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CITY OF OAKLAND

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator
SUBJECT: NOFA Housing Policy
Recommendations

FROM: Michele Byrd
Director, HCDD
DATE: March 2, 2016

City Administrator Approval

Date:

3/10/16

RECOMMENDATION

Staff recommends that the City Council:

Accept A Report On The Housing Program And Policy Recommendations Associated With the Affordable Housing Notice Of Funding Availability (NOFA).

Adopt An Ordinance Amending Chapter 15.68 Of The Oakland Municipal Code To (1) Allow Affordable Housing Trust Funds From Funds Distributed To The City Under Redevelopment Dissolution Laws To Be Used For Ownership Housing And Mortgage Assistance To Households With Incomes Up To 150% Of Area Median Income, And (2) Allow The Use Of Affordable Housing Trust Funds To Preserve Affordable Housing That Is At Imminent Risk Of Loss Due To Tax Defaults, Rent Increases, Demolition, Or Conversion To Other Uses.

Adopt A Resolution Amending Resolution Nos. 81961 And 82989 C.M.S. To Increase Income Limits For Households Participating In The First-Time Homebuyer Mortgage Assistance Program From 100% Of Area Median Income To 150% Of Area Median Income, And Modify The Corresponding Calculation For The Purchase Price Limit, And Authorizing The Transfer Of \$1,000,000 To The Program From The Affordable Housing Trust Fund.

Adopt A Resolution Establishing An Affordable Housing Acquisition, Rehabilitation, And Preservation Program, Allocating \$1,800,000 From The Affordable Housing Trust Fund to The Program, And Authorizing The City Administrator To Fund Affordable Housing Acquisition, Rehabilitation, And Preservation Loans Under The Program Without Returning To Council.

Adopt A Resolution Establishing An Affordable Housing Multifamily Emergency Repair Program, Allocating \$600,000 From The Affordable Housing Trust Fund To The Program, And Authorizing The City Administrator To Fund Affordable Housing Multifamily Emergency Repair Loans Under The Program Without Returning To Council.

Item: _____
City Council Committee
March 22, 2016

EXECUTIVE SUMMARY

This staff report presents the policy and program recommendations pertaining to the City's Notice of Affordable Housing Funding (NOFA). A companion staff report outlining spending recommendations concerning housing projects and loan modifications is also on the Community and Economic Development Committee agenda for March 22, 2016 in a report titled "NOFA Housing Funding."

As a brief background, each year the City has federal, state and local funding sources to allocate to affordable housing programs and projects. The recommendations contained in this report focus on policy and programs. These recommendations are consistent with the recently published Oakland Housing Cabinet Report, "Oakland At Home." That report presented specific goals and actions to increase the supply of affordable housing, preserve existing housing and protect renters. The recommendations in this staff report will further actions for preserving and protecting existing housing through acquisition and rehabilitation and establishing a multifamily emergency repair program. In addition, staff recommends that more Oaklanders become eligible for first-time homebuyers assistance for households earning up to 150 percent of area median income (AMI), up from the current limit of 100 percent of AMI. Finally, Council is requested to consider an ordinance which would allocate a portion of funds distributed to the City from former redevelopment Agency funds (aka "boomerang funds") for homeownership and mortgage assistance for households earning up to 150 percent of AMI. The ordinance also allows the City to use affordable housing funds to preserve affordable housing that is at imminent risk of loss due to tax defaults, rent increases, demolition or conversion to other uses. Affordable Housing Trust Funds in the amount of \$3,400,000 for Fiscal Years (FY) 2015-16 and 2016-17 are recommended to fund these activities, which would increase opportunities for safe and decent affordable housing within the City of Oakland.

