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OAKLAND

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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: Professional Services Agreements for
Community Buying Program and
Homeowner Legal Services

DATE: April 28, 2016

City Administrator Approval

Date:

5/12/16

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution: (1) Authorizing A Professional Services Agreement With Hello Housing For Up To \$150,000 To Administer The Community Buying Program; (2) Authorizing A Professional Services Agreement With Housing And Economic Rights Advocates For Up To \$100,000 To Provide Legal Services To Oakland Residents Related To Homeownership, Foreclosure Prevention And Household Economic Stability; (3) Waiving Advertising, Competitive Bidding, And Request For Proposals/Qualifications Competitive Selection Requirements For These Agreements; And (4) Allocating Program Income From The Community Buying Program To Affordable Housing Activities.

EXECUTIVE SUMMARY

Approval of the proposed resolution will fund two agreements to continue City programs that address the housing crisis by: (1) transforming abandoned lots into new infill affordable housing and (2) preventing foreclosure and home loss through free legal services to homeowners and borrowers. This resolution approves a professional services agreement up to \$150,000 from June 1, 2016 through June 30, 2017 with nonprofit affordable housing organization Hello Housing to continue acting as the program administrator for the Oakland Community Buying Program, a City program to transform vacant, blighted, and abandoned properties into affordable rental and ownership housing. This resolution also establishes a new project number for the Community Buying Program and allocates any program income back to the program for affordable housing activities. In addition, this resolution approves a professional services agreement up to \$100,000 from July 1, 2016 through June 30, 2017 with nonprofit legal services organization Housing and Economic Rights Advocates (HERA) to provide legal services to homeowners, homebuyers and borrowers to prevent displacement related to household financial insecurity. Finally, this resolution waives advertising and competitive bidding or solicitation requirements for these agreements.

Item: _____
CED Committee
May 24, 2016

BACKGROUND / LEGISLATIVE HISTORY

These two City housing programs, the Community Buying Program and Foreclosure Prevention and Mitigation Program, were established in 2013 and 2012, respectively, by the Department of Housing and Community Development (HCD) to address critical housing needs arising from the aftermath of the foreclosure crisis. The Oakland Community Buying Program is an innovative interagency collaborative effort to transform abandoned properties into new affordable homes. The Foreclosure Prevention and Mitigation Program connects qualified Oakland homeowners, homebuyers and borrowers with free legal services to prevent foreclosures and address household credit/debt issues. These complementary programs address the current housing crisis by creating much-needed new housing while continuing to protect current homeowners and residents from displacement.

Oakland Community Buying Program

In 2012, the City of Oakland worked with Alameda County to develop an innovative approach to addressing blighted properties that were not being maintained by the property owners, causing significant negative impacts on the neighborhood and public resources. City Building Services and Finance Management Agency staff worked with the Alameda County Treasurer-Tax Collector, Donald White, and his staff on a pilot program to remove City and County liens on 76 tax-defaulted properties. These properties had failed to sell at previous County tax auctions due to the amount of liens exceeding the market value of the property, and many were a source of blight, requiring continuous action by City Code Enforcement to maintain and secure. Given each property's history of being tax-defaulted for several years and not maintained by the property owner, they were considered "abandoned" and the City had determined its liens were unrecoverable. On October 2, 2012, the City Council adopted Resolution No. 84057 C.M.S. authorizing the removal of City liens on the 76 properties to facilitate the sale of the properties at the County auction for a minimum bid price of \$45,000, with the exception of 2821 Martin Luther King, Jr. Way, a property with a large multi-family residential structure, which was reduced to a minimum bid price of \$213,500. See **Attachment A** for a complete list of these 76 tax-defaulted properties and their disposition or current status.

The City's goals were to (1) reduce the negative impacts of these abandoned properties, including the estimated cost of \$225,000 per year in code enforcement clean-up costs, by returning the properties to active re-use and maintenance by a new owner; and (2) generate funds from the County tax auction proceeds to support repayment of the Development Services Fund (2415) negative fund balance. At the spring 2013 tax auction, of the 76 pilot properties with reduced minimum bid prices, 16 were sold and one property was bid on but the sale was not consummated.

In fall 2013, HCD launched the Community Buying Program to transform abandoned and blighted properties into new affordable housing units to help address Oakland's housing crisis. Through a competitive Solicitation for Partners process, City staff selected Hello Housing, a nonprofit affordable housing organization, to serve as the administrator of the program, based in part on its extensive experience administering Neighborhood Stabilization Program-funded projects for Alameda and Contra Costa Counties. In addition, City staff selected nonprofit and mission-driven private developer partners who have committed to creating homeownership or rental housing opportunities for families making below 120 percent of Area Median Income.

The City's new Community Buying partners reviewed the list of 59 abandoned properties that did not sell in the 2013 tax auction, assessed project feasibility at a high level and selected 34 properties to potentially acquire under a new Affordable Housing Pilot Program designed and coordinated by Hello Housing. Donald White, the Alameda County Treasurer-Tax Collector, entered into a negotiation with Hello Housing and agreed to sell the properties to Hello Housing at the price of \$13,500 per property pursuant to a process under Division 1, Part 1, Chapter 8 of the California Revenue and Taxation Code ("Chapter 8"), which enables the Tax Collector to sell certain tax-defaulted properties directly to the City or eligible nonprofit organizations for affordable housing or other public benefit use.

