

**Substantial Amendment to the Consolidated Plan 2009 Action Plan for the
Community Development Block Grant – R Funding**

City of Sacramento

A. General Information

Grantee Name	City of Sacramento
CDBG-R Contact Person	Geoffrey Ross
Title	Program Manager, Housing & Community Development
Address Line 1	Sacramento Housing and Redevelopment Agency
Address Line 2	630 I Street
City, State, Zip Code	Sacramento, CA 95814
Telephone	916.440.1322
Fax	916.447.2261
Email Address	gross@shra.org
Authorized Official (if different from Contact Person)	La Shelle Dozier
Title	Executive Director
Address Line 1	Sacramento Housing and Redevelopment Agency
Address Line 2	630 I Street
City, State, Zip Code	Sacramento, CA 95814
Telephone	916.440.1319
Fax	
Email Address	
Web Address where this Form is Posted	www.shra.org

CDBG-R Amount	\$1,553,219
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B. Citizen Participation and Public Comment

1. Briefly describe how the grantee followed its citizen participation plan regarding this proposed Substantial Amendment (limit 250 words).

The U.S. Department of Housing and Urban Development (HUD) released the regulations for the American Recovery and Reinvestment Act of 2009 (ARRA) containing significant one-time funding of \$1 billion for the Community Development Block Grant Program for Recovery activities (CDBG-R) on Wednesday, May 6, 2009. The regulations require grantees to submit a Substantial Amendment to their Action Plan that further amends the Consolidated Plan to the local HUD field office no later than Friday, June 5, 2009. The Substantial Amendment outlines the Recovery activities the jurisdiction will undertake with the CDBG-R funds to address priority needs and objectives. HUD will notify grantees no later than July 20, 2009 of approval or disapproval of the Amendment.

To expedite the process and to ensure CDBG-R grants are awarded in a timely manner, while preserving a reasonable citizen participation process, HUD reduced the normal public comment period from 30 days to 7 days. Draft copies of the Substantial Amendment to the 2009 Action Plan which further amends the 2008-12 Consolidated Plan detailing the proposed Recovery activities under the CDBG-R Program are displayed for public comment on the Sacramento Housing and Redevelopment Agency (SHRA) web site located at www.shra.org. The public notice was published in the Sacramento Bee and Daily Recorder on May 19, 2009, seven days prior to the scheduled public hearing on Tuesday, May 26, 2009, at 6:00 p.m. Public comments are also received by SHRA's Housing and Community Development Department.

2. Provide the appropriate response regarding this Substantial Amendment by checking one of the following options:
 - Grantee did not receive public comments.
 - Grantee received and accepted all public comments.
 - Grantee received public comments and did not accept one or more of the comments.
3. Provide a summary of the public comments regarding this Substantial Amendment. Include a summary of any comments or views not accepted and the reasons for non-acceptance.

No comments received to date.

C. Use of CDBG-R Funds

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1. Description of Activities to be undertaken with CDBG-R funds:

Homeless Prevention

Under the guidelines of CDBG-R, 15 percent of the funds can be used for public service activities. In accordance with the 2008-12 Consolidated Plan goals and per the CDBG-R guidelines, it is proposed that \$232,000 in CDBG-R public service dollars be used to support homeless prevention activities.

On May 12, 2009 the City Council approved homeless prevention activities under the Homeless Prevention and Rapid Re-Housing Program (HPRP) Substantial Amendment to the 2009 Action Plan and 2008-12 Consolidated Plan to address the need to take proactive steps to assist those directly affected by the recession.

According to the current 2008-12 Consolidated Plan and the 2009 Action Plan all existing funds, public and private, will continue to be utilized for the jurisdiction's current and proposed Continuum of Care programs. Any new funding will be directed to accomplish the proposed goals of the Ten-Year Plan to End Chronic Homelessness as appropriate.

In the county of Sacramento twenty (20) private and public agencies offer homeless prevention services that include mortgage assistance, rental assistance, and utility assistance. Many more private and public agencies within the county offer counseling and advocacy services to assist individuals and families at risk of becoming homeless. The funding for these services come from a combination of Federal, state, local, and private sources.

Infrastructure Improvements

As a condition of funding, HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities. In accordance with the 2008-12 Consolidated Plan goals and the intent of CDBG-R program, it is proposed that:

- \$1,100,000 in CDBG-R funding go to the 2009 Township 9 Building Demolition project to expedite the creation of a mixed-use transit-oriented development (TOD) located on the corner of North 7th Street and Richards Boulevard in the River District; and
- \$221,219 in CDBG-R funding go to the 2009 La Valentina Infrastructure project to expedite the creation of a mixed-use TOD on two adjacent sites separated by D Street along the east side of the 12th Street Corridor in the Alkali Flat Redevelopment Area. The south site, (located between D and E Streets), will be adjacent to the Alkali Flat/La Valentina Light Rail Station.

