Act	No position	Yes
Proposition 58	The California Balanced Budget Act	Support	Yes

November 2004 General Election Ballot Measures

- For the November 2004 General Election, the Mayor and the City Council adopted positions on eleven of the sixteen initiatives on the ballot.
- The Mayor and City Council supported six ballot measures of which all of these measures were approved by the voters.
- The Mayor and City Council opposed five ballot measures of which all of these measures were rejected by the voters.
- The Mayor and City Council took no position on five ballot measures.

Measure	Title	City Position	Election Result
Proposition 1A	Protection of Local Government Revenues.	Support	Yes
Proposition 59	Public Records, Open Meetings. Legislative Constitutional Amendment	Support	Yes
Proposition 60	Election Rights of Political Parties. Legislative Constitutional Amendment	No position	Yes
Proposition 60A	Surplus Property. Legislative Constitutional Amendment	No position	Yes

Measure	Title	City Position	Election Result
Proposition 61	Children's Hospital Projects – Grant Program. Bond Act. Initiative Statute	Support	Yes
Proposition 62	Elections. Primaries. Initiative Constitutional Amendment and Statute	No position	No
Proposition 63	Mental Health Services Expansion and Funding. Tax on Incomes Over \$1 Million	Support	Yes
Proposition 64	Limits on Private Enforcement of Unfair Business Competition Laws	No position	Yes
Proposition 65	Local Government Funds and Revenues. State Mandates	Oppose	No
Proposition 66	Limitations on "Three Strikes" Law. Sex Crimes. Punishment. Initiative Statute	Oppose	No
Proposition 67	Emergency Medical Services Funding – Telephone Surcharge. Initiative Constitutional Amendment and Statute.	Oppose	No
Proposition 68	Non Tribal Commercial Gambling Expansion. Tribal Gaming Compact Amendments. Revenues, Tax Exemptions. Initiative Constitutional Amendment and Statute.	Oppose	No
Proposition 69	DNA Samples. Collections. Database. Funding. Initiative Statute	Support	Yes
Proposition 70	Tribal Gaming Compacts. Exclusive Gaming Rights. Contributions to State. Initiative Constitutional Amendment and Statute.	Oppose	No
Proposition 71	Stem Cell Research Funding. Initiative Constitutional Amendment and Statute.	Support	Yes
Proposition 72	Health Care Coverage Requirements. Referendum	No position	No

State Funding

The following table illustrates State funding that the City received during 2004:

Source	Project	Amount
Land Water Conservation Program	McKinley Park Picnic Area	\$126,528
Proposition 40 - River Parkway Program Opportunity	Two Rivers Trail Acquisition	\$1,500,000
Proposition 40 - River Parkway Program Opportunity	Jibboom Street Park	\$1,500,000
Proposition 20 Urban Parks Act Program	Oak Park Community Center Expansion - Phase II	\$3,000,000
Habitat Conservation Program	Southside Park Lake Rehabilitation	\$83,750
Habitat Conservation Program	Jacinto Creek Park and Parkway Development	\$89,000
Recreation Trails Program	North Laguna Creek Wildlife Area Bike Trail Rehabilitation	\$119,341
Environmental Enhancement and Mitigation Program	Dry Creek Parkway Extension	\$350,000
Environmental Justice Grant - Caltrans	South Sacramento Community Plan Update	\$300,000
Sacramento Area Council of Governments (SACOG)	Swanston Station Plan	\$220,000
Caltrans	Swanston Station Plan	\$260,000
Housing and Community Development	R Street and 65 th Street Infrastructure Improvements	\$2,000,000
	Total	\$9,548,619

FEDERAL LEGISLATIVE ACTIVITY

Flood Control

Freshman Kast, Inc. represents the City in its Federal efforts to secure authorization of and funding for the City's most critical infrastructure need, flood control. During 2004, the focus has been on securing federal funding for a variety of critical flood control projects including those that will strengthen the Sacramento and American River levees, modify Folsom Dam so that it can provide a greater level of flood protection, and construct stronger levees along the South Sacramento streams group. The following chart provides the level of funding currently pending in Congress:

