CITY OF OAKLAND

AGENDA REPORT

TO:	Elizabeth Lake Interim City Administrator	**FROM:**	Emily Weinstein Director, Oakland Housing and Community Development
SUBJECT:	Affordable Housing Funding and Measure U Capital Funding Authorizations	**DATE:**	October 13, 2026

City Administrator Approval Elizabeth Lake (Sep 30, 2026 12:50:26 PDT) Date: Sep 30, 2026

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

1. **Allocating Funds From Measure U Housing Bond And Other Non-bond Funds In A Total Amount Not To Exceed $50,000,000, Inclusive Of Administrative Expenses, To Fund Affordable Housing Programs Including New Construction Of Multifamily Rental Affordable Housing, Rapid Response Homeless Housing And Homekey, Acquisition And Conversion To Affordable Housing, And Rehabilitation Of Existing Affordable Housing; And**
2. **Authorizing The City Administrator To Allocate And Reallocate Budgeted Affordable Housing Funding From Impact Fees, Program Income, Loan Repayments, And Other Available Affordable Housing Funds As Funds Become Available; And**
3. **Authorizing The City Administrator To Make Development Loans And Grants Under The Affordable Housing Programs, Contingent On Funding Availability; And**
4. **Authorizing The City Administrator To Reallocate Previously Authorized Funds Among Measure U Tranches 1, 2, And 3; And**
5. **Amending Resolution Nos. 86126 C.M.S., 86366 C.M.S., And 89605 C.M.S. To Allocate An Additional Amount Not To Exceed $2,000,000 To The Health And Safety Rehabilitation Program, Contingent On Funding Availability.**

EXECUTIVE SUMMARY

The proposed resolution would authorize up to the amount allowed in the City of Oakland (City) Measure U Tranche 3 bond proceeds, approved as part of the FY 2026-2027 mid-cycle budget, along with other affordable housing funds, to support various Housing and Community Development (HCD) programs, including: New Construction (NC NOFA)

- Rapid Response Homeless Housing (R2H2/Homekey)

- Acquisition and Conversion to Affordable Housing (ACAH)
- Rehabilitation of portfolio properties (Rehab NOFA)

These funding commitments would be enabled by existing and anticipated funding sources. Funding would primarily come from Measure U bond funds, the $850 million Affordable Housing and Infrastructure Bond Oakland voters approved in November 2022, of which $350 million was dedicated to affordable housing across three tranches. HCD has used the first two tranches to commit $248 million across 32 projects, leveraging $5 in outside capital for every $1 of City subsidy and helping the City deliver 42% of Alameda County's affordable housing permits. This reflects the development of 1,000 permanent supportive housing units against an 806-unit target.

In line with past practice for Tranche 1 and Tranche 2 of Measure U funding, HCD is seeking advance authorization to make commitments to projects that will be identified through the City's well-established NOFA/RFP processes and fulfill the City's existing underwriting guidelines. HCD staff will continue to share results from all housing funding program NOFAs with Council after funding commitments have been made through its annual report to Council of all selected projects, locations, income levels served, populations served, and development status to continue to ensure transparency and accountability.

When the City has federal, state and local funding sources available to allocate to affordable housing programs and projects, HCD solicits applications for project funding on a competitive basis. These competitive processes typically prioritize developments that:

- serve extremely low-income households (and particularly those experiencing homelessness)
- leverage outside resources (including highly competitive state and federal funding sources)
- are ready to start construction
- are sustainable and promote equitable outcomes for Oakland residents, workers and businesses
- are on public land, and
- are near transit and neighborhood amenities, among other criteria.

The proposed resolution will help to streamline HCD's NOFA/RFP processes to meet State funding deadlines and increase/preserve the supply of affordable housing through new construction, acquisition/conversion, rehabilitation, and asset management activities.

BACKGROUND / LEGISLATIVE HISTORY

HCD is dedicated to improving Oakland's neighborhoods and to ensuring all Oaklanders have safe and affordable housing. HCD's Housing Development Division is the administrative body that oversees affordable housing production and preservation through funding investments that serve extremely-low, very-low, low-, and moderate-income residents. The Housing Development Division functions as a lending institution: soliciting applications for funding, underwriting, reviewing and evaluating application responses, making funding awards across various programs, managing the funding award and construction draw down process, and ongoing regulatory monitoring of the funded projects. Since Measure U passed in 2022, that lending activity has been the primary engine behind the results summarized in **Table 1** below.

