

CITY OF OAKLAND
COUNCIL AGENDA REPORT

OFFICE OF THE CITY CLERK
2006 JAN 20 AM 10:32

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Deputy Director of Housing and Community Development
DATE: January 10, 2006

RE: **(1) A FOLLOW-UP REPORT ON OAKLAND'S CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) FOR COMMUNITY DEVELOPMENT BLOCK GRANT, HOME, HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS AND EMERGENCY SHELTER GRANT PROGRAMS PERFORMANCE FOR FISCAL YEARS 2000-2005, AND (2) A RESOLUTION AUTHORIZING MODIFICATIONS TO THE TERMS OF HOME MAINTENANCE AND IMPROVEMENT LOANS AND THE GEOGRAPHIC TARGETING AND MAXIMUM AMOUNT OF EMERGENCY HOME REPAIR LOANS**

SUMMARY

This report is a follow-up to a report presented to the Community and Economic Development (CED) Committee at its September 13, 2005 meeting. The original report discussed the Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2004-05, and included a comparison of goals and accomplishments for the entire five year period covered by the Consolidated Plan for July 2000 through June 2005. As requested by the committee, this report provides additional information regarding why some of the goals were not achieved, a comparison of budgeted amounts and actual expenditures, and recommendations for modifying programs to improve performance where needed. Attachment 1 provides a table that summarizes the information requested by the Committee.

The primary reasons for programs not meeting their original performance goals are:

- increases in loan amounts subsequent to the adoption of the Consolidated Plan, without a corresponding increase in program funding, which reduced the number of units that could be assisted;
- the infeasibility of certain projected funding sources, such as Section 108 financing from the U.S. Department of Housing and Urban Development (HUD);
- changes in program requirements, particularly with respect to abatement of lead-based paint hazards that increased the cost and complexity of rehabilitation work; and
- loan terms that make the City's program unattractive to many eligible borrowers.

Staff recommends modifying the rehabilitation programs to provide greater flexibility of funding, modify interest rates and repayment terms, and increase maximum loan amounts for

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certain kinds of loans. No changes are required for the housing development, first-time homebuyer and homeless programs.

As noted below, most programs expended 100 percent or more of their originally budgeted amounts. In recent years the City has received substantial repayments of loans made in earlier years, and those loan proceeds were used to provide additional funding above and beyond the usual annual grant allocations. While there is a substantial amount of unspent funds on hand, this is due almost entirely to the unanticipated increase in program income from these loan repayments.

Staff proposes to reallocate \$6.6 million as follows:

- \$4.4 million in HOME program income currently budgeted for housing rehabilitation would be transferred to the housing development program for allocation under the current Notice of Funding Availability (NOFA)
- \$1 million of Community Development Block Grant (CDBG) funds from the housing rehabilitation program would be reprogrammed to provide additional funding for the development of the East Oakland Community Project's new shelter and transitional housing facility
- \$1.2 million in unbudgeted program income would be reserved to cover payments required in FY 2006-07 for the Section 108 loans that were used to finance the Martin Luther King, Jr. Plaza project and other economic development activities.

FISCAL IMPACT

At the end of FY 2004-05, there was a balance of \$7,450,841 million in unspent funds in the housing rehabilitation loan programs, nearly all of which is attributable to unanticipated loan repayments.

Staff proposes to reallocate \$4,433,556 million of HOME funds to the current Notice of Funding Availability (NOFA) for housing development activities in the housing development program. A resolution to this effect will be included when staff presents its recommendations for funding under the NOFA.

Staff proposes to reserve \$1 million of CDBG funds for the East Oakland Community Project's shelter and transitional housing facility, and will return to the City Council at a later date with a report and resolution to amend the City's Consolidated Plan and reallocate the funds in this manner.

Consistent with the legislation that originally created the Home Maintenance and Improvement Program, staff proposes to administer the City's individual rehabilitation loan products as components of a single housing rehabilitation program and will allocate funds among those loan products to meet changing demand from eligible low and moderate income owners.

In addition, \$1.2 million of unbudgeted program income will be reserved to make the FY 2006-07 payments on the Regular Section 108 loans and the Section 108 loan used for the Martin Luther King, Jr. Plaza Project.

