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OFFICE OF THE CITY CLERK  
OAKLAND

2016 JUN 17 AM 9:48 **AGENDA REPORT**

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Michele Byrd  
Director, HCD

**SUBJECT:** 2015-16 Affordable Housing and  
Sustainable Communities Program:  
Resolutions for Projects Invited to  
Submit Full Applications

**DATE:** June 9, 2016

City Administrator Approval

Date:

### **RECOMMENDATION**

**Staff Recommends That The City Council adopt a Resolution Amending Resolution No. 86218 C.M.S. Authorizing The Application For And Acceptance Of, And Appropriating, Grant Funds From The California Strategic Growth Council And/Or The California Department Of Housing And Community Development For Coliseum Connections Located At 801-844 71ST Avenue Under The 2015-16 Affordable Housing And Sustainable Communities Program, To Change The Not-To-Exceed Amount From \$14,883,316 To \$14,898,316**

### **EXECUTIVE SUMMARY**

On June 7, 2016, City Council adopted an amended and restated Resolution No. 86094 C.M.S. authorizing City staff to proceed with applying for, as a joint applicant with various affordable housing developers, funding from Affordable Housing and Sustainable Communities (AHSC) Program. City staff requested that Council sign a resolution for the Coliseum Connections project (Resolution No. 86218 C.M.S.). City staff used information from the Urban Core, LLC concept application to the 2015 AHSC Program for the total AHSC grant and loan ask amounts used in that document. It has come to staff's attention that the amounts represented in this resolution are slightly different than the actual grant and loan ask amounts. The amount shown in this application and the actual amount requested via the AHSC online portal through a separate entry was different by \$15,000 (a lesser amount). In order for this invited application to be competitive and/or accepted as valid, the resolution for this proposal must be revised with the correct grant and loan funding request amounts. The project proposal is the same as was previously before the Council; the corrected dollar amounts have been incorporated in all areas of the resolution. As the AHSC application submittal deadline is June 20, 2016, staff has confirmed that a draft resolution that is on the agenda of the governing body of the joint applicant is sufficient to conform to AHSC program guidelines. In other words, if City staff can show that the resolution is on the Community Economic Development (CED) Committee on June 28, 2016 and likely advanced to City Council for their July 5, 2016 meeting, this application should be in good standing with the program application guidance.

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CED Committee  
June 28, 2016

### **REASON FOR URGENCY**

Given the June 20, 2016 deadline for full applications to the AHSC Program, this application must demonstrate that the correct version of this resolution is drafted and on the CED June 28, 2016 CED Committee meeting and authorized by City Council at the July 5, 2016 City Council meeting. If this resolution is not authorized at this meeting, then the application to the AHSC Program will not be considered complete for further consideration because the City's resolution is a part of the required documentation.

### **BACKGROUND / LEGISLATIVE HISTORY**

The AHSC Program operates in compressed time frames. Updated guidance for the 2015-16 AHSC Program was released in December 2015. The 2015-16 Notice of Funding Availability (NOFA) was released on January 29, 2016. Staff worked with developers to prepare eight concept proposals that were submitted on March 16, 2016. Five of those concept proposals were invited to submit full applications on April 29, 2016. The deadline for those full applications is June 20, 2016. In order for the required submittal to be deemed complete, the governing body in the jurisdiction must adopt a resolution authorizing the applications to proceed.

On April 5, 2016, the City Council adopted Resolution No. 86094 C.M.S. authorizing the application for, acceptance of and appropriation of up to \$160 million in grant funds from the California Strategic Growth Council (SGC) and the State HCD for the 2015-2016 AHSC Communities (AHSC) Program. Upon review of the detailed application submittal requirements, City staff on about May 3, 2016, identified new guidance dictating the content of authorizing resolutions. AHSC Program staff advised that the City of Oakland Resolution No. 86094 C.M.S. was not sufficient as it had the incorrect NOFA date of October 2015. Further, they indicated that it would be prudent for City of Oakland to submit detailed resolutions for each full application in order to be in a strongly competitive position. This guidance required a resolution for each application for which the City of Oakland is a joint applicant, along with the corrected dates and specific loan and grant funding requests. Staff urgently requested that these resolutions be reviewed by applicant partners. The corrected resolutions were adopted on June 7, 2016. On June 2, the developer of one of the AHSC applications informed City staff that the funding request amounts in the resolutions were \$15,000 less than what was requested of the AHSC program. Staff received this without sufficient time to take action to correct the Resolution No. 86218 C.M.S. that went to City Council on June 7, 2016.

