



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	4/25/2023
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 11027 – A Resolution Accepting Four Green Means Go Grant Awards to Further Housing Program Goals and Appropriation of Funds
<b>FROM:</b>	Community Development Department

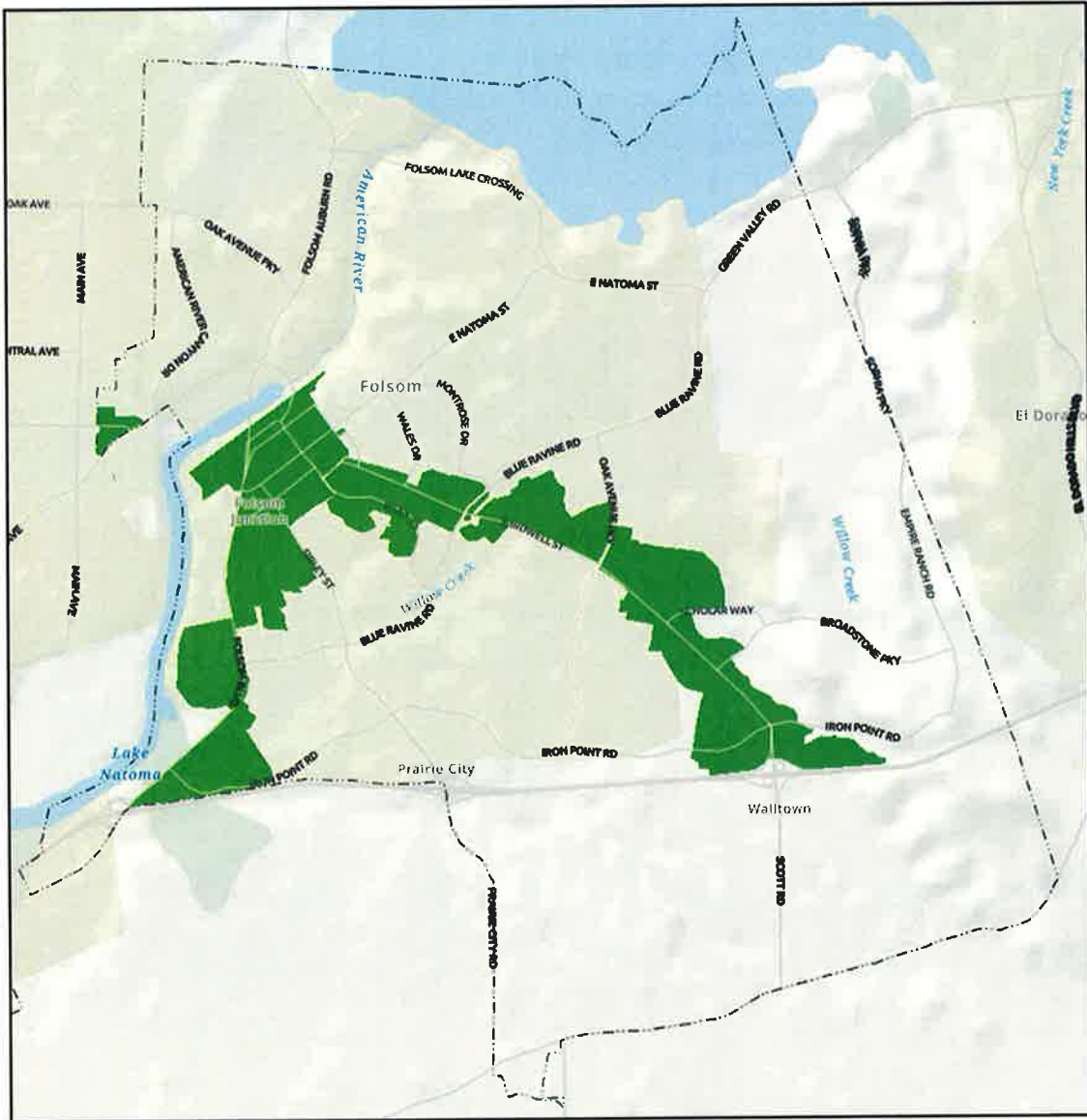
## **RECOMMENDATION / CITY COUNCIL ACTION**

Approve Resolution No. 11027- A Resolution Accepting Four Green Means Go Grant Awards to Further Housing Program Goals and Appropriation of Funds.

