

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Tuesday, August 26, 2025

**5:30 PM – Special Meeting/Work Session
American River Room**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

How to Observe or Listen to the Meetings:

- Online via Zoom: <https://cityofranhocordova.zoom.us/j/81630466928>
- Webinar ID: 816 3046 6928
- By phone: +1 669 900 6833 or +1 253 215 8782
- Webinar ID: 816 3046 6928

Public Comment

Members of the public who wish to address the City Council may do so in person during the meeting by completing and submitting a Speaker Card to the City Clerk.

Members of the public who wish to provide public comment via email will need to submit comments to CityClerk@cityofranhocordova.org no later than 2:00 p.m. on Tuesday, August 26, 2025. Written comments received no later than 2:00 p.m. will be distributed to the Council, filed in the record, and will not be read aloud. All comments submitted later than 2:00 p.m. will be distributed to the Council.

If you have questions related to the City Council Meeting, please contact the City Clerk's Office at (916) 851-8720 before Tuesday, August 26, 2025, at 2:00 p.m.

AGENDA

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri Pulipati

2. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

3. SPECIAL MEETING

- 3.1. **Subject:** Affordable Housing Future Projects Workshop.
Recommendation: Receive presentation.

4. ADJOURNMENT

ADDITIONAL INFORMATION

Special Meetings listed below are subject to change/cancellation without further notice.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 24 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Special City Council Meeting.

UPCOMING MEETINGS

September 2, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
September 15, 2025	5:30 PM Regular Meeting
September 23, 2025	5:30 PM Special Meeting/Work Session
October 6, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
October 20, 2025	5:30 PM Regular Meeting
October 28, 2025	5:30 PM Special Meeting/Work Session
November 3, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
November 17, 2025	5:30 PM Regular Meeting

If you have any technical questions related to the agenda items, please contact City Hall at (916) 851-8700.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the August 26, 2025, Special Meeting of the Rancho Cordova City Council was posted and available for review on August 22, 2025, at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranhocordova.org.

Signed August 22, 2025, at Rancho Cordova, California.



Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 3.1.

DATE: August 26, 2025
TO: Honorable Mayor and Council Members
FROM: Stefan Heisler, Housing Manager
SUBJECT: AFFORDABLE HOUSING FUTURE PROJECTS WORKSHOP

RECOMMENDATION

Receive presentation.

RESULT OF RECOMMENDED ACTION

Staff will present an update on current and proposed future affordable housing projects. Council direction is requested on which types of future projects to prioritize and whether to make additional local funding sources available. Based on this guidance, staff may solicit additional project proposals to move forward with over the next two years.

BACKGROUND

The Rancho Cordova Housing Division oversees local affordable, or low-income, housing funding and manages city-funded housing and mixed-use development projects in order to address the housing needs for all income ranges in Rancho Cordova. Currently, the Division is advancing four active developments and has received interest from developers on several new opportunities. Based on available local funding and projected future local revenue, staff anticipates the city will have sufficient resources to complete the current project commitments. If the City Council is interested in providing resources from other optional local sources, then there is capacity to support additional affordable housing projects over the next two years.

These optional local sources available to fund affordable housing projects include contributing city-owned land, providing impact fee deferrals, and reducing local CFD taxes for affordable housing projects. These sources could provide significant funding to close project funding gaps that are typical for low-income housing projects. Utilizing impact fee deferrals and CFD reductions would have the trade-off of reducing revenue for other city infrastructure projects and services. Direction is requested from Council regarding if there is interest to make available these additional funding sources for affordable housing projects.

Potential future projects fall into two main categories: larger bond-funded projects, and smaller special purpose projects. Bond projects typically deliver more units, have a lower per-unit cost, and are encouraged to locate in State-designated "High Opportunity Areas," which are generally in Rancho Cordova's new growth areas. Special-purpose projects are usually smaller, often located in infill or transit-oriented areas, serve specific populations, and may require a higher per-unit subsidy. Both types rely on local funds to leverage additional state and federal

funding. Staff is requesting Council direction on which types of projects should be prioritized given the limited local funding available.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact for this discussion. Future fiscal impact is anticipated when decisions are made regarding local funding commitments for individual affordable housing projects.

ATTACHMENT(S)

1. Presentation

ITEM 3.1.

