



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Emily Weinstein
Director

SUBJECT: Affordable Housing Funding –
Program Income and FY2025-26 HCD
Capital Funds

DATE: September 4, 2025

City Administrator Approval


Jestin Johnson (Sep 25, 2025 20:03:34 PDT)

Date: Sep 25, 2025

RECOMMENDATION

Staff Recommends That The City Council Approve A Resolution:

- 1) **Authorizing The Appropriation Of Accumulated Net Revenue Of Affordable Housing Program Funding Revenue From The Low and Moderate Income Housing Asset Fund And The HUD-Home Investment Partnership Fund To Fund The New Construction Of Multifamily Rental Affordable Housing Program, Rapid Response Homeless Housing, Acquisition And/Or Conversion to Affordable Housing And Rehabilitation Of Existing Affordable Housing (Collectively, Affordable Housing Programs);**
- 2) **Authorizing The Annual Appropriation Of Net Revenue Of Affordable Housing Program Funding Revenue From The Low and Moderate Income Housing Asset Fund And The HUD-Home Investment Partnership Fund For Affordable Housing Programs For A Period Of Five Years,**
- 3) **Allocating Funds From Measure U Housing Bond And Other Non-bond Funds In a Total Amount Not To Exceed \$66 Million for Affordable Housing Programs,**
- 4) **Reallocating Impact Fees And Other Affordable Housing Capital Sources Funds Approved Through the FY2025-26 Revenue to Affordable Housing Programs, And**
- 5) **Authorizing The City Administrator To Make Development Loans And Grants Under The Affordable Housing Programs, Contingent On Funding Availability**

EXECUTIVE SUMMARY

The Department of Housing and Community Development (HCD) invests in deed-restricted affordable housing as loans and grants. The City of Oakland (City) has issued loans to over 140 affordable housing developments over the past 40 years. Loans are repaid by borrowers over time on a residual receipts basis, after the payment of all project expenses and senior debt obligations. Funds collected by HCD in loan repayments, along with miscellaneous fees

CED Committee
September 30, 2025

collected and interest earnings on fund balances, is known as program income. Repayments fluctuate based on individual property operating characteristics, such as vacancy rate and annual operating expenses.

Program income generated from project loans is restricted to the original housing use and must serve the income levels the original funding source required. In order to most expeditiously use and leverage the City funds, staff is recommending that the City Council adopt the proposed resolution authorizing HCD staff to annually, for a period of five years, reappropriate existing and to-be-received affordable housing program income to pipeline projects evaluated through the City's NOFA processes, from the Low and Moderate Income Housing Asset (LMIHAF) Fund and HUD-HOME Investment Partnership (HOME) funds without returning to City Council.

In addition, staff is recommending that the City Council authorize the appropriation and allocation of Measure U tranche 2 funding approved in the Fiscal Year (FY) 2025-2026 budget, as well as other affordable housing budgeted revenue from impact fees and other affordable housing capital sources in the FY 2025-26 HCD budget, to support HCD's capital investments in the following affordable housing development programs:

- New Construction of affordable housing with long-term affordability restrictions (New Construction NOFA)
- Homekey and Rapid Response Homeless Housing (R2H2)
- Acquisition and Conversion to Affordable Housing (ACAH)
- Preservation of Existing restricted affordable housing properties (Rehab NOFA)

Full funding sources are delineated in the Fiscal Impact section below.

BACKGROUND / LEGISLATIVE HISTORY

HCD is dedicated to improving Oakland's neighborhoods and to ensuring all Oaklanders have safe and affordable housing. HCD's Housing Development Division is the administrative body that oversees affordable housing production and preservation through funding investments that serve very-low, low-, and moderate-income residents.

Program Income and Other Housing Sources

The Housing Development Division can be thought of as a lending institution, soliciting applications for funding, underwriting, reviewing and evaluating application responses, making funding awards across various programs, managing the funding award and construction draw down process, and ongoing regulatory monitoring of the funded projects. Most loans are repaid by borrowers over time on a residual receipts basis, after the payment of all project expenses and senior debt obligations. Funds collected by HCD in loan repayment is known as program income. Repayments fluctuate based on individual property operating characteristics, such as vacancy rate and annual operating expenses, as well as trends in interest rates (lower interest rate environments often yield more refinances and payments). Program income is generally restricted to use in the same manner as the original funds and to serve households at the same income levels as the original funds. Both the LMIHAF and HOME funds, as well as the majority of HCD's capital funding sources, have legal restrictions on the use of funding, making re-use of program income funds appropriate for targeting extremely to low-income developments.

Attachment A provides a summary of the eligible uses and income levels for City affordable housing funding sources.