## **BACKGROUND / ISSUE**

The Sacramento Area Council of Governments (SACOG) 2022 Green Means Go grant program is designed to fund non-transportation infrastructure and planning that accelerates infill housing within locally adopted Green Zones (shown below) and supports housing affordability. Eligible project sponsors (i.e., lead applicants) are the 22 cities and six counties within the SACOG region. Partnerships between lead agencies and other public agencies, nonprofits, or community groups are highly encouraged. For the 2022 funding round, the grant program included three competitive grant categories associated with this funding as described in this section: Early Activation, Planning, and Capital.

## Folsom Green Means Go Areas



### Early Activation Category

On September 13, 2022, City Council approved Resolution No. 10916 authorizing a grant application for the Early Activation category for on-site infrastructure and planning activities associated with the Habitat for Humanity of Greater Sacramento (Habitat) development of ten for-sale affordable housing units at 300 Persifer Street. As part of the grant request, the City (in partnership with Habitat) requested \$730,000 in funding for eligible non-transportation infrastructure costs, planning design costs, and a storm drain/hydraulic analysis. In November of 2022, SACOG announced a partial award of \$374,000 for non-transportation infrastructure costs associated with the 300 Persifer Street project. Since the storm/drain hydraulic analysis portion of the grant application was not funded by SACOG under the Early Activation grant, staff re-applied for funding for the storm/drain hydraulic analysis for the Persifer Street project under the Planning category.

**Planning and Capital Categories**

On October 25, 2022, the City Council approved Resolution No. 10937 authorizing additional Green Means Go grant applications under the Planning and Capital categories. Under the Planning category, the Council authorized a grant application to offset the cost associated with development of targeted Multi-Family and Mixed-Use Objective Design and Development Standards to supplement the City’s Zoning Code Update.

Under the Capital category, the Council authorized a grant application for replacement of the existing storm drain system along Bidwell Street between Wool Street and Decatur Street. Applications were completed for these additional projects and the City was successful in receiving full funding awards for these projects. The table below summarizes each of the City’s Green Means Go Grant Applications that were submitted to SACOG and includes the amount requested and the amount awarded.

<b>Green Means Go Grant Summary</b>			
<b>Grant</b>	<b>Project Description</b>	<b>Grant Request</b>	<b>Grant Award</b>
Grant #1 Early Activation	300 Persifer Street Non-Transportation Infrastructure	\$730,000	\$374,000
Grant #2 Planning	Natoma St/Persifer St Alley Storm Drain Hydraulic Analysis	\$40,000	\$40,000
Grant #3 Planning	Multi-Family and Mixed-Use Objective Design and Development Standards	\$243,000	\$243,000
Grant #4 Capital	Bidwell Street Storm Drain Replacement	\$325,000	\$325,000
<b>Total Grant Awards</b>			<b>\$982,000</b>

As shown above, the City was successful in receiving one partial grant award under the Early Activation category and will receive three full grant awards under the Planning and Capital categories, subject to HCD approving SACOG’s Green Means Go program. The total amount of the awards for all four grants is \$982,000. For the Early Activation Grant, all funds must be fully expended by October 2024. The Planning and Capital Grants must be fully spent by June 2026. A resolution (refer to Attachment 1) has been prepared to accept each of the grant awards and appropriate the funds.

**POLICY / RULE**

The City Council Adopted Resolution No. 7332 - Financial Policies of the City of Folsom on May 25, 2004. Section D - Intergovernmental Revenues, Paragraph C - Grant Project Resolutions states, "All grants received from the Federal or State government for operating or capital purposes shall be recognized in separate grant project resolutions. A balanced grant project resolution must be adopted prior to beginning the project."

## ANALYSIS

*The four Green Means Go grant projects awarded to the City by SACOG will advance the City's Housing Element goal of facilitating affordable housing opportunities. Each of these grant projects is summarized below.*

Grant #1 SACOG Green Means Go Grant – Early Activation (Category A) - On December 14, 2021 and in compliance with the State's Surplus Land Act, the City Council approved the sale of surplus land located at 300 Persifer Street to Habitat for the purpose of developing affordable housing. Part of the property sale negotiations included City support of efforts to assist Habitat in securing future grant funding and/or fee reductions for infrastructure improvements, design, and permitting associated with the project.

