



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Shola Olatoye,
Director, Housing and
Community Development

SUBJECT: Amendment For The State Assistance
Program Round Two Fund Award

DATE: January 12, 2022

City Administrator Approval

Date:

Feb 16, 2022

RECOMMENDATION

Staff Recommends The City Council Adopt A Resolution Amending Resolution 88800 C.M.S., Which, Among Other Things, Accepted And Appropriated Round 2 State Rental Assistance (“SRA2”) Program Funds Awarded By The California Department Of Housing And Community Development (“CHCD”), To Clarify The City Of Oakland’s Intent To Be Bound By The Terms Of The SRA2 Grant Agreement As Requested By The CHCD Legal Affairs Division.

EXECUTIVE SUMMARY

The Oakland City Council passed Resolution 88800 C.M.S., passed on September 1, 2021 (**Attachment A**) authorizing the City of Oakland (City) to accept funds in the amount of \$12,077,713.52 from the State of California’s Department of Housing & Community Development under Round Two of the State’s Rental Assistance (SRA2) fund award to expand the City’s efforts to deliver rental assistance, housing stability services and legal services to those impacted by the COVID-19 health pandemic, ensuring the City of Oakland as a single stop for residents seeking emergency rental assistance.

Further Resolution 88800 C.M.S. authorizes allocations as summarized in **Table 1**, with \$422,719.97 (3.5% of the SRA2 grant) retained to cover City Administration costs and

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the City Administrator to reallocate funding between and amend grant agreements with grantees as listed in Table 1:

Table 1

COMMUNITY PARTNER (GRANTEE)	GRANT AMOUNT
Bay Area Community Services (BACS)	\$5,000,000.00
Catholic Charities of the Diocese of Oakland	\$2,600,000.00
Collective Legal Services - Eviction Defense Center	\$2,600,000.00
Safe Passages	\$454,993.55
East Bay Asian Local Development Corporation (EBALDC)	\$400,000.00
Building Opportunities for Self Sufficiency (BOSS)	\$400,000.00
East Oakland Community Development Corporation (EOCDC)	\$200,000.00
	Total \$11,654,993.55

An Agreement was executed between the California Department of Housing & Community Development (CHCD) and the City of Oakland as of January 13, 2022, conditioned upon amending Oakland City Council Resolution No. 88800 C.M.S. to add to the legislation the City's acceptance and intent to be bound by the terms of the SRA2 Agreement as governed by the following laws, collectively referred to as the "Program Requirements":

- A. California Assembly Bill No. 832 (AB 832), as enacted on June 28, 2021, and as such may be subsequently amended;
- B. The CHCD State Rental Assistance Program Guidelines – Emergency Rental Assistance (ERA) Rounds 1 and 2 Implementation, dated September 27, 2021 ("The Guidelines"), as such Guidelines may be subsequently amended.
- C. The American Rescue Plan Act of 2021 (ARPA) A and related federal guidance, and as such laws may be subsequently amended; and
- D. All other applicable law.

Adoption of the proposed resolution will record the additional language requested by CHCD to amend Oakland City Council Resolution 88800 C.M.S. The recorded amendment does not modify the City's expectations and/or assumptions around the management, administration, reporting and/or monitoring of the SRA2 grant award to the City.

BACKGROUND / LEGISLATIVE HISTORY

As reported in the September 1, 2021 Council Report accompanying Oakland City Council Resolution 88800 C.M.S., The City received an award of \$12,874,764 under Round One of the U.S. Treasury Emergency Rental Assistance Program (ERAP I) in January 2021.

Oakland City Council Resolution 88520 awarded \$9,750,000 (75%) of the ERAP I funding to four non-profit agencies to administer the ERAP I program. Oakland City Council Resolution 88738 C.M.S. authorized the \$2,931,463 (remaining 25%) to the four ERAP partners with additional Round One Coronavirus Community Development Block Grant funds (CDBG-CV1) allocated to the four legacy ERAP partners and five additional partners for housing stability, housing related legal services and outreach.

