

OFFICE OF THE CITY CLERK
CITY OF OAKLAND
AGENDA REPORT
2007 APR 25 10:30

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: May 8, 2007

RE: **A Report and a Resolution 1) Authorizing the City Administrator to Prepare and Submit the Consolidated Plan Annual Action Plan for Housing and Community Development for Fiscal Year 2007-08 to the U.S. Department of Housing and Urban Development, 2) Accepting and Appropriating Funds Totaling \$15,395,583 for the Community Development Block Grant, HOME Investment Partnership, Emergency Shelter Grant and Housing Opportunities for Persons with AIDS Programs, 3) Appropriating \$2.5 Million in Program Income and Any Amounts in Excess Thereof for Housing Rehabilitation and; 4) Authorizing the City Administrator to Negotiate and Execute Agreements with Contractors for Fiscal Years 2007-2009 for the Community Development Block Grant Program.**

SUMMARY

A resolution has been prepared for City Council to adopt the Consolidated Plan for the Housing and Community Development Annual Action Plan for fiscal year 2007-08. The full draft Action Plan has been published and distributed as a separate document that is available in hard copy from CEDA, the City Clerk and at the Public Library, and also is on the City's web site at www.oaklandnet.com/government/hcd. The resolution authorizes the City Administrator to submit the plan to the U.S. Department of Housing and Urban Development (HUD) and to accept and appropriate a total of \$15,395,583 in federal grant funds and appropriate \$2,500,000 in anticipated program income for FY 2007-08 for the following four formula grant programs:

Community Development Block Grant (CDBG)
HOME Investment Partnership (HOME)/American Dream Downpayment Initiative
Housing Opportunities for Persons with AIDS (HOPWA), and
Emergency Shelter Grant (ESG).

The resolution also authorizes the City Administrator to enter into contracts for FY 2007-2009 with CDBG and HOPWA subrecipients for those programs and projects in the amounts identified in the Annual Action Plan for FY 2007-08. Per Council Resolution 79191 C.M.S., program income generated from the repayment of housing rehabilitation loans is to be allocated to a revolving loan fund for housing rehabilitation activities.

Item: _____
CED Committee
May 8, 2007

FISCAL IMPACT

The resolution accepts and appropriates funds for the FY 2007-08 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.

Over the past several years, the CDBG grant has been reduced by 15%. In past years these reductions have been absorbed by increased program income. However, program income has declined somewhat due to a slowing down of the housing market.

The costs of repaying the HUD 108 loan for the Martin Luther King, Jr. Plaza Project and other economic development activities effectively reduced the grant by \$900,000. As a result, it has been necessary to shift expenditures for some program staff to other funds. It has also been necessary to reduce funding for housing rehabilitation loans (to be provided instead from prior year funds and program income in the HOME Program).

Finally, additional reductions are proposed to make possible funding of \$750,000 for costs of developing or rehabilitating facilities for the homeless.

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. Please refer to **Attachment A** for a list of all Projects Recommended for Funding from the four grants.

Grant Program	Anticipated Program Income	Grant Amount to Accept	Amount to Allocate with adoption of FY2007-09 Budget
CDBG	\$2,500,000	\$8,649,893	
Housing			3,441,037
Economic Development			1,665,662
Public Services and Infrastructure/Neighborhood Improvements			1,951,270
Homelessness (Facilities & Services)			1,467,568
Administration/Fair Housing			1,724,356
Section 108 Loan Repayments			900,000
HOME	500,000	4,411,242	4,911,242
American Dream Downpayment Initiative (ADDI)		67,495	67,495
HOPWA		1,896,000	1,896,000
ESG		370,953	370,953
TOTAL	3,000,000	\$15,395,583	\$18,395,583

BACKGROUND

The United States Department of Housing and Urban Development (HUD) allocates federal funds to eligible localities for housing and community development activities. These funds are from HUD's Community Planning and Development (CPD) formula grant programs – CDBG, HOME, ESG and HOPWA. Federal regulations require jurisdictions participating in these programs to prepare a five-year Consolidated Plan to assess affordable housing and community development needs. The City submitted its third five-year Consolidated Plan on June 30, 2005. This Consolidated Annual Action Plan describes the actions that will be undertaken in FY 2007-08 to address the housing and community development priorities that were identified in the Five-Year Strategy for July 1, 2005 – June 30, 2010.

HUD-Required Citizen Participation Process for Consolidated Plan

HUD regulations require that at least two public hearings be held during each Consolidated Plan program year cycle. The public hearings must include an assessment of housing and community development needs, a review of past program performance, and review and comment of the proposed Action Plan. At least one of these hearings must be held before the proposed plan is published for comment.

- A public hearing was held at the City Council meeting on September 19, 2006 to review and consider FY 2005-06 performance, to assess community needs, and to discuss allocation of funds among program areas and recommend priorities for program funding for the FY 2007-08 cycle.

