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OAKLAND

2018 NOV 20 PM 12:32

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: Appropriating and Allocating
Affordable Housing Development
Funds

DATE: November 7, 2018

City Administrator Approval

Date:

11/20/18

RECOMMENDATION

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation:

- 1. Resolution Appropriating \$97,464 From Fund Balance In The Affordable Housing Trust Fund, \$1,680,671.34 From Fund Balance In The HUD Home Investment Partnership Program Fund, \$2,463,805 From Fund Balance Of The Jobs/Housing Impact Fee Deposited Into The Affordable Housing Trust Fund And \$4,894,717 From Fund Balance Of Affordable Housing Impact Fee Deposited Into The Affordable Housing Trust Fund, And Appropriating Future Jobs/Housing Impact Fees, Affordable Housing Impact Fees And Development Loan Repayments From The Aforementioned Funds Through June 30, 2023 And Allocating Such Funds To Housing Development Activities.**
- 2. Resolution Authorizing Affordable Housing Development Loans As Funds Become Available in A Total Amount Not to Exceed \$13,100,000, Without Returning to Council, For the Following Affordable Housing Projects: Friendship Senior Rental Housing, 95th and International, 285 E 12th Street, West Grand & Brush, Oak Hill/NOVA and Fruitvale Studios.**
- 3. Resolution Appropriating An Additional \$1,000,000 From Fund Balance in The Low and Moderate Income Housing Asset Fund and Allocating Such Funds To The Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program.**
- 4. Resolution Authorizing The Transfer Of \$400,000 In Affordable Housing Trust Funds To The Affordable Housing Predevelopment Revolving Loan And Grant Program.**

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EXECUTIVE SUMMARY

Staff recommends that the City Council adopt multiple Resolutions that would authorize the following affordable housing items, listed below:

- Authorization to appropriate the following fund balances and future loan repayments through June 30, 2023 to affordable housing development activities:
 - \$97,464 in the Affordable Housing Trust Fund (1870), Project # 1000386
 - \$1,680,671.34 in the HOME Affordable Housing Fund (2109), Project # 1000394
 - \$2,463,805 in the Jobs/Housing Impact Fee Fund (1870), Project # 1001664
 - \$4,894,717 in the Affordable Housing Impact Fee Fund (1870), Project # 1001674
- Authorization to enter into housing development loans as funds become available in an amount not to exceed \$13,100,000, without returning to the City Council, for Friendship Senior Rental Housing, 95th and International, 285 E 12th Street, West Grand & Brush, Oak Hill/NOVA and Fruitvale Studios affordable housing projects.
- Authorization to add \$1,000,000 in funds from the Low and Moderate Income Housing Asset Fund for the Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program.
- Authorization to add \$400,000 in funds from the Affordable Housing Trust Fund (Fund 1870) to the Affordable Housing Predevelopment Revolving Loan and Grant Program.

BACKGROUND/LEGISLATIVE HISTORY

Appropriation of Funds to Affordable Housing Development Activities

On December 18, 2017, the City Council approved Resolution No. 87019 C.M.S., which authorized affordable housing development loans up to \$13.5 million for 10 affordable housing projects that applied to the 2017-2019 Notice of Funding Availability (NOFA). Funds were allocated from the Affordable Housing Trust Fund (1870), Jobs/Housing Impact Fee and Affordable Housing Impact Fees (1870), the Low and Moderate Income Housing Asset Fund (2830), Measure KK Infrastructure Bond Funds (5331), and HUD HOME Investment Partnership Program (2109).

This resolution also approved funding awards from Alameda County Housing Bond (Measure A1) in an amount not to exceed \$34.4 million for those projects. The County A1 Housing Bond required that all projects that receive funds from the County also receive local match funds and approval from the local jurisdiction.

The \$13.5 million awarded in 2017 was not sufficient to fund the minimum match required by the County and the Transformative Climate Communities (TCC) Grant Program. As a result, staff is recommending that additional funds be appropriated and allocated, so all eligible projects will be able to apply to the County of Alameda Measure A1 Housing Bond Regional Pool NOFA and TCC grant for vital affordable housing development funds.

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Authorization of Funds for Affordable Housing Development Projects

In November 2016, voters passed Measure A1, the Alameda County General Obligation Bond for Housing. The County Board of Supervisors authorized a \$580 million Countywide housing bond program to fund development of affordable rental housing, down payment assistance loans, homeownership housing development, and home ownership preservation loans. In April and December 2017, the County of Alameda awarded approximately \$49 million of bond funds that were set aside for projects within the City of Oakland (the "Oakland base allocation"), leaving a balance of \$956,341 in the Oakland base allocation.

In October 2018, the County released a NOFA for the Measure A1 Housing Bond Regional Pool, and currently has \$73 million in Measure A1 Housing Bond Rental Housing Development funds for permanent affordable rental housing project proposals located in Alameda County.

The Measure A1 Housing Bond Regional Pool requires a City match of funds in order to apply. As a result, staff recommends that up to \$13,100,000 in funds be awarded to the following affordable housing development projects so they can apply for the County Regional Pool NOFA: Friendship Senior Rental Housing, 285 E 12th Street, West Grand and Brush, Oak Hill/NOVA and Fruitvale Studios. The 95th and International affordable housing project is part of the City's TCC grant application, and matching funds are required for that application, as well. Descriptions of all the projects recommended for funds are located in **Attachment A**.

Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Program

On April 19, 2016, the City Council passed Resolution No 86125 C.M.S., which authorized the creation of the Affordable Housing Acquisition, Rehabilitation and Preservation Program to fund (1) loans to developers or owners of affordable housing to assist in the acquisition and/or rehabilitation of existing multifamily housing properties for use as affordable housing, (2) loans to developers of affordable housing to assist in the acquisition of land or nonresidential properties for development as affordable housing, and/or (3) loans to developers or owners of affordable housing to acquire and/or preserve restricted affordable housing or acquire affordability covenants on unrestricted housing that is otherwise affordable and in imminent risk of loss.

Funds in the amount of \$1,000,000 were allocated to this project from the Low and Moderate Income Housing Asset Fund, per Resolution No. 86367 C.M.S. on September 20, 2016, which amended Resolution No. 86125 C.M.S. to change the funding source. Those funds were awarded to three projects: Empyrean Towers, 1236 23rd Avenue and 2530 9th Avenue. Additional funds are now required to continue to award funds through this effective program.

Predevelopment Loan Program

The Housing and Predevelopment Revolving Loan and Grant Program (PDRLP) was created on May 5, 1987 through City Council Resolution No. 64573 C.M.S. The City Council passed Resolution No. 87270 C.M.S. on July 10, 2018 to add \$166,000 to the program, but funds for the program are nearly depleted and staff anticipates receiving applications for an additional

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~~\$400,000 for loans under the PDRLP. However, without additional funds allocated to the program, the requests cannot be approved.~~

ANALYSIS AND POLICY ALTERNATIVES

Authorization of Funds for Affordable Housing Development

Friendship Senior Rental Housing, 95th and International, West Grand & Brush, Oak Hill/NOVA, and Fruitvale Studios affordable housing projects applied for City funds through the 2017-2019 NOFA. City staff reviewed, analyzed and scored these projects at that time. Fruitvale Studios received a funding commitment for \$1,800,000, but not the complete amount requested (\$3,300,000) due to a lack of available funds. The City did not have sufficient funds to award to the other projects at that time.

In 2017, 285 E 12th Street submitted an application for \$1,860,000 through the Measure KK Site Acquisition, Rehabilitation and Preservation Program. Funds were not available to award to the project at that time; the Measure KK funds allocated to this program had already been awarded to other projects on a first-come, first-serve basis.

Friendship Senior Rental Housing, 285 E 12th Street, West Grand & Brush, Oak Hill/NOVA and Fruitvale Studios are eligible to apply for funds through the Alameda County A1 Regional Pool NOFA. This program requires a City match of funds in order to apply. As a result, staff recommends that up to \$13,100,000 be awarded to these projects so they can apply for the County A1 Regional Pool funds.

While not pursuing County of Alameda Measure A1 funds at this time, staff recommends a funding award to the 95th and International affordable housing project due to its inclusion in the City's TCC grant. The City applied for a \$23 million grant for the East Oakland Neighborhoods Initiative Project Area and 95th and International is the required housing project for the grant application. As a condition to receive grant funds, the TCC application must provide evidence of matching funds and show proof that 90% of proposed financing is committed. A City commitment of \$7,825,000 will fulfill that requirement. As shown on **Attachment B**, these sources include:

- Excess Redevelopment Bond funds (5610, 5613, 5614, 5643) - \$3,221,903
- Affordable Housing Impact Fee (1870) - \$1,294,717
- Jobs/Housing Impact Fee (1870) - \$129,681
- Affordable Housing Trust Fund (1870) - \$22,465
- Low & Moderate Income Housing Asset Fund (2830) - \$451,071
- HOME funds (2109) - \$1,748,821
- Measure A1 Housing Fund Base Allocation (County funds) - \$956,341

Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program

This program was allocated \$1,000,000 in 2015 and those funds have been awarded to three affordable housing projects: Empyrean Towers, 1236 23rd Avenue and 2530 9th Avenue. This program has additional demand and as a result, staff is requesting an additional allocation of \$1,000,000 for this program. This will allow staff to assist additional site acquisition, rehabilitation and/or preservation projects.

Predevelopment Loan Program

The City has administered its Predevelopment Loan Program since 1987, and has provided loans to approximately 50 projects in Oakland. The program provides predevelopment loans up to \$50,000 per project. This program provides developers with additional working capital to perform detailed predevelopment activities, including, but not limited to, feasibility analysis, environmental review and preliminary architectural design work, which encourages more affordable housing in Oakland. Since redevelopment was eliminated, the predevelopment program has become an important source of funding.

There are several pending predevelopment loan requests in the queue, and funds are needed to support these requests.

