



FILED
OFFICE OF THE CITY CLERK
OAKLAND
2012 SEP 13 PM 4:50

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Modifications to Local Housing Trust Fund

DATE: August 14, 2012

City Administrator

Date

Approval

Deanna J. Santana

9/10/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff Recommends that the City Council adopt a Resolution Amending Resolution Nos. 81782 C.M.S. And 2009-0006 C.M.S., Under Which The City And Redevelopment Agency Accepted Up To \$2,000,000 From The California Department Of Housing And Community Development's Local Housing Trust Fund Program, To Modify The Relative Portions Of The Required City Matching Funds Coming From The First Time Homebuyer Program And The Affordable Rental And Ownership Development Program

OUTCOME

Amending Resolutions 81782 and 2009-0006 C.M.S. will enable staff to disburse \$1,575,000 in LHFP monies previously awarded to the City. Per previous City Council action, the California Hotel rehabilitation project will receive \$551,250 and the City's First Time Homebuyer Program will receive \$1,023,750. Although the City received an award from the State for these funds in 2010, this minor technical change to the use of the required match funds is necessary before the funds can be expended.

BACKGROUND/LEGISLATIVE HISTORY

In 2010, the City received an award of \$1,575,000 from the LHFP, which was created in 2006 and funded by the Housing and Emergency Shelter Trust Act of 2006 (Proposition IC). As a requirement of the program, the City must provide matching funds. In the LHFP application, City Resolution 81782 C.M.S. and Agency Resolution 2009-0006 C.M.S., the City designated the 5 percent voluntary Low-Mod Set Aside as the source for the matching funds. Furthermore, of the 5 percent voluntary Low-Mod Set Aside, the City designated that 65 percent of the matching funds would be from the City's First Time Homebuyer Program and 35 percent of the matching funds would be from the City's Affordable Rental and Ownership Development Program.

Item: _____

CED Committee

September 25, 2012

ANALYSIS

Due to the dissolution of the Redevelopment Agency, the City's First Time Homebuyer Program will not receive the 5 percent voluntary contribution of Low-Mod Set Aside funds in FY 2011-12 and as a result, the First Time Homebuyer Program is unable to contribute the 65 percent of the match. However, 5 percent funds that were awarded to projects prior to dissolution, but have not yet been expended, can be used as eligible matching funds. Similarly, first time homebuyer loans that were made from 5 percent funds after the award date but prior to dissolution are also eligible. Because the original City Council resolutions were extremely specific about the share of match coming from each program, staff does not have authority to modify that mix. Amendments to the original resolutions are required to provide flexibility for the use of the funds. This action will not allocate or reallocate City funds to any project or program, it merely provides staff with flexibility as to how to designate funds as match for this program.

PUBLIC OUTREACH/INTEREST

This item originally went to Council in February 2009 and the public had the opportunity to comment at that time. As with the City's other funds for affordable housing development, the LHFTP funds were awarded to the California Hotel rehabilitation project after a thorough application and review process through the City's Notice of Funding Availability (NOFA).

COORDINATION

Housing staff worked with the City Attorney's Office to draft the report, resolution and grant deed amendments. The Budget Office has reviewed the report as well.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:
Total Project Costs \$0
2. COST ELEMENTS OF AGREEMENT/CONTRACT:
TOTAL AGREEMENT/CONTRACT AMOUNT \$0
3. SOURCE OF FUNDING:

Staff is not recommending an appropriation of any new funds. Rather, staff is requesting a change to which of the previously appropriated funds can be designated as the match funds.

Item: _____
CED Committee
September 25, 2012

4. FISCAL IMPACT:

There is no fiscal impact associated with this action. As stated above, staff is not recommending appropriation of any new funds or reallocation of previously budgeted funds. Rather, staff is requesting a change to which of the previously appropriated funds can be designated as the match funds.

SUSTAINABLE OPPORTUNITIES

Economic: The Local Housing Trust Fund Program funds will be used to rehabilitate an affordable housing project, which will create well-paying construction jobs for City of Oakland residents and spur further investment into the community. The funds will also be used for the City's First Time Homeownership Program, which provides long term opportunities for low income families to purchase an existing home and build equity.

