

CITY OF OAKLAND
AGENDA REPORT

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OFFICE OF THE CITY CLERK
OAKLAND

2007 AUG 29 AM 11:29

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: September 11, 2007

RE: Report Presenting the Review of Oakland's Consolidated Annual Performance and Evaluation Report (CAPER) for Community Development Block Grant, HOME, Housing Opportunities for People with AIDS and Emergency Shelter Grant Programs Performance for FY 2006-07.

SUMMARY

This report transmits to the City Council the Consolidated Annual Performance and Evaluation Report (CAPER) required by the Department of Housing and Urban Development (HUD).

The CAPER is due to HUD by September 30, 2007 to comply with reporting requirements. The report contains a description of the activities completed with grant funds during FY 2006-07. For a complete review of all City accomplishments, the CAPER is available on our website (www.oaklandnet.com/government/hcd) when you get to this page click on "Consolidated Plans" and then click on "Draft Performance Plan". Copies are also available for pick-up from CEDA at 250 Frank H. Ogawa Plaza, Suite 5313, Oakland, CA 94612.

FISCAL IMPACT

There are no fiscal impacts associated with this informational report.

BACKGROUND

Each year, the City of Oakland receives federal grant funds under the Community Development Block Grant (CDBG), HOME Investment Partnership, Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) Programs. In May 2005 the City submitted to the U.S. Department of Housing and Urban Development (HUD) the required Five Year Consolidated Plan for Housing and Community Development, outlining needs, priorities, strategies and proposed actions for the period of July 1, 2005 through June 30, 2010. In addition, each year, the City prepares an annual action plan prior to the program year, and an annual performance report at the end of the program year. The City has also adopted a citizen participation plan describing the process for involving low and moderate income persons in the development of these plans.

As required by HUD, the City Council must hold two public hearings – one to review proposed program allocations for the annual action plan, and one to review program performance (tentatively September 18, 2007). City Council approval of the annual action plan for FY 2007-08 occurred at the first public hearing held in May 2007.

Item: ____
CED Committee
September 11, 2007

KEY ISSUES AND IMPACTS

I. The Consolidated Annual Performance and Evaluation Report (CAPER)

The Consolidated Annual Performance and Evaluation Report provides information on accomplishments in the City of Oakland, for the program year July 1, 2006 through June 30, 2007, in meeting goals set forth in the Annual Action Plan of the Consolidated Plan for providing affordable housing, supportive services for the homeless and persons with special needs, and non-housing community development. The CAPER also provides information on the City's progress in meeting five-year goals of the 2005-2010 Consolidated Plan.

The full CAPER includes narrative sections that provide a summary of the City's progress during the reporting period to address the City's stated housing and community development goals and objectives. The information below is a summary of the CAPER and corresponds to each priority area established in the Annual Action Plan published May 15, 2006.

Public Services and Infrastructure (Neighborhood Improvements)

Public Services

In FY 2006-07, CDBG funding was provided for public service activities carried out through 28 sub recipient agreements with 26 private nonprofit agencies and one (1) public agency that serve low- and moderate-income persons in the seven (7) Community Development Districts of Oakland. In addition, seven (7) City-administered programs were funded. The programs administered by the non-profits and the City are:

- **Anti-Crime** – Three (3) programs received funding for the provision of legal assistance, crisis counseling and support services to 352 individuals.
- **Employment Education and Training** – Three (3) programs received funding for the provision of employment training and counseling, career advancement opportunities and job referral and placement to 30 individuals.
- **Hunger Relief** - Two (2) programs received funding for the provision of food purchase and distribution services to 673,437 individuals. This also includes the annual Thanksgiving Dinner.
- **Miscellaneous Public Services** – Three (3) programs received funding for the provision of computer training, family support and assistance and youth development services to 7,400 individuals.
- **Senior Services** – Seven (7) programs received funding for the provision of information & referral, needs assessment, support services, in-home support, companion services, legal services, recreation and physical activities, outreach & education, medical care, hot meals and social services to 1,012 individuals.

- **Substance Abuse Intervention and Prevention** – One (1) program received funding for the provision of residential and day treatment services, support services and referral services to 60 individuals.
- **Youth Services** – Fifteen (15) programs received funding for the provision of work experience and career preparation, case management, tutoring and instruction, academic assistance, cultural and life enrichment, health care and education, housing search assistance counseling and support services, leadership development, mentor support, life skills training and safety monitoring services to 8,205 individuals and 75 families.
- **Microenterprise and Business Assistance** – Five (5) programs received funding for the provision of façade improvement, business incubation, micro-enterprise assistance, training, counseling, organizing and support, as well as crime prevention.

Infrastructure (Neighborhood Improvements)

One (1) project received funds from the FY 2006-07 grant for capital improvements to public service facilities.