FISCAL IMPACT

Appropriation of Funds to Affordable Housing Development Activities

Staff recommends appropriating funds to the following sources:

- 1) Affordable Housing Trust Funds (Fund 1870) Funds deposited into the Affordable Housing Trust Fund (AHTF), and all interest and investment earnings thereon, must be used to increase, improve, and preserve the supply of affordable housing in the City, with priority given to housing for very low-income households per Chapter 15.62 of the Oakland Municipal Code.
- 2) Jobs/Housing Impact Fees (Fund 1870). The Jobs/Housing Impact Fee (which is a funding source of the AHTF) is assessed on construction of buildings for office and warehouse/distribution uses per Ordinance No. 12242 C.M.S. codified as Chapter 15.68 of the Oakland Municipal Code.
- 3) Affordable Housing Impact Fees (Fund 1870). The Affordable Housing Impact Fee (which is a funding source of the AHTF) is assessed on construction of new market-rate housing units including live/work and work/live units per Chapter 15.72 of the Oakland Municipal Code.

- 4) HOME funds (Fund 2109). FY 2017-18 HUD HOME funds are already budgeted and available, and an advance commitment of the City's HOME grant for FY 2018-19 is needed to meet critical funding commitment and expenditure requirements from HUD.

Table 1 below outlines the amount of funds available to appropriate for affordable housing development activities.

Table 1: Funds Available to Appropriate to Affordable Housing Activities

Program Funds	Amount to Appropriate
Affordable Housing Trust Fund (1870)	\$97,464
HOME (2109)	\$1,687,671.34
Job/Housing Impact Fee (1870)	\$2,463,805
Affordable Housing Impact Fee (1870)	\$4,894,717

Authorization of Funds for Affordable Housing Projects

Attachment B shows the sources of funds available for the affordable housing projects currently recommended for funds. As discussed above, funds are available to appropriate and then award to projects from the following sources: Affordable Housing Trust Fund, HOME, Jobs/Housing Impact Fee and Affordable Housing Impact Fee Funds. Excess Redevelopment Bond funds in the amount of \$9,000,000 have already been appropriated and are available to be allocated to projects.

Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program

Funding for the Site Acquisition Rehabilitation and NOAH Preservation Program is nearly depleted, yet there is additional demand for this program. As a result, staff is requesting that an additional \$1,000,000 in Low and Moderate Income Housing Asset funds (Fund 2830) be appropriated and allocated to this program.

The Low and Moderate Income Housing Asset Fund is a fund required under the Redevelopment Dissolution law to hold funds generated from housing assets (such as land sales or loan repayments) transferred to the City from the former Redevelopment Agency when the Agency dissolved. The current fund balance is from loan repayments received by the City from existing rental or ownership properties and from redevelopment funded Mortgage Assistance Loans.

Predevelopment Loan Program

Funding for the Predevelopment Revolving Loan and Grant Program is nearly depleted. By adding an additional \$400,000, the program will be able to provide approximately eight additional predevelopment loans this year. There is \$7,455,986 available in the Affordable Housing Trust Fund (1870) over the current budget cycle (FY 2018-19). Staff recommends

~~appropriating these funds and allocating \$400,000 to replenish the Predevelopment Revolving Loan and Grant Program.~~

PUBLIC OUTREACH/INTEREST

A NOFA pre-application meeting was held on August 11, 2017, to explain the NOFA application process, CEQA and National Environmental Policy Act (NEPA) requirements, as well as the City's required employment and contracting programs. Staff was available to answer any NOFA-related questions. There were 32 participants who attended the meeting.

Applicants for the NOFA are required to hold at least one meeting with an established neighborhood organization prior to application submission. Applicants must prepare a community outreach plan with evidence of outreach. Each applicant is required to contact neighborhood organizations in the vicinity of the proposed development prior to applying for financing.

Applicants that move forward with their projects are required to hold at least one meeting with an established neighborhood organization prior to applying for further financing.

COORDINATION

City Housing and Community Development staff, in addition to the City Attorney's Office and Budget Bureau have collaborated to prepare this Agenda Report and proposed legislation.

PAST PERFORMANCE, EVALUATION and FOLLOW-UP

The City's Affordable Housing NOFA is an incredibly successful program and has produced a plethora of affordable housing projects throughout the City. Project developers leverage our funding commitment with multiple local, state and federal funding sources to build affordable housing projects. Currently, the Housing and Community Development Department releases a NOFA every two years, with the next one scheduled to be released in Fall 2019.

The Site Acquisition, Rehabilitation and NOAH Program completed its first round of funding awards in 2017. Those funds were awarded to three projects: Empyrean Towers, 1236 23rd Avenue and 2530 9th Avenue.

The Predevelopment Loan Program has been in existence since 1987 and has funded over 47 affordable housing projects. Prior to obtaining financing, most non-profit corporations require financial assistance to cover predevelopment costs, for that reason, the City considers it a necessary program to create and preserve affordable housing. Since development costs continue to escalate, more and more affordable housing developers are submitting applications for funding. Currently, the program needs an appropriation of funds to fund pending loan approvals.

SUSTAINABLE OPPORTUNITIES

Economic: These affordable housing projects will generate construction, professional services, and ongoing property management jobs in Oakland. Providing families with affordable housing helps provide financial stability for low and very low-income households which could free some household income to be spent on other goods and services in Oakland. Also, providing viable housing creates activity on underutilized parcels which could stimulate demand for goods and services in Oakland.

Environmental: By developing in already built-up areas, infill projects reduce the pressure to build on agricultural and other undeveloped land. Proposed projects are near public transit which enables residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development. Projects are selected for funding partially based on their ability to achieve high scores using Leadership in Energy & Environmental Design (LEED) or Alameda County's GreenPoint Rating system.