While the first-time homebuyer program had unspent funds in the amount of \$2,623,918 at the end of FY 2004-05, recent changes to the program, including increasing the maximum loan amount from \$50,000 to \$75,000 and increasing the maximum allowable purchases, are expected to ensure that all available funds will be spent in the current year.

The Housing Development program had approximately \$33 million in unspent funds at the end of the year, of which less than \$1 million was not committed to previously approved projects that are at various stages of predevelopment or construction. Most of the \$1 million that is uncommitted is Redevelopment Agency Low and Moderate Income Housing Funds reserved for the Central City East and West Oakland redevelopment project areas and can be used only within the respective project areas.

KEY ISSUES AND IMPACTS

When the CAPER was presented to the CED Committee in September 2005, staff included a report that described goals and accomplishments for the City's housing and homeless programs for the 2000 – 2005 period covered by the five-year Consolidated Plan. The Committee noted that several goals were not achieved, and asked staff to return with information explaining why goals were not met and comparing budgeted amounts to actual expenditures. The requested information is summarized in Attachment 1. The rest of this section provides a detailed narrative and explanation of the summary data.

Housing Development

Goals vs. Accomplishments

All of the housing development goals were exceeded during the five-year period. Reasons for this include: higher than anticipated tax increment funds deposited to the Low/Moderate Income Housing Fund, an increase in the housing set-aside from 20 percent to 25 percent, the availability of \$40 million in proceeds from the 2000 Affordable Housing bond, and a greater availability of State funds due to the passage of Proposition 46, the Housing and Emergency Shelter Bond Act of 2002.

Budget vs. Expenditure

During this period, a total of \$92,186,460 (including previously committed funds) was budgeted for housing development activities, and a total of \$58,988,009 was expended. As of June 30, 2005, there was \$33,198,450 in unexpended funds. Of this amount, approximately \$32 million has been committed to 18 housing development projects previously approved for funding by the City or Agency but still in predevelopment or under construction. Roughly \$1.3 million was

uncommitted; half of the uncommitted funds were reserved for activities in the Central City East and West Oakland redevelopment project areas.

First-Time Homebuyers

Goals vs. Accomplishments

The 2000-2005 Consolidated Plan estimated that 600 first-time homebuyers would be assisted. This was based on the maximum loan amounts then in effect for the Mortgage Assistance Program and the Downpayment Assistance Programs (\$30,000 and \$10,000 respectively). Maximum loan amounts were subsequently increased to \$50,000 and \$20,000, respectively, but no additional funding was made available, essentially reducing the number of loans that could be provided. As a result, the original goal was not met.

Budget vs. Expenditures

During this period, the homebuyer programs received budget allocations totaling \$12,928,371, and also received \$2,763,243 in program income generated by loan repayments. Total expenditures were \$13,067,696, which represents 101 percent of the budgeted amount. The unexpended fund balance of \$2,623,918 is all attributable to unanticipated loan repayments. As noted later in this report, recent changes to the program will allow these funds to be expended by the end of FY 2005-06.

Housing Rehabilitation

Goals vs. Accomplishments

Housing Rehabilitation met most of its unit goals with the exception of: 1) Owner-Occupied Housing Rehabilitation; 2) Rental Housing Rehabilitation; and 3) the Paint Program for Owner-Occupied Housing.

Owner-Occupied Housing Rehabilitation

Decent and safe housing was made available to 204 families through substantial rehabilitation of their existing owner-occupied homes. The Consolidated Plan's ambitious goal of 600 completed units appears to have been established in error. Staff reviewed support documentation for the projections and determined that projected funding levels would only have supported 300 units. This goal included productivity estimates based on then-current staffing with five (5) rehabilitation advisors. The unit encountered barriers to meeting goals and objectives due to staff reductions that eliminated three (3) rehabilitation advisor positions that provided inspection and construction management services.

The City also discontinued plans to use HUD Section 108 loan funds for single family housing rehabilitation, because the debt service on the loans would have been unaffordable to most of the participants in the City's rehabilitation programs. Under this funding source the goal of completed units was 200 units.

