

The following is a draft of Oakland's PRO Housing application. 40 page maximum.

Exhibit A Executive Summary

The City of Oakland, California, and Alameda County as a whole, are currently experiencing a homelessness crisis of unprecedented severity. Among the 50 largest cities in America, Oakland has the highest per capita rate of homelessness (1165 per 100,000 residents). With 5055 homeless residents in Oakland out of a county-wide total of 9,747, creating high-quality, permanent exits from homelessness is the City of Oakland's top affordable housing priority.

To tackle this immense challenge, the City of Oakland ("City"), Housing Authority of the City of Oakland, California ("OHA"), and County of Alameda ("County") are working together to create an innovative new partnership for funding "rapid response" Permanent Supportive Housing and other affordable housing. "Rapid response" Permanent Supportive Housing (PSH) can involve the conversion of motels to housing, modular construction, and/or other innovations to speed up the development process and drive down costs. The City, OHA, and County have together successfully funded several rapid response PSH projects through the State of California's Homekey program. In many cases, these rapid response projects can deliver PSH units at half the cost and half the time as a conventional new construction PSH building.

Building on this past success, the City, OHA, and County are working to create a local approach that continues this important work. Called the Rapid Response Homeless Housing Program (R2H2), this effort consists of three core components:

- **A single joint funding process for rapid response PSH projects** By bundling capital funding from the City, supportive services funding from the County, and operating subsidy from the OHA, this new funding process will dramatically simplify and accelerate the process for developers to fund new rapid response PSH projects.
- **A streamlined process for land use and planning approvals:** By developing new local policies, protocols, and tools, simplifying and better supporting developers through the NEPA and other regulatory approval processes will expedite the development process and save the projects money.
- **Predevelopment funding:** By providing predevelopment funding that can support the early stages of development of PSH, projects will be properly positioned to assemble the other sources of funding needed as well as the partnerships which will make the housing sustainable and successful over the long term. A shortfall in predevelopment resources has been identified by stakeholder engagement as a key unfilled need, and funding predevelopment will be key to create a pipeline of ready-to-go projects to use the upcoming capital, services, and operating resources described above. These predevelopment funds are especially needed because the developers drawn to rapid response projects tend to be emerging developers and social service agencies with greater needs for predevelopment support.

The City, in partnership with the OHA and Alameda County, is seeking \$10 million from the PRO Housing grant program to advance this innovative program that features an innovative, rolling, revolving predevelopment loan program for Permanent Supportive Housing projects that streamlines the access to funding for all aspects of rapid response PSH through a single application process. By providing

meaningful predevelopment resources, coupled with a coordinated funding process for the three key components of PSH (capital, rental subsidies, and supportive services), and a streamlined planning review and approval process, Oakland will be able to accelerate the pace of its efforts to address the crisis of homelessness.

While the largest budgeted item is \$8,700,000 for the predevelopment revolving loan program, a significant portion of this grant will support streamlining efforts. A \$50,000 set-aside will support the cost of a consultant to help design the joint City/County/OHA funding program. An additional \$1.25 million set-aside will pay for the cost of a dedicated Process Coordinator III to serve as a liaison between affordable housing projects and planning staff for five years. This work will seek to ensure that National Environmental Policy Act (NEPA) reviews and other entitlement actions do not delay projects.

This streamlining will build on Oakland's many land use reforms, including its recently-adopted "Affordable Housing Overlay," which offers 100% affordable projects extra height, unlimited density, and by-right approval in all fire-safe residential and commercial zones. The City of Oakland's most recently adopted master plan for zoning, the 2023-2031 Housing Element, has identified locations for thousands of housing units in high amenity neighborhoods and offers ministerial approval to projects on those sites that contain 20 percent or more affordable housing.

All three agencies have upcoming resources to commit to this effort- Oakland passed a \$350 million affordable housing bond in 2022, the County will receive increased funding for supportive services under recent State of California policy changes, and OHA, as a Moving to Work housing authority, administers the voucher program and other housing assistance programs citywide. A regional housing bond in 2024 is slated to provide at least \$380 million in additional funds for affordable housing in Oakland. Together, these resources can ensure that funded PSH projects have sufficient operating and services supports to meet the needs of formerly homeless residents. Therefore, this holistic funding process will lead not just to lower costs and faster timeframes, but also to better client outcomes. In addition, the City's capital funds will be the source to take out the PRO Housing predevelopment loans, thereby ensuring they can revolve toward use in future projects.

