

## 2022 Green Means Go Funding Round: **Summary of Early Activation Application Review**

### Auburn Form-Based Code

Project Sponsor: **City of Auburn**

Funding Request: **\$180,000**

Award Recommendation: **\$180,000**

### Proposed Project

The project will guide a comprehensive vision for Auburn's central commercial core (Old Town and Downtown) which includes higher intensity uses including an array of housing types and mixed-use developments, with the integration of street scape design and public space, and renderings that visually depict the future of Auburn, many having pathways to by right development.

### Summary of Application Review Comments

The proposed project would respond to a key barrier limiting housing in the Green Zone- the area's current zoning (from the oldest General Plan in the region, last updated in the 1970s) does not allow for residential use in Auburn's downtown. The working group thought there is market demand for residential development that has been prevented by the existing zoning, which the proposed project could instead help activate.

The application notes the Green Zone's 'compact village environment.' The working group agreed that more housing in this small-town zone would reduce vehicle miles travelled, especially relative to its placetype, given the area's walkability, proximity to services, and shorter vehicle trips.

The project also aligned strongly on the deliverability, cost effectiveness and leverage criteria. The project shows little delivery risk, is heavily matched by other funding sources, has a clear near-term need for funding, and the application makes a direct connection to the region's housing policy toolkit. However, the working group noted that while the project will update many of the local policy indicators highlighted through Green Means Go, the exact levels on these indicators will be determined through the planning update. The working group recommended the sponsor align the zoning update with these toolkit indicators to extent possible in the small-town environment.

Staff recommends full funding for the proposed project.

## Sunrise Tomorrow Infrastructure Support

Project Sponsor: **City of Citrus Heights**

Funding Request: **\$160,000**

Award Recommendation: **\$160,000**

### Proposed Project

The Green Means Go scope will include preliminary engineering of backbone infrastructure to support the redevelopment of the Sunrise Mall and the evaluation of infrastructure financing opportunities for the site.

The Sunrise Tomorrow Plan is the transformation of the 100-acre Sunrise Mall site (currently 1 million SF of high vacancy retail and 75 acres of parking) into a mixed-use, transit-oriented village comprised of 2,200 residential units, 480 hotel rooms, 320,000 SF retail, 960,000 SF office, 450,000 SF community/institutional uses, and 25 acres of open and green space.

### Summary of Application Review Comments

The working group found the benefitting project to be a prime example of suburban infill redevelopment and the catalytic change intended by Green Means Go. The project sponsor has gone through substantial effort through the Specific Plan and CEQA clearance to ready the site for development. At buildout the project would provide over 2,000 units of housing at densities shown to be affordable in the local market.

By redeveloping an aging shopping mall, the benefitting project would bring in a mix of uses to an overparked and over-retailed corridor. New housing in the area would pair with high existing travel and transit accessibility and likely enhanced transit service in the future to reduce vehicle miles travelled in a suburban context.

The sponsor's application demonstrated substantial engagement through the Specific Plan process, plans for an array of housing types and products in the Green Zone, and research produced by a third-party expert on its relation to affordability.

One concern for the working group is the benefitting project's timeline. While the review saw little risk in delivering the specific Green Means Go project scope, the working group thought the timeline to get to housing production would be longer here than other peer projects. This concern is mitigated somewhat by the application's discussion of near-term development on the periphery of the site while the mall continues to operate.

Overall, the working group found the project had strong alignment with the category's emphasis on housing, affordability, VMT reduction and leverage, with smaller concerns about cost and timing. Staff recommends full funding.

## Sayonara Drive Affordable Housing Development

Project Sponsor: **City of Citrus Heights**

Funding Request: **\$357,000**

Award Recommendation: **\$0**

### Proposed Project

The grant would provide early activation of a 100% affordable infill housing development on Sayonara Drive in the City of Citrus Heights through a partnership with Habitat for Humanity, a global nonprofit housing organization. The project consists of 9 vacant parcels (combined total 1.8 acres) which will be reconfigured into 20 individual lots (10 DUA) for the development of 20 single-family ownerships units. The first phase, which would be supported by the award of this grant, will consist of the land configuration, engineering and design costs, site clearing/grading, and utility work.

### Summary of Application Review Comments

The project would provide a unique housing ownership path through Habitat for Humanity's sweat equity model. The application laid out how the housing will be 100% affordable, with clear housing cost burdened, low Area Median Income (AMI) criteria.

While succinctly establishing the connection to housing affordability, the proposed project would develop fewer units in relation to its set of fellow submitted projects. And on the Vehicle Miles Travelled (VMT) objective, the working group likewise saw lesser benefit relative to the other candidate projects. While the proposed project is in an adopted Green Zone, it is more on the periphery and surrounded largely by other lower density residential development. The future redevelopment of Sunrise Mall to the south will lead to a greater mix of uses, yet the proposed project is not directly adjacent to this redevelopment, and would still face accessibility barriers, especially for active transportation modes.

