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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: 2016/17 Consolidated Annual
Performance & Evaluation Report for
CDBG, HOME, ESG & HOPWA

DATE: August 22, 2017

City Administrator Approval

Date:

8/30/17

RECOMMENDATION

Staff Recommends That City Council Conduct A Public Hearing And Upon Conclusion Accept And Submit To The U.S. Department of Housing & Urban Development The City's Consolidated Annual Performance and Evaluation Report for Fiscal Year 2016/17 Community Development Block Grant, HOME Investment Partnerships, Housing Opportunities for Persons With AIDS, and Emergency Solutions Grant Programs.

EXECUTIVE SUMMARY

This report transmits to the City Council, the City of Oakland's Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year (FY) 2016/17 as mandated by the Department of Housing and Urban Development (HUD). From September 1, 2017 through September 15, 2017, the full CAPER Report is available for review on the City's website, under the Housing & Community Development page, "Policy and Planning" section:
<http://www2.oaklandnet.com/government/o/hcd/s/Data/DOWD008690>.

The 2016/17 CAPER provides a summary of the activities carried out with Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) formula grant funds awarded to the City of Oakland for FY 2016/17.

BACKGROUND / LEGISLATIVE HISTORY

Each year, the City of Oakland receives Federal Formula grant funds from the U.S. Department of Housing and Urban Development (HUD) under the CDBG, HOME, ESG and HOPWA programs. On May 17, 2016, the Oakland City Council approved for forwarding to HUD, the 2016/17 Annual Action Plan (an update to the Five Year Consolidated Plan for Fiscal Years 2015/16 through 2019/20) per Oakland City Council Resolution 86188 C.M.S.

The 2016/17 Annual Action Plan (AAP) identifies the one-year needs, goals, priorities, strategies and proposed actions for the FY 2016/17 formula grants referenced above.

Item: _____
Community & Economic Development Committee
September 12, 2017

As required by HUD, the City Council holds two public hearings – one to review proposed program allocations, annual plans and public comments on the Annual Action Plan; and one to review program performance and accomplishments through information provided in the CAPER.

The CAPER is due to the U.S. Department of Housing & Urban Development (HUD) by September 30, 2017. As mandated, the final approved 2016/17 for the City of Oakland will be submitted to HUD via the eCon Suite of HUD's Integrated Disbursement & Information System (IDIS), as well as hard copies delivered to HUD's San Francisco Regional Office.

ANALYSIS AND POLICY ALTERNATIVES

HUD allocates Federal funds to eligible localities for housing and community development activities. These funds are from four Federal formula grant programs awarded annually:

1. **CDBG:** *Grant awarded by HUD to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.*
2. **HOME:** *Grant awarded by HUD to state and local governments designed exclusively to create affordable housing for low-income households.*
3. **ESG:** *Grant awarded by HUD to entitled cities and counties to provide homeless services through street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and Homeless Management Information Systems.*
4. **HOPWA:** *Grant awarded by HUD to local communities, States, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.*

As a condition of receiving these grant funds, Federal regulations require recipient jurisdictions to update their most recent Five-Year Consolidated Plan, with the preparation and submission of the City's AAP. And to report on the progress towards goals and priorities set in the AAP for the CDBG, HOME, HOPWA and ESG programs, the City is required to submit to HUD the CAPER.

Progress towards goals set in the 2016/17 AAP are provided in the 2016/17 CAPER. The CAPER outlines accomplishments achieved for the period of July 1, 2016 through June 30, 2017, under the four Formula Grants, other Federal Funds, match and leverage funds supporting these programs for affordable housing, housing for special needs, fair housing, public services, economic development, youth and senior services, homeless services, and other activities funded.

The full CAPER includes narrative sections that provide a summary of the City's progress during the reporting period to address the City's stated housing and community development goals and

objectives. The information corresponds to each priority area established in the FY 2016/17 AAP.

In addition to being available online for City Council and public review, hard copies of the CAPER are made available for public review at the Oakland Main Library, Oakland City Clerk's Office and the City of Oakland's Department of Housing & Community Development.

Attachment A provides summarized narratives from the CAPER.

FISCAL IMPACT

Fiscal Impact is not applicable to the approval of the 2016/17 Consolidated Annual Performance & Evaluation Report (CAPER).

