

CITY OF OAKLAND

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OAKLAND

2019 JUN 13 PM 4:10

# AGENDA REPORT

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

**FROM:** Marakeshia Smith  
Assistant City Administrator

**SUBJECT:** Hayes Street Transitional Housing  
Project

**DATE:** June 3, 2019

City Administrator Approval

Date:

6/13/19

## RECOMMENDATION

**Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Adopt A Resolution Authorizing The Re-appropriation Of \$200,000 In Community Development Block Grant Funds To Be Used By The Oakland Community Land Trust For The Acquisition And Rehabilitation Of Property Located At 5940 Hayes Street, Oakland, California As A Transitional Housing Facility.**

## EXECUTIVE SUMMARY

The proposed resolutions authorize the City Administrator to appropriate an additional \$200,000 in Community Development Block Grant (CDBG) funds to the Hayes Street Transitional Housing Project (the Project) for acquisition and rehabilitation of property located at 5940 Hayes Street in Oakland, California.

The City of Oakland has made a \$150,000 funding commitment to the Oakland Community Land Trust (OCLT) for the Project under the City's Measure KK 1-4 Unit Acquisition Rehabilitation Program, fund proceeds from the City of Oakland General Obligation Bonds. Measure KK funds are approved as a loan to OCLT to pay for acquisition costs necessary for the development of the Project. The additional CDBG funds are recommended for allocation to assist in acquisition and development costs of the Project as well.

The Project is a single-family home with two bedrooms and one bathroom. Under the Measure KK requirements, the unit to be used as a transitional housing facility must be restricted to households or individuals at or below eighty percent (80%) Area Median Income (AMI). Said requirements compliment the intent and purpose of CDBG funds to benefit principally residents of Oakland with low-and moderate-incomes. Additionally, this project provides decent housing and a suitable living environment, serving clients that might otherwise be homeless.

## BACKGROUND / LEGISLATIVE HISTORY

CDBG funds awarded by HUD to the City of Oakland under the United States (U.S.) Department of Housing & Urban Development's (HUD) Entitlement Formula Grant Program are

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purposed to develop viable urban communities by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for low- and moderate-income persons.

The goals and objectives for the City's use of CDBG funds is established in the City's latest Five Year Consolidated Plan (Con Plan), also known as the Strategic Plan, covering fiscal years 2015/16 – 2019/20. The Con Plan is updated annually through the Annual Action Plan. Both the Con Plan and Annual Action Plan include homeless services, expansion of affordable housing and preservation of affordable housing as some of the high priority needs for the City of Oakland.

The acquisition and renovation of the Hayes Street Transitional Housing Project will ensure the preservation of the property at 5940 Hayes Street as a transitional housing facility, temporarily housing displaced individuals or families while providing support services supporting their transition into permanent housing.

Once acquired, the Project will house individuals and families and provide essential services. A Diamond in the Ruff, an agency founded by Tracey Nails-Bell in 2009, will provide case management, wraparound supportive services, life skills training, referrals substance abuse & mental health services, employment assistance, and financial assistance to single women and women with children.

The acquisition of the Project will support the preservation of transitional housing inventory in Oakland. The support services to be provided once completed, all address high priority needs referenced above as part of the City's most recent Annual Action Plan and Con Plan.

### **ANALYSIS AND POLICY ALTERNATIVES**

The City of Oakland's current inventory of affordable housing has very long waiting lists. Most affordable housing units do not offer supportive services. There is a tremendous unmet need for housing for the approximate 4,800 households who need permanent housing affordable at an extremely low income level. Oakland's Permanent Access To Housing (PATH) Strategy contends that homelessness can be prevented or ended only by creating affordable and supportive housing units affordable to those with extremely low incomes. These units can be created through three different methods: acquisition and rehabilitation or new construction, tenant-based housing subsidies using existing housing, and master leasing using existing housing.

The proposed Council action supports the soon to be updated PATH Strategy through the acquisition of 5940 Hayes Street, by helping to preserve the inventory of transitional housing, and providing temporary housing to those most in need. The residents, many of whom are homeless or at-risk of becoming homeless, will receive guidance and assistance in accessing affordable housing, a critical service for those with limited resources.

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## **FISCAL IMPACT**

The proposed City Council action re-appropriates CDBG funds made available by projects with fund balances from prior CDBG grant years. Staff has reconciled available CDBG funds in HUD's Integrated Disbursement and Information System (IDIS), a tracking system of HUD funded projects under the CDBG, Housing Opportunity for Persons With AIDS, Emergency Solutions Grant, and HOME Investments Partnership Program. IDIS tracks performance, accomplishments and draw-downs made by the City for expenditures incurred under each of these programs.

The recommended allocation of \$200,000 in CDBG funds to the Project augments \$150,000 in loan funds committed to the Project under the City's Measure KK 1-4 Unit Acquisition Rehabilitation Program.

Recommended use of funds is eligible under CDBG and meets category description requirements under HUD CDBG Matrix Code Definitions for Acquisition (Index Code 01) and/or Rehabilitation/Acquisition (Index Code 14G) as listed in the following updated HUD CDBG Matrix Code Definitions: <https://files.hudexchange.info/resources/documents/Matrix-Code-Definitions.pdf>.

Re-appropriation of CDBG fund balances identified in IDIS will not affect currently funded activities. The \$200,000 identified is made available as a result of "completed" or "canceled" projects with remaining balances. The \$200,000 CDBG funds proposed to support the Project should be appropriated to HUD-CDBG Fund 2108, CDBG Organization 89949, Account 54912, Project (to be determined).

## **PUBLIC OUTREACH / INTEREST**

Re-appropriation of funds to the Project does not constitute as a substantial amendment to the City's 2015/16 – 2019/20 Five Year Consolidated Plan or the latest Annual Action Plan as established under the City's Citizen Participation Plan. As a result, the City is not required to post a 30-day review and comment period in order to fund this project. However, the public will be noticed of the requested City Council action on the City's website. Public comments made at the City Council meeting for this item will be noted and made a part of the City's upcoming Consolidated Annual Performance and Evaluation Report (CAPER) to be presented as a public hearing to City Council no later than September 24, 2019 and HUD no later than September 30, 2019.

## **COORDINATION**

This report has been compiled by the Department of Housing & Community Development in consultation with the Office of the City Attorney to ensure the legality of the funding commitment resolution. The Budget Bureau was consulted to confirm funding amounts and location.

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### **SUSTAINABLE OPPORTUNITIES**

**Economic.** All funds identified in this report are for the purpose of providing housing in an effort to prevent and eliminate homelessness through the provision of a transitional housing facility that will assist the most vulnerable with the services needed to obtain permanent housing and income to stay housed.

**Environmental:** The provision of transitional housing is designed to provide a temporary residence for clients and assist them in accessing the resources and services needed to obtain permanent housing. Access to housing also addresses the environmental degradation caused by homeless individuals precariously housed or living on the streets.

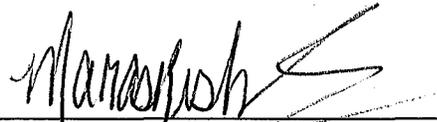
**Social Equity:** The expenditure of these funds is targeted to benefit the most vulnerable and at-risk populations in the City through access to the transitional housing facility and the services to be provided at the facility. Continued use requirements mandated by Federal Code of Regulations 570.505 CDBG will ensure use of this property as "transitional housing" for not less than five years following the CDBG funded acquisition of 5940 Hayes Street, in Oakland, California.

### **ACTION REQUEST OF THE CITY COUNCIL**

Staff recommends that the City Council conduct a public hearing and upon conclusion adopt a Resolution authorizing the re-appropriation of \$200,000 in CDBG funds to be used by the OCLT for the acquisition and rehabilitation of property located at 5940 Hayes Street in Oakland, California for the continued use of this property as a transitional housing facility.

For questions regarding this report, please contact Gregory Garrett, CDBG Manager, at 510.238.6183.

Respectfully submitted,



MARASKESHIA SMITH  
Assistant City Administrator

Reviewed by:  
Maryann Leshin  
Deputy Director  
Department of Housing and Community  
Development

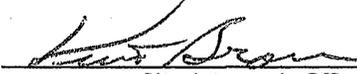
Prepared by:  
Gregory Garrett, Manager  
Community Development Block Grant Division

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FILED  
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Approved as to Form and Legality

  
City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING THE RE-APPROPRIATION OF \$200,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO BE USED BY THE OAKLAND COMMUNITY LAND TRUST FOR THE ACQUISITION AND REHABILITATION OF PROPERTY LOCATED AT 5940 HAYES STREET IN OAKLAND AS A TRANSITIONAL HOUSING FACILITY**

**WHEREAS**, the City of Oakland has committed loan funds under the City of Oakland's Measure KK 1-4 Unit Acquisition Rehabilitation Program to the Oakland Community Land Trust (OCLT) for the purchase of a transitional housing facility located at 5940 Hayes Street in Oakland, California; and

**WHEREAS**, an additional \$200,000 is needed for the acquisition of the property, to ensure the continued use of this property as transitional housing to women and women with children, in an effort to preserve the inventory of transitional housing in Oakland; and

**WHEREAS**, Community Development Block Grant (CDBG) funds have been identified, and will come from CDBG projects with fund balances that have been completed or canceled and are now available for re-appropriation; and

**WHEREAS**, affordable housing, housing for the homeless and housing to prevent homeless are identified in the City of Oakland's 2015/16 – 2019/20 Five Year Consolidated Plan and 2019/20 Annual Action Plan; now, therefore, be it

**RESOLVED:** That the City Council hereby authorizes the re-appropriation of available CDBG fund balances up to \$200,000 to OCLT for the acquisition of the property located at 5940 Hayes Street in Oakland; and be it

**FURTHER RESOLVED:** That said property will be used for the purpose of providing transitional housing in Oakland for not less than five years following the acquisition of the property, as mandated by the provisions of the Code of Federal Regulations governing the CDBG program; and be it

**FURTHER RESOLVED:** That \$200,000 in available CDBG funds will be set up in Fund-CDBG 2108; Organization 89949; Account: 54912; Project (To Be Determined); and be it

**FURTHER RESOLVED:** That prior to execution, all agreements shall be reviewed and approved as to form and legality by the City Attorney, and executed copies shall be filed with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator or her designee is to negotiate, execute, amend or extend agreements with OCLT for the acquisition of said property and take any other action with respect to the agreement consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of the  
City of Oakland, California