



Office of the City Manager

CONSENT CALENDAR
January 22, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Kelly Wallace, Director, Health, Housing & Community Services
Phillip L. Harrington, Director, Public Works

Subject: Grant Application: California Affordable Housing and Sustainable Communities Infrastructure and Agreements in Connection with Proposed Berkeley Way Project

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to negotiate, enter into and cause the City to perform its obligations under one or more agreements (including amendments) with the BRIDGE Housing Corporation, Berkeley Food and Housing Project (BFHP), and/or their affiliates (including BRIDGE Berkeley Way LP and BFHP Hope Center LP), relating to a grant application to the California Affordable Housing and Sustainable Communities (AHSC) Program for Berkeley Way project-related transportation and infrastructure improvements, for a total amount up to \$3,800,000 for City-projects, and to accept and perform the grant if awarded.

FISCAL IMPACTS OF RECOMMENDATION

The project team will also apply directly to the state for about \$14M for housing development from the same source. That segment of the application does 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.

If awarded, this AHSC application would bring up to \$3,800,000 of competitive grant revenue to the Fund 344 for bicycle and pedestrian 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 application is successful.

The grant program requires that each project be 90% funded between the AHSC grant funds and funds already committed. Based on current project cost estimates, the projects would be 100% funded between the AHSC grant funds and funding already committed.

If the AHSC grant application is successful, the City will need to complete the agreed projects within three years of the grant award. 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, (iii) to not seek reimbursement for any grant amounts not otherwise spent on the projects, and (iv) to be responsible for certain damages suffered by other Berkeley Way project parties (including the project sponsors, lenders and AHSC) caused by any City breach or default, including completion delays.

CURRENT SITUATION AND ITS EFFECTS

BRIDGE and BFHP proposed to apply for AHSC funds for the proposed Berkeley Way project. On March 13, 2018, Council directed staff to prioritize all actions needed to meet AHSC deadlines. In order for the project to be eligible for about \$14M in housing development funds, the application also needs to include about \$6M in transportation and infrastructure improvements consistent with a complex system of priorities, for a total funding request of about \$20M.

The Berkeley Way project team, City staff, BART staff, and AC Transit staff have met multiple times over the past year to identify a total of \$6M of transportation and infrastructure projects meeting the applicable criteria. City participation will not be required for the BART and AC Transit projects. The full \$6M of proposed transportation and infrastructure improvements are:

- \$900,000 for BART to purchase and install bike lockers at the North Berkeley BART station and to install a cycletrack at the station. These are part of BART's larger station area improvement project which includes Ohlone Greenway crossing improvements and a Delaware Street protected bikeway, which were identified in the City's Bicycle Plan. BART will enter into one or more separate agreements with the Berkeley Way project sponsors to apply for and receive these funds, and deliver the improvements.
- \$1.3M for AC Transit to purchase new zero-emissions buses for use on the F line through Berkeley as part of the Transbay Tomorrow improvements. AC Transit will also enter into one or more separate agreements with the Berkeley Way project sponsors to apply for and receive these funds, and deliver the improvements.
- \$3.8M for City projects identified below.

The following table shows two alternatives for the \$3.8M in proposed City projects:

<i>City Transportation Projects (if the Milvia Bikeway project does not receive an Active Transportation Program (ATP) grant in January 2019)</i>	AHSC Funds Requested	Current City Cost Estimates	Amounts of Remaining Identified Funds
Milvia Bikeway – Hearst to Allston (source: 2017 Bicycle Plan)	\$2,264,000	\$2,659,000	\$395,000*
Addison Bike Boulevard – Sacramento Street to Martin Luther King, Jr. Way (source: 2017 Bicycle Plan)	\$775,000	\$ 775,000	\$0
University Avenue Transit Priority Street – sidewalk bulbouts with bus stops at Grant & Sacramento St. (source: Pedestrian Master Plan)	\$600,000	\$ 600,000	\$0
Southside Complete Streets project – matching funds for already-acquired \$7M federal grant (source: Berkeley Strategic Transportation Plan)	\$161,000	\$8,043,602	\$7,882,602**
Total	\$3,800,000	\$12,077,602	\$8,277,602
<i>Alternative City Projects (if the Milvia Bikeway project does receive an Active Transportation Program (ATP) grant in January 2019)</i>	AHSC Funds Requested	Current City Cost Estimates	Amounts of Remaining Identified Funds
Shattuck intersection pedestrian safety treatments and bus stop bulbouts – Berkeley Way to Vine Street (source: Pedestrian Master Plan)	\$2,890,000	\$2,890,000	\$0
Addison Bike Boulevard – Sacramento Street to Martin Luther King, Jr. Way (source: 2017 Bicycle Plan)	\$775,000	\$ 775,000	\$0
Southside Complete Streets project – matching funds for already-acquired \$7.1M federal grant (source: Berkeley Strategic Transportation Plan)	\$135,000	\$8,043,602	\$7,908,602**
Total	\$3,800,000	\$11,708,602	\$7,908,602

*\$350,000 from a grant from the Alameda County Transportation Commission for preliminary engineering and the environmental study using Alameda County Measure B Discretionary Bicycle and Pedestrian Program funding; \$45,000 from the City's Direct Local Distribution funding from the Alameda County Measure BB Bicycle and Pedestrian Program.

** \$7.121M from a federal grant; the remainder of the funding has been identified and programmed from University of California Long-Range Development Plan (UC LRDP) settlement agreement funding.