In May 2021, \$196 million Round II U.S. Treasury Funds were awarded to the City, approved by

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City Council on July 26, 2021, with 40% of the ERAP II grant released to the City. As of

January 12, 2022 97% of ERAP 1 funds are expended and approximately 40% of ERAP II funds are expended with over 2,000 ERAP applications currently in the queue as of January 13, 2022 that could potentially fully utilize the balance of ERAP II and SRA2 funds.

Utilization of SRA2 will help to serve 700 – 1,000 Oakland residents at or below 80 percent AMI, targeting residents at or below 30 percent AMI in the most impacted zip codes, including 94601, 94602, 94603, 94605, 94606, and 94621.

ANALYSIS AND POLICY ALTERNATIVES

Since the fall of 2020, the City has run and expanded its emergency rental assistance programs in the wake of the COVID-19 pandemic. This program supports Citywide priorities of housing and economic security. These programs have been successfully administered by the City via Keep Oakland Housed (KOH), a collaboration of four non-profit partners: Bay Area Community Services (BACS) and Catholic Charities East Bay. The City added Safe Passages, BOSS, East Bay Local Development Corporation (EBALDC), East Oakland Community Development Corporation and the Eviction Defense Center to add additional capacity and cultural competency. Grants have been awarded and contracts entered with each agency individually and the scope of work references their participation in the KOH collaborative.

The KOH ERAP collaborative of agencies has performed extremely well, under tremendous time and public pressure to quickly implement a large program subject to new and evolving Federal requirements. The City, along with the State and the entire country, has never seen the scale of this type of program, no less during a global health pandemic. Oakland's program has been pointed to as an example around the country for its targeting of extremely low-income residents and centering its work in racial equity.

Oakland continues to serve those most at risk of becoming homeless through the ERAP program, prioritizing those previously experiencing homelessness, Oaklanders with 80% AMI or lower with target of Oaklanders with 30% AMI or lower, and Oakland zip codes with the highest rerates of COVID-19 infections.

Program Challenges:

With all current available ERAP resources (ERAP1, II and SRA2), the City's program is currently oversubscribed. As of January 13, 2022, there are approximately 5,000 applications in the cue for assessment and processing of payment. ERAP program demand of Oakland exceeds current level of resources.

As a result, as of January 7, 2022, a waitlist was developed to allow for the processing of applications in the cue. Tenants and landlords may still submit an application but will be placed on a waitlist. As additional resources are made available, waitlisted applicants will be contacted based on priority need.

The basis for staff's recommendation to modify Oakland Resolution 88800 is:

1. The modified language does not change the requirements of the SRA2 grant awarded to the City.
2. Adding language to Resolution 88800 will satisfy CHCD's condition on the recently executed SRA2 Agreement between CHCD and the City of Oakland.

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FISCAL IMPACT

Pursuant to Resolution 88800 C.M.S. the City accepted and appropriated \$12,077,713.52 in SRA2 funds, budgeted as one-time stimulus funding.

SRA2 funds are programmed in Fund: 2071; Organization: 89919; Account: Various, Project: 1006120; Program: CV19.

PUBLIC OUTREACH / INTEREST

Public outreach related to the City's Emergency Rental Assistance Programs, including SRA2 has involved a broad engagement with the community, Oakland faith-based organizations, State Emergency Rental Assistance staff, current ERAP Partners, consultants, and stakeholders.

Program design and objectives have been discussed among the groups listed above and with Oakland City councilmembers.

COORDINATION

This report and resolution have been reviewed by the Office of the City Attorney and by the Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The ERAP will be used to protect Oakland's low-income renters in their housing and avoid displacement therefore creating economic stability.

Environmental: There are no direct environmental impacts associated with the City Council action requested in this agenda report.

Race and Equity: Demographic data indicates that the COVID-19 health pandemic disproportionately impacts Oakland's lower-income residents and in particular the African American and Latinx communities. The associated dual crises of homelessness and housing instability also disproportionately impact these same communities. Through targeting and prioritizing how funds are deployed, the City can address racial equity impacts. HCD will also collect and analyze disaggregated data on a regular basis to evaluate the program and make adjustments to the program in the case that racial equity goals and objectives are not being met.

