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OAKLAND
2012 NOV 14 PM 4:04

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Uptown Prop IC Grant

DATE: November 27, 2012

City Administrator
Approval

Date

11/10/12

COUNCIL DISTRICT: 2

RECOMMENDATION

Staff recommends that the Oakland Redevelopment Successor Agency and City Council adopt:

A Successor Agency Resolution (1) Authorizing A Pass-Through Grant To The City In An Amount Up To Nine Million Four Hundred Three Thousand Dollars (\$9,403,000) From The Uptown Proposition 1-C Grant Under The California Department Of Housing And Community Development's Infill Infrastructure Grant Program For Streetscape And Infrastructure Improvements In The Central Business District, And (2) Authorizing A Grant In The Amount Of \$500,000 To Harrison Street Senior Housing Corporation Or Affiliated Entity From The Uptown Proposition 1-C Grant For The Development Of Parking At The Harrison Senior Housing Project At 1633 Harrison Street; And

A Resolution (1) Accepting A Pass-Through Grant From The Oakland Redevelopment Successor Agency In An Amount Up To Nine Million Four Hundred Three Thousand Dollars (\$9,403,000) From The Uptown Proposition 1-C Grant Under The California Department Of Housing And Community Development's Infill Infrastructure Grant Program, And Appropriating The Funds For Streetscape And Infrastructure Improvements In The Central Business District, And (2) Rescinding Resolution No. 83855 C.M.S. Granting \$500,000 To Oakland Housing Initiatives And Christian Church Homes Of Northern California For The Harrison Senior Housing Project At 1633 Harrison Street.

EXECUTIVE SUMMARY

Staff is recommending passage of an Oakland Redevelopment Successor Agency ("ORSA") resolution authorizing a pass-through grant to the City of Oakland ("City") in an amount up to \$9.403 million for streetscape and infrastructure improvements in the Uptown Area. The grant is funded from the California Department of Housing and Community Development's ("HCD") Infill Infrastructure Grant Program ("IIG"). Staff further recommends adoption of related ORSA

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legislation authorizing a grant in the amount of \$500,000 to Harrison Street Senior Housing Corporation or affiliated entity ("Developer") funded by the IIG Program Grant for the development of parking ("Project") at the Harrison Senior Housing Project (the "Harrison") at 1633 Harrison Street.

The proposed legislation includes companion resolutions by the City accepting the pass-through grant from ORSA, and, with regard to the Harrison, rescinding Resolution No. 83855 C.M.S. which committed an IIG Program grant of \$500,000 to a partnership between Oakland Housing Initiatives and Christian Church Homes of Northern California (jointly the "Housing Partnership"). The Developer of the Harrison subsequently requested that the grant recipient be changed to Harrison Street Senior Housing Corporation, the general partner of the limited partnership Harrison Street Senior Housing Associates, L.P., which is the developer of the Harrison.

On March 1, 2011, the Redevelopment Agency ("Agency") and the California Department of Housing and Community Development ("HCD") executed a Standard Agreement for Infill Infrastructure Grant ("IIG") Program funding in an amount not to exceed \$9,903,000 to facilitate infill housing development in the Uptown area. There was no match requirement to receive this grant. The goal of the IIG Program is to promote urban infill housing by providing financial assistance for infrastructure improvements necessary to facilitate the development of specific qualified residential projects. The Agency was awarded an IIG Program allocation to assist with the development of the Harrison St. Senior Housing Project at 1633 Harrison Street (the "Harrison") and Domain by Alta ("Domain") at 1639 Jefferson Street.

There were five sub-projects (the "Infrastructure Projects") that were identified in the grant application for funding:

- Fox Theater Offsite Project
- 17th St BART Gateway Project,
- Latham-Telegraph Streetscape Project
- 17th St. Streetscape Project
- 17th and Harrison Senior Housing Parking Garage.

First, IIG Program guidelines require that all funding be spent by February 2015. As a result, construction on all of the above projects must be fully completed, and closeout expenses must be submitted by December 2014 in order to meet this key deadline. In order to facilitate the expenditure of grant proceeds for the completion of the Infrastructure Projects (other than the Harrison parking project), ORSA wishes to provide a pass-through grant to the City in an amount up to \$9.403 million from the IIG Program.

Second, construction of the Harrison is nearly complete and IIG Program funds are needed to pay off bridge financing loans for the project. While the City had previously awarded a grant in the amount of \$500,000 to Oakland Housing Initiatives and Christian Church Homes of Northern

California (jointly the "Housing Partnership") for the project, it now wishes to rescind this commitment since the grant recipient has been changed at the request of the developer. ORSA will now make the grant to Harrison Street Senior Housing Corporation or affiliated entity from the IIG Program for the development of parking at the Harrison.

