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OFFICE OF THE CITY CLERK  
OAKLAND  
2018 MAR 29 PM 5:07

# AGENDA REPORT

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

**FROM:** Michele Byrd  
Director, HCD

**SUBJECT:** Affordable Housing and Sustainable  
Communities Program

**DATE:** March 27, 2018

City Administrator Approval

Date:

3/29/18

## RECOMMENDATION

Staff Recommends That The City Council:

- 1) Adopt A Resolution Amending Resolution No. 85414 C.M.S., Which Authorized The City To Apply For, Accept And Appropriate Loan And Grant Funds Under The State Of California's Affordable Housing And Sustainable Communities Program In Connection With The Camino 23 Project At 1233-1253 23rd Avenue And 2285 International Boulevard, To Revise Fiscal Provisions, Include Provisions Required By The State, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements; and
- 2) Adopt A Resolution Amending Resolution No. 86798 C.M.S., Which Authorized The City To Apply For, Accept And Appropriate Loan And Grant Funds Under The State Of California's Affordable Housing And Sustainable Communities Program In Connection With The Coliseum Connections Project At 801-844 71st Avenue, To Revise Fiscal Provisions, Include Provisions Required By The State, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements; and

## EXECUTIVE SUMMARY

Staff recommends that the City Council adopt the attached resolutions related to the Affordable Housing and Sustainable Communities (AHSC) Program. The resolutions clarify City fiscal aspects of the AHSC grants and loans and include revised information required by the State for the following projects:

- Camino 23
- Coliseum Connections

In addition, the resolutions authorize the City to enter into agreements with Bay Area Rapid Transit (BART) and AC Transit for the transportation-related improvements of the AHSC programs.

Item: \_\_\_\_\_  
CED Committee  
April 10, 2018

## **BACKGROUND / LEGISLATIVE HISTORY**

The AHSC Program is administered by the State of California Strategic Growth Council (SGC) and the Department of Housing and Community Development Department (CAHCD). The purpose of the AHSC Program is to reduce greenhouse gas (GHG) emissions through projects that implement land-use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support a variety of public policy objectives, including, but not limited to, reducing air pollution, improving conditions in disadvantaged communities, increasing connectivity and accessibility to jobs, housing and services and preserving and developing affordable housing.

The City of Oakland has a successful history applying for AHSC funds. The City received approximately \$50 million in AHSC funds from the 2015-16 AHDC funding round and approximately \$5 million from the 2014-15 AHDC funding round. In January 2018, the City applied for, as a joint applicant with various affordable housing developers, AHSC funds for three additional projects in the amount of \$45 million and SGC and CAHCD are currently evaluating the applications. If awarded, these funds will help develop an additional 346 units of affordable housing in the City and fund numerous transportation, bike and pedestrian improvements.

## **ANALYSIS AND POLICY ALTERNATIVES**

The City Council has approved resolutions authorizing the City to apply for, accept and appropriate funds for Camino 23 and Coliseum Connections. Staff recommends amending those resolutions for the following reasons:

1. City fiscal information needs to be modified to bifurcate the housing and transportation funds to their respective departments;
2. SCG and CAHCD now require updated information be adopted by the participating jurisdiction before the state will execute AHSC loans with the project developers; and
3. City Council authority is needed to enter into agreements with BART and AC Transit for the AHSC grant transportation related improvements.

These AHSC projects included in this staff report are listed in **Table 1** below. The Transportation projects funded in these grants are summarized in **Table 2** below.

**Table 1: Summary of City of Oakland AHSC Projects**

<b>Project Name</b>	<b>Address</b>	<b>Developer</b>	<b>Number of Affordable Units</b>	<b>Date Awarded or Applied for Funds</b>
Camino 23	23 <sup>rd</sup> Ave & International Blvd	Satellite Affordable Housing Associates	32 units	Awarded 6/1/2015
Coliseum Connections	801-844 71 <sup>st</sup> Avenue	UrbanCore Development, LLC	54 units	Awarded 11/21/2016

The original resolutions for the projects place all AHSC funds (affordable housing and transportation funds) into the following Department of Transportation project account: State of California Fund (2159), Great Streets Design Organization (35212), Project (TBD). After extensive review and discussion with Housing and Transportation staff, staff believes it is more effective and efficient if the affordable housing loan and grant funds flow through the Housing and Community Development Department and the transportation grant funds flow through the Department of Transportation. This will allow the departments to have better oversight over their respective funds.