Economic Development

Economic development accomplishments through CDBG and Redevelopment funds for FY 2006-07 include the following:

Neighborhood Commercial Revitalization (NCR) Program

- Twenty-seven (27) façade projects consisting of 71 storefronts were improved in FY 2006-07 representing a total investment of \$1,442,732; \$539,325 in CDBG funded façade grants and \$903,406 in private funds. \$270,331 is currently encumbered in sixteen (16) projects that are under construction. Another 100+ projects are in the design or bid phase.
- During FY 2006-07 NCR staff provided technical assistance to 18 merchant groups and Business Improvement Districts. Assistance included attending meetings to provide information on City programs and services, funding support for promotional events sponsored by merchant groups at the Jack London Gateway Shopping Center, Temescal, Fruitvale Gateway, Dimond, Laurel, Fruitvale, Foothill/Seminary, Millsmont, Foothill/Havenscourt, Foothill/MacArthur, and International Boulevard (Elmhurst CD District) commercial districts. Staff provided an updated resource directory to the Business Improvement Districts (BIDs) to facilitate their access to City staff responsible for service delivery to the BIDs. NCR staff provided assistance to approximately 125 businesses each quarter.

- NCR staff facilitated the establishment of the Fruitvale Property BID of 2006 which was approved by City Council in July 2006. The Temescal/Telegraph, Rockridge, Lakeshore/Lake Park, Montclair and Laurel BIDs were renewed or reauthorized over the course of the fiscal year.

Business Development Services Unit

In FY 2006-07, the Business Development Services Unit was involved in a number of activities to support business creation, retention and expansion opportunities through direct and indirect business services:

- Assisted 207 existing businesses remain in Oakland, retained 6,320 jobs in Oakland. Services included regulatory and permitting assistance, commercial security issues, coordination of city services and business opportunity referrals.
- Attracted 12 new businesses which created over 215 employment opportunities. Services included market and demographic information, site location assistance, coordination of city services and permitting and regulatory assistance.
- Facilitated established owners/investors in their acquisition of four major downtown office properties. The investment value represents \$172.6 million new rehabilitation or construction investment over the next three years. These acquisitions will lead to:
 - Development of a 96,000 sq. ft. data center by 365 Main Inc., 25 jobs projected.
 - Restoration of a downtown historic office property and the development of a new major office building by SKS Investments.
 - Modernization of a downtown office building by Pacific Real Estate Partners.
- Industrial business activity facilitated by Business Development Services staff included:
 - Acquisition and rehabilitation of the 185,000 sq. ft. former Mother's Cake and Cookies (East Oakland) by Ellis Partners LLC and relocation of DoBake Bakery from West Oakland and Hayward, 250 jobs and the expansion of Sconza Candy Company.
 - Purchase and planned rehabilitation of the 500,000 sq. ft. former Sunshine Biscuits facility (East Oakland) by Fowler Property Acquisition. Through EDA grant, staff coordinated a Design Concept Plan for the reutilization of this property.
 - Renovation of 120,000 sq. ft. Gary Steel (West Oakland) for H&D Supply contractors' warehouse; planned occupancy by end of 2007, job creation potential of 50 new jobs.
 - Successful retention of PS Print (West Oakland), approximately 200 jobs. Staff also facilitated company acquisition of a \$3.65 million Industrial Development Bond through Alameda County and the State of California.

- Secured new \$1 million Strategic Partnership funds from the state treasurer, adding to the \$550,000 loan fund for a total of \$1.55 million for the Brownfield Loan Program.
- Secured an additional \$385,000 from U.S. EPA for the City's Brownfield Cleanup Revolving Loan Program.
- Secured \$185,000 Industrial Corridor Brownfield grant from the EPA for implementation of environmental assessments at the Coliseum and West Oakland BART transit village projects.
- Publication of a new Brownfield Resource Guide to assist developers, property owners and investors in development of contaminated property.
- Initiated the development of a Citywide Retail Enhancement Strategy to improve retail activity and access to consumer goods and services in Oakland's downtown and neighborhood commercial districts. In 2006-07, staff and consultants implemented an online shopper survey (over 2,300 responses), held four community meetings, and prepared a detailed analysis of Oakland's retail potential. The full study, which will include specific area implementation plans, will be completed and published in spring 2008.
- Launched *Retail is Happening in Oakland* newsletter, which reports individual retailer news as well as city retail initiatives and trends.
- City staff completed work related to the \$850,000 RMDZ loan and helped locate raw material for eCullet Company.
- The Economic Gardening pilot program assisted over 60 Oakland businesses in optimizing their web marketing presence and performance. Staff is currently seeking other regional economic development partners to sustain and grow this program.
- Lead participant in the creation of the East Bay EcoMetro Guide, a new regional coupon book promoting sustainable and locally owned businesses. Guide will be launched in fall 2007.
- Oversaw the development of the Business Services Organization (BSO) collaborative launched in October 2006 to create a forum for training and networking of Oakland nonprofit business services providers. In FY 2006-07, staff held four meetings attended by representatives of over 50 East Bay providers.
- Staff participated in the development of the McKinsey Company's Taking Stock of Oakland's Economy study, sponsored by the Oakland Metropolitan Chamber of Commerce. In addition to serving as resources to the Oakland Partnership project, staff is also participating in the five industry cluster committees.
- Worked with Bay Area World Trade Center (BAWTC) to initiate the development of an international trade strategy for Oakland, including the development of an Oakland World Trade Center.