A Public Hearing will be held Tuesday, May 15, 2007 in the City Council Chambers. A notice was published in the Oakland Tribune, Post and El Mundo newspapers April 15 and 17, 2007 announcing the availability of the draft Plan and the date, time and purpose of the Public Hearing.

KEY ISSUES AND IMPACTS

Consolidated Plan Priorities and Strategies

The City's Five-Year Consolidated Plan for Housing and Community Development, adopted in June 2005, includes an extensive community profile that describes the City's needs for community and economic development, affordable housing, and housing and services for the homeless. The Plan also includes a set of priorities and strategies for addressing those needs. As adopted by the City Council, the City's priorities are as follows:

Housing

- Preservation and Expansion of the Supply of Affordable Housing
- Assistance to First Time Homebuyers

- Encouragement of Housing Rehabilitation and Neighborhood Improvement
- Provision of Rental Assistance for Extremely Low Income Families
- Prevention and Reduction of Homelessness
- Expansion of Housing Opportunities for Seniors and Persons with Special Needs.

Homelessness

- Provide outreach and information/referrals to both sheltered and unsheltered homeless persons, enabling them to access the full range of services of the Continuum of Care.
- Maintain and expand, where possible, the existing inventory of emergency shelter beds and hotel/motel vouchers, and implement a winter shelter program.
- Maintain and expand, where possible, the current number of transitional housing units.
- Maintain and expand, where possible, the current inventory of permanent supported housing.
- Expand programs aimed at Homeless Prevention.
- Provide housing and supportive services to persons with HIV/AIDS who are homeless or at risk of becoming homeless

Non-Housing Community Development

Economic Development

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

Specific goals include:

- 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 and moderate income residents
- Redevelop Oakland's vacant and underutilized industrial and commercial areas
- Create sustainable development projects.

Public Services and Infrastructure (Neighborhood Improvements)

- Social Services for Seniors, Youth and Childcare
- Hunger Relief
- Domestic Violence
- Employment, Education and Job Training
- Legal Services
- Substance Abuse Intervention and Treatment
- Infrastructure/Neighborhood Improvements
- Other Social Services

PROGRAM DESCRIPTION

Description and Summary of Proposed Annual Action Plan

Staff has prepared a draft Annual Action Plan, now under consideration, which addresses the use of Federal grant funds for the second year of the City's third five-year Consolidated Plan. This document contains specific actions and projects for FY 2007-08 designed to:

- 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 Annual Action Plan describes actions to be undertaken to address the housing and community development priorities identified in the five-year Strategy. These include 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 economic development and public services/infrastructure (neighborhood improvements).

The City will receive the following Federal grant awards for FY 2007-08:

Community Development Block Grant	\$8,649,893
HOME	4,411,242
American Dream Downpayment Initiative	67,495
Emergency Shelter Grant	370,953
HOPWA	1,896,000
TOTAL	\$15,395,583

An additional \$3,000,000 in program income will be received from housing loan repayments and loan fees that will go into the revolving loan fund, for a total of \$18,395,583 available for allocation.

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:

- \$9,640,372 from CDBG and HOME to fund housing activities (includes approximately \$441,124 for HOME program administration, coordination and monitoring).
- \$2,266,953 from HOWPA (\$1,896,000) and ESG (\$370,953) to serve the homeless and persons at risk of homelessness, including persons with HIV/AIDS (includes approximately \$20,851 for administration and monitoring for the HOPWA and EST programs).
- \$1,665,662 from CDBG for economic development activities.
- \$1,978,240 from CDBG for Public Services and Neighborhood Improvements.
- \$1,715,898 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

CDBG Process

The recommendations for the CDBG program continue to be a result of input from the Community Development (CD) District Boards, and the City Administrator. City Council members continue their participation in the deliberations in a variety of ways and there continues to be participation of residents.

In August, 2006 a Request for Proposals (RFP) was issued for eligible District Funded economic development, neighborhood improvements/public services and housing activities.

Beginning in October, the District Boards reviewed proposals received for CDBG funding. During the review of proposals, the Community Development District Boards held a number of evening meetings to accommodate citizen review and hear presentations from persons requesting funds, prior to formulating their recommendations. The District Boards recommended to the City Administrator those proposals that should be funded. The City Administrator's final recommendations to the City Council are listed on **Attachment A**.

Based upon the continued needs of the community, the City Administrator recommended to the City Council the percentage allocation for housing, economic development and neighborhood improvement/public service activities. On March 20, 2007, the City Council adopted an allocation of CDBG funds to provide specific percentages to each of five broad categories of uses.

