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OFFICE OF THE CITY CLERK  
OAKLAND  
2019 JAN 17 PM 1:20

# AGENDA REPORT


**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Michele Byrd  
Director, HCD

**SUBJECT:** Affordable Housing Funding – City of  
Oakland’s Measure A1 Base Fund

**DATE:** January 7, 2019

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City Administrator Approval  Date: 1/17/19

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## RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution Approving A Funding Award From the City of Oakland’s Base Allocation From the Alameda County Measure A1 Housing Bond In A Total Amount Not To Exceed \$956,341, Without Returning To Council, For The 95<sup>th</sup> & International New Construction Project of Multifamily Affordable Housing.**

## EXECUTIVE SUMMARY

On November 8, 2016, an election was held in the County of Alameda, State of California, to authorize the sale of general obligation bonds of the County, not to exceed \$580 million, to provide affordable local housing and prevent displacement of vulnerable populations including low and moderate income families, seniors, veterans, people with disabilities, homeless, and others most in need. The bond is known as the Alameda County Measure A1 Housing General Obligation Bond. The measure received two-thirds of the electoral vote and was passed into law. The bond includes a Rental Housing Development Fund (\$425 million) to create and preserve affordable rental housing countywide to be regulated for a period of 55-years. The remaining balance of the City of Oakland’s Base Allocation under the fund (\$956,341) has been identified as a viable source of financing to support the 95<sup>th</sup> & International new construction project of multifamily affordable housing. The funding will be used to leverage additional funds from the Affordable Housing Sustainable Communities (AHSC) Program under the State of California’s Strategic Growth Council (SGC) among other sources of development financing.

## BACKGROUND / LEGISLATIVE HISTORY

### ***Alameda County Measure A1 Housing General Obligation Bond***

In November 2016, the voters of Alameda County passed Measure A1, the Alameda County General Obligation Bond for Housing. The County Board of Supervisors authorized a \$580 million Countywide housing bond to fund development of affordable rental housing, down payment assistance loans, homeownership housing development, and homeownership preservation loans. A total of \$54,803,565 of bond funds were set aside for projects within the City of Oakland (the "Oakland Base Allocation"). The County requires that all projects receiving

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funds under the Countywide housing bond receive local matching funds, and that the local jurisdiction approve and support the projects receiving County A1 bond funds from the jurisdiction's base allocation. After setting aside 10% for County fees, \$49.3 million was initially available for the City to commit.

On April 18, 2017, the Oakland City Council approved Resolution No. 86689 C.M.S. awarding an amount not to exceed \$18.65 million and on December 18, 2017, the City Council approved Resolution No. 87019 C.M.S awarding an amount not to exceed \$34.4 million from Oakland’s Base Allocation. As of January 2019, the City has committed \$48.4 million of its Base to affordable housing projects in the City of Oakland. The current balance of available Measure A1 Base Funding is \$956,341. Its distribution is at the discretion of the Director of Housing & Community Development and is to be allocated to a pipeline project scored under the City’s Notice of Financing Availability (NOFA) for new construction of affordable housing.

**Table 1** below is a summary of committed funds and balance available from the Measure A1 Oakland Base Allocation:

**Table 1: Alameda County Measure A1 Rental Housing Development Fund Base City Allocations**

<b>Funding Amount and Balance Available</b>					
<i>City Base Allocation By:</i>	<i>Total Allocation</i>	<i>Less County Fees</i>	<i>Available to Commit</i>	<i>Project Commitments</i>	<i>Balance Available</i>
City of Oakland	\$54,803,565	\$5,480,357	\$49,323,209	\$48,366,868	\$956,341

Source: Alameda County Housing & Community Development – Measure A1 Rental Housing Development Fund Base City Allocations (2018)

**Table 2** below is a summary of committed funds by project from the City of Oakland and the Measure A1 Oakland Base Allocation:

**Table 2: Alameda County Measure A1 Rental Housing Development Fund Base City Allocations – By Project**

<b>Project/Developer</b>	<b>Council District</b>	<b>Affordable Units</b>	<b>City Match</b>	<b>Measure A1 Base Commitments</b>
<b>Funds Available</b>			<b>\$29,126,185</b>	<b>\$48,366,868</b>
657 W. MacArthur Apartments (Affirmed Housing Group)	1	44	\$2,600,000	\$6,447,872
3268 San Pablo (Satellite Affordable Housing Associates)	3	51	\$1,000,000	\$7,180,000
Camino 23 (Satellite Affordable Housing Associates)	2	37	\$1,200,000	\$4,200,000

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Casa Arabella (East Bay Asian Local Development Corp./Spanish Speaking Unity Council of Alameda County, Inc.)	5	92	\$2,225,000	\$6,350,000
Coliseum Connections (Urban Core Development)	7	55	\$12,000,000	\$2,500,000
Coliseum Place (Resources for Community Development)	7	59	\$1,600,000	\$4,400,000
Embarc Apartments (Resources for Community Development)	1	62	\$3,519,285 (Oakland Housing Authority PBV loan)	\$2,700,000
Estrella Vista (EAH Housing)	Located in Emeryville along Oakland border of CD 1 and 3. Units regulated by City of Oakland.	87	\$2,000,000 (Not including Emeryville contribution)	\$1,900,000
Oakland and the World (McCormack Baron Salazar, Inc./Oakland & The World )	3	79	\$2,981,900	\$12,688,996

Source: Alameda County Housing & Community Development – Measure A1 Rental Housing Development Fund Base City Allocations (2018)

### ***State of California, Strategic Growth Council - Transit Climate Communities Program***

The remaining balance of Measure A1 Base Funding (**Table 1**) was originally targeted by City Housing staff to support the 95<sup>th</sup> & International project as the critical affordable housing component of the City of Oakland’s grant application to the SGC, under the Transit Climate Communities (TCC) Program. The development team will consist of the Related Companies of California in partnership with the Acts Community Development Corporation (i.e. Related/ACTs). TCC funds are awarded to projects implementing neighborhood level community plans that include reducing greenhouse gas (GHGs) emissions while providing local economic, environmental, and health benefits to disadvantaged communities.

On October 16, 2018, the Oakland City Council approved Ordinance No. 87377 C.M.S. authorizing the City Administrator or their designee, on behalf of the City of Oakland and the

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East Oakland project area, to apply for and submit to the State, an application for Round 2 of TCC Grant Funding. The 95<sup>th</sup> and International project is one of three new construction affordable housing sites in the TCC East Oakland project area. Since 95<sup>th</sup> & International is now under pre-development with no State funding currently committed and the remaining two projects are currently under construction or have other State funding committed, 95<sup>th</sup> & International was chosen as the applicable affordable housing component of the TCC application. To support the application and to help the affordable housing development team meet the TCC threshold of having 90% of funds committed, the City’s Housing Staff, coupled with other City sources of financing, identified the balance of Alameda County Measure A1 Base Funds as a feasible contribution to the 95<sup>th</sup> & International project. Due to the strength of competing applications statewide, the grant funds were not awarded. However, by the recommendation SGC staff, the development team will apply for Affordable Housing Sustainable Communities (AHSC) funds (2019) administered by the SGC.

**ANALYSIS AND POLICY ALTERNATIVES**

***State of California, Strategic Growth Council – Affordable Housing Sustainable Communities Program***

The AHSC Program is administered by the SGC and the Department of Housing and Community Development (CAHCD). The purpose of the 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 objectives, 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 City of Oakland has a successful history applying for AHSC funds. The City received approximately \$23 million from the 2016-2017 AHSC round, \$50 million from the 2015-16 AHSC round and approximately \$5 million from the 2014-15 AHSC round.

The 95<sup>th</sup> & International new development of affordable housing is a City of Oakland pipeline project proposed to include 55 units of rental housing for low income residents earning between 20% to 50% of the area median income (AMI). As the 95<sup>th</sup> & International project meets the requirements of the Measure A1 implementation policies, City Housing staff supports allocating the balance of its Base City Allocation to the 95<sup>th</sup> & International project. Measure A1 Base funding will support the project in its funding application to the State under the AHSC program (February 2019), demonstrating an ability to reduce greenhouse gases and achieve a land use policy goal of integrating quality transportation infrastructure with green affordable housing. The City of Oakland will jointly apply with the development team for AHSC funding.

