



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Shola Olatoye
Director, Housing and
Community Development

SUBJECT: COVID-19 Housing Stability Programs
and Rental Assistance

DATE: May 28, 2021

City Administrator Approval

Date: Jun 24, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation Related To COVID-19 Housing Stability Programs And Rental Assistance:

1. Resolution:
 - a) Awarding Grant Agreements For The Provision Of Housing Stability Services To Bay Area Community Services, Inc., Catholic Charities Of The Diocese Of Oakland, Doing Business As Catholic Charities East Bay, Centro Legal De La Raza, Inc., Collective Legal Services – The Eviction Defense Center, A Non-Profit Law Corporation, Building Opportunities For Self-Sufficiency, East Bay Asian Local Development Corporation, East Oakland Community Development Corporation, And Safe Passages In A Total Amount Not To Exceed Two Million Dollars (\$2,000,000); And
 - b) Awarding Grant Agreements For The Provision Of Housing Related Legal Services To Centro Legal De La Raza And Housing And Economic Rights Advocates In The Total Amount Not To Exceed One Million Five Hundred Thousand Dollars (\$1,500,000); And
 - c) Authorizing The City Administrator To Amend Grant Agreements Awarded Hereunder To Increase The Grant Award Or To Reallocate Funding Between Grantees, If Necessary, To Ensure The Timely Expenditure Of Community Development Block Grant Funds; And
2. Resolution Amending Grant Agreements With Bay Area Community Services, Inc., Catholic Charities Of The Diocese Of Oakland, Doing Business As Catholic Charities East Bay, Centro Legal De La Raza, Inc, And Collect Legal Services – The Eviction Defense Center, A Non-Profit Law Corporation For The Provision Of Rental Assistance To Eligible Households To Increase The Amount Of Each Grant Agreement For A Total Grant Amount Not To Exceed Twelve Million Six Hundred Eighty-One Thousand Six Hundred Forty-Three Dollars (12,681,643).

City Council
July 6, 2021

EXECUTIVE SUMMARY

Adoption of the two proposed resolutions will grant funds from two funding sources to expand the City's efforts to deliver rental assistance, housing stability services, and legal services to those impacted by the COVID-19 health pandemic. The two sources are: Community Development Block Grant Coronavirus (CDBG-CV) funds and United States Treasury (US Treasury) Emergency Rental Assistance Program (ERAP) funds.

In 2020, the City of Oakland received a total of \$8,245,435 in CDBG-CV funding from the United States Department of Housing and Urban Development (HUD) to address the impacts of COVID-19. Of this total, \$4,532,841 was from a first award of CDBG-CV ("CDBG-CV-1"), and \$3,712,594 was from a third round of CDBG-CV funding ("CDBG-CV-3").¹ On May 19, 2020 the City Council adopted Resolution No. 88135 CMS approving the allocation of CDBG-CV-1 funding for activities that will address the impacts of the COVID-19 health pandemic including supporting housing stabilization. On December 1, 2020 the City Council adopted Resolution No. 88416 CMS approving the allocation of CDBG-CV-3 funding for additional COVID-19 related housing activities.

In January 2021, the City received \$12,874,764 from the US Treasury in ERAP funding pursuant to the Consolidated Appropriations Act of 2021, enacted by the United State Congress in December 2020 ("Round One ERAP"). In February 2021, the City Council adopted Resolution No. 88520 CMS which accepted the funds and awarded \$9,750,000 in grants to four non-profit agencies to administer an emergency rental assistance program (seventy-five percent (75%) of the funds available). To date, 450 ERAP applications have been completed with checks released to landlords and other payees, on behalf of 273 beneficiary households, to pay their rent and utility arrears to housing and utility providers. Of the 450 completed applications, approximately 89 percent or 401 of applicants are extremely low income households. A total of \$2,931,643 remains for future rental assistance payments.