BACKGROUND / LEGISLATIVE HISTORY

First-time Homebuyer Mortgage Assistance Program

The Mortgage Assistance Program (MAP) provides gap financing to low and moderate income first-time homebuyers in order to bridge the gap between affordable payments and the market rate sales prices. The program was established in 1993 together with the First-time Homebuyer Downpayment Assistance Program (DAP), which served households up to 150 percent of AMI. These programs provided an incentive to encourage homeownership in the City of Oakland. Over time, the programs evolved into gap financing which increases the capacity of low and moderate-income buyers to purchase homes. The DAP was reinvented in 1999 to target Public Safety Employees and subsequently modified to include teachers. The DAP program was funded through Redevelopment Agency funds, which restricted purchasers' income to 120 percent of AMI. The program was underutilized since teachers were applying to the MAP which offered a higher loan amount. In response and in order to make the programs more effective, the DAP funds were merged with the MAP.

The MAP program has been incrementally modified to adjust to changes in Oakland's housing market. The maximum assistance has increased from \$35,000 to \$75,000, the income limits have increased from 80 percent of AMI to 100 percent AMI, the combined loan to value ratio

has increased from 95 percent to 100 percent, and the maximum purchase prices have changed from a fixed amount to an amount tied to the maximum program income limit. Prior to the dissolution of the Redevelopment Agency, the MAP received an annual allocation of \$2,500,000. Currently the program is funded from program income and collects over \$1,000,000 annually. Periodically the first-time homebuyer program receives grant awards from the State of California Department of Housing and Community Development, but that funding is fully committed at this time.

Loans for first-time homebuyer MAP are originated on a first-come first-served basis to qualified applicants. All City loans are secured by a deed of trust. There are no monthly payments and the terms require the owner to pay the City the principal plus three percent simple interest accruing annually at the time of sale or the end of the 30 year term.

Affordable Housing Acquisition, Rehabilitation, and Preservation Program

On June 25, 2000, the former Redevelopment Agency established the Affordable Housing Site Acquisition Program, and authorized the Agency Administrator to approve loans up to 100 percent of the acquisition cost to affordable housing developers in order to acquire sites for future affordable housing. Concurrently, the former Redevelopment Agency approved a \$10 million allocation from affordable housing bond proceeds to fund the program. The establishment of this special program was a departure from existing policy because public funds were disbursed to developers prior to securing 100 percent of project financing. By establishing this program, the Redevelopment Agency recognized that the real estate market in 2000 was extremely competitive, and nonprofit and small for-profit housing developers could not make projects feasible if property acquisition was delayed. The program was terminated in 2002 after assisting 10 developers to acquire affordable housing sites, and stimulating neighborhood revitalization by reducing blighted conditions from underutilized and vacant sites.

Due to similar need, , staff recommends updating and reestablishing the Affordable Housing Acquisition, Rehabilitation, and Preservation Program to assist developers to acquire sites for affordable housing, develop or rehabilitate affordable housing properties, or preserve existing affordable units. This program will fulfill one of the Housing Cabinet Report's key recommendations to assist in purchasing existing projects, rehabilitate them and then permanently restrict them or extend the restriction so there will be a long term and stable stock of affordable housing.

Affordable Housing Multifamily Emergency Repair Program

The City of Oakland has a loan portfolio of over 90 affordable housing developments. Staff monitors properties at least every three years to verify compliance with regulatory agreements and to ensure that the properties remain safe and financially sustainable. There are older properties in the portfolio with limited cash flow and reserves. These properties face challenges in obtaining financing to address repair concerns; therefore, they need additional City assistance to continue to provide safe and affordable housing. Newer projects in the City's portfolio are required to make annual deposits into reserve funds and request the City's permission prior to withdrawal. Newer projects are better positioned to address repair concerns as they arise.

ANALYSIS AND POLICY ALTERNATIVES

First-time Homebuyer Mortgage Assistance Program

For this NOFA round, no applications were submitted that proposed producing additional affordable homeownership units. The City equally prioritizes the development of affordable housing ownership and the development of affordable rental housing. Since the dissolution of the Redevelopment Agency, there is no permanent funding source for the First-Time Homebuyer Program. The program has been maintained by using grant funds from the California Department of Housing and Community Development and program income. Grant funds from the State are fully expended and program income is insufficient to sustain the program through the end of the FY 2015-16. During FY 2014-15, the program originated 51 loans totaling \$2,470,620. During the first two quarters of FY 2014-15, the program originated 32 loans totaling \$1,963,398 and committed all remaining funds by November 2015. Additional funds will enable the program to provide gap financing assistance for approximately 13 first-time homebuyers.

