



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 14, 2019

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: THE ACCEPTANCE OF \$3,000,000 FROM THE 2018 URBAN GREENING GRANT AWARD FROM THE CALIFORNIA NATURAL RESOURCES AGENCY FOR THE NORTHSIDE HERITAGE MEADOWS URBAN GREENING GRANT PROJECT; APPROVAL OF A TOTAL PROJECT BUDGET OF \$3,563,640 – SUPPLEMENTAL APPROPRIATION

ISSUE:

The acceptance of grant funds, in the amount of \$3,000,000, from the 2018 Urban Greening Grant award from the California Natural Resources Agency for the Northside Heritage Meadows Urban Greening Grant Project; appropriation of \$3,000,000 in estimated revenues and expenditures; and authorization of a fund transfer of \$538,640 from the Urban Development Activities Grant program income account.

RECOMMENDATIONS:

That the City Council:

1. Accept \$3,000,000 from the 2018 Urban Greening Grant award from the California Natural Resources Agency, for the Northside Heritage Meadows Urban Greening Grant Project;
2. Authorize an increase in estimated revenues in the amount of \$3,000,000 to account number 9339100-334100, and appropriate expenditures in the same amount as follows: \$1,802,280 to Acquisition account 9339110-440210; \$1,037,128 to Construction account 9339120-440210; and \$160,592 to Project Management account 92339130-440120;
3. Authorize a funds transfer in the amount \$538,640 from the Urban Development Activities Grant Program Income account 2870000-453001 to account 9339140-440120 to cover cash matching funds for the acquisition and installation of a prefabricated modular single story co-work learning center unit, demolition of an existing structure, construction of an outdoor pavilion, and construction of parking facilities for the Northside Heritage Meadows Urban Greening Grant project;
4. Authorize up to \$25,000 from Community & Economic Development account 9878200-421000 to pay for acquisition and due diligence costs including phase 1 environmental assessment fees necessary to transfer management of two Riverside Public Utilities Canal parcels to the Community & Economic Development; and

5. Authorize the City Manager, or his designee, to conduct all negotiations, including real property acquisitions, execute and submit all documents including, but not limited to agreements, payment requests and so on, which may be necessary for the completion of the Northside Heritage Meadows Project, including making minor and non-substantive changes.

BACKGROUND:

Assembly Bill (AB) 32, known as the California Global Warming Solutions Act of 2006, signed into law in 2006, required sharp reduction of greenhouse gas (GHG) emissions to 1990 levels by 2020. Senate Bill (SB) 32 confirms the State's continued commitment to reduce GHG emissions by directing emissions reductions to meet a target of 40% below 1990 levels by 2030. Both of these pieces of legislation are a comprehensive, long-term approach to addressing climate change and to improve environmental and natural resources while maintaining a robust economy. Passage of SB 859 in 2016 created the California Natural Resources Agency's (Agency) Urban Greening Program and is funded by the Greenhouse Gas Reduction Fund (GGRF) to support the development of green infrastructure projects. A 2018 Urban Greening Grant guidelines called for project proposals that include at least one of the following activities: sequester and store carbon by planting trees; reduce building energy by strategically planting trees to shade buildings; or reducing commute vehicle miles traveled by constructing bicycle paths, bicycle lanes or pedestrian facilities that provide safe routes for travel between residences, workplaces, commercial centers, and schools. Additionally, proposed projects must do at least one of the following: acquire, create, enhance, or expand community parks and green spaces; and/or use natural systems or systems that mimic natural systems to achieve multiple benefits.

In April 2018, the City of Riverside submitted a competitive project proposal, referred to as the Northside Heritage Meadows Project (Project), to the 2018 Urban Greening Grant program seeking \$3,937,069 to fund an urban greening project in the Northside neighborhood. The requested \$3,937,069 of funding would allow for acquisition of 7.58 acres of two parcels located at 850 and 900 Clark Street (APNs 246-230-020 and 246-242-011), and development of these two parcels along with two city-owned parcels controlled by Riverside Public Utilities (APNs 246-220-011 and 246-230-013) into an urban greening project with multiple elements including: 1) construction of two trails approximately 0.5 miles in distance to increase neighborhood walkability and access to the project site; 2) planting of 453 trees and shrubs to provide shade, sequester carbon, support workforce training, and produce food; 3) establishment of a 24-plot community garden to build a greater sense of community and increase food access; 4) installation of water and utility infrastructure to support project site activities; 5) preservation of 3.5 acres of green open space in agricultural activities thereby mitigating heat-island effects; and 6) funding of outreach activities to build strong community engagement in the project.

