



AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Adam Benson
Director of Finance

SUBJECT: Status of Measure KK Projects and
Expenditures Informational Report

DATE: January 6, 2020

City Administrator Approval 

Date: 1/30/20

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report On The Status Of The Affordable Housing and Infrastructure Bond (Measure KK) Projects and Expenditures.

EXECUTIVE SUMMARY

On November 8, 2016, the City of Oakland (the “City”) received voter approval authorizing the City to issue \$600 million in general obligation bonds to fund various City infrastructure and affordable housing projects (“Measure KK”). Per Ordinance No. 13403 C.M.S, staff is to bring forth a report on expenditures and programs related to the bonds to City Council semi-annually.

On August 1, 2017, the City issued the first two series of general obligation bonds to finance acquisition and improvements to real property such as streets and sidewalks, facilities, and affordable housing. As of December 9, 2019, a total of \$65.8 million of bond proceeds has been spent and approximately \$22.7 million has been committed to projects and programs for Measure KK as summarized in **Table 1**.

**Table 1
Summary of Project Status**

Department	Total Funding	Amount Spent	Fund Encumbered	Remaining Balance
Department of Transportation: Streets and Roads (\$350 million)	\$40,600,000	\$27,333,555	\$8,058,292	\$5,208,154
Public Works Department: Facilities (\$150 million)	\$21,985,000	\$9,680,410	\$1,216,283	\$11,088,307
Housing and Community Development: Affordable Housing (\$100 million)	\$55,000,000	\$28,754,603	\$13,451,288	\$ 12,794,109
SUBTOTAL	\$117,585,000	\$65,768,568	\$22,725,863	\$29,090,570

Finance and Management Committee
February 11, 2020

BACKGROUND / LEGISLATIVE HISTORY

On November 8, 2016, more than two-thirds of the qualified voters of the City approved Measure KK, authorizing the City to issue \$600 million general obligation bonds “to improve public safety and invest in neighborhoods throughout Oakland by re-paving streets to remove potholes, rebuilding cracked and deteriorating sidewalks, funding bicycle and pedestrian safety improvements, funding affordable housing for Oaklanders, and providing funds for facility improvements, such as, neighborhood recreation centers, playgrounds and libraries.” Projects to be funded include the following:

1. Streets and Roads Projects (\$350 million)
 - a. Street paving and reconstruction
 - b. Bicycle and pedestrian improvements; bikeways, City sidewalks, paths, stairs, streetscape, curb ramps
 - c. Traffic calming improvements
2. Facilities Projects (\$150 million)
 - a. Fire Facilities (\$40 million)
 - b. Police Facility (\$40 million)
 - c. Libraries (\$15 million)
 - d. Parks, Recreation and Senior Facilities (\$35 million)
 - e. Water, energy and seismic improvements consistent with the City’s Energy and Climate Action Plan (\$20 million)
3. Anti-Displacement and Affordable Housing Preservation Projects (\$100 million)
 - a. Funds may be spent on the acquisition, rehabilitation, or new construction of affordable housing as set forth in the Affordable Bond Law Ordinance.

On August 1, 2017, the City issued \$117,855,000 City of Oakland General Obligation Bonds, Measure KK, Series 2017A-1 and Series 2017A-2 (together the “Bonds”) to provide funds for:

- 1) Street paving and reconstruction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks, recreation, and senior facilities; and water, energy and seismic improvements consistent with the City’s Energy and Climate Action Plan, as set forth in Resolution No. 86773, adopted by the City Council on June 19, 2017, as amended by Resolution Nos. 86815 C.M.S. and 86816 C.M.S., each adopted by the City Council on June 29, 2017, and
- 2) Anti-displacement and affordable housing preservation projects, including the acquisition, rehabilitation, or new construction of affordable housing in accordance with the City’s Affordable Housing Bond Law Ordinance and as set forth in Resolution No. 86774 C.M.S. adopted by the City Council on June 19, 2017, as amended by Resolution No. 86814 C.M.S. adopted by the City Council on June 29, 2017. As of January 1, 2020, \$482,145,000 of Measure KK general obligation bonds remains authorized but unissued.