At the time of application, SCG and CAHCD required the authorizing resolution to include template language from their departments outlining the requirements of the program. Many projects applied several years ago and the state is now requiring updated information from the authorizing jurisdictions. As a result, the attached resolutions include this updated information. Furthermore, City staff is taking a proactive approach and updating the language for each project that has been awarded or applied for AHSC funds rather than returning to City Council when each project is ready to close its state financing.

Finally, City Council authority is needed to enter into agreements with BART and AC Transit for the transportation related improvements. After a project has been awarded AHSC funds and is ready to close its financing and begin construction, the AHSC transportation grant funds will flow through the City's Department of Transportation from the State of California, and the City will reimburse BART and AC Transit for the transportation work that is performed.

**Table 2: Transportation Improvements by Project**

<b>Project Name</b>	<b>Transportation Projects</b>	<b>Agency</b>	<b>Award (\$)</b>
Camino 23	International Blvd Ped Improvements (Lighting/Sidewalks)	Oakland	726,050
	Ped and Bike Encouragement Program	Oakland	50,000
Coliseum Connections	Bike Lanes	Oakland	412,000
	Coliseum Station - Bike Channels	BART	93,800
	AC Transit Buses	AC Transit	3,915,525
	Pedestrian Scale Lighting	Oakland	498,200
	East Bay BRT buses	AC Transit	3,700,106
	East Bay BRT Improvements	AC Transit	686,000
	East Bay Greenway Landscaping	Oakland	100,000

**FISCAL IMPACT**

The original resolutions for the projects place all AHSC funds (affordable housing and transportation funds) into the following Department of Transportation project account: State of California Fund (2159), Great Streets Design Organization (35212), Project (TBD). After extensive review and discussion with Housing and Transportation staff, staff believes it is more effective and efficient if the Affordable Housing loan and grant funds flow through the Housing and Community Development Department and the transportation grant funds flow through the Department of Transportation. This will allow the Departments to have better oversight over their respective funds.

Housing loan and grant funds will be deposited in the State of California Fund (2159), Housing Development Organization (89929), Project (TBD) and Transportation grant funds will be deposited in the State of California Fund (2159), Complete Streets Design Organization (35212), Project (TBD).

**PUBLIC OUTREACH / INTEREST**

Affordable housing developers must demonstrate and document that they have conducted community meetings with neighborhood organizations to maximize their final AHSC Program score. 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.

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). Extensive public outreach was performed by the applicants to the AHSC Program for the proposed projects, including community meetings and outreach to neighborhood stakeholders.

### **COORDINATION**

The City's HCD Department work on these grants forges important and valuable relationships between the City's Public Works Department, Department of Transportation, and our state partner agencies, the SGC and HCD. Additionally, the City's HCD Department, Public Works Department, and Department of Transportation 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.

### **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

The City has a successful track record applying for AHSC funds. In February 2015, the City of Oakland received AHSC funding commitments for the 2014-15 AHSC funding round for the following two projects:

- Civic Center 14 TOD, in the amount of \$1,500,000 (currently under construction; set to complete in 2018)
- Camino 23, in the amount of \$3,062,730 (loan scheduled to close by end of 2017; construction to commence shortly afterwards)

In October 2016, the City of Oakland successfully received AHSC funding commitments from the 2015-16 AHSC funding round for three affordable housing and transportation projects:

- Coliseum Connections, in the amount of \$14,844,762
- Empyrean and Harrison Hotel, in the amount of \$16,807,556
- Lakehouse Connections, in the amount of \$18,127,203

In January 2018, three projects submitted AHSC applications. SGC and CaHCD are currently evaluating these applications:

- 3268 San Pablo, requesting up to \$11,000,000
- 7<sup>th</sup> and Campbell, requesting up to \$20,000,000
- Coliseum Place, requesting up to \$14,000,000

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** AHSC Program funds have given the City and its partners the opportunity to obtain over \$65,000,000 in loans and grants to City affordable housing, transportation infrastructure and bike and pedestrian improvements.