Solving the dire homelessness crisis in Oakland and Alameda County through the construction of quality Permanent Supportive Housing will require streamlined development approvals, significant local resource commitments, and close partnership between different funding agencies. Through their innovative collaboration, the City of Oakland, OHA, and the County of Alameda are making tremendous progress on all these components of success. The addition of a dedicated source of predevelopment funding and streamlining support- can be unlocked through this \$10 million PRO Housing grant proposal.

Exhibit B Threshold Requirements and Other Submission Requirements.

Review and provide a narrative response, as necessary, to the Threshold Eligibility Requirements in Section III.D and Other Submission Requirements in Section IV.G

The City of Oakland is an incorporated city under the State of California and as such is an eligible entity to apply for this grant. We certify that the City of Oakland is not subject to any enforcement actions for a violation of civil rights or otherwise disqualified from this grant. The City of Oakland adheres to all requirements in Section III.D and IV.G.

Exhibit C Need. *Review and provide a narrative response to V.A.1.a*

Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation. (12 points)

The City of Oakland, in partnership with the County of Alameda and the Housing Authority of the City of Oakland, California, has made considerable efforts to eliminate barriers to affordable housing production and preservation. These efforts involve a combination of land use reforms, financial investments, process improvements, and policy innovations.

With regards to land use, the City of Oakland has adopted several local policies, and embraced several state-wide policy innovations, to streamline the construction of housing and especially affordable housing. These land use reforms resulted in the State of California naming Oakland as the first “Prohousing” city in the San Francisco Bay Area. On September 26th, 2023, the City adopted an “Affordable Housing Overlay” that permits by-right development of 100% affordable housing, offers at least two extra stories of height, allows unlimited density within the envelope of the building, reduces setbacks, and abolishes parking requirements for these all-affordable projects. This Affordable Housing Overlay applies to every residential and commercial zone in Oakland, with limited geographic exceptions for hard-to-evacuate, very high fire risk areas.

This most recent policy innovation follows years of housing leadership. Affordable housing projects in Oakland are actively encouraged to make use of California’s SB 35 streamlined review process for affordable housing, which also imposes a deadline on the City to review planning applications. Although the new Affordable Housing Overlay will serve to exempt all participating affordable housing projects from state-mandated environmental review (as California’s environmental review rules only apply to discretionary, non-ministerial approval processes), Oakland has successfully streamlined environmental review for both affordable and market-rate housing projects through the use of area specific plans. Oakland has adopted these neighborhood-level plans near most major transit stations, which enables all major environmental reviews to be conducted on a plan-wide basis up front and thereby avoid the need for lengthy analysis on a project-by-project basis. These neighborhood plans have also provided the opportunity to increase height limits and reduce parking requirements in a systematic and methodical manner. As a result of this streamlining, no Oakland affordable housing project has been refused entitlements in at least a decade.

The City and voters of Oakland have made substantial financial investments in affordable housing. After \$100 million from the 2016 Measure KK bond was successfully spent to deliver 1500 units of affordable housing, Oakland voters approved Measure U, a \$350 million affordable housing bond, in 2022. In line with the Oakland Department of Housing and Community Development strategic plan, this funding will be prioritized to expand the supply of deeply affordable and supportive housing for the homeless. Oakland also levies an affordable housing impact fee on new residential and commercial development to provide an ongoing local source of funding for affordable housing.

The Housing Authority of the City of Oakland, California and County of Alameda also bring substantial resources to the table. In 2016, Alameda County voters adopted a \$580 million affordable housing bond to develop and preserve affordable housing. The City and County were able to collaborate to jointly fund 10 affordable housing projects with a total of 762 units through a combination of Measure A1 and City funding sources. Moving forward, the County has access to substantial funding from the State of California to provide supportive services for Permanent Supportive Housing (PSH). As a Moving to Work housing authority, the Housing Authority of the City of Oakland, California received a waiver that

provides funding flexibility that non-MTW agencies do not have. The OHA recently received approval to use that flexibility to create a local rental assistance program to provide eligible projects with rental assistance to serve low-income individuals and families.