Table 1: HCD's Track Record at a Glance

Metric (FY 2025-2026)	Result
Oakland's share of Alameda County affordable housing permits, 2024-2025	42% - largest in the County
Strategic Action Plan Permanent Supportive Housing target vs. units funded to date	806 planned → 1,000+ funded
Measure U Tranche 1 & Tranche 2 Committed	$248.0M across 32 projects
Affordable units under construction	1,441 (651 for homeless exits)
Affordable units completed	698 (238 for homeless exits)
Outside capital leveraged per City subsidy dollar	$5 for every $1 of City subsidy

Measure U

In November 2022, Oakland voters passed Measure U, the Affordable Housing Infrastructure Bond, with 75.33% in support – surpassing the required 66.67% required for approval. Of the $850 million total funding from Measure U, $350 million was dedicated specifically for affordable housing.

On March 21, 2023, June 28, 2023, and February 20, 2024, Council adopted Resolutions No. 89646 C.M.S., No. 89809 C.M.S. and No. 90118 C.M.S., which authorized Oakland HCD to allocate up to $92 million of Measure U and other local funds for projects through the City's NC NOFA, as well as the ability to fund down the established pipeline as resources became available.

In 2024, City Council approved the advance allocation of Tranche 2 (Fund 5343) of Measure U and other local sources in a total amount not to exceed $113.4 million pursuant to Resolution No. 90419 C.M.S. On December 9, 2024, City Council allocated an additional $10 million of Measure U Tranche 2 to HCD to award through the NOFA process pursuant to Resolution No. 90552 C.M.S. The advanced authorization allowed HCD to make awards to projects which, in turn, were able to demonstrate matching funds for other competitive grants.

On October 7, 2025, City Council approved an additional $40 million in Tranche 2 Measure U affordable housing capital funding, pursuant to Resolution No. 90894 C.M.S. In addition, just

under $30 million in revenue from other sources were authorized to be awarded to eligible affordable housing commitments. **Table 2** summarizes the total Measure U commitment by program. Full project-level details are included in ***Attachment A***.

Table 2: Measure U Tranche 1 and Tranche 2 Spending Summary by Program

Program	# of Projects	Total Units	Homeless/Special Needs Units	MU Commitment (Tranche 1& 2)
New Construction	15	1,172	399	$167,035,412
R2H2/Homekey	6	366	268	$31,564,588
ACAH	11	151	0	$37,000,000
Subtotal	**32**	**1,689**	**667**	**$235,600,000**
5% Administrative Fee				$12,400,000
Total Measure U Tranche 1 & 2				**$248,000,000**

Because Tranches 1, 2, and 3 of Measure U fund the same affordable housing programs and have been tracked and reported together to date, this item also authorizes the City Administrator to reallocate previously authorized funds among the three tranches as needed. This authority allows staff to address timing gaps between when a tranche's proceeds become available and when a given project is ready to close, and it does not increase the total amount of Measure U funds authorized for affordable housing programs.

New Construction Notice of Funding Availability (NC NOFA)

Over the last thirty-plus years, HCD's New Construction program has funded new multi-family affordable rental and homeownership developments, providing below market funding in exchange for long-term affordability restrictions on the units created. The new construction program has primarily funded rental housing developments, as affordable homeownership development was phased out around 2011 (in response to adverse market conditions, limited State funding, and increased homeowners' association litigation risk).

HCD awards funding for the new construction of affordable rental housing on a competitive basis through the NC NOFA and applications must meet minimum threshold standards including income affordability targets to be eligible for funding. City funds are intended to leverage other public and private funding with rounds have generally been timed to prime awardees for various State funding applications, including tax credits.

The NC NOFA is designed to open the application pool every few years to build a pipeline of vetted and scored projects and allow additional awards as funding becomes available. The current active NC NOFA pipeline was established via a NOFA released in the fall of 2024, which resulted in awards in January 2025, and a supplemental round of funding awards in November 2025. In 2025, the NOFA process was enhanced to increase the impact of funding awards toward project readiness and equity goals.

