STAFF REPORT

MEETING DATE:	**December 13, 2016**
SUBJECT:	**Receive Update on the 1551 Market Street Redevelopment Project**
AGENDA ITEM:	**8**
STAFF CONTACT:	**Daniel Wayne, Senior Transportation Planner**

SUMMARY

SRTA's Infill and Redevelopment Incentive Pilot Program and grant writing technical assistance were instrumental in the award of a $20,000,000 Affordable Housing and Sustainable Communities (AHSC) grant to the city of Redding and K2 Development for the Redding Downtown Loop and Affordable Housing Project. Many challenges remain to build the project in a timely fashion consistent with grant requirements.

STAFF RECOMMENDATION:

It is recommended that the board of directors receive an update on the 1551 Market Street redevelopment project.

DISCUSSION:

SRTA acquired grant funds in 2012 to develop and administer an Infill and Redevelopment Incentive Pilot Program. The program is intended to implement the 2015 Regional Transportation Plan and Sustainable Communities Strategy by encouraging additional housing and jobs inside designated Strategic Growth Areas. Doing so will reduce the average household's vehicle miles traveled by shortening the distance between trip origins and destinations, and by making alternative travel modes such as walking, bicycling, and public transportation more accessible.

A call for infill and redevelopment projects was issued by SRTA in early 2015. The board of directors selected K2 Development to receive technical assistance for redevelopment of the former Dicker's Department Store together with other downtown Redding transportation improvements. SRTA utilized $122,020 in Proposition 84 Sustainable Communities grant funds to provide K2 Development with architectural design, structural engineering, traffic engineering, and civil engineering needed to ready the project for capital funding and the development review process. The board of directors also authorized

Figure 1: Architectural rendering of the 1551 Market Street redevelopment project (Yuba & Market Street, looking North)

consultant services to assist the city of Redding and K2 Development in preparing a competitive application under the California's Affordable Housing and Sustainable Communities Program (AHSC). Federal Planning funds in the amount of $58,626 were used for this purpose.

On October 11, 2016, the Strategic Growth Council formally awarded $20,000,000 for the Redding Downtown Loop and Affordable Housing Project. It is the largest grant award in California and the only funds awarded north of the Sacramento Area. The developer and city of Redding are investing an additional $18,000,000.

The resulting project design features a total of 79 housing units (59 affordable and 23 market rate); over 21,500 square feet of ground floor commercial space; enhanced bicycle and pedestrian connections to the Downtown Redding Transit Center; new complete streets through the Market Street Promenade; and a portion of the Downtown Redding Bicycle Loop that will ultimately connect Downtown Redding to the Sacramento River Trail at the Deistelhorst Bridge and Turtle Bay Exploration Park. Many of the designs created for this project are featured in the recently completed Downtown Redding Transportation Plan.

The project requires complex levels of coordination due to multiple fund sources and a 2018 delivery date. A project update, including next steps and anticipated timeline, will be provided by SRTA staff, K2 Development, and city of Redding at the December board meeting.

OTHER AGENCY INVOLVEMENT:

The city of Redding, in partnership with K2 Development, is the grant recipient and lead agency responsible for administering the funds. The AHSC Program is administered by the California Strategic Growth Council.

Daniel S. Little, AICP, Executive Director

Attachment: SGC Press Release Announcing AHSC Grant Awards
AHSC 2015-16 Awards

CALIFORNIA STRATEGIC GROWTH COUNCIL

FOR IMMEDIATE RELEASE
October 11, 2016

Contact: Evan Gerberding, HCD Deputy Director of Communications
(916) 263-7408; evan.gerberding@hcd.ca.gov
Mackenzie Wieser, SGC External Communications
(916) 327-4737; mackenzie.wieser@sgc.ca.gov

Strategic Growth Council Approves $289.4 Million Investment in Housing Affordable to Hardworking Californians and Transit Infrastructure Designed to Help People Drive Less

Second Round of Climate Investment Projects Centered on Combating Climate Change

SACRAMENTO—The California Strategic Growth Council today unanimously approved $289.4 million in competitive grants and loans to 25 housing developments and transit-friendly infrastructure projects that will help Californians drive less and reduce the greenhouse gas emissions contributing to climate change.