Additionally, due to Oakland's escalating housing costs, current purchase prices have exceeded the purchase capacity of moderate-income buyers. Per Zillow.com, one real estate website, the current median sales price for a three bedroom home was \$675,000 from October –December 2015. A household of four within the income limit set at 150 percent of AMI could potentially afford a mortgage of approximately \$570,000 assuming an interest rate of five percent. This gap in affordability prevents middle-income households from purchasing homes. Therefore, staff is recommending an increase in the income limits and the maximum sales price under the MAP program to 150 percent of AMI. In order to allow for this change, Section 15.68.100 of the Oakland Municipal Code, which currently limits the use of Affordable Housing Trust Funds to assist housing serving households at 80 percent of AMI or below, must be amended to increase the income restrictions to 150 percent of AMI in order to use boomerang funds on the MAP program. Additionally, the basis for calculating the purchase price limit must also be increased to be consistent with the new proposed income limit. The estimated new purchase price limit would be \$650,000 versus the current limit of \$475,000. The affordable sales price is calculated based on best-case scenario versus affordability calculations, which are more conservative.

Although the increases in both the median income and home price caps can be criticized as not being focused on those Oaklanders in greatest need for stable and safe housing, staff believes that the changes reflect two other important values. First, it provides an ever shrinking opportunity for middle income Oakland residents to purchase their first home, thereby being able to stay in their community. Second, it helps middle income families build assets.

Affordable Housing Acquisition, Rehabilitation, and Preservation Program

Under the previous Notice of Funding Availability (NOFA) for affordable housing development, the City accepted applications for multifamily affordable rehabilitation projects. However, the NOFA is limited in the context of acquiring sites since it is an annual process taking approximately three months to reach funding decisions. Opportunities to purchase sites do not conform to the NOFA's timeline. The NOFA does not reflect the urgency with which real estate transactions occur and thus prohibits it from being utilized for these purposes.

The proposed loans under the Affordable Housing Acquisition, Rehabilitation, and Preservation Programs creates a different tool in order to create, maintain and preserve affordable housing. Loan funds could be used to assist with site acquisition for affordable housing development, acquisition and rehabilitation of existing affordable properties, preservation of existing affordable housing projects, or acquisition of affordability restrictions on unrestricted housing that is otherwise affordable but in imminent risk of loss. In order to allow for the use of these funds for housing preservation, Section 15.68.100 of the Oakland Municipal Code must be amended to allow the use of Affordable Housing Trust Funds to preserve affordable housing that is at imminent risk of loss due to rent increases, tax defaults, demolition, or conversion to market-rate housing or other uses. (Currently, the Affordable Housing Trust Fund may be used to only preserve housing that is at imminent risk due to termination of use restrictions, non-renewal of subsidy contracts, mortgage defaults or foreclosures, or substandard physical conditions.) Again, this program reflects the Housing Cabinet Report in that it provides funding for creating, maintaining and preserving affordable housing through a variety of means.

Affordable Housing Multifamily Emergency Repair Program

HCDD created the Affordable Housing Preservation and Rehabilitation NOFA to address emergency repairs and needed capital improvements of affordable rental housing. Through this competitive process, projects with greater need but weaker financial capacity were not scoring well and accessing needed assistance. Additionally, the application and award process does not provide timely response to emergencies. Creation of the Affordable Housing Multifamily Emergency Repair Program would create an urgent health and safety repair program for existing multifamily affordable housing projects with limited resources. These loans provide additional tools to HCDD to sustain affordable housing. Such a program is in direct response to the Housing Cabinet Report's goal of adequately maintaining and rehabilitating existing affordable housing. In addition, as the Prospective Housing Inspection Program ramps up, this program could be used to assist in correcting code violations and other life safety items.

