



**MEMORANDUM**

**DATE:** September 20, 2022

**TO:** Adam Politzer, Interim City Manager

**FROM:** Charles S. Bryant, Community Development Director

**SUBJECT:** **Resolution Of The City Council Of The City Of Emeryville In Support Of Resources For Community Development's Application To The State Of California Department Of Housing And Community Development For Infill Infrastructure Grant Program ("IIG") Funding For The Nellie Hannon Gateway Project Located At 3600, 3610 And 3620 San Pablo Avenue**

**RECOMMENDATION**

Staff recommends that the City Council adopt the attached resolution authorizing the Mayor to sign a letter of support for Resources for Community Development's ("RCD") application for an Infill Infrastructure Grant ("IIG") from the California Department of Housing and Community Development ("HCD") for an affordable housing project at 3600, 3610 and 3620 San Pablo Avenue (the "Nellie Hannon Gateway Project").

**BACKGROUND**

In September 2019, the City Council provided direction to staff to prepare a \$2,000,000 loan to support RCD's acquisition of three separate but contiguous parcels: 3600 San Pablo Avenue (APN 049-0950-006-01, 0.14 acres), 3610 San Pablo Avenue (APN 049-0950-008-01, 0.11 acres), and 3620 San Pablo Avenue (APN 049-0950-001-00, 0.14 acres) for a total area of 0.39 acres (the "Site"). In November 2019, the loan document was approved and RCD acquired the Site.

On October 20, 2020, the Community Development Director approved the zoning application in compliance with SB35 and AB1763 to develop a new seven-story building with 89 affordable residential units and one resident manager's unit, with ground floor commercial space for the Emeryville Citizens Assistance Program ("ECAP"). Zoning applications processed under SB35 are granted ministerial approval (i.e. at staff level) and AB1763 requires no density limit for projects located within one-half mile of transit.

The entitled project includes a seven-story apartment building containing 90 residential units and 4,600 square feet of commercial space for ECAP to continue providing food distribution for low-income residents. All of the units, except the manager's unit, will be

affordable to extremely low and low-income households (i.e. 30-60% Area Median Income). Community spaces will include a community room with a common kitchen, flexible amenity space, and outdoor space located on the second floor. Property management and resident services offices will also be located on site. The property will provide 30 parking spaces and secure storage for at least 90 bicycles. At least twenty-five percent of the units will be reserved for formerly homeless households that include a member living with a severe mental illness. An RCD Resident Service Manager will serve all residents, and a third-party case management provider will serve the formerly homeless households.

On January 19, 2021, the City Council authorized the City Manager to commit the City to a development loan for \$14,747,486 to support the construction cost of the project, bringing the total City investment to \$16,747,486. RCD has been successful in being awarded No Place Like Home and Affordable Housing and Sustainable Communities funding from HCD to support the project.

## **DISCUSSION**

HCD issued a Notice of Funding Availability on June 16, 2022 for the IIG program. The primary objective of the IIG program is to promote infill housing development by providing financial assistance for infrastructure improvements necessary to facilitate new infill housing development. Under the program, grants are available as gap funding for infrastructure improvements necessary for specific residential or mixed-use infill development projects or areas. Both infill projects and areas must either have been previously developed or be largely surrounded by development.

Eligible improvements include development or reconstruction of parks or open space, water, sewer or other utility service improvements, streets, roads, parking structures, transit linkages, transit shelters, traffic mitigation features, sidewalks, and streetscape improvements.

Applications submitted must include a resolution or letter of support from the local jurisdiction providing support for the proposed project and must be submitted by September 30, 2022. The attached Resolution and letter of support provides City Council support for the proposed project and funding application for IIG.

## **FISCAL IMPACT**

None.

## **STAFF COMMUNICATION WITH THE PUBLIC**

None.

## CONCLUSION

Staff recommends that the City Council adopt the attached resolution authorizing the Mayor to sign a letter of support for RCD's application for IIG funding in support of the Nellie Hannon Gateway project.

**PREPARED BY:** Valerie Bernardo, Community and Economic Development Coordinator II

**REVIEWED BY:** Chadrick Smalley, Deputy Director of Community Development

## APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



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Adam Politzer, Interim City Manager

## ATTACHMENTS

- Draft Resolution, including Exhibit A – Support Letter