



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Shola Olatoye
Director, Housing and
Community Development
Department

SUBJECT: 2020/21 Consolidated Annual
Performance & Evaluation Report

DATE: November 8, 2021

City Administrator Approval 

Date: Dec 1, 2021

RECOMMENDATION

Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Receive The City Of Oakland's Consolidated Annual Performance & Evaluation Report (CAPER) For Fiscal Year (FY) 2020/21 Community Development Block Grant, HOME Investment Partnerships, Housing Opportunities For Persons With AIDS, Emergency Solutions Grant Programs And Coronavirus Aid Relief & Economic Security Act Funds Allocated Under The Community Development Block Grant (CDBG-CV), Emergency Solutions Grant (ESG-CV) and Housing Opportunities For Persons With AIDS (HOPWA-CV) To Be Submitted To The United States Department Of Housing And Urban Development.

EXECUTIVE SUMMARY

This report transmits to the public and to the City Council, the City of Oakland's Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year (FY) 2020/21 as mandated by the United States Department of Housing & Urban Development (HUD) under Title 24, Part 91, Sections 91.105 and 91.520(a) of the Code of Federal Regulations (24 C.F.R. §§ 91.105; 91.520(a)).

Per statutory requirements mandated by 24 C.F.R. §91.520 (a), the CAPER shall be submitted to HUD within 90 days after the close of the jurisdiction's program year. The City of Oakland's program year ended June 30, 2021. Per 24 C.F.R. §91.520 (a), submission of the CAPER was due September 30, 2021. The CAPER is also required to be presented as a public hearing item prior to HUD review and approval of the report. Hearing this item at the December 7, 2021 enables the City to submit the CAPER within a reasonable grace period while also complying with public participation and public hearing requirements.

City Council
December 7, 2021

In 2020, the HUD Community Planning & Development Department (CPD) initially awarded the City a total of \$14,617,844 under four HUD/CPD Formula Entitlement grants as authorized by Oakland City Council Resolution No. 88202 C.M.S., adopted July 3, 2020. In October 2020, HUD transmitted a notice of “Corrected FY 2020/21 HUD/CPD Formula Entitlement Grant Awards” to the City, modifying the total award to \$14,615,740 (\$2,104 less than original award). A breakdown of awards by grant is provided in **Table A** below:

Table A: Breakdown of HUD/CPD Grant Awards

| Grant | Initial Awards | Corrected Awards |
|--|-----------------------|-------------------------|
| Community Development Block Grant (CDBG) | \$7,705,609 | \$7,704,236 |
| HOME Investment Partnership (HOME) | \$3,173,979 | \$3,173,248 |
| Emergency Solutions Grant (ESG) | \$660,016 | \$660,016 |
| Housing Opportunities for Persons Living With AIDS (HOPWA) | \$3,078,240 | \$3,078,240 |
| TOTAL 2020/21 HUD CPD FORMULA GRANT AWARDS | \$14,617,844 | \$14,615,740 |

Consistent with the City’s FY 2020/21 - 2024/25 Five Year Consolidated Plan (Con Plan), FY 2020/21 Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons Living With AIDS (HOPWA) funds were utilized to support approximately sixty activities benefitting Oakland residents with low and moderate incomes (LMI), LMI areas of Oakland, the unsheltered, businesses serving LMI communities, and persons living with human immunodeficiency virus or acquired immunodeficiency syndrome (HIV/AIDS), to promote goals set in the 2020/21 Annual Action Plan (AAP) portion of the Con Plan as follows:

1. Affordable Housing
2. Homeless Solutions
3. Economic Development
4. Community Development/Public Services
5. Neighborhood Stabilization
6. Public Facility Improvements and Infrastructure

Approximately 8,538 households received direct benefit from services and projects administered under CDBG, HOME, HOPWA, and ESG programs for FY 2020/21. Of the 8,538 households served, 60.3 percent identify as Black/African American, 18.2 percent as White, 8.8 percent as Asian, 1.9 percent as American Indian, 0.8 percent as Native Hawaiian and 10 percent as mixed race or unreported. Fifteen and one-half (15.5) percent of persons served reported Hispanic ethnicity, 82.3 percent reported Non-Hispanic, and 2.2 percent did not report Hispanic or non-Hispanic ethnicity¹. Another 104,227 individuals are estimated to have received benefit of

¹ Per HUD reporting requirements, race data is collected for five single race and four multiple-race combinations. Hispanic or Latinx is reported as an ethnicity of either of the nine race categories.

activities with low- moderate-income area (LMA) benefit. LMA activities benefit all residents in a particular geographic area where at least 51 percent of the residents are LMI persons.

