



---

***MEMORANDUM***

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** JOHN A. FLORES

**SUBJECT:** Cap and Trade Applications

**DATE:** March 26, 2015

---

**INFORMATION**

The purpose of this informational memo is to provide the Mayor and City Council with an update on the State Affordable Housing and Sustainable Communities (AHSC) grant program, one of a number of funding opportunities included in the State Cap-and-Trade program. This year, the AHSC grant program provides \$120 million in grants and/or loans to capital projects that can achieve significant Green House Gas (GHG) reductions and benefit disadvantaged communities. The state has identified two project types to implement this strategy: Transit Oriented Development (TOD) Projects, or Integrated Connectivity Project (ICP) Projects – All Oakland applications went in as TOD applications. Award amounts for projects this category range from a minimum \$1 million to a maximum of \$15 million. Additionally, there is a \$15 million jurisdictional cap that limits the overall amount that projects within the City of Oakland can receive for this competitive grant. The total value of the four projects that advanced to the full proposal stage is \$19.58 M. This means that the requests exceed the jurisdictional cap by \$4.58 M, and the State will decide on the final funding amounts.

For the first phase of the application, applicants were required to submit initial concept proposals and only those selected to advance to the second phase would be eligible to submit full proposals for consideration. The City and our community partners submitted a total five proposals for the concept phase, four of which were selected to submit full proposal (See *Table 1* below). The fifth proposal (Fruitvale Transit Village, Phase II) was NOT selected to submit a full proposal. Statewide, a total of 147 proposals were submitted for the initial concept stage and 54 were selected to submit for full proposals, which are due April 20, 2015.

To: HONORABLE MAYOR AND CITY COUNCIL  
 Subject: Cap and Trade Applications  
 Date: March 26, 2015

---

**Table 1: Oakland Concept Project Proposals**

<b>Project</b>	<b>Status</b>	<b>Lead - Applicant</b>	<b>Co-Applicant</b>	<b>AHSC Funding Request</b>
West Grand and Brush Street – Phase I	Selected for Full Proposal	East Bay Asian Local Dev. Corp.	City	\$8.83 million
Camino 23 at International Boulevard and 23 <sup>rd</sup> Avenue	Selected for Full Proposal	SAHA Homes	City	\$4 million
14 <sup>th</sup> St. Civic Center TOD	Selected for Full Proposal	Meta Housing	City	\$1.75 million
94 <sup>th</sup> and International	Selected for Full Proposal	City	RELATED Housing	\$5 million
Fruitvale Transit Village Phase II	Not Selected for Full Proposal	Unity Council and L&M Development	City	\$3.57 million

**Cap and Trade Program**

California’s Cap-and-Trade program started in 2012 to reduce GHG emissions by the year 2050. The money generated from emissions auctions will be spent in the areas of Sustainable Communities Strategies, Energy Efficiency and Clean Energy, and Natural Resources and Waste Diversion. The FY 2014-15 Adopted State Budget included \$832 million of Cap-and-Trade proceeds to be distributed through a competitive grants process to support existing and pilot programs that will reduce GHG emissions and meet SB 535 (Cap-Trade Program) goals, which requires that a portion of the auction proceeds assist the most disadvantaged communities. Cap-and-Trade funds will be available on an annual basis; this is the first year AHSC funds have been available to support housing and transportation capital projects.

**AHSC Program Summary**

Under the Sustainable Communities and Clean Transportation Investment Category, \$120 million was made available in the Affordable Housing and Sustainable Communities Program. Administered by the California Strategic Growth Council with the California Department of Housing and Community Development (HDC), the program focuses on the implementation of the transportation, housing, and infrastructure component of the AHSC Program. The awards provide grants and/or loans to projects that can achieve significant GHG reductions, and benefit Disadvantaged Communities through increasing the accessibility of affordable housing, employment centers, and key destinations. Eligible projects must be “shovel ready,” include capital infrastructure and lessen vehicles miles traveled by connecting communities to low carbon transportation options and incentivizing mode shift to public transit, bicycling, or walking. HDC identified TOD and ICP Project Area types to implement this strategy; these two project area types have slightly different application requirements and budget ranges.

All five of the projects that were submitted in coordination with the City were TOD Project applications, and per AHSC program requirements, include: an affordable housing development, at least one transit station/stop, and a transportation-related infrastructure capital project.

### **Oakland Projects**

All five projects that pursued AHSC funding are in Oakland neighborhoods that are adversely impacted by pollution exposures, environmental conditions, and socioeconomic factors. Three projects were annual City Housing and Community Development Department (HCDD) NOFA (notice of funding availability) applicants that scored well, but not high enough to receive the limited funds that were available (W. Grant & Brush, Fruitvale Phase 2, and 94<sup>th</sup> & International). Civic Center TOD was awarded HCDD NOFA funds in 2013, and the project currently has a development gap, but the developer did not want to submit in the 2014 NOFA round. The project at 23<sup>rd</sup> & International is proposed by SAHA and staff wanted to support this organization's proposed development in pursuing this funding. Below is an overview of each project that was submitted on February 19, 2015 as a concept proposal.

