



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: March 26, 2008 REPORT NO: 08-044

ATTENTION: Council President and Members of the City Council
Agenda of April 1, 2008

SUBJECT: Resolution supporting eligible projects for Proposition 1C- Infill
Infrastructure Grant

REQUESTED ACTION:

1. Approve the Resolution authorizing the Mayor to support applications to the California Department of Housing and Community Development (HCD) for funding under Proposition 1C- Infill Infrastructure Grant Program for housing projects that meet the HCD eligibility criteria.
2. Authorize the Mayor to send a letter of legislative support for the Commercial and 22nd Street Project, the 7th and Market Project, the Ballpark Village Project and the CentrePoint Project.
3. Approve the Resolution granting authority for City to apply for Infill Infrastructure Grant funds for East Village Subdistrict Planning Area as a qualifying infill project area.
4. Authorize the Mayor to take all necessary actions to secure funding from the HCD for the infrastructure improvement projects.

STAFF RECOMMENDATION:

Approve

SUMMARY:

Proposition 1C authorized \$2.85 billion in general obligation bonds (GO bonds) for various housing purposes. While most of the money will go to existing programs, \$850 million will go to the Regional Planning, Housing, and Infill Incentive Account to be distributed as infill incentive grants for capital outlay related to infill housing development programs and other related infill development.

On February 28, 2008 the California Department of Housing and Community Development (HCD) issued the cycle 1 Notice of Funding Availability (NOFA) for the Infill Infrastructure Grant Program. The state will be awarding approximately \$240 million to urban areas

across California. Both for profit and not for profit developers are eligible to apply to HCD for grant funds. **The application deadline to HCD is 5:00 p.m. on April 4, 2008.** HCD expects to issue awards in June 2008. In a March 7, 2008 memo the Mayor outlined a process by which developers could receive legislative support letters. Additionally, because several eligible projects would benefit from the creation of a Qualifying Infill Area (QIA) to provide common infrastructure. The City recommends the creation of a (QIA).

REPORT:

In response to the passage of the 2006 State Infrastructure Bonds (Props. 1B-1E and Prop. 84), the Mayor formed an internal Infrastructure Bond Task Force to best position the City to take advantage of these new funding opportunities. The Task Force is chaired by the Director of Intergovernmental Relations and includes members from City Planning and Community Investment, Engineering and Capital Projects, Water, Stormwater, Park and Recreation, Housing Commission, CCDC, and members of the City of San Diego's lobbying team.

The Infrastructure Bond Task Force, along with our state lobbyists Sloat, Higgins, Jensen and Associates were active in 2007 in helping to shape criteria both for eligible funding categories within Proposition 1C. Additionally, the Task Force has worked to identify worthy projects to submit for state consideration at the appropriate times.

In order to evaluate projects fairly the City set out a process in a March 7th memo that requested that any developer applying for a letter of support fill out the QIP Self Scoring Worksheet available on HCD's website. A completed self scoring worksheet and a one page description of the project to be considered were due to Job Nelson, Director of Intergovernmental Relations at 202 C Street, 11th Floor by 5 p.m. on Monday, March 17th. The scores are based on a 130 point scale outlined by HCD. The short timeline was forced by the five week NOFA schedule outlined by HCD (HCD allowed 3 months for the TOD NOFA.) The City received four applications. The four projects, corresponding developers and scores are:

- 7th and Market – Related Companies/City Link: 123
- Comm22 – Bridge Housing/MAAC Project/The Bronze Triangle: 130
- Ballpark Village Project- JMI Realty: 130
- CentrePoint- Douglas Wilson Companies: 88.96

The Task Force identified that all four projects would be worthy candidates for this first cycle of funding under Proposition 1C. Additionally the task force identified that 3 of the 4 projects would receive some level of benefit from the City applying for the Ballpark Village Master Plan area as a QIA. The City's QIA would also benefit the 15th and Commercial: St Vincent de Paul project and the 1050 B: Affirmed Housing project, both of which the City Council supported for the Prop 1C-TOD funds.

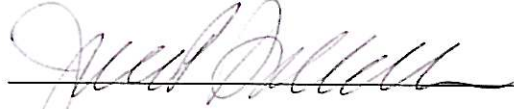
TIMELINES AND AVAILABLE FUNDING:

The Notice of Funding Availability (NOFA) for the cycle 1-Infill Infrastructure Grant program was February 28, 2008 with Final applications due on Friday, April 4, 2008. HCD expects to make awards in June of 2008. There is approximately \$240 million

available statewide in cycle 1, with a maximum award of \$20 million dollars in cycle 1 for qualifying infill projects, \$30 million dollars for multiphased development with 200 or more residential units and \$30 million for qualifying infill areas. Attached are the March 7th Mayor memo outlining the process, as well as the descriptions and self-scoring sheets for each of the four projects.



Job Nelson
Director, Intergovernmental Relations



Julie Dubick
Director, Policy

Attachments: NOFA for Infill Infrastructure, February 28, 2007
Mayor's Infill Infrastructure Memo, March 7, 2008
Descriptions and Scoring Sheets for Eligible Projects