



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2018 APR 12 PM 3:11

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Director of Finance

**SUBJECT:** Public Oversight Committee  
(Measure KK) Informational Report

**DATE:** March 29, 2018

City Administrator Approval

Date:

*8*  
*4/12/18*

## RECOMMENDATION

**Staff Recommends That The City Council Receive An Informational Report On The Status Of The Affordable Housing and Infrastructure Bond Public Oversight Committee (Measure KK).**

## 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"). Measure KK requires the creation of a citizens' oversight committee to review financial and operational reports related to the expenditures of bond proceeds and evaluate the impacts and outcomes of such expenditures under Measure KK. 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 March 31, 2018, a total of \$3.6 million of bond proceeds has been spent and \$37.1 million has been committed to projects and programs for Measure KK.

On December 12, 2017, the Mayor appointed nine (9) members to serve on the Affordable Housing & Infrastructure Public Oversight Committee (the "Public Oversight Committee") and the appointments were confirmed by City Council on December 18, 2017. On March 29, 2018, City staff provided each of the Public Oversight Committee members an informational binder with background documents regarding Measure KK and the first tranche of issued bonds for review before the first official meeting of the Public Oversight Committee, which is anticipated to be in April 2018.

## 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 general obligation bonds in an amount of \$600 million "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

Item: \_\_\_\_\_  
Finance and Management Committee  
April 24, 2018

funds for facility improvements, such as, neighborhood recreation centers, playgrounds and libraries.”

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, all as set forth in Resolution No. 86773, adopted by the City Council on June 19, 2017, as amended by Resolution Nos. 86815 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. With the issuance of the Bonds, authorization for the issuance of \$482,145,000 of general obligation bonds under Measure KK remains.

Measure KK requires the creation of the Public Oversight Committee to review financial and operational reports related to the expenditure of bond proceeds to confirm that such proceeds were used in a manner permitted under Measure KK and to evaluate the impacts and outcomes of the bond expenditures on Measure KK’s stated goals, including social equity, anti-displacement and affordable housing. The Public Oversight Committee will report to the City Council.

On December 12, 2017, the Mayor appointed nine (9) members to serve on the Affordable Housing & Infrastructure Public Oversight Committee and the appointments were confirmed by City Council on December 18, 2017. All members of the Public Oversight Committee have been sworn in by the City Clerk’s Office and are listed below:

<b>Appointed Members</b>	<b>Terms</b>
Lauren Westreich	January 1, 2018 – December 31, 2018
Gary Jimenez	January 1, 2018 – December 31, 2018
Daniel Swafford	January 1, 2018 – December 31, 2018
Carroll Fife	January 1, 2018 – December 31, 2019
Ken Lupoff	January 1, 2018 – December 31, 2019
Gloria Bailey-Ray	January 1, 2018 – December 31, 2019
Ellen Wu	January 1, 2018 – December 31, 2020
Michael Pyatok	January 1, 2018 – December 31, 2020
Fernando Campos	January 1, 2018 – December 31, 2020

On March 14, 2018, the Finance Department sent a welcome letter to each member of the Public Oversight Committee (the “Members”). On March 28, City staff had an informal meet and greet with the Members to provide an informational binder which consists of background information on Measure KK, the City’s Capital Improvement Programs, formation of the Affordable Housing & Infrastructure (Measure KK) Public Oversight Committee, bond issuance

under Measure KK, and contact information to each Member for review before the first official meeting of the Public Oversight Committee. City staff has reached out to the Members and will coordinate the first official meeting of the Public Oversight Committee, which is anticipated to be in April 2018.

