

5. HOUSING PROGRAM RESOURCES

This chapter of the *Housing Element* presents information on funds available to support Oakland’s housing programs. These programs encourage housing rehabilitation, assist first-time homebuyers, support housing development, and provide miscellaneous housing services to low- and moderate-income households.

A. FORMER REDEVELOPMENT AGENCY FUNDING AND “BOOMERANG FUNDS”

The City of Oakland’s Redevelopment Agency was dissolved as of February 1, 2012. Given this action there will be no future funding for the Low and Moderate Income Housing Fund from property tax increment. Prior to the dissolution of redevelopment the Low- and Moderate-Income Housing Fund was the main source of housing funds utilized to support the City’s housing programs. State law required that the Redevelopment Agency deposit 20 percent of the gross tax increment revenues from redevelopment project areas into the Low- and Moderate Income Housing Fund (LMIHF) to be used exclusively for housing for persons of low and moderate income. In 2001, a formal policy to deposit an additional five percent of tax increment into the LMIHF was adopted. In the years prior to the Redevelopment Agency dissolution, up to approximately \$23 million was available for affordable housing development annually.

In 2011, prior to its dissolution, the Redevelopment Agency, issued a total of \$40 million of tax allocation bonds backed by the Low- and Moderate-Income Housing Fund. Annual debt service on these bonds will be paid by property tax increment as was originally imagined prior to the dissolution of the Redevelopment Agency. Debt service on these bonds will require about \$1.8 million annually and is called an “enforceable obligation.” Those bond funds are designated to be used for two affordable housing development projects: \$24 million for a development in Brooklyn Basin and \$16 million for a development at the MacArthur BART station.

The State statutes governing the dissolution of redevelopment agencies and the wind-down of redevelopment activities provide for the distribution of former tax-increment funding to taxing entities. Those taxing entities that will benefit from Oakland’s Redevelopment Agency dissolution include AC Transit, Oakland Unified School District, City of Oakland, Alameda County, and Peralta Community College. That distribution of property tax will be from the Redevelopment Property Tax Trust Fund (RPTTF) and includes funds not needed by successor agencies to fulfill enforceable obligations. Additionally, there will be distributions to taxing entities sales proceeds and other revenues from the use or disposition of assets of what are now called “successor agencies” (former redevelopment agencies). These funds are called “boomerang funds” and represent a windfall in property tax revenue to the City of Oakland. In late 2013, the City of Oakland committed to setting aside 25% of the funds distributed to the City as a taxing entity under the Redevelopment dissolution and deposit them into the Affordable Housing Trust Fund. Starting in 2015, the Affordable Housing Trust fund is estimated to receive the following boomerang funds on an annual basis. Following are initial estimates of what those deposits will be.⁴⁶

⁴⁶ City of Oakland Ordinance No. 13193 (October 1, 2013).

**Table 5-1
Estimates of Boomerang Funds Deposits**

Fiscal Year	25% Affordable Housing Trust Fund Allocation
2015-16	\$4,290,102
2016-17	\$4,623,733
2017-18	\$5,170,416

B. OTHER FINANCIAL RESOURCES

In addition to boomerang funds, the City also receives Federal HOME and CDBG funds that are allocated for housing. HOME funds are used primarily for housing development projects. In recent years this funding source has been cut dramatically. In FY 2013-14, the City received approximately \$2.2 million in HOME funds. (This is less than half of what was received at the height of HOME funding, \$4.9 million in Fiscal Year 2011-12.) Ninety percent of these funds are used for housing development activities; ten percent is used for planning, administration and monitoring activities.

The City currently receives about \$7 million annually from the federal Community Development Block Grant (CDBG). In recent years, program income from loan repayments has generated an approximately \$800,000 per year additionally. The City anticipates allocating approximately \$3.2 million for housing activities including loans for rehabilitation of owner-occupied housing, capital and operating costs of shelter and housing for the homeless, housing counseling and fair housing services.

The City also receives approximately \$600,000 in federal Emergency Shelter Grant funds for support of shelter and services for the homeless.

In addition to the HOME and CDBG Programs, affordable housing developers in Oakland routinely apply for low-income housing tax credits.

