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OAKLAND

CITY OF OAKLAND

2017 NOV 21 PM 3:50

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: 2017 Affordable Housing and
Sustainable Communities Program:
Resolutions for Projects to Submit
Applications

DATE: November 13, 2017

City Administrator Approval

Date:

11/21/17

RECOMMENDATION

Staff Recommends That The City Council Adopt The following Four Resolutions:

1. Resolution Authorizing The Application For And Acceptance Of, And Appropriating, Grant Funds From The California Strategic Growth Council And/Or The California Department Of Housing And Community Development For 7th And Campbell Located At 1664-1676 7th Street In An Amount Not To Exceed \$20,000,000 Under The 2016-17 Affordable Housing And Sustainable Communities Program
2. Resolution Authorizing The Application For And Acceptance Of, And Appropriating, Grant Funds From The California Strategic Growth Council And/Or The California Department Of Housing And Community Development For 3268 San Pablo Avenue Located At 3268 San Pablo Avenue In An Amount Not To Exceed \$11,000,000 Under The 2016-17 Affordable Housing And Sustainable Communities Program
3. Resolution Authorizing The Application For And Acceptance Of, And Appropriating, Grant Funds From The California Strategic Growth Council And/Or The California Department Of Housing And Community Development For Coliseum Place Located At 905 72nd Street In An Amount Not To Exceed \$14,000,000 Under The 2016-17 Affordable Housing And Sustainable Communities Program
4. Resolution Authorizing The Application For And Acceptance Of, And Appropriating, Grant Funds From The California Strategic Growth Council And/Or The California Department Of Housing And Community Development For Fruitvale Transit Village Phase IIB Located At 35th Avenue and East 12th Street In An Amount Not To Exceed \$20,000,000 Under The 2016-17 Affordable Housing And Sustainable Communities Program.

Item: _____
CED Committee
December 5, 2017

EXECUTIVE SUMMARY

Staff recommends that City Council adopt the attached resolutions authorizing City staff to proceed with applying for, as a joint applicant with various affordable housing developers, funding from Affordable Housing and Sustainable Communities (AHSC) Program. These funds will help develop approximately 346 units of affordable housing in the City of Oakland and fund numerous transportation, bike and pedestrian improvements. These resolutions are a requirement of the AHSC applications and are, thus, required by the AHSC application submittal deadline of January 16, 2018.

BACKGROUND / LEGISLATIVE HISTORY

In July 2017, the AHSC Program Guidelines were released for FY 2016-2017. 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 objective, including but not limited to, reducing air pollution, improving conditions in disadvantaged communities, increasing connectivity and accessibility to jobs, housing and services and preserving and developing affordable housing.

The AHSC Program is administered by the State of California Strategic Growth Council (SGC) and the Department of Housing and Community Development Department. Funding is provided from the Greenhouse Gas Reduction Fund through Cap-and-Trade auction proceeds. Award recommendations will be posted on the SGC AHSC webpage in May and presented for adoption at the June 2018 SGC meeting.

The City of Oakland has a successful history applying for AHSC funds. The City received approximately \$50 million in AHSC funds from the 2015-2016 AHDC funding round. The year prior, the City received approximately \$5 million in AHSC awards from the 2014-15 AHDC funding round.

ANALYSIS AND POLICY ALTERNATIVES

The City and four affordable housing developers plan to jointly apply for up to \$65,000,000 in AHSC funds for the following affordable housing projects:

Project Name	Address	Developer	Number of Affordable Units
7 th and Campbell	1664-1676 7th Street	Oakland & the World, Inc.	78 units
3268 San Pablo	3628 San Pablo	Satellite Affordable Housing Associates	50 units
Coliseum Place	905 72nd Avenue	Resources for Community Development	58 units
Fruitvale Transit Village IIB	35th Avenue & East 12th Street	Bridge Housing Corporation & Unity Council	~160 units

City staff has carefully and thoroughly vetted these projects through the Department of Housing and Community Development (HCDD) Notice of Funds Availability (NOFA) process and staff is recommending awards of City funds for these projects, as well. Projects will be able to use City funds to leverage AHSC and other public and private funding sources.