Today's awards are part of the Affordable Housing and Sustainable Communities (AHSC) Program, administered by the California Department of Housing and Community Development in coordination with the Strategic Growth Council and California Air Resources Board. This is one of the California Climate Investment programs financed by the Greenhouse Gas Reduction Fund using proceeds from the state's cap-and-trade auctions.

"The Strategic Growth Council is using cap-and-trade proceeds to fund over a quarter of a billion dollars in housing and transportation projects throughout California, primarily in disadvantaged communities, that are reducing greenhouse gas emissions, improving lives, and benefiting the economy, reflecting California's commitment to fight climate change and build for the future," said Ken Alex, Strategic Growth Council Chairman.

The program funds statewide affordable-home development that is close to transit in dense urban areas, suburban transit centers, and compact rural communities. When completed, the developments will provide nearly 2,500 new homes affordable to Californians with modest incomes.

"These investments demonstrate the multiple benefits of California's ambitious programs to fight climate change," said Matt Rodriquez, California Secretary for Environmental Protection. "Not only will they reduce our global warming emissions, but they will improve the lives of some of the most vulnerable Californians by helping to build communities that are cleaner, healthier and more affordable."

"These investments in affordable-housing clearly demonstrate the State's full commitment to direct cap-and-trade auction proceeds into the California communities that need them the most," said CARB Chair Mary D. Nichols. "These sustainability projects improve the quality of life in Disadvantaged Communities, reduce greenhouse gas emissions and provide a broader range of transportation choices throughout the State."

These grants and loans help reduce greenhouse gas emissions by supporting more compact development in urban areas and encouraging people to walk, bike, and use public transit, while also protecting agricultural land from suburban sprawl. This year's 25 recommended developments will reduce Californians' driving by approximately 770 million miles – the equivalent of removing every single car going both directions on the Golden Gate Bridge for a full week.

The Council continues its commitment to investments that benefit communities with the highest pollution burden, with more than $246 million in funding, or 85 percent, committed to these communities. This year the Council piloted a technical assistance program to support applications from disadvantaged communities, and five of these applicants were awarded funds in today's Council action.

"The healthy share of funding going to over-exposed and socially vulnerable communities – and the investment in providing technical assistance to maximize success in the application process—represents a continued state commitment to equity as a guiding principle and key criterion in addressing California's climate challenge. The upcoming Transformative Climate Communities and other programs will offer more opportunities to make progress together," said Manuel Pastor, Strategic Growth Council Public Member and Director, USC Program for Environmental and Regional Equity.

The awards adopted by the Council today represent a wide geographic distribution throughout the state, reflecting regional priorities for affordable housing development plus transportation and transit investments. Each development must include transit, bike, and pedestrian improvements, requiring well-coordinated housing and transportation infrastructure that reduce greenhouse gas emissions. The AHSC program also funds annual transit passes, ridership programs, active transportation education, and other outreach programs necessary to help people move away from automobiles to other, healthier transportation options.

"These cap-and-trade investments will improve access to housing, transit, jobs and other opportunities in communities throughout the state, while advancing climate and health equity and creating more livable, vibrant communities" said Strategic Growth Council Executive Director Randall Winston.

"The selected AHSC developments throughout California represent a true 'win-win' for residents and our environment," said Ben Metcalf, Director of the California Department of Housing and Community Development. "When people are able to choose walking, biking, and transit options over hopping in their cars, we're all healthier."

A complete list of projects that received funding can be found at:
http://sgc.ca.gov/resource%20files/10112016AHSC1516AppendixA1&2.pdf
For more information on California's Climate Investments visit:
http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/ggrfprogrampage.htm.