Commercial Lending

For FY 2006-07, City staff and community partners have worked to improve existing services and identify gaps in services offered. During this period, the Commercial Lending staff accomplished the following by utilizing City funded commercial loan programs:

- Collected approximately \$1,015,550 in delinquent and defaulted loans
- Negotiated proposals for the restructuring of one (1) loan
- Received \$1,807,147 in total loan payoffs
- Underwrote 24 new loans to 22 loan clients
- Created opportunities for 60 new jobs and retained eight (8) jobs in the Oakland economy
- Provided six (6) clients with technical assistance in the development of business/marketing plans
- Created a Coliseum Redevelopment Area Revolving Loan Program, which currently has nine potential loan applicants
- Reconciled HUD 108 loan funds to ensure funds were in the appropriate accounts, in accordance to HUD guidelines; and
- Requested an EEC HUD 108 drawdown in the amount \$2.6 million from HUD to reimburse loan expenditures that have been disbursed to EEC HUD 108 loan recipients;
- Created Commercial Lending Fiscal Controls and a HUD 108 Procedure Manual

Oakland small business owners and entrepreneurs continue to have access to City services designed to assist in their establishment, growth, stability and viability.

Housing and Homelessness

The Five Year Consolidated Plan established priorities and goals for addressing issues of affordable housing and homelessness. The summary below is organized according to those priority areas.

For FY 2006-07, the City's housing programs through CDBG, HOME, Redevelopment and Low/Mod funds achieved the following:

Preservation/Expansion of the Supply of Affordable Housing

Accomplishments

- 216 units of new rental housing were completed in the Altenheim, Lincoln Court, and Percy Abram, Jr. senior housing developments. An additional 835 affordable rental units have been funded and are currently in predevelopment or under construction (555 family units, 260 senior units and 20 units of supportive housing).

- Nine (9) units of new ownership housing were completed. An additional 221 units have been funded and are in predevelopment or under construction.
- 358 units of existing affordable housing have been funded for preservations and renovation, and are currently in predevelopment or under construction.
- 178 units of public housing have received funding for demolition and reconstruction and are currently in predevelopment or under construction.

Assistance to First-Time Homebuyers

Program Changes

- The maximum purchase price for a single-family home in the Mortgage Assistance Program (MAP) was increased from \$456,000 to \$503,500 (95% of the median sales price in Oakland).

Accomplishments

- The Homeownership Loan Program closed 49 loans for a total of \$3,662,058. This consisted of 48 loans totaling \$3,587,058 through the Mortgage Assistance Program (MAP) and one (1) loan totaling \$75,000 through the CalHome program.
- The funds above leveraged investment of \$10,354,724 in private bank lending, \$1,186,150 in downpayments from individual homebuyers and \$1,243,194 in other public funding.
- The American Dream Downpayment Initiative (ADDI) program received and approved eight applications and closed those eight loans in the amount of \$152,554. These loans were combined with loans from the Mortgage Assistance Program to assist very low income families to attain homeownership.
- The Homeownership Education Program completed 12 classes with 482 attendees. Approximately 447 participants completed the program and received certificates.

Housing Rehabilitation and Neighborhood Improvement

Accomplishments

- The Home Maintenance and Improvement Program (HMIP) continues to serve as the comprehensive rehabilitation program for the City's aging housing stock with repairs such as foundation replacement work, seismic retrofitting, dry rot repairs, exterior siding replacement, plumbing and HVAC work, roof replacements, etc. A total of 26 units were rehabilitated with over \$1.5 million spent in construction dollars. Repairs on an additional 17 units are underway.
- HMIP benefited the homeowners with remediation of dangerous health and safety issues, including lead paint hazards, as well as housing code violations. The homeowners also benefited from home management counseling, lead hazard risk assessments and

consultation, protection from predatory contractors and/or lenders and construction project monitoring provided by staff.

