

Homekey 3.0

2022 Process

Staff Recommendations

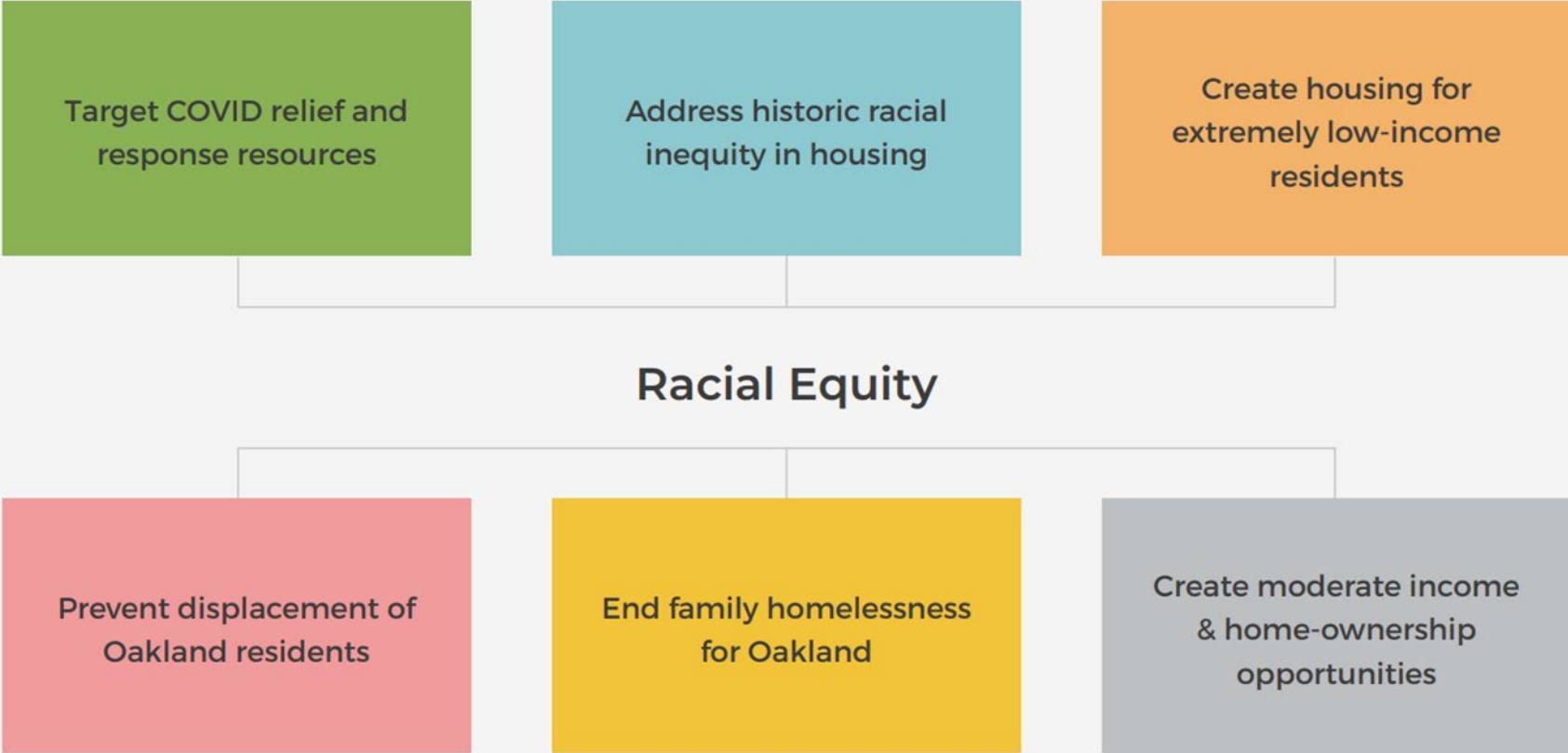
July 26, 2022



CITY OF OAKLAND

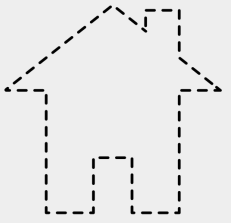
Department
Housing and Community Development₁

