  
City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. 88284 C.M.S.

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**RESOLUTION:**

**(1) AUTHORIZING THE CITY ADMINISTRATOR TO APPLY FOR, AS A LOCAL AGENCY PARTNER, UP TO \$10 MILLION OF FUNDS FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT UNDER THE HOMEKEY PROGRAM (HOMEKEY FUNDS);**

**(2) ACCEPTING AND APPROPRIATING UP TO \$10 MILLION IN HOMEKEY FUNDS, AS A LOCAL AGENCY PARTNER, FOR ACQUISITION OF SCATTERED SMALL SITES BY BAY AREA COMMUNITY SERVICES (BACS) FOR PERMANENT AFFORDABLE HOUSING; AND**

**(3) AWARDING A GRANT AGREEMENT TO BACS, IN AN AMOUNT NOT TO EXCEED \$10 MILLION, TO ACQUIRE SCATTERED SMALL SITES FOR PERMANENT AFFORDABLE HOUSING.**

**WHEREAS**, the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA), dated July 16, 2020, for the Homekey Program (Homekey) pursuant to California Health and Safety Code section 50675.1.1; and

**WHEREAS**, the Department is authorized to administer Homekey 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

**WHEREAS**, Homekey will make available \$600 million in grant funding to local public entities, including cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing; and

**WHEREAS**, of the \$600 million in Homekey grant funds, \$550 million is derived from the State's direct allocation of the federal Coronavirus Aid Relief Funds (CRF), and \$50 million

is derived from the State's General Fund, and, per the federal funding requirements, the CRF must be expended by December 30, 2020; and

**WHEREAS**, the Department is authorized to administer Homekey 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).

**WHEREAS**, Homekey will award funds to eligible projects up to \$100,000 "per door", with additional \$50,000 per door with a 1:1 local match, and an additional \$50,000 per door with a 2:1 local match; and

**WHEREAS**, the City has partnered with Bay Area Community Services, a local nonprofit organization, (Development Partner), to apply for Homekey Funds to acquire 100 bedrooms in up to 20 homes scattered across the City of Oakland, in order to provide permanent affordable housing to persons at risk of homelessness (the Scattered Small Sites Project); and

**WHEREAS**, the total acquisition cost to the Development Partner for the Scattered Small Sites Project is \$10,000,000; and

**WHEREAS**, based on the per-door acquisition costs, the Scattered Small Sites Project does not require a local funding match, but requires a co-application from the City; and

**WHEREAS**, the City wishes to apply, as a local agency partner, with Development Partner, for Homekey Funds for the Scattered Small Sites Project in a total amount not to exceed \$10,000,000; and

**WHEREAS**, contingent on the grant of Homekey Funds for the Scattered Small Sites Project, the City Administrator or his or her designee will enter into a grant agreement with Development Partner in a total amount not to exceed \$10,000,000, for the Scattered Small Sites Project; and

**WHEREAS**, such grant agreement shall require that any contracts entered into by Development Partner for the rehabilitation, alteration, or construction of the Scattered Small Sites Project will not increase the footprint by more than 10 percent, and shall include enforceable requirements that the contractor and all subcontractors pay prevailing wages in accordance with California Labor Code Section 1720 et seq., and use a skilled and trained workforce in accordance with California Public Contract Code Section 2600 et seq.; and

**WHEREAS**, such grant agreement shall require that a use restriction be recorded on each of the properties in the Scattered Small Sites Project 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 55 years; and

**WHEREAS**, California Health and Safety Code section 50675.1.2 establishes a statutory exemption from the California Environmental Quality Act (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, 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 Scattered Small Sites Project satisfies the conditions of Health and Safety Code section 50675.1.2 and is exempt from CEQA review; and is also exempt from CEQA pursuant to CEQA Guidelines sections 15301 (existing facilities); and

**WHEREAS**, to effectuate the City's goals, the City has jointly initiated the submittal of an application for Homekey Funds with the Development Partner to the Department for review and consideration for the Scattered Small Sites Project (Application); and

**WHEREAS**, Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (Standard Agreement), and all other legal requirements of Homekey; 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 authorizes and directs the City Administrator or his or her designee to submit an Application to the Department in response to the NOFA, dated July 16, 2020, and to apply for Homekey grant funds for the Scattered Small Sites Project in a total amount not to exceed \$10,800,000, which amount includes \$10,000,000 for capital expenditures (as allowed under Health and Saf. Code, § 50675.1.1, subd. (a)(1)-(6)); and be it

**FURTHER RESOLVED:** That if the Application is approved, the City Council hereby authorizes and directs the City Administrator or his or her designee to accept the award, and to enter into, execute, and deliver a Standard Agreement, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the "Homekey Documents"); and be it

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

**FURTHER RESOLVED:** That if the Application is approved, the City Council hereby appropriates up to \$10,000,000 in Homekey Funds and allocates the award to the Scattered Small Sites Project, and authorizes and directs the City Administrator or his or her designee to ensure that any Homekey funds awarded for capital expenditures are spent by December 30, 2020; and be it

**FURTHER RESOLVED:** That the City Director of Housing & Community Development is authorized to execute the Application and the Homekey Documents on behalf of City, as a local agency partner, for participation in Homekey; and be it

**FURTHER RESOLVED:** That contingent upon the award of Homekey Funds for the Scattered Sites Project, the City Administrator is hereby authorized to enter into a grant agreement with BACS, in an amount not to exceed \$10,000,000, for the acquisition and operation of the Scattered Small Sites Project, 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 to 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 50675.1.2 and CEQA Guidelines 15301, and the City Administrator or his or her designee 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.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

**AUG 28 2020**

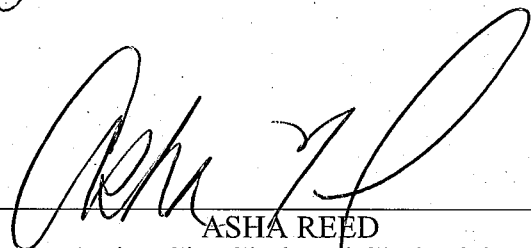
AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



ASHA REED

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