OUTCOME

Adoption of these resolutions will allow the City to enter into design agreements and develop plans and specifications for streetscape and infrastructure improvements, so that it can advertise, award and complete construction of the Infrastructure Projects. The legislation also modifies the grant recipient for the \$500,000 grant for the Harrison and shifts the granting agency from the City of Oakland as housing successor to ORSA.

BACKGROUND/LEGISLATIVE HISTORY

The following legislative history provides background on the Proposition IC Infill Infrastructure Grant and explains the Harrison's existing relationship with the former Redevelopment Agency.

Proposition IC Infill Infrastructure Grant Program

On March 4, 2008, pursuant to Agency Resolution No. 2008-0029 C.M.S, the Redevelopment Agency authorized the submittal of applications to HCD for funding under the IIG Program. The resolution also authorized acceptance and appropriation of grant funds from this program and the execution of standard agreements and any related documents necessary, if selected for funding. Specifically, this resolution authorized an allocation in the amount of up to \$20 million for infrastructure activities related to the Uptown Project.

On June 24, 2008, the Redevelopment Agency received a grant award from HCD's IIG Program for the Central Business District/Uptown Project in the amount of \$9,903,000. The application for this program is based on two Qualifying Infill Projects (QIPs), which are the Harrison and the Domain. The Harrison satisfies the IIG Program requirement to provide a certain number of affordable housing units as part of the residential infill projects.

On March 1, 2011, the Redevelopment Agency and HCD executed a Standard Agreement for IIG program funding for the Uptown Project in an amount not to exceed \$9,903,000.

On January 10, 2012, the City Council adopted Resolution No. 83679 C.M.S., electing to become the successor agency to the Agency upon Agency dissolution; and adopted Resolution No. 83680 C.M.S., electing to serve as successor housing agency to the Agency upon Agency dissolution. On February 1, 2012, the Agency was dissolved.

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On April 30, 2012, the City Council adopted Resolution 83813 C.M.S., authorizing the City of Oakland to serve as successor agency and housing successor to the Redevelopment Agency and to accept and appropriate grant funds under the IIG Program for the Uptown Project and authorizing the City Administrator, or her designee, to take actions with respect to the Program.

On June 30, 2012 the City and HCD executed the first amendment to the Standard Agreement and the Disbursement Agreement for IIG program funding for the Uptown Project in an amount not to exceed \$9,903,000.

Harrison Street Senior Housing Project

On March 20, 2007, pursuant to Agency Resolution No. 2007-0021 C.M.S., the former Redevelopment Agency authorized an affordable housing development loan in an amount not to exceed \$5,133,000 to the Housing Partnership. Two extensions of the funding reservation deadline for this Project were authorized on March 17, 2009, pursuant to Agency Resolution No. 2009-0026 C.M.S., and on March 16, 2010, pursuant to Agency Resolution No. 2010-0041 C.M.S. The Developer will enter into a grant agreement with the City for the Prop IC funding in addition to this previously authorized loan.

On May 15, 2012, the City Council adopted Resolution 83855 C.M.S., authorizing a grant in the amount of \$500,000 from the IIG Program to the Housing Partnership from State of California Proposition 1C Funds for development of parking at the Harrison Senior Housing Project.

ANALYSIS

Proposition 1C Infill Infrastructure Grant (IIG) Program

The IIG Program, also known as the Infill Housing Program, was established by the State of California to increase the overall supply of housing, increase the supply of affordable housing, increase public transit ridership, and minimize automobile trips in California. More specifically, the IIG Program funds infrastructure improvements necessary to facilitate new infill housing.

The Agency previously applied for IIG funding using the Harrison and Uptown Phase II Housing Project. The Agency was awarded a grant in the amount of \$9,903,000. Since the award, HCD has authorized the replacement of the market rate Uptown Phase II housing project with the Domain.

The requested pass-through grant from ORSA to the City of \$9,403,000 would fund four of the Improvement Projects identified in the grant application, including: 1) the Fox Theater Offsite Project, 2) the 17th St BART Gateway Project, 3.) the Latham-Telegraph Streetscape Project, and

4.) the 17th St. Streetscape Project. The fifth sub-project would be funded by the remaining \$500,000 grant as described below.