The new criteria added to the 2024 NOFA, and re-emphasized in the pipeline refresh in November 2025, rewarded projects that were ready to apply for tax credits, provided opportunities for exiting homelessness, located on public land and/or gain development approvals via ministerial pathways lowering development costs associated with lengthy approval processes. The timing of the City's NC NOFA awards aligned with State tax credit application rounds and more recently with the inaugural County of Alameda Measure W Home Together Fund Multifamily Homelessness Solutions 2025 New Construction Request for Proposals (Measure W) for developments with permanent supportive housing units.

Additionally, a Racial Equity Impact Analysis (REIA) was conducted in FY 2024-2025 to gauge how the funding program could potentially reduce racial disparities. The REIA produced several focus areas that were addressed in the revised NC NOFA to create more equitable scoring and project selection including: providing alternatives to Coordinated Entry System for selection of residents for PSH, advocacy around changes to the State's competitive scoring system for Oakland projects in areas with high displacement risks, and improved ownership/involvement criteria for emerging developers working within a joint venture.

Oakland HCD continues to be challenged in meeting the demand for affordable housing funding as the number of applicants, depth of need, and developer funding requests greatly exceed the available funding. For the 2024 NC NOFA, a total of 24 applications were received with requests for over $424 million in City funding for 1,874 affordable units of which 491 units are set-aside for homeless exits.

From those applications, five projects, totaling 583 affordable units, received $80.5 million from the January 2025 NC NOFA awards. This left a balance of 19 unfunded applications containing 1,291 units with a remaining request of $344 million. After the additional round of City funding in November 2025 of $63.5 million, the balance of 2024/2025 NOFA pipeline projects is currently 13 applications with 919 units representing $246 million in requests for City capital.

This upfront commitment is designed to structurally align local allocations with the State of California's newly established Housing Development and Finance Committee (HDFC) system, which consolidates multi-family funding under a single application process. By deploying early City capital as an intentional catalyst, HCD is strategizing to position pipeline projects to immediately leverage upcoming State multi-family subsidies while simultaneously applying for State Low-Income Tax Credits. HCD will continue to align local funding processes with this streamlined State framework.

Program Income

Loans issued by HCD to projects through the NC NOFA are repaid by borrowers over time on a residual receipt basis, after payment of project expenses and senior debt. These repayments, referred to as program income, are restricted to the same use and income targeting as the original funding source, and fluctuate with individual project performance.

Homekey and Rapid Response Homeless Housing (R2H2) Program

In 2023, the City Council's biennial budget established a Rapid Response Homeless Housing Fund utilizing "boomerang" Fund 1870 from former redevelopment, as well as Low- and Moderate-Income Housing Asset Fund funds. Pursuant to Resolution No. 89977 C.M.S the Rapid Response Homeless Housing (R2H2) Program was created and modeled after the State of California Housing and Community Development Department's (CA HCD) Homekey to

deliver both permanent supportive housing and permanent transitional housing. The City's R2H2 program launched simultaneously with the City's Homekey Round 4 RFP in November 2023 and has continued with a rolling NOFA ever since. The original available program funds consisted of $10.4 million for capital and $19.6 million for operational subsidy. Pursuant to Resolution No. 90419 C.M.S. an additional allocation of $21 million of capital from Measure U Tranche 2 was allocated to the program in September 2024, for a total of $31.4 million of available capital funding for the Homekey/R2H2 program.

Since its inception, the R2H2 team has awarded funds to four projects:

1. Mandela House (D3)
2. Friendly Manor (D3)
3. Covenant House (D2), and
4. the Holland (D3; forthcoming).

The City's R2H2 program leverages state, federal, and local funding to fill gaps and advance projects. Since its inception, the R2H2 program has attracted over $87 million from other sources, demonstrating the City's ability to leverage roughly $4 for every $1 spent. Currently, the R2H2 program has approximately $7 million remaining and available from Measure U Tranche 2 to fund new applications for permanent supportive housing or permanent transitional housing developments.

Homekey Program
In addition to awarding City funds via the R2H2 program, HCD functions as both a direct applicant and local administrator of the CA HCD Homekey program.