Subsequent to the award of the CDBG-CV funding, the Housing and Community Development Department (HCD) participated in a rolling Request for Qualifications (RFQ) requesting experience and expertise in areas related to emergency rental assistance programs, housing stability services, and housing related legal services. As of the most recent RFQ deadline of March 31, 2021, nine organizations responded to these components and are all proposed for funding.

On May 11, 2021, the City applied for additional ERAP funding available from the US Treasury ("Round Two ERAP") in the amount of \$19.6 million. On May 26, 2021, the City received the first forty percent (40%) installment of these funds in the amount of \$7,857,939. Staff will return to City Council to recommend acceptance, appropriation, and allocation of these funds.

Below is a summary of the proposed funding distribution for the remaining Round One ERAP funds and \$3.5 million in CDBG-CV-1 funding, by source, use and grantee.

¹ The City of Oakland was not eligible for the second round of CDBG-CV funding; this round directed funds to States and Insular Areas (American Samoa, Northern Mariana Islands, and US Virgin Islands, and Guam).

CDBG-CV-1 Funding - \$2,000,000 for Housing Stabilization Services

1. Bay Area Community Services (BACS)
2. Building Opportunities for Self Sufficiency (BOSS)
3. Catholic Charities East Bay (CCEB)
4. Centro Legal de la Raza (Centro)
5. East Bay Asian Local Development Corporation (EBALDC)
6. East Oakland Community Development Corporation (EOCDC)
7. Eviction Defense Center (EDC)
8. Safe Passages

CDBG-CV-1 Funding - \$1,500,000 for Housing Related Legal Services

1. Centro Legal de la Raza
2. Housing and Economic Rights Advocates (HERA)

ERAP Funding - \$2,931,643 for Emergency Rental Assistance

1. Bay Area Community Services (BACS)
2. Catholic Charities East Bay (CCEB)
3. Centro Legal de la Raza (Centro)
4. Eviction Defense Center (EDC)

Adoption of the two resolutions will ensure the timely spenddown of funds and ensure that both direct rental assistance and the services needed to ensure long term housing stability are provided to Oakland's most vulnerable residents. This agenda report provides details on the proposed uses for these funds and the groups identified as best qualified to deliver these services.

The remaining CDBG-CV-1 funding, along with CDBG-CV-3 funding will be utilized later this year for the Acquisition and Conversion of Affordable Housing program and as match for upcoming Project Homekey applications.

BACKGROUND / LEGISLATIVE HISTORY

On April 2, 2020 the City of Oakland received notification from HUD that it had been awarded \$4,532,841 in CDBG-CV-1 funds pursuant to the Corona Aid, Relief and Economic Secures Act (CARES Act).

On May 19, 2020 Oakland City Council adopted Resolution No. 88135 CMS, which approved and authorized the First Substantial Amendment to the City's 2019/20 Annual Action Plan (AAP) for forwarding to HUD for final approval. Said legislation authorized the City to apply for, accept and appropriate funding allocated to the City under HUD's CDBG-CV-1 round, along with Emergency Solutions Grant (ESG-CV) and Housing Opportunities for Persons With AIDS (HOPWA-CV) grants, to prepare for, prevent and respond to Coronavirus (COVID-19) impacts.

In December 2020, the United State Congress passed the Consolidated Appropriations Act, 2021, which included \$25 billion available to states, U.S. territories, local governments with populations over 200,000, and Indian tribes to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. The program is called the Emergency Rental

Assistance Program (ERAP) and as an eligible local government, the City received an ERAP funding allocation of \$12,874,764 from the US Treasury in January 2021.

On February 16, 2021, the City Council adopted Resolution No. 88520 CMS which awarded \$9,750,000 of its ERAP funding in grants to four non-profit agencies to administer the program, a total of seventy-five percent (75%) of the funds available.