Social Equity: Affordable housing is a means of achieving greater social equity. Providing funds for affordable housing will result in more very low and low-income housing units in Oakland where it is desperately needed. This is especially important for long-term Oakland residents. The proposed developments will provide affordable rental and ownership housing for low and very low-income residents. Social services, such as computer centers for residents, are a component of each rental development and further build social equity.

CEQA

The recommended actions contained herein do not constitute a project under CEQA.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt The Following Pieces Of Legislation:

1. Resolution Appropriating \$97,464 From Fund Balance In The Affordable Housing Trust Fund, \$1,680,671.34 From Fund Balance In The HUD Home Investment Partnership Program Fund, \$2,463,805 From Fund Balance Of The Jobs/Housing Impact Fee Deposited Into The Affordable Housing Trust Fund And \$4,894,717 From Fund Balance Of Affordable Housing Impact Fee Deposited Into The Affordable Housing Trust Fund, And Appropriating Future Jobs/Housing Impact Fees, Affordable Housing Impact Fees And Development Loan Repayments From The Aforementioned Funds Through June 30, 2023 And Allocating Such Funds To Housing Development Activities.

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2. Resolution Authorizing Affordable Housing Development Loans As Funds Become Available in A Total Amount Not to Exceed \$13,100,000, Without Returning to Council, For the Following Affordable Housing Projects: Friendship Senior Rental Housing, 95th and International, 285 E 12th Street, West Grand & Brush, Oak Hill/NOVA and Fruitvale Studios.
3. Resolution Appropriating An Additional \$1,000,000 From Fund Balance in The Low and Moderate Income Housing Asset Fund and Allocating Such Funds To The Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program.
4. Resolution Authorizing The Transfer Of \$400,000 In Affordable Housing Trust Funds To The Affordable Housing Predevelopment Revolving Loan And Grant Program.

For questions regarding this report, please contact Meghan Horl, Housing Development Coordinator IV, at x6171.

Respectfully submitted,



MICHELE BYRD
Director, Housing and Community Development
Department

Prepared by:
Meghan Horl
Housing Development Coordinator IV

Everett Cleveland,
Housing Development Coordinator IV

Ahmed Conde,
Housing Development Coordinator II

Attachments (2):

- A – Affordable Housing Project Summaries
- B – City Funding Sources for Affordable Housing Projects

ATTACHMENT A: Affordable Housing Project Summaries

285 12TH STREET

Developer: East Bay Asian Local Development Corp. Address: 285 12th Street
 Council District: 2

PROJECT SUMMARY:

- New construction of a seven story mixed-use 65-unit (including a manager’s unit) affordable large-family housing development. The ground floor will feature a retail storefront.
- The project site currently contains surface parking and temporary construction storage for a nearby construction site.
- Building amenities will include: 16 space parking garage, secure bicycle parking, a shared laundry room, computer lab, and community room, along with resident services and property management. The project site plan calls for a courtyard featuring landscaping, seating area and a children's play area.
- EBALDC will serve as the lead developer and property manager, as well as providing supportive services to residents.

AFFORDABILITY LEVELS: 20% to 80% AMI

UNIT SIZES:	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
	15	16	17* *includes 1 mgr unit	17		65

OTHER PROPOSED PERMANENT FINANCING SOURCES: Private construction/permanent loan (loan leveraged by Section 8 Project Based Vouchers), Low Income Housing Tax Credit equity; Alameda County A1 Bond funds, and Affordable Housing Program (AHP), Equity, Deferred Developer Fee.

95TH AND INTERNATIONAL APARTMENTS

Developer: The Related Companies of California Address: 9409, 9415, 9423, 9431, 9437
 International Blvd and 1361 95th Avenue
 Council District: 7

PROJECT SUMMARY:

- New construction of a four story on-grade building. This phase consists of 55 units for residential family rental and will provide housing for extremely low to very low income families.
- Eleven units will be designated for homeless individuals and families.
- Building amenities will include: 33 on-grade secured parking spaces, laundry facilities, a community room with kitchen, computer learning center, and an outdoor play area. The capacity of high-speed internet access will be provided in each unit. A Resident Services Coordinator who will ensure personalized service plans for each resident and will coordinate programs that will focus on economic mobility, education, health and wellness, cultural enrichment and life skills. Individual and intensive case management services will be provided to the residents of the units set aside for homeless or at risk of homelessness.

AFFORDABILITY LEVELS: 30 to 50% AMI

UNIT SIZES:	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
	3	24	14	14	0	55

OTHER PROPOSED PERMANENT FINANCING SOURCES:

Proposed sources include funds from the State of California’s Transit Climate Communities program administered by the Strategic Growth Council, City of Oakland NOFA funds, Alameda County Measure A1 bond funds, Federal Home Loan Bank AHP funds, 4% Tax Credit Equity, and conventional private financing in the form of a construction and permanent loan.