In this role, the City underwrites proposed projects, evaluates readiness and feasibility, and, where appropriate, serves as a co-applicant or sponsor in partnership with developers. The City is responsible for ensuring that projects meet State Homekey requirements, coordinating submissions to CA HCD, and administering local commitments that strengthen competitiveness for State awards including capital gap financing and operating subsidies.

Following the award, the City oversees compliance, construction progress, and long-term affordability and service delivery requirements, ensuring alignment with Housing First principles and local homelessness response strategies. Oakland HCD has applied for and successfully been awarded Homekey funding for twelve projects to date. Several of these developments are under construction or completed construction in early 2026. For FY 2025-2026, three Homekey+ projects were awarded Homekey+ funds from the State including:

1. The Maya (D1)
2. 34th and San Pablo (D3)
3. Mark Twain (D5)

Acquisition and Conversion to Affordable Housing (ACAH) Program
On June 18, 2024, pursuant to City Council Resolution No. 90308 C.M.S., City Council authorized the City Administrator to allocate $10 million of Measure U funds and authority to enter an unsecured loan with the Housing Accelerator Fund (HAF), a non-profit Community Development Financial Institution, to leverage private dollars from banks and philanthropists,

and administer and fund acquisition and rehabilitation loans as part of the City's Acquisition and Conversion to Affordable Housing (ACAH) Program.

The unsecured City loan is pooled with the private funds raised by HAF to fund short-term bridge loans for developers to quickly acquire properties, ranging from single family homes to medium sized apartment buildings, to remove them from the speculative market. To ensure long-term affordability, the loan is enforced via a regulatory agreement so that all units must rent to households at an average of 80% of AMI and below. Resolution No. 90308 C.M.S. also authorized the commitment $30M of Measure U funds for take-out permanent financing of the acquisition and rehabilitation loans. The City's take-out permanent financing repays the HAF short – term bridge loans and becomes long-term amortizing loans (to be paid from project surplus cash flow on a residual receipt basis). In this way, the bridge loan is a revolving loan fund, where the City's permanent loan replenishes the bridge loan pool.

To date, HCD has funded the $10 million loan to HAF and allocated $20 million for permanent take-out financing from Measure U Tranche 2. HAF estimates that they will leverage City funds in a 2.5 to 1 ratio, meaning that HAF intends to raise $25 million leveraged by the City's $10 million loan.

In December 2025, the City released a rolling ACAH NOFA for $22 million at the same time as the Measure U tranche 2 bond sale, pursuant to Resolution No. 90118 C.M.S. The NOFA outlines the terms and conditions of the ACAH program, describes scoring priorities and includes an application for funds. Since HAF is administering the ACAH Program on behalf of the City, NOFA applications are submitted directly to HAF by project sponsors for consideration and evaluation.

Asset Management Services (AMS)
The Asset Management Services Unit (AMS) was formed in 2024 to ensure the long-term viability of the City's affordable housing portfolio. It aims not only to maintain affordable housing but to strengthen it: improving habitability, supporting struggling properties, directing resources where they are most needed, and protecting affordability for generations to come. AMS provides support for the preservation of the City-funded affordable housing projects through periodic rehabilitation NOFAs, a Health and Safety Rehabilitation Program (the "Health and Safety Loan Program"), on-going data gathering and analysis of the portfolio's financial and physical conditions, and enforcement of affordability regulatory agreements and other loan terms. While a portfolio rehabilitation NOFA has not been released since 2019, HCD and the AMS unit plan to release a competitive opportunity in 2027 with already authorized funds from Measure U Tranche 2.

The "Health and Safety Loan Program, established under Resolution No. 86126 C.M.S., amended by Resolution No. 86366 C.M.S., and previously recapitalized under Resolution No. 89605 C.M.S., provides emergency, over-the-counter loans to owners of existing subsidized multifamily affordable housing to correct urgent conditions that threaten resident health and safety or could render units uninhabitable, including critical structural, mechanical, plumbing, electrical, roofing, and other major code-related repairs. Because the program operates outside the competitive NOFA cycle, the City can respond quickly to conditions that cannot wait for a periodic funding round. Loans are generally limited to $250,000 per project, carry 0% interest, and have a 55-year term. The program's available balance is fully committed, $250,000 to Christian Church Homes and $100,000 to Coliseum Connections, leaving no capacity for

additional urgent requests. Staff is conducting outreach across the affordable housing portfolio to identify further health and safety needs and recommends recapitalizing the program by an additional $2,000,000, using Measure U Tranche 3 proceeds and/or other available affordable housing capital funds, to ensure the City retains a responsive funding source for emergency repairs. This program will remain distinct from, and complementary to, the planned 2027 Rehabilitation NOFA: the Health and Safety Program addresses urgent, unplanned conditions on an ongoing basis, while the Rehab NOFA will fund broader, planned rehabilitation work through a competitive process.

