APPROVED AS TO FORM AND LEGALITY

Lesley Casto (Sep 30, 2026 10:22:48 PDT)

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION:

(1) ALLOCATING FUNDS FROM MEASURE U HOUSING BOND AND OTHER NON-BOND FUNDS IN A TOTAL AMOUNT NOT TO EXCEED $50,000,000, INCLUSIVE OF ADMINISTRATIVE EXPENSES, TO FUND AFFORDABLE HOUSING PROGRAMS INCLUDING NEW CONSTRUCTION OF MULTIFAMILY RENTAL AFFORDABLE HOUSING, RAPID RESPONSE HOMELESS HOUSING AND HOMEKEY, ACQUISITION AND CONVERSION TO AFFORDABLE HOUSING, AND REHABILITATION OF EXISTING AFFORDABLE HOUSING;

(2) AUTHORIZING THE CITY ADMINISTRATOR TO ALLOCATE AND REALLOCATE AVAILABLE BUDGETED AFFORDABLE HOUSING FUNDING FROM IMPACT FEES, PROGRAM INCOME, LOAN REPAYMENTS, AND OTHER AVAILABLE AFFORDABLE HOUSING FUNDS AS FUNDS BECOME AVAILABLE;

(3) AUTHORIZING THE CITY ADMINISTRATOR TO MAKE DEVELOPMENT LOANS AND GRANTS UNDER THE AFFORDABLE HOUSING PROGRAMS, CONTINGENT ON FUNDING AVAILABILITY;

(4) AUTHORIZING THE CITY ADMINISTRATOR TO REALLOCATE PREVIOUSLY AUTHORIZED FUNDS AMONG MEASURE U TRANCHES 1, 2, AND 3; AND

(5) AMENDING RESOLUTION NOS. 86126 C.M.S., 86366 C.M.S., AND 89605 C.M.S. TO ALLOCATE AN ADDITIONAL AMOUNT NOT TO EXCEED $2,000,000 TO THE HEALTH AND SAFETY REHABILITATION PROGRAM, CONTINGENT ON FUNDING AVAILABILITY

WHEREAS, the City of Oakland ("City") periodically issues a Notice of Funding Availability ("NOFA") or Request for Proposals ("RFP") soliciting applications for funding affordable housing developments under the following funding programs: New Construction of Multifamily Rental Affordable Housing Projects, Rapid Response Homeless Housing and Homekey ("R2H2/Homekey"), Acquisition and Conversion to Affordable Housing ("ACAH"), and Rehabilitation of Existing Affordable Housing (collectively, the "City Housing Programs"); and

WHEREAS, the City's Consolidated Plan for Housing and Community Development and the Department of Housing and Community Development's ("HCD") 2023-2027 Strategic Action Plan ("SAP") indicate that there is a severe need for affordable rental housing and identify this activity as a priority; and

WHEREAS, the projects that apply for funding through the City Housing Programs' NOFA/RFPs must be consistent with the City's Project Development Guidelines, and each developer must meet the City's Threshold Developer Criteria in order to qualify for funding; and

WHEREAS, the projects that apply for funding through the NOFA/RFPs are evaluated and scored on criteria specified in the applications, and the highest ranked projects will be recommended for funding as long as adequate funding is available; and

WHEREAS, City funding commitments through the NOFA/RFP processes are critical for affordable housing developers to secure other sources of affordable housing funding from County, State, and Federal sources, and the NOFA/RFPs' established funding priorities seek to align with both the City's funding priorities for affordable housing spending and those of other funders; and

WHEREAS, funds for affordable housing development in the amount of $50,000,000 is anticipated to be appropriated as part of the City's FY 2026-2027 mid-cycle budget process from the Affordable Housing and Infrastructure Bond (Measure U) third affordable housing tranche ("Tranche 3"); and

