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OAKLAND

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APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. 89379 C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPLY AS A LOCAL AGENCY PARTNER FOR FUNDS IN AN AMOUNT NOT TO EXCEED \$200,000,000 FOR AFFORDABLE HOUSING DEVELOPMENT GRANTS FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S HOMEKEY PROGRAM, AND ALLOCATING CITY CAPITAL MATCHING FUNDS IN A TOTAL AMOUNT NOT TO EXCEED \$21,608,441 AND CITY OPERATING FUNDS IN A TOTAL AMOUNT NOT TO EXCEED \$13,676,713 FOR HOMEKEY PROJECTS

WHEREAS, the California Department of Housing and Community Development ("Department") will issue a 2022 Notice of Funding Availability ("NOFA"), for the Homekey Program ("Homekey" or "Homekey Program") pursuant to Health and Safety Code Section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.); and

WHEREAS, the Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code); and

WHEREAS, Homekey will make available approximately \$1.45 billion in grant funding within the 2022-2023 fiscal year to local public entities, including cities, counties, or other local public entities within California to sustain and rapidly expand housing for persons experiencing homelessness or at-risk of homelessness, and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic; and

WHEREAS, of the \$1.45 billion in Homekey grant funds, \$1.2 billion is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF) established by the Federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2), and \$250 million is derived from the State's General Fund; and

WHEREAS, the City of Oakland desires to jointly apply for Homekey grant funds ("Application") with qualified sponsors ("Qualified Sponsors") to the Department for review and consideration; and

WHEREAS, Homekey funding allocations will be subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“Standard Agreement”), and all other legal requirements of the Homekey Program; and

WHEREAS, the City will issue a Homekey Request for Proposals (“City Homekey RFP”) in July 2022 to solicit Homekey project proposals for the City to jointly apply with Qualified Sponsors for Homekey grant funds, and

WHEREAS, staff will evaluate submitted proposals in response to the City Homekey RFP for threshold scoring and requirements; and

WHEREAS, the City wishes to apply, as the local agency partner, with Qualified Sponsors to the Department for Homekey Funds for qualified proposals from the Homekey RFP; and

WHEREAS, Homekey has a matching requirement for both the aggregate acquisition and rehabilitation costs of a property and the aggregate six-year operating costs of managing a program at such property; and

WHEREAS, Homekey will award funds for project costs to eligible projects from \$150,000 to \$200,000 per unit, with up to an additional \$100,000 per unit with a 1:1 local match, and up to three years of operating costs; and

WHEREAS, the City desires to include soft commitments for local matching capital and operating funds for the City’s Homekey applications to enhance the viability and competitiveness of the applications; and

WHEREAS, more than \$21,608,441 in funds for affordable housing development, of which Homekey acquisitions and rehabilitations are eligible uses, are available from Affordable Housing Impact Fees (Fund 1870, Project 1001674, Org 89929), Boomerang Funds (Fund 1870, Project 1000386, Org 89929), Excess Redevelopment Bond Funds (Funds 5611 and 5612, Project TBD, Org 89929), the Low and Moderate Income Housing Asset Fund (Fund 2830, Project TBD, Org 89929), and the HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) Fund (Fund 2109, Project 1006277, Org 89929); and

WHEREAS, up to \$9,464,475 in funds for operating subsidy, of which Homekey project operations are eligible uses, will be available from Permanent Local Housing Allocation (PLHA) funds (Fund 2144, Project 1006475, Org 89929) derived from the City’s entitlement allocation of State Bill 2 recording fee income, as approved by Council through Resolution No. 88211 C.M.S. and appropriated in the Mid-Cycle Budget; and

WHEREAS, more than \$4,212,238 of HOME-ARP funds (Fund 2109, Project 1006277, Org 89929) is available for either affordable housing development or affordable housing operating subsidy in the form of capitalized operating reserves; and

WHEREAS, Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement, and all other legal requirements of Homekey; and

WHEREAS, excess former redevelopment agency bond funds have been identified from the Central District redevelopment project area, and Council finds that this project area will be benefited by affordable housing projects developed throughout the City of Oakland, and such funds have been approved via the Bond Spending Plan adopted by Council through Resolution No. 88459, C.M.S. for use on Homekey and other affordable housing acquisition projects; and