**Table 3** below is a summary of committed funds and balance available from the Measure A1 Oakland Base Allocation after considering 95<sup>th</sup> & International for the balance of A1 funds:

**Table 3: Alameda County Measure A1 Rental Housing Development Fund Base City Allocations**

<b>Funding Amount and Balance Available</b>					
<i>City Base Allocation By:</i>	<i>Total Allocation</i>	<i>Less County Fees</i>	<i>Available to Commit</i>	<i>Project Commitments</i>	<i>Balance Available</i>
City of Oakland	\$54,803,565	\$5,480,357	\$49,323,209	\$49,323,209	\$0

Source: Alameda County Housing & Community Development – Measure A1 Rental Housing Development Fund Base City Allocations (2018)

**Table 4** below is a summary of committed funds from the City of Oakland and the proposed allocation of Measure A1 Oakland Base funds for 95<sup>th</sup> & International:

**Table 4: Alameda County Measure A1 Rental Housing Development Fund Base City Allocation – 95<sup>TH</sup> & International**

<b>Project/Developer</b>	<b>Council District</b>	<b>Affordable Units</b>	<b>City Match</b>	<b>Measure A1 Base Commitment</b>
95 <sup>th</sup> & International (Related/ACTs)	7	55	\$6,868,659	\$956,341

**FISCAL IMPACT**

Alameda County Measure A1 Base funds are formally committed by the consent of the Alameda County Board of Supervisors and contractually agreed to by developer and the Alameda County Housing & Community Development. The allocation of Measure A1 "Oakland" Base funds are distributed to the project by the County of Alameda subject to the County approved bond. Funds are not distributed by the City of Oakland. They are not City of Oakland funds. However, local base funds are set aside for projects in the City of Oakland and it is the City's responsibility as a local jurisdiction, to approve and support all projects receiving County A1 bond funds from the jurisdiction's base allocation.

Using Measure A1 Base funds to leverage AHSC Program funds will contribute to the City's affordable housing development goals. The AHSC funding will 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, it will fulfill the objectives of reducing reliance on automobile travel (vehicle miles traveled or VMT), and will increase affordable housing as well as reduce greenhouse gas emissions (GHG).

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**PUBLIC OUTREACH / INTEREST**

Affordable housing developers must demonstrate and document they have conducted community meetings with neighborhood organizations to maximize their support of both Measure A1 and AHSC funding programs. They must demonstrate outreach approaches (e.g., social media, printed flyers distributed in the neighborhood, and email list-serves) prior to the application submittal and must prepare a community outreach plan documenting efforts. In the case of public infrastructure improvements, the applicant must demonstrate 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).

The Related/ACTs development team has an important history in the South/East Oakland community, where the 95<sup>th</sup> & International project is to be built. This same development team completed the construction of the 94<sup>th</sup> & International new construction project (February 2018). Building 58 units of low income affordable housing (30%-50% AMI) including resident services. The building is now fully occupied and under operations. Since first embarking on the 94<sup>th</sup> & International project (2008), the Related/ACTs development team established and continued to implement a community outreach strategy in the community. The Phase II project of the 95<sup>th</sup> and International project was mentioned in many of the outreach meetings. It was a topic of discussion in community meetings related to the TCC funding application (October 2018). With affordable housing that is accessible, healthy, safe, and secure being a critical need in the neighborhood to mitigate displacement, further dialogue will continue and will involve the interaction of owners/residents, community leaders, neighborhood organizations, and local officials.

**COORDINATION**

The City of Oakland’s Housing & Community Development Department (City HCD) plays a vital role in helping to distribute Measure A1 funds by approving projects to receive a local City funding match and helping to coordinate AHSC application submittals. Coordination of AHSC applications forges important and valuable relationships between the City’s Public Works Department, Department of Transportation, our state partner agencies, the SGC and HCD, and the respective development team. In addition, 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.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** Funding the 95<sup>th</sup> & International project will help generate new construction activities leading to employment, professional services, and ongoing property management jobs in the City of Oakland. The new housing will provide families with healthy, safe, and secure affordable housing accessible to residents of the existing neighborhood and near public transit. International Blvd is a major thoroughfare in a neighborhood containing several dilapidated buildings. The proposed infill project will have a positive impact on the surrounding area by providing new affordable housing opportunities with a retail component.