***Environmental:*** Projects selected are 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 the California Environmental Air Quality Act (CEQA) or National Environmental Policy Act (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 four proposals.

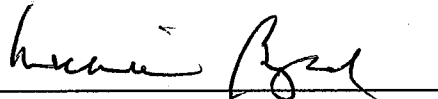
**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council:

- 1) Adopt A Resolution Amending Resolution No. 85414 C.M.S., Which Authorized The City To Apply For, Accept And Appropriate Loan And Grant Funds Under The State Of California's Affordable Housing And Sustainable Communities Program In Connection With The Camino 23 Project At 1233-1253 23rd Avenue And 2285 International Boulevard, To Revise Fiscal Provisions, Include Provisions Required By The State, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements; and
- 2) Adopt A Resolution Amending Resolution No. 86798 C.M.S., Which Authorized The City To Apply For, Accept And Appropriate Loan And Grant Funds Under The State Of California's Affordable Housing And Sustainable Communities Program In Connection With The Coliseum Connections Project At 801-844 71st Avenue, To Revise Fiscal Provisions, Include Provisions Required By The State, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements; and

For questions regarding this report, please contact Meghan Horl, Housing Development Coordinator, at 238-6171.

Respectfully submitted,

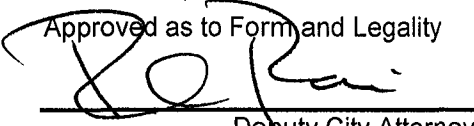


MICHELE BYRD  
Director, Housing & Community Development  
Department

Prepared by:  
Meghan Horl, Housing Development  
Coordinator IV

Item: \_\_\_\_\_  
CED Committee  
April 10, 2018

2018 MAR 29 PM 5:07

Approved as to Form and Legality  
  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION AMENDING RESOLUTION NO. 85414 C.M.S., WHICH AUTHORIZED THE CITY TO APPLY FOR, ACCEPT AND APPROPRIATE LOAN AND GRANT FUNDS UNDER THE STATE OF CALIFORNIA'S AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM IN CONNECTION WITH THE CAMINO 23 PROJECT AT 1233-1253 23<sup>rd</sup> AVENUE AND 2285 INTERNATIONAL BOULEVARD, TO REVISE FISCAL PROVISIONS, INCLUDE PROVISIONS REQUIRED BY THE STATE, AND AUTHORIZE AGREEMENTS WITH BART AND AC TRANSIT FOR TRANSPORTATION-RELATED IMPROVEMENTS**

**WHEREAS**, the State of California, Strategic Growth Council, and the Department of Housing and Community Development (the "Department") issued a Notice of Funding Availability ("NOFA") dated January 30, 2015, as amended, under the Affordable Housing Sustainable Communities Program (the "AHSC Program"); and

**WHEREAS**, as authorized by City Council Resolution 85414 C.M.S. on February 17, 2015, Satellite Affordable Housing Associates ("SAHA") and the City applied for AHSC Program Funds, and were awarded an AHSC Program loan in an amount not to exceed \$2,239,705 (the "AHSC Loan") and an AHSC Program grant in an amount not to exceed \$823,025 (the "AHSC Grant"), for an aggregate amount not to exceed \$3,062,730 under the above described NOFA for use in connection with the Camino 23 affordable housing project at 1233-1253 23<sup>rd</sup> Avenue and portions of 2285 International Boulevard (the "Project"); and

**WHEREAS**, the City Council wishes to delegate authority to the City Administrator or his or her designee to apply for, receive and accept such AHSC Program Funds on behalf of the City, and to negotiate, execute, enter into and deliver such agreements and instruments with the Department related to or in connection with such AHSC Program Funds without returning to the City Council, including agreements with San Francisco Bay Area Rapid Transit District ("BART") and AC Transit for transportation-related improvements; now, therefore, be it



