

CITY OF OAKLAND

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# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Michele Byrd  
Director, HCDD

**SUBJECT:** Infrastructure Bond Measure KK  
Affordable Housing Funding  
Allocations

**DATE:** June 5, 2017

City Administrator Approval

Date:

6/8/17

## RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution (1) Identifying The Affordable Housing Programs That Are Authorized For Funding With Proceeds Of The City Of Oakland General Obligation Bonds (Measure KK), Series 2017a-1 And 2017a-2; (2) Allocating Bond Proceeds In The Amount Not To Exceed \$50,000,000 For The Identified Programs; And (3) Authorizing The City Administrator Or Her Designee To Make Site Acquisition Program Loans From Bond Proceeds Without Returning To Council.**

## EXECUTIVE SUMMARY

This staff report identifies eligible affordable housing programs for funding under the Infrastructure Bond Measure KK. The programs identified meet the project attributes required by Resolution No. 86335 C.M.S. and the eligible uses specified in Ordinance No. 13403 C.M.S. Staff recommends allocating \$50 million to the following programs:

- Acquisition of Transitional Housing Facility
- Bond Measure KK Site Acquisition Program
- Notice of Funding Availability (NOFA) for Housing Rehabilitation and Preservation
- NOFA for New Construction of Affordable Rental and Ownership Housing
- Owner-Occupied Residential Rehabilitation Program
- Rental Rehabilitation Program
- Accessory Dwelling Unit (ADU) Legalization Pilot Program
- Community Buying Program -Vacant Lot Acquisition
- Acquisition and Rehabilitation Program

## REASON FOR URGENCY

Pursuant to the Infrastructure Bond Measure KK, all projects are required to be identified prior to the issuance and sale of bonds. A resolution seeking authorization for the issuance and sale of the City of Oakland General Obligation Bonds, Series 2017A (Measure KK) (the "Bonds") is scheduled for the Finance and Management Committee on June 13, 2017 to meet the County's property tax levy deadline for fiscal year 2017-18. Due to the time constraint to meet the

Item: \_\_\_\_\_  
City Council  
June 12, 2017

timeline for issuance and sale of the Bonds, staff requests this item be heard on an urgency basis.

### **BACKGROUND / LEGISLATIVE HISTORY**

On July 19, 2016, the City Council approved Resolution No. 86335 C.M.S to place the Infrastructure Bond Measure KK on the November, 2016 ballot. Along with that action, the Council approved a general framework for prioritizing and appropriating the affordable housing portion of the bond funds, should the Measure pass. Additionally, the Council directed staff to prepare and return to Council with an ordinance consistent with this affordable housing and anti-displacement framework. The resolutions established project attributes to be identified prior to the issuance of the bond funds. These attributes include how the projects:

1. Address social and geographic equity, provides greater benefit to under-served populations and in geographic areas of greatest need,
2. Address improvements to the City's existing core capital assets,
3. Maintain or decrease the City's existing operations and maintenance costs, and
4. Address improvements to energy consumption, resiliency and mobility.

On November 29, 2016, the City Council approved Ordinance No. 13403 C.M.S. that enacted the City of Oakland Affordable Housing and Infrastructure Bond Law. The ordinance identified the following activities as eligible uses for the City's affordable housing bond funds:

1. Protect existing homes (rental)
  - Purchase and/or rehabilitate rental properties that are currently affordable to lower income households because of their age, declining condition or location, and establish long-term affordability requirements.
  - Acquire and/or rehabilitate rental properties that have expiring subsidy contracts or regulatory agreements making them high-risk for conversion to market rents, and extend or establish long-term affordability requirements.
2. Protect existing homes (home ownership)
  - Acquire and/or rehabilitate unrestricted for-sale housing and ensure long-term affordability through shared equity models such as deed restrictions and community land trusts.
3. Protect existing homes (rental or ownership)
  - Finance the acquisition and/or rehabilitation of vacant or blighted properties to address health and safety concerns, correct code violations, and return uninhabitable properties to the City's housing stock as long-term affordable housing.
  - Support the purchase of tax-defaulted properties from Alameda County for use as long-term affordable housing.

4. Homeowner assistance
  - Assist lower income, senior, and/or disabled homeowners living in hazardous housing conditions and/or at risk of losing their homes due to deferred maintenance with improvements to their units.
  
5. New construction (rental or ownership)
  - Finance the site acquisition, predevelopment, development, and construction of new affordable rental or home ownership housing (subject to restrictions and priorities).

## **ANALYSIS AND POLICY ALTERNATIVES**

Staff proposes that the first issuance of Measure KK Bond Funds will fund the following programs as they are related to activities described in Ordinance No. 13403 C.M.S and consistent with the project attributes identified in Resolution No. 86335 C.M.S. **Attachment A** provides an overview of the programs, target populations and proposed funding allocations. Both multifamily housing programs (five or more units) and programs that target smaller properties (one-to-four units) are proposed. Research suggests that smaller properties are more vulnerable to displacement and therefore are an important part of the program.

### **Multifamily Housing Programs**

#### **Protect Existing Homes (Rental)**

The programs proposed to be funded under the Protecting Existing Homes (Rental) activity include:

- Acquisition of Transitional Housing Facility  
The purpose of the project is to acquire a property to provide transitional housing to homeless residents.
  
- Bond Measure KK Site Acquisition Program:  
The purpose of the Bond Measure KK Site Acquisition Program is to provide short-term loans for acquisition related costs associated with developing, protecting, and preserving long term affordable housing throughout the City of Oakland. Funds will be available to eligible projects on an "over-the counter" basis until the funds are expended or committed.
  
- Notice of Funding Availability (NOFA) for Housing Rehabilitation and Preservation  
The Rehabilitation and Preservation NOFA is intended to facilitate capital improvements to strengthen the financial and physical condition of existing rental housing. Projects are selected through a competitive process. Projects are ranked based on the degree to which outside funding will be pursued, urgency to address improvements, project attributes, organizational and project financial health and feasibility, and technical capacity and experience of developer. Staff will return to Council with specific funding recommendations.

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*Social and Geographic equity and targeting the underserved*

Bond Measure KK Site Acquisition Program and the NOFA for Housing Rehabilitation and Preservation will provide greater social and geographic equity throughout Oakland. Affordable housing development with long-term restrictions is a means of achieving greater social equity through rent stabilization. Providing households with affordable housing helps provide financial stability for low- and moderate-income residents and prevents displacement as the market rents continue to increase beyond the capacity of low- and moderate-income residents. Oakland's neighborhoods will be improved by rehabilitating underused and sometimes blighted buildings and by improving the quality of housing for low- and moderate-income residents. Educational outcomes are improved as children can stay within the same school district to complete their education without interruptions due to frequent housing-cost related moves. Many affordable housing projects provide housing to the homeless, special needs and/or extremely low-income households, and address the needs of the populations they serve. They provide social services and resident education activities to further build social equity. As a condition of the loan, the developer is required to follow the City of Oakland's affirmative fair marketing policy so concerted efforts are undertaken to identify and market to target populations that are least likely to apply.

