



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 APR -7 PM 3:41

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCDD

SUBJECT: Supplemental NOFA Housing Policy
Recommendations

DATE: March 30, 2016

City Administrator Approval

Date:

4/7/16

RECOMMENDATION

Staff recommends that the City Council:

Accept A Report On The Housing Program And Adopt The Proposed 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 120% 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 120% Of Area Median Income, And Modify The Corresponding Calculation For The Purchase Price Limit, And Authorizing The Transfer Of \$800,000 To The Program From The Affordable Housing Trust Fund.

Adopt A Resolution Establishing An Affordable Housing Acquisition, Rehabilitation, And Preservation Program, Allocating \$1,000,000 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: _____
CED Committee
April 12, 2016

REASON FOR SUPPLEMENTAL OR REPLACEMENT

The Notice of Funding Availability (NOFA) Housing Policy Recommendations report was scheduled to be heard at the March 22, 2016 Community and Economic Development Committee; however, due to a loss of quorum, the item was not heard. At the March 24, 2016 Rules and Legislation Committee meeting, the committee rescheduled the NOFA Housing Policy Recommendations report for the April 12, 2016 Community and Economic Development Committee. The Housing and Community Development Department is providing this supplement report to change the funding amounts for the proposed programs in order to devote more funds to new affordable housing projects. In addition, it is recommended that the proposed income limit for homeownership activities be increased from 100 percent of area median income to 120 percent of area median income. The recommendation in the March 22, 2016 report was an increase to 150 percent of area median income.

ANALYSIS AND POLICY ALTERNATIVES

Staff decreased the proposed funding amounts for the Affordable Housing Acquisition, Rehabilitation, and Preservation Program from \$1.8 million to \$1 million and the Mortgage Assistance Program from \$1 million to \$800,000 in order to provide additional funding to projects awarded under the 2015-2017 NOFA. Additionally the proposed income limits for homeownership activities in the affordable housing trust fund and the Mortgage Assistance Program is proposed to increase to 120 percent of percent of area median income. The recommendation in the March 22, 2016 report was an increase to 150 percent of area median income.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt the following Policy Recommendations Associated With the Affordable Housing 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 120% 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 120% Of Area Median Income, And Modify The Corresponding Calculation For The Purchase Price Limit, And Authorizing The Transfer Of \$800,000 To The Program From The Affordable Housing Trust Fund.

Adopt A Resolution Establishing An Affordable Housing Acquisition, Rehabilitation, And Preservation Program, Allocating \$1,000,000 From The Affordable Housing Trust Fund to The

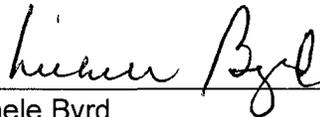
Item: _____
CED Committee
April 12, 2016

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:

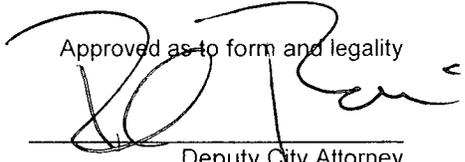
Norma Thompson, Manager of Housing
Development

Prepared by:

Christina Morales, Housing Development
Coordinator
Housing Development Services

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 APR -7 PM 3:40

Approved as to form and legality

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 120% 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 120 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 120 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 120 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



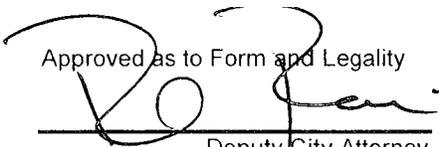
ORDINANCE AMENDING CHAPTER 15.68 OF THE OAKLAND MUNICIPAL CODE TO (1) ALLOW AFFORDABLE HOUSING TRUST FUNDS FROM FUNDS DISTRIBUTED TO THE CITY UNDER REDEVELOPMENT DISSOLUTION LAWS TO BE USED FOR OWNERSHIP HOUSING AND MORTGAGE ASSISTANCE TO HOUSEHOLDS WITH INCOMES UP TO 120% OF AREA MEDIAN INCOME, AND (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 120% 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.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality


Deputy City Attorney

2016 APR 7 PM 2:10
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 120% OF AREA MEDIAN INCOME, AND MODIFY THE CORRESPONDING CALCULATION FOR THE PURCHASE PRICE LIMIT, AND AUTHORIZING THE TRANSFER OF \$800,000 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 120 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 120 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 120 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 \$800,000 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 120 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 120 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 120 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:

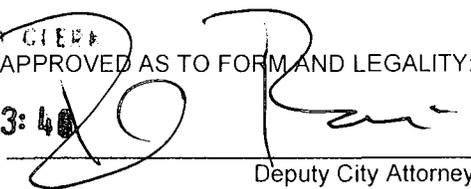
AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

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 APPROVED AS TO FORM AND LEGALITY:
2016 APR -7 PM 3:40

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION ESTABLISHING AN AFFORDABLE HOUSING ACQUISITION, REHABILITATION, AND PRESERVATION PROGRAM, ALLOCATING \$1,000,000 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 \$800,000 for fiscal year 2016-17 (\$1,000,000 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