Subsequent to the award of the CDBG-CV-1 funding, in collaboration with the City's Human Services Department, HCD issued a rolling Request for Qualifications (RFQ) which requested organizations present interest, experience and expertise in areas related to emergency rental assistance, housing stability services, and housing related legal services addressing the impacts of COVID-19. As of the most recent RFQ deadline of March 31, 2021, nine organizations responded to these components and are all proposed for funding from both CDBG-CV-1 funding, as well as the remaining ERAP funding.

On May 11, 2021, the City applied for \$19.6 million in additional ERAP funding from the US Treasury pursuant to the American Rescue Plan Act (ARPA). Once these funds are received, staff will return to City Council to recommend acceptance, appropriation, and allocation of these funds.

On April 2, 2020 the City of Oakland received notification from HUD that it had been awarded \$4,532,841 in CDBG-CV-1 funds pursuant to the Coronavirus Aid, Relief and Economic Secures Act (CARES Act).

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ANALYSIS AND POLICY ALTERNATIVES

Overview of City of Oakland COVID-19 Emergency Rental Assistance Keep Oakland Housed Program to Date

In September 2020, HCD launched a successful COVID-19 rental assistance program using CARES Act funding which assisted one thousand thirty-one (1,031) renters and seventeen (17) homeowners with short-term rental assistance, as follows:

- Seventy-two percent (72%) of recipients were extremely low-income households (at or below 30 percent (30%) of Area Median Income (AMI))
- Forty percent (40%) were Latinx/Hispanic households and thirty-six percent (36%) were African American households
- Over seventy-five percent (75%) of recipients resided in neighborhoods heavily impacted by COVID-19 infection based on data from Alameda County.

In April 2021, HCD launched the next phase of rental assistance programming using seventy-five percent (75%) of its ERAP funding from the US Treasury, pursuant to City Council

authorization provided in Resolution No. 88520 CMS adopted on February 16, 2021. This program phase is still processing applications, but expects to assist approximately 694 households, of whom are predominantly extremely low-income. **Attachment A** provides additional data on recipients of these funds as of June 17, 2021.

These programs have been successfully administered by Keep Oakland Housed (KOH), a collaboration of four non-profit partners: Bay Area Community Services (BACS), Catholic Charities East Bay, Centro Legal de la Raza, and the Eviction Defense Center (added for ERAP program). Grants are made to each agency individually and the scope of work references their participation in the KOH collaborative.

The KOH collaborative of agencies has performed extremely well, under tremendous pressure to quickly implement a large program subject to new and emerging Federal funding requirements. The City, along with the state and the entire country has never before seen the scale of this type of program, no less during a global health pandemic. Oakland's program has been pointed to as an example around the country for its targeting of extremely low-income residents and centering its work in racial equity.²

The following is a summary of program highlights and challenges.

Program Highlights:

- Development of a prioritization tool that elevated those most at risk of homelessness and housing instability was very effective. The tool prioritized various attributes associated with being at risk, with the following top priorities:
 - Previous experience of homelessness
 - Thirty percent (30%) of AMI
 - Live in a zip code with the highest rates of COVID-19 infection
- Creation of an online application and database that can generate data in real time, disaggregating by multiple data fields, including race, ethnicity, income and zip code.

Program Challenges:

- Building-out program guidelines, implementation tools, and compliance protocols based on new federal requirements in a short timeframe to ensure funds were delivered to needy residents as soon as possible; and
- Lack of funding for housing stabilization or legal services. The ERAP funding provided only ten percent (10%) for administrative and/or services costs. The City is using one and a half percent (1.5%) for administrative expenditures, leaving eight and a half percent (8.5%) for the administrative costs associated with implementing the program. As such, no funding has been available for housing stabilization or legal services.