ACTION REQUESTED OF THE CITY COUNCIL

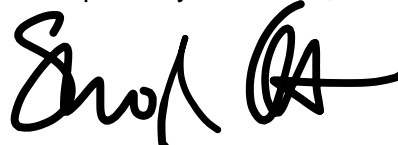
Staff recommends that the City Council Adopt A Resolution Amending Resolution No. 88800 C.M.S., Which, Among Other Things, Accepted And Appropriated Round 2 State Rental

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Assistance ("SRA2") Program Funds Awarded By The California Department Of Housing And Community Development ("CHCD"), To Clarify The City Of Oakland's Intent To Be Bound By The Terms Of The SRA2 Grant Agreement As Requested By The CHCD Legal Affairs Division.

For questions regarding this report, please contact Gregory D. Garrett, CDE Manager, at ggarrett@oaklandca.gov.

Respectfully submitted,



SHOLA OLATOYE
Director, Department of Housing & Community
Development

Reviewed by:
Gregory D. Garrett, Manager
Community Development &
Engagement

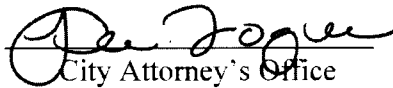
Attachments (1):

A: Resolution 88800 C.M.S.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

21 AUG 27 AM 9:38

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 88800 C.M.S.

RESOLUTION:

- 1) ACCEPTING AND APPROPRIATING ROUND 2 STATE RENTAL ASSISTANCE (SRA2) PROGRAM FUNDS IN AN AMOUNT NOT TO EXCEED TWELVE MILLION SEVENTY-SEVEN THOUSAND SEVEN HUNDRED THIRTEEN DOLLARS AND FIFTY-TWO CENTS (\$12,077,713.52) AWARDED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO THE CITY OF OAKLAND TO PROVIDE FINANCIAL ASSISTANCE FOR THE PAYMENT OF RENT AND OTHER HOUSING RELATED EXPENSES TO ELIGIBLE HOUSEHOLDS;
- 2) AUTHORIZING THE CITY ADMINISTRATOR TO TAKE ALL STEPS NECESSARY FOR THE CITY TO RECEIVE THE SRA2 FUNDS AWARDED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, INCLUDING BUT NOT LIMITED TO, SIGNING AND SUBMITTING THE ACCEPTANCE OF AWARD TERMS FORM;
- 3) AWARDING SRA2 GRANT AGREEMENTS IN A TOTAL AMOUNT NOT TO EXCEED TWELVE MILLION SEVENTY-SEVEN THOUSAND SEVEN HUNDRED THIRTEEN DOLLARS AND FIFTY-TWO CENTS (\$12,077,713.52) TO BAY AREA COMMUNITY SERVICES, BUILDING OPPORTUNITIES FOR SELF SUFFICIENCY, CATHOLIC CHARITIES OF THE DIOCESE OF OAKLAND, EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION, EAST OAKLAND COMMUNITY DEVELOPMENT CORPORATION, COLLECTIVE LEGAL SERVICES - EVICTION DEFENSE CENTER, AND SAFE PASSAGES TO PROVIDE FINANCIAL ASSISTANCE FOR THE PAYMENT OF RENT AND OTHER HOUSING RELATED EXPENSES TO ELIGIBLE HOUSEHOLDS;
- 4) AUTHORIZING THE CITY ADMINISTRATOR TO REALLOCATE FUNDING BETWEEN GRANTEEES AND TO AMEND GRANT

AGREEMENTS AWARDED PURSUANT TO THIS RESOLUTION ACCORDINGLY WITHOUT RETURNING TO COUNCIL, IF NECESSARY, TO ENSURE TIMELY EXPENDITURE OF SRA2 FUNDS; AND

