

  
City Attorney

# **OAKLAND CITY COUNCIL**

**RESOLUTION No. \_\_\_\_\_ C.M.S.**

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**RESOLUTION:**

- 1) ACCEPTING AND APPROPRIATING CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES ACT) FUNDS IN THE AMOUNT OF \$4,532,841 AWARDED TO THE CITY OF OAKLAND TO PREVENT, PREPARE FOR AND RESPOND TO THE CORONAVIRUS;**
- 2) AMENDING RESOLUTION NO. 87729 C.M.S. TO REALLOCATE \$236,712 IN CODE ENFORCEMENT RELOCATION PROGRAM FUNDS TO THE COMMERCIAL LENDING PROGRAM FOR A GRANT PREVIOUSLY AWARDED TO MAIN STREET LAUNCH AND TO REALLOCATE EXCESS REVOLVING LOAN PROGRAM INCOME FOR ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT ACTIVITIES;**
- 3) AUTHORIZING THE CITY ADMINISTRATOR TO REALLOCATE UNUSED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR OTHER PRIORITY COMMUNITY DEVELOPMENT BLOCK GRANT PROJECTS INCLUDING PROJECTS TO ADDRESS THE IMPACT OF THE CORONAVIRUS CRISIS ON OAKLAND COMMUNITIES;**
- 4) AUTHORIZING THE CITY ADMINISTRATOR TO PREPARE AND SUBMIT TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THE CITY'S FIRST SUBSTANTIAL AMENDMENT TO ITS FISCAL YEAR 2019-2020 CONSOLIDATED ANNUAL ACTION PLAN;**
- 5) AUTHORIZING THE CITY ADMINISTRATOR TO AWARD AGREEMENTS FOR CAPITAL IMPROVEMENTS TO THE HENRY ROBINSON MULTI SERVICE CENTER IN AN AMOUNT NOT TO EXCEED \$350,000 SUBJECT TO COMPLIANCE WITH ANY APPLICABLE COMPETITIVE BIDDING REQUIREMENTS, WITHOUT RETURNING TO COUNCIL; AND**
- 6) AUTHORIZING THE CITY ADMINISTRATOR TO AWARD AGREEMENTS FOR OTHER COMMUNITY DEVELOPMENT BLOCK GRANT ACTIVITIES AS SET FORTH IN EXHIBIT A, ATTACHED HERETO, AND THE CITY'S AMENDED FISCAL YEAR 2019-2020 CONSOLIDATED ANNUAL ACTION PLAN, SUBJECT TO COMPLIANCE WITH ANY APPLICABLE COMPETITIVE BIDDING REQUIREMENTS, WITHOUT RETURNING TO COUNCIL.**

**WHEREAS**, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) (Public Law 116-136) provided \$5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants); and

**WHEREAS**, the United States Department of Housing and Urban Development (HUD) has awarded the City of Oakland CDBG CARES Act funds in the amount of \$4,532,841 for CDBG-CV grants; and

**WHEREAS**, City Council Resolution No. 87730 C.M.S. allocated \$236,712 in Economic Development Initiative funds to the City's 2019-2020 Commercial Lending Program to supplement a CDBG grant awarded to Main Street Launch; and

**WHEREAS**, the \$236,712 in Economic Development Initiative funds are no longer available to supplement the CDBG grant awarded to Main Street Launch; and

**WHEREAS**, City Council Resolution No. 87729 C.M.S. allocated CDBG funds in the amount of \$605,940 to the City's Code Enforcement Relocation Program (CERP); and

**WHEREAS**, \$236,712 of the funds allocated to CERP are available for reallocation to the City's 2019-2020 Commercial Lending Program to supplement the CDBG grant awarded to Main Street Launch; and

**WHEREAS**, City Council Resolution No. 87729 C.M.S. allocated Revolving Loan Program Income received by the City from loan payments and fees in excess of \$850,000 to the Housing Rehabilitation Programs Fund (2108) for the additional funding of loans or grants; and

**WHEREAS**, staff seeks to expand the authorized use of excess Revolving Loan Program Income for additional CDBG eligible projects, including, but not limited to, projects to address the impact of the coronavirus crisis on Oakland communities; and

**WHEREAS**, HUD guidelines governing CDBG grants require CDBG funded activities to be completed within a specific time period; and

**WHEREAS**, the failure to ensure completion of CDBG funded activities within the specified time period may subject the City to corrective action, including, but not limited to, the loss of CDBG funding; and

**WHEREAS**, it appears that one or more projects or programs currently funded by a City CDBG grant will not be completed within the required time period; and

