REVISED COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
September 30, 2025
APPROVED AS TO FORM AND LEGALITY

Lesley Csp
CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. 90894 C.M.S.

ADOPTING A RESOLUTION 1) AUTHORIZING THE APPROPRIATION OF ACCUMULATED NET REVENUE OF AFFORDABLE HOUSING PROGRAM FUNDING REVENUE FROM THE LOW AND MODERATE INCOME HOUSING ASSET FUND AND THE HUD-HOME INVESTMENT PARTNERSHIP FUND TO FUND THE NEW CONSTRUCTION OF MULTIFAMILY RENTAL AFFORDABLE HOUSING PROGRAM, RAPID RESPONSE HOMELESS HOUSING, ACQUISITION AND/OR CONVERSION TO AFFORDABLE HOUSING AND REHABILITATION OF EXISTING AFFORDABLE HOUSING (COLLECTIVELY, AFFORDABLE HOUSING PROGRAMS);
2) AUTHORIZING THE ANNUAL APPROPRIATION OF NET REVENUE OF AFFORDABLE HOUSING PROGRAM FUNDING REVENUE FROM THE LOW AND MODERATE INCOME HOUSING ASSET FUND AND THE HUD-HOME INVESTMENT PARTNERSHIP FUND FOR AFFORDABLE HOUSING PROGRAMS FOR A PERIOD OF FIVE YEARS,
3) ALLOCATING FUNDS FROM MEASURE U HOUSING BOND AND OTHER NON-BOND FUNDS IN A TOTAL AMOUNT NOT TO EXCEED $66 MILLION FOR AFFORDABLE HOUSING PROGRAMS,
4) REALLOCATING IMPACT FEES AND OTHER AFFORDABLE HOUSING CAPITAL SOURCES FUNDS APPROVED THROUGH THE FISCAL YEAR 2025-26 REVENUE TO AFFORDABLE HOUSING PROGRAMS, AND
5) AUTHORIZING THE CITY ADMINISTRATOR TO MAKE DEVELOPMENT LOANS AND GRANTS UNDER THE AFFORDABLE HOUSING PROGRAMS, CONTINGENT ON FUNDING AVAILABILITY

WHEREAS, the City's Consolidated Plan for Housing and Community Development ("HCD") and HCD's 2023 – 2027 Strategic Action Plan indicates that there is a severe need for affordable rental housing, and has identified this activity as a priority; and

WHEREAS, the City of Oakland ("City") periodically issues a Notice of Funding Availability ("NOFA") or Request for Proposals ("RFP") soliciting applications for funding affordable housing developments under the following funding programs: New Construction of Multifamily Rental Affordable Housing Projects, Homekey and Rapid Response Homeless Housing, Acquisition and Conversion to Affordable Housing and Rehabilitation of the Existing Affordable Housing; and

WHEREAS, the projects that apply for funding through the NOFA/RFPs must be consistent with the City's Project Development Guidelines, and each developer must meet the City's Threshold Developer Criteria in order to qualify for funding; and

WHEREAS, the projects that apply for funding through the NOFA/RFPs are evaluated and scored on criteria specified in the applications, and the highest ranked projects will be recommended for funding as long as adequate funding is available; and

WHEREAS, City funding commitments through the NOFA/RFP processes are critical for affordable housing developers to secure other sources of affordable housing funding from County. State and Federal sources, and the NOFA/RFP's established funding priorities seek to align with both the City's funding priorities for affordable housing spending and those of other funders; and

WHEREAS, funds for affordable housing development in the total amount of approximately $60 million was either approved in the Fiscal Year (FY) 2025-26 Midcycle Budget, unappropriated carryforward funds available for affordable housing development, or may be awarded from pending funding allocations from the Affordable Housing Trust Fund (Funds 1870/1871/1872) (Jobs/Housing Impact Fees, Affordable Housing Impact Fees, and the Former Redevelopment Funds portion of the Affordable Housing Trust Fund), the Low and Moderate Income Housing Asset Fund (Fund 2830), the 2011A-T Subordinated Housing (Fund 1885), the HUD HOME Investment Partnership Program Fund (Fund 2109), the Affordable Housing and Infrastructure Bond (Measure U) second affordable housing tranche (Fund 5343), State HCD Local Housing Trust Fund funds (Fund 2144), and several former Redevelopment excess proceeds funds: Central District Projects (Fund 5610), Central District: TA Bonds Series 2009T (Fund 5613). Central District: TA Bonds Series 2006T (Fund 5614) and Central City East TA Bonds Series 2006A-T (Taxable) (Fund 5643) to assist the projects and programs; and