In September of 2014, pursuant to Resolution No. 85174 C.M.S., Council approved the further removal of liens to enable the 34 Hello Housing Affordable Housing Pilot Properties to be sold at the agreed upon price of \$13,500 per property. Resolution No. 85174 C.M.S. also authorized the removal of City liens on the remaining 25 unsold abandoned properties to enable the County to lower the minimum bid price further for the 2015 public auction. 24 properties had minimum bid prices that were reduced from \$45,000 to \$20,000. The remaining property with a large multi-family structure, 2821 Martin Luther King, Jr. Way, was reduced from \$213,500 to \$100,000.

Hello Housing Affordable Housing Pilot Properties

Following the additional removal of City liens pursuant to Resolution No. 85174 C.M.S., Hello Housing and the City's Community Buying partners continued to conduct due diligence on each of the 34 Affordable Housing Pilot properties, including obtaining Phase 1 environmental assessments for each lot. Eight of these properties have since been determined to be infeasible for development due to a variety of factors, including actual or potential environmental contamination and ongoing use as a community garden. Following this thorough due diligence process, Hello Housing submitted a proposal to purchase the remaining 26 feasible properties. This purchase proposal was approved by the Alameda County Board of Supervisors in January 2016 and is now pending final approval by the Office of the California State Controller. The eight properties that were initially considered for this Pilot but released due to infeasibility are expected to return to the Alameda County Tax Collector's regular tax-defaulted auction process.

2016 Tax Auction Interrupted properties

In late January, the City submitted an objection letter to the Alameda County Treasurer-Tax Collector interrupting the sale of 13 properties that would otherwise have been auctioned at the March 18th County Tax Auction. Of these, four properties were properties that had been reduced to a minimum bid price of \$20,000 pursuant to Resolution No. 85147 C.M.S. and City staff are continuing the due diligence process to determine feasibility. Two are properties on which the City has recorded deeds of trust restricting affordability. These properties became tax-defaulted when the current owner, Community Development Corporation of Oakland, wound down its operations, and the City interrupted them from being sold at auction to develop a plan to preserve the City's interest in seeing the parcels developed into affordable housing units. The remaining five properties are properties that passed an initial high-level feasibility assessment for development of affordable housing and will be further evaluated for possible inclusion in the Community Buying Program.

Once the due diligence process for these 13 properties has been completed, including Phase 1 environmental assessments, the City will pursue acquisition of feasible properties. The Hello Housing Affordable Housing Pilot of 26 properties pending purchase under Chapter 8 has paved the way for the City and Community Buying Partners to pursue other similar sales to transform tax-defaulted abandoned properties into affordable housing. Staff will come back to Council in the fall to approve a proposal for the Community Buying Program to purchase this next batch of tax-defaulted properties.

Current Status of 76 Tax-Defaulted Properties With Reduced Minimum Bids

See ***Attachment A*** for a detailed list.

- 17 properties sold at a public auction;
- 26 properties are currently pending purchase by Hello Housing for affordable housing development under the CBP;
- 8 properties were originally included in the Hello Housing pilot but were later deemed infeasible following a diligence process and have returned to the County's process for a future auction;
- 10 properties are currently pending negotiations between Alameda County and qualified affordable housing nonprofit organizations for possible acquisition;
- 4 properties were interrupted from the 2016 auction process by the City for possible acquisition and affordable housing development under the CBP;
- 7 properties were interrupted from the 2015 auction process by the City, but released due to infeasibility following a diligence process and offered in the 2016 public auction, but did not sell; and
- 4 properties were not offered at the 2015 or 2016 auction, possibly due to the owner's attempt to redeem the property.

2016 Community Progress Leadership Institute

Based in part on the innovative work of Hello Housing as the administrator of the Community Buying Program, Oakland was selected through a competitive application process as one of nine U.S. cities to participate in the 2016 Community Progress Leadership Institute (CPLI), which was held in March 2016 at Harvard Law School. The Institute is an annual program that equips city delegations with the leadership and technical skills to address significant blight and vacancy challenges. The Institute is hosted by the Center for Community Progress, a national nonprofit organization founded to ensure that communities have the vision, knowledge and systems to transform blighted, vacant, and other problem properties into assets supporting neighborhood vitality. The Oakland delegation, which included staff from the City and Hello Housing, was joined by delegations from Fresno and Richmond as well as State-level representatives from the California Strategic Growth Council and California Pollution Control

Financing Authority. In addition to receiving leadership training from national experts focused on addressing vacant and abandoned properties, the delegation also shared Oakland's unique tax-defaulted pilot program. Following the CPLI, City staff and Hello Housing are collaborating with California State representatives and the City of Richmond to jointly pursue State-level tools and resources to facilitate the reclamation of abandoned properties for affordable housing.

Home Preservation Counseling and Legal Services

In 2012, the City launched a comprehensive Foreclosure Prevention and Mitigation Program to address housing needs of both renters and homeowners in the aftermath of the foreclosure crisis. One of the City's key partners in this effort was Housing and Economic Rights Advocates (HERA), an Oakland-based legal services nonprofit organization. Since 2012, HERA has served over 700 Oakland households, providing legal services and foreclosure prevention counseling. In 2014, based on working with clients whose ability to maintain housing was adversely affected by credit issues, HERA expanded their services to Oakland residents to include credit and debt counseling. HERA has adopted a comprehensive and holistic approach to working with vulnerable clients to support housing and economic sustainability. This approach focuses not only on addressing acute risks such as foreclosure but also the longer term sustainability of the household's ability to meet basic needs and avoid displacement.

Since 2012, HERA has secured loan modifications or otherwise prevented home loss for over a hundred Oakland homeowners and provided hundreds more with free legal advice and representation to protect their consumer rights. In addition, HERA has delivered over a dozen workshops in Oakland covering diverse topics such as foreclosure prevention, sustainable home preservation for seniors, reverse mortgages, student loans, avoiding predatory lending scams, and repairing/rebuilding credit. In 2015, HERA was selected by the National Fair Housing Alliance (NFHA) to administer NFHA's Oakland Homeowner Rescue Program, which provides grants of up to \$20,000 to prevent foreclosure, tax auction or other home loss due to temporary and remediable hardship.

