



FILL
OFFICE OF THE CITY CLERK
OAKLAND

2018 AUG 30 AM 11:04

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: Correction of Developer for Fruitvale
Studios

DATE: August 20, 2018

City Administrator Approval

Date:

RECOMMENDATION

Staff Recommends That The City Council Amend City Council Resolution No. 87018 C.M.S. To Substitute The Name Of The Developer Of The Fruitvale Studios Affordable Housing Project From Affirmed Housing to Allied Housing, Inc.

EXECUTIVE SUMMARY

Amending City Council Resolution No. 87018 C.M.S. (**Attachment A**) will authorize the substitution of Affirmed Housing to Allied Housing, Inc. as the developer for the Fruitvale Studios project. In December 2017, staff incorrectly identified Affirmed Housing as the developer of the affordable housing project in Resolution No. 87018 C.M.S., and staff is correcting that error through this amendment.

BACKGROUND / LEGISLATIVE HISTORY

Allied Housing, Inc. is rehabilitating 24 studio units to create a supportive housing project, Fruitvale Studios, for the formerly homeless, very low and low-income households. The project, located at 2600 International Boulevard in the Fruitvale Area (City Council District 5), will convert market rate units to restricted affordable units post rehabilitation.

Allied Housing, Inc. applied for funding through the 2017-2019 Notice of Funding Availability (NOFA) in September 2017 and received a funding award in the amount of \$1,812,000 from the Measure KK Housing and Infrastructure Bond Fund on December 18, 2017, per City Council Resolution No. 87018 C.M.S. At that time, staff incorrectly listed Affirmed Housing as the developer of the Fruitvale Studios project, instead of the actual developer, Allied Housing, Inc. Staff is correcting that error through this amendment.

ANALYSIS AND POLICY ALTERNATIVES

In December 2017, Fruitvale Studios received a NOFA funding award of \$1,812,000 (Resolution No. 87018 C.M.S.). At that time, staff incorrectly identified Affirmed Housing as the developer of

Item: _____
CED Committee
September 11, 2018

the affordable housing project instead of the actual developer, Allied Housing, Inc. Staff is correcting that error through this amendment.

FISCAL IMPACT

On December 18, 2017, the City Council approved the Fruitvale Studios affordable housing project as part of a development pipeline that recommended \$1,812,000 in funding for the project. The affordable housing development loan funds will come from the Measure KK Housing and Infrastructure Bond (Affordable Housing Fund 5331). This action is not an appropriation of any new funds or reallocation of previously budgeted funds; rather, staff is correcting an error that was made on the original resolution by changing the name of the developer to Allied Housing, Inc., the developer that actually applied for the funds.

PUBLIC OUTREACH / INTEREST

This item was originally approved by the City Council on December 18, 2017, and the public had the opportunity to comment at that time. As with the City's other funds for affordable housing development, the City and Agency funds were awarded to the Fruitvale Studios project after a thorough application and review process through the City's NOFA.

COORDINATION

Housing and Community Development staff consulted with the Office of the City Attorney to ensure legality of the amendment. The Budget Bureau has reviewed this report as well.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed target population for this rehabilitation preservation project includes homeless, extremely low and low income tenants. Providing viable affordable housing helps provide financial stability for low and very-low income individuals.

Environmental: The proposed rehabilitation project is close to transit, including Fruitvale BART station. Projects near public transit enables residents to reduce dependency on automobiles and helps to further reduce any adverse impacts on the environment.

Social Equity: Affordable housing is a means of achieving greater social equity. The rehabilitation project will provide affordable housing for low and very-low residents, some of whom may have experienced homelessness or are currently at-risk of homelessness.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Amend City Council Resolution No. 87018 C.M.S. To Substitute The Name Of The Developer Of The Fruitvale Studios Affordable Housing Project From Affirmed Housing to Allied Housing, Inc.

For questions regarding this report, please contact Raynette Dunbar, Housing Development Coordinator, at (510) 238-6127.

Respectfully submitted,



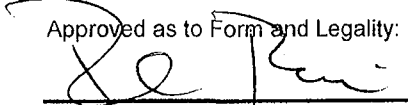
MICHELE BYRD
Director, Housing and Community Development
Department

Reviewed by:
Meghan Horl, Housing Development
Coordinator, Housing Development Services

Prepared by:
Raynette Dunbar, Housing Development
Coordinator, Housing Development Services

Attachments (1):
A – Resolution No. 87018 C.M.S.

