



Office of the City Manager

CONSENT CALENDAR
February 11, 2020

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Kelly Wallace, Interim Director, Health, Housing & Community Services
 Subject: Jointly Apply for Infill Infrastructure Grant Funding for Projects Seeking City Funding through the 2019 Housing Trust Fund Request for Proposals

RECOMMENDATION

Adopt two resolutions that enable affordable housing development projects that applied for City funding through the 2019 Housing Trust Fund Request for Proposals to access State of California Infill Infrastructure Grant (IIG) funds by:

1. Authorizing the City Manager to prepare and submit a joint application with each of the following developers proposing to use IIG funds:
 - a. Satellite Affordable Housing Associates (for Blake Apartments at 2527 San Pablo);
 - b. Resources for Community Development (for Maudelle Miller Shirek Community at 2001 Ashby); and
2. Authorizing the City Manager to take actions needed for the City's participation in the IIG program by adopting state-required terms about submitting applications, entering into the State's Standard Agreement and other documents.

FISCAL IMPACTS OF RECOMMENDATION

There are no direct fiscal impacts for being a joint applicant for IIG funds. If awarded, the funds will go directly to the project sponsors. However, as a joint applicant, the City may share responsibility for completing the affordable housing development. Staff will evaluate the requirements and risks, and if needed, enter into side agreements with project sponsors to clarify responsibilities and mitigate risk to the City. If successful, the applications would bring up to \$12.5M in financing for local affordable housing projects.

CURRENT SITUATION AND ITS EFFECTS

City Council passed Resolution Number 69,211-N.S. on December 10, 2019, authorizing the City to jointly apply for Infill Infrastructure Grant (IIG) funding with developers that applied for City funding through the 2019 Housing Trust Fund Request for Proposals (HTF RFP). The December 10 IIG staff report acknowledged that the IIG Notice of Funding Availability did not include a resolution template. On December 31,

2019 the state released its IIG resolution requirements. Resolution Number 69,211-N.S. did not include all of the state's required language and therefore is not sufficient for the application due on February 18, 2020. The attached resolutions, one for each project applying for IIG funds in the current round include all the required elements, and will enable both applications to proceed.

The following projects received funding reservations through the City's 2019 Housing Trust Fund RFP and are now seeking IIG funding from the state:

- Satellite Affordable Housing Associates for 2527 San Pablo (Blake Apartments)
- Resources for Community Development for 2001 Ashby Avenue (Maudelle Miller Shirek Community)

BRIDGE Housing Corporation was awarded funding through the 2019 HTF RFP but is not pursuing IIG funds at this time. Jointly applying for IIG funds is a Strategic Plan Priority Project, advancing our goal to create affordable housing and housing support service for our most vulnerable community members.

BACKGROUND

IIG promotes infill housing development and funds infrastructure improvements related to site preparation or demolition, utility service, pedestrian and bicycle infrastructure, environmental remediation, and other improvements related to the affordable housing development.

Other state funding programs have required joint applications between the City and developer, and the City submitted successful joint applications for Affordable Housing and Sustainable Communities funds (for Grayson Apartments at 2748 San Pablo) and No Place Like Home funds (for Berkeley Way and Maudelle Miller Shirek Community). Joint applicants are typically required to accept joint liability, but the City and joint applicant may enter into a side agreement that establishes project responsibilities and indemnifies the City. Joint applications also demonstrate the City's commitment to advancing affordable housing locally.

ENVIRONMENTAL SUSTAINABILITY

There are no environmental sustainability effects directly associated with the recommendations in this report.

RATIONALE FOR RECOMMENDATION

The Council already approved acting as a joint applicant on both applications with Resolution Number 69,211-N.S. on December 10, 2019. The attached resolutions are consistent with that action, and add the state's preferred language and certain details such as the project name to the resolutions.

ALTERNATIVE ACTIONS CONSIDERED

The City could submit noncompliant resolutions with the IIG application. The state will require compliant resolutions that contain the language required for IIG joint applications. Submitting noncompliant resolutions could delay each project and would not be consistent with the City's Strategic Plan goal; it is therefore not recommended.