Requirements for Waiver of Advertising, Competitive Bidding and Request for Proposals/Qualifications Selection Process

Oakland Municipal Code (OMC) Sections 2.04.050 and 2.04.051 set forth requirements regarding advertising and competitive processes to purchase products, supplies, equipment and services. The City Council may waive these requirements upon a finding and determination that it is in the best interests of the City to do so.

ANALYSIS AND POLICY ALTERNATIVES

Community Buying Program

Staff requests Council approval of a professional services agreement up to \$150,000 from June 1, 2016 through June 30, 2017 with nonprofit affordable housing organization Hello Housing to continue administering the Oakland Community Buying Program, a City program to transform vacant, blighted, and abandoned properties into affordable rental and ownership housing. The City's last agreement with Hello Housing expired on April 30, 2016, but the Community Buying

Program is in the process of purchasing 26 tax-defaulted properties under a pilot partnership with the Alameda County Tax Collector. A break in Hello Housing's services could delay or adversely impact the City's ability to finalize this purchase and create new affordable housing units slated for development on the subject lots. The funds for a new agreement will come from funds currently allocated to the Neighborhood Housing Revitalization Program, which provides loans to property owners to rehabilitate vacant and blighted properties. See **Attachment B** for more details about Hello Housing's organizational experience.

Hello Housing Responsibilities Under Affordable Housing Pilot Program

Hello Housing's proposal to purchase 26 abandoned properties under Chapter 8 has been approved by the County Board of Supervisors and is now pending state-level approval by the State Controller's Office. Once the package has been approved by the State, the County will engage in a due process notification of all known parties of interest for each parcel prior to establishing the date by which the sale will become effective at which time Hello Housing will advance funds for the purchase of the lots. Once the properties are under Hello Housing's ownership, it will work to create marketable title, either through quiet title actions or a due process certificate strategy, to allow traditional construction financing options for housing development. Hello's responsibilities include drafting all agreements with developer partners to preserve long-term affordability on the properties, developing an innovative project financing model that features internal cross-subsidy amongst properties to minimize the need for public resources, monitoring the properties for maintenance issues and providing intensive technical assistance to the City and developer partners regarding the purchase, pre-development and development process. Purchase under Chapter 8 is a seldom-used mechanism to turn abandoned, tax-defaulted properties into affordable housing or other public benefit use. Because of the lack of extensive experience at the City, County, and State level with this type of transaction, Hello Housing has navigated – and continues to navigate – many untested challenges arising from the singular Chapter 8 acquisition process, such as securing project financing and title insurance.

Hello Housing Responsibilities for Next Batch of Tax-Defaulted Properties

The City and Hello Housing are currently performing due diligence to assess the feasibility of 13 additional tax-defaulted properties. Hello Housing's responsibilities include evaluating properties for affordable housing development, performing project cost analysis, performing site due diligence, conducting marketable title research, creating a clear title strategy for each lot of interest, identification of funding strategies for acquisition and development, coordination of Community Buying Program development partners and assisting the City to navigate the Chapter 8 sale process with the County and the State. City staff anticipates returning to Council in the fall to approve a proposal to purchase the next batch of tax-defaulted properties.

Technical Assistance to Qualified Nonprofit Organizations

Nonprofit organizations meeting certain eligibility criteria may be qualified by the Alameda County Treasurer-Tax Collector to directly negotiate the purchase of tax-defaulted properties under Chapter 8. Hello Housing has provided and continues to provide technical assistance support to Oakland nonprofit organizations that have been so qualified and desire to pursue possible Chapter 8 acquisitions for the purpose of creating permanent affordable housing.

Foreclosure Prevention Counseling Services

Staff also requests Council approval of a professional services agreement up to \$100,000 from July 1, 2016 through June 30, 2017 with nonprofit legal services organization HERA to provide legal services to homeowners, homebuyers and borrowers to prevent displacement and facilitate home preservation. The funds for a new agreement to support HERA's legal services will come from CDBG funds currently allocated for third party services related to housing rehabilitation. See ***Attachment C*** for more details about HERA's organizational experience.

Under the proposed agreement, HERA will provide free legal services to low- and moderate-income Oakland homeowners, homebuyer and borrowers on issues affecting their ability to retain or purchase a home, including but not limited to:

- (1) mortgage-related concerns for existing homeowners, such as affordability, payment crediting, surviving homeowners' assumption, modification concerns, and addressing delinquency, default and risk of foreclosure;
- (2) property tax concerns;
- (3) property condition and maintenance concerns;
- (4) any household debt and credit issues that may threaten the ability of a low- or moderate-income household to afford their home, such as medical debt, credit cards, automobile-related debt, and financial scams;
- (5) debt and credit issues that may inhibit the ability of Oakland residents to purchase a home; and
- (6) counseling and advocacy to help Oakland residents build their credit.

HERA will provide legal services to no fewer than 110 Oakland residents individually. In addition, HERA will conduct no fewer than six workshops in easily accessible locations throughout Oakland on the above-listed topics. HERA will also continue to administer remaining NFHA Oakland Homeowner Rescue funds and to provide home preservation counseling to all households receiving Rescue Fund assistance. Finally, HERA will continue to offer its technical expertise to City staff for referrals and consults on issues related to any of the above-listed topics for Oakland residents.

