



Legislation Text

File #: 24-044, **Version:** 1

Adopt a Resolution to Approve and Authorize the City Manager to Execute an Agreement with Pacific West Communities and the Bay Area Rapid Transit District, Submit an Application to the California Department of Housing and Community Development for Affordable Housing and Sustainable Communities Program Funds, and Execute Documents to accept the Program Funds

COUNCIL PRIORITY

- Housing and Homelessness
- Infrastructure
- Sustainability & Resiliency
- Fiscal Sustainability and Transparency
- Community & Business Development

SUMMARY

The Resolution would approve and authorize the City Manager to submit an application in conjunction with Pacific West Communities for funds to support the Bay Fair Apartment project, entering into an agreement with the Bay Area Rapid Transit District (BART) for construction of certain transportation-related amenities and improvements, and if funding is awarded, authorize execution of documents required to receive funds.

RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution to approve and authorize the City Manager to enter into an agreement with Pacific West Communities and the Bay Area Rapid Transit District (BART) as required by the Affordable Housing and Sustainable Communities Program guidelines, and if funding is awarded, authorize execution of documents required to receive funds.

BACKGROUND

The Affordable Housing and Sustainable Communities (AHSC) Program provides loans and grants for projects that provide affordable housing and pedestrian, bicycle, and transit facilities. The program is funded from California's cap and trade emission reduction program. Applications require a partnership between a housing developer and a public agency and all parties are required to enter into an agreement as required by the program guidelines. BART is concurrently seeking approval from its Board to enter into the same agreement with the City and Pacific West Communities.

Pacific West Communities has prepared plans for Bay Fair Apartments, a 497-unit housing project that qualifies as an affordable housing project and was entitled through the State's streamlined SB (Senate Bill) 35 process. The project is located in the Bay-Fair Transit-Oriented Development (TOD)

area and advances the goals of the Bay Fair TOD Specific Plan, the 2023-2031 Housing Element, and the City Council 2023 Priority Housing and Homelessness Work Plan. The City plans to construct 2 lane miles of class IV protected bike lanes along Bancroft Avenue between E.14th Street and 138th Ave and Hesperian Boulevard between Louise Street and Bayfair Drive, and install 2000 linear feet of pedestrian improvements along Bancroft Avenue between E. 14th Street and 138th Avenue. BART plans to install new fare gates and new two rail cars for increased capacity. On February 28, 2024, the City received notice from BART that they cannot commit to the purchase of the two new rail cars originally scoped in this grant application, BART will continue with the transit related amenities scope for installing new fare gates as a partner in the AHSC application. The agreement in Attachment B reflects as such. Combined, these projects still meet the goals of the AHSC program and are likely to be funded. A prior application was approved by City Council on March 20, 2023 but was not awarded by the grantor. Revisions have been made to the scope of work to maximize the project's scoring potential.

ANALYSIS

Staff proposes that the City partner with Pacific West Communities and submit a funding application for up to \$50,000,000 consisting of up to \$35,000,000 as a loan for the Bay Fair Apartment project and up to \$15,000,000 as a grant for pedestrian, bicycle, and transit improvements. If the City decides not to partner with Pacific West Communities, they will be unable to apply for the funds.

Staff proposes that the City enter into an agreement with BART obligating BART to construct the pedestrian and transit improvements previously listed and obligating the City to forward up to \$7,000,000 in AHSC grant funds to BART for the work.

Staff proposes that if AHSC awards funding for the project, the City accept the funds and execute all documents required to obtain the funding.

If funding is awarded, the City will be responsible for construction of the bicycle and pedestrian improvements previously listed and will receive \$8,000,000 for the work. BART will be responsible for the transit improvements previously listed and will receive \$7,000,000 for the work, and Pacific West Communities will receive a loan of \$35,000,000 for construction of Bay Fair Apartments. Failure to complete any aspect of the project will likely require returning the funds and may impact the City's future ability to compete for grant funds.

Financial Impacts

There is no impact on the general fund. There is no required local match for the grant.

ATTACHMENTS

Attachment A: AHSC Cycle 8 Resolution

Attachment B: Draft AHSC Agreement 2024

PREPARED BY: Robin Chee, Assistant Engineer, Public Works Department - Engineering