

  
City Attorney's Office

## OAKLAND CITY COUNCIL

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

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**A RESOLUTION:**

- 1. AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT, AND ENTER INTO STANDARD AGREEMENTS AS A LOCAL AGENCY PARTNER FOR, FUNDS AWARDED UNDER ROUND THREE OF THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S HOMEKEY PROGRAM,**
- 2. APPROVING AND AUTHORIZING AFFORDABLE HOUSING DEVELOPMENT FUNDING FROM HOMEKEY ROUND THREE AND CITY MATCHING FUNDS FOR THE FOLLOWING HOMEKEY PROJECTS: IMPERIAL INN (490 WEST MACARTHUR BOULEVARD), DIGNITY VILLAGE (9418 EDES/606 CLARA STREET), KINGDOM BUILDERS TRANSITIONAL HOUSING (624 14TH STREET), THE MAYA (4715 TELEGRAPH AVENUE), AND CSH ENTERPRISE HOUSING (8471 ENTERPRISE WAY), AND**
- 3. MAKING RELATED CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

**WHEREAS**, the California Department of Housing and Community Development ("California HCD") is authorized to administer the Homekey Program ("Homekey" or "Program") 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 Homekey funding allocations are subject to the terms and conditions of the Notice of Funding Availability, the Application, the HCD-approved STD 213, Standard Agreement ("Standard Agreement"), and all other legal requirements of the Homekey Program; and

**WHEREAS**, Round 3 of the Homekey Program will make available \$736 million 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**, Resolution No. 89379 C.M.S., adopted on July 26, 2022, provided pre-authorization from the City Council for the City Administrator to apply as a local agency partner with developers/operators of potential Homekey projects ("Qualified Sponsors") for up to \$200,000,000 in Round 3 of Homekey Program funds from California HCD, allocated up to \$21,608,441 in City capital matching funds and up to \$13,676,713 in City operating funds to

Homekey Round 3 projects, and provided that staff would return to the City Council for approval of specific Homekey projects after submitting Homekey Round 3 applications to California HCD; and

**WHEREAS**, Resolution No. 89379 C.M.S., waived any City requirements under its Local and Small Local Business Enterprise (L/SLBE) Program, Local Employment Program, and Oakland Apprenticeship Program, for Homekey Round 3 Projects; and

**WHEREAS**, Resolution No. 89503 C.M.S., provided that, if the City does not receive the full amount of the requested funding from the Round 3 Homekey Program, the City will reallocate up to \$10,000,000 of the matching capital funds to the Acquisition and Conversion to Affordable Housing (ACAH) program; and

**WHEREAS**, the City issued a Homekey Request for Proposals ("City Homekey RFP") in October 2022 to solicit Homekey project proposals for the City to jointly apply with Qualified Sponsors for Homekey Round 3 grant funds, as authorized by Resolution No. 89379 C.M.S.; and

**WHEREAS**, California HCD issued a 2023 Notice of Funding Availability ("NOFA") for Round 3 of their Homekey Program on March 29, 2023, pursuant to Health and Safety Code section 50675.1.3; and

**WHEREAS**, five project proposals submitted in response to the City Homekey RFP met threshold scoring and requirements in staff's evaluation of project proposals, and, based on the these projects selected by the City Administrator through the City Homekey RFP process, the City and Qualified Sponsors jointly submitted five applications to California HCD in response to the Homekey Round 3 NOFA (together, the "Applications" and each an "Application"); and

**WHEREAS**, these projects have the potential to bring 209 new deeply-affordable units and 57 units of transitional housing to Oakland; and

**WHEREAS**, should an Application be awarded funds, any future loan or grant agreement shall require that any contracts entered into by Qualified Sponsors for the construction, rehabilitation, or alteration of the Homekey projects must 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**, Homekey funding allocations shall be subject to the terms and conditions of the NOFA, the Applications, the Department-approved STD 213 Standard Agreement, and all other legal requirements of Homekey; 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 with the support of exemptions from local City contract compliance requirements; and