FISCAL IMPACT

Funding for the proposed projects will come from three sources:

- 1) FY 2015-16 and FY 2016-17 Low and Moderate Income Housing Asset Fund Balance (Fund 2830). The Low and Moderate Income Housing Asset Fund is a fund required under the Redevelopment Dissolution law to hold funds generated from housing assets (such as land sales or loan repayments) transferred to the City from the former Redevelopment Agency when the Agency dissolved. The current fund balance is from loan repayments received by the City from existing rental or ownership properties. A resolution to appropriate available amounts from this fund balance accompanies this report for the City Council to approve.
- 2) Affordable Housing Trust Funds (Fund 1870). The Affordable Housing Trust Fund (AHTF) is funded by "boomerang funds", impact fees, and certain code enforcement penalties. Funds deposited into the AHTF, and all interest and investment earnings thereon, must be used to increase, improve, and preserve the supply of low-income

affordable housing (i.e., up to 80 percent of AMI) in the City, with priority given to housing for very low-income households (i.e., up to 50% of AMI), per Chapter 15.68.100 of the Oakland Municipal Code. Concurrently with this staff report, staff submitted an ordinance that will increase the maximum income restriction for MAP activities funded out of AHTF boomerang funds up to 150 percent of AMI.

- 3) FY 2016-17 HOME Funds (Fund 2109). HOME funds for the current fiscal year have already been committed to other efforts. A similar allocation is anticipated for FY 2016-17.

Summary of Funds Currently Available

Low Mod Housing Asset Funds FY 2015-16 (2830)	\$ 2,521,517
Estimated FY 2016-17 Low Mod Housing Asset Funds (2830)	\$ 1,000,000
Affordable Housing Trust Fund FY 2015-16 (1870)	\$ 1,282,000
Estimated AHTF FY 2016-17 (1870)	\$ 2,100,000
Anticipated Jobs Housing Linkage fee AHTF (1870)	\$ 132,215
<u>Estimated FY 2016-17 HOME Funds (2109)</u>	<u>\$ 1,200,000</u>
TOTAL	\$ 8,235,732

Fund Distribution Summary – Affordable Housing Funds and Current Amount Available to Fund Projects in the NOFA Pipeline

	Total	City HOME 2109	Low-mod Income Housing Asset Fund 2830	Affordable Housing Trust Fund 1870
Current Funds Available	\$1,282,000	\$0	\$0	\$1,282,000
Loan Repayment Appropriation	\$ 2,521,517		\$ 2,521,517	
FY 2016-17	\$ 4,300,000	\$ 1,200,000	\$ 1,000,000	\$ 2,100,000
Jobs Housing Linkage Fee Due February 2016	\$ 132,215			\$ 132,215
Estimated Funds Available for 2-year Budget Cycle	\$8,235,732	\$1,200,000	\$ 3,521,517	\$ 3,514,215
*Affordable Housing Multifamily Acquisition and Rehabilitation Program (two year total)	\$ (1,800,000)			\$ (1,800,000)
*Multifamily Emergency repair				\$ (600,000)
Predevelopment Loan and Grant Program	\$ (71,881)			\$ (71,881)
*MAP program	\$ (1,000,000)			\$ (1,000,000)
Harp Plaza	\$ (750,000)		\$ (750,000)	
Estimated Funds Available for Project Funding Awards under NOFA	\$4,013,851	\$1,200,000	\$2,771,517	\$42,334

*Funding recommendations described within this staff report

There is \$8,235,732 available in affordable housing funds over the current budget cycle (FY 2015-16 and FY 2016-17). Staff recommends utilizing \$3,400,000 to fund the Affordable Housing Multifamily Acquisition, Rehabilitation, and Preservation Program, the Multifamily Emergency Repair Program and the Mortgage Assistance Program (MAP). Recommendations for the use of the balance of affordable housing funds are described in the *NOFA Housing Funding* staff report.

PUBLIC OUTREACH / INTEREST

During the past two years, the City has completed two important housing-based analyses. In 2015, the Housing Equity Roadmap Report was published and reviewed by City Council after work done by staff and the community. This report presented the evidence and analysis about the extent of the housing affordability problems in Oakland and presented broad based strategies to address them. As a follow up, Mayor Schaaf appointed a group of stakeholders and experts to drill down and develop more specific recommendations and actions. The Cabinet's Report, "Oakland At Home," was published in March, 2016. The program and

spending recommendations in this staff report were drawn, in part, on the Cabinet's discussion and work.

