



Office of the City Manager

CONSENT CALENDAR
January 21, 2020

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Kelly Wallace, Interim Director, Health, Housing & Community Services
 Subject: Grant Applications: California Affordable Housing and Sustainable Communities Infrastructure and Agreements in Connection with the Proposed Blake Apartments and Maudelle Miller Shirek Community Projects

RECOMMENDATION

Adopt a Resolution:

1. Authorizing the City Manager to negotiate, enter into, and cause the City to perform its obligation under agreements (including amendments) with the following developers and/or their affiliates relating to grant applications to the California Affordable Housing and Sustainable Communities program for project-related transportation and infrastructure improvements:
 - a. Satellite Affordable Housing Associates for Blake Apartments (2527 San Pablo), for a total grant amount of up to \$1.422 million; and
 - b. Resources for Community Development for Maudelle Miller Shirek Community (2001 Ashby), for a total grant amount of up to \$2.625 million.
2. Authorizing the City Manager to accept up to \$4.047 million in state AHSC funds from the projects and complete selected transportation improvements if awarded.

SUMMARY

On December 10, 2019, with Resolution 69,231-N.S., Council reserved City funds to support four affordable housing developments, including Satellite Affordable Housing Associates' (SAHA) Blake Apartments, located at 2527 San Pablo Avenue, and Resources for Community Development's (RCD) Maudelle Miller Shirek Community located at 2001 Ashby Avenue. Both projects seek to leverage the City's funding with funding from the state's Affordable Housing and Sustainable Communities (AHSC) program, for which applications are due on February 11. The goal of the AHSC program is to reduce greenhouse gas emissions, and projects are required to incorporate certain transportation improvements. RCD and SAHA have requested that the City partner with them on the applications by agreeing to accept AHSC funds and complete certain transportation improvements.

The project teams for SAHA and RCD strategized on the most competitive combination of transportation projects to propose, and determined that a portion of the AHSC grants will support City projects identified in this report. The City will not be a joint applicant, but will need to enter into a side agreement with each developer in order to receive state AHSC funding passed through the project to the City-sponsored transportation projects. The City will need to commit to completing those transportation projects within three years of the grant award. Completion of the transportation projects in a timely way will be necessary for the projects to receive the AHSC housing funds; the City's default would mean the loss of AHSC funds totaling more than \$10M each for these projects. For that reason, agreeing to participate in this program means the City will need to prioritize completion of those projects or else it will expose the City to liability for those losses. The side agreements will address liability and indemnification as well as the grant activities themselves. This was taken into consideration as the potential projects were identified.

If the projects' applications are successful, the City will receive up to \$1.422 million for transportation projects related to Blake Apartments, and up to \$2.625 million for transportation projects related to Maudelle Miller Shirek Community. The City scope and budget may decrease depending on the final combination of transportation projects proposed in the AHSC applications. The scopes are still in flux as of the writing of this report, as BART is working on estimating costs for its proposed improvements, and consultants are evaluating which combination of transportation projects will maximize the applications' competitiveness. The amounts listed represent the most inclusive City scopes and budgets.

FISCAL IMPACTS OF RECOMMENDATION

SAHA and RCD will apply to the state for AHSC program funds for housing development and transportation improvements. SAHA's application for Blake Apartments will include a request for approximately \$11.7 million for housing development. RCD will apply for approximately \$15.8 million to support housing development costs for Maudelle Miller Shirek Community. The housing portions of the applications do not require City participation, and housing funds will be loaned directly to the project without passing through the City. The housing portion of the application cannot go forward without the transportation and infrastructure portion discussed in this report.

The applications also include funding requests for transportation projects, including City projects and BART projects. If awarded, the SAHA and RCD AHSC applications would bring up to \$4.047 million of competitive grant revenue to fund bicycle, pedestrian and transit improvements that were previously identified in City plans. The resolution authorizes the City Manager to enter into agreements that will allow the project sponsors to pass through the funds to the City if their applications are successful.

If the AHSC grant applications are successful, the City will need to complete the agreed upon projects within three years of the grant awards. The resulting City agreements are expected to include generally customary provisions requiring the City (i) to complete the agreed improvements by the deadline, (ii) to be responsible for any funding shortfalls, And (iii) to not seek reimbursement for any grant amounts not otherwise spent on the projects.

CURRENT SITUATION AND ITS EFFECTS

SAHA and RCD are pursuing AHSC funding to support affordable housing development for Blake Apartments and Maudelle Miller Shirek Community, respectively. In order to be eligible for about \$11.7 million and \$15.8 million in housing development funds, respectively, the applications need to include transportation and infrastructure improvements consistent with a complex system of priorities.

The project teams have been meeting to strategize on the combination of transportation improvements that will help the application score most competitively.