The Strategic Growth Council (the Council, or SGC) was created in 2008 by Senate Bill 732 (Steinberg). The SGC brings together agencies and departments within the Business, Consumer Services and Housing; Transportation; Natural Resources; Health and Human Services; Food and Agriculture; and Environmental Protection Agencies, with the Governor's Office of Planning and Research and three public members to coordinate activities that support sustainable communities emphasizing strong economies, social equity and environmental stewardship. More information on the SGC can be found at www.sgc.ca.gov. More information on the Affordable Housing and Sustainable Communities Program can be found here. http://www.sgc.ca.gov/s_ahscprogram.php

###

Table 1: Staff Recommendations: AHSC 2015-16 Awards

Category	PIN	Project	Applicant	Project Location	Project Area Type	DAC Eligiblity	DAC %	% of Total AHSC Funds Available	Final % Score	Total AHSC Requested
Transit Oriented Development - 35%	35258	Six Four Nine Lofts	Skid Row Housing Trust	Los Angeles	TOD	Located Within	96-100%	1.8%	**94.50%**	$5,315,000
	35213	Lakehouse Connections	East Bay Asian Local Development Corporation	Oakland	TOD	Located Within	81-85%	6.3%	**94.00%**	$18,127,203
	35347	Empyrean & Harrison Hotel Housing and Transportation Improvements	Resources for Community Development	Oakland	TOD	Located Within	86-90%	5.8%	**92.75%**	$16,807,556
	34781	Rolland Curtis West	Abode Communities	Los Angeles	TOD	Located Within	91-95%	2.0%	**90.25%**	$5,668,074
	34767	St. James Station TOD	First Community Housing	San Jose	TOD	Located Within	81-85%	4.5%	**90.00%**	$12,889,611
	34708	7th & Witmer	Deep Green Housing & Community Development	Los Angeles	TOD	Located Within	91-95%	5.8%	**85.00%**	$16,760,000
	35538	Coliseum Connections	UrbanCore Development, LLC	Oakland	TOD	Located Within	96-100%	5.1%	**81.75%**	$14,844,762
	35254	455 Fell	Mercy Housing California	San Francisco	TOD	25% of Project wk hr	86-90%	5.5%	**79.25%**	$16,056,563
									Subtotal TOD Projects	**$106,468,769**
Integrated Connectivity Project - 35%	35326	Hunter Street Housing	Visionary Homebuilders of California, Inc.	Stockton	ICP	Located Within	86-90%	3.1%	**90.50%**	$8,941,370
	34818	Renascent San Jose	Charities Housing	San Jose	ICP	Located Within	96-100%	5.2%	**89.00%**	$14,979,486
	34845	MDC Jordan Downs	The Michaels Development Company I, LP	Los Angeles	ICP	Located Within	96-100%	4.1%	**88.00%**	$11,969,111
	34786	Grayson Street Apartments	Satellite Affordable Housing Associates	Berkeley	ICP	Located Within	81-85%	1.3%	**87.00%**	$3,755,326
	35241	Santa Ana Arts Collective	Meta Housing Corporation	Santa Ana	ICP	Within an ½ mile	86-90%	4.2%	**85.41%**	$12,028,626
	34866	Creekside Affordable Housing	Neighborhood Partners, LLC	Davis	ICP	N/A	N/A	4.1%	**84.25%**	$11,881,748
	35198	Cornerstone Place	Domus Development, LLC	El Cajon	ICP	Located Within	76-80%	4.2%	**83.50%**	$12,090,713
	34713	Sun Valley Senior Veterans Apts & Sheldon Street Pedestrian Improven	East LA Community Corporation	Los Angeles	ICP	Located Within	91-95%	3.8%	**80.25%**	$11,110,020
	34761	Redding Downtown Loop and Affordable Housing Project	City of Redding	Redding	ICP	N/A	N/A	6.9%	**78.25%**	$20,000,000
									Subtotal ICP Projects	**$106,756,400**
Rural Innovation Project Area - 10%	34874	Coldstream Mixed Use Village - RIPA app	StoneBridge Properties	Truckee	RIPA	N/A	N/A	3.7%	**85.50%**	$10,682,140
	35378	Lindsay Village Affordable Housing & Transportation Improvement Proje	Self Help Enterprises	Lindsay	RIPA	Located Within	86-90%	1.9%	**85.00%**	$5,518,353
	34791	Wasco Farmworker Housing Relocation Project	Wasco Affordable Housing, Inc.	Wasco	RIPA	Located Within	86-90%	6.4%	**84.00%**	$18,637,432
									Subtotal RIPA Projects	**$34,837,925**
Disadvantaged Community (96-100%) - 20%	34720	PATH Metro Villas Phase 2	PATH Ventures	Los Angeles	TOD	Located Within	96-100%	4.8%	**76.00%**	$13,750,183
	35348	Sierra Village Affordable Housing & Transportation Improvement Project	Self Help Enterprises	Dinuba	RIPA	within an ½ mile	96-100%	1.6%	**80.25%**	$4,646,731
	34886	Kings Canyon Connectivity Project - (Kings Canyon)	Cesar Chavez Foundation	Fresno	ICP	Located Within	96-100%	5.4%	**77.50%**	$15,579,426
	34771	South Stadium Phase I TOD	City of Fresno	Fresno	ICP	Located Within	96-100%	2.0%	**74.00%**	$5,738,730
	35219	Avena Bella (Phase 2)**	EAH Inc.	Turlock	ICP	Located Within	96-100%	2.6%	**64.15%**	$1,661,667
									Subtotal DAC (96-100%) Projects	**$41,376,737**
									TOTAL:	**$289,439,831**