PUBLIC OUTREACH / INTEREST

A *Public Notice* is required to review and receive written comments on the CAPER prior to submitting the final CAPER to HUD. Notices are published in *The Post*, *El Reportero*, and the *Sing Tao Daily* announcing the availability of the draft CAPER for Oakland citizen review and feedback. Published notices are posted starting September 1, 2017. Said notice, also posted on the City of Oakland's *Policy & Planning* webpage provides notification of:

- 2016/17 CAPER Public Comment Period -September 1-15, 2017
- Due Date for Public Comments – September 15, 2017
- Forwarding Information for Public Comments - cdbg@oaklandnet.com
- Access to Draft CAPER for Public Review & Comment Available at:
 - Oakland Main Library
 - City of Oakland Department of Housing & Community Development
 - City of Oakland Office of the City Clerk
 - Online access: www2.oaklandnet.com/Government/o/hcd/s/Data/DOWD008690

A *Public Hearing* will be held Tuesday, September 19, 2017 in the City Council Chambers to present the final CAPER to Council.

COORDINATION

CDBG staff coordinated with various City of Oakland departments and sub-recipients of the 2016/17 CDBG, HOME, HOPWA and ESG grants, and other Federal funding and the Oakland Housing Authority to submit updated information as reported in the 2016/17 CAPER.

SUSTAINABLE OPPORTUNITIES

Economic: CDBG grants fund and support organizations that provide economic development, public facilities, infrastructure and social services for low and moderate-income communities

and expand social service and construction jobs. Projects that receive funding through HOME and HOPWA expand the affordable housing inventory and generate construction and professional service jobs. ESG supports homeless persons with rapid re-housing, outreach, support services, homeless prevention, and shelter, operational costs of the shelter facilities, utility assistance and administration of the grant.

Environmental: The CDBG provides funding for services to rehabilitate blighted or substandard housing, remove hazards such as lead-based paint and other health and building safety issues that help preserve existing City housing stock and improve the environment. The CDBG also provides funding for the Residential Lending Program, which administers the housing rehabilitation programs. Staff encourages construction contractors, property owners and housing developers to make substantial use of recycled content building materials, energy-conserving building designs and appliances as well as water conserving fixtures and landscaping. Housing Development loans support construction projects that will meet or exceed the green building standards developed by StopWaste of Alameda County and must be GreenPoint Rated. Also, housing development projects are infill projects near transportation and reduce pressure to build on agricultural and other undeveloped land and reduce dependency on automobiles.

Social Equity: Services and housing provide benefit to neighborhoods, low-moderate community, elderly and disabled and contribute to the safety, security and well-being of homeowners.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Conduct a Public Hearing and Upon Conclusion Accept and Submit To The U.S. Department of Housing & Urban Development the City's Consolidated Annual Performance & Evaluation Report for FY 2016/17 Community Development Block Grant, HOME Investments Partnership, Housing Opportunities for Persons With AIDS, and Emergency Solutions Grant programs.

For questions regarding this report, please contact Gregory Garrett, CDBG Manager, at 510.238.6183.

Respectfully submitted,



Michele Byrd
Director, Department

Reviewed by:
Michele Byrd, Director

Prepared by:
Gregory Garrett, Manager
Community Development Block Grant Division

Attachment:

A: Summary of Accomplishments Reported in the 2016/17 CAPER

2016/17 CAPER SUMMARY

Housing and Homelessness Accomplishments

The 2016/17 Annual Action Plan established priorities and goals for addressing issues of affordable housing and homelessness. The summary below is organized according to those priority areas.

For the 2016/17 program year, the City's housing and homeless programs, funded through CDBG, HOME, HOPWA and ESG funds with leveraged funds, achieved:

Preservation/Expansion of the Supply of Affordable Rental, Ownership and Special Needs

Housing

- Closed a loan on a new construction of 87-unit family affordable housing project on San Pablo.
- Started construction on new Construction of 59-unit family affordable housing project
- Completed rehabilitation of the Madrone Hotel for 31 Single Resident Occupancy units
- Completed rehabilitation of Marcus Garvey Commons/Hismin Hin-nu Terrace, a 21-unit family affordable housing project.
- Acquired and started rehabilitation of 1 single family residence.

First Time Homebuyers Program

- 16 new MAP loans, 10 assisted buyers <80% AMI, 4 assisted buyers 81-100%, 2 assisted buyers 101-120% AMI. Program was suspended for the first 5 months of FY2017. Program was revised to: (a) include households with 101-to-120% AMI, (b) add new "Residency Requirement" restricting benefits to Oaklanders. \$2,400,000 of funds were appropriated from former redevelopment agency fund.
- Homeownership Education Program held 10 classes to provide homebuyer education to 480 participants and issued completion certificates to 419 prospective buyers.