Another major potential source of funding for affordable housing is the upcoming San Francisco Bay Area-wide regional housing bond in November 2024. Depending on the final amount of the bond, Oakland could receive between \$380-760 million, while the County of Alameda could receive an additional \$980 million-\$1.96 billion.

The City, OHA, and the County have responded to the escalating cost of conventional new construction by shifting focus to “rapid response” housing interventions. Pioneered by the State of California’s Homekey program, this involves innovative approaches like motel-to-housing conversions and the use of modular housing. These approaches have been able to deliver PSH units at as much as half the cost and half the time as conventional new construction. Thus far, the City has successfully used the Homekey program to create six rapid response projects in Oakland. An additional five rapid response projects have been submitted for Homekey funding in 2023. The OHA and the County were strong collaborative partners in evaluating these projects, and the County made services funding commitments to three of the five projects. The OHA is reviewing two of the projects for possible funding. The three agencies meet monthly to discuss projects, policies, and funding opportunities to advance PSH in the City.

To build off the success of Homekey-funded rapid response projects, the City, County, and OHA have agreed to create an innovative joint funding process to support this project type on an ongoing basis, called the Rapid Response Homeless Housing program. This partnership will be able to take advantage of future Homekey grant rounds, as well as fund rapid response projects after Homekey concludes. By creating a single, consistent funding process, this partnership will enable the agencies to fund limited-time opportunities and provide funding with greater speed and certainty. This will help further reduce costs and speed up project delivery.

In addition to its work to accelerate the production of new affordable housing, the City of Oakland has made considerable investments in preserving existing housing. The City regularly provides funding to local affordable housing developers and community land trusts to acquire and permanently protect naturally occurring affordable housing via the City’s “Acquisition and Conversion to Affordable Housing” Notice of Funding Availability. The City has identified \$23 million to support this program in the upcoming fiscal year. The City also has a robust tenant protection system that provides rent stabilization and just cause for eviction protections to approximately 90,000 units.

Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know? (13 points)

Both Oakland and Alameda County are experiencing a dire shortage of affordable housing. Although the City of Oakland is lead applicant for this grant, the intended use will benefit Alameda County as a whole and this application should therefore qualify for the 10 points for priority jurisdictions.

Oakland and Alameda County’s most acute housing need is for deeply affordable homes available to Extremely Low-Income households. Due to a lack of available funding resources, both Oakland and Alameda County as a whole have missed their state-assigned Extremely Low Income (ELI) housing production targets for over 20 years. Rental prices have increased faster than inflation since the Great

Recession, and thousands of naturally occurring affordable housing units have been lost to gentrification over the past decade. 48% of Alameda County households and 50% of Oakland households are housing cost burdened. 59% of Oakland residents are renters, which makes the community particularly vulnerable to displacement.

The consequence of these housing pressures is a catastrophic homelessness crisis. According to Alameda County's 2022 Point in Time Count, Alameda County is home to 9,747 unhoused residents, of which a disproportionate 5,055 unhoused residents live in Oakland. The Point in Time count estimates have exploded since 2017, when 5,629 and 2,761 unhoused residents were counted in Alameda County and Oakland, respectively. Oakland is currently home to the highest per capita rate of homelessness among the 50 largest cities in the country (1165 per 100,000 residents). During the Point in Time count, a majority of unhoused residents reported that a loss of housing was the primary cause of their homelessness (as opposed to domestic abuse, mental illness, or substance abuse). A majority of the unhoused residents reported either being employed or that they were looking for work.

According to the State of California, Alameda County as a whole needs to build 23,606 Extremely- and Very Low-Income units between 2023 and 2031, of which 6,511 should be built in Oakland. This State projection is based on population growth- additional units will be needed to serve the existing residents of Oakland and Alameda County. The "Home Together Plan", developed by the Alameda County Continuum of Care to serve as the County-wide strategic plan to end homelessness, estimates that over 17,000 deeply affordable housing units will be required to serve those currently experiencing homelessness or at risk of homelessness.

