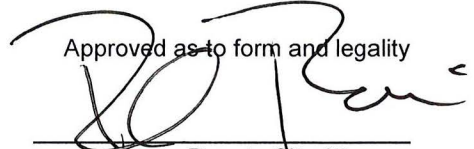


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 APR -7 PM 3:40

Approved as to form and legality



Deputy City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. 13364 C.M.S.

ORDINANCE AMENDING CHAPTER 15.68 OF THE OAKLAND MUNICIPAL CODE TO (1) ALLOW AFFORDABLE HOUSING TRUST FUNDS FROM FUNDS DISTRIBUTED TO THE CITY UNDER REDEVELOPMENT DISSOLUTION LAWS TO BE USED FOR OWNERSHIP HOUSING AND MORTGAGE ASSISTANCE TO HOUSEHOLDS WITH INCOMES UP TO 120% OF AREA MEDIAN INCOME, AND (2) ALLOW THE USE OF AFFORDABLE HOUSING TRUST FUNDS TO PRESERVE AFFORDABLE HOUSING THAT IS AT IMMINENT RISK OF LOSS DUE TO TAX DEFAULTS, RENT INCREASES, DEMOLITION, OR CONVERSION TO OTHER USES

WHEREAS, Section 15.68.100 of the Oakland Municipal Code establishes an Affordable Housing Trust Fund; and

WHEREAS, a portion of Affordable Housing Trust Funds come from a setaside of 25% of funds distributed to the City as a taxing entity under the laws dissolving redevelopment agencies; and

WHEREAS, Section 15.68.100 provides that funds deposited into the Affordable Housing Trust Fund must be used to provide affordable housing to lower income or very low income households, that is, households with annual incomes at or below 80 percent of area median income; and

WHEREAS, the City has established a mortgage assistance program for first-time homebuyers to assist such households to purchase market-rate housing in Oakland; and

WHEREAS, Council wishes to allow that portion of the Affordable Housing Trust Fund that comes from funds distributed to the City as a taxing entity under the redevelopment dissolution laws to be used for ownership housing for or mortgage assistance to households with incomes at or below 120 percent of area median income; and

WHEREAS, Section 15.68.100 also provides that Affordable Housing Trust Funds may be used to preserve affordable housing, with “preserve” defined as “to acquire, finance, refinance, or rehabilitate housing that is at imminent risk of loss to the affordable housing supply due to termination of use restrictions, non-renewal of subsidy contract, mortgage default or foreclosure, or physical conditions that are likely to result in vacation of the property”; and

WHEREAS, Council wishes to expand the definition to include situations in which housing is at imminent risk of loss to the affordable housing supply due to tax defaults, rent increases, demolition, or conversion to other uses; now, therefore,

The Council of the City of Oakland does hereby ordain as follows:

SECTION 1. The definition of “affordable housing” set forth in Section 15.68.030 of the Oakland Municipal Code is amended to read as follows (deleted text is indicated with ~~strikeout text~~, and added text is indicated with double underlining):

"Affordable housing" means housing that is provided at an affordable rent or an affordable housing cost to lower income households or very low income households, except as provided for below. The terms "affordable rent" and "affordable housing cost" shall be as defined in California Health and Safety Code Sections 50053 and 50052.5 and their implementing regulations. Such housing shall have terms of affordability equivalent to those prescribed in California Health and Safety Code Sections 33334.3(f)(1)(A) for rental housing and 33334.3(f)(1)(B) for owner occupied housing. Notwithstanding the above, for funds deposited into the Affordable Housing Trust Fund from the setaside of funds distributed to the City as a taxing entity under the Dissolution Laws, "affordable housing" may also include ownership housing that is provided at an affordable housing cost to households with annual incomes at or below 120 percent of area median income for the Oakland area, adjusted for household size, or owner occupied housing that is being purchased with mortgage assistance by first-time homebuyers with annual household incomes at or below 120 percent of area median income for the Oakland area, adjusted for household size; and the use of such funds for development assistance or mortgage assistance to such housing shall be eligible uses under Section 15.68.100.

SECTION 2. The second paragraph of Section 15.68.100 of the Oakland Municipal Code is amended to read as follows (deleted text is indicated with ~~strikeout text~~, and added text is indicated with double underlining):

Funds deposited into the Affordable Housing Trust Fund, and all interest and investment earnings thereon, shall 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. For purposes of this paragraph, to "preserve" affordable housing means to acquire, finance, refinance, or rehabilitate housing that is at imminent risk of loss to the affordable housing supply (including housing that is restricted to affordable housing or housing

that is otherwise provided at an affordable rent or an affordable housing cost to lower income households or very low income households) due to termination of use restrictions, non-renewal of subsidy contract, mortgage or tax default or foreclosure, rent increases, conversion to market-rate housing or other uses, demolition, or physical conditions that are likely to result in vacation of the property.

SECTION 3. The provisions of this Ordinance are severable, and if any clause, sentence, paragraph, provision, or part of this Ordinance, or the application of this Ordinance to any person, is held to be invalid, such holding shall not impair or invalidate the remainder of this Ordinance. It is hereby declared to be the legislative intent that this Ordinance would have been adopted had such provisions not been included.

SECTION 4. This Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter if adopted by at least six members of the City Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, MAY 03 2016, 2016

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLÉN, KALB, KAPLAN, REID AND PRESIDENT GIBSON MCELHANEY -8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:

Latonda Simmons
LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California

Introduction Date

APR 19 2016

Date of Attestation:
May 4, 2016

ORDINANCE AMENDING CHAPTER 15.68 OF THE OAKLAND MUNICIPAL CODE TO (1) ALLOW AFFORDABLE HOUSING TRUST FUNDS FROM FUNDS DISTRIBUTED TO THE CITY UNDER REDEVELOPMENT DISSOLUTION LAWS TO BE USED FOR OWNERSHIP HOUSING AND MORTGAGE ASSISTANCE TO HOUSEHOLDS WITH INCOMES UP TO 120% OF AREA MEDIAN INCOME, AND (2) ALLOW THE USE OF AFFORDABLE HOUSING TRUST FUNDS TO PRESERVE AFFORDABLE HOUSING THAT IS AT IMMINENT RISK OF LOSS DUE TO TAX DEFAULTS, RENT INCREASES, DEMOLITION, OR CONVERSION TO OTHER USES

NOTICE AND DIGEST

This Ordinance amends Chapter 15.68 of the Oakland Municipal Code to allow the use of that portion of the Affordable Housing Trust Fund that comes from a setaside of 25% of funds distributed to the City as a taxing entity under the laws dissolving redevelopment agencies to be used for development assistance to ownership projects for or mortgage assistance to households with annual incomes up to 120% of area median income. This Ordinance also amends Chapter 15.68 to expand the definition of "preservation" of affordable housing to include housing that is at imminent risk of loss due to tax defaults, rent increases, demolition, or conversion to other uses.