



REPORT TO REDEVELOPMENT AGENCY

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: April 15, 2008

SUBJECT: Authorization to Submit Application for Infill Infrastructure Grant to
State Department of Housing and Community Development

Report in Brief

The Infill Infrastructure Grant Program was funded by Proposition 1C, the bond approved by the state voters in 2006. Grants are available as gap funding for infrastructure necessary for a specific residential or mixed use project. Approximately \$240 million is available for allocation during the 2007-08 fiscal year.

The proposed City Center Lofts project located at 333 Main seems to be a good candidate for this grant program. It is being built in an infill, already urbanized area; there is a high density of development with housing; and the developers have made significant progress in being ready to start construction.

Staff recommends that the Redevelopment Agency Board authorize the submittal of a grant application to the California State Department of Housing and Community Development (HCD) requesting approximately \$4,476,000 for capital improvements to support the mixed use infill City Center Lofts project proposed for 333 Main Street.

Background

HCD has issued a Notice of Funding Availability (NOFA) for grants to assist in the new construction and rehabilitation of infrastructure that supports higher-density affordable and mixed-income housing in locations that have either been previously developed or are largely surrounded by development.

Grants for qualifying infill projects can range from a minimum of \$500,000 to a maximum of \$20 million. Eligible activities that can be funded are new construction, rehabilitation, and acquisition of infrastructure required as a condition of approval by the local jurisdiction in connection with its approval of entitlements necessary for the project.

The City Center Lofts project proposed by CSI Engineering is a good candidate for this grant. It is located in an urbanized area, meaning that at least 75% of the perimeter around the project has been previously developed with urban uses. Also, it is on a site that is designated for mixed use or residential development and at least 15% of the housing units will be affordable to low-income households and seven units will be designated as live work units.

The project that has been submitted to the Planning Commission is a three-story, 171-unit (of which seven are live-work units) condominium development located at 333 Main Street. It will include approximately 35,000 square feet of ground floor retail space. The project is expected to include an interior courtyard and outdoor restaurant seating.

The developers, CSI Engineering, purchased the site in February 2006 and have been working with the City over the last two years to prepare the plans for this site. The Administrative Final Environmental Impact Report has been completed and assigned a state clearinghouse number.

This project fits well with what the State is trying to encourage with its grant program. The application score is based on:

- Status of the environmental review
- Status of land use and compatibility with zoning
- Local support as evidenced by a letter from the local governing body
- Housing affordability
- Density of the development
- Access to transit
- Proximity to amenities (public parks, employment, retail centers, transit, schools, and social services), and
- Consistency with any regional plans (SACOG Blueprint Plan).

If awarded, the funds can be used for any reasonable and necessary costs of a Capital Improvement Project required as a condition of approval of the local jurisdiction in connection with its approval of the entitlements. The capital improvements required by the City of Woodland for this project include:

Construction of water, sewer and storm drains

Fire hydrants

Installation of 24 new street lights

Water backflow prevention devices and water meters

New utility poles

Landscaping and automatic irrigations systems

Reconstructing Main Street frontage between Elm and Walnut Street

Installing 940 lineal feet of new curb gutter, and sidewalk with required design elements such as exposed aggregate band, curb bulb-outs, historic lights and tree planters

Constructing new ADA ramps

Curb culverts at each intersection

Modification of traffic signals and construction of new traffic signal

Installing new water service to all the adjacent properties
Construction of a new sewer manhole
Undergrounding all electrical wires
Construction of an underground parking garage

The developers estimated that the cost of these improvements with the inclusion of the underground parking garage is \$ 11,537,824. However, according to HCD guidelines, this project only scores high enough with the affordability and density calculations to be eligible for approximately a \$4,476,000 grant.

Discussion

When completed, City Center Lofts will reinvigorate the Downtown core with new residents and new commercial uses. Because it will be the first development of its type in Woodland, it faces obstacles not normally encountered by other projects. Therefore any financial assistance that can be obtained will contribute to its success.

This project fulfills the goals identified in the General Plan, the Downtown Specific Plan, and the Redevelopment Agency Implementation Plan 2005-2009. It was also listed as one of the potential projects that would be financed by the redevelopment bond that was issued last summer. The potential for receiving grant funds for this project will enable the bond funds to be allocated to another redevelopment project.

Fiscal Impact

Once built, this project will substantially increase the amount of property tax, tax increment, and sales tax that the City will receive. The increase in property taxes alone, which is expected to be about \$500,000 per year, would have a major economic impact.

In addition, the ground-floor retail space included in the project is expected to result in increased sales taxes of about \$24,000 a year, with spin-off taxes from existing downtown businesses that benefit from increased consumer activity in the area. More than likely, there will be business growth and the attraction of new restaurants, entertainment and service businesses.

Public Contact

The public has reviewed this project through the environmental impact report process and through meetings of the Planning Commission. It has also been presented to a Chamber of Commerce subcommittee as well as its Board. It was also discussed at a meeting with downtown business owners and with the Historic Preservation Commission.

Alternative Courses of Action

1. Approve the attached Redevelopment Agency Board resolution authorizing staff to submit the Infill Infrastructure Grant application in the amount of approximately \$4,476,000 for the City Center Lofts project and authorize the Agency Executive Director to execute the documents necessary to submit the application and accept the funds if approved.
2. Do not approve the submittal of the application.

Recommendation for Action

Staff recommends that the Agency Board approve Alternative No. 1.

Prepared by:
Cynthia Shallit,
Redevelopment Manager

Reviewed by:
Barry Munowitch, AICP
Assistant Executive Director

Mark G. Deven
Executive Director

AGENCY RESOLUTION NO. _____

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF WOODLAND AUTHORIZING THE SUBMITTAL OF AN
INFILL INFRASTRUCTURE GRANT PROGRAM APPLICATION FOR THE
CITY CENTER LOFTS PROJECT**

WHEREAS, the Redevelopment agency of the City of Woodland wishes to apply for and receive an allocation of funds through the Infill Infrastructure Grant Program; and

WHEREAS, the California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant Program established under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) pursuant to the Infill Infrastructure Grant Program established Part 12 of Division 31 of the Health and Safety Code, commencing with Section 53545.12. Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the Infill Infrastructure Grant Program Guidelines implemented February 28, 2008; and

WHEREAS, the Redevelopment Agency wishes to submit an application to obtain from HCD an allocation of the Infill Infrastructure Grant Program funds approximately in the amount of \$4,476,000.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the City of Woodland that:

1. The Agency shall submit to HCD an application to participate in the Infill Infrastructure Grant Program in response to the NOFA issued on February 28, 2008 which will request a funding allocation approximately in the amount of \$4,476,000 for the following activities:

Offsite improvements required to support the development of a condominium mixed-use development known as City Center Lofts located at 333 Main Street, Downtown Woodland.

2. If the application for funding is approved, the Agency hereby agrees to use the Infill Infrastructure Grant Program funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program Guidelines cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the Infill Infrastructure Grant Program.

4. The Agency authorizes the Executive Director to execute in the name of the Redevelopment Agency, the application, the Standard Agreement, and all other documents required by HCD for participation in the Infill Infrastructure Grant Program, and any amendments thereto.

I HEREBY CERTIFY THAT the foregoing resolution was duly and regularly adopted by the Redevelopment Agency of the City of Woodland, County of Yolo, State of California on the 15 day of April, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David M. Flory, President

ATTEST:

Sue Vannucci, Secretary