The COVID-19 pandemic has amplified existing displacement trends. According to recent Stanford research, which used credit bureau data to track residential moves over time, during a three-month period in late 2020 as many as 9% of low-income residents of Oakland's most-vulnerable neighborhoods were displaced from the city. While Oakland's and Alameda County's eviction moratorium caused displacement to temporarily decline, evictions in both jurisdictions have spiked after moratoriums ended over the course of 2023.

What key barriers still exist and need to be addressed to produce and preserve more affordable housing? (10 points)

To build the vast quantity of Permanent Supportive Housing (PSH) that is needed to successfully tackle the homelessness crisis, the City of Oakland, the Housing Authority of the City of Oakland, California, and the County of Alameda must identify and fund PSH projects with speed and efficiency. As described above, all three agencies have identified resources to fund the capital, operating, and services funding needed to meet the needs of people exiting homelessness. By focusing on "rapid response" housing like motel conversions and modular construction, and via a joint funding process to streamline funding commitments, the three agencies can make extraordinary strides in addressing the homelessness crisis. However, there is a severe unmet need for predevelopment resources that local sources cannot meet in the necessary timeframe. These predevelopment investments are essential to creating a pipeline of rapid response projects to activate the City, County, and OHA investments.

The framework of "rapid response" projects pioneered by the State of California's Homekey program poses several challenges that create an urgent need for predevelopment resources. The rapid response framework is new to many developers and therefore requires careful predevelopment work to identify

and prepare suitable projects. These quick build/adaptive reuse projects often require specific expertise in project management for modular development or expertise in assessing the condition of and implementing a plan to renovate existing buildings. Rapid response projects are usually smaller than conventional tax-credit financed multifamily projects, and the more established, better resourced affordable housing developers often do not engage with this project type. Instead, smaller emerging developers and social service agencies have stepped up to pursue these opportunities. While they bring many innovative approaches to improve the cost and speed of PSH delivery, this newer set of developers needs more predevelopment resources than their longer-established peers. This is especially true of the roughly dozen faith- and service-based organizations that the County is helping to redevelop church-owned property.

Historically, predevelopment funding was provided by redevelopment agencies, an affiliate of California local governments funded via tax increment financing. However, redevelopment agencies were abolished in 2012 by the State of California and no major alternate source of predevelopment funding has emerged since. The services and operating funding administered by the OHA and County cannot be used for pre-construction expenses. As for the City's affordable housing bond, while it can take out predevelopment expenses at the permanent loan closing, there is legal uncertainty if it is permissible to use these funds for predevelopment funding.

In addition to the challenge of identifying predevelopment expenses, many PSH developers face process-related obstacles that can delay a project. The primary process-related obstacle is when projects use federal funding for capital or operating and thereby trigger review under the National Environmental Policy Act (NEPA). NEPA review can currently add six months or more to the development timeline for a proposed affordable housing project. This is a serious challenge because delays in rapid response projects can significantly affect costs or cause potential deals to fail. For modular projects, many manufacturers of modular units require a substantial deposit when committing to a project. This creates significant carrying costs in the event of project delays. For conversions of existing motels and other buildings, these properties are often on the market for limited windows. If evaluation of a building takes too long, the original owner may make alternate plans to dispose of the property. Unfortunately, this NEPA review roadblock is a significant barrier because operating subsidy commitments from OHA trigger a NEPA review requirement.

Rental assistance is a key limiting factor in the creation and operation of well-run Permanent Supportive Housing programs that keep people housed. Developers will not create new PSH units without a long-term commitment of subsidies to cover the difference between the rent levels a household experiencing homelessness can pay and the cost to operate the property. OHA operating support is one of the only major sources of operating support for PSH projects in Oakland and can serve as the exclusive operating subsidy provider for some projects. This underlines the importance of addressing NEPA-related obstacles in the development process.

Exhibit D Soundness of Approach. *Review and provide a narrative response to V.A.1.b*

What is your vision?

