

# Folsom City Council Staff Report

<b>MEETING DATE:</b>	9/26/2023
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 11056 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Habitat for Humanity of Greater Sacramento to Implement the SACOG Green Means Go Early Activation Grant Associated with 300 Persifer Street
<b>FROM:</b>	Community Development Department

**RECOMMENDATION / CITY COUNCIL ACTION**

Staff respectfully recommends that the City Council move to approve Resolution No. 11056 – A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Habitat for Humanity of Greater Sacramento to Implement the SACOG Green Means Go Early Activation Grant Associated with 300 Persifer Street.

**BACKGROUND / ISSUE**

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 Humanity of Greater Sacramento, Inc. (Habitat) for the purpose of developing ten for-sale affordable housing units comprised of five two-story single-family units and five additional for-sale accessory dwelling units. The 0.91-acre Persifer Street site is located on the northeast corner of Persifer Street and Coloma Street as shown on the exhibit below.



As part of the property sale negotiations the City committed to subdividing the site into five individual residential lots in keeping with the historic Theodore Judah lotting pattern, each with 7,000 square foot lot size (50-foot lot width and 140-foot lot depth). In addition, the City also committed to supporting efforts to assist Habitat in securing future grant funding and/or fee reductions for infrastructure improvements, design, and permitting associated with the project.

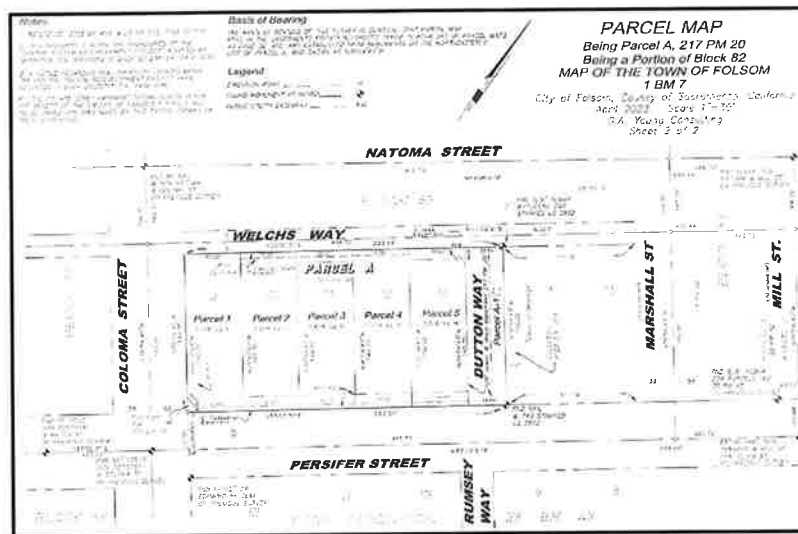
On September 13, 2022, City Council approved Resolution No. 10916 authorizing staff to apply for the Sacramento Area Council of Government (SACOG) 2022 Green Means Go Early Activation grant for on-site infrastructure and planning activities associated with the Habitat development of ten for-sale affordable 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 Habitat Persifer Street project.

On April 25, 2023, City Council approved Resolution No. 11027 accepting four Green Means Go Grant awards to further housing program goals, including the Green Means Go Early Activation Grant for non-transportation infrastructure costs associated with the Habitat Persifer Street project.

In May of 2023 the City completed the process of subdividing the Persifer site into the five

residential Theodore Judah lots as shown in the exhibit below. The next steps will be for Habitat to purchase the individual lots from the City and then to seek Design Review approval from the Historic District Commission.



## **POLICY / RULE**

In accordance with Chapter 2.36 of the Folsom Municipal Code, professional services contracts of \$70,952 or greater shall be approved by the City Council. Furthermore, pursuant to Folsom Municipal Code 2.36.120 professional service contracts are not subject to competitive bidding.

## **ANALYSIS**

Habitat has a long history and track record of partnering with local cities and the counties of Sacramento and Yolo to produce housing that meets the community's vision and becomes an integral part of the neighborhood fabric. As indicated in the background section of this report, part of the property sale negotiations included City support efforts to assist Habitat in securing future grant funding. Furthermore, partnership with Habitat in the development of affordable housing on the Persifer infill site is consistent with the City's Housing Element Goal H-3: Facilitating Affordable Housing and will result in up to ten for sale housing units affordable to low- and very low-income households in 2024/2025.