Outreach Activities:

HCD created an outreach team comprised of five staff members. The team engaged in an extensive outreach campaign that included:

² Oakland's program is noted on page 5 of New York University's Report, "Advancing Racial Equity in Emergency Rental Assistance Programs" found at: https://furmancenter.org/files/Advancing_Racial_Equity_in_Emergency_Rental_Assistance_Programs_-_Final.pdf

- Email blasts, followed up with calls and emails, to over one hundred (100) community-based organizations, including churches, faith-based organizations, advocacy and community organizations, and social service agencies; as well as elected officials and all City department heads
- Virtual Zoom presentations to twenty organizations which included staff, members, and constituents
- Coordination with East Bay Rental Housing Association and the California Apartment Owners Association
- Responded to hundreds of phone calls and email inquiries, including over three hundred (300) in Spanish, as well as multiple other languages
- Media coverage in Oaklandside, East Bay Express, East Bay Times, San Francisco Chronicle, and Telemundo
- On-site distribution of paper applications
- Referrals from 211, Alameda County's website, and State of California's rental assistance program portal.

Attachment B provides detailed outreach information.

The response was swift; within four weeks (April 1 - 30, 2021), the program had received more applications than there was funding available to assist. As such, two weeks later, on May 17, 2021, the online application portal paused taking applications. At this point, applicants are being directed to the State of California's COVID-19 Rent Relief program (Housing is Key) which has ample funding remaining. Of the \$13.8 million that the State has dedicated for use in Oakland, as of May 17, 2021, only \$3.5 million in application requests had been received.

Extending and Expanding COVID-19 Housing Services Using ERAP and CDBG-CV-1 Funding

There are additional ERAP funds available to deploy to assist vulnerable tenants in paying back rent and utilities, and with CDBG-CV funding available, the City can supplement the rental assistance with housing stabilization services that provide the supports needed to ensure extremely low-income and at-risk households retain their housing and increase overall housing stability.

In the February 16, 2021 agenda report regarding ERAP funding allocations, HCD proposed identifying community-based organizations that are embedded in communities most heavily impacted by COVID-19 with the capacity to provide rental assistance and related services as potential additional KOH program partners. This effort seeks to deepen the program's connection to the most vulnerable communities and to build the capacity of additional organizations to increase the ecosystem of groups conducting this work. A selection process was conducted through the RFQ described above. As of the most recent RFQ deadline of March 31, 2021, nine organizations responded to these components and are all proposed for funding.

The distribution of the RFQ involved a coordinated outreach effort by the City's Department of Workplace and Employment Standards – Contracts & Compliance Division, Human Services Department – Community Housing Division (HSD-CHS), and Department of Housing & Community Development – CDBG Division.

In collaboration with HSD-CHS, the HCD-CDBG division released a Rolling RFQ for homeless services and CDBG-CV Housing Stabilization and Rental Assistance services. RFQ 228530 was released and distributed through the City's iSupplier System, monitored and managed by the Contracts & Compliance Unit. All iSupplier registrants received a link to the RFQ.

CDBG staff distributed the RFQ through its CDBG email contact list of non-profits, community members, and current CDBG subgrantees HSD-CHS's contact list and other rental assistance contacts garnered from Housing Resource Center staff and from online searches. In addition, CDBG staff posted the RFQ 228530 announcement and Addendums that followed on the City's website: <https://www.oaklandca.gov/services/apply-for-homeless-services-2020-rolling-request-for-qualifications>.

For each Addendum to the RFQ, the same outreach and distribution efforts were made, adding applicant agencies to RFQ 228530.

The nine organizations that applied, their scores, and identified service areas are presented in **Table 1**, below.

Table 1. RFQ Applicants for COVID-19 Housing Related Services

Applicant	Score	Service Categories		
		Housing Stabilization	Legal Services	ERAP
Centro	104	X	X	X
CCEB	103	X		X
EBALDC	102	X		X
Safe Passages	101	X		X
BACS	101	X		X
BOSS	100	X		X
HERA	99		X	
EDC	88	X		X
EOCDC	85	X		

Selection of CDCB-CV-1 Grantees: Housing Stabilization Services

Housing stabilization services are designed to assist extremely low-income households with the services and supports needed once rent and utility arrears have been brought current. These services will advance long-term housing stability by addressing the variety of barriers households may be encountering. These services will be flexible, tenant-centered and include:

- Counseling and advocacy services to address barriers to housing stability
- Housing navigation
- Financial coaching services
- Educational support to promote housing retention
- Connection to community resources, including legal services providers

This service component will also entail community outreach and engagement activities to ensure that those most in need of these services and the rental assistance available through

ERAP funding can access them. **Table 2** provides a breakdown of the agencies being recommended for CDBG-CV-1 funding to deliver housing stabilization services.