The City of Oakland, the Housing Authority of the City of Oakland, California, and the County of Alameda are intently focused on ending homelessness in Oakland through deeper collaboration and strategic investments in permanent housing for the homeless. The rates of homelessness in Oakland and

Alameda County are a result of long-standing unmet needs, and it is through investment at the local, state, and federal level that homelessness rates will finally change direction. Every resident of Oakland and Alameda County deserves a safe and dignified place to live, and the PRO Housing grant would make a major difference in advancing this vision.

Through the partnership of the City, OHA, and County, capital, services, and operating funding will all be available for Permanent Supportive Housing through a single streamlined process. This new program, the Rapid Response Homeless Housing program (R2H2), will speed up project completions, enable coherent and robustly funded operating plans to be created, and keep down overall costs. As a result, hundreds of desperately need PSH units will be completed to finally reverse Oakland's rising rates of homelessness.

This vision would be accomplished via the PRO Housing grant as the PRO Housing grant would fund a critical need for predevelopment resources. The predevelopment revolving loan program would support the expense of appraisals, property assessments, permit applications, and other predevelopment expenses. This will build a robust pipeline of proposals for the joint City/OHA/County process (the R2H2 program) and thereby expedite the development of affordable housing for the homeless. The creation of a new position dedicated to helping affordable developers work their way through the entitlement process would help projects slash approval times by providing developers with an up to date understanding of the next step in their permitting process. This new land use/environmental review coordination position will ensure the pipeline is able to rapidly use available OHA funding to put PSH units online without unnecessary delays. And the set aside for a consultant to help design the joint City/OHA/County funding process will help develop an efficient and accessible process to distribute these funding resources.

The predevelopment funding from the PRO Housing grant will also complement the City/OHA/County's work in the R2H2 funding process to improve the quality of PSH outcomes. Fully funded predevelopment work and the streamlined joint funding process will allow developers to assemble operating funding that fits the scope of the project. This would implement the lessons learned from a recent study of PSH in California from the Turner Center at UC Berkeley, which found that A) PSH with more operating support had measurably better client outcomes, and B) combining multiple populations (chronically homeless, transition aged youth, etc.) drives up the per unit cost of operating needs. The streamlined funding process and predevelopment resources would help developers avoid time-related pressures to assemble a cumbersome mix of operating sources or rush a project to completion without lining up adequate long-term operating support.

What is your geographic scope? (5 points)

The Rapid Response Homeless Housing program and the proposed predevelopment revolving loan fund would both serve Permanent Supportive Housing projects for the homeless that will be physically located in neighborhoods across Oakland, CA. However, the completed PSH will be open to unhoused residents from across Alameda County. Oakland participates in the Alameda County-wide Coordinated Entry system, which means that homeless placements are based on need regardless of the origin city of the individual. This means that while the funded projects will be physically limited to Oakland, the homelessness exits benefit will flow to residents across Alameda County.

Who are your key stakeholders? How are you engaging them? (5 points)

Besides the Housing Authority of the City of Oakland, California and County of Alameda, both of which were extensively consulted in the preparation of this proposal, the key stakeholders include affordable housing developers and vulnerable residents of Oakland/Alameda County. The need for a more streamlined funding process for rapid rehousing projects, as well as the urgent need for more predevelopment funding, was identified during the community engagement for the City of Oakland Department of Housing and Community Development's Strategic Plan.

The community engagement to develop the City of Oakland's Housing and Community Development Strategic Plan was extremely robust. A key component was community meetings with 15-45 people in each of Oakland's seven Council districts to hear directly from residents about their housing-related concerns. Live interpretation was available upon demand. Department leadership also met with 15 affordable housing developers directly and met with both the local and regional affordable housing developer associations to better understand how the City of Oakland could best support their work. The developers the City met with were a mix of for-profit, conventional non-profit, and community land trust developers.

This series of community discussions, as well as feedback from developers who partnered with the City of Oakland on State Homekey applications for the initial tranche of rapid response projects, was critical in informing the City priorities for this grant. Fragmentation of funding sources and a lack of predevelopment resources were serious concerns that came up over and over, and with this proposed grant, the City, the County, and the OHA can together decisively address these challenges.