On December 10, 2019, the City Council adopted Resolution No. 87980 C.M.S. approving the issuance of the second tranche of Measure KK bonds in an aggregate principal amount not to exceed \$190,000,000 and Resolution No. 87981 C.M.S. identifying projects authorized for funding with proceeds of the second tranche of Measure KK bonds and allocating bond proceeds for the identified projects. On January 21, 2020, staff will be seeking City Council adoption of a resolution approving the sale of the second tranche of Measure KK bond issuance.

ANALYSIS/POLICY ALTERNATIVES

On August 1, 2017, the City issued the first tranche of general obligation bonds for Measure KK in the amount of \$117,855,000. A total of \$65,768,568 of bond proceeds has been spent and \$22,725,863 has been committed to the projects and programs for by Measure KK. The bond fund expenditures, as well as the timeline for the drawdowns of unspent proceeds on Measure KK projects by departments are provided in the following section.

Oakland Department of Transportation (OakDOT)

A total of \$40,600,000 of Measure KK funds was allocated to transportation projects, which includes paving, complete streets capital, curbs ramps to comply with the Americans with Disabilities Act (ADA), bicycle street paving, City sidewalk repairs, and safe routes to schools. Of the total amount, \$27,333,555 has been spent and \$8,058,292 are encumbered, which is approximately 87% of the total funds allocated. The OakDOT anticipates that all spending will be complete by June of 2020. A summary of the allocations and expenditures to date is in **Table 2:**

**Table 2
 Measure KK, Series 2017 A-1 (Tax-Exempt) Transportation Project Status***

Program Name	Total Funding	Funds Spent as of 12/9/19	Funds Committed	Anticipated Completion Date
Paving	\$28,250,000	\$19,106,084	\$7,634,337	Jan-2020
Bicycle Streets Paving	\$3,000,000	\$1,074,111	\$3,851	Jan-2020
Complete Streets Capital	\$3,250,000	\$1,721,456	\$309,299	Jan-2020
ADA Curb Ramps	\$3,600,000	\$3,061,581	\$87,661	June-2020
City Sidewalk Repairs	\$2,000,000	\$1,967,002	\$2,262	Jan-2020
Safe Routes to Schools	\$500,000	\$403,320	\$20,882	June-2020
SUBTOTAL	\$40,600,000	\$27,333,555	\$8,058,292	

*Reflects Council approved reallocations per Resolution No. 87620 C.M.S.

Project Status:

- Paving spending is accelerating with the recent approval of on-call contracts and the full engagement of in-house paving crews. All funds for paving and bike streets paving were either programmed for in-house work or encumbered in contracts. All paving funds are expected to be expended by early 2020.

- Complete Streets Capital projects are largely local match for grant funded projects. The 7th Street West Oakland project is completing construction, while several Highway Safety Improvement Projects (HSIP) are just beginning the construction phase. Other projects remain in the planning or design phase. Several projects initially intended for funding in FY 2019-20 experienced delays and will not need funding until FY 2020-21.
- The ADA Curb Ramps and City Sidewalk Repairs programs are all proceeding, in alignment with the paving program, and are projected to be fully expended by June 2020.
- The Safe Routes to Schools program completed the design of improvements for seven schools, and construction will commence in the Spring of 2020. Because the resurfacing of Thornhill Drive between Moraga Avenue and Pinehaven Road will be done in the same construction contract, it will likely start in the Summer of 2020.

Measure KK Series 2020:

In the Fiscal Year 2019-2021, OakDOT's approved projects for Measure KK funding are summarized in **Table 3**.