For Blake Apartments, the up to \$1.422 million of proposed transportation and infrastructure improvements will be selected from the list below based on grant constraints:

Potential City Transportation Projects – Blake Apartments (SAHA)	AHSC Funds Request (up to this amount)
Bicycle Boulevard – Parker Street (from San Pablo Ave to Mabel), Mabel Street (between Ward and Dwight), and Bonar Street (from Dwight to Bancroft) including traffic calming <i>2017 Berkeley Bicycle Plan</i>	\$ 191,000
West Street Pathway (between Bancroft and Addison)	\$ 380,000
Pedestrian & Bicycle crossing beacon plus median at Dwight & Mabel <i>2017 Berkeley Bicycle Plan</i>	\$ 185,000
New sidewalk along Acton Street (1/2 block gap on the east side from Parker south) <i>Pedestrian Master Plan</i>	\$ 50,000
Bus Stop and Pedestrian crossing Improvements – University/Bonar and University/Acton <i>Pedestrian Master Plan</i>	\$ 616,000
Total Potential City Transportation Projects – Blake	\$1,422,000

In addition to the City of Berkeley transportation projects discussed above, SAHA's application will also request \$3.3 million for BART to purchase a new train car and

approximately \$3 million for BART to improve signage and wayfinding at the North Berkeley BART station and widen the Ohlone Greenway pathway, including the addition of a separated walkway, along the perimeter of the BART parking lots located between Acton Street and Virginia Gardens, and to make sidewalk ramp improvements in the main station parking lot. BART will enter into one or more separate agreements with SAHA to apply for and receive these funds, and deliver the improvements. The City will have no role or responsibilities in these BART improvements.

For Maudelle Miller Shirek Community, the up to \$2.625 million of proposed transportation and infrastructure improvements will be selected from the list below based on grant constraints:

Potential City Transportation Projects – Maudelle Miller Shirek Community (RCD)	AHSC Funds Request (up to this amount)
Bicycle Boulevard – Woolsey and Fulton, from Ashby BART to Dwight Way including traffic calming <i>2017 Berkeley Bicycle Plan</i>	\$535,000
Pedestrian & Bicycle crossing beacons at Adeline & Woolsey, Shattuck & Woolsey, Adeline & Russell, and Shattuck & Russell <i>2017 Berkeley Bicycle Plan</i>	\$1,524,000
Bus stop and pedestrian crossing improvements at Shattuck & Ashby, Shattuck & Woolsey, and Martin Luther King, Jr. Way & Prince <i>Pedestrian Master Plan</i>	\$566,000
Total Potential City Transportation Projects – MMSC	\$2,625,000

Again, in addition to the City of Berkeley transportation projects discussed above, RCD’s application will also request \$3.3M for BART to purchase a new train car, plus approximately \$1.1 million for BART to improve signage and wayfinding at the Ashby BART station and install a protected bikeway through the station parking lot between Martin Luther King, Jr. Way and Adeline Street. BART will enter into one or more separate agreements with RCD to apply for and receive these funds, and deliver the improvements. The City will have no role or responsibilities in these BART improvements.

Approving the AHSC grant applications is a Strategic Plan Priority Project, advancing our goal to create affordable housing and housing support service for our most vulnerable community members.

BACKGROUND

Administered by the Strategic Growth Council and implemented by the Department of Housing and Community Development (HCD), the AHSC Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

To assist with the application, SAHA and RCD both hired consultants with proven track records of successful AHSC applications. SAHA hired Community Development Resource Group, and RCD hired Enterprise Community Partners. The consultants evaluated the AHSC scoring criteria and transportation project options, and advised on strategies that have the greatest chance of achieving the highest scores possible.

ENVIRONMENTAL SUSTAINABILITY

The purpose of the AHSC program is to reduce greenhouse gas emissions in California, and all of the projects identified for the funding will help accomplish that goal. Increasing cycling and walking would help the City achieve the Berkeley Climate Action Plan greenhouse gas emission reduction targets of 80% below year 2000 levels by 2050. The Climate Action Plan states that, in order to meet these targets, "Transportation modes such as public transit, walking and bicycling must become the primary means of fulfilling our mobility needs."

RATIONALE FOR RECOMMENDATION

The City transportation and infrastructure projects proposed for inclusion in this AHSC funding application were all previously identified in existing City plans, including the City's Bicycle Plan, Pedestrian Plan, and Berkeley Strategic Transportation Plan. This grant opportunity has the potential to provide up to a total of \$4.047 million directly to the City, \$3.8 million to BART for bicycle and pedestrian improvements to station access in Berkeley, and \$6.6 million to purchase additional BART train cars, at the same time that the program provides funding for affordable housing in the proposed Blake Apartments and Maudelle Miller Shirek Community projects. If the grant application is successful, staff believes that the AHSC funds will be sufficient for the City to complete its required transportation and infrastructure improvements, based on current cost estimates, already budgeted City funds and already awarded federal funds. Nevertheless, if this turns out to be incorrect, the City will be required to make up any shortfalls from other sources.

Accepting this AHSC grant, like almost all funding grants, comes with some risks. Nevertheless, City staff believes that the City can reasonably bear these risks in light of (i) the understanding that all of the anticipated costs have already been identified or budgeted, (ii) the expectation that all CEQA and NEPA approvals will be timely received, (iii) the City's general extensive experience with executing similar transportation and infrastructure projects, and specific understandings that all of the

projects at issue can be completed within the required three-year period, and (iv) other than customary requirements for carrying out any public works project, staff is not aware of any other significant pre-conditions or risks for the City executing the projects.