The corner of 94<sup>th</sup> & International and 98<sup>th</sup> & International includes an AC Transit bus stop with multiple bus lines running every 15 minutes during peak hours and with connections to BART (Fruitvale BART Station) and Amtrak (San Leandro BART Station). The AC Transit East Bay Bus Rapid Transit (BRT) is now under construction along International Blvd fronting the new development site. The BRT will run every 7 minutes during peak hours. It will be important to ensure low-income residents benefit from the value of incoming investment.

Providing families with affordable housing helps to improve the quality of life creating financial stability by allowing household income to be spent on other goods and services. The new development will provide sustainable, infill, mixed-use development along International Blvd with approximately 2,400 square feet of retail on the ground floor, complementing the new affordable housing development across the street at 94<sup>th</sup> Avenue and International Blvd. Generating viable housing opportunities on underutilized parcels, such as the 95<sup>th</sup> & International site, will help stimulate demand for goods and services in the neighborhood.

**Environmental:** As part of the predevelopment process, there has been a Phase I Environmental Site Assessment of the property by Ninyo & Moore dated April 2011, a Phase I Environmental Site Assessment of the property by RPS dated September 2017, and a Preliminary Site Characterization Report of the property by Ninyo & Moore dated June 2018. Thus, only the most recent report found concentrations of lead, Semivolatile Organic Compounds (SVOCs) and Total Petroleum Hydrocarbons as Diesel (TPHd) in surface soil in specific parts of the site. Overall, the development team believes these site conditions can be addressed through conventional environmental remediation by removing topsoil, similar to the new development across the street at 94<sup>th</sup> Avenue & International Boulevard. An additional Phase II Site Assessment is likely for assessing the extent and depth of the lead-affected soil.

In addition, the 95<sup>th</sup> & International project will be subject to the City of Oakland’s local green ordinance plus an environmental sustainability plan pursuant to a Gold certification standard under the Build It Green, Green Point Rated Program for newly constructed multifamily homes.

**Social Equity:** The proposed project will provide affordable opportunities for families at risk of being displaced or homeless. Adding to the stock of much needed affordable housing will allow an opportunity for displaced families to maintain their social networks and benefit from up and coming nearby developments. Oakland’s neighborhood level environment will be improved by replacing underutilized and blighted land with residents in new homes. Especially important for long term Oakland residents. The proposed development will provide affordable rental housing for low and very low-income residents including a social service component helping to improve the overall quality of life.

## CEQA

This report’s recommended actions are based on a complete project under CEQA. The proposed 95<sup>th</sup> & International development has been found to be CEQA exempt as an Infill Development under Section 15332 of the CEQA guidelines, and consistent with a community plan, general plan, or zoning under Section 1518SG3(f) of the CEQA Guidelines. The construction of 55 new dwelling units will not have a significant impact on the environment and is exempt from environmental review.

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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Approving A Funding Award From the City of Oakland’s Base Allocation From the Alameda County Measure A1 Housing Bond In A Total Amount Not To Exceed \$956,341, Without Returning To Council, For The 95<sup>th</sup> & International New Construction Project of Multifamily Affordable Housing.

For questions regarding this report, please contact Everett Cleveland Jr., Housing Development Coordinator, at 238-6543.

Respectfully submitted,



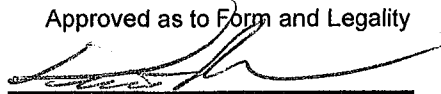
MICHELE BYRD  
Director, Housing & Community Development  
Department

Prepared by:  
Everett Cleveland Jr., Housing Development  
Coordinator IV



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Approved as to Form and Legality



Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION APPROVING A FUNDING AWARD FROM THE CITY OF OAKLAND'S BASE ALLOCATION FROM THE ALAMEDA COUNTY MEASURE A1 HOUSING BOND IN A TOTAL AMOUNT NOT TO EXCEED \$956,341, WITHOUT RETURNING TO COUNCIL, FOR THE 95<sup>TH</sup> & INTERNATIONAL NEW CONSTRUCTION PROJECT OF MULTIFAMILY AFFORDABLE HOUSING.**