- 5) AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT AND APPROPRIATE ANY ADDITIONAL SRA2 FUNDING MADE AVAILABLE BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND TO AMEND THE GRANT AGREEMENTS AWARDED PURSUANT TO THIS RESOLUTION TO INCREASE THE AMOUNT USING THE ADDITIONAL FUNDING, WITHOUT RETURNING TO COUNCIL, ON THE CONDITION THAT STAFF RETURN TO COUNCIL TO PROVIDE A REPORT ON THE ACCEPTANCE AND PLANNED EXPENDITURE OF ANY ADDITIONAL SRA2 FUNDING WITHIN 60 DAYS AFTER ACCEPTANCE.**

WHEREAS, Section 501 of Division N of the Consolidated Appropriations Act, 2021 appropriated \$25 billion in Emergency Rental Assistance Program (ERA) funds to States, U.S. Territories, local governments, and Indian Tribes to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic; and

WHEREAS, in January 2021, the City of Oakland received an award of ERA funds from the United States Department of the Treasury in the amount of \$12,874,764 and said funds have been allocated for rental assistance and other housing stability services in City Council Resolution No. 88520 C.M.S. (February 16, 2021) and Resolution No. 88738 C.M.S. (July 26, 2021); and

WHEREAS, Section 3201 of Title III of the American Rescue Plan Act of 2021 (Public Law No. 117-2) appropriated a second round of Emergency Rental Assistance (ERA2) funds in the amount of \$21.5 billion to States, U.S. Territories, local governments, and Indian Tribes to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic; and

WHEREAS, on July 26, 2021, the City of Oakland accepted and appropriated a direct allocation of ERA2 funds from the United States Department of the Treasury in the amount of \$19,644,850.30 (Resolution No. 88792 C.M.S.); and

WHEREAS, the State of California also received an allocation of ERA2 funds and California Assembly Bill No. 832 (AB 832), established the State Rental Assistance Program – 2 (SRA2) to administer the State’s share of ERA2 funds; and

WHEREAS, AB 832 allows municipalities to apply for an allocation of SRA2 funds to provide rental and other housing stability assistance to eligible households experiencing financial hardship as a result of the COVID-19 pandemic; and

WHEREAS, the City of Oakland requested and received an allocation of SRA2 funds from the California Department of Housing & Community Development in the amount of Twelve

Million Seventy-Seven Thousand Seven Hundred Thirteen Dollars And Fifty-Two Cents (\$12,077,713.52); and

WHEREAS, the SRA2 funds allocated by the State will enable the City to provide assistance to eligible residents who, to date, have been unable to receive financial assistance under the City's emergency rental assistance program because their household income exceeded the income limit (above 30% AMI) or they applied after all funds were awarded; and

WHEREAS, as a prerequisite to receiving the SRA2 funds, the City must sign and submit an acceptance of award terms form; and

WHEREAS, no less than 85% of the SRA2 funds awarded to the City must be used to provide direct financial assistance, including rental assistance, to eligible households as defined by the American Rescue Plan Act and no more than 15% of the SRA2 fund award may be used for administrative costs attributable to providing financial assistance; and

WHEREAS, the City must act quickly not only to ensure timely expenditure of the SRA2 funds but also to address the significant financial needs of households impacted by the COVID-19 pandemic and eagerly awaiting financial assistance; and

WHEREAS, as of August 13, 2021, the City, in partnership with Oakland non-profit agencies, has successfully deployed over \$5.3 million to property owners and other payees to pay past due and some prospective rent and utilities to housing and utility providers, benefitting 633 households. Of the 633 assisted households, approximately 41% or 256 are Black, and 27% or 172 assisted households are Latinx; and

WHEREAS, City staff has identified multiple nonprofit agencies to provide direct rental assistance and the services needed to ensure long term housing stability for Oakland's most vulnerable residents; and

WHEREAS, it is not uncommon for non-profit agencies to be able to deploy grant funds faster than expected or to experience unexpected delays in the deployment of grant funds and, therefore, it is critical that the City Administrator have the ability to increase grant awards or reallocate funds between grantees, without returning to Council, to ensure timely expenditure of the SRA2 funds and to provide rapid assistance to eligible households experiencing a financial crisis as a result of the COVID-19 pandemic; and

