



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Christina Mun
Interim Director, Housing
and Community
Development

SUBJECT: REAP 2.0 Higher Impact
Transformative Grant Application

DATE: January 25, 2023

City Administrator Approval 

Date: Jan 26, 2023

RECOMMENDATION

Staff Recommends That City Council Adopt A Resolution Authorizing The City Administrator To Apply For, Accept, And Appropriate \$10,000,000 In Funds From The State of California Department Of Housing And Community Development's Regional Early Action Planning 2.0 Higher Impact Transformative Allocation To Support Transit Oriented Development At The West Oakland BART Station.

EXECUTIVE SUMMARY

In December 2022, the City of Oakland's Housing and Community Development Department (HCDD) staff applied for \$10,000,000 in funds from the State of California Department of Housing and Community Development's ("State HCD") Regional Early Action Planning 2.0 Higher Impact Transformative (REAP 2.0 HIT) grant program. The focus of this application was to support programs and infrastructure around the West Oakland Bay Area Rapid Transit (BART) Station. Specifically, this application sought \$4,000,000 to support pre-development expenses for the Mandela Station 100% affordable housing development, \$4,000,000 to support utility upgrades that would benefit the Mandela Station project and several adjacent housing developments in the West Oakland BART Transit Oriented Development Area, \$1,550,000 to cover expenses for the 7th Street corridor upgrade project, and \$450,000 for a "Universal Mobility Pilot." This resolution seeks to retroactively authorize the grant application and authorize the City Administrator to distribute the funds to the intended projects if the State issues the City of Oakland (City) an award. Staff was unable to bring the item to the City Council (Council) before the application deadline of December 31, 2022 since the State's resolution template was not released with sufficient time to secure approval.

BACKGROUND / LEGISLATIVE HISTORY

The West Oakland BART Transit Oriented Development Area (TOD) consists of several mixed-use housing, office, and retail space buildings. This TOD is expected to bring approximately 3,000 housing units, including 418 affordable units, to West Oakland, along with approximately 110,000 square feet of retail. The core TOD is 762 units, including a 240-unit, 100% affordable housing project known as Mandela Station Affordable. This core TOD is on BART property and was the outcome of a BART-led planning process. The other housing in the TOD is on non-

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BART owned parcels and is being developed consistent with the West Oakland Specific Plan. The Mandela Station Affordable is in the predevelopment stage and has thus far secured funding commitments of \$20.5 million from the State's Affordable Housing and Sustainable Communities (AHSC) Program (in partnership with City HCDD and Department of Transportation (DOT)), \$28.3 million from the Oakland Housing Authority, and \$1.5 million from the State Department of Toxic Substances Control.

The REAP 2.0 HIT program is a new State HCD funding program that sought applications for projects that would accelerate infill housing development, reduce Vehicle Miles Traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and align with local and regional planning efforts. While most funding in the broader REAP program is specifically for planning expenses, the \$30 million available statewide in this Notice of Funding Availability was available for project expenses as well as planning expenses.

ANALYSIS AND POLICY ALTERNATIVES

Applying for the REAP 2.0 HIT grant advances the City's objectives of housing, economic, and cultural security by supporting the construction of affordable housing. The maximum amount the City could apply for in the REAP 2.0 HIT program was \$10,000,000, and the City applied for this maximum amount. The proposed breakdown of expenditures is as follows:

- \$4,000,000 to the Mandela Station Affordable housing development to cover pre-development expenses. This could include architectural and engineer design costs as well as a building permit application.
- \$4,000,000 to upgrade sewer infrastructure that will serve multiple buildings in the West Oakland BART TOD, including the Mandela Station Affordable project. This will reduce the amount of utility infrastructure costs the affordable housing development would otherwise have to pay and also reduce development costs for the rest of the TOD.
- \$1,550,000 for the 7th Street Corridor upgrades. The 7th Street Corridor upgrade is a comprehensive effort to improve the 7th Street segment between Downtown Oakland and West Oakland BART to make the road more accessible for bicycle, pedestrian, and transit uses.
- \$450,000 for a Universal Mobility Pilot. This program would give transit cards worth \$400 to 1,000 low-income West Oakland residents. The use of these cards would be tracked to see if they successfully change transportation behaviors and encourage greater use of bicycles and transit.