On September 4, 2018, City Council adopted Resolution No. 23360, approving the filing of an application for the Northside Heritage Meadows Project and authorizing the City Manager, or his designee, to conduct negotiations, execute and submit all documents, including, but not limited to applications, agreements, payment requests and so on, which may be necessary to carry out the Northside Heritage Meadows Urban Greening Grant Project.

The City of Riverside was notified in November 2018 that it was selected for a \$3,000,000 Urban Greening Grant award. (See Attachment 2 for grant award letters). In April 2019, the City Manager's Office executed a grant agreement with grant administrator California Natural

Resources Agency.

DISCUSSION:

With a reduction in the grant award amount from the original requested \$3,937,069, the Northside Heritage Meadows Urban Greening Project scope has been revised to reflect a reduced grant budget of \$3,000,000. (See Attachment 1 for the Project Scope.) The revised project scope funded by the Urban Greening Grant consists of:

1. Property acquisition of 895 Clark Street (APN 246-230-020) and 900 Clark Street (APN 246-242-011);
2. Site preparation including clearing and minor grading;
3. Installation of additional water and utility infrastructure;
4. Installation of greening infrastructure including planting 453 trees and shrubs, and irrigation;
5. Construct two trails, the Riverside Canal Trail and an interpretive Nature Trail, totaling approximately 0.5 miles and maintenance of the trails over the course of the grant period;
6. Other construction activities including installation of project signage, construction of a 24-plot community garden, and project site fencing; and
7. Program partners to conduct ongoing community engagement and outreach.

To facilitate the competitiveness of the City's grant application, the City included \$150,000 of an Urban Development Activities Grant (UDAG) economic development grant as matching funds for the Northside Heritage Meadows Urban Greening Project. UDAG funds may be used as a grant to fund economic development, planning, operation and administration expenses, and provide funds for for-profit and non-profit entities engaging in these and other economic activities. Due to a reduced grant award, a total of \$538,640 from the UDAG funds are requested to complete the Northside Heritage Meadows Urban Greening Project. Repayment of a portion of the UDAG funds will be built into the lease agreement for the co-work learning center/office and will also include residual receipts from the operator to create a sustainable fund to reinvest in future projects. UDAG grant funds will be used to:

1. Demolish an existing structure and replace it with a new 2,000 square foot pre-fabricated modular single story co-work learning center unit to serve as an auxiliary agricultural field office to be occupied by the Project's program partners and provide facilities for a co-working learning center to host education and workforce training programs to be implemented by project partners;
2. Install an outdoor pavilion and farm stand to host community events and farmers market;
3. Install irrigation infrastructure for a 3.5-acre farm and community garden;
4. Pay for site development fees; and
5. Install a 20-space surface parking lot.

The Community & Economic Development Department will also fund an additional \$25,000 from account number 9878200885-4210000 to cover due diligence and acquisition costs including a Phase 1 environmental site assessment for the transfer of two Canal parcels (APNs 246-220-011 and 246-230-013), adjacent to the Project site totaling 1.25 acres, to the Community & Economic Development Department from Riverside Public Utilities, subject to future Riverside Public Utilities Board and City Council approval, upon which the Riverside Canal Trail will be constructed with Urban Greening Grant funds.

Details of the Project scope, timeline, and estimated budget are summarized in the attached Northside Heritage Meadows Urban Greening Grant Project Scope document. The project site may require construction of new sewer connection infrastructure of approximately 1,190 linear feet in length at an estimated cost of \$348,000. Staff is currently seeking additional grant opportunities from economic development funding sources to secure funds for sewer infrastructure installation during the project timeline. Staff will return to City Council for review and approval for any additional grant applications seeking funding to install infrastructure and facilities at the Northside Heritage Meadows Urban Greening Grant project site. There is an existing operational septic tank in place, however, this may not be a viable option with new construction. Staff will continue to explore the most cost effective options for sewer connection.

On April 17, 2019, the proposed Project was reviewed by the Development Review Committee. It was determined that the Northside Heritage Meadows Urban Greening Grant project will not result in a significant effect on the environment pursuant to Section 15061(b)(3), Article 5 of the California Environmental Quality Act (CEQA). Furthermore, the project is categorically exempt per the California Environmental Quality Act pursuant to Sections 15301, 15303 15304, and 15311, Article 19 of the CEQA Guidelines, as the project is consistent with the General Plan goals of preserving open space and fostering urban agriculture in the Northside neighborhood. Additional reasons why the project is exempt include planting of trees and shrubs to reduce the amount of particulate matter in the neighborhood that results from being close to the busy 91/60/215 freeway interchange, providing shade for nearby structures and along project trails, establishment of a community garden and a 3.5-acre open-space farm of row crops, and construction of a 1,500 square foot greenhouse intended to support on-site urban greening and agricultural activities to increase access to local foods. Lastly, the Project's walking trails will connect surrounding residents to the site and provide safe travel routes between residences, schools, businesses, and parks.