Table 3
OakDOT- Measure KK, Series 2020 (Tax-Exempt)

Program Name	FY 2019-2020	FY 2020-2021	Total
Paving	\$ 35,500,000	\$ 40,000,000	\$ 75,500,000
Complete Streets Capital Program	\$ 7,880,000	\$ 6,000,000	\$ 13,880,000
Neighborhood Traffic Calming Program / SRTS	\$ 3,000,000	\$ 1,500,000	\$ 4,500,000
ADA Curb Ramps	\$ 2,200,000	\$ 2,200,000	\$ 4,400,000
Bridge Maintenance	\$ 1,270,000	\$ 1,270,000	\$ 2,540,000
City Sidewalk Repair	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
Traffic Signal System Management	\$ 1,500,000	\$ 500,000	\$ 2,000,000
Transportation Grant Matching Funds	\$ 230,000	\$ 1,760,000	\$ 1,990,000
Emergency Roadway Repairs	\$ 1,500,000	\$ 300,000	\$ 1,800,000
Bike & Ped Master Plan Implementation	\$ 824,000	\$ 824,000	\$ 1,648,000
Intersection Safety Improvements Program	\$ 550,000	\$ 825,000	\$ 1,375,000
Community-Based Transportation Planning	\$ 500,000	\$ 670,000	\$ 1,170,000
SUBTOTAL	\$ 55,954,000	\$ 56,849,000	\$ 112,803,000

Oakland Public Works (OPW)

A total of \$21,985,000 of Measure KK funds was allocated to 19 public works projects. Of the total amount, \$9,680,410 has been spent and \$1,216,283 are encumbered, which is approximately 49.6% of the total funds allocated. A summary of the allocations and expenditures to date is in **Table 4**.

Table 4
Measure KK, Series 2017 A-1 (Tax-Exempt) Public Works Project Status

Project Name	Total Funding	Funds Spent as of Dec. 9, 2019	Funds Committed/Starts	Anticipated Completion Date
Head Start – Arroyo Viejo Remodel	\$225,000	\$ 117,468	\$ 47,553	Jan. 2020
Head Start – Manzanita Ctr. Renovation	\$750,000	\$ 250,984	\$ 413,592	Mar. 2020
OFD Roof Assessment & Replacement (1)	\$1,025,500	\$ 709,220	\$ 143,711	Mar. 2020
OFD Telescopic Apparatus Door Replacements	\$212,000	\$ 141,287	\$ -	Mar. 2020
OFD Fire Stations CW Renovations(3)	\$3,000,000	\$ 297,580	\$ 49,086	Jun. 2021
Ballfield Wiring Hazard Mitigation	\$1,000,000	\$ 211,165	\$ 43,302	Aug. 2020
OFD Apron & Hardscape – CW Stations	\$1,000,000	\$ 148,808	\$ 226,103	Aug. 2020
OFD Feasibility Study ROW New Fire Sta. 4 & 29	\$1,000,000	\$ 104,520	\$ 16,760	Aug. 2020
PAB Feasibility Study(5)	\$200,000	\$ 38,751	\$ 29,518	Aug. 2020
Animal Shelter – Repl. HVAC & Energy System	\$1,650,000	\$ 143,718	\$ 42,049	Dec. 2020
Henry Robinson MSC Ctr. – Air Conditioning Replacement(2)	\$257,500	\$ 66,936	\$ 10,717	Dec. 2020
Main Library Improvements	\$2,350,000	\$ 197,220	\$ 18,914	Dec. 2020
Branch Library Renovation – W. Oakland*, Asian, & Brookfield ⁽¹⁾	\$2,025,000	\$ 297,425	\$ 35,011	Jun. 2021
Dimond Park - Lion Pool Repl.	\$1,015,000	\$ 992,464	\$ 22,536	Completed
Head Start – Brookfield Upgrade	\$810,000	\$ 629,906	\$ 89,657	Completed
Head Start – Playground Replacement	\$45,000	\$ 44,358	\$ -	Completed
Rainbow Recreation Center Expansion/Addition	\$5,000,000	\$ 4,932,703	\$ 10,308	Completed
Tassafaronga Gym Repair	\$420,000	\$ 355,898	\$ 17,467	Completed
SUBTOTAL	\$21,985,000	\$9,680,410	\$1,216,283	

⁽¹⁾ ⁽⁴⁾ Partial funds reallocated to complete the Fire Station Apparatus Door Replacements.