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Township 9 is a 65-acre, urban scale, transit-oriented master-planned neighborhood consisting of 2,350 dwelling units, 800,000 square feet of office, 150,000 square feet of ground floor retail, and more than 20 acres of open space north of downtown Sacramento, California. The State of California Department of Housing and Community Development has also awarded \$19.1 million in grants from Proposition 1C Infill Infrastructure Grant Funds to support this project. Township 9 is designed to create a more balanced mix of jobs and housing and create many opportunities for the use of alternate modes of transportation to the automobile – walking, bicycling, light rail transit, and bus transit. Township 9 is a one of only two projects in Sacramento accepted to participate in the U.S. Green Building Council's prestigious new Leadership in Energy and Environmental Design certification program for "Neighborhood Design" (LEED-ND).

Without a significant investment of public funds for infrastructure improvements, Township 9 is infeasible. Infrastructure funds will remove the burden of extraordinary infrastructure costs from individual housing developments within the project. Due to the industrial nature of the surrounding area and in order for housing development to be successful, the initial development must consist of enough infrastructure to create a place where people want to live. The demolition project supported by CDBG-R will allow for the development of infrastructure improvements to be expedited that are required for the creation of light rail station and 90 affordable housing units to be located on the site.

La Valentina Infrastructure project is a multi-phased project and the CDBG-R funds will be utilized primarily for off-site infrastructure improvements necessary to create a mixed-use TOD located on two sites. A portion of the funds may be used for planning activities related to the infrastructure work, wherein the CDBG-R regulations permit 10-percent of the grant to be used for planning and administrative activities. The south site will include a 1,300 square foot café, a 2,000 square foot community room, 5,000 square feet of commercial/retail space, a property management office, and resident bike and car parking on the ground floor. There will be 63 affordable rental units located on the second, third, and fourth floors. The building will have photovoltaic solar panels, a green eco-roof featuring rooftop plantings, and a bioswale infiltration system which filters water runoff through plantings before entering the City's water system. The north site, (located between the C street Alley and D Street), will consist of 18 affordable split-level townhome-style rental units. The total project will consist of 12 studios, 24 one-bedroom units, 21 two-bedroom units, and 24 three-bedroom units.

The La Valentina Infrastructure project is designed to be a sustainable development, incorporating principles from TOD and LEED. There will be many "green" features, including energy efficiency systems, rooftop photovoltaic solar panels, solar hot water heating systems, a green eco-roof featuring rooftop plantings, and a bio-swale infiltration system which filters water runoff through plantings before entering the City's water system. To prepare the area in support of a mixed-use TOD CDBG-R funds will provide needed infrastructure improvements.

**Substantial Amendment to the Consolidated Plan 2008 Action Plan for the
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2. Description of how the distribution and uses of CDBG-R funds will meet the requirement of Title XXII of Division A and Section 1602 of the Recovery Act:

Under ARRA, recipients shall give priority to projects that can award contracts based on bids within 120 days of the grant agreement. One hundred percent of the funds (\$1.55 million) must be spent by September 30, 2012. CDBG-R is intended to invest in economic development, housing, infrastructure and other public facility activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention, as well as provide a long-term economic benefit. CDBG-R specifically recommends grantees identify activities previously approved to receive funding and consider whether activities could be accelerated by being funded with CDBG-R. The projects listed above are consistent with the goals and objectives of both ARRA and the approved City of Sacramento 2008-12 Consolidated Plan.

3. Description of how the use of CDBG-R funds for the activities will maximize job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act by: preserving and creating jobs and promoting economic recovery; assisting those most impacted by the recession; providing investment needed to increase economic efficiency; investing in transportation, environmental protection or other infrastructure that will provide long-term economic benefits; or fostering energy independence.

The Township 9 and La Valentina projects use CDBG-R funds to preserve and create jobs in the building/construction industry, which is particularly impacted by the economic recession, by expediting the development of catalyst projects integral to the success of larger activities. Such catalyst projects both directly employ individuals and will lead to future employment as development continues and new businesses and residents move into the project areas.

Both projects provide investments needed to increase economic efficiency, investments in transportation, and environmental protection that will provide long-term economic benefits and foster energy independence whereby they are both mixed-use, TOD, LEED certified projects. Such projects seek to create a balance between housing and jobs, reduce travel time for commutes, reduce congestion by providing alternative modes of transit that equate to less energy use and air pollution.

Homeless prevention activities meet the intent of the CDBG-R funds by utilizing the public service component to assist those most impacted by the recession. CDBG-R public service funds provide an additional opportunity for longer lasting system improvements, shifting from a system organized around shelter to one centered on prevention and housing stability. HUD encourages a coordinated process with central intake and community wide tools to assess the individual's risk of homelessness and housing needs.

**Substantial Amendment to the Consolidated Plan 2008 Action Plan for the
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City of Sacramento

4. Description of the activities that will be carried out with CDBG-R funds that promote energy conservation, smart growth, green building technologies or reduced pollution emissions:

Both Township 9 and La Valentina are mixed-use, TOD, LEED certified projects designed to incorporate to the maximum extent possible energy conservation, smart growth principles, and green building technologies that will lead to reduced pollution emissions.