Addenda

Affordable Housing Development Financing Program

City of Oakland

Department of Housing and Community Development

September 10, 2013

2013 Housing Development NOFA

Addenda

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Addendum #1: Minimum Developer Qualifications

This section contains criteria for assessing developer experience, competence, and capacity. The criteria can help developers and development teams to evaluate the likelihood of obtaining City funding. Staff is available to discuss any of the criteria provided herein.

DEVELOPER QUALIFICATIONS

The following set of developer criteria apply to the development entity that has applied for funding. All development entities applying for funding must meet the experience requirements below. A developer which does not meet the criteria for experience may joint-venture with a developer which does. Joint-venture criteria are outlined below in Section III.

I. NONPROFIT DEVELOPERS

DEVELOPMENT EXPERIENCE. The development entity applying for funding must have experience successfully completing at least three affordable housing development projects. At least one of the completed projects must be similar to the project for which funding is being sought. Developers must submit the following information concerning completed projects.

1. The type of project developed (Number of units, funding sources, total development cost, new construction or rehabilitation).
2. Location of project.
3. Date of project start and completion.
4. List of staff members involved in the development of the project.
5. The income level of the households that were served.
6. Name, title, and telephone number of staff member of local governing body most familiar with the project.
7. Whether project was on time and on budget (relative to schedule and budget at start of construction)

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs). For organizations qualifying as CHDOs for the purposes of HOME funding, the staff with development experience must be paid employees on staff at the organization (not consultants, contractors, board members, or volunteers).

II. FOR-PROFIT DEVELOPERS

In general, the experience of a for-profit developer will be treated similarly to the experience of a nonprofit developer. For-profit developers must also submit the resumes of the firm principals.

III. JOINT VENTURES

A. Prior to funding approval, the City must review and approve all joint venture agreements. In all joint ventures, a majority interest and control must be held by the development entity meeting the City requirements for experience as described in Sections I & II above.

B. If the joint venture entity is composed of a for-profit developer and a nonprofit developer, the City will decide which criteria are applicable by determining which joint venture partner has the majority interest in the management and operation of the joint venture

In special circumstances only, the City may approve joint-venture agreements in which the development entity meeting the City experience requirements does not hold a majority interest in the development, but holds control over key development and management decisions.

IV. LIMITED PARTNERSHIPS

For projects proposed as limited partnerships, the City reserves the right to approve the limited partnership agreement.

DEVELOPMENT TEAM QUALIFICATIONS

The following section addresses the required elements of the development team. Resumes must be included for each development team member to document their qualifications and experience.

I. REQUIRED EXPERIENCE OF THE DEVELOPMENT TEAM

A. Developer Project Management: Experience with 3 similar projects is required.

1. Please show experience with at least 3 projects similar to the project proposed.
2. Please show that the lead staff person assigned has completed one project from start to finish, which should be of the same general type and complexity as the project being proposed.
3. Submit resumes and job descriptions of key staff.

B. Architect: Experience with 3 similar projects is required.

1. Please show experience with at least 3 projects similar to the project proposed.

2. Please show experience with a project that was financed by similar types of funding sources (e.g. local, state or federal). Experience in this area is desirable, not mandatory.
3. Please show experience with similar construction types, e.g. steel or wood frame, podium construction.
4. If this is unusually complex, please demonstrate experience with a project of similar complexity.
5. Please show that the lead staff person assigned to the project has the required experience.
6. Submit resumes and job descriptions of key staff.

C. Attorney: If the developer uses different law firms for different aspects of the projects, then key staff for the assignment should have experience in the relevant area.

1. Please show experience in housing and redevelopment law.
2. Please show experience in corporation law (nonprofit corporate law desirable, if a nonprofit developer is involved).
3. Please show experience in real estate law.
4. Please demonstrate experience in low income housing tax credit syndication (if the project is proposed to be syndicated).
5. Submit resumes and job descriptions of key staff.

D. Development and/or Financial Consultant: Experience with 3 similar projects required. A development consultant is not required if the developer and development team possess sufficient experience.

1. Please show experience with a project that was financed by similar types of funding sources (e.g. local, state or federal). Experience in this area is mandatory.
2. If this project is unusually complex, please demonstrate experience with a project of similar complexity. Please show that the lead staff person assigned has completed one project from start to finish, which should be of the same general type and complexity as the project being proposed.
3. Submit resumes and job descriptions of key staff.

E. General Contractor: Experience with 3 similar projects required. Designation of a general contractor is not required with the NOFA application submission. Upon designation of a general contractor, the following information must be submitted as part of the City approval process.

1. Please demonstrate experience with similar construction types, e.g. steel or wood frame, podium construction.
2. If this project is unusually complex, please demonstrate experience with a project of similar complexity.

3. Please show experience with prevailing wage/Davis-Bacon requirements. Experience in this area is desirable. If contractor has been involved with a previous project partially financed by the City, previous performance will be considered.
4. Please show experience with local hiring programs. Experience in this area is desirable. If contractor has acted on a previous project partially financed by the City or, previous performance will be considered.
5. Please demonstrate that the contractor has the capacity to take on the project.
6. Please show that the on-site construction supervisor has the experience required of the contractor.
7. Submit resumes and job descriptions of key staff including the on-site manager.
8. Submit evidence that the contractor has the ability to obtain the required labor and materials, and performance bonds in an amount equal to one hundred percent (100%) of the construction contract amount.