PROJECT	FY 04 Appropriation (in millions)	FY 05 House E&W (in millions)
South Sacramento Streams: Prevention of flooding of portions of south Sacramento where floodwaters from four creeks threaten 100,000 residents.	\$3.5 C	\$3.5 C
Folsom Dam Outlet Modifications: Modifications to Folsom Dam to provide greater efficiency in managing flood storage in Folsom Reservoir.	\$4.0 C	\$7.18 C
American River Common Elements: Improvements to reinforce aging levees along the Sacramento and American Rivers, flood gauges upstream of Folsom Dam, and a flood warning system along the Lower American River.	\$4.0 C	\$5.0 C
Sacramento River Bank Protection: Improvements to correct critical erosion that threatens the integrity of levees protecting urban Sacramento from the Sacramento River.	\$2.0 C	\$2.5 C
American River Plan (Folsom Dam Mini-Raise): Funds to proceed with advance measures of the Mini-Raise that are necessary in connection with construction of the Folsom Dam Outlet Modifications project, including \$7.5 million for a bridge.	\$4.0 C	\$8.0 C
Strong & Chicken Ranch Sloughs (DO5 Pump Station): A feasibility study to restore 100-year level of flood protection to Chicken Ranch Slough drainage to the American River. This area has flooded four times since 1986.	\$0.05 GI	\$0.1 GI
Sacramento-San Joaquin Comprehensive Study: A feasibility study to evaluate flood damage reduction and ecosystem restoration options in the Central Valley	\$1.50 PED	\$0.504
	\$19.05	\$26.78

C = Construction PED = Preconstruction Engineering and Design GI = General Investigation

Transportation

Smith, Dawson, and Andrews represents the City in its Federal transportation efforts. The following describes those efforts during 2004:

Transportation Funding Request - FY 2004 Appropriations: The Interstate 5 Riverfront Reconnection was earmarked for \$3.5 million in the FY 2002 transportation appropriations bill, and a request for additional funding was developed and submitted for funding in FY 2004. Congressional delays in the appropriations process postponed the bill until the second session of the congress, and in early 2004 \$500,000 was earmarked for the project, from the National Corridor Planning and Border Infrastructure Program.

Transportation Funding Requests - Transportation Reauthorization Bill: Based upon meetings with City staff, three project requests, originally prepared in 2003, were re-submitted to the delegation for consideration as earmarks in the transportation reauthorization bill, scheduled to be taken up by the Congress in 2004. Those requests were:

- | | |
|--|----------------|
| ▪ Sacramento Intermodal Station | \$ 5.0 million |
| ▪ North Central Business District Improvements | \$11.0 million |
| ▪ Folsom Blvd / Power Inn Road Improvements | \$10.0 million |

In mid-year, the House Committee on Transportation and Infrastructure completed its markup of the reauthorization bill, which included earmarks for Sacramento's requests that totaled \$25 million (of the \$26 million sought). A similar package of requests was supported in the Senate, but a detailed markup did not occur in the Senate due to differences between the Administration and Senate leadership over a number of broad issues in the bill. Efforts to resolve these differences failed and the reauthorization process, inclusive of project requests from Sacramento, will be addressed in the new Congress.

Transportation Funding Request - FY 2005 Transportation Appropriation Bill: Following discussions with City staff and staff from Mr. Matsui's office, a decision was made to concentrate our efforts on a single FY 2005 appropriations request - \$1.5 million for transportation infrastructure funding for R Street corridor. Working closely with CADA, this request was prepared and submitted to the delegation. Continuing to work with CADA, letters of support were generated in the late summer, in anticipation of subcommittee action on the bill. However, delays in the appropriations process have not yet yielded a bill, although the possibility of a Conference Committee, where project markups would occur, still exists when the Congress returns on November 16.

Main Avenue Bridge Issue Intervention: Project-level problems with the Main Avenue bridge project that resulted from policy differences between federal agencies (Fish & Wildlife, and Federal Highways) led to discussions between Smith Dawson & Andrews and the Federal Highway Administration (FHWA), and in turn, generated a conference call between the FHWA (Headquarters) and Sacramento staff in an effort to resolve the outstanding problems. Sacramento staff reported subsequently that the conference call apparently did resolve the problems.

