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IGNACIO DE LA FUENTE, PRESIDENT  
CITY COUNCIL  
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

**SUBJECT: A TOTAL OF 13 RESOLUTIONS REGARDING AFFORDABLE HOUSING ACTIVITIES:**

**EIGHT RESOLUTIONS AUTHORIZING DEVELOPMENT LOANS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$14,825,400 MILLION FOR AFFORDABLE HOUSING PROJECTS,**

**ONE AGENCY RESOLUTION APPROPRIATING \$4,557,089 FOR AFFORDABLE HOUSING DEVELOPMENT ACTIVITIES,**

**TWO RESOLUTIONS AUTHORIZING \$96,610 FOR CONTRACT COMPLIANCE MONITORING FEES,**

**ONE AGENCY RESOLUTION FINDING THAT EXPENDITURE OF AFFORDABLE HOUSING FUNDS OUTSIDE OF REDEVELOPMENT PROJECT AREAS BENEFITS THE PROJECTS, AND**

**A CITY COUNCIL RESOLUTION FINDING THAT EXPENDITURE OF AFFORDABLE HOUSING FUNDS OUTSIDE OF REDEVELOPMENT PROJECT AREAS BENEFITS THE PROJECTS**

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**PURPOSE AND SCOPE**

In accordance with the Measure H Charter Amendment, which was passed by the voters at the General election of November 5, 1996, we have made an impartial financial analysis of the accompanying Council Agenda Report and Proposed Resolution.

Since the Measure H Charter Amendment specifies that our impartial financial analysis is for informational purposes only, we did not apply Generally Accepted Government Auditing Standards as issued by the Comptroller General of the United States. Moreover, the scope of our analysis was impaired by Administrative Instruction Number 137, effective May 21, 1997, which provides only one (1) week for us to plan, perform and report on our analysis. Due to this time constraint and our overall workload, we did not verify data contained in the Proposed Resolution and Agenda Report.

### **SUMMARY**

The Community and Economic Development Agency (CEDA) issued a Notice of Funding Availability (NOFA) on August 8, 2003, and applications were due to the City by November 3, 2003. Eligible activities included new construction, rehabilitation and preservation. Both ownership and rental projects were eligible. As was true in previous years, despite the Agency's identification of new sources of funds, the amounts requested far exceeded the amount available. The City received twelve applications totaling over \$26 million

### **EVALUATION PROCESS**

The NOFA process normally relies on a ranking process involving the published objective(s). To encourage projects to align with City policy goals, the ranking system assigns points based on the extent to which projects meet specific criteria. Projects first must receive at least 50% of the possible points. After this threshold has been met, staff recommends that the projects receiving the highest percentages of points be funded, to the extent that funds are available. Staff also considers how best to allocate funds to accomplish other City Council priorities, in particular the goal of maintaining an even balance in funding between rental and ownership activities.

In making these evaluations, staff also worked within the constraints of each funding source. The most significant constraints pertain to maximum qualifying incomes for tenants and homebuyers.

### **FISCAL IMPACT**

After evaluating the requests, staff recommends the award of funding totaling \$18,189,920. This includes \$14,825,400 for the projects identified in this report, \$96,610 to cover the Contract Compliance fee, and \$3,267,910 reserved for additional activities.

Funds are available from (1) U.S. Department of Housing and Urban Development HOME funds; (2) The Oakland Redevelopment Agency's (ORA) Low and Moderate Income Housing Fund, including land sales; and (3) the Oakland Redevelopment Agency's 2000 Affordable Housing Bonds. The latter is contingent upon the ORA's approval of the proposed cancellation of the Community Land Trust program.

The projects that are recommended for approval, together with the sources of funds, are summarized below:

<u>Description</u>	<u>Sources of Funds</u>			<u>Totals</u>
	<u>HOME</u>	<u>ORA</u>	<u>Bonds</u>	
Altenheim Senior	\$ 1,901,740		\$ 1,778,560	\$ 3,680,300
Edes Avenue Housing		\$ 1,551,000		1,551,000
Lincoln Court Senior	1,500,000	828,560	1,171,440	3,500,000
Seven Directions	1,216,600			1,216,600
Calaveras Townhouses		1,548,500	1,000,000	2,548,500
Sausal Creek Townhouses		1,329,000	1,000,000	<u>2,329,000</u>
Subtotal				\$14,825,400
Contract Compliance		96,610		96,610
Reserved for additional activities		<u>3,267,910</u>		<u>3,267,910</u>
Totals	\$ <u>4,618,340</u>	\$ <u>8,621,580</u>	\$ <u>4,950,000</u>	\$ <u>18,189,920</u>

**CONCLUSION**

Based on our analysis of data presented in the Agenda Report, the Proposed Resolution appears to be reasonable.

Prepared by:

*Jack McGinity*  
Jack McGinity, CPA

Report completion date:  
January 20, 2004

Issued by:

*Roland E. Smith*  
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