FRIENDSHIP SENIOR RENTAL HOUSING DEVELOPMENT

Developer: Community Housing Development Corporation

Address: 1904 Adeline Street

Council District: 3

PROJECT SUMMARY:

- New construction of 50 senior rental units affordable to extremely low, very low and low income households (including a 2 BR manager’s unit).
- Project will provide comprehensive housing and support services for 15 senior individuals with physical and mental disabilities.
- The project will be located at 1904 Adeline Street. Seniors will also have access to the West Oakland Senior Center, Oakland Public Library and Defremery Park and Pool.
- Project has budgeted for an on-site manager.

AFFORDABILITY LEVELS: 15 units at 20% AMI, 15 units at 30% AMI and 19 units at 40% AMI, 1 manager unit

UNIT SIZES:	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
	15	34	1 mgr unit	0		50

OTHER PROPOSED PERMANENT FINANCING SOURCES:

Private financing and 4% Low-Income Tax Credits, NPLH

FRUITVALE STUDIOS

Developer: Allied Housing Development

Address: 2600 International Blvd

Council District: 5

PROJECT SUMMARY:

- Rehabilitation of a 3-story apartment building for formerly homeless, very low and low income individuals.
- There are 24 total units including a manager's unit. Supportive housing consists of 6 unit are reserved for homelessness and 6 units are reserved for special needs. The remaining 11 units will be for low income households.

- PNA indicates that the building is in good to fair condition, assuming the recommended immediate repairs are completed and appropriate routine maintenance is performed annually or as needed basis.
- Allied Housing is proposing a modest renovation of the Fruitvale Studios to address the building needs, including accessibility upgrades, and increasing its energy efficiency.

AFFORDABILITY LEVELS: 20 to 60% AMI

UNIT SIZES:	SRO	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Total Units
	0	0	24	0	0	24

OTHER PROPOSED PERMANENT FINANCING SOURCES:

Alameda County A1 Bond funds, NPLH

OAK HILL/ NOVA APARTMENTS

Developer: Affirmed Housing

Address: 445 30th Street.

Council District: 3

PROJECT SUMMARY:

- New construction of a six story 58-unit (including a manager's unit) multifamily affordable Housing Development.
- The Project's unit mix is comprised of 33 studio units and 24 one-bedroom units. 100% of the units will be permanent supportive housing that help people who formerly experienced homelessness.
- The project site is currently occupied with one medical office tenant who will be relocated prior to demolition and subsequent construction.
- Building amenities will include: 10 parking spaces, bike storage to accommodate up to 63 bicycles, multipurpose room with access to computers/internet, community kitchen, laundry facilities and elevators.

AFFORDABILITY LEVELS: 20% AMI

UNIT SIZES:	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
	33	24	1	0	0	58

OTHER PROPOSED PERMANENT FINANCING SOURCES:

Alameda County A1 Bond funds, low-income housing tax credits, private construction/permanent loan, Tranche B loan.

WEST GRAND & BRUSH, PHASE I

Developer: EBALDC

Address: 760 22nd St & 2201 Brush St

Council District: 3

PROJECT SUMMARY:

- New construction of a five-story 59-unit (including a manager's unit) affordable family housing development.
- 28 units would be special needs/supportive housing units targeted to homeless/at-risk households.
- The project site currently contains surface parking for buses and other vehicles.

- Building amenities will include: 44 structured parking spaces, laundry facilities, a small computer learning center, free wireless internet service in the common areas of the building, and outdoor spaces on the second and fourth floors, and community room.
- EBALDC will serve as the lead developer and property manager. Abode Services will provide supportive services to all residents.

AFFORDABILITY LEVELS: 20% to 60% AMI

UNIT SIZES:	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Units
	24	5	15	15		59

OTHER PROPOSED PERMANENT FINANCING SOURCES:

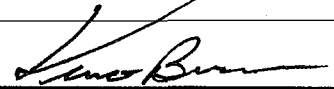
Alameda County A1 Bond funds, private construction/permanent loan; Low Income Housing Tax Credit equity; No Place Like Home; AHP committed; Studying inclusion of National Housing Trust Fund as a source

Attachment B: City Funding Sources for Affordable Housing Projects

Project/(Developer)	Council District	Aff. Units	AMI Level	Excess Redevelopment Bond				Impact Fees		AHFT	Low Mod Income Housing Asset Fund (2830)	HOME Funds (2109)	Current Contribution to Project	Measure A1 Base Allocation Remaining Balance	Previous City Commitment (NOFA & Site Acq)	Total Contribution to project
				Central District (5610)	Central District (5613)	Central District (5614)	Central City East (5643)	Aff Housing Impact Fee (1870)	Jobs/Housing Impact Fee (1870)	Affordable Housing Trust fund (1870)						
285 12th Street (EBALDC)	2	65	20% to 60%				\$2,000,000					\$ 2,000,000		\$0	\$2,000,000	
95th and International (Related & ACTS)	7	55	30% to 50%	\$ 2,321,903	\$662,152	\$ 237,848		\$ 1,294,717	\$ 129,681	\$ 22,465	\$ 451,071	\$ 1,748,821	\$ 6,868,659	\$ 956,341	\$0	\$7,825,000
Frndship Senior Rental Housing (CHDC & FCDC)	3	50	20% to 60%					\$2,000,000					\$ 2,000,000		\$50,000	\$2,050,000
Fruitvale Studio (Allied Housing)	5	24	20% to 60%	\$500,000									\$ 500,000		\$1,800,000	\$2,300,000
Oak Hill Apartments/NOVA (Affirmed Housing)	3	58	20% AMI					\$1,600,000					\$ 1,600,000		\$0	\$1,600,000
West Grand & Brush (EBALDC)	3	59	20% to 60%						\$96,900				\$ 96,900		\$1,603,100	\$3,400,000
Total City Contribution													\$ 11,065,559		\$5,153,100	\$17,175,000

