



# City Council Memorandum

*City of Arts & Innovation*

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS DATE: JANUARY 5, 2021

FROM: OFFICE OF HOMELESS SOLUTIONS WARD: 1

SUBJECT: GRANT AWARD OF \$3,189,779 FROM THE STATE OF CALIFORNIA AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES GRANT FOR TRANSPORTATION PROJECTS AWARDED UNDER THE MISSION HERITAGE PLAZA PROJECT – SUPPLEMENTAL APPROPRIATION

## **ISSUE:**

Accept a grant award in the amount of \$3,189,779 from the State of California Affordable Housing and Sustainable Communities grant for transportation projects awarded under the Mission Heritage Plaza Project.

## **RECOMMENDATION:**

That the City Council:

1. Accept a grant award in the amount of \$3,189,779 from the State of California Affordable Housing and Sustainable Communities Grant for transportation projects awarded under the Mission Heritage Plaza Project;
2. Authorize an increase in revenue in the amount of \$3,189,779 to the Development Grants Fund, AHSC Mission Heritage Account No. 9342400-334100 and appropriate expenditures in the same amount into the AHSC Mission Heritage Account No. 9342400-440210 for the transportation projects awarded under the Mission Heritage Plaza Project.

## **BACKGROUND:**

The Affordable Housing and Sustainable Communities (AHSC) Program, created by the State of California in 2014, implements Assembly Bill 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.

On February 5, 2019 the City Council approved Resolution No. 23415 for a joint application with Wakeland Housing and Development Corporation (Wakeland) to the AHSC Grant Program for the development of the Mission Heritage Housing Project and transportation related projects. On October 6, 2020 the City Council approved an amended Resolution No. 23526 making post AHSC award changes as requested by the State of California Strategic Growth Council. These

Resolutions allowed the City and Wakeland to jointly apply for AHSC program funds in 2019 and to meet post-award criteria.

The projects that were included in joint AHSC grant application are the Mission Heritage Housing Project (which will break ground in the first quarter of 2021), and transportation related projects such as bike lanes, bus stop enhancements, and downtown walkability improvements for the Downtown Area adjacent to the Mission Heritage Project.

On July 8, 2019, the State notified the City and Wakeland of an AHSC award of \$16,826,931 (Attachment 1) that is broken down into a soft loan of \$7,030,231 for the Mission Heritage Housing Project (to be used exclusively by Wakeland) and an additional grant of \$9,796,700 for transportation projects that would be split between Wakeland and the City.

### **DISCUSSION:**

On November 9, 2020, the City and Wakeland entered into a Standard Agreement (Attachment 2) for AHSC Funding with the State of California. The entire AHSC loan and grant package budget (housing loan and transportation grant) is presented below.

<b>Agency &amp; Funding (Loan or Grant)</b>	<b>Wakeland- MSN</b>	<b>Wakeland Design Work for City/RTA</b>	<b>City</b>	<b>RTA</b>
Wakeland-Loan	\$7,030,231			
Wakeland - HRI Grant	\$3,585,000			
Wakeland STI Grant		\$254,750		
RTA STI Grant				\$1,510,471
City STI Grant			\$3,189,779	
Wakeland TRA Grant	\$600,000	\$45,000		
RTA TRA Grant				\$400,000
City TRA Grant				
Wakeland PGM Grant	\$191,700			
RTA PGM Grant				\$20,000
<b>TOTALS</b>	<b>\$11,406,931</b>	<b>\$299,750</b>	<b>\$3,189,779</b>	<b>\$1,930,471</b>

The City will utilize \$3,189,779 of the transportation grant funds for projects including alley improvements and sharrows/bike striping and signage, Dwight Avenue sidewalks, and two additional bike share stations with locations to be determined by the Public Works Transportation Division.

### **FISCAL IMPACT:**

The Finance Department will increase the revenue in the amount of \$3,189,779 in the

Development Grants Fund to the AHSC Mission Heritage Account No. 9342400-334100 for the receipt of State of California Affordable Housing and Sustainable Communities grant funds and appropriate \$3,189,779 into the AHSC Mission Heritage Account No. 9342400-440210 for the transportation projects awarded under the Mission Heritage Plaza Project.

Prepared by: Michelle Davis, Housing Authority Manager  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer  
Approved by: Moises Lopez, Deputy City Manager  
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. AHSC Award Letter
2. AHSC Standard Agreement