Justification for Waiver of Advertising and Competitive Bidding and Solicitation Requirements

When the City launched the Community Buying Program in 2013, Hello Housing was selected as the CBP Administrator through a competitive Solicitation for Partners process. Formal advertising and a competitive Request for Proposals/Qualifications (RFP/Q) process were not required because the City was not directly funding any contracts for supplies or services related to the CBP. Since 2013, Hello Housing has served as the Program Administrator and has developed relationships with key partners to advance CBP activities. A significant break in Hello's services would negatively impact the CBP, including the pending purchase of 26 tax-defaulted properties for affordable housing. Effective administration of the CBP requires specialized expertise related to the California Revenue and Taxation Code, State and County tax-defaulted sale processes, complex real estate transactions, and scattered-site affordable housing development. It is unlikely that another organization in the Bay Area possesses this particular combination and level of specialized expertise.

When the City launched the Foreclosure Prevention and Mitigation Program in 2012, the City Council approved an initial grant to fund HERA's legal services to homeowners to prevent foreclosure and other home loss. Since 2012, HERA has continued to provide critical legal services to Oakland residents to address credit, debt, homeownership and foreclosure prevention needs. The City's last grant to HERA ended on February 29, 2016. A continued break in the City's financial support of HERA's legal services to low- and moderate-homeowners would result in significantly fewer Oakland residents having access to free legal advice and representation to secure homeownership, prevent foreclosure, and maintain household economic stability. HERA is the only nonprofit legal services organization in the Bay Area that specializes in free legal services to combat economic and consumer rights abuses, especially home loss resulting from foreclosure, tax-default, and predatory lending.

The City's agreements with Hello Housing and HERA have been funded with penalty funds generated from enforcement of the City's blight ordinance and allocated to the Affordable Housing Trust Fund for foreclosure prevention and mitigation activities pursuant to City Council Ordinance 13139 C.M.S. Both organizations' previous agreements expired in recent months and were not immediately renewed because blight penalty collections are no longer sufficient to support these activities. Staff has since identified new sources of funding to support these services, both of which require specialized expertise and are critical to the City's efforts to address the current housing crisis.

For the foregoing reasons, Staff recommends that Council find and determine that waiving advertising, competitive bidding and RFP/Q requirements for these two agreements is in the City's best interests.

FISCAL IMPACT

The proposed resolution approves up to \$150,000 in Neighborhood Housing Revitalization Program funds to support a contract with Hello Housing to continue acting as program administrator of the City's Community Buying Program. These funds are available in Fund 2999, Organization 89939, Account 58311, Project G08760, Program NB32. The resolution also establishes a new project number for the Community Buying Program and allocates any program income back to the program for affordable housing activities. Additionally, the proposed resolution will fund up to \$100,000 in CDBG funds to support a contract with HERA to provide free legal services to support homeownership and financial stability for Oakland residents. Funds in the amount of \$100,000 are available in Fund 2108, Organization 89939, Account 54912, Project G08750, Program NB32.

PUBLIC OUTREACH / INTEREST

Staff has provided information to community organizations concerned about blighted and abandoned properties in Oakland, including the Oakland Community Land Trust, Youth Uprising, and the Oakland Food Policy Council. Staff has also worked with HERA to coordinate sustainable homeownership workshops held at senior and community centers throughout Oakland. From 2012-2016, the City funded community-based foreclosure-prevention outreach,

including door-to-door outreach and tabling at community events, to inform Oakland homeowners and tenants about the availability of resources to prevent or mitigate displacement.

COORDINATION

Coordination has occurred between HCD, the Building Services Division of Planning and Building, the City Attorney's Office, and the Revenue Management Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The proposal to continue supporting Hello Housing's administration of the Community Buying Program will enable the transformation of blighted, tax-defaulted and abandoned properties into active reuse as affordable housing. This program will retard deterioration of property values, support future development and dramatically reduce City costs incurred in cleaning and securing blighted properties while generating revenue in the form of sales proceeds, permit fees, transfer taxes, and property taxes. Continued support for HERA's legal services will facilitate home preservation for low- and moderate-income homeowners and borrowers at risk of losing their homes due to economic instability stemming from credit and debt issues.

Environmental: The continuation of the Community Buying Program will reduce blight including accumulation of garbage, dispersal of pollutants and target-organ toxins and uncontrolled growth of vector populations. The construction of infill affordable housing and prevention of displacement through legal services each reduce commute distances, and thereby reduce greenhouse gas emissions.

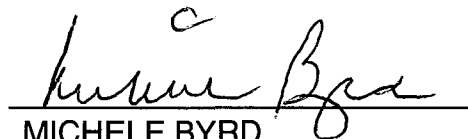
Social Equity: The proposed action will result in new affordable housing opportunities for low- and moderate-income households and the revitalization of economically distressed neighborhoods that have been negatively impacted by vacancy and blight. Supporting free legal services to low- and moderate-income Oakland residents will help these households stay in their homes, avoid displacement and/or homelessness and pursue a more financially secure future.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution (1) authorizing a professional services agreement with Hello Housing for up to \$150,000 to administer the Community Buying Program; (2) authorizing a professional services agreement with Housing And Economic Rights Advocates for up to \$100,000 to provide legal services to Oakland residents related to homeownership, foreclosure prevention and household economic stability; (3) waiving advertising, competitive bidding, and Request for Proposals/Qualifications competitive selection requirements for these agreements; and (4) allocating program income from the Community Buying Program to affordable housing activities.

For questions regarding this report, please contact Loyd Ware, Manager, Residential Lending and Rehabilitation Services, at (510) 238-6197.

