



AGENDA REPORT

TO: Jestin Johnson
City Administrator

FROM: Emily Weinstein
Interim Director, Housing
and Community
Development

SUBJECT: Infill Infrastructure Grant Catalytic
Approval

DATE: September 14, 2023

City Administrator Approval 

Date: Sep 14, 2023

RECOMMENDATION

Staff Recommends That City Council Adopt A Resolution Authorizing The City Administrator To: (1) Accept And Appropriate An Amount Not To Exceed \$40,769,344 From The State of California’s Infill Infrastructure Grant Catalytic Program To Pay For Infrastructure For Affordable Housing, And (2) Execute A Standard Agreement And Any Amendments Thereto In Connection With The State Of California’s Infill Infrastructure Grant Catalytic Program; And (3) Enter Into Agreements With The Participating Housing Developers And Distribute The Infill Infrastructure Grant Catalytic Grant Funds Through Loans And/Or Grants Without Returning To Council

EXECUTIVE SUMMARY

In April 2023, the City of Oakland’s (“City”) Department of Housing and Community Development (“DHCD”) staff applied for \$40,769,344 in funds from the State of California Department of Housing and Community Development’s (“State HCD”) Infill Infrastructure Grant Catalytic (IIGC) grant program. The focus of this application was to support infrastructure costs associated with seven affordable housing developments across Oakland (see **Table 1** below). The projects together contain 683 units-- 673 are deed-restricted affordable housing, of which 290 are restricted to 30% of Area Median Income (AMI) or below.

Table 1. Funded IIGC Projects

Project name	Developer	Unit count	IIGC funds awarded	Address
Lake Merritt BART Senior Housing	East Bay Asian Local Development Corporation	97	\$6,100,000.00	51 9 th St, Oakland, CA 94607
285 12 th Street	East Bay Asian Local Development Corporation	65	\$4,435,412.09	285 12 th St, Oakland, CA 94607

121 E. 12 th Street	East Bay Asian Local Development Corporation	91	\$4,921,304.04	121 East 12 th St, Oakland, CA 94606
Liberation Park Market Hall, Cultural Hub and Residences	Black Cultural Zone Community Development Corp.	119	\$9,194,852.75	7101 Foothill Blvd., Oakland, CA 94605
West Oakland BART Transit Oriented Development	West Oakland BART TOD developers	101	\$7,900,000.00	1396 5 th St & 500 Kirkham St, Oakland, CA 94607
Villa Oakland	Oakbrook	105	\$6,253,450.63	2116 Brush St., Oakland, CA 94612
Villa Fruitvale	Oakbrook	105	\$1,964,324.50	3751 International Blvd., Oakland, CA 94601
Sum total	-	683 (673 affordable units & 10 manager units)	\$40,769,344.00	-

On August 22, 2023, DHCD was informed that the City’s application had been approved. And This proposed resolution would authorize the City Administrator to accept this grant and enter into loans and/or grants with the participating housing developers listed in Table 1 without returning to Council.

BACKGROUND/ LEGISLATIVE HISTORY

The Infill Infrastructure Grant Catalytic (IIGC) is a new State HCD funding program that sought applications from cities for affordable housing-related infrastructure near transit. The program sought proposals for a large project or group of projects that would together have a catalytic impact on the community. The announced size of the funding opportunity was \$105 million, with a maximum application amount of \$45 million.

The IIGC program is an offshoot of the State’s broader Infill Infrastructure Grant (IIG) program. The IIG program pays for the same kind of infrastructure for affordable housing as the IIGC program and the two funding sources cannot be combined. Traditional IIG funds are awarded on an annual basis as part of the State’s summer SuperNOFA. In 2023, the SuperNOFA awarded \$168 million in IIG funds.

The regular IIG and new IIGC programs differed primarily in the application process. Normally, each individual affordable housing development applies directly to the State for IIG funding as part of their SuperNOFA application. For the new IIGC program, the City served as the lead applicant and coordinated a slate of developments to participate in its submission. Although the

scoring process was largely similar, including proximity to transit and depth of affordability, a major new factor in the IIGC was the combined total number of units in the application. This encouraged the City of Oakland and competing jurisdictions to maximize the number of units included in their application.

