

CITY OF OAKLAND

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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: 2015/16 Consolidated Annual
Performance & Evaluation Report for
CDBG, HOME, ESG & HOPWA

DATE: September 7, 2016

City Administrator Approval

Date:

9/29/16

RECOMMENDATION

Staff Recommends That City Council Conducts A Public Hearing And Upon Conclusion Accept And Submit To The U.S. Department of Housing & Urban Development, The City's Consolidated Annual Performance and Evaluation Report for Fiscal Year 2015/16 Community Development Block Grant, HOME Investment Partnerships, Housing Opportunities for Persons With AIDS, and Emergency Solutions Grant Programs.

EXECUTIVE SUMMARY

This report transmits to the City Council, the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year (FY) 2015/16 as mandated by the Department of Housing and Urban Development (HUD). The full CAPER Report is available for review on the City's website, under the Housing & Community Development page, "Policy and Planning" section: <http://www2.oaklandnet.com/government/o/hcd/s/Data/DOWD008690>.

The draft CAPER was submitted to HUD September 30, 2016 to comply with HUD reporting requirements and deadlines, with final CAPER for the City of Oakland, pending City Council acceptance of the informational report. Additional comments or revisions recommended by Council will be forwarded in the final CAPER submission to HUD.

The 2015/16 CAPER provides a summary of the activities carried out with Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) formula grant funds awarded to the City of Oakland for FY 2015/16.

BACKGROUND / LEGISLATIVE HISTORY

Each year, the City of Oakland receives Federal Formula grant funds from the U.S. Department of Housing and Urban Development (HUD) under the CDBG, HOME, ESG and HOPWA programs. On July 7, 2015, Oakland City Council approved for forwarding to HUD, the Five Year Consolidated Plan (Con Plan) for Fiscal Years 2015/16 through 2019/20. The Con Plan outlined the City's General Strategic plan for the aforementioned five-year period and identified

Item: 4

Community & Economic Development Committee
October 11, 2016

one-year needs, goals, priorities, strategies and proposed actions for the FY 2015/16 formula grants referenced above.

As required by HUD, the City Council holds two public hearings – one to review proposed program allocations, annual plans and public comments on the Annual Action Plan; and one to review program performance and accomplishments through information provided in the CAPER.

The City's 2015/16 CAPER is the City's first CAPER submitted electronically through the eCon Planning Suite of HUD's *Integrated Disbursement & Information System (IDIS)* and template as required by Notice CPD¹-12-009.

ANALYSIS AND POLICY ALTERNATIVES

HUD allocates Federal funds to eligible localities for housing and community development activities. These funds are from four Federal formula grant programs awarded annually:

1. **CDBG:** *Grant awarded by HUD to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.*
2. **HOME:** *Grant awarded by HUD to state and local governments designed exclusively to create affordable housing for low-income households.*
3. **ESG:** *Grant awarded by HUD to entitled cities and counties to provide homeless services through street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and Homeless Management Information Systems.*
4. **HOPWA:** *Grant awarded by HUD to local communities, States, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.*

As a condition of receiving these grant funds, Federal regulations require recipient jurisdictions to update their most recent Five-Year Consolidated Plan, with the preparation and submission of the City's Consolidated Annual Action Plan (AAP). To report on the progress towards goals and priorities set in the AAP for the CDBG, HOME, HOPWA and ESG programs, the City is required to submit to HUD the (CAPER).

The City prepared and submitted its fifth five-year Consolidated Plan in 2015, covering FY 2015/16 through 2019/20. To satisfy HUD regulations, requiring jurisdictions to prepare a CAPER annually, evaluating activities and objectives performed under the use of the formula grant funds, the City satisfied this requirement and met the HUD imposed reporting deadline with the submission of the draft 2015/16 CAPER to HUD. To finalize the submission of the

¹ Community Policy & Development

CAPER presented to HUD, staff requests Council approval of the CAPER, which can be reviewed at: <http://www2.oaklandnet.com/Government/o/hcd/s/Data/DOWD008690> .