Assistance to Homeowners, Tenants and Neighborhoods

- Continued Oakland Sustainable Neighborhoods Initiative (OSNI), a public-private partnership to revitalize International Blvd Corridor areas without displacing long-time residents and small businesses.
- Continued the Homeownership Preservation Loan Fund that provides up to \$50,000 to prevent foreclosure or home loss for Oakland homeowners. Administered by Unity Council, the Fund has served 16 households.
- Continued the Pay It Forward Fund (tenant anti-displacement) that provides up to \$5,000 to prevent displacement of tenants.

- Continued supporting comprehensive foreclosure prevention services that provides outreach services to over 4,600 households, counseling or legal services to homeowners and related counseling or legal services tenants.
- Continued operations of the Housing Assistance Center, a one-stop housing services and referral system, which served approximately 2,500 vulnerable residents.
- Continued operations of the Investor owned properties registration & maintenance program.
- Supported the Healthy Housing Integrated Case Management program, City Code Enforcement and County Public Health staff provided integrated services to families with health problems due to their housing conditions.

Housing Rehabilitation and Neighborhood Improvement

- The Home Maintenance and Improvement Program (HMIP) completed rehabilitation of 6 units of owner-occupied housing. An additional 3 units are underway funded by HOME loan repayments. HMIP benefited the homeowners with remediation of dangerous health and safety issues, major energy efficiency improvements, lead paint hazards, as well as housing code violations. The homeowners also benefited from home management counseling, lead hazard risk assessments and consultation, protection from predatory contractors and/or lenders and construction project monitoring provided by staff.
- The Weatherization and Energy Retrofit Program (WERP) completed 1 homes, with 4 projects under construction as of this report. WERP benefits homeowners by providing financial and technical assistance to improve the energy efficiency of their homes. Eligible improvements include window replacement, insulation, furnace replacement, appliance replacement and solar panel installation.
- The Lead Safe Hazard Paint Program (LSHP) completed 0 homes, due to having a shortfall of -\$300,000 and only \$66,057 to spend. Management of the pipeline and a decision to aggregate funding for FY16/17 with FY 17/18 should allow for the completion of all projects in the pipeline. The LSHP Program benefited clients with exterior improvement of their home, by eliminating health hazards through lead abatement and violations of City codes in their homes.
- The Access Improvement Program (AIP) completed work on 0 due to having a shortfall of -\$ 208,886 and only \$172,034 to spend. Management of the pipeline and a decision to aggregate funding for FY16/17 with FY 17/18 should allow for the completion of all AIP projects in the pipeline. units.
- Minor Home Repair Program (MHRP) repair 37 housing units. There are currently 10 projects pending.
- The Emergency Home Repair Program (EHRP) completed repairs on 0 units with 5 under construction. The EHRP benefits homeowners by providing financial assistance for single-system repairs. Primary repairs performed are roofs, plumbing and sewer system repairs.
- Due to funding shortage application intake was suspended mid-January 2016. An interest list has been created, with 265 potential projects in need of funding, that is in

addition to 21 conditionally approved and/or pipeline projects that are still in need of funding. For Residential Lending Services to complete all projects in the portfolio, including those on the interest list an investment of \$11,000,000 would be needed.

- Rebuilding Together Oakland received \$274,977 in CDBG funds for the Home Repairs and Safety/Accessibility Modifications Program. This program renovated 83 homes in Community Development Districts 1-5, benefitting low income senior and/or disabled homeowners as follows:
 - 195 individuals benefitted from renovations
 - Homeowners Assisted
 - 40 Disabled
 - 28 Age 75 and over
 - 47 Age 56-61
 - 7 Other
 - Housing units rehabilitated in each district
 - District 1 (8)
 - District 2 (16)
 - District 3 (23)
 - District 4 (14)
 - District 5 (22)

Homeless Services

- Through the Crossroads Emergency Shelter operated by East Oakland Community Project (EOCP) served 527 with shelter and transitional housing at the Crossroads Shelter facility.
- For the Winter Shelter season in FY 16/17 the City provided a winter response strategy that included temporary emergency shelters in three locations for a total of 105+ nightly beds available. In addition, housing navigation/case management services were available to those utilizing Winter Shelters. A total of 17,733 bed nights were provided to approximately 374 unduplicated individuals. 145 individuals did not return to unsheltered homelessness at the end of the winter shelter season.
- The City, along with Operation Dignity administered the PATH Homeless Mobile Outreach Program (HMOP), serving those unsheltered throughout the city including those living in homeless encampments. During the 2016/2017 program year, more than 52,000 units of harm reduction were distributed, and more than 15,000 outreach and intensive case management efforts were provided to unsheltered persons and those living in homeless encampments in Oakland.
- The Homeless Mobile Outreach Program (HMOP) conducted 186 new field intakes and has 521 homeless households in their database (538 individuals).
- Harm Reduction units include food, hygiene kits, blankets, water, and resources and referrals to relevant agencies and services.
- HMOP performed site assessments and clean-ups at encampments 159 times.