Sacramento Intermodal Station Project Planning: The Sacramento Intermodal project advanced significantly in 2004, in terms of City approvals, and several meetings were held in Sacramento, including staff from Regional Transit, in an effort to provide early comments and guidance on the potential for federal assistance in the new project design.

HOUSING AND REDEVELOPMENT LEGISLATIVE ACTIVITY

The Sacramento Housing and Redevelopment Agency reported the following activities that represent successful 2004 funding awards and/or collaborations for significant projects to be included in the City's 2004 Legislative Report Card.:

Surrealestates

This project has been recommended for approval for \$330,000 State BEGIN (Building Equity and Growth in Neighborhoods Program) funds. This is a live/work development for artists scheduled to begin construction in November 2004. The project is located in the Dixieanne neighborhood of North Sacramento.

Brownfields EDI award of \$2 million from HUD for Globe Mills project

The former grain and cereal mill complex, Globe Mills project will preserve the historic mill buildings in downtown Sacramento, converting them to 31 market-rate one and two-bedroom apartments. Two new buildings would be built on site to house 110 low-income seniors. SHRA has been awarded a \$2 million HUD Brownfields EDI grant and a \$5.5 million Section 108 loan for this project. These funds will be combined with low-income housing tax credit equity, HOME, CDBG and Alkali Flat Tax Increment funds to finance the project.

Emancipated Youth

SHRA anticipate an allocation of funds for permanent supportive housing for emancipated youth in the Federal 04-05 budget. The amount is yet to be determined.

Permanent supportive housing

1. Saybrook Apartments: SHRA provided \$1.6 million permanent funding, \$765,000 bridge financing, and 56 project based vouchers, enabling the County Department of Human Assistance to secure federal McKinney Act funds for supportive services and this project moved forward and was completed in 2004, providing 61 new units of permanent supportive housing.
2. SHRA's \$885,000 loan, which includes a \$250,000 predevelopment loan, along with 40 project based vouchers has made it possible for additional funding (approximately total\$ here) and start of construction for the 84 transitional units of affordable housing is expected to begin in November of 2004.

Acquisition of Greenfair

Beginning in 1998, the US Department of Housing and Urban Development (HUD) began purchasing and demolishing units at the Greenfair development at the old state fairgrounds in Sacramento. These homes had originally been built under HUD's "Operation Breakthrough" program, utilizing experimental building technology to provide affordable housing. As the homes failed, HUD made offers to existing homeowners to purchase their homes and demolish them, ultimately resulting in a HUD ownership of 152 vacant lots and buildings.

SHRA has been working with the community and HUD since the acquisition began with the intention of participating in the redevelopment of the site. In August, 2004, HUD listed the properties they owned for public bid. SHRA and the City of Sacramento were able to negotiate a sale of all the property for \$1 from HUD, and for SHRA to lead the redevelopment. SHRA is now working with the Homeowners Association, the community and the City to design the best redevelopment plan for the site.

Appeal effort to HUD for HCV funding

Traditionally, HUD provided Housing Authorities with sufficient funds to cover the actual cost of all vouchers. In late April, however, HUD announced that it was adopting a new funding methodology for fiscal year 2004. Each agency's voucher funding would now be based on its voucher costs during the spring and summer of 2003, adjusted for a regional inflation factor computed by HUD. As a result of this change the per unit cost reimbursement calculated by HUD is well below Sacramento's actual costs.

The option available to Housing Authorities to fund shortfalls was to submit an appeal to HUD. SHRA submitted a request for \$8.5 million to fund our shortfall. The appeal was successful. However, we were funded below our request and we received \$5.3 million from the appeal.

During the past year, SHRA has worked closely with local elected officials, national housing associations, our lobbyist, and HUD officials to address not only the aforementioned funding shortfall, but also, other significant funding challenges in the administration of the HCV program.

Homeowner/renter assistance

SHRA secured \$1.4 million in CalHome funds for owner-occupied rehabilitation and for the First Time Homebuyer Programs. Secured \$1 million for accessibility grants for renters from the State EAGR (Exterior Accessibility Grant for Renters) program.

Phoenix Park

Successful application for \$36.4 million reservation of tax credits and mortgage revenue bond issuance in the amount of \$23.4 million for construction and rehabilitation of Phoenix Park to create safe and secure low income rental apartments and transform this project into a well-managed, affordable community.