



AGENDA REPORT

TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Michele Byrd

SUBJECT: Reduction in Unit Count at Sojourner Truth Manor

DATE: August 20, 2014

City Administrator
Approval

Date

9-3-14

COUNCIL DISTRICT: 3

RECOMMENDATION

Staff requests that the City Council approve:

Resolution Amending Resolution No. 78597 C.M.S., authorizing a loan to Christian Church Homes of Northern California for the Sojourner Truth Manor project, to reduce the number of assisted units from 87 to 85.

EXECUTIVE SUMMARY

A resolution has been prepared to amend Resolution No. 78597 C.M.S. to reduce the number of assisted units at Sojourner Truth Manor from 87 to 85. The owner has undertaken a capital improvement project at Sojourner Truth Manor that will require the elimination of two units in order to address concerns with accessibility, improve safety and security, and provide for improved community spaces. Staff recommends approval of the amendment to the resolution.

OUTCOME

Amending Resolution No. 78597 C.M.S. to reduce the total number of units at Sojourner Truth Manor from 87 to 85 would enable the project to continue its plans for rehabilitation in order to improve accessibility, security and to provide for appropriate community space for the residence.

BACKGROUND/LEGISLATIVE HISTORY

Sojourner Truth Manor provides 87 units of subsidized housing for low income seniors in three separate buildings at 5815, 5915 and 6015 Martin Luther King Way. The property was built in

Item: _____

Community and Economic Development Committee
September 16, 2014

1975 and is regulated by the U.S. Department of Housing and Urban Development (HUD) under section 236.

In May 2006, the City provided a rehabilitation loan in the amount \$162,100 pursuant to Resolution No. 78597 C.M.S. Loan funds were used to support the repair of the elevator, improvements to the front entrances and fire safety upgrades. The City provided approximately 40% of the total cost of improvements and restricted 100% of the units through the loan and regulatory agreement.

In December 2011, the City provided a grant in the amount of \$236,340 pursuant Resolution No. 82636 C.M.S under Multifamily Housing Weatherization Assistance Program. The grant was provided to perform an energy audit and implement energy efficiency improvements identified in the audit.

Due to its age, the property is in need of capital improvements and modernization of its amenities. In February 2014, the owner refinanced obtaining new HUD insured mortgages to secure over \$1.6 million to complete the capital improvements. Planned capital improvements include:

- Addressing accessibility issues
- Addressing security issues
- Adding a community room, community kitchen, computer room, janitorial storage
- Improving laundry facility and office space;
- Painting exterior and common area
- Upgrading to sight lighting
- Landscaping
- Adding accessible public restrooms
- Adding additional energy efficiency upgrades

Sojourner Truth Manor, Inc., the owner, has requested that the City and HUD approve reducing the number of assisted units at 6015 Martin Luther King Jr. Way in order to implement a capital improvement project at no additional cost to the city. The proposed modifications would allow them to address the accessibility issues specifically related to the management office and public restrooms, improve security, provide adequate laundry facilities and provide community spaces that will encourage socialization and reduce isolation. HUD has approved taking these units offline.

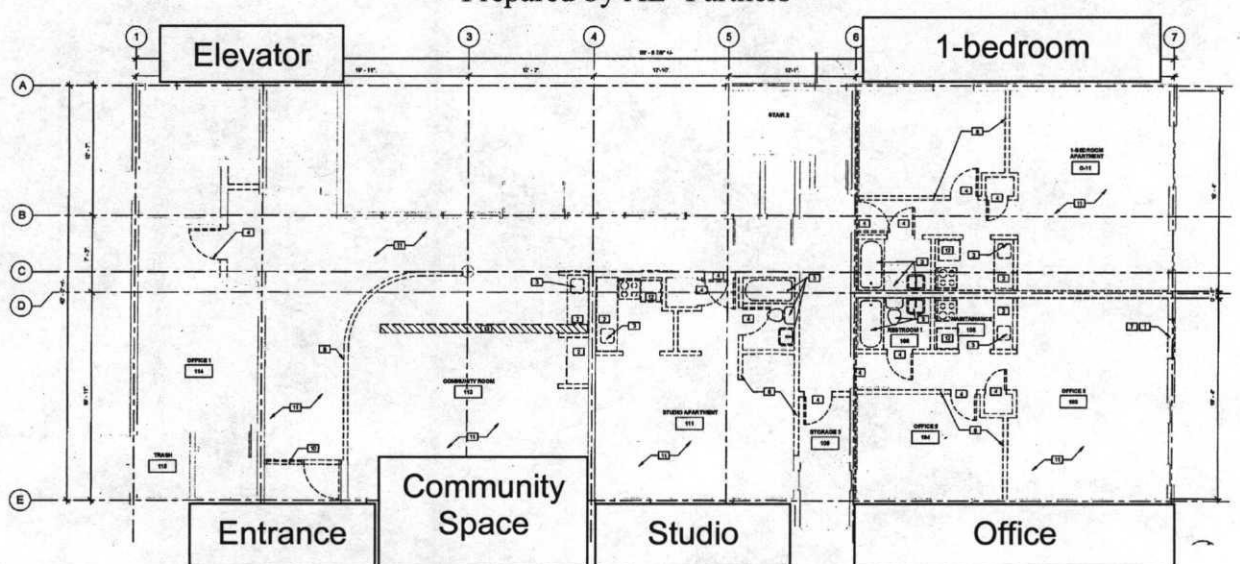
ANALYSIS

Being built in 1975, the property does not meet current standards for accessibility nor does it provide the same level of amenities as more recent senior developments. The owner has had the

property assessed and found that accessibility, security and social isolation are major areas of concern for the target population.