- 1. West Grand and Brush Street – Phase I** (Lead Applicant: East Bay Asian Local Development Corporation; Co-Applicant: City of Oakland)  
Number of Affordable Housing Units: 58/59 (the 59<sup>th</sup> unit is for the building manager)  
AHSC Funding Request: \$8.83 million  
Status: Selected for Full Proposal submittal on April 20<sup>th</sup>  
Description: If granted AHSC funds, EBLADC could move forward with the sustainable development of the affordable housing units in this multi-family building and satisfy project conditions to include green housing infrastructure. The primary transportation related infrastructure request comes from the Oakland Public Works Department for various streetscape improvements along West Grand Avenue. The pre-approved plans include removal of travel lanes on West Grand Ave. to accommodate a planned Class 2 bikeway between Market Street and Mandela Boulevard, incorporating signal upgrades with left turn pockets, new and improved crosswalks, and other bicycle and pedestrian safety features. All property is in the public right of way. To enable greater bike to BART connections the application also includes a modest funding request from BART to use funds for the addition of bicycle channels at two 19<sup>th</sup> Street Station entrances on Broadway, as well as way-finding to direct bicyclists.
- 2. Fruitvale Transit Village Phase II** (Lead Applicant: Unity Council and L&M Development; Co-Applicant: City of Oakland)  
Number of Affordable Housing Units: 80/94  
AHSC Funding Request: \$3.57 million  
Status: Not Selected for Full Proposal  
Description: **Fruitvale Transit Village Phase II was not selected to submit a final application.** The Strategic Growth Council cited leverage as the cause for dismissal. Since the applicant team did not pursue funding for the development of affordable housing units (only for HRI and TRI), they were unable to count the private debt and state grants for housing that they previously secured as leverage. The AHSC program is slated to be a reoccurring funding source, therefore, can be pursued again.
- 3. Camino 23 at International Boulevard and 23<sup>rd</sup> Avenue** (Lead Applicant: Satellite Affordable Housing Associates; Co-Applicant: City of Oakland)  
Number of Affordable Housing Units: 29/32  
AHSC Funding Request: \$4 million  
Status: Selected for Full Proposal submittal on April 20<sup>th</sup>  
Description: If awarded AHSC funds, SAHA will proceed with unit construction and implement green amenities such as an outdoor courtyard with children's play area, community room with full service kitchen and laundry facilities. Oakland's Public Works Department would use AHSC for the currently unfunded components of International Boulevard Street improvements. Specific

activities include repair of all sidewalk damage, installation of pedestrian lighting along International Boulevard and special intersection paving treatments.

**4. 14<sup>th</sup> St. Civic Center TOD** (Lead Applicant: Meta Housing; Co-Applicant: City of Oakland)

Number of Affordable Housing Units: 39/40

AHSC Funding Request: \$1.75 million

Status: Selected for Full Proposal submittal on April 20th

Description: If selected for award, Meta would use program funds to subsidize unite development. To enable greater bike to BART connections, the application also includes a modest funding request from BART to use funds to add new bicycle channels at the entrance to the 12<sup>th</sup> street station, as well as 12 BikeLink eLockers within the station. They will also add bike wayfinding signage along 14th street.

**5. 94<sup>th</sup> and International** (Lead Applicant: City of Oakland; Co-Applicant: RELATED Housing)

Number of Affordable Housing Units: 59/58

AHSC Funding Request: \$5 million

Status: Selected for Full Proposal submittal on April 20th

Description: If selected for award, AHSC funds will subsidize construction of the affordable housing units. The City of Oakland's Public Works Department seeks funds for BRT related projects and the 94th Avenue Bicycle Boulevard. Improvements along International Boulevard include repair of all sidewalk damage identified in the City of Oakland Citywide Sidewalk Survey, installation of pedestrian scale lighting, paving treatments, and the construction of a pedestrian refuge in the center of International Boulevard at 98<sup>th</sup> Avenue to provide pedestrian safety at a very wide and busy crossing. Funding for the proposed 94<sup>th</sup> Avenue Bicycle Boulevard will support a safe bicycle cross-town connection from East Oakland neighborhoods to major transit like BRT and Coliseum BART. The project will consist of traffic calming treatments to slow traffic, as well as signage and pavement markings. The project is located entirely on City of Oakland right of way.

**Program Application Process**

- On April 20, 2015, full proposals are due.
- Mid-June 2015, staff award recommendations will be released.
- Late June 2015, the Strategic Growth Council will consider and approve staff recommendations for awards.

Once final funding decisions are announced in June, 2015, The Honorable Mayor, City Council, and City staff will be advised on the projects that are awarded. This memo will be accessible by the public via the City's website.

We would like to express our extreme gratitude to the Honorable Mayor and City Council for their leadership and support. We are also very grateful for the overwhelming amount of guidance and leadership provided by Enterprise Community Partners, Inc., and the affordable housing developers who have a vested interest in Oakland, and its residents.

To: HONORABLE MAYOR AND CITY COUNCIL

Subject: Cap and Trade Applications

Date: March 26, 2015

---

**Questions and Support**

- For questions regarding this memo, the grant application processes, or the specific budget requests within each application, please contact Shana Sharp at 510-238-7156.
- For information regarding the developers and the City of Oakland's Program Strategy, please contact Michele Byrd at 510-238-3714.
- For information regarding the city-led project at 94<sup>th</sup> and International Blvd, please contact Maryann Sargent at 510-238-6170.
- For information regarding transportation infrastructure projects led by Public Works, please contact Bruce Williams at 510-238-7229.
- For information regarding Bus Rapid Transit (BRT) projects and International Boulevard improvements, please contact Christine Calabrese at 510-238-4754.

/s/

\_\_\_\_\_  
JOHN A. FLORES, Interim City Administrator

Prepared by:  
Shana L. Sharp,  
City Administrator Analyst

Reviewed by:  
  
Donna Hom,  
Assistant City Administrator

Kiran Bawa,  
Budget Director

Michael K. Kek,  
Assistant to the City Administrator