The CAPER provides information on accomplishments in the City of Oakland, for the program year July 1, 2015 through June 30, 2016. The FY 2015/16 CAPER outlines the accomplishments of goals and priorities set forth in the 2015/16 Annual Action Plan for providing affordable housing, supportive services for the homeless and persons with special needs, and non-housing community development activities.

The full CAPER includes narrative sections that provide a summary of the City's progress during the reporting period to address the City's stated housing and community development goals and objectives. The information corresponds to each priority area established in the FY 2015/16 AAP.

In addition to being available online for City Council and general public review, hard copies of the CAPER have been made available for public review at the Oakland Main Library, Oakland City Clerk's Office and the Department of Housing & Community Development.

Attachment B provides summarized narratives from the CAPER.

FISCAL IMPACT

Fiscal Impact is not applicable to the approval of the 2015/16 Consolidated Annual Performance & Evaluation Report (CAPER).

PUBLIC OUTREACH / INTEREST

A *Public Notice* is required to review and receive written comments on the CAPER prior to submitting the final CAPER to HUD. Notices were run in the *Oakland Tribune* portion of the *East Bay Times*, *El Reportero*, and the *Sing Tao Daily* newspapers announcing the availability of the draft CAPER for Oakland citizen review and feedback. Said notice, also posted on the City of Oakland's *Policy & Planning* page of the City of Oakland's website, notified the reader of the:

- Public Comment Period - September 15, 2016 through September 30, 2016
- Due Date For Public Comments – September 30, 2016
- Forwarding Information for Public Comments:
 - cdbg@oaklandnet.com
 - City of Oakland, CDBG Division of the Department of Housing & Community Development (DHCD)
- Access to Draft CAPER for Public Review & Comment Available at:
 - Oakland Main Library
 - City of Oakland Department of Housing & Community Development
 - City of Oakland Office of the City Clerk
 - Online access: www2.oaklandnet.com/Government/o/hcd/s/Data/DOWD008690

Item: _____
CED Committee
October 11, 2016

A *Public Hearing* will be held Tuesday, October 18, 2016 in the City Council Chambers to present the final CAPER to Council.

COORDINATION

CDBG staff worked with various City of Oakland departments and sub-recipients of the 2015/16 CDBG, HOME, HOPWA and ESG grants to submit updated information as reported in the 2015/16 CAPER pertaining to accomplishments (projects and services) funded by the four HUD Formula Entitlement Grants and other required program reporting for FY 2015/16.

SUSTAINABLE OPPORTUNITIES

Economic: CDBG grants fund and support organizations that provide economic development, public facilities, infrastructure and social services for low and moderate-income communities and expand social service and construction jobs. Projects that receive funding through HOME and HOPWA expand the affordable housing inventory and generate construction and professional service jobs. ESG supports homeless persons with rapid re-housing, outreach, support services, homeless prevention, and shelter, operational costs of the shelter facility, utility assistance and administration of the grant.

Environmental: The CDBG provides funding for services to rehabilitate blighted or substandard housing, remove hazards such as lead-based paint and other health and building safety issues that help preserve existing City housing stock and improve the environment. The CDBG also provides funding for the Residential Lending Program, which administers the housing rehabilitation programs. Staff encourages construction contractors, property owners and housing developers to make substantial use of recycled content building materials, energy-conserving building designs and appliances as well as water conserving fixtures and landscaping. Housing Development loans support construction projects that will meet or exceed the green building standards developed by StopWaste of Alameda County and must be GreenPoint Rated. Also, housing development projects are infill projects near transportation and reduce pressure to build on agricultural and other undeveloped land and reduce dependency on automobiles.

Social Equity: Services and housing provide benefit to neighborhoods, low-moderate community, elderly and disabled and contribute to the safety, security and well-being of homeowners.


ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Convene A Public Hearing And Upon Conclusion Accept And Submit to HUD, the City of Oakland's Consolidated Annual Performance & Evaluation Report for FY 2015/16 CDBG, HOME, HOPWA and ESG programs.

