

Five Year Outlook for Housing Development

FY2020-2025

**Housing Authority of the City of Alameda
March 17, 2021**



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BACKGROUND

The purpose of this report is to provide an update to the Board of Commissioners (BOC) of the Housing Authority of the City of Alameda and the City Council of Alameda on the five-year development pipeline for rental projects and market-rate residential projects with an inclusionary housing requirement, and the *Affordable Housing Development Policies and Guidelines* (Development Policies) previously adopted by the Board of Commissioners in 2015.

In 2010, the Housing Authority Board adopted the Development Policies which were updated in 2015 with the publishing of the 2015-2020 Five Year Outlook Plan (Pipeline Report). In 2020, the City of Alameda took back certain functions of the housing and community development scope but maintained a contract with the Housing Authority to provide housing development services. As part of that contract, a pipeline report must be submitted to the City Council every five years.

DISCUSSION

There are 17 active or proposed development sites described in this report. Fourteen of the most active sites are shown on the attached Map of Proposed Project Locations (Exhibit A). This includes two active rental projects, three active ownership projects, six future rental or ownership projects and three potential renovation/redevelopment projects. Approximately half of the projects will include Housing Authority leadership and participation.

Active Rental Projects

1. **Alameda Point 'Site A'** - This approved mixed-use project includes 800 total homes and is being developed by Alameda Point Partners. The project includes 72 units affordable to moderate-income households and 128 rental units for low and very low-income households developed by Eden Housing. Corsair Flats, 59 residential units for low-income seniors and veterans was completed in late 2020. The Starling (formerly known as Alameda Point Family) will have 69 units and is scheduled for completion in early 2022. The Housing Authority support provides 17 project-based vouchers to the family project and administers 25 VASH (Veteran's Administration Supportive Housing) vouchers for the senior project.



2. **Rosefield Village** – This redevelopment project on an underutilized AHA-owned site broke ground in mid-2020 and will be completed in 2022. Rosefield Village is a family development and replaces 46 units with a development of 92 affordable rental apartments in this transit-oriented site. Of these, thirteen are existing units which are being renovated. The existing residents were provided relocation counseling and the vast majority remain residents of Alameda. A few of the units will remain occupied with existing residents during renovations, with only temporary relocation services provided.

Active Market-Rate For-Sale Projects

3. **Del Monte Building** – A new development partner, Wood Partners, has purchased the entitled site to develop a total of 372 units within the existing Del Monte warehouse and the new building addition. Of these, 24 units will be restricted to serve moderate-income households. The units may be for-sale or for-rent, and the Housing Authority has the option to purchase the restricted units. Site construction is still underway and due to be completed in early 2022. (The Housing Authority built the low income units required for this site in 2018 as Littlejohn Commons.)
4. **Alameda Landing (Bay 37 by Pulte Homes)** - This project began construction in 2020 and is being developed by Pulte Homes. It will include 300 homes, of which 21 units will be sold to moderate-income households (BMR). There are also 18 units at low and very low-income levels which will be purchased by the Housing Authority and rented as affordable homes. All of the BMR units are scheduled to be delivered between 2021 and 2023.
5. **North Housing Homeownership** – Pursuant to a ground lease from the City of Alameda, from a disposition from the Navy, Habitat for Humanity is expected to receive two acres of land adjacent to the Housing Authority site and plans to build 27-30 units of self-help housing. Demolition has begun on this site, and Habitat for Humanity is planning on submitting for approvals starting in 2021.



Upcoming Projects

6. **North Housing Rental Housing** – Pursuant to agreements with the Navy and the City of Alameda, the Housing Authority took possession of approximately 12 acres of land at the former Coast Guard housing site known as North Housing in 2019. The approval requires the development of a 90-unit permanent supportive housing development and may include housing for veterans. Alameda Point Collaborative and Building Futures with Women and Children will participate in the project as the social services providers for the formerly homeless residents. The Housing Authority will complete demolition of the existing 90 apartments on the site in 2021. The Housing Authority has received an approved Tentative Map and Site Development Plan for 586 dwellings (in September 2020) and plans to perform additional design to support future applications for affordable funds for construction.
7. **Boatworks** – This market-rate project at Oak and Clement will include approximately 150 units including 21 affordable units, including 13 very low-income and 8 moderate-income dwellings. This development received Planning Board approval in April 2020.
8. **Alameda Marina** – This project has three phases with a total of 760 homes that will eventually produce the following affordability: 45 moderate income; 26 low-income, and 33 very low-income. This development received Planning Board approval in 2018 but should be delivering a construction and delivery schedule during the upcoming five-year cycle.