Respectfully submitted,



MICHELE BYRD
Director, Dept. of Housing and Community
Development

Reviewed by:
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Residential Lending and Rehabilitation Services

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Attachments (2):

- A: *Current Status of 76 Tax-Defaulted Properties with Reduced Minimum Bid Prices*
- B: *Organizational Description of Hello Housing*
- C: *Organizational Description of Housing and Economic Rights Advocates*

Summary	
17	Properties sold at public county auction
26	Properties approved by County and pending approval by State for purchase by Hello Housing
8	Properties originally part of CBP pilot but released due to infeasibility; returned to auction pool
10	Properties currently under negotiations with County for purchase by qualified nonprofit affordable housing organization
4	Properties Interrupted by City in 2016 for possible acquisition by CBP
7	Properties Interrupted in 2015 but returned to auction pool; offered at 2016 auction but not sold
4	Property with status unknown by City
76	Total tax-defaulted properties with liens removed by City and County

#	PARCEL	ADDRESS	STREET	CURRENT STATUS	MINIMUM BID
17 properties sold at public county auction					
1	2-61-61 (now 2-114-4)	324	10TH ST #204	SOLD in 2013 Auction for \$45,000	\$45,000
2	6-27-2	1745	14TH ST	SOLD in 2013 Auction for \$70,100	\$45,000
3	33-2138-40	1601	39TH AVE	SOLD in 2013 Auction for \$45,000	\$45,000
4	41-4133-21	1190	70TH AVE	SOLD in 2013 Auction for \$50,100	\$45,000
5	43-4595-17	1908	88TH AVE	SOLD in 2013 Auction for \$55,100	\$45,000
6	42-4273-22	1226	89TH AVE	SOLD in 2013 Auction for \$95,200	\$45,000
7	4-81-10	1468	8TH ST	SOLD in 2013 Auction	\$45,000
8	46-5421-13	1416	90TH AVE	SOLD in 2013 Auction for \$141,489	\$45,000
9	42-4266-2	8517	D ST	SOLD in 2013 Auction for \$75,000	\$45,000
10	26-751-4	2773	E 23RD ST	SOLD in 2013 Auction for \$49,400	\$45,000
11	26-785-8	2547	E 27TH ST	SOLD in 2013 Auction for \$45,000	\$45,000
12	20-165-2	1715	FOOTHILL BL	SOLD in 2013 Auction for \$149,919	\$45,000
13	38-3199-3	6211	FOOTHILL BL	SOLD in 2013 Auction for \$50,600	\$45,000
14	5-453-4	2941	MYRTLE ST	SOLD in 2013 Auction for \$45,000	\$45,000
15	45-5233-12	10306	PIPPIN ST	SOLD in 2013 Auction for \$115,100	\$45,000
16	45-5374-5	10937	ROBLEDO DR	SOLD in 2013 Auction for \$115,100	\$45,000
17	15-1306-22-1	1077	57TH ST	SOLD in 2015 Auction for \$105,000	\$20,000
26 properties pending approval by State for purchase by Hello Housing					
18	45-5369-12-6	306	105TH AVE	Oakand Community Buying Program Pilot	\$13,500
19	4-61-10	1424	12TH ST	Oakand Community Buying Program Pilot	\$13,500
20	3-31-13	878	20TH ST	Oakand Community Buying Program Pilot	\$13,500
21	5-435-13	1076	24TH ST	Oakand Community Buying Program Pilot	\$13,500
22	5-465-3	1071	32ND ST	Oakand Community Buying Program Pilot	\$13,500
23	4-75-22	1488	3RD ST	Oakand Community Buying Program Pilot	\$13,500
24	41-3893-64	1180	60TH AVE	Oakand Community Buying Program Pilot	\$13,500
25	38-3215-25	1725	62ND AVE	Oakand Community Buying Program Pilot	\$13,500
26	41-4148-59	1020	70TH AVE	Oakand Community Buying Program Pilot	\$13,500
27	41-4146-30	1090	71ST AVE	Oakand Community Buying Program Pilot	\$13,500
28	41-4135-4-3	1191	72ND AVE	Oakand Community Buying Program Pilot	\$13,500
29	41-4129-44	1238	72ND AVE	Oakand Community Buying Program Pilot	\$13,500
30	41-4198-50	1266	79TH AVE	Oakand Community Buying Program Pilot	\$13,500
31	42-4267-28	1063	87TH AVE	Oakand Community Buying Program Pilot	\$13,500
32	3-17-19	873	ATHENS AVE	Oakand Community Buying Program Pilot	\$13,500
33	43-4604-1	2276	AUSEON AVE	Oakand Community Buying Program Pilot	\$13,500
34	44-4954-16	9114	B ST	Oakand Community Buying Program Pilot	\$13,500
35	6-21-33	1731	CHASE ST	Oakand Community Buying Program Pilot	\$13,500
36	32-2111-28	3558	GRAY ST	Oakand Community Buying Program Pilot	\$13,500
37	41-4133-34	7014	HAMILTON ST	Oakand Community Buying Program Pilot	\$13,500
38	40-3396-5	7525	MACARTHUR BL	Oakand Community Buying Program Pilot	\$13,500
39	40-3396-6	7533	MACARTHUR BL	Oakand Community Buying Program Pilot	\$13,500
40	45-5254-19	10628	PEARMAN ST	Oakand Community Buying Program Pilot	\$13,500
41	45-5254-9	10545	PIPPIN ST	Oakand Community Buying Program Pilot	\$13,500
42	45-5369-17	10575	TOPANGA DR	Oakand Community Buying Program Pilot	\$13,500
43	6-23-15	925	WILLOW ST	Oakand Community Buying Program Pilot	\$13,500