ALL-AMERICA CITY
RANCHO CORDOVA CITY HALL

Welcome to
Rancho
Cordova
Play



ATTACHMENT 1



AFFORDABLE HOUSING FUTURE PROJECTS WORKSHOP

August 26, 2025



GOALS FOR THIS WORKSHOP

Have a focused discussion on policy options to inform the next round of affordable housing projects over the next 2 years.

Staff will:

- Present quick background of the Housing Division and past, and current, low-income housing development projects
- Present available funding, and funding types (grants, land, fees, etc.)
- Present options of recently proposed projects
- Discuss and provide direction on preferred project types and interest in utilizing optional local funding sources
- Present and discuss infill missing middle revolving loan program concept – and preview upcoming multifamily code audit and financial feasibility study
- Provide staff recommendation



HOUSING DIVISION BACKGROUND

- **Long-range planning**
 - Housing Element/Regional Housing Needs Allocation
 - Development agreements – affordable housing plans
 - Housing legislation
 - Housing-related Municipal Code changes
- **Affordable housing and mixed-use development projects**
 - Project management
 - Property acquisition
 - Long-term monitoring/Mobile Home parks
- **Community Development Block Grant (CDBG) program management**
- **Regional collaboration around homelessness**

COMPLETED AFFORDABLE HOUSING PROJECTS

Crossings at New Rancho



18 units for low-income families

Redevelopment of the Stagger Inn and Grandee Apartments

Mather Veterans Village Phases 1, 2, and 3



100 units of permanent supportive housing

46 beds of transitional housing

Homeless and disabled veteran households

Infill at former Mather Air Force Base adjacent to the Veterans Administration hospital

Sunrise Crossing Apartments



82 units for low-income families

Infill transit-oriented development along Folsom Blvd near the Sunrise light rail station

CURRENT AFFORDABLE HOUSING PROJECTS

- **Mather Veterans Village Phase 4**
 - 70 units for homeless and disabled veterans
 - Former Mather Air Force Base
 - Targeted construction start early 2026
- **Mather Veterans Village Phase 5**
 - 60 units for low-income veteran households
 - Former Mather Air Force Base
 - Finalizing site acquisition, earliest construction start in early 2027
- **Crossings at Woodberry**
 - 27 units for low-income families
 - 2nd phase Stagger Inn redevelopment on Folsom Blvd.
 - Applying for funding, earliest construction start in 2027
- **Mills Station Apartments**
 - 60 units for low-income families
 - Affordable housing opportunity at Mills Crossing site
 - Entitlements needed, earliest construction start in 2028



MVV Phase 4 Design Illustration

AFFORDABLE HOUSING RESOURCES

1. Dedicated local land

- 7-acre parcel in the Ranch on Chrysanthy Blvd
- Future Suncreek & Rio Del Oro parcels

2. Dedicated local funding

- Local Housing Trust Fund
 - \$8,500,000 current balance
 - \$1,000,000 anticipated annual revenue
- CEIF
 - \$2,000,000
 - No additional allocation planned in the current 2-year budget cycle

3. Optional local funding

- Impact Fee deferrals, long-term loans
 - As much as \$2-7 million per project
- Community Facility District (CFD) assessment reductions

4. Regular state funding

- PLHA ~\$300,000 annually
- HOME Consortium ~\$250,000 annually

5. Competitive state funding

- TCAC, CDLAC, AHSC, Homekey+, MHP, IIG, VHHP, CalHOME, PIP, others

6. Federal funding

- CPF, CDBG

ADDITIONAL PROJECTS TO CONSIDER

Staff have been approached by multiple developers with project proposals in generally the following two categories:

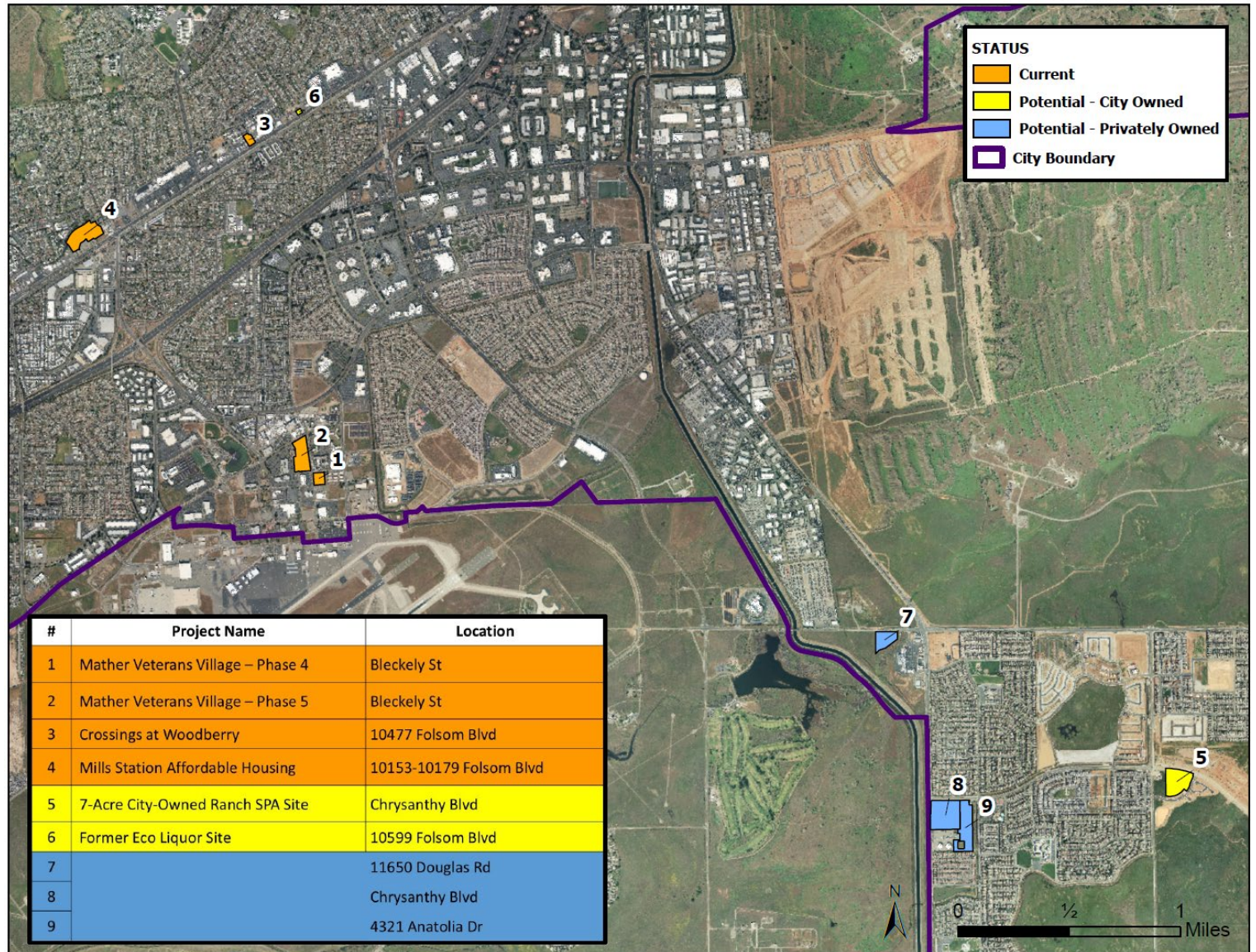
- Large unit count bond projects
 - 150-250 units
 - No specific target population
 - Greenfield/new growth locations
 - Including City's Ranch parcel
 - Focus on "High Opportunity Areas"
 - Lower per-unit local subsidy required
 - Gap funding between \$7-10 million per project needed
 - Competitive state funding needed
- Special purpose projects
 - 50-75 units
 - Target population
 - Seniors, veterans, artists, special needs, etc.
 - Infill, TOD, or smaller new growth parcels
 - Higher per-unit local subsidy required
 - Gap funding between \$6-8 million per project needed
 - Highly competitive state funding needed

ITEM 3.1.

AFFORDABLE HOUSING PROJECT SITES

Current project sites and sites with recent interest from affordable housing developers

ATTACHMENT 1



POLICY DIRECTION ON IMPACT FEE DEFERRALS

- Optional funding mechanism does not require an upfront cash contribution
- Long-term deferrals typically for as long as the project remains income-restricted (55-years or longer)
- Potentially as much as \$2-7 million per project of City impact fees (approx. \$18,000 - \$29,500 per unit)
- Fee deferrals would reduce City revenue for infrastructure and other uses
- Policy options:
 - Approve deferrals on a case-by-case basis
 - Set a maximum annual deferral amount
 - Set a one-time fixed deferral amount
 - Do not use this funding source