Projects anticipating extended delivery timeframe: Deliveries of the branch library projects will be impacted pending directions on the scope for the facilities at West Oakland and Asian Branches that are currently on-hold.

⁽²⁾ Henry Robinson MSC facility, existing conditions found through assessment phase determined extensive scope and potentially require expanded scope to address existing conditions.

⁽³⁾ Fire Station Renovation project implementation schedule will be extended since the stations will require construction in sequence to meet operational needs, thus extending construction period of the overall project.

⁽⁵⁾ Police Administration Building (PAB) feasibility study has been completed to the extent possible, pending further direction and determination of options.

Project Status:

Fire Department:

- Station 4 and Station 29: Consultant selection will be issued at the same time. Feasibility of the previous proposed site for Station 4 was determined infeasible, thus working to find alternative sites.
- Renovation of Station 12 project is awarded and OPW will be executing the construction contract. The remaining stations, 16 and 10, are in final design for construction permit review. Additional funds will be required to complete all stations and the project schedule may be extended to accommodate operational requirements.
- Roof replacement for four fire stations are near completion with two items to resolve. Part of the remaining funds were transferred to complete the apparatus doors project.
- Two stations remain for the apparatus door replacement. Remaining funds from the roof project partially reallocated for the doors.
- Construction of the concrete apron and hardscape project began at Station 21. Construction of the remaining seven stations anticipated later this year.

Parks & Recreation Department:

- Ballfield Wiring Hazard Mitigation construction contract pending negotiation per Council approval.

Library Department:

- Branch Library Renovation – Brookfield Branch: Staff working on revising scope. Library reassessing West Oakland and Asian Branch Libraries scope before proceeding with projects.
- Main Library – Staff working on revising scope.

Human Services Department:

- Henry Robinson Multi-Services Center Heating Ventilation System – Existing condition assessment indicates additional scope and need to expand project scope to address existing issues as well as additional funds needed.
- Head Start Facilities: Brookfield facility completed. Construction in progress for Arroyo Viejo and Manzanita facilities. Playground project complete.

Police Department: Police Administration Building (PAB) Feasibility Study: Study complete pending further discussion with City Administrator's Office regarding project funding options.

Animal Services Center Heating Ventilation System: Project bids over project budget. Scope to be reviewed and revise for re-bid.

A projected drawdown schedule of the remaining Measure KK funds, by quarter, for Oakland Public Works' (OPW) projects is included in **Table 5** of **Attachment A**, herein. The current schedule anticipates that all spending will be completed by June 2021.

Measure KK Series 2020:

In the Fiscal Year 2019-2021 Capital Improvement Program Budget, 30 facilities and park projects are approved for Measure KK funds as shown in **Table 6**.