CONTACT PERSON

Jenny Wyant, Community Development Project Coordinator, HHCS, 510-981-5228

Attachments:

- 1: Resolution – Authorization to Jointly Apply for an Award from the Infill Infrastructure Program for Blake Apartments
- 2: Resolution – Authorization to Jointly Apply for an Award from the Infill Infrastructure Program for Maudelle Miller Shirek Community

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

AUTHORIZATION TO JOINTLY APPLY FOR AN AWARD FROM THE INFILL
INFRASTRUCTURE PROGRAM FOR BLAKE APARTMENTS

WHEREAS, the City of Berkeley ("City" or "Recipient"), a California charter city, wishes to apply for and receive an allocation of funds through the Infill Infrastructure Grant Program ("IIG"); and

WHEREAS, the City will jointly apply for IIG funds with Satellite Affordable Housing Associates for Blake Apartments located at 2527 San Pablo Avenue; and

WHEREAS, The State of California Department of Housing and Community Development (the "Department") has issued a Notice of Funding Availability ("NOFA") for IIG established under Assembly Bill 101 (Chapter 159, Statutes of 2019) and Part 12.5 (commencing with section 53559) of Division 31 of the Health and Safety Code, which authorizes the Department to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the IIG Guidelines implemented October 30, 2019.

NOW, THEREFORE, BE IT RESOLVED that the Recipient pursuant to the above-described Notice of Funding Availability wishes to apply for and receive an allocation of funds in an amount not to exceed \$5 million (the "IIG Grant").

BE IT FURTHER RESOLVED, that in connection with the Recipient's IIG Grant, the Recipient is authorized and directed to enter into, execute, and deliver a State of California Standard Agreement, and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of the above resolution, in order to evidence the IIG Grant, the Recipient's obligations related thereto, and the Department's security therefore; including, but not limited to, an affordable housing covenant, a performance deed of trust, a disbursement agreement, and certain other documents required by the Department as security for, evidence of or pertaining to the IIG Grant, and all amendments thereto (collectively, the "IIG Grant Documents").

BE IT FURTHER RESOLVED that the City Manager or his or her designee is hereby authorized to execute the IIG Grant Documents, and any amendment or modifications thereto, on behalf of the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its passage.

February 11, 2020

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

AUTHORIZATION TO JOINTLY APPLY FOR AN AWARD FROM THE INFILL
INFRASTRUCTURE PROGRAM FOR MAUELLE MILLER SHIREK COMMUNITY

WHEREAS, the City of Berkeley ("City" or "Recipient"), a California charter city, wishes to apply for and receive an allocation of funds through the Infill Infrastructure Grant Program ("IIG"); and

WHEREAS, the City will jointly apply for IIG funds with Resources for Community Development for Maudelle Miller Shirek Community located at 2001 Ashby Avenue; and

WHEREAS, The State of California Department of Housing and Community Development (the "Department") has issued a Notice of Funding Availability ("NOFA") for IIG established under Assembly Bill 101 (Chapter 159, Statutes of 2019) and Part 12.5 (commencing with section 53559) of Division 31 of the Health and Safety Code, which authorizes the Department to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms and conditions of the statute and the IIG Guidelines implemented October 30, 2019.

NOW, THEREFORE, BE IT RESOLVED that the Recipient pursuant to the above-described Notice of Funding Availability wishes to apply for and receive an allocation of funds in an amount not to exceed \$7.5 million (the "IIG Grant").

BE IT FURTHER RESOLVED, that in connection with the Recipient's IIG Grant, the Recipient is authorized and directed to enter into, execute, and deliver a State of California Standard Agreement, and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of the above resolution, in order to evidence the IIG Grant, the Recipient's obligations related thereto, and the Department's security therefore; including, but not limited to, an affordable housing covenant, a performance deed of trust, a disbursement agreement, and certain other documents required by the Department as security for, evidence of or pertaining to the IIG Grant, and all amendments thereto (collectively, the "IIG Grant Documents").

BE IT FURTHER RESOLVED that the City Manager or his or her designee is hereby authorized to execute the IIG Grant Documents, and any amendment or modifications thereto, on behalf of the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its passage.