## **ANALYSIS AND POLICY ALTERNATIVES**

If this revised resolution is not scheduled for consideration by CED for later adoption by the City Council, the City risks submitting an uncompetitive grant application in the amount of around \$15,000,000. City staff appreciates the guidance and assistance of State HCD staff in being clear about the importance of having correctly worded resolutions from the program applicant. None of the changes to the resolution is considered to be material. City staff has incorporated the corrected dollar amounts for this individual resolution in order for this invited application to be competitive and/or accepted as valid, the resolution for this proposal must be revised with the correct grant and loan funding request amounts. The project proposal is the same as was previously before the Council; the corrected dollar amounts have been incorporated in all areas of the resolution. Attachment A is the track changes version of this document to reflect the corrections. As the AHSC application submittal deadline is June 20, 2016, staff has confirmed that a draft resolution that is on the agenda of the governing body of the joint applicant is sufficient to conform to AHSC program guidelines. In other words, if City staff can show that the resolution is on the Community Economic Development Committee on June 28, 2016 and likely advanced to City Council for their July 5, 2016 meeting, this application should be in good standing with the program application guidance.

Failure to adopt this revised Resolution No. 86218 C.M.S. would put the invited proposal into a less competitive position with a high likelihood of not being funded.

## **FISCAL IMPACT**

Securing the AHSC Program funds will contribute to the City's affordable housing development goals. This funding will also support important infrastructure including work on the City's complete streets program as well as transit infrastructure improvements for AC Transit. Upgrades to all proposed City infrastructure will reduce the costs of maintaining aging infrastructure. In addition, it will prepare the City for its projected population growth and key objectives to create a sustainable and revitalized urban environment and fulfill the objectives of reducing reliance on automobile travel (vehicle miles traveled or VMT) and increasing affordable housing, as well as reducing greenhouse gas emissions (GHG).

The fiscal impact to the City is the staff time dedicated to work with Enterprise Partners in coordinating this application with the developer and various City departments. Additionally, staff time is required to assist with writing the AHSC program application.

## **PUBLIC OUTREACH / INTEREST**

Applicants to the AHSC Program must demonstrate that there has been some form of outreach to the community to evaluate the proposed projects. In the case of affordable housing developers, in order to maximize their final AHSC Program score, they should demonstrate and document that they have conducted community meetings with neighborhood organizations. They must also demonstrate the outreach approaches (e.g., social media, printed flyers distributed in the neighborhood, and email list-serves) prior to application submission.

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June 28, 2016

Applicants must prepare a community outreach plan documenting efforts. In the case of public infrastructure project grant applicants, staff from those programs must demonstrate that the project is included in a public community plan (e.g. specific plan, bicycle master plan, station area plan, service expansion plan, or other types of community plans).

### **COORDINATION**

The City's HCD Department work on these grants forges important and valuable relationships between the City's Public Works Department and our state partner agencies, the SGC and HCD. Additionally, the City's HCD Department and Public Works Department are strengthening their relationships with the regional transit providers BART and AC Transit. Inevitably, this will improve overall services to the Oakland community and support the region's goals on sustainability and resiliency.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** Authorization of City staff to apply for the AHSC Program funds will give the City the opportunity to obtain over \$15,000,000 in loans and grants to City affordable housing and transportation infrastructure.

**Environmental:** Projects selected will be required to incorporate sustainable design elements, improve energy efficiency and reduce the use of natural resources by utilizing recycled-content materials wherever possible as well as recycle construction debris to meet City waste recycling program. Additionally, those applicants awarded loans and grants will have received funding because of the project's scoring based on reduction of vehicle miles travelled and related reductions in greenhouse gases.

**Social Equity:** Projects enhance the provision of basic service levels and quality of life amenities to very low- and low-income neighborhoods. In addition, those applicants awarded loans and grants will have received funding because of the project's proximity to Disadvantaged Communities as determined by California Air Resources Board who is using the California Emissions Estimator Model (CalEEMod) evaluation tool. Finally, all projects must demonstrate how they have consulted with and are implementing community-vetted projects.

### **CEQA**


A threshold readiness requirement for the AHSC Program is documented compliance with either CEQA or NEPA depending on the type of project. All applicants must submit a certification that environmental clearances for all projects submitted in the full application have been met, and such documentation will be submitted for each of the five proposals.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council adopt a resolution authorizing the application for and acceptance of, and appropriating, grant funds from the California Strategic Growth Council And/Or The California Department Of Housing And Community Development For Coliseum Connections located at 801-844 71st Avenue in an amount not to exceed \$14,898,316 under the 2015-16 Affordable Housing And Sustainable Communities Program

For questions regarding this report, please contact Maryann Sargent, Housing Development Coordinator III, at 238-6170.

Respectfully submitted,



MICHELE BYRD

Director, Housing & Community Development  
Department

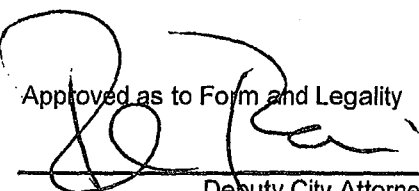
Prepared by: Maryann Sargent  
Housing Development Coordinator, III  
Housing Policy & Programs

FILED  
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2016 JUN 17 AM 9:48

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2016 MAY 20 AM 10:10

Approved as to Form and Legality  
  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 86818 C.M.S.