Future Development

9. **Alameda Landing (future phase)** - Catellus has previously announced that the firm will develop additional phases on the parcels north of Mitchell Street but plans have not yet been submitted for review.
10. **Encinal Terminals** - This property is located at Buena Vista Avenue adjacent to the Del Monte site. Tim Lewis Communities received a Planning Board approval in July 2019 for 589 units with approximately 80 affordable dwellings.
11. **Main Street RESHAP** - Alameda Point Collaborative and Building Futures, with their development partner, MidPen Housing, is proposing rehabilitation of four hundred affordable units. This development is still in early feasibility.
12. **Shipways** – This proposed development of 329 units by Cavallari Group, Inc., is still in planning.
13. **1435 Webster Street** – This is a proposed infill development by Dannan Development that may yield 2 moderate level affordable units.
14. **The McKay Wellness Center** – This is a proposed health and housing 90-unit development sponsored by the Alameda Point Collaborative. This development filed for entitlement in February 2021 to provide 50 medical beds and patient care, alongside a 98-unit permanent supportive housing and senior development.

Redevelopment of Housing Authority Owned Properties

Certain developments within the Housing Authority portfolio may be strong candidates for substantial rehabilitation. This option is considered when the repair costs exceed the ordinary capital improvements budget or when the dwelling units or the site have become functionally obsolete. The federal low-income housing tax credit program (LIHTC) can provide the opportunity to attract private equity investment that makes this financially feasible. In this model, an existing property is acquired by a newly formed tax credit partnership through an “acquisition and rehabilitation” tax credit project. If the site can accommodate additional units, there may be an opportunity to reconfigure a site plan and increase the total number of AHA owned units. At occupied properties, residents are generally temporarily relocated during construction and will return to their units after work is completed.

15. **Eagle Village** – This property includes 42 units that were built in 1983. The property is in fair condition. Staff is evaluating the feasibility of a scattered site development with other AHA properties to achieve an economy of scale advantage with respect to the costs for renovation.
16. **Parrot Village/Parrot Gardens** – These properties include a total of 58 units on 7.1 acres. The Parrot Gardens units were built in the 1930’s and Parrot Village was built in 1980. The overall combined site presents a strong opportunity for renovation and redevelopment.

17. **China Clipper** – This property includes 26 units that are in fair condition. If the property is determined to require substantial rehabilitation, staff will evaluate the feasibility of combining China Clipper with another property to achieve greater financing efficiency.



Land Acquisition

The Housing Authority reviews frequent opportunities to purchase land or redevelopment opportunities (underutilized sites) in the City of Alameda for future development of affordable housing. In a scattered site model, even small developments can add to the affordable housing stock on the island. The Housing Authority continues to review and offer on purchase opportunities as they arise.

Preservation Opportunities

In addition to developing new affordable housing, the Housing Authority monitors the multi-family property resale market in the City to expand the affordable housing stock. The Housing Authority has explored direct purchases, as well as opportunities to partner with market rate owners to restrict naturally occurring affordable rental homes to preserve affordability. These two strategies provide opportunities to add additional moderate-income units to Housing Authority's portfolio. Current market conditions are brisk, prices continue to climb and there is competition from investors who can close quickly and who often pay all cash. However, in recent months, there have been some increased opportunities for acquisition, likely related to the pandemic. Staff continues to bring acquisition and partnership opportunities to the Board of Commissioners as they arise.

Meeting Overall Housing Need

The City's General Plan Housing Element was approved in 2014 and states the Alameda share of the Regional Housing Needs Allocation (RHNA) calculated by the Association of Bay Area Governments. Per the 2014-2022 RHNA, the City of Alameda goal is to develop 1,723 units by 2023, of which 692 units are to be affordable to extremely low, very low and low-income households. If all of the projects listed above were to be developed, approximately 400 new units will become available to low and very low-income households. The updated RNHA numbers require the City to plan for 4,896 units by 2031 of which the majority are expected to be affordable to low income or very low income households (final numbers to be determined in spring of 2021). Hence, despite the robust level of development activity, unless new policies are adopted and additional resources are committed, the City's affordable housing needs are not likely to be met. The next General Housing Element will be approved within two years.