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2017 NOV 21 PM 4:12

Approved as to Form and Legality:

Deputy City Attorney

OAKLAND CITY COUNCIL
RESOLUTION NO. 87018 C.M.S.

RESOLUTION AUTHORIZING AFFORDABLE HOUSING DEVELOPMENT LOANS AS FUNDS BECOME AVAILABLE IN A TOTAL AMOUNT NOT TO EXCEED \$9.5 MILLION WITHOUT RETURNING TO COUNCIL, FOR THE FOLLOWING AFFORDABLE HOUSING REHABILITATION AND PRESERVATION PROJECTS: HOWIE HARP PLAZA, EMPYREAN TOWER, FRUITVALE STUDIOS, TOWN CENTER AT ACORN, THE COURTYARD AT ACORN, HARRISON HOTEL, 9TH AVENUE, AND JAMES LEE COURT

WHEREAS, on July 31, 2017, the City of Oakland issued a Notice of Funding Availability ("NOFA") soliciting applications for funding for rehabilitation and preservation of affordable housing development projects; and

WHEREAS, the eight projects listed in Attachment A to this Resolution submitted proposals in response to the NOFA for rehabilitation and preservation of affordable housing and were the top ranked projects in staff's evaluation of project proposals; and

WHEREAS, the City's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable rental housing, and has identified this activity as a priority; and

WHEREAS, the projects are consistent with the City's Project Development Guidelines, and each developer meets the City's Threshold Developer Criteria; and

WHEREAS, establishing a pipeline of authorized projects and delegating authority to the City Administrator to fund projects in the pipeline from available funds will enable the City to maximize its resources by enabling projects to secure additional funding, providing only the amount of City assistance needed to make the project feasible, avoiding the cost of reapplication during the subsequent fiscal year, and expediting funding awards once funds are determined to be available; and

WHEREAS, funds for affordable housing development in the amount of \$9.5 million are available from the Measure KK Housing and Infrastructure Bond Fund (5330); and

WHEREAS, the City is the Lead Agency for these projects for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied for these projects; and

WHEREAS, for those projects receiving federal funds, execution of loan documents or other documents legally committing the City to fund the projects shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator or his or her designee; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee to provide loans as affordable housing funds become available, without returning to Council, in a total amount not to exceed \$9.5 million, to the indicated developers, or to affiliated entities of those developers approved by the City Administrator or his or her designee, to be used for the rehabilitation and/or preservation of those projects listed on Attachment A to this Resolution; and be it

FURTHER RESOLVED: That the funding for the loans shall be allocated from the Measure KK Housing and Infrastructure Bond fund (5330), and the making of each loan shall be contingent on the availability of sufficient funds; and be it

FURTHER RESOLVED: That each loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in his or her discretion, with repayment to the City from surplus cash flow from the project and other available funds during the term of the loan, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator or his or her designee determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That as a condition of each loan, the City will require that appropriate restrictions on project occupancy, rents and operations have been or will be recorded against project improvements; and be it

FURTHER RESOLVED: That each loan shall be secured by a deed of trust on the project land and/or improvements; and be it

FURTHER RESOLVED: That loan funds shall be reserved for a period of no more than 24 months from the date of the commitment letter, and shall be subject to reprogramming at the end of this period unless the developer has secured commitments for full project funding or provided other assurances of adequate project funding that the City Administrator or his or her designee deems sufficient within his or her discretion, within the

reservation period; and be it

FURTHER RESOLVED: That the making of each loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in each project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the project, if the City Administrator or his or her designee determines that (1) an economically feasible alternative method of financing the project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the City's investment in the project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That the City Council has independently reviewed and considered the environmental determinations, and the City Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that the action with respect to each project complies with CEQA either because the project is exempt from CEQA, or, based on an initial study and the mitigation measures identified therein, the project as mitigated will not have a significant adverse impact on the environment, as the CEQA determination is further set forth in Attachment A to this Resolution; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption or Notice of Determination for each project as appropriate; and be it

FURTHER RESOLVED: That execution of loan documents or other documents legally committing the City to fund a project with federal funds will be expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee to determine funding allocations, conduct negotiations, execute documents, administer the loans, extend or modify the repayment terms, and take any other action with respect to the loans and the projects consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, DEC 1 '8 2017