Item: _____
CED Committee
October 11, 2016

For questions regarding this report, please contact Gregory Garrett, Acting CDBG Manager, at 510.238.6183.

Respectfully submitted,



Michele Byrd
Director, Department

Reviewed by:
Michele Byrd, Director

Prepared by:
Gregory Garrett, Acting Manager
Community Development Block
Grant/Commercial Lending Division

Attachments (2):

A: Summary of Accomplishments Reported in the 2015/16 CAPER

2015-16 CAPER SUMMARY

Housing and Homelessness Accomplishments

The Five Year Consolidated Plan established priorities and goals for addressing issues of affordable housing and homelessness. The summary below is organized according to those priority areas.

For the 2015/16 program year, the City's housing and homeless programs, funded through CDBG, HOME, HOPWA and ESG funds with leveraged funds, achieved:

Preservation/Expansion of the Supply of Affordable Rental, Ownership and Special Needs

Housing

- A total of \$5,007,000 was awarded to two new construction projects in 2015/16. Funds awarded include HOME, Low Mod Housing Asset Funds and local Affordable Housing Trust Fund. The Projects include: Redwood Hill Townhomes; and Fruitvale Transit Village, Phase 2A

First Time Homebuyers Program

- Made 40 MAP loans totaling \$2,458,896 in FY16 before funds were exhausted.
- Re-appropriated revolving funds from program income to make the above loans.
- Issued the final \$24,502 to a First Time Homebuyer, completing the full expenditure of the Local Housing Trust Fund

Assistance to Homeowners, Tenants and Neighborhoods

- Continued Oakland Sustainable Neighborhoods Initiative (OSNI), a public-private partnership to revitalize International Blvd Corridor areas without displacing long-time residents and small businesses.
- Wrote Oakland Housing Equity Roadmap, a comprehensive action plan for new City policies and programs, including public/private initiatives, to address Oakland's priority housing problems including anti-displacement of long-time residents, housing habitability, unmet housing needs of working class families, and new funding resources or private development incentives to build new affordable housing.
- Continued the Community Buying Program that organizes nonprofit and mission-oriented for-profit developers to transform abandoned properties into new affordable housing opportunities.
- Continued the Homeownership Preservation Loan Fund that provides up to \$50,000 to prevent foreclosure or home loss for Oakland homeowners. Administered by Unity Council, the Fund has served 16 households.

4
COMMUNITY & ECONOMIC
DEVELOPMENT CMTE.

1
OCT 11 2016

- Continued the Pay It Forward Fund (tenant anti-displacement) that provides up to \$5,000 to prevent displacement of tenants.
- Continued supporting comprehensive foreclosure prevention services that provides outreach services to over 4,600 households, counseling or legal services to homeowners and related counseling or legal services tenants.
- Continued operations of the Housing Assistance Center, a one-stop housing services and referral system, which served approximately 2,500 vulnerable residents.
- Continued operations of the Investor owned properties registration & maintenance program.
- Supported the Healthy Housing Integrated Case Management program, City Code Enforcement and County Public Health staff provided integrated services to families with health problems due to their housing conditions.

Housing Rehabilitation and Neighborhood Improvement

- Residential Lending Unit was responsible for completing 66 rehabilitation projects.
- The Home Maintenance and Improvement Program (HMIP) completed rehabilitation of 25 units of owner-occupied housing. An additional 6 units are underway.
- HMIP benefited the homeowners with remediation of dangerous health and safety issues, major energy efficiency improvements, lead paint hazards, as well as housing code violations. The homeowners also benefited from home management counseling, lead hazard risk assessments and consultation, protection from predatory contractors and/or lenders and construction project monitoring provided by staff.
- The Weatherization and Energy Retrofit Program (WERP) completed 18 homes with an additional 6 under construction. The WERP benefits homeowners by providing financial and technical assistance to improve the energy efficiency of their homes. Eligible improvements include window replacement, insulation, furnace replacement, appliance replacement and solar panel installation.
- The Lead Safe Hazard Paint Program (LSHP) completed 10 homes. An additional 10 units are underway. The LSHP Program benefited clients with exterior improvement of their home, by eliminating health hazards through lead abatement and violations of City codes in their homes.
- The Access Improvement Program (AIP) completed work on 17 units. An additional 6 units are underway.
- Minor Home Repair Program (MHRP) did not repair any housing units nor are there any projects pending in FY 2015/16.
- The Emergency Home Repair Program (EHRP) completed repairs on 5 units with 3

under construction. The EHRP benefits homeowners by providing financial assistance for single-system repairs. Primary repairs performed are roofs, plumbing and sewer system repairs.

