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## *MEMORANDUM*

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Margaret O'Brien  
Interim Director of Finance

**SUBJECT:** Status of Measure KK Projects and  
Expenditures Informational Report

**DATE:** February 19, 2021

City Administrator  
Approval

Date: Feb 22, 2021

### **INFORMATION**

The purpose of this informational memorandum is to provide City Council with a status update of Measure KK projects and expenditures. On November 8, 2016, the City of Oakland (the “City”) received voter approval authorizing the City to issue \$600 million in general obligation bonds to fund various City infrastructure and affordable housing projects (“Measure KK”). Per Ordinance No. 13403 C.M.S, staff is to bring forth a report on expenditures and programs related to the bonds to City Council semi-annually.

Subsequent to enacting the Measure KK initiative on August 1, 2017, the City issued \$117,855,000 City of Oakland General Obligation Bond (Measure KK, Series 2017 A-1/A-2), the first of multiple series of bonds to finance acquisition and improvements to real property such as streets and sidewalks, facilities, and affordable housing. On February 13, 2020, the City issued the second series, Measure KK, Series 2020 B-1/B-2 in the amount of \$184,890,000.

A total of \$134.0 million of bond proceeds has been spent and \$35.3 million has been committed to the projects and programs for Measure KK as summarized in **Table 1**.

**Table 1**  
**Summary of Project Status**

<b>Department</b>	<b>Total Funding</b>	<b>Amount Spent</b>	<b>Fund Encumbered</b>	<b>Remaining Balance</b>
Department of Transportation: Streets and Roads (\$350 million) <sup>(1)</sup>	\$138,330,000	\$64,646,002	\$1,588,405	\$72,095,593
Public Works Department: Facilities (\$150 million) <sup>(2)</sup>	\$63,423,800	\$14,027,300	\$814,897	\$48,581,603
Housing and Community Development: Affordable Housing (\$100 million) <sup>(3)</sup>	\$100,000,000	\$55,342,487	\$32,940,616	\$ 11,716,897
<b>SUBTOTAL</b>	<b>\$301,753,800</b>	<b>\$134,015,789</b>	<b>\$35,343,918</b>	<b>\$132,394,093</b>

<sup>(1)</sup> Spending information of December 21, 2020

<sup>(2)</sup> Spending information November 30, 2020

<sup>(3)</sup> Spending information of January 12, 2021

## **BACKGROUND / LEGISLATIVE HISTORY**

On November 8, 2016, more than two-thirds of the qualified voters of the City approved Measure KK, authorizing the City to issue \$600 million general obligation bonds “to improve public safety and invest in neighborhoods throughout Oakland by re-paving streets to remove potholes, rebuilding cracked and deteriorating sidewalks, funding bicycle and pedestrian safety improvements, funding affordable housing for Oaklanders, and providing funds for facility improvements, such as, neighborhood recreation centers, playgrounds and libraries.” Projects to be funded include the following:

1. Streets and Roads Projects (\$350 million)
  - a. Street paving and reconstruction
  - b. Bicycle and pedestrian improvements; bikeways, City sidewalks, paths, stairs, streetscape, curb ramps
  - c. Traffic calming improvements
2. Facilities Projects (\$150 million)
  - a. Fire Facilities (\$40 million)
  - b. Police Facility (\$40 million)
  - c. Libraries (\$15 million)
  - d. Parks, Recreation and Senior Facilities (\$35 million)
  - e. Water, energy and seismic improvements consistent with the City’s Energy and Climate Action Plan (\$20 million)
3. Anti-Displacement and Affordable Housing Preservation Projects (\$100 million)
  - a. Funds may be spent on the acquisition, rehabilitation, or new construction of affordable housing as set forth in the [Affordable Bond Law Ordinance](#)

On August 1, 2017, the City issued \$117,855,000 City of Oakland General Obligation Bonds, Measure KK, Series 2017A-1 and Series 2017A-2 (together the “Bonds”) to provide funds for:

- 1) Street paving and reconstruction; bicycle, pedestrian and traffic calming improvements; construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks, recreation, and senior facilities; and water, energy and seismic improvements consistent with the City’s Energy and Climate Action Plan, as set forth in Resolution No. 86773 C.M.S., adopted by the City Council on June 19, 2017, as amended by Resolution Nos. 86815 C.M.S. and 86816 C.M.S., each adopted by the City Council on June 29, 2017, and
- 2) Anti-displacement and affordable housing preservation projects, including the acquisition, rehabilitation, or new construction of affordable housing in accordance with the City’s Affordable Housing Bond Law Ordinance and as set forth in Resolution No. 86774 C.M.S. adopted by the City Council on June 19, 2017, as amended by Resolution No. 86814 C.M.S. adopted by the City Council on June 29, 2017.

On February 13, 2020, the City issued \$184,890,000 City of Oakland General Obligation Bonds, Measure KK, Series 2020B-1 and Series 2017B-2 (together the “Bonds”) to provide funds for:

- 1) Street paving, resurfacing and reconstruction; bicycle, pedestrian and traffic calming improvements; and construction, purchase, improvement, or rehabilitation of City facilities including fire, library, parks, recreation, and senior facilities, consistent with the City’s [FY 2019-21 Capital Improvement Program \(CIP\)](#) all as set forth in Resolution No. 87981 C.M.S., adopted by the City Council on December 10, 2019, and
- 2) Anti-displacement and affordable housing preservation programs, including the acquisition, rehabilitation, or new construction of transitional housing and affordable housing for ownership and rent in accordance with the City’s Housing Bond Law and as set forth in Resolution No. 87981 C.M.S., adopted by the City Council on December 10, 2019.

As of January 1, 2021, \$297, 255,000 of Measure KK general obligation bonds remains authorized but unissued.

## **ANALYSIS/POLICY ALTERNATIVES**

On August 1, 2017, the City issued the first tranche, or portion, of general obligation bonds for Measure KK in the amount of \$117,855,000 and on February 13, 2020, the City issued the second tranche of general obligation bonds for Measure KK in the amount of \$184,890,000. A total of \$134.0 million of bond proceeds has been spent and \$35.3 million has been committed to the projects and programs for by Measure KK. The bond fund expenditures, as well as the timeline for the drawdowns of unspent proceeds on Measure KK projects by departments are provided in the following section.

***Oakland Department of Transportation (OakDOT)***

A total of \$138,330,000 of Measure KK funds was allocated to transportation capital projects, which includes paving, complete streets capital, curbs ramps to comply with the Americans with Disabilities Act (ADA), sidewalk repairs, and Safe Routes to Schools projects. Of the total amount, \$64,646,002 has been spent and \$1,588,405 are encumbered, which is approximately 46.7% of the total funds allocated in tranche 1 and 2 (See **Table 1**).