The Early Activation category is designed to fund either planning or infrastructure activities that accelerate infill residential development in the near term. Project scopes submitted to the Early Activation category must be for specific non-transportation (defined as water, wastewater, stormwater, electricity/dry utilities, and/or broadband) infrastructure components and can include site-specific activities. Under this grant category, the City submitted a grant application to SACOG requesting \$730,000 in eligible costs (non-transportation infrastructure costs, planning design costs, storm drain/hydraulic study costs, and planning design costs) to assist with development of ten for-sale affordable housing units at 300 Persifer Street. As previously indicated in the background section of this report, the project received a partial award of \$374,000 to assist with non-transportation infrastructure costs associated with the project. Acceptance of this partial grant award helped Habitat secure a portion of the gap financing necessary to fund the project. Furthermore, financial support of affordable housing projects is consistent with the City's Housing Element Goal of facilitating affordable housing.

Grants #2 and #3 SACOG Green Means Go Grant – Planning (Category B) – The Planning category is designed to fund planning activities that accelerate infill residential development. Some of the eligible uses include rezoning and updating planning documents and zoning ordinances that accelerate infill development in Green Zones. As previously indicated in the background section, two grant applications were submitted and awarded under the Planning category: *Natoma St/Persifer St Alley Storm Drain Hydraulic Analysis* and the *Targeted Multi-Family and Mixed-Use Objective Design and Development Standards*.

*Natoma St/Persifer St Alley Storm Drain Hydraulic Analysis* - The storm drain in the Natoma St/Persifer St alley, which is adjacent to the Habitat Persifer Project site, is not to current standards and results in a conflict with standard sewer ties-ins for the project. Acceptance of the \$40,000 Planning grant provides necessary funding for a hydraulic analysis and evaluation of the existing storm drain system to identify any necessary improvements to resolve potential sewer tie-in issues for the project, bring the storm drain system up to current standards, and will benefit the future development of an additional 10 affordable for-sale housing units in the City's Historic District.

Multi-Family and Mixed-Use Objective Design and Development Standards - Recently adopted Senate Bill 330 (2019) and Senate Bill 8 (2021) require that jurisdictions conduct design review for all residential projects, especially for multi-family development, using objective design standards. Along with the City's current Zoning Code Update effort and as part of the implementation of the Targeted Multi-family and Mixed-Use Housing Study, staff is analyzing the potential to increase residential capacity and maximum densities in key areas of Folsom (along the East Bidwell Corridor, areas around the Glenn and Iron Point light rail stations, and in the Folsom Plan Area). To ensure high quality design for new residential development, the City plans to develop form-based objective design and development standards that will result in attractive and appropriate development in these areas. To this end, on October 25, 2022, the City Council approved Resolution 10936 authorizing the City Manager to execute a Professional Services Agreement with Opticos for the development of the objective design and development standards. Acceptance of the fully awarded \$243,000 Planning grant provides necessary funding to support the Zoning Code Update effort and fulfills Housing Element Program H-8 (Objective Design Standards for Multifamily Housing).

Grant #4 SACOG Green Means Go Grant – Capital (Category C) - The largest category, Capital, of the Green Means Go funding program will fund non-transportation infrastructure that accelerates residential infill development. Replacement of the existing storm drain system along Bidwell Street between Wool Street and Decatur Street is an eligible Capital grant project. The existing storm drain system along Bidwell Street is failing and is no longer able to adequately convey runoff. Acceptance of the \$325,000 fully funded Capital grant award provides funding for the replacement of approximately 500 linear feet of the 18-inch storm drain line, the re-grading of the roadside ditch, and the addition of asphalt or rip rap to minimize any future potential erosion. Given infill opportunities for residential development along this section of the Bidwell Street corridor, replacing the existing drainage system will aid future infill residential development.

Each of the four grant funded projects assist with City efforts to further the City's goal of *facilitating efforts for additional opportunities for multi-family infill housing and ensure the City maintains an adequate capacity to meet the lower-income RHNA.*

### **FINANCIAL IMPACT**

The Green Means Go Grants Program award total is \$982,000. None of the four grant applications require a financial match. The Early Activation grant award for 300 Persifer Street non-transportation infrastructure must be fully expended by October 2024. The remaining Planning and Capital grant funds are required to be fully obligated by June of 2024 and expended by June, 2026.

Professional services supporting each of the four projects would be funded initially through the General Plan Fund and reimbursed by the Green Means Go Grants Program funds in accordance with the reimbursement schedules.

