



## CITY COUNCIL AGENDA REPORT

### City of Anaheim COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

**DATE:** JANUARY 29, 2019  
**FROM:** COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT  
**SUBJECT:** APPROVE A COOPERATION AGREEMENT TO TRANSFER HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS TO THE ANAHEIM HOUSING AUTHORITY AND AUTHORIZE THE DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT TO SUBMIT AN AFFORDABLE HOUSING AND SUSTAINBLE COMMUNITIES PROGRAM APPLICATION

**ATTACHMENT (Y/N):** YES **ITEM # 20**

#### **RECOMMENDATION:**

That the City Council adopt a Resolution approving a Cooperation Agreement for the Manchester and Orangewood affordable rental housing development by and between the City of Anaheim and the Anaheim Housing Authority, substantially in the form attached hereto; and authorize the Community and Economic Development Director, or his designee, to submit an Affordable Housing and Sustainable Communities (AHSC) program application with Jamboree Housing Corporation and enter into subsequent agreements necessary to implement the grant improvements delineated in the AHSC program application.

#### **DISCUSSION:**

The Anaheim Housing Authority (Housing Authority) currently owns an approximately 2.86 acre parcel of real property generally located at the northwest corner of Manchester and Orangewood (Site) that was originally acquired by the former Redevelopment Agency. The Site has long been identified as a housing opportunity site and was the subject of an Affordable Housing Agreement involving the Redevelopment Agency in 2010. Due to unforeseen circumstances, the development that was planned for the Site under that agreement was unable to move forward, and subsequent actions resulting in the elimination of redevelopment agencies in California further delayed planning efforts. However, despite these delays, staff continued to monitor community needs and evaluate the highest and best use for the Site.

Given the proximity of the Site to the Anaheim Resort and Angel Stadium, the Site presents a great opportunity to provide a new affordable rental housing option for Anaheim's low-income working families. Therefore, on January 31, 2018, the Housing Authority, in collaboration with the Community and Economic Development Department, issued a Request for Proposals (RFP) for the Site. The RFP was released on

the PlanetBids website and was widely circulated by the Kennedy Commission and the Southern California Association of Non-Profit Housing (SCANPH). The Housing Authority received a total of eight development proposals. A panel consisting of staff from various city departments, the Housing Authority's financial consultant and a member of the Housing and Community Development Commission (HCDC) assisted with the evaluation of the proposals. The criteria used to review and score each submission included developer experience and qualifications, project concept and design, innovation, strength of onsite social services and financial terms. Based on the initial evaluations, the four highest scoring proposers were invited to participate in a second round, which consisted of in-person interviews of the development teams. The interviews provided each development team with an opportunity to further showcase their design concept and elaborate on how they intended to fulfill the criteria set forth in the RFP. Based on their initial responses to the RFP and the subsequent interview, Jamboree Housing Corporation (Jamboree) received the top score, and was selected as the RFP finalist.

Jamboree's development proposal consists of a four-story contemporary housing development consisting of a 102-unit rental units (Project). The Project will be 100% affordable, with rents set at levels that are deemed affordable to families with incomes that fall within the extremely-low, very-low and low-income households categories as set forth by State and Federal funding sources (income tables attached). 20 of the units at the Project will be set aside for homeless households. Project amenities include a resident pool, children's play area and roof deck. In addition, a robust level of social services, ranging from after-school programming and childcare to adult education services are planned. In response to community input, the Project will provide 213 parking spaces in a centralized three-story parking structure, which exceeds parking requirements for a development of this type, as well as a community garden with community walkways for quiet activities, all of which will be accessible to Project neighbors.

Jamboree proposes to finance the development with a combination of funding sources. A primary source of funding is the AHSC Program, part of California Climate Investments, a statewide program funded through the Green Gas Reduction Fund that puts billions of Cap-and-Trade dollars to work reducing Green House Gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. The AHSC Program funds land-use, housing, transportation and land preservation projects to support infill and compact developments that reduce greenhouse gas emissions and permits applicants to request grant funding for public improvements within a one mile radius of a project. Accordingly, the Anaheim AHSC application includes a \$7 million-dollar grant request to improve bikeways, sidewalks, urban greening and public transit around the Project. The City of Anaheim's Public Works Department assisted with identifying needed improvements and will oversee the implementation of the improvements. Additionally, the Anaheim Transportation Network (ATN) has agreed to use the grant funds to purchase two electric buses and fund requisite improvements.

As a region, Orange County has only had one project of this type funded since the inception of the AHSC program in 2014. However, the collaborative working to put this application together, which includes several city departments, an AHSC consultant and Jamboree, believes the Project has a strong chance of being awarded funding. For the housing component of the development specifically, Jamboree is requesting an additional \$13 million in AHSC funding to assist with development of the Project. Other funding will include \$15,293,898 from the California Tax Credit Allocation Committee and another \$8,687,454 from a private lending institution.

While the majority of the funding needed to complete the Project is projected to come from State resources, assistance is needed from the Housing Authority to close a remaining financial gap. To address the gap, the Housing Authority proposes to enter into a 55-year ground lease of the Site and provide a loan of up to \$3,172,632 in HOME and/or Low Moderate Income Housing Asset Funds. The Housing Authority also plans to contribute \$551,696 in Park Fee Credits to the Project. The ground lease, loan and credits will be paid back to the Authority from 85% of the Project's residual receipts. Additionally, the Authority is proposing an allocation of 20 Section 8 Project Based Vouchers to the Project. The City will provide fee waivers and energy star rebates of \$282,294. Total development costs for the Project are \$51,622,154.

Staff is supportive of the Project, as proposed, and therefore requests that the City Council approve a Cooperation Agreement between the City and the Housing Authority to transfer up to \$3,172,632 of federal HOME funds from the City to the Housing Authority so that the Housing Authority can loan such funds to the Developer for the Project. In addition staff requests approval to allow the Community and Economic Development Director, or his designee, to submit an AHSC application with Jamboree Housing Corporation and enter into subsequent agreements necessary to implement the grant improvements delineated in the AHSC program application.

**IMPACT ON BUDGET:**

All proposed assistance is derived from restricted federal funds provided by HUD and potential AHSC grant funds.

Respectfully submitted,

John E. Woodhead IV  
Director of  
Community & Economic Development

**Attachments:**

1. Cooperation Agreement (Transfer of HOME Funds)
2. Resolution
3. Location Map