*Improvement to the City's existing core capital assets*

The Bond Measure KK Site Acquisition Program and the NOFA for Housing Rehabilitation and Preservation indirectly improve the City's existing core capital assets. These programs address concerns with the aging housing stock and increases housing resilience through improvements in fire and life safety measures, energy efficiency, and earthquake retrofit. Although, the City's regulated affordable housing stock, unlike infrastructure such as sewers and roads, is not actually owned by the City. It is nevertheless an asset in that the units are protected from speculation or market pressures, thus preserving a vital attribute. Depending on the scope of the project, some projects will be required to replace sewer laterals, complete sidewalk and street repair and upgrade utility connections, which will further improve the City's infrastructure.

*Maintenance of City's existing operations and maintenance costs*

The Bond Measure KK Site Acquisition Program and the NOFA for Housing Rehabilitation and Preservation will not create direct operations or maintenance costs associated with the development of affordable housing. In this capacity, the City acts as a lender and the owners will cover the operating and maintenance costs associated with the projects.

*Improvements to energy consumption, resiliency and mobility.*

The City of Oakland has adopted a Green Building Ordinance that will apply to all rehabilitation projects. Rehabilitation projects must be GreenPoint Rated and certified and are also encouraged to utilize the Multi-family component of Energy Upgrade California, which provides free technical assistance and rebates for energy saving upgrades. Rehabilitation of housing will improve resiliency by updating fire mitigation measures, complete earthquake retrofit and by upgrading utilities when appropriate.

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**Protect Existing Homes (Home Ownership)**

The programs proposed to be funded under the Protecting Existing Homes (Home Ownership) activity include:

- Bond Measure KK Site Acquisition Program- as described in previous section.
- Notice of Funding Availability (NOFA) for Housing Rehabilitation and Preservation- as described in previous section.

*Social and Geographic equity and targeting the underserved*

The Bond Measure KK Site Acquisition Program and the NOFA for Housing Rehabilitation and Preservation will also provide greater social and geographic equity in the context of ownership housing. Affordable housing development with long-term restrictions is a means of achieving greater social equity by maintaining ownership units affordable to future homebuyers. Providing households with affordable ownership housing helps provide financial stability for low- and moderate-income residents as it provides a means for maintaining long-term stable housing cost and means to build wealth through the equity earned.

*Improvement to the City's existing core capital assets*

The Bond Measure KK Site Acquisition Program and the NOFA for Housing Rehabilitation and Preservation indirectly improve the City's existing core capital assets. These programs address concerns with the aging housing stock and increases housing resilience through improvements in fire and life safety measures, energy efficiency, and earthquake retrofit. Although, the City's regulated affordable housing stock, unlike infrastructure such as sewers and roads, is not actually owned by the City. It is nevertheless an asset in that the units are protected from speculation or market pressures, thus preserving a vital attribute. Depending on the scope of the project, some projects will be required to replace sewer laterals, complete sidewalk and street repair and upgrade utility connections, which will further improve the City's infrastructure.

*Maintenance of City's existing operations and maintenance costs*

Bond Measure KK Site Acquisition Program and the NOFA for Housing Rehabilitation and Preservation in the context of ownership housing will not create direct operations or maintenance costs. The program will provide housing that will be the responsibility of the new owners.

*Improvements to energy consumption, resiliency and mobility.*

The City of Oakland has adopted a Green Building Ordinance that will apply to all rehabilitation projects. Rehabilitation projects must be GreenPoint Rated and certified and are also encouraged to utilize the Multi-family component of Energy Upgrade California, which provides free technical assistance and rebates for energy saving upgrades. Rehabilitation of housing will improve resiliency by updating fire and life safety measures, complete earthquake retrofit and by upgrading utilities when appropriate.

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**New Construction (Rental or Ownership)**

The program proposed to be funded under the New Construction (Rental or Ownership) activities include:

- NOFA for New Construction of Affordable Rental and Ownership Housing  
The New Construction NOFA provides loans for new construction of affordable rental, home ownership, and supportive housing projects and is intended to partially fill the gap between development costs and financing available from private and other public sources. Applicants are expected to pursue financing from all available sources. Projects are selected through a competitive process. Projects are ranked based on the ability to leverage outside funding, geographic equity, educational quality, neighborhood revitalization, proximity to transit, groceries and drugstores, target populations, project attributes, developer experience and capacity, readiness, and sustainability. Staff will return to Council with funding recommendations. Measure KK Bond funds will be used as matching funds for projects to secure Alameda County A1 Bond Funds.

*Social and Geographic equity and targeting the underserved*

The New Construction NOFA will provide greater social and geographic equity through more affordable housing. Affordable housing development with long-term restrictions is a means of achieving greater social equity. Providing households with affordable housing helps provide financial stability for low- and moderate-income residents and prevents displacement as the market rents continue to increase beyond the capacity of low- and moderate-income residents. Oakland's neighborhoods will be improved by developing underused and sometimes blighted lots and improving the quality of housing for low- and moderate-income residents. Educational outcomes are improved as children can stay within the same school district to complete their education without interruptions due to frequent housing-cost related moves. Projects are prioritized that provide housing to the homeless, special needs and/or extremely low-income households. In addition, projects will address the needs of the populations they serve and provide social services and resident education activities to further build social equity. As a condition of the loan, the developer is required to follow the City of Oakland's affirmative fair marketing policy so that a concerted effort is made to identify and market to target populations that are least likely to apply.

Geographic equity in the context of affordable housing can be interpreted in two ways. On the one hand, investment in low income communities can add needed resources to the community. On the other hand, building a property in a more affluent neighborhood can provide the residents with access to higher performing schools and other community resources. Regardless, the NOFA addresses this paradox by setting priorities for geographic equity, neighborhood revitalization, educational equity, and proximity to transit and grocery stores. Geographic equity awards points to projects that are in census tracts with poverty rates below the City's average. Neighborhood Revitalization awards points to projects which are consistent with neighborhood-specific revitalization plans. Points are also awarded for proximity to transit, high-performing schools (for family developments), and key retail establishments.

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*Improvement to the City's existing core capital assets*

The New Construction NOFA indirectly improves the City's existing core capital assets. Although the City's regulated affordable housing stock, unlike infrastructure such as sewers and roads, is not actually owned by the City, it does assure that residents of all income levels live in decent and safe housing. However, depending on the scope of the project, some projects will be required to replace sewer lateral, complete sidewalk and street repair and upgrade utility connections, which will further improve the City's infrastructure.