City Council Approved Allocations of CDBG Funds by Use

Program Area	Grant Funds		Program Income	
	Percent	Amount	Percent	Amount
Housing Programs	28%	\$2,381,635	100%	\$2,500,000
Economic Development	19%	1,665,662		
Public Service/Infrastructure	23%	1,978,240		
Administration/Fair Housing	20%	1,724,356		
Section 108 Loan Repayment	10%	900,000		
Total	100%	\$8,649,893		\$2,500,000

(See **Attachment B** for detailed breakdown of each Program Area)

When City Council approved the CDBG funding allocations there were a number of recommendations included in the approval. Council recommended that staff reduce the level of CDBG funding allocated to Economic Development Programs, specifically the Neighborhood Commercial Revitalization (NCR) Program and Commercial Lending. Council also recommended that staff increase the level of CDBG funding allocated to Homelessness. The Annual Action Plan under consideration for approval reflects changes to address the recommendations. Specifically, they include the following:

Economic Development Allocation

<u>Program</u>	<u>FY 06-07</u>	<u>FY 07-08</u>
Commercial Lending	\$ 253,287	\$ 215,282
Business Development	\$ 261,238	\$ 299,837
National Development Council	\$ 10,000	\$ 10,000
Neighborhood Commercial Revitalization	\$1,635,034	\$ 867,793
Oakland Business Development Corp	\$ 372,750	\$ 272,750
Small Business Growth Center	\$ 121,674	\$ 0
Women's Initiative for Self Employment	\$ 84,000	\$ 0
TOTAL	\$2,737,983	\$1,665,662

There is a reduction of \$1,072,321 to the CDBG funds allocated to Economic Development Programs. This reduction will cover an additional \$750,000 allocation to homeless services discussed below and the reduction in program income as previously discussed in the Fiscal Impact section.

Homelessness Allocation Increase

The CDBG regulations limit expenditures on public services to fifteen percent (15%) of the each year's funding. For Oakland, this limit will be approximately \$1,672,484 for FY 07-08.

Included in the proposed Annual Action Plan, 40 percent of the City's public services expenditures are for activities that provide operating support for shelters, prevent homelessness, or provide services primarily to homeless persons:

East Oakland Shelter rent payments	\$296,000
Winter Relief Program	225,000
Project Homeless Connect	14,200
Homeless Action Center	37,398
Hunger Program	31,200
ECHO Rental Assistance Program	93,000
Total CDBG funding for homeless assistance	696,598

In addition to the above allocations to Homeless Services, staff is including an allocation of \$20,770 for Transitional Housing Rehabilitation and \$750,000 for Homelessness Capital Improvement. The \$750,000 allocation can only be for the improvement of existing sites, and the construction and/or acquisition of new sites for homeless services. If the funds are used to support the operations of a Homeless Program, it is considered a Public Service and will require a one-to-one reduction in the allocation to Public Service projects by the District Boards.

Also, approximately \$153,000 in CDBG administration funds is budgeted annually to pay for staff costs in the Department of Human Services associated with operating homeless programs. (See **Attachment C** for further information on Homelessness Funding)

Process for Public Review and Comment

Copies of the draft Plan were made available beginning Tuesday, April 4, 2006 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 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 Tuesday, May 15, 2007. Staff will then revise the Annual Action Plan consistent with such comments and City Council direction, and will 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 Annual Action Plan.

SUSTAINABLE OPPORTUNITIES

Economic: As noted in this report, a significant portion of CDBG funds are used to promote economic development, employment, public facilities and infrastructure for the benefit of low and moderate income communities.

Environment: Many activities funded by federal housing and community development grants address such issues as removal of blight and the abatement of environmental hazards such as lead-based paint and other hazardous building conditions. Housing rehabilitation and new construction programs encourage contractors to use green building techniques, including energy-efficient design, use of recycled building materials, and water-conserving fixtures and landscaping.

Social Equity: By definition, these programs are targeted to improving conditions for low and moderate income communities.

DISABILITY AND SENIOR CITIZEN ACCESS

Many of the grants and loans funded by federal housing and community development grant funds are used to provide housing, facilities and services for senior citizens and persons with disabilities. All new housing constructed with federal funds must provide accessibility features for persons with disabilities.

RECOMMENDATION

Staff is recommending the following:

- Direct staff to receive and review public comments on the draft Annual Action Plan for FY 2007-08
- Direct staff to prepare and submit the final plan by May 16, 2007 to HUD.
- Appropriate FY 2007-08 grant receipts for the CDBG, HOME, HOPWA, and ESG programs.
- Appropriate Program Income totaling \$2,500,000 and appropriate any Program Income in excess of \$2,500,000 to Housing Rehabilitation Programs.
- Approve the City Administrator's recommendations for CDBG funding.
- Authorize the City Administrator to enter into contracts with CDBG and HOPWA subrecipients for FY 2007-2009 (See **Attachment D**) and to prepare and submit to HUD any minor amendments to the Action Plan that are necessary to carry out these programs.