** Reduced funding award because of availability of funds in this NOFA. Original request was $7,474,676 ($6,862,451 in AHD and $612,225 in STI).

Table 2: Full Application Submittals Not Recommended for Award

	PIN	Project	Applicant	Project Location	Project Area Type	DAC Eligibility	DAC %	Final % Score	Total AHSC Requested
Transit Oriented Development	35465	Yosemite Apartments	Tenderloin Neighborhood Development Corp.	San Francisco	TOD	within an ½ mile	76-80%	76.50%	$5,092,303
	35445	Go by Bike to The Lofts at Normal Heights	Chelsea Investment Corporation	San Diego	TOD	N/A	N/A	74.75%	$11,500,000
	34795	Uptown Oakland Housing and Transportation Collaborative/Embark Apar	Resources for Community Development	Oakland	TOD	Located Within	76-80%	74.00%	$15,982,964
	35233	Metro @ Western	Meta Housing Corporation	Los Angeles	TOD	Located Within	81-85%	70.25%	$7,365,144
	35371	St. Paul's Commons & Trinity Ave. Complete Streets	Resources for Community Development	Walnut Creek	TOD	N/A	N/A	69.75%	$7,679,331
	34775	Lavender Courtyard by Mutual Housing TOD	Mutual Housing California	Sacramento	TOD	within an ½ mile	81-85%	65.75%	$5,623,287
	35447	Dunleavy Plaza Apartments	Mission Housing Development Corporation	San Francisco	TOD	N/A	N/A	65.25%	$2,821,572
	34758	Beacon Pointe	Century Affordable Development Inc	Long Beach	TOD	within an ½ mile	86-90%	64.25%	$17,723,734
	34764	Edwina Benner Plaza	MidPen Housing Corporation	Sunnyvale	TOD	N/A	N/A	62.50%	$9,606,560
	35461	Horizons at New Rancho	Urban Housing Communities, LLC	Rancho Cordova	TOD	within an ½ mile	76-80%	62.25%	$5,965,068
	35289	Bartlett Hill Manor	LINC Housing Corporation	Los Angeles	TOD	Located Within	91-95%	56.65%	$4,700,000
Rural Innovation Project Area	34734	Esparto Phase IIB	Mercy Housing California	Esparto	RIPA	N/A	N/A	76.25%	$3,941,321
	35206	Arcata Affordable Housing Related Infrastrcutre/Community Connectivity	Danco Communities	Arcata	RIPA	N/A	N/A	73.25%	$1,970,800
	35438	Orr Creek Commons	Rural Communities Housing Development Corp	Ukiah	RIPA	N/A	N/A	73.25%	$14,416,614
	35204	Blue Mountain Terrace	Domus Development, LLC	Winters	RIPA	N/A	N/A	71.75%	$2,846,184
	35381	Lamont AHSC Project	Housing Authority of the County of Kern	Lamont	RIPA	Located Within	86-90%	64.75%	$6,164,522
	35452	Crescent City Senior Housing and Community Connectivity Project	Danco Communities	Crescent City	RIPA	N/A	N/A	62.75%	$2,139,760
	35492	Valley Vista Senior Apartments	Valley Vista LLC	Jamestown	RIPA	N/A	N/A	62.25%	$8,800,000
	34796	The Village Apartments	Cabrillo Economic Development Corporation	Buellton	RIPA	N/A	N/A	56.25%	$8,989,608
	35462	Eureka Waterfront Multi-Modal Connectivity Project	City of Eureka	Eureka	RIPA	N/A	N/A	48.78%	$946,540
	34890	Complete Streets to Transit and Employment: Pedestrian/Bicycle Improve	City of McFarland	McFarland	RIPA	Located Within	91-95%	33.61%	$1,856,100
