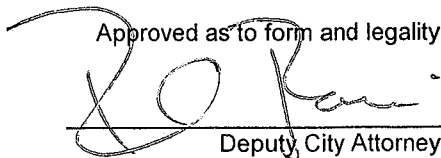


OFFICE OF THE CITY CLERK  
OAKLAND

REVISED CITY COUNCIL 6/20/2017

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Approved as to form and legality  
  
Deputy City Attorney

# OAKLAND CITY COUNCIL

ORDINANCE NO. \_\_\_\_\_ C.M.S.

Introduced by Councilmembers Kalb, Campbell Washington, Brooks  
and Gibson McElhaney

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**ORDINANCE AMENDING CHAPTER 15.62 OF THE OAKLAND MUNICIPAL CODE TO ALLOW AFFORDABLE HOUSING TRUST FUNDS FROM FUNDS DISTRIBUTED TO THE CITY UNDER REDEVELOPMENT DISSOLUTION LAWS TO BE USED FOR ANTI-DISPLACEMENT AND HOMELESS PREVENTION SERVICES**

**WHEREAS**, Chapter 15.62 of the Oakland Municipal Code establishes an Affordable Housing Trust Fund; and

**WHEREAS**, a portion of Affordable Housing Trust Funds comes from a set-aside of 25% of funds distributed to the City as a taxing entity under the laws dissolving redevelopment agencies; and

**WHEREAS**, Section 15.62.040 of the Oakland Municipal Code provides that funds deposited into the Affordable Housing Trust Fund must be used to increase, improve and preserve the supply of affordable housing in the City by funding affordable housing development projects; and

**WHEREAS**, the affordable housing crisis in Oakland has contributed to the problems of displacement and homelessness in the City; and

**WHEREAS**, in two years, Oakland's median rents increased by over 50% to close to \$3,000; meanwhile, the median renter household income has remained flat at \$36,657 or even declined for Oakland's African American, Asian, and Latino populations; and

**WHEREAS**, Oakland's escalating housing costs and lack of sufficient resources to enforce renters' protections and support for low income homeowners are pushing more people into homelessness, and, per the 2017 Homeless Point-In-Time count and

survey, 82% of respondents said they lived in Alameda County before becoming homeless and 50% had lived here for 10 years or more; and

**WHEREAS**, several years ago, the City created a coordinated anti-displacement and homeless prevention safety net, by providing City funds, and leveraging private resources provided by local non-profit organizations; and

**WHEREAS**, the City's new tenant protection policies are contributing to an increase in tenants seeking help; and

**WHEREAS**, with reductions in federal and state funding, there have been insufficient resources dedicated to addressing displacement and homelessness; 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 also to be used for anti-displacement and homeless prevention services for a period of 10 years; and

**WHEREAS**, the proposed amendments to the rules governing the Affordable Housing Trust Fund would give flexibility for the City Council to allocate redevelopment dissolution funds for anti-displacement and homeless prevention services, given that the City is poised to have about \$200-250 million in new funds dedicated to affordable housing development from local bond measures and a new housing impact fee; now, therefore,

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

**SECTION 1.** Section 15.62.040 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):

15.62.040 - Use of funds.

- A. 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.

Funds may also be used to cover reasonable administrative or related expenses of the City not reimbursed through processing fees. No portion of the Affordable Housing Trust Fund may be diverted to other purposes by way of loan or otherwise.

Funds in the Affordable Housing Trust Fund shall be used in accordance with the adopted housing element to the City's General Plan, the Consolidated Plan, and subsequent housing plans adopted by the City Council, to subsidize or assist the City, other government entities, nonprofit organizations, private organizations or firms, or individuals in the construction, preservation or substantial rehabilitation of affordable housing. Monies in the Affordable Housing Trust Fund may be disbursed, hypothecated, collateralized or otherwise employed for these purposes from time to time as the City Administrator so determines is appropriate to accomplish the purposes of the Affordable Housing Trust Fund. Eligible uses include, but are not limited to, assistance with staff costs or other administrative costs attributable to a specific affordable housing project, equity participation in affordable housing projects, loans and grants (including, predevelopment loans or grants) to affordable housing projects, or other public/private partnership arrangements. Monies from the Affordable Housing Trust Fund may be extended for the benefit of rental housing, owner occupied housing, limited equity cooperatives, mutual housing developments, or other types of affordable housing projects. Not more than fifteen percent (15%) of the funds deposited into the Affordable Housing Trust Fund from Affordable Housing Impact Fees may be used for housing affordable to moderate income households unless this limit is waived by the City Council with a specific finding that the waiver is in the best interests of the City.

- B. Notwithstanding the provisions of subsection A above, funds deposited into the Affordable Housing Trust Fund from fines and penalties received under the Foreclosed and Defaulted Residential Property Registration Program pursuant to Section 8.54.620 of this Code, or from fines, penalties, or other funds under other programs that designate the use of funds deposited into the Affordable Housing Trust Fund for foreclosure prevention or mitigation purposes, may be used for foreclosure prevention and mitigation activities, including but not limited to homebuyer or tenant assistance, rehabilitation, housing counseling, education, outreach, and advocacy activities, along with staff costs or other administrative costs attributable to such activities. Upon a finding by the City Council or the City Administrator that funds are no longer needed for foreclosure prevention or mitigation activities, such funds may also be used for other eligible Affordable Housing Trust Fund uses or for other low income or very low income tenant or homebuyer assistance. Funds received pursuant to Section 8.54.620 shall be appropriated to a separate project. For funds received under the Foreclosed and Defaulted Residential Property Registration Program or other programs that designate the use of funds for foreclosure prevention or mitigation purposes, the City Administrator or his or her designee is authorized to award grants and enter into grant contracts or

service contracts without returning to the City Council in amounts not to exceed one hundred thousand dollars (\$100,000.00).

C. Notwithstanding the provisions of subsection A above, until June 30, 2027, 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 may also be used for services and interventions aimed at: preventing displacement of low-income renters from their homes; preventing the displacement of low-income, senior, or disabled homeowners from their homes; rehousing for homeless residents; or protecting low-income renters from poor housing conditions leading to displacement. These services and activities may include, but are not limited to, housing counseling and outreach, rapid-rehousing, legal services, and housing assistance funds for tenants and homeowners who are lower income households or very low income households and who are at risk of losing their home or becoming homeless. Notwithstanding the above, until June 30, 2018, 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 may also be used for services for homeless residents.

**SECTION 2.** 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 3.** 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, \_\_\_\_\_, 2017

PASSED BY THE FOLLOWING VOTE:

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

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_

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

Dr

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MUNICIPAL CODE TO ALLOW AFFORDABLE HOUSING TRUST  
FUNDS FROM FUNDS DISTRIBUTED TO THE CITY UNDER  
REDEVELOPMENT DISSOLUTION LAWS TO BE USED FOR ANTI-  
DISPLACEMENT AND HOMELESS PREVENTION SERVICES**

**NOTICE AND DIGEST**

This Ordinance amends Chapter 15.62 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, until June 30, 2027, for anti-displacement and homeless prevention services and activities, including housing counseling and outreach, legal services, and housing assistance funds for lower income or very low income tenants and homeowners who are at risk of losing their home or becoming homeless, and also, until June 30, 2018, for services to homeless residents.