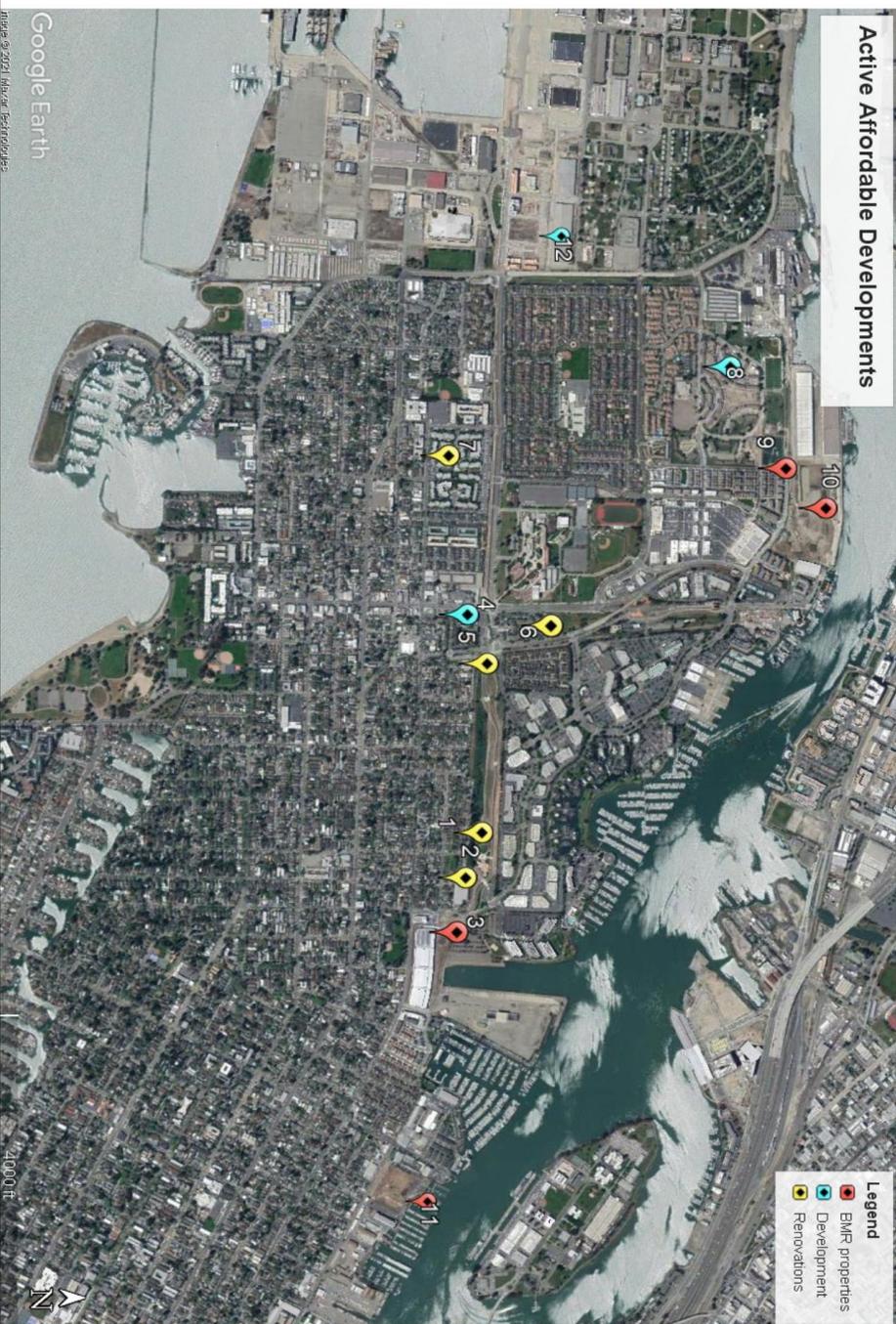
Update to Affordable Housing Development Policies and Guidelines

Affordable Housing Development Policies were adopted in 2015. The policies, goals and objectives that were defined in the document remain equally valid five years later. Staff has revised the document to reflect new State regulations for Successor Housing Agencies and other administrative changes.

Exhibit A

Map of Active Project Locations

Active Affordable Developments



- Renovations:**
- 1) Parrot Village
 - 2) Parrot Gardens
 - 5) Eagle Village
 - 6) Independence Plaza
 - 7) China Clipper
- Developments:**
- 4) Rosefield Village
 - 8) North Housing
 - 12) Alameda Point
AKA: "the Starling"
- BMR Properties**
- 3) Del Monte Warehouse
 - 9) Habitat for Humanity
 - 10) Pulte-Bay 37
 - 11) Alameda Marina