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,



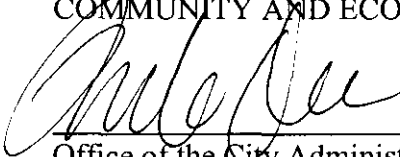
GREGORY HUNTER
Interim Director of Redevelopment, Economic
Development, Housing and Community Development

Reviewed By:
Sean Rogan, Deputy Director
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Michele Byrd,
CDBG Program Manager

Attachments

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE



Office of the City Administrator

Proposed Projects FY 2007-2008

ID	Sponsor	Project	CDBG	HOME	ESG	HOPWA	Total
03T Operating Costs of Homeless/AIDS Patients Programs							
13	Alameda County Housing and Community Development	AIDS Housing, Alameda County				1,378,968	1,378,968
29	Contra Costa County	AIDS Housing, Contra Costa County				478,432	478,432
37	Department of Human Services	East Oakland Shelter	296,000				296,000
14	Department of Human Services	Emergency Shelter Program			350,102		350,102
10	Department of Human Services	Homeless Winter Relief Program	225,000				225,000
	Department of Human Services	Project Homeless Connect	14,200				14,200
05 Public Services (General)							
66	Allen Temple Health & Social Services	Empowerment/Parenting Program	16,000				16,000
70	Ethiopian Community and Cultural Center	Ethiopian Case Management Program	41,500				41,500
	ARC Associates	Pacific Islander Family & Community Development Project	5,000				5,000
	Central American Refugee Committee	Youth and Family Enrichment Project	20,000				20,000
57	TBD	Home Equity Conversion Counseling	21,000				21,000
	Department of Human Services	EITC Campaign	20,000				20,000
4	Alameda County Community Food Bank	Shared Maintenance & Delivery Scholarships	62,238				62,238
35	Department of Human Services	Supplemental Hunger Program	31,200				31,200
60	Department of Human Services	Violence Prevention Task Force Pilot Project	25,655				25,655
05A Senior Services							
45	Life Long Medical Care-Over 60 Health Center	East Oakland Clinic	21,000				21,000

ID	Sponsor	Project	CDBG	HOME	ESG	HOPWA	Total
2	Legal Assistance for Seniors	Legal Services for Seniors	45,689				45,689
27	Bay Area Community Services	Meals on Wheels	119,741				119,741
16	Department of Human Services	Oakland Senior Companion Program	41,892				41,892
	Homeless Action Center	SSI Advocacy Project	37,398				37,398
57	Alzheimer's Services of the East Bay	Specific Adult Day Health Services	15,000				15,000
05D Youth Services							
39	Oakland Citizens' Committee for Urban Renewal	East Oakland Community Connector Project	86,500				86,500
48	First Place Fund for Youth	Emancipation Training Center	98,071				98,071
	Attitudinal Healing Connection	YAH Village After-School Program	30,000				30,000
	La Clinica de la Raza	Tiger Clinic Health Education and Youth Development Program	23,000				23,000
	Centro Legal de la Raza	The Youth Law Academy	20,000				20,000
1	Project Re-Connect	High Risk Youth Counseling	80,820				80,820
	Lao Family Community Development, Inc.	SAT Tutoring Program	20,000				20,000
	Prescott-Joseph Center for Community Enhancement	West Oakland Summer Youth Enrichment Program	20,000				20,000
31	Girls Inc. of Alameda County	Middle School Program at Concordia	45,000				45,000
21	Precision Drill Ministries	Positive Role Models	76,500				76,500
47	Global Education Partnership	Corners Café Training Program	20,883				20,883
44	Boys & Girls Clubs of Oakland	Smart Moves Program	15,000				15,000
	Boys & Girls Clubs of Oakland	Educational Enhancement Program	11,500				11,500
05F Substance Abuse Services							
	Eastside Arts Alliance	Youth Arts Performance Workshops	45,000				45,000
28	Healthy Babies Project, Inc.	Healthy Families Program	41,116				41,116

ID	Sponsor	Project	CDBG	HOME	ESG	HOPWA	Total
05G Battered and Abused Spouses							
	Bay Area Legal Aid	Legal Assistance to Oakland Victims of Domestic Violence	15,000				15,000
	Family Violence Law Center	Family Domestic Violence Prevention Project	35,000				35,000
05K Tenant/Landlord Counseling							
	TBD	Housing Advocacy Project	68,000				68,000
32	TBD	Housing Information and Referral Services	80,000				80,000
05L Child Care Services							
36	Department of Human Services	Safe Walk to School	21,173				21,173
	Lincoln Childcare Center	Family Resource Center	54,837				54,837
05Q Subsistence Payments							
17	TBD	Rental Assistance Program for Homeless	93,000				93,000
12 Construction of Housing							
11	Community & Economic Development Agency	Housing Development		3,970,118			3,970,118
13 Direct Homeownership Assistance							
52	Community & Economic Development Agency	American Dream Downpayment Initiative (ADDI)		67,495			67,495
14A Rehab: Single-Unit Residential							
8	Community & Economic Development Agency	Access Improvement Program	207,675				207,675
33	Rebuilding Together Oakland	Christmas in April	48,185				48,185
46	Community & Economic Development Agency	Emergency Home Repair Program	382,619				382,619
54	Community & Economic Development Agency	Home Maintenance & Improvement Program	2,251,987				2,251,987
15	Alameda County Housing and Community Development	Minor Home Repair Program	242,932				242,932