Measure U- Tranche 3

The FY 2026-2027 mid-cycle budget process appropriated $50 million to affordable housing programs from Measure U Tranche 3 proceeds. This report requests the separate programmatic authority to deploy those funds. As with prior Measure U allocations, Tranche 3 bond proceeds are expected to be combined with other available non-bond affordable housing capital sources (including impact fee revenue, program income, and other capital funds) so that HCD can close financing on qualifying projects as those other sources become available. This allocation supports HCD's full suite of housing programs: New Construction, R2H2/Homekey, ACAH, and Rehabilitation. While specific program-by-program amounts have not yet been finalized, HCD anticipates that approximately $35 million of the $50 million Tranche 3 allocation will support the NC NOFA. The remainder will support program administration and other affordable housing programs including ACAH and R2H2/Homekey, and Asset Management Services activities such as the 2027 portfolio rehabilitation NOFA (which also draws on the previously authorized Measure U Tranche 2 allocation described above), and recapitalization of the Health and Safety Loan Program. Actual amounts will depend on applications received, project readiness, and final underwriting.

Staff had planned to release the NC NOFA in Fall 2026, however, due to significant changes at the state level, including potential new bond measure funding and the formation of a new state Housing Finance and Development Committee (HDFC), staff plans to release the NOFA in late 2026, or early 2027. This timing ensures the City's funding round aligns with the criteria projects will need to meet to compete for state resources. Staff anticipates issuing the NOFA once state rules and regulations have taken clearer shape, with awards to follow on a timeline aligned to state and federal tax credit funding cycles, as projects typically have a narrow window to close once they receive awards.

Oakland Housing Authority (OHA) Partnership

In collaboration with the Oakland Housing Authority (OHA), projects receiving a City funding commitment through the NC NOFA, including through the Homekey/R2H2 RFP, could also be eligible for assistance from OHA, which has indicated it could commit up to $8 million to projects that demonstrate a need for operating subsidy consistent with the NOFA s Permanent Supportive Housing or deeply affordable housing priorities. This assistance could take the form of operating subsidy, pre-development assistance, and/or capital assistance, depending on the resources OHA has available. As of this report, OHA's Board has not yet acted on this commitment; staff anticipates OHA Board approval will follow Council's consideration to allocate Measure U Tranche 3 funds and authorize development loans and grants under the City's affordable housing programs, and the specific structure of OHA's assistance will be finalized prior to NOFA publication. This collaborative approach reflects the strength of the City and OHA working together to meet the community's affordable housing needs.

ANALYSIS AND POLICY ALTERNATIVES

To maximize the impact of the Measure U Tranche 3 bond funding and HCD's affordable housing resources, and to be consistent with the goals of the HCD Strategic Action Plan 2023-2027, HCD is adopting a flexible allocation approach responsive to project readiness and need which allows City capital move to the most competitive, ready to build projects. This approach is designed to align with the State HDFC's one stop shop for multifamily funding under a single application process. By committing local capital early, HCD can help projects compete for the State funding on the timeline the State's consolidated process requires. Consistent with past practice, the final program-by-program distribution of Tranche 3 funding will be reported to Council through HCD's established Annual Reporting process.

Both new applicants and developers with applications currently in the unfunded pipeline will be eligible for consideration through the Tranche 3 NC NOFA. Consistent with the City's underwriting practice, HCD will prioritize funding toward construction-ready applications with committed non-City funding sources already in place that are best positioned to leverage State resources. HCD reserves discretion to advance qualifying pipeline projects ahead of a full competitive cycle where doing so best positions the City to meet urgent State and Federal funding deadlines.