All required actions under the California Environmental Quality Act (CEQA) and, with respect to the projects receiving federal funding, the National Environmental Policy Act (NEPA) will be taken. At this time, there is no known opposition to any of the proposed City projects. Since all of them have been generally known for some time, the City would generally have already learned of any opposition. Staff is not aware of any other reason why CEQA and NEPA approvals would not be timely obtained. While there are no guarantees, City staff therefore understands the City will timely receive all required CEQA and NEPA approvals.

The attached resolution would allow the City Manager to negotiate and execute one or more agreements with the BRIDGE Housing Corporation, Berkeley Food and Housing Project (BFHP), and their affiliates (including BRIDGE Berkeley Way LP and BFHP Hope Center LP) agreeing to accept grant funds and complete the proposed City projects if the funds are awarded. As required by AHSC rules, it would also enable the transportation and infrastructure portion of the Berkeley Way funding application to rely on the City's extensive experience with similar projects, without requiring the City to act as a co-applicant for the entire AHSC project grant application. Under the attached resolution, direct agreements between the City and other Berkeley Way project parties (such as lenders) would require separate Council approval.

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, BRIDGE hired Enterprise, which worked with 15 of the 25 AHSC applications funded in 2017. Enterprise is providing technical assistance on developing a competitive application for the Berkeley Way project. Enterprise advises that to be competitive the application needs to include:

- Two miles of bike lanes that connect to key destinations and/or close key network gaps, or two miles of streets with new sidewalk or pedestrian crossing improvements at sequential intersections, or a combination of both;
- Sustainable Transportation Infrastructure (STIs) such as transit, bike lanes, sidewalks, and crosswalks; and
- Transportation-Related Amenities (TRAs) such as bike parking, repair kiosks, and bus shelters. The BART bike lockers and bus bulbouts satisfy this category.
- Significant reductions to greenhouse gases as measured on a quantitative tool. AC Transit's buses are an important component to this part of the application.

Enterprise has indicated its belief that the proposed BART, AC Transit and City projects above should satisfy these criteria.

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 33% below year 2000 levels by the year 2020, and 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 \$3.8M directly to the City, and another \$2.2M to BART and AC Transit, for bicycle, pedestrian and transit improvements in Berkeley at the same time that the program provides funding for affordable housing in the proposed Berkeley Way project. If the grant application is successful, staff believes that the City will need only the already-committed funds from the UC Long-Range Development Plan Settlement Agreement of not more than \$787,602 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

Staff have not identified an alternative action that is consistent with Council’s March 13, 2018 direction to prioritize all actions needed to meet AHSC deadlines.

CONTACT PERSON

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Beth Thomas, Principal Planner, Public Works, (510) 981-7068

Attachments:

1: Resolution

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

CALIFORNIA AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES
INFRASTRUCTURE GRANT APPLICATION AND AGREEMENT WITH PROPOSED
BERKELEY WAY PROJECT

WHEREAS, Milvia Bikeway and the Addison Bike Boulevard were identified in the Berkeley Bicycle Plan (2017); and

WHEREAS, Shattuck intersection treatments from Berkeley Way to Vine Street and sidewalk bulbouts at the University Avenue intersections with Grant and Sacramento Streets were identified in the Berkeley Pedestrian Master Plan; and

WHEREAS, the Southside Complete Streets project was identified in the Berkeley Strategic Transportation Plan; 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, Shattuck Avenue and University Avenue are identified in the City General Plan as Primary Transit Routes; and

WHEREAS, the Milvia Bikeway, Addison Bike Boulevard, University Avenue Transit Priority Street and Southside Complete Streets project are referred to as the “City Transportation Projects,” and the Shattuck intersection treatments and sidewalk bulbouts, Addison Bike Boulevard and Southside Complete Streets project are referred to as the “Alternative City Projects;” and

WHEREAS, the City selected the BRIDGE Housing Corporation and the Berkeley Food and Housing Project acting in partnership to develop the City-owned site at 2012 Berkeley Way into affordable housing, permanent supportive housing, temporary housing and shelter for the homeless and homeless service space, and entered into a Disposition and Development Agreement dated June 8, 2016, as amended, relating to the proposed development of the site; and

WHEREAS, the City Transportation Projects and Alternative City Projects are all related to the proposed Berkeley Way project; and

WHEREAS, the BRIDGE Housing Corporation and the Berkeley Food and Housing Project, and/or their affiliates (including BRIDGE Berkeley Way LP and BFHP Hope Center LP), propose to apply for California Affordable Housing and Sustainable Communities (AHSC) funding for about \$20M in housing, transportation and infrastructure improvements in February 2019 which, if the application is successful, would result in up to approximately \$3.8M required to be passed through to the City to deliver either the City

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Transportation Projects (if the Milvia Bikeway project does not receive an Active Transportation Program (ATP) grant in January 2019) or the Alternative City Projects (if the Milvia Bikeway project does receive an ATP grant in January 2019); and

WHEREAS, the Council of the City of Berkeley on March 13, 2018 directed staff to prioritize all actions needed to meet AHSC deadlines.

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 one or more agreements (including amendments) with the BRIDGE Housing Corporation, Berkeley Food and Housing Project (BFHP), and their affiliates (including BRIDGE Berkeley Way LP and BFHP Hope Center LP), relating to a grant application to the California Affordable Housing and Sustainable Communities (AHSC) program for Berkeley Way project-related transportation and infrastructure improvements, for a total amount up to \$3,800,000 for City-projects, and to accept and perform the grant if awarded.