**ANALYSIS AND 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. As of March 31, 2018, a total of \$3.6 million of bond proceeds has been spent and \$37.1 million has been committed to projects and programs for Measure KK as shown in the tables below:

**Measure KK, Series 2017 A-1 (Tax-Exempt) Project Status (Transportation)- \$40.6 Million**

<b>Program Name</b>	<b>Total Funding</b>	<b>Funds Spent as of 3/31/18</b>	<b>Funds Committed/Starts</b>	<b>Anticipated Completion Date</b>
Annual Street Pavement Program	\$25,000,000	\$214,024	\$8,476,293	Dec. 2019
Complete Streets Capital (Grant Matching)	\$5,000,000	-	-	Dec. 2019
ADA Curb Ramp Program	\$3,600,000	-	-	Aug. 2020
Bicycle Plan Implementation	\$3,000,000	-	-	Aug. 2020
Citywide Sidewalk Repairs	\$2,000,000	-	-	Aug. 2020
School Area Pedestrian Safety	\$2,000,000	-	-	Aug. 2020
<b>SUBTOTAL</b>	<b>\$40,600,000</b>	<b>\$214,024</b>	<b>\$8,476,293</b>	

**Measure KK, Series 2017 A-1 (Tax-Exempt) Project Status (Public Works)-\$21.98 Million**

Program Name	Total Funding	Funds Spent as of 3/31/18	Funds Committed/Starts	Anticipated Completion Date
Animal Shelter – Replacement of Heating Ventilation Air Conditioning & Energy System	\$ 1,650,000	\$ 3,775	-	Aug. 2020
Ballfield Wiring Hazard Mitigation	1,000,000	18,678	139,350	Aug. 2020
Dimond Park - Lion Pool Replacement/Repair	1,015,000	53,728	109,906	Aug. 2019
Feasibility Study ROW New Fire Station 4 & 29	1,000,000	17,396	-	Dec. 2019
Fire Stations CW Renovations (Station order #12, 16, 15, & 10)	3,000,000	14,604	-	Aug. 2020
Henry Robinson Center – Air Conditioning Replacement	257,500	2,199	-	Aug. 2020
Head Start Brookfield Upgrade	375,000	7,542	42,572	Dec. 2019
Head Start Facility – Arroyo Remodel	375,000	8,748	30,840	Dec. 2019
Head Start Playground Replacement	480,000	14,751	-	Dec. 2018
Head Start Renovation Manzanita Center	600,000	7,938	57,846	Dec. 2019
Main Library Improvements	2,350,000	10,414	146,925	Aug. 2020
Oakland Fire Department (OFD) Apron & Hardscape Replacement	1,000,000	-	-	Dec. 2019
OFD Roof Assessment & Replacement (Station Order: #3, 20, 5 and 1)	1,087,500	-	168,779	Dec. 2019
OFD Telescopic Apparatus Door Replacement (Station. 3, 5, 6, 7, 15, 17, 24, 25)	150,000	-	66,379	Dec. 2019
Police Administration Building Feasibility Study	200,000	8,452	-	Dec. 2019
Rainbow Recreation Center Expansion & Addition	5,000,000	-	-	Dec. 2020
Tassafaronga Gym Repair	420,000	51,273	10,520	Dec. 2018
Three Branch Library Renovation: West Oakland, Asian, Brookfield	2,025,000	9,279	-	Aug. 2020
<b>SUBTOTAL</b>	<b>\$ 21,985,000</b>	<b>\$ 228,777</b>	<b>\$ 773,117</b>	

**Measure KK, Series 2017 A-2 (Taxable) Project Status (Housing)- \$55 Million**

**Site Acquisition Program: \$18 million**

Project Name	Total Funding	Funds Spent as of 3/31/18	Funds Committed/Starts	Anticipated Completion Date
Highland Palms	\$ 3,000,000	\$ -	\$ 3,000,000	TBD
10 <sup>th</sup> Ave East Lake	5,000,000	-	5,000,000	TBD
2530 9 <sup>th</sup> Ave	1,342,375	-	1,342,375	TBD
812 East 24 <sup>th</sup> St	974,150	-	974,150	TBD
The Wolery and San Antonio Terrace	3,500,000	-	3,500,000	TBD
3801-3708 MLK	3,175,000	3,175,000	3,175,000	TBD
Admin Costs	900,000	-	900,000	TBD
<b>SUBTOTAL</b>	<b>\$17,891,525</b>	<b>\$3,175,000</b>	<b>\$17,891,525</b>	