WHEREAS, in addition to Tranche 3 bond proceeds, the City anticipates that additional affordable housing funding will become available during FY 2026-2027 and subsequent fiscal years from impact fee revenue, program income, loan repayments, and other affordable housing funds, including, but not limited to, the Affordable Housing Trust Fund/"Boomerang" Fund (Fund 1870), the Jobs Housing Impact Fee Fund (Fund 1871), the Affordable Housing Impact Fee Fund (Fund 1872), the 2011A-T Subordinated Housing Fund (Fund 1885), HOPWA (Fund 2103), CDBG (Fund 2108), the HUD HOME Investment Partnership Program Fund (Fund 2109), State of California Funding/Other (the Mortgage Revenue Fund (Fund 2826), Low- and Moderate-Income Housing Asset Fund (Fund 2830), the Local Housing Trust Fund Matching Grant (Fund 2144), ProHousing State Funds (Fund No. 2144), the Permanent Local Housing Allocation (Fund 2145), Measure KK Bond Fund (Fund No. 5331 and 5333), Excess Redevelopment Bond Funds (Fund 1884, 1885, 5610, 5612, 5643, 5656), and Measure U Tranches 1, 2, and 3 (Fund 5341, 5343 and 5347), the availability, amount, and timing of which cannot be precisely forecast; and

WHEREAS, unfunded affordable housing pipeline projects from recent NOFA/RFPs and expressions of interest in the City's upcoming NOFA/RFP processes appear to represent more demand for local subsidy than the previously identified sources of funding will be able to accommodate; and

WHEREAS, multiple affordable housing developments funded by previous City funding opportunities require additional local subsidy to remain competitive for tax credits and tax-exempt bonds allocated by the State of California, State Homekey funding, and other competitive sources of affordable housing funding available to leverage City funding; and

WHEREAS, the Affordable Housing and Infrastructure Bond (Measure U) was adopted by Oakland voters in November 2022, and authorized the City to issue $350 million in General Obligation Bonds to support affordable housing, of which two tranches have been issued and committed to date; and

WHEREAS, pursuant to Section 3(C) of Measure U, prior to issuance of the bonds, Council must identify how the projects authorized for funding with Measure U bond proceeds address social and geographic equity and provide greater benefit to underserved populations and geographic areas of greatest need, address improvements to the City's existing core capital assets, and maintain or decrease the City's existing operations and maintenance costs; and

WHEREAS, HCD's Asset Management Services unit administers a Health and Safety Rehabilitation Program (the "Health and Safety Loan Program"), established under Resolution No. 86126 C.M.S., amended by Resolution No. 86366 C.M.S. and Resolution No. 89605 C.M.S., to fund health and safety repairs at multifamily affordable rental properties that have been in service for a minimum of ten years and serve households at or below 120% of Area Median Income; and

WHEREAS, the Health and Safety Loan Program's available funding is fully committed, and staff recommends allocating an amount not to exceed $2,000,000 as additional funding for the program using Measure U Tranche 3 proceeds and/or other available housing capital funds to ensure continued capacity to respond to urgent health and safety needs; 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, this action authorizes a general funding mechanism and does not commit the City to a definite course of action with respect to any specific development project and therefore does not itself constitute a "project" subject to CEQA; and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City have been satisfied or will be satisfied for these projects prior to the City making a funding commitment to projects; 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 or the City Administrator's designee; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator to provide loans and grants in a total amount not to exceed $50,000,000, inclusive of administrative expenses, from Measure U Tranche 3 bond proceeds, to be used for development of affordable housing projects under the City Housing Programs, to applicants that previously received an award of City funds or are selected by the City Administrator as a potential recipient through the applicable NOFA/RFP; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to allocate and reallocate available budgeted affordable housing funding from sources including, but not limited to, the Affordable Housing Trust Fund/"Boomerang" Fund (Fund 1870), the Jobs

