



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: SEE BELOW

DATE: October 12, 2016

Approved

Date

10/13/16

INFORMATION

SUBJECT: SAN JOSE AWARDED \$27.9 MILLION AHSC GRANT FOR AFFORDABLE HOUSING AND ASSOCIATED TRANSPORTATION AND PARK IMPROVEMENTS

On Tuesday, October 11, 2016, the California Strategic Growth Council formally approved grant proposals for the Renascent Place (centered around 2500 Senter Road) and St. James Station (centered around 201 Bassett Street). The grant awards will provide the City with \$27.9 Million for affordable housing developments, as well as transportation and park amenities linked to those developments. The grant applications were awarded through the Affordable Housing and Sustainable Communities program (AHSC) Program.

The AHSC Program was established with the passage of AB 32, the California Global Warming Solutions Act of 2006. Funding for the Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds. The purpose of the Program is to achieve GHG emissions reductions and benefit disadvantaged communities through low-carbon transportation methods to increase accessibility of affordable housing, employment centers and key destinations. For these reasons, affordable housing developments are the central component of successful grant applications.

An interdepartmental team of City staff from the Departments of Housing, Transportation, Parks Recreation and Neighborhood Services, the Office of Cultural Affairs, Public Works and the City Attorney's Office worked closely with affordable housing developers to develop two compelling concept applications. Technical assistance providers Enterprise Community Partners and TransForm helped ensure that City's funding applications were competitive.

On May 27, 2016 the City Council approved two resolutions authorizing the City Manager to submit two applications, one with Charities Housing and another with First Community Housing (FCH), under the 2015-16 cycle of AHSC. On October 11, 2016 the California Strategic Growth Council awarded funding for both proposals, in an amount totaling \$27,869,097. In addition to

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funding two affordable housing developments that will provide 297 apartments for vulnerable populations (including veterans), the grants will provide \$7,235,780 in transportation and park improvements. This includes the 2.8 mile extension of the Coyote Creek trail from Story Road south to Tully Road.

It should be noted that the amount requested for the St. James Station was reduced from \$18,651,319 to \$12,889,611 after the May 27, 2016 Council Meeting and prior to the submission of the full application. FCH reduced its request for the North San Pedro Apartments by \$5,476,556 after receiving an award of \$2,000,000 under the state Affordable Housing Program (AHP). A few minor corrections were also made to the budgets for artist-enhanced lighting under Coleman Avenue, LED street lights and street trees. The scope of the City's capital projects was not changed and the Strategic Growth Council awarded the full amount requested for this proposal. The Departments of Housing, Transportation, Parks Recreation and Neighborhood Services, and the Office of Cultural Affairs will initiate work on the projects awarded in this grant.

A summary of the components in each proposal along with budgets are included as Attachments A and B to this memorandum.

The Future of AHSC:

The AHSC program is funded by Cap and Trade auction proceeds. However in 2016, Cap and Trade revenue fell far short of the estimated revenue projections. As a result, the next round of AHSC will likely be delayed until sufficient funds have accumulated to issue a new Notice of Funding Availability (NOFA). City Staff will continue to monitor changes to the AHSC program and timing for the next NOFA to ensure the City is prepared when the opportunity arises. When a NOFA is issued, City staff will identify eligible sites, coordinate with Council Offices and host community outreach to identify and develop competitive project concepts.

This memorandum has been coordinated with the Departments of Housing, Transportation, Parks Recreation and Neighborhood Services, and the Office of Cultural Affairs.



DAVID SYKES
Assistant City Manager

For questions, please contact Adam Marcus, Acting Housing Policy Manager at (408) 975-4451.

Attachment A
Renascent Place (2500 Senter Road) Project Components:

Charities Housing (the Developer) will construct 162 studio apartments to serve as permanent supportive housing for chronically homeless individuals and small families. The Developer will provide VTA Eco Passes to 100 % of the residents at Renascent Place. They will also provide 86 secure interior bicycle parking spaces and space for a nonprofit organization (Good Karma Bikes) to offer free bicycle repair and classes. A new traffic signal and crosswalks will be constructed at Senter Road and Baltic Way. The Coyote Creek Trail will be extended 2.8 miles (between Story Rd and Tully Road). The City's Ranger Ride-Along Program will be extended to this new trail segment. 100 new street trees and/or landscaping will be planted throughout the project area.

| Responsible Entity | Capital Project | AHSC Funds |
|---------------------------|--|----------------------|
| Developer | Affordable Housing | \$ 7,766,134 |
| Developer | New Traffic Signal at Baltic/Senter | \$ 1,411,449 |
| Developer | Good Karma Bicycle Maintenance Program | \$ 28,000 |
| Developer | VTA Eco Pass Program | \$ 17,496 |
| | | |
| PRNS | Coyote Creek Trail from Story to Tully | \$ 5,312,633 |
| PRNS | Ranger Ride-Along Program | \$ 308,790 |
| DOT | Street Trees | \$ 134,984 |
| | Total | \$ 14,979,486 |

Attachment B
St. James Station (201 Basset Street) - Project Components

First Community Housing (FCH) will build 134 affordable studios and one-bedroom apartments located at 201 Basset Street (49 apartments for chronically homeless Veterans, 60 for special needs individuals, and 25 for low-income individuals. FCH will also provide transit passes for residents. The project will fund San José's Viva Calle open streets program to encourage active transportation. It will also provide funding for PRNS to complete a series of small urban parks and paseos along vacated public streets, beneath an overpass, and through mid-block easements. It will fund sidewalks and curb ramps, wayfinding signage to increase pedestrian accessibility and navigability downtown, "sharrow" markings and signage to encourage bicycling. It will also fund the conversion of existing streetlights to Light-emitting Diodes (LED), install artist enhanced LED lighting under Coleman Avenue, and fund the planting of 50 new street trees and/or landscaping throughout the project area.

| Responsible Entity | Capital Project | AHSC Funds |
|---------------------------|---|----------------------|
| Developer | North San Pedro Apartments | \$ 8,927,557 |
| Developer | VTA Transit Eco Passes | \$ 43,740 |
| | | |
| PRNS | Viva Calle (Open Streets) | \$ 443,000 |
| PRNS | Green pedestrian recreation corridor and park improvements on North San Pedro, at Pellier Park, and under Coleman Avenue Undercrossing. | \$ 1,345,046 |
| DOT | Curb and Sidewalk improvements at 1st and Bassett over light rail tunnel. | \$ 665,740 |
| DOT | ADA sidewalk improvements | \$ 541,555 |
| DOT | Bicycle "Sharrows" and street signs on Bassett Street and 1st Street | \$ 10,259 |
| DOT | Pedestrian way-finding system to Light Rail, San Pedro Market, and more | \$ 179,978 |
| DOT | LED Street Light Conversions and Street Trees | \$ 532,736 |
| OCA | Artist enhanced LED Lighting under Coleman Avenue Overpass | \$ 200,000 |
| | Total | \$ 12,889,611 |