How does your proposal align with requirements to affirmatively further fair housing? (5 points)

The proposed Rapid Response Homeless Housing program will affirmatively further fair housing in two key ways. First, by allowing for the conversion of motels and construction of low-cost modular housing, this program will unlock previously unavailable opportunities to expand affordable housing in the more affluent neighborhoods of Oakland. Second, building housing for the homeless in neighborhoods facing severe displacement pressures can allow existing residents to stay in Oakland instead of being forced out by rising rents. This ensures that long-time residents can benefit from economic revitalization and improved public infrastructure.

Both motel conversions and innovative techniques for new construction can expand housing opportunities in more affluent neighborhoods. Oakland's past Homekey projects, which are similar in nature to the projects in the Rapid Response Homeless Housing program, were geographically spread across the City of Oakland in socioeconomically divergent neighborhoods. In many cases, motels in Oakland are located in primarily single-family, upper middle-class neighborhoods. While it can be difficult to find vacant lots to develop in these built out neighborhoods, motel conversions are an excellent way to expand affordable housing opportunities in these high-amenity areas. Two of Oakland's past Homekey projects, Clifton Hall and Temescal Commons, expanded affordable housing opportunities in some of the most desirable parts of Oakland. In affluent areas with vacant lots, high land costs have historically made these projects less competitive for funding. However, pursuing modular or other innovative building methods that reduce building costs can offset land costs and make construction in these affluent neighborhoods more financially feasible. OHA would require all of the projects funded through this program to meet HUD housing quality and inspection standards.

The Rapid Response Homeless Housing program will also play an important role in preserving diversity in neighborhoods undergoing rapid economic and demographic transition. According to the latest Point in Time Count, 90 percent of Oakland’s homelessness population are local residents who were pushed into homelessness by an explosion in rental prices over the past decade. Providing a permanent, affordable place for these families to live will help staunch the widespread displacement of low-income and minority Oakland residents to the outer extremities of the San Francisco Bay Area. This will in turn allow these residents to benefit from the fruits of Oakland’s economic revitalization- a roaring job market, infrastructure improvements, and vibrant neighborhoods full of thriving small businesses. Past rapid response projects in Oakland have required a minimum portion of units to be accessible to persons with disabilities, and the City anticipates maintaining this accessibility requirement.

What are your budget and timeline proposals? (5 points)

The City of Oakland proposes a \$10 million budget as follows:

- \$8.6 million for a revolving predevelopment loan program for Rapid Response Homeless Housing projects, of which:
 - \$6.84 million would be used as lending capital
 - \$760,000 would be used for administrative costs implementing the loan program.
- \$1.25 million for a Process Coordinator III to serve as a liaison between affordable housing developers and planning staff to expedite land use approvals for five years. This is based on the fully loaded cost of the position (about \$250,000/year)
- \$50,000 for a consultant to help with the streamlining of funding processes when the agencies design the details of the Rapid Response Homeless Housing Program.

The proposed timeline for this program is below:

Date	Milestone
Consultant is hired for Rapid Response Homeless Housing Program design	2/28/24
Consultant finishes consulting on Rapid Response Homeless Housing Program design; Rapid Response Homeless Housing Program launches on or before this date	5/30/24
Launch revolving predevelopment loan program, which will continue indefinitely	6/30/24
Process Coordinator III is hired by this date and begins serving as an intermediary between affordable housing developers and the Planning and Building department.	6/30/24
Target date for all funding in the revolving predevelopment loan program to be spent at least once. Future loans will be funded by repayments from the initial round of predevelopment loans.	6/30/27
Grant funding for Process Coordinator III terminates	6/30/29

If half the requested funding was available (\$5 million), the City of Oakland would propose to reduce the scale of the predevelopment loan pool from \$8.6 million to \$3.6 million. This would reduce the projected number of units served in the initial round of predevelopment lending from 150-300 units annually to 60-120 units annually. As a result, some pipeline projects will be unable to receive predevelopment funding in a timely manner. However, the funding process streamlining and affordable developer permit coordination would see their budgets preserved and would still be able to serve hundreds of units.

Exhibit E Capacity. *Review and provide a narrative response to V.A.1.c*

What capacity do you and your Partner(s) have? What is your staffing plan? (10 points)

The City of Oakland, Housing Authority of the City of Oakland, California, and County of Alameda all have a deep well of expertise and practical experience to contribute to this program. As a natural evolution of previous collaborations, the City will take the lead in organizing the funding process in the Rapid Response Homeless Housing program with the OHA and County participating in the review process as pertains to their funding, as well as to provide their expertise.