If these revised resolutions are not adopted by the City Council prior to the January 16, 2018 application deadline, the City risks submitting uncompetitive grant applications in the amount of \$65,000,000. Timing is crucial as the application deadline is approaching and the Council needs to adopt these resolutions at their next regular Council meeting on December 12, 2017.

FISCAL IMPACT

Securing the AHSC Program funds will contribute to the City’s affordable housing development goals. This funding will also support important infrastructure including work on the City’s complete streets program (including bike and pedestrian improvements) as well as transit infrastructure improvements for BART and AC Transit. Upgrades to all proposed City infrastructure will reduce the costs of maintaining aging infrastructure. In addition, it will prepare the City for its projected population growth and key objectives to create a sustainable and revitalized urban environment and fulfill the objectives of reducing reliance on automobile travel (vehicle miles traveled or VMT) and increasing affordable housing, as well as reducing greenhouse gas emissions (GHG).

The fiscal impact to the City is the staff time dedicated to work with Enterprise Partners in coordinating these applications with each developer and various City departments. Additionally, staff time is required to assist with writing the AHSC program application. However, the potential benefits in terms of affordable housing and infrastructure funding for integral projects is substantial, making it an excellent investment of City staff time.

PUBLIC OUTREACH / INTEREST

Applicants to the AHSC Program must demonstrate that there has been some form of outreach to the community to evaluate the proposed projects. 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 efforts. In the case of public infrastructure project grant applicants, staff from those programs must demonstrate that the project is included in a public community plan (e.g. specific plan, bicycle master plan, station area plan, service expansion plan, or other types of community plans).

COORDINATION

The City's HCD Department work on these grants forges important and valuable relationships between the City's Public Works Department, Department of Transportation, and our state partner agencies, the SGC and HCD. Additionally, the City's HCD Department, Public Works Department, and Department of Transportation are strengthening their relationships with the regional transit providers BART and AC Transit. Inevitably, this will improve overall services to the Oakland community and support the region's goals on sustainability and resiliency.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The City has a successful track record applying for AHSC funds. In October 2016, the City of Oakland successfully received AHSC funding commitments from the 2015-2016 AHSC funding round for three affordable housing and transportation projects:

- Coliseum Connections, in the amount of \$14,844,762
- Empyrean and Harrison Hotel, in the amount of \$16,807,556
- Lakehouse Connections, in the amount of \$18,127,203

In February 2015, the City of Oakland received AHSC funding commitments for the 2014-2015 AHSC funding round for the following two affordable housing and transportation projects:

- Civic Center 14 TOD, in the amount of \$1,500,000 (currently under construction; set to complete in 2018)
- Camino 23, in the amount of \$3,062,730 (loan scheduled to close by end of 2017; construction to commence shortly afterwards)

SUSTAINABLE OPPORTUNITIES

Economic: Authorization of City staff to apply for the AHSC Program funds will give the City the opportunity to obtain over \$65,000,000 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. 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.

Social Equity: Projects 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 who is using the California Emissions Estimator Model (CalEEMod) evaluation tool. Finally, all projects must demonstrate how they have consulted with and are implementing community-vetted projects.

CEQA

A threshold readiness requirement for the AHSC Program is documented compliance with either the California Environmental Air 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 four proposals.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt following four resolutions authorizing the City to be a joint applicant to the AHSC program:

Resolution Authorizing The Application For And Acceptance Of, And Appropriating, Grant Funds From The California Strategic Growth Council And/Or The California Department Of Housing And Community Development For 7th And Campbell Located At 1664-1676 7th Street In An Amount Not To Exceed \$20,000,000 Under The 2016-17 Affordable Housing And Sustainable Communities Program

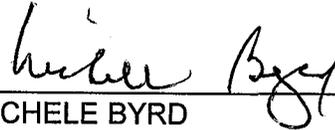
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Resolution Authorizing The Application For And Acceptance Of, And Appropriating, Grant Funds From The California Strategic Growth Council And/Or The California Department Of Housing And Community Development For Fruitvale Transit Village Phase IIB Located At 35th Avenue and East 12th Street In An Amount Not To Exceed \$20,000,000 Under The 2016-17 Affordable Housing And Sustainable Communities Program

For questions regarding this report, please contact Meghan Horl, Acting Housing Development Manager, at 238-6171.

