



Office of the City Manager

TO BE DELIVERED AGENDA MATERIAL

Meeting Date: October 23, 2007

Item Number: 20

Item Description: Grant: Housing Incentive Program (HIP) Application for Ed Roberts Campus

Distribution Checklist:

<input type="checkbox"/> Mayor	2 copies
<input type="checkbox"/> Councilmembers	8 copies (1 copy each)
<input type="checkbox"/> City Manager	4 copies
<input type="checkbox"/> City Attorney	1 copy
<input type="checkbox"/> City Auditor	1 copy
<input type="checkbox"/> City Clerk	
Total:	<u>25 copies + ORIGINAL</u> 41 COPIES



Office of the City Manager

CONSENT CALENDAR
October 23, 2007

To: Honorable Mayor and
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Claudette Ford, Director, Public Works

Subject: Grant: Housing Incentive Program (HIP) Application for Ed Roberts Campus

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to submit an application to the Metropolitan Transportation Commission (MTC) for funds in the amount of \$544,000 for transportation enhancements related to the Ed Roberts Campus (ERC) at the Ashby BART Station; allocating and committing \$62,525 in countywide sales tax Measure B Bicycle/Pedestrian funds to provide the City's matching funds of 11.47%; and accept the grant, and execute any resultant agreements and amendments.

FISCAL IMPACTS OF RECOMMENDATION

The grant will provide the City \$544,000 in Housing Incentive Program funds. The grant program requires 11.47% matching funds from the City of Berkeley (\$62,525). The Ed Roberts Campus has committed to provide these required matching funds from private sources, and the City and ERC are developing a pass-through agreement to ensure that the grant match requirements are provided by ERC funds. However, since the Ed Roberts Campus may not be successful in providing the City with funds for the grant match and the MTC requires that matching funds be actually committed by the City, the City must commit at this time to provide \$62,525 in matching funds from the countywide sales tax Measure B Bicycle/Pedestrian funds (Budget code 392-4950-431-3038.)

If the City fails to authorize this fund match designation and submit an application in October 2007, the City will be ineligible to receive the grant funds. MTC has a backlog of HIP projects in the region that would receive the funds instead. A new round of HIP funds is not expected to be available until 2009.

CURRENT SITUATION AND ITS EFFECTS

In 2005, the City applied for and was awarded \$544,000 from the Fiscal Year 2004-05, Cycle 2 Housing Incentives Program. The grant award was calculated based upon the housing units to be constructed in the Oxford Plaza Project pursuant to a HIP formula. The City's 2005 application stated that the grant funds would be allocated to Downtown BART Plaza and Transit Area Improvements. However, the Downtown BART Plaza

and Transit Area Improvements project has not been developed to the point where it can qualify for and use the Federal HIP funds within the allowable grant period.

According to MTC, the designated recipient project must be included in the Transportation Improvement Program amendment in November/December 2007 in order to receive the grant funds. The recipient project thus must meet all Federal and Caltrans requirements including completion of a Project Field Review by January 2008, and completion of the PSE (Plans, Specifications, and Estimates) phase by December 2008.

Since the Downtown BART Plaza and Transit Area Improvements cannot meet these requirements, the City is in danger of losing this grant award unless it submits a new application which seeks to allocate the funds to a project that can meet all of the grant eligibility and readiness requirements. The MTC has informed the City that transportation enhancements related to the Ed Roberts Campus at the Ashby Bart Station meets such requirements.

BACKGROUND

HIP funds are intended to be used for transportation capital projects that support MTC's Transportation for Livable Communities goals. Typical capital projects include pedestrian and bicycle facilities, improved sidewalks and crosswalks, and streetscape improvements that support increased pedestrian, bicycle, and transit activities and safety. HIP funds can be used anywhere in the city where the housing was constructed.

In planning to submit this new application, staff considered numerous projects. Staff found that the only transportation project that meets HIP guidelines and Federal funding requirements, and can reasonably be expected to have its PSE completed within the required timeline is the Ed Roberts Campus.

Staff therefore recommends that the City submit a new application to MTC designating transportation enhancements related to the Ed Roberts Campus at the Ashby Bart Station as the recipient of HIP funds because the ERC's PSE is already completed, the project is already eligible and prepared to receive federal funds, and the City has repeatedly stated that completing the ERC is a top priority.

RATIONALE FOR RECOMMENDATION

If the City does not submit a new application by the end of October to MTC seeking to allocate HIP funds to a project that can meet the grant eligibility and readiness requirements, it will lose the awarded \$544,000 in HIP funds since the original designated project in the City's 2005 application, the Downtown BART Plaza and Transit Area Improvements, cannot meet these requirements.

