



City of Chula Vista

Staff Report

File#: 16-0589, **Item#:** 3.

RESOLUTION NO. 2017-023 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR A HOUSING-RELATED PARKS (HRP) GRANT FROM THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING, ANY AMENDMENTS THERETO, AND ANY RELATED DOCUMENTS NECESSARY FOR IMPLEMENTATION OF THE HRP

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On November 16, 2016, the State of California released a Notice of Funding Availability for the Housing-Related Parks (HRP) Program. The State of California Housing Related Parks (HRP) Program is designed to reward those cities and counties that approve housing for lower-income households and are in compliance with State housing element law with grant funds to create or rehabilitate parks and/or recreational facilities. HRP funds are to be used for the creation or rehabilitation of parks and/or recreational facilities that benefit the community and add to the quality of life.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Environmental Determination

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the proposed action consists of a governmental fiscal activity which, on its own, would not result in a potentially significant physical impact on the environment. However, when the actual project(s) for which the grant monies are earmarked are adequately defined and ready to be carried out, the appropriate environmental review and documentation will be required. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable

DISCUSSION

The State of California recently released a notice of funding availability for the Housing-Related Parks Program (HRP). This program is funded through the passage of Proposition 1C, which creates incentives and rewards local governments for building affordable housing by providing grant money for needed parks in those communities. The grant funds may be used for the creation, development, or rehabilitation of park and/or recreation facilities.

In order for the City to be eligible for the grant, the City must have an approved Housing Element and Annual Progress Reports on file with the State of California. The City must also have construction approval of low income units within the program year of the application period. The grant award is based on the number of bedrooms in newly constructed, substantially rehabilitated, converted or preserved project(s) with deed restricted affordable dwelling units (DUs). Based upon eligibility criteria of the HRP, the following affordable housing projects listed in Table I below may qualify the City for this grant:

Table I

| Housing Project | Total DUs | Total Eligible Bedrooms |
|-----------------|------------|-------------------------|
| Volta | 122 | 145 |
| Duetta | 86 | 173 |
| Total | 208 | 318 |

In addition, the City may also be eligible for bonus awards for selecting park/recreation facilities which are located in a low/moderate income census tract, in a park-deficient area, and are located within a short distance to infill housing projects. To be eligible for the bonus dollars, all parks and recreation facilities in the application must meet the bonus criteria. By recommending those parks and facilities that meet the bonus criteria, the base grant amount of \$167,500 is increased to \$612,700. HCD may apply, upon their discretion, additional bonus points that could increase the potential award. HCD will calculate each jurisdiction's eligibility for any bonus awards. Therefore, they are advising applicants to assume an increase of 50 percent of the amount requested (i.e. "not to exceed" amount) for the purposes of identifying potential projects to be considered for funding in the City Council Resolution. The Council Resolution will include a "not to exceed" amount of \$1,225,400 to allow HCD, if they so choose, to apply potential bonus points and therefore increase the grant amount to the City. Per HCD's NOFA, if eligibility for funds exceeds the amount of funding available in this final round, HCD may reduce all grants proportionally or, in the event the HRP is undersubscribed, may apply unused roll over funds.

Staff recommends utilizing this one time grant to enhance and provide new features and amenities at one or more of the following parks and facilities: Memorial, Friendship, Lauderbach, or Eucalyptus parks. All parks and facilities are located in an eligible low income census tract in Chula Vista and are within a short distance to infill projects (refer to Attachment 1 for Locator Map). In selecting these facilities for improvements, City staff considered the potential bonus opportunities (described above), parks with the greatest need of amenities and improvements, shovel-ready projects that can be completed by HCD's expenditure deadline, and facilities and parks that are heavily utilized by low and moderate income persons. The list of projects below are anticipated to cost an estimated \$1.2 million, exceeding the anticipated grant amount of \$617,200. The projects are included in the final

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HRP application due to HCD's request to include projects that exceed the estimated grant award to allow them discretion to apply bonus points for additional funding.

Table II

| Park/Recreation Facility | Location | Improvements |
|---------------------------------|--|---|
| Memorial Park Improvements | 373 Park Way | Planning, design and construction of fitness trail and/or skate boarding features |
| Friendship Park Improvements | 365 F Street | Planning, design and construction of outdoor deck area to enhance connectivity of the park and Civic Center library and/or skate boarding features. |
| Lauderbach Park Improvements | 333 Oxford St | Construction of additional improvements and amenities for a proposed multipurpose field, adjacent court area and a fitness trail. Primary funding for the multipurpose field may come through the California Youth Soccer and Development Program (announcement expected March 2017). |
| Eucalyptus Park | 4 th and C Street 436-466 C St | Planning, design and construction of skate boarding features. |

Upon award of the HRP grant, the City Manager or designee shall at that time determine the final project list to be funded to given the grant amount, ability to meet the grant expenditure requirements, and community support.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found that Councilmember McCann has real property holdings within 500 feet of the boundaries of the property which is subject of this action. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(11), this item presents a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.) for the above-identified member.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This action supports the goals of a Healthy Community and a Connected Community by making park space and recreation available for residents to enjoy.

CURRENT YEAR FISCAL IMPACT

If awarded, these grant funds will allow the City to move forward on needed improvements not

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currently programmed at this time. Grant awards are not expected to occur in the current fiscal year.

ONGOING FISCAL IMPACT

If awarded, Staff will return to Council to appropriate the grant funds. All costs associated with administering the grant will be covered by the fiscal year 2017/2018 Housing budget.

ATTACHMENT

1. Locator Map

Staff Contact: Leilani Hines, Housing Manager, Development Services-Housing Division