As of December 21, 2020, OakDOT has spent and encumbered 95.3% of funds allocated in tranche 1 and anticipates that remaining funds will be spent by June 2021. A summary of the allocations and expenditures to date for Measure KK tranche 1 is summarized in **Table 2**:

***Measure KK Series 2017 (Tranche 1)***

**Table 2**  
**OakDOT Measure KK, Series 2017 A-1 (Tax-Exempt) Transportation Project Status<sup>(1)</sup>**

<b>Program Name</b>	<b>Total Funding</b>	<b>Funds Spent</b>	<b>Funds Committed</b>	<b>Anticipated Completion Date</b>
Paving & Bike Paving	\$31,250,000	\$29,874,275	\$1,053,037	June-2021
Complete Streets Capital	\$3,250,000	\$2,288,240	\$410,968	June-2021
ADA Curb Ramps	\$3,600,000	\$2,746,782	\$43,991	June-2021
City Sidewalk Repairs	\$2,000,000	\$1,772,221	\$624	June-2021
Safe Routes to Schools	\$500,000	\$500,000	\$0	June-2021
<b>SUBTOTAL</b>	<b>\$40,600,000</b>	<b>\$37,181,518</b>	<b>\$1,508,620</b>	

<sup>(1)</sup> Reflects Council approved reallocations per Resolution No. 87620 C.M.S. Spending information as of December 21, 2020.

***Measure KK Series 2020 (Tranche 2)***

In the Fiscal Year 2019-2021 Capital Improvement Program (CIP) Adopted Budget, OakDOT's approved Measure KK funding for five capital programs as summarized in **Table 3**.

**Table 3**  
**OakDOT- Measure KK, Series 2020 (Tax-Exempt)**

<b>Program Name</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>Total</b>
Paving	\$35,250,000	\$40,000,000	\$75,250,000
Complete Streets Capital Program	\$ 7,480,000	\$6,000,000	\$13,480,000
Neighborhood Traffic Calming Program/SRTS	\$ 2,250,000	\$750,000	\$3,000,000
ADA Curb Ramps	\$2,000,000	\$2,000,000	\$4,000,000
City Sidewalk Repair	\$1,000,000	\$1,000,000	\$2,000,000
<b>SUBTOTAL</b>	<b>\$47,980,000</b>	<b>\$49,750,000</b>	<b>\$97,730,000</b>

OakDOT allocates funds by project phase, ensuring project readiness to spend down funds in a timely manner, as well as to enhance the department's ability to respond to unexpected changes in project schedule, scope, invoicing and estimated costs. At present, 28.2% of funds of Measure KK Tranche 2 have been spent and encumbered to date. OakDOT anticipates all funds to draw down by December 2023. Funding from Measure KK Tranche 2 became available to OakDOT in February 2020, approximately six months after the FY2019-21 Adopted CIP. **Table 4** summarizes the expenditure status of OakDOT projects.

**Table 4**  
**OakDOT Measure KK, Series 2020 A-1 (Tax-Exempt) Transportation Project Status<sup>(1)</sup>**

<b>Program Name</b>	<b>Total Funding</b>	<b>Funds Spent as of 12/21/20</b>	<b>Funds Committed as of 12/21/20</b>	<b>Anticipated Completion Date</b>
Paving	\$75,250,000	\$22,161,684	\$1,846,202	Dec-2023
Complete Streets Capital	\$13,480,000	\$1,773,122	\$180,218	Dec-2023
Safe Routes to School	\$3,000,000	\$205,787	\$(66,486)	Dec-2023
ADA Curb Ramps	\$4,000,000	\$2,374,420	\$(1,882,046)	Dec-2023
City Sidewalk Repair	\$2,000,000	\$949,472	\$2,337	Dec-2023
<b>SUBTOTAL</b>	<b>\$97,730,000</b>	<b>\$27,464,484</b>	<b>\$80,225</b>	

<sup>(1)</sup> Financial information as of December 21, 2020

#### **Program Status:**

- **The Paving Program** has accelerated spending with the approval of on-call contracts and the full engagement of in-house paving crews. All funds for paving and bike streets paving were either programmed for in-house work or encumbered in contracts. All tranche 1 paving funds are expected to be expended by summer 2021. In the first year of the plan (July 1, 2019 to June 30, 2020), a record 32 miles were paved in Oakland, including 12.2 miles on local streets. Prior to the passage of Measure KK, OakDOT averaged 3.0 miles of local streets paving a year.
  - The [Completed Paving Funded by Measure KK map](#) displays project numbers, project locations, miles paved and paving completion date grouped by Measure

KK issuances (Tranche 1, shown in blue, and Tranche 2, shown in purple). Other future paving projects prioritized under the three-year paving plan are shown in gray lines.

- The [Oakland 3-Year Paving Plan – Year 1 in Review](#) webpage contains interactive maps and charts displaying the paving plan's progress to date. The 3-Year Paving Plan Annual Report also contains a wealth of information regarding major milestones achieved in the first year of the plan.
- The [2019 3-Year Paving Plan Year 1 Update](#) provides an update regarding progress in implementing the 2019 3-Year Paving Plan through the first year of the plan (July 1, 2019 to June 30, 2020).
- **Complete Streets Capital Projects** largely funds local match for grant funded projects. The 7th Street West Oakland project is completing construction, while several Highway Safety Improvement Projects (HSIP) have begun construction or are in the process of being awarded. The Laurel Access to Maxwell Park, Seminary and Mills project, which also used local match from this category, was recently completed. Other projects are in the planning or design phase.
  - A map of Complete Streets Capital Projects is attached as **Attachment B**, herein.
- **The ADA Curb Ramps and City Sidewalk Repairs programs** are all proceeding in alignment with the paving program.
- **The Safe Routes to Schools program** completed the design of improvements for seven schools, and construction will commence in Spring 2021.

### ***Oakland Public Works (OPW)***

A total of \$21,985,000 of Measure KK funds was allocated to 19 public works projects in FY 2017-19. Of the total amount, \$13,586,470 has been spent and \$557,111 are encumbered, which is approximately 64.3% of the total funds allocated. A summary of the allocations and expenditures to date is in **Table 5**.