C. OTHER NON-FINANCIAL RESOURCES

The City of Oakland's Department of Housing and Community Development Agency (DHCD) operates the City's housing programs. DHCD staff routinely assists affordable housing developers. Thus, one of the crucial non-financial resources that the City provides is its housing staff.

D. HOUSING PROGRAMS

The City of Oakland's housing programs support and fund housing rehabilitation, provide assistance to first time homebuyers, help fund housing development, and provide other miscellaneous housing services for low- and moderate-income households. A brief description of each program is presented below. A more detailed Directory of Housing Programs is included in Appendix D.

Housing Rehabilitation

There are nine Housing Rehabilitation Programs. These include the following:

- **Access Improvement Program** – Provides grants for accessibility modifications for both rental and owner-occupied properties. The property must be located in one of the seven Community Development Districts.
- **Emergency Home Repair** – Provides loans for major home repairs that require immediate attention due to a citation issued by a Fire Marshall, Health Officer or Code Enforcement Officer. Loans are made to low- and moderate income owner occupants of one to four unit dwellings located in the City of Oakland.
- **HMIP Deferred Payment Loan** – Provides rehabilitation resources to low-income homeowners unable to qualify for conventional mortgage loans. The property needs to be located in one of the seven Community Development Districts.
- **Lead Safe Housing and Paint Program** – Provides free risk assessment for lead hazards and contracted painting services (exterior and limited interior painting) to qualified owner-occupied low and moderate income households.
- **Minor Home Repair Program** – Provides small grants to low-income senior homeowners or homeowners with a disability who live in one of the seven Community Development Districts. The program is operated under contract with Alameda County.
- **Neighborhood Housing Revitalization Program** – Provides financial assistance to owners of vacant and blighted residential properties with one-to-four units or single family dwellings that are in need of repair to correct code violations and to eliminate safety and health hazards.
- **Rental Rehabilitation Program** – Provides rehabilitation financing for privately owned residential properties. The maximum loan amount will be 50% of the construction costs. The maximum loan amount will be determined after a needs assessment is completed. Loan interest rates will be linked to the market. Affordability requirements will be set to balance anti-displacement interests with property owner’s incentives to participate in this rental unit improvement program.
- **Residential Receivership Program** – Not yet under way, this program is designed to facilitate the rehabilitation of vacant and/or blighted substandard properties. A third party “receiver” is appointed by the courts to obtain the financing and to provide design construction services necessary to rehabilitate blighted properties throughout the City of Oakland.
- **Weatherization and Energy Retrofit Loan Program** – Provides loans to owner-occupied low- and moderate-income households to provide weatherization and baseline energy efficiency upgrades.

First Time Homebuyers

There are four First Time Homebuyer Programs. None have geographic targeting.

- **Mortgage Assistance Program (MAP) for First Time Homebuyers** – This program is still in place but does not have a dedicated source of funding. City staff will administer loans under this program as program income becomes available. This program provides deferred interest loans of up to \$75,000 to low-income, owner-occupant, first time homebuyers; and up to \$50,000 to moderate-income, owner-occupant, first time homebuyers.
- **Down Payment Assistance Program (DAP) for Public Safety Officers and Oakland Unified School District Teachers** – This program is still in place but does not have a dedicated source of funding. City staff will administer loans under this program as program income becomes available. Loans will be up to \$50,000 to sworn police and fire services officers and Oakland Unified School District teachers, earning incomes that are at or below 120 percent of the median income level.
- **First Time Homebuyer CalHome Program** – A California State grant funded program that provides assistance to first time homebuyer via deferred loans for up to \$60,000. This program is still in place but does not currently have any grant funding. City staff will apply for funds the next time grants become available. City staff will administer loans under this program as program income becomes available.
- **First-time Homebuyer Shared Appreciation Mortgage (SAM) Program of the Local Housing Trust Fund** – A California State grant funded program that provides funds to local jurisdictions that have a local housing trust fund. The program provides assistance to first time homebuyers via deferred loans for up to \$60,000. This program is still in place but does not currently have any grant funding. City staff will apply for funds the next time grants become available. City staff will administer loans under this program as program income becomes available.