ANALYSIS AND POLICY ALTERNATIVES

Accepting the IIGC grant advances the City's objectives of housing, economic, and cultural security by supporting the construction of affordable housing. Accepting these funds will help some of the participating developments begin construction on their affordable construction in early 2024, while other developments will be able to use this grant as leverage to pursue additional state and federal funding resources.

The IIGC funds will be used to support a range of infrastructure required for these affordable projects as a condition of their approval. Uses include utility connections, streetscape improvements, parking construction, site preparation, and urban greening. This can include improvements like adding sidewalk cutouts to improve accessibility or upgrading local sewer lines to serve the increased demand for service. The funds will be provided directly to the developers to make these improvements rather than be routed to the City's Public Works or Transportation Departments because these small-scale improvements are generally conducted by the developer's contractors. All off-site improvements are based on the conditions of approval for these developments, as identified by the Planning and Building Department (PBD). PBD in turn coordinated as necessary with the Public Works and Transportation Departments to identify the required scope of off-site improvements for each project.

FISCAL IMPACT

Accepting this grant will allow the City to receive \$40,769,344 in IIGC funding, to a grant fund to be determined, project to be determined. The City will then pass through the funds to the participating developers via loan or grant agreements so the developers can conduct the proposed infrastructure work.

There is no fiscal impact to the City. Aside from standard administration costs for monitoring the IIGC grant and the developer grants or loans, there is no cost to the City associated with the infrastructure work.

PUBLIC OUTREACH / INTEREST

No outreach was conducted beyond normal Council noticing procedures due to the urgency of the initial grant application and the newness of the program. For this initial IIGC application, DHCD was proactively contacted by the affordable housing developers for all seven affordable projects. This quickly exhausted the available capacity for the City's grant application. Moving forward, if the IIGC program is offered again in future years, DHCD intends to proactively solicit interest from its project pipeline of City funded projects via an open process.

COORDINATION

The Department of Housing and Community Development engaged the Department of Transportation on identifying eligible infrastructure costs for the application and engaged for review of this Council item the Budget Bureau and Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: If awarded, the grant would directly support 673 units of affordable housing, including 290 units of Extremely Low-Income housing. This would help prevent displacement for rent-burdened Oaklanders, provide opportunities for people to exit homelessness and prevent low-income residents from becoming homeless by providing housing stability. If this grant was not available for these projects, the cost of the needed infrastructure improvements would have fallen upon the affordable housing developer and/or the City itself.

Environmental: All seven affordable housing projects aided by this grant are near transit. All but one are close to Bay Area Rapid Transit (BART) stations, and the remaining project is located adjacent to the Eastmont Transit Center in East Oakland. By locating affordable housing close to high-quality, frequent, and reliable transit, the City will encourage greater use of transit and reduce greenhouse gas emissions.

Race and Equity: The seven affordable housing projects supported by this grant will help alleviate housing cost pressures that are disproportionately experienced by Oakland's Black and Hispanic residents. This will in turn help to reduce the racially disparate rates of displacement for these residents.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That City Council Adopt A Resolution Authorizing The City Administrator To: (1) Accept And Appropriate An Amount Not To Exceed \$40,769,344 From The State of California's Infill Infrastructure Grant Catalytic Program To Pay For Infrastructure For Affordable Housing, And (2) Execute A Standard Agreement And Any Amendments Thereto In Connection With The State Of California's Infill Infrastructure Grant Catalytic Program; And (3) Enter Into Agreements With The Participating Housing Developers And Distribute The Infill Infrastructure Grant Catalytic Grant Funds Through Loans and/or Grants Without Returning To Council

For questions regarding this report, please contact Caleb Smith, Program Analyst III, at (510) 590-6275.

Respectfully submitted,

Emily Weinstein

[Emily Weinstein \(Sep 13, 2023 20:51 PDT\)](#)

Emily Weinstein, Interim Director, Housing and
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Prepared by:
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