**Measure KK Series 2017 (Tranche 1)**

**Table 5**  
**Measure KK, Series 2017 A-1 (Tax-Exempt) Public Works Project Status<sup>(6)</sup>**

<b>Program Name</b>	<b>Total Funding</b>	<b>Funds Spent as of Nov. 30, 2020</b>	<b>Funds Committed</b>	<b>Anticipated Completion Date</b>
Head Start – Arroyo Viejo Remodel	\$225,000	\$188,251	\$11,580	Completed
Head Start – Manzanita Ctr. Renovation	\$750,000	\$690,823	\$28,132	Completed
OFD Roof Assessment & Replacement <sup>(1)</sup>	\$793,500	\$710,730	\$138,627	Completed
OFD Telescopic Apparatus Door Replacements	\$274,000	\$208,812	\$ -	Completed
OFD Fire Stations CW Renovations <sup>(4)</sup>	\$3,000,000	\$809,648	\$121,951	Jun. 2021
Ballfield Wiring Hazard Mitigation	\$1,000,000	\$999,704	\$23,137	Completed
OFD Apron & Hardscape – Citywide Stations	\$1,600,000	\$1,520,334	\$10,342	Completed
OFD Feasibility Study Right Of WayNew Fire Sta. 4 & 29	\$570,000	\$196,198	\$13,720	FS 29 Complete; FS 4 Dec. 2021
PAB Feasibility Study <sup>(5)</sup>	\$200,000	\$41,634	\$29,518	Completed
Animal Shelter – Repl. HVAC & Energy System	\$1,650,000	\$190,499	\$35,428	Dec. 2021
Henry Robinson MSC Ctr. – Air Conditioning Replacement <sup>(3)</sup>	\$257,500	\$87,106	\$ -	Dec. 2021
Main Library Improvements	\$2,350,000	\$367,958	\$27,456	Jun. 2023
Branch Library Renovation – W. Oakland*, Asian, & Brookfield <sup>(2)</sup>	\$2,025,000	\$473,552	\$78,378	Jun. 2023
Dimond Park - Lion Pool Repl.	\$1,015,000	\$999,147	\$16,082	Completed
Head Start – Brookfield Upgrade	\$810,000	\$700,086	\$21,365	Completed
Head Start – Playground Replacement	\$45,000	\$44,358	\$ -	Completed
Rainbow Recreation Center Expansion/Addition	\$5,000,000	\$4,963,135	\$1,396	Completed
Tassafaronga Gym Repair	\$420,000	\$394,496	\$ -	Completed
<b>SUBTOTAL</b>	<b>\$21,985,000</b>	<b>\$13,586,470</b>	<b>\$557,112</b>	

<sup>(1)</sup> Partial funds reallocated to complete the Fire Station Apparatus Door Replacements and the Fire Station Apron and Hardscapes at six stations

<sup>(2)</sup> Projects anticipating extended delivery timeframe: Deliveries of the branch library projects will be impacted pending directions on the scope for the facilities at West Oakland and Asian Branches that are currently on-hold.

<sup>(3)</sup> Henry Robinson MSC facility, existing conditions found through assessment phase determined expanded scope required to address existing conditions.

<sup>(4)</sup> Fire Station Renovation project implementation schedule will be extended since the stations will require construction in sequence to meet operational needs, thus extending construction period of the overall project.

<sup>(5)</sup> Police Administration Building (PAB) feasibility study has been completed to the extent possible, pending further direction and determination of options for future PAB facility.

<sup>(6)</sup> Financial information as of November 30, 2020

***FY 2017-19 - Project Status***

**Fire Department**

- Station 4 and Station 29: Consultant teams have been selected for both fire stations. A city owned site at 905 66<sup>th</sup> Avenue has been identified for the Fire Station 29 and Training, Resiliency, Education, Community Complex (TREC Com) project. Feasibility of the previous proposed site for Station 4 was determined infeasible, thus working to find alternative sites.
- Renovation of Station 12 is in construction and is 90% complete. The remaining stations, 16 and 10, are in final design for construction permit review. Additional funds will be required to complete all stations and the project schedule may be extended to accommodate operational requirements.

**Parks & Recreation Department**

- All projects completed.

**Library Department**

- Branch Library Renovation – Brookfield Branch: Scope was revised by department. Design team is in contract and scheduled to complete a schematic design this winter. Library reassessing West Oakland and Asian Branch Libraries scope before proceeding with projects.
- Main Library – Scope was revised by department. Staff working on a Request For Proposals for design services.

**Human Services Department**

- Henry Robinson Multi-Services Center Heating Ventilation System – Existing condition assessment indicates additional scope and need to expand project scope to address existing issues as well as additional funds needed. The additional design scope has been added to the design contract and design is near completion.
- Head Start Facilities: All four projects completed.

**Police Department**

- Police Administration Building (PAB) Feasibility Study: Study complete pending further discussion with City Administrator's Office regarding project funding options.

**Water, Energy and Seismic Improvements**

- Animal Services Center Heating Ventilation and Air Conditioning (HVAC) System Replacement: Project has been bid twice and all bids have been significantly over the available budget. Staff received Council authority to negotiate on the open market. Staff entered into negotiations with the lowest bidder to significantly value engineer and reach a construction contract that would not exceed \$1,400,000.00. However, the resulting project would not provide a HVAC and Energy Management System that would meet the

Equitable Climate Action Plan (ECAP) policy requirements nor the full heating and cooling needs of the Animal Service facility.

Staff will be returning to City Council to request additional Measure KK funding in Spring 2021.

- Oakland Animal Services Floor Replacement and Drainage Improvements: Floor replacement is complete. Drainage improvements are in design.
- Henry Robinson Multi-Service Center Heating Ventilation System Replacement: Project was rescope based on existing conditions assessment. New system is completing design.

Currently, it is anticipated that 80% of the FY2017-19 tranche will be expended by the end of December 2021.

***Measure KK Series 2020 (Tranche 2)***

In the Fiscal Year 2019-2021 Capital Improvement Program Budget, 30 facilities and park projects were approved for Measure KK funds as shown in **Table 6**.

**Table 6**  
**Measure KK, Series 2020 (Tax-Exempt) Public Works Project Status<sup>(1)</sup>**

<b>Program Name</b>	<b>Total Allocation</b>	<b>Funds Spent (11.30.20)</b>	<b>Funds Committed (11.30.20)</b>	<b>Anticipated Completion</b>
Caldecott Trail	\$486,300	\$3,971		Dec. 2022
3 Branch Renovation. W Oak, Asian, Brookf	\$750,000	\$7,535		Jun. 2023
H Robinson Ctr - Air Cond Rpl	\$200,000	\$ -		Dec. 2021
Feasibility Study Fire Station 4 <sup>(1)</sup>	\$1,200,000			Dec. 2021
Mosswood Rebuild	\$4,000,000	\$56,570		Jun. 2022
Allendale Park Tot Lot	\$262,500	\$ -		Dec. 2021
Arroyo Viejo Rec Ctr	\$3,000,000	\$1,425		Dec. 2023
Brookdale Rec Ctr	\$2,000,000	\$5,942		Dec. 2022
Daca Phase 2 Reno	\$1,500,000	\$42,085	\$136,733	Dec. 2022
E Oak Sr Center Reno	\$2,000,000	\$13,034		Dec. 2023
Elmhurst Library Reno	\$500,000	\$3,835		Dec. 2022
Fire Station 29 - New Station <sup>(2)</sup>	\$5,800,000	\$26,119		Dec. 2025
Head Start Reno - Tassafaronga	\$150,000	\$ -		Dec. 2022
Hoover Library Feasibility	\$500,000	\$3,201		Mar. 2023
Lincoln Rec Ctr Reno	\$1,700,000	\$102,448		Dec. 2022
Main Library - Feasibility	\$700,000	\$4,559		Mar. 2023
Main Library Reno Phase 2	\$2,000,000	\$ -		Jun. 2023
Museum Collection Ctr	\$4,000,000	\$ -		Dec. 2021
Animal Svc - Floor Replacement	\$1,350,000	\$34,811		Jan. 2022
Head Start Ctr. Reno- San Antonio	\$1,750,000	\$20,493		Dec. 2022
W Oak Library Improvement	\$1,525,000	\$970		Dec. 2022
W Oak Sr Ctr Reno	\$1,000,000	\$11,874		Dec. 2022
Holly Mini Park	\$400,000	\$ -		Dec. 2021
Dimond Tennis Courts	\$300,000	\$ -		Dec. 2021
EOSC Next Phase	\$2,000,000	\$61,049	\$121,053	Dec. 2022
Public Restrooms	\$500,000	\$ -		Jun. 2022
Madison Park Irrigation	\$100,000	\$ -		Jun. 2022
Joaquin Miller Ctr Cascade	\$170,000	\$ -		Dec. 2021
Tool Lending Library	\$420,000	\$15,364		Apr. 2022
Downtown Senior Center	\$1,175,000	\$25,545		Dec. 2021
<b>FY2019-21 Total</b>	<b>\$41,438,800</b>	<b>\$440,830</b>	<b>\$257,786</b>	