#	PARCEL	ADDRESS	STREET	CURRENT STATUS	MINIMUM BID
8 properties originally part of HH pilot but dropped due to infeasibility and returned to County process for future auction					
44	7-554-9	1616	15TH ST	Released from CBP Pilot in 2016 due to possible prescriptive easement related to significant urban agricultural activities.	Reduced to \$13,500 for CBP Pilot, then released
45	4-93-27	1562	8TH ST	Released from CBP Pilot in 2016 due to current use as community garden.	Reduced to \$13,500 for CBP Pilot, then released
46	20-164-6	1839	FOOTHILL BL	Former gas station with open County Environmental Health clean-up permit issued in 2011; released from CBP Pilot in 2016 due to unclear clean-up status and infeasible cost of remediation.	Reduced to \$13,500 for CBP Pilot, then released
47	40-3407-1	7951	MACARTHUR BL	Former gas station with likely presence of underground storage tanks; released from CBP Pilot in 2016 due to infeasible cost of additional environmental testing and remediation.	Reduced to \$13,500 for CBP Pilot, then released
48	40-3407-2	7963	MACARTHUR BL	Adjacent to former gas station; released from CBP Pilot in 2016 due to infeasible cost of additional environmental testing and remediation; not released in time for 2016 auction.	Reduced to \$13,500 for CBP Pilot, then released
49	5-452-10-2		MARKET ST	Released from CBP Pilot in 2016 due to current use as community garden.	Reduced to \$13,500 for CBP Pilot, then released
50	40A-3419-27		73RD AV	Hillside easement not feasible for housing; released from CBP Pilot in 2015. Not offered in 2016 auction.	Reduced to \$13,500 for CBP Pilot, then released
51	40-3396-4	7521	MACARTHUR BL	Deemed ineligible for Chapter 8 sale by County Tax Collector due to lack of substandard declaration on existing structure. Released from CBP Pilot in 2015. Not offered in 2016 auction.	Reduced to \$13,500 for CBP Pilot, then released
10 properties currently under negotiations with County for purchase by qualified nonprofit affordable housing organization					
52	26-757-24	2210	23RD AVE	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
53	21-293-4	2117	25TH AVE	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
54	41-4148-19	1027	70TH AVE	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
55	6-13-42	1005	CAMPBELL ST	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
56	39-3251-22	1701	CHURCH ST	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
57	44-4952-3	9109	INTERNATIONAL BL	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
58	43-4604-1	8215	MACARTHUR BL	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
59	44-5009-8	9630	WALTER AVE	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
60	36-2420-5-2	5154	YGNACIO AVE	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000
61	6-23-20	905	WILLOW ST	Interrupted in 2015. Preliminary Chapter 8 purchase negotiations pending between County Tax Collector and qualified nonprofit	\$20,000

#	PARCEL	ADDRESS	STREET	CURRENT STATUS	MINIMUM BID
4 properties interrupted by City in 2015 and again in 2016 for possible acquisition under Community Buying Program					
62	5-434-24	1034	24TH ST	Interrupted in 2015 and 2016, pending City diligence process and possible acquisition.	\$20,000
63	9-692-5	804	27TH ST	Interrupted in 2015 and 2016, pending City diligence process and possible acquisition.	\$20,000
64	4-93-24	1556	8TH ST	Interrupted in 2015 and 2016, pending City diligence process and possible acquisition.	\$20,000
65	5-471-1-1	3346	CHESTNUT ST	Interrupted in 2015 and 2016, pending City diligence process and possible acquisition.	\$20,000
7 properties interrupted by City in 2015, but released after due diligence process and offered in 2016 County Auction					
66	5-429-5	1021	24TH ST	Interrupted in 2015; on 2016 auction list for \$20K but not sold	\$20,000
67	9-710-2	3041	WEST ST	Interrupted in 2015; on 2016 auction list for \$20K but not sold	\$20,000
68	48E-7347-19		BALBOA DR	Interrupted in 2015; on 2016 auction list for \$20K but not sold	\$20,000
69	48E-7347-20		BALBOA DR	Interrupted in 2015; on 2016 auction list for \$20K but not sold	\$20,000
70	12-965-21-1	3700	WEST ST	Interrupted in 2015; on 2016 auction list for \$20K but not sold	\$20,000
71	42-4256-14	1201	84TH AVE	Offered in 2015 but sale not consummated. Offered in 2016 auction for \$20K but not sold	\$20,000
72	3-13-12	834	ATHENS AVE	Pulled from 2015 auction due to owner filing for bankruptcy. Offered in 2016 auction for \$20K but not sold	\$20,000
4 properties with current status unknown by City					
73	7-595-19-1	1450	32ND ST	Status unknown to City. Sale not consummated in 2013. Does not appear on 2014 or 2015 Auction Results list. Not offered in 2016 auction.	\$45,000
74	5-478-7	3425	CHESTNUT ST	Pulled from 2015 auction for possible redemption. Not offered in 2016.	\$20,000
75	6-13-51	1020	WILLOW ST	Pulled from 2015 auction for possible redemption. Not offered in 2016.	\$20,000
76	9-695-6	2821	MLK JR WAY	Pulled from 2015 auction for possible redemption. Not offered in 2016.	\$100,000

About Hello Housing

Founded in 2005, nonprofit affordable housing organization Hello Housing develops and preserves affordable housing for traditionally underserved communities. Skilled at co-creating innovative housing programs with government partners and their constituencies, Hello Housing helps local governments achieve their goals by deploying scarce affordable housing dollars in a timely, cost-effective and responsible manner. Hello Housing got its start as the master developer of the Bay Area Housing Project (BAHP), a \$100 million public-private partnership which created community-integrated, scattered-site, permanent housing for people with developmental disabilities leaving Agnews Developmental Center, a large state-run institution slated for closure. By 2008, 59 specialized homes were developed and occupied by former Agnews residents in 19 cities throughout San Mateo, Santa Clara and Alameda Counties. Agnews is now closed and over 240 individuals are thriving in the community among family and friends at a lower cost to the State of California.