**RESOLVED:** That the City is hereby authorized and directed to incur an obligation for the AHSC Loan, and that in connection with the AHSC Loan, the City is authorized and directed to enter into, execute, and deliver a State of California Standard Agreement in an amount not to exceed \$2,239,705 and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of this Resolution or as may be required by the Department in connection with the AHSC Loan, and all amendments thereto (collectively, the "AHSC Loan Documents"); and be it

**FURTHER RESOLVED:** That the City is hereby authorized and directed to incur an obligation for the AHSC Grant, and that in connection with the AHSC Grant, the City is authorized and directed to enter into, execute, and deliver a State of California Standard Agreement in an amount not to exceed \$823,025 and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of this Resolution, in order to evidence the AHSC Grant, the City's obligations related thereto, and the Department's security therefore, including, but not limited to, a disbursement agreement, a covenant and certain other documents required by the Department as security for, evidence of, or pertaining to the AHSC Grant, and all amendments thereto (collectively, the "AHSC Grant Documents", and, together with the AHSC Loan Documents, collectively, the "AHSC Documents"); and be it

**FURTHER RESOLVED:** That said agreements shall be reviewed and approved by the City Attorney's Office for form and legality prior to their execution by the City, 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, and appropriate said funds in an amount not to exceed \$3,062,730 to this Project; and be it

**FURTHER RESOLVED:** That Resolution No. 85414 C.M.S. is hereby amended to provide that housing portions of said AHSC Loan and AHSC Grant funds up to \$2,286,680 shall be deposited in the State of California Fund (2159), Housing Development Organization (89929), Project (TBD), and transportation portions of up to \$776,050 said AHSC Loan and AHSC Grant funds shall be deposited in the State of California Fund (2159), Complete Streets Design Organization (35212), Project (TBD); and be it

**FURTHER RESOLVED:** That the City shall be subject to the terms and conditions as specified in the Standard Agreements; that funds are to be used for allowable capital asset Project expenditures to be identified in Exhibit A or other relevant portions of the Standard Agreements; that the application in full is incorporated as part of the Standard Agreements; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreements; and that the City hereby agrees to use the funds for eligible capital assets in the manner presented in the application as approved by the Department and in accordance with the NOFA and applicable AHSC Program Guidelines; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator or his or her designee, as agent of the City, to conduct negotiations, execute and deliver all documents (including without limitation all AHSC Documents), accept AHSC Program Funds, and take any and all other action with respect to the AHSC Program and the AHSC Loan and AHSC Grant as required by the Department for participation in the AHSC Program; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is hereby authorized to negotiate and execute agreements with BART and AC Transit pertaining to transportation-related improvements funded by the AHSC Loan or AHSC Grant; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is hereby authorized to take any other action with respect to the AHSC Loan, the AHSC Grant, or the Project consistent with this Resolution and its basic purposes.

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

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

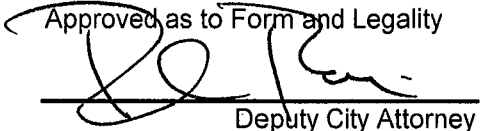
ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

2018 MAR 29 PM 5:07

Approved as to Form and Legality  
  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION AMENDING RESOLUTION NO. 86798 C.M.S., WHICH AUTHORIZED THE CITY TO APPLY FOR, ACCEPT AND APPROPRIATE LOAN AND GRANT FUNDS UNDER THE STATE OF CALIFORNIA'S AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM IN CONNECTION WITH THE COLISEUM CONNECTIONS PROJECT AT 801-844 71<sup>ST</sup> AVENUE, TO REVISE FISCAL PROVISIONS, INCLUDE PROVISIONS REQUIRED BY THE STATE, AND AUTHORIZE AGREEMENTS WITH BART AND AC TRANSIT FOR TRANSPORTATION-RELATED IMPROVEMENTS**