Specific design, construction, procurement and related contracts to deliver the City projects will be subject to customary City approvals at the appropriate times, including Council approval when otherwise required.

ALTERNATIVE ACTIONS CONSIDERED

The City could choose not to participate in the AHSC applications, but that would result in less competitive applications for both SAHA and RCD and may impact their ability to secure funding to support the affordable housing developments. Without the City's participation, the applications would have difficulty achieving full points for active transportation improvements. In addition, it would mean forgoing an opportunity to access up to \$4.047 million for previously identified transportation infrastructure projects.

CONTACT PERSON

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Attachments:
1: Resolution

RESOLUTION NO. ##,###-N.S.

CALIFORNIA AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES
INFRASTRUCTURE GRANT APPLICATIONS AND AGREEMENTS WITH PROPOSED
BLAKE APARTMENTS AND MAUELLE MILLER SHIREK COMMUNITY PROJECTS

WHEREAS, the Parker, Mabel, Bonar, Fulton and Woolsey Street Bicycle Boulevards; the West Street Pathway; and street crossing beacons at the intersection of Dwight Way and Mabel Street, Adeline and Woolsey Streets, Shattuck Avenue and Woolsey, Adeline and Russell Street, and Shattuck and Russell were identified as future transportation projects in the Berkeley Bicycle Plan (2017); and

WHEREAS, the intersections of University Avenue with Bonar Street and Acton Street, and the intersections of Shattuck Avenue with Ashby Avenue and Woolsey Street were identified in the Berkeley Pedestrian Master Plan as being in need of pedestrian crossing safety improvements, and filling the sidewalk gap on the east side of Acton Street south of Parker Street is supported by the Berkeley Pedestrian Master Plan Policy 1.2, Implementation Measure 1 to “Maintain an accessible path of travel for all pedestrians at all times”; and

WHEREAS, City General Plan Policy T-2 calls on the City to “implement improvements to make transit more convenient, dependable, and attractive” and Policy T-4 establishes the City’s Transit-First Policy concerning identified Primary and Secondary Transit Routes; and

WHEREAS, University Avenue is identified in the City General Plan as a Primary Transit Route, and Shattuck Avenue south of Adeline Street and Martin Luther King, Jr. Way are identified in the City General Plan as Secondary Transit Routes; and

WHEREAS, the Parker, Mabel, Bonar, Fulton and Woolsey Street Bicycle Boulevards; the West Street Pathway; street crossing beacons at the intersection of Dwight Way and Mabel Street, Adeline and Woolsey Streets, Shattuck Avenue and Woolsey, Adeline and Russell Street, and Shattuck and Russell; bus stop and pedestrian crossing improvements at the intersections of University Avenue with Bonar Street and Acton Street, at the intersections of Shattuck Avenue with Ashby Avenue and Woolsey Street, and at the intersection of Martin Luther King, Jr. Way with Prince Street; and new sidewalk on the east side of Acton Street south of Parker Street are referred to as the “City Transportation Projects”; and

WHEREAS, the City Transportation Projects are related to the Blake Apartments Project and Maudelle Miller Shirek Community Project; and

WHEREAS, at their December 10, 2019 meeting, City Council voted to reserve City funding for Blake Apartments and Maudelle Miller Shirek Community; and

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WHEREAS, Satellite Affordable Housing Associates and Resources for Community Development requested City funding through the 2019 Housing Trust Fund Request for Proposals for proposed affordable housing developments at Blake Apartments (2527 San Pablo Avenue) and Maudelle Miller Shirek Community (2001 Ashby Avenue), respectively; and

WHEREAS, Satellite Affordable Housing Associates and and/or its affiliate proposes to apply for California Affordable Housing and Sustainable Communities (AHSC) funding in February 2020 for approximately \$11.7 million to support housing development, as well as funding for transportation and infrastructure improvements which, if the application is successful, would result in up to approximately \$1.422 million required to be passed through to the City to deliver the City Transportation Projects; and

WHEREAS, Resources for Community Development and/or its affiliate proposes to apply for California Affordable Housing and Sustainable Communities (AHSC) funding in February 2020 for approximately \$15.8 million to support housing development, as well as funding for transportation and infrastructure improvements which, if the application is successful, would result in up to approximately \$2.625 million required to be passed through to the City to deliver the City Transportation Projects; and

WHEREAS, the amount of funding for and scope of City Transportation Projects may be reduced depending on the final cost estimate for BART projects that will also be paid for out of the AHSC grant.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to negotiate, enter into and cause the City to perform its obligations under agreements (including amendments) Satellite Affordable Housing Associates and Resources for Community Development and their affiliates relating to grant applications to the California Affordable Housing and Sustainable Communities (AHSC) program for Blake Apartments and Maudelle Miller Shirek Community project-related transportation and infrastructure improvements, for a total amount up to \$4.047 million for City projects, and to accept and perform the grants if awarded.