**Table 6
 Measure KK, Series 2020 (Tax-Exempt) Public Works Project Status**

Project Names	FY 2019-2020	FY 2020-2021	Total
Allendale Recreation Center Tot Lot Improvements	\$ 262,500	\$ -	\$ 262,500
Arroyo Viejo Recreation Center	2,000,000	1,000,000	3,000,000
Brookdale Recreation Center Expansion	1,500,000	500,000	2,000,000
Brookfield Branch Library	250,000	500,000	750,000
Caldecott Trailhead Improvements	486,300	-	486,300
Digital Arts & Culinary Academy (DACA) Phase 2 Renovation	500,000	1,000,000	1,500,000
Dimond Park Tennis Court Replacement	300,000	-	300,000
Downtown Oakland Senior Center	1,175,000	-	1,175,000
East Oakland Senior Center Renovation	500,000	1,500,000	2,000,000
East Oakland Sports Center - Phase 2	2,000,000	-	2,000,000
Elmhurst Branch Library Renovation/Remodel	200,000	300,000	500,000
Fire Station 29 - New Station and Training Resiliency Education Complex	6,000,000	1,000,000	7,000,000
Head Start Site Renovation Projects - Tassafaronga	150,000	-	150,000
Henry Robinson MSC - HVAC Replacement*	200,000	-	200,000
Holly Mini Park	400,000	-	400,000
Hoover Branch Library - Feasibility Study	500,000	-	500,000
Joaquin Miller Park - Woodminster Cascade	170,000	-	170,000
Lincoln Recreation Center Expansion/Renovation	1,000,000	700,000	1,700,000
Madison Park Irrigation System Upgrade	100,000	-	100,000
Main Library - New Facility Feasibility Study	700,000	-	700,000
Main Library - Phase 2 Renovation	750,000	1,250,000	2,000,000
Mosswood Community Center	1,000,000	3,000,000	4,000,000
Museum Collection Center Seismic & Storm Water Quality Improvements	2,000,000	2,000,000	4,000,000
Oakland Animal Services - Floor Replacement/ Drainage	500,000	850,000	1,350,000
Oakland Tool Lending Library	420,000	-	420,000
Public Restrooms (Concordia Park & Madison Square Park)	500,000	-	500,000
San Antonio Rec Center and Head Start CIP Requests	750,000	1,000,000	1,750,000
West Oakland Branch Library Improvement	525,000	1,000,000	1,525,000
West Oakland Senior Center Renovation	700,000	300,000	1,000,000
Measure KK 2019-21 Infrastructure Bond Total	\$ 25,538,800	\$ 15,900,000	\$ 41,438,800

Housing and Community Development (HCD)

A total of \$55 million of Measure KK funds was allocated to affordable housing projects, which includes transitional housing, site acquisition, rehabilitation and preservation, and new construction. Of the total amount, \$28,754,603 has been spent and \$13,451,288 is encumbered, which together is approximately 77% of the total funds allocated. The remaining 23% (\$12,794,109) will be expended as follows:

- \$6,981,958 to acquire and renovate (as needed) additional transitional housing buildings;
- \$5,312,151 will be deployed through both the newly revised site acquisition program, now called the Acquisition and Conversion to Affordable Housing Program (ACAH), which was revamped to include one to four units and a set aside of \$12 million for community land trusts and limited equity cooperatives (Notice of Funding Availability (NOFA) released Dec. 6, 2019), and for the Acquisition, Rehabilitation and Preservation NOFA (released in August, recommendations for awards will be brought to the City Council in January 2020)
- \$500,000 remains set aside for a pilot Accessory Dwelling Unit (ADU) Program

A summary of the allocations and expenditures to date is in **Table 7**:

Table 7
Measure KK, Series 2017 A-2 (Taxable) Project Status (Housing)

Project Name	Total Funding	Funds Spent as of 12/10/2019¹	Funds Committed	Anticipated Completion Date²
1-4 Unit Housing Programs	\$6,000,000	\$900,000	\$600,000	February 2020
Acquisition of Transitional Housing Facility (ATHF)	\$14,000,000	\$7,048,266	\$0	December 2020
New Construction	\$7,000,000	\$30,000	\$6,289,900	Varies, between Jan. 2020 and Dec. 2022
Housing Rehabilitation & Preservation	\$10,000,000	\$4,538,000	\$4,750,000	Varies, between March 2020 and April 2022
Site Acquisition Program	\$18,000,000	\$15,649,150	\$0	All funds drawn down
Administration		\$589,187	\$1,811,388	
SUBTOTAL	\$55,000,000	\$28,754,603	\$13,451,288	

¹ The expenditures do not include \$589,187 in administration expenses.

² The dates are based on when funds are anticipated to be 100% drawn down. The Housing Rehabilitation & Preservation and New Construction programs are comprised of 11 different housing development projects, and the length of construction and draw down requirements of other leveraged sources vary project by project. The date listed is the furthest outside date of all projects in each program category; some will be completed prior to this date.