Rental Housing Rehabilitation

As noted in the FY 2002-03 CAPER, the City abandoned its plan to use HUD's Section 108 loan funds for rental rehabilitation because the funds would have required the City to provide the funds as amortizing loans that most likely would have required participating owners to raise rents above affordable levels.

Paint Programs for Owner-Occupied Housing

The number of units assisted under the Lead-Safe Housing Paint Program fell sharply due to the high costs associated with complying with new HUD rules regarding abatement of lead-based paint hazards. The self-help program component was eliminated and the free paint program component was reworked to meet the standards. In FY 2004-05 the re-constituted program greatly exceeded its revised annual goals. For the five-year period, 330 homes were assisted, far more than was expected with the revamped guidelines, but less than the ambitious target of 3,000 homes that was established prior to the new lead paint rules going into effect.

Budget vs. Expenditures

During this period, the housing rehabilitation programs received a total budget allocation of \$14,997,627. An additional \$7,058,486 in unanticipated loan repayments was subsequently authorized to augment these appropriations. Over the five year period, expenditures on housing rehabilitation activities totaled \$14,605,272, or 97 percent of the originally budgeted amount. However, none of the budget augmentation was expended.

As of June 30, 2005, there were unexpended funds totaling \$7,450,841. Staff is proposing to reallocate \$5,443,556 to other activities. The remaining funds would be retained for the housing rehabilitation programs. Program changes that have already been approved by the City Council, along with additional changes that are proposed below, will ensure that the funds are committed by the end of the current fiscal year.

Homelessness

Goals vs. Accomplishments

All of the homelessness goals were met or exceeded with the exception of: 1. Outreach and Information and Referral; 2. Supportive Services Program (error in report) and 3. Transitional Housing Jobs Campus at the Oakland Army Base.

Information and Referral

Initially, Health Care for The Homeless, as part of their overall health van services, performed outreach functions along with their medical services. Additional outreach was performed in partnership with Operation Dignity's Homeless Mobile Outreach Program (HMOP). Over the last five years the focus of the medical van services shifted more towards one-to-one services inside the medical van, reducing the outreach services being performed.

At the time that the 2000-2005 Consolidated Plan was developed, the HMOP program was just being piloted. During the pilot, it became clear that the projected goal of providing outreach and Information & Referral (I&R) to 15,000 people was not an achievable goal. Actual client contacts indicated that a more realistic goal was 1,000 client contacts per year.

Some I&R services are provided by most services providers who contract with the City. However, because these I&R services are not the primary activity funded by the City, performance reporting does not reflect the provision of those services.

While outreach and I&R services did continue to be performed, albeit at a lower level, the goals originally stated in the Consolidated Plan should have been adjusted downward to reflect the services that could realistically be provided as a result of City funding.

Supportive Services Program

The goal of 900 units is actually a measure of families served and not housing units as indicated in this matrix. The stated goal of 900 units of supportive housing provided to families was exceeded as documented annually in the CAPER for the three Supportive Housing Programs (MCTHP, THP, & HFSN). These programs provided approximately 2,144 units of supportive housing within the 2000-05 period, which exceeded our projected goal.

Transitional Housing Jobs Campus at Oakland Army Base

This goal was not met. Funding and collaborations did not materialize as planned, and the project was subsequently canceled when funding could not be obtained.

Budget vs. Expenditures

During this period, there was a total allocation of \$36,561,574 and a total of \$27,385,709 in expenditures for homelessness activities. As of June 30, 2005, the entire balance of \$9,175,865 was committed to projects in progress.

Program Income from Loan Repayments

Community Development Block Grant (CDBG)

The City's CDBG budget includes an estimated amount of "program income," which represents funds received as repayments of loans made to low income homeowners to rehabilitate their homes. These funds are allocated along with CDBG grant funds as part of the annual Consolidated Plan process and the City's annual budget process. For the past several years, this item has been budgeted at \$1.8 million annually.

The City Council recently adopted a resolution that allocates any program income in excess of \$1.8 million to the housing rehabilitation programs. For FY 2005-06 it is anticipated that \$1.2 million will be allocated through this process.