(1) Financial information as of November 30, 2020

(2) Funds reallocated from Fire Station #29 to complete feasibility study and design of Fire Station 4

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***FY 2019-21 Project Status***

Funding from Measure KK Tranche 2 became available to OPW in February 2020, approximately six months after the FY19-21 Adopted CIP, this delay, along with staff shortages, has impacted the project timelines of the Series II projects.

Three of the thirty projects funded in FY 2019-21 are projects that started in FY 2017-19 including, 3 Library Branch Renovation (Brookfield Branch) project, Main Library Improvements, Henry Robinson Center HVAC Replacement. Staff has started work on the majority of the remaining 27 projects in series two. Due to staff resource issues there are several projects that are on hold. The projects that have started are in varying stages of the project planning phase.

It is currently anticipated that approximately 74.4% of the FY 2019-21 tranche will be expended by December 2023.

***Housing and Community Development (HCD)***

A total of \$100 million of Measure KK funds was allocated to affordable housing projects – a first tranche of bond funds totaling \$55,120,000 in 2017, and the remaining \$44,880,000 in a second bond tranche released in 2020. Eligible expenditures for the bond funds include transitional housing, site acquisition, acquisition and conversion to affordable housing of existing properties, rehabilitation and preservation, and new construction. Of the total amount, \$55,342,492 has been spent and \$32,940,611 is encumbered, which together is approximately 88% of the total funds allocated. A map of the affordable housing projects funded by Measure KK is included as **Attachment D**, herein.

As part of the 88% of allocated funds, the following programs will identify projects in 2021:

- \$500,000 for a pilot Accessory Dwelling Unit (ADU) Program
- \$3,517,588 to acquire and renovate (as needed) transitional and/or homeless housing buildings

The remaining 12% (\$11,716,897) of allocated funds will be expended as follows:

- \$6,394,522 will be deployed through the second round of the Acquisition and Conversion to Affordable Housing Program (ACAH) Notice of Funding Availability (NOFA), which was released in December 2020.
- \$5,322,375 will be dedicated to rehabilitation of affordable housing projects in 2021.

A summary of the first tranche allocations and expenditures to date is in **Table 7**, and for the second tranche allocations and expenditures in **Table 8**:

**Table 7**  
**Measure KK, Series 2017 A-2 (Taxable) Project Status (Housing)**

<b>Project Name</b>	<b>Total Funding</b>	<b>Funds Spent as of 1/12/2021</b>	<b>Funds Committed</b>	<b>Remaining Funds (Uncommitted)</b>	<b>Anticipated Completion Date <sup>(1)</sup></b>
1-4 Unit Housing Programs	\$1,500,000	\$1,050,000	\$450,000	\$0	February 2021
Acquisition of Transitional Housing Facility	\$14,000,000	\$11,475,842	\$2,524,158	\$0	December 2021
New Construction	\$6,319,900	\$2,367,424	\$3,952,476	\$0	Varies, between Jan. 2020 and April 2023
Housing Rehabilitation & Preservation	\$9,288,000	\$6,338,000	\$2,950,000	\$0	Varies, between March 2020 and April 2023
Site Acquisition Program	\$15,649,150	\$15,649,150	\$0	\$0	All funds drawn down
Acquisition & Conversion to Affordable Housing (ACAH)	\$5,342,375	\$3,418,312	\$1,924,064	\$0	February 2021
Accessory Dwelling Units (ADUs)	\$500,000	\$0	\$500,000	\$0	December 2021
Administration	2,400,575	\$2,056,038	\$344,537	\$0	June 2021
<b>SUBTOTAL</b>	<b>\$55,000,000</b>	<b>\$42,354,765</b>	<b>\$12,645,235</b>	<b>\$0</b>	

- (1) The dates are based on when funds are anticipated to be 100% drawn down. The Housing Rehabilitation & Preservation and New Construction programs are comprised of 11 different housing development projects, and the length of construction and draw down requirements of other leveraged sources vary project by project. The date listed is the furthest outside date of all projects in each program category; some will be completed prior to this date.

**Table 8**  
**Measure KK, Series 2020 B-2 (Taxable) Project Status (Housing)**

<b>Project Name</b>	<b>Total Funding</b>	<b>Funds Spent as of 1/12/2021</b>	<b>Funds Committed</b>	<b>Remaining Funds (Uncommitted)</b>	<b>Anticipated Completion Date <sup>(1)</sup></b>
Acquisition of Transitional Housing Facility	\$1,000,000	\$0	\$1,000,000	\$0	December 2021
Housing Rehabilitation & Preservation	\$16,292,375	\$1,223,672	\$9,746,328	\$5,322,375	Varies, between March 2020 and April 2023
Acquisition & Conversion to Affordable Housing (ACAH)	\$25,108,200	\$11,764,055	\$6,949,623	\$6,394,522	June 2022
Administration	\$2,599,425	\$0	2,599,425	\$0	April 2023
<b>SUBTOTAL</b>	<b>\$45,000,000</b>	<b>\$12,987,727</b>	<b>\$20,295,376</b>	<b>\$11,716,897</b>	

(1) The dates are based on when funds are anticipated to be 100% drawn down. The Housing Rehabilitation & Preservation and New Construction programs are comprised of 11 different housing development projects, and the length of construction and draw down requirements of other leveraged sources vary project by project. The date listed is the furthest outside date of all projects in each program category; some will be completed prior to this date.

### ***Measure KK Series 2017 (Tranche 1)***

***Acquisition of Transitional Housing Facility*** – \$14,000,000 was dedicated to acquiring real property to provide transitional housing opportunities to homeless residents with an emphasis on single room occupancy (SRO) units. The property located at 641 West Grand Avenue (The Holland), was acquired by the City in December 2018 using \$7,015,745 of Measure KK funds out of this program component (pursuant to City Council Resolution No. 13484 C.M.S.). The property contains 70 SROs with the potential to serve up to 140 residents.

In July 2020, in response to both the City's homeless crisis, and the COVID-19 pandemic, the State of California issued a \$600 million Notice of Funding Availability under Project Homekey, a new grant program for local public entities to rapidly purchase and rehabilitate housing into interim or permanent housing for people experiencing homelessness who are at high risk of COVID-19.

The City and its developer partners jointly applied for over \$36.5 million in Homekey acquisition funding for four projects. All four projects were awarded Homekey funds, with three projects moving forward to acquisition closing before the end of 2020. Measure KK funds from this program were used to provide gap financing for two of the Homekey projects.