WHEREAS, funding in the approximate amount of $2 million to $6 million annually from program income on the City's affordable housing portfolio is anticipated to be available in the Low and Moderate Income Housing Asset Fund (Fund 2830) and the HUD HOME Investment Partnership Program Fund (Fund 2109) for affordable housing activities between now and FY 2029-30; and

WHEREAS, the second issuance of the bonds authorized by Measure U is anticipated in Fall 2025; and

WHEREAS, unfunded affordable housing pipeline projects from recent NOFA/RFPs and expressions of interest in the City's upcoming NOFA/RFP processes appear to represent more demand for local subsidy than the previously identified sources of funding will be able to accommodate; and

WHEREAS, multiple affordable housing developments funded by previous City funding opportunities require additional local subsidy to be competitive for tax credits and tax-exempt bonds allocated by the State of California due to rising interest rates and construction cost increases, as well as State Homekey funding, and other competitive sources of affordable housing funding available to leverage City funding; and

WHEREAS, Measure U was adopted by the Oakland voters in November 2022, and authorized the City to issue $350 million in General Obligation Bonds to support affordable housing; and

WHEREAS, the second issuance of the bonds authorized by Measure U is expected to take place in late 2025, with $180 million available for affordable housing activities; and

WHEREAS, within second issuance of the bonds authorized by Measure U, spending of $140 million has already been authorized for project and program funding commitments for affordable housing development, leaving $40 million available to be authorized for affordable housing activities; and

WHEREAS, pursuant to Section 3(C) of Measure U, prior to issuance of the bonds, Council must identify how the projects authorized for funding with Measure U bond proceeds address social and geographic equity and provide greater benefit to underserved populations and geographic areas of greatest need, address improvements to the City's existing core capital assets, and maintain or decrease the City's existing operations and maintenance costs; 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, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City have been satisfied or will be satisfied for these projects prior to the City making a funding commitment to projects; and

WHEREAS, for those projects receiving federal funds, execution of loan and/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 City Council hereby authorizes the City Administrator to provide loans and/or grants in a total amount not to exceed $66 million, to be used for development of affordable housing projects that previously received an award of City funds or are selected by the City Administrator as a potential recipient through the upcoming New Construction of Multifamily Rental Affordable Housing Projects, Homekey and Rapid Response Homeless Housing, Acquisition and Conversion to Affordable Housing and Rehabilitation of the Existing Affordable Housing NOFA/RFPs (collectively, the City Housing Programs), without returning to Council; and be it

FURTHER RESOLVED: That, in connection with the loans and/or grant awarded under the City Housing Programs NOFA/RFPs authorized herein, the City Council hereby allocates up to $40,000,000 in remaining proceeds from the second available sale of Measure U bonds, contingent on the issuance and sale of Measure U Bonds in a sufficient amount and approval of the final project funding authorization legislation related to such issuance, of which $35,500,000 will be available for project and program funding in the Affordable Housing and Infrastructure Bond (Measure U) second affordable housing tranche (Fund 5343); and be it

FURTHER RESOLVED: That, in connection with the loans and/or grant awarded under the City Housing Programs NOFA/RFPs authorized herein, the City Council hereby allocates up to $29.75 million from the Affordable Housing Trust Fund (Funds 1870/1871/1872) (Jobs/Housing Impact Fees, Affordable Housing Impact Fees, and the Former Redevelopment Funds portion of the Affordable Housing Trust Fund), the Low and Moderate Income Housing Asset Fund (Fund 2830), the 2011A-T Subordinated Housing (Fund 1885), the HUD HOME Investment Partnership Program Fund (Fund 2109), State HCD Local Housing Trust Fund funds (Fund 2144), and several former Redevelopment excess proceeds funds: Central District Projects (Fund 5610), Central District: TA Bonds Series 2009T (Fund 5613). Central District: TA Bonds Series 2006T (Fund 5614) and Central City East TA Bonds Series 2006A-T (Taxable) (Fund 5643) to assist the projects and programs; and be it