Environmental: The rehabilitation will likely utilize sustainable and green materials and practices. It will rehabilitate existing housing near public transit, jobs, and other services located in West Oakland.

Social Equity: Affordable housing is a means of achieving greater social equity. This item will enable low income families within the City of Oakland to purchase homes with the assistance of the City's First Time Homebuyer Program, and will also help rehabilitate the California Hotel for extremely-low and very-low income individuals and families. The majority of these funds will be spent on extremely-low, very-low and low income households. Only 20 percent of the funds can be spent on moderate income households.

For questions regarding this report, please contact Meghan Horl, Housing Development Coordinator IV, at 510-238-6171.

Respectfully submitted,



Fred Blackwell
Assistant City Administrator

Reviewed by:

Michele Byrd, Deputy Director
Department of Housing & Community Development

Norma Thompson, Housing Development Manager

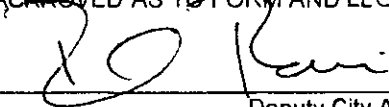
Prepared by:

Meghan Horl, Housing Development Coordinator IV
Housing and Community Development

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2012 SEP 13 PM 4:50

APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

A RESOLUTION AMENDING RESOLUTION NOS. 81782 C.M.S. AND 2009-0006 C.M.S., UNDER WHICH THE CITY AND REDEVELOPMENT AGENCY ACCEPTED UP TO \$2,000,000 FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S LOCAL HOUSING TRUST FUND PROGRAM, TO MODIFY THE RELATIVE PORTIONS OF THE REQUIRED CITY MATCHING FUNDS COMING FROM THE FIRST TIME HOMEBUYER PROGRAM AND THE AFFORDABLE RENTAL AND OWNERSHIP DEVELOPMENT PROGRAM

WHEREAS, Council Resolution No. 81782 C.M.S. and Redevelopment Agency Resolution No. 2009-0006 C.M.S. authorized the City Administrator and Agency Administrator to apply for and accept up to \$2,000,000 in funds from the California Department of Housing and Community under the Local Housing Trust Fund Program in February 2009; and

WHEREAS, the City received an award of \$1,575,000 in Local Housing Trust Fund Program funds in 2010; and

WHEREAS, the program requires that the City provide matching funds, and the City and Redevelopment Agency designated the Agency's five percent voluntary setaside to the Low and Moderate Income Housing Fund as the matching funds source; and

WHEREAS, of the five percent voluntary setaside, the City and Agency resolutions designated that \$1.3 million of the matching funds would be from the City's First Time Homebuyer Program and \$700,000 of the matching funds would be from the City's Affordable Rental and Ownership Development Program; and

WHEREAS, due to the dissolution of the Redevelopment Agency, the City's First Time Homebuyer Program will not receive the five percent voluntary setaside in FY 2011-12 and as a result, the First Time Homebuyer Program is unable to contribute this match; and

WHEREAS, because the original City Council and Agency resolutions were extremely specific about the share of match coming from each program, staff does not have authority to modify that mix and amendments to the original resolutions are required to provide flexibility for the use of the funds; and

WHEREAS, the Redevelopment Agency was dissolved as of February 1, 2012, pursuant to ABx1 26, and the City has elected to retain and assume the housing assets, functions, and obligations of the Redevelopment Agency pursuant to California Health and Safety Code Section 34176 upon Redevelopment Agency dissolution, per Resolution No. 83680 C.M.S., adopted by the City Council on January 10, 2012; and

WHEREAS, the Redevelopment Agency's assets, functions, and obligations with respect to the Local Housing Trust Fund Program have been retained and assumed by the City; now, therefore, be it

RESOLVED: That the City Council hereby amends Resolution Nos. 81782 C.M.S. and 2009-0006 C.M.S. to authorize the City Administrator to determine in his or her discretion how much of the \$1,575,000 in the matching funds for the Local Housing Trust Fund Program will be provided from the City's First Time Homebuyer Program and/or from the City's Affordable Rental and Ownership Development Program; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee is hereby authorized to take any other actions with respect to the matching funds and the Local Housing Trust Fund Program consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2012

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF,
AND PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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