First, the City directly acquired Clifton Hall, the former CCA dormitory building at 5276 Broadway in Rockridge, for approximately \$13 million (with \$3,416,667 from Tranche 1). Clifton Hall will provide 63 total SROunits over three residential floors: one floor for a family

shelter run by East Oakland Community Project, and two floors for permanent housing for people experiencing homelessness operated by Satellite Affordable Housing Associates, with priority for people exiting Alameda County Roomkey hotels.

Second, the City provided \$1,050,000 from Tranche 1 towards the acquisition of Inn at Temescal, a 22-room hotel at 3720 Telegraph Ave. Led by the team of Danco and Operation Dignity, the project will provide 21 units of permanent supportive housing for homeless veterans.

Building off the success of Homekey, the Governor has included an additional \$750 million in Project Homekey funds in the proposed State budget for FY 2021-2022. If approved, staff intends to seek additional Homekey opportunities by leveraging the remaining \$3.5 million of Measure KK funds (including \$1 million from Tranche 2) from this Transitional Housing program.

***Site Acquisition Program*** – \$15,649,150 was dedicated to provide loans for the acquisition and related costs associated with developing, protecting, and preserving long-term affordable housing, as well as the acquisition of vacant land and existing infrastructure for preserving long-term affordability. Of the five projects with committed funds, all have drawn down the committed funds and the properties have been acquired. Three of the projects are fully completed (Highland Palms, 10<sup>th</sup> Avenue Eastlake, and 812 East 24<sup>th</sup> Street) and two are assembling additional financing to fund the construction of new units (Ancora Place and Longfellow Corner). The latter two projects are anticipated to start construction in 2021/2022 and are expected to complete in 2023.

***Housing Rehabilitation & Preservation*** – \$9,288,000 was dedicated to provide long term loans for the rehabilitation and preservation of affordable rental, homeownership, and supportive housing projects intended to partially fill the gap between development costs and financing available from private and other public sources. Of the three projects with committed funds, Empyrean Towers has drawn down the majority of funding and completed construction in 2020. Fruitvale Studios started construction in 2020 and is expected to complete in 2021. The remaining project, Howie Harp Plaza, has yet to begin rehabilitation. This last project is in the process of assembling additional funding needed to complete their rehabilitation work. Howie Harp Plaza anticipates starting rehabilitation in April 2021 and completing in April 2022.

***New Construction of Rental & Ownership Housing*** – \$6,319,000 was dedicated to provide long term loans for the new construction of affordable rental, homeownership, and supportive housing projects intended to partially fill the gap between development costs and financing available from private and other public sources. Of the eight projects with committed funds, Camino 23 has completed construction and drawn down its Measure KK funds. The 3268 San Pablo Avenue project completed construction in January 2021. The remaining balance is held back as part of a retention payment to be released upon the recording of a Notice of Completion, the release of all liens, and compliance with City contracting requirements. Both the Coliseum Place and Aurora projects commenced construction in January 2020. The remaining four projects are in the process of assembling gap financing, working towards a commitment of additional public and private funds to cover total development costs, followed by breaking ground and the spending down of Measure KK funds. These four projects (7<sup>th</sup> and Campbell, West Grand and Brush, Fruitvale

Transit Village IIB, and 95<sup>th</sup> Avenue and International) estimate construction completion dates through to 2023. Fruitvale Transit Village IIB was awarded additional City funds in the recent 2020 New Construction NOFA.

***1-4 Unit Housing Programs*** – \$1,500,000 has been dedicated to acquisition and rehabilitation of one to four-unit properties, prioritizing health and safety violations, lead based paint remediation, earthquake safety, fire safety, emergency improvements, abatement of code violations. Four projects received commitments in the total amount of \$1,500,000. Three of these loans have closed, and one is in the process of closing their loan.

***Accessory Dwelling Unit (ADU) Legalization Pilot Program*** – \$500,000 has been dedicated for this program. The intention of this program is to provide low-interest loans to carry out work which would legalize unpermitted ADUs. The City was awarded \$3 million in state funding to further this program and is currently awaiting grant documents for these funds. Staff are working with the Mayor's office and its partner on program design and implementation, which will focus on new ADU creation in addition to legalizing unsafe existing ADUs and will target low-income homeowners.

A projected drawdown schedule of the remaining first tranche Measure KK funds, by quarter, for each of the Housing and Community Development's program is included in **Table 9** of **Attachment A**, herein. The current schedule anticipates that all spending will be completed by April 2023.

### ***Measure KK Series 2020 (Tranche 2)***

The \$44,880,000 second tranche of Measure KK bond proceeds will fund projects through the following programs:

***Acquisition, Rehabilitation and Preservation of Affordable Housing*** (\$16,342,375) – A (NOFA) was released in August 2019, and nearly \$11 million in funding was awarded with City Council approval in January 2020. One remaining project from the previous year's NOFA is scheduled for approval in February 2021 by City Council for \$4,776,000, leaving just under \$550,000 in this program. Depending on additional applications received under the Acquisition and Conversion NOFA below, staff may consider moving the remaining funds into that program.

***Acquisition and Conversion to Affordable Housing (ACAH)*** (\$30,000,000) – When combined with funds from Tranche 1, \$30 million has been set-aside for the ACAH program through Measure KK, with a majority (\$25,108,200) from Tranche 2. A NOFA was released in December 2019 with applications received in January 2020. A number of loan closings from this program occurred in the latter half of 2020.

***Limited Equity Coop/Community Land Trust Pool:*** \$12 million in funding from the ACAH pot was reserved for funding awards to limited equity cooperatives and Community Land Trust (CLT) sponsors. Of the January 2020 applicants under this pool, six projects have funding

commitments or reservations, and four of the six projects have closed their acquisition loans with the City.

**General Developer Pool:** \$18 million from the ACAH pool was reserved for a general development pool (i.e. not limited to cooperative and CLT proposals). Three of the four projects with funding commitments from this pool closed their acquisition and/or rehabilitation loans in 2020.

A second NOFA for each of the pools was issued in December 2020 for the remaining ACAH project funds, with applications due January 29, 2021.

**Acquisition of Transitional Housing Facilities** (\$1,000,000): As noted above, the \$1 million dedicated for this program from Tranche 2 will be combined with the \$2.5 million that remains from Tranche 1 for Transitional Housing and/or Homekey projects in 2021.

A projected drawdown schedule of the remaining second tranche Measure KK funds, by quarter, for each of the Housing and Community Development's program is included in **Table 10 of Attachment A**.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** The projects will improve roadways, sidewalks, facilities, and many other improvements to the economic benefit of the City. Also, these projects will generate construction, professional services, and ongoing property management jobs in Oakland. Providing families with affordable housing helps provide financial stability for low- and moderate-income households which could free some household income to be spent on other goods and services in Oakland. Also, providing viable housing creates activity on underutilized parcels which could stimulate demand for goods and services in Oakland.