Respectfully submitted,



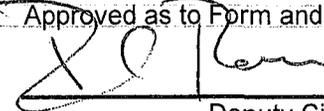
MICHELE BYRD
Director, Housing & Community Development
Department

Prepared by: Meghan Horl, Acting Housing
Development Manager

FILED
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OAKLAND

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Approved as to Form and Legality



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF, AND APPROPRIATING, GRANT FUNDS FROM THE CALIFORNIA STRATEGIC GROWTH COUNCIL AND/OR THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR 7TH AND CAMPBELL LOCATED AT 1664 – 1676 7TH STREET IN AN AMOUNT NOT TO EXCEED \$20,000,000 UNDER THE 2016-17 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

WHEREAS, the State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated October 2, 2017 (NOFA), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

WHEREAS, the City and Oakland and the World Enterprises, Inc. (Applicant) desire to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program; and

WHEREAS, a resolution is required for each application for which the City of Oakland is a joint applicant; and

WHEREAS, there will be four applications submitted for projects in the City of Oakland; and

WHEREAS, the SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement; and

WHEREAS, the Department is authorized to administer the approved funding allocations of the AHSC Program; and

WHEREAS, there is substantial need for additional funds for the development of affordable housing in the City of Oakland; and

WHEREAS, the project known as 7th and Campbell located at 1664 – 1676 7th Street was vetted by the City's Project Implementation staff and is therefore being supported by the City to apply for AHSC; and

WHEREAS, the City Council wishes to delegate authority to the City Administrator or his or her designee on behalf of the City of Oakland to negotiate and enter into an agreement for the AHSC Program funding of this project, including those that agree to joint and several liability and mutual indemnities with the selected developer, without returning to Council; now, therefore, be it

RESOLVED: That the City Administrator or his or her designee on behalf of the City of Oakland, is hereby authorized and directed to apply for and submit to HCD and/or SGC the AHSC Program Application as detailed in the NOFA dated October 2, 2017, for Round 3 for 7th and Campbell project located at 1664 – 1676 7th Street in an amount not to exceed \$20,000,000 of which \$11,753,444 is requested as a loan for an Affordable Housing Development (AHD) ("AHSC Loan") and \$8,246,456 is requested as a grant for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities(TRA) or Program (PGM) activities ("AHSC Grant") as defined by the AHSC Program Guidelines adopted by SGC on July 17, 2017 with errata date of August 14, 2017; and be it

FURTHER RESOLVED: That if the application is approved, the City Administrator or his or her designee on behalf of the City of Oakland is authorized to act on behalf of the City of Oakland, and is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement ("Standard Agreement") in an amount not to exceed \$20,000,000 (\$11,753,444 for the AHSC Loan and \$8,246,456 for the AHSC Grant) for this project, and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from HCD, and all amendments thereto (collectively, the "AHSC Documents"); and be it

FURTHER RESOLVED: That the City Administrator is authorized to negotiate and enter into an agreement that provides for joint and several liability and mutual indemnities between joint applicants as the City Administrator deems necessary; and be it

FURTHER RESOLVED: That said AHSC Documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee on behalf of the City of Oakland is authorized to accept the California Strategic Growth Council Affordable Housing and Sustainable Communities Program funds, if awarded, deposit said funds in the State of California Fund (2159), Great Streets Design Organization (35212), Project (TBD), and appropriate said funds in an amount not to exceed \$20,000,000 to this project; and be it

FURTHER RESOLVED: That the City of Oakland shall be subject to the terms and conditions as specified in the Standard Agreement; that funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement; that the application in full is incorporated as part of the Standard Agreement; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement; and that the City of Oakland hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by HCD and in accordance with the NOFA and Program Guidelines and Application Package; and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator or his or her designee on behalf of the City of Oakland to execute in the name of City of Oakland the AHSC Program Application Package and the AHSC Program Documents as required by HCD for participation in the AHSC Program, and to take whatever other action is necessary with respect to the AHSC Program and this project consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

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