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City Manager's Report

February 10, 2026, City Council Meeting

Prepared by: Carole Kendrick, Director of Development Services

Item #: 12.1

Subject: Consider Supporting the Application of Jamboree Housing Corporation for the Local Government Matching Grants (LGMG) Program, Acknowledging Infeasibility of Affordable Housing Development at 212 Armory Drive and Authorizing Related Actions under the Excess Sites Program; and Related Findings.

Recommendation: Adopt a Resolution supporting Jamboree Housing Corporation's application under the Excess Sites Local Government Matching Grants (LGMG) Program; acknowledging that development of affordable housing at the state-owned Excess Site at 212 Armory Drive is no longer feasible due to multiple site-specific factors, authorizing the City to acknowledge the State's distribution of predevelopment funds to reimburse Jamboree for eligible predevelopment expenses through the LGMG Program, and confirming that adoption of the resolution does not obligate the City to expend any local funds.

Purpose: To formally conclude the predevelopment process for the proposed affordable housing project at 212 Armory Drive (The Clementine) by acknowledging project infeasibility, as mutually agreed upon by Jamboree Housing Corporation and the State of California. This action enables the State to reimburse Jamboree for eligible predevelopment costs incurred over the past four years (including feasibility evaluations, design work, and coordination with City staff on issues such as parking). The resolution satisfies LGMG Program requirements for local government acknowledgment without committing City funds, supports orderly closeout of the selected project under Executive Order N-06-19 and related statutes (including AB 140/Chapter 111, Statutes of 2021), and aligns with the City's ongoing efforts to address housing needs through other opportunities.

Strategic Plan Strategy: Fiscal Stability/Sustainability. Create a fiscally stable and sustainable government that can provide for and maintain a safe community with a high quality of life.

Background: On January 15, 2019, Governor Gavin Newsom signed Executive Order N-06-19, directing the identification and prioritization of state-owned excess sites for affordable housing development. In September 2021, the State (via Departments of General Services and Housing and Community Development) selected Jamboree Housing Corporation—a 501(c)(3) nonprofit with over 35 years of experience and 11,000+ units developed—as the developer for the 2.58-acre site at 212 Armory Drive, Placerville (APN 325-280-003). Jamboree was granted a 55-year ground lease to demolish existing Armory structures and construct an 83-unit workforce/family affordable housing development (The Clementine) for low- and moderate-income households.

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Over the subsequent four years, Jamboree collaborated with City staff on predevelopment activities, including design refinements (particularly parking), presentations to the City Council, and environmental review processes. Despite these efforts, Jamboree and the State have mutually determined that the project is infeasible due to multiple site-specific constraints and factors.

The Excess Sites Local Government Matching Grants (LGMG) Program, established under AB 140 (Chapter 111, Statutes of 2021) and administered by the California Department of Housing and Community Development (HCD), provides matching grant funds for predevelopment and development costs on selected excess sites where local governments contribute financially or in-kind (e.g., fee waivers). To close out a selected project and disburse reimbursements for predevelopment expenses, a local government resolution is required acknowledging the infeasibility and supporting the distribution of LGMG funds (per Health and Safety Code sections referenced in program guidelines, including requirements under HCD's NOFAs and guidelines dated May 5, 2022, and subsequent rounds).

Discussion:

Jamboree has invested significant resources in evaluating site feasibility, including coordination on parking, design, and regulatory compliance. The proposed resolution:

- Acknowledges support for Jamboree's LGMG application and the project's prior selection.
- Approves the 212 Armory Drive project budget and sources (as detailed in Attachments 1 and 2 from the application, including committed sources such as potential bank permanent loan, HOME, Infill Infrastructure Grant (IIG) at \$4,078,900, and others totaling approximately \$31,131,669 before LGMG).
- Notes the requested/eligible LGMG award amount of \$10,000,000 (as allocated).
- Confirms a potential prior local government contribution of \$100,000 in the form of local fee waivers (if the project had proceeded to feasibility).
- Authorizes an \$811,424 disbursement for eligible predevelopment costs (as specified).
- States that the City has no obligation to expend local funds; the resolution solely facilitates State reimbursement to Jamboree via LGMG to conclude the process.

This action does not commit the City to future funding or liability and preserves the site for potential alternative uses aligned with state excess lands policies. No physical development is proposed or enabled by this resolution.

Options:

- Adopt the resolution as drafted (recommended).
- Adopt the resolution with modifications.
- Continue the item for further review or additional information.
- Decline to adopt the resolution.

Environmental: This action is administrative/legislative in nature (acknowledging infeasibility and facilitating reimbursement closeout) and does not approve any physical project or change in land use. It is exempt from CEQA as it will not result in a direct or reasonably foreseeable indirect physical change in the environment and does not constitute a "project" under CEQA Guidelines Section

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15378. No Notice of Exemption is anticipated to be filed, as no discretionary approval of development occurs.

Cost: There is no cost associated with tonight's action.

Budget Impact: There is no budget impact associated with tonight's action.



Dave Warren, City Manager



Carole Kendrick, Director of Development Services

Attachments:

Attachment A: Draft Resolution