

*"Placerville, A Unique Historical Past Forging into a Golden Future "*



**City Manager's Report**  
**April 9, 2013 City Council Meeting**  
**Prepared By: M. Cleve Morris**

**Item#:** 10.1

**Subject:** Adopt a Resolution of the City Council authorizing the following actions:

1. Approving a Community Development Block Grant Application in the amount of \$952,000.
2. Authorizing the City Manager to execute the application and all related documents on behalf of the City of Placerville.
3. If the application is approved, authorizing the City Manager to enter into and execute the grant agreement and any subsequent amendments for this grant.
4. If the application is approved, authorizing the City Manager to sign any funds requests and other required reporting forms.

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**Discussion:** In January of this year, the California Department of Housing and Community Development (HCD) released a Notice of Funding Available (NOFA) for the 2013 Community Development Block Grant. Applications are due by 5:00 p.m. on April 12, 2013. Information regarding the NOFA can be obtained at <http://www.hcd.ca.gov/fa/cdbg/CurrentNOFAs.html>. On February 19, 2013, the City conducted a public meeting regarding a potential Community Development Block Grant (CDBG) application. Present at that hearing was Aaron Cotter of SCC Consulting who explained the CDBG process. Mr. Cotter explained that CDBG funds could be used for infrastructure improvements, such as water and wastewater lines, and as such could be used to help reduce the impact of these improvements on the City's ratepayers. Only one citizen attended the meeting and input was received. Since that meeting, staff has met and conferred with SCC Consulting and together developed a grant application for an amount up to \$952,000 in CDBG funds. The grant application can be broken down as follows:

General Program Administration	\$ 68,250
Public Improvements:	
Conrad St./Cottage Way Waterline Replacement	\$560,000
Housing Rehabilitation Program	\$231,250
Planning and Technical Assistance Projects: (*2 Maximum \$100,000)	
*Old City Hall Structural Analysis	\$36,250
*Placerville Drive Form Based Codes	\$56,250
*City Wide Income Survey	\$32,558
PTA Subtotal	\$ 92,500
<b>Total</b>	<b>\$952,000</b>

### *Planning and Technical Assistance (PTA) Projects*

The City is eligible to compete for two Planning and Technical Assistance (PTA) Grants for a total of \$100,000, including administration. The PTA grants also require a 5% cash match, or \$5,000. Staff has provided three alternatives for those projects.

Project one, Old City Hall Structural Analysis, would perform an investigation of the seismic resistance capability of the two buildings and produce a preliminary renovation design and a Rough-Order-of-Magnitude estimate for the renovation construction costs. Included in the study would be costs for four shear tests on the interior wythes of the brick walls and three cores from the concrete walls. The study would be performed by a structural engineer.

Project two, Placerville Drive Form-Based Codes, would provide form-based codes for the Placerville Drive Business District. In 2011, the City was awarded a \$50,000 grant from the Local Government Commission for this project; however, the funding never did come through. Form-based codes place a primary emphasis on building type, dimensions, parking location and façade features, and less emphasis on uses. They stress the appearance of the streetscape, or public realm, over long lists of different use types. These codes have the following characteristics:

- Zoning Districts – Form-based codes are defined around districts, neighborhoods and corridors where conventional zoning districts may bear no relationship to the transportation framework or the larger area.
- Regulatory Focus – Form-based codes de-emphasize density and use regulation in favor of rules for building form. They recognize that uses may change over time, but the building will endure.
- Uses – Form-based codes emphasize mixed use and a mix of housing types to bring destinations into close proximity to housing and provide housing choices to meet many individuals' needs at different times in their lives.
- Design – Greater attention is given to streetscape and the design of the public realm, and the role of individual buildings in shaping the public realm. Form-based codes recognize how critical these public spaces are to defining and creating a "place."
- Public Participation – A design-focused public participation process is essential to assure thorough discussion of land use issues as the code is created. This helps reduce conflict, misunderstanding and the need for hearings as individual projects are reviewed.

Project Three, Income Survey, would complete a City-wide income survey to enable the City to compete for future CDBG grants for infrastructure and facility projects. If successful, the income survey would be good for five years only. Currently, CDBG Infrastructure and Facility Projects require a low or moderate household income requirement. This means that 51% of the households must meet the low or moderate income limits. The income data is derived from the census data. Currently, the City's percentage of low/moderate income households based on the 2010 census is 50.4%, .6% below the 51% requirement. For the current infrastructure project defined below, the City completed an income survey for that area only and the area did meet the low/moderate income requirement, which enables us to apply for the grant.

With this project, however, there is a condition attached. If we complete the income survey and it shows we are still below the required 51% low/moderate income requirement, we would need to return the \$35,000. However, if we are successful, it would open up the entire city for other projects, such as the water project. Based on the risk of needing to repay the funds, staff does not recommend we proceed with the Income Survey.