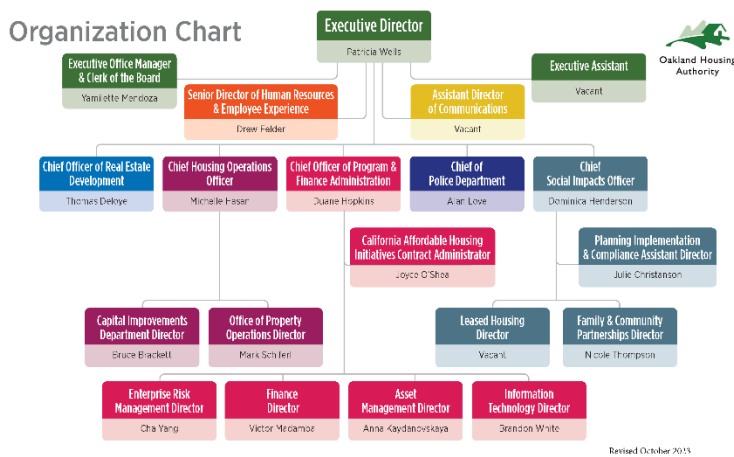
The City of Oakland has been building its capacity in multiple ways to increase the development of high quality PSH that is created quickly and that delivers long lasting positive outcomes in housing people experiencing homelessness. This capacity building consists of:

- **Staffing Increases:** One current staff position (Housing Development Coordinator) will be dedicated to homeless housing efforts, including overseeing the new Rapid Response Homeless Housing Program. Two additional positions are being recruited, one to assist the current position and one to manage HCD's homelessness work.
- **Merger with the City's Human Services Department's Community Housing Services division:** This upcoming merger will increase the level of staffing and expertise related to homeless services and transitional/interim housing interventions.
- **Creating a new homeless housing program:** Building on the experience and learnings from the City's very successful engagement with the Homekey program, the creation of an ongoing, City-led program (the Rapid Response Homeless Housing Program) is deepening staff knowledge and expertise in vetting, funding and monitoring PSH and other homelessness interventions.
- **Subject Matter Expert consultants in PSH and Homekey projects** are assisting the City in all the above activities.

Since entering the Moving to Work Demonstration program in 2001, the Housing Authority of the City of Oakland, California (OHA) has endeavored to increase housing choice for the almost 18,000 low-income families it serves, including the elderly and persons with disabilities. The Office of Real Estate Development (ORED) supports this mission by leveraging local, state, federal and private funding in order to construct new, and rehabilitate existing, affordable housing in Oakland. Under the leadership of the Executive Director and Chief Executive Officer, Patricia Wells, and OHA's Board of Commissioners, ORED on behalf of OHA, primarily partners with developers but occasionally works on its own behalf to facilitate the construction of housing that is durable, well-designed, energy-efficient, and service-enriched. Since its creation as an OHA department in the year 2000, ORED has facilitated the construction of over 2,000 housing units for very-low, low- and moderate-income families.

Traditionally, ORED has fostered partnerships with developers where OHA provides gap and/or acquisition financing for affordable housing projects. These strategies have allowed ORED to leverage federal and state funding from sources like Housing Opportunities for People Everywhere (HOPE) VI and Project Homekey and expand affordable housing in the City of Oakland. More recently, OHA launched a Rental Assistance Subsidy (RAS), which explores an novel method of providing nontraditional subsidy to certain affordable housing projects that may have otherwise fallen short of resources. The RAS is overseen by ORED, with senior program management staff working with developers or other community partners to shepherd projects through the development process and stabilize funding to preserve affordable housing for the long-term.

Organization chart, Housing Authority of Oakland, California:



Additional information about the County of Alameda’s capacity will be included in the final application.

Exhibit F Leverage. Review and provide a narrative response to V.A.1.d

Are you leveraging other funding or non-financial contributions? (10 points)

The City of Oakland is pledging \$5 million in matching funds from the \$10.4 million Rapid Response homeless Housing Acquisition Fund. These matching funds will be committed to projects funded through the Rapid Response Homeless Housing program as capital funds for construction. In doing so, the City of Oakland is making a firm financial commitment to the kind of projects funded by the predevelopment loan program proposed in this grant application.