*Maintenance of City's existing operations and maintenance costs*

The New Construction NOFA will not create direct operations or maintenance costs associated with the development of affordable housing. In this capacity, the City acts as a lender and the property owner will cover the operating and maintenance costs associated with the projects.

*Improvements to energy consumption, resiliency and mobility.*

The City of Oakland has adopted a Green Building Ordinance that will apply to all projects. New construction projects are required to be either GreenPoint Rated or Leadership in Energy and Environmental Design (LEED) certified. Maximum points will be awarded to new construction projects that score higher on the Green Points Checklist or at the Gold or above level for LEED Projects.

**Project Approval**

Staff would return to Council with project funding recommendations for all multifamily housing projects except for Bond Measure KK Site Acquisition Program. The Bond Measure KK Site Acquisitions Program would finance the purchase of real estate within the open real estate market and would require rapid approval of eligible applications to secure properties and avoid further price increases through speculation. Therefore, staff recommends delegation of authority to the City Administrator to fund site acquisitions loans under the Bond Measure KK Site Acquisition Program, following and confirming that the findings can be made as outlined in this staff report.

**One-to-Four (1-4) Unit Housing Programs**

**Protect Existing Homes (Rental)**

The programs proposed to be funded under the Protecting Existing Homes (Rental) activity include:

- Rental Rehabilitation Program  
Provides low-interest loans to rental property owners of one-to-four units. Targets properties occupied by lower income renter households. Prioritizes fire safety, emergency improvements, abatement of code violations, unhealthy housing conditions such as mold and lead hazards, safe-at-home improvements for seniors, and other health/safety issues.
- Accessory Dwelling Unit (ADU) Legalization Pilot Program  
A pilot program to legalize unpermitted ADUs is proposed, of which there are an estimated 2,000+ in Oakland. It will provides low-interest loans to homeowners to legalize undocumented, attached ADUs that can meet building and life safety standards.

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It also prioritizes lower income homeowners and adds affordability restrictions to legalized ADUs.

*Social and Geographic equity and targeting the underserved*

The Rental Rehabilitation and the ADU Legalization Programs target properties that are predominantly located in areas of highest need and occupied by lower income households at potential risk of displacement. Affordability restrictions ensure that bond-funded investments result in housing for income-eligible households. The ADU program will help keep vulnerable homeowners in their homes while creating additional affordability-restricted, code-compliant ADUs for low-income tenants. Addresses unhealthy or unsafe housing conditions in currently non-compliant ADUs, which are largely already occupied by low-income tenants.

*Improvement to the City's existing core capital assets*

The Rental Rehabilitation and the ADU legalization Programs will protect the City's aging and deteriorating housing stock, address sewer lateral replacement and sidewalk repair.

*Maintenance of City's existing operations and maintenance costs*

As a loan program, the Rental Rehabilitation and the ADU Legalization Programs do not contribute to operations and maintenance costs. Operations and maintenance costs are the responsibility of the property owners. However, these programs prevent displacement and loss of housing units, which may prevent homelessness of occupants.

*Improvements to energy consumption, resiliency and mobility.*

Projects funded through the Rental Rehabilitation and the ADU Legalization Programs will comply with current green building standards, thereby decreasing energy consumption. Residential rehabilitation brings older housing stock up to code, which preserves vulnerable housing stock and enhances the health and safety of occupants. Creating and legalizing ADUs also increases the diversity of Oakland's safe and affordable housing stock, possibly keeping more long-term residents in this community because of the opportunity to create more rental income.

**Protect Existing Homes (Home Ownership)**

The programs proposed to be funded under the Protect Existing Homes (home ownership) activity include:

- Acquisition and Rehabilitation Program  
Through a Request for Proposals (RFP) process, staff will identify a third-party program administrator to design and implement a new Acquisition-Rehabilitation Program for one-to-four (1-4) unit buildings. The program will prioritize the purchase of properties that are vacant/blighted, tax-defaulted, and/or have expiring affordability/occupancy restrictions. Rehabilitation will bring properties up to all applicable building codes and standards and may include energy efficiency and seismic safety improvements. Once rehabilitation construction is complete, the properties will be sold to income-qualified homebuyers with long-term affordability and owner-occupancy restrictions. Any additional rental units in



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two-to-four unit buildings will also have long-term affordability restrictions as units become available.

*Social and Geographic equity and targeting the underserved*

The Acquisition and Rehabilitation Program creates affordable, sustainable home ownership for low- and moderate-income households. By leveling the playing field in a competitive real estate market, these programs support equitable access to wealth-building home ownership while expanding the City's "below market rate" (BMR) affordable housing inventory. Rehabilitation will address health and safety concerns in neighborhoods with deteriorating housing stock.

*Improvement to the City's existing core capital assets*

The Acquisition and Rehabilitation Program will protect the City's aging and deteriorating housing stock, addresses sewer lateral replacement, and, in some cases, include sidewalk repair.

*Maintenance of City's existing operations and maintenance costs*

The Acquisition and Rehabilitation Program will not contribute to the City's operations and maintenance costs. The program will be administrated by a third-party contractor. However, these programs prevent displacement and loss of housing units, which in some cases may prevent homelessness of occupants.

*Improvements to energy consumption, resiliency and mobility.*

Projects funded through the Acquisition and Rehabilitation Program will comply with current green building standards, thereby decreasing energy consumption. The rehabilitation of 1-4 unit properties will bring older housing stock up to code, which preserves vulnerable housing stock and enhances the health and safety of occupants and the surrounding communities.

**Protect Existing Homes (Rental and/or Ownership)**

The programs proposed to be funded under the Protect Existing Homes (Rental and/or Ownership) activity include:

- Acquisition and Rehabilitation Program – as described in previous section.
- Community Buying Program  
This program acquires vacant lots for future development of affordability-restricted housing (both rental and ownership). Acquisition costs can be used as City match for County A1 bond funds to support the development of affordability-restricted housing units. The program will prioritize acquisition of tax-defaulted properties pursuant to Division 1, Part 6, Chapter 8 of the California Revenue and Taxation Code. Properties will be selected based on development feasibility analysis and preliminary environmental review. Developer partners will be selected based on a competitive solicitation process such as a public request for qualifications.

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*Social and Geographic equity and targeting the underserved*

The Acquisition and Rehabilitation and the Community Buying Programs target vacant/blighted properties, which disproportionately impact lower-income neighborhoods, thereby raising property values and decreasing neighborhood crime and instability while also creating affordable housing units for low and moderate-income households.

*Improvement to the City's existing core capital assets*

The Acquisition and Rehabilitation and the Community Buying Programs will improve the City's aging and deteriorating housing stock while maintaining or increasing the degree of affordability. In addition, work may address sewer lateral replacement and, in some cases, include sidewalk repair.

*Maintenance of City's existing operations and maintenance costs*

The Acquisition and Rehabilitation and the Community Buying Programs will address blighted and tax-defaulted properties which drain public resources from Code Enforcement, Public Works, the Oakland Police Department, and the Oakland Fire Department while reducing property tax revenues. Transforming problem properties into affordable housing reduces illegal dumping, blight, and public safety hazards, which in turn enhances neighborhood vitality.

*Improvements to energy consumption, resiliency and mobility.*

Projects funded through the Acquisition and Rehabilitation and the Community Buying Programs will comply with current green building standards, thereby decreasing energy consumption. Residential rehabilitation brings older housing stock up to code, which preserves vulnerable housing stock and enhances the health and safety of occupants.

**Homeowner Assistance**

The programs proposed to be funded under the homeowner assistance activity include:

- Owner-Occupied Residential Rehabilitation  
Provides low-interest loans to owner-occupants of one-to-four unit homes. Targets properties occupied by lower income, senior, and/or disabled property owners. Prioritizes emergency improvements, abatement of code violations, unhealthy housing conditions such as mold and lead hazards, safe-at-home improvements for seniors, and other health/safety issues.
- ADU Legalization Pilot Program - as described in previous section.

*Social and Geographic equity and targeting the underserved*

The Owner-Occupied Residential Rehabilitation and ADU Legalization Pilot Programs would be restricted to lower income, senior, and disabled homeowners, thereby ensuring that financial assistance is targeted to the most vulnerable homeowners. Home rehabilitation prevents deterioration of older housing stock, addresses critical health and safety issues, and keeps vulnerable homeowners in their homes. These improvements increase the value of the home and build wealth through home equity for lower income households.

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*Improvement to the City's existing core capital assets*

The Owner-Occupied Residential Rehabilitation and ADU Legalization Pilot Programs will protect the City's aging and deteriorating housing stock, address sewer lateral replacement and, in some cases, include sidewalk repairs.

*Maintenance of City's existing operations and maintenance costs*

The Owner-Occupied Residential Rehabilitation and ADU Legalization Pilot Programs will not contribute to the City's operations and maintenance costs. However, these programs prevent displacement and loss of housing units, which may prevent homelessness of occupants.

*Improvements to energy consumption, resiliency and mobility.*

Projects funded through the Owner-Occupied Residential Rehabilitation and ADU Legalization Pilot Programs will comply with current green building standards, thereby decreasing energy consumption. Residential rehabilitation brings older housing stock up to code, which preserves vulnerable housing stock and enhances the health and safety of occupants. Addressing deferred maintenance makes continued home ownership sustainable for vulnerable populations. Legalizing ADUs ensures units are safe and code compliant while increasing the diversity of Oakland's affordable housing stock, possibly keeping more long-term residents in this community.

**New Construction**

The programs proposed to be funded under the new construction activity include:

- Community Buying Program - Vacant Lot Acquisition - as described in previous section.

*Social and Geographic equity and targeting the underserved*

The Community Buying Program banks vacant properties for future development of affordability-restricted housing, which would create much-needed housing units and allow more lower income households to build wealth through home equity.

*Improvement to the City's existing core capital assets*

The program will have no direct impact on existing core capital assets.

*Maintenance of City's existing operations and maintenance costs*

The Community Buying Program will address blighted and tax-defaulted vacant lots, which drain public resources from Code Enforcement, Public Works, and the Oakland Police Department, while reducing property tax revenues. Transforming problem properties into affordable housing reduces illegal dumping, blight, and public safety hazards, which in turn enhances neighborhood vitality.

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*Improvements to energy consumption, resiliency and mobility.*

Projects funded through the Community Buying Program, when developed, will comply with current green building standards, thereby decreasing energy consumption. Creating one-to-four unit affordable ownership homes also increases the diversity of Oakland's affordable housing stock, possibly keeping more long-term residents in this community.

**Project Approval**

All proposed bond-funded programs for one-to-four units will be modeled on the City's existing residential rehabilitation and development programs, which are currently being modified to reflect recent changes to applicable laws and regulations, shifts in funding sources and market conditions. Staff will return to Council with complete program design for both new and modified residential rehabilitation programs serving one-to-four unit homes. The Department of Housing and Community Development will issue an RFP for a third-party administrator of the one-to-four unit Acquisition and Rehabilitation Program, and staff will return to Council for approval of the selected Administrator based on RFP responses.

**Affordable Housing as an Anti-Displacement Measure**

**Multifamily Housing**

Consistent with the Affordable Housing and Infrastructure Bond Law these Multifamily Affordable Housing Programs prioritize strategies to help long-term Oakland residents and their families avoid displacement. 55-year long-term affordability restrictions will be recorded to the title of the property and will restrict rents to levels affordable to lower-income households. This will increase inventory of affordable housing in Oakland. These restrictions will survive sale of the property and will be monitored by Housing and Community Development Department for compliance. Additionally, in combination with the Preference Policy established by Ordinance No. 13379 C.M.S., affordable housing projects that receive funding allocations from the City will prioritize displacees, neighborhood residents, and Oakland residents and workers unless prohibited by another project lender. Increasing the inventory of affordable housing will create more units of housing that are not subject to price fluctuation of market rate housing thus addressing the destabilizing displacement effects resulting from substantial rent increases and family incomes not keeping pace with housing costs. Lastly, per the Affordable Housing and Infrastructure Bond Law, at least 20 percent of the units shall serve extremely low-income households which will increase the number of units available to the city's most vulnerable populations.

**One-to-Four (1-4) Unit Housing Programs**

One-to-Four (1-4) Unit Housing Programs keep low- and moderate-income homeowners in their homes who might otherwise be displaced by dilapidated housing conditions resulting from deferred maintenance. Many of these households, especially seniors and disabled homeowners, cannot afford the repairs necessary to keep their homes habitable, safe, healthy, and accessible. In extreme cases, deferred maintenance can result in home loss and even homelessness of the previous owner. In addition to residential rehabilitation, the ADU

legalization program allows lower income homeowners to supplement their household income with rental income to support their monthly housing costs, including the cost of repaying their rehabilitation loan. For some seniors, the additional rental income allows them to age in place and keep their long-term home. In addition, code-compliant ADUs create safe, new affordable housing units in residential neighborhoods, with few if any impacts, which offers an alternative to the multi-unit affordable housing located in population-denser areas. In addition, ADUs create affordability-restricted units in neighborhoods where much of the rental housing stock is exempt from Oakland's Rent Adjustment ordinance. Finally, investing in owner-occupied homes keeps long-term Oakland residents in Oakland by allowing them to build wealth through home equity and maintain a family home to shelter multiple generations.

As an infrastructure bond, Measure KK funds can only be allocated to capital expenditures. Programs that intervene when households face displacement, subsidize rents, or provide other tenant based assistance are not an eligible expense.

### **Anticipated Outcomes**

#### **Multifamily Housing**

It is anticipated that these affordable housing programs will produce approximately 290 units of affordable housing. This estimate is based on a \$150,000 average per unit development subsidy. These units would include 100 to 125 units of transitional housing created through the acquisition of a property to assist the homeless and an additional 60 units of housing targeting extremely low-income households. Additional outcomes include:

- Through a third-party developer, acquire properties with expiring regulatory terms to prevent the conversion of affordable housing to market rate housing and protect current residents.
- Through a third-party developer, acquire properties that are currently affordable to low-income households because of their age, declining condition, or location to protect current residents, secure long-term affordability controls and address habitability concerns.
- Create new affordable housing by providing matching funds to leverage Alameda County A1 Bond funds.

#### **One-to-Four (1-4) Unit Housing Programs**

In addition, the proposed programs for 1-4 unit housing are anticipated to result in: the legalization of 12-15 currently undocumented ADUs, the rehabilitation of 20-30 rental units with new affordability restrictions, the rehabilitation of 40-50 homes occupied by vulnerable homeowners, and the acquisition of 5-12 vacant lots for future development of affordability-restricted housing. Additional outcomes include:

- Creating new affordable ownership opportunities for lower income households while rehabilitating older housing stock.
- Preventing the displacement of lower income tenants in naturally occurring affordable housing, by improving the health and safety of rental housing conditions while securing affordability restrictions to prevent unaffordable rent increases.
- Preventing the displacement of vulnerable homeowners at risk of losing their home due to dilapidated aging housing stock.

- Legalizing and placing affordability restrictions on existing ADUs, resulting in housing units that are safer, code-compliant and affordable, which in turn offers more diverse rental housing opportunities for lower income tenants who desire an alternative to apartment living.
- Addressing emergency rehabilitation needs, such as sewer laterals and electrical hazards, which pose public health and safety risks to neighbors as well as occupants.
- Returning vacant, blighted and tax-defaulted lots to productive, tax revenue-generating use as affordability-restricted housing for both renters and homeowners, while also reducing City costs to clean-up blighted lots and associated illegal dumping.

**FISCAL IMPACT**

The programs listed above will require the issuance of \$50 million of Measure KK bond funds. Funding is anticipated to be allocated amongst the programs as follows:

<b>Estimated Funding Allocation Programs Targeting Multifamily Housing (5+ Units)</b>	
Acquisition of Transitional Housing Facility	\$10,000,000
Bond Measure KK Site Acquisition Program	\$18,000,000 <sup>♦</sup>
NOFA for Housing Rehabilitation and Preservation	\$10,000,000
NOFA for New Construction of Affordable Rental and Ownership Housing (Matching Funds)	\$ 2,000,000 <sup>*</sup>
<b>Total</b>	<b>\$40,000,000<sup>+</sup></b>

<b>Estimated Funding Allocation Programs Targeting 1-4 Units</b>	
Housing Rehabilitation Programs	\$5,000,000
<ul style="list-style-type: none"> <li>• Owner-Occupied Rehabilitation</li> <li>• Rental Rehabilitation</li> <li>• ADU Legalization Pilot Program</li> <li>• Community Buying Program - Vacant Lot Acquisition</li> </ul>	
Acquisition and Rehabilitation Program	\$5,000,000
<b>Total</b>	<b>\$10,000,000<sup>+</sup></b>

<sup>♦</sup>Unused funds would be applied to the NOFA for Housing Rehabilitation and Preservation

<sup>\*</sup> Unused funds would be applied to Bond Measure KK Site Acquisition Program.

<sup>+</sup> Per Ordinance No. 13403 C.M.S, no more than five percent of the bond proceeds may be spent on City Staff costs.

**PUBLIC OUTREACH / INTEREST**

The City has participated in a working group convened by Enterprise that has included developers, land trust representatives, advocates, and Community Development Financial Institutions. On March 9, 2017 the City presented the proposed guidelines and sought feedback for the Bond Measure KK Site Acquisition Program and the residential rehabilitation programs.

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**COORDINATION**

HCDD prepared this report in coordination with the Finance Department and the Office of the City Attorney.

**SUSTAINABLE OPPORTUNITIES**

The housing development projects recommended for funding will address the “3 E’s” of sustainability in the following ways:

***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 moderate-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 that are near public transit enable 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 LEED or Alameda County’s GreenPoint Rating system.

***Social Equity:*** Affordable housing is a means of achieving greater social equity. Oakland’s neighborhood-level environment will be improved by replacing underused and sometimes blighted buildings and lots with new or improved homes. 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**

Under the California Environmental Quality Act (CEQA), the City is required to review possible environmental impacts of all projects prior to a definitive commitment of funding, unless the project is exempt from CEQA review.

It has been determined that programs identified for funding comply with CEQA because they are exempt from CEQA pursuant to Section 15267 (lower-income housing projects), Section 15301 (minor alterations to existing facilities), Section 15302 (replacement or reconstruction of existing structures), Section 15303 (new construction of small structures), Section 15332 (infill development projects), and Section 15061(b)(3) (no significant effect on the environment) of the CEQA Guidelines.

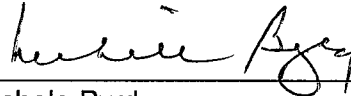
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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution (1) Identifying The Affordable Housing Programs That Are Authorized For Funding With Proceeds Of The City Of Oakland General Obligation Bonds (Measure KK), Series 2017a-1 And 2017a-2; (2) Allocating Bond Proceeds In The Amount Not To Exceed \$50,000,000 For The Identified Programs; And (3) Authorizing The City Administrator Or Her Designee To Make Site Acquisition Program Loans From Bond Proceeds Without Returning To Council.

For questions regarding this report, please contact Norma Thompson, Housing Development Manager, at 510-238-7137 or Christina Morales, Housing Development Coordinator, at 510-238-6984.

Respectfully submitted,



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Michele Byrd  
Director, Department of Housing and  
Community Development

Reviewed by:

Norma Thompson, Manager of Housing  
Development

Prepared by:

Christina Morales, Housing Development  
Coordinator  
Housing Development Services  
Rodolfo Duenas, Rehabilitation Supervisor  
Residential Lending and Rehabilitation Services  
Lin Chin, Program Analyst III  
Residential Lending and Rehabilitation Services

Attachments (1): Proposed Affordable Housing Programs for Measure KK Infrastructure Bond



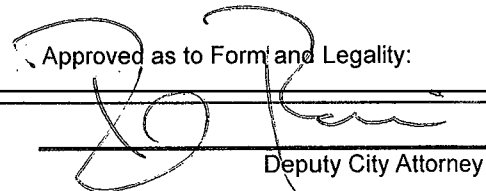
Multifamily Housing Programs 5+ Units					
Program Name	Program Description	Eligible Activity Per Ordinance 13403 C.M.S	Potential Target Population	Targeted AMI	Funding Allocation
Acquisition of Transitional Housing Facility	Purchase of transitional housing facility. Staff Returns to Council with recommended property to purchase	Protect Existing Homes (Rental)	Extremely low-income households, homeless, special needs, veterans	0%-30%	\$10,000,000
Bond Measure KK Site Acquisition Program	Short-term loans with the option to extend for acquisition-related costs. Protects and preserving long-term affordable housing for both ownership and rental. Funds available on an "over-the-counter" basis.	Protect Existing Homes (Rental), Protect Existing Homes (ownership)	Preserves rents for existing low to moderate income households. Upon unit vacancy rents to be restrict to 60% AMI until the project's average AMI is 80%	0-60% for new tenants; up to 120% for existing tenants	\$18,000,000
Notice of Funding Availability (NOFA) for Housing Rehabilitation and Preservation	Loans for rehabilitation of both ownership and rental housing to secure and preserve affordability restrictions. Projects are awarded through a competitive process. Projects are ranked based on funds leveraged, urgency, project attributes, project financial health and feasibility, and developer experience. Applies 55 year affordability restrictions. Staff returns to Council with recommended projects	Protect Existing Homes (Rental), Protect Existing Homes (ownership)	Prioritizes targeting of Extremely low-income households, homeless, special needs, veterans	0%-60%	\$10,000,000
NOFA for New Construction of Affordable Rental and Ownership Housing	Matching funds to leverage Alameda County A1 Bond funds Loans for new construction of affordable housing including rental, ownership & supportive housing. Projects are awarded through a competitive process. Projects are ranked based on funds leveraged, geographic equity, ducational quality, neighborhood revitalization, proximity to transit and grocery stores, target populations being served, financial feasibility, sustainability, readiness, developer experience. Applies 55 year affordability restrictions. Staff returns to Council with recommended projects	New Construction (Rental or Ownership)	Prioritizes targeting of Extremely low-income households, homeless, special needs, veterans	0%-60%	\$2,000,000

Housing Programs (1-4 Units)					
Program Name	Program Description	Eligible Activity Per Ordinance 13403 C.M.S	Potential Target Population	Targeted AMI	Funding Allocation
Owner-Occupied Residential Rehabilitation	Provides low-interest loans to lower income, senior and/or disabled homeowners for home rehabilitation. Prioritizes emergency and health and safety improvements including: sewer laterals, roofs, electrical hazards, and structural deficiencies. Affordability restrictions on 2-4 unit properties.	Homeowner Assistance	Lower-income and/or Senior and Disabled homeowner	25%-80% AMI for Non-Senior or Disabled Homeowners. 25%-120% for Senior and Disabled Homeowners.	\$5,000,000
Rental Rehabilitation Program	Provides low-interest loans to rental property owners of 1-4 units. Targets properties occupied by lower income renter households. Prioritizes fire safety, emergency improvements, abatement of code violations, unhealthy housing conditions such as moisture intrusion, safe-at-home improvements for seniors, and other health/safety issues	Protect Existing Homes (Rental)	Lower-income renters	Properties with at least 75% of units occupied by households at 80% AMI or below.	
Accessory Dwelling Unit (ADU) Legalization Pilot Program	Pilot program to legalize estimated 2,000+ unpermitted ADUs in Oakland. Provides Low-interest loans to homeowners to legalize undocumented, attached ADUs. Prioritizes lower income homeowners	Protect Existing Homes (Rental), Homeowner Assistance	Lower and moderate-income homeowners	Eligible homeowners up to 120% AMI. Eligible renters for new ADUs up to 80% AMI.	
Community Buying Program - Vacant Lot Acquisition	This program acquires vacant lots for future development of affordability-restricted-housing (both rental and ownership). Acquisition cost can be used as City match for County A1 bond funds for development of affordability-restricted housing units. Prioritize acquisition of tax-defaulted properties pursuant to Chapter 8 of the CA Revenue and Taxation Code. Properties selected based on development feasibility analysis and preliminary environmental review. Developer partners selected based on competitive solicitation process	Protect Existing Homes (Rental & Ownership), New Construction (Rental or Ownership)	Lower and moderate-income homeowners and renters	New homeowners up to 120% AMI and renters up to 100% AMI.	

Housing Programs (1-4 Units)					
Program Name	Program Description	Eligible Activity Per Ordinance 13403 C.M.S	Potential Target Population	Targeted AMI	Funding Allocation
Acquisition and Rehabilitation Program	RFP for third party program administrator to design and implement new 1-4 Unit Acq-Rehab Program. Prioritize purchase of properties that are vacant/blighted, tax-defaulted, or have expiring affordability/occupancy restrictions. Rehabilitation will bring property up to all applicable building standards and may include energy efficiency and seismic safety improvements. Long-term affordability restrictions for both rental and ownership properties	Protect Existing Homes (Ownership), Protect Existing Homes (Rental or Ownership)	Lower and moderate-income homeowners and renters	New homeowners up to 120% AMI and renters up to 80% AMI.	\$5,000,000

2017 JUN -8 PM 4:30

Approved as to Form and Legality:



Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

**RESOLUTION (1) IDENTIFYING THE AFFORDABLE HOUSING PROGRAMS THAT ARE AUTHORIZED FOR FUNDING WITH PROCEEDS OF THE CITY OF OAKLAND GENERAL OBLIGATION BONDS (MEASURE KK), SERIES 2017A-1 AND 2017A-2; (2) ALLOCATING BOND PROCEEDS IN THE AMOUNT NOT TO EXCEED \$50,000,000 FOR THE IDENTIFIED PROGRAMS; AND (3) AUTHORIZING THE CITY ADMINISTRATOR OR HER DESIGNEE TO MAKE SITE ACQUISITION PROGRAM LOANS FROM BOND PROCEEDS WITHOUT RETURNING TO COUNCIL**

**WHEREAS**, an ordinance authorizing the issuance of infrastructure bonds in an amount not to exceed \$600 million in general obligation bonds to fund various City infrastructure and affordable housing projects (“Measure KK”, or “the Ordinance”) was approved by more than two-thirds of the qualified voters of the City at the November 8, 2016, Statewide General Election; and

**WHEREAS**, the City Council intends to issue City of Oakland General Obligation Bonds (Measure KK), Series 2017A-1 and 2017A-2 (the “Bonds”) pursuant to Measure KK and the City of Oakland Affordable Housing and Infrastructure Bond Law, Oakland Municipal Code Chapter 4.54 (the “Bond Law”); and

**WHEREAS**, pursuant to Section 2(C) of the Ordinance, prior to issuance of the Bonds, Council must identify how the projects authorized for funding with Measure KK Bond proceeds address social and geographic equity, address improvements to the City’s existing core capital assets, maintain or decrease the City’s existing operations and maintenance costs, and address improvements to energy consumption, resiliency and mobility; and

**WHEREAS**, pursuant to Section 4.54.220 of the Bond Law, the City’s affordable housing bond funds may be spent on the acquisition, preservation, rehabilitation, and/or new construction (under certain circumstances) of affordable housing as set forth by the Bond Law; and

**WHEREAS**, in compliance with Section 2(C) of the Ordinance, the Agenda Report accompanying this Resolution reflects the results of the investigation conducted by staff of the

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affordable housing programs proposed for funding with the Bonds, and identifies, when applicable, how the programs address social and geographic equity, address improvements to the City's existing core capital assets, maintain or decrease the City's existing operations and maintenance costs, and address improvements to energy consumption, resiliency and mobility; and

**WHEREAS**, the affordable housing programs to be funded with Bond proceeds, and the facts and analysis in support thereof, are identified in the Agenda Report and set forth in Exhibit A attached to and incorporated into this Resolution; and

**WHEREAS**, the programs and projects as set forth in Exhibit A meet the criteria established under Section 2(C) of the Ordinance and are eligible activities as described in Section 4.54.220 of the Bond Law; and

**WHEREAS**, the requirements of the California Environmental Quality Act (CEQA), the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now, therefore, be it

**RESOLVED:** That the City Council finds and determines that the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City Council; and be it

**FURTHER RESOLVED:** That the City Council hereby establishes the Affordable Housing Bond Programs as set forth in Exhibit A, which provide funding to property owners and/or developers to acquire, preserve, rehabilitate, and/or develop properties to preserve or secure affordability covenants and/or enable vulnerable homeowners to stay in their homes, as eligible uses of Bond funds; and be it

**FURTHER RESOLVED:** That the City Council hereby allocates up to \$50 million from the proceeds of the Bonds to fund the Affordable Housing Programs set forth in Exhibit A; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to adjust the estimated funding allocations among the programs set forth in Exhibit A to meet demand, community need and the need for timely expenditure of the funds, to cover the cost of issuance of the Bonds, and to allocate Bond proceeds to cover appropriate staff costs not to exceed five percent of the Bond proceeds pursuant to Section 4.54.040 of the Bond Law; and be it

**FURTHER RESOLVED:** That the funding is being appropriated through the FY 2017 – 2019 budget in Fund 5330 Measure KK: Infrastructure and Affordable Housing; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to select borrowers and make loans under the Bond Measure KK Site Acquisition Program in an amount not to exceed \$18 million as listed in Exhibit A from Bond Funds appropriated in the FY 2017-2019 budget in Fund 5330 Measure KK: Infrastructure and

Affordable Housing; and be it

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**FURTHER RESOLVED:** That the making of each loan under the Bond Measure KK Site Acquisition Program shall be contingent on and subject to such appropriate terms and conditions as the City Administrator or his or her designee may establish; and be it

**FURTHER RESOLVED:** That as a condition of the loans under the Bond Measure KK Site Acquisition Program, the City will require that appropriate restrictions on project occupancy, rents and operations be recorded against the property and any project improvements; 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 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 this environmental determination, and Council finds and determines, based on the information provided in the staff report accompanying this Resolution, that this action complies with CEQA because it is exempt from CEQA pursuant to Section 15267 (lower-income housing projects), Section 15301 (minor alterations to existing facilities), Section 15302 (replacement or reconstruction of existing structures), Section 15303 (new construction of small structures), Section 15332 (infill development projects), and Section 15061(b)(3) (no significant effect on the environment) of the CEQA Guidelines; and be it

**FURTHER RESOLVED:** That the City Council hereby appoints the City Administrator and his or her designee as agent of the City to conduct negotiations, execute and submit all

documents, administer the loans, extend or modify the repayment terms, and take any other actions with respect to the Bond Measure KK Site Acquisition Program consistent with this Resolution and its basic purposes.

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

**Exhibit A  
Affordable Housing Bond Programs**

<b>Multifamily Housing Programs 5+ Units</b>			
<b>Program Name/ Eligible Activity Per Bond Law</b>	<b>Program Description</b>	<b>Project Attributes per Ordinance</b>	<b>Estimated Funding Allocation</b>
<b>Acquisition of Transitional Housing Facility/</b>  Protect Existing Homes (Rental)	Purchase of transitional housing facility. Staff will return to Council with recommended property to purchase.	<b>Social and geographic equity:</b> Creates affordable housing.  <b>Impacts on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements.  <b>Impacts on City's existing operations and maintenance costs:</b> Property will be operated and maintained by lessee.  <b>Improvements to energy consumption, resiliency and mobility:</b> Rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.	\$10,000,000
<b>Bond Measure KK Site Acquisition Program/</b>  Protect Existing Homes (Rental), Protect Existing Homes (Ownership)	Short-term loans with the option to extend for acquisition-related costs. Protects and preserving long-term affordable housing for both ownership and rental. Funds available on an "over-the-counter" basis.	<b>Social and geographic equity:</b> Creates affordable housing through long-term affordability restrictions.  <b>Impact on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements.  <b>Impact on City's existing operations and maintenance costs:</b> Operations and maintenance cost will be covered by the property owner.  <b>improvements to energy consumption, resiliency and mobility:</b> Rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.	\$18,000,000



**Exhibit A  
Affordable Housing Bond Programs**

<b>Multifamily Housing Programs 5+ Units</b>			
<b>Program Name/ Eligible Activity Per Bond Law</b>	<b>Program Description</b>	<b>Project Attributes per Ordinance</b>	<b>Estimated Funding Allocation</b>
<p><b>Notice of Funding Availability (NOFA) for Housing Rehabilitation and Preservation/</b></p> <p>Protect Existing Homes (Rental), Protect Existing Homes (Ownership)</p>	<p>Loans for rehabilitation of both ownership and rental housing to secure and preserve affordability restrictions. Projects are awarded through a competitive process. Applies 55-year affordability restrictions. Staff will return to Council with recommended projects.</p>	<p><b>Social and geographic equity:</b> Creates affordable housing through long-term affordability restrictions.</p> <p><b>Impact on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements.</p> <p><b>Impact on City's existing operations and maintenance costs:</b> Operations and maintenance cost will be covered by the property owner.</p> <p><b>improvements to energy consumption, resiliency and mobility:</b> Future rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>\$10,000,000</p>
<p><b>NOFA for New Construction of Affordable Rental and Ownership Housing/</b></p> <p>New Construction (Rental and/or Ownership)</p>	<p>Matching funds to leverage Alameda County A1 Bond funds. Loans for new construction of affordable housing including rental, ownership and supportive housing. Projects are awarded through a competitive process. Applies 55-year affordability restrictions. Staff will return to Council with recommended projects.</p>	<p><b>Social and geographic equity:</b> Creates affordable housing through long-term affordability restrictions.</p> <p><b>Impact on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements.</p> <p><b>Impact on City's existing operations and maintenance costs:</b> Operations and maintenance cost will be covered by the property owner.</p> <p><b>improvements to energy consumption, resiliency and mobility:</b> Future development will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>\$2,000,000</p>

**Exhibit A  
Affordable Housing Bond Programs**

<b>Housing Programs (1-4 Units)</b>			
<b>Program Name/ Eligible Activity Per Bond Law</b>	<b>Program Description</b>	<b>Project Attributes per Ordinance</b>	<b>Estimated Funding Allocation</b>
<b>Owner-Occupied Residential Rehabilitation/</b>  Homeowner Assistance	Provides low-interest loans to lower income, senior and/or disabled homeowners for home rehabilitation. Prioritizes emergency and health and safety improvements including: sewer laterals, roofs, electrical hazards, and structural deficiencies. Affordability restrictions on 2-4 unit properties. Staff will return to Council for approval of proposed program.	<b>Social and geographic equity:</b> Enables vulnerable homeowners to keep their homes and creates affordable housing units through affordability restrictions. <b>Impacts on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements. <b>Impacts on City's existing operations and maintenance costs:</b> Operations and maintenance cost will be covered by the property owner. <b>Improvements to energy consumption, resiliency and mobility:</b> Rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.	\$5,000,000, combined, for the following four programs
<b>Rental Rehabilitation Program/</b>  Protect Existing Homes (Rental)	Provides low-interest loans to rental property owners of 1-4 units. Targets properties occupied by lower income renter households. Prioritizes fire safety, emergency improvements, abatement of code violations, unhealthy housing conditions such as mold and lead, safe-at-home improvements for seniors, and other health/safety issues. Staff will return to Council for approval of proposed program.	<b>Social and geographic equity:</b> Creates affordable housing through affordability restrictions on rental housing that is currently "naturally affordable." <b>Impact on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements. <b>Impact on City's existing operations and maintenance costs:</b> Operations and maintenance cost will be covered by the property owner. <b>improvements to energy consumption, resiliency and mobility:</b> Rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.	See above

**Exhibit A  
Affordable Housing Bond Programs**

<b>Housing Programs (1-4 Units)</b>			
<b>Program Name/ Eligible Activity Per Bond Law</b>	<b>Program Description</b>	<b>Project Attributes per Ordinance</b>	<b>Estimated Funding Allocation</b>
<p><b>Accessory Dwelling Unit (ADU) Legalization Pilot Program/</b></p> <p>Protect Existing Homes (Rental), Homeowner Assistance</p>	<p>Pilot program to legalize unpermitted ADUs, of which there are an estimated 2,000+ in Oakland. Provides low-interest loans to homeowners to legalize undocumented, attached ADUs. Prioritizes lower income homeowners. Legalized ADUs will have affordability restrictions. Staff will return to Council for approval of proposed program.</p>	<p><b>Social and geographic equity:</b> Makes undocumented housing units safe, legal and affordable through rental restrictions. Helps lower income homeowners keep their homes.</p> <p><b>Impacts on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements.</p> <p><b>Impacts on City's existing operations and maintenance costs:</b> Operations and maintenance cost will be covered by the property owner.</p> <p><b>Improvements to energy consumption, resiliency and mobility:</b> Rehabilitation will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>See above</p>
<p><b>Community Buying Program - Vacant Lot Acquisition/</b></p> <p>Protect Existing Homes (Rental and/or Ownership), New Construction (Rental and/or Ownership)</p>	<p>Acquires vacant lots for future development of affordability-restricted housing (both rental and ownership). Acquisition cost can be used as City match for County A1 bond funds for development of affordability-restricted housing units. Prioritize acquisition of tax-defaulted properties. Properties selected based on development feasibility analysis and preliminary environmental review. Developer partners selected based on competitive solicitation process. Staff will return to Council for approval of proposed program.</p>	<p><b>Social and geographic equity:</b> Creates affordable housing through long-term affordability restrictions; addresses vacancy and blight in impacted areas.</p> <p><b>Impact on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements.</p> <p><b>Impact on City's existing operations and maintenance costs:</b> Increases property tax revenues. Reduces City costs associated with code enforcement, law enforcement and public works intervention necessitated by blight, illegal dumping and public safety nuisances on vacant lots.</p> <p><b>Improvements to energy consumption, resiliency and mobility:</b> Development will improve energy consumption based on current standards and possibly address other resiliency issues.</p>	<p>See above</p>

**Exhibit A  
Affordable Housing Bond Programs**

<b>Housing Programs (1-4 Units)</b>			
<b>Program Name/ Eligible Activity Per Bond Law</b>	<b>Program Description</b>	<b>Project Attributes per Ordinance</b>	<b>Estimated Funding Allocation</b>
<b>Acquisition and Rehabilitation Program/</b>  Protect Existing Homes (Ownership), Protect, Existing Homes (Rental and/or Ownership)	RFP for third-party program administrator to design and implement new 1-4 unit Acquisition-Rehabilitation Program. Prioritize purchase of properties that are vacant/blighted, tax-defaulted, or have expiring affordability/occupancy restrictions. Rehabilitation will bring property up to all applicable building standards and may include energy efficiency and seismic safety improvements. Long-term affordability restrictions for both rental and ownership properties. Staff will return to Council for approval of proposed program.	<b>Social and geographic equity:</b> Creates affordable housing through long-term affordability restrictions <b>Impact on City's existing core capital assets:</b> Does not directly improve core capital assets but may provide collateral improvements. <b>Impact on City's existing operations and maintenance costs:</b> Increases property tax revenues. Reduces City costs associated with code enforcement for blighted properties. <b>Improvements to energy consumption, resiliency and mobility:</b> Development will improve energy consumption based on current standards and possibly address other resiliency issues.	\$5,000,000