



2019 OCT 31 PM 2:36

CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

REBECCA KAPLAN
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Date: October 31, 2019
To: Members of City Council and Members of the Public
From: Council President Kaplan
Re: File No. 18-2212

Resolution Requesting The City Administrator Or Designee To Include 1) All Affordable Housing Impact Fees Deposited Into The Affordable Housing Trust Fund Up To And During This Fiscal Year Through December 31, 2019, To The Extent Not Previously Allocated, In The Next Allocation Request Submitted To The City Council For Approval Pursuant To Chapter 15.62.050, And 2) All Such Approved Allocations In The Next Notice Of Funds Availability (NOFA) Issued By The City Administrator

Dear Colleagues on the City Council and Members of the Public,

Oakland is suffering from a serious housing crisis as housing costs in the City increase drastically, making housing at all levels of affordability and particularly affordable housing scarce and unavailable for many Oakland residents. According to the *2019 Every One Counts! Homeless Point-in-Time Count* homelessness grew 47% in the City of Oakland in a two-year period (2017-2019),¹ and in 2019, when the Redwood Hill Townhomes affordable development project offered their 28 units to the public, there were 4,000 applicants.² The City of Oakland Housing Cabinet estimated a need of 4,760 new affordable homes by 2024, and according to the “Oakland At Home Update: A Progress Report on Implementing the Oakland Housing Cabinet’s “17K/17K” Recommendations, set the expectation of new construction to be 28% affordable however only 8% of current new construction is affordable.”³

¹ Applied Survey Research (2019). *Alameda County Homeless Count & Survey Comprehensive Report*. Retrieved from <http://everyonehome.org/home/continuum-of-care/everyone-counts/>

² Robertson, Michelle. SF Chronicle (May 22, 2019) *28 Affordable Rentals Just Hit The Market In Oakland. 4,000 People Applied*. Retrieved from <https://www.sfgate.com/bayareahousingcrisis/article/redwood-hill-townhomes-oakland-4k-28-units-schaaf-13874753.php>

³ City of Oakland Housing Implementation Cabinet. (March 2019) *Oakland At Home Update: A Progress Report on Implementing the Oakland Housing Cabinet’s “17K/17K” Recommendations*. Retrieved from <https://www.oaklandca.gov/news/2019/new-report-shows-city-of-oaklands-strong-progress-on-housing-goals> (broken link)

CITY OF OAKLAND



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At the state level, there is new funding being made available from an increase in the State Low Income Housing Tax Credit and from Proposition 1, and the City of Oakland must ensure we get a fair share of all such funds and use the local commitment of funds in order to leverage state funding. The City of Oakland must maximize the use of the affordable housing impact fees by awarding funds as soon as they are assessed.

This Resolution requests that the city administrator include all affordable housing impact fees deposited into the affordable housing trust fund up to and during this fiscal year through December 31, 2019, to the extent not previously allocated, in the next allocation request submitted to the city council and all such approved allocations be issued in the next notice of funds availability.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca Kaplan', written in a cursive style.

Rebecca Kaplan
Oakland City Council President

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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCIL PRESIDENT KAPLAN

RESOLUTION REQUESTING THE CITY ADMINISTRATOR OR DESIGNEE TO INCLUDE 1) ALL AFFORDABLE HOUSING IMPACT FEES DEPOSITED INTO THE AFFORDABLE HOUSING TRUST FUND UP TO AND DURING THIS FISCAL YEAR THROUGH DECEMBER 31, 2019, TO THE EXTENT NOT PREVIOUSLY ALLOCATED, IN THE NEXT ALLOCATION REQUEST SUBMITTED TO THE CITY COUNCIL FOR APPROVAL PURSUANT TO CHAPTER 15.62.050, AND 2) ALL SUCH APPROVED ALLOCATIONS IN THE NEXT NOTICE OF FUNDS AVAILABILITY (NOFA) ISSUED BY THE CITY ADMINISTRATOR

WHEREAS, the City acknowledges that it is facing a serious affordable housing crisis with thousands of residents living in unhoused or in substandard housing conditions; and

WHEREAS, the Alameda County *EveryOne Counts! 2019 Homeless Count and Survey* saw a total of 47% increase of individuals experiencing homelessness in Oakland since 2017; and

WHEREAS, according to a 2015 UC Berkeley report, *Rising Housing Costs and Re-Segregation in Alameda County*, "one in five neighborhoods saw an increase of over 30% in median rent from 2000 to 2015"; and

WHEREAS, in 2019, when the Redwood Hill Townhomes affordable development project offered their 28 units to the public, there were 4,000 applicants, thereby showing the overwhelming need for new affordable housing construction; and

WHEREAS, after four years of the eight-year Housing Element period, only 8% of all housing permitted was for lower income housing, further exacerbating the acute shortage of affordable housing; and

WHEREAS, the City has identified the need to assist developers and owners of affordable housing in the acquisition, rehabilitation and/or development of properties, in order to create additional opportunities for affordable housing; and

WHEREAS, new funding made available from an increase in the State Low Income Housing Tax Credit and from Proposition 1 funding for State housing programs is anticipated to be made available in early 2020; and

WHEREAS, the City of Oakland seeks to maximize the amount of funding that is leveraged by local funding and to ensure that Oakland gets a fair share of all such funds; and

WHEREAS, a local commitment of funds is necessary in order to leverage such funding; and

WHEREAS, on May 3, 2016, the City Council adopted Ordinance No. 13365 C.M.S. to add Chapter 15.72 to the Oakland Municipal Code to establish City-wide Affordable Housing Impact Fees, in accordance with the Mitigation Fee Act (AB 1600), codified in California Government Code Sections 66000-66025; and

WHEREAS, the AHIF 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 deposited into the Affordable Housing Trust Fund (AHTF) pursuant to Chapter 15.62 of the Oakland Municipal Code; and

WHEREAS, funds deposited into the 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 allocation of any Affordable Housing Impact Fees deposited into the AHTF must be approved by the City Council prior to disbursement by the City Administrator; and

WHEREAS, the City of Oakland seeks to maximize the use of the Affordable Housing Impact Fees by allocating funds as soon as they are deposited into the AHTF; and

WHEREAS, to accelerate the allocation process, on December 11, 2018, pursuant to Resolution 87469, the City Council appropriated certain Affordable Housing Impact Fees and other monies that have been and will be deposited into the AHIF through June 30, 2023; and

RESOLVED: That the City Administrator or designee include Affordable Housing Impact Fees that have been deposited into the AHTF up to and during this fiscal year through December 31, 2019, to the extent such funds have not been previously allocated, in the next proposed funding allocation anticipated to be requested by the City Administrator for approval by the City Council pursuant to Chapter 15.62.050; and so be it further

RESOLVED: That any such allocations approved by the City Council be fully included in the next notice of funds availability (NOFA) issued by the City Administrator.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California