COORDINATION

The Office of the City Attorney was consulted to ensure legality of funding commitment resolutions. The Controller's Bureau was consulted to confirm funding amounts.

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 are near public transit which enables residents to reduce dependency on automobiles and further reduces adverse environmental impacts of development. Projects are selected for funding partially based on their ability to achieve high scores using Leadership in Energy & Environmental Design (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 residents in new 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. The funding recommendations contained in this report are general and not directed to specific projects. Applicants who receive funding are advised about the various permit and review requirements for their project that must be completed prior to receiving funding, including compliance under CEQA.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council:

Accept A Report On The Housing Program And Policy Recommendations Associated With the Affordable Housing Notice Of Funding Availability (NOFA).

Adopt An Ordinance Amending Chapter 15.68 Of The Oakland Municipal Code To (1) Allow Affordable Housing Trust Funds From Funds Distributed To The City Under Redevelopment Dissolution Laws To Be Used For Ownership Housing And Mortgage Assistance To Households With Incomes Up To 150% Of Area Median Income, And (2) Allow The Use Of Affordable Housing Trust Funds To Preserve Affordable Housing That Is At Imminent Risk Of Loss Due To Tax Defaults, Rent Increases, Demolition, Or Conversion To Other Uses.

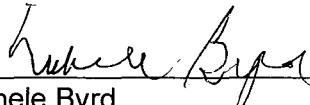
Adopt A Resolution Amending Resolution Nos. 81961 And 82989 C.M.S. To Increase Income Limits For Households Participating In The First-Time Homebuyer Mortgage Assistance Program From 100% Of Area Median Income To 150% Of Area Median Income, And Modify The Corresponding Calculation For The Purchase Price Limit, And Authorizing The Transfer Of \$1,000,000 To The Program From The Affordable Housing Trust Fund.

Adopt A Resolution Establishing An Affordable Housing Acquisition, Rehabilitation, And Preservation Program, Allocating \$1,800,000 From The Affordable Housing Trust Fund to The Program, And Authorizing The City Administrator To Fund Affordable Housing Acquisition, Rehabilitation, And Preservation Loans Under The Program Without Returning To Council.

Adopt A Resolution Establishing An Affordable Housing Multifamily Emergency Repair Program, Allocating \$600,000 From The Affordable Housing Trust Fund To The Program, And Authorizing The City Administrator To Fund Affordable Housing Multifamily Emergency Repair Loans Under The Program Without Returning To Council.

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

Respectfully submitted,

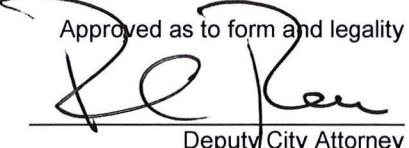


Michele Byrd
Director, Department of Housing and
Community Development

Reviewed by:
Norma Thompson, Manager of Housing
Development

Prepared by:
Christina Morales, Housing Development
Coordinator
Housing Development Services

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2016 MAR 10 PM 6:03

Approved as to form and legality

Debra Reen
Deputy City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE AMENDING CHAPTER 15.68 OF THE OAKLAND MUNICIPAL CODE TO (1) ALLOW AFFORDABLE HOUSING TRUST FUNDS FROM FUNDS DISTRIBUTED TO THE CITY UNDER REDEVELOPMENT DISSOLUTION LAWS TO BE USED FOR OWNERSHIP HOUSING AND MORTGAGE ASSISTANCE TO HOUSEHOLDS WITH INCOMES UP TO 150% OF AREA MEDIAN INCOME, AND (2) ALLOW THE USE OF AFFORDABLE HOUSING TRUST FUNDS TO PRESERVE AFFORDABLE HOUSING THAT IS AT IMMINENT RISK OF LOSS DUE TO TAX DEFAULTS, RENT INCREASES, DEMOLITION, OR CONVERSION TO OTHER USES