PASSED BY THE FOLLOWING VOTE:

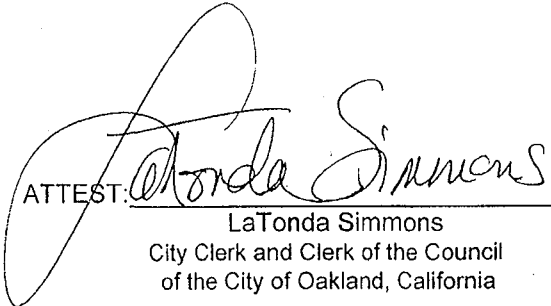
AYES - ~~8~~ CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - Brooks - 1

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

Attachment A

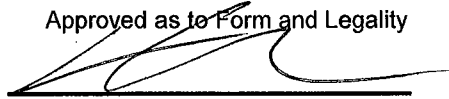
Rehabilitation and Preservation NOFA 2017-19 Pipeline

Project/Developer	NOFA Ranking	Total Score	City Loan Funding	CEQA Status
Howie Harp Plaza (CHDC and Dignity House West)	1	N/A	\$3,000,000	Determined Exempt Section 15301 (d) – Existing Facilities Section 15183 -projects consistent with a community plan, general plan or zoning
Empyrean Tower (RCD)	2	76.5% 75pts	\$4,688,000	Filed Notice of Exemption September 14, 2017 Section 15303 -Small Structures Section 15183(f) -projects consistent with a community plan, general plan or zoning Section 15332 -infill projects
Fruitvale Studios (Affirmed)	3	75.5% 74 pts	\$3,300,000	Determination Section 15183 -projects consistent with a community plan, general plan or zoning Section 15183.3 – Streamlining for Infill Projects Section 15301 (d) – Existing Facilities
Town Center at Acorn (Bridge Housing Corporation)	4	71.7% 66 pts	\$4,656,775	Determination Section 15183 -projects consistent with a community plan, general plan or zoning Section 15183.3 – Streamlining for Infill Projects Section 15301 (d) – Existing Facilities
The Courtyard at Acorn (Bridge Housing Corporation)	5	71.5% 65.75 pts	\$3,162,477	Determination Section 15183 -projects consistent with a community plan, general plan or zoning Section 15183.3 – Streamlining for Infill Projects Section 15301 (d) – Existing Facilities

Project/Developer	NOFA Ranking	Total Score	City Loan Funding	CEQA Status
Harrison Hotel (RCD)	6	69.6% 64 pts	\$1,549,729	<p>Filed Notice of Exemption September 14, 2017</p> <p>Section 15303 -Small Structures Section 15183(f)-projects consistent with a community plan, general plan or zoning Section 15332-infill projects</p>
9 th Avenue (OakCLT & RCD)	7	65.5% 60.25 pts	\$1,657,000	<p>Determined Exempt</p> <p>Section 15301 (d) – Existing Facilities Section 15332-infill projects</p>
James Lee Court (CHDC & Dignity Housing West)	8	42.4% 39 pts	\$3,000,000	<p>Determination</p> <p>Section 15183-projects consistent with a community plan, general plan or zoning Section 15183.3 – Streamlining for Infill Projects Section 15301 (d) – Existing Facilities</p>

2010 AUG 30 PM 2: 27

Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

**RESOLUTION AMENDING CITY COUNCIL RESOLUTION NO. 87018
C.M.S. TO CORRECT THE NAME OF THE DEVELOPER FOR THE
FRUITVALE STUDIOS AFFORDABLE HOUSING PROJECT FROM
AFIRMED HOUSING TO ALLIED HOUSING, INC.**

WHEREAS, the Oakland City Council awarded \$1,812,000 in funding from the NOFA 2017-19 pipeline to Affirmed Housing for the Fruitvale Studios affordable housing project, per City Council Resolution No. 87018 C.M.S. approved on December 18, 2017; and

WHEREAS, City staff mistakenly awarded the funds to Affirmed Housing and intended to award the funds to Allied Housing, who submitted the NOFA application for the project; now therefore, be it

RESOLVED: that Resolution No. 87018 C.M.S. is hereby amended to change the developer to Allied Housing for the Fruitvale Studios affordable housing project.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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