WHEREAS, City staff has been informed that additional SRA2 funding may become available, and, therefore, it is critical that the City Administrator have the ability to accept, appropriate and award any additional SRA2 funding that becomes available to ensure timely expenditure of any additional SRA2 funds and provide rapid assistance to eligible households experiencing a financial crisis as a result of the COVID-19 pandemic; now, therefore, be it

RESOLVED: That the City Council hereby accepts the Twelve Million Seventy-Seven Thousand Seven Hundred Thirteen Dollars And Fifty-Two Cents (\$12,077,713.52) in SRA2 funds

awarded by the California Department of Housing and Community Development to the City of Oakland; and be it

FURTHER RESOLVED: That the City Administrator is authorized to take all steps necessary to receive the SRA2 funds awarded by the California Department of Housing and Community Development, including, but not limited to, signing, and submitting the required acceptance of award terms form; and be it

FURTHER RESOLVED: That the \$12,077,713.52 in SRA2 funds shall be budgeted and identified as one-time stimulus funding and is hereby appropriated to Fund 2071, Organization 89919, Project Code (to be determined), Account 54011; and be it

FURTHER RESOLVED: That the City Council awards grants to the following non-profit agencies in the specified "Grant Amount" to provide financial assistance to eligible households, for the payment of rent and other housing related expenses, in accordance with Section 3201 of Title III of the American Rescue Plan Act of 2021

COMMUNITY PARTNER (GRANTEE)	GRANT AMOUNT
Bay Area Community Services (BACS)	\$5,000,000.00
Catholic Charities of the Diocese of Oakland	\$2,600,000.00
Collective Legal Services - Eviction Defense Center	\$2,600,000.00
Safe Passages	\$454,993.55
East Bay Asian Local Development Corporation (EBALDC)	\$400,000.00
Building Opportunities for Self Sufficiency (BOSS)	\$400,000.00
East Oakland Community Development Corporation (EOCDC)	\$200,000.00
	Total \$11,654,993.55*

; and be it

FURTHER RESOLVED: That the City Administrator is authorized to reallocate funding between grantees and to amend grant agreements awarded pursuant to this resolution to modify the

* The City of Oakland will retain 3.5% (\$422,719.97) of the total SRA2 funding award to cover administrative costs attributable to providing financial assistance to eligible households as allowed by the American Rescue Plan Act.

grant amount in accordance with any reallocation, without returning to council, if necessary, to ensure timely expenditure of SRA2 funds; and be it

FURTHER RESOLVED: That the City Administrator is authorized to accept and appropriate any additional SRA2 funding made available by the California Department of Housing and Community Development and to amend grant agreements awarded pursuant to this Resolution to increase the amount using the additional funding, without returning to Council, on the condition that staff return to Council to provide a report on the acceptance and planned expenditure of any additional SRA2 funding within 60 days after acceptance; and be it

FURTHER RESOLVED: That any additional SRA2 funding shall be budgeted and identified as one-time stimulus funding and shall be appropriated to Fund 2071, Organization 89919, Project Code (to be determined), Account 54011; and be it

FURTHER RESOLVED: That the City Council directs the City Administrator to provide regular reporting to the City Council and the public with respect to status of administering funds, status of expenditures, planned expenditures at risk of not being timely spent, reallocations, and other pertinent information to ensure complete transparency with regard to the City's use of these funds; and be it

FURTHER RESOLVED: That prior to execution, all agreements shall be reviewed and approved as to form and legality by the City Attorney and executed copies of each agreement shall be filed with the City Clerk.

3101559v1

IN COUNCIL, OAKLAND, CALIFORNIA,

SEP 01 2021

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, ~~KAPLAN~~, ~~TAYLOR~~, THAO AND
PRESIDENT FORTUNATO BAS - 6

NOES - 0

ABSENT - 1 Reid

ABSTENTION - 0

Excused - 1 Kello

ATTEST:



ASHA REED

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