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

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

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

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

WHEREAS, Council wishes to allow that portion of the Affordable Housing Trust Fund that comes from funds distributed to the City as a taxing entity under the redevelopment dissolution laws to be used for ownership housing for or mortgage assistance to households with incomes at or below 150 percent of area median income; and

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

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

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

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

"Affordable housing" means housing that is provided at an affordable rent or an affordable housing cost to lower income households or very low income households, except as provided for below. The terms "affordable rent" and "affordable housing cost" shall be as defined in California Health and Safety Code Sections 50053 and 50052.5 and their implementing regulations. Such housing shall have terms of affordability equivalent to those prescribed in California Health and Safety Code Sections 33334.3(f)(1)(A) for rental housing and 33334.3(f)(1)(B) for owner occupied housing. Notwithstanding the above, for funds deposited into the Affordable Housing Trust Fund from the setaside of funds distributed to the City as a taxing entity under the Dissolution Laws, "affordable housing" may also include ownership housing that is provided at an affordable housing cost to households with annual incomes at or below 150 percent of area median income for the Oakland area, adjusted for household size, or owner occupied housing that is being purchased with mortgage assistance by first-time homebuyers with annual household incomes at or below 150 percent of area median income for the Oakland area, adjusted for household size; and the use of such funds for development assistance or mortgage assistance to such housing shall be eligible uses under Section 15.68.100.

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

Funds deposited into the Affordable Housing Trust Fund, and all interest and investment earnings thereon, shall be used to increase, improve, and preserve the supply of affordable housing in the City, with priority given to housing for very low income households. For purposes of this paragraph, to "preserve" affordable housing means to acquire, finance, refinance, or rehabilitate housing that is at imminent risk of loss to the affordable housing supply (including housing that is restricted to affordable housing or housing

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

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

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

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2016

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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



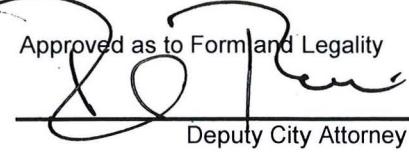
ORDINANCE AMENDING CHAPTER 15.68 OF THE OAKLAND MUNICIPAL CODE TO (1) ALLOW AFFORDABLE HOUSING TRUST FUNDS FROM FUNDS DISTRIBUTED TO THE CITY UNDER REDEVELOPMENT DISSOLUTION LAWS TO BE USED FOR OWNERSHIP HOUSING AND MORTGAGE ASSISTANCE TO HOUSEHOLDS WITH INCOMES UP TO 150% OF AREA MEDIAN INCOME, AND (2) ALLOW THE USE OF AFFORDABLE HOUSING TRUST FUNDS TO PRESERVE AFFORDABLE HOUSING THAT IS AT IMMINENT RISK OF LOSS DUE TO TAX DEFAULTS, RENT INCREASES, DEMOLITION, OR CONVERSION TO OTHER USES

NOTICE AND DIGEST

This Ordinance amends Chapter 15.68 of the Oakland Municipal Code to allow the use of that portion of the Affordable Housing Trust Fund that comes from a setaside of 25% of funds distributed to the City as a taxing entity under the laws dissolving redevelopment agencies to be used for development assistance to ownership projects for or mortgage assistance to households with annual incomes up to 150% of area median income. This Ordinance also amends Chapter 15.68 to expand the definition of "preservation" of affordable housing to include housing that is at imminent risk of loss due to tax defaults, rent increases, demolition, or conversion to other uses.

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OAKLAND

2016 MAR 10 PM 6:03

Approved as to Form and Legality

Bob Reu
Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AMENDING RESOLUTION NOS. 81961 AND 82989 C.M.S. TO INCREASE INCOME LIMITS FOR HOUSEHOLDS PARTICIPATING IN THE FIRST-TIME HOMEBUYER MORTGAGE ASSISTANCE PROGRAM FROM 100% OF AREA MEDIAN INCOME TO 150% OF AREA MEDIAN INCOME, AND MODIFY THE CORRESPONDING CALCULATION FOR THE PURCHASE PRICE LIMIT, AND AUTHORIZING THE TRANSFER OF \$1,000,000 TO THE PROGRAM FROM THE AFFORDABLE HOUSING TRUST FUND

