



STAFF REPORT

MEETING DATE:	1/20/2015
SUBJECT:	Administration of Development Incentives
AGENDA ITEM:	5
STAFF CONTACT:	Daniel Wayne, Senior Transportation Planner

SUMMARY:

SRTA received grant funds in the amount of \$122,085 for infill and redevelopment incentives that support implementation of the draft 2015 Regional Transportation Plan (RTP). Staff time required to develop and administer the program (less indirect costs) may also be billed to the grant, in addition to those funds available for incentives. Utilizing regional funds to influence development type and location is uncharted territory for SRTA. Guidance from the board of directors is requested regarding the manner in which the funds are administered.

STAFF RECOMMENDATION:

It is recommended that the board of directors consider options for administering development incentives and provide guidance to staff.

DISCUSSION:

SRTA received grant funds in the amount of \$122,085 to develop and administer a pilot program of development incentives that support implementation of the 2015 Regional Transportation Plan (RTP). More specifically, this program seeks to spur higher density and mixed-use infill and redevelopment projects within city and rural community centers known as Strategic Growth Areas (SGAs). Incentives may be used for technical assistance grants to help mitigate the cost of pre-development activities, including but not limited to conceptual design renderings, traffic impact analyses, infrastructure needs assessments, and so forth. Costs associated with site preparation, equipment purchase, and construction are not eligible.

These incentives, when combined with targeted transportation investments and reinforced by local policies, could result in transportation efficiencies, spur economic development, and help to revitalize community centers. In the near term, it is hoped that this pilot program will result in:

- 1) A template that could become an ongoing program with additional future grant funding and call for projects;
- 2) A list of near shovel-ready projects that would compete well for capital construction grants made available through the Affordable Housing and Sustainable Communities Program (see the California Strategic Growth Council's website for additional information on this program: http://www.sgc.ca.gov/s_ahscprogram.php).

The manner in which incentives are administered is likely to impact the success of the pilot program as well as the prospects of future program cycles. Maintaining a high level of control over the incentives and work products would help to assure timely and satisfactorily project completion; however, this would require substantial SRTA staff time and may not inspire the type of public-private and local-regional partnerships envisioned by staff. Effectively *seeding* infill and redevelopment projects may require *ceding* some control over the program and projects to local agencies and motivated developers respectively.

In order to facilitate discussion, draft program guidelines (see attached request for proposals) and the following questions are offered:

- 1) Who should administer the incentive funds (i.e. perform the call for projects, score proposals, and award funds)? Options include SRTA and applicable local agency.
- 2) Who is eligible to apply for and receive incentive funds? Options include private-for-profit developers, non-profit developers, and local agencies.
- 3) Who should manage individual projects (i.e. procure necessary consultant services and oversee the quality of work and deliverables)? Options include SRTA on behalf of the applicants or qualified applicants under technical services agreement with SRTA.
- 4) Should matching funds be required? Options include no match requirement, cash match, or in-kind match.

Grant funds available for this pilot program must be expended by November 2015. To allow adequate time for the incentive funds to be spent, staff would bring the final program guidelines and request for proposals to the board of directors at the February meeting. Development proposals received would be presented to the board of directors at the April meeting for selection.

ALTERNATIVES:

The board of directors may direct staff to request an amendment to agency's state grant contract to apply the funds toward other eligible uses.

OTHER AGENCY INVOLVEMENT:

City of Redding staff provided assistance based on their experience procuring development services for redevelopment agency projects. The California Department of Conservation administers the grant funds on behalf of the Governor's Strategic Growth Council.

FINANCING:

Funding is provided by a Proposition 84 Sustainable Communities Planning grant received by the agency in 2012. Up to \$122,085 is available for this incentive program. SRTA staff time (excluding indirect costs) required to administer the incentive program may be invoiced against the grant; these expenses are in addition to the amount available for incentives. The number of staff hours required to manage the program will vary depending on how the board of directors would like the program to be administered.



Daniel S. Little, AICP, Executive Director

Attachments: Draft Infill & Redevelopment Incentive Program Guidelines and Request for Proposals



STRATEGIC GROWTH AREA INFILL & REDEVELOPMENT INCENTIVE PROGRAM

DRAFT PROGRAM GUIDELINES AND REQUEST FOR PROPOSALS

January 16, 2015

Shasta Regional Transportation Agency
Daniel Wayne, Senior Planner
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Redding, CA 96001
530.262.6186
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KEY DATES AND CONTACTS:

Schedule/Timeline:

February 25, 2015	Call for projects published
March 5, 2015	Pre-Application Open House and Q&A
March 27, 2015, 5:00pm	Deadline to submit project proposals
April 28, 2015	Proposals presented to SRTA Board of Directors
May 1 - 20, 2015	Funding agreements executed
November 20, 2015	Deadline to expend all incentives and deliver final product(s)

Pre-Application Open House and Q&A:

Date/time: March 5, 2015, 2-4pm
Location: Shasta Regional Transportation Agency
1255 East Street, Suite 202
Redding, CA 96001

Technical questions regarding this RFP:

Daniel Wayne, Senior Planner
530-262-6186
dwayne@srta.ca.gov

Technical questions regarding local general plans, specific plans, and zoning:

Redding
Kent Manuel, Planning Manager
530-225-4029
kmanuel@ci.redding.ca.us

City of Anderson
Kristin Maze, Development Services Director
530-378-6643
kmaze@ci.anderson.ca.us

Shasta County
Bill Walker, Senior Planner
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City of Shasta Lake
Debbie Israel-Messer, Senior Planner
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PROGRAM PURPOSE & OBJECTIVES

The Shasta Regional Transportation Agency (SRTA) received grant funds through the Sustainable Communities Planning Grants & Incentives Program to develop and administer a pilot program of development incentives that support implementation of the 2015 Regional Transportation Plan (RTP). More specifically, this program seeks to spur certain types of infill and redevelopment projects within designated Strategic Growth Areas (SGAs). Incentives will be in the form of technical assistance grants to help mitigate the cost of pre-development related activities.

This program is part of larger effort to support growth and development in Shasta County in a manner that enhances personal mobility; preserves the region's quality of life and natural setting; revitalizes existing neighborhoods; and manages the high costs associated with transportation infrastructure systems and services.

Specific outcomes as a result of this initial pilot program include following:

- 1) An incentive program template that, if received well by the development community and results in the successful delivery of infill and redevelopment projects, could become an ongoing program with additional future funding and grant cycles;
- 2) A list of shovel-ready projects that would complete well for construction grants available through the Affordable Housing & Sustainable Communities program (see http://www.sgc.ca.gov/s_ahscprogram.php for additional information).

In preparation for this call for projects, the following efforts have been completed by SRTA and local agency partners:

- Vacant and underutilized parcel assessment;
- Identification of transportation-efficient Strategic Growth Areas;
- Downtown Redding water and sewer infrastructure capacity assessment;
- Real estate market analysis for Strategic Growth Areas; and
- Travel demand modeling (i.e. forecast of vehicle trips as a result of new development and the resultant impact on regionally significant roadways).

AVAILABLE FUNDING

A total of \$122,000 is available during this initial pilot program cycle. All funds must be expended by Nov 20, 2015. The maximum award amount for an individual project has not been set; however, it is hoped that three to four projects will be funded via this initial pilot program. The actual number and dollar amount of grant awards (and the likelihood of future funding and grant cycles) depends on the development community's level of interest in this call for projects the quality of proposals received.

Grantees must enter into a technical services agreement (Exhibit X: TSA) with SRTA that includes a scope of work, schedule, deliverable(s), and not-to-exceed budget. All incentive funds will be provided on a reimbursement basis. Requests for reimbursement may be submitted monthly and will be reimbursed within 30 days of receipt.

ELIGIBLE APPLICANTS

Private-for-profit developers, non-profit developers, and local agencies are eligible.

ELIGIBLE TECHNICAL ASSISTANCE GRANT ACTIVITIES

Funds may be used to acquire consultant services for up-front planning and pre-development activities needed to ready a project for financing, permitting, and construction. Eligible activities include, but are not limited to, the following illustrative examples:

- Conceptual site and building design renderings;
- Spatial analysis using Geographic Information Systems (GIS) technology;
- Traffic impact analysis;
- Parking needs and traffic circulation assessment; and
- Infrastructure needs assessment (i.e. water, sewer, etc).

INELIGIBLE ACTIVITIES

Activities ineligible for funding include the following:

- Site preparation;
- Construction;
- Equipment purchase;
- Engineering and/or architectural blueprints;
- California Environmental Quality Act (CEQA) review; and
- Any other activity disallowed under the Sustainable Communities Planning Grants & Incentives Program.

CRITERIA FOR EVALUATING PROPOSALS

Proposals received as requested will be evaluated based on criteria provided via Attachment X: Scoring Criteria. **Applicants are strongly encouraged to discuss project proposals with SRTA and applicable local jurisdiction to receive feedback prior to submittal.**

If needed and at SRTA's discretion, interviews may be scheduled with one or more applicants to determine which project(s) best meet regional needs and program objectives. Recommendations will be presented to the SRTA Board of Directors for final selection.

INSTRUCTIONS FOR SUBMITTING A PROPOSAL:

Interested applicants should provide one original hardcopy proposal and four (4) copies in accordance with the provided application format. Proposals **must be received no later than 5:00 P.M. on Friday, March 27, 2015** and be clearly marked "Strategic Growth Area Infill & Redevelopment Incentive Program Proposal" and delivered as follows:

Shasta Regional Transportation Agency
Attn: Daniel Wayne, Senior Planner
1255 East Street, Suite 202
Redding, CA 96001

TERMS AND CONDITIONS

- 1) SRTA reserves the right, at its sole discretion, to cancel, suspend, or amend the provisions of this Request for Proposals and program guidelines, including but not limited to the availability of funding.
- 2) Proposers assume the full risk for any and all expenses, time, or other investments involved in preparing and submitting a proposal.
- 3) At its sole discretion, the SRTA reserves the right to reject any and all submissions, or to request additional information from the applicant.
- 4) SRTA reserves the right to negotiate any portion or element of the proposal as a condition of award, including the project budget.
- 5) If the award for technical services will be provided by sub-contract to the grantee, the sub-contractor must be identified and budgeted in the proposal.