- Rebuilding Together Oakland received \$274,977 in FY 2015-16 funds for the Home Repairs and Safety/Accessibility Modifications Program. This program renovated 81 homes in Eastlake/San Antonio/Chinatown, Western Oakland, Fruitvale/San Antonio North Oakland and Central Oakland Community Development Districts, benefitting low income senior and/or disabled homeowners.

Homeless Services

- Through the Crossroads Emergency Shelter operated by East Oakland Community Project (EOCP) served 548 (unduplicated) people and there were 59,237 bed nights provided, at 99% occupancy for the entire 15/16 fiscal year. The Crossroads Shelter clients received case management services that included health care connections, housing needs, job readiness, wellness support, life skills training, substance abuse and mental health counseling and referrals to job training and employment.
 - 28% (116) of exiting residents secured permanent housing as a result of the efforts of case management interventions and life skills.
 - During the same period, 24 exiting residents moved into transitional housing.
- The City, along with Operation Dignity administered the PATH Homeless Mobile Outreach Program (HMOP), serving those unsheltered through the city including living in homeless encampments. During the 2015/16 program year more than 28,000 units of harm reduction services, outreach and intensive case management were provided to unsheltered persons and those living in homeless encampments in Oakland.
- The Homeless Mobile Outreach Program (HMOP) conducted 290 new field intakes and has 546 homeless encampment clients in their database.
- Harm Reduction units include including food, hygiene kits, blankets, water, and resources and referrals to relevant agencies and services.
- HMOP performed site assessments and encampment site clean-ups.
- 61 Homeless Mobile Outreach clients exited to permanent housing, and 101 clients exited to temporary or transitional housing.
- A census was conducted of Oakland's street homeless population to gather a real time count of the number, general characteristics, and distribution of the unsheltered homeless population in the City of Oakland.
- For the Winter Shelter season FY 15/16 the City provided a winter response strategy that included 110+ temporary emergency shelter beds and case management services. A total of 135 individuals did not return to unsheltered homelessness at the end of the winter shelter season and winter shelters maintained an 83% occupancy rate for the season.
- During 2015/2016 program year the Hunger Program's Brown Bag Food Giveaway had 10 monthly food distributions (September 2015 through June 2016) at 15 sites across Oakland. The Brown Bag Food Giveaway distributed a total of 35,000 bags of food (3,500 per month). In addition, approximately 2000 hot meals were made available at the 24th City's Annual Thanksgiving Dinner & Coat Giveaway for the homeless, low-income, and seniors of Oakland. The City of Oakland Team, nearly 400 volunteers, the

sponsors and donors, Oakland Marriott Team, Mr. Klay Thompson of the Warriors (major donor & honored guest) and Warriors Foundation made this event a success

- Through the City's Transitional/Supportive Housing Programs, approximately 355 households (445 individuals) received transitional housing and supportive services, assisting each household to become more stable, as they moved toward obtaining permanent housing.
- The City's new Coordinated Entry Program for families, implemented in November 2015, enrolled 24 households in FY 15/16. These families will be assisted with placement in shelter or TH, as well as assisted with Rapid Rehousing and supportive services.
- The Oakland PATH Rehousing Initiative (OPRI), which works with the Oakland Housing Authority and with the HMOP/Permanent Access To Housing (PATH) and other community housing and services, assists people into permanent housing by moving them directly from homeless encampments, shelters, foster care and the criminal justice system into subsidized housing. The total number of people served in 2015/16 under the OPRI is 165.
- Through the Housing Opportunities for Persons with AIDS program (HOPWA) 161 persons living with HIV/AIDS and their families received housing assistance and other housing services.