Repayments of affordable housing loans that were funded through: (a) the **Low and Moderate Income Housing Asset Fund (LMIHAF)** (Fund 2830, Project 1000388, Org 89929) and (b) **HOME Fund** (Fund 2109, Project 1000394, HOME-ARP Project 1006277, both Org 89929) via the U.S. Department of Housing and Urban Development (HUD) have been collected by HCD's Loan Servicing function and are tracked when received. Currently, HCD does not have appropriation authority from Council to redeploy the funding to current projects in the pipeline.

The balance of LMIHAF and HOME program income accrued since 2021 are detailed in the Fiscal Impact section below.

Additional funds used for capital development include:

- **Affordable Housing Trust Fund (AHTF)** (Fund 1870, 1871, 1872) is made up of the following sources:
 - a. **Jobs/Housing Impact Fees (JHIF)** (Project 1001664, Org 89929). The Jobs/Housing Impact Fee is assessed on construction of buildings for office and warehouse/distribution uses per Ordinance No. 12242 codified as Chapter 15.68 of the Oakland Municipal Code.
 - b. **Affordable Housing Impact Fees (AHIF)** (Project 1001667, Org 89929). The Affordable Housing Impact Fee 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.
 - c. **Former Redevelopment Funds** (Project 1000386, Org 89929) "Boomerang funds" are former property tax increment financing payments that are received by the City and specifically designated for affordable housing. In 2013, after the dissolution of redevelopment, the City committed to setting aside 25 percent of the funds distributed to the City as a taxing entity under the Redevelopment dissolution and deposit them into the Affordable Housing Trust Fund.
- **2011A-T Subordinated Housing** (Fund 1885): Interest earnings from an older affordable housing bond fund, available for deployment for affordable housing loans.
- **Measure U Bond Tranche 2** (Fund 5343). Up to \$180 million from the second affordable housing tranche, contingent on the issuance and sale of Measure U Bonds. Much of tranche 2 Measure U bond funds have already been allocated to affordable housing projects and programs, leaving \$40,000,000 for allocation via this report. The actions recommended in this report will authorize the allocation and spending of the remaining tranche 2 funds.
- **State HCD LHTF** (Fund 2144). As noted previously, the City applied for \$5 million in the State's 2024 LHTF NOFA to fund the development of new construction affordable rental housing through the New Construction NOFA. The LHTF dollars must be "matched" one-for-one with funds from the City's AHTF per the requirements of the LHTF program. Those matching funds have been identified from budgeted AHIF and JHIF funds, and if the State awards funding, will be appropriately matched to the State funds.

- **Central District and Central City East** (Funds 5610/5613/5614/5643). Excess bond proceeds. In June 2024, Economic and Workforce Development Staff identified \$4,328,096 in Excess Bond proceeds from older Redevelopment Agency bonds that have been made available for use on affordable housing development projects in HCD.

Measure U

In November 2022, Oakland voters passed Measure U, the Affordable Housing Infrastructure Bond, with 75.33% in support – surpassing the required 66.67%. Of the \$850M total from Measure U, \$350M was dedicated specifically for affordable housing.

On March 21, 2023, June 28, 2023, and February 20, 2024, Council adopted Resolutions [No. 89646 C.M.S.](#), [No. 89809 C.M.S.](#), and [No. 90118 C.M.S.](#), which authorized the Oakland HCD to allocate up to \$92 million of Measure U and other local funds for projects through the City's New Construction NOFA, as well as the ability to fund down the pipeline of selected projects as resources became available.

In 2024, the City Council approved the advance allocation of tranche 2 (Fund 5343) of Measure U and other local sources in a total amount not to exceed \$113,400,039 pursuant to Resolution [No. 90419 C.M.S.](#) On December 9, 2024 City Council allocated an additional \$10 million of Measure U tranche 2 to HCD to award through the NOFA process pursuant to Resolution [No. 90552 C.M.S.](#) After receiving authorization to award Measure U tranche 2, HCD released the New Construction Pipeline NOFA on September 2024, and made initial awards to five affordable housing projects in early January 2025. The advanced authorization allowed HCD to make awards to projects which in turn, were able to demonstrate matching funds for other competitive grants.

As of the writing of this report, HCD has allocated approximately \$210 million of Measure U funds, including a 5% administration costs (approximately \$200M net of administrative costs), to Housing Division projects and programs as follows:

- **New Construction (\$143M):** HCD's two most recent NOFAs have awarded \$143 million to new construction affordable rents housing developments to propel new construction deals from pipeline to construction. Funds authorized in this resolution will be allocated to the projects in the 2024 New Construction NOFA pipeline most competitive for State resources and ready to start construction, while also leveraging public land and targeting units for people exiting homelessness and other special need populations. In the most recent pipeline New Construction NOFA cycle, awards totaling \$80.5 million in new and recycled funding was made available to fund five developments with 583 affordable units. However, a funding gap of over \$330 million remains in just the existing pipeline projects. Staff is in regular contact with developers to work together to position the pipeline projects for success in upcoming funding application cycles for tax credits and State funding. **Attachment B** includes the current New Construction NOFA pipeline projects.
- **R2H2/Homekey (\$21M):** R2H2/Homekey projects have sought separate Council approvals to apply for State funding. R2H2 developments may be awarded from the existing applicant list, pending availability of capital and operating funding.

- **Acquisition and Conversion (\$30M):** The Acquisition and Conversion NOFA is anticipated to open in the first quarter of 2026, with awards made by mid-year 2026. ACAH funds have already been approved to be disbursed through the streamlined process using the Housing Accelerator Fund, and contracting is underway to put that program improvement into effect.
- **Portfolio Rehabilitation (\$7M):** HCD anticipated releasing a Rehabilitation and Preservation NOFA with \$7 million in tranche 2 Measure U bond funds. Due to the delay in issuance of tranche 2 to Fall 2025, this NOFA has been delayed to early 2026 until after tranche 2 has been released, to ensure that funds are on hand to close loans soon after funding commitments are made.

State LHTF Contingent Funding

The purpose of the State HCD's Local Housing Trust Fund (CA LHTF) Program is to provide one-time grant funding to regions and jurisdictions for making loans to sponsoring entities that develop, own, lend, or invest in affordable housing and create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. The program income requirements for a large portion of Extremely Low-Income (ELI) units, or those accessible to residents earning 0-30% AMI, align well with the goal of promoting new construction affordable units that serve those populations.

The City has received three prior LHTF awards from the 2020, 2021 and 2022 funding cycles via City Council Resolutions [No. 88212 C.M.S.](#) (approved July 14, 2020), [No. 88765 C.M.S.](#) (approved July 20, 2021) and [No. 89187 C.M.S.](#) (approved May 17, 2022), respectively, which have been programmed into existing pipeline projects.

The City also has a pending application in for the 2024 CA LHTF NOFA cycle, pursuant to City Council Resolution [No. 90392 C.M.S.](#), which was approved on July 30, 2024. Staff submitted a CA LHTF NOFA application on September 17, 2024. As of the writing of this report, the State has not made award announcements for the 2024 CA LHTF NOFA. However, if the City is awarded funding, an additional \$4,750,000 would be available to fund the New Construction pipeline (\$5 million award, net of 5% administrative allowance of \$250,000).

Annual Reporting to Council

In September 2024, in accordance with the authorized commitment of \$113M pursuant to Resolution [No. 90419 C.M.S.](#), the City Council approved annual comprehensive reporting of affordable housing funding activities covering: projects awarded, income restriction targets, populations served (e.g. homeless, transitional aged youth, family, senior), and development status by council district. The first annual affordable housing development [informational report](#) was delivered to and approved by the Community and Economic Development Committee on June 10, 2025. Future reporting will also include details on use of appropriated LMIHAF and HOME revenues during the prior fiscal year, as well as more detailed information about resident demographics. As additional funding sources begin to generate program incomes, staff will seek authority to add that income into the department's authorized funding allocations as well.

ANALYSIS AND POLICY ALTERNATIVES

In the post-Redevelopment paradigm, the City's capital sources have shrunk dramatically and are more reliant on competitive grants sourced from the State of California, voter-approved bond measures, and impact fees that vary with macroeconomic market conditions.

Table 1 shows HCD's capital budget for the routine affordable housing funding sources available for affordable housing development activities in the current funding environment, which are heavily dependent currently on voter approved Measure U bond funds. Additional sources of funding on a more sporadic basis discussed below include State grant funding and former Redevelopment bond funds.

Table 1: HCD Capital Budget Sources FY25/26-26/27 Biannual Budget

| Fund | Adopted Budget for FY 2025/26 | Adopted Budget for FY 2026/27 |
|--|--|--|
| 2830 - Low and Moderate Income Housing Asset Fund | \$5,405,000 | \$5,460,320 |
| 1871 - Jobs Housing Impact Fee Fund | \$1,388,861 | \$1,680,457 |
| 1872 - Affordable Housing Impact Fee Fund | \$3,118,812 | \$2,094,408 |
| 2109 - HUD-Home | \$2,861,653 | \$2,866,153 |
| 5343 – Tranche 2 Measure U: Affordable Housing (Taxable) | \$100,189,061 | \$78,632,529 |
| Totals | \$112,963,387 | \$90,733,867 |

To provide a guiding framework for affordable housing development funding program allocations, in 2023 HCD released the [2023-2027 Strategic Action Plan](#), which included the Equitable Capital Investment Framework. This framework guides the investment of the capital dollars that are administered by the Housing Development Division, including Measure U funds as outlined in **Table 2**. This also meets the City-wide priority of **advancing Housing, Economic and Cultural Security**.

Table 2: Strategic Action Plan Distribution of Funding Across Program and Estimated Units Funded

| Program Type | % of Total Funding | % of Total Capital Funding | Number of Units Estimated |
|--|-------------------------------|---------------------------------------|--------------------------------------|
| Permanent Homeless Units (0-30% AMI) | 39% | 29% | 806 |
| Low-Income Units (30-80% AMI) | 37% | 43% | 1,189 |
| Preservation via Acquisition/Conversion | 14% | 17% | 230 |
| Preservation of Existing City Portfolio | 7% | 9% | 527 |
| Other Housing Programs | 2% | 2% | 0 |
| Totals | 100% | 100% | 2,752 |

Measure U currently makes up the most substantial amount of HCD's capital budget and will have a multiyear positive impact on the number of affordable housing units that HCD can fund and begin construction. HCD's capital funding programs are highly oversubscribed with project applicants and requests for funding vastly outpacing the available funds. For example, the New Construction NOFA issued in September of 2024 garnered 24 project applications for a total of nearly 2,000 affordable units with a funding ask of over \$420 million; however, only \$80.5 million was available. Five awards were made and 19 projects from the solicitation remain in the New Construction Pipeline awaiting future funding allocations.

HCD made advanced bond awards to affordable housing projects via the New Construction NOFA and the Homekey/R2H2 RFP in late 2024 and January 2025 pursuant to Council Resolution [No.90419 C.M.S.](#) and Resolution [No. 90326 C.M.S.](#) These funding allocations were awarded with the expectation that bond funds would be available in the Spring of 2025; however, the issuance of Measure U Tranche 2 has since been delayed until late Fall 2025.

Awardees are required to begin project construction according to strict timelines from State allocating agencies once competitive funding is awarded. If this program income authorization is granted, HCD will have the ability to reallocate program income to backfill the existing Measure U Tranche 2 funded projects to bridge the gap in funding before the Measure U Tranche 2 funds are available. The Measure U Tranche 2 funds will then be available for allocation to pipeline projects and programs. This type of funding swapping between NOFA awarded projects is typical within HCD as it allows funding source allocations to change to allow staff to maximize leveraging of City resources, accomplish cash management, and the ability to move ready developments into construction.

HCD's investment approach has propelled numerous developments forward, providing flexibility to adapt to State funding priorities, project readiness and leverage City funds. Below in **Table 3** is a list of Measure U funded projects and their status, including Council District, Affordable Units and Permanent Supportive Housing (PSH).

Table 3: Status of Recent Developments Funded With Bond Funds

| Status | Project / Program | Council District | Affordable Units | PSH / Homeless/ Special Needs |
|-----------------------------------|---|-------------------------|-------------------------|--------------------------------------|
| Completed | Ms. Margaret Gordon's Westport (aka West Grand & Brush) | 3 | 58 | 30 |
| In construction | Friendship Senior Housing | 3 | 49 | 10 |
| In construction | Phoenix Apartments | 3 | 100 | 49 |
| In construction | 3050 International | 5 | 75 | 31 |
| In construction | East 12 th Street – Phase 1* | 2 | 90 | 23 |
| In construction | Longfellow Corner | 1 | 76 | 20 |
| In construction | Chinatown BART TOD Senior Housing | 2 | 97 | 44 |
| Construction Start Late 2025 | The Eliza | 3 | 96 | 20 |
| Construction Start Late 2025 | 34 th and San Pablo | 3 | 59 | 30 |
| Construction Start Early 2026 | 2700 International | 5 | 75 | 22 |
| Homekey/R2H2 | | | | |
| Construction Start Early 2026 | Mark Twain | 4 | 107 | 107 |
| Construction Start Early 2026 | The Maya Hotel | 1 | 22 | 22 |
| Construction Start Early 2026 | Mandela House | 3 | 125 | 125 |
| Construction Completion Fall 2025 | The Friendly Manor | 3 | 26 units/52 beds | 26 units/52 beds |
| Total Units | | | 1055 | 559 |
| ACAH/HAF Partnership | Loan Agreements Executed. Awaiting sale of tranche 2 | | TBD | TBD |
| Rehab NOFA | NOFA to be issued in Spring 2026. Awaiting sale of tranche 2. | | TBD | TBD |

Based on funding available in this resolution, staff estimates allocating approximately \$65-67 million to projects in the New Construction NOFA pipeline. Additional funds authorized in this Resolution as well as previously authorized funds for affordable housing capital investments will be invested to Homekey/ R2H2, ACAH and Preservation programs in accordance with HCD's Strategic Action Plan.

FISCAL IMPACT**Program Income**

Funding will come from both the carryforward process and program income through the FY2025-26 budget process, as well as future revenue received through FY29-30, with funding commitments made contingent upon funding availability. By focusing on capturing and deploying accumulated and future program income, particularly for the LMIHAF, staff will ensure repaid loan funds are quickly redeployed for affordable housing uses.

Revenue collections and program income for LMIHAF and HOME funds are noted in **Table 4**.

Table 4. Program Income (PI): LMIHAF and HOME

| Fund Name | FY21 PI | FY22 PI | FY23 PI | FY24 PI | FY25 PI | Total* |
|------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| LMIHAF | \$5,634,227 | \$5,820,444 | \$2,132,775 | \$2,309,139 | \$1,818,460 | \$17,715,045 |
| HOME | \$1,005,010 | \$681,807 | \$319,344 | \$289,153 | \$369,824 | \$2,665,139 |

* On the revenue collected in Low and Moderate Income Funds, \$7,028,000 has been authorized for prior capital investments and site maintenance needs via Resolutions No. 89646 and 90419, leaving \$10,137,892 to be allocated with this report. In recent years, HOME program income has been routinely reallocated through the City's Budget process.

FY2025-26 Budget Revenue Allocation and Authorization**Table 5. FY2025-26 New Revenue Available – Capital Sources**

| Fund | Prior Year Carryforward (unallocated) | Capital Funding Available FY2025-26 |
|---|--|---|
| 2830 - Low and Moderate Income Housing Asset Fund | \$10,137,892 | \$5,405,000 |
| 1870 - Affordable Housing Trust Fund – boomerang | | Not Available |
| 1871 - Jobs Housing Impact Fee Fund | | \$1,388,861 |
| 1872 or 2424 - Affordable Housing Impact Fee Fund | | \$3,118,812 |
| 1885 - 2011A-T Subordinated Housing | | Not Available |
| 2109 - HUD-Home | \$617,000 | Already authorized via Consolidated Plan |
| 5343 – Tranche 2 Measure U: Affordable Housing(Taxable)-→ | | \$35,520,3920 |
| 2144 - State Local Housing Trust Funds (if awarded 2024 NOFA) | | \$4,750,000 |
| 5610/5613/5614/5643 – Central District and Central City East – excess bond proceeds | \$4,328,096 | Not Available |
| Total Unallocated HCD' Capital Sources | \$15,082,988 | \$50,183,065 (assumes 2024 LHTF Award) |

Funding for the projects and programs will come from the sources listed in **Table 5** above, either through Finance's carryforward process or programmed through FY2025-26 budget process and contingent upon availability.

PUBLIC OUTREACH / INTEREST

Oakland HCD staff conducts extensive and on-going outreach to interested parties from a mailing list that includes developers, affordable housing advocates, architects, and contractors whenever NOFAs/RFPs are released, as well as periodic outreach to discuss program parameters, development thresholds and scoring. Staff confers regularly with organizations such as the East Bay Housing Organizations, Oakland Property Acquisition Collaborative, and Alameda County and the Oakland Housing Authority regarding coordination on affordable housing priorities and PSH funding.

In addition, staff has conducted extensive public outreach to community organizations and town halls with residents in conjunction with the department's Strategic Plan and future funding planning processes. These public meetings focused on a review of housing affordability needs in Oakland versus the resources available to priorities for capital resources, which focus on reducing homelessness to the extent on operating are available, on serving low and extremely low-income tenants, and preventing displacement.

COORDINATION

This report and legislation have been reviewed by the Office of the City Attorney and the Budget Bureau.

SUSTAINABLE OPPORTUNITIES


Economic: These 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. Providing units with supportive services for unhoused Oaklanders helps residents experiencing homelessness stabilize their health and housing. Also, providing and preserving viable housing creates activity on underutilized parcels which could stimulate demand for goods and services in Oakland.

Environmental: By constructing more infill units, pipeline projects will reduce the pressure to build on suburban or rural land far. The developers encourage contractors to use sustainable building techniques, including energy-efficient design, use of recycled building materials, and water-conserving fixtures and landscaping. Proposed projects are near public transit which enables residents to reduce dependency on automobiles and further reduce any adverse environmental impacts of development. Funding awards are made partially based on sustainability criteria.

Race & Equity: The recommendations in this report are directly informed by Oakland HCD's 2023 -2027 Strategic Action Plan, which was created using the City's Racial Equity Impact Analysis (REIA) process. Per the Strategic Action Plan, Oakland HCD currently prioritizes the development of PSH to the maximum extent possible in order to increase the number of homeless exits available. As overrepresented in its unhoused demographic (roughly 59% of the total), providing deeply affordable housing especially PSH as quickly and efficiently as possible is critical in efforts to reduce racial disparities in homelessness. Staff completed a racial equity impact analysis for the new construction NOFA and will conduct similar processes for the other programs. The requests outlined in this report are also in alignment with the larger Alameda County's Home Together 2026 Plan for ending homelessness, which forecasts that Oakland will need to provide 7,097 units of PSH between 2023 and 2027.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Approve A Resolution:

- 1)  Authorizing The Appropriation Of Accumulated Net Revenue Of Affordable Housing Program Funding Revenue From The Low and Moderate Income Housing Asset Fund And The HUD-Home Investment Partnership Fund To Fund The New Construction Of Multifamily Rental Affordable Housing Program, Rapid Response Homeless Housing, Acquisition And/Or Conversion to Affordable Housing And Rehabilitation Of Existing Affordable Housing (Collectively, Affordable Housing Programs);
- 2) Authorizing The Annual Appropriation Of Net Revenue Of Affordable Housing Program Funding Revenue From The Low and Moderate Income Housing Asset Fund And The HUD-Home Investment Partnership Fund For Affordable Housing Programs For A Period Of Five Years,
- 3) Allocating Funds From Measure U Housing Bond And Other Non-bond Funds In a Total Amount Not To Exceed \$66 Million for Affordable Housing Programs,
- 4) Reallocating Impact Fees And Other Affordable Housing Capital Sources Funds Approved Through the FY2025-26 Revenue to Affordable Housing Programs, And
- 5) Authorizing The City Administrator To Make Development Loans And Grants Under The Affordable Housing Programs, Contingent On Funding Availability

Jestin D. Johnson, City Administrator

Subject: Affordable Housing Funding – Program Income and FY2025-26 HCD Capital Funds

Date: September 4, 2025

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For questions regarding this report, please contact Christia Katz Mulvey, Housing Development Services Manager, at (510) 238-3623.

Respectfully submitted,



Emily Weinstein (Sep 25, 2025 14:37:17 PDT)

EMILY WEINSTEIN

Director, Housing & Community Development
Department

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Attachments (2):

Attachment A: Eligible uses and income levels for City affordable housing funding sources

Attachment B: 2024-2026 New Construction Pipeline New Construction List

Attachment A

OAKLAND AFFORDABLE HOUSING FUNDING SOURCES

ELIGIBLE USES AND INCOME LEVELS

| Fund | Eligible uses | Income levels |
|--|--|--|
| Low and Moderate Income Housing Asset Fund | <ul style="list-style-type: none"> • New construction • Acquisition & rehab • Substantial rehab • Affordability covenants • Preservation¹ • Homeless prevention/rapid rehousing • Admin & monitoring | <ul style="list-style-type: none"> • Up to 80% AMI • 30% min up to 30% AMI • 20% max at 60-80% AMI |
| Affordable Housing Trust Fund – redevelopment dissolution (“boomerang”) funds | <ul style="list-style-type: none"> • New construction • Acquisition & rehab • Substantial rehab • Preservation • Predevelopment • Mortgage assistance for first-time buyers • Reasonable admin • Preventing displacement of low income renters or disabled/senior homeowners • Rehousing homeless • Protecting low income renters from poor housing conditions | <ul style="list-style-type: none"> • Rental <ul style="list-style-type: none"> ◦ Up to LI ◦ Priority for Very Low Income • Ownership or mortgage assistance <ul style="list-style-type: none"> ◦ Up to 120% AMI |
| Affordable Housing Trust Fund – Affordable Housing Impact Fees | <ul style="list-style-type: none"> • New construction • Acquisition & rehab • Substantial rehab • Preservation • Predevelopment • Reasonable admin | <ul style="list-style-type: none"> • 85% min up to Low Income • Priority for Very Low Income • 15% max up to Mod, unless waived by Council |
| Affordable Housing Trust Fund – Jobs/Housing Impact Fees | <ul style="list-style-type: none"> • Acquisition • New construction • Substantial rehab • Preservation • Predevelopment • Reasonable admin | <ul style="list-style-type: none"> • Up to Low Income • Priority for Very Low Income |
| Affordable Housing Trust Fund – fines & penalties | <ul style="list-style-type: none"> • Foreclosure prevention • Homebuyer/tenant assistance • Counseling, education, outreach • Admin • Other eligible AHTF uses, with findings | <ul style="list-style-type: none"> • Up to Low Income • Priority for Very Low Income |
| Measure KK Bond Fund | <ul style="list-style-type: none"> • Acquisition & holding costs • New construction • Preservation • Rental rehab • Homeowner rehab • Predevelopment • Admin (5% max) | <ul style="list-style-type: none"> • 85% min up to Low Income • 20% min up to Extremely Low Income • 15% max up to Moderate Income |
| Measure U Bond Fund | <ul style="list-style-type: none"> • Acquisition • New construction • Rehab • Preservation • Certain staff costs | Not defined |
| Homekey | <ul style="list-style-type: none"> • Acquisition • New construction • Rehab • Master leasing • Conversion of nonresidential to residential | <ul style="list-style-type: none"> • Homeless or at risk • Up to Extremely Low Income |

| Fund | Eligible uses | Income levels |
|--|--|--|
| | <ul style="list-style-type: none"> •Affordability covenants •Relocation costs •Capitalized operating subsidies •Admin | |
| Local Housing Trust Fund (LHTF) Matching Grant | <ul style="list-style-type: none"> •Predevelopment •Acquisition •Rehab •New construction •Admin (5% max) | <ul style="list-style-type: none"> • Up to Low Income • 30% min up to Extremely Low Income •20% max up to Moderate Income |
| Permanent Local Housing Allocation (PLHA) | <ul style="list-style-type: none"> •Predevelopment •Development •Acquisition •Rehab •Preservation •Operating subsidies •Capitalized reserves for supportive housing services •Rapid rehousing •Rental assistance •Accessibility modifications for low-income owners •Down payment assistance •Admin (5% max) | <ul style="list-style-type: none"> • Up to 120% AMI (150% AMI in “high-cost areas”) • Priority for 60% AMI |
| Affordable Housing & Sustainable Communities (AHSC) | <ul style="list-style-type: none"> •New construction •Acquisition •Substantial rehab •Preservation of at-risk housing •Conversion of nonresidential to residential •Housing-related infrastructure | <ul style="list-style-type: none"> •Average at 50% AMI (rental) |
| HOME Fund | <ul style="list-style-type: none"> •Acquisition •New construction •Rehab & conversion •Home purchase •Conversion •Demolition •Rental assistance •Relocation •Planning & admin (10% max) •CHDO operating assistance | <ul style="list-style-type: none"> • Up to Low Income <ul style="list-style-type: none"> ◦ 90% min up to 60% AMI (rental projects & rental assistance) • 20% min up to 50% AMI of (rental projects 5+ units) |

2024 - 2025 New Construction NOFA Awards (and Pipeline) as of January 14, 2025

| Rank | Score | Applicant | Project Name | Project Address | Council District | Affordable Units | *Homeless/ Special Needs Units | Previous City HCD Funding Awarded | Current NOFA Requested | Current NOFA Awarded** | Remaining Funds*** | Includes Emerging Developer |
|---|--------|--|-----------------------------------|---|------------------|------------------|-----------------------------------|-----------------------------------|------------------------|------------------------|--------------------|-----------------------------|
| Oakland Housing Authority Set-Aside Pool (\$15 million) | | | | | | | | | | | \$15,000,000 | |
| OHA-1 | 123 | Mandela Station Affordable LP | Mandela Station Affordable | 1451 7th Street | 3 | 238 | 60 | \$18,000,000 | \$15,000,000 | \$15,000,000 | \$.00 | Yes |
| OHA-2 | 115.25 | East Bay Asian Local Development Corporation | 285 12th St | 285 12th St | 2 | 64 | 13 | | \$15,000,000 | Move to General Pool | | |
| OHA-3 | 80 | Eden Housing, Inc. | 77th and Bancroft | 2500 76th Avenue | 6 | 89 | 0 | | \$15,000,000 | Move to General Pool | | |
| | | | | | | | | | | | | |
| City New Construction General Funding Pool | | | | | | | | | | | \$65,579,608 | |
| 1 | 127.00 | Eden Housing, Inc. | Liberation Park Residences | 7101 Foothill Boulevard | 6 | 118 | 30 | | \$29,390,000 | \$28,000,000 | \$37,579,608 | Yes |
| 2 | 126.25 | 34SP Development LP | 34th & San Pablo (34SP) | 3419 - 3431 San Pablo Avenue | 3 | 59 | 30 | | \$9,000,000 | \$7,000,000 | \$30,579,608 | No |
| 3 | 123.70 | Mercy Housing California | 2125 Telegraph Avenue - The Eliza | 2125 Telegraph Avenue | 3 | 96 | 20 | \$1,000,000 | \$20,179,632 | \$20,000,000 | \$10,579,608 | No |
| 4 | 119.75 | Satellite Affordable Housing Associates | 3135 San Pablo | 3135 San Pablo Avenue/967 32nd Stre | 3 | 72 | 36 | | \$16,000,000 | \$10,500,000 | \$79,608 | No |
| 5 | 117.90 | Agnes Memorial Housing Partners, LP | Agnes Memorial Senior Apartments | 2372 International Blvd | 2 | 59 | 12 | | \$14,815,719 | | | No |
| 6 | 115.25 | East Bay Asian Local Development Corporation | 285 12th St | 285 12th St | 2 | 64 | 13 | | \$15,000,000 | | | No |
| 7 | 110.75 | Satellite Affordable Housing Associates | 125 E12th Street | 125 E12th Street | 2 | 94 | 19 | | \$20,400,000 | | | No |
| 8 | 106.55 | Affirmed Housing Group | Brush Street Senior Apartments | 2116 Brush Street | 3 | 61 | 17 | | \$11,250,000 | | | No |
| 9 | 103.75 | Community Housing Development Corporation | Kingdom Builders Senior Housing | 7954 MacArthur Blvd | 6 | 39 | 10 | | \$13,100,000 | | | No |
| 10 | 100.50 | Spanish Speaking Unity Council | 2700 International | 2700-2720 International Blvd, 1409 Mitc | 5 | 74 | 22 | \$16,300,000 | \$9,907,000 | | | No |
| 11 | 99.75 | EAH Inc. | 500 Lake Park Apartments | 500 Lake Park Avenue | 2 | 52 | 20 | \$10,061,000 | \$18,710,000 | | | No |
| 12 | 97.30 | 2301 Telegraph LP (McCormack Baron Salazar) | 2301 Telegraph Avenue | 2301 Telegraph Avenue | 3 | 58 | 29 | | \$10,000,000 | | | Yes |
| 13 | 97.25 | JKL Building C Housing Partners, L.P. (EBALDC) | 430 Broadway Building C | 430 Broadway | 2 | 70 | 14 | | \$18,500,000 | | | No |
| 14 | 96.05 | Strive Real Estate LLC | Brooklyn Arms Apartments | 1433 12th Ave | 2 | 42 | 10 | | \$10,391,000 | | | Yes |
| 15 | 90.25 | 3751 International Limited Partnership | Villa Fruitvale | 3751 International Blvd | 5 | 80 | 41 | | \$15,000,000 | | | No |
| 16 | 89.50 | Spanish Speaking Unity Council | 2610 International | 2610 International Boulevard | 5 | 104 | 21 | | \$35,692,000 | | | No |
| 17 | 90.50 | Spanish Speaking Unity Council | East 12th Senior Housing | 1221-1223 33rd Ave, E 12th St, 3251 Ir | 5 | 67 | 14 | | \$18,709,000 | | | No |
| 18 | 85.75 | Community Housing Development Corporation | Joshua Senior Housing | 793 West Grand Ave | 3 | 70 | 18 | | \$15,002,000 | | | No |
| 19 | 80.00 | Eden Housing, Inc. | 77th and Bancroft | 2500 76th Avenue | 6 | 89 | 0 | | \$15,000,000 | | | Yes |
| 20 | 78.50 | Spanish Speaking Unity Council | 3073 International Boulevard | 3073 International | 5 | 57 | 12 | | \$22,799,500 | | | No |
| 21 | 67.50 | The Unity Council | 111 Fairmount | 111 Fairmount Avenue | 3 | 91 | 19 | | \$38,543,126 | | | No |
| 22 | 56.25 | The Related Companies of California, LLC | 430 Broadway Building A | 430 Broadway | 2 | 64 | 13 | | \$15,000,000 | | | No |
| 23 | 55.25 | The Related Companies of California, LLC | 430 Broadway Building B | 430 Broadway | 2 | 56 | 11 | | \$17,000,000 | | | No |
| SUBTOTAL APPLICATIONS | | | | | | 1874 | 491 | \$45,361,000 | \$424,388,977 | \$80,500,000 | | |
| TOTAL AWARDED THIS NOFA | | | | | | 583 | 176 | | | | | |
| UNFUNDED PIPELINE | | | | | | 1291 | 315 | | | | | |

* The Homeless/Special Needs Units count includes Permanent Supportive Housing (PSH) and non-PSH units.

** Per the NC NOFA issued September 23, 2024. Additional funding awards may be made through this pipeline as funds become available at City staff discretion. Additional funding awards will be made based on funding available versus requested, project readiness to proceed, and scoring.

*** Funding for the New Construction NOFA includes \$55,279,608 authorized by City Council on September 17, 2024, \$15,800,000 in funding from expired/rescinded New Construction NOFA commitments, and \$9,500,000 in additional Measure U funding allocated in December 2024.