

CITY OF OAKLAND
AGENDA REPORT

2010 APR 15 PM 5:17

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: April 27, 2010

RE: **A Public Hearing, Report and Three Resolutions:**
A Resolution 1) Authorizing the City Administrator to Prepare and Submit to the U.S. Department of Housing and Urban Development the Consolidated Plan for Fiscal Years 2010-15 and the Annual Action Plan for Fiscal Year 2010-15; 2) Accepting and Appropriating Funds Totaling \$16,439,906 for the HOME, Emergency Shelter Grant, Housing Opportunities for Persons with AIDS, and the Community Development Block Grant Programs; 3) Appropriating \$670,480 in Program Income and Any Amounts in Excess Thereof for Housing Rehabilitation Revolving Loan Fund; 4) Reprogramming FY 2007-09 and FY 2009-11 CDBG Funds in the Amount of \$219,671; 5) Reprogramming HOME Funds in the Amount of \$167,862;
A Resolution Authorizing A Loan in an Amount Not To Exceed \$200,000 To Resources for Community Development Under the HUD Neighborhood Stabilization Program for the Acquisition and Rehabilitation of the Marin Way Court Project Located at 2000 International Boulevard; and
A Resolution Authorizing a Loan in an Amount Not To Exceed \$1,159,031 to East Bay Asian Local Development Corporation Under the HUD Neighborhood Stabilization Program for the Acquisition and Rehabilitation of the Drasnin Manor Apartments Located at 2530 International Boulevard.

SUMMARY

A resolution has been prepared for the City Council to adopt the Five-Year Consolidated Plan for Housing and Community Development for Fiscal Years 2010-15, and an Annual Action Plan for fiscal year 2010-11. These two plans have been published and distributed as separate documents that are available in hard copy from CEDA, the City Clerk and at the Public Library, and can be viewed or downloaded from the City's web site at www.oaklandnet.com/government/hcd. The resolution authorizes the City Administrator to submit the plans to the U.S. Department of Housing and Urban Development (HUD) and to accept and appropriate a total of \$16,439,906 in federal grant funds and appropriate \$670,480 in anticipated program income for FY 2010-11 for the following four formula grant programs:

Community Development Block Grant (CDBG)
HOME Investment Partnership (HOME)
Housing Opportunities for Persons with AIDS (HOPWA)
Emergency Shelter Grant (ESG)

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The resolution also authorizes reprogramming a total of \$219,671 available from the five projects that did not satisfy the contract development requirements for the Community Development Block Grant (CDBG) program and were not implemented, and \$167,863 in unspent HOME funds originally allocated for the Katrina Tenant-Based Rental Assistance Program.

At its May 9, 2009 meeting, when the City Council approved a resolution for the Annual Action Plan for fiscal year 2009-10, it also approved programs recommended for CDBG funding for both FY 2009-10 and FY 2010-11. As a result, FY 2010-11 CDBG contracts do not require new approvals.

Resolutions have also been prepared to authorize a loan in an amount not to exceed \$200,000 to Resources for Community Development for Marin Way Court and in an amount not to exceed \$1,259,031 to East Bay Asian Local Development Corporation for Drasnin Manor Apartments for acquisition and rehabilitation under the HUD Neighborhood Stabilization Program.

FISCAL IMPACT

The resolution accepts and appropriates funds for the FY 2010-11 budget from the four federal grants and from program income (loan repayments) to be earned during the fiscal year. Specific projects have been recommended for funding from the four grants and are included in the Action Plan. The new and amended appropriations presented in this report will become a part of the City's FY 2010-11 Midcycle Budget. The projects are summarized in *Attachment A*.

The grant funds will be appropriated into HUD-CDBG (Fund 2108), HUD-HOME (Fund 2109); and HUD-HOPWA and HUD ESG (Fund 2999). Within each of these Organizations there are a variety of Project Numbers and Account Names.

Grant Program	Anticipated Program Income and Prior Year Reprogrammed funds	Grant Amount to Accept	Amount to Allocate with adoption of FY2010-11 Budget
CDBG	875,151	\$9,109,357	
Administration/Fair Housing			1,749,190
Economic Development			1,050,090
Homeless Services			405,000
Housing			3,975,557
HUD 108 Loan Repayment			900,000
Neighborhood Programs			1,904,671
HOME		4,753,166	4,753,166
HOPWA		2,208,481	2,208,481
ESG		368,902	368,902
TOTAL	\$875,151	\$16,439,906	\$17,315,057

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Funds in the amount of \$1,247,031 for NSP Rental Properties are already budgeted in the HUD-CDBG Fund (2108), CDBG Programs Organization (88949), NSP – Rental Project (G368120) and are available for allocation to the Drasnin Manor and Marin Way Court projects.

BACKGROUND

HUD regulations require that in the development of both the Five-Year Consolidated Plan and the Annual Action Plan, the City conform to certain citizen participation requirements as set forth in the City's adopted Citizen Participation Plan. HUD requires that over each annual cycle, the City must hold at least two public hearings covering (a) an assessment of housing and community needs and priorities, (b) past performance, and (c) the proposed plan.

During the fall of 2009, staff held community meetings through each of the seven Community Development District Boards to discuss program performance for FY 2008-09, and to solicit input on the City's needs and priorities for housing and community development. These meetings satisfied HUD's requirements for the first of the two public hearings.

The second public hearing, scheduled for May 4, 2010, will provide an opportunity for public comment on the proposed Five-Year Plan and the proposed Annual Action Plan, including the use of federal funds for fiscal year 2010-2011.

At its May 9, 2009 meeting, when the City Council approved a resolution for the Consolidated Plan for Housing and Community Development Annual Action Plan for fiscal year 2009-11, it also approved programs recommended for CDBG funding for both FY 2009-10 and FY 2010-11. As a result, FY 2010-11 CDBG contracts do not require new approvals.

KEY ISSUES AND IMPACTS

HUD allocates federal funds to eligible localities for housing and community development activities. These funds are from four formula grant programs – Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). As a condition of receiving these grant funds, Federal regulations require jurisdictions to prepare a Five-Year Consolidated Plan to assess affordable housing and community development needs and present priorities and strategies for addressing those needs.

This is the City's fourth five-year Consolidated Plan. Previous plans covered fiscal years 1995-2000, 2000-05, and 2005-10. As before, this Consolidated Plan contains a Community Profile that describes demographics, needs and resources; and a Five Year Strategy describing priorities and strategies.

HUD regulations also require jurisdictions to prepare an Annual Action Plan describing proposed activities and objectives for the use of the formula grant funds. The Annual Action Plan constitutes the City's formal application for those funds.

PROGRAM DESCRIPTION

Five-Year Consolidated Plan Description/Summary

The proposed Five-Year Plan identifies housing and community development needs, analyzes demographic and market conditions, and provides a comprehensive five-year strategic plan designed to achieve the following:

- Increase and maintain the supply of affordable supportive housing for low-income and special needs populations, including the homeless.
- Create a suitable living environment through neighborhood revitalization and improvements in public facilities and services.
- Expand economic opportunities for lower income households.

The Five-Year Plan is divided into three primary sections dealing with Housing, Homelessness, and Community Development.

Housing

Needs

The Consolidated Plan presents information on housing in the City of Oakland including a housing needs assessment, and analysis of existing housing and an analysis of the housing market. Special attention is paid to public and assisted housing, housing needs of persons with special needs, lead-based paint hazards and barriers to affordable housing. These sections have shown the tremendous magnitude of unmet housing needs in Oakland, and the gap between market cost and the ability of low and moderate income households to pay for housing.

The most serious problem is clearly cost burden, particularly for renters. Overcrowding is also a serious problem. Among renters, the percentage of people living in overcrowded conditions is rising. Substandard housing conditions is another problem faced by Oakland residents. Forty-eight percent of Oakland households (approximately 70,000 households) are experiencing one or more housing problems. However, for renters the figure is 54 percent (approximately 47,000 households), while for owners it is only 39 percent (approximately 24,000 households). Similarly, among household types, 88 percent of large renter families (over 9,500 households) experience housing problems, while for small families the figure is 56% (which still accounts for nearly 17,000 households).

Additional detail on housing needs by income level, household type and tenure is contained in ***Attachment B***

The households experiencing housing problems translate into housing specific needs for populations including low and moderate income renters, low and moderate income homeowners, disabled residents, seniors, persons with AIDS/HIV+, and persons with alcohol/other drug addictions.

Goals and Strategies

The City has only limited resources with which to address these needs. Only a small fraction of the total needs can be addressed. The City attempts to maximize the impact of these resources by leveraging other funds wherever possible, particularly from private sources and other public sources. To the extent possible, the City also provides local resources to address housing needs.

As a general rule, the City grants priority to those households with the greatest needs. For the most part, this means that extremely low income households should receive priority for assistance. Seniors, persons with disabilities, large families, and immigrant populations all have particularly pressing needs which will be addressed to the extent possible.

At the same time, priorities and goals are affected by conditions in the market and limitations on resources available to the City. As a general rule, the amount of assistance required per household is much higher for those with the lowest incomes. This is particularly true for housing programs that produce housing that will remain affordable for many years.

The proposed housing objectives are summarized as follows:

- Expansion of the Supply of Affordable Rental Housing
- Preservation of the Supply of Affordable Rental Housing
- Expansion of the Supply of Affordable Ownership Housing
- Expansion of Ownership Opportunities for First Time Homebuyers
- Improvement of Existing Housing Stock
- Provision of Rental Assistance for Extremely Low and Low Income Families
- Provision of Supportive Housing for Seniors and Persons with Special Needs
- Prevention of Foreclosures and Stabilization of Neighborhoods
- Removal of Impediments to Fair Housing

The proposed priorities, strategies and goals are summarized in *Attachment C*.

Homelessness

Needs

The Oakland PATH Strategy estimates that almost 6,300 people are homeless during the course of a year in Oakland, nearly half the estimated 12,750 homeless people in Alameda County. On any given night, there are as many as 7,383 homeless people in Alameda County, 4,223 of them in Oakland.

In addition to the 6,300 people who are homeless in Oakland over the course of a year, there are approximately 17,200 more people with serious and persistent mental illness and/or HIV/AIDS who are living in precarious or inappropriate situations. These estimated 17,200 people are at extreme risk of homelessness due to their disabilities and extremely low incomes defined as at or below 30% of Area Median Income (AMI).

Using the methodology established in EveryOne Home, PATH has determined that:

- 7,380 households need permanent affordable and, where needed, supportive housing; and,
- 7,735 need short-term assistance to prevent or end their homelessness, such as short-term rent or mortgage subsidy or a short stay in an emergency shelter.

Additional detail on homeless needs is contained in *Attachment B*

Goals and Strategies

- Expansion of the supply of housing such that all homeless are housed
- Provision of services such that all homeless care providers are versed in all services available in the City so that no one is turned away at any stage of seeking assistance
- Prevention of homelessness from all sectors of the community by committing to remedy factors that lead to loss of housing, by addressing gaps in the health care system, and by improving services to those with serious medical or mental health conditions
- Utilization of funds more efficiently
- Leverage local funding to capture greater amounts of state and federal resources

Non-Housing Community Development

Economic Development Needs

The City's economic development programs are designed to address a number of community needs including (1) job opportunities for Oakland's unemployed, underemployed and economically disadvantaged residents, (2) private investment to strengthening the tax base and stimulate commercial activity, and (3) blight and chronic vacancies in the City's twenty-five neighborhoods.

Economic Development Goals

The City is working to achieve the following goals:

- Attract, retain, and expand job opportunities
- Stimulate private investment to foster Oakland's business growth
- Revitalize neighborhood commercial areas
- Link economic development job opportunities with local job training and placement resources for Oakland's low to moderate income residents
- Redevelop Oakland's vacant and underutilized industrial and commercial areas
- Create sustainable development projects.

Economic Development Strategies

In order to accomplish the stated goals and objectives, the City will:

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- Provide business financing, technical assistance, and entrepreneurial skill development
- Provide Commercial Façade Improvement Loans, site/project development assistance, public improvements, merchant association assistance, and technical assistance for fifteen neighborhood commercial districts,
- Conduct job fairs and coordinate with local job training agencies to insure that Oakland residents are trained and ready to take advantage of economic development job opportunities

Public Services and Infrastructure (Neighborhood Improvements) Needs

Indicators of need for Public Services and Infrastructure (Neighborhood Improvements) are derived from the 2000 census data, public agencies and social service providers. In 2008, staff from the Community and Economic Development Agency (CEDA) held community meetings with residents from all Community Development (CD) Districts and boards to assess and prioritize Public Service and Infrastructure (Neighborhood Improvement) needs. Oakland residents reported the three most important priorities for CDBG funding for the 2009-2011 funding cycle were Seniors Services, Youth Services and Blight/Healthy Environment. As the economy evolves, these needs may change.

Annual Action Plan Description/Summary

The Annual Action Plan describes the actions that will be undertaken to address the housing and community development priorities identified in the Five Year Strategy. This includes housing activities to address the provision of affordable housing to low income families, rehabilitation of the existing housing stock, emergency shelter and transitional housing needs of homeless persons and activities that will be undertaken to prevent homelessness. Non-housing community development includes two major categories: economic development and public services/infrastructure (neighborhood improvements).

The City will receive the following Federal grant awards for FY 2010/11:

Community Development Block Grant	\$ 9,109,357
HOME	4,753,166
Emergency Shelter Grant	368,902
HOPWA	2,208,481
<u>TOTAL</u>	<u>\$16,439,906</u>

An additional \$670,480 in program income will be received from loan repayments and loan fees. If the program income from loan payments and loan fees exceeds the anticipated \$670,480, the additional funds will go into the Housing Rehabilitation program to allow for additional funding of loans or grants.

In accordance with the allocations established by the City Council and consistent with the priorities in the Consolidated Plan and the requirements of the Federal grant programs, these funds will be used to address the following priority needs:

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- \$9,986,723 from CDBG and HOME to fund housing activities (includes approximately \$475,316 for HOME program administration, coordination and monitoring).
- \$2,982,383 from CDBG (\$405,000); HOPWA (\$2,208,481) and ESG (\$368,902) to serve the homeless and persons at risk of homelessness, including persons with HIV/AIDS (includes approximately \$56,392 for administration and monitoring for the HOPWA and ESG programs).
- \$1,049,440 from CDBG for economic development activities.
- \$1,700,000 from CDBG for Public Services and Neighborhood Improvements.
- \$1,391,840 from CDBG for program administration, accounting and audit functions, planning, monitoring and evaluation, and citizen participation.

In addition to the funding listed above, the Resources section of the Action Plan describes other Federal and non-Federal resources (State and local funding as well as private resources), that are reasonably expected to be made available or leveraged during the program year. The Action Plan includes both a general description of strategies and planned actions, and detailed information on each activity proposed for funding.

Citizen Participation and Consultation with Other Agencies

Public hearings are held to receive input and respond to proposals and comments. At least one hearing or meeting must be held before the proposed plan is published for comment.

- Staff met and consulted with the Community Development District Boards that serve the populations addressed in the Plan, East Bay Housing Organizations and other community groups.
- City-wide community meetings were conducted during the months of October and November to solicit input on housing, economic development and community development needs and priorities.
- Staff consulted with public health agencies regarding lead-based paint issues, the Oakland Housing Authority to coordinate City and OHA activities, and adjacent jurisdictions (City of Berkeley, Alameda County HOME Consortium, Contra Costa County) regarding housing and community development needs and strategies, and coordination of the HOPWA program.
- A Public Hearing will be held Tuesday, May 4, 2010 in the City Council Chambers. A notice was run in the Oakland Tribune April 4 and 6, 2010 announcing the availability of the draft Plan and the date, time and purpose of the Public Hearing.

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Process for Public Review and Comment

Copies of the draft Plan were available Wednesday, April 7, 2010 for a 30-day comment period and have been placed on file at the main branch of the Oakland Public Library and are available from both the Community & Economic Development Agency and the Office of the City Clerk. Notices have been distributed to a wide variety of nonprofit housing organizations, homeless service providers, public agencies and commissions, and other interested parties.

Written public comments will be accepted by the Community & Economic Development Agency through May 7, 2010. Staff will then revise the documents consistent with such comments and include a summary of all written comments received and a discussion of how such comments were included, or an explanation as to why such comments were not included in the final documents.

Reprogramming of Funds

CDBG Funds

A total of \$219,671 is available from the following five projects that did not satisfy the contract development requirements for the Community Development Block Grant (CDBG) program and were not implemented.

Sources

- \$95,671 that was allocated in FY 2009-11 funds for Harbor House Ministries, Inc. to provide the Youth Leadership Program in the Eastlake/San Antonio/Chinatown District (District 2). A project number was not assigned because the organization declined funding before this could be done.
- \$30,000 that was allocated in FY 2009-11 funds for the Precision Drill Ministries to provide the "Positive Role Models" Educational Mentoring Program (G255110) in the Central Oakland District (District 4). The organization was to receive \$15,000 in each fiscal year.
- \$14,000 that was allocated in FY 2009-11 funds for CURA to provide job training and a green energy project in Western Oakland (District 3). A project number was not assigned because the organization declined funding before this could be done.
- \$40,000 that was allocated in FY 2007-09 funds for the Central American Refugee Committee (CRECE) to provide the Youth and Family Enrichment Project (G216010) in the Fruitvale/San Antonio District (District 5). The organization was to receive \$20,000 in each fiscal year.
- \$40,000 that was allocated in FY 2007-09 funds for the Lao Family Community Development, Inc. to provide the SAT Tutoring Program (G326710) in the Fruitvale/San Antonio District (District 5). The organization was to receive \$20,000 in each fiscal year.

The respective CD District Boards have recommended reprogramming of the funds to the following projects:

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Uses

District 2 - \$95,671	
EastSide Arts Alliance: Youth Arts Program (G254910)	\$60,671
Oakland Asian Students Educational Services: OASES SOAR High School Program	\$35,000
District 3 - \$14,000	
City of Oakland/Dept. of Human Services –Community Housing Services: Project Homeless Connect	\$5,000
First Place for Youth: Step to Success Project	\$7,000
Seventh Step Foundation	\$2,000
District 4 - \$30,000	
City of Oakland/Dept. of Human Services-Aging, Health & Human Services: Safe Walk to School (P228710)	\$20,000
Project Re-Connect (H08600)	\$5,000
Friends of Oakland Parks & Recreation: Growing Green in Maxwell Park (G384910)	\$5,000
District 5 - \$80,000	
AnewAmerica Corporation: Entrepreneurial Skills Building	\$80,000
Total Reallocation	\$219,671

HOME Funds

In the fall of 2005, the City allocated \$250,000 in HOME funds to the Oakland Housing Authority to provide tenant-based rental assistance to households displaced by Hurricane Katrina (some of whom relocated to Oakland). The program was terminated in June 2008, and not all of the funds were utilized. Staff is recommending that unused funds in the amount of \$167,862 be reallocated to the housing development program and made available for projects funded through the annual affordable housing Notice of Funding Availability (NOFA).

Amendment to NSP Substantial Amendment

The City’s NSP 1 program is described in a Substantial Amendment to the Consolidated Plan that was submitted to HUD as part of the application for those funds. The NSP 1 grant requires the City to spend 25% of the allocation on households earning less than 50% of Area Median Income (AMI). In May 2009, when NSP funds were allocated by the City Council, staff only recommended \$900,000 of the required \$2,100,000 due to the ineligibility of rental projects in the target areas. Staff had intended to recommend using the remaining funds in conjunction with NSP 2 funds, but the City’s application for NSP 2 was unsuccessful.

The proposed Consolidated Plan will amend the original NSP Substantial Amendment to include the target areas specified in the NSP 2 application. This would allow for the allocation of funds to two projects that are part of the failed non-profit Oakland Community Housing Inc.’s (OCHI) affordable rental portfolio in Oakland. With this new amendment, the NSP funds can be used to

move forward with acquisition of the properties and the rehabilitation work needed to stabilize them as long-term affordable housing

OCHI and its property management affiliate, Oakland Community Housing Management (OCHM), closed their office and suspended operations in the summer of 2008. This left their fourteen Oakland affordable rental properties in varying degrees of limbo. The organization did not formally dissolve, and the single remaining board member will not sign documents to transfer the properties to more stable ownership, leaving lender foreclosure as the only viable means of transferring the ownership of most of the properties. The City and Redevelopment Agency are lenders on these properties, and have an interest in preserving the units as well-maintained affordable housing for low income residents. Staff is therefore pursuing a strategy where the City and Agency (or nonprofit assignees) will foreclose on these loans and transfer ownership to nonprofit developers who will preserve the affordability of the portfolio's units to the greatest extent possible, including the units at the two properties described below. Foreclosure on these properties makes them eligible for NSP funding.

Marin Way Court

This is a 20-unit family rental property located at 2000 International Boulevard, which Resources for Community Development (RCD) is proposing to acquire and rehabilitate once the foreclosure process is complete. The property has been without property management services since August 2008, leaving it a potential attractive neighborhood nuisance and making the transfer of the property to more stable hands as soon as possible extremely important.

Project Summary:

- Rehabilitation of existing occupied property consisting of three townhome-style buildings containing 20 two-bedroom units. Property was constructed in 1987.
- The property was owned by OCHI, and has been without property management since August 2008. Only six of the units remain occupied. The property is in jeopardy of being lost as an affordable housing resource.
- The property is currently in default on its first mortgage, but the lender has not foreclosed on the property. Negotiations are close to completion on a deal to have the Agency purchase its loan interest in the property.
- Rehabilitation needs include fire and life safety improvements, siding replacement and exterior painting, roof and gutter replacement, dry rot repairs, and interior finishes. This property was submitted in the City's NSP2 application to HUD, which was not approved. Without NSP funds, this property may need to return for additional City/Agency funds at a later date.
- All units will be affordable to households earning less than 50% AMI.
- \$2,400,000 in local funding has been provided via the 2009 & 2010 Rehabilitation NOFAs.

Staff recommends providing up to \$200,000 in NSP funds to this project as a construction loan, to be repaid with permanent sources after the construction is completed. The \$200,000 will then be revolved back into the Drasnin Manor loan.

Drasnin Manor

This is a 26-unit property located at 2530 International Boulevard, which East Bay Asian Local Development Corporation (EBALDC) is proposing to acquire and rehabilitate after the foreclosure process is complete. The property has been under a court-ordered receivership since May 2008, but it is expected that the receivership will end soon, and with it property management services. Transfer of the property to more stable hands as soon as possible is extremely important to avoid a loss of continuous property management services, which would endanger the long-term viability of the property, as has been the case at several other OCHI properties.

Project Summary:

- Constructed in 1994, the project consists of three buildings with a total of 26 units (3 one-bedroom, 9 two-bedroom, and 14 three-bedroom).
- Water penetration and compromised support beams are deemed a life safety risk.
- Fire and safety concerns exist due to an unsafe stairwell, dry rot at various locations, poor signage, lack of accessibility features, and the need for improved security cameras. Maintenance needs include walkways, landings, exterior siding, window flashing, flooring, roofing, and boilers.
- All units will be affordable to households earning less than 50% of area median income.
- Local funding of \$1,800,000 was awarded through the 2010 Rehabilitation NOFA.

Staff recommends providing \$1,159,031 in NSP funds to this project. \$200,000 of this amount will be contingent on the repayment of the NSP construction financing provided to Marin Way Court as described above.

SUSTAINABLE OPPORTUNITIES

Economic: CDBG grants will fund and support organizations that provide economic development, public facilities, infrastructure and social services for low and moderate income communities and expand social service and construction jobs. Projects that get funding through HOME and HOPWA will expand the affordable housing inventory and generate construction and professional service jobs. ESG will support homeless persons with basic shelter and essential supportive services. It can assist with the operational costs of the shelter facility, and for the administration of the grant. ESG also provides short-term homeless prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure, or utility shutoffs.

Environment: The CDBG provides funding for services to rehabilitate blighted or substandard housing, remove hazards such as lead-based paint and other health and building safety issues that help preserve existing City housing stock and improve the environment. The CDBG also provides funding for the Residential Lending Program which administers the housing rehabilitation programs. Staff encourages construction contractors, property owners and housing developers to make substantial use of recycled content building materials, energy-conserving building designs and appliances, and water conserving fixtures and landscaping. Housing Development loans support construction projects that will meet or exceed the green building standards developed by StopWaste of Alameda County and must be GreenPoint Rated. Also, housing development projects are infill projects near transportation and reduce pressure to build on agricultural and other underdeveloped land and reduce dependency on automobiles.

Social Equity: Services and housing provide benefit to neighborhoods, low-moderate community, elderly and disabled and contribute to the safety, security and well-being of homeowners.

DISABILITY AND SENIOR CITIZEN ACCESS

Grants, loans and services funded under these programs have a positive impact on the quality of life for all citizens. Funding is proposed for the Access Improvement and Minor Home Repair programs. These programs provide funds to assist property owners to make modifications that make units accessible to the elderly and persons with disabilities and provide services to very low to low-income senior homeowners to readily address minor home repairs. HOME funds are used to develop affordable housing, including units for seniors and accessible to persons with disabilities. CDBG funds are also used to fund fair housing agencies that assist seniors and persons with disabilities. No other disability or senior access issues have been identified. ESG and HOPWA funds serve homeless and near-homeless populations with special needs.

RECOMMENDATION(S) AND RATIONALE

Staff is recommending the following actions:

- Direct staff to receive and review public comments on the proposed Consolidated Plan for Fiscal Years 2010-2015 and Annual Action Plan for FY 2010-11.
- Direct staff to prepare and submit the final plans to HUD by May 15, 2010.
- Appropriate FY 2010-11 grant receipts and expenditures for the CDBG, HOME, HOPWA, and ESG programs.
- Appropriate \$670,480 in Program Income and any amounts in excess thereof for Housing Rehabilitation Programs.
- Reprogram a total of \$219,671 FY07-09 and FY 09-11 CDBG funds.
- Reprogram \$167,862 in HOME funds.
- Negotiate and enter into a loan in an amount not to exceed \$200,000 to Resources for Community Development under the Neighborhood Stabilization Program for the acquisition and rehabilitation of the Marin Way Court Project located at 2000 International Boulevard.
- Negotiate and enter into a loan in an amount not to exceed \$1,159,031 to East Bay Asian Local Development Corporation under the Neighborhood Stabilization Program for the acquisition and rehabilitation of the Drasnin Manor Apartments located at 2530 International Boulevard.

ACTION REQUESTED OF THE CITY COUNCIL

The Community and Economic Development Agency requests that the City Council accept the recommendations described in this report and adopt the resolutions.

Respectfully submitted,

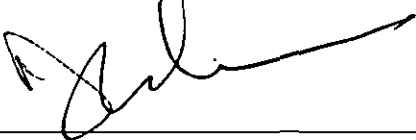


Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed and Prepared by:
Michele Byrd, Deputy Director
Housing and Community Development

Reviewed and Prepared by:
Jeffrey Levin, Manager
Housing Policy and Programs

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City Administrator

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**Attachment A
HUD Funded Projects**

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
City Slicker Farms	Green Food, Green Jobs, Green Community Project	\$ 55,300				\$ 55,300	03-
Seventh Step Foundation		\$ 2,000				\$ 2,000	03-
Rebuilding Together Oakland:	East Oakland Senior Center Repairs & Improvements	\$ 120,400				\$ 120,400	03A
First Place for Youth:	First Steps Community Resource Center	\$ 15,000				\$ 15,000	03E
Spanish Speaking Citizen's Foundation:	Facility Post-Planning Entitlement Project	\$ 81,200				\$ 81,200	03E
City of Oakland	West Oakland Teen Center Capital Improvements	\$ 70,000				\$ 70,000	03F
City of Oakland-Office of Parks & Recreation:	San Antonio Park & Recreation Center Lighting	\$ 67,400				\$ 67,400	03F

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
Friends of Oakland Parks & Recreation:	Growing Community at Maxwell Park	\$ 30,000				\$ 30,000	03F
Rebuilding Together Oakland	Parks and Rec Facility Renovation	\$ 17,700				\$ 17,700	03F
Alameda County Housing and Community Development	AIDS Housing, Alameda County				\$1,633,164	\$ 1,633,164	03T
Contra Costa County	AIDS Housing, Contra Costa County				\$ 531,147	\$ 531,147	03T
Department of Human Services	Emergency Shelter Program			\$ 350,457		\$ 350,457	03T
Department of Human Services	PATH Operating Expenses	\$ 180,000				\$ 180,000	03T
City of Oakland/Dept. of Human Services-Community Housing Services:	Hunger Program	\$ 16,700				\$ 16,700	05-
City of Oakland-Neighborhood Division Services:	The City/County Neighborhood Initiative	\$ 25,000				\$ 25,000	05-

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
Oakland Citizens' Committee for Urban Renewal:	Eastmont Technology Learning Center	\$ 90,000				\$ 90,000	05-
Unity Council	Foreclosure Counseling	\$100,000				\$100,000	05-
Alzheimer's Services of the East Bay	Dementia Specific Adult Day Care	\$ 30,000				\$ 30,000	05A
Bay Area Community Services:	Meals on Wheels	\$ 85,000				\$ 85,000	05A
City of Oakland/Dept. of Human Services-Aging Health & Human Services	Oakland Senior Companion Assessment & Referral Project	\$ 52,917				\$ 52,917	05A
Legal Assistance for Seniors	Legal Advocacy and Education for Oakland Seniors	\$ 25,000				\$ 25,000	05A
Southeast Asian Community Center:	Oakland's Coordinated Vietnamese Senior Project	\$ 53,009				\$ 53,009	05A
AnewAmerica Community Corporation	Entrepreneurial Skills Building	\$ 80,000				\$ 80,000	05D

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
California Youth Outreach: Case Management-	Care Support Services	\$ 49,991				\$ 49,991	05D
City of Oakland/Dept. of Human Services-	Policy & Planning: Faith-West Street Outreach Project	\$ 40,000				\$ 40,000	05D
City of Oakland-Office of Parks & Recreation:	iGreen Team/Tassafaronga Recreation Center	\$ 20,000				\$ 20,000	05D
EastSide Arts Alliance	Youth Arts Program	\$ 60,671				\$ 60,671	05D
First Place for Youth:	Steps to Success	\$ 103,000				\$ 103,000	05D
Oakland Asian Students Educational Services	OASES SOAR High School Program	\$ 35,000				\$ 35,000	05D
Project Re-Connect	High Risk Youth Counseling	\$ 76,000				\$ 76,000	05D
Spanish Speaking Citizens' Foundation:	Youth Services Program	\$ 58,000				\$ 58,000	05D

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
City of Oakland	West Oakland Teen Center Program Services	\$ 79,000				\$ 79,000	05D
Youth for Environmental Sanity/Art in Action:	Green Youth Media Arts & Job Training Center	\$ 40,000				\$ 40,000	05D
City of Oakland/Dept. of Human Services-Aging, Health & Human Services:	Safe Walk to School	\$ 42,000				\$ 42,000	05L
Girls Incorporated of Alameda County:	Concordia Park Center After-School and Summer Programming	\$ 36,000				\$ 36,000	05L
Oakland Parents Together:	3rd Grade Intensive Support Tutoring Program	\$ 20,000				\$ 20,000	05L
City of Oakland/Dept. of Human Services-Community Housing Services	Project Homeless Connect	\$ 10,000				\$ 10,000	05M

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
Community & Economic Development Agency	Blighted Property Board Up and Cleanup	\$ 150,000				\$ 150,000	06-
Community & Economic Development Agency	Housing Development		\$4,277,850			\$ 4,277,850	12-
Alameda County Housing and Community Development	Minor Home Repair Program	\$ 242,930				\$ 242,930	14A
Community & Economic Development Agency	Access Improvement Program	\$ 207,680				\$ 207,680	14A
Community & Economic Development Agency	Emergency Home Repair Program	\$ 382,620				\$ 382,620	14A
Community & Economic Development Agency	Home Maintenance & Improvement Program	\$ 2,656,037				\$ 2,656,037	14A
Rebuilding Together Oakland:	Home Repairs & Improvements for Elderly Homeowners	\$ 74,950				\$ 74,950	14A

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
Rebuilding Together Oakland:	Safe At Home-Safety Home Modifications for Senior Citizens	\$ 76,133				\$ 76,133	14A
Department of Human Services	Shelter Operating Costs and Homeless Services	\$ 225,000				\$ 225,000	14E
Oakland Citizens' Committee for Urban Renewal:	Heartlands Neighborhood Revitalization/ Façade Improvement	\$ 167,300				\$ 167,300	14E
Community & Economic Development Agency	Lead Safe Housing Paint Program	\$ 215,290				\$ 215,290	14I
Community & Economic Development Agency	Neighborhood Commercial Revitalization	\$ 402,380				\$ 402,380	17C
Community & Economic Development Agency	Commercial Lending	\$ 220,270				\$ 220,270	18B
Community & Economic Development Agency	Business Development Program	\$ 185,600				\$ 185,600	18B

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
National Development Council	Economic Development Technical Assistance	\$ 10,000				\$ 10,000	18B
Oakland Business Development Corporation	Business Loan Program	\$ 231,840				\$ 231,840	18B
Community and Economic Development Agency	Section 108 Loan Repayments	\$ 900,000				\$ 900,000	19F
Community & Economic Development Agency	CDBG Program Monitoring/Administration	\$ 1,391,190				\$ 1,391,190	21A
Department of Human Services	Emergency Shelter Program - Admin			\$ 18,445		\$ 18,445	21A
Department of Human Services	AIDS Housing, HOPWA Program Administration				\$ 44,170	\$ 44,170	21A
Causa Justa/Just Cause	Fair Housing Counseling Program	\$ 54,000				\$ 54,000	21D
Center for Independent Living,	Housing Search and Counseling for the Disabled	\$ 70,000				\$ 70,000	21D

SPONSOR	PROGRAM	CDBG	HOME	ESG	HOPWA	TOTAL	MATRIX CODE
Centro Legal de la Raza	Housing Advocacy	\$ 40,000				\$ 40,000	21D
East Bay Community Law Center	Housing Advocacy	\$ 100,000				\$ 100,000	21D
ECHO	Tenant Landlord Counseling Program	\$ 84,000				\$ 84,000	21D
Eden Council for Hope and Opportunity	Home Equity Conversion Counseling	\$ 21,000				\$ 21,000	21D
TBD	Fair Housing Testing	\$ 10,000				\$ 10,000	21D
Community & Economic Development Agency	HOME Program Monitoring and Administration		\$ 475,316			\$ 475,316	21H
		\$ 9,984,508	\$4,753,166	\$ 368,902	\$2,208,481	\$17,315,057	

Attachment B

Housing and Homeless Needs

Housing

Extremely Low Income Households (0 to 30 percent of median income)

There are 34,653 households that qualify as extremely low income under HUD guidelines, over 22 percent of all Oakland households. These are households living near or below the Federal poverty level. This group is by far the most vulnerable to housing problems, and at greatest risk of becoming homeless. The majority of these households are renters, and they have very high rates of housing problems.

Nearly 80 percent of extremely low income renters except seniors have housing problems. For seniors, the rate is 66 percent. Severe cost burden (rent in excess of half the household's income) is especially high for this group, affecting over 56 percent. In other words, over 15,300 extremely low income renter households are reported to be devoting over half their limited incomes to rent. Extremely low income renters also experience high rates of overcrowding.

Among the relatively smaller extremely low income owners group, three-quarters experience housing problems – primarily cost burden. The combination of low incomes and high cost ratios makes it extremely difficult for this group to secure financing for maintenance and rehabilitation of their housing units. Low income homeowners, especially seniors, are particularly vulnerable to predatory lending scams that promise to provide financing while actually saddling the homeowner with unmanageable debt service payments.

Low Income Households (31 to 50 percent of median income)

There are 21,617 low income households in Oakland, constituting over 14 percent of all Oakland households. Of these, 15,858 (73 percent) are renters, and 5,759 (27 percent) are owners.

For low income renters, affordability is clearly the most significant problem, affecting approximately 60 percent of these households. Overcrowding is reported for approximately 29 percent of low income renters. However, among large families, the overcrowding rate is over 82 percent, reflecting the severe lack of affordable housing with 3 or more bedrooms.

Among low income owners, the incidence of housing problems is still relatively high, affecting 66 percent of all owners in this group. Since 2007 adjusting sub-prime loans and the resulting foreclosure crisis has dramatically impacted Oakland's low-income neighborhoods. Both low-income new owners and existing

owners who refinanced their homes have been disproportionately impacted by the foreclosures on loans that were unaffordable.

Moderate Income Households (51 to 80 percent of median income)

Over 22,077 households (nearly 15 percent of all households) qualify as "moderate income," with incomes between 51 and 80 percent of the area median income. Nearly two-thirds of these households (14,578) are renters. The incidence of housing problems is greater for owners than renters.

Among moderate income renters, 47 percent have some kind of housing problem, with an incidence of 89 percent for large families. Affordability affects over 24 percent of these households, and is a particular problem for seniors, who report excessive cost burden at the rate of 41 percent. Although the rate of housing problems is high among seniors, it should be noted that there are six times as many families as seniors in this income group, and thus in absolute numbers housing problems are more heavily concentrated among families. Overcrowding is again concentrated among large families, affecting 24 percent of this income group as a whole, but affecting nearly 85 percent of the large families, many of whom report overcrowding problems even in the absence of any excessive cost burden.

For the 7,499 moderate income owners, some 60 percent have some kind of housing problem, with 46 percent reporting excessive cost burdens, and 18 percent reporting severe cost burdens. Overcrowding is reported by 8 percent of these households. The incidence of problems among this group is twice as high for non-elderly households than for elderly households. Similar to low-income households, moderate income households have also been impacted by sub-prime lending of unaffordable loans resulting in foreclosure.

Middle Income Households (higher than 80 percent of median income)

There are 70,362 households that qualify as middle income under the Consolidated Plan definition of this term. Of these, 28,878 (41 percent) are renters, and 41,484 (59 percent) are owners.

Middle income renters have lower rates of housing problems than is true for low and moderate income households. Less than 20 percent of middle income renters experience any housing problems, and only 5.5 percent have excess cost burdens. Cost burden is more of a problem among elderly households at this income level (20 percent have excess cost burden, and 0.8 percent have severe cost burdens). Most significant, however, is that even at this income level, large families have a 73 percent rate for housing problems, yet only one percent have excessive cost burdens. This suggests that even for middle income large families, overcrowding is a serious problem, again underscoring the need for an expansion of the supply of affordable 3 and 4 bedroom apartments and homes.

Middle income owners face more housing problems than middle income renters (26 percent for owners as compared to 19 percent for renters). In particular, 20 percent of all non-elderly middle income owners have excessive cost burdens, far higher than any non-elderly group of middle income renters. This is likely an indication of the degree to which middle income households have had to extend themselves in order to achieve homeownership. Among elderly homeowners, the rate is only 12 percent, a clear indication of the benefit they receive as a result of having purchased homes many years ago. The figures on housing cost burden do not factor in the tax savings associated with ownership so overpayment problems are somewhat overstated.

Moderate and middle income homeowners were heavily impacted by the wave of foreclosures that was not captured by the 2000 Census data.

Housing needs of the elderly

Many seniors have limited financial resources resulting in a great demand for affordable housing. The median household income for seniors from 65 to 74 years was \$29,479 and for seniors 75 years and older was \$23,574. In Oakland the need for affordable housing resources is particularly acute due to the high cost of housing. For those able to live independently, housing facilities need to be affordable and safe. Independent living can be sustained through services which update existing housing units with safety equipment such as hand rails.

Housing needs of persons with disabilities

According to the 2000 Census, nearly 21 percent of the population age five and older (84,542 individuals) who live in Oakland reported a disability. The Census also reported 29,428 households with mobility and self care limitations. Of these households, 69 percent are very low income and 81 percent are low income as compared to 50 percent and 67 percent of all renters. Fifty percent of households with a member who has mobility and/or self care limitations are extremely low income.

Large families

Overcrowding rates are especially severe for large families regardless of income. This is due to an acute shortage of housing units with four or more bedrooms, especially rental units. The 2000 Census identified 11,365 renter households with five or more persons, but only 2,341 rental units with four or more bedrooms. Despite the fact that there is a much better relationship between the number of large homeowner families and large owner-occupied units, overcrowding rates are still very high for lower income large families, which suggests that more affluent families are able to occupy homes larger than they might need, while low and moderate income large families can achieve homeownership only by buying units smaller than what they might need.

Single persons

Households that are not categorized as either families or elderly one- and two-person households, are predominately single person households. These households do not have significantly higher rates of cost burden for renter households but do have significantly higher cost burden for homeowners. This suggests that single persons extend themselves to own a home to a greater extent than family households or elderly households that may have owned their homes longer. Not surprisingly, single persons have significantly lower rates of overcrowding than do family households.

Homelessness

The Oakland PATH Strategy estimates that almost 6,300 people are homeless during the course of a year in Oakland, nearly half the estimated 12,750 homeless people in Alameda County. On any given night, there are as many as 7,383 homeless people in Alameda County, 4,223 of them in Oakland.

The estimated 6,300 homeless people in Oakland represent 3,987 households, of which 600-700 households are living in homeless encampments. The PATH Strategy defines "homeless" as people living in the streets, cars, emergency shelters or transitional housing, or losing their housing within a month, with no where to go.¹

These 3,987 households are comprised of:

- 2,497 single adults;
- 485 youth; and,
- 1,005 families with children

In addition to the 6,300 people who are homeless in Oakland over the course of a year, there are approximately 17,200 more people with serious and persistent mental illness and/or HIV/AIDS who are living in precarious or inappropriate situations. These estimated 17,200 people are at extreme risk of homelessness due to their disabilities and extremely low incomes defined as at or below 30% of Area Median Income (AMI).

These 17,200 people with special needs who are at-risk of homelessness represent 11,128 households:

- 7,544 individual households comprised of 5,753 individuals with mental illness and 1,791 individuals with HIV/AIDS;
- 3,583 families comprised of 2,978 families in which a head of household has a mental illness and 605 families in which a head of household has HIV/AIDS.

There are a total of 15,115 households in Oakland that are either homeless or at-risk of homelessness:

- 3,987 homeless households; and,
- 11,128 households at-risk of homelessness.

These 15,115 households have a variety of housing needs. Some need short-term financial assistance or other support services to prevent them from becoming homeless. Some need affordable housing, meaning a housing unit that costs no more than 30% of their income, which is accessible to people who have extremely low incomes. Many, particularly those who have disabilities and have been homeless for a long period of time, need supportive housing. Supportive housing is permanent housing that is affordable for people with extremely low incomes that includes on-site supportive services that are designed to help tenants stay housed and work to meet other self-directed goals, such as improving health status, obtaining employment or making connections to the community. It differs from affordable housing in that affordable housing generally includes only very limited or no on-site services. Supportive housing has been proven to be a very effective model for ending homelessness for people who have serious disabilities and other complex problems.

Using the methodology established in EveryOne Home, PATH has determined that:

- 7,380 households need permanent affordable and, where needed, supportive housing; and,
- 7,735 need short-term assistance to prevent or end their homelessness, such as short-term rent or mortgage subsidy or a short stay in an emergency shelter.

Attachment C

Housing Objectives, Strategies and Goals, 2010-2015

Participants	Funding Sources	Target Population	City Programs	5-Year Goals	Outcome/ Objective
Objective 1: Expand the Supply of Affordable Rental Housing (Rental Housing Production)					
City of Oakland Redevelopment Agency HUD Lenders Investors Foundations Developers	HOME ORA Low/Mod Fund CDBG Federal Home Loan Bank Affordable Housing Program Tax Credits/Syndication State Housing Programs	Extremely Low, Low and Moderate income Renters.	1A: New Construction/Substantial Rehabilitation Housing Development Program	400 units built or underway	Decent Housing/ Affordability
			1B: Vacant Housing Acquisition Rehabilitation Program Capital Needs	3 units built or underway	Decent Housing/ Affordability
Objective 2: Preserve the Supply of Affordable Rental Housing (Rental Housing Preservation)					
City of Oakland Redevelopment Agency HUD Lenders Investors Foundations Developers	HOME ORA Low/Mod Fund CDBG HUD Programs Federal Home Loan Bank Affordable Housing Program Tax Credits/Syndication State Housing Programs	Extremely Low, Low and Moderate income Renters.	2A: New Construction/Substantial Rehabilitation Housing Development Program 2B: Capital Needs Rehabilitation and Preservation Program for Existing Affordable Housing	650 units rehabilitated or preserved with extended affordability	Decent Housing/ Affordability

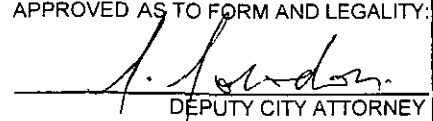
Participants	Funding Sources	Target Population	City/Programs	5-Year Goals	Outcome/Objective
Objective 3: Expand the Supply of Affordable Ownership Housing (Ownership Housing Production)					
City of Oakland Redevelopment Agency HUD Lenders Secondary Market Investors Foundations Developers	HOME ORA Low/Mod Fund CDBG Federal Home Loan Bank Affordable Housing Program State Housing Programs	Low and moderate income families Some ownership housing targeted to above-moderate income households	3A: New Construction/Substantial Rehabilitation Housing Development Program	50 units built or underway	Decent Housing/ Affordability
			3B: Vacant Housing Acquisition Rehabilitation Program	2 units built or underway	Decent Housing/ Affordability
Objective 4: Expand Ownership Opportunities for First Time Buyers (Homebuyer Assistance)					
City of Oakland Redevelopment Agency CHFA Lenders Secondary Market Foundations Realtors	ORA Low/Mod Fund Mortgage Credit Certificates Bank Funds Bond programs State Housing Programs	Moderate and above-moderate Income families Some low and Extremely low income households	4A: Mortgage Assistance Program	150 households	Decent Housing/ Affordability
			4B: Public Safety Employee and O.U.S.D. Teacher Downpayment Assistance Program	15 households	Decent Housing/ Affordability
			4C: Mortgage Credit Certificates	100 households	Decent Housing/ Affordability
Objective 5: Improve the Existing Housing Stock (Housing Rehabilitation)					
City of Oakland Redevelopment Agency Existing property owners	CDBG HOME ORA Low/Mod Fund	Low and moderate income owners including very low income families Persons with disabilities, renter and owner	5A: Home Maintenance and Improvement Program	125 housing units	Decent Housing/ Affordability
			5B: Minor Home Repair	450 housing units	Decent Housing/ Affordability
			5C: Emergency Home Repair	50 housing units	Decent Housing/ Affordability
			5D: Lead-Safe Housing	250 housing units	Decent Housing/ Affordability

Participants	Funding Sources	Target Population	City/Programs	5-Year Goals	Outcome/ Objective
			5E: Automatic Gas Shutoff Valve Program	40 housing units	Decent Housing/ Affordability
			5F: Neighborhood Housing Revitalization Program	50 housing units	Decent Housing/ Affordability
			5G: Seismic Safety Incentive Program	50 housing units	Decent Housing/ Affordability
			5H: Weatherization and Energy Retrofit Loan Program	300 housing units	Decent Housing/ Affordability
			5I: West Oakland Owner Occupied Rehabilitation Program	50 housing units	Decent Housing/ Affordability
Objective 6: Provide Rental Assistance for Extremely and Very Low Income Families (Rental Assistance)					
Oakland Housing Authority Rental property owners	Section 8 Certificates and Vouchers	Extremely low income renters	6A: Section 8 Housing Choice Vouchers	Maintain current level of assistance	Decent Housing/ Affordability
Objective 7: Provide Supportive Housing for Seniors and Persons with Special Needs (Supportive Housing)					
City of Oakland Redevelopment Agency HUD Developers Social service agencies	HOME ORA Low/Mod Fund HOPWA HUD Section 202 HUD Section 811	Extremely low and low income seniors Persons with disabilities Persons with AIDS/HIV	7A: New Construction/Substantial Rehabilitation Housing Development Program	300 units built or underway	Decent Housing/ Affordability
			7B: HOPWA	70 households	Decent Housing/ Affordability
			7C: Access Improvement Program	40 households	Decent Housing/ Accessibility
			7D: Section 8 Housing Choice Vouchers	Maintain current level of assistance	Decent Housing/ Affordability

Participants	Funding Sources	Target Population	City/Programs	5-Year Goals	Outcome/ Objective
Objective 8: Prevention of Foreclosures and Stabilization of Neighborhoods					
City of Oakland Community Land Trust	Neighborhood Stabilization Program	Low income homebuyers	8A: Neighborhood Stabilization Program (rehabilitate and re-sell foreclosed homes)	150 housing units	Decent Housing/ Affordability
City of Oakland Private housing counseling Agencies	CDBG ORA Low/Mod Fund	People at risk of losing homes to foreclosure	8B: Foreclosure Counseling	1,000 households	Decent Housing/ Affordability
City of Oakland Private housing counseling Agencies	Neighborhood Stabilization Program	People considering buying previously foreclosed properties	8C: Land Trust Pre and Post purchase counseling	150 households	Decent Housing/ Affordability
City of Oakland Non-Profit Housing Developers	Neighborhood Stabilization Program ORA Low/Mod Fund	Extremely Low and Low Income Renters	8D: Acquisition and Rehabilitation of Foreclosed Rental Housing	58 housing units	Decent Housing/ Affordability
City of Oakland	CDBG	Vacant Foreclosed Properties	8E: Board Up and Clean up of vacant foreclosed Properties	30 housing units	Suitable Living Environment/ Sustainability
Objective 9: Remove Impediments to Fair Housing (Fair Housing)					
City of Oakland Private fair housing agencies HUD	CDBG HUD Fair Housing programs CDBG HUD Fair Housing programs	People facing impediments to fair housing based on race, color, ancestry, national origin, religion, gender, sexual orientation, age, marital status, familial status, presence of children in a household, source of income, physical, sensory or cognitive disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis	9A: Referral, Information and Counseling to Renters and Rental Owners	7,500 households	Decent Housing/ Accessibility
			9B: Discrimination Education and Investigation	300 households	Decent Housing/ Accessibility

FILED
OFFICE OF THE CITY CLERK
OAKLAND

APPROVED AS TO FORM AND LEGALITY:


DEPUTY CITY ATTORNEY

2010 APR 15 PM 5:18

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

RESOLUTION 1) AUTHORIZING THE CITY ADMINISTRATOR TO PREPARE AND SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THE CONSOLIDATED PLAN FOR FISCAL YEARS 2010-2015 AND THE ANNUAL ACTION PLAN FOR FISCAL YEAR 2010-15; 2) ACCEPTING AND APPROPRIATING FUNDS TOTALING \$16,439,906 FOR THE HOME, EMERGENCY SHELTER GRANT (ESG), HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA), AND THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS; 3) APPROPRIATING \$670,480 IN PROGRAM INCOME AND ANY AMOUNTS IN EXCESS THEREOF FOR HOUSING REHABILITATION REVOLVING LOAN FUND; 4) REPROGRAMMING FY07-09 AND FY 09-11 CDBG FUNDS IN THE AMOUNT OF \$219,671; AND 5) REPROGRAMMING HOME FUNDS IN THE AMOUNT OF \$167,862

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that the City of Oakland prepare and submit a Five-Year Consolidated Plan for Fiscal Years 2010-15 and an Annual Action Plan for Fiscal Year 2010-11 (the Plans) as a condition for receiving Federal funds for housing and community development activities; and

WHEREAS, the Plans should be submitted to HUD by May 15, 2010, but no later than the end of the City's current fiscal year; and

WHEREAS, the City has published drafts of the Plans and has provided for a public comment period of 30 days according to HUD requirements; and

WHEREAS, the City desires to accept grants from HUD for the following programs in the following amounts:

Community Development	
Block Grant (CDBG)	\$9,109,357
HOME	4,753,166
Emergency Shelter Grant	368,902
HOPWA	2,208,481

as identified in the Annual Action Plan; and

WHEREAS, The grant funds will be appropriated into HUD-CDBG (Fund 2108), CDBG-Coordination (Organization 88949), Residential Lending (Organization 88939) and NCR & SDS

(Organization 88569); HUD-HOME (Fund 2109); and HUD-HOPWA and HUD ESG (Fund 2999);and

WHEREAS, a public hearing will be held May 4, 2010, to solicit public comment on the proposed Plans including consideration of the categorical allocation of CDBG funds to programs and projects for FY 2010-11; and

WHEREAS, funding recommendations for the FY 2010-11 CDBG grant were made during the FY 2009-10 process; and

WHEREAS, there is \$219,671 available from five projects that did not satisfy the contract development requirements for the CDBG Program and were not implemented in FY 07-09 and FY 09-10;

WHEREAS, there is \$167,862 in HOME funds originally allocated to the Katrina Tenant-Based Rental Assistance program that is available for reprogramming; now therefore, be it;

RESOLVED: That the City Council hereby authorizes and directs the City Administrator, and/or his designee, to prepare the final Five-Year Consolidated Plan for 2010-15 and the final Annual Action Plan for 2010-11 consistent with the draft Plans, and related documents, and consider public comments received; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator, and/or his designee, to take any actions necessary to execute and submit the documents mentioned above to HUD and any other materials that may be required to secure HUD approval of the Plans; and be it

FURTHER RESOLVED: That the City Council hereby accepts and appropriates the HUD funds totaling \$16,594,652 and authorizes the City Administrator and/or his designee to amend the appropriated amounts for FY 2010-11 to reflect actual grant receipts for the programs identified in the final Annual Action Plan; and be it

FURTHER RESOLVED: That CDBG funds shall be appropriated to the HUD-CDBG Fund (2108), HOME funds shall be appropriated to the HUD-HOME Fund (2109), and ESG & HOPWA funds shall be appropriated to the Miscellaneous Grants Fund (2999); and be it

FURTHER RESOLVED: That the City Council hereby appropriates Program Income totaling \$670,480 and appropriates any Program Income in excess of \$670,480 to Housing Rehabilitation Programs to allow for additional funding of loans or grants; and be it

FURTHER RESOLVED: That the City Administrator or his designee is authorized to negotiate and execute agreements with third-party contractors and subrecipients for those programs and projects in the amounts identified in the final Annual Action Plan for FY 2010-2011 for the Community Development Block Grant, Housing Opportunities for Persons With AIDS, Homeless Families Support Network/Supportive Housing, Matilda Cleveland Transitional Housing and Families In Transition/Scattered Sites Transitional Housing programs, as listed on Attachments to this Resolution; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to approve any amendments to the Annual Action Plan, and any amendments, modifications or extensions of FY 2010-11 agreements, with the exception of the allocation of additional funds, and take any other action with respect to the agreements consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That the City Council hereby reallocates \$219,671 available from five projects that did not satisfy the contract development requirements for the CDBG Program and were not implemented in FY 2007-09 and FY 2009-11, to projects as noted in the Annual Action Plan for FY 2010-11; and be it further

FURTHER RESOLVED: That the City Council hereby reallocates \$167,862 in HOME funds from the HUD-HOME Fund (2109), Katrina Tenant-Based Rental Assistance Project (G290310) to the HUD-HOME Fund (2109), Housing Development Project (G172111); and be it

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

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator and/or his designee to conduct negotiations, execute documents, and take any other action with respect to the projects and the allocation of CDBG funds consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and
PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

DRAFT

2010 APR 15 PM 5:18

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$200,000 TO RESOURCES FOR COMMUNITY DEVELOPMENT UNDER THE HUD NEIGHBORHOOD STABILIZATION PROGRAM FOR THE ACQUISITION AND REHABILITATION OF THE MARIN WAY COURT PROJECT LOCATED AT 2000 INTERNATIONAL BOULEVARD, AND AUTHORIZING LOAN EXTENSIONS AND CHANGES IN TERMS FOR EXISTING CITY LOANS FOR THE PROJECT

WHEREAS, on November 18, 2008 the Oakland City Council accepted and appropriated a formula allocation of Neighborhood Stabilization Program ("NSP") funds from the U.S. Department of Housing and Urban Development in the total amount of \$8,250,668; and

WHEREAS, NSP funds in the amount of \$1,159,031 have not yet been awarded to specific projects and must be awarded to projects assisting households at or below 50% of the Area Median Income; and

WHEREAS, Resources for Community Development ("Developer"), a non-profit developer of affordable housing, has received funding authorization of \$2,400,000 from the Redevelopment Agency to rehabilitate the Marin Way Court affordable rental project at 2000 International Boulevard in the City of Oakland (the "Property") to continue to provide 20 rental units of housing to serve families (the "Project"); and

WHEREAS, the Project has a remaining construction financing gap of \$200,000 that could be filled by NSP funds; and

WHEREAS, the owner of Marin Way Court is currently in default on its senior mortgage, and a transition of the property ownership by foreclosure on the property's deed of trust will be conducted in the near future; and

WHEREAS, all units at the Property are rented at prices affordable to households earning no more than 50% of area median income; and

WHEREAS, the Project is consistent with the Amendment to the NSP Substantial Amendment included in the Action Plan for FY 2010-2011; and

WHEREAS, the City of Oakland has made previous affordable housing development loans for development of the Property, and the Property is subject to recorded long-term rent and occupancy restrictions enforceable by the City; and

WHEREAS, the City is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, per the CEQA Guidelines, this Project is exempt from environmental review; and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; and

WHEREAS, execution of loan documents or other documents legally committing the City to fund this loan shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA") as certified by the City Administrator or his or her designee; and

WHEREAS, funds are available from the Neighborhood Stabilization Program to assist the Project; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan in an amount not to exceed \$200,000 under the NSP to Resources for Community Development, or to an affiliated entity approved by the City Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That \$200,000 shall be allocated from the 2008-09, HUD-CDBG Fund (2108), Community Development Block Grant Organization (88989), Neighborhood Stabilization Program Project (G368110) for this loan; and be it

FURTHER RESOLVED: That the loan shall be contingent upon the transfer of ownership of the Property after foreclosure to Developer or to an affiliated entity approved by the City Administrator or his or her designee; and be it

FURTHER RESOLVED: That the loan shall also be contingent on the availability of sufficient NSP funds to cover the City loan of \$200,000; and be it

FURTHER RESOLVED: That the loan shall be treated as a short-term construction and acquisition loan, and repaid at the closing of permanent financing after construction is completed.

FURTHER RESOLVED: That the City has independently reviewed and considered this environmental determination, and the City finds and determines that this

action complies with CEQA because the Project is exempt from CEQA pursuant to Section 15301 (Existing Facilities) and 15183 (Projects Consistent with Zoning and General Plan) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee shall file a Notice of Exemption and an Environmental Declaration under California Fish and Game Code (section 711.4), with the County of Alameda; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of sixteen months, with an interest rate to be determined by the City Administrator in his or her discretion, or on such other repayment terms and schedule as the City Administrator or his or her designee determines are in the best interests of the City and the Project; and be it

FURTHER RESOLVED: That as a condition of the loan, the City will require that appropriate restrictions on Project occupancy, rents and operations be recorded against Project improvements; and be it

FURTHER RESOLVED: That the loan shall be secured by a deed of trust on the Project land and/or improvements; and be it

FURTHER RESOLVED: That the loan funds shall be reserved for a period of no more than twelve months from the date of this Resolution, and the making of the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the City Administrator or his or her designee deems sufficient within his or her discretion, within this reservation period; and be it

FURTHER RESOLVED: That the making of the loan shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and rehabilitation of the property is financially feasible and is consistent with the Amendment to the NSP Substantial Amendment included in the Action Plan for FY 2010-2011; and be it

FURTHER RESOLVED: That the making of the loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the City Administrator is authorized to extend the term of any existing City loans on the Property up to 55 years, modify other terms and conditions of the existing City loans to be consistent with the terms and conditions of any new funding for the Project, and negotiate and execute loan documents with respect to existing City loans; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City Administrator or his or her designee determines that (1) an economically feasible

alternative method of financing the Project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the City's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That the City hereby appoints the City Administrator and his or her designee as agent of the City to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That execution of loan documents or other documents legally committing the City to fund the loan is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by Deputy City Attorney for form and legality prior to execution, and copies will be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

2010 APR 15 PM 5:18

DRAFT

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$1,159,031 TO EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION UNDER THE HUD NEIGHBORHOOD STABILIZATION PROGRAM FOR THE ACQUISITION AND REHABILITATION OF THE DRASNIN MANOR APARTMENTS LOCATED AT 2530 INTERNATIONAL BOULEVARD

WHEREAS, on November 18, 2008 the Oakland City Council accepted and appropriated a formula allocation of Neighborhood Stabilization Program (NSP) funds from the U.S. Department of Housing and Urban Development in the total amount of \$8,250,668; and

WHEREAS, NSP funds in the amount of \$1,159,031 have not yet been awarded to specific properties and must be awarded to projects assisting households at or below 50% of the Area Median Income; and

WHEREAS, East Bay Asian Local Development Corporation ("Developer"), a non-profit developer of affordable housing, received a funding authorization of \$1,800,000 from the Redevelopment Agency on March 16, 2010 to rehabilitate the Drasnin Manor affordable rental project at 2530 International Boulevard in the City of Oakland (the "Property") to continue to provide 26 rental units of housing to serve families (the "Project"); and

WHEREAS, the Project has a remaining financing gap that could be filled with \$1,159,031 of NSP funds; and

WHEREAS, the Marin Way Court project also has a construction period budget gap of \$200,000 that could be filled by NSP funds, which can then be repaid on closing the project's permanent financing and re-allocated to the Drasnin Manor project after construction at Marin Way Court has been completed and those funds have been repaid to the City; and

WHEREAS, the owner of Drasnin Manor is currently in default on its senior mortgage, is in danger of losing property management services provided through a court-ordered receivership, and plans call for transferring the Property to Developer through foreclosure on the Property's deed of trust; and

WHEREAS, all units at the Property are rented at prices affordable to households earning no more than 50% of area median income; and

WHEREAS, the Project is consistent with the Amendment to the NSP Substantial Amendment included in the Action Plan for FY 2010-2011; and

WHEREAS, the City is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, per the CEQA Guidelines, this Project is exempt from environmental review; and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; and

WHEREAS, execution of loan documents or other documents legally committing the City to fund this loan shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA") as certified by the City Administrator or his or her designee; and

WHEREAS, funds are available from the Neighborhood Stabilization Program to assist the Project of which \$959,031 is available immediately and \$200,000 will be available after repayment of NSP funds by the Marin Way Court project; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his or her designee to provide a loan in an amount not to exceed \$1,159,031 under the NSP to East Bay Asian Local Development Corporation, or to an affiliated entity approved by the City Administrator or his or her designee, to be used for development of the Project; and be it

FURTHER RESOLVED: That \$959,031 shall be allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88989), Neighborhood Stabilization Program Project (G368110) for this loan; and be it

FURTHER RESOLVED: That \$200,000 shall be allocated from the 2008-09 HUD-CDBG Fund (2108), Community Development Block Grant Organization (88989), Neighborhood Stabilization Program Project (G368110) for this loan as soon as those funds are available; and be it

FURTHER RESOLVED: That the loan shall be contingent upon the transfer of ownership of the Property after foreclosure to Developer or to an affiliated entity approved by the City Administrator or his or her designee; and be it

FURTHER RESOLVED: That the loan shall also be contingent on the availability of sufficient NSP funds to cover the City loan of \$1,159,031; and be it

FURTHER RESOLVED: That the City has independently reviewed and considered this environmental determination, and the City finds and determines that this action complies with CEQA because the Project is exempt from CEQA pursuant to Section 15301 (Existing Facilities) and 15183 (Projects Consistent with Zoning and General Plan) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee shall file a Notice of Exemption and an Environmental Declaration under California Fish and Game Code (section 711.4), with the County of Alameda; and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in his or her discretion, with repayment to the City from surplus cash flow from the Project and other available funds during the term of the loan with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator or his or her designee determines are in the best interests of the City and the Project; and be it

FURTHER RESOLVED: That as a condition of the loan, the City will require that appropriate restrictions on Project occupancy, rents and operations be recorded against Project improvements; and be it

FURTHER RESOLVED: That the loan shall be secured by a deed of trust on the Project land and/or improvements; and be it

FURTHER RESOLVED: That the loan funds shall be reserved for a period of no more than twelve months from the date of this Resolution, and the making of the loan shall be contingent on Developer's success in securing commitments for full Project funding, or other assurances of adequate Project funding the Agency Administrator or his or her designee deems sufficient within his or her discretion, within this reservation period; and be it

FURTHER RESOLVED: That the making of the loan shall be contingent on Developer's submission of specific property information, rehabilitation plans, budgets, and other materials evidencing that the acquisition and rehabilitation of the property is financially feasible and is consistent with the NSP in the with the Amendment to the NSP Substantial Amendment included in the Action Plan for FY 2010-2011; and be it

FURTHER RESOLVED: That the making of the loan shall be contingent on and subject to such other appropriate terms and conditions as the Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in the Project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the City Administrator or his or her designee determines that (1) an economically feasible alternative method of financing the Project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the City's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That the City hereby appoints the City Administrator and his or her designee as agent of the City to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That execution of loan documents or other documents legally committing the City to fund the loan is expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator or his or her designee; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by Deputy City Attorney for form and legality prior to execution, and copies will be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California