Table 2. Proposed Housing Stabilization Services Funding by Agency

Agency	Grant Amount
BACS	\$ 350,000
BOSS	\$ 300,000
CCEB	\$ 250,000
Centro	\$ 200,000
EBALDC	\$ 300,000
East Oakland CDC	\$ 125,000
Eviction Defense Center	\$ 175,000
Safe Passages	\$ 300,000
Total	\$2,000,000

Selection of CDCB-CV-1 Grantees for Housing Related Legal Services

The City of Oakland currently funds housing-related legal services through the Oakland Housing Secure (OHS) program. Now in its third year of operation, OHS provides legal assistance, as well as emergency financial assistance, to both tenants and homeowners. During this three-year period, over three thousand (3,000) tenants and homeowners have been provided with displacement prevention legal services, and seventy-six (76) have received emergency financial assistance. Current program funding runs through September 30, 2021.

Of those served, all have either been able to remain in their homes or move to another home without becoming at-risk of or experiencing homelessness.

With the impending lifting of various eviction moratoria, including the City's, the need for legal services will be greater than ever. In addition, there is a need for legal services for homeowners facing foreclosures and other challenges related to their mortgages and other housing-related debts. The use of CDBG-CV-1 funding to expand and extend these services will ensure that ongoing services are available.

The OHS program has been delivered by two agencies, as follows:

- **Tenant Services:** Centro Legal de la Raza is the program administrator and the work is performed by a collaboration of agencies, including Centro along with East Bay Community Law Center, Asian Pacific Islander Legal Outreach, Eviction Defense Center, Causa Justa:Just Cause, and The Unity Council.
- **Homeowner Services:** Housing and Economic Rights Advocates (HERA)

Table 3 provides a breakdown of the agencies being recommended for CDBG-CV-1 funding to deliver housing-related legal services. This proposed funding will facilitate the ramping up of services as eviction moratoria lift, as well as continue the programs through June 30, 2022.

Table 3. Proposed Housing Related Legal Services Funding by Agency

Agency	Grant	Population Served
Centro Legal de la Raza	\$1,000,000	Legal Services – Tenants
HERA	\$ 500,000	Legal Services - Homeowners
Total	\$1,500,000	

Selection of Grantees for ERAP

Staff recommends continuing the work of the existing KOH collaborative agencies which have done an excellent job providing emergency rental assistance to those most in need. Once all current eligible applications are funded, it is anticipated that a pipeline of applicants will remain. This recommendation would allocate the remaining twenty-five percent (25%) of ERAP funding in a manner that ensures that the existing pipeline of applications are funded immediately. Staff further recommends that Round Two ERAP funding be allocated to the new organizations identified from the RFQ process, who will be brought into the program now with CDBG-CV-1 funding, to deliver rental assistance services.

The basis for this recommendation is:

- Builds off the success of prior efforts to successfully deploy rental assistance program funds effectively and efficiently and minimizes the lapse in service. If new groups were brought in now, it would take no less than two months to enter into grant agreements and train them.
- The allocation of funding is based on past track record in deploying funds.
- Ensures Oakland tenants and property owners can gain access to these critical funds in a timely manner, with all the program implementation components now fully built-out.
- Facilitates onboarding and training of the three new organizations with CDBG-CV-1 funds which will then position them for delivering rental assistance once Round Two ERAP funding is available.