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Approved as to Form and Legality:



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION APPROPRIATING \$97,464 FROM FUND BALANCE IN THE AFFORDABLE HOUSING TRUST FUND, \$1,680,671.34 FROM FUND BALANCE IN THE HUD HOME INVESTMENT PARTNERSHIP PROGRAM FUND, \$2,463,805 FROM FUND BALANCE OF THE JOBS/HOUSING IMPACT FEE DEPOSITED INTO THE AFFORDABLE HOUSING TRUST FUND AND \$4,894,717 FROM FUND BALANCE OF AFFORDABLE HOUSING IMPACT FEE DEPOSITED INTO THE AFFORDABLE HOUSING TRUST FUND, AND APPROPRIATING FUTURE JOBS/HOUSING IMPACT FEES, AFFORDABLE HOUSING IMPACT FEES AND DEVELOPMENT LOAN REPAYMENTS FROM THE AFOREMENTIONED FUNDS THROUGH JUNE 30, 2023 AND ALLOCATING SUCH FUNDS TO HOUSING DEVELOPMENT ACTIVITIES.

WHEREAS, the Oakland City Council adopted Resolution No. 87019 C.M.S. on December 18, 2017, authorizing affordable housing development loans up to \$13.5 million dollars for ten affordable housing projects that applied to the 2017-2019 Notice of Funding Availability (NOFA); and

WHEREAS, funds were allocated from the Affordable Housing Trust Fund (1870), Jobs/Housing Impact Fee and Affordable Housing Impact Fees (1870), the Low and Moderate Income Housing Asset Fund (2830), Measure KK Infrastructure Bond Fund (5330), and the HUD HOME Investment Partnership Program Fund (2109); and

WHEREAS, City Council adopted in June 19, 2018 the Fiscal Year 2018-19 Midcycle Budget which appropriated and allocated \$9 million of excess bond proceeds held by the Oakland Redevelopment Successor Agency to affordable housing development activities; and

WHEREAS, Resolution No. 87019 C.M.S. also approved funding awards from Alameda County Housing Bond (Measure A1) in an amount not to exceed \$34.4 million dollars for the same ten projects. The County A1 Housing Bond required that all projects receiving funds from the County also receive approval from the local jurisdictions for local matching funds; and

WHEREAS, the \$13.5 million dollars awarded in 2017 to the ten affordable housing projects was not sufficient to fund the minimum match required by the County. Thus, staff is recommending an appropriation of additional funds in the aggregate amount of \$9,136,657 from existing funds from the Affordable Housing Trust Fund (1870), the HOME Affordable Housing Fund (2109), the Jobs Housing Impact Fee Fund (1870), and the Affordable Housing Impact Fee Fund (1870) in the respective amounts set forth immediately below; and

WHEREAS, the City of Oakland desires authorization to appropriate available funds from:

- Loan repayments deposited into Affordable Housing Trust Fund (1870): \$97,464
- HUD HOME Investment Partnership Program Fund (2109): \$1,680,671.34
- Jobs/Housing Impact fees deposited into the Affordable Housing Trust Fund (1870): \$2,463,805
- Affordable Housing Impact fees deposited into the Affordable Housing Trust Fund (1870): \$4,894,717; and

WHEREAS, funds deposited into the Affordable Housing Trust Fund (AHTF) and all interest and investment earnings thereon, must be used to increase, improve, and preserve the supply of affordable housing in the City, with priority given to housing for very low-income households (Chapter 15.62.040 of the Oakland Municipal Code); and

WHEREAS, the Jobs/Housing Impact Fee (a funding source of the AHTF) is assessed on construction of buildings for office and warehouse/distribution uses (Ordinance No. 12242 codified as Chapter 15.68 of the Oakland Municipal Code); and

WHEREAS, the Affordable Housing Impact Fee (a funding source of the AHTF) is assessed on construction of new market-rate housing units including live/work and work/live units (Chapter 15.72 of the Oakland Municipal Code); and

WHEREAS, FY 2017-18 and FY 2018-2019 HUD HOME funds are budgeted and available; and

WHEREAS, the City of Oakland desires to maximize the use of housing funds by using all available sources of funds as soon as they become available; and

WHEREAS, the funds noted above were not previously appropriated; now, therefore be it

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RESOLVED: that the City Council hereby appropriates the aggregate sum of \$9,136,657 from the existing fund balances in the Affordable Housing Trust Fund (1870), which consists of loan repayments, ~~Jobs Housing Impact fees and Affordable Housing Impact fees and the HUD HOME Investment Partnership Program Fund (2109)~~ in the respective amounts set forth herein to the Housing Development Organization (89929) for housing development activities; and be it

