



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Shola Olatoye  
Director, Housing and  
Community Development

**SUBJECT:** Affordable Housing and Sustainable  
Communities Program Cycle 6

**DATE:** May 3, 2021

City Administrator Approval 

Date: May 20, 2021

## **RECOMMENDATION**

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

- 1) Resolution Authorizing The City To Apply For, Accept And Appropriate Loan And Grant Funds Under The State Of California's 2020-2021 Affordable Housing And Sustainable Communities Program For The Lake Merritt BART Senior Affordable Housing Project Located At 51 9<sup>th</sup> Street, In An Amount Not To Exceed \$30,000,000;**
- 2) Resolution Authorizing The City To Apply For, Accept And Appropriate Loan And Grant Funds Under The State Of California's 2020-2021 Affordable Housing And Sustainable Communities Program For The Longfellow Corner Project Located At 3801 Martin Luther King Jr Way, In An Amount Not To Exceed \$30,000,000.**

## **EXECUTIVE SUMMARY**

Staff recommends that the City Council adopt the attached resolutions authorizing City Administrator or designee to proceed with applying for, as a joint applicant with various affordable housing developers, funding from the State 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 bike and pedestrian improvements. These resolutions are a requirement of the AHSC applications and are required by the AHSC application submittal deadline of June 8, 2021.

## **BACKGROUND / LEGISLATIVE HISTORY**

The AHSC Program is administered by the State of California Strategic Growth Council (SGC) and the California Department of Housing and Community Development Department (CA HCD). 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

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disadvantaged communities, increasing connectivity and accessibility to jobs, housing and services and preserving and developing affordable housing.

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); Resolution No. 84857 CMS
- Camino 23, in the amount of \$3,062,730 (currently under construction); Resolution No. 85414 CMS

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); Resolution No. 86272 CMS
- Emyrean and Harrison Hotel, in the amount of \$16,807,556; Resolution No. 86216 CMS
- Lakehouse Commons, in the amount of \$18,127,203; Resolution No. 86217 CMS

In June 2018, two projects received AHSC awards from the 2017-18 AHSC funding round:

- 3268 San Pablo, in the amount up to \$11,000,000; Resolution No. 86994 CMS
- Coliseum Place, in the amount up to \$14,000,000; Resolution No. 86995 CMS

In June 2019, two projects received AHSC awards from the 2018-2019 AHSC funding round:

- Fruitvale Transit Village IIB, in the amount of \$29,966,039; Resolution No. 87531 CMS
- Mandela Station Transit Oriented Development, in the amount of \$29,659,310; Resolution No. 87532 CMS

**Table 1**, below, shows the total amount of AHSC Awards received.

**Table 1: AHSC Awards Received 2015-2019**

Civic Center 14 Transit Oriented Development	\$1,500,000
Camino 23	\$3,062,730
Coliseum Connections	\$14,844,762
Emyrean and Harrison Hotel	\$16,807,556
Lakehouse Commons	\$18,127,203
3268 San Pablo	\$11,000,000
Coliseum Place	\$14,000,000
<b>Total Funding</b>	<b>\$79,342,251</b>

## **ANALYSIS AND POLICY ALTERNATIVES**

The City and two affordable housing developers plan to jointly apply for up to \$60 million in AHSC funds for the affordable housing projects shown in **Table 2**, below.

**Table 2: Affordable Housing Projects Applying for AHSC Funds**

Project Name	Address	Developer	Number of Affordable Units
Lake Merritt BART Senior Affordable Housing	51 9 <sup>th</sup> Street, Oakland, CA, 94607	Resources for Community Development (RCD)	97 units
Longfellow Corner	3801 Martin Luther King Jr. Way, Oakland, CA 94609	East Bay Asian Local Development Corporation (EBALDC)	35 units

City Housing and Community Development Department (HCD) staff has carefully vetted these projects and believe both will result in critically needed affordable housing and transportation improvements. The Longfellow Corner project received funding through the City's 2019 Notice of Funding Availability (NOFA).

The ASHC application deadline is June 8<sup>th</sup>, 2021. If these revised resolutions are not adopted by the City Council prior to the June 8, 2021 application deadline, the City will miss the competitive grant deadline and the projects will be unable to apply for these critical funds.

### **FISCAL IMPACT**

Securing the AHSC Program funds will further the City's affordable housing development goals. This funding will also support important capital infrastructure, including work on the Oakland Department of Transportation's (OakDOT's) Complete Streets Program for bike and pedestrian improvements as well as the Bay Area Rapid Transit Agency's (BART's) transit infrastructure improvements. Grant funding for proposed projects will reduce the costs of maintaining aging infrastructure and preserve the City's local funding. In addition, these affordable housing projects will prepare the City for its projected population growth, advance key objectives to create a sustainable and revitalized urban environment, reduce reliance on automobile travel (vehicle miles traveled or VMT), increase affordable housing, and reduce greenhouse gas emissions (GHG).

Housing loan funds (up to \$40,000,000) will be deposited in the State of California Fund (2159), Housing Development Organization (89929), Project (TBD). Transportation grant funds (up to \$20,000,000) 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 these efforts. In the case of public infrastructure project grant applicants, staff from those programs must demonstrate that the project is included in a community plan (e.g. specific plan, bicycle master plan, station area plan, service expansion plan, or other types of community plans). Extensive public outreach is performed by the applicants to the AHSC Program for the proposed projects, including community meetings and outreach to neighborhood stakeholders. For instance, OakDOT presents at meetings of the Bicyclist and Pedestrian Advisory Commission (BPAC) every grant application cycle to gather feedback from the various stakeholders, and also prioritizes proposing existing projects, which have had ongoing inclusive community engagement prior to the grant application call for projects.

### **COORDINATION**

The work involved with AHSC funding forges important and valuable relationships between HCD, OakDOT, and State partner agencies, the SGC and CA HCD. Additionally, HCD and the OakDOT are strengthening relationships with the regional transit providers, BART and Alameda-Contra Costa (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:*** AHSC Program funds give the City and its partners the opportunity to obtain up to \$60 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.

***Race & 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 which 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.

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

A threshold readiness requirement for the AHSC Program is documented compliance with either the California Environmental 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 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 2020-2021 Affordable Housing And Sustainable Communities Program For The Lake Merritt BART Senior Affordable Housing Project At 51 9<sup>th</sup> Street, In An Amount Not to Exceed \$30,000,000; And
- 2) A Resolution Authorizing The City To Apply For, Accept And Appropriate Loan And Grant Funds Under The State Of California's 2020-2021 Affordable Housing And Sustainable Communities Program For The Longfellow Corner Project At 3801 Martin Luther King Jr Way, In An Amount Not to Exceed \$30,000,000.

For questions regarding this report, please contact Xochitl Ortiz, Housing Development Coordinator, at [xortiz@oaklandca.gov](mailto:xortiz@oaklandca.gov).

Respectfully submitted,



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