

CITY OF OAKLAND

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OAKLAND

2020 JAN 16 PM 12:53

# AGENDA REPORT

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

**FROM:** Maraskeshia Smith  
Assistant City Administrator

**SUBJECT:** Infill Infrastructure Grant Program

**DATE:** January 6, 2020

City Administrator Approval

Date:

1/14/2020

## RECOMMENDATION

**Staff Recommends That The City Council Adopt The Following Pieces Of Legislation:**

- 1) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The 3050 International Project At 3050 International Boulevard, In An Amount Not To Exceed \$7,500,000;**
- 2) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The Ancora Place Project At 2227 International Boulevard, In An Amount Not To Exceed \$7,500,000;**
- 3) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The Native American Health Center Project At 3050 International Boulevard, In An Amount Not to Exceed \$2,600,000;**
- 4) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The West Grand & Brush, Phase 1 Project At 2201 Brush Street, In An Amount Not to Exceed \$4,200,000;**
- 5) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The 285 12<sup>th</sup> Street Project At 285 12<sup>th</sup> Street, In An Amount Not To Exceed \$4,000,000;**
- 6) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California**

**Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The Foon Lok East Project At 389 9<sup>th</sup> Avenue, In An Amount Not To Exceed \$7,000,000;**

- 7) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The Mandela Station At West Oakland BART Project At 1451 7<sup>th</sup> Street, In An Amount Not To Exceed \$30,000,000;**
- 8) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The Fruitvale Transit Village Phase II-B Project At 35<sup>th</sup> Avenue And East 12<sup>th</sup> Street, In An Amount Not To Exceed \$7,500,000;**
- 9) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The 7<sup>th</sup> & Campbell Project At 1666 7<sup>th</sup> Street, In An Amount Not To Exceed \$5,000,000; And**
- 10) **A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The 500 Lake Park Apartments Project At 500 Lake Park Avenue, In An Amount Not to Exceed \$3,700,000.**

**EXECUTIVE SUMMARY**

Staff recommends that the City Council adopt the attached ten resolutions authorizing the City Administrator or his or her designee to apply for, as a joint applicant with the various affordable housing developers named herein, funding from the State of California Housing and Community Development's Infill Infrastructure Grant (IIG) Program. These funds will help develop desperately needed affordable housing units in the City of Oakland. These resolutions are a requirement of the IIG applications and are thus required by the IIG application submittal deadline of February 18, 2020.

**BACKGROUND / LEGISLATIVE HISTORY**

The IIG Program is administered by the California Department of Housing and Community Development (the Department) and funded by Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006. The purpose of the IIG Program is to promote infill housing development. Eligible uses of grant funds are primarily targeted towards infrastructure improvements associated with a Capital Improvement Project that is part of an affordable

housing project, such as utility service improvements, streetscape improvements, or environmental remediation costs. Site acquisition costs are also an eligible use of funds. The City has a successful track record of applying for and obtaining awards of IIG funds, as follows:

- In 2018 (funding round 5), one project was awarded IIG funds:
  - o Coliseum Place (\$1,944,850)
- In 2015 (funding round 4), one project was awarded IIG funds:
  - o Camino 23 (\$1,698,504) (Temporary Certificate of Occupancy, families moving in)
- In 2014 (funding round 3), four projects were awarded IIG funds:
  - o Prosperity Place (\$3,156,639) (Completed)
  - o MLK MacArthur Transit Oriented Development (TOD) (\$1,894,234) (Completed)
  - o Civic Center 14 TOD (\$1,876,704) (Completed)
  - o Redwood Hill Townhomes (\$1,000,000) (Completed)

These projects have resulted in attractive, high-quality housing and are now home to more than 250 Oakland families.

The IIG program is designed to complement other programs such as Low-Income Housing Tax Credits, Affordable Housing and Sustainable Communities (AHSC) funds, and local funding programs.

Nearly \$280 million is available through this current Notice of Funding Availability (NOFA), more than three times larger than previous funding rounds. The IIG program does not release NOFAs on a fixed annual schedule. As such, the uncertainty regarding the timing or availability of future funds underscores the importance of applying to this funding round.

## **ANALYSIS AND POLICY ALTERNATIVES**

The City and ten (10) affordable housing developers (including three joint ventures) plan to jointly apply for up to \$79 million in IIG funds for the affordable housing projects listed in **Table 1**, including the commercial space located in one of the projects:

**Table 1: IIG Projects**

	<b>Project Name</b>	<b>Address</b>	<b>Developer</b>	<b>Number of Affordable Units</b>	<b>Funding Amount Sought</b>	<b>Awarded City Funds?</b>
1)	3050 International	3050 International Boulevard	Satellite Affordable Housing Associates	76	\$7,500,000	Pending
2)	Native American Health Center	3050 International Boulevard	Native American Health Center, Inc. / Satellite Affordable Housing Associates	n/a (ground floor commercial space)	\$2,600,000	n/a (see 3050 International project, above)
3)	Ancora Place	2227 International Boulevard	Satellite Affordable Housing Associates	77	\$7,500,000	Yes
4)	West Grand & Brush, Phase I	2201 Brush Street	East Bay Asian Local Development Corporation	60	\$4,200,000	Yes
5)	285 12 <sup>th</sup> Street	285 12 <sup>th</sup> Street	East Bay Asian Local Development Corporation	66	\$4,000,000	Yes
6)	Foon Lok East	389 9 <sup>th</sup> Avenue	MidPen Housing Corporation	124	\$7,000,000	Yes
7)	Mandela Station at West Oakland BART	1451 7 <sup>th</sup> Street	Strategic Urban Development Alliance LLC (SUDA)	240	\$30,000,000	No

	<b>Project Name</b>	<b>Address</b>	<b>Developer</b>	<b>Number of Affordable Units</b>	<b>Funding Amount Sought</b>	<b>Awarded City Funds?</b>
8)	Fruitvale Transit Village IIB	35th Avenue & East 12th Street	Bridge Housing Corporation & The Spanish Speaking Unity Council of Alameda County, Inc.	181	\$7,500,000	Yes
9)	7 <sup>th</sup> and Campbell	7 <sup>th</sup> Street and Campbell Street	Oakland and the World Enterprises, Inc. and McCormack Baron Salazar	78	\$5,000,000	Yes
10)	500 Lake Park Apartments	500 Lake Park Avenue	EAH Inc.	53	\$3,700,000	No

Of these ten (10) projects, six (6) have received a commitment of funds from the City of Oakland's 2017 NOFA process. Another project, 3050 International, has applied for funding through the current 2019 NOFA process with status still pending. The City Council is expected to make funding decisions pursuant to that NOFA on January 21, 2020. The Native American Health Center is a commercial space located on the ground floor of 3050 International; for the purposes of the IIG program, this component must be treated as a separate project.

Two additional projects, 500 Lake Park Apartments and Mandela Station at West Oakland BART, have not yet been able to apply for City funding. When the City's Housing and Community Development Department (HCDD) releases its next NOFA, staff expects these two projects to apply for funding. Where City funds have been committed, they will be used to leverage IIG program funds and other public and private funding sources.

If these resolutions are not adopted by the City Council prior to the February 18, 2020 application deadline, the City will be unable to submit complete grant applications, and the projects will be deemed ineligible for funding.

### **FISCAL IMPACT**

Securing the IIG program funds will contribute to the City's affordable housing development goals through state investment, which leverages any direct City contribution. The funds will finance infrastructure improvements to the City and thereby reduce the City's cost to maintain aging infrastructure. Eligible project expenses include upgrades to City streets, parks, sewers, stormwater infrastructure, and other systems. The funds will help prepare the City for increased density and finance a sustainable and revitalized urban environment.

If awarded, IIG grant funds will be deposited in the State of California Fund (2159), Housing Development Organization (89929), Projects (TBD), State Grant Miscellaneous Accounts (46229).

### **PUBLIC OUTREACH / INTEREST**

All of the developers have engaged the community regarding their projects through community meetings and outreach to neighborhood stakeholders. The projects that have applied for funding through HCDD's NOFA have met the City's requirement that they provide evidence of community engagement and support.

500 Lake Park Apartments and Mandela Station at West Oakland BART, have also performed community engagement for their projects as follows:

- 500 Lake Park Apartment's developer, EAH Inc., has met with the Councilmember representing District 2 as well as several local stakeholders, including the members of various neighborhood groups. EAH also presented their proposal to the local Business Improvement District and the local Neighborhood Crime Prevention Council.
- Mandela Station at West Oakland BART's developer, Strategic Urban Development Alliance LLC, has established the West Oakland BART Station Community Advisory Committee, which has 26 members and meets monthly. The developer has also held four major community outreach events at various neighborhood facilities, and created a website, [www.westoaklandstation.com](http://www.westoaklandstation.com), for sharing information about the project and receiving public input about the project.

### **COORDINATION**

The IIG application has required close collaboration between HCDD and the Bureau of Planning of the Planning and Building Department. This report was prepared by HCDD and has been reviewed and approved by the Budget Bureau and the City Attorney's Office.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** IIG program funds will provide an opportunity for the City and its partners to obtain up to \$79 million in grants for infrastructure improvements and affordable housing development.

**Environmental:** Infill housing—new housing development within an existing community such as Oakland—is one of the most important tools for reducing environmental impacts at the City's disposal. Infill housing near jobs and transit reduces commute times for workers, which in turn reduces air pollution and greenhouse gas emissions; reduces development pressure on the wildland-urban interface, which reduces the risk of catastrophic wildfire to the state; and promotes pedestrian and bike-friendly communities. The scoring criteria for projects includes points for proximity to transit stations and other amenities. The projects will also directly improve the environment to the extent that program funds will be used to pay for remediation of contaminated sites.