FURTHER RESOLVED: That City Council hereby appropriates, in addition to the \$9,136,657, and future repayments of development loans, Jobs Housing Impact fees and Affordable Housing Impact fees deposited into the Affordable Housing Trust Fund (1870) and repayments of development loans to the HUD HOME Investment Partnership Program Fund (2109) to housing development activities through June 30, 2023.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

2018 NOV 20 PM 12: 32

Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING AFFORDABLE HOUSING DEVELOPMENT LOANS AS FUNDS BECOME AVAILABLE IN A TOTAL AMOUNT NOT TO EXCEED \$13.1 MILLION DOLLARS, WITHOUT RETURNING TO COUNCIL, FOR THE FOLLOWING PROJECTS: 285 12TH STREET, 95TH AND INTERNATIONAL, FRIENDSHIP SENIOR RENTAL HOUSING, FRUITVALE STUDIOS, OAK HILL/NOVA, AND WEST GRAND AND BRUSH.

WHEREAS, City Council Resolutions No. 87018 C.M.S. and No. 87019 C.M.S, passed on December 18, 2017, authorized the City Administrator or his or her designee to provide affordable housing development loans to several projects that applied for funding through the 2017-2019 Notice of Funding Availability (NOFA); and

WHEREAS, a total of 24 applications were submitted under the NOFA for New Construction of Affordable Rental Housing and for Multifamily Housing Rehabilitation and Preservation for a total request of \$94,173,080 in City funds; and

WHEREAS, only 11 projects were awarded funding for a total amount not to exceed \$23 million; and

WHEREAS, requests for funds and the need to invest in City projects greatly exceeded the amount of City funds available; and

WHEREAS, a project pipeline was established to fund projects in the queue as additional funds become available; and

WHEREAS, additional funds are now available to appropriate from housing development loan repayments deposited into the Affordable Housing Trust Fund (1870), the Low and Moderate Income Asset Fund (2830) and the HUD HOME investment Partnership Program Fund (2109), as well as revenue from the Jobs/Housing Impact

Fees, and the Affordable Housing Impact Fees; and

WHEREAS, City Council adopted in June 19, 2018 the Fiscal Year 2018-19 Midcycle Budget which appropriated and allocated \$9 million of excess bond proceeds held by the Oakland Redevelopment Successor Agency to affordable housing development activities; and

WHEREAS, the County of Alameda has made funds from the Alameda County General Obligation Bond for Housing (Measure A1) available from the Regional Pool of such funds; and

WHEREAS, the County of Alameda requires that all projects that receive funds under the Countywide housing bond receive local match funds and approval from the local jurisdiction; and

WHEREAS, staff is seeking to prioritize the funding of projects in the pipeline that are applying to the Alameda County Bond Measure A1 Regional Pool funds; and

WHEREAS, for those projects receiving federal funds, execution of loan documents or other documents legally committing the City to fund the projects shall be expressly conditioned on compliance with the requirements of the National Environmental Protection Act ("NEPA"), as certified by the City Administrator or his or her designee; now, therefore, be it

RESOLVED, That the City Council hereby authorizes the City Administrator or his or her designee to provide loans as affordable housing funds become available, without returning to Council, in a total amount not to exceed \$13.1 million dollars, to the developers named on Attachment A, or to affiliated entities of those developers approved by the City Administrator or his or her designee, to be used for development of those new construction and rehabilitation projects also listed on Attachment A to this Resolution; and be it

FURTHER RESOLVED, That the funding for the loans shall be allocated from the Low and Moderate Income Housing Asset Fund (2830), the Affordable Housing Trust Fund (1870), Jobs/Housing Impact Fee deposited in to the Affordable Housing Trust Fund (1870), Affordable Housing Impact Fees deposited in to the Affordable Housing Trust Fund (1870), the HUD HOME Investment Partnership Program (2109), the Central District Projects bond fund (5610), the Central District TA Bonds Series 2009T (5613), the Central District TA Bonds Series 2006T (5614) and/or the Central City East TA Bonds Series 2006A-T (5643); and be it

FURTHER RESOLVED, That the making of each loan shall be contingent on the availability of sufficient funds in the Low and Moderate Income Housing Asset Fund, the Affordable Housing Trust Fund, the HUD HOME Investment Partnership Program fund, the Central District Projects bond fund, the Central District TA Bonds Series 2009T, the Central District TA Bonds Series 2006T, and the Central City East TA Bonds Series 2006A-T; and be it

FURTHER RESOLVED: That each loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in his or her discretion, with repayment to the City from surplus cash flow from the project and other available funds during the term of the loan, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator or his or her designee determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That as a condition of each loan, the City will require that appropriate restrictions on project occupancy, rents and operations be recorded against project improvements; and be it

FURTHER RESOLVED: That each loan shall be secured by a deed of trust on the project land and/or improvements; and be it

FURTHER RESOLVED: That loan funds shall be reserved for a period of no more than 24 months from the date of the commitment letter, and shall be subject to reprogramming at the end of such 24 month period unless the developer has secured commitments for full project funding or provided other assurances of adequate project funding that the City Administrator or his or her designee deems sufficient within his or her discretion, within the reservation period; and be it