POLICY DIRECTION ON CFD REDUCTIONS

- CFDs add an ongoing annual expense that may make operations budgets infeasible even if construction costs are reasonable
- CFDs range throughout the City by location, on the high end can add \$2,000 per unit per year in operations costs (or \$300,000 on a 150-unit project)
- Reductions for affordable housing projects would not require an actual cash contribution, but would reduce future ongoing City revenue in perpetuity
- Reducing CFDs for affordable housing projects is not feasible for all CFDs and is location dependent
 - Due to these complications staff does not recommend reducing CFDs without further detailed analysis



KEY FUNDING CONSIDERATIONS

Using impact fees or CFDs for affordable housing would have dollar for dollar impacts on funding for other City services

Impact fee tradeoffs

- Transportation Development Impact Fee (TDIF) funds infrastructure to support development by relieving congestion and increasing road safety.
 - The program is underfunded - \$1.34 billion program, total future TDIF fee revenue estimated at \$945 million
 - TDIF accounts for 51% of funding for CIP program.
 - Examples of projects needing funding include but are not limited to:
 - RC Parkway Interchange - \$180 million
 - Douglas Rd west of Sunrise improvements -\$18 million
 - Sunrise Blvd South of Keifer- \$37 million
 - North Campus Dr - \$50 million
- Deferred fees require ongoing annual reporting on the City's financial statements

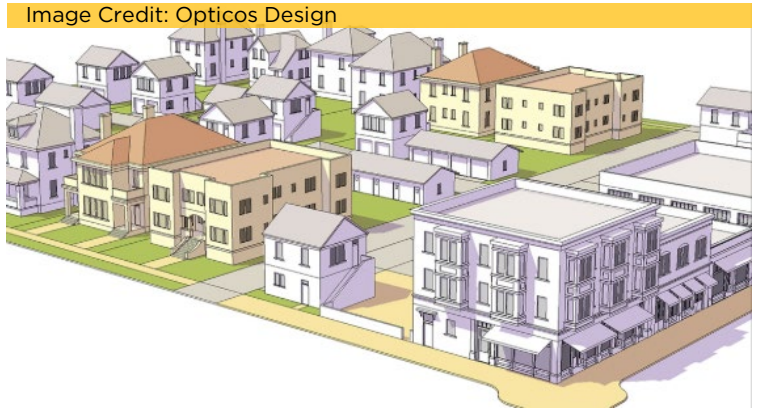
Maintenance Community Facility Districts (Maintenance CFD) tradeoffs

- Maintenance CFDs fund maintenance of City roads, storm infrastructure, streetlights, and landscaping. CFD programs funded to be cash neutral over the long term at best
 - Infrastructure maintenance is underfunded
 - Maintenance CFDs must assume all development complete in Year 1, but fees are only paid by completed and occupied housing units
 - \$200 million in City deferred maintenance not funded through existing CFDs

CONTINUED FOLSOM BLVD CORRIDOR REDEVELOPMENT

Missing-Middle Housing Revolving Loan Program Proposal

- Invest \$5 million into a revolving loan fund to develop missing-middle housing types
- Focus investments along Folsom Blvd and key TOD locations
- Target moderate-income households (80-120% area median income) through **market rate or live/work housing**
- Initially utilize city-owned properties
 - Aramon Drive adjacent to Fire Station 61
 - Former FLC parcel adjacent to Danny's on Paseo Drive
- Acquire or partner with private developers on future sites
- Aim for break-even return
- Program proposal to be refined by results of the infill housing feasibility study in 2026



COUNCIL DISCUSSION

1. Does the Council have a preference for the kind of affordable housing projects that should be prioritized in the next two years?
 - Larger bond funded projects, special purpose projects, both
2. Is the Council interested in using deferred impact fees to fund affordable housing projects?
 - If interested, staff would include this funding source in NOFAs and return with recommendations for specific project deferrals
3. Is the Council interested in using CFD reductions to fund affordable housing projects
 - Staff does not recommend at this time. More analysis is needed to investigate feasibility and potential impacts to City services.

Staff Recommendation

- Continue working on the current projects
- Issue an RFP for the 7-acre Ranch parcel as soon as practicable
- If there is interest regarding impact fee deferrals then staff recommends issuing a NOFA in the next 1-2 months for the Council's preferred project type(s)
- If desired, staff will return to Council with more details on the Missing-Middle Housing Revolving Loan Program in about six months