In 2009 and 2010, Hello Housing was competitively awarded nearly \$10 million in HUD's Neighborhood Stabilization Program (NSP) funds. As a new funding source for jurisdictions across the country, Hello Housing worked closely with the Alameda County Housing and Community Development Department (HCD) and the City of Livermore, to ensure that the federal regulations for NSP1 and NSP2 funding were implemented properly across each project phase. Between 2009 and 2013, Hello Housing acquired and renovated 51 foreclosed homes in eight cities. Of these homes, 44 have been sold to qualified low and moderate-income families. Four homes are providing 14 units of permanent, affordable shared housing for adults with mental illness who are homeless or at risk of homelessness, while three homes are providing permanent, affordable shared housing for adults with physical disabilities transitioning out of an institutional setting and into the community. Hello Housing implemented its NSP program in the hardest-hit areas of unincorporated Alameda County, by targeting the cities of Livermore, San Leandro, San Lorenzo, Newark, Hayward, Fremont, Union City, Dublin, Berkeley, and Pleasanton. The total project cost is approximately \$30 million.

Over the past eleven years Hello Housing has garnered the trust and respect of Bay Area municipal leaders resulting in the active stewardship of nearly 1,000 city-sponsored Below Market Rate (BMR) homes with market value of nearly \$450 million, as well as the administration of city-sponsored rehabilitation programs and the servicing of below market rate down payment assistance loans and rehabilitation loans on behalf of city partners. By deeply immersing in scattered-site, small scale development and management of Below Market Rate homeownership and rental programs, Hello Housing has been uniquely positioned to understand how tools such as deed restrictions paired with creative financing can be used to swiftly increase the supply of permanently-affordable homes within the fabric of existing neighborhoods. Identifying new or unlikely financing partners, as well as a property pipeline, is a critical piece of the affordable housing puzzle at a time when traditional public funding sources are dwindling and long-time residents throughout the Bay Area are experiencing displacement.

Along with the innovative affordable housing program design work that Hello is conducting in partnership with the City of Oakland on vacant and abandoned properties, it's working with MidPen Housing Corporation and San Mateo County on a new Housing Innovation Fund grant to create a single-family home acquisition program, preserving and expanding rental and ownership opportunities for low and moderate income earning households with the goal of preserving long-term affordable housing in neighborhoods with high risk for displacement by existing residents.

About Housing and Economic Rights Advocates (HERA)

Based in Oakland, HERA is the only California statewide, not-for-profit legal service and advocacy organization with the mission of ensuring that all people are protected from discrimination and economic abuses, especially in the realm of housing. HERA focuses particularly on the needs of those who are most vulnerable, including lower-income people, the elderly, immigrants, people of color and people with disabilities. HERA's education and advocacy work covers a broad range of household financial concerns, including but not limited to: credit reporting; building and accessing credit; wrongful and abusive debt collection practices across a broad range of topics, including medical debt, credit cards, payday loans, auto title debt, auto loans, and student loans. HERA also specializes in helping homeowners sustain housing and avoid foreclosure by addressing issues related to predatory lending, homeowner association collections, property tax default and home mortgages.

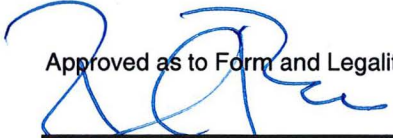
HERA is unusual in its range and breadth of service strategies, combining (1) legal education of individual consumers and communities of vulnerable residents who are targeted for a wide variety of predatory practices, (2) legal services for individuals as well as class actions benefiting many hundreds, sometimes thousands of people at a time, (3) trainings for attorneys, government staff, housing counselors, adult protective services and other professionals on how to identify and handle abuses directed towards consumers (4) research on the scope and impact of such abusive practices; (5) technical assistance and support to professionals on their cases, (6) community organizing on consumer issues, and (7) policy work.

Since 2005, HERA has also provided: legal advice to over 14,000 California residents, in-person, over the phone and at workshops; legal information to thousands more at large-scale foreclosure education seminars; and information to many thousands more through mainstream and ethnic media, including print articles, radio, and television. HERA staff members speak Russian, Spanish, and French, and HERA utilizes interpreters for other key languages needed to serve a diverse clientele.

HERA is recognized nationally and across the state for its expertise on effectively addressing financial concerns that threaten the financial security of low- and moderate-income residents. HERA participates on the board of Keep Your Home California as an advocate for the needs of homeowners at risk of home loss and displacement. HERA's Executive Director and co-founder, Maeve Elise Brown, is a 26-year attorney who leads HERA's collaborative approach to advancing consumer protection. Ms. Brown has also served on the Consumer Advisory Board of the Consumer Financial Protection Bureau (CFPB) since 2012 and is currently its Vice-Chair.

In addition to advocating for individual households, HERA also works to also change policies and practices negatively affecting the housing and economic rights of the most vulnerable. Efforts and achievements in this area include, amongst others: (1) advancing state legislation to protect survivors from mortgage servicers' abuses following the death of borrower, (2) monitoring and tracking abusive mortgage servicing practices that violate borrower rights, (3) statewide leadership in the area of protecting student borrowers from predatory and unlawful debt collection practices, and (4) and expanding legal rights education for servicemembers and veterans.

