

CITY OF ALAMEDA ORDINANCE NO. _____

New Series

AUTHORIZING THE CITY MANAGER TO EXECUTE A GROUND LEASE AGREEMENT BETWEEN EDEN HOUSING, INC, AND THE CITY OF ALAMEDA FOR A 60-UNIT SENIOR AFFORDABLE HOUSING PROJECT ON BLOCK 8 WITHIN SITE A AT ALAMEDA POINT

WHEREAS, the City of Alameda ("City") and the Alameda Point Partners, LLC, ("APP") entered into a Disposition and Development Agreement for Alameda Point-Site A dated as of August 6, 2015 ("DDA"), authorized by City of Alameda Ordinance No. 3127, whereby the City agreed to convey to APP property located at the former Naval Air Station Alameda (commonly referred to as Alameda Point) under certain terms and conditions, including a Development Plan and an Affordable Housing Implementation Plan; and

WHEREAS, the DDA consists of development of a 68-acre area within Alameda Point that extends generally from the Main Street entrance of Alameda Point to the eastern edge of the Seaplane Lagoon, and includes 800 housing units, 600,000 square feet of commercial development, and extensive parks and utility infrastructure (Site A Project); and

WHEREAS, two hundred (200) of the residential units (25%) in the Site A Project are required to be affordable units, including approximately one hundred thirty (130) affordable units that will be provided in two projects on Block 8 (Block 8 Projects): a family project with approximately 70 units (Family Project), and a senior project with approximately 60 units (Senior Project) and the remaining moderate-income units are expected to be provided in a teacher housing project with Alameda Unified School District or distributed among the market-rate units in the other buildings provided by APP; and

WHEREAS, in March 2016, APP and Eden Housing Inc. entered into and the City consented to a partial assignment of the DDA whereby Eden Housing assumed the obligations to develop the Block 8 Projects under the DDA and the Affordable Housing Implementation Plan approved as part of the DDA and the City consented to the designation of Eden Housing as the Qualified Affordable Housing Developer for the Block 8 Projects consistent with the DDA; and

WHEREAS, Eden Housing is a highly qualified nonprofit affordable housing developer that constructs and manages thousands of units of affordable housing throughout the Bay Area; and

WHEREAS, Eden Housing, in coordination with APP, has expended significant staff and financial resources securing financing sources to fund the Block 8 Projects and have been successful at obtaining numerous funding sources; and

WHEREAS, Eden Housing is also pursuing additional financing sources, including re-applying to the State of California through the Affordable Housing Sustainable Communities (AHSC) program, applying for 4% non-competitive and 9% competitive Low Income Housing Tax Credits (LIHTC) and applying to the State's Housing and Community Development (HCD) Infill Infrastructure Grant program (IIG) in 2017/2018; and

WHEREAS, many of the already obtained, as well as pending financing sources, require that Eden Housing demonstrate direct site control with the land owner for Block 8, which is the City, and an infrastructure contingency plan in the event of delay by APP in order to maintain strict deadlines for starting construction once funds have been committed; and

WHEREAS, while APP made an extension payment to the City to extend the Site A Phase 1 outside closing date to April 9, 2018, uncertainty remains regarding the exact timing of closing of the Phase 1 property and delivery by APP of the new backbone and site-specific infrastructure for the Block 8 Projects; and

WHEREAS, as a result of this uncertainty and the issues raised by AHSC staff (and other funders) regarding using the DDA as Eden Housing's evidence of site control in the first unsuccessful attempt at obtaining funds through AHSC last fall, Eden Housing has requested that the City enter into a direct relationship with them via long-term ground leases for each of the Block 8 Projects (Ground Leases); and

WHEREAS, the Ground Leases between the City and Eden Housing provide Eden Housing with direct site control over the two Block 8 projects and allow Eden Housing to implement an infrastructure contingency plan in order to commence construction of the Block 8 Projects regardless of the actions taken by APP, significantly increasing Eden Housing's competitiveness for the upcoming AHSC grant cycle and the upcoming LIHTC rounds, as well as for meeting the readiness and delivery requirements of the Alameda Housing Authority veteran's vouchers (VASH Vouchers) program already awarded to the Block 8 Projects; and

WHEREAS, on February 4, 2014, the City of Alameda certified the Alameda Point Final EIR in compliance with the California Environmental Quality Act (CEQA), and the Final EIR evaluated the environmental impacts of redevelopment and reuse of the lands at Alameda Point consistent with the Town Center Plan, which included Block 8 within Site A; and

WHEREAS, as part of the approval of the DDA, the City made certain findings in accordance with Government Code Section 52201 that the development of the Site A Project will assist in the creation of economic opportunity based on information and facts presented to the City Council at the time of approval of the DDA; and

WHEREAS, approving the Ground Lease with Eden Housing for the Senior Project will help Eden Housing preserve their existing financing commitments and increase their competitiveness for obtaining the remaining financing sources for the Senior Project, which will provide approximately 70 units of affordable housing.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Alameda (“**City Council**”) that after hearing all qualified and interested persons and receiving and considering all relevant evidence, finds and determines as follows:

Section 1.

The Alameda Point EIR was certified by the City Council in February 2014 pursuant to CEQA and the City has determined that no further environmental review is necessary as part of the approval of the Ground Lease.

Section 2.

The City Council hereby reaffirms the findings made upon approval of the DDA that the lease of the Block 8 site to Eden Housing and the resulting development of the Block 8 Project will assist in the creation of economic opportunity as that term is defined in Government Code Section 52200.2. This finding is based on the facts and analysis provided to the City Council as part of the approval of the DDA, including the DDA Summary Report.

Section 3.

The City Council hereby finds and determines that the execution and implementation of the Ground Lease and the development of the Block 8 Project pursuant to the Ground Lease and the DDA constitutes a "common benefit" as defined in Government Code Section 37350.

Section 4.

The Ground Lease for the Senior Project, as attached in Exhibit A, is hereby adopted and the City Manager is authorized to sign it on or after the effective date of this Ordinance.

Section 5.

If any portion, section, subsection, paragraph, subparagraph, sentence, clause, phrase or application of this Ordinance is held invalid or inapplicable by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity or applicability of any other part of this Ordinance.

Section 6.

This Ordinance shall be in full force and effect from and after the expiration of thirty (30) days from the date of its final passage.

Presiding Officer of the City Council

Attest:

Lara Weisiger, City Clerk

* * * * *

I, the undersigned, hereby certify that the foregoing Ordinance was duly and regularly adopted and passed by the Council of the City of Alameda on the ____ day of _____, 2017, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ____ day of _____, 2017.

Lara Weisiger, City Clerk
City of Alameda

APPROVED AS TO FORM:

Janet C. Kern, City Attorney
City of Alameda