- 14 Homeless Mobile Outreach clients exited to permanent housing, and 5 clients exited to temporary or transitional housing.
- During 2016/2017 program year, the Hunger Program's Brown Bag Food Giveaway had 11 monthly food distributions (September 2016 through July 2017) at 15 sites across the city. The Brown Bag Food Giveaway distributed a total of 38,500 bags of food (3,500 per month). In addition, at the City's 25th Annual Thanksgiving Dinner, also part of the Hunger Program, served 2000 hot meals to homeless, low-income, and seniors of Oakland. In addition, The City leveraged its transportation support programs and provided bus transportation from thirteen different sites for over 300 seniors to and from the event.
- Through the City's Transitional/Supportive Housing Programs, approximately 388 households (483 individuals) received transitional housing and supportive services, assisting each household to become more stable, as they moved toward obtaining permanent housing.
- The City's Coordinated Entry Program for Families, also known as Family Front Door (FFD) completed its first full fiscal year of operations in FY 16/17. During that time, the program enrolled 95 households who are receiving services, and 57 households are receiving supportive housing. The following outcomes have been achieved at various housing placements:
 - 24 families have been assisted with placement in shelter.
 - 10 families have been assisted with placement in Transitional Housing.
 - 23 families have been assisted with Rapid Rehousing.

The City, along with Lifelong Medical Care served 137 formerly homeless heads of households (147 individuals) currently living in permanent supportive housing. These participant, who have serious mental health issues, were provided with intensive services to assist in maintaining their housing.

- The Oakland PATH Rehousing Initiative (OPRI), which works with the Oakland Housing Authority and with the HMOP/Permanent Access To Housing (PATH) and other community housing and services, assists people into permanent housing by moving them directly from homeless encampments, shelters, foster care and the criminal justice system into subsidized housing. The total number of people served in 2016/2017 under OPRI is 113, and a total 292 since the program began in 2010.
- Through the Housing Opportunities for Persons with AIDS program (HOPWA) 254 HOPWA eligible households received housing subsidy assistance; 142 received support services; 458 received housing information services; 136 stewardship units remained in operation, and housing development projects for an additional of 45 units of HOPWA housing was awarded and/or started but not completed in the program year.

Economic Development

Economic Development Department

Economic Development programs provided business development and assistance to over 70 businesses, enabling businesses to create or maintain 250 jobs.

City and AC Transit Investing in Bus Rapid Transit (BRT) Corridor: Staff continued to work with AC Transit, who has committed to investing to build a Bus Rapid Transit (BRT) system connecting Downtown Oakland to San Leandro. This significant public transit upgrade will also bring new lighting, art, parking, and pedestrian and bicycle safety improvements to the entire length of International Boulevard. Economic Development staff are working with AC Transit and have \$2 million in business development support (funds by AC Transit) to help local businesses prepare for and thrive in a new economic environment when the BRT is complete. In September 2015 AC Transit BOD approved an MOU with the City of Oakland to provide \$2,000,000 grant to support this program. In 2016/17 the City entered into contract with Anew America and Mason Tillman to provide technical assistance to affected business under the BRT program. Under the BRT Technical Assistance program 930 units of technical assistance were provided to approximately 380 businesses along the International Boulevard Corridor.

Commercial Lending

For 2016/17, the Commercial Lending staff along with Mainstreet Launch accomplished the following with City, Federal and other funds secured by Mainstreet Launch for commercial loan programs:

- Funded 48 loans for 20 start-up businesses and 28 existing businesses
- Loans ranged from \$3,500 to \$250,000
- Leverage \$4.4 million in private financing and investment capital.
- 302 jobs created or maintained in Oakland
- Provided over 1,297 technical assistance (TA) hours to new applicants and 630 TA hours to new clients.

