



CITY OF MENIFEE

SUBJECT: Agreement with California Natural Resource Agency for the Urban Greening Grant for Sun City Community, CIP 24-11

MEETING DATE: June 21, 2023

TO: Mayor and City Council

PREPARED BY: Mariana Mitchell, Community Services Manager

REVIEWED BY: Jonathan Nicks, Deputy City Manager

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Accept the Urban Greening Grant for the acquisition of land to develop Greenspace in the Community of Sun City; and
2. Adopt a Budget Amendment Resolution appropriating \$87,700 in revenue and expenditures in the Grant Fund (301) for CIP 24-11: Sun City Greenspace Development Project; and
3. Authorize the City Manager, or his designee, to execute all necessary agreements and other grant-related documents thereof to receive the Urban Greening Grant.

DISCUSSION

The Sun City community has a history that spans decades before the incorporation of the City of Menifee. As a master planned retirement community built in the 1960's, Sun City has watched Menifee grow into the full-service City it is today. Although many improvements have taken place involving the local infrastructure, few improvements relating to greenspace and recreation amenities have occurred in this area. The opportunity to dedicate parkland and recreational amenities in Sun City surfaced as a need in the initial Parks, Open Space, Trails and Recreation Master Plan adopted in 2016. Additionally, the need of passive greenspace in Sun City arose in the 2022 Strategic Visioning workshop with City Council and through community meetings pertaining to the current Parks Master Plan Update.

In an effort to bring greenspace to the Sun City community, staff took the following actions:

- **December 2021:** Staff met with representatives of the Faith Lutheran Church of Sun City who expressed interest in selling the vacant 1.87 acres of land adjacent to the church facility.

- **January – February 2022:** An appraisal of the land was completed, however, due to other park capital projects moving forward at the time, there was not enough funding to allocate towards a recommendation to purchase the land.
- **January 2022:** The California Natural Resources Agency (CNRA) issued a solicitation for project proposals for the Urban Greening Grant Program in January 2022 and City staff identified greenspace in Sun City as the optimal project to apply for grant funds for the acquisition of the land adjacent to the Faith Lutheran Church of Sun City.
- **March 2022:** With the assistance of the Faith Lutheran Church of Sun City as the “willing seller,” the City submitted an Urban Greening Grant application in the amount of \$524,700 for the acquisition of land for Sun City Greenspace.
- **August 2022:** CNRA notified City staff that the Sun City Greenspace project was selected to move forward to Phase 2 of the review process which would require a site visit and presentation providing an overview of the project by City staff.
- **November 2022:** The site visit took place and involved City staff as well as representatives from the Senior Advisory Committee; Parks, Recreation, and Trails Commission; Faith Lutheran Church of Sun City; and CNRA.
- **December 2022:** City Council adopted Resolution No. 22-1237, approving the application for grant funds for the Urban Greening Program for Sun City Greenspace in preparation for the potential next steps required in Phase 3 of the selection process.
- **January 2023:** Staff was notified by CNRA that the Sun City Greenspace project had been selected to move into the final phase of the competitive process requiring additional documentation showing project readiness.
- **April 2023:** CNRA officially notified City staff that the Sun City Greenspace project was selected for full funding in the amount of \$524,700 for the acquisition of 1.87 acres of land currently owned by the Faith Lutheran Church of Sun City.

Additionally, as part of the proposed Fiscal Year (FY) 2023/2024 Capital Improvement Program (CIP), staff have included CIP 24-11: Sun City Greenspace Development as part of the proposed capital projects to commence in the upcoming fiscal year. Specifically, the Urban Greening Grant will cover acquisition costs. The FY 2023/2024 CIP also includes \$600,000 in local Quimby fee revenue to be used for the actual development of the property into a greenspace that would be appropriate for the surrounding senior community containing passive elements such as a walking trail, exercise equipment, shaded seating, and drought tolerant trees and foliage.

Official acceptance of the Urban Greening Grant requires the approval of CNRA’s standard Grant Agreement. Upon execution, City staff would work with CNRA to begin the acquisition process while also finalizing the greenspace development design with input from the Sun City community. Once the land purchase is finalized, staff would begin work on developing the greenspace based on the community feedback received utilizing funds allocated in the Capital Improvement Program.

STRATEGIC PLAN OBJECTIVE

Community Engagement and Social Infrastructure

FISCAL IMPACT

The total grant funding to be received is \$524,700. However, CNRA will advance the funds for the purchase of the land in the amount of \$437,000, directly into an escrow account, which will ultimately be used to pay the property owner directly. CNRA will reimburse the City for additional costs associated with the land acquisition (surveying, escrow fees, title insurance, closing costs, direct costs, and etc.) estimated at \$87,700. The approved Cost Estimate by Funding Source is outlined in Table 1 below. No match by the City is required, however, the City has already invested \$5,000 towards the Project for the appraisal services already completed and the Funding Acknowledgement Sign must be paid for by the City.

Table 1 – Cost Estimate by Funding Source

	CNRA	City 100-4660
Estimated Fair Market Value (Advanced to Escrow Acct)	\$437,000	
Preliminary Title Reports, Appraisals	-	\$5,000
Escrow Fees, Title Insurance, Closing Costs	\$30,000	-
State Approval of Appraisal/Transaction	\$10,000	-
Contingency (10%)	\$47,700	-
Funding Acknowledgement Sign	-	\$500
Project Total	\$524,700	\$5,500

As the purchase amount of the land will be advanced directly into an escrow account, and the City’s direct costs with all other related expenses other than the acquisition, the fiscal impact resulting from the acceptance of the Urban Greening Grant will require an increase of \$87,700 in grant revenue and expenditure appropriation to the following accounts: 301-3747 (revenue), and 301-4555-58184 (expenditure). The corresponding Budget Amendment Resolution (BAR) is attached for approval as part of this Staff Report.

ATTACHMENTS

1. Award Letter
2. CNRA Grant Agreement
3. BAR Fund 301
4. Grant Summary Report