FURTHER RESOLVED: That funding in the approximate amount of $2 million to $6 million annually from program income on the City's affordable housing portfolio is anticipated to be available in the Low and Moderate Income Housing Asset Fund (Fund 2830) and the HUD HOME Investment Partnership Program Fund (Fund 2109) for affordable housing activities between now and FY 2029-30; and be it

FURTHER RESOLVED: That the City Administrator shall have the authority to appropriate annual program income received in prior year(s) and available fund balance as allowed from Low and Moderate Income Housing Asset Fund (Fund 2830) and the HUD HOME Investment Partnership Program Fund (Fund 2109), if confirmed by the Finance department-Budget Bureau, for use in appropriate affordable housing activities between now and FY 2029-30; and be it

FURTHER RESOLVED: That the appropriated funds from Fund 2830 and Fund 2109 shall be utilized for eligible affordable housing programs and projects in accordance with HCD's adopted Strategic Action plans guiding affordable housing investments, with reporting to the City Council on fund usage provided on an annual basis; and be it

FURTHER RESOLVED: That t the City Administrator's discretion, may reallocate funds between project awardees within the funding amounts specified in this Resolution and previous City Council allocations for Affordable Housing Programs to best leverage State and other funding sources, and be it

FURTHER RESOLVED: That the making of each loan and/or grant shall be contingent on the availability of sufficient funds in the above funds; and be it

FURTHER RESOLVED: That each loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in their discretion, with repayment to the City from surplus cash flow from the project and other available funds during the term of the loan, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator determines are in the best interests of the City and the project, and grants shall be of a similar duration, or on such other terms and schedule as the City Administrator determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That as a condition of each loan and/or grant, the City will require that appropriate restrictions on project occupancy, rents and operations be recorded against project land and/or improvements; and be it

FURTHER RESOLVED: That each loan shall be secured by a deed of trust on the project land and/or improvements; and be it

FURTHER RESOLVED: That loan and/or grant funds shall be reserved for a period of no more than 24 months from the date of the commitment letter, and shall be subject to reprogramming at the end of this period unless the developer has secured commitments for full project funding or provided other assurances of adequate project funding that the City Administrator deems sufficient within their discretion, within the reservation period; and be it

FURTHER RESOLVED: That the making of each loan and/or grant shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator in their discretion to subordinate the priority of any of the City's recorded interests in each project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the project, if the City Administrator determines that (1) an economically feasible alternative method of financing the project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the City's investment in the project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to make specific allocations of the loan and/or grant funds approved under this Resolution among the projects without returning to Council; and be it

FURTHER RESOLVED: That the City Council finds and determines that the New Construction of Multifamily Rental Affordable Housing Projects, Homekey and Rapid Response Homeless Housing, Acquisition and Conversion to Affordable Housing and Rehabilitation of the Existing Affordable Housing funded by this Resolution (1) will address social and geographic equity and provide greater benefit to underserved populations and geographic areas of greatest need by increasing and preserving the stock of affordable rental housing with long-term affordability restrictions throughout Oakland; (2) will not impact the City's existing core capital assets, but may provide collateral improvements to such assets as part of project development; and (3) will not impact the City's existing operations and maintenance costs, since the operations and maintenance cost of the projects will be covered by the property owner; and be it

FURTHER RESOLVED: That the City Council-finds and determines that this action is not subject to CEQA since it is not funding any specific projects, but that the City Administrator will make the environmental determinations under CEQA for each project that is selected prior to making a loan and/or grant; and be it

FURTHER RESOLVED: That the City Administrator shall cause to be filed with the County of Alameda a Notice of Exemption or Notice of Determination for each project as appropriate; and be it

FURTHER RESOLVED: That execution of loan and/or grant documents or other documents legally committing the City to fund a project with federal funds will be expressly conditioned on compliance with the requirements of NEPA, as certified by the City Administrator; and be it

FURTHER RESOLVED: That all loan and/or grant documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator to determine funding allocations, conduct negotiations, execute documents, administer the loans, extend or modify the repayment terms, and take any other action with respect to the loans, funding allocations, and the projects consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, OCT 7 2025

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, RAMACHANDRAN, Houston ~~REID~~, UNGER, WANG, AND PRESIDENT JENKINS -7

NOES -0
ABSENT -0
ABSTENTION -0
1 Excused - Houston

ATTEST: [signature]

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