- The Lead Safe Hazard Paint Program (LSHPP) continues to remediate both interior, exterior and soil lead based paint hazards on residential properties. The program completed 55 homes for a total of \$401,230, resulting in the program significantly exceeding its goals of 20 homes. Remediation on an additional 30 units is underway.
- The LSHPP leverages fiscal resources by partnering with the Alameda County Lead Poisoning and Prevention Program and receives reimbursement for lead remediation costs where children under age six reside in the household. For the current year the program has received reimbursements totaling \$31,139.
- The Access Improvement Program (AIP) continues to provide residential accessibility improvements such as wheelchair ramps, grab bars, bathroom and kitchen modifications, etc. and completed rehabilitation work on eight (8) units for a total of \$180,500 in construction dollars spent. Improvements on an additional 10 units are underway.
- Minor Home Repair Program (MHRP) continues to be administered through Alameda County and completed work on 133 housing units for a total of \$214,581.
- The Emergency Home Repair Program (EHRP) program continues to serve as a single system repair program with items ranging from roof replacement, sewer replacement, and electrical and heating repairs. The program assisted 12 units for a total of \$136,763 in construction dollars spent.

Rental Assistance for Persons Displaced by Hurricane Katrina

- Following the devastation caused by Hurricane Katrina, the City Council allocated \$250,000 in HOME funds to be used to assist displacees to rent housing in Oakland. To date, five families continue to receive rent subsidies under this program.

Homeless Services

Program Changes

- The City adopted the Permanent Access to Housing (PATH) plan to provide permanent housing with supportive services for homeless individuals and families. Work is underway to create an ongoing pipeline of new projects that will bring together capital financing, project-based rental subsidies, and on-site supportive services.

Accomplishments

- Through the Year-Round and Winter Emergency Shelter program, more than 6,034 individuals and households received shelter, hotel/motel vouchers, food services, rental assistance and additional supportive services.
- More than 5,623 units of outreach were provided to the homeless and special needs Oakland population through the City's Homeless Mobile Outreach Program, Housing

Opportunities for Persons With AIDS (HOPWA) program, Emergency Shelter programs, and Winter Shelter programs.

- Through the City's Transitional/Supportive Housing Programs, 308 families received temporary housing and/or transitional services, assisting each family to become more stable, in preparation of accessing permanent housing. During FY 2006-07 105 families moved into permanent housing and 205 families were transitioned into transitional and other housing.
- Through the Housing Opportunities for Persons with AIDS program, more than 57 persons living with HIV/AIDS and their families in the Contra Costa County portion of the Oakland Eligible Metropolitan Area received facility based housing assistance. The existing inventory of 227 HOPWA living units has been maintained in the Oakland EMA with additional projects underway to produce 466 additional units of affordable housing. Nineteen (19) of these units will be dedicated to persons living with AIDS
- Through the Hunger Program, more than 180,800 meals were provided by way of food distributions, hot meals, and the City's Annual Thanksgiving Dinner for the homeless, low-income, and seniors of Oakland.

The information included in this report contains a description of the activities completed with grant funds during FY 2006-07. In order to comply with reporting requirements, this information as well as the complete CAPER is due to HUD by September 30, 2007.

SUSTAINABLE OPPORTUNITIES

Economic: A significant portion of CDBG funds is 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 abatement of environmental hazards such as lead-based paint and other 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.

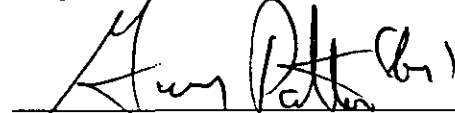
DISABILITY AND SENIOR CITIZEN ACCESS

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.

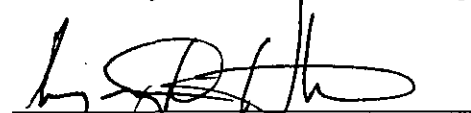
ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept and approve the Oakland's Consolidated Annual Performance and Evaluation Report (CAPER) for Community Development Block Grant, HOME, Housing Opportunities for People with AIDS and Emergency Shelter Grant Programs Performance for FY 2006-07 for transmittal to HUD by the September 30th 2007 deadline.

Respectfully submitted,



Claudia Cappio, Development Director,
Community and Economic Development Agency

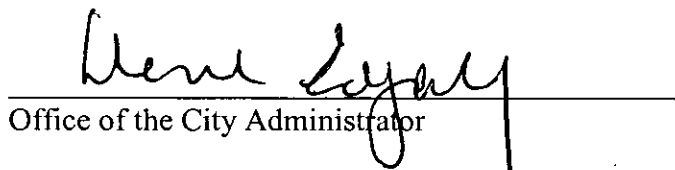


Gregory Hunter, Deputy Director,
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APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT
COMMITTEE



Office of the City Administrator