WHEREAS, under program guidelines adopted by Resolution No. 81961 C.M.S., the Mortgage Assistance Program (“MAP”) for first-time homebuyers assists low and moderate income homebuyers with incomes at or below 100 percent of area median income to purchase market rate housing in Oakland by providing deferred loans that bridge the affordability gap and provide homeownership opportunities; and

WHEREAS, under program guidelines adopted by Resolution No. 82989 C.M.S., the maximum allowable purchase price limit is set at an amount equal to a sales price that is affordable to households earning 100 percent of area median income; and

WHEREAS, Council wishes to allow the MAP to assist first-time homebuyers with incomes at or below 150 percent of area median income; and

WHEREAS, Oakland’s median sales price has exceeded the purchasing capacity of households whose incomes are at or below 150 percent of area median income; and

WHEREAS, on September 1, 2015, the City of Oakland issued a Notice of Funding Availability (“NOFA”) soliciting applications for funding for affordable housing developments; and

WHEREAS, there were no applications to provide affordable homeownership opportunities; and

WHEREAS, the MAP has no permanent source of funding since the dissolution of the Redevelopment Agency on February 1, 2012, and utilizes program income in order to originate loans; and

WHEREAS, there is greater demand for the program than funding available, and current funds for the MAP are fully committed; and

WHEREAS, additional funds will provide assistance to a minimum of 20 new low and moderate income homebuyers; and

WHEREAS, Council is considering an ordinance that would permit the use of that portion of the Affordable Housing Trust Fund that comes from funds distributed to the City as a taxing entity under the redevelopment dissolution laws to be used for mortgage assistance to households with incomes at or below 150 percent of area median income; and

WHEREAS, there are sufficient funds in the Affordable Housing Trust Fund from funds distributed to the City as a taxing entity under the redevelopment dissolution law to cover the transfer of funds authorized by this Resolution; now, therefore, be it

RESOLVED: That the City Council authorizes the transfer of \$1,000,000 from the Affordable Housing Trust Fund (1870), Housing and Community Development Organization (89929), from Housing Development Project (P435210) to the Affordable Housing Trust Fund (1870), Housing and Community Development Organization (89929) First Time Homebuyer Program Project (P489520); and be it

FURTHER RESOLVED: That such transfer shall be contingent on passage of an ordinance that would permit the Affordable Housing Trust Fund to be used for mortgage assistance to households with incomes at or below 150 percent of area median income; and be it

FURTHER RESOLVED: That the City Council hereby amends Resolution No. 81961 C.M.S to modify the program guidelines for the MAP to increase the maximum eligible income limit to 150 percent of area median income; and be it

FURTHER RESOLVED: That the City Council hereby amends Resolution No. 82989 C.M.S and approves a modification to the program guidelines for the MAP to set the maximum allowable purchase limit at an amount equal to a sales price that is affordable for households earning 150 percent of area median income; 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 take any actions necessary to execute documents, administer the Mortgage Assistance Program and take any other necessary actions consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES-

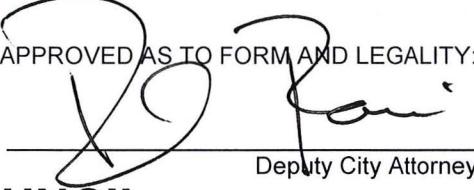
ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2016 MAR 10 PM 6:03

APPROVED AS TO FORM AND LEGALITY:

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION ESTABLISHING AN AFFORDABLE HOUSING ACQUISITION, REHABILITATION, AND PRESERVATION PROGRAM, ALLOCATING \$1,800,000 FROM THE AFFORDABLE HOUSING TRUST FUND TO THE PROGRAM, AND AUTHORIZING THE CITY ADMINISTRATOR TO FUND AFFORDABLE HOUSING ACQUISITION, REHABILITATION, AND PRESERVATION LOANS UNDER THE PROGRAM WITHOUT RETURNING TO COUNCIL

WHEREAS, the City acknowledges that it is facing a serious affordable housing crises with numerous residents living in substandard housing conditions; and

