



DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA
94612-2034

Housing & Community Development
Housing Development Services
TEL (510) 238-3502
FAX (510) 238-3691
TDD (510) 238-3254

Request for Applications

Community Development Block Grant
Coronavirus (CDBG-CV)
Operating Support Grants for
City-Assisted Affordable Housing Properties

Policies and Guidelines

February **xx**, 2021

I. Introduction

The City of Oakland (the “**City**”) recognizes that City-assisted affordable rental housing properties may suffer losses in income due to the COVID-19 pandemic, which resulted in the Shelter in Place Order in Alameda County on March 16, 2020 (the “**Shelter in Place**”).

The City was awarded additional CDBG CV Federal CARES Act funds, and with the City Council’s adoption of Resolution No. 88135, C.M.S. on May 19, 2020, the City will use \$500,000 to support the operations of the affordable housing properties currently in the City’s portfolio that have been negatively impacted as a result of vacancies and non-payment of rents during the Shelter in Place, in response to the Coronavirus pandemic.

With these CDBG CV funds, the City’s Housing and Community Development Department (“**HCD**”) has established a COVID-19 Operating Support Grant Program for nonprofit owned City-assisted affordable housing properties (the “**Program**”). The Program provides grants of up to \$50,000 to property owners to replenish operating reserves that have fallen to a level approaching less than three (3) months due to vacancies and non-payment of rents during Shelter in Place.

The Program will award grant funds on an as-needed basis to City-Assisted Affordable Housing Properties, as defined in Section III below, with a demonstrated operating reserve shortfall due to the COVID-19 pandemic.

The applications will be evaluated by HCD staff for completion and compliance. An application that does not contain all required documentation, forms or attachments will NOT be considered for funding unless the Applicant corrects or cures all deficiencies within seven (7) calendar days of the date of its notification of deficiency. HCD Staff will make a final recommendation regarding each application including the approved amount of grant funds for the HCD Director’s approval.

The Program is subject to the U.S. Department of Housing and Urban Development (“**HUD**’s”) approval of the First Substantial Amendment to the 2019/20 Annual Action Plan (“**AAP**”). Per HUD instructions, all CARES Act funding was added to said amendment to the 2019/20 AAP.

Please direct any questions regarding this Program to Brian Warwick, Housing Development Coordinator IV at 510 238-6984 or bwarwick@oaklandca.gov.

The application and other required forms are available at [website...](#)

II. Available Funding

CDBG-CV COVID-19 Operating Support Grants for City-Assisted Affordable Housing Properties

A total of \$500,000 is available to qualifying projects within the City through this CDBG-CV funding, pursuant to Resolution No. 88135 C.M.S., adopted on May 19, 2020.

III. Funding Request Restrictions

Grant Award Amount

Maximum grant award is \$50,000.

Eligibility Requirements

1. The applicant must own the Property.
2. The applicant must be a nonprofit public benefit corporation.
3. The Property must be a City-Assisted Affordable Housing Property, subject to a current Regulatory Agreement, serving low-income households. A “***City-Assisted Affordable Housing Property***” means that the property has received funding from the City to provide affordable housing and is subject to a City Regulatory Agreement restricting units to households earning at or below eighty percent (80%) of Area Median Income.
4. The applicant must have previously drawn down operating reserves to a balance of three (3) months or less of operating expenses as the result of COVID-19.
5. The application must demonstrate a current and specific need for the Program funds.
6. Program funds may only be used for the replenishment of the Property’s Operating Reserve due to budget shortfalls related to COVID-19.

Other Requirements

The Program prohibits “duplication of benefits,” meaning a party receiving Program funding in excess of their total need (e.g. property owner projects loss of operating revenue due to COVID-19 in an amount of \$30,000 and receives \$30,000 CDBG-CV grant from the Program and subsequently receives an additional \$20,000 from another funding source for the same purpose). The City will require CDBG-CV recipients to repay any funds deemed “duplicative.”