However, there is approximately \$1.3 million that was received in FY 2004-05 that has not yet been allocated by the City Council. As noted below, staff is recommending that these funds be reserved to cover debt service payments that will become due in FY 2006-07 to repay the Section 108 loans used for the Martin Luther King, Jr. Plaza project and other economic development activities.

First-Time Homebuyer Program

The first-time homebuyer program has seen significant repayments of loans made in prior years from HOME and Redevelopment Agency Low/Moderate Income Housing Funds. Because the current homebuyer program no longer meets HOME guidelines, repayments of HOME funds have been programmed to the housing rehabilitation program.

As of June 30, 2005 there was approximately \$4.4 million of unspent HOME funds in this program, which staff is recommending be reallocated to housing development.

An additional \$1.8 million in Low/Moderate Income Housing Funds has been received and allocated to housing development projects or is budgeted for the current NOFA.

Another \$2.7 million in Low/Moderate Income Housing Funds has been allocated for new first-time homebuyer loans, but only \$100,000 has been spent to date. Recent changes to the program are expected to ensure that these funds will be used in the coming year.

Rental Rehabilitation Program

During the 1980s and early 1990s, the City received funding from the Federal Rental Rehabilitation Program to provide loans to rental property owners to correct code violations and make necessary improvements. The program has been discontinued, but the City has received about \$4.3 million in repayments in the past five years, representing most of the remaining outstanding loans. These funds were allocated by the City Council to several housing rehabilitation program. Approximately 45 percent of these funds have been spent, with the exception of \$1.8 million for the Neighborhood Housing Revitalization Program, and \$600,000 for housing rehabilitation loan products.

PROGRAM DESCRIPTION

1. As noted above, the housing development and homeless programs have, with few exceptions, exceeded their performance goals and no changes are proposed for these programs.
2. The first time homebuyer program recently instituted several changes that are expected to increase the City's ability to expend all available funds and assist more homebuyers. These changes include:
 - The maximum loan amount was increased from \$50,000 to \$75,000.

- The maximum purchase price limit was increased to 95 percent of the median purchase price for homes in Oakland; the current limit is \$456,000. The higher limit provides a much larger pool of homes eligible for assistance.
- The maximum allowable loan to value ratio was increased from 97 percent to 100 (borrowers can apply the previously required 3 percent down payment to closing costs) which reduces a major barrier to participation in the program.

No further changes to homebuyer programs are recommended at this time.

3. For the housing rehabilitation programs, staff proposes a number of actions:

- Reallocate \$4.4 million in unspent HOME program income from the rehabilitation programs to the housing development program. Future HOME program income will continue to provide funding for housing rehabilitation. If this recommendation is approved, staff will include a resolution for this reallocation when it presents funding recommendations in February for housing development projects.
- Reallocate \$1 million in unspent CDBG program income to provide assistance for development of East Oakland Community Project's shelter and transitional housing facility for the homeless. Staff will return to the City Council at a later date with a report resolution to amend the Consolidated Plan to authorize this reallocation.
- Administer the individual rehabilitation loan products on a more flexible basis, allowing funds to be transferred from one loan type to another as required by shifting demand.
- Modify the terms of the Home Maintenance and Improvement Loans as follows:
 - For borrowers with incomes less than 50 percent of median income (many of whom are seniors or people with disabilities), the interest rate would be reduced from 3 percent to 0 percent.
 - For borrowers with incomes between 51 percent and 80 percent of median income, the interest rate would be reduced from 6 percent to 3 percent, and payments would be deferred (until the property is sold or refinanced) instead of due on a monthly basis.
- Modify the Emergency Home Repair Loans as follows:
 - Increase the maximum loan amount from \$7,500 to \$15,000
 - Allow loans to be made anywhere in the City for borrowers with incomes less than 50 percent of median income. Loans to borrowers with incomes between 50 percent and 80 percent of median income would continue to be restricted to properties located in the seven Community Development Districts.

SUSTAINABLE OPPORTUNITIES

There are no new sustainable opportunities associated with this follow-up report. The original report and resolution addressed the sustainable opportunities.

DISABILITY AND SENIOR CITIZEN ACCESS

Many of the City's housing rehabilitation programs provide benefit to senior and disabled residents. If implemented, the recommendations contained in this report would better serve those groups.