WHEREAS, on October 1, 2019, the City adopted Ordinance No. 13564 C.M.S., an Emergency Ordinance Declaring a Shelter Crisis in the City of Oakland, with provisions to suspend State or local regulatory statues, regulations, and ordinances that could prevent timely delivery of housing and shelter solutions for the City's homeless residents, which Homekey projects could address with the support of exemptions from local City contract compliance requirements; and

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

WHEREAS, California Health and Safety Code section 50675.1.4 establishes a statutory exemption from the CEQA for projects using Homekey grant funds and other public funds that (a) provide safe and sanitary units restricted to individuals and families experiencing homelessness or at risk of homelessness for at least 55 years, (b) include commitments requiring all contractors performing construction work to be paid prevailing wage and use a skilled and trained workforce in accordance with California Public Contract Code Section 2600 et seq., and (c) do not increase the footprint of the building by more than 10 percent; and

WHEREAS, for those projects receiving federal funds, execution of loan or grant documents or other documents legally committing the City to fund the projects shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator; now, therefore, be it

RESOLVED: That the foregoing recitals are true and correct, and the City Council hereby makes them part of this Resolution; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator to submit an Application or Applications to the Department in response to the NOFA, soon to be released, for Homekey grant funds in a total amount not to exceed \$200,000,000 for capital and operating expenditures for Homekey projects selected by the City Administrator for application through the Homekey RFP process; and be it

FURTHER RESOLVED: That, after submitting applications to the Department, the City Administrator will return to the City Council for approval of specific Homekey projects and allocations of Homekey funding to those projects, and for full authorization to enter into, execute, and deliver Standard Agreements for particular Homekey projects for the total amount awarded, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department, and to participate in the Homekey Program, and all amendments thereto (collectively, "the Homekey Documents") on behalf of the City, as a local agency partner; and be it

FURTHER RESOLVED: That the City Council hereby allocates up to \$21,608,441 in City funds comprised of up to \$4,074,792 in Affordable Housing Impact Fees (Fund 1870, Project 1001674, Org 89929), up to \$6,000,000 in Boomerang Funds (Fund 1870, Project 1000386, Org 89929), up to \$1,490,997 from Excess Redevelopment Bond Funds (Funds 5611 and 5612, Project TBD, Org 89929), up to \$5,830,414 of Low and Moderate Income Housing Asset Funds (Fund 2830, Project TBD, Org 89929), and up to \$4,212,238 of HOME-ARP funds (Fund 2109, Project 1006277, Org 89929) for Homekey acquisitions and rehabilitations; and be it

FURTHER RESOLVED: That the City Council hereby allocates up to \$13,676,713 in City funds comprised of \$9,464,475 PLHA funds (Fund 2144, Project 1006475, Org 89929) and up to \$4,212,238 of HOME-ARP funds (Fund 2109, Project 1006277, Org 89929) for Homekey operating subsidy in the form of capitalized operating reserves; and be it

FURTHER RESOLVED: That the City hereby waives any City requirements of its Local and Small Local Business Enterprise (L/SLBE) Program, Local Employment Program, and Oakland Apprenticeship Program for Homekey projects funded under this Resolution; and be it

FURTHER RESOLVED: That the City Council hereby determines that the actions authorized by this Resolution are not subject to CEQA because this Resolution is not committing the City to any specific projects, and the City will be making the appropriate CEQA determinations before specific projects are authorized for funding; and be it

FURTHER RESOLVED: That the City Administrator is authorized to take whatever action is necessary with respect to the City Homekey RFP, the Applications and the City's participation in the Homekey Program consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

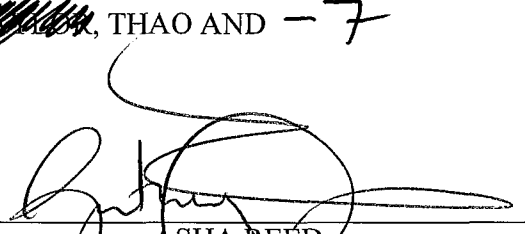
JUL 26 2022

AYES - FIFE, GALLO, KALB, KAPLAN, REID, ~~REID~~, THAO AND - 7
PRESIDENT FORTUNATO BAS

NOES - 0
ABSENT - 0
ABSTENTION - 0

Excused - Taylor - 1

ATTEST:


ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California