The City of Riverside's Urban Greening grant application included matching resources, though not required by the Urban Greening Grant guidelines, to increase the competitiveness of the proposal. Staff project managers will contribute in-kind match in the form of staff time to manage the project during the grant-funded period. Additional in-kind match includes \$61,235 from the Northside Specific Plan development, calculated using a percentage portion of the total acreages the Northside Heritage Meadows Urban Greening Grant project represented within the larger Northside Specific Plan geographic boundary.

The conceptualization and development of the Northside Heritage Meadows Urban Greening Grant Project engaged multiple partners; these same partners are committed to accomplishing specific construction elements of the Project, and implement subsequent programs that will be hosted at the project site at build out. Project partners' engagement in the project will contribute an estimated \$201,000 in-kind match, which also bolstered the competitiveness of the City's grant application.

Anticipated partners and their roles include:

1. Riverside Food Systems Alliance (RFSA) for project outreach, to serve as the master lease holder and project site management post build-out, and provide workforce development programming;
2. Farmworker Institute for Education and Leadership Development (FIELD) for site preparation and installation of greening elements (planting of trees and shrubs), trail construction, reside as a site tenant and provide on-going site maintenance, and work with partners to provide training and workforce development programming. Grant funding awarded to FIELD will procure and install a 30 foot by 50 foot greenhouse structure to support urban greening and agricultural activities at the Project site;
3. Riverside-Corona Resource Conservation District for development of interpretive signs, technical advice on green infrastructure, and outreach;
4. Inland Urban Forest Council for public education programming in urban forestry;
5. Riverside Garden Council to operate and manage community garden plots;
6. United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS) providing technical assistance to incorporate conservation practices;
7. Southwest Resources Management Association for implementation of conservation practices;
8. Riverside University Health System to establish Electronic Benefits Transfer (EBT) and Women, Infants, and Children (WIC) benefits at the Project site's farm stand; and
9. The Sanematsu family to identify opportunities to memorialize the project site's significant history.

Staff will negotiate land acquisition, lease agreements and develop Memorandum of Understandings with project partners necessary to accomplish Project elements and programs, and will bring these proposed agreements back to City Council for consideration and approval as the Project progresses.

The Northside Heritage Meadows Urban Greening Grant Project's \$3,000,000 grant funded activities must be completed by April 31, 2021 in order for the City to receive full reimbursement from the California Natural Resources Agency, the grant administrator.

FISCAL IMPACT:

The Urban Greening Grant is a reimbursement grant requiring the City to first expend funds. At the sole discretion of the grant administrator, the California Natural Resources Agency, ten percent (10%) of the amount submitted for reimbursement will be retained and released as a final payment upon satisfactory project completion.

Staff requests the acceptance and appropriation of the Urban Greening Grant Program Award in the amount of \$3,000,000 to revenue account number 9339100-334100, and appropriate expenditures as follows; \$1,802,280 to Acquisition account number 9339110-440210;

\$1,037,128 to Construction account number 9339120-440210; and \$160,592 to Project Management account number 92339130-440120.

Staff requests a funds transfer in the amount of \$538,640 from the Urban Development Activities Grant (UDAG) Program Income account 2870000-453001 to account 9339140-440120 to cover cash matching funds of \$538,640 for the acquisition and installation of a prefabricated modular single story co-work learning center unit, demolition of an existing structure, construction of an outdoor pavilion, and construction of parking facilities for the Northside Heritage Meadows Urban Greening Grant Project.

Lastly, staff requests authorization to expend \$25,000 from Community & Economic Development account 9878200-421000 for acquisition and due diligence costs including a phase 1 environmental assessment report and any other miscellaneous transfer expenditures for two Riverside Public Utilities Canal parcels to the Community & Economic Development Department subject to future Riverside Public Utilities Board and City Council approval.

Prepared by:	David Welch, Community & Economic Development Director
Certified as to	
availability of funds:	Edward Enriquez, Chief Financial Officer / City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Northside Heritage Meadows Urban Greening Project Scope
2. Award Letters
3. Urban Greening Grant Agreement