RECOMMENDATION AND RATIONALE

As described in the program description above, staff is recommending reallocating funds and modifying the rehabilitation loan programs. The following describes the basis and rationale for these recommendations.

Funding Reallocations

1. Reallocate and transfer \$4.4 million of the available HOME program income from the housing rehabilitation program to the current NOFA for housing development activities. Staff has received requests for far more money than is currently available; the HOME program income could be used to fund approximately 40 to 60 new affordable housing units. HOME program income received hereafter would continue to be reserved for the housing rehabilitation program.

Implementation of this recommendation will allow HOME program income to be spent more quickly and will ensure that the City meets HUD requirements for timely expenditure of funds.

2. Reserve \$1 million of CDBG program income to reallocate from the housing rehabilitation programs to the East Oakland Community Project's shelter and transitional housing project.

Implementation of this recommendation will allow CDBG program income to be spent more quickly and will ensure that the City meets HUD requirements for timely expenditure of funds. It will also help close a funding shortfall for the EOCP project. Staff will return to Council at a later date with a report detailing the need for these funds and a resolution to amend the City's Consolidated Plan and authorize the reprogramming of funds.

3. Reserve \$1.2 million of CDBG program income to make the FY 2006-07 payments on regular Section 108 loans and the Section 108 money used for the Martin Luther King, Jr. Plaza project.

When the Martin Luther King, Jr. Plaza project was constructed and later sold to Childrens Hospital of Oakland Research Institute (CHORI), funding was provided from proceeds of a HUD Section 108 loan, which is guaranteed by future CDBG grant funds. At the time the project was sold, staff advised the City Council that there would not be adequate funds to make all the required payments. Funds that were set aside for this purpose will be exhausted after this fiscal year, and the City will be required to make future payments or face a reduction in its CDBG grant, which would necessitate further program cuts. For the FY 2006-07 payments, it will be possible to use accumulated program income that has not yet been budgeted. Staff proposes to include this reallocation as part of the mid-cycle budget adjustments for FY 2006-07, and will look to future program income as a potential source for payments in FY 2007-08 and beyond.

Modifications to the Housing Rehabilitation Program

1. **Fund the housing rehabilitation programs in a more flexible manner under a single “umbrella” program.**

When the Home Maintenance and Improvement Program was first established, it was envisioned as a comprehensive program that involved multiple loan products and other activities to “provide the City with a well-organized mechanism for effectively rehabilitating the City’s stock of salvageable housing and preventing neighborhood deterioration”. With fixed allocations, some loan products exhaust their funding early in the year, while others have unspent funds. For example, each year the Minor Home Repair Grant program allocation is exhausted three months before the end of the fiscal year leaving seniors and disabled owners at risk until the next fiscal year allocations. The “umbrella” concept would allow staff (with City Administrator approval) to re-allocate sufficient funds to a sub-program when necessary.

Staff recommends that the Access Improvement Program continue to receive at a minimum its current allocation of \$207,675 to ensure sufficient funding for accessibility modifications for low income homeowners and renters with disabilities.

2. **Revise the interest rates for single-family home maintenance and improvement loans.**

Currently this program is not reaching a broad enough range of eligible homeowners. The result is that some low income owners are unable to maintain or rehabilitate their homes, leading to blighting conditions and neighborhood deterioration. Other owners end up turning to predatory lenders, which ultimately leads to excessive debt burdens and possible foreclosure and loss of their homes.

Owners with incomes between 51 and 80 percent of median income are not participating because the current loan terms (6% amortized loans) are indistinguishable from loans available from private lenders. Reducing the interest rate to 3 percent and deferring payments until the home is sold or refinanced will assist more low income borrowers, including those with insufficient income to take on additional debt.

Many owners with incomes less than 50 percent of median income (especially seniors and people with disabilities) have declined program assistance because of the potential increased debt as a result of the interest accrual. Without program assistance, health and safety hazards are not abated or owners become prey to unscrupulous contractors or predatory lenders. Reducing the interest rate on these deferred loans to 0% will overcome this obstacle.

3. Revise the Emergency Home Repair Program loan to a maximum limit of \$15,000 and extend eligibility to very low income owners anywhere in the City.

