



# STAFF REPORT

## CITY COUNCIL

DATE: May 17, 2022

TO: Honorable Mayor and City Councilmembers

FROM: Linda Smith, City Manager

SUBJECT: Local Housing Trust Fund Program Grant Application  
*Prepared by: Kristie Wheeler, Assistant Community Development Director*

### EXECUTIVE SUMMARY:

The City Council will consider adoption of a Resolution authorizing the City Manager to submit an application and receive up to \$3,333,333 in grant funds from the State of California's Local Housing Trust Fund (LHTF) Program. The purpose of the LHTF Program is to provide matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters. If awarded, the grant funds will be used to help fund Phase 1 of the Amador Station affordable rental housing project proposed by BRIDGE Housing at 6501 Golden Gate Drive.

### STAFF RECOMMENDATION:

Adopt the **Resolution** Authorizing Application for, and Receipt of, Local Housing Trust Fund Program Funds.

### FINANCIAL IMPACT:

The LHTF Program requires a minimum one-to-one match from eligible local housing trust funds and awards maximum points for applications proposing a three-to-one match. On April 21, 2021, the City Council appropriated \$7.1 million from the City's Affordable Housing Fund and authorized the commitment of \$2.9 million in Alameda County Measure A-1 Funds from Dublin's Base City Allocation to BRIDGE Housing for Phase 1 of the Amador Station affordable rental housing project (Resolution No. 36-21). This would provide a three-to-one match. Additionally, Staff time is required to prepare the grant application and administer the receipt and disbursement of the grant funds.

## DESCRIPTION:

### Background

The LHTF Program is funded by the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) and administered by the California Department of Housing and Community Development (HCD). HCD will allocate up to \$300 million of the bond proceeds over a number of years to provide matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing, and emergency shelters. Funds allocated from the City's Affordable Housing Fund and Alameda County Measure A-1 Bond Fund qualify as local housing trust funds.

A Notice of Funding Availability (NOFA) was released on April 5, 2022, for approximately \$57 million in funds from the LHTF Program with an application deadline of May 25, 2022. The program provides grants of up to \$5 million. Grants are awarded on a competitive basis using certain criteria to rate application submittals. Amongst other requirements, the City Council must adopt a Resolution authorizing the City Manager to submit an application and receive grant funds from the LHTF Program (Attachment 1). In addition, the application must identify an eligible project, provide matching funds, and make a commitment to housing affordability. Staff is proposing to request a grant of \$3,333,333 for Phase 1 of Amador Station/BRIDGE Housing project as further discussed below.

### *Eligible Project*

Staff proposes to submit a grant application for Phase 1 of the Amador Station affordable rental housing project proposed by BRIDGE Housing on a 3.6-acre site located at 6501 Golden Gate Drive. The Amador Station project includes 300 affordable units in two separate buildings in two phases, including 136 units in Phase 1 and 164 units in Phase 2. On April 21, 2021, the City Council appropriated \$7.1 million from the City's Affordable Housing Fund and authorized the commitment of \$2.9 million in Alameda County Measure A-1 Funds from Dublin's Base City Allocation to BRIDGE Housing for Phase 1 of the Amador Station affordable rental housing project (Resolution No. 36-21). On August 10, 2021, the Planning Commission approved a Site Development Review Permit for the proposed project. In addition, on September 21, 2021, the City Council approved a Community Benefit Program Agreement for the proposed project allocating residential units from the Downtown Dublin Specific Plan Development Pool.

### *Commitment of Housing Affordability*

Phase 1 of the Amador Station project would meet the required LHTF Program affordability criteria. One hundred percent of the 136 units (excluding two manager's units) in Phase 1 would be affordable to households earning an average of no more than 43% of area median income (AMI). In addition, BRIDGE Housing has committed that a minimum of 41 units in Phase 1 of the project would be set aside for homeless persons, persons at risk of becoming homeless, and persons with special needs.

### *Matching Funds for Project*

The LHTF Program requires a minimum one-to-one local match of funds and maximum points are awarded to applications that include a three-to-one match. As noted above, the City Council appropriated \$7.1 million from the City's Affordable Housing Fund and committed \$2.9 million in

Alameda County Measure A-1 Funds to Phase 1 of the Amador Station affordable rental housing project. The total match of \$10 million equals three times the \$3,333,333 grant request in the proposed LHTF Program grant application. The requested amount is based on the project need and the opportunity to leverage the local funds to maximize the competitiveness of the application.

ENVIRONMENTAL REVIEW:

The Resolution authorizing the City Manager to submit an application and receive grant funds from the LHTF Program is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 as the application does not meet CEQA's definition of a "project" and would not result in either a direct physical change, or a reasonably foreseeable indirect physical change in the environment.