The purpose of the SACOG Green Means Go Early Activation Grant is to fund non-transportation infrastructure and planning that accelerates infill housing within locally adopted Green Zones. The eligible project sponsors (i.e., lead applicants) were the 22 cities and six counties within the SACOG region; however, partnerships between lead agencies and nonprofits (such as Habitat) were highly encouraged.

As lead applicant and recipient of the \$374,000 SACOG Early Activation grant award, the city is required to enter into a Memorandum of Understanding (MOU) between SACOG and the

City of Folsom; however, Habitat will actually be the project manager responsible for delivering the non-transportation infrastructure improvements associated with the Habitat Persifer project. As such, a third-party contract with Habitat, in the form of a professional services agreement, is required.

At this time, staff is requesting that City Council authorize the City Manager to execute a professional services agreement (contract) with Habitat to carry out the work approved under Green Means Go Early Activation Grant for non-transportation (water, sewer, dry utilities) site specific infrastructure associated with development of the Habitat Persifer Street project for a not to exceed amount of \$374,000.

### **FINANCIAL IMPACT**

The Green Means Go Grants Program award total is \$374,000 and does not require a local funding match. The Early Activation grant award for the Habitat Persifer Street non-transportation infrastructure must be fully expended and reimbursed by October 1, 2024.

The contract with Habitat for the Persifer project will be funded initially through the General Fund (Fund 010) and reimbursed by the Green Means Go Grants Program funds in accordance with the reimbursement schedule over two fiscal year periods; Fiscal Year 2023-24 and Fiscal Year 2024-25

### **ENVIRONMENTAL REVIEW**

An Initial Study and Mitigated Negative Declaration for the development of five single family lots at 300 Persifer Street was prepared in accordance with the California Environmental Quality Act. With mitigations, the project will not have a significant effect on the environment. A Mitigated Negative Declaration was prepared and adopted by the City, and mitigation measures were included in the project's Conditions of Approval.

### **ATTACHMENT**

Resolution No.11056 A Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Habitat for Humanity of Greater Sacramento to Implement the SACOG Green Means Early Activation Grant Associated with 300 Persifer Street

Submitted,



Pam Johns, Community Development Director

**RESOLUTION NO. 11056**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HABITAT FOR HUMANITY OF GREATER SACRAMENTO TO IMPLEMENT THE SACOG GREEN MEANS GO EARLY ACTIVATION GRANT ASSOCIATED WITH 300 PERSIFER STREET**

**WHEREAS**, 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 Humanity of Greater Sacramento, Inc. (Habitat) for the purpose of developing ten for-sale affordable housing units; and

**WHEREAS**, on September 13, 2022, City Council approved Resolution No. 10916 authorizing staff to apply for the Sacramento Area Council of Government (SACOG) 2022 Green Means Go Early Activation grant for on-site infrastructure and planning activities associated with the Habitat 300 Persifer Street project; and

**WHEREAS**, 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; and

**WHEREAS**, in November of 2022, SACOG announced a partial award of \$374,000 for non-transportation infrastructure costs associated with the Habitat Persifer Street project; and

**WHEREAS**, on April 25, 2023, City Council approved Resolution No. 11027 accepting four Green Means Go Grant awards to further housing program goals, including the Green Means Go Early Activation Grant for non-transportation infrastructure costs associated with the Habitat Persifer Street project; and

**WHEREAS**, as lead applicant and recipient of the \$374,000 SACOG Early Activation grant award, the city is required to enter into a Memorandum of Understanding (MOU) between SACOG and the City of Folsom; and

**WHEREAS**, since Habitat will be the project manager responsible for delivering the non-transportation infrastructure improvements associated with the Habitat Persifer project, a third-party contract with Habitat, in the form of a professional services agreement, is required; and

**WHEREAS**, the Green Means Go funding program requires the expenditure of funds with reimbursement requested; and

**WHEREAS**, the contract will be funded initially through the General Fund (Fund 010), and reimbursed by the Green Means Go Grant Program; and

**WHEREAS**, the agreement will be in a form acceptable to the City Attorney.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom hereby authorizes the City Manager to execute a Professional Services Agreement with Habitat for Humanity of Greater Sacramento to implement the SACOG Green Means Early Activation Grant associated with 300 Persifer Street for an amount not-to-exceed \$374,000.

**PASSED AND ADOPTED** this 26<sup>th</sup> day of September 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