In addition, the ERC has secured over \$35 million in public and private grants and loans. These additional HIP funds, along with other funding sources that may soon

become available, would help close the remaining financial gap on the project of approximately \$10 million and allow it to start construction next year, as all of the permits and environmental approvals are complete. It is essential to close the budget gap this year to avoid escalation in costs that might be caused by further delay.

If, for any reason, the ERC project does not move forward, MTC will work with the City to reallocate the funds within Berkeley, if a suitable project can be identified.

ALTERNATIVE ACTIONS CONSIDERED

The City could opt to let our HIP grant lapse, and MTC would reallocate the funds to another project in the Bay Area.

CONTACT PERSON

Phil Kamlarz, City Manager, 981-7000

Matt Nichols, Principal Planner, Department of Public Works, 981-7068

Attachments:

1: Resolution

Resolution of Local Support
SAFETEA STP/CMAQ Funding

Resolution No.

Authorizing the filing of an application for federal Surface Transportation Program (STP) and/or Congestion Mitigation and Air Quality Improvement (CMAQ) funding and committing the necessary non-federal match and stating the assurance to complete the project

WHEREAS, the City of Berkeley (herein referred as APPLICANT) is submitting an application to the Metropolitan Transportation Commission (MTC) for \$544,000 in funding from the federal Surface Transportation Program (STP) and/or Congestion Mitigation and Air Quality Improvement (CMAQ) program for the Ed Roberts Campus (herein referred as PROJECT) for the MTC Housing Incentive Program (HIP) (herein referred as PROGRAM); and

WHEREAS, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA) (Public Law 109-59, August 10, 2005) continues the Surface Transportation Program (23 U.S.C. § 133) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149); and

WHEREAS, pursuant to SAFETEA, and the regulations promulgated thereunder, eligible project sponsors wishing to receive federal Surface Transportation Program and/or Congestion Mitigation and Air Quality Improvement Program (STP/CMAQ) funds for a project shall submit an application first with the appropriate Metropolitan Planning Organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, the Metropolitan Transportation Commission (MTC) is the MPO for the nine counties of the San Francisco Bay region; and

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of STP/CMAQ funds; and

WHEREAS, APPLICANT is an eligible project sponsor for STP/CMAQ funds; and

WHEREAS, as part of the application for STP/CMAQ funding, MTC requires a resolution adopted by the responsible implementing agency stating the following:

- 1) the commitment of necessary local matching funds of at least 11.47%; and
- 2) that the sponsor understands that the STP/CMAQ funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional STP/CMAQ funds; and
- 3) that the project will comply with the procedures specified in Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
- 4) the assurance of the sponsor to complete the project as described in the application, and if approved, as included in MTC's TIP; and
- 5) that the project will comply with all the project-specific requirements as set forth in Housing Incentive Program (HIP).

NOW, THEREFORE, BE IT RESOLVED that the City of Berkeley is authorized to execute and file an application for funding under the Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) of SAFETEA for the Ed Roberts Campus; and be it further

RESOLVED that the APPLICANT by adopting this resolution does hereby state that:

1. APPLICANT will provide \$62,525 in non-federal matching funds; and
2. APPLICANT understands that the STP/CMAQ funding for the project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the APPLICANT from other funds, and that APPLICANT does not expect any cost increases to be funded with additional STP/CMAQ funding; and
3. APPLICANT understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, as revised); and
4. PROJECT will be implemented as described in the complete application and in this resolution and, if approved, for the amount programmed in the MTC federal TIP; and
5. APPLICANT and the PROJECT will comply with the requirements as set forth in Housing Incentives Program (HIP); and therefore be it further

RESOLVED that APPLICANT is an eligible sponsor of STP/CMAQ funded projects; and be it further

RESOLVED that APPLICANT is authorized to submit an application for STP/CMAQ funds for the PROJECT; and be it further

RESOLVED that there is no legal impediment to APPLICANT making applications for the funds; and be it further

RESOLVED that there is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of APPLICANT to deliver such PROJECT; and be it further

RESOLVED that APPLICANT authorizes its Executive Director, General Manager, or designee to execute and file an application with MTC for STP/CMAQ funding for the PROJECT as referenced in this resolution; and be it further

RESOLVED that a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and be it further

RESOLVED that the MTC is requested to support the application for the PROJECT described in the resolution and to include the PROJECT, if approved, in MTC's TIP.