STRATEGIC PLAN INITIATIVE:

Strategy 3: Create More Affordable Housing Opportunities

Objective A: Facilitate production of affordable housing for lower income seniors, workforce and special needs households by leveraging the Alameda County Measure A-1 Bond funds and the City's Affordable Housing Fund.

NOTICING REQUIREMENTS/PUBLIC OUTREACH:

The City Council agenda was posted.

ATTACHMENTS:

- 1) Resolution Authorizing Application for, and Receipt of, Local Housing Trust Fund Program Funds

**RESOLUTION NO. 47-22**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF DUBLIN**

**AUTHORIZING APPLICATION FOR, AND RECEIPT OF, LOCAL HOUSING TRUST FUND  
PROGRAM FUNDS**

**WHEREAS**, a necessary quorum and majority of the Council members of the City of Dublin (“Applicant”) hereby consents to, adopts and ratifies this resolution; and

**WHEREAS**, the State of California (the “State”) Department of Housing and Community Development (“Department”) is authorized to provide up to \$57 million under the Local Housing Trust Fund (“LHTF”) Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code section 50842.2 et seq. (Chapter 365, Statutes of 2017 (SB 3)) (“Program”); and

**WHEREAS**, the Department issued a Notice of Funding Availability (“NOFA”) dated April 5, 2022, under the LHTF Program; and

**WHEREAS**, the Applicant is an eligible Local Housing Trust Fund applying to the Program to administer one or more eligible activities using Program Funds; and

**WHEREAS**, the Department may approve funding allocations for the LHTF Program, subject to the terms and conditions of Health and Safety Code Section 50842.2, the LHTF Program Guidelines, NOFA, Program requirements, the Standard Agreement and other related contracts between the Department and LHTF award recipients.

**NOW, THEREFORE, BE IT RESOLVED**, the Dublin City Council confirms that:

**SECTION 1.** If the Applicant receives an award of LHTF funds from the Department pursuant to the above referenced LHTF NOFA, it represents and certifies that it will use all such funds on Eligible Projects in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including, without limitation, all rules and laws regarding the LHTF Program, as well as any and all contracts the Applicant may have with the Department (“Eligible Project”).

**SECTION 2.** The City of Dublin is hereby authorized to act as the trustee/manager in connection with the Department's funds to Eligible Projects pursuant to the above-described NOFA in an amount not to exceed \$3,333,333 (the "LHTF Award").

**SECTION 3.** Applicant hereby agrees to match on a dollar-for-dollar basis the LHTF Award pursuant to Guidelines Section 104. Applicant hereby agrees to utilize matching finds on a dollar-for-dollar basis for the same Eligible Project for which Program Funds are used, as required by HSC Section 50843.5(c).

**SECTION 4.** Pursuant to Attachment 1 and the Applicant's certification in this Resolution, the LHTF funds will be expended only for Eligible Projects and consistent with all program requirements.

**SECTION 5.** Nonprofit Housing Trust Funds and Native American Tribe Housing Trust Funds agree to use Program Funds only for Eligible Projects located in cities and counties that submitted an adopted Housing Element that was found by the Department to be in compliance and that have submitted their Housing Element Annual Progress Report (APR) for the current year or prior year by the application due date.

**SECTION 6.** Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, H&S Section 50842.2 and LHTF Program Guidelines.

**SECTION 7.** The City Manager, Linda Smith, is authorized to execute the LHTF Program Application, the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to Applicant, as the Department may deem appropriate.

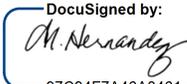
**PASSED, APPROVED, AND ADOPTED** by the Dublin City Council on this 17<sup>th</sup> day of May, 2022 by the following vote:

**AYES:** Councilmembers Hu, Josey, Kumagai, McCorriston and Mayor Hernandez

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Mayor

**CERTIFICATE OF THE ATTESTING OFFICER**

The undersigned, City Clerk of the City of Dublin does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the Dublin City Council, which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

**ATTEST:**

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City Clerk

**ATTACHMENTS:**

- 1. Summary of City of Dublin Commitment of Funding

## **Attachment 1:**

### **Summary of City of Dublin Commitment for Use of the Local Housing Trust Fund Program Funds and Matching Funds**

The City of Dublin's Local Housing Trust Fund (LHTF) match and 100 percent of the requested LHTF Program funds will be used for a project proposed by BRIDGE Housing for 136 affordable rental units on an approximately 1.3-acre site located at 6501 Golden Gate Drive. The Dublin City Council has appropriated \$7.1 million from the City's LHTF and committed \$2.9 million in Alameda County Measure A-1 Bond funds to the project contingent upon project financing. In addition, the project has received its necessary entitlements. Excluding two manager's units, 100 percent of the project would be affordable to households earning an average of no more than 43 percent of area median income (AMI). BRIDGE Housing has committed that a minimum of 41 units in the project would be set aside for homeless persons, persons at risk of becoming homeless, and persons with special needs.