Integrated Connectivity Project	35253	Creekview Terrace	Domus Development, LLC	San Pablo	ICP	within an ½ mile	81-85%	78.00%	$10,867,494
	35212	Potrero Block X	BRIDGE Housing Corporation	San Francisco	ICP	N/A	N/A	77.25%	$9,250,000
	34766	Heritage Point Affordable Housing/Retail Development	Community Housing Development Corporation	Richmond	ICP	Located Within	81-85%	76.75%	$10,204,875
	35327	Veterans Square	Domus Development, LLC	Pittsburg	ICP	Located Within	76-80%	75.75%	$5,387,619
	34751	The Monterey Senior Housing, Bike, & Pedestrian Improvements Project	Mid-Peninsula The Farm, Inc	Monterey	ICP	N/A	N/A	72.00%	$5,497,119
	35243	El Dorado II Apartments	C&C Development	San Diego	ICP	N/A	N/A	70.00%	$15,800,776
	35418	Lincoln Park Apartments	Affirmed Housing Group, Inc.	San Diego	ICP	within an ½ mile	81-85%	67.95%	$7,009,886
	35420	Villages at Westview Phase II	Housing Authority of the City of San Buenaventura	Ventura	ICP	N/A	N/A	67.00%	$9,382,434
	34885	South San Francisco Senior Affordable Housing/Connections to Caltrain	City of South San Francisco	South San Franc	ICP	N/A	N/A	65.00%	$8,875,280
	35299	Alameda Site A Family Apartments	Eden Housing, Inc.	Alameda	ICP	N/A	N/A	63.75%	$12,870,620
	35380	Metrolink Station Bike/Ped Access Project	San Bernardino Associated Governments	Montclair	ICP	Located Within	96-100%	63.33%	$6,598,973
	35450	Countryside II Connect	Chelsea Investment Corporation	El Centro	ICP	Located Within	76-80%	62.00%	$7,041,500
	35554	Treasure Island Intermodal Transit Hub - Phase 1	Treasure Island Community Development (TICD)	San Francisco	ICP	10% of Project work	76-80%	60.28%	$12,055,858
	35458	Public Market Sustainable Transportation Project	City Center RealtyPartners, L.P.	San Francisco	ICP	N/A	N/A	59.72%	$15,483,984
	34726	CalVans Vanpool Expansion Project	California Vanpool Authority	Hanford	ICP	Located Within	96-100%	59.48%	$3,300,000
	34760	Alameda Site A Senior Apartments	Eden Housing, Inc.	Alameda	ICP	N/A	N/A	57.25%	$10,870,983
	34888	Candlestick Point	Law Office of Patrick R. Sabelhaus	San Francisco	ICP	10% of Project work	76-80%	53.89%	$5,000,000
	34880	Connecting Vista: Bike, Walk, SPRINT	San Diego Association of Governments	Vista	ICP	within an ½ mile	76-80%	51.39%	$5,120,000
	35535	South Gate Regional Bikeway Connectivity Project	City of South Gate	South Gate	ICP	Located Within	96-100%	50.56%	$2,570,520
	34754	Windsor Transit Center Corridor and Intersection Improvements Project	Town of Windsor	Windsor	ICP	N/A	N/A	48.61%	$5,387,718
	34878	J Street Greenway Trail & Complete Streets	City of Oxnard	Oxnard	ICP	within an ½ mile	91-95%	46.11%	$6,748,276
	34879	Downtown Oxnard Transit Corridor Improvement Project	City of Oxnard	Oxnard	ICP	within an ½ mile	91-95%	46.11%	$4,564,001
	35220	Rexland Acres Community Sidewalk Project	Kern County	Bakersfield	ICP	Located Within	91-95%	45.56%	$8,537,000