2016 MAY 13 AM 9:12


Approved as to Form and Legality
Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION: (1) AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH HELLO HOUSING FOR UP TO \$150,000 TO ADMINISTER THE COMMUNITY BUYING PROGRAM; (2) AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH HOUSING AND ECONOMIC RIGHTS ADVOCATES FOR UP TO \$100,000 TO PROVIDE LEGAL SERVICES TO OAKLAND RESIDENTS RELATED TO HOMEOWNERSHIP, FORECLOSURE PREVENTION, AND HOUSEHOLD ECONOMIC STABILITY; (3) WAIVING ADVERTISING, COMPETITIVE BIDDING, AND REQUEST FOR PROPOSALS/ QUALIFICATIONS COMPETITIVE SELECTION REQUIREMENTS FOR THESE AGREEMENTS; AND (4) ALLOCATING PROGRAM INCOME FROM THE COMMUNITY BUYING PROGRAM TO AFFORDABLE HOUSING ACTIVITIES

WHEREAS, the City of Oakland launched the Community Buying Program (CBP) in 2013 to transform vacant and abandoned residential properties into affordable housing with minimal public subsidy; and

WHEREAS, Hello Housing, a local nonprofit housing organization, was selected through a competitive request for partners solicitation process to act as administrator of the CBP; and

WHEREAS, since the launch of the CBP, Hello Housing, working closely with City staff and competitively selected developer partners, has coordinated the Tax-Defaulted Pilot Project with the Alameda County Tax Collector to transform abandoned, tax-defaulted properties into affordability-restricted rental and ownership housing; and

WHEREAS, Hello Housing's responsibilities as CBP administrator include coordinating with developer partners and the Alameda County Tax Collector's Office, developing a financing model and model documents for the Tax-Defaulted Pilot Project, providing technical assistance to the City in developing and implementing CBP strategies, and diagnosing and troubleshooting program challenges; and

WHEREAS, Housing and Economic Rights Advocates (HERA) provides free legal services to homeowners, homebuyers and borrowers that promote housing security by (1) preventing home loss and displacement through foreclosure and tax auction, and (2) helping borrowers and potential homebuyers ameliorate debt and credit issues that negatively impact the household's ability to rent or buy a home; and

WHEREAS, HERA and the City have had a successful partnership since 2012 to prevent Oakland homeowners from losing their homes to foreclosure and tax auction; and

WHEREAS, OMC Section 2.04.051 requires a competitive request for proposals or request for qualifications (RFP/RFQ) selection process for professional services contracts in excess of \$25,000; and

WHEREAS, OMC Sections 2.04.050.I.5 and 2.04.051.B permit the City Council to waive the advertising, competitive bidding and RFP/RFQ selection requirements upon a finding and determination by the City Council that it is in the best interests of the City to do so; and

WHEREAS, staff recommends that it is in the best interests of the City to waive the advertising, competitive bidding and RFP/RFQ selection requirements for the two agreements authorized hereunder for the following reasons: (1) specialized expertise is required to effectively provide these services; (2) the proposed contractors have been effectively providing these services to the City for several years; (3) the City's previous agreements with these contractors for the same services lapsed in recent months and were not immediately renewed only because the City was working on identifying new sources of funds to continue supporting these services; and (4) a significant break in these services would adversely impact the City's affordable housing activities and its ability to prevent foreclosure and home loss for current residents; and

WHEREAS, the City Council finds that the services provided pursuant to the agreements authorized hereunder are of a professional, scientific, or technical nature and are temporary in nature; and

WHEREAS, the City Council finds that these agreements shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore be it

RESOLVED: That pursuant to OMC 2.04.050.I.5 and 2.04.051.B and for the reasons stated above, the City Council hereby finds and determines that it is in the best interests of the City to waive requirements pertaining to advertising, competitive bidding, and the RFP/RFQ selection process for the professional services agreements authorized hereunder; and be it

FURTHER RESOLVED: That the City Council hereby authorizes a professional services agreement with Hello Housing for up to \$150,000 to administer the City of Oakland's Community Buying Program from June 1, 2016 to June 30, 2017; and be it

FURTHER RESOLVED: That a new Project shall be established in Fund 2999 (Miscellaneous Grants), Organization 89939 (Municipal Lending) for the Community Buying Program and any funds deposited therein allocated for activities related to acquisition, development and

disposition of properties for affordable housing; and be it

FURTHER RESOLVED: That any program income generated from June 1, 2016 to June 30, 2018 from use of these funds shall be deposited and appropriated to Fund 2999 (Miscellaneous Grants), Organization 89939 (Municipal Lending) into the Community Buying Program project that will be established to continue funding such activities; and be it

FURTHER RESOLVED: That \$150,000 be moved from Fund 2999 (Miscellaneous Grants), Organization 89939 (Municipal Lending), Account 58311 (Loan Expenditures), Project G08760 (Neighborhood Housing Redevelopment), Program NB32 (Homeownership and Rehabilitation) to the new Community Buying Program project number be established to fund the professional services agreement with Hello Housing; and be it

FURTHER RESOLVED: That the City Council hereby authorizes a professional services agreement with Housing and Economic Rights Advocates for up to \$100,000 to provide free legal services to low- and moderate-income Oakland homeowners, homebuyers and borrowers from July 1, 2016 to June 30, 2017, to be funded from Fund 2108 (HUD-CDBG), Organization 89939 (Municipal Lending), Account 54912 (Third Party Grant Contracts), Project G08750 (Rehab Loan Program), Program NB32 (Homeownership and Rehabilitation); and be it

FURTHER RESOLVED: That prior to execution, all agreements and amendments thereto shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk; and be it

FURTHER RESOLVED: That the City Administrator is authorized to take any actions with respect to the Community Buying Program and the agreements authorized herein consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, AND PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California