Submission Guidelines

The applicant must complete and submit to HCD staff for review an application that includes the following:

1. A cover letter requesting Program funds, signed by applicant’s Executive Director or Chief Executive Officer. The letter must identify the connection of the requested funds to COVID-19.
2. Annual Operating Budgets for the period covering January 2020 to the present, and the fiscal year-to-date budget showing actual revenue and expenses.
3. The rent collection report and/or bad debt report, starting in January 2020 through the date of the application, itemized by unit number and month. Please note that rents must

be written off entirely in order to qualify for this funding, which is intended solely for use in replenishing Operating Reserves.

4. A copy of the most recent Operating Reserves Bank Statement.
5. If the Property Operating Reserve has been drawn down due to a COVID-19-related shortfall other than nonpayment of rents, supporting documentation for the shortfall.
6. Additional supporting documentation as may be requested by the City.
7. Copies of insurance certificates, as described in Section IX below.
8. A list of any other funds that the applicant has applied for, intends to apply for, or has received in connection with COVID-19 relief for the property. If none, applicant's Executive Director or Chief Executive Officer must provide a signed certification indicating no such funds have been applied for, under penalty of perjury. A form of this certification is attached as Exhibit A to this agreement.
9. Evidence of applicant's nonprofit status.

IV. Federal HUD Regulations

To be considered for CDBG-CV funding, a program or project must first meet the following HUD National Objective: **Benefit to Low- to Moderate-Income (“LMI”) Persons.**

To qualify for funding under the LMI category, the persons or households served must have income levels at or below 80% of the *area median income* (“**AMI**”), as set forth in the chart below. HUD requires stratified income data on beneficiaries, requiring quarterly reporting of which category beneficiaries fall into below 80% of AMI, 50% of AMI, or 30% of AMI.

**2020 Income Limits
City of Oakland Housing and Community Development Department**

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI (Low)	\$73,100	\$83,550	\$94,000	\$104,400	\$112,800	\$121,150	129,500	\$137,850
50% AMI (Very Low)	\$45,700	\$52,200	\$58,750	\$65,250	\$70,500	\$75,700	\$80,950	\$86,150
30% AMI (Extremely Low)	\$27,420	\$31,320	\$35,250	\$39,150	\$42,300	\$45,420	\$48,570	\$51,690

** New income guidelines as of 4/1/2020 for use during the 2020 Fiscal Year (July 1, 2020 – June 30, 2021). 2020 Average Median Family Income for the Oakland City Metropolitan Area. New income guidelines are released by HUD by June of each fiscal year. All CDBG recipients will be required to update any forms used to collect beneficiary information whenever new income guidelines are made available.

The approach to meet the Low to Moderate Income qualifications is as follows:

Low- to Moderate-Income Limited Clientele (“LMC”): an activity which provides benefits to a specific group of persons of which at least 51% of the beneficiaries of the activity qualify as LMI persons earning less than 80% of the area median income as defined in the table above. To qualify, each individual must establish, by means of financial information on *household size and income*, that *at least 51%* of the clientele are persons whose household income does not exceed the LMI limit.

There are certain populations that HUD presumes to be low- to moderate-income. For programs serving these populations income data does not need to be collected; however, race and ethnicity do. Populations include: *abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons living with AIDS, and migrant farm workers.*

V. Eligible uses of Program funds

The principal objective of the Program is to provide limited financial support and to promote the financial health of the operations of City-Assisted Affordable Housing Properties in an effort to respond to housing market disruptions caused by the Coronavirus pandemic. Funds may only be used to replenish Operating Reserves.

Current operating budget expenses must be aligned with the annual operating budget previously approved by the City. If the operating budget has been modified, a written explanation must be included in the cover letter.

VI. Deadlines

Submission Deadline: Applications will be accepted anytime between **DATE** 2021 and **DATE** 2021, **(a 5 week window)** but applications must be submitted by **Friday, DATE, 2020 at 4:00PM.**

Applications must be submitted electronically to City Data Services, at www.citydataservices.net.

VII. Application Review Process and Program Priorities

HCD staff will strive to review each application and attachments for consistency with this Request for Applications (“*RFA*”).