ID	Sponsor	Project	CDBG	HOME	ESG	HOPWA	Total
14E Rehabilitation Public/Private Commercial/Industrial							
40	Oakland Citizens' Committee for Urban Renewal	Façade Improvement	154,258				154,258
	Building Opportunities for Self Sufficiency	Rosa Parks Transitional Housing Apartments Renovations	20,770				20,770
	Covenant House California	Community Service Center Renovation	38,835				38,835
	Prescott-Joseph Center for Community Enhancement	Rehabilitation of Family Resource Center	53,588				53,588
	Spanish Speaking Citizens' Foundation	Facility Rehabilitation Pre-Development Study	90,000				90,000
	The Unity Council	Fruitvale Community Plaza Improvements	10,000				10,000
	Native American Health Center	Seven Directions Health Care Facility	30,000				30,000
	East Oakland Boxing Association	Community Garden Renovation	20,000				20,000
	La Clinica de la Raza	Health Center Expansion Project	60,000				60,000
	Lao Family Community Development, Inc.	Lao Family Center for Working Families-Site Acquisition	107,452				107,452
	Department of Human Services	Permanent Shelter Construction	750,000				750,000
	Department of Public Works	Park Capital Improvement Projects	97,374				97,374
14I Lead-Based/Lead-Hazard Testing/Abatement							
7	Community & Economic Development Agency	Lead Safe Housing Paint Program	215,287				215,287
17C Commercial/Industrial Building Acquisition, Construction, Rehabilitation							
53	Community & Economic Development Agency	Neighborhood Commercial Revitalization	500,000				500,000
18B Economic Development Technical Assistance							
5	Community & Economic Development Agency	Business Development Program	299,837				299,837

ID	Sponsor	Project	CDBG	HOME	ESG	HOPWA	Total
41	Oakland Business Development Corporation	Business Loan Program	272,750				272,750
26	National Development Council	Economic Development Technical Assistance	10,000				10,000
50	Community & Economic Development Agency	Commercial Lending	215,282				215,282
	Community & Economic Development Agency	Economic Development	367,793				367,793
18C Micro-Enterprise Assistance							
63	A New America Community Corporation	Virtual Business Incubator	20,000				20,000
19F Repayments of Section 8 Loans							
76	Community and Economic Development Agency	Section 108 Loan Repayments	900,000				900,000
21A General Program Administration							
18	Department of Human Services	AIDS Housing, HOPWA Program Administration				38,100	38,100
23	Community & Economic Development Agency	CDBG Program Monitoring/Administration	1,444,356				1,444,356
68	Department of Human Services	Emergency Shelter Program - Admin			20,851		20,851
21D Fair Housing Activities							
9	TBD	Fair Housing and Landlord/Tenant Counseling Program	150,000				150,000
73	TBD	Fair Housing Services	30,000				30,000
25	TBD	Housing Search & Counseling for the Disabled	100,000				100,000
21H HOME Admin/Planning Costs of Participating Jurisdiction							
22	Community & Economic Development Agency	HOME Program Monitoring and Administration		441,124			441,124
TOTAL FUNDING			\$11,149,893	\$4,478,737	\$370,953	\$1,896,000	\$17,895,583

ATTACHMENT B

COMMUNITY DEVELOPMENT BLOCK GRANT

PROGRAM	FY 06-07 \$11,601,401 (grant and program income)	FY 07-08 \$11,149,893 (grant and program income)
Section 108 Loan Repayment	\$289,111	\$900,000
Housing	\$4,668,350	\$4,881,685
Housing Rehabilitation Activities	\$3,885,350	\$3,348,685
Homeless Assistance	\$614,000	\$1,364,000
Other Housing Services	\$169,000	\$169,000
Economic Development	\$2,737,983	\$1,665,662
Neighborhood Commercial Revitalization	\$1,635,034	\$867,793
Business Development Program	\$253,287	\$299,837
Commercial Lending	\$261,238	\$215,282
National Development Council	\$10,000	\$10,000
Oakland Business Development Corporation (OBDC)	\$372,750	\$272,750
Small Growth Center	\$121,674	\$0
Women's Initiative for Self Employment	\$84,000	\$0
District Programs	\$2,092,625	\$1,978,240
Homeless Facilities (Transitional Housing Rehab)	\$0	\$20,770
Other Public Facilities Construction and Rehab	\$43,642	\$528,019
Economic Development	\$319,438	\$154,258
Homeless Services ¹	\$198,910	\$82,798
Other Public Services ¹	\$1,530,635	\$1,192,395
Administration	\$1,706,788	\$1,724,356
Program Planning and Coordination	\$1,426,788	\$1,444,356
Fair Housing	\$280,000	\$280,000

ATTACHMENT C

City Funding for Housing and Services for the Homeless

CDBG Funds for Homeless

For many years, the City Council has allocated CDBG funds between four categories: housing, economic development, district programs, and administration. While useful for the City's purposes, these categories do not correspond to categories used by the CDBG statute and regulations.