WHEREAS, there is a need to assist developers and owners of affordable housing in the acquisition, rehabilitation and/or development of properties, including existing multifamily housing properties, vacant land, or nonresidential properties, in order to create additional opportunities for affordable housing and maintain currently restricted units; and

WHEREAS, there is also a need to provide assistance to developers and owners of affordable housing to acquire affordable housing developments and to preserve restricted affordable housing and housing that is otherwise affordable.; and

WHEREAS, funds are available from the Affordable Housing Trust Fund to establish a program that will provide such assistance; now, therefore, be it

RESOLVED: That the City hereby establishes an Affordable Housing Acquisition, Rehabilitation and Preservation Program to fund (1) loans to developers or owners of affordable housing to assist in the acquisition and/or rehabilitation of existing multifamily housing properties for use as affordable housing, (2) loans to developers of affordable housing to assist in the acquisition of land or nonresidential properties for development as affordable housing, and/or (3) loans to developers or owners of affordable housing to acquire and/or preserve restricted affordable housing or acquire affordability covenants on unrestricted housing that is otherwise affordable and in imminent risk of loss; and be it

FURTHER RESOLVED: That the City Council hereby allocates a sum of \$200,000 for fiscal year 2015-16 and \$1,600,000 for fiscal year 2016-17 (\$1,800,000 total)

from the Affordable Housing Trust Fund (1870) Housing Development Organization (89929), Housing Trust Fund Housing Development Project (P435210) to the Program; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee is authorized to make loans under the Program from available funds without returning to Council; and be it

FURTHER RESOLVED: That any funds received from repayments of loans made under the Program that are not otherwise restricted or encumbered may be used by the City Administrator to provide new loans under the Program without returning to Council; and be it

FURTHER RESOLVED: That the making of loans 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to the execution; 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 action with respect to the loans and the Program consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES-

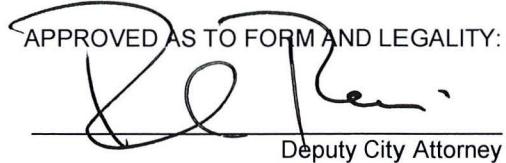
ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

2016 MAR 10 PM 6:03

APPROVED AS TO FORM AND LEGALITY:

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION ESTABLISHING AN AFFORDABLE HOUSING MULTIFAMILY EMERGENCY REPAIR PROGRAM, ALLOCATING \$600,000 FROM THE AFFORDABLE HOUSING TRUST FUND TO THE PROGRAM, AND AUTHORIZING THE CITY ADMINISTRATOR TO FUND AFFORDABLE HOUSING MULTIFAMILY EMERGENCY REPAIR LOANS UNDER THE PROGRAM WITHOUT RETURNING TO COUNCIL

WHEREAS, the City acknowledges that it is facing a serious affordable housing crises with numerous residents living in substandard housing conditions; and

WHEREAS, there is a need to provide assistance to existing affordable housing multifamily housing developments to address immediate health and safety issues to prevent substandard housing conditions; and

WHEREAS, funds are available from the Affordable Housing Trust Fund to establish a program that will provide such assistance; now, therefore, be it

RESOLVED: That the City hereby establishes an Affordable Housing Multifamily Emergency Repair Program to fund loans to owners of existing multifamily housing developments that are restricted to affordable housing to assist in addressing immediate health and safety issues to prevent substandard housing conditions; and be it

FURTHER RESOLVED: That the City Council hereby allocates a sum of \$600,000 for fiscal year 2016-17 from the Affordable Housing Trust Fund (1870) Housing Development Organization (89929), Housing Trust Fund Housing Development Project (P435210) to the Program; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee is authorized to make loans under the Program from available funds without returning to Council; and be it

FURTHER RESOLVED: That any funds received from repayments of loans made under the Program that are not otherwise restricted or encumbered may be used by the City Administrator to provide new loans under the Program without returning to Council; and be it

FURTHER RESOLVED: That the making of loans 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 all loan documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to the execution; 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 action with respect to the loans and the Program consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California