

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 88345 - C.M.S.

A RESOLUTION AMENDING RESOLUTION NO. 88284, WHICH AUTHORIZED THE CITY ADMINISTRATOR TO APPLY FOR, AS A LOCAL AGENCY PARTNER, UP TO \$10 MILLION OF FUNDS FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT UNDER THE HOMEKEY PROGRAM (HOMEKEY FUNDS), ACCEPTED AND APPROPRIATED UP TO \$10 MILLION IN HOMEKEY FUNDS FOR ACQUISITION OF SCATTERED SMALL SITES BY BAY AREA COMMUNITY SERVICES (BACS) FOR PERMANENT AFFORDABLE HOUSING, AND AWARDED A GRANT AGREEMENT TO BACS IN AN AMOUNT NOT TO EXCEED \$10 MILLION TO ACQUIRE SCATTERED SMALL SITES FOR PERMANENT AFFORDABLE HOUSING, TO:

- (1) ACCEPT AND APPROPRIATE AN ADDITIONAL \$200,000 IN HOMEKEY FUNDS, AS A LOCAL AGENCY PARTNER, FOR THE OPERATION OF THE PERMANENT AFFORDABLE HOUSING AT THE SCATTERED SMALL SITES; AND**
- (2) AWARD A GRANT AGREEMENT TO BACS IN AN INCREASED AMOUNT NOT TO EXCEED \$10.2 MILLION TO BOTH ACQUIRE AND OPERATE SCATTERED SMALL SITES AS PERMANENT AFFORDABLE HOUSING.**

WHEREAS, the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA), dated July 16, 2020, for the Homekey Program (Homekey) pursuant to California Health and Safety Code section 50675.1.1; and

WHEREAS, the Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code); and

WHEREAS, Homekey will make available \$600 million in grant funding to local public entities, including cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing; and

WHEREAS, of the \$600 million in Homekey grant funds, \$550 million is derived from the State's direct allocation of the federal Coronavirus Aid Relief Funds (CRF), and \$50 million is derived from the State's General Fund, and, per the federal funding requirements, the CRF must be expended by December 30, 2020; and

WHEREAS, the Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code); and

WHEREAS, Homekey will award funds to eligible projects up to \$100,000 "per door", with additional \$50,000 per door with a 1:1 local match, and an additional \$50,000 per door with a 2:1 local match; and

WHEREAS, Homekey will award funds for a capitalized operating subsidy for up to 24 months; and

WHEREAS, the City has partnered with Bay Area Community Services, a local nonprofit organization, (Development Partner), to apply for Homekey Funds to acquire 100 bedrooms in up to 20 homes scattered across the City of Oakland, in order to provide permanent affordable housing to persons at risk of homelessness (the Scattered Small Sites Project); and

WHEREAS, the total acquisition cost to the Development Partner for the Scattered Small Sites Project is \$10,000,000; and

WHEREAS, based on the per-door acquisition costs, the Scattered Small Sites Project does not require a local funding match, but requires a co-application from the City; and

WHEREAS, on August 28, 2020, the City Council passed Resolution No. 88284 C.M.S, which (1) authorized the City Administrator to apply, as a local agency partner, with Development Partner, for Homekey Funds for the Scattered Small Sites Project in a total amount not to exceed \$10 million; (2) accepted and appropriated up to \$10 million in Homekey Funds, as a local agency partner for capital expenditures for the Scattered Small Sites Project; and (3) awarded a grant to Development Partner in an amount not to exceed \$10 million for the acquisition of the Scattered Small Sites Project for permanent affordable housing; and

WHEREAS, the City applied jointly for \$10 million Homekey Funds jointly with Development Partner, and in discussions with the Department, the Department offered to award \$10 million for acquisition of the Scattered Small Sites, and an additional capitalized operating subsidy not to exceed \$200,000; and

WHEREAS, the City desires to fund the first year of operating expenses for the Permanent Housing with the anticipated award of \$200,000 in grant funds from Homekey; and

WHEREAS, the City desires to amend Resolution No. 88284 C.M.S. to accept and appropriate the higher award of Homekey Funds for the Scattered Small Sites Project; now, therefore be it

RESOLVED: That the foregoing recitals are true and correct, and the City Council hereby makes them part of this Resolution; and be it

FURTHER RESOLVED: That the City Council hereby amends Resolution No. 88284 to appropriate up to \$10,200,000 in Homekey Funds and allocate the award to the Scattered Small Sites Project, and authorize and direct the City Administrator or his or her designee to ensure that any Homekey Funds awarded for capital expenditures are spent by December 30, 2020; and that any Homekey Funds awarded for capitalized operating subsidies are spent by June 30, 2022; and be it

FURTHER RESOLVED: That the City Council hereby amends Resolution No. 88284 to increase the amount of the grant agreement previously awarded to BACS to a total amount not to exceed \$10,200,000, for both the acquisition and operation of the Scattered Small Sites Project, for the purposes and with the restrictions described in this Resolution and in Resolution No. 88284.

IN COUNCIL, OAKLAND, CALIFORNIA,

OCT 20 2020

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - Reid

ATTEST:

Candice Reed-Tregay For

ASHA REED

Acting City Clerk and Clerk of the Council of the City of Oakland, California