Alameda-Contra Costa Transit District

STAFF REPORT

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: FY 2016-17 Affordable Housing & Sustainable Communities Grant Application for Parrot Street Project

ACTION ITEM

RECOMMENDED ACTION(S):

Consider adoption of Resolution No. 18-006 authorizing the General Manager, or his designee, to file an application and related documents under the FY2016-17 State of California’s Affordable Housing and Sustainable Communities program (“AHSC program”) as a joint applicant and joint grantee with Eden Housing (“Eden”) and with the City of San Leandro (“City”) in connection with the project at 1604 San Leandro Boulevard, San Leandro, California (the “project”).

BACKGROUND/RATIONALE:

Senate Bill 862 established a long-term funding framework and programmatic categories for California’s Cap and Trade funding. The AHSC program is one of those programs and is administered by the SGC and allocated by the Department of Housing and Community Development (HCD) through their funding agreements.

The AHSC program was created to reduce greenhouse gas emissions (GHGs) by creating more compact, infill development patterns, integrating affordable housing with sustainable transportation, and encouraging active transportation and transit usage. This is an ongoing program that, together with another funding program also administered by the SGC, will receive 20 percent of all Cap and Trade funds on an annual basis. Statutory requirements mandate that 50 percent of the entire program must be used for affordable housing and 50 percent must be spent in disadvantaged communities.

Eligible project applicants include government entities, transit agencies and developers. All of the proposed applications are led by the housing developers as the housing portion is the prominent and complex element. AC Transit is a co-applicant in each case along with the developer and the sponsoring city. In addition to the affordable housing component of the program, all applications are required to include a Sustainable Transportation Amenity (STA – in the District’s case, new hybrid expansion bus) and/or Transportation-Related Infrastructure component. This is where the District contributed to the applications.

This report concerns a development at 1604 San Leandro Boulevard in the City of San Leandro. The Parrot Street project is planned to be a 62 unit affordable housing development led by Eden Housing in partnership with the City of San Leandro. The District would be a partner to
the grant application that includes $800,000 in funds for a hybrid expansion bus to augment service within the project area. The application also includes $181,000 for three years of transit passes for the development and program administration. These funds will be paid to the District by the developer using ASCH grant funds.

Over the past several months, District staff has been working with Enterprise Community Partners (ECP), the Metropolitan Transportation Commission, developers and staff from the cities of Oakland, San Leandro and Alameda to collaborate on the five projects for the AHSC funding program for this round of applications. This represented a significant coordination effort, and District staff from Service Planning and Capital Planning and Grants spent a significant number of hours preparing applications and supporting data.

The District and the California State Department of Housing and Community Development (HCD) recently negotiated the necessary Indemnity Agreement and all funding agreements for the first development (Grayson Apartments) in the City of Berkeley. District staff and legal counsel are strongly recommending that the same set of agreement templates and language be used for this next round of applications. District Staff has provided potential partners with the agreement framework and have received verbal assurances that the language is acceptable.

**BUDGETARY/FISCAL IMPACT:**

A grant award would provide the District $800,000, which would fully fund the purchase of a hybrid bus. A grant award would also provide the developer with $181,000 to pay AC Transit for three years of transit passes for residents and administrative costs. No District funds would be required. Net proceeds to the District is $981,000.

**ADVANTAGES/DISADVANTAGES:**

Not applying for the funds would preclude the District from being able to replace one of the aging buses held in service for AC Go, and may significantly reduce the likelihood of the housing development being awarded funds.

Additionally, upon grant funding notification, joint applicants are required to sign and execute the SGC Standard Agreement to receive funding for the project, after which no joint applicant may be removed from the agreement. If any joint applicant declines the funding award, the entire grant award is cancelled and no portion of the project is funded.

**ALTERNATIVES ANALYSIS:**

Applications to this program start with affordable housing development opportunities where the developers have approached either their respective City and/or ECP. ECP functions as a “matchmaker” for projects around the region and helps coordinate the complicated applications. District staff then works with ECP and the cities to determine the projects that are most viable and where the District could benefit from investment and increase the chances of the application.

After reviewing over a dozen potential transit improvements to be paired with affordable housing developments, the Parrot Street project was one of five applications that advanced to
the full application stage. The project meets the primary needs of the District for new buses to round out its fleet for service expansion, and ECP and its partners believe that the full package of housing and transit elements is competitive for funds in this round.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 16-137a – Affordable Housing and Sustainable Communities Grant Award

ATTACHMENTS:

1. Resolution 18-006 – San Leandro – San Leandro Boulevard Development

Approved by: Claudia L. Allen, Chief Financial Officer
Reviewed by: Denise C. Standridge, General Counsel
Chris Andrichak, Director of Management and Budget
Michele Joseph, Director of Marketing and Communications
Nichele Laynes, Marketing Manager

Prepared by: Phillip Halley, Senior Capital Planning Specialist
Peter Brown, Capital Planning and Grants Manager
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
RESOLUTION NO. 18-006

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO FILE AN APPLICATION AND RELATED DOCUMENTS UNDER THE STATE OF CALIFORNIA’S AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM (“AHSC PROGRAM”) AS A JOINT APPLICANT AND JOINT GRANTEE WITH EDEN HOUSING (“EDEN”) AND WITH THE CITY OF SAN LEANDRO (“CITY”) IN CONNECTION WITH THE PROJECT AT 1604 SAN LEANDRO BOULEVARD, SAN LEANDRO, CALIFORNIA (THE “PROJECT”).

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 Alameda-Contra Costa Transit District (Applicant) desires to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program; 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. The Department is authorized to administer the approved funding allocations of the AHSC Program;

NOW THEREFORE, the Board of Directors of the Alameda-Contra Costa Transit District does resolve as follows:

Section 1. Applicant is hereby authorized and directed to apply for and submit to the Department the AHSC Program Application as detailed in the NOFA dated October 2, 2017, for Round 3 in a total amount not to exceed $12,000,000 of which $8,000,000 is requested as a loan for an Affordable Housing Development (AHD) (“AHSC Loan”) and $4,000,000 is requested for a grant for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities (“AHSC Grant”) as defined in the AHSC Program Guidelines adopted by SGC on July 17, 2017 errata August 14, 2017. If the application is approved, the Applicant is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed $12,000,000 ($8,000,000 for the AHSC Loan and $4,000,000 for the AHSC Grant), and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the “AHSC Documents”).

Section 2. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and
timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

Section 3. The General Manager or his designee is authorized to execute in the name of Applicant the AHSC Program Application Package and the AHSC Program Documents as required by the Department for participation in the AHSC Program.

Section 4. The resolution shall become effective immediately upon its passage by four affirmative votes of the Board of Directors.

PASSED AND ADOPTED this 10th day of January, 2018.

________________________________________
Elsa Ortiz, President

Attest:

________________________________________
Linda A. Nemeroff, District Secretary

I, Linda A. Nemeroff, District Secretary for the Alameda-Contra Costa Transit District, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors held on the 10th day of January, 2018, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

________________________________________
Linda A. Nemeroff, District Secretary

Approved as to Form and Content:

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Denise C. Standridge, General Counsel