These committed funds are not the full extent of the City of Oakland’s planned commitment to the program. Although City Council ratification for the additional funds was not available in time for the grant application deadline, the City has identified and plans on committing at least \$25.7 million in local resources to serve as capital and operating funds for projects in the Rapid Response Homeless Housing program during the first two years of operation. The City also expects to commit a portion of the \$350 million Measure U affordable housing bond to this program, which would significantly boost the amount

of capital resources on offer. An even bigger source of potential funding in the anticipated 2024 San Francisco Bay Area-wide affordable housing bond. This measure could bring in between \$380-760 million for affordable housing in Oakland alone, a portion of which would be dedicated to the Rapid Response Homeless Housing program.

In 2023, OHA used Moving to Work flexibility to launch the Rental Assistance Subsidy (RAS) fund, which is intended to be a source of stabilizing, place-based funding to maximize and leverage existing City and state funding by adding OHA Federal dollars to preserve affordable housing for the long-term. This streamlined source of funding helps to ensure the sustainable and healthy operation of properties that serve Extremely Low-Income households at or below 30% of the Area Median Income (AMI). The RAS is designed to be a 15-year subsidy that aims to fill any negative net income gaps that result primarily from minimal collectable rents from extremely low-income households.

Permanent Supportive Housing (PSH) projects participating in the City of Oakland's proposed Rapid Response Homeless Housing Program (R2H2) program would be able to apply for funding through the RAS application process. Eligible projects must set aside 25% of the total units for households earning at or below 30% of AMI, must adhere to NEPA and HUD Housing Quality Standards or related inspection requirements, and may be subject to subsidy layering reviews based on additional funding sources. The RAS is projected to subsidize approximately 357 families through the addition of new affordable units in projects throughout the City of Oakland in the FY 2024 OHA Annual MTW Plan and this includes capacity for new projects to apply for funding.

Additional information about County funding will be included in the final application.

Exhibit G Long-term Effect. *Review and provide a narrative response to V.A.1.e*

What permanent, long-term effects will your proposal have? What outcomes do you expect? (10 points)

The proposed Rapid Response Homeless Housing program is expected to continue into the indefinite future, and the benefits of the proposed grant-funded predevelopment loan program will likewise continue indefinitely.

The partnership between three agencies that each bring unique funding streams as well as expertise and networks will provide a strong foundation to the work of ending homelessness. Harnessing each agency's strengths with a unified vision will go a long way to both avoid inter-agency delays and bureaucratic roadblocks. A goal of this collaboration will be to institutionalize the sense of urgency and creativity that is needed to have a long-lasting impact on addressing homelessness.

The proposed predevelopment loan program will be structured as a revolving program. Most loans will be expected to be taken out upon permanent financing of deals, which will allow for additional predevelopment loans to be issued. This should allow for the program to continue building the pipeline of cost-efficient affordable housing for years to come. Over time, these predevelopment funds could help dozens of affordable housing projects for the homeless move from a conceptual idea to full-fledged, fully-funded, and fully-operational permanent supportive housing project. In the more immediate future, these predevelopment funds and/or streamlining assistance would likely support 5-10 rapid response projects a year. If project sizes continue with historic trends, the funding would likely support 150-300 units of Permanent Supportive Housing annually.

The funding for a consultant to help streamline funding process and for a new position to serve as an intermediary between affordable housing developers and Oakland's Planning & Building Department will also serve large numbers of affordable units. The streamlined funding process is expected to also support 150-300 units of Permanent Supportive Housing annually. The entitlement/environmental review coordination role is projected to serve over 500 units of affordable housing annually.

The proposed Rapid Response Homeless Housing program has strong potential to serve as a role model for other communities struggling with the cost and length of building affordable housing. By demonstrating how cities, housing authorities, and counties can coordinate their funding and prioritize more cost-efficient project types, the Rapid Response Homeless Housing program will be a replicable solution to address the homelessness crisis in communities across the West Coast.