

DRAFT
CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY VICE MAYOR KAPLAN

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO SUBMIT AN APPLICATION TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN RESPONSE TO THE NOFA, DATED SEPTEMBER 9, 2021, AND TO APPLY FOR HOMEKEY GRANT FUNDS IN A TOTAL AMOUNT NOT TO EXCEED \$120,000,000 FOR CAPITAL AND OPERATING EXPENDITURES FOR THE FOOTHILL & EDES/ CLARA SENIOR HOUSING HOMEKEY PROJECT, IN ADDITION TO THE HOMEKEY PROJECTS WHICH RECEIVED AUTHORIZATION IN RESOLUTION NO. 88950

WHEREAS, the Department of Housing and Community Development (“Department”) has issued a Notice of Funding Availability, dated September 9, 2021 (“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 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, per the State's funding requirements, CSFRF Homekey awards must be expended within eight months of the date of award and the State's General Fund Homekey awards must be expended by June 30, 2026; and

WHEREAS, Homekey funding allocations are 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 issued a Homekey Request for Qualifications on June 25, 2021, to establish the pool of Qualified Sponsors, and finalized the pool of Qualified Sponsors on September 30, 2021; and

WHEREAS, the City issued a Homekey Request for Proposals (“City Homekey RFP”) on October 18, 2021, to the pool of Qualified Sponsors to solicit Homekey project proposals for the City to jointly apply with qualified sponsors for Homekey grant funds; and

WHEREAS, the City Council on December 21, 2021 adopted Resolution No. 88950 C.M.S., which authorized the City Administrator to jointly apply for, accept, and enter into standard agreements as a local agency partner for funds, in an amount not to exceed \$120 million, from the State’s Homekey Program with several projects; and

WHEREAS, given the significant need to further expand affordable housing and remedies to homelessness, approving additional applications which would rapidly expand available housing, including for vulnerable populations including seniors, is important to the health of our community; and

WHEREAS, the City wishes to apply, as the local agency partner for additional housing development, with Housing Consortium of the East Bay for Homekey Funds; and

WHEREAS, Homekey will award funds for project costs to eligible projects from \$150,000 to \$200,000 “per door”, with additional funds per door with a local match, and 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 \$6,000,000 in funds for affordable housing development, of which Homekey acquisitions and rehabilitations are eligible uses, are available from the Measure KK Housing and Infrastructure Bond Fund (Funds 5331/5333) and Excess Redevelopment Bond Fund (Fund 5610), and the HOME Investment Partnerships American Rescue Plan Program (HOME- ARP) Fund (Fund 2109); and

WHEREAS, the City Council has authorized the allocation of Homeless Housing, Assistance, and Prevention (“HHAP”) program funds as matching local operating subsidy funding for Homekey Projects; and

WHEREAS, should the City’s Homekey applications be awarded funds, any future loan or grant agreement shall require that any contracts entered into by Sponsors for the construction, rehabilitation, or alteration of the Homekey projects shall include enforceable requirements that

the contractor and all subcontractors pay prevailing wages in accordance with California Labor Code Section 1720 et seq.; and

WHEREAS, such loan or grant agreements shall require that a use restriction be recorded on the property that restricts occupancy to individuals experiencing homelessness or at risk of homelessness meeting the definition in 24 Code of Federal Regulations section 578.3, for at least 15 years for interim housing and 55 years for permanent housing; 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 Homekey projects could address; 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 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 authorizes the City Administrator to submit an application to the Department in response to the NOFA, dated September 9, 2021, and to apply for Homekey grant funds in a total amount not to exceed \$120,000,000 for capital and operating expenditures for the Foothill & Edes/ Clara Senior Housing Homekey Project, in addition to the Homekey projects which received authorization in Resolution No. 88950; and

FURTHER RESOLVED: That, should the City enter into an agreement, it shall be reviewed and approved by the Office of the City Attorney for form and legality and placed on file in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the execution of loan 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 the City Council hereby determines that the actions authorized by this Resolution are exempt from CEQA pursuant to Health and Safety Code section 50675.1.2.4 and CEQA Guidelines 15301, and the City Administrator is hereby directed to file a notice of exemption with the Office of the Alameda County Recorder and the State Office of Planning and Research; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator to determine funding allocations, conduct negotiations, execute documents, administer loans or grants, extend or modify the repayment terms, and take any other action with respect to the

Homekey Program, the Homekey Projects, the Contingent Homekey Projects, and the Homekey and HHAP loans or grants, funding allocations, and projects consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO,

PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED

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