



DATE: January 24, 2017

CATEGORY: Consent

DEPT.: Community Development

TITLE: **2016 Housing-Related
Parks Grant**

RECOMMENDATION

1. Adopt a Resolution of the Mountain View City Council Authorizing an Application for the 2016 Housing-Related Parks Program Grant, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Allocate the 2016 Housing-Related Parks Program Grant funds to Rengstorff Park for Community Center upgrades and improvements.

BACKGROUND

The California Housing-Related Parks (HRP) Program is designed to award grant funds for the rehabilitation or development of park and recreation facilities to local governments that approve housing for lower-income households. Community, senior, and teen centers meet the definition of a park facility and are eligible projects for use of the grant funding. A total of \$35 million is available for the 2016 round. There is no maximum award per jurisdiction; however, if the total eligibility for funds exceeds the amount of funding available this round, the California Department of Housing and Community Development (HCD) may reduce all grants proportionally. The deadline for filing grant applications for the 2016 round is February 23, 2017 with grant awards being announced in June 2017.

This is a noncompetitive grant program, meaning that each jurisdiction that applies and meets the eligibility criteria will receive funding. The final grant amount awarded to each jurisdiction depends on how many affordable units are produced and how many other jurisdictions in the State receive funding. The resolution authorizes the City Manager to accept the grant awarded.

To be eligible for the 2016 HRP Program Grant, applicants must:

- Adopt a resolution allowing the City to enter into an agreement for the funding;
- Have an adopted Housing Element that is in substantial compliance with State Housing Element law as of December 31, 2016; and
- Submit annual Housing Element progress reports for the calendar years the eligible units were constructed.

ANALYSIS

Prior HRP Program Grant Applications

The City applied for and received funding for an HRP Program Grant during the 2013 and 2014 rounds. For the 2013 round, the City was awarded \$305,225, which was used toward lighting and safety improvements at Rengstorff Park.

For the 2014 round, the City was awarded \$276,475 to be used on the Community Center remodel project. To date, all of the 2014 grant has been used on architecture and design for the Community Center.

2016 HRP Program Grant Application

As in previous years, the 2016 HRP Program awards funding on a per-bedroom basis for each residential unit affordable to very low- and low-income households that was permitted during designated program years. The City gets credit for subsidized housing projects and Below-Market-Rate (BMR) rental units. As shown in Table 1 below, jurisdictions are eligible for \$500 per bedroom for each unit affordable to low-income households and \$750 per bedroom for each unit affordable to very low-income households. In addition to the base award, jurisdictions can also be awarded bonus grant funds.

Bonus grant funds will be awarded for the following:

- Units constructed as part of a new construction project;
- Units affordable to extremely low-income households;
- Units developed as part of infill projects;

- Park projects which will serve disadvantaged communities;
- Park projects located within park-deficient communities;
- Park projects supporting an infill project or located within a jurisdiction included in an adopted regional blueprint plan; and
- Jurisdictions demonstrating progress in increasing their overall supply of housing (this is calculated by HCD after all applications have been submitted).

Table 1 – Calculation of Awards

		Bonus Awards per Bedroom						
		Unit-Based			Park-Based			Other
Qualifying Unit	Base Award per Bedroom	New Construction Units	ELI Units	Infill Units	Disadvantaged Community	Park-Deficient Community	Regional Blueprint/ Supporting Infill	RHNA Progress*
Low-Income	\$500	\$300	N/A	\$250	\$500	\$500	\$100	\$50
Very Low-Income	\$750	\$300	\$250	\$250	\$500	\$500	\$100	\$75

* To be determined by HCD after application submittal.

For this 2016 application cycle, the City has identified 126 units of low-income housing units totaling 187 bedrooms, and 17 units of very low-income housing units totaling 30 bedrooms. The 100 percent affordable Evelyn Family Apartments accounts for a majority of the low-income units and bedrooms.

In addition to the base points, Mountain View is able to meet all of the bonus point categories, and could be eligible for an estimated total award (i.e., base plus bonus) of \$474,050, which includes the Disadvantaged Community bonus. Using the grant funds for a park that meets the Disadvantaged Community bonus of \$500 per eligible bedroom is significant. The selection of a park project in an area eligible for the Disadvantaged Community bonus results in nearly \$108,500 in additional grant funding since the application includes 217 eligible bedrooms. There is also the potential to receive an additional award based on the State's review of the City's progress towards meeting its regional housing needs allocation (RHNA) (last column in Table 1 above).

To maximize the grant award amount and the positive impact to the community, staff is recommending selecting a park that meets the Disadvantaged Community requirements of being located in a census tract having at least 51 percent of its residents at or below 60 percent Area Median Income. The HRP Program also requires that all grant funds be expended by June 30, 2019. The park project most likely to take advantage of the Disadvantaged Community bonus and to meet the expenditure deadline would be the Community Center remodel project. The Community Center remodel project is nearing completion of the design phase and is projected to begin construction in 2017. Construction costs continue to rise in the Bay Area and the grant will help support an increase to the construction budget.

Staff has listed two parks, Wyandotte Park and Ortega Avenue and Mora Drive Park, should the City Council prefer not to fund the Community Center remodel with the HRP Program Grant. Although both parks qualify for the Disadvantaged Community bonus, these parks are in the early conceptual stages and design for either park has not begun, which may make meeting the HRP Program expenditure deadline challenging.

FISCAL IMPACT

For the 2016 HRP Program Grant, preliminary calculations show that the City of Mountain View could be eligible for up to \$474,050 that could be used for Community Center improvements, with the potential for an additional bonus as determined by the State in its review of the City's application and progress towards meeting its regional housing needs allocation. Appropriations for any grant amounts awarded will be proposed in the Capital Improvement Plan.

ALTERNATIVES

1. Choose not to authorize the City's application for the 2016 HRP Program Grant.
2. Use grant funds from the 2016 HRP Grant Program for one of the following capital improvement projects, which will also qualify for the Disadvantaged Community bonus of \$500 per eligible bedroom:
 - a. Ortega Avenue and Mora Drive Park improvements.
 - b. Wyandotte Park improvements.

3. Use grant funds from the 2016 HRP Grant Program for the Shoreline/Latham Community Garden which will not qualify for the Disadvantaged Community bonus of \$500 per eligible bedroom.
4. Provide other direction for the use of the 2016 HRP Program Grant funds.

PUBLIC NOTICING

The meeting agenda and Council report have been posted on the City's website and announced on Channel 26 and cable television.

Prepared by:

Vera Gil
Project Manager – Affordable Housing

Wayne Chen
Housing and Neighborhood
Services Manager

Approved by:

Randal Tsuda
Community Development Director

Audrey Seymour Ramberg
Assistant City Manager

VG-WC/5/CAM
894-01-24-17CR-E

Attachment: 1. Resolution Authorizing City to Apply for 2016 HRP Program Grant Funds