Harrison Street Senior Housing Project

The City as the housing successor, previously authorized a grant of IIG program funds in the amount of \$500,000 to Housing Partnership, which had established a limited partnership, Harrison Street Senior Housing Associates, L.P, for the syndication of low income housing tax credits for the project. Due to tax reasons, the developer requested that the grant recipient be changed from the Housing Partnership to Harrison Street Senior Housing Corporation, the general partner of the limited partnership . In addition, this grant was inadvertently left off of the housing asset inventory that was approved by the Department of Finance (“DOF”), so the City as housing successor cannot be the funding agency.. The actions requested of the City Council would rescind the previous City Resolution No. 83855 C.M.S., which authorized the original grant to the Housing Partnership, and requests that ORSA authorize a grant from ORSA to the Developer.

Since the authorization of the original grant, the Harrison and the Project has been completed. The Harrison was constructed on a surface parking lot, which was formerly a gas station and a vacant commercial building, and includes a 73-unit affordable housing project serving low-income seniors aged 62 or older. The grant will be used towards the parking component of the Harrison.

PUBLIC OUTREACH/INTEREST

There is no public outreach required for the Project under the requirements of the Proposition IC Infill and Infrastructure Grant Agreement.

COORDINATION

Staff is coordinating with State HCD representatives who will be initiating contract amendments for the Uptown project that will memorialize the ORSA as the new IIG award recipient. The amendments will require new signature blocks for both the IIG Standard Agreement and Disbursement Agreement. Additionally, Office of Neighborhood Investment staff will continue to coordinate with Public Works Agency staff to implement the infrastructure projects.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

The amount of funding recommended for a pass-through grant from ORSA to the City is \$9.403 million. The amount recommended for the grant between ORSA and the Developer towards the Project is \$500,000.

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

ORSA will pass-through the grant funds to the City in the amount of \$9.403 million. ORSA will also enter into a grant agreement with the Developer for an amount not to exceed \$500,000.

3. SOURCE OF FUNDING:

The ORSA will receive a \$9,903,000 grant from HCD's Infill Infrastructure Grant Program, into ORSA Operating Budget Fund (9731), Central District Development Organization (02445), Contract Contingencies Account (54011), Projects (Q391410, Q391420, Q391430, Q391460). \$9.403 million will be allocated to the City for the Infrastructure Projects. The City will receive the pass-through grant in Fund 2214 Org 92270 in an account and project to be determined. \$500,000 will be allocated towards the Harrison Street Senior Housing Project Parking Structure.

Funds for the \$500,000 grant will be received by ORSA into Fund (9731), Central District Development Organization (02445), Contract Contingencies Account (54011), Project Q391420 (IC Harrison Senior Housing).

4. FISCAL IMPACT:

The funds received from the IIG Program will provide capital funding for streetscape and infrastructure improvements and to implement infrastructure components of development projects. It will be used for design, construction, construction support, and project contingencies.

There are no financial impacts or costs associated with this item for the City of Oakland or the Oakland Redevelopment Successor Agency. The IIG Program funding will cover all costs for the infrastructure projects. This grant will have no direct impact on the General Fund.

FISCAL/POLICY ALIGNMENT

The proposed grant will provide opportunity to complete infrastructure projects that are in alignment with the City's priority of fostering sustainable economic growth and completing improvements for the benefit of Oakland residents and businesses.

SUSTAINABLE OPPORTUNITIES

Economic: Infrastructure projects constructed by the City are required to be in compliance with the City of Oakland's Employment and Contracting programs. City contracting programs include the 20% Local and Small Local Business Enterprise Program, 50% Local Employment Program, and 15% Oakland Apprenticeship Workforce Development Partnership Systems program. The Harrison is required to be in compliance with the City of Oakland's Employment and Contracting programs and is compliant with all of the City and Federal contractor programs.

Environmental: The Projects are located close to transit service and will encourage residents of the projects to use transit as their primary mode of travel. Streetscape projects will enhance the downtown by replacing damaged sidewalks and installing new street trees and pedestrian amenities. Recycled materials will be utilized to the extent possible. The Harrison replaces a former gas station site with an infill housing project. The Harrison meets the City of Oakland's Multifamily GreenPoint Checklist and incorporates many energy-efficiency and sustainability features.

Social Equity: The Projects will contribute to the physical improvement of the community, enhance public access, and improve streets and sidewalks and housing infrastructure within the downtown. The Harrison provides 100% affordable rental units to seniors earning up to 50 percent of the Area Median Income. The Harrison complies with all of the City and Federal contracting programs.

CEQA

The legislation authorizing a pass-through IIG program grant to the City in an amount up to \$9.403 million for streetscape and infrastructure improvements in the Central Business District is exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines per Section 15301(b) through (d) (Existing Facilities); and Section 15302 (c) ((Replacement or Reconstmction).