Project Status:

Acquisition of Transitional Housing Facility – \$14,000,000 has been dedicated to acquiring real property to provide transitional housing opportunities to homeless residents with an emphasis on single room occupancy (SRO) units. The property located at 641 West Grand Avenue (The Holland), was acquired by the City in December 2018 for \$7,048,266 (pursuant to City Council Resolution No. 13484 C.M.S.). The property contains 70 SROs with the potential to serve up to 140 residents. The remaining \$6,951,733. is available for additional acquisitions and associated rehabilitation costs. City staff are currently exploring potential sites, which is anticipated to result in full expenditure of these funds by the end of 2020.

In addition, funds will be used to make improvements at The Holland to ensure that long-term physical needs at the property are met.

Site Acquisition Program – \$18,000,000 was dedicated to provide loans for the acquisition and related costs associated with developing, protecting, and preserving long-term affordable housing, as well as the acquisition of vacant land and existing infrastructure for preserving long-term affordability. Of the five projects with committed funds, all have drawn down the committed funds and the properties have been acquired. Three of the projects are fully completed (Highland Palms, 10th Avenue Eastlake, and 812 East 24th Street) and two are assembling additional financing to fund the construction of new units (Longfellow Corner and Ancora Place). Of these latter two projects, one is expected to start construction in 2020 and complete in 2021 and the other is expected to start construction in 2021 and complete in 2023.

Housing Rehabilitation & Preservation – \$10,000,000 was dedicated to provide long term loans for the rehabilitation and preservation of affordable rental, homeownership, and supportive housing projects intended to partially fill the gap between development costs and financing available from private and other public sources. Of the three projects with committed funds, Emyrean Towers has drawn down the majority of funding and is expected to complete construction March 2020. The remaining two, Howie Harp Plaza and Fruitvale Studios have yet to begin rehabilitation. Both projects are in the process of assembling additional funding needed to complete their rehabilitation work. Fruitvale Studios anticipates starting rehabilitation in March 2020 and completing in October 2020. Howie Harp Plaza anticipates starting rehabilitation in April 2021 and completing in April 2022.

New Construction of Rental & Ownership Housing – \$7,000,000 was dedicated to provide long term loans for the new construction of affordable rental, homeownership, and supportive housing projects intended to partially fill the gap between development costs and financing available from private and other public sources. Of the eight projects with committed funds, Camino 23 has completed construction with 30% of its Measure KK funds spent to date. The remaining balance is held back as part of a retention payment to be released upon the recording of a Notice of Completion, the release of all liens, and compliance with City contracting requirements. The 3268 San Pablo Avenue project is under construction with completion expected in December 2020. Both the Coliseum Place and Aurora projects are anticipating a start of construction in January 2020. The remaining four projects are in the process of assembling gap financing, working towards a commitment of additional public and private funds to cover total development costs, followed by breaking ground and the spending down of Measure KK funds. These four projects (7th and Campbell, West Grand and Brush, Fruitvale Transit Village IIB, and 95th Avenue and International) estimate construction completion dates

through to 2022. The first three of these four projects applied for additional City funds in the recent New Construction NOFA, with recommendations for awards being brought to the City Council in January 2020.

1-4 Unit Housing Programs – \$6,000,000 was dedicated to various programs related to one to four-unit properties, prioritizing health and safety violations, lead based paint remediation, earthquake safety, fire safety, emergency improvements, abatement of code violations.