**Environmental:** The City's NOFAs for housing development award points to projects that are transit-oriented, with full points reserved for developments where the project location is within 1/3 mile of multiple bus lines or a BART station. In addition, on the new construction projects, applicants were awarded points for exceeding Silver or Gold standard on the LEED (Leadership in Energy and Environmental Design) or Build It Green - GreenPoint Rated Checklist. For projects involving rehabilitation work, as a minimum threshold for funding, projects must comply with Oakland's Green building program. By developing in already built-up areas, infill projects reduce the pressure to build on agricultural and other undeveloped land. Proposed projects that are near public transit enable residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development.

The environment factor under the CIP prioritization ranks capital projects by their investment in sustainable infrastructure, environmental justice, climate resiliency and alignment with the transportation and land use actions identified in the Equitable Climate Action Plan (ECAP). The environment factor accounts for 11 points out of 100. Measure KK funding directly supports

active transportation, better transit access and more sustainable neighborhoods throughout the City.

***Race and Equity:*** As required in the Bond Ordinance, social and geographic equity are considerations in the development of Measure KK capital improvement projects. All resulting projects comply with the Americans with Disabilities Act (ADA) and enhance the City's infrastructure. Capital improvement projects and residential construction work implemented under Measure KK are required to comply with all Local Business Enterprise, Small Local Business Enterprise (LBE/SLBE) and local hire programs with verification by the Social Equity Division of the Department of Contracting and Purchasing. Of the 57 Firms/Vendors/Contractors that have received KK funds, approximately 17 are local businesses. In addition, HCD's loans are made to the borrower affiliates of the affordable housing developers who have applied for funding, and who by and large are community-based, mission-driven organizations. The affordable housing units being acquired, preserved or developed with Measure KK funding also help stave off displacement of existing Oakland residents.

***Race & Equity in the Department of Public Works & Transportation CIP Process***

OPW and OakDOT continually strive to improve equity in delivery of projects and allocation of resources. One recent example is the development of the two-year Capital Improvement Program. The FY 2019-21 CIP identified a geographic gap in projects requested in deep East Oakland. To address this gap and enhance outreach during the ongoing FY 21-23 CIP, the CIP staff working group contracted with a Community-Based Organization to lead and guide our community engagement strategy. The organization led workshops with Oaklanders living in underrepresented communities, directly supported project submittals, and created awareness around what a capital project is and how they are developed.

Other strategies that were used during the FY21-23 CIP included posting signage and doorhangers in priority neighborhoods, training resident organizers to assist with outreach, conducting Zoom focus group briefings in English and Spanish, and providing additional support for East Oakland residents to submit CIP public requests and text surveys.

***Department of Transportation:*** Social and geographic equity are key drivers of the distribution of Measure KK funding. The equity factor under the CIP prioritization ranks capital projects by their investment in high priority neighborhoods in Oakland. OakDOT's Racial Equity Team (RET) also maintains a Geographic Equity Tool, wherein Black, Indigenous and People of Color (BIPOC) and low-income communities account for 50% of the total weight to identify priority neighborhoods for investments throughout the City; the remaining 50% is attributed evenly to seniors, people with disabilities, single parent households, severely rent burdened and low educational attainment factors. For example, the paving program, which receives approximately 80% of Measure KK funding, delivers paving projects based on pavement condition and benefits to priority neighborhoods in Oakland. Measure KK is also used as a local match source for transportation grants that require investment in underserved communities such as the Active Transportation Program (ATP).

In addition, other equity metrics used to prioritize Measure KK funding through the CIP include the impact of redlining in historic disinvestment, the growing threat of displacement and gentrification, proximity to and support for new affordable housing developments, disproportionate pollution burden in communities, safety disparities along High Injury Corridors throughout the City, and community-driven requests for capital investments. The equity factor accounts for 16 points out of 100, one of the highest scores among the nine CIP prioritization factors. Not only equity is considered as a standalone factor, it is also a subfactor under six of the nine CIP factors, such as collaboration, existing conditions, environment, health and safety, improvement and economy. Capital projects that ranked high in equity were recommended under the FY 2019-21 Adopted CIP.

***Oakland Public Works:*** Social and geographic equity are key drivers of the distribution of Measure KK funding. The equity factor under the CIP prioritization ranks capital projects by their investment in high priority neighborhoods in Oakland. Under the prioritization process, projects are assessed as to the level of impact the proposed projects provide to the underserved community's economy, recreational and program opportunities, and health/safety impacts. Measure KK funds are also used as a local match source for State and Local grants that require investment in underserved communities. From the first series of Measure KK projects and the approved second series projects, 30 out of the 48 projects are located in neighborhoods of mid to highly disadvantaged communities. Please see the Oakland Public Works Department Measure KK Project Location Map – **Attachment C**.

***Housing and Community Development:*** Social equity objectives are incorporated into the competitive process for receiving Measure KK housing funds. Housing developments funded with Measure KK funds serve a variety of low to moderate income levels, with restrictions between 20-120% of Area Median Income (AMI). However, the distribution of City funds prioritizes projects serving households at 30% of AMI and below in an effort to provide housing opportunities for those with the fewest options. In addition, a partnership with the Oakland Housing Authority allows some developments to serve households at or below 50% of AMI through Project-Based Section 8 assistance. A similar partnership with Alameda County is assisting funding services and operating costs for permanent supportive housing units serving homeless residents, and the State has also provided operating commitments for Homekey projects.

Geographically, developments funded with Measure KK funds are scattered throughout the City (current projects are located in six of the seven City Council districts). In order to promote geographic equity, HCD's NOFAs provide points for location near amenities, and for rental developments located in relatively higher income census tracts (and ownership developments in census tracts with lower than average homeownership rates). In addition, the Acquisition/Rehab and Acquisition/Conversion NOFAs provide points to proposed projects where existing tenants are at risk of displacement, which is more heavily impacting African American neighborhoods.

Finally, owners and managing agents of housing assisted by the City (including Measure KK funds) must undertake affirmative marketing efforts to reach people that are unlikely to apply for

housing due its nature, location or other factors, as well as follow the City's Affirmative Fair Marketing Procedures related to non-discrimination during lease-up.

Respectfully submitted,

*Margaret L. O'Brien*

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MARGARET O'BRIEN

Interim Director of Finance, Finance Department

For questions, please contact Dawn Hort, Assistant Treasury Administrator, at (510) 238-2994.

