



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 6, 2017

TO: Carolyn Lehr, City Manager

FROM: Charles S. Bryant, Community Development Director

SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The Execution Of The State Of California Standard Agreement For The Affordable Housing And Sustainable Communities Grant Program For The 3706 San Pablo Avenue Affordable Housing Project**

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution authorizing the execution of a standard agreement for the Affordable Housing and Sustainable Communities (AHSC) Grant Program for the 3706 San Pablo Avenue Affordable Housing Project.

BACKGROUND

In December 2010 and June 2011, prior to its dissolution, the Emeryville Redevelopment Agency purchased 3706 San Pablo Avenue and 1025 West MacArthur Boulevard, respectively, (the "Site") and assembled the two properties as a 1.2-acre parcel for an affordable housing development. The Site was acquired by the former Redevelopment Agency with funding from its Low and Moderate Income Housing Fund. Following dissolution of Redevelopment, the Site was transferred from the Successor Agency to the City as Housing Successor, with the approval of the Emeryville Oversight Board and the California Department of Finance. Accordingly, the Site is a housing asset of the City as Housing Successor and must be developed with affordable housing.

On October 15, 2013, after circulating a Request for Qualifications/Proposals for development of the Site with affordable housing, the Council selected EAH Housing (EAH) as the developer and on June 23, 2014, the City entered into an Exclusive Right to Negotiate (ERN) with EAH. During the term of the ERN, EAH and the City negotiated a Ground Lease Disposition and Development Agreement (DDA) and entitlements were approved for an affordable housing project, described in more detail below.

Project Description

The 3706 San Pablo Avenue Project (Project) includes 87 units, of which one is a three-bedroom market rate manager's unit and the other 86 units are affordable units. The 86 affordable units include 4 studios, 8 one-bedroom units averaging 680 square feet, 45

two-bedroom units averaging 950 square feet, 22 three-bedroom units averaging 1,290 square feet, and 7 four-bedroom units averaging 1,400 square feet. The units are stacked flats in a four-story wood framed structure over a parking podium with a brick façade, and will include five units intended to be designated as Housing Opportunities for Persons with AIDS (HOPWA) depending on funding. The residential units are arranged around the perimeter of the podium, creating a central courtyard of approximately 6,750 square feet for active and passive children's play equipment, landscaping and outdoor furniture. The main entrance to the Project is at the northwest corner of the Site where San Pablo Avenue and West MacArthur Boulevard intersect, with adjacent community space, and approximately 7,000 square feet of commercial space fronting San Pablo Avenue. The Project will provide approximately 102 parking spaces, including 87 resident spaces, 3 guest spaces, and 12 retail spaces. The building height is approximately 60 feet.

On April 16, 2015, the City Council adopted Resolution No. 15-32 and the City entered into the DDA with EAH. One of the obligations of EAH under the DDA is to secure funding for construction of the Project. The City and EAH identified the Affordable Housing and Sustainable Communities (AHSC) program as a potential funding source for the Project, and on May 5, 2015, the City Council adopted Resolution 15-39 authorizing the City and EAH to jointly apply for funds from the AHSC program.

For applications for affordable housing development funds, the AHSC program requires the inclusion of a transportation infrastructure project that benefits the proposed affordable housing. Accordingly, the joint application for AHSC program funds requested \$5,400,000 for construction of the Project, \$32,400 to subsidize transit passes for future residents of the Project, and \$100,000 for median improvements at 40th Street and San Pablo (Median Improvements).

The application was successful, and a total of \$5,532,400 in AHSC Program funds were awarded in the form of a \$5,400,00 loan and \$32,400 grant to EAH for Project construction and transit passes, respectively; and a \$100,000 grant to the City for the Median Improvements.

DISCUSSION

In order to access the AHSC funds, the City and EAH must together enter into a standard agreement with the California Department of Housing and Community Development (HCD).

HCD requires a resolution of the governing body of the grant recipient authorizing the execution of the standard agreement. On January 17, 2017 the City Council adopted Resolution No. 17-07 based on a template from HCD which authorized execution of the standard agreement; however, the resolution only referenced the \$100,000 grant for the Median Improvements as these are the only AHSC funds that will be used for City expenditures.

HCD later informed staff that the authorizing resolution must reference the entire AHSC program funds amount awarded to the project, including the loan and grant to be administered by EAH, because the City is a joint applicant and will be required to execute both the loan and grant agreements.

Consequently, the attached resolution includes all of the AHSC funds awarded to the project, and has been reviewed by HCD.

FISCAL IMPACT

Adoption of the attached resolution allows EAH and the City to access AHSC funds required for the completion of the Project.

STAFF COMMUNICATION WITH THE PUBLIC

There was no staff communication with the public.

LEGAL CONSIDERATIONS

The City Attorney has reviewed and approved as to form the resolution accompanying this staff report.

CONCLUSION

Staff recommends that the City Council adopt the attached resolution authorizing the execution of a standard agreement for the Affordable Housing and Sustainable Communities (AHSC) Grant Program for the 3706 San Pablo Avenue Affordable Housing Project.

PREPARED BY: Chadrick Smalley, Economic Development and Housing Manager

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE**



Carolyn Lehr, City Manager

ATTACHMENTS

1. Resolution