The working group noted the project's substantial leverage, both through the efforts of the project sponsor (City of Citrus Heights) and the implementing sponsor (Habitat for Humanity). Yet the project's supporting policy indicators did not score as highly relative to the set of submitted applications, with lower densities per acre and higher parking requirements. Finally, the application could have been stronger by referencing what other factors could be put in place (besides the new affordable housing) in revitalizing the low-income area. As such, the project fell behind some of its other candidate projects on the TCAC objective.

While aligning with housing affordability objectives and responding to a key community need, the working group highlighted several outcomes where, in its opinion, the project did not quite match its set of peer projects in a highly competitive program. Staff does not recommend funding for the proposed project in this oversubscribed category.

## 300 Persifer Street

Project Sponsor: **City of Folsom**

Funding Request: **\$730,000**

Award Recommendation: **\$374,000**

### Proposed Project

The City of Folsom is requesting funding to accelerate infill development associated with Habitat for Humanity's proposed 300 Persifer Street project, which will develop ten affordable for-sale housing units.

### Summary of Application Review Comments

The project would provide a unique housing ownership opportunity through Habitat for Humanity's sweat equity model. The application laid out how the housing will be 100% affordable, with clear criteria around housing cost burden and Area Median Income (AMI).

The proposed project's context affected possible unit type, given the existing historical lot pattern found in the historic district. The working group recognized this site limitation and also the innovative policy approach to increase housing options and affordability on the parcel through Accessory Dwelling Units (with one innovative aspect being that the ADU and main unit would have different owners).

For the VMT criteria, the review noted that housing in the proposed location would have easy bicycle and pedestrian access to Folsom's central area. Further, the City of Folsom is working to update its Central Business District to increase active transportation options. And while not in the immediate corridor, the project is located about a half mile from light rail service (Gold Line).

The review found the project to be heavily matched through activities by the sponsor (City of Folsom) and the regional Habitat affiliate, such as a greatly reduced price in the parcel's sale as well as substantial infrastructure upgrades in the area. And as mentioned above, the sponsor and implementing agency are taking an innovative approach in designing and implementing the project, including taking advantage of new legislation around ADUs.

Finally, in relation to the category's criteria around inclusive communities, the project review found the proposed project to have some of the strongest alignment in this outcome. The project would lead to affordable housing ownership (and thus wealth building) for underserved groups within a high opportunity, high amenity environment. As such, the project fits very strongly within the Affirmatively Furthering Fair Housing criteria.

Staff recommends a funding award of \$374,000 to support the non-transportation infrastructure needs. The funding recommendation recognizes the project's performance outcomes but also the high cost requested on the program in relation to the number of units added. The recommended award is contingent on the state funder approving the update budget for Early Activation.

## Mills Crossing

Project Sponsor: **City of Rancho Cordova**

Funding Request: **\$486,000**

Award Recommendation: **\$486,000**

### Proposed Project

The project scope includes housing-related predevelopment activities such as civil and utility engineering, geotechnical investigations, master planning, and CEQA technical studies for the urban infill housing component of the larger mixed-use Mills Crossing development.

The Mills Crossing transit-oriented development is a mixed-use, mixed-income community hub including over 100 multifamily and townhouse units, 2+ acres of public parks and plazas, and approximately 100,000 square feet of community arts, culture, and wellness facilities.

### Summary of Application Review Comments

The working group saw strong performance outcomes for the proposed project across each of the category's five criteria. For housing, the project would lead to an array of product types (including Affordable and entry level homeowner opportunities) that is much needed to revitalize a major suburban commercial corridor. Likewise, the project aligned strongly with the category's criteria on inclusive communities and affirmatively furthering fair housing: in addition to the housing, the project's mixed uses give the corridor much needed health and community-oriented spaces.

On the VMT criteria, the project is located adjacent to a light rail station, along a corridor with a mix of retail and service uses. The project's letter of support speaks to the benefits of completing Transit Oriented Development on the site. And while not finalized, the project may have further Greenhouse Gas (GHG) reduction benefits from activities focused on electrification.

Finally, the working group noted the project's substantial leverage, both from financial commitments as well as partners and supportive policy. The review found the application provided examples across all three of these aspects of the leverage criteria.

Staff recommends a full funding award for the proposed project.

## Espresso at G–Water Line Extension

Project Sponsor: **City of Sacramento**

Funding Request: **\$190,000**

Award Recommendation: **\$0**

### Proposed Project

Funding for a water line extension between Fat Alley and Government Alley along 11<sup>th</sup> Street aimed at opening up development along the corridor including a seven-townhome project with five Accessory Dwelling Units (ADUs), of which three are attached and two are detached.

