

CITY OF OAKLAND



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Office of the City Administrator
Dan Lindheim
City Administrator

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March 9, 2010

Community Economic Development Committee
Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2010 FEB 25 PM 7:58

Chairperson Dela Fuente and Members of the Committee:

RE: Report and Resolution Authorizing the City Administrator, On Behalf of the City of Oakland, to Apply for, Accept and Appropriate Grant Funds from the American Recovery and Reinvestment Act of 2009 (Federal Government's "Stimulus Package") for Up to \$4 Million from the California Community Services Department's Weatherization Assistance Program for the Purpose of Providing Weatherization Services to Low-Income Residents

SUMMARY

Under the American Recovery and Reinvestment Act of 2009 ("ARRA" or Federal Government's "Stimulus Package"), the U.S. Department of Energy has provided additional funds for weatherization assistance programs ("WAP") around the nation in order to provide grants for low-income residents to weatherize their homes. The nonprofit agency that has been operating the WAP for Oakland and other parts of Alameda County, Spectrum, was awarded an allocation of \$3.9 million in ARRA funds to provide weatherization services. Through an agreement with the State of California, Spectrum has relinquished the administration of the ARRA funds. The State of California has requested that the City of Oakland consider administering the ARRA funds for Oakland. Staff has been working with the State and Alameda County to develop a plan to administer the WAP funds--the City of Oakland would serve as the

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lead agency and administer funds for Oakland residents while Alameda County would be a subcontractor and administer funds for the rest of the County. Staff recommends the submission of an application to the State for up to \$4 million for the purpose of providing weatherization services to low-income residents.

FISCAL IMPACT

The grant application for WAP will be for up to \$4 million. The funds will be appropriated to a new Fund and new Projects to be established in the Housing and Community Development Division in CEDA.

KEY ISSUES AND IMPACTS

Funded at \$5 billion nationally and \$185,811,061 statewide, the ARRA WAP provides grants of \$6,500 per unit to eligible low-income residents to conduct basic weatherization services that would result in reduced energy costs and environmental benefits. Eligible residents must have incomes at or below 200% of the 2009 Federal Poverty Income Guidelines and Definition of Income. Weatherization services include a comprehensive series of energy efficiency measures that encompass the building envelope, its heating and cooling systems, its electrical system, and electricity consuming appliances. The WAP analysis takes a whole-house approach, which maximizes a unit's energy efficiency and energy cost savings.

The State of California was allocated \$186 million in ARRA WAP funds and provided formula allocations to jurisdictions in California. Spectrum, a nonprofit based in Hayward, has been operating the WAP serving Oakland and other parts of Alameda County, with the exception of Emeryville, Berkeley and Albany where the local jurisdictions administer the WAP. Spectrum was allotted \$3.9 million in ARRA funds to enhance their existing programs.

Based upon issues that arose regarding the administration of the ARRA WAP funds, Spectrum decided to relinquish its administration of the ARRA WAP funds. The Governor's office notified the City of Oakland about the situation and requested assistance to ensure that the WAP funds designated for Oakland and other parts of Alameda County would be utilized effectively. Staff has been engaged in planning efforts with the Alameda County Community Development Agency and the State to develop a joint plan for the City and County to administer the \$3.9 million in ARRA WAP funds, which are required to be expended by March 31, 2012.

The State is required to complete 30% of its overall total of project units by September 2010. The State estimates weatherizing approximately 43,000 units throughout the state, needing to complete approximately 13,000 by September 2010.

The State, based upon the poverty rates in Oakland compared to the other parts of the County service area, is allocating 55.4% of the ARRA WAP funds for Oakland (\$2.16 million) and the remainder of 44.6% to the County (\$1.74 million).

PROGRAM DESCRIPTION

Given the need to expend the ARRA WAP funds expeditiously, servicing the needs of low-income residents for weatherization work and for jobs generation, the City of Oakland is prioritizing the use of its ARRA WAP funds for multi-family affordable housing projects and single family housing units. The City's Housing and Community Development staff will oversee the use of the ARRA WAP funds, which will be provided as loans and grants of up to \$6,500 per unit for affordable multifamily property rehabilitation, owner-occupied rehabilitations and single-family acquisition and rehabilitations.

The ARRA WAP funds will be used to augment and leverage other existing affordable housing programs for multifamily rehabilitation, owner-occupied rehabilitation, and single-family site acquisition and rehabilitation, such as those already funded through the affordable housing Notice of Funding Availability (NOFA), the Neighborhood Stabilization Program (NSP), and the City's homeowner rehabilitation programs. Other potential programs to augment and leverage WAP funds include the State Energy Program (SEP), (for which the City of Oakland was awarded funds in early February 2010), and the Department of Energy Energy Efficiency and Conservation Block Grant Program (EECBG) (which the City applied for in December 2009 with awards expected to be announced shortly).

The County's program design is to utilize its ARRA WAP funds in two years.