**WHEREAS**, the State of California, Strategic Growth Council, and the Department of Housing and Community Development (the "Department") issued a Notice of Funding Availability ("NOFA") dated January 30, 2015, as amended, under the Affordable Housing Sustainable Communities Program (the "AHSC Program"); and

**WHEREAS**, as authorized by City Council Resolution 86798 C.M.S. on June 20, 2017, Urban Core and the City applied for AHSC Program Funds, and were awarded an AHSC Program loan in an amount not to exceed \$10,169,762 (the "AHSC Loan") and an AHSC Program grant in an amount not to exceed \$4,675,000 (the "AHSC Grant"), for an aggregate amount not to exceed \$14,844,762 under the above described NOFA for use in connection with the Coliseum Connections affordable housing project at 801-844 71<sup>ST</sup> Avenue (the "Project"); and

**WHEREAS**, the City Council wishes to delegate authority to the City Administrator or his or her designee to apply for, receive and accept such AHSC Program Funds on behalf of the City, and to negotiate, execute, enter into and deliver such agreements and instruments with the Department related to or in connection with such AHSC Program Funds without returning to the City Council, including agreements with San Francisco Bay Area Rapid Transit District ("BART") and AC Transit for transportation-related improvements; now, therefore, be it

**RESOLVED:** That the City is hereby authorized and directed to incur an obligation for the AHSC Loan, and that in connection with the AHSC Loan, the City is authorized and

directed to enter into, execute, and deliver a State of California Standard Agreement in an amount not to exceed \$10,169,762 and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of this Resolution or as may be required by the Department in connection with the AHSC Loan, and all amendments thereto (collectively, the "AHSC Loan Documents"); and be it

**FURTHER RESOLVED:** That the City is hereby authorized and directed to incur an obligation for the AHSC Grant, and that in connection with the AHSC Grant, the City is authorized and directed to enter into, execute, and deliver a State of California Standard Agreement in an amount not to exceed \$4,675,000 and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of this Resolution, in order to evidence the AHSC Grant, the City's obligations related thereto, and the Department's security therefore, including, but not limited to, a disbursement agreement, a covenant and certain other documents required by the Department as security for, evidence of, or pertaining to the AHSC Grant, and all amendments thereto (collectively, the "AHSC Grant Documents", and, together with the AHSC Loan Documents, collectively, the "AHSC Documents"); and be it

**FURTHER RESOLVED:** That said agreements shall be reviewed and approved by the City Attorney's Office for form and legality prior to their execution by the City, 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, and appropriate said funds in an amount not to exceed \$14,844,762 to this Project; and be it

**FURTHER RESOLVED:** That Resolution No. 86798 C.M.S. is hereby amended to provide that housing portions of said AHSC Loan and AHSC Grant funds up to \$9,925,237 shall be deposited in the State of California Fund (2159), Housing Development Organization (89929), Project (TBD), and up to \$4,919,525 of transportation portions of said AHSC Loan and AHSC Grant funds shall be deposited in the State of California Fund (2159), Complete Streets Design Organization (35212), Project (TBD); and be it

**FURTHER RESOLVED:** That the City shall be subject to the terms and conditions as specified in the Standard Agreements; that funds are to be used for allowable capital asset Project expenditures to be identified in Exhibit A or other relevant portions of the Standard Agreements; that the application in full is incorporated as part of the Standard Agreements; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreements; and that the City hereby agrees to use the funds for eligible capital assets in the manner presented in the application as approved by the Department and in accordance with the NOFA and applicable AHSC Program Guidelines; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator or his or her designee, as agent of the City, to conduct negotiations, execute and deliver all

documents (including without limitation all AHSC Documents), accept AHSC Program Funds, and take any and all other action with respect to the AHSC Program and the AHSC Loan and AHSC Grant as required by the Department for participation in the AHSC Program; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is hereby authorized to negotiate and execute agreements with BART and AC Transit pertaining to transportation-related improvements funded by the AHSC Loan or AHSC Grant; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is hereby authorized to take any other action with respect to the AHSC Loan, the AHSC Grant, or the Project consistent with this Resolution and its basic purposes.

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

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California