A summary of activities reported in the FY 2020/21 CAPER is provided in **Attachment A** of this report. The full CAPER is available online at <https://www.oaklandca.gov/services/2020-2021-consolidated-annual-performance-and-evaluation-report-caper>.

In the months of April, June and September of 2020, HUD/CPD awarded to the City of Oakland five (5) U.S. Department of Housing & Urban Development Coronavirus Aid Relief & Economic Security Act (CARES Act) allocations under three (3) grants to prepare for, prevent and respond to coronavirus impacts. The FY 2020/2021 HUD/CPD CARES Act allocations awarded are provided in **Table 2** below by grant:

Table 2: FY 2020/21 HUD/CPD CARES Act Allocations by Grant

| ROUND/GRANT | CDBG-CV | ESG-CV | HOPWA-CV |
|-----------------------|--------------------|---------------------|------------------|
| ROUND 1 | \$4,532,841 | \$2,275,917 | \$447,972 |
| ROUND 2 | | \$19,288,175 | |
| ROUND 3 | \$3,712,594 | | |
| TOTAL BY GRANT | \$8,245,435 | \$21,564,092 | \$447,972 |

The City of Oakland’s recommended uses of CDBG-CV1, CDBG-CV3, ESG-CV1, ESG-CV2 and HOPWA-CV1 funds were approved by the Oakland City Council and HUD through the submission of First and Second Substantial Amendments to the 2019/20 AAP authorized by City Council Resolution Nos. 88135 C.M.S and 88416 C.M.S. and through the submission of the 2020/21 - 2024/25 Con Plan authorized by Resolution No. 88202 C.M.S. Per HUD instruction, all CDBG-CV, ESG-CV and HOPWA-CV allocations and planned activities were later combined and entered as a Substantial Amendment to the 2019/20 AAP.

In alignment with the authorized uses, programs and activities are underway to serve Oakland residents to prevent, prepare for and respond to coronavirus impacts through the provision of:

1. CDBG-CV: Housing stability, outreach and housing-related legal services to keep Oakland residents housed during and following the coronavirus pandemic;
2. ESG-CV: Rapid rehousing, homeless prevention, shelter, and portable hygiene stations for unsheltered and those at risk of becoming homeless; and
3. Rental assistance to homeless persons living with HIV/AIDS that are transitioning out Operation Roomkey hotel rooms to permanent housing.

Additional CDBG-CV, ESG-CV and HOPWA-CV accomplishments and activities will be

reported in the upcoming CAPER for FY 2021/22.

Staff recommends that the City Council authorize the acceptance of the City of Oakland 2020/21 CAPER for final submission to HUD.

BACKGROUND / LEGISLATIVE HISTORY

By Federal mandate, the City of Oakland submitted to HUD the 2020/21 Annual Action Plan (AAP) for funds allocated under HUD/Community Planning & Development (CPD) Formula Grants: CDBG, HOME, ESG, HOPWA, ESG-CV1, and HOPWA-CV1, as approved by Oakland City Council per Resolution No. 88202 C.M.S., adopted June 15, 2020.

The City submitted the First Substantial Amendment to the 2019/20 AAP in May 2020, authorizing the acceptance and appropriation of CDBG-CV 1 funds as authorized by Oakland City Council Resolution No. 88135 C.M.S. adopted May 6, 2020.

The Second Substantial Amendment to the 2019/20 AAP was submitted in December 2020 authorizing the acceptance and appropriation of ESG-CV2 and CDBG-CV3, as authorized by Resolution No. 88416 C.M.S. adopted December 1, 2020.

In February 2020, the City's Department of Housing and Community Development (DHCD) issued a Request for Proposals (RFP) for approximately \$1.6 million in CDBG funds, or 21 percent of the \$7.7 million allocated to the City. Under this RFP, the seven Community Development District Boards for Council Districts 1 through 7 set funding priorities for their respective districts for the use of CDBG funds, reviewed applications, and recommended activities and projects for funding. DHCD also released two Affordable Housing Notices of Funding Availability (NOFA) in May and December of 2020. In collaboration with the Human Services Department (HSD), DHCD and HSD issued a rolling Request for Qualifications (RFQ) in September 2020 which requested organizations to present interest, experience, and expertise in the areas related to homeless services, emergency rental assistance, housing stability services, and housing related legal services addressing impacts of COVID-19.

Under Title 24, Part 91, Section 91.520 of the Code of Federal Regulations (24 C.F.R. § 91.520), the City is also required to report annually on the progress it has made in carrying out its Five-Year Consolidated Plan (Con Plan), the AAP and Substantial Amendments to the Con Plan or AAP.

The performance report, or Consolidated Annual Performance & Evaluation Report (CAPER), includes a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including the racial and ethnic status of persons assisted), actions taken to affirmatively further fair housing, and other actions indicated in the Con Plan, AAP and Substantial Amendments to AAP. The CAPER is due to HUD within 90 days after the close of the City's program year (September 28, 2021). However, City staff have requested additional time to submit the 2020/21 CAPER in order accurately report not only those activities directly funded with HUD CPD Formula Grant funds and HUD CPD CARES Act allocations, but also those resources that are leveraged by these funds.

An example of such a reporting opportunity are the accomplishments reported in **Attachment A** for Affordable Housing. FY 2020/21 was an exceptional year for the number affordable housing units completed, constructed, and acquired. For example, in FY 2020/21, 428 affordable housing units at six (6) sites were completed, with 169 units rehabilitated and 259 units of new construction completed. The City closed seven acquisitions for a total of 269 units of affordable housing, including three acquisitions for homeless housing under a new State program called Homekey: 1) Clifton Hall, 2) Bay Area Community Services (BACS) Scattered Sites, and 3) Inn at Temescal.

Through the Emergency Rental Assistance Program (ERAP)/Keep Oakland Housed (KOH) program, an allocation of \$12.8 million from the U.S. Treasury supported 450 Oakland renters impacted by COVID-19 in receiving financial assistance, enabling tenants to pay landlords for rent arrears. ERAP assistance enabled tenants to stay housed and shelter-in-place during the first year of the COVID pandemic. The City's exemplary performance administering Round 1 of ERAP funding garnered the City an additional allocation of Round 2 U. S. Treasury ERAP funds (ERAP II) in the amount \$19.6 million and another allocation of \$12 million from the State of California Round 2 State Rental Assistance Program (SRA2). These funds are currently in utilization along with CDBG-CV funds to further support rental assistance, housing stability, housing-related legal services to Oakland renters with incomes at 50 percent of the area median income (AMI) or lower, but still targeting renters with incomes at 30 percent of AMI or lower.

The COVID-19 health pandemic and associated shelter-in-place orders in FY 2020/21 resulted in extraordinarily challenging times for many Oakland residents. The City of Oakland has stepped-up its response to meet residents' needs, delivering services and projects that support the City's most vulnerable populations.

ANALYSIS AND POLICY ALTERNATIVES

The City's 2020/2021 AAP and the Five-Year Con Plan issued in 2020 identified six priority goals to be advanced through the investment of HUD/CPD funds:

1. Affordable Housing
2. Homeless Solutions
3. Economic Development
4. Community Development - Public Services
5. Neighborhood Stabilization
6. Public Facility Improvement & Infrastructure Improvements

In addition, both the Substantial Amendments to the 2019/20 AAP identified the following priority COVID-19 responses for HUD/CPD CARES Act sources:

1. Rapid Rehousing, shelter, eviction prevention and other service for the unsheltered to prevent, prepare for and respond to COVID impacts upon the city's homeless population;
2. Emergency rental assistance, housing stability, and housing-related legal services to keep low- and moderate-income Oakland residents housed in response to COVID-19 impacts; and
3. Rental assistance/rapid rehousing for persons living with HIV/AIDS, transitioning to permanent housing from Roomkey hotel/motel units.

In establishing these priorities, staff conducted a needs analysis and applied a race and equity lens to best-target resources to the most vulnerable residents in consideration of housing needs, homelessness, the number and geographic distribution of under-served communities, the disparities of opportunity and access among Black, Indigenous, People of Color (BIPOC) and Oakland residents living with low to moderate incomes. The priorities of the AAP, Con Plan and Substantial Amendments also align with and advance the Citywide Priorities of **housing, economic and cultural security, holistic community safety and vibrant, sustainable infrastructure.**

The 2020/2021 CAPER reports and evaluates progress towards meeting the goals set by the AAP. For Program Year 2020/21, a total of \$14,615,740 awarded to the City under the 2020/21 CDBG, HOME, HOPWA and ESG programs was allocated along with other match and leverage funds to support the following activities shown in **Table 3** below, later recategorized under the “3P Framework” of Protection, Preservation, and Production as part of the FY 2021/22 AAP and the DHCD Strategic Action Plan for 2021 through 2023:

Table 3: Program Year 2020/21 Activities by Priority

| PRIORITIES | STRATEGIES/ACTIVITIES |
|--|---|
| Affordable Housing | New Production Housing Stabilization and Preservation Anti-displacement Relocation Rental Assistance Policy & Advocacy Operations Support |
| Homeless Solutions | Rapid Rehousing Homeless Facilities Permanent Access To Housing (PATH) Strategy Support Services |
| Economic Development | Technical Assistance Financial Assistance Capacity Building for Businesses |
| Community Development - Public Services | Youth & Senior Services Housing Services Recreation Legal Services/Assistance Crime Prevention Other |
| Public Facility Improvements & Infrastructure | Recreation Centers/Parks Health Centers Senior/Youth Facilities Homeless/Special Needs Facilities for Housing Street Improvements Street Scaping |

| PRIORITIES | STRATEGIES/ACTIVITIES |
|-----------------------------------|--|
| Neighborhood Stabilization | Code Compliance Displacement Prevention |

During FY 2020/21, \$30,257,499 awarded under CDBG-CV1 and 3; ESG-CV 1 and 2; and HOPWA-CV1 was allocated to CARES Act activities described above for low- and moderate-income residents, homeless residents, and persons with HIV/AIDS to prepare for, prevent and respond to COVID-19 impacts over a three- to six-year period, depending on the fund source requirements.

In extraordinarily challenging times, more than 8,500 individuals or households received direct benefit from services and projects administered under CDBG, HOME, HOPWA, and ESG programs. Another approximately 105,000 Oakland residents in LMI neighborhoods benefitted from OakWifi services and other public facility projects. HUD CPD CARES Act funding served approximately 2,000 Oakland residents, with continued services underway during FY 2021/22.

Highlights:

COVID-Related Projects

The following projects were administered to provide housing, services, and other forms of assistance to prevent, prepare for, and respond to the COVID-19 pandemic:

- Emergency Rental Assistance - 450 Oakland residents received emergency rental assistance. Forty (40) percent of successful applicants identified as Black and 29 percent identified as Latinx.
- OakWifi Project - 94,000 LMI residents benefit provided free Wi-Fi access to LMI areas, closing the digital divide and supporting job search, schooling, work, live and play during shelter-in-place orders.
- Violence Prevention COVID Mitigation Project - 1,559 individuals benefitted from violence prevention activities, employment training and placement, personal protective equipment (PPE) and food distribution, mental health services, and COVID-19 testing and vaccinations.
- Clifton Hall & Inn at Temescal - 123 homeless households received immediate housing in FY 2020/2021 through the acquisition and conversion of these facilities into 82 units of transitional and permanent housing for homeless seniors, homeless families and veterans.
- ESG-CV - 2,000 homeless persons were provided emergency shelter services, rapid rehousing services, homelessness prevention, and access to portable hygiene stations.
- Bus Rapid Transit (BRT) Business Mitigation Program - 75 businesses serving LMI residents of Oakland received financial assistance to mitigate the economic impacts related to COVID-19.

Affordable Housing

Over 697 homeless, non-homeless and special needs residents of Oakland will benefit from affordable housing units that were either acquired or completed construction within the report year. Of the 697 total units, 204 target extremely low-income households, 405 units target very low- to low-income households, and 88 target moderate-income households.

- New construction and rehabilitation for six (6) sites was completed within the report year, yielding a total of 428 affordable housing units completed in FY 2020/21.
- Acquisition closed on seven (7) sites, producing 269 affordable housing units, as well as 20 family shelter units.
- City Financing is committed for another 448 units of affordable housing at six (6) sites.
- First Time Homebuyers - Twelve (12) households were able to move into their first house with the assistance of Oakland First Time Homebuyers program.
- Owner-occupied Rehabilitation - 146 LMI homeowners received grants or loans to complete necessary rehabilitation, preserving the existing housing inventory and enabling them to remain safely in their homes.
- Seismic Retrofit Program - 72 units (four complexes) were seismically retrofitted using shear walls and steel bracing. Four (4) units are completed and eight (8) additional projects are underway for 90 units of preserved affordable housing.
- Code Compliance Relocation & Anti-Displacement Programs - Nine (9) households received financial assistance and 658 households received information and referrals to prevent displacement and homelessness.

Hunger & Homeless Services

Through regularly scheduled food distributions and a mobile Thanksgiving Dinner event, 7,200 LMI residents received food services. Homeless and HIV/AIDS housing and services were provided as follows with over 784 exits from homelessness to permanent housing.

HIV/AIDS housing and services were provided in Alameda County and Contra Costa County (Oakland Eligible metropolitan area) to 135 persons living with AIDS, including short-term rental & mortgage utility assistance for 124 residents and permanent housing placements for 11 residents. In addition, two new HIV housing units were completed.

552 homeless individuals were served in overnight shelter, 195 residents received rapid rehousing assistance, and over 17,900 harm reduction kits were distributed to homeless encampments.

Economic Development

Economic development activities benefitted 525 businesses with technical assistance, working capital grants, small business loans and construction-business workshops and training.

Oakland Housing Authority Public Housing/Affordable Housing

Oakland Housing Authority (OHA) provided housing for 14,942 households provided under the Making Transitions Work (MTW) Voucher and Lease programs.

Further detail on projects and activities completed and underway during FY 2020/2021 is provided in **Attachment A**, including details of neighborhood stabilization activities and a summary of Community Development District Board recommended projects.

Staff recommends that City Council accept and authorize for submission to HUD the 2020/2021 (CAPER) with public comments and feedback from the City's 15-day review period and the public hearing scheduled for December 7, 2021.

FISCAL IMPACT

The CAPER is a HUD-mandated annual report on the performance, evaluation, and accomplishments achieved under HUD CPD Formula Grant programs (CDBG, HOME, HOPWA and ESG) towards goals set in the corresponding City of Oakland Annual Action Plan (FY 2020/21) and Five-Year Consolidated Plan (FY 2020/21 - 2024/25). In addition, the performance, evaluation and accomplishments achieved under CDBG-CV, ESG-CV and HOPWA-CV programs are reported through the CAPER.

Of the \$14,615,740 HUD/CPD Formula grant funds awarded to the City of Oakland for FY 2020/21, the period of use expires in September 2027 for CDBG, 2025 for HOME, 2023 for HOPWA, and 2022 for ESG.

Of the \$30,257,499 HUD/CPD CARES Act funds awarded to the City during FY 2020/21, 80 percent of CDBG-CV funds must be expended by Fall of 2023 and fully expended by 2026; 20 percent of ESG-CV funds must be expended by Fall of 2021, 80 percent by Spring of 2022, and 100 percent by Fall of 2022; 100 percent of HOPWA-CV funds must be expended by Fall of 2023.

The City is in compliance with each of the expenditure periods listed above.

PUBLIC OUTREACH / INTEREST

Per 24 C.F.R. § 91.105(d)(1), the City publishes and posts the CAPER for Oakland residents' review and feedback. To provide residents with reasonable opportunity to review the CAPER and provide feedback, the CAPER is posted for not less than a fifteen-day period prior to submitting the CAPER to HUD and presenting to City Council in a public hearing.

A Public Notification of the City's 2020/21 CAPER was posted in the *East Bay Times*, *The Post*, *El Mundo*, and *Sang Tao* newspaper publications, announcing the availability of the draft CAPER for Oakland residents' review and comments. Said notice also included the following information concerning the 2020/21 CAPER:

- CAPER Public Comment Period – November 16, 2021 – December 3, 2021
- Due Date for Public Comments – December 2, 2021
- Forwarding Information for Public Comments to:
Cdbg@oaklandca.gov or

City of Oakland/Community Development & Engagement (CDE) Division
250 Frank H. Ogawa Plaza, Suite 5313
Oakland, CA 94612
Attention: Greg Garrett, CDE Manager

- Online access for the CAPER and Council Calendar:
 - CAPER: <https://www.oaklandca.gov/services/2020-2021-consolidated-annual-performance-and-evaluation-report-caper>
 - City Council calendar and materials: <https://Oakland.legistar.com/Legislation.aspx>

In addition, staff provided email notices to the various community contact lists made available to the City's CDE Division (formerly Housing Resource Center and CDBG Divisions) in addition to the seven Community Development District Boards, CDBG applicants and recipients, residents, and other CDE contacts.

A Community Meeting to discuss the highlights of the 2020/21 CAPER was publicly noticed and held virtually on August 30, 2021 via Zoom.

The public hearing for the 2020/21 CAPER on December 7, 2021 provides another opportunity to obtain public comment regarding the City's performance and accomplishments in housing, community development, public services, strategies and outcomes reported in the CAPER under the CDBG, HOME, HOPWA and ESG programs.

Public comments submitted during the public comment period, during the August 30 Community Meeting, and during the December 7, 2021 public hearing will be entered and made part of Section CR-40 of the 2020/21 CAPER prior to submitting the CAPER for HUD review and approval.

COORDINATION

The 2020/21 CAPER is submitted in coordination with Department of Housing & Community Development, Economic & Workforce Development, Human Services Department, Oakland Public Works, Department of Violence Prevention, Department of Information & Technology, Oakland Housing Authority, and recipients of HUD/CPD Formula Grant and CARES Act funds for FY 2020/21. This report has been reviewed by the Office of the City Attorney and by the Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: CDBG, HOME, ESG and HOPWA supports activities and services that benefit low- and moderate-income residents of Oakland, unsheltered residents, special needs populations and persons to provide for affordable housing, economic opportunities and suitable living environments; all of which contribute to sustainable economic opportunities for Oakland residents.

Environmental: An environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies).

Race & Equity: CDBG, HOME, ESG, and HOPWA support activities for low- and moderate-income residents, unsheltered individuals and persons living with HIV/AIDS. The support provided to these populations and subpopulations seeks to minimize disparities in outcomes by race in all areas of well-being, including but not limited to housing, suitable living environments, economic opportunities, community development, and public services.

Demographic data indicates that the COVID-19 health pandemic disproportionately impacts Oakland's lower-income residents and in particular the African American and Latinx communities. The associated dual crisis of homelessness and housing instability also disproportionately impacts these same communities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council conduct a public hearing and upon conclusion receive the City Of Oakland's Consolidated Annual Performance & Evaluation Report (CAPER) for FY 2020/21 Community Development Block Grant, HOME Investment Partnerships, Housing Opportunities For Persons With AIDS, Emergency Solutions Grant Programs and CARES Act funds allocated under CDBG-CV, ESG-CV and HOPWA-CV programs To Be Submitted To The United States Department Of Housing And Urban Development.

For questions regarding this report, please contact Gregory D. Garrett, CDE Manager, at ggarrett@oaklandca.gov.

Respectfully submitted,



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Attachments (1):
A: CAPER Summary of Accomplishments