

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/12/2019

Staff Report No. 18-035a

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: AHSC Grant Agreement for 3268 San Pablo Avenue

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager or his designee to execute a standard agreement and related documents in substantially similar form under the State of California's Affordable Housing and Sustainable Communities Program (AHSC) as a joint applicant and joint grantee with Satellite Affordable Housing Associates (SAHA) and with the City of Oakland in connection with the project at 3268 San Pablo Avenue, Oakland, California.

BUDGETARY/FISCAL IMPACT:

The grant award will provide the District with \$1,200,000 to purchase a zero-emission bus and any required infrastructure. The type and manufacturer of the bus have not yet been determined, but the funding along with other available grant sources should be sufficient to cover the expected capital costs so that no District Capital matching funds will be required. The developer is also receiving nearly \$140,000 in AHSC grant funds to provide EasyPasses for residents for three years.

BACKGROUND/RATIONALE:

With the approval of Staff Report 18-035 the Board authorized joining an application for funding under the AHSC program that includes funding for a zero-emissions bus. The application is based on an affordable housing development at 3268 San Pablo Avenue in the City of Oakland. The project is planned to be a 51-unit affordable housing development for low-income seniors led by SAHA in partnership with the City of Oakland. AC Transit is a co-applicant along with the developer and Oakland.

The grant application was awarded and staff is now returning to the Board to seek approval to enter into the necessary agreements for the funding award. Specifically, under this award the District will receive \$1.2 million to purchase a zero-emissions bus to be used primarily on the 72, 72M, or 802 lines that serve the nearest bus stop to the housing development. The propulsion type and manufacturer of the bus have not yet been determined but staff preliminarily expects to combine this purchase with the existing 45 zero-emission bus purchase project that is in the planning stages.

The AHSC program is administered by the Strategic Growth Council, but the actual grant awards are handled by the California Housing and Community Development Department (HCD). HCD develops the standard agreement documents that the District must sign. The current documents are updated versions of the what

the Board approved for signing with the Grayson housing development under staff report 16-137a in November of 2017. The standard agreement must be signed by all three parties - SAHA, the City of Oakland, and the District. In addition, all three parties have agreed to sign a mutual indemnity agreement that is substantially similar to the one that was used for the Grayson development.

The Board recently approved Staff Report 18-036a, allowing execution of standard agreement and indemnity documents with the City of Oakland and a different housing developer under the same program. The standard agreement and indemnity agreement documents attached herein are essentially the same except for the housing developer and the specific award and project details.

ADVANTAGES/DISADVANTAGES:

The advantages of entering into the grant award agreements are: the District will receive funding for a zero-emission bus with associated infrastructure; the housing development will be fully funded and able to begin construction; and the District will have another EasyPass client development for at least three years once it opens.

The disadvantages to entering into the agreement are: the heavily mitigated but still extant risks associated with signing a joint grant agreement where all parties must carry out their respective scopes; and the added operational complexity of having one bus tied to specific routes; and the added complexity of having funding for one bus that must be paired with others to make up a reasonable procurement package. Staff would also like to note that this grant program requires a significant amount of time to apply for and manage.

ALTERNATIVES ANALYSIS:

There are no practical alternatives to signing the standard agreement documents for the District to still be able to receive the grant funds.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 18-035 - FY 2016-17 Affordable Housing & Sustainable Communities Grant Application for 3268 San Pablo Avenue

Staff Report 18-036a - Execute a standard agreement and related documents under the AHSC Program as a joint applicant and joint grantee with RCD and with the City of Oakland in connection with the project located at 905 72nd Avenue, Oakland, California.

ATTACHMENTS:

1. Standard Agreement
2. Indemnity Agreement

Approved by:

Claudia L. Allen, Chief Financial Officer

Reviewed by:

Denise C. Standridge, General Counsel

Prepared by:

Chris Andrichak, Director of Management and Budget