The utility upgrades are being coordinated by the developers of the West Oakland BART TOD as directed by the Oakland Public Works (OPW) Department in coordination with the East Bay Municipal Utility District (EBMUD). The City's Department of Transportation (DOT) is coordinating the 7th Street project and the Universal Mobility Pilot.

If awarded, this grant would benefit both new and existing residents of West Oakland. The Mandela Station affordable housing project has the potential to bring 240 units of affordable housing to the neighborhood with excellent access to transit. The 7th Street corridor upgrades would improve mobility for existing neighborhood residents and newcomers alike. The Universal Mobility Pilot would be open to residents of the whole West Oakland neighborhood, not just the West Oakland BART TOD, and would therefore provide considerable financial savings to existing residents.

City staff identified the West Oakland BART TOD as a competitive location for the REAP 2.0 HIT grant due to its compatibility with the grant application’s priority criteria. Due to the limited amount of funding available and the speed necessary to pursue an application, staff did not solicit additional affordable projects’ interest in this grant opportunity. However, staff are currently working with multiple affordable housing projects to submit a joint application for the State’s Infill Infrastructure Grant Qualifying Infill Area grant opportunity, which should fill a similar need for infrastructure financing for other projects.

FISCAL IMPACT

The funding breakdown for the grant, if awarded, is as follows: \$4,000,000 to support pre-development expenses for the Mandela Station 100% affordable housing development, \$4,000,000 to support utility upgrades that would benefit the Mandela Station Affordable project and several adjacent housing developments in the West Oakland BART Transit Oriented Development Area, \$1,550,000 to cover expenses for the 7th Street corridor upgrade project, and \$450,000 for a “Universal Mobility Pilot.” These funds will be deposited and appropriated in the following manner:

Fund Number	Organization Number	Project	Project Code	Amount
TBD	TBD- Housing and Community Development	Mandela Station Affordable Housing Development	TBD	\$4,000,000
TBD	TBD- Housing and Community Development	West Oakland BART TOD Utilities	TBD	\$4,000,000
TBD	TBD- Department of Transportation	7 th Street Corridor Update	TBD	\$1,550,000
TBD	TBD – Department of Transportation	Universal Mobility Pilot	TBD	\$450,000
Total				\$10,000,000

PUBLIC OUTREACH / INTEREST

No outreach was conducted beyond normal Council noticing procedures as the projects contained in the grant application were already identified by previous community engagement processes. The Mandela Station affordable housing was identified by the community as a priority during the West Oakland BART TOD community engagement process. The 7th Street corridor upgrade project was identified as a community priority during engagement around the future of the Howard Terminal site. However, the community identified transit, bike, and

pedestrian upgrades for the 7th Street corridor as a priority regardless of the final disposition of the Howard Terminal site.

COORDINATION

The Department of Housing and Community Development has partnered with DOT on this program, with review by the Budget Bureau and Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: If awarded, the grant would directly support 240 units of affordable housing and indirectly support an additional 178 units of affordable housing through lower infrastructure costs. The grant would also expand mobility options and reduce transportation costs through the 7th Street corridor upgrades and the Universal Mobility Pilot program.

Environmental: Building housing near the West Oakland BART Station will reduce vehicle trips and therefore reduce air pollution, including greenhouse gas emissions. The 7th Street Corridor upgrades and the Universal Mobility Pilot will expand access to transit, which will further reduce vehicle trips.

Race and Equity: The Mandela Station Affordable housing development is a critical component of ensuring the West Oakland BART TOD is a mixed income community accessible to long-time residents. By supporting the Mandela Station project, the grant will reduce displacement and housing affordability disparities. The 7th Street Corridor upgrades and free transit passes will expand mobility options for low-income residents and residents who do not own a car. This will help close transportation-related disparities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Apply For, Accept, And Appropriate \$10,000,000 In Funds From The State of California Department Of Housing And Community Development's Regional Early Action Planning 2.0 Higher Impact Transformative Allocation To Support Transit Oriented Development At The West Oakland BART Station.

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

Respectfully submitted,



Christina Mun, Interim Director of Housing
Development, Housing and Community
Development

Prepared by:
Caleb Smith, Program Analyst III, Housing and
Community Development