- **1 – 4 Unit Acquisition and Rehabilitation:** \$3,000,000 was designated for this program, which consists of low interest or deferred loans to developers seeking to acquire and rehabilitate small properties. To date, four projects received commitments in the total amount of \$1,500,000. Two of these loans have closed and two are in the process of closing their loans. This program has now been folded into the ACAH Program described above, with the remaining \$1,500,000 being deployed through that program.
- The following two 1-4 Unit Program components were deemed infeasible to get off the ground at the present time. The previously dedicated funds will be deployed through the ACAH Program.
 - *Rental Rehab Program*
 - *Community Buying Program – Vacant Lot Acquisition*
- **Owner-Occupied Home Maintenance and Improvement Program:** This program is currently operational utilizing Community Development Block Grant funds which are still available for use in rehabilitating owner-occupied homes. The KK funds designated for this program will be deployed through the ACAH Program.
- **Accessory Dwelling Unit (ADU) Legalization Pilot Program:** \$500,000 has been dedicated for this program. The intention of this program is to provide low-interest loans to carry out work which would legalize unpermitted ADUs. Staff will engage a third-party provider to design and implement this program which will focus on new ADU creation in addition to legalizing unsafe existing ADUs and will target low income homeowners.

A projected drawdown schedule of the remaining Measure KK funds, by quarter, for each of the Housing and Community Development's program is included in **Table 8** of **Attachment A**, herein. The current schedule anticipates that all spending will be completed by December 2022.

The plan for the \$45,000,000 second tranche of Measure KK bond proceeds is to fund projects through the following two programs:

- Acquisition, Rehabilitation and Preservation of Affordable Housing (\$15,000,000) – NOFA was released in August 2019 with applications received in September. Recommendations for award of funds will be brought to the City Council in January 2020.
- Acquisition and Conversion to Affordable Housing (ACAH) (\$30,000,000) – NOFA was released in December 2019 with applications received in January 2020. Recommendations for award of funds will be brought to the City Council in March 2020.

FISCAL IMPACT

This item is for informational purposes only and does not have a direct fiscal impact or cost.

PUBLIC OUTREACH / INTEREST

This item did not require additional public outreach other than the required posting on the City's website.

SUSTAINABLE OPPORTUNITIES

Economic: The projects will improve roadways, sidewalks, facilities, and many other improvements to the economic benefit of the City. Also, these projects will generate construction, professional services, and ongoing property management jobs in Oakland. Providing families with affordable housing helps provide financial stability for low- and moderate-income households which could free some household income to be spent on other goods and services in Oakland. Also, providing viable housing creates activity on underutilized parcels which could stimulate demand for goods and services in Oakland.

Environmental: The City's NOFAs for housing development award points to projects that are transit-oriented, with full points reserved for developments where the project location is within 1/3 mile of multiple bus lines or a BART station. In addition, on the new construction projects, applicants were awarded points for exceeding Silver or Gold standard on the LEED (Leadership in Energy and Environmental Design) or Build It Green - GreenPoint Rated Checklist. For projects involving rehabilitation work, as a minimum threshold for funding, projects must comply with Oakland's Green building program. By developing in already built-up areas, infill projects reduce the pressure to build on agricultural and other undeveloped land. Proposed projects that are near public transit enable residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development.

Race and Equity: As required in the Bond Ordinance, social and geographic equity are considerations in the development of the Measure KK capital improvement projects. *Attachment A* includes a narrative section regarding social equity. All resulting projects will comply with Americans with Disabilities Act (ADA) and enhance the City's infrastructure. The capital improvement projects and residential construction work implemented under Measure KK are required to comply with all Local Business Enterprise and Small Local Business Enterprise (LBE/SLBE) and local hire programs with verification by the Social Equity Division of the Department of Contracting and Purchasing. Of the 57 Firms/Vendors/Contractors that have received KK funds about 17 of them have been local businesses. In addition, HCD's loans are made to the borrower affiliates of the affordable housing developers who have applied for funding, and who by and large are community-based, mission-driven organizations.

Department of Transportation: Social equity is a key driver of the distribution of KK resources. For example, the paving program, which represents close to 80% of the transportation funding is designed to provide resources to the most disadvantaged populations of Oakland. The funds were allocated based on pavement condition and the proportion of disadvantaged people that would benefit from the project.