Public Services and Infrastructure (Neighborhood Improvements) Accomplishments

In keeping with the goals established by the Oakland City Council and the Five-Year Consolidated Plan Strategy, the City of Oakland allocated \$1,214,802.99 in FY16-17 funding and carry-forward funds for CDBG-eligible activities based on recommendations from the City's seven Community Development (CD) District Boards prior to the 2013/15 funding round, the City's 2016/17 Annual Action Plan, and available CDBG fund balances from the prior year.

This set aside amount is typically set aside and distributed through a Request for Proposals (RFP) process through which CD Districts recommend funding to address CD District specific priorities. For FY 2016/17 existing 2015/16 CDBG Agreements were extended through FY 2016/17. Programs extended and/or implemented by the sub recipients and the City departments under this portion of CDBG funds, listed below by categories:

Public Services

\$582,128 in Public Services activities were carried out through 11 sub recipient grant agreements with 10 private, nonprofit agencies that serve low- and moderate-income persons in the seven Community Development Districts of Oakland. The activities are in the categories identified in the Strategic Plan for Non-Housing Community Development Needs contained in the Consolidated Plan for July 1, 2015 to June 30, 2020 and in the 2016/17 Annual Action Plan.

Crime Awareness/Prevention	1	Vietnamese American Community Center (\$25,000)
Microenterprise & Business Assistance	2	AnewAmerica Community Corp (\$20,000) OCCUR/Heartlands (\$176,470)
Public Services (General)	1	OCCUR/Eastmont Technology Learning Center (\$103,200)
Senior Services	3	Alameda County Community Food Bank (\$20,000) Alzheimer's Services of the East Bay (\$25,200) Vietnamese Community Development, Inc. (\$35,000)
Tenant/Landlord Counseling	1	East Bay Community Law Center (\$19,670)
Youth Services	3	First Place for Youth (\$40,618) Friends of Peralta Hacienda Historical Park (\$35,650) Project Re-Connect (\$81,320)

Infrastructure (Neighborhood Improvements)

\$274,977 in FY16-17 CDBG funding was allocated for 1 private, non-profit sub recipient providing housing related improvements for low- and moderate income homeowners. Rebuilding Together Oakland implemented a housing related improvement project that provided exterior/interior home repairs as well as safety and accessibility modifications for 81 housing units occupied by elderly and disabled homeowners. (\$274,977)

Improvements to three City-owned Oakland Parks and Recreation (OPR) facilities during FY 2016/17 were completed, funded under CDBG allocations made to OPR prior to FY 2016/17. Other projects are continued as listed below.

CDBG – Grant Year	Project Update
2013/14 & 2014/15 (Completed)	Used balance of \$2,813.52 from lead abatement project to repaint Defremery Recreation Center pool house. Project completed in 2017
2013/14 (Completed)	San Antonio Parks & Rec. Center Improvement (\$111,800) Project consisted of roof and window repair and replacement. Project is completed. San Antonio center is both a recreation and head start facility annually serving over 8,000 registered participants in addition to an estimated 50-100 daily drop in recreation user.
2014/15 (Completed)	East Oakland Sports Complex Picnic Area Project is completed with the installation of a covered picnic area with four tables and BBQ pit in Brookfield Park adjacent to the East Oakland Sports Center.
2013/14 (In Progress)	Brookfield Park Swing Set Improvement- Project is expected to be completed in October of 2017. This project is funded by an

	available fund balance from the 2015 allocation to STRIDE Youth Camp for a total of \$4,860 to be completed in October 2017
2014/15 (In Progress)	Brookdale Park Improvements - Project includes resurfacing of hardscape in play area with \$10,210 balance from the 2014/15 allocation. This play area serves over 6,000 users annually. Projected completion date is October 2017.
2015/16 & 2016/17 In Progress	\$20,000 (reprogrammed from STRIDE allocations) to Jack London Aquatic Center Dock. Project will contribute to the replacement of the main dock at City's rowing facility. Dock is open to the public allowing water access to the Oakland Estuary. Estimated completion date is December, 2017. The rowing dock serves thousands of city-wide recreations population in addition to 1,319 program participants collectively receiving 46,000 hours of programming annually.
2015/16 & 2016/17 (In Progress)	\$12,539.74 (reprogrammed from STRIDE allocations) to FROG Park Play Structure. Grant dollars will close funding gap for tot lot improvement and expansion project to add additional swings and 2 play structures. FROG park amenities are a citywide draw with the tot lot serving over 14,000 annual users. Draw down of funding will begin late 2017, with project completion Spring of 2018.