Per the Minor Conditional Use Permit for this housing project (CDV08-114) issued on August 8, 2008, the Harrison was determined to be exempt from environmental review under CEQA Guidelines per Section 15183(f) (Projects consistent with a Community Plan, General Plan, or Zoning); and Section 15332 (Infill Development Projects).

For questions regarding this report, please contact George Dumey, Urban Economic Analyst IV at 238-6150.

Respectfully submitted,



FRED BLACKWELL
Assistant City Administrator

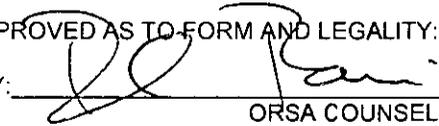
Reviewed by: 
Gregory D. Hunter, ELDE
Office of Neighborhood Investment

Prepared by:
George Dumey, Urban Economic Analyst IV
Office of Neighborhood Investment

Prepared by:
Esther Tam, Urban Economic Analyst II
Office of Neighborhood Investment

FILED
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OAKLAND

2012 NOV 14 PM 4:04

APPROVED AS TO FORM AND LEGALITY:
BY: 
ORSA COUNSEL

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION No. 2012-_____

A SUCCESSOR AGENCY RESOLUTION (1) AUTHORIZING A PASS-THROUGH GRANT TO THE CITY IN AN AMOUNT UP TO \$9.403 MILLION FROM THE UPTOWN PROPOSITION 1-C GRANT UNDER THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S INFILL INFRASTRUCTURE GRANT PROGRAM FOR STREETScape AND INFRASTRUCTURE IMPROVEMENTS IN THE CENTRAL BUSINESS DISTRICT, AND (2) AUTHORIZING A GRANT IN THE AMOUNT OF \$500,000 TO HARRISON STREET SENIOR HOUSING CORPORATION OR AFFILIATED ENTITY FROM THE UPTOWN PROPOSITION 1-C GRANT FOR THE DEVELOPMENT OF PARKING AT THE HARRISON SENIOR HOUSING PROJECT AT 1633 HARRISON STREET

WHEREAS, on March 4, 2008, the Redevelopment Agency of the City of Oakland (the "Redevelopment Agency") adopted Agency Resolution No. 2008-0029 C.M.S., authorizing the submittal of an application for funding under the Proposition 1C Infill Infrastructure Grant ("IIG") program to the California Department of Housing and Community Development ("HCD") for the Uptown Project, and authorizing acceptance and appropriation of grant funds from this program for eligible activities in the manner presented in the application as approved by HCD and in accordance with IIG program guidelines; and

WHEREAS, it was determined that (1) the infrastructure improvements to be funded with IIG program funds are exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines per Section 15301(b) through (d) (Existing Facilities); and Section 15302 (c) ((Replacement or Reconstruction), and (2) the Harrison Senior Housing Project is exempt from environmental review under CEQA Guidelines per Section 15183(f) (Projects Consistent with a Community Plan, General Plan, or Zoning); and Section 15332 (Infill Development Projects); and

WHEREAS, on March 1, 2011, the Redevelopment Agency and HCD executed a Standard Agreement for IIG program funding for the Uptown Project in an amount not to exceed \$9,903,000; and

WHEREAS, the Redevelopment Agency dissolved on February 1, 2012; and

WHEREAS, the Oakland Redevelopment Successor Agency ("ORSA") was established as the successor agency to the Redevelopment Agency pursuant to Health and Safety Code Sections 34171(j) and 34173; and

WHEREAS, Resolution No. 83813 C.M.S. adopted on April 30, 2012, authorized the successor agency to accept and appropriate grant funds under the IIG program for the Uptown Project; and

WHEREAS, ORSA has listed IIG program grant funds as enforceable obligations on its Recognized Obligation Payment Schedule; and

WHEREAS, ORSA wishes to provide a pass-through grant to the City of Oakland from IIG program Uptown grant funds for streetscape and infrastructure improvements in the Central Business District; and

WHEREAS, ORSA also wishes to provide a grant from IIG program Uptown grant funds for the development of parking at the Harrison Senior Housing Project at 1633 Harrison Street; now, therefore be it

RESOLVED: That ORSA hereby authorizes a pass-through grant to the City of Oakland in an amount up to \$9.403 million from IIG program Uptown grant funds to construct and install streetscape and infrastructure improvements in the Central Business District; and be it

FURTHER RESOLVED: That ORSA hereby authorizes a grant in the amount of \$500,000 to Harrison Street Senior Housing Corporation, or an affiliated entity approved by the Agency Administrator, from IIG program Uptown grant funds for the development of parking at the Harrison Senior Housing Project at 1633 Harrison Street: and be it

