



# City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS DATE: FEBRUARY 4, 2020

FROM: OFFICE OF HOMELESS SOLUTION WARD: 2

SUBJECT: JOINT APPLICATION WITH WAKELAND HOUSING DEVELOPMENT CORPORATION FOR AN AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES GRANT TO FUND THE ENTRADA HOUSING PROJECT AND ASSOCIATED SUSTAINABLE TRANSPORTATION INFRASTRUCTURE PROJECTS

**ISSUE:**

Approval of a Resolution authorizing a joint application with Wakeland Housing Development Corporation for an Affordable Housing and Sustainable Communities Program grant benefitting the development of the Entrada Project, a City of Riverside Housing Authority approved affordable housing development, and associated transit improvements to be implemented in the Eastside neighborhood.

**RECOMMENDATIONS:**

That the City Council:

1. Adopt the attached Resolution authorizing a joint application with Wakeland Housing Development Corporation for Affordable Housing and Sustainable Communities Program funding for the Entrada affordable housing project and associated transportation and pedestrian safety projects; and
2. Authorize the City Manager, or designee, to sign any documents that may be required for submittal of the Affordable Housing and Sustainable Communities Program application, making minor corrections as necessary.

**BACKGROUND:**

On February 6, 2018 the Housing Authority approved a Disposition and Development Agreement (DDA) with Wakeland Housing Development Corporation (DBA Wakeland Entrada LP) for Housing Authority owned parcels at Seventh and Chicago Streets, and provided for a development loan in the amount of \$4 million to finance construction of a 65-unit affordable housing project. The project is to be located at 1705-1761 Seventh Street in the Eastside neighborhood of Riverside. The DDA states that the Authority will support Wakeland Housing Development Corporation in efforts to find funding sources for the Entrada Project.

Staff from the Housing Authority, City Public Works Transportation Division, Riverside Transit Agency, and Wakeland Housing Development Corporation have recently been developing a proposal seeking Affordable Housing and Sustainable Communities (AHSC) Program funds from the Strategic Growth Council (SGC) for the Entrada Project. The AHSC Program, created by the State in 2014, implements AB 32, the California Global Warming Solutions Act of 2006, by investing in projects that reduce Green House Gas (GHG) emissions by supporting more compact infill development patterns and integrating affordable housing with transportation infrastructure. Funding for the AHSC program is provided by a portion of the State's greenhouse gas reduction funds ("Cap-and-Trade" funds). On November 1, 2019, the SGC released a Notice of Funding Availability (NOFA) for \$550 million for the 2018 application cycle, with applications due on February 11, 2020.

In July of 2019, the City and Wakeland Housing Development Corporation successfully received \$16,826,931 to fund the Mission Heritage Project in Downtown Riverside, and associated transit improvement projects.

Although the Housing Authority received the request for AHSC funding support, the City is required under AHSC program guidelines to be co-applicant as it is the entity with legal authority to complete Sustainable Transportation Improvements (STI) projects. In order to qualify the Entrada Housing project proposal as a joint application, a City resolution authorizing the AHSC application must be submitted as part of the full application package.

Applications are scored based on the estimated greenhouse gas reduction impacts and housing affordability of the proposed projects, among other factors. The AHSC program requires that housing projects include a STI project in order to qualify for the program. The transit projects (discussed below) would provide the residents of the Entrada Project and the surrounding neighborhood with safe pedestrian access in the area surrounding Seventh and Chicago, and a major traffic corridor along University Avenue, and would be contingent on an award of AHSC funds for the Entrada Project.

## **DISCUSSION:**

Wakeland Housing Development Corporation has asked the City to agree to be a joint applicant for the AHSC funds and the City would sign a standard funding agreement with the State of California. The City must be joint applicant for AHSC funds as it oversees rights of way, legal authority, and infrastructure planning and development capability for sidewalks and bike lanes on local streets in the Project's sphere of influence that are critical to AHSC awards. The California Department of Housing and Community Development (HCD) Program Guidelines state that a joint applicant will be "jointly and severally liable" for the completion of the project. However, the Program Guidelines allow the joint applicants to execute indemnification agreements to apportion and minimize the risk to the public agency.

An award of AHSC funds would be a combination of loan and grant funds, with a loan for the housing development and a grant for the STI projects. STI projects would be developed by Wakeland Housing Development Corporation, which will provide construction design for improvements based on City specifications and be contracted and managed by the City. Transportation Division staff has indicated this would be the preferred course, given the significant project workload that already exists for these departments. No City match is required for the STI project.

The AHSC Grant is meant to fund a cohesive project package that links housing density and local transit with the goal of reducing localized greenhouse gas emissions. Funds for the Entrada Project would fulfill the obligation of Wakeland Housing Development Corporation under its current DDA with the Housing Authority to seek available financing for the Project. Offsite transit improvements include construction of high visibility crosswalks, overhead lighting, parklets, and murals along Park Avenue. On Linden Avenue, construction of a Class IV Bike Lane between Chicago Avenue and Iowa Avenue. Construction of University Avenue include high visibility crosswalks and accessible pedestrian signal buttons, a diagonal crosswalk, and bus stop improvements at University Avenue and Chicago Avenue. At Patterson Park, construction of a pedestrian flashing beacon and crosswalk. Installation of advanced signal detection at Iowa Avenue and University Avenue. Finally, construction of a pedestrian signal at Chicago Avenue at Entrada and a solar shaded walkway (in partnership with GRID Alternatives) at Chicago Avenue from Seventh Street to University Avenue. An area map for the Entrada Project is presented below.

### Entrada Project Area Map



Although the City is a co-applicant for the entire AHSC application, the parties recognize that the City will only be actively utilizing transit funds (housing funds would be directly utilized by Wakeland Housing Development Corporation as permanent financing in the project). As the City will only be an active participant in developing the transit elements of the AHSC Grant, staff and Wakeland Housing Development Corporation will draft an agreement that specifies the duties of each entity as a way to define roles, responsibilities, timelines and outcomes, and mitigate risk among the AHSC grant parties that would be brought back to the City Council should AHSC funds be awarded.

### **FISCAL IMPACT:**

If the AHSC application is awarded, it would provide up to \$30 million to the City for proposed street improvements, which are currently unfunded. No matching funds are required for the project.

Prepared by: Michelle Davis, Housing Authority Manager  
Certified as to  
availability of funds: Edward Enriquez, Chief Finance Officer/City Treasurer  
Approved by: Moises Lopez, Deputy City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Attachment: Resolution