This program was originally established as a stop gap for owners who resided outside the “target” areas under the 1999-2000 Targeting Initiative and were not eligible for any of the residential rehabilitation programs. The program is limited to very low income (less than 50 percent of median income) residents of the seven Community Development Districts (CDDs).

Given recent increases in construction costs, many of the kinds of repairs (such as roofing work) that were previously covered by the loan limit of \$7,500 can no longer be accommodated. In addition, loan limits for other loan programs have been increased, but this program has not kept pace. Staff therefore proposes to increase the loan limit for this program from \$7,500 to \$15,000.

HUD regulations permit the use of CDBG funds anywhere in Oakland, but the City has chosen to limit the program to the seven CDDs. A significant number of elderly, disabled and other very low income owners reside outside the CDDs. This situation has been further exacerbated by the recent revisions to the geographic boundaries of the CDDs to exclude areas that no longer contain more than 51 percent low and moderate income households. While these owners may have significant equity in their homes, their limited or fixed incomes are too low to permit them to actually borrow against this income. These “house-rich” but low income owners are therefore unable to maintain and improve their homes.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept this report as a follow-up to the report of September 13, 2005 and adopt the attached resolution to enact the recommended changes to the housing rehabilitation loan programs. Staff will return to the Council at a later date with legislation to amend the Consolidated Plan and reallocate HOME and CDBG program income as described above.

Respectfully Submitted,



DAN VANDERPRIEM
Director of Redevelopment, Economic Development
and Housing

Reviewed by: *SR*
Sean Rogan, Deputy Director
Housing and Community Development

Prepared by
Michele Byrd, Manager
CDBG Programs
Jeffrey P. Levin, Housing Policy and Program
Coordinator

Attachments

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT
COMMITTEE


Office of the City Administrator

**Attachment 1:
Housing and Homelessness Goals, Accomplishments and Expenditures**

		Goal (FY 2000-05)	Actual (FY 2000-05)	Budgeted	Additional Funding from Program Income	Total Funding	Expenditures	Balance	Expenditures as a percentage of Budgeted Funds Only
Housing Development				\$92,186,460	\$0	\$92,186,460	\$58,988,009	\$33,198,450	64%
Rental Housing New Construction and Substantial Rehab	units built units underway	550	747 924			(all programs except Neighborhood Preservation listed separately below; all but \$1.3 million is committed)			
Scattered Site Single Family Housing Development	units built units underway	100-200	149 133						
Single Family Housing Acquisition/Rehabilitation (Neighborhood Preservation Program)	units built units underway	30-60	0	\$0	\$1,793,863	\$1,793,863	\$0	\$1,793,863	0%
Preservation of Existing Affordable Units	units built units underway	All units	266 0						
Renovation of Public Housing (HOPE VI)	units built units underway	n/a	129 106				OHA Funded		
First-Time Homebuyers									
Mortgage and Downpayment Assistance	units assisted	600	287	\$12,928,371	\$2,763,243	\$15,691,614	\$13,067,696	\$2,623,918	101%
Mortgage Credit Certificates (contingent on Federal funding)	certificates	n/a	91			No City Funding			
Housing Rehabilitation									
Owner-Occupied Housing Rehabilitation	units completed units underway	600	204 25	\$8,702,512	\$6,260,320	\$14,962,832	\$8,404,356	\$6,558,476	97%
Rental Housing Rehabilitation	units completed units underway	350	0	\$0	\$0	\$0	\$0	\$0	NA
Paint Programs for Owner-Occupied Housing	units completed units underway	3,000	315 16	\$1,582,726	\$300,000	\$1,882,726	\$1,845,162	\$37,564	117%
Minor and Emergency Home Repairs	units completed	1,200							
Minor Home Repair			967	\$1,696,777	\$300,000	\$1,996,777	\$1,946,777	\$50,000	115%
Emergency Home Repair			191	\$2,057,895	\$0	\$2,057,895	\$1,310,680	\$747,215	64%
Access Improvement Modifications	units completed units underway	60	62 3	\$957,717 \$14,997,627	\$198,166 \$7,058,486	\$1,155,883 \$22,056,113	\$1,098,297 \$14,605,272	\$57,586 \$7,450,841	115% 97%

**Attachment 1:
Housing and Homelessness Goals, Accomplishments and Expenditures**

		Goal (FY 2000-05)	Actual (FY 2000-05)	Budgeted	Additional Funding from Program Income	Total Funding	Expenditures	Balance	Expenditures as a percentage of Budgeted Funds Only
Homelessness				\$36,561,574	\$0	\$36,561,574	\$27,385,709	\$9,175,865 (all committed)	75%
Outreach and Information Referral									
Homeless Mobile Outreach Program	people	10,000	7,847						
Health Care for Homeless	people	15,000	2,433						
Other Outreach Services	people	15,000	3,908						
Information and Referral Services	people	15,000	7,583						
Emergency Shelters and Services									
Existing Year-Round Emergency Shelter System	people	10,500	73,008						
Winter Shelter	people	59,605	63,443						
Emergency Shelter Hotel/Motel Voucher Program	people	2,000	8,538						
Transitional Housing									
Existing Transitional Housing Facilities	families	440	680						
Transitional Housing Jobs Campus at Oakland Army Base	people	50	0						
Supportive Services Program									
	housing units	900	616						
Homeless Prevention									
Rental Assistance	households	430	1,245						
Eviction Prevention	households	350	971						
Legal Assistance	cases	3,505	7,214						
Housing Counseling	cases	3,300	12,813						
Tenant Education Program	cases	275	1,073						
Linked HIV/AIDS									
Service-Rich Housing for PLWAA and Families	people	55	82						
Services and Referral	people	1,500	3,348						
Permanent Housing	housing units	46	210						

APPROVED AS TO FORM AND LEGALITY:
OFFICE OF THE CITY CLERK
[Signature]
2005 DE 23 AM 10:32
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER _____

A RESOLUTION (1) MODIFYING THE HOME MAINTENANCE AND IMPROVEMENT PROGRAM (HMIP) TO CHANGE THE INTEREST RATE FROM 3% TO 0% FOR OWNERS WITH INCOME AT LESS THAN 50% AREA MEDIAN INCOME (AMI) AND FROM 6% TO 3% FOR OWNERS WITH INCOME BETWEEN 51% AND 80% AMI; (2) CHANGING THE REPAYMENT PROVISIONS ON HMIP LOANS TO PROVIDE FOR DEFERRED LOANS FOR BORROWERS WITH INCOMES BETWEEN 51% AND 80% AMI; AND (3) MODIFYING THE EMERGENCY HOME REPAIR PROGRAM (EHRP) TO INCREASE THE MAXIMUM LOAN FROM \$7,500 TO \$15,000 AND TO PERMIT LOANS THROUGHOUT THE ENTIRE CITY.

WHEREAS, Ordinance No. 9479 C.M.S. provided for the City Council to make periodic adjustments to certain guidelines for the implementation of the Home Maintenance and Improvement Program (HMIP); and

WHEREAS, there is now an increased need for financial assistance by property owners to facilitate the repair of blighted and deteriorated, owner-occupied residential properties; and

WHEREAS, the current interest rates under the HMIP program have proved to be a barrier to the expeditious use of these funds; and

WHEREAS, the loan limit under the Emergency Home Repair Program is insufficient to meet the rehabilitation needs of program participants; now, therefore, be it

RESOLVED: That the City Council hereby modifies the Home Maintenance and Improvement Program to decrease the interest rate from 3% to 0% for owners with incomes less than 50% AMI and from 6% to 3% for owners with incomes between 51% and 80% AMI; and be it further

RESOLVED: That the City Council hereby modifies the Home Maintenance and Improvement Program to provide deferred loans to borrowers with incomes between 51 percent

and 80 percent of AMI, as is currently the case for borrowers with incomes less than 50 percent of median income; and be it further

RESOLVED: That the City Council hereby modifies the Emergency Home Repair Program to increase the loan limit from \$7,500 to \$15,000; and be it further

RESOLVED: That the City Council hereby modifies the Emergency Home Repair Program to allow loans to be made throughout the City of Oakland; and be it further

RESOLVED: That the City Administrator or her designee is hereby authorized to take any action with respect to the programs described above consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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