HCD Strategic Action Plan



Homelessness, Race, and Equity

Point-in-Time Count



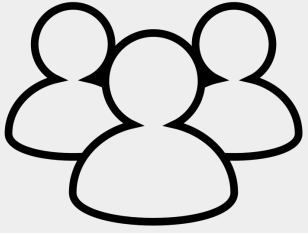
Oakland



Racial Disparity



Homekey Demographics



5,055

Homeless people living in Oakland

52%

of people who are homeless in Alameda County live in Oakland

60%

of people who are homeless in Oakland are Black

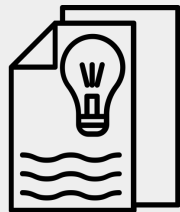
80%

of Oakland occupied Homekey units are occupied by Black residents



Homekey 1.0 & 2.0

Projects



5

Homekey Projects
Awarded

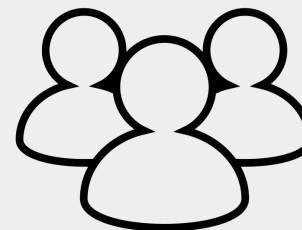
Units



276

Deeply affordable
units for unhoused*
(222 permanent,
54 transitional)

Demographics



98%*

BIPOC residents*

*Clifton Hall, Inn at Temescal & BACS Scattered
Sites Homekey 1.0 projects

Homekey1.0

Clifton Hall



- Repurposed college dormitory for over 100 residents
- 20 units for family shelter and 41 units for homeless seniors
- Shared kitchens on each floor

Inn at Temescal



- Repurposed motel
- 21 units for homeless veterans
- Shared kitchen and common space in repurposed lobby

BACS Scattered Sites



- 15 single family homes
- 80+ rooms for individuals who are homeless
- Shared kitchens and bathrooms



Homekey 2.0

[Conditional Award; Awaiting Final Determination]
Kingdom Builders Transitional Housing Program

Piedmont Place



- Repurposed motel
- 44 units for chronically homeless
- Shared common space

Inn by the Coliseum



- Repurposed motel
- 30 units for homeless and 6 for chronically homeless
- Kitchenettes in rooms and shared common space



- Repurposed motel
- 34 transitional units for homeless youth & individuals who are formerly incarcerated
- Shared common space

2021 Homekey 2.0 RFP Proposals

All applications were submitted by 1/31/22 State Homekey timeliness bonus deadline

Project Name	Project Sponsors	Homeless Units	Target Population	Award Status
Piedmont Place	MPI Homes and Bay Area Community Services (BACS)	44 permanent units	Chronically Homeless	Awarded Homekey Award
Coliseum Way	Danco and Operation Dignity	36 permanent units	Chronically Homeless	Awarded Homkey Award
Kingdom Builders Transitional Housing Program	Kingdom Builders Transitional Housing Program (Kingdom Builders Christian Fellowship)	34 transitional units (76 beds)	Homeless Youth, Formerly incarcerated homeless individuals	Awarded Conditional Funding Award
The Phoenix	East Bay Asian Local Development Corporation (EBALDC) and Allied/Abode	52 permanent units (101 total affordable units)	Chronically Homeless	Awaiting Award Determination
Foothill & Edes/ Clara Senior Housing	Housing Consortium of the East Bay (HCEB)	206 permanent units	Chronically Homeless	Awaiting Award Determination
Radisson	Shangri-La Industries, LLC and Step Up On Second Street Inc.	287 permanent units	Chronically Homeless	Not awarded Homekey funds

Public Outreach

Recommended approach is based on stakeholder outreach for the 2022 Homekey Request for Proposals (RFP)

Event	Date	Approach
Homekey webpage established with RFQ, RFP, general updates	June 2021 - now	https://www.oaklandca.gov/topics/city-homekey
EBHO Oakland Committee Meeting (Zoom)	May 25, 2022 & June 22, 2022	City staff discussed intention to release a 2022 Homekey Request for Proposals (RFP) ahead of Homekey 3.0 NOFA
Email Outreach	June 2, 2022 & June 28, 2022	Emails to all developers and sponsors on our list from Homekey Round 2 to let them know about Round 3 and connect them with property owners who were interested in partnering with Homekey Round 3 sponsors
Homekey Sponsor Feedback Session	June 30, 2022	Zoom session for sponsors to provide feedback on City's process for Homekey Round 2 and offer suggestion for how to improve for Round 3
More Homekey Feedback Sessions are planned	Early August 2022	Zoom sessions for sponsors to provide feedback

