



City of Culver City

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Staff Report

File #: 23-739, **Version:** 1

Item #: C-6.

CC:HA - CONSENT ITEM: (1) Approval to Submit a Joint Application in Partnership with Community Corporation of Santa Monica under the Affordable Housing and Sustainable Communities Notice of Funding Availability in an amount up to \$35 million for Capital and Programming Funds and up to \$15 million for City Bike, Pedestrian and Transit Infrastructure for the 95-unit 100% Affordable Housing Project to be Developed at 4464 Sepulveda Boulevard, Culver City, CA; and (2) Approval of and Direction to Staff to Complete the Proposed Bicycle, Pedestrian, and Transit Projects Included in the Grant Application if the Grant is Awarded to the City.

Meeting Date: March 13, 2023

Contact Person/Dept: Jesse Mays - Assistant City Manager
Diana Chang - Chief Transportation Officer
Tevis Barnes - Housing and Human Services Director
Andrew Maximous - Mobility and Traffic Engineering Manager

Phone Number: City Manager's Office - 310.253.6000
Transportation Department - 310.253.6566
Housing Department - 310.253.5780
Public Works Department - 310.253.5634

Fiscal Impact: Yes ☒ No ☐ **General Fund:** Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (Email) Meetings and Agendas-City Council and Housing Authority (03/09/2023); Community Corporation of Santa Monica (02/27/2023); Culver Palms United Methodist Church (03/09/2023); and Advisory Committee on Housing and Homelessness (03/09/2023)

Department Approval: John Nachbar, City Manager (03/09/2023)

RECOMMENDATION

Staff recommends the Culver City Council and the Culver City Housing Authority (Authority) Board (1) discuss and, if desired, approve the request by Community Corporation of Santa Monica (Community Corp) to submit a joint application under the Affordable Housing and Sustainable Communities (AHSC) Notice of Funding Availability (NOFA) in an amount up to \$35 million for capital

and programming funds and up to \$15 million for City Bike, Pedestrian and Transit Infrastructure for the 95-unit 100% affordable housing project located at 4464 Sepulveda Boulevard, Culver City, CA (Project); and (2) approve and provide direction to staff to complete the proposed bicycle, pedestrian, and transit projects included in the grant application if the grant is awarded to the City.

BACKGROUND

At the request of Community Corp at the February 27, 2023, regular meeting of the City Council, there was support to agendaize a discussion regarding authorization to submit an application for the AHSC Grant Fund for the support of the Project.

On June 13, 2022, the City Council and Authority Board jointly approved an increase in the funding commitment to Community Corp for the proposed Project from \$2 million to \$4 million. The Project or Jubilo Village will be a 100% affordable housing development that will provide 95 affordable one, two and three-bedroom apartments to at-risk and low-income households. The development will be service-enriched and provide onsite supportive services through a partnership with Upward Bound House (UBH), a Culver City local emergency shelter for homeless children and their families. In addition to providing residents with access to resources, the development will also include onsite property management services. The Project will be developed in partnership with the property owner, Culver Palms United Methodist Church, and will include a mixed-use project on the church property. Once completed, the Project will be the City's second 100% affordable mixed-used project; the first being Tilden Terrace located on Washington Boulevard.

Community Corp is seeking additional financial support for the Project. To secure project-based rental assistance to help fund operations and services, Community Corp applied under the Los Angeles County Development Authority (LACDA) Affordable Multifamily Rental Housing, Round 28 in December 2022. Community Corp's bid for these funds is pending.

In January 2022, Community Corp. was notified that it was not awarded funding under the LACDA NOFA, Round 27 because the Project did not meet funding threshold requirements, prompting the City to increase the funding commitment from \$2 million to \$4 million.

DISCUSSION

Notice of Funding Availability

On January 30, 2023, the Strategic Growth Council (SGC) and the California Department of Housing and Community Development (HCD) announced the availability of approximately \$750 million in funding for the AHSC program. AHSC is administered by SGC and implemented by the HCD. The California Air Resources Board (CARB) provides the quantification methodology for determining the greenhouse gas (GHG) emissions reductions for AHSC. These AHSC funds will be used for loans or grants, or a combination to projects that will achieve GHG emissions reductions to benefit communities throughout California, particularly through increasing accessibility to affordable housing and Key Destinations via low-carbon transportation, resulting in fewer vehicle miles traveled through shortened or reduced trip length or mode shift from single occupancy vehicle use to transit, bicycling,

or walking. The application submission deadline is April 4, 2023, and award announcement is projected for August 2023.