Foreclosure Related Abatement-, Acquisition and Rehabilitation-, and Ownership Preservation Loan-Programs

- **Community Buying Program** – A program designed to transform abandoned and/or foreclosed properties into new affordable ownership or rental housing.
- **Foreclosed Properties Blight Abatement** – Enforce proactive maintenance requirements on lenders of foreclosed properties and City registration requirements.
- **Home Preservation Loan Program** – Provide up to \$50,000 in forgivable loan funds for distressed homeowners.
- **Investor-Owned Properties Program** – Enforce City ordinance requiring investors who purchase properties with foreclosure history to register and allow for City interior inspection to address habitability issues.
- **ROOT Loan Fund (Neighborhood Stabilization Program (NSP) Program Income)** – A foreclosure mitigation pilot loan program that provides assistance to eligible homeowners to preserve ownership of homes in foreclosure.

Housing Development

The City of Oakland operates several Housing Development Programs. These are discussed briefly below.

- **Affordable Housing New Construction and Substantial Rehabilitation Program** – Provides funds to entities with demonstrated experience and capacity in the development and management of affordable rental or ownership housing at a below-market interest rate for the construction of low- and moderate-income housing. Loan terms range from 55 years for rental housing to permanently affordable for homeownership units.
- **Affordable Housing Rehabilitation and Preservation** – Provides funds to facilitate emergency repairs and capital improvements to strengthen the financial and physical condition of existing affordable rental housing regulated by the City of Oakland.
- **Predevelopment Loan Program** - Provides predevelopment loans to non-profit housing developers. These funds can be used to prepare applications for project financing. At least 40 percent of the units need to be earmarked for low-income persons.

Emergency Shelters and Services for the Homeless Population

The City operates a number of programs that provide assistance to the homeless population in Oakland. These programs include the following:

- **Code enforcement relocation Program** – Provides assistance to tenants mandated to move due to City enforcement of housing and building code problems.
- **HEARTH Emergency Solutions Grant Program** – Provides housing services that lead to permanent access to housing (rapid rehousing services, homelessness prevention, support services in housing, outreach, shelter, and housing resources).
- **Matilda Cleveland Transitional Housing Program** - Provides temporary housing for homeless families attempting to stabilize their lives in order to help them obtain permanent housing. Approximately fifteen families can be assisted at this transitional facility.
- **Supportive Housing Program/Homeless Families Support Network** – Provides a continuum of services, shelter and transitional housing (54 units) to assist homeless families.
- **Transitional Housing Program** – Provides temporary housing (9-12 families) for homeless families attempting to stabilize their lives in order to obtain permanent housing.
- **Oakland Homeless Youth Collaborative** – Provides 24-29 transitional housing beds for homeless youth.
- **East Oakland Community Project/Crossroads** – Provides temporary shelter in a state-of-the-art emergency shelter facility with 125 beds and comprehensive support services for homeless people.
- **Homeless Facilities Construction and/or Rehabilitation** – Provides funding for construction or rehabilitation of emergency, transitional or permanent housing with supportive services for homeless persons.

Miscellaneous Housing Services

Non-profit service providers are funded by the City of Oakland to assist Oakland residents in a variety of housing related activities. These non-profit service providers may also receive funds from other organizations and agencies. Housing services include the following:

- **Door-to-Door Foreclosure Prevention Outreach** – Door-to-door outreach on foreclosure prevention and other housing assistance services.
- **Foreclosure Counseling and Prevention** – Provides housing counseling and legal services for homeowners in foreclosure.
- **Housing Assistance Center** – Provides one-stop housing services and referrals, including accessing affordable housing and homeless shelter placements.
- **Pre- and Post- Purchase Counseling** – Provide informational mailings, outreach and counseling services to first-time and re-entry homebuyers, as well as homeowners facing possible foreclosure.
- **Rental Assistance Fund** – Provide up to \$5,000 in rental assistance grants to distressed tenants.
- Housing search assistance, counseling, and referrals for people with a disability.
- Fair housing and landlord-tenant counseling.
- Rent adjustment board.