The CDBG regulations include a category called "public services" which encompasses a wide range of service activities for homeless, seniors, youth, disabled, and other low and moderate income people. Most activities that do not involve either (a) construction or rehabilitation of housing or commercial structures ("brick and mortar activities") or (b) creation of jobs for low and moderate income people, are considered to be public services. This includes housing counseling, fair housing, and costs of operating homeless shelters, all of which the City treats as housing activities in its CDBG allocation process.

The CDBG regulations limit expenditures on public services to fifteen percent (15%) of the each year's funding. For Oakland, this limit is approximately \$1,650,000. Currently, more than 40 percent of the City's public services expenditures are for activities that provide operating support for shelters, prevent homelessness, or provide services primarily to homeless persons:

East Oakland Shelter rent payments	\$296,000
Winter Relief Program	225,000
Hunger Program	39,000
St Mary's Senior Homeless Case Management	30,000
<u>ECHO Rental Assistance Program</u>	<u>93,000</u>
Total CDBG funding for homeless assistance	683,000

In FY 2005-06, \$1,000,000 in CDBG funds was provided for the development of a new shelter to be operated by East Oakland Community Project.

In addition, approximately \$153,000 in CDBG administration funds is budgeted annually to pay for staff costs in the Department of Human Services associated with operating homeless programs.

Use of Housing Development Funds for Homeless Programs

The City's housing development funds, including both the federal HOME grant and the Redevelopment Agency Low/Moderate Income Housing Fund, can be used for development of permanent housing (including supportive housing) and transitional housing, but cannot be used for development of shelters. Similarly, those funds cannot be used to provide the supportive

services that are critical to the successful operation of shelter and housing programs for the homeless.

For the East Oakland Community Project's shelter noted above, in addition to the CDBG grant, the Redevelopment Agency provided a loan guaranty for 15 years in the amount of \$1.8 million for this shelter. This is a contingent liability of the Agency, not a direct subsidy.

In recent years, housing development funds allocated through the annual Notice of Funding Availability (NOFA) process have been used to provide supportive and transitional housing. This includes \$4,450,000 awarded in February 2007 for the East Bay Recovery Project's Project Pride in District 3, and \$7 million for Affordable Housing Associates' 14th and Madison project (currently under development) in District 2. Out of 79 units, 20 are housing with supportive services for at-risk youth transitioning out of foster care.

Staff in the Department of Human Services have indicated a need for capital improvements to existing transitional housing units. These improvements can be funded through the annual NOFA process and would likely be ranked very highly based on the extremely low income population served and the fact that the funds would preserve existing affordable housing resources.

In addition, each year the Low/Moderate Income Housing Fund expends \$350,000 per year for debt service costs associated with the purchase of the Henry J. Robinson multi-service center for the homeless.

Finally, approximately \$500,000 of Low/Moderate Income Housing Funds are used for staff costs for the homeless programs in the Department of Human Services (DHS).

Other Funds Used by the City for Homeless Activities

The City also receives and expends substantial amounts of other funds to support homeless programs and services. These include:

The City provides \$394,310 of **General Purpose Funds** to match and support the Emergency Shelter Grant activities. An additional \$183,000 is used to support the Families in Transition Scattered Sites Transitional Housing Program, and \$50,000 is used for the Matilda Cleveland Transitional Housing Program. An additional \$100,000 is provided for the Hunger Program, which primarily serves homeless people.

The federal **Emergency Shelter Grant** (ESG) provides \$365,836 for shelter operations and homeless services, including the Emergency Housing Program, the Homeless Mobile Outreach Program and the Oakland Army Base Temporary Winter Shelter.

The federal **Supportive Housing Program** provides approximately \$5.9 million for homeless assistance activities in Oakland, including \$1.8 million for the Homeless Families Support Network/Supportive Housing Program (an additional \$250,000 is

awarded to the City by **Alameda County**), \$260,000 for the Matilda Cleveland Transitional Housing Program, and \$696,000 for the Homeless Youth Collaborative.

The federal **Housing Opportunities for Persons With AIDS (HOPWA)** grant, which is administered by staff in DHS, provides funding throughout Alameda and Contra Costa counties. In FY 2005-06, approximately \$900,000 of these funds was awarded to Oakland-based activities primarily to serve homeless persons with AIDS.

The City has received funding from the State's **Emergency Housing Assistance Program** for rehabilitation costs for the City's supportive housing and transitional housing sites. Grant amounts were \$763,401 in 2004 and \$998,677 in 2005; the City applied for 2006 funds as well.

New Funding Sources

In November 2004, California voters approved Proposition 63, the **Mental Health Services Act (MHSA)** which is expected to be a substantial source of funding for supportive services for homeless people. MHSA funds will be available for development costs and supportive services for permanent supportive housing for the homeless. Staff in DHS and CEDA have been actively involved in the MHSA process and use of these funds is a key component of the County-Wide homeless and special needs "multi-plan" (EveryOne HOME plan) adopted by the City Council in 2006. Efforts are underway to develop a specific Oakland component, with the participation of DHS, CEDA and the Oakland Housing Authority as well as homeless service providers.