### *Public Improvements Project*

As indicated above, the public improvement project included in the grant application is the Conrad Street/Cottage Way/Coloma Street Water Line Replacement Project. In 2010, we applied for this project but were unsuccessful. Last year, we began an application but were not eligible due to not meeting the 51% income requirement and did not have time to do a survey as we have done this year. This project consists of replacing approximately 1,600 linear feet of old, obsolete and deteriorated water line. The existing pipelines range in size from one-inch to four-inch and are approximately 60 to 70 years old. The location of this project is in one of the oldest areas of the City and the existing water infrastructure as indicated above is undersized, deteriorated and does not meet current fire-flow requirements. The undersized pipelines also affect flow volume and pressure for domestic purposes. The existing lines are subject to water leaks and pipeline breaks, which have the effect of disrupting service to the homes and churches in the area, as well as increasing the risk of contamination of the water supply. If the application is successful, work will begin in 2014. The total estimated cost for this project is \$560,000, plus general administration. This amount varies somewhat from the amount in the public notice due to refining of the numbers since that time. In addition, it was originally anticipated that we would receive funding for design from the El Dorado Water Agency. However, that funding did not come through and therefore the cost for design is also included.

### *Housing Rehabilitation Program*

Also included in the grant application is \$231,250, plus general administration, for housing rehabilitation. This includes \$187,312 for loans and \$43,938 for activity delivery. The City has in the past utilized CDBG funds for housing rehabilitation. The last grant money received for this program was \$285,000 received in 1998. That money was loaned out in approximately 3-5 years. This program will assist low to moderate income families with low interest loans to rehabilitate their home. This component of the grant application will help to implement some of the goals in the City's recently adopted Housing Element of the General Plan. Also, these items serve to enhance the grant application for award purposes.

### *General Administration*

Finally, it should be noted that the grant application includes costs for the administration and delivery of these projects. As an example, funds are included for the "soft" costs associated with the Water Line Replacement Project. With regard to the housing rehabilitation program, the City does not have sufficient staff to administer this program at this time. It is anticipated that we will outsource the administration of the program, and funds are included in the application for those costs.

Based on this information, staff recommends we proceed with two PTA grants, Old City Hall Structural Assessment at a cost of \$36,250, and the Placerville Drive Form-Based Codes at a cost of \$56,250.

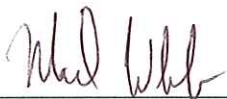
**Cost:** The services of SCC Consulting in assisting the City in preparing and processing the grant application was previously approved at \$5,000. The information was provided to the Council at the

January 22, 2013 meeting. As indicated above, the administrative and soft costs are included in the application. There has been some staff time associated with the grant preparation, however, this will be more than offset by the benefits received if the application is successful. For example, the water line replacement project will not have to be paid for by the ratepayers and it will free up those monies for other necessary projects. As noted above, there is a 5% cash match required for the PTA grants for a total of \$5,000 based on a \$100,000 grant.

**Budget Impact:** The contract with SCC Consulting was added to the mid-year budget. If we are successful in the grant application, the funding will be received in the 2013-2014 fiscal year, therefore, no further budget impact is anticipated this year. Grant administration will be provided by the Development Services Department. As noted above, \$66,802 is set aside for grant administration. In addition, the infrastructure program and the housing rehabilitation program have project delivery funds. It is anticipated that the successful grant will pay for all costs of administration.

**Recommendation:** Adopt a Resolution of the City Council authorizing the following actions:

1. Approving a Community Development Block Grant Application in the amount of \$952,000.
2. Authorizing the City Manager to execute the application and all related documents on behalf of the City of Placerville.
3. If the application is approved, authorizing the City Manager to enter into and execute the grant agreement and any subsequent amendments for this grant.
4. If the application is approved, authorizing the City Manager to sign any funds requests and other required reporting forms.



Mike Webb, Development Services Director



M. Cleve Morris, City Manager

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE  
EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO  
FROM THE 2013 ALLOCATION OF THE STATE CDBG PROGRAM**

BE IT RESOLVED by the City Council of the City of Placerville as follows:

SECTION 1:

The City Council has reviewed and hereby approves an application for up to \$952,000 for the following activities:

General Program Administration	\$ 68,250
Public Improvements:	
Conrad St./Cottage Way Waterline Replacement	\$560,000
Housing Rehabilitation Program – Single Unit Residential	\$231,250
Planning and Technical Assistance Projects:	
-- Old City Hall Structural Analysis	\$36,250
-- Placerville Drive Form-Based Codes	\$56,250
PTA Subtotal	\$ 92,500
<b>Total</b>	<b>\$952,000</b>

SECTION 2:

The City has determined that federal Citizen Participation requirements were met during the development of this application.

SECTION 3:

The City hereby approves the use of Local Funding Sources (listed below) in the amount of \$5,000 to be used as the City's cash match for the Planning and Technical Assistance activity in this application:

General Fund Cash Match \$5,000

SECTION 4:

The City hereby authorizes and directs the City Manager, or designee, to sign this application and act on the City's behalf in all matters pertaining to this application.

SECTION 5:

If the application is approved, the City Manager, or designee, is authorized to enter into and sign the grant agreement and any subsequent amendments with the State of California for the purposes of this grant.

SECTION 6:

If the application is approved, the City Manager, or designee, is authorized to sign Funds Requests and other required reporting forms.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on April 9, 2013, by Council member \_\_\_\_\_, who moved its adoption. The motion was seconded by Councilmember \_\_\_\_\_.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Placerville held on April 9, 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Wendy Mattson, Mayor

City Council  
STATE OF CALIFORNIA  
City of Placerville

ATTEST:

I, Susan Zito, City Clerk of the City of Placerville, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 9th day of April, 2013.

\_\_\_\_\_  
Susan Zito, City Clerk of the City of Placerville, State of California