**WHEREAS**, on December 18, 2017, per Resolution No. 87019 C.M.S., the City Council authorized affordable housing development loans to projects under the City of Oakland's 2017-2019 Notice of Funding Availability ("NOFA") for funding of new construction affordable housing development projects and to establish a pipeline to fund non-funded projects as funding became available; and

**WHEREAS**, on December 11, 2018, per Resolution No. 87470 C.M.S., the City Council authorized affordable housing development loans to pipeline projects, as funding became available, under the 2017-2019 NOFA for funding of new construction affordable housing development projects; and

**WHEREAS**, the 95<sup>th</sup> & International new construction project for multifamily affordable housing (55 units), is a NOFA 2017-2019 pipeline project eligible to receive support from the City of Oakland, in an amount not to exceed \$6,868,659; and

**WHEREAS**, the County of Alameda has made funds available from the Alameda County Measure A1 General Obligation Bond for Housing, from the Oakland Base Allocation set aside for projects in the City of Oakland; and

**WHEREAS**, the County of Alameda requires that all projects receiving funds under the Countywide housing bond receive local matching funds and approval of use of the Oakland Base Allocation from the local jurisdiction; and

**WHEREAS**, with a total Oakland Base Allocation of \$54,803,565 minus a 10% set aside for County fees, \$49,323,209 was available for the City to commit to eligible projects; and

**WHEREAS**, per Resolution No. 86689 C.M.S. and Resolution No. 87019, the City Council authorized support for nine affordable housing new construction projects listed in Attachment A

for a total committed value of \$48,366,868 leaving a balance of \$956,341 in the Alameda County Measure A1 Oakland Base Allocation; and

**WHEREAS**, the City of Oakland has identified the 95<sup>th</sup> & International new construction project of multifamily affordable housing as an eligible use for the balance of the Oakland Base Allocation; and

**WHEREAS**, the Alameda County Measure A1 Base funds combined with City of Oakland NOFA funds may be used by the 95<sup>th</sup> & International new construction project to leverage additional gap financing through the State of California's Affordable Housing Sustainable Communities (AHSC) program and the Federal Tax Credit program; and

**WHEREAS**, the City of Oakland will jointly apply with the development team for AHSC funding; and

**WHEREAS**, the City of Oakland is the Lead Agency or Responsible Agency for the 95<sup>th</sup> & International new construction project for the purpose 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 by the 95<sup>th</sup> & International project; and

**WHEREAS**, since the 95<sup>th</sup> & International new construction project meets the requirements of the Measure A1 implementation policies and City of Oakland Housing staff has indicated its support of an allocation of \$956,341 of its Oakland Base Allocation to the 95<sup>th</sup> & International project, the Housing and Community Development Department of the Alameda County will recommend this allocation of funding to its Board of Supervisors for consideration; now, therefore be it

**RESOLVED:** Funding shall be made available from the Alameda County General Obligation Bond for Housing, Oakland Base Allocation, set aside for projects in the City of Oakland and administered by Alameda County staff; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered the environmental determination and the City Council finds and determines, based on the information provided in the staff report supporting this Resolution, that the action with respect to the 95<sup>th</sup> & International new construction project complies with CEQA because the project is exempt from CEQA as an infill development Sec. 15332, and consistent with a community plan, general plan, or zoning Sec. 15183(f), each of which is a separate and independent basis for CEQA exemption; 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 the 95<sup>th</sup> & International new construction project; and be it

**FURTHER RESOLVED:** That the City Council hereby approves a funding award from the Alameda County Measure A1 Oakland Base Allocation, in a total amount not to exceed \$956,341, without returning to Council, for the 95<sup>th</sup> & International new construction project.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES - BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

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

### Attachment A

<b>Measure A1 "Base" Funding Amount and Balance Available</b>					
<i>City Base Allocation By:</i>	<i>Total Allocation</i>	<i>Less County Fees</i>	<i>Available to Commit</i>	<i>Project Commitments</i>	<i>Balance Available</i>
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<b>Project/Developer</b>	<b>Council District</b>	<b>Affordable Units</b>	<b>City Match</b>	<b>Measure A1 Base Commitments</b>
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