Table 3: AHSC Round 2 Projects Not Considered for Full Application Scoring

Project	Primary Applicant	Issue	MPO	County	Project Type	Amount Requested
Putting Down Routes: Connecting East Oakland	Satellite Affordable Housing Associates	Did not meet threshold	ABAG/MTC	Alameda	ICP	$ 6,205,125
Rosefield Village Redevelopment and Atlantic Avenue Connectivity Project	Housing Authority of the City of Alameda	Did not submit full	ABAG/MTC	Alameda	TOD	$ 6,518,156
Warehouse 48 at Star Harbor	TL Partners 1 LP	Did not submit full	ABAG/MTC	Alameda	ICP	$ 5,296,029
Morgan Hill Family-Scattered Site	EAH Inc.	Did not submit full	ABAG/MTC	Santa Clara	ICP	$ 9,489,122
Millbrae Transit Village	Republic Millbrae LLC	Did not submit full	ABAG/MTC	San Mateo	TOD	$ 14,563,865
Junsay Oaks Apartments	Chispa, Inc.	Did not meet threshold	AMBAG	Monterey	ICP	$ 6,904,121
Jamboree Oroville Family Apartments	Jamboree Housing Corporation	Did not meet threshold	BCAG	Butte	RIPA	$ 8,296,906
Americana Community Apartments Huron	Huron City	Did not meet threshold	FRESNO	Fresno	RIPA	$ 9,601,559
Van Ness Apartments	Dominus Consortium, LLC	Incomplete application	FRESNO	Fresno	ICP	$ 10,197,237
Mount Shasta Greenway Trail and Affordable HRI Project	Danco Communities	Did not submit full	N/A	Siskiyou	RIPA	$ 2,237,000
623 Vernon Street Apartments & Downtown Pedestrian Bridge	Mercy Housing California	Did not submit full	SACOG	Placer	ICP	$ 8,023,759
Villa Encantada	AMCAL Multi-Housing Two, LLC	Did not submit full	SANDAG	San Diego	TOD	$ 4,690,321
Walnut Street Family Apartments	Many Mansions	Did not submit full	SCAG	Ventura	ICP	$ 3,721,717
Calexico Intermodal Transportation Center (ITC)	Imperial County Transportation Commission	Did not submit full	SCAG	Imperial	ICP	$ 8,925,383
Courson Arts Colony East and West	Meta Housing Corporation	Did not submit full	SCAG	Los Angeles	ICP	$ 12,632,161
Loma Linda Veterans Village	Meta Housing Corporation	Did not submit full	SCAG	San Bernardino	ICP	$ 15,012,642