Further, HCD staff will conduct an initial review of all applicants to determine that the applications and all forms and attachments have been properly completed. Any applications determined to be substantially incomplete will be returned to the applicant with a Notice of Deficiency and will have seven (7) calendar days to correct or cure all deficiencies of any Program requirements. Failure to correct or cure all deficiencies within the prescribed time period shall result in the suspension of further processing of the application.

HCD staff will complete the review of the applications within two (2) weeks of receipt and will issue the Director of Housing and Community Development’s Approval and Reservation of Funds letter or a denial letter.

Applications will be ranked based on their ratio of operating reserves to operating expenses. Applications with the lowest ratio will be ranked highest, and funds will be disbursed accordingly until they are exhausted. The City reserves the right to modify the criteria for ranking applications.

VIII. Reservation of Rights

The City reserves the sole discretion to award all, a portion, or none of the available CDBG-CV funding through this Program and may reject any and all proposals based on the quality and/or merits of the proposals, or when it is determined to be in the public interest to do so.

The City reserves the right to substantiate any applicant’s qualifications financial information, capability to perform, availability, past performance and usage of funds in accordance with the terms herein.

IX. Post Award Grant Recipient Criteria

All awards are subject to the City’s receipt of its CDBG-CV appropriation from HUD.

The City is committed to monitoring the performance of grant recipients to ensure that Federal funds are used appropriately, in accordance with applicable CDBG-CV requirements and in a manner that maximizes low- and moderate-income public benefit. Grant recipients include divisions, outside social service agencies, nonprofit organizations, and local businesses. Monitoring each grant recipient ensures that the goals and objectives identified within the City's HUD Action and Consolidated Plan are met. Copies of the monitoring reports are kept in the HCD Office.

Recipients that do not comply with the Post-Award and Sub-Recipient Criteria listed below will forfeit their award of CDBG-CV funds. The forfeited funds will be then returned to the CDBG-CV program for reallocation.

- CDBG-CV recipients shall not obligate any CDBG-CV funding until a release of funds is received from HUD by the City and a grant agreement between City and the recipient is executed.
- All applicants must be registered at <https://sam.gov/SAM/> at the time of application submission, so a search can be conducted to ensure the organization can lawfully receive federal funds. There is no cost for registration. The entity's legal name, address, and DUNS number must match the information provided on the application for funding. If registering or updating on <https://sam.gov/SAM/>, the applicant must OPT-IN for public view.
- The organization's most recent audit shall be submitted. If you do not have an audit, please submit Federal Form 990.
- All nonprofit recipients must provide the following insurances:
 - Liability Insurance with a limit of not less than \$2,000,000 each occurrence, with the "City of Oakland, its agents, officers, employees, and volunteers" listed as an additional insured;
 - Worker's Compensation Insurance as required by the laws of the State of California. Statutory coverage may include Employers Liability coverage with limits not less than \$1,000,000;
 - Property Insurance on an all risk coverage basis to the extent of full replacement value of the premises for the duration of the term of the Loan.
- Recipients are required to:
 - Submit performance reports to the City on a quarterly basis for one year. This will include Operating Reserves bank statements and quarterly operating budgets. The reports are reviewed for accuracy, performance measures and compliance. In addition, on-site monitoring/auditing of agencies for ongoing compliance

and eligibility is done by the City to ensure income guidelines and residency are being met and goals are being reached.

Exhibit A

Form of City Certification

I, _____, being duly authorized to execute this certification on behalf of _____ (the "**Applicant**"), hereby certify under penalty of perjury that no emergency relief funds for COVID-19 prevention, preparation or response have been applied for or received in excess of the current estimated need, in connection with the Property located at _____, and commonly referred to as _____.

The undersigned understands and agrees that City will rely upon this City Certification in evaluating Applicant's application and determining whether or not to make an award of CDBG-CV funds to Applicant in connection with the application.

"APPLICANT"

[INSERT LEGAL NAME OF DEVELOPER ENTITY(IES) IN BOLD CAPS],

a [California] [limited liability company] [corporation] [limited partnership]

By: _____
Name: _____
Title: _____

Date: _____