Oakland Public Works: Social equity is one of the key factors in the prioritization and recommendations of Facilities projects. Under the prioritization process, projects are assessed as to the level of impact the proposed projects provide to the underserved community's economy, recreational and program opportunities, and health/safety impacts. From the first series of Measure KK projects and the approved second series projects, 30 out of the 48 projects are located in neighborhoods of mid to highly disadvantaged communities.

Housing and Community Development: Social equity objectives are incorporated into the competitive process for receiving Measure KK housing funds. Housing developments funded with Measure KK funds serve a variety of low to moderate income levels, with restrictions between 20-120% of Area Median Income (AMI). However, the distribution of City funds prioritizes projects serving households at 30% of AMI and below in an effort to provide housing opportunities for those with the fewest options. In addition, a partnership with the Oakland Housing Authority allows developments to serve households at or below 50% of AMI through Project-Based Section 8 assistance.

Geographically, developments funded with Measure KK funds are scattered throughout the City (current projects are located in six of the seven City Council districts). In order to promote geographic equity, HCD's NOFAs provide points for location near amenities, and for rental developments located in relatively higher income census tracts (and ownership developments in census tracts with lower than average homeownership rates). In addition, the Acquisition/Rehab and Acquisition/Conversion NOFAs provide points to proposed projects where existing tenants are at risk of displacement, which is more heavily impacting African American neighborhoods.

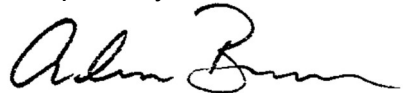
Finally, owners and managing agents of housing assisted by the City (including Measure KK funds) must undertake affirmative marketing efforts to reach people that are unlikely to apply for housing due its nature, location or other factors, as well as follow the City's Affirmative Fair Marketing Procedures related to non-discrimination during lease-up.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report On The Status Of The Affordable Housing And Infrastructure Bond (Measure KK) Projects And Expenditures.

For questions regarding this report, please contact Dawn Hort, Assistant Treasury Administrator, at (510) 238-2994.

Respectfully submitted,



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Attachments:

Attachment A: *Table 5 and Table 8*

Attachment B: *Proposed Measure KK Infrastructure Bond Project Summary and Analysis*

ATTACHEMENT A

Table 5
Public Works Drawdown Schedule – \$12.3 Million⁽¹⁾

Program Name	Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020	Oct – Dec 2020	Jan – Mar 2021	Apr – Jun 2021	Anticipated Completion Date
Facilities Capital Improvement Projects	\$2,121,000	\$2,783,000	\$2,546,000	\$1,700,000	\$2,105,000	\$939,000	June 2021

⁽¹⁾ \$111,000 of the unused fund is attributed pending further direction and determination of options

Table 8
Housing Drawdown Schedule – \$26.2 Million

Program Name	Jan - Mar 2020	Apr – Jun 2020	Oct – Dec 2020	Jan 2021- Apr 2023 ⁽¹⁾	Remaining Balance to Expend	Anticipated Completion Date
Acquisition of Transitional Housing Facility			\$6,981,959		\$6,981,959	December 2020
Site Acquisition Program					\$-	All funds drawn
Acquisition & Rehab (formerly 1-4 Unit Housing Program, now Acquisition and Conversion to Affordable Housing and ADU Program)	\$2,500,000	\$1,500,000	\$500,000		\$4,500,000	February 2020
Housing Rehabilitation & Preservation		\$150,000	\$2,312,000	\$3,000,000	\$5,462,000	March 2020 – April 2023
New Construction ⁽¹⁾	\$2,820,000	\$750,000	\$2,518,000	\$882,000	\$6,970,000	April 2023
Administrative Costs				\$2,331,438	\$2,331,438	April 2023
SUBTOTAL	\$5,320,000	\$9,381,959	\$5,330,000	\$6,213,438	\$26,245,397	

⁽¹⁾ Since the new construction projects take longer to complete than rehab, and several are expected to be completed throughout 2021 and into 2023, this column covers this longer time period. Further, as noted for Table 5, the Anticipated Completion Date reflects the furthest outside date of all projects in the program category; some will be completed prior to this date.