Table 4 provides the breakdown of proposed funding for the four agencies staff is recommending for deployment of the remaining Round One ERAP funding.

Table 4. Remaining Round One ERAP Funding

Agency	Total Grant
BACS	\$ 981,643
CCEB	\$ 650,000
Centro	\$ 650,000
Eviction Defense Center	\$ 650,000
TOTAL	\$2,931,643

The timeline for the KOH Emergency Rental Assistance Program is as follows:

- Round One ERAP - Phase One
 - Launched April 1, 2021

- Complete disbursement of funding by July 31, 2021
- Round One ERAP - Phase Two:
 - Continue accepting and processing applications starting no later than July 15, 2021
 - Expend all funds no later than December 31, 2021
- Round Two ERAP:
 - City Council accept funds and approval of program late Summer/early Fall 2021
 - Re-open program in late Summer/early Fall 2021
 - Expend all funds by March 31, 2022

FISCAL IMPACT

Pursuant to Resolution No. 88135 CMS, the City Council accepted and appropriated \$4,532,841 in CDBG-CV funding from HUD which have been budgeted in Fund 2108, Organization 89949, Project 1005525, Account 54011 or 54912.

Pursuant to Resolution No. 88520 CMS, the City Council accepted and appropriated \$12,874,746 in ERAP funding from the US Treasury which have been budgeted and identified as one-time stimulus funding in Fund 2071, Organization 89919, Project Code 1005781, Account 54011 or 54912.

PUBLIC OUTREACH / INTEREST

Public outreach related to the City's COVID-19 housing programs has involved broad engagement with community and faith-based organizations throughout the City and is detailed in **Attachment B**. In addition, HCD staff have engaged with stakeholders from the legal services and community services communities to discuss program design and objectives.

COORDINATION

This report and resolution have been reviewed by the Office of the City Attorney and by the Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The ERAP and CDBG-CV funding will be used to sustain Oakland's low-income renters in their housing, creating economic stability.

Environmental: There are no direct environmental impacts associated with the City Council action requested in this agenda report.

Race and Equity: Demographic data evidences that the COVID-19 health pandemic disproportionately impacts Oakland's lower-income residents and in particular the African

American and Latinx communities. The associated dual crises of homelessness and housing instability also disproportionately impact these same communities. Through targeting and prioritizing how funds are deployed, HCD can address racial equity impacts. HCD will also collect and analyze disaggregated data on a regular basis to evaluate the program and make corrections to the program in the case that racial equity goals and objectives are not being met.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation Related To COVID-19 Housing Stability Programs And Rental Assistance:

1. Resolution:
 - a. Awarding Grant Agreements For The Provision Of Housing Stability Services To Bay Area Community Services, Inc., Catholic Charities Of The Diocese Of Oakland, Doing Business As Catholic Charities East Bay, Centro Legal De La Raza, Inc., Collective Legal Services – The Eviction Defense Center, A Non-Profit Law Corporation, Building Opportunities For Self-Sufficiency, East Bay Asian Local Development Corporation, East Oakland Community Development Corporation, And Safe Passages In A Total Amount Not To Exceed Two Million Dollars (\$2,000,000); And
 - b. Awarding Grant Agreements For The Provision Of Housing Related Legal Services To Centro Legal De La Raza And Housing And Economic Rights Advocates In The Total Amount Not To Exceed One Million Five Hundred Thousand Dollars (\$1,500,000); And
 - c. Authorizing The City Administrator To Amend Grant Agreements Awarded Hereunder To Increase The Grant Award Or To Reallocate Funding Between Grantees, If Necessary, To Ensure The Timely Expenditure Of Community Development Block Grant Funds; And
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For questions regarding this report, please contact Greg Garrett, CDBG Manager, HCD, at 510-238-6183.

Respectfully submitted,

Shola Olatoye

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Attachments (2):

- A – Keep Oakland Housed ERAP Demographic Data
- B – ERAP Outreach Activity