**Race and Equity:** By facilitating the production of affordable housing, IIG program funds will help directly reduce the housing cost burden among Oakland's low-income households. Evidence also suggests that a greater supply of affordable housing will also improve racial equity outcomes. The shortage of housing, particularly affordable housing, has led to a dramatic rise in homelessness and rent-burdened households in Oakland. According to the EveryOne Home 2018 Strategic Update for Alameda County, African Americans and Native Americans are disproportionately impacted by homelessness. The proposed grant applications, if successful, will directly reduce homelessness and housing cost burdens among African American and other marginalized communities.

#### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

While documented compliance with either the California Environmental Air Quality Act (CEQA) or National Environmental Policy Act (NEPA) (depending on the type of project) is not a threshold readiness requirement for IIG funding, having this clearance will make applicants more competitive for the funding. However, prior to a definitive commitment of City funding, pursuant to CEQA, the City is required to review possible environmental impacts of a project, unless the project is exempt from CEQA review.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation:

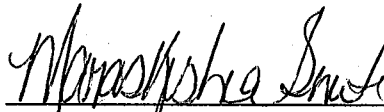
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- 6) A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The Foon Lok East Project At 389 9<sup>th</sup> Avenue, In An Amount Not To Exceed \$7,000,000;
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- 8) A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The Fruitvale Transit Village Phase II-B Project At 35<sup>th</sup> Avenue And East 12<sup>th</sup> Street, In An Amount Not To Exceed \$7,500,000;
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- 10) A Resolution Authorizing The City Of Oakland, A California Municipal Corporation, To Apply For, Accept And Appropriate Grant Funds Under The State Of California Department Of Housing And Community Development's Infill Infrastructure Grant Program Of 2019 In Connection With The 500 Lake Park Apartments Project At 500 Lake Park Avenue, In An Amount Not to Exceed \$3,700,000.

For questions regarding this report, please contact Brian Warwick, Housing Development Coordinator, at 238-6984.

Respectfully submitted,



MARASKESHIA SMITH  
Assistant City Administrator

Prepared by:  
Brian Warwick, Housing Development  
Coordinator  
Housing and Community Development  
Department

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2020 JAN 16 PM 12: 54

Approved as to Form and Legality

  
City Attorney's Office

## OAKLAND CITY COUNCIL

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

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**RESOLUTION AUTHORIZING THE CITY OF OAKLAND, A CALIFORNIA MUNICIPAL CORPORATION, TO APPLY FOR, ACCEPT AND APPROPRIATE FUNDS UNDER THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S INFILL INFRASTRUCTURE GRANT PROGRAM IN CONNECTION WITH THE 3050 INTERNATIONAL PROJECT AT 3050 INTERNATIONAL BOULEVARD, IN AN AMOUNT NOT TO EXCEED \$7,500,000**

**WHEREAS**, the State of California Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA) for the Infill Infrastructure Grant Program (IIG Program), established under Assembly Bill 101 (Chapter 159, Statutes of 2019) and Part 12.5 (commencing with section 53559) of Division 31 of the Health and Safety Code, which authorizes the Department to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the IIG Guidelines implemented October 30, 2019; and

**WHEREAS**, there will be ten (10) applications submitted for projects in the City of Oakland; and

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

**WHEREAS**, the City of Oakland, as a joint applicant with Satellite Affordable Housing Associates (SAHA), desires to apply for and receive an allocation of funds through the IIG Program and to submit the Application Package released by the Department for the IIG Program for the Project (as defined below); 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 3050 International located at 3050 International Boulevard in the City of Oakland (Project) was reviewed by the City's Housing and Community Development staff and is being supported by the City to apply for an award of IIG Program funds; 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 IIG 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 IIG Program funds without returning to the City Council; now, therefore, be it

**RESOLVED:** That the City of Oakland pursuant to the above-described NOFA wishes to apply for and receive an allocation of funds for the Project in an amount not to exceed \$7,500,000 (IIG Grant); and be it

**FURTHER RESOLVED:** That the City is hereby authorized and directed to incur an obligation for the IIG Grant, and that in connection with the IIG 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 \$7,500,000 and any and all other documents required or deemed necessary or appropriate by the Department to carry into effect the full intent and purpose of this Resolution in order to evidence the IIG Grant, the City of Oakland's obligations related thereto, and the Department's security therefor; including, but not limited to, an affordable housing covenant, a performance deed of trust, a disbursement agreement, and certain other documents required by the Department as security for, evidence of or pertaining to the IIG Grant, and all amendments thereto (collectively, IIG Grant 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 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, if awarded, the IIG Program funds shall be appropriated and deposited in the State of California Fund (2159), Housing Development Organization (89929), Project (TBD), State Grant Miscellaneous Account (46229); and be it

**FURTHER RESOLVED:** That the City 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 or other relevant portions 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 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 IIG Program Guidelines; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes and directs 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 IIG Documents) and any modifications thereto, accept the IIG Program funds, and take any and all other action with respect to the IIG Program as required by the Department for participation in the IIG Program; and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND  
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

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

LATONDA SIMMONS  
City Clerk and Clerk of the Council of the  
City of Oakland, California