Policy Alternative

If Council declines to approve this authorization, HCD would be unable to commit Tranche 3 proceeds to projects on the timeline required to compete for the Spring 2027 State and federal tax credit cycles or the State HDFC application process. Affordable housing developments depend on committed local subsidy sources to compete for those state resources, and a delay in this authorization would push qualifying projects to a later funding cycle, slowing construction starts across the pipeline.

RELATED PLANNING EFFORTS

The affordable housing development funding recommendations align with the following City policy initiatives, priorities, and plans:

This item directly advances HCD's own 2023-2027 Strategic Action Plan (SAP), which centers the Department's "Production, Preservation, and Protection" framework on racial equity. Black Oaklanders make up 21% of the city's population but 52% of its unhoused population, and the SAP prioritizes permanent supportive housing (PSH) and extremely low-income (ELI) production as the most direct tool for closing that gap. The SAP also documents the scale of the underlying need: Oakland's 2023-2031 RHNA obligation calls for 10,261 units affordable to lower-income households, roughly 1,283 units per year, more than double the City's prior production pace, and the SAP itself projects that only about 19% of that target is reachable using currently available Measure U and local funds alone. Continued, well-structured NOFA rounds are part of how HCD closes that gap.

The City's Homelessness Strategic Action Plan offers five key activities to reduce homelessness by 50% by 2031: 1. Targeted homelessness prevention 2. Access and coordination 3. Encampment engagement and neighborhood health 4. Interim housing; and 5. Permanent

housing This report describes the City's work to advance point number five, permanent housing. There is a huge gap between market rents and the income of people experiencing homelessness (including both earned income and benefit programs like social security and disability insurance). The key to ending homelessness is permanent housing that is affordable to people experiencing homelessness and which provides supportive services tailored to the needs of the residents. The Plan recommends an investment of approximately 54% of total homeless funding for permanent housing solutions. This significant investment reflects the evidence-based efficacy of this strategy, where rates of housing retention are in the 90% range.

Projects funded through this NOFA also support the City's Equitable Climate Action Plan (ECAP). By funding infill affordable housing on already-developed, transit-accessible sites rather than greenfield or suburban land, awarded projects reduce vehicle dependency consistent with ECAP's transit and land-use goals, including "Abundant, Affordable, & Accessible Public Transit" and "Take Action to Reduce and Prevent Displacement of Residents & Businesses." NOFA underwriting and scoring criteria also encourage energy-efficient, all-electric building design and water-conserving fixtures and landscaping, consistent with ECAP's "Eliminate Natural Gas in New Buildings" and "Reduce Lifecycle Emissions from Building materials" action items.

Finally, this item supports the City's 2025–2029 Economic Development Action Plan (EDAP). Awarded projects generate construction, professional services, and long-term property management jobs in Oakland, and provide affordable housing that helps stabilize household finances for lower-income residents, freeing income for other local spending, while activating underutilized parcels and creating the kind of place-based investment the City's economic development framework prioritizes.

FISCAL IMPACT

This item is not expected to have a direct fiscal impact, as it authorizes allocation of previously appropriated housing funds and Measure U Tranche 3 bond proceeds from the Fiscal Year 2026-27 Midcycle Budget. **Table 4** below lists the capital funding sources HCD may draw upon over the course of this NOFA cycle, including, but not limited to those identified below. All sources listed require the allocation and reallocation authority of budgeted funds this item requests. Actual availability of each source will depend on collections, prior commitments, and appropriations in effect at the time of award, some sources may have no funds available in a given cycle, while others may already be fully committed to prior awards.

Beyond the Measure U Tranche 3 bond proceeds, the FY 2026–2027 budget includes funding from impact fees and other affordable housing capital sources. Because impact fee revenue fluctuates with development activity and cannot be precisely forecast, this item authorizes the City Administrator to allocate or reallocate these available budgeted funds.

Table 4: HCD Capital Funding Sources

Fund/Program	Eligible Uses
1870 - Affordable Housing Trust Fund ("Boomerang" Funds)	Predevelopment, acquisition/rehabilitation, new construction, preservation, operating subsidies, and homeless prevention and rapid rehousing.