Affordable Housing & Sustainable Communities (AHSC) Grant Funds

Funded by auction proceeds from California's cap-and-trade emissions reduction program, AHSC program is an evolving resource to help cities, counties, transportation/transit agencies, and affordable housing developers build projects with affordable housing connected to walking, bicycling and transit. To compete for funds, affordable housing developers partner with public agencies to form a joint application. The affordable housing developer applies for funding for an affordable housing project, and the public agency applies for funding for bike, pedestrian, and transit infrastructure. The bike, pedestrian, and transit infrastructure projects must be contained within or pass through a one mile radius of the project, and meet other specific qualifications. If directed by the City Council and the Authority Board, the AHSC joint application between Community Corp and the City will be for grant funds (not loan funds). There are no match requirements under the grant.

A successful grant application would secure up to \$35 million in capital and program funds for Community Corp to use for the Project. In addition, a successful grant application would secure up to \$15 million of funding directly to the City for bike, pedestrian, and transit infrastructure. Staff currently anticipates applying for grant funding for only \$11 million in bicycle, pedestrian, and transit infrastructure projects, but staff is requesting City Council approval to submit the application for up to \$15 million in bike, pedestrian, and transit infrastructure. This will give staff flexibility during the grant application process, if, for example, project cost estimates increase during the grant application process.

The AHSC program requires that the City and Community Corp be jointly and severally liable for the grant award. This means that if Community Corp fails to meet its obligations associated with the grant award (for example, completion of the project) HCD could require the City to either meet those obligations or return the funding awarded to both the City and HCD. If the City Council directs staff to complete a joint AHSC application, the City will work with HCD and Community Corp to complete an agreement with Community Corp that limits the City's risk to the extent possible. However, the extent to which the City's risk is limited is subject to negotiation with Community Corp.

Proposed Bicycle/Transit/Pedestrian Projects

Staff proposes that the City include in the grant application a request for funding for the following projects, which meet the specific requirements of the grant and will make for a competitive grant application, according to Community Corp's grant consultant. If the City and Community Corp are awarded the grant, the City would be required to complete these projects.

Bicycle Project (Approximately \$2 million)

Construction of an approximately 1-mile-long segment of Class IV (protected) bike lanes along Overland Avenue between the Ballona Creek Bike Path and Sawtelle Boulevard. This segment is approximately 1 mile long that would connect the Julian Dixon Library and the Ballona Creek Bike Path to West LA College and El Rincon Elementary School. Overland Avenue is a major north/south Corridor that runs through the heart of Culver City. An existing Class II bike lane runs between Culver Boulevard and the Ballona Creek Bike Path. A project is currently under design to install this Class IV (protected) bike lane along Overland Avenue, which is part of the City's Bicycle and

Pedestrian Action Plan. This segment is within the 1-mile radius of the AHSC Culver project and meets the Caltrans criteria of a context sensitive bikeway.

Pedestrian Projects (Approximately \$1 million)

Numerous pedestrian enhancements within the 1-mile radius of the AHSC Culver project, including: sidewalk repairs, upgrading curb ramps to ADA standards, installing high visibility crosswalk markings, and upgrading pedestrian push buttons at signalized intersections to be fully accessible. During the grant application process, staff will identify the specific locations within the 1-mile radius while focusing on the area immediately surrounding the AHSC Culver project.

Transit Project (Approximately \$8 million)

Transit improvements for Culver CityBus Line 6 and Rapid 6 which serves Sepulveda Boulevard between UCLA and LAX. Line 6 and Rapid 6 provide important north-south connections to the regional rail, airport, schools, hospitals, shopping mall, commercial and job centers, and transit centers. Improvements will include increased service to improve the frequency and reduced wait times along the corridor. This grant may be used to procure additional zero-emission buses, operational and maintenance costs necessary for running additional service, and bus rider amenities.

FISCAL ANALYSIS

There is no financial impact to submit an application under the AHSC NOFA. Submission of an AHSC grant application will also have no impact on the City's current \$4 million commitment to the Project. If grant funds are awarded under the AHSC, \$35 million in capital and program funds will be made available to Community Corp to support the Project. In addition, a successful grant application would secure up to \$15 million in funding directly to the City for bike, pedestrian, and transit infrastructure.

ATTACHMENT

None

MOTION

That the City Council and Authority Board:

1. Approve the submission of a joint application with Community Corporation of Santa Monica under the Affordable Housing and Sustainable Communities Notice of Funding Availability in an amount up \$35 million for capital and programming funds and up to \$15 million for City Bike, Pedestrian and Transmit Infrastructure for the 95-unit 100% affordable housing project located at 4464 Sepulveda Boulevard, Culver City, CA (Project); and
2. Approval of and direction to staff to complete the bicycle, pedestrian, and transit projects listed in the staff report, should the grant application be approved; and

3. Authorize the City Attorney/Authority General Counsel to review/prepare the necessary documents, including an agreement with Community Corp regarding joint and several liability; and,
4. Authorize the City Manager/Executive Director to execute such documents on behalf of the City/Authority, including joint and several liability.