

City of Sacramento

Legislation Text

File #: 2019-00806, **Version:** 1

Title:

Historic Places Grant Program (Forgivable) Construction Loan Agreements

File ID: 2019-00806

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager or City Manager's Designee to execute (Forgivable) Construction Loan Agreements with eleven recipients: 1) Calvin Crocker House LLC; 2) Monica Vejar; 3) Young Ladies Clubhouse Association; 4) St. John's Lutheran Church; 5) Terri Kletzman; 6) Phyllis Ehlert and Dennis Blegen; 7) Sage Influence LLC; 8) Philip Trimboli and Kevin Boll; 9) Bret and Casey Becker; 10) Justin Campbell; and 11) Shiloh Baptist Church, for various amounts from \$7,137 to \$24,999 for the Historic Places Grant Program.

Contact: Susanne Tam, Administrative Analyst, (916) 808-5375; Carson Anderson, Preservation Director, (916) 808-8259, Community Development Department

Presenter: None

Attachments:

- 01-Description/Analysis
- 02-List of Current Historic Places Grant Agreements
- 03-Agreement for 1400 27th Street
- 04-Agreement for 531 21st Street
- 05-Agreement for 2409 Capitol Avenue
- 06-Agreement for 530 10th Street
- 07-Agreement for 2213 25th Street
- 08-Agreement for 2208 F Street
- 09-Agreement for 2215 21st Street
- 10-Agreement for 3565 9th Avenue
- 11-Agreement for 2607 P Street
- 12-Agreement for 1701 L Street
- 13-Agreement for 3401 2nd Avenue

Description/Analysis

Issue Detail: Staff is requesting the forgivable Construction Loan Agreements for the Historic Places Grant Program be executed for the disbursement of the grant funds. This grant program is intended to facilitate the rehabilitation, restoration and/or maintenance of residential and non-residential properties throughout the City of Sacramento through the provision of matching grants for projects, consistent with the City's 2035 General Plan preservation goals and policies, and City Code Chapter 17.604.

The sixth round of the Historic Places Grant Program was implemented in December 2018 and resulted in a record number of 17 grant applications being submitted, with an initial grant funding request totaling \$348,532-exceeding allocated program funding by more than \$100,000. Of these initial 17 applications, 11 (which are listed in Attachment 2) are being advanced for Construction Loan Agreement authorization at this time.

Policy Considerations: City Council has found that the preservation of the city's historic resources and promoting public awareness of those resources bolsters the economic and general welfare of the people of the city. The Historic Places Grant Program directly helps support the revitalization of historic properties and neighborhoods by helping fund preservation-appropriate repair work and deterring the effects of deferred maintenance that can lead to the avoidable demolition of historic properties.

The grant program is among the limited number of important preservation incentives, such as the federal rehabilitation credit program, the Mills Act, and the State Historical Building Code that are utilized to promote the retention and reuse of historic properties, and has been a popular program with the public.

In authorizing the loan agreements, the City implements 2035 General Plan Historic and Cultural Resources Goals and Policies, including the following:

Goal HCR 2.1 - Identification and Preservation of Historic and Cultural Resources. Preserve the city's historic and cultural resources to enrich our sense of place and our understanding of the city's prehistory and history.

Policy HCR 2.1.4 - The City shall develop and support regulatory, technical, and financial incentives (e.g., City, State, Federal and private grants, loans, easements, and tax credits) and enforcement programs to promote the maintenance, rehabilitation, preservation, and interpretation of the city's historic and cultural resources.

Policy HCR 2.1.7 - Historic Resource Property Maintenance. The City shall encourage maintenance

and upkeep of historic resources to avoid the need for major rehabilitation and to reduce the risks of demolition, loss through fire or neglect, or impacts from natural disasters.

Policy 2.1.14 - Adaptive Reuse. The City shall encourage adaptive reuse of historic resources when the original use of the resource is no longer feasible

Economic Impacts: None.

Environmental Considerations: This report concerns administrative activities and governmental fiscal activities related to already existing programs and does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (per CEQA Guidelines Section 15060(c)(3)).

Sustainability: The rehabilitation, preservation, restoration and adaptive reuse of Sacramento’s historic resources helps sustain and revitalize the City’s neighborhoods while also enhancing Sacramento’s economic standing, marketability, identity and livability consistent with City Code Section 17.604.100.A. Due to their “embodied energy” (i.e., the materials, energy inputs and labor used in the construction of historic structures, equivalent to decades of the building’s energy use) the continued reuse and preservation of historic buildings reduces need for significant new energy inputs, reduces demolition-related inputs to local landfills and the pressure to develop raw land where new support infrastructure would be required. Hence, it is a practice that promotes sustainability.

Commission/Committee Action: During early 2019, staff and the Sacramento Heritage Inc., Board jointly reviewed the applications received for the Historic Places Grant Program and made recommendations for the grant recipients and allocation amounts.

Rationale for Recommendation: The Construction Loan Agreements provide the terms of the grant disbursement to ensure that the grant funds are used for approved rehabilitation projects on historic properties only. The grant is a fully forgivable loan if the recipient retains ownership of the property for each of five years following the disbursement of the funds.

Financial Considerations: In authorizing the forgivable Construction Loan Agreements at this time, the City would be committing \$224,787 in Historic Places Grant Program funds. There are sufficient resources in the Historic Places Grant Program (I21004800) to make the necessary transactions.

Local Business Enterprise (LBE): Not applicable.