### Summary of Application Review Comments

The review found strong expected outcomes for the project within the program's reduce vehicle miles travelled criteria. The project's Green Zone has high walk, bike, and transit accessibility; further housing within this zone could take advantage of the area's multi-modal environment.

In relation to the housing (and affordability) criteria, the review noted the addition of ADUs (accessory dwelling units) to the project. Yet the overall number of proposed units fell short of most all others in the category. Further, the review did not find the application made clear the case that these added units would fully address housing affordability (for example, besides the discussion on ADUs, there was less information about expected price levels of the units). The application included a support letter from the area's historic neighborhood group. Yet given the potential gentrification pressures in that part of the city, the review felt the proposal needed to respond with more information about how the proposal aligned with the community-supporting and revitalization outcomes established in the program guidelines. Finally, the application had less leverage (in terms of match and partnerships) relative to the pool of submitted applications. Staff does not recommend funding for the proposed project from the oversubscribed Early Activation category.

## 19<sup>th</sup> and Broadway Water Main Extension

Project Sponsor: **City of Sacramento**

Funding Request: **\$968,000**

Award Recommendation: **\$0**

### Proposed Project

Construction of approximately 500 linear feet of new 12-inch diameter water main by open cut construction and 85 linear feet of 12-inch diameter water main in 20-inch steel casing by trenchless construction (guided boring) under existing railroad tracks within X Street starting at 19<sup>th</sup> Street and terminating at the intersection of 20<sup>th</sup> Street and Yale Street.

This water main improvement project supports a development project to demolish an existing 27,288 sf office building and construction two (2) 5-story mixed use buildings with 140 apartment units affordable to households making 60 percent or less of area median income (AMI) as well as some ground floor retail.

### Summary of Application Review Comments

The working group found notable performance outcomes within the program's housing and reduce vehicle miles travelled criteria. The new housing units being brought to the corridor all meet the guideline's criteria on affordability. Likewise, the area is served by strong multi-modal infrastructure including productive transit (and future rail service) and a supportive walk/bike environment that will be even further enhanced through a near-term complete streets improvement.

The proposed project also helps support affordable housing in a resource-rich environment, though the immediate project location does differ in terms of socio-economic attainment indicators and resource amenities relative to the rest of the Housing and Community Development/California Tax Credit Allocation Committee (HCD/TCAC) opportunity map zone.

While noting the project's performance outcomes, the review also raised concerns within the delivery and leverage evaluation criteria. On the delivery side, the working group feared the potential risks to the project's timeline would make it more difficult to construct the Green Means Go scoped infrastructure by the grant deadline. The working group also had questions about how the proposed Green Means Go award fit relative to other funding received and commitments, and what the additional Green Means Go funding would contribute to the project's overall scope and outcomes. The sponsor provided further clarity on the working group questions yet ultimately the review's concerns within the leverage and delivery criteria remained. Staff does not recommend a funding award in the oversubscribed category.

## San Juan Apartments by Mutual Housing–Offsite Improvements

Project Sponsors: **City of Sacramento and Sacramento County**

Funding Request: **\$2,000,000**

Award Recommendation: **\$2,000,000**

### Proposed Project

The proposed Green Means Go project scope would pay for a portion of offsite improvements for the benefitting project, including the extension of domestic water and sewer and stormwater services, as well as undergrounding of power lines that run through and adjacent to the site.

San Juan Apartments by Mutual Housing is a proposed 150-unit affordable housing development (including a childcare facility and 2,500 SF of commercial space) located at 5700 Stockton Boulevard, to serve families with incomes between 30% and 60% of the area median.

### Summary of Application Review Comments

The review committee felt this project exemplified many of the challenges facing infill development in the broader region, as well as the performance outcomes envisioned by Green Means Go in overcoming these challenges. In addition to infrastructure challenges (outdated infrastructure along an underserved corridor), the project faces challenges around governance (including multiple infrastructure providers and a physical location that spans two different jurisdictions).

The review felt the project would help overcome these infill development challenges with a transformative proposal. The project had the most potential near-term units, all of which were affordable. The application also gave detailed information relating to the near-term timeline that leads to those unit's construction.

In regards to the VMT criteria, the review committee also saw many strengths. The area is served by productive transit service with a nearby mix of uses, and as densities increase, may be served by higher frequency transit service into the future. The project also aims to bring in electric vehicle and bike share components to further reduce the VMT (and GHG) of the area's new housing residents.

The application's support letter notes how a suite of partners see this project as a cornerstone of anti-displacement efforts in the corridor, while the project is highly leveraged in terms of land donation, direction financial contributions, multiple partners, and housing-supportive local policies.

While the review found the project had strong alignment with the five outcomes established in the 2022 Green Means Go funding round, it also raised concerns about cost. Ultimately, the working group felt the project's strong performance outcomes to be commensurate to the large ask on the category. Staff recommends a full funding award for the project.