

  
City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**A RESOLUTION:**

- 1. ESTABLISHING A RAPID RESPONSE HOMELESS HOUSING (R2H2) PROGRAM TO FUND PROJECTS THAT PROVIDE HOUSING TO PEOPLE EXPERIENCING OR AT RISK OF HOMELESSNESS IN AN EXPEDITIOUS AND EFFECTIVE MANNER,**
- 2. ALLOCATING CITY CAPITAL FUNDS IN A TOTAL AMOUNT NOT TO EXCEED \$10,400,740 AND OPERATING FUNDS FROM THE STATE OF CALIFORNIA PERMANENT LOCAL HOUSING ALLOCATION GRANT PROGRAM IN AN AMOUNT ESTIMATED TO BE \$19,667,562 TO THE R2H2 PROGRAM,**
- 3. AUTHORIZING THE CITY ADMINISTRATOR TO FUND LOANS OR GRANTS UNDER THE R2H2 PROGRAM WITHOUT RETURNING TO COUNCIL,**
- 4. WAIVING LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE (L/SLBE), LOCAL EMPLOYMENT, AND OAKLAND APPRENTICESHIP REQUIREMENTS FOR PROJECTS FUNDED UNDER THE R2H2 PROGRAM, AND**
- 5. MAKING RELATED CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

**WHEREAS,** the City established a Rapid Response Homeless Housing Fund in the 2023 – 2025 two-year budget pursuant to Resolution No. 89804 C.M.S. to invest in housing that can quickly be made available to house people experiencing homelessness to address the City's extensive homeless and affordable housing crisis; and

**WHEREAS,** the City's Housing and Community Development Department's ("DHCD") racial equity analysis has identified that the creation of housing available for homeless exits should be a priority to address the inequitable proportion of Black residents who are experiencing homelessness in Oakland; and

**WHEREAS**, DHCD has a strong track record of selecting and funding projects to provide homeless exits housing, leveraging funding under the Homekey program (“Homekey”) administered by the California Department of Housing and Community Development (“California HCD”), as well as other State and local funding sources that has resulted in 299 new units of homeless exits housing in a two-year period; and

**WHEREAS**, the need for this type of housing is ongoing and calls for an ongoing local approach to support the creation of additional homeless exits housing in a rapid manner in order to acquire viable properties that are on the market and to bring units online quickly to house people who are experiencing the trauma of homelessness;

**WHEREAS**, in response to this need and to operationalize the deployment of the Rapid Response Homeless Housing Fund created by the City Council, staff is proposing a Rapid Response Homeless Housing (“R2H2”) Program that will initially be coupled with the release of a Homekey Round 4 RFP by California HCD; and

**WHEREAS**, should California HCD release a Homekey Round 4 Notice of Funding Availability (“NOFA”) and/or subsequent Homekey NOFAs that call for a local match, and/or should other sources of funding for homeless housing become available that call for a local match, the R2H2 funds would be an appropriate source for this local match; and

**WHEREAS**, staff’s evaluation of submitted proposals in response to the City Homekey Round 4 RFP for threshold scoring and requirements will also apply to the R2H2 Program; and

**WHEREAS**, \$10,400,740 in funds for affordable housing development, of which \$8,233,118 are available from the adopted FY 23-25 Biennial Budget as “boomerang funds” (Fund 1870, Project 1007110, Org 89929) and the Low and Moderate Income Housing Asset Fund (Fund 2830, Project 1007110, Org 89929), and the remaining \$2,167,622 will be available from Fund 1870, Project 1007110, Org 89929 in FY 24-25 mid-cycle budget process; and

**WHEREAS**, an estimated amount of \$19,667,562 in funds for operating subsidy, of which R2H2 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

**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 statutes, regulations, and ordinances that could prevent timely delivery of housing and shelter solutions for the City's homeless residents, which R2H2 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,** 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 establishes a Rapid Response Homeless Housing ("R2H2") Program to ensure the continuing development of housing serving people at risk of or experiencing homelessness and building on the Homekey model; and be it

**FURTHER RESOLVED:** That the City Council hereby allocates up to \$10,400,740 for the development of R2H2 Program projects, of which \$8,233,118 is from Fund 1870, Project 1007110, Org 89929 and \$2,167,622 is from Fund 2830, Project 1007110 and Org 89929; and be it

**FURTHER RESOLVED:** That, conditioned on the allocation of State PHLA funds which, for a five-year period from 2019-20 through 2023-24, is estimated to total \$19,667,562, the City Council hereby allocates all PLHA funds received by the City from FY 2019/20 through 2023/24 (Fund 2144, Project 1006475, Org 89929) for operating subsidy for R2H2 Program projects; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to select borrowers or grantees and award loan or grant funding under the R2H2 Program in a total amount not to exceed the amounts allocated by this Resolution without returning to Council, and to negotiate and enter into such agreements as necessary to provide such funding; and be it

**FURTHER RESOLVED:** That the making of each loan or grant under the R2H2 Program shall be contingent on and subject to such appropriate terms and conditions as the City Administrator may establish; and be it

**FURTHER RESOLVED:** That as a condition of funding under the R2H2 Program, the City will require that appropriate restrictions on project occupancy, property operations, and the delivery of supportive services be recorded against the property and any project improvements; and be it

**FURTHER RESOLVED:** That all loan/grant documents and other funding agreements 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 subordinate the priority of any of the City's recorded interests in each project property to a lien or encumbrance of another private or government 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 interest of the City; and be it

**FURTHER RESOLVED:** That funds allocated to the R2H2 Program may also be used as the local capital or operating match for Homekey projects and/or other funds that become available for homeless housing and that call for a local match; and be it

**FURTHER RESOLVED:** That the City Council hereby waives the requirements of the City's Local and Small Local Business Enterprise (L/SLBE) Program, Local Employment Program, and Oakland Apprenticeship Program for R2H2 Program 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 Administrator will be making the appropriate CEQA determinations before specific projects are authorized for funding; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator as agent of the City to conduct negotiations, execute and submit all documents, administer the loans or grants, extend or modify the repayment terms and take any other actions with respect to the R2H2 Program consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND  
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST:

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