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OFFICE OF THE CITY CLERK
OAKLAND

2019 JAN 17 PM 3:12 **AGENDA REPORT**

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: Affordable Housing and Sustainable
Communities Program

DATE: January 7, 2018

City Administrator Approval

Date:

1/17/19

RECOMMENDATION

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

- 1) **A Resolution Authorizing 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 2227 INTL Project At 2227 International Boulevard, In An Amount Not to Exceed \$20,000,000 Under The 2017-2018 Affordable Housing And Sustainable Communities Program, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements;**
- 2) **A Resolution Authorizing 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 95th and International Project At 95th and International Boulevard, In An Amount Not to Exceed \$20,000,000 Under The 2017-2018 Affordable Housing And Sustainable Communities Program, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements;**
- 3) **A Resolution Authorizing 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 Fruitvale Transit Village IIB Project At 35TH Avenue and East 12th Street, In An Amount Not to Exceed \$20,000,000 Under The 2017-2018 Affordable Housing And Sustainable Communities Program, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements;**
- 4) **A Resolution Authorizing 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 West Oakland TOD Project At the West Oakland BART Station, In An Amount Not to Exceed \$19,000,000 Under The 2017-2018 Affordable Housing And Sustainable Communities Program, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements; And**

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- 5) A Resolution Authorizing 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 7th and Campbell Project At 7th Street and Campbell Street, In An Amount Not to Exceed \$12,000,000 Under The 2017-2018 Affordable Housing And Sustainable Communities Program, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements.**

EXECUTIVE SUMMARY

Staff recommends that the City Council adopt the attached resolutions authorizing City staff to proceed with applying for, as a joint applicant with various affordable housing developers, funding from the Affordable Housing and Sustainable Communities (AHSC) Program. These funds will help develop desperately needed affordable housing units in the City of Oakland and fund numerous transportation, bike and pedestrian improvements. These resolutions are a requirement of the AHSC applications and are, thus, required by the AHSC application submittal deadline of February 11, 2019.

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.

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 of applying for and obtaining awards of AHSC funds. The City received approximately \$23 million in AHSC funds from the 2016-2017 AHSC round, \$50 million in AHSC funds from the 2015-16 AHSC funding round and approximately \$5 million from the 2014-15 AHSC funding round.

ANALYSIS AND POLICY ALTERNATIVES

The City and five affordable housing developers plan to jointly apply for up to \$91 million in AHSC funds for the following affordable housing projects:

Project Name	Address	Developer	Number of Affordable Units
7 th and Campbell	7 th and Campbell	Oakland and the World Enterprises Inc and McCormack Baron	78 units
2227 International Boulevard	2227 International Boulevard	Satellite Affordable Housing Associates	77 units
95 th and International	95 th and International Boulevard	The Related Companies & Acts Community Development Corporation	55 units
Fruitvale Transit Village IIB	35th Avenue & East 12th Street	Bridge Housing Corporation & The Spanish Speaking Unity Council of Alameda County, Inc.	181 units
Mandela Station	West Oakland BART Station	Mandela Station, LLC	240 units

City staff has carefully and thoroughly vetted these projects through the Department of Housing and Community Development (HCDD) Notice of Funds Availability (NOFA) process and funding commitments have been made to all of the projects except the Mandela Station project; this project did not apply for City funds through the NOFA process. The majority of the projects will be able to use City funds to leverage AHSC and other public and private funding sources.

If these revised resolutions are not adopted by the City Council prior to the February 11, 2019 application deadline, the City risks submitting uncompetitive grant applications in the amount of \$91 million.

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.

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 (including bike and pedestrian improvements) as well as transit infrastructure improvements for BART and 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).

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's 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 CA 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 of applying for and obtaining awards of 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 Transit Oriented Development (TOD), in the amount of \$1,500,000 (construction completed in 2018)
- Camino 23, in the amount of \$3,062,730 (currently under construction)

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 (currently under construction)
- Empyrean and Harrison Hotel, in the amount of \$16,807,556

- Lakehouse Commons, in the amount of \$18,127,203

In June 2018, two projects received AHSC awards:

- 3268 San Pablo, in the amount up to \$11,000,000
- Coliseum Place, in the amount up to \$14,000,000

SUSTAINABLE OPPORTUNITIES

Economic: AHSC Program funds have given the City and its partners the opportunity to obtain over \$91 million 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 requirements. 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 selected will 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 received feedback from community-based organizations.

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 Adopt The Following Pieces Of Legislation:

- 1) A Resolution Authorizing 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 2227 INTL Project At 2227 International Boulevard, In An Amount Not to Exceed \$20,000,000 Under The 2017-2018 Affordable Housing And Sustainable Communities Program, And Authorize Agreements With BART And AC Transit For Transportation-Related Improvements;
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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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 JAN 17 PM 3:12

Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY TO APPLY FOR, ACCEPT AND APPROPRIATE LOAN AND GRANT FUNDS UNDER THE STATE OF CALIFORNIA'S AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM FOR THE 2227 INTL PROJECT AT 2227 INTERNATIONAL BOULEVARD, IN AN AMOUNT NOT TO EXCEED \$20,000,000 UNDER THE 2017-2018 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM, AND AUTHORIZE AGREEMENTS WITH BART AND AC TRANSIT FOR TRANSPORTATION-RELATED IMPROVEMENTS

WHEREAS, the State of California, the Strategic Growth Council (SGC) and the California Department of Housing and Community Development (Department) have issued a Notice of Funding Availability dated November 1, 2018 (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; and

WHEREAS, there will be five 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, Satellite Affordable Housing Associates (SAHA), as a joint applicant with the City, desires to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program; and

WHEREAS, the City of Oakland, as a joint applicant with SAHA, desires to apply for AHSC Program funds and to submit the Application Package released by the Department for the AHSC Program for the Project (as defined below); 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, the Department 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 2227 INTL located at 2227 International Boulevard (the Project) was vetted by the City's Housing Development Services staff and is being supported by the City to apply for an award of AHSC 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 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 the Alameda-Contra Costa Transit District ("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 \$15,000,000 and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of this Resolution 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 \$5,000,000 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 therefor, 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 \$20,000,000 to the Project; and be it

FURTHER RESOLVED: That, if awarded, the housing portions of said AHSC Loan and AHSC Grant funds shall be deposited in the State of California Fund (2159), Housing Development Organization (89929), Project (TBD), and 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 - BAS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, TAYLOR, THAO

NOES -

ABSENT -

ABSTENTION -

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