Post Homekey 2.0 Feedback

- Sponsors found process too slow –City must be ready to apply to the state ASAP after State NOFA release
- Sponsors valued City's stewardship and advocacy of projects through the Homekey application process
- Sponsors encouraged continuing City facilitation for sponsor partnering and owners selling
- Sponsors sought more clarity around City operating subsidy payment standards and OHA process
- Councilmembers expressed support for more homeless housing for LGBTQ+ and TAY residents

Homekey 3.0

- State issued its Homekey 2.0 NOFA in Sept-21, awarded funds “over the counter” in order of receipt starting Oct-21.
- City’s lengthy Homekey RFP and Council process went through Dec-21, with applications submitted in Jan-22.
- State expected to issue Homekey 3.0 NOFA this summer or fall.
- Homekey 3.0 NOFA should closely resemble 2.0.

Early submittals will be paramount to securing an award

Homekey 2.0 vs. 3.0

Comparison	Homekey 2.0	Proposed Homekey 3.0
Solicitation Process	RFQ followed by RFP	RFP only
Award Process	Highest scores rec'd to Council, Council approves submittals to Homekey	Complete applications that meet threshold requirements are submitted to Homekey in order of City receipt
Council Approval	One Homekey resolution for project-specific approvals	Two Homekey resolutions: 1) Council approves broad authority to apply and commit funds 2) Council approves specific projects to enter into State Standard Agreements, after applications have been submitted
Target Populations	People experiencing Homelessness, Chronic Homelessness	People experiencing Homelessness, Chronic Homelessness. 25% funding set-aside for Transitional-Aged Youth (TAY)
Outcome	City submitted top scoring applications to Homekey late in the Homekey NOFA period, missing regional set-aside funds	City can submit qualified applications to Homekey as soon as the Homekey NOFA is released, securing regional set-aside awards

Proposed Homekey Application Process

With this new approach, we will conduct a more streamlined process that learns from the challenges of Round 2 positions the City to secure more Homekey funding.

JULY 2022
Council authorizes City staff to apply to Homekey with City match commitments

AUG 2022
City staff issue RFP for Homekey proposals

SEPT-OCT 2022
City staff submit Homekey applications on a rolling basis for qualified applications

SEPT-OCT 2022
Council authorizes specific project commitments and Standard Agreements

**FALL 2022-
SPRING 2023**
Homekey awards

Fiscal Impact: Available Funding Sources & Uses

Source	Affordable Housing Impact Fees (AHIF)	Boomerang	Excess Redevelopment Bond Funds (ERB)	Low and Moderate Income Housing Asset Fund (LMIHAF)	HOME Investment Partnerships American Rescue Plan Program (HOME-ARP)	Permanent Local Housing Allocation (PLHA)
Fund Project Org	1870 1001674 89929	1870 1000386 89929	5611 & 5612 TBD 89929	2830 TBD 89929	2109 1006277 89929	2144 1006475 89929
Type of Match	Capital	Capital	Capital	Capital	Capital OR Operating	Operating
Amount	\$4,074,792	\$6,000,000	\$1,490,997	\$5,830,414	\$4,212,238	\$9,464,475
Total Potential Capital Match (AHIF, Boomerang, ERB, HOME-ARP)						\$21,608,441
Total Potential Operating Match (HOME-ARP, PLHA)						\$13,676,713

Next Steps

1. City Council adopts resolution July 26, 2022
2. City releases RFP in August 2022
3. State HCD releases Homekey 3.0 NOFA this Summer/Fall 2022
4. Project teams and City staff submit State Homekey NOFA applications by Fall 2022

Recommendations

Staff Recommendations for City Council Resolution:

1. Authorize 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
2. Allocate City capital matching funds in a total amount not to exceed \$21,608,441
3. Allocate City operating matching funds in a total amount not to exceed \$13,676,713 for Homekey projects