SUSTAINABLE OPPORTUNITIES

Economic: These funds will improve and maintain the affordable housing inventory in Oakland by reducing energy costs.

Environmental: The use of the ARRA WAP will improve the energy efficiency of the City's existing affordable housing stock, resulting in more efficient usage of our existing natural resources.

Social Equity: Improving affordable housing is a means of achieving greater social equity. Oakland's neighborhood-level environment will be improved by rehabilitating underused and blighted buildings. The proposed projects will preserve and improve affordable housing for low income individuals.

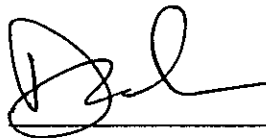
DISABILITY AND SENIOR CITIZEN ACCESS

Projects receiving the ARRA WAP funds will include units for seniors and persons with disabilities. The State's Title 24 and the Americans with Disabilities Act require consideration of persons with disabilities in design and construction of housing. These requirements include accessible units and facilities. Furthermore, all developers receiving City or Agency funds are required to effectively market housing units to the disabled community.

RECOMMENDATIONS AND RATIONALE

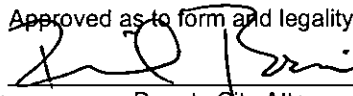
Staff recommends that the Council adopt the resolution authorizing the City Administrator to apply for, accept, and appropriate grant funds from the California Department of Community Services and Development's Weatherization Assistance Program for up to \$4 million for the purpose of providing weatherization services to low-income residents in Oakland and other parts of Alameda County, with the exception of Berkeley, Albany, and Emeryville.

Respectfully submitted,



Dan Lindheim
City Administrator

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Approved as to form and legality

Deputy City Attorney

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPLY FOR, ACCEPT AND APPROPRIATE GRANT FUNDS FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (FEDERAL GOVERNMENT'S "STIMULUS PACKAGE") FOR UP TO \$4,000,000 FROM THE CALIFORNIA COMMUNITY SERVICES DEPARTMENT'S WEATHERIZATION ASSISTANCE PROGRAM TO PROVIDE WEATHERIZATION SERVICES TO LOW-INCOME RESIDENTS OF ALAMEDA COUNTY, AUTHORIZING A SUBCONTRACT WITH THE COUNTY OF ALAMEDA TO ADMINISTER THE PROGRAM OUTSIDE OF OAKLAND, AND AUTHORIZING GRANTS AND LOANS TO PROPERTY OWNERS FOR THE PROGRAM WITHOUT RETURNING TO COUNCIL

WHEREAS, it is anticipated that the federal government will award grant funds in the amount of approximately \$787,000,000 from the American Recovery and Reinvestment Act of 2009 ("ARRA" or "Stimulus Package") to state and local governments to stimulate the economy by creating and preserving jobs; and

WHEREAS, the City of Oakland may be eligible to receive a portion of the grant funds; and

WHEREAS, due the urgent economic conditions, the federal government is releasing information on an ongoing basis regarding application deadlines and the criteria for funding and the types of programs, projects that will qualify for the funding and the Mayor, City Administrator and the City Council wish to be in the best posture (1) to be apprised of and updated regarding developments regarding the Stimulus Package and the City's options, (2) to prepare and complete and revise as necessary timely grant applications, and (3) to obtain the maximum amount of grant funds for which the City of Oakland may be eligible; and

WHEREAS, the City learned that funds are available from the California Community Services Department's Weatherization Assistance Program ("WAP") and the City wishes to apply for a grant from the Stimulus Package for said purpose; now therefore be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his designee to apply for, accept and appropriate up to \$4,000,000 in grant funds from the ARRA under the WAP in order to provide grants or loans of up to \$6,500 per unit for the weatherization of multi-family or single-family affordable housing for low-income residents in Alameda County, and to partner with Alameda County's Community Development Agency for their administration of ARRA WAP funds for low-income residents in other parts of Alameda County, with the exception of Berkeley, Albany, and Emeryville; and be it

FURTHER RESOLVED: That, should the City receive an award of such funds, the City Council hereby appropriates up to \$4,000,000 in such funds to a new fund and projects to be determined; and be it

FURTHER RESOLVED: That the City Administrator is authorized to negotiate and enter into a subcontract with the County of Alameda for their administration of ARRA WAP funds for low-income residents in other parts of Alameda County; and be it

FURTHER RESOLVED: That the City Administrator or his designee is authorized to make grants and loans under the WAP to property owners for the weatherization of multi-family or single-family affordable housing for low-income residents in Oakland, and negotiate and enter into grant contracts or loan contracts for this purpose without returning to Council; and be it

FURTHER RESOLVED: That the City Administrator or his designee is authorized to adopt program rules and guidelines with respect to the WAP consistent with this Resolution; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to take any other action with respect to the grant and the WAP consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That prior to execution, all contracts and agreements shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES -BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT BRUNNER

NOES –

ABSENT –

ABSTENTION –

ATTEST:

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