Housing Impact Fee Fund (Fund 1871), the Affordable Housing Impact Fee Fund (Fund 1872), the 2011A-T Subordinated Housing Fund (Fund 1885), HOPWA (Fund 2103), and CDBG (Fund 2108), the HUD HOME Investment Partnership Program Fund (Fund 2109), the Mortgage Revenue Fund (Fund 2826), Low- and Moderate-Income Housing Asset Fund (Fund 2830), the Local Housing Trust Fund Matching Grant (Fund 2144), ProHousing State Funds(Fund No. 2144), the Permanent Local Housing Allocation (Fund 2145), Measure KK Bond Funds (Fund No. 5331 and 5333), Excess Redevelopment Bond Funds (Fund 1884, 1885, 5610, 5612, 5643, 5656), (collectively, the "Affordable Housing Capital Funds") to the City Housing Programs as such funds become available; and be it

FURTHER RESOLVED: That the City Council hereby amends Resolution No. 86126 C.M.S., Resolution No. 86366 C.M.S., and Resolution No. 89605 C.M.S. to allocate an additional amount not to exceed $2,000,000 to the Health and Safety Loan Program, using Measure U Tranche 3 proceeds and/or other available Affordable Housing Capital Funds; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to reallocate previously authorized Measure U funds among Tranches 1, 2, and 3 among the City Housing Program projects and the Health and Safety Loan Program projects as needed to address timing gaps between when a tranche's proceeds become available and when a given project is ready to close, without increasing the total amount of Measure U funds authorized for affordable housing programs; and be it

FURTHER RESOLVED: That the loans made under the Health and Safety Loan Program shall be subject to the terms of the program guidelines and Resolution No. 86126 C.M.S., Resolution No. 86366 C.M.S., and Resolution No. 89605; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to make loans and grants under the City Housing Programs, contingent on funding availability, and be it

FURTHER RESOLVED: That the making of each loan or grant shall be contingent on the availability of sufficient funds in the above funds in fiscal year 2026-27 or, if not available in fiscal year 2026-27, availability of sufficient funds in the above funds in subsequent fiscal years, contingent upon the funds being allocated for such purposes in the biennial budget adopted by the City Council; and be it

FURTHER RESOLVED: That each loan made under the City Housing Programs shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in their discretion, with repayment to the City from surplus cash flow from the project and other available funds during the term of the loan, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That as a condition of each loan under the City Housing Programs, the City will require that appropriate restrictions on project occupancy, rents, and operations be recorded against project land and/or improvements; and be it

FURTHER RESOLVED: That each loan under the City Housing Programs shall be secured by a deed of trust on the project land and/or improvements; and be it

FURTHER RESOLVED: That loan funds shall be reserved for a period of no more than 24 months from the date of the commitment letter, and shall be subject to reprogramming at the end of this period unless the developer has secured commitments for full project funding or provided other assurances of adequate project funding that the City Administrator deems sufficient within their discretion, within the reservation period; and be it

FURTHER RESOLVED: That the making of each loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator may establish; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator, in their discretion, to subordinate the priority of any of the City's recorded interests in each project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the project, if the City Administrator or the City Administrator's designee determines that (1) an economically feasible alternative method of financing the project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the City's investment in the project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to make specific allocations of the loan and grant funds approved under this Resolution among individual projects; and be it

FURTHER RESOLVED: That the City Council finds and determines that the City Housing Programs and the Health and Safety Loan Program funded by this Resolution (1) will address social and geographic equity and provide greater benefit to underserved populations and geographic areas of greatest need by increasing and preserving the stock of affordable rental housing with long-term affordability restrictions throughout Oakland; (2) will not impact the City's existing core capital assets, but may provide collateral improvements to such assets as part of project development; and (3) will not impact the City's existing operations and maintenance costs, since the operations and maintenance cost of the projects will be covered by the property owner; and be it

FURTHER RESOLVED: That the City Council finds and determines that this action is not subject to CEQA since it is not funding any specific projects, but that the City Administrator will make the environmental determinations under CEQA for each project that is selected prior to making a loan or grant; and be it

FURTHER RESOLVED: That the City Administrator shall cause to be filed with the County of Alameda a Notice of Exemption or Notice of Determination for each project as appropriate; and be it

FURTHER RESOLVED: That execution of loan 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 all loan and grant documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution; and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST:

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