Attachments (4):

A: Table 9 and Table 10

B: OakDOT Measure KK Project Maps

OakDOT Paving & Complete Streets Capital Program Map

C: Oakland Public Works Department Measure KK Project Location Map

D: Housing & Community Development Department Measure KK Project Location Map

**Attachment A**

**Table 9**  
**Housing Drawdown Schedule – Fund 5331 Tranche - \$12.65 Million Remaining**

<b>Program Name</b>	<b>Jan - Mar 2021</b>	<b>Apr – Jun 2021</b>	<b>Jul – Sep 2021</b>	<b>Oct – Dec 2021</b>	<b>Jan 2021- Apr 2023<sup>(1)</sup></b>	<b>Total Remaining Balance to Expend</b>	<b>Anticipated Completion Date</b>
Acquisition of Transitional Housing Facility	\$6.570			\$2,517,588		\$2,524,158	December 2021
Site Acquisition Program						\$0	All funds drawn
Acquisition & Rehab (formerly 1-4 Unit Housing Program, now Acquisition and Conversion to Affordable Housing and ADU Program)	\$1,624,065	\$300,000	\$950,000			\$2,874,065	December 2021
Housing Rehabilitation & Preservation	\$150,000	\$1,000,000	\$1,000,000	\$500,000	\$300,000	\$2,950,000	March 2020 – April 2023
New Construction <sup>(1)</sup>	\$500,000	\$1,975,000	\$1,159,476		\$318,000	\$3,952,476	April 2023
Administrative Costs		\$344,537				\$344,537	June 2021
<b>SUBTOTAL</b>	<b>\$2,280,635</b>	<b>\$3,619,537</b>	<b>\$3,109,476</b>	<b>\$3,017,588</b>	<b>\$618,000</b>	<b>\$12,645,236</b>	

(1) Since the new construction projects take longer to complete than rehab, and several are expected to be completed throughout 2021 and into 2023, this column covers this longer time period. Further, as noted for Table 5, the Anticipated Completion Date reflects the furthest outside date of all projects in the program category; some will be completed prior to this date.

HONORABLE MAYOR & CITY COUNCIL

Subject: Measure KK Projects and Expenditures Informational Memo

Date: February 19, 2021

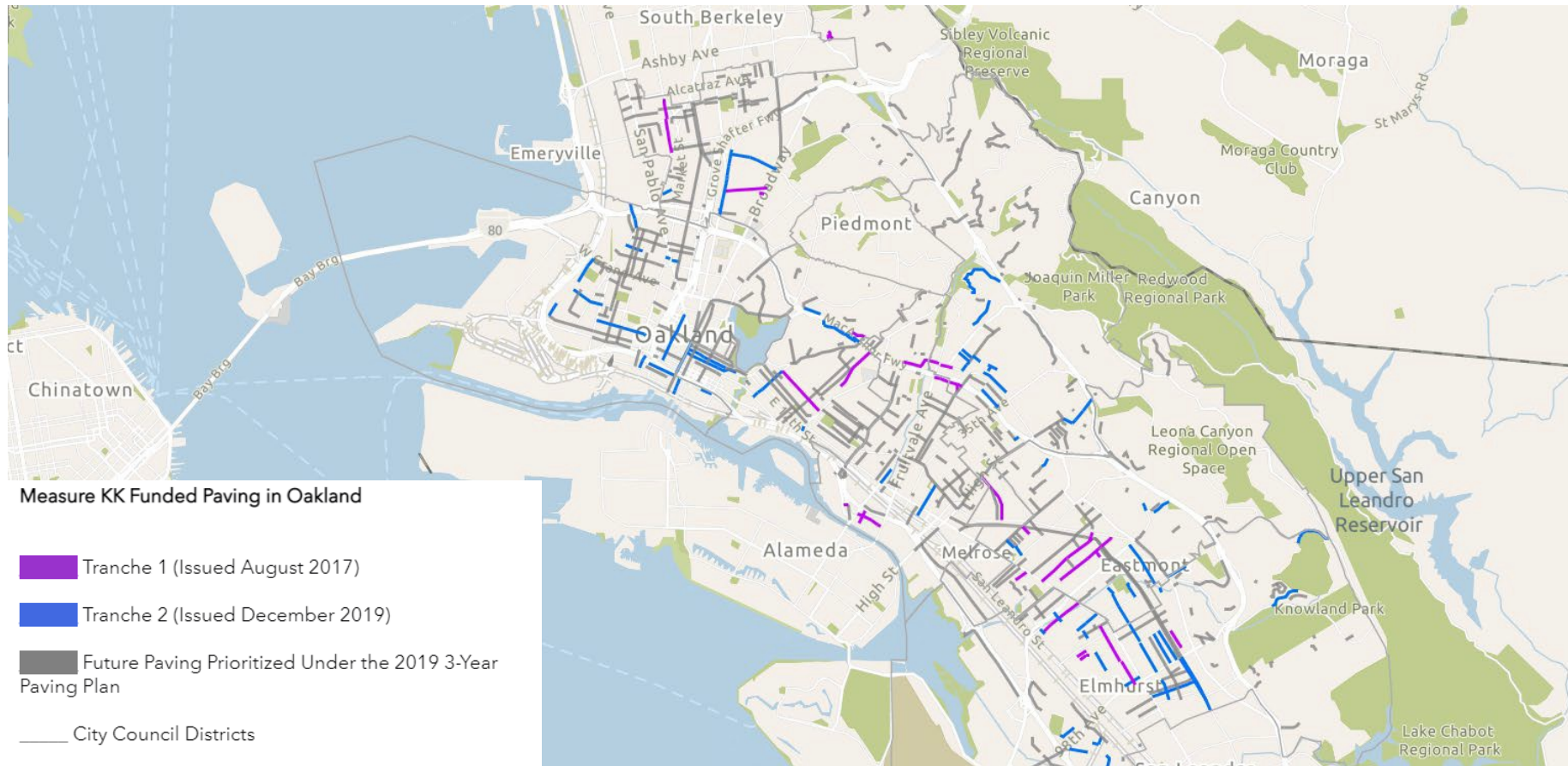
Page 21

**Table 10**  
**Housing Drawdown Schedule – Fund 5333 Tranche - \$32.0 Million Remaining**

<b>Program Name</b>	<b>Jan - Mar 2021</b>	<b>Apr – Jun 2021</b>	<b>Jul – Sep 2021</b>	<b>Oct – Dec 2021</b>	<b>Jan 2021- Apr 2023<sup>(1)</sup></b>	<b>Total Remaining Balance to Expend</b>	<b>Anticipated Completion Date</b>
Acquisition of Transitional Housing Facilities				\$1,000,000		\$1,000,000	December 2021
Acquisition and Conversion to Affordable Housing Program	\$5,000,000	\$3,000,000	\$5,000,000		\$344,145	\$13,344,145	June 2022
Housing Rehabilitation & Preservation	\$5,300,000	\$3,500,000	\$3,000,000	\$2,000,000	\$1,268,703	\$15,068,703	March 2020 – April 2023
Administrative Costs		\$200,000	\$400,000	\$400,000	\$1,599,425	\$2,599,425	April 2023
<b>SUBTOTAL</b>	<b>\$ 10,300,000</b>	<b>\$6,700,000</b>	<b>\$8,400,000</b>	<b>\$ 3,400,000</b>	<b>\$3,212,273</b>	<b>\$32,012,273</b>	