1871 - Jobs Housing Impact Fee Fund	Acquisition, new construction, substantial rehabilitation, and preservation.
1872 - Affordable Housing Impact Fee Fund	Predevelopment, acquisition, new construction, substantial rehabilitation, and preservation.
1884, 5610, 5612, 5643, 5656- Excess Redevelopment Bond Funds	Acquisition, rehabilitation, preservation, new construction, and Public Facility Capital Improvements located within the geographic boundaries of the redevelopment project area from which the bonds were issued.
1885 - 2011A-T Subordinated Housing	Predevelopment, acquisition/rehabilitation, new construction, substantial rehabilitation, and preservation.
2103 – HUD HOPWA	Housing assistance and supportive services for people living with HIV/AIDS; permanent, emergency, and transitional housing; rental, mortgage, and utility assistance; and operating costs, for households at or below 80% AMI.
2108 – HUD CDBG	Acquisition, rehabilitation, homeownership assistance, infrastructure, and public services, for low- and moderate-income households.
2109 - HUD HOME	Acquisition, new construction, rehabilitation and conversion, homebuyer and rental assistance, and relocation.
2144- Local Housing Trust Fund Matching Grant (LHTF)/ProHousing Grant, IIG-C Grant/Other State Grants	Infrastructure improvements, Predevelopment, acquisition, rehabilitation, and preservation of multifamily rental housing, and homeless response activities.
2145- Permanent Local Housing Allocation (PLHA)	Predevelopment, acquisition, development, rehabilitation, preservation, operating subsidies, capitalized supportive-services reserves, rental assistance, downpayment assistance, and rapid rehousing.
2159 - State of California Funding/Other	Other State grants for Predevelopment, acquisition, rehabilitation, and preservation of multifamily rental housing, and homeless response activities, etc.
5331 & 5333 Measure KK Bond Funds	Predevelopment, acquisition, new construction, rental and homeowner rehabilitation, and preservation.
5341- Measure U (T1) Affordable Housing	Acquisition, new construction, rehabilitation, and preservation of interim, permanent, or social housing.
5343- Measure U (T2) Affordable Housing	Acquisition, new construction, rehabilitation, and preservation of interim, permanent, or social housing.

5347- Measure U (T3) Affordable Housing	Acquisition, new construction, rehabilitation, and preservation of interim, permanent, or social housing.

Taken together, the funding authorized under this action does not increase costs to the General Fund and allows HCD to continue deploying committed affordable housing capital at the pace the pipeline requires.

PUBLIC OUTREACH / INTEREST

Oakland HCD maintains an established outreach process for NOFA/RFP releases, notifying developers, affordable housing advocates, architects, and contractors via mailing list, and holding periodic outreach to discuss program parameters, development thresholds, and scoring. This same process will apply to Tranche 3. Staff also confers regularly with organizations, stakeholders such as the East Bay Housing Organizations, Oakland Property Acquisition Collaborative, the Housing Accelerator Fund, Alameda County, and the Oakland Housing Authority regarding coordination on affordable housing priorities and Permanent Supportive Housing (PSH) funding. This approach builds upon the extensive community outreach conducted during the development of the Strategic Action Plan (SAP) and Homelessness Strategic Action Plan (HSAP), which included deep engagement with community-based organizations and focus groups of individuals with lived experience of homelessness.

COORDINATION

This report and legislation have been reviewed by the Office of the City Attorney and the Budget Bureau. The Department of Finance was consulted to confirm funding amounts. With respect to the NC NOFA and the award of funding commitments to projects, Planning and Building Department staff will coordinate California Environmental Quality Act (CEQA) determinations, planning and zoning conformity for projects funded through the NOFA. The Department of Workplace and Employment Standards (DWES) is consulted during NOFA preparation and remains involved through project construction to confirm fair and equitable participation of Oakland businesses, workers, and residents in the development of these projects.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

In September 2024, in accordance with the authorized commitment of $113M pursuant to Resolution No. 90419 C.M.S, the City Council approved annual comprehensive reporting of affordable housing funding activities covering: projects awarded, income restriction targets, populations served (e.g. homeless, transitional aged youth, family, senior), and development status by council district. The second annual affordable housing development informational report was delivered to and approved by the Community and Economic Development Committee on May 26, 2026. The report included details on use of appropriated Low and Moderate Income Housing Asset Fund (LMIHAF) and HOME Investment Partnership Program (HOME) revenues during the prior fiscal year, as well as more detailed information about resident demographics. As additional funding sources begin to generate program income, staff

will seek authority to add that income into the department's authorized funding allocations as well.