**WHEREAS**, the City is the Lead Agency for this action for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, California Health and Safety Code section 50675.1.4 establishes a statutory exemption from CEQA for projects using Homekey grant funds and other public funds that (a) provide safe and sanitary units restricted to individuals and families experiencing homelessness or at risk of homelessness for at least 55 years, (b) include commitments requiring all contractors performing construction work to be paid prevailing wage and use a skilled and trained workforce in accordance with California Public Contract Code section 2600 et seq., and (c) do not increase the footprint of the building by more than 10 percent; and

**WHEREAS**, each as a separate and independent basis, the Homekey Round 3 Projects as listed below and authorized herein satisfy the conditions of Health and Safety Code section 50675.1.4 and are exempt from CEQA review thereunder, and are also exempt from CEQA pursuant to CEQA Guidelines sections 15301 (existing facilities) and 15326 (acquisition of housing); and

**WHEREAS**, excess Oakland Redevelopment Successor Agency (ORSA) bond funds have been identified in the Central District project area, which project area will be benefited by affordable housing projects throughout the City of Oakland; and

**WHEREAS**, for those Homekey Round 3 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 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 approves the following Homekey Round 3 projects: Imperial Inn (490 West MacArthur Boulevard), Dignity Village (9418 Edes/606 Clara Street), Kingdom Builders Transitional Housing (624 14<sup>th</sup> Street), The Maya (4715 Telegraph Avenue), and CSH Enterprise Housing (8417 Enterprise Way) (together, the "Homekey Round 3 Projects"); and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to allocate Homekey Round 3 funds and City matching funds already allocated, to each Homekey Round 3 Project in amounts determined by the City Administrator within limits set by the Applications, California HCD awards, and previous Council action; and be it

**FURTHER RESOLVED:** That, if an Application for a Homekey Round 3 Project is approved, the City Administrator Jestin D. Johnson, or his successor as City Administrator, is authorized to enter into, execute, and deliver a Standard Agreement for the total amount awarded and any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from California HCD, and all amendments thereto (collectively, “the Homekey Documents”), on behalf of the City as a local agency partner, and to participate in the Homekey Program; and be it

**FURTHER RESOLVED:** That the City acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreements, that the NOFA and Applications will be incorporated in the Standard Agreements by reference and made a part thereof, that any and all activities, expenditures, information, and timelines represented in the Applications are enforceable through the Standard Agreements, and that funds are to be used for the allowable expenditures and activities identified in the Standard Agreements; and be it

**FURTHER RESOLVED:** That the City Council finds that it is in the best interest of the City to use the allocated Central District excess ORSA bond proceeds as a local City match for the Homekey Round 3 Projects because affordable housing anywhere in the City of Oakland is a benefit to the Central District project area; and be it

**FURTHER RESOLVED:** That, contingent upon the award of Homekey funds for Homekey Round 3 Projects, the City Administrator is hereby authorized to enter into grant or loan agreements with the Qualified Sponsors, or affiliated entities, for these Homekey Round 3 Projects in a total amount up to the amount of Homekey funds awarded and up the total amount of City matching funds previously allocated by resolution, for the purposes and with the restrictions described in this Resolution; and be it

**FURTHER RESOLVED:** That the above agreements 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 City Council hereby determines that the actions authorized by this Resolution are exempt from CEQA pursuant to Health and Safety Code section 50675.1.4 and CEQA Guidelines 15301 and 15326, 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 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 authorizes the City Administrator to determine funding allocations, conduct negotiations, draft and execute documents, administer loans or grants, extend or modify the repayment terms, and take any other action with respect to the Homekey Program and the Homekey Round 3 Projects consistent with this Resolution and its basic purpose.

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: \_\_\_\_\_  
ASHA REED  
City Clerk and Clerk of the Council of the  
City of Oakland, California