**RESOLUTION AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF, AND APPROPRIATING, GRANT FUNDS FROM THE CALIFORNIA STRATEGIC GROWTH COUNCIL AND/OR THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR COLISEUM CONNECTIONS LOCATED AT 801-844 71ST AVENUE IN AN AMOUNT NOT TO EXCEED \$14,883,316 UNDER THE 2015-16 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM**

**WHEREAS**, the State of California, the Strategic Growth Council ("SGC") and the California Department of Housing and Community Development ("HCD") have issued a Notice of Funding Availability dated January 29, 2016 ("NOFA"), under the Affordable Housing and Sustainable Communities ("AHSC") Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200 (the "statute"); and

**WHEREAS**, the City Council adopted Resolution No. 86094 C.M.S. on April 5, 2016 authorizing the application for, acceptance of and appropriation of up to \$160 million in grant funds from SGC and/or HCD for the 2015-2016 AHSC Program for projects to be determined; and.

**WHEREAS**, the AHSC Program notified concept proposal applicants of their invitation to submit full applications on April 29, 2016; and

**WHEREAS**, the full application materials were released the first week of May 2016 with revised guidance on the required elements of the resolution to be authorized by the City of Oakland for the AHSC Program full application; and

**WHEREAS**, the new guidance requires a resolution for each application for which the City of Oakland is a joint applicant; and

**WHEREAS**, there will be five applications submitted for projects in the City of Oakland; and

**WHEREAS**, the City of Oakland desires to apply for AHSC Program funds and submit the Application Package released by HCD for the AHSC Program for each project; and

**WHEREAS**, the SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement; and

**WHEREAS**, HCD is authorized to administer the approved funding allocations of the AHSC Program; and

**WHEREAS**, there is substantial need for additional funds for the development of affordable housing in the City of Oakland; and

**WHEREAS**, the project known as COLISEUM CONNECTIONS located at 801-844 71st Avenue was vetted by the City's Project Implementation staff and is therefore being supported by the City to apply for AHSC; and

**WHEREAS**, the City Council wishes to delegate authority to the City Administrator or his or her designee on behalf of the City of Oakland to negotiate and enter into an agreement for the AHSC Program funding of this project, including those that agree to joint and several liability and mutual indemnities with the selected developer, without returning to Council; now, therefore, be it

**RESOLVED:** That the City Administrator or his or her designee on behalf of the City of Oakland, is hereby authorized and directed to apply for and submit to HCD and/or SGC the AHSC Program Application as detailed in the NOFA dated January 29, 2016, for the 2015-16 Fiscal Year for COLISEUM CONNECTIONS located at 801-844 71st Avenue in an amount not to exceed ~~\$14,883,316~~ \$14,898,316 of which \$5,223,012 is requested as a loan for an Affordable Housing Development (AHD) ("AHSC Loan") and ~~\$9,660,304~~ \$9,675,304 is requested as a grant for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities ("AHSC Grant") as defined by the AHSC Program Guidelines adopted by SGC on December 17, 2015; and be it

**FURTHER RESOLVED:** That if the application is approved, the City Administrator or his or her designee on behalf of the City of Oakland is authorized to act on behalf of the City of Oakland, and is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement ("Standard Agreement") in an amount not to exceed ~~\$14,883,316~~ \$14,898,316 (\$5,223,012 for the AHSC Loan and ~~\$9,660,304~~ \$9,675,304 for the AHSC Grant) for this project, and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from HCD, and all amendments thereto (collectively, the "AHSC Documents"); and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to negotiate and enter into an agreement that provides for joint and several liability and mutual indemnities between joint applicants as the City Administrator deems necessary; and be it

**FURTHER RESOLVED:** That said AHSC Documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Administrator or his or her designee on behalf of the City of Oakland is authorized to accept the California Strategic Growth Council Affordable Housing and Sustainable Communities Program funds, if awarded, deposit said funds in the State of California Fund (2159), Transportation Planning and Funding Organization (30275), Project (TBD), and appropriate said funds in an amount not to exceed ~~\$14,883,316~~ \$14,898,316 to this project; and be it

**FURTHER RESOLVED:** That the City of Oakland shall be subject to the terms and conditions as specified in the Standard Agreement; that funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement; that the application in full is incorporated as part of the Standard Agreement; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement; and that the City of Oakland hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by HCD and in accordance with the NOFA and Program Guidelines and Application Package; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator or his or her designee on behalf of the City of Oakland to execute in the name of City of Oakland the AHSC Program Application Package and the AHSC Program Documents as required by HCD for participation in the AHSC Program, and to take whatever other action is necessary with respect to the AHSC Program and this project consistent with this Resolution and its basic purposes; and be it



**FURTHER RESOLVED:** That this Resolution replaces and supersedes  
Resolution No. 86094 C.M.S.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and  
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council of  
the  
City of Oakland, California