

**Metropolitan Transportation Commission
Administration Committee**

November 9, 2022

Agenda Item 2d

**Authorization to Negotiate and Execute a Funding Agreement with Alameda County
(\$2,000,000) with an Amended Scope for Affordable Housing Jumpstart Program Funds;
Jumpstart Program Update**

Subject:

Update on the Jumpstart Program, which set aside \$5 million for San Francisco, \$3 million for Santa Clara County, and \$2 million for Alameda County rewarding each county for their voter-approved affordable housing bond programs; and a request to modify the authorization for the Executive Director to negotiate and execute a funding agreement with Alameda County to accommodate a change in use of their Jumpstart funds.

Background:

In December 2016, the Commission approved MTC Resolution No. 4260, which established the \$10 million Affordable Housing Jumpstart grant program (Jumpstart). Jumpstart rewards San Francisco, Santa Clara, and Alameda Counties – the three counties in the Bay Area with voter-approved housing bonds – with additional funding to help galvanize new housing projects. MTC Resolution No. 4260 directed \$5 million to San Francisco County, \$3 million to Santa Clara County, and \$2 million to Alameda County.

In November 2018, the Programming and Allocations Committee authorized staff to enter into funding agreements with the three counties to apply Jumpstart funds to particular housing projects and programs.

This memorandum provides a status update on the Jumpstart program in each county and seeks reauthorization to enter into a funding agreement with Alameda County to distribute grant funds for a new project scope that reflects the county's current priorities.

Discussion

San Francisco - \$5 Million

San Francisco's \$310 million Proposition A was approved in 2015, and another \$600 million Proposition A was approved in 2019. San Francisco applied its Jumpstart funds to purchase the property at 1515 South Van Ness in the Mission District. The Mayor's Office of Housing and Community Development selected the Mission Economic Development Agency and Chinatown

Community Development Center to develop the site as 120+ units of 100% affordable housing for families and formerly homeless individuals. The project is currently in the planning phase and anticipates breaking ground in 2024.

Santa Clara County - \$3 Million

Santa Clara County's \$950 million Proposition A was approved in 2016. Santa Clara County applied its Jumpstart funds to Quetzal Gardens, a 71-unit affordable housing development in East San Jose. Twenty-eight units are set aside for formerly homeless households. The project also includes community-serving commercial space, with initial commercial tenants including SOMOS Mayfair, Excite Credit Union, and the Latino Business Foundation. The project held its grand opening in June 2022 and is fully leased up.

Alameda County - \$2 Million

Alameda County's \$580 million Measure A1 was adopted in 2016. Alameda County initially proposed to apply its Jumpstart funds to an Acquisition and Opportunity Fund, which was intended to function as a revolving loan fund similar to MTC's Bay Area Preservation Pilot. The Programming and Allocations Committee had authorized the Executive Director to negotiate and execute a funding agreement to deploy the Jumpstart funds for the County's Acquisition and Opportunity Fund. However, the County and MTC never executed the funding agreement. The COVID-19 pandemic altered the County's priorities with a new emphasis on taking advantage of the State's Homekey program to purchase and rehabilitate buildings, including hotels and motels, to convert them into interim or permanent, long-term housing serving people experiencing homelessness. As part of its successful Homekey applications, the County leveraged its A1 funds to purchase the former Comfort Inn and Days hotels near the Coliseum in Oakland. The former Comfort Inn site includes 104 units and the former Days Inn site has 140 units, with each project including two manager units.

Based on the changed landscape because of COVID and the County's current priorities, Alameda County's Housing and Community Development Department proposes to apply their Jumpstart funds to enable renovation and rehabilitation of one or both Homekey projects described above. The rehabilitation will include converting the structures into permanent supportive housing including accessibility retrofits, improvements to common spaces, expansion of services spaces,

adding outdoor space and kitchens, correcting deferred maintenance, exterior improvements, and system improvements. This proposed use complies with MTC Resolution No. 4260 and is consistent with the intent of the Jumpstart Program, as well as the spirit of Alameda County's original acquisition and preservation proposal. For these reasons, staff recommends advancing with the County's proposed new use.

Issues:

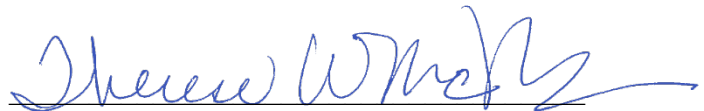
None.

Recommendations:

Staff recommends that the Committee authorize the Executive Director or her designee to negotiate and execute a Funding Agreement with Alameda County for \$2,000,000 to advance its Jumpstart projects as described above.

Attachments:

- None



Therese W. McMillan

Request for Committee Approval

Summary of Proposed Funding Agreement

Work Item No.: 1611

Consultant: County of Alameda

Work Project Title: Alameda County Affordable Housing Jumpstart Program

Purpose of Project: To provide the County of Alameda with \$2 million as programmed in MTC Resolution No. 4260 to galvanize affordable housing projects that leverage the County's voter-approved housing bond measure.

Brief Scope of Work: To support the renovation and rehabilitation of up to two sites being converted to permanent supportive housing that the County of Alameda has purchased using the state's Homekey program.

Project Cost Not to Exceed: \$2,000,000

Funding Source: FS 3911

Fiscal Impact: These funds are included in the FY 2022-23 budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a funding agreement with the County of Alameda for the County's Jumpstart program described above and in the Administration Committee Summary Sheet dated November 9, 2022 and that the Chief Financial Officer is authorized to set aside \$2,000,000 for such funding agreement.

Administration Committee:

Federal D. Glover, Chair

Approved: November 9, 2022