FURTHER RESOLVED: That the making of each loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee in his or her discretion to subordinate the priority of any of the City's recorded interests in each project property to a lien or encumbrance of another private or governmental entity providing financial assistance to the project, if the City Administrator or his or her designee determines that (1) an economically feasible alternative method of financing the project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the City's investment in the project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That the City Council has independently reviewed and considered the environmental determinations, and the City Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that the action with respect to each project complies with CEQA either because the project is exempt from CEQA, or, based on an initial study and the mitigation measures identified therein, the project as mitigated will not have a significant adverse impact on the environment, as the CEQA determination is further set forth in Attachment A to this Resolution; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption or Notice of Determination for each project as appropriate; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or his or her designee to determine funding allocations, conduct negotiations, execute documents, administer the loans, extend or modify the repayment terms, and take any other action with respect to the loans, funding allocations, and the projects consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

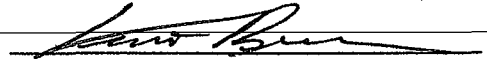
ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

Attachment A

New Construction and Rehabilitation NOFA 2017-19 Pipeline

Project/(Developer)	Affordable Units	AMI Level	City Award Amount
Oak Hill /NOVA Apartments (Affirmed Housing Group, Inc.)	57	20% AMI	\$1,600,000
285 12th Street (East Bay Asian Local Development Corporation)	59	20% to 60%	\$2,000,000
95th and International (Related Companies, Inc. & ACTS)	45	30% to 50%	\$6,868,659
Friendship Senior Rental Housing (Community Housing Development Corporation & Friendship Community Development Corporation)	50	20% to 60%	\$2,000,000
West Grand & Brush (East Bay Asian Local Development Corporation)	59	20% to 60%	\$96,900
Fruitvale Studios (Allied Housing, Inc.)	24	20% to 50%	\$500,000

2018 NOV 20 PM 12:32


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

**RESOLUTION AUTHORIZING THE APPROPRIATION OF AN
ADDITIONAL \$1,000,000 FROM THE LOW AND MODERATE
INCOME HOUSING ASSET FUND TO THE SITE
ACQUISITION, REHABILITATION AND NATURALLY
OCCURRING AFFORDABLE HOUSING (NOAH)
PRESERVATION PROGRAM**

WHEREAS, on April 19, 2016, Resolution No. 86125 C.M.S., authorized the creation of an Affordable Housing Acquisition, Rehabilitation and Preservation Program and allocated \$1,000,000 from the Affordable Housing Trust Fund to the program and authorized the City Administrator to Fund the Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program Loans under the program without returning to Council; and

WHEREAS, on September 20, 2016, Resolution 86367 C.M.S., changed the funding source for the program from the Affordable Housing Trust Fund to the Low and Moderate Income Housing Asset Fund; and

WHEREAS, the City has made loan commitments for a total of \$900,000, thereby decreasing the majority of all available funds; and

WHEREAS, funding for the program is nearly depleted; and

WHEREAS, staff anticipates receiving applications for additional loans under the Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program, which without additional authorization, cannot be approved; and

WHEREAS, additional funds for the Affordable Housing Acquisition, Rehabilitation and Preservation Program in the amount of \$1,000,000 are available from the Low and Moderate Income Housing Asset Fund (2830), and Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program loans are an eligible use of the Low and Moderate Income Housing Asset Fund; now, therefore, be it

RESOLVED: That the City Council hereby appropriates a sum of \$1,000,000 dollars from the Low and Moderate Income Housing Asset Fund (2830) Housing Development Project (1000388), Housing Development Organization (89929) and allocates such funds to fund the Site Acquisition, Rehabilitation and Naturally Occurring Affordable Housing (NOAH) Preservation Program (1003307).

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

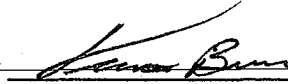
ABSENT-

ABSTENTION-

ATTEST: _____

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

2018 NOV 20 PM 12:32



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

**RESOLUTION APPROPRIATING AN ADDITIONAL \$400,000
DOLLARS FROM THE JOBS/HOUSING IMPACT FEES
DEPOSITED INTO THE AFFORDABLE HOUSING TRUST
FUND TO THE HOUSING PREDEVELOPMENT REVOLVING
LOAN AND GRANT PROGRAM**

WHEREAS, on May 5, 1987, Resolution No. 64573 C.M.S., authorized the creation of a Housing Predevelopment Revolving Loan and Grant Program (HPRLGP) to provide funding for the predevelopment expenses of affordable housing projects; and

WHEREAS, the City has made loan commitments for a total of \$1,618,895, thereby decreasing all available funds; and

WHEREAS, funding for the HPRLGP is nearly depleted; and

WHEREAS, staff anticipates receiving applications for an additional \$400,000 in loans under the HPRLGP, which without additional appropriations, cannot be approved; and

WHEREAS, additional funds for the HPRLGP in the amount of \$400,000 are available from the Jobs/Housing Impact Fees deposited into the Affordable Housing Trust Fund (1870), and predevelopment funding is an eligible use of the Jobs Housing Impact Fees; now, therefore, be it

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RESOLVED: That the City Council hereby appropriates a sum of \$400,000 from the Affordable Housing Trust Fund (1870) Housing Development Organization (89929), ~~Jobs/Housing Impact Fee Project (1001664)~~ and allocates such funds to the Housing Predevelopment Revolving Loan and Grant Program Project (1000393).

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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