FURTHER RESOLVED: That the \$9.403 million in grant funds received by the ORSA from HCD for these infrastructure projects will be deposited and appropriated into Fund (9731) Central District Development Organization (02445) Contract Contingencies Account (54011) Projects(Q391410,Q391430,Q391460); and be it

FURTHER RESOLVED: That funds for the \$500,000 grant will be received by ORSA into Fund (9731) Central District Development Organization (02445) Contract Contingencies Account (54011) Project Q391420 (1C Harrison Senior Housing); and be it

FURTHER RESOLVED: That the Agency Administrator or her designee is hereby authorized to negotiate and execute grant documents and take whatever action is necessary with respect to the IIG Uptown grant and the projects consistent with this Resolution and its basic purposes.

IN SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, _____, 2012

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,
SCHAAF AND CHAIRPERSON REID

NOES-

ABSENT-

ABSTENTION-

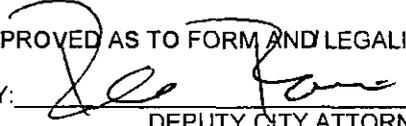
ATTEST: _____

LATONDA SIMMONS
Secretary of the Oakland
Redevelopment Successor Agency

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2012 NOV 14 PM 4:04

APPROVED AS TO FORM AND LEGALITY:

BY: 
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

A RESOLUTION (1) ACCEPTING A PASS-THROUGH GRANT FROM THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY IN AN AMOUNT UP TO \$9.403 MILLION FROM THE UPTOWN PROPOSITION 1-C GRANT UNDER THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S INFILL INFRASTRUCTURE GRANT PROGRAM, AND APPROPRIATING THE FUNDS FOR STREETScape AND INFRASTRUCTURE IMPROVEMENTS IN THE CENTRAL BUSINESS DISTRICT, AND (2) RESCINDING RESOLUTION NO. 83855 C.M.S. GRANTING \$500,000 TO OAKLAND HOUSING INITIATIVES AND CHRISTIAN CHURCH HOMES OF NORTHERN CALIFORNIA FOR THE HARRISON SENIOR HOUSING PROJECT AT 1633 HARRISON STREET

WHEREAS, on March 4, 2008, the Redevelopment Agency of the City of Oakland (the "Redevelopment Agency") adopted Agency Resolution No. 2008-0029 C.M.S., authorizing the submittal of an application for funding under the Proposition 1C Infill Infrastructure Grant ("IIG") program to the California Department of Housing and Community Development ("HCD") for the Uptown Project, and authorizing acceptance and appropriation of grant funds from this program for eligible activities in the manner presented in the application as approved by HCD and in accordance with IIG program guidelines; and

WHEREAS, on March 1, 2011, the Redevelopment Agency and HCD executed a Standard Agreement for IIG program funding for the Uptown Project in an amount not to exceed \$9,903,000; and

WHEREAS, the Redevelopment Agency dissolved on February 1, 2012; and

WHEREAS, the Oakland Redevelopment Successor Agency ("ORSA") was established as the successor agency to the Redevelopment Agency pursuant to Health and Safety Code Sections 34171(j) and 34173; and

WHEREAS, Resolution No. 83813 C.M.S. adopted on April 30, 2012, authorized the successor agency to accept and appropriate grant funds under the IIG program for the Uptown Project; and

WHEREAS, ORSA has authorized a pass-through grant to the City from IIG program Uptown grant funds for streetscape and infrastructure improvements in the Central Business District; and

WHEREAS, it was determined that the infrastructure improvements to be funded with IIG program funds are exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines per Section 15301(b) through (d) (Existing Facilities), and Section 15302(c)(Replacement or Reconstruction); and

WHEREAS, the City of Oakland wishes to accept the pass-through grant; and

WHEREAS, the City Council passed Resolution No. 83855 C.M.S. on May 15, 2012, granting \$500,000 from IIG program Uptown grant funds to Oakland Housing Initiatives and Christian Church Homes of Northern California to develop parking at the Harrison Senior Housing Project; and

WHEREAS, the grant for the Harrison Senior Housing Project should come instead from ORSA; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator to accept a pass-through grant from the Oakland Redevelopment Successor Agency in an amount up to \$9.403 million from IIG program Uptown grant funds to construct and install streetscape and infrastructure improvements in the Central Business District, and appropriates these funds to a 2144 Fund Org 92270 in an account and a project to be determined; and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to negotiate and execute grant documents and take whatever action is necessary with respect to the IIG Uptown grant and the project consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That the City Council hereby rescinds Resolution No:
83855 C.M.S.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2012

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,
SCHAAF AND PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council,
City of Oakland