APPLICATION

Applications must include the following information in the following format. Only complete applications will be reviewed. If requested information is not applicable or unknown, please indicate.

I. Application coversheet (create a form)

Name of Applicant

Contact information

Project Name/Title

Project Location: Jurisdiction, Strategic Growth Area, Parcel APN

Project Cost

- Total Estimated Project Cost:
- Cash Match:
- In-Kind Match:
- Amount Requested (total project cost minus cash and in-kind match):

II. Minimum Project Eligibility Checklist (create a form)

Location

- ☐ The proposed project is located within a Strategic Growth Area (SGA) as demarcated by Exhibit X: Map of SGAs.

Site Control

- ☐ Applicant demonstrates site control as defined by owning the property by deed, contract with the property owner, or through an executed purchase agreement with the property owner.

Compliance with Adopted Plans/Regulations:

- ☐ The proposed project is consistent with land use policies of adopted General Plan or Specific Plan, and is consistent with existing zoning regulations as demonstrated by a letter of support from the applicable local agency planning department.

III. Capacity & Intent

- Statement of qualifications
- Development team, including name of consultant sub-contractor(s).
- Financial partners
- Project financial sources and uses
- Relevant project experience
- Statement of intent to follow through with the proposed development project. A guarantee of construction is not required; however, it is not the purpose of this incentive program to support property speculation (i.e. to develop materials for the purpose of inflating the market value of the unimproved property).

IV. Project Description (i.e. what is hoped to be achieved as a result of technical assistance described in Section V)

Current Status of Parcel

- Which of the following best describes the current state of this parcel?
 - Vacant parcel;
 - Underutilized parcel with an existing structure in need of expansion or replacement;
 - Developed parcel in need of adaptive reuse of an existing structure(s).
- Physical description, condition, and photo(s) of property
- Number of existing residential housing units (occupied, vacant, mixed):
- Number of existing square feet commercial space (occupied, vacant, mixed):
- Number of existing square feet office space (occupied, vacant, mixed):

Proposed Project Type

- Which of the following describes the proposed development (may select more than one category if appropriate)?
 - Mixed-use development incorporating multi-family residential and non-residential uses.
 - Multi-family development.
 - Single family attached units.
 - Public use project.
- Number of residential housing units proposed:
- Number of square feet commercial space proposed:
- Number of square feet office proposed space:
- Project design objectives, including form and features that support use of alternative mobility options (bicycle, pedestrian, and public transportation) and energy conservation.
- Consistency with other plans (applicable general plan, specific area plan, economic development plans, etc)
- In what ways would the proposed project elevate the aesthetic appeal of the surrounding neighborhood or district?
- In what ways might the proposed project catalyze additional future development?
- What additional public investments and/or policies would make the project more successful – i.e. non-motorized infrastructure, transit stop, reduced parking requirement, etc.

V. Technical Assistance Scope of Work (i.e. the specific work tasks proposed for funding)

- Scope of work narrative, including who will be performing the work. Proposed consultant sub-contractor(s) must be named in the application.
- Scope and schedule template (see attached Scope & Schedule form), including cost breakdown for each task and responsible entity.

VI. Letters of Support

- Local agency, community organizations, financial backers, etc.

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**Shasta Regional Transportation Agency
Strategic Growth Area Infill & Redevelopment Incentive Program
2015 Pilot Program**

[illegible]

Draft 2015 SGA Infill & Redevelopment Incentive Program
Page 9

MAP OF SGAs

Insert map with updated Redding SGAs

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SCORING/EVALUATION CRITERIA

CRITERIA	MAXIMUM POINTS
TECHNICAL CAPABILITY & EXPERIENCE... Similar successfully completed projects, knowledge of development process, etc.	10
PROJECT READINESS... Effort and resources already committed to the project, including outreach, assessments, site preparation, etc.	10
FINANCIAL CAPACITY & INTENT... Financial resources or backing, etc.	10
PROJECT IMPACT... Revitalization, mobility/accessibility, design, innovation, catalyst for future development, removal of blight, compatibility with surrounding urban environment, etc.	10
PROJECT SUPPORT... Letters of support from jurisdiction, community and neighborhood associations, public meetings, etc.	10
LOCAL MATCH... Cash and/or in-kind match and contributions from local jurisdiction and other partners.	10
TOTAL	60

SAMPLE TECHNICAL SERVICES AGREEMENT

(Required to receive incentive funds)

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