**Notice of Funding Availability (NOFA) Rehab Program: \$10 million**

Project Name	Total Funding	Funds Spent as of 3/31/18	Funds Committed/Starts	Anticipated Completion Date
Howie Harp	\$ 3,000,000	\$ -	\$ 3,000,000	TBD
Empyrean	4,688,000	-	4,688,000	Sep. 2019
To Be Determined	1,812,000	-	1,812,000	TBD
Admin Costs	500,000	-	500,000	TBD
<b>SUBTOTAL</b>	<b>\$10,000,000</b>	<b>\$ -</b>	<b>\$10,000,000</b>	

**New Construction NOFA (County A1 Fund Match): \$7 million**

Project Name	Total Measure KK Funding (Total City Funds)	Funds Spent as of 3/31/18	Funds Committed/Starts	Anticipated Completion Date
Camino 23 (SAHA)	\$ 500,000	\$ -	Estimated loan closing and construction start in May 2018	Jun. 2019
(\$1.2 million Total)				
Coliseum Place (Resources for Community Development)	1,600,000	-	-	Feb. 2020
(All Measure KK)				
MacArthur Apartments (Affirmed)	800,000	-	-	Apr. 2020
(2.6 million total)				
3268 San Pablo (Satellite Affordable Housing)	500,000	-	-	Jul. 2020
(\$1.0 million Total)				
Fruitvale Transit Village IIB (Unity Council+Related)	800,000	-	-	Dec. 2020
(\$5.229 million Total)				
7th & Campbell (Oakland & The World and McCormack Baron Salazar)	801,900	-	-	Oct. 2020
(All Measure KK)				
W. Grand and Brush (East Bay Asian Local Development Corporation)	1,118,000	-	-	Jul. 2020
(\$1.7 million Total)				
Admin Costs	350,000	-	-	
<b>SUBTOTAL</b>	<b>\$ 6,469,900</b>	<b>\$0</b>	<b>\$0</b>	

**Single Room Occupancy (SRO) Purchase: \$14 million**

Project Name	Total Funding	Funds Spent as of 3/31/18	Funds Committed/Starts	Anticipated Completion Date
640 W. Grand Avenue (pending Council approval 4/17 and 5/1)	\$ 7,020,000	\$ -	\$ -	TBD
To Be Determined	\$ 6,280,000	-	-	TBD
Admin Costs	700,000	-	-	
<b>SUBTOTAL</b>	<b>\$14,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	

Item: \_\_\_\_\_  
 Finance and Management Committee  
 April 24, 2018

**Residential Lending Programs: \$6 million**

<b>Program Name</b>	<b>Total Funding</b>	<b>Funds Spent as of 3/31/18</b>	<b>Funds Committed/Starts</b>	<b>Anticipated Completion Date</b>
Owner Occupied Rehabilitation Program	\$ 1,500,000	\$ -	\$ -	TBD
Rental Rehabilitation Program	\$ 500,000	-	-	TBD
Accessory Dwelling Units	\$ 500,000	-	-	TBD
Community Buying Program	\$ 500,000	-	-	TBD
1-4 Unit Acquisition Rehabilitation Prog.	\$ 3,000,000	-	-	TBD
<b>SUBTOTAL</b>	<b>\$ 6,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	

**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.

**COORDINATION**

This report was prepared by the Treasury Bureau in coordination with the Finance Department and Office of the City Attorney.

**SUSTAINABLE OPPORTUNITIES**

**Economic:** There are no economic opportunities associated with this item.

**Environmental:** There are no environmental opportunities associated with this item.

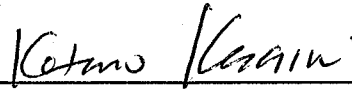
**Social Equity:** There are no social equity opportunities associated with this item.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the City Council receive an informational report on the status of The Affordable Housing and Infrastructure Bond Public Oversight Committee (Measure KK).

For questions regarding this report, please contact Katano Kasaine, Director of Finance, at (510) 238-2989.

Respectfully submitted,



Katano Kasaine  
Director of Finance, Finance Department

Reviewed by:  
David Jones, Treasury Administrator

Prepared by:  
Dawn Hort, Principal Financial Analyst  
Treasury Bureau