In November 2006, California passed the \$2.35 Billion **Housing and Emergency Shelter Trust Fund Act (Proposition 1C)**. Included in this measure are several programs that can provide funding to address homelessness in Oakland, including \$195 million statewide for permanent supportive housing, \$50 million for housing for homeless youth, and \$50 million for development of emergency shelters.

The Community Housing Services Unit submitted an application for State Rehabilitation Funds in the amount of \$1 million dollars for the Henry Robinson Multi Service Center.

Principal Obstacles to Increasing Funding for Housing for the Homeless

The most significant obstacle to developing shelter, transitional and permanent housing for the homeless is the need for a stable source of funding for the necessary social services that must be provided in conjunction with the housing.

Most services funding is provided on an annual basis with no guarantee of a continued funding stream. Developers of affordable housing are unwilling to commit to long-term agreements (a condition of most capital funding for construction) without the assurance that there will be funding to provide the necessary services, since the projects are unmanageable without the services component.

San Francisco has developed a model of “direct housing” in which the City and County master lease single room occupancy hotels and other facilities and then provide services to assist homeless individuals. However, San Francisco is uniquely positioned to do so because it is both a City and County and therefore has effective control over the allocation of public health and mental health services funds. The planning efforts that are underway for Alameda County, and specifically for Oakland, are seeking ways to bring together capital funding from the City and other sources, rental subsidies from public housing authorities, and services funding.

ATTACHMENT D

Recommended CDBG Third Party Contracts for Approval for FY 2007-09

PROJECT/PROGRAM NAME	07-08	08-09	TOTAL
Alameda County Community Food Bank/Shared Maintenance & Delivery Scholarships	62,238	66,480	128,718
Alameda County Minor Home Repair	242,932	242,932	485,564
Allen Temple Housing & Social Services Ministries: Teen Empowerment/Parenting Program	16,000	16,000	32,000
Alzheimer's Services of the East Bay Dementia-Specific Adult Day Health Services	15,000	15,000	30,000
A New America Community Corporation: Assets for New Americas/Virtual Business Incubator	20,000	20,000	40,000
ARC Associates: Pacific Islander Family & Community Development Project	5,000	5,000	10,000
Attitudinal Healing Connection: YAH Village After-School Program	30,000	30,000	60,000
Bay Area Community Services/Meals on Wheels for	119,741	120,499	240,240
Bay Area Legal Aid: Legal Assistance to Oakland Victims of Domestic Violence	15,000	15,000	30,000
Boys & Girls Clubs of Oakland/Educational Enhancement Program	11,500	11,500	23,000
Boys & Girls Clubs of Oakland/SMART Moves Program	15,000	15,000	30,000
Building Opportunities for Self Sufficiency: Rosa Parks Transitional Housing Apartments Renovation	20,770		20,770
Housing Search & Counseling for the Disabled	100,000	100,000	200,000
Central American Refugee Committee (CRECE); Youth and Family Enrichment Project	20,000	20,000	40,000
Centro Legal de la Raza: The Youth Law Academy	20,000	20,000	40,000
Housing Advocacy Project	88,000	88,000	156,000
Covenant House California-Oakland Community Service Center Renovation	38,835		38,835

PROJECT/PROGRAM NAME	07-08	08-09	TOTAL
East Oakland Boxing Association: Community Garden Renovation	20,000	20,000	40,000
Eastside Arts Alliance/Youth Performance Workshop	45,000	45,000	90,000
Eden Council for Hope and Opportunity - Home Equity Conversion Counseling	21,000	21,000	42,000
Eden Council for Hope and Opportunity - Rental Assistance Program	93,000	93,000	186,000
Housing Information & Referral Services	80,000	80,000	160,000
Ethiopian Community and Cultural Center: Ethiopian Case Management Program	41,500	11,500	53,000
Family Violence Law Center/Domestic Violence Prevention Project	35,000	35,000	70,000
Girls Inc. of Alameda County	45,000	45,000	90,000
Global Education Partnership: Corners Café Training Program	20,883	20,883	41,766
Healthy Babies Project, Inc.: Healthy Families Program	41,166	61,166	102,332
Housing Audits/Tests	30,000	30,000	60,000
Homeless Action Center: SSI Advocacy Project	37,398	37,398	74,796
La Clinica de la Raza: San Antonio Health Center Expansion Project	60,000	60,000	120,000
La Clinica del la Raza: Tiger Clinic Health Education and Youth Development Program	23,000	23,000	46,000
Lao Family Community Development, Inc.: Lao Family Center for Working Families-Site Acquisition	107,452	132,452	239,904
Lao Family Community Development, Inc.: SAT Tutoring Program	20,000	20,000	40,000
Legal Assistance for Seniors/ Legal Services and Community Education	45,689	45,689	91,378
Life Long Medical Care-Over 60 Health Center/East Oakland Clinic	21,000	21,000	42,000
Lincoln Child Center: School-based Family Resource Center	54,837	54,837	109,674
Native American Health Center, Inc.: Seven Directions Health Care Facility Improvements	30,000		30,000
National Development Council	10,000	10,000	20,000
Oakland Business Development Corporation	272,750	272,750	545,500