**WHEREAS**, Title 24, section 91.505 of the Code of Federal Regulations (24 CFR 91.505) requires a CDBG grant recipient, such as the City, to Amend its approved Annual Action Plan (AAP) whenever the decision is made to: (1) make a change in its allocation priorities or a change in the method of distribution of funds; (2) carry out an activity, using funds from any program

covered by the AAP, not previously described in the AAP; or (3) change the purpose, scope, location, or beneficiaries of an activity; and

**WHEREAS**, Title 24, section 91.505 of the Code of Federal Regulations (24 CFR 91.505) also requires a CDBG grant recipient to identify in its Citizen Participation Plan the criteria it will use for determining what constitutes a substantial amendment; and

**WHEREAS**, the City of Oakland's Citizen Participation Plan defines a substantial amendment as: (1) a change in the use of CDBG funding from one activity to another; (2) funding of an activity type not described in the AAP; (3) changing the priorities contained in the Five Year Strategy; and (4) increasing or reducing the amount allocated to an activity by more than 25 percent; and

**WHEREAS**, the City of Oakland must prepare and submit to HUD for review and approval a substantial amendment to its Fiscal Year (FY) 2019-2020 Consolidated Annual Action Plan to provide for CDBG-CV grant allocations, reallocate CDBG funds allocated to the Code Enforcement Relocation Program, reallocate Revolving Loan Program Income and to reallocate CDBG funds from programs failing to meet program timelines to other eligible programs; and

**WHEREAS**, Title 24, section 91.105 of the Code of Federal Regulations (24 CFR 91.105) requires that citizens be provided a minimum of 30 days to comment on substantial amendments to an AAP; and

**WHEREAS**, on April 2, 2020, HUD waived the 30-day public comment period for substantial amendments through the end of the 2019-2020 program year, provided that no less than 5 days are provided for public comments on each substantial amendment; and

**WHEREAS**, on May 19, 2020, a public hearing was held on the City's first substantial amendment to its FY 2019-2020 Consolidated Annual Action Plan; now, therefore, be it

**RESOLVED:** That the City Council hereby accepts and appropriates CDBG CARES Act grant funds in the amount of \$4,532,841 to the HUD-CDBG Fund 2108, Organization 89949; Project (To Be Determined-CV); and be it

**FURTHER RESOLVED:** That City Council Resolution No. 87729 C.M.S. is amended to reduce the amount of CDBG funds allocated to City's Code Enforcement Relocation Program (Fund 2108; Organization 89949; Account 54912; Project 1000385) by \$236,712; and be it

**FURTHER RESOLVED:** That City Council hereby reallocates the \$236,712 in CDBG funds removed from the Code Enforcement Relocation Program fund to the City's 2019-2020 Commercial Lending Program for the grant awarded to Main Street Launch (Fund 2108; Organization 89949; Account 54912; Project 1003938); and be it

**FURTHER RESOLVED:** That City Council Resolution No. 87729 C.M.S. is amended to reallocate and authorize the use of any Revolving Loan Program Income received in excess of \$850,000 for the additional funding of loans or grants and other CDBG eligible activities,

including projects to address the impact of the coronavirus crisis on Oakland communities, without returning to Council; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to reallocate CDBG grant funds currently allocated to projects that will not be completed within the required time period to projects and activities identified in **Exhibit A**, attached hereto, without returning to Council, to ensure that the City remains in compliance with CDBG grant regulations; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to prepare the City's first substantial amendment to its FY 2019-2020 AAP and related documents; and be it

**FURTHER RESOLVED:** That the City shall provide a period of not less than 5 days for public comment on the amendments to the AAP and shall review and consider all public comments regarding said amendments prior to submission of the amended AAP to HUD for review and approval; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to take all actions necessary to timely submit the final amended AAP to HUD for the purpose of securing HUD approval of the amended AAP; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to award agreements for capital improvements to the Henry Robinson Multi Service Center in an amount not to exceed \$350,000 subject to compliance with any applicable CDBG and City competitive bidding requirements, without returning to Council; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to award agreements to the third-party contractors and sub recipients for projects and activities as set forth in **Exhibit A** attached hereto and the City's first substantial amendment to its FY 2019-2020 AAP subject to compliance with any applicable CDBG and City competitive bidding requirements, without returning to Council; 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 be it

**FURTHER RESOLVED:** That executed copies of all agreements shall be filed with the City Clerk, and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to conduct negotiations, execute documents, and take any other action with respect to the allocation of CDBG and CDBG-CV funds and the award of agreements for activities identified in **Exhibit A** consistent with this Resolution and its basic purpose, without returning to Council.

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IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - FORTUNATO BAS, GALLO, GIBSON-MCELHANEY, KALB, REID, TAYLOR, THAO AND  
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATAONDA SIMMONS  
City Clerk and Clerk of the Council of the  
City of Oakland, CA