**Attachment B-1: OakDOT's Measure KK Project Maps**

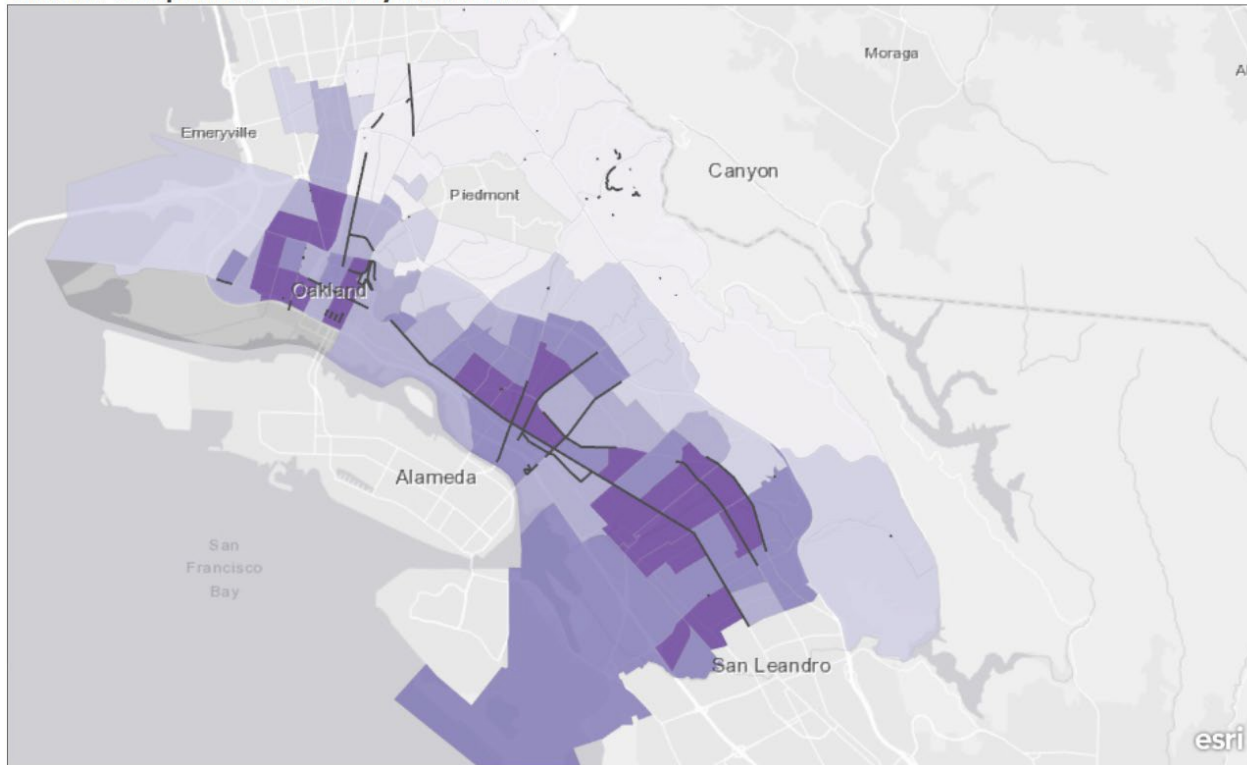
**Map A1: Measure KK Funded Paving in Oakland – Tranche 1 and Tranche 2**



**Attachment Map B-2: Complete Streets Projects funded by Measure KK\***

\*Some projects not yet mapped

**OakDOT CompleteSts Funded by MeasureKK**



Legend

**Measure\_KK\_Capital\_Projects**

**Priority Equity Neighborhoods**

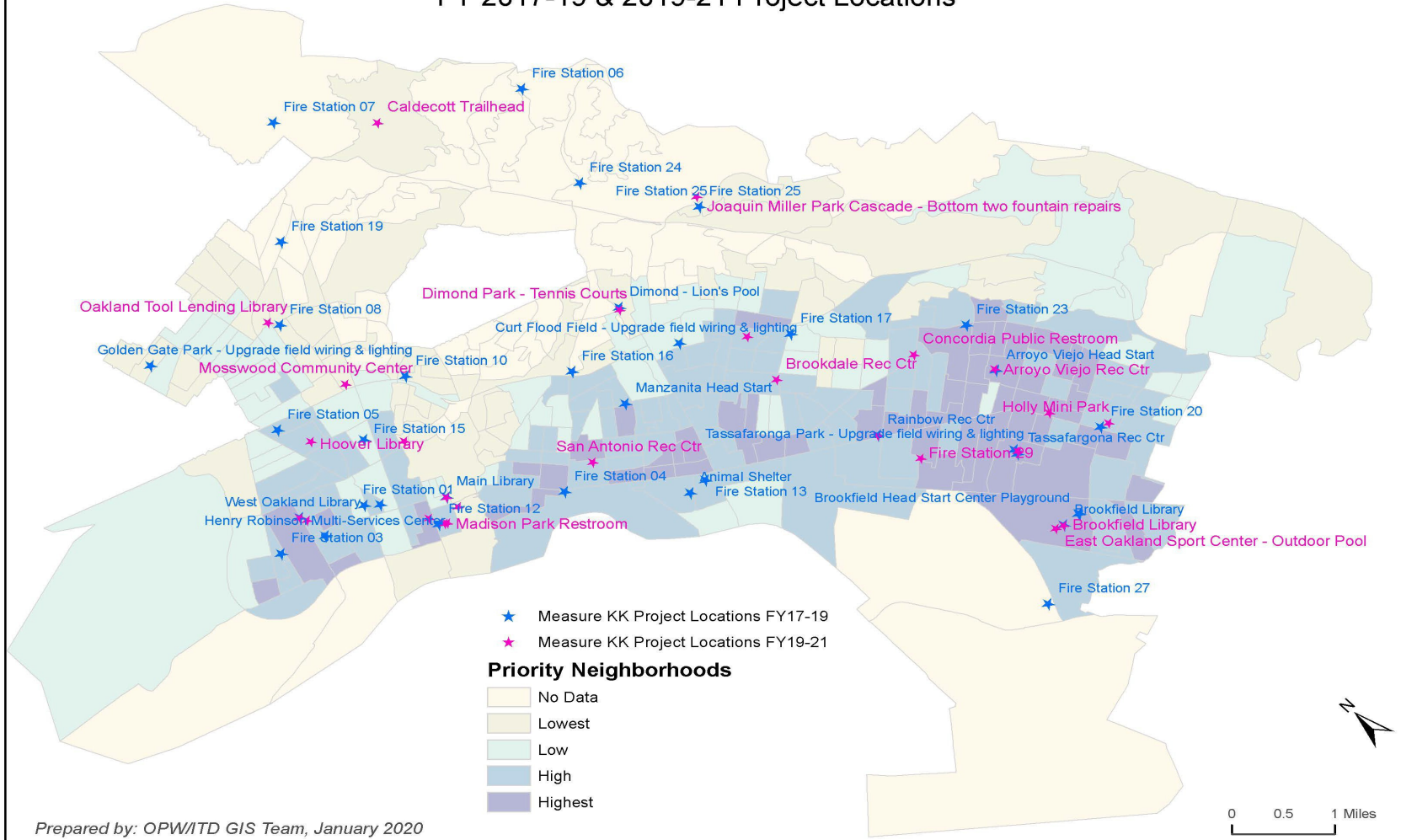
- Highest
- High
- Medium
- Low
- Lowest
- No Data

ATTCHMENT C



# Measure KK: Oakland Infrastructure Bond

FY 2017-19 & 2019-21 Project Locations



**Attachment D: Map of Affordable Housing Projects Funded by Measure KK – January 2021**