PROJECT/PROGRAM NAME	07-08	08-09	TOTAL
Oakland Citizens' Committee for Urban Renewal-Eastmont Computing Center/East Oakland Community Connector Project	86,500	86,500	173,000
Oakland Citizens' Committee for Urban Renewal-Façade Improvement	165,258	165,258	289,504
Precision Drill Ministries	76,500	76,500	153,000
Prescott-Joseph Center for Community Enhancement, Inc.: Rehabilitation of Family Resource Center	53,588		53,588
Prescott-Joseph Center for Community Enhancement, Inc.: West Oakland Summer Youth Enrichment Program	20,000	20,000	40,000
Project Re-Connect	80,820	80,820	161,640
Rebuilding Together Oakland	48,185	48,185	96,370
Fair Housing and Landlord/Tenant Counseling Program	150,000	150,000	300,000
Spanish Speaking Citizens' Foundation: Facility Rehabilitation Predevelopment Study	90,000	100,000	190,000
The First Place Fund for Youth/Emancipation Training Center	98,071	98,071	196,142
The Unity Council: Fruitvale Community Plaza Improvements	10,000		10,000

OFFICE OF THE CITY CLERK
OAKLAND

2007 APR 25 AM 10:30

APPROVED AS TO FORM AND LEGALITY:

Margaret Fujita
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION 1) AUTHORIZING THE CITY ADMINISTRATOR TO PREPARE AND SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THE CONSOLIDATED PLAN ANNUAL ACTION PLAN FOR FISCAL YEAR 2007-2008; 2) ACCEPTING AND APPROPRIATING GRANT FUNDS TOTALING \$15,395,583 FOR THE HOME, EMERGENCY SHELTER GRANT, HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS, AND THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS; 3) APPROPRIATING \$2.5 MILLION IN PROGRAM INCOME AND ANY AMOUNTS IN EXCESS THEREOF FOR HOUSING REHABILITATION LOANS; AND 4) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE AGREEMENTS WITH CONTRACTORS FOR FISCAL YEARS 2007-2009 FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires that the City of Oakland prepare and submit a Consolidated Plan Annual Action Plan as a condition for receiving federal funds for housing and community development activities; and

WHEREAS, the Consolidated Plan Annual Action Plan should be submitted to HUD by May 15, 2007, but no later than the end of the City's current fiscal year; and

WHEREAS, the City has published a draft of the Consolidated Plan Annual Action Plan 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 as identified in the Consolidated Plan Annual Action Plan;

Community Development	
Block Grant (CDBG)	\$8,649,893
HOME	4,411,242
American Dream Down payment	67,495
Initiative (ADDI)	
Emergency Shelter Grant	370,953
HOPWA	1,896,000

and

WHEREAS, the grant funds will be appropriated into HUD-CDBG Fund (2108), Fund (2109); and HUD-HOPWA and HUD ESG Fund (2999);and

WHEREAS, the seven Community Development District Boards have held meetings to consider funding requests and have made recommendations for funding; and

WHEREAS, a public hearing will be held May 15, 2007, to solicit public comment on the proposed Consolidated Plan including consideration of the categorical allocation of CDBG funds to programs and projects for FY 2007-09; and

WHEREAS, the City Council finds the agreements with contractors/sub recipients are for services of a professional or specialized nature; and

WHEREAS, the City Council finds that these agreements shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now therefore, be it

RESOLVED: That the City Council hereby authorizes and directs the City Administrator, and/or her designee, to prepare the final Consolidated Plan, consistent with the draft Action Plan 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 her 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 City's Consolidated Plan; and be it

FURTHER RESOLVED: That the City Council hereby accepts and appropriates the HUD funds totaling \$15,395,583 and authorizes the City Administrator or her designee to amend the appropriated amounts for FY 2007/08 to reflect actual grant receipts for the programs identified in the final Consolidated Plan; and be it

FURTHER RESOLVED: That the City Council hereby appropriates CDBG Program Income totaling \$2,500,000 to a revolving housing rehabilitation loan fund and appropriates any Program Income in excess of \$2,500,000 to Housing Rehabilitation Programs to allow for additional funding of loans or grants; and be it

FURTHER RESOLVED: That the City Administrator or her designee is authorized to negotiate and execute agreements with third-party contractors and sub recipients for those programs and projects in the amounts identified in the final Consolidated Plan Annual Action Plan for FY 2007-2008 Community Development Block Grant, Housing Opportunities for Persons With AIDS, Homeless Families Support Network/Supportive Housing, Matilda Cleveland Transitional Housing and the 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 Consolidated Plan, and any amendments, modifications or extensions of FY 2007-09 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 prior to execution, agreements shall be reviewed and approved as to form and legality by the Office of the City Attorney, and copies filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES –

ABSENT –

ABSTENTION –

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California