Economic Development

FY 2015-16 saw a dynamic positive movement in the Oakland economy. Staff assisted approximately businesses to be retained, expanded and/or relocated.

Some highlights:

Employment	Q1 2014	Q1 2015	Change
Number of Employed Oaklanders	183,867	196,333	+ 7%
Unemployment Rate	10.3%	6.3%	- 18%
Businesses	Q1 2014	Q1 2015	Change
Number of Business Licenses	42,024	58,877	+ 40%
Quarterly Sales Tax Revenue (Q4 2014)	\$32,345,229	\$34,297,846	+ 6%
Real Estate	Q1 2014	Q1 2015	Change
Median Single Family Sale Price	\$350,000	\$445,000	+ 27%
Median Rent	\$2,059	\$2,510	+ 22%

Oakland's Business Gain Capital: Oakland had an astounding \$234,727,800 invested by venture capital funds in 2014 in Oakland businesses, among them two leading food production companies, in addition to communication information technology and clean-tech businesses.

City and AC Transit Investing in Bus Rapid Transit (BRT) Corridor: Staff continued to work with local bus provider, AC Transit, who has committed to investing to build a Bus Rapid Transit (BRT) system connecting Downtown Oakland to San Leandro. This significant public transit upgrade will also bring new lighting, art, parking, and pedestrian and bicycle safety improvements to the entire length of International Boulevard. Economic Development staff are working with AC Transit and have \$2 million in business development support (funds by AC Transit) to help local businesses prepare for and thrive in a new economic environment when the BRT is complete. In September 2015 AC Transit BOD approved an MOU with the City of Oakland to provide \$2,000,000 grant to support this program. The first year of Business TA was carried out by "Main Street Launch" (formerly the Oakland Business Development Corporation). In June 2016 an RFP for a new program operator was released, with the intent of contracting with a new service provider by October 2016.

Commercial Lending

For the 2015/16 reporting period, City staff and community partners have worked to improve existing services. During this review period, the Commercial Lending staff along with Mainstreet Launch (formerly Oakland Business Development Corp - OBDC) accomplished the following with City, Federal and local funded commercial loan programs:

- Processed 33 loan applications (40 individuals), closing 30 small business loans, ranging from \$25,000 – 250,000
- Leverage \$2,973,315 in private financing and investment capital.
- Created 70 job opportunities in Oakland.
- Retained 95 jobs within Oakland businesses.
- 47% of businesses assisted were new start- up businesses.
- Over 1200 hours of technical assistance provided to new applicants and loan clients

Public Services and Infrastructure (Neighborhood Improvements) Accomplishments

In keeping with the goals established by the Oakland City Council and the 2015/16 AAP, the City of Oakland allocated \$1,214,802.99 in FY15-16 funding and carryforward funds for CDBG-eligible activities based on recommendations from the City's seven Community Development District Boards.

Public Services

\$732,128 in Public Services activities were carried out through 11 subrecipient grant agreements with 10 private, nonprofit agencies that serve low- and moderate-income persons in the seven Community Development Districts of Oakland. The activities are in the categories identified in the Strategic Plan for Non-Housing Community Development Needs contained in the Consolidated Plan for July 1, 2015 to June 30 2020. The number of program implemented by the subrecipients and the City are in the listed below by categories:

<u>Category/Number of Agencies/Agency Awarded</u>	<u>Amount Awarded</u>
<i>Crime Awareness/Prevention (1)</i>	
Vietnamese American Community Center	(\$25,000)
<i>Microenterprise & Business Assistance (2)</i>	
AnewAmerica Community Corp	(\$20,000)
OCCUR/Heartlands	(\$176,470)
<i>Public Services (General) (1)</i>	
OCCUR/Eastmont Technology Learning Center	(\$103,200)
<i>Senior Services (5)</i>	
Alameda County Community Food Bank	(\$20,000)
Alzheimer's Services of the East Bay	(\$25,200)
Vietnamese Community Development, Inc.	(\$25,000)
Senior Citizen Utility Assistance Program	(\$100,000)
Service Opportunities for Seniors	(\$50,000)
<i>Tenant/Landlord Counseling (1)</i>	
East Bay Community Law Center	(\$19,670)
<i>Youth Services (3)</i>	
First Place for Youth	(\$40,618)
Friends of Peralta Hacienda Historical Park	(\$35,650)
Project Re-Connect	(\$81,320)

- Microenterprise and Business Assistance – 549 low- and moderate-income beneficiaries: One subrecipient provided green business education and technical assistance to 16 microbusinesses. A second subrecipient provided neighborhood and commercial business development assistance and community revitalization coordination benefitting 533 residents.
- Anti-Crime – 126 low- and moderate-income beneficiaries: One subrecipient provided workshops and town hall meetings on crime prevention and personal safety as well as multi-language publications on crime statistics and services for 41 limited-English-speaking seniors.
- General Services – 365 low- and moderate income seniors and youth received computer training. Funds originally awarded to St. Vincent DePaul were refused reprogrammed for senior services provided by the Service Opportunities for Seniors Program.
- Senior Services – 12,287 low- and moderate-income beneficiaries: One subrecipient provided food subsidies for food distribution agencies providing 105,707 meals to 11,639 low- and moderate-income seniors. One subrecipient provided health, nutrition and day care services for 6 seniors and disabled persons diagnosed with Alzheimer's and others forms of dementia; as well as training and information for their caregivers. One subrecipient provided social activities, meals, support services and information and referral for 42 limited-English-speaking seniors. Another agency provided 2504 senior Mast Management of Alameda County with a recurring 12-5% discount off the collection

of their trash, composts and recycling invoices. 300 homebound seniors received home a total of 6,250 home delivered meals.

- Tenant/Landlord Counseling – 112 low- and moderate-income beneficiaries: One subrecipient provided advocacy and legal services and assistance for 112 tenants with housing-related problems.
- Youth Services – 321 low- and moderate-income beneficiaries: Three subrecipients provided enrichment and support services, academic tutoring and education, skills training, personal development, computer training and instruction, recreation, intervention counseling and other activities to 321 youth clients. Funds originally awarded to Civicorp were refused and reprogrammed to fund senior services provided by the Service Opportunities for Seniors Program

Infrastructure (Neighborhood Improvements)

\$274,977 in FY15-16 CDBG funding was allocated for 1 private, non-profit sub-recipient providing housing related improvements for low- and moderate income homeowners. \$44,516.99 in 2012 carryforward funds and \$313,181 in 2014 carryforward funds were expended in FY15-16 to complete improvements to 9 facilities located in and serving areas with predominantly low- and moderate-income residents. One of the projects was carried out by a private, non-profit subrecipient, and 8 were administered by the City.

- One subrecipient (Rebuilding Together Oakland) implemented a housing related improvement project that provided exterior/interior home repairs as well as safety and accessibility modifications for 81 housing units occupied by elderly and disabled homeowners. (\$274,977)
- Prior year funding for one subrecipient (East Bay Spanish Speaking Citizens' Foundation) was awarded for improvements to a community-based, multi-service facility serving the Latino community. (\$138,349)
- Improvements were completed to City-owned Oakland Parks and Recreation (OPR) facilities, 2 of which were funded from the 2012 Grant and 6 funded from the 2014 Grant.
 - 2012: Brookdale Recreation Center Kitchen Garden Creation (\$697)
East Oakland Sports Complex (\$43,819.99)
 - 2014: DeFremery House Renovation Center Improvements (\$29,681)
Franklin Recreation Center Renovation (\$60,000)
Manzanita Recreation Center Improvements (\$96,500)
Poplar Park Playground Improvements (\$67,000)
San Antonio Recreation Center Improvements (\$35,000)
Tassafaronga Recreation Center Kitchen Renovation (\$25,000)

4

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