Under Resolution No. 10936, an appropriation to the General Plan Fund (Fund 225) in an amount of up to \$250,000 was previously authorized for the Targeted Multi-Family and Mixed-Use Objective Design and Development Standards project. The remaining three grant awards require additional appropriations. For the two drainage related projects (Bidwell Street Storm Drain Replacement and Natoma St/Persifer St Alley Storm Drain Hydraulic Analysis) an appropriation to the Drainage Improvement Fund (Fund 448) in an amount up to \$365,000 is required. For the 300 Persifer Street Non-Transportation Infrastructure project an appropriation to the General Fund in Community Development (Fund 01) in an amount up to \$374,000 is required.

**ENVIRONMENTAL REVIEW**

Grant acceptance is not considered a project under the California Environment Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3). As a result, these actions are exempt from environmental review.

**ATTACHMENT**

Attachment 1 - Resolution No. 11027 - A Resolution Accepting Four Green Means Go Grant Awards to Further Housing Program Goals and Appropriation of Funds.

Submitted,



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Pam Johns,  
Community Development Director

## **ATTACHMENT 1**

**RESOLUTION NO. 11027 - A RESOLUTION ACCEPTING FOUR GREEN MEANS GO  
GRANT AWARDS TO FURTHER HOUSING PROGRAM GOALS AND APPROPRIATION  
OF FUNDS**

**RESOLUTION NO. 11027**

**A RESOLUTION ACCEPTING FOUR GREEN MEANS GO GRANT AWARDS TO FURTHER HOUSING PROGRAM GOALS AND APPROPRIATION OF FUNDS**

**WHEREAS**, the Sacramento Area Council of Governments (SACOG) 2022 Green Means Go grant program is designed to fund non-transportation infrastructure and planning that accelerates infill housing within locally adopted Green Zones and supports housing affordability; and

**WHEREAS**, eligible project sponsors (i.e., lead applicants) are the 22 cities and six counties within the SACOG region; and

**WHEREAS**, for the 2022 funding round, the grant program included three competitive grant categories associated with this funding: Early Activation, Planning, and Capital; and

**WHEREAS**, on September 13, 2022, City Council approved Resolution No. 10916 authorizing an application for the Early Activation grant category for on-site infrastructure and planning activities associated with the Habitat for Humanity of Greater Sacramento (Habitat) development of ten for-sale affordable housing units at 300 Persifer Street; and

**WHEREAS**, on October 25, 2022, the City Council approved Resolution No. 10937 authorizing additional Green Means Go grant applications under the Planning and Capital categories; and

**WHEREAS**, the total requested in Green Means Go grants was \$1,338,000 for the following projects:

1. 300 Persifer Street Non-Transportation Infrastructure (Early Activation \$730,000)
2. Natoma St/Persifer St Alley Storm Drain Hydraulic Analysis (Planning \$40,000)
3. Multi-Family and Mixed-Use Objective Design and Development Standards (Planning \$243,000)
4. Bidwell Street Storm Drain Replacement (Capital \$325,000)

**WHEREAS**, the City received a partial award for the Early Activation grant (\$374,000) and full award for the remaining three Planning and Capital Green Means Go grants requested (\$608,000) for qualifying projects in the total combined amount of \$982,000, with no City match required; and

**WHEREAS**, under Resolution No. 10936, an appropriation to the General Plan Fund (Fund 225) in an amount of up to \$250,000 was previously authorized for the Multi-Family and Mixed-Use Objective Design and Development Standards project; and



**WHEREAS**, the two drainage related projects (Bidwell Street Storm Drain Replacement and Natoma St/Persifer St Alley Storm Drain Hydraulic Analysis) require an appropriation to the Drainage Improvement Fund (Fund 448) in an amount up to \$365,000; and

**WHEREAS**, the 300 Persifer Street Non-Transportation Infrastructure project requires an appropriation to the General Fund in Community Development (Fund 010.2300) in an amount up to \$374,000; and

**WHEREAS**, grant acceptance is not considered a project under the California Environmental Quality Act (CEQA).

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom hereby:

1. Approves the acceptance of four grant awards from the SACOG Green Means Go Grant Program in the total amount of \$982,000;
2. Appoints the Community Development Director, as agent of the City of Folsom to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, payment requests, which may be necessary for the completion of the aforementioned projects;
3. Authorizes the Chief Financial Officer to increase revenue estimates and expenditure appropriations by \$365,000 to the Drainage Improvement Fund (Fund 448); and
4. Authorizes the Chief Financial Officer to increase revenue estimates and expenditure appropriations by \$374,000 to the General Fund in Community Development (Fund 010).

**PASSED AND ADOPTED** this 25<sup>th</sup> day of April 2023, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

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Rosario Rodriguez, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

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CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE