

CITY OF OAKLAND

AGENDA REPORT

2011 JUN 30 PM 2:53

TO: Office of the City Administrator
ATTN: P. Lamont Ewell, Interim City Administrator
FROM: Community and Economic Development Agency
DATE: July 12, 2011

RE: **A Public Hearing, Follow- Up Report And Resolution Amending Resolution 83344 C.M.S. 1) Authorizing the City Administrator to Submit to the U.S. Department of Housing and Urban Development the Revised Consolidated Plan Annual Action Plan for Fiscal Year 2011-12; 2) Accepting and Appropriating Revised Funds Totahng \$14,658,167.00 for the HOME, Emergency Shelter Grant, Housing Opportunities for Persons with AIDS, and the Community Development Block Grant Programs; and, 3) Authorizing the City Administrator to Negotiate and Execute Agreements With Subgrantees For Fiscal Year 2011-2012 for the Community Development Block Grant Program.**

SUMMARY

A resolution amending Resolution 83344 C.M.S. has been prepared for the City Council to adopt the revised Consolidated Plan Annual Action Plan for fiscal year 2011-12. The plan was submitted to the U.S. Department of Housing and Urban Development (HUD) on May 16, 2011. The resolution authorizes the City Administrator to submit the revised plan to HUD and to accept and appropriate a revised total of \$14,658,167 in federal grant funds for FY 2011-12 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)

FISCAL IMPACT

The resolution amends Resolution 83344 C.M.S. to accept and appropriate the revised funds for the FY 2011-12 budget from the four federal grants. The revised appropriations presented in this report will become a part of the City's FY 2011-13 Budget. The grant funds will be appropriated into HUD-CDBG (Fund 2108), HUD-HOME (Fund 2109); and HUD-HOPWA and HUD ESG (Fund 2999).

Item: _____
CED Committee
July 12, 2011

BACKGROUND

On May 3, 2011, City Council approved the Annual Action Plan, including the use of federal funds for fiscal year 2011-2012 for submission to HUD on May 16, 2011.

KEY ISSUES AND IMPACTS

The City was officially notified on June 3, 2011 of the Fiscal Year (FY) 2011 allocations from the HUD formula program grants which provide funding for housing, community and economic activities, and assistance for low-and moderate-income persons and special populations. The City of Oakland's FY 2011 amounts are as follows:

Community Development Block Grant (CDBG)	\$7,578,921
HOME Investment Partnerships (HOME)	\$4,196,010
Housing Opportunities for Persons with AIDS (HOPWA)	\$2,514,177
Emergency Shelter Grants (ESG)	\$ 369,059

The FY 2011 Continuing Resolution significantly reduces funding for CDBG and HOME Programs compared to FY 2010 levels. The CDBG overall funding is reduced nationally by more than \$600 million, resulting in an allocation reduction of approximately 17 percent for the City of Oakland. HOME program funding is reduced nationally by more than \$200 million, resulting in an allocation reduction of 12 percent for the City of Oakland. HOPWA and ESG program funding are both slightly increased.

Since the City of Oakland has already submitted its Annual Action Plan based on FY2010 allocations, submission of a revised Annual Action Plan consistent with the new allocations is required

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 continue to be used to address the following priority needs:

- 7,662,661 CDBG and HOME to fund housing activities (includes approximately \$4,196,010 for HOME program administration, coordination and monitoring).
- \$3,385,386 from CDBG (\$502,150); HOPWA (\$2,514,177) and ESG (\$369,059) to serve the homeless and persons at risk of homelessness, including persons with HIV/AIDS (includes approximately \$68,736 for administration and monitoring for the HOPWA and ESG programs).
- \$907,807 from CDBG for economic development activities.
- \$1,684,900 from CDBG for Public Services and Neighborhood Improvements.

- \$1,458,426 from CDBG for program administration, accounting and audit functions, planning, monitoring and evaluation, and citizen participation.

Below is a chart which shows the previous approved allocations, the revised allocations and the increase/decrease.

Grant Program	Previous Funding Allocations	Revised Funding Allocations	Increase/Decrease
CDBG	\$10,109,837*	\$8,467,198**	(\$1,642,639)
Administration/Fair Housing	\$ 1,757,140	\$1,458,426	(\$ 298,714)
Economic Development	\$ 1,093,744	\$ 907,807	(\$ 185,937)
Homeless Services	\$ 605,000	\$ 502,150	(\$ 102,850)
Housing	\$ 4,176,689	\$3,466,651	(\$ 710,038)
HUD 108 Loan Repayment	\$ 447,264	\$ 447,264	\$ 0
District Programs	\$ 2,030,000	\$1,684,900	(\$ 345,100)
HOME	\$ 4,753,166	\$4,196,010	(\$ 557,156)
HOPWA	\$ 2,208,482	\$2,514,177	\$ 305,695
ESG	\$ 368,902	\$369,059	\$ 157

*Includes \$1,000,480 in program income and reprogrammed funds.

**Includes \$888,277 in program income and reprogrammed funds.

Due to the lateness of the final CDBG allocations from HUD for FY 2011-12, staff recommends that the 17% reduction in CDBG funds be absorbed across the board for all programs and projects. There has been a substantial amount of time and work invested in the District Board recommendation process that should be upheld. Additionally, many of the nonprofits and city departments have developed their FY 2010-11 budgets with CDBG funds and to completely eliminate those funds could jeopardize their existence.

Given the likelihood of additional cuts to the CDBG budget in FY 2012-13, staff will initiate an evaluation process over the next year to review the CDBG recommendation process and to establish a policy direction for making future funding decisions.

RECOMMENDATION(S) AND RATIONALE

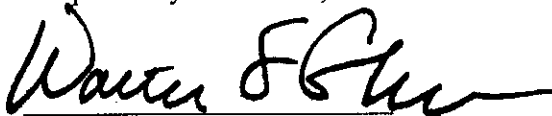
Staff is recommending the following actions:

- Direct staff to submit revised plan to HUD.
- Appropriate revised FY 2011-12 grant receipts and expenditures for the CDBG, HOME, HOPWA, and ESG programs.
- Authorize the City Administrator to negotiate and execute grant agreements with subgrantees for the revised allocations for FY2011-12 for the CDBG program. The subgrantees and allocations for the FY 2011-12 are listed in *Attachment A*.

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 resolution.

Respectfully submitted,

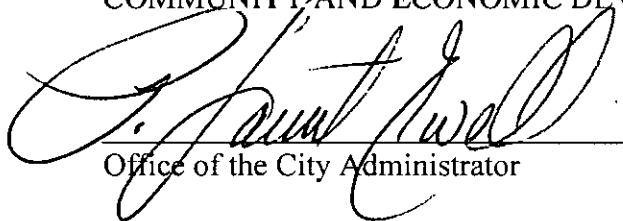


Walter S. Cohen, Director
Community and Economic Development Agency

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

Reviewed and Prepared by:
Sandra Blair, Acting Manager
Community Development Programs

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City Administrator

Item: _____
CED Committee
July 12, 2011

ATTACHMENT A
CDBG Subgrantee Grant Agreements Approved for FY2011-12 Funding

PROJECT/PROGRAM NAME	Previous Amt.	Revised Amount	Decrease
Alameda County Minor Home Repair	400,000	358,702	41,928
Alameda County Community Food Bank: Food Security Scholarship Program (G19550)	99,000	82,170	16,830
Alzheimer's Services of the East Bay: Dementia-Specific Adult Day Health Services (H67200)	30,000	24,900	5,100
Anew America Community Corp.	50,000	41,500	8,500
Attitudinal Healing Connection: Youth Embracing Love and Life	100,000	83,000	17,000
Center for Independent Living: Tenant Landlord Counseling & Education for Disability Low-Income Resident	20,000	16,600	3,400
Covenant House California-Oakland: Shelter and Supportive Services for Homeless Youth	45,700	37,931	7,769
East Oakland Community Project: Crossroads-Emergency Housing Program (G168551)	200,000	166,000	34,000
Fair Housing Services (Subgrantee to be determined)	358,000	297,140	60,860
First Place for Youth: Steps to Success (G191110)	100,000	83,000	17,000
Friends of Oakland Parks & Recreation: Maxwell Park -Taking the Next Step Towards Recreation, Community & Open Space* (G384910)	24,380	20,235	4,145
Friends of Peralta Hacienda Historical Park: Peralta Creek Accessible Interpretive Path *	43,071	35,749	7,322
Lifelong Medical Care: LifeLong In-Home Healthy Access Project	30,000	24,900	5,100
Oakland Business Development Corporation: Business Loan Program (G02200)	468,552	429,139	39,413
Oakland Chinatown Chamber of Commerce: Public Safety Educational Outreach	20,000	16,600	3,400
Oakland Citizen's Committee for Urban Renewal: Eastmont Technology Learning Center (G237510)	112,895	93,703	19,192

* Capital Improvement Project

ATTACHMENT A

CDBG Subgrantee Grant Agreements Approved for FY2011-12 Funding

PROJECT/PROGRAM NAME	Previous Amt.	Revised Amount	Decrease
Oakland Citizen's Committee for Urban Renewal: Heartlands Neighborhood Revitalization/Façade Improvement (G255310)	133,000	110,390	22,610
Oakland Citizen's Committee for Urban Renewal: Youth Programs	75,000	62,250	12,750
Oakland Parents Together: 3 rd Grade Intensive Support Tutoring Program (G385010)	25,000	20,750	4,250
Overcomers	50,000	41,500	8,500
Project Reconnect (H08600)	147,895	122,753	25,142
Rebuilding Together Oakland: Beautification of Community Spaces*	15,000	12,450	2,550
Rebuilding Together Oakland: Blight Removal via Cleanup, Repair & Landscaping of Homes and Open Spaces*	25,000	20,750	4,250
Rebuilding Together Oakland: Home Repair & Safety/Accessibility Modifications (G384110)*	91,450	75,904	15,546
Spanish Speaking Citizen's Foundation: Rising Sun Entrepreneurs, LLC/Healthy Cooking for Youth	24,558	20,383	4,175
Spanish Speaking Citizen's Foundation: Rising Sun Entrepreneurs, LLC: Professional Pastry Training Program	37,956	31,503	6,453
Student Program for Academic & Athletic Transitioning (SPAAT): Teach Bar/Hustle High Academic & Athletic Skills Program	45,000	37,350	7,650
Unity Council: Foreclosure Counseling (G341610)	100,000	83,000	17,000
Vietnamese American Community Center of the East Bay: Vietnamese American Community Center Project for Seniors and Families	65,000	53,950	11,050
Youth Uprising: The Corner's Café Culinary Arts Training Program (G280310)	47,895	39,753	8,142

* Capital Improvement Project

M. Morodan
DEPUTY CITY ATTORNEY

FILED
CITY OF OAKLAND
MAY 10 2011 10:50

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

RESOLUTION AMENDING RESOLUTION 83344 C.M.S 1) AUTHORIZING THE CITY ADMINISTRATOR TO SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THE REVISED ANNUAL ACTION PLAN FOR FISCAL YEAR 2011-2012; 2) ACCEPTING AND APPROPRIATING FUNDS TOTALING \$14,658,157 FOR THE HOME, EMERGENCY SHELTER GRANT (ESG), HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA), AND THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS; AND 3) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE AGREEMENTS WITH SUBGRANTEES FOR FISCAL YEAR 2011-2012 FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, on May 3, 2011, the City Council approved Resolution 83344 C.M.S authorizing the City Administrator to prepare and submit a Consolidated Plan Annual Action Plan for Fiscal Year 2011-12 (the Plan) as a condition for receiving Federal funds for housing and community development activities; and

WHEREAS, the Plan was submitted to HUD by May 16, 2011; and

WHEREAS, the City was officially notified on June 3, 2011 the Fiscal Year (FY) 2011 allocations from HUD; and

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

Community Development	
Block Grant (CDBG)	\$ 7,578,921
HOME	\$ 4,196,010
Emergency Shelter Grant	\$ 369,059
HOPWA	\$ 2,514,177

as identified in the revised Annual Action Plan; and

RESOLVED: That the City Council hereby authorizes and directs the City Administrator, and/or his designee, to submit the revised Annual Action Plan for 2011-12 consistent with the final HUD grant allocations; and be it

FURTHER RESOLVED: That the City Council hereby accepts and appropriates the IfUD funds totaling \$14,658,157; 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 2011-2012 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

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