As depicted in the current floor plan below, the office, located at 6015 Martin Luther King Jr. Way, is located far from the building's main entrance. Neither the entrance nor the elevator is visible from the office which limits staffs ability to monitor access to the units. Visitors have to walk around the community space and past two units to find the office. The office is not wheel chair accessible due to the narrow hallway. The current laundry facility in this building only has one washer and dryer for the 23 units. The community space is limited to an open seating area in the hallway of the first floor of the building.

Current Floor Plan
Excerpt from Tenant Improvement Plans for Sojourner Truth Manor Building C
Prepared by AE³ Partners



The proposed improvements will move the office space in the line of sight of both the main entrance and elevator which will improve security. Additionally, the office design will address lack of accessibility. The proposed design adds space for the community room, community kitchen, computer room, accessible public restroom and a laundry room that will hold 4 washer/dryer units.

The loan provided by the City was HOME funded and the City exceeded the number of assisted units required for this project under the HOME Investment Partnership Program. To that end, no replacement units are required; however, there are currently 209 units of affordable housing under construction including 7 studios and 64 one bedroom units. There are an additional 170 units in the predevelopment phase. The number of units under development will more than replace the loss of the two units.

PUBLIC OUTREACH/INTEREST

The property owner has had multiple meetings with the tenants and according to the property manager the tenants are supportive of the improvements. The owner will continue to meet with the tenants as the project develops. The property owner has provided correspondence from HUD approving the reduction of units. City staff has confirmed with the HUD HOME Investment Partnership program that reduction of units is allowable under the HOME program and will not affect future funding.

COORDINATION

Housing staff has consulted with the City Attorney's Office and has determined that the proposed changes are allowable under the terms of the funding sources used. Additionally, Housing staff will be working with the City Attorney's Office to review resolutions and any modifications to the loan agreement and regulatory agreement. This report and resolution have been reviewed by the City Attorney's Office and by the Budget Office.

COST SUMMARY/IMPLICATIONS

There is no fiscal impact associated with this action. Staff is not recommending appropriation of any new funds or reallocation of previously budgeted funds.

SUSTAINABLE OPPORTUNITIES

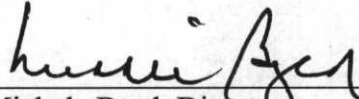
Economic: This affordable housing rehabilitation project is creating well-paying construction jobs for City of Oakland residents and spurs further investment into the community.

Environmental: The rehabilitation is utilizing sustainable and green materials and practices. It is rehabilitating existing housing.

Social Equity: Affordable housing is a means of achieving greater social equity. The rehabilitation of the Sojourner Truth Manor will ensure the sustainability of affordable, safe and clean housing to extremely-low and very-low income seniors.

For questions regarding this report, please contact Norma Thompson, Housing Manager, at 510-238-7137 or Christina Morales, Housing Development Coordinator, at 510-238-6984.

Respectfully submitted,



Michele Byrd, Director
Department of Housing and Community Development

Reviewed by:
Norma Thompson
Manager, Housing Development

Prepared by: Christina Morales
Housing Development Coordinator
Housing Development Services

2014 SEP -4 AM 9:35

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AMENDING RESOLUTION NO. 78597 C.M.S., AUTHORIZING A LOAN TO CHRISTIAN CHURCH HOMES OF NORTHERN CALIFORNIA FOR THE SOJOURNER TRUTH MANOR PROJECT AT 5815, 5915 AND 6015 MARTIN LUTHER KING JR. WAY, TO REDUCE THE NUMBER OF ASSISTED UNITS FROM 87 TO 85.

WHEREAS, on June 1, 2004, the City Council adopted Resolution No. 78597 C.M.S. authorizing an affordable housing development loan in an amount not to exceed \$162,100 to Christian Church Homes of Northern California for the rehabilitation of some of the major systems of the 87-unit Sojourner Truth Manor project; and

WHEREAS, there is presently an existing loan and regulatory agreement between the City and Sojourner Truth Housing, Inc., that restricts the rents and occupancy on all 87 units; and

WHEREAS, the City exceeded the minimum number of assisted units required by the HOME Investment Partnership Program, the funding source; and

WHEREAS, Sojourner Truth Housing, Inc. has secured funds through refinance in order to complete needed capital improvements, address Americans with Disabilities Act (ADA) compliance issues, improve safety and security, and ensure the longevity of the housing program; and

WHEREAS, it is necessary to remove two existing units in order to address ADA compliance and security issues: and

WHEREAS, the City recognizes approving the removal of two units will allow the project to complete needed capital improvements at no cost to the City; now, therefore, be it

RESOLVED: That the City Council hereby amends Resolution No. 78597 C.M.S. to reduce the minimum number of assisted units in the Sojourner Truth Manor project from 87 to 85; and be it

FURTHER RESOLVED: That the City Administrator or his designee is authorized to negotiate and enter into amendments to the loan documents and to take any other actions with respect to this loan consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

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