RACE AND EQUITY

The approach to allocation of funds is directly informed by Oakland HCD's SAP, which was created in collaboration with the Department of Race and Equity, using the City's Racial Equity Impact Analysis (REIA) process; see Related Planning Efforts, above, for the SAP's racial equity framework and the underlying RHNA and permanent supportive housing (PSH) need figures. The funding approaches outlined in this report are also in alignment with the larger Alameda County's Home Together 2026 Plan for ending homelessness, which forecasts that Oakland will need to provide 7,097 units of PSH between 2023 and 2027.

The Housing Development Division has conducted or will conduct REIAs on each funding program periodically to assess the program and evaluate whether program components are addressing racial disparities in housing or if changes should be implemented to better address these disparities. A REIA was completed for the NC NOFA and ACAH in FY 2025 that resulted in changes to several focus areas to create more equitable scoring. The REIAs for R2H2 and the AMS Rehab NOFA are in progress. The feedback from the REIA processes directly shape the funding priorities and equity benchmarks that guide this Tranche 3 deployment.

ACTION REQUESTED OF THE CITY COUNCIL

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For questions regarding this report, please contact Fay Darmawi, Deputy Director of Housing & Community Development, at fdarmawi@oaklandca.gov or (510) 238-3714.

Respectfully submitted,

Emily Weinstein (Sep 29, 2026 15:39:31 PDT)

Emily Weinstein
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Attachments (**1**):
A: Measure U Tranche 1 and 2 Spending

Attachment A: **Measure U Tranche 1 and 2 Spending**

Project Name	Council District	Homeless Units	Total Units	MU Commitment (Tranche 1 and 2)	Status
New Construction					
3050 International /Flickr	5	31	75	$22,583,610	construction complete
Phoenix	3	49	100	$1,773,821	construction complete
Friendship Senior	3	10	39	$3,109,002	construction complete
Longfellow	1	34	76	$3,500,000	Construction complete
E. 12th Street	2	23	67	$15,500,000	Construction Complete
Chinatown TOD	2	44	52	$1,860,000	under construction
The Eliza	3	20	76	$15,051,204	under construction
Mandela TOD	3	60	240	$27,200,000	Under construction
Liberation Park	6	30	118	$26,000,000	predevelopment
2700 International	5	19	74	$6,511,313	under construction
500 Lake Park	2	20	52	$11,212,444	predevelopment
3135 San Pablo	3	25	72	$6,049,028	predevelopment
430 Broadway -Parcel A	2	17	64	$14,984,990	predevelopment
E. 12th Street Seniors	5	17	67	$10,000,000	predevelopment
New Construction TBD				$1,700,000	project TBD
R2H2/Homekey					
Friendly Manor	3	52	52	$359,776	construction complete
The Maya	1	22	22	$5,484,199	under construction
Mark Twain Homes	5	39	108	$8,000,000	under construction
34th and San Pablo	3	30	59	$2,564,588	under construction
Mandela House	3	125	125	$8,000,000	predevelopment
Other R2H2				$7,156,025	Rolling NOFA in 2026
ACAH					

ACAH Take Out				$639,086	Rolling NOFA in 2026
Idora Apartments	1	0	33	$7,632,914	acquired
Just Homes	2	0	4	$700,000	acquired
2000 36th Ave (TUC)	5	0	15	$2,500,000	predevelopment
6106 Hilton St	6	0	15	$1,600,000	predevelopment
319 Chester Street	3	0	2	$968,000	predevelopment
786 61st St	1	0	4	$400,000	predevelopment
2425 Valdez	3	0	71	$3,160,000	predevelopment
539 Mandana	2	0	7	$2,400,000	predevelopment
SFHAF Bridge Loan				$10,000,000	bridge loan
Portfolio Rehabilitation				$7,000,000	NOFA in 2027
SUBTOTAL PROJECTS		**667**	**1689**	**$235,600,000**	
SUBTOTAL 5% ADMIN FEE				**$12,400,000**	
TOTAL Measure U Tranche 1 and 2				**$248,000,000**	