F. Property Manager

1. Submit evidence of experience with 3 similar projects.
2. Submit list of all projects managed within the past five years and show the current status.
3. Submit evidence of experience with the management of projects that are subject to rent and occupancy restrictions.
4. If the proposed project is unusually complex, please demonstrate experience with a project of similar complexity.
5. Please show that the lead staff person assigned has the same management experience that is required of the manager.
6. Please provide evidence that the management company has the capacity to take on the project.
7. Submit resumes and job descriptions of key staff.

G. Developer as Builder

If the developer desires to act as the builder, all the requirements that have been listed under "E. Contractor" must be met by the developer.

H. Developer as Property Manager

If the developer desires to act as the property manager, all the requirements that have been listed under "F. Property Manager" must be met by the developer.

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Addendum #2: Affordable Homeownership Development Program

September, 2013

The City's Affordable Homeownership Development funding program (AHDP) is structured to keep its new homeownership projects permanently affordable. Under the terms of the City funding for this program and by State law, all assisted units must be sold to qualified first-time homebuyers at an affordable housing cost. This requires that the assisted unit be sold at an affordable sales price. Each time the assisted unit is sold, it must be sold at not more than the affordable sales price, which changes over time based primarily on changes in the maximum income levels and interest rates.

To help accomplish this, the City may provide a forgivable development loan to the developer to be used for a portion of the development costs. Generally, for projects where all units are affordable, the City will forgive and convert to a grant that portion of its development loan equal to the difference between the total development cost and the total net sales proceeds. This is intended to allow the developer to sell the assisted units to initial qualified buyers at affordable sales prices yet still cover costs and receive a reasonable profit. In the case where some units will be sold at market-rate, the amount of the development loan that may be forgiven will be determined on a project by project basis.

Because the prices are limited to no more than the affordable sales prices for the target households, silent second mortgages are not provided by the City. When the homeowner sells the unit to the next qualified buyer, the sales price will be limited by the affordable housing cost for that particular unit (based on the interest rate and maximum income limit at that time of sale). At resale, the homeowner will be able to receive the equity from their original investment and any repayment of their first mortgage plus all the appreciation up to the maximum Affordable Sales Price (ASP).

Average Affordability 100% of AMI: Based on current City Council policy, though households with incomes up to 120% may be assisted, the average affordability level for all assisted units in a project must not exceed 100% of AMI. For example, in a 20 unit project, 6 units would be sold to households at 120% of AMI, 6 units would be sold to households at 80% of AMI, and 8 would be sold to households at 100% of AMI.

DETERMINING THE AFFORDABLE HOUSING COST FOR AN ASSISTED UNIT

The Affordable Housing Cost (AHC) is the maximum monthly housing cost that a household in a certain income group should pay. The AHC is set as a maximum percentage of a certain income adjusted for family size for the appropriate unit. The maximum income limit for AHDP units is 120% AMI as set by the Oakland City Council.

For simplicity in marketing and sales, it is advised to have as few different target income groups in a development as feasible. The general formula to determine the Affordable Housing Cost is:

- Households earning less than 80% AMI:

  One-twelfth of 30% of ten percent less than the target income limit, adjusted for family size. Example: the AHC for units restricted to households earning up to 60% AMI is: 1/12 of 30% of 50% AMI adjusted for family size for the appropriate unit.

- Households earning 81% AMI-120% AMI:

  One-twelfth of 35% of ten percent less than the target income limit, adjusted for family size. Example: the AHC for units restricted to households earning up to 90% AMI is: 1/12 of 35% of 80% AMI adjusted for family size for the appropriate unit.

Housing costs used in the calculation of Affordable Housing Cost include all of the following associated with owning a housing unit: principal and interest payments on a mortgage loan; private mortgage insurance; property taxes and assessments; fire and casualty (hazard) insurance covering replacement value of improvements; a reasonable allowance for utilities (using the Oakland Housing Authority's Utility Allowance as a base) and for unit maintenance; and homeowner's/maintenance association fees (if applicable).

PRESUMED HOUSEHOLD SIZE FOR CALCULATING AFFORDABLE HOUSING COST

For purposes of calculating the AHC, "family size appropriate to the unit" means a household of:

a) one person in the case of a studio unit;
b) two people in the case of a one-bedroom unit;
c) three people in the case of a two-bedroom unit;
d) four people in the case of a three-bedroom unit; and
e) five people in the case of a four-bedroom unit.

Although the ASP is based on a specific target income level, the income of the particular homebuyer must not exceed the required maximum income for the assisted units (as very low, low or moderate income units as approved by Council) based on their actual income and household size.

DETERMINING THE AFFORDABLE SALES PRICE FOR AN ASSISTED UNIT

The maximum Affordable Sales Price (ASP) is the total sales price at which a typical household with an income equal to a specified percentage of the area median income, adjusted for the household size appropriate for the unit size, pays no more than an Affordable Housing Cost per month.

Affordable sales prices are based on the target income level (for example, 80% AMI for units restricted to Low Income households), not the income of the actual homebuyer. The household size adjustment that is used in determining the income limit for purposes of setting the maximum affordable sales price is based on the number of bedrooms in the unit, not the size of the specific homebuyer's household. This allows sales prices to be set in advance of identifying a specific buyer. This also ensures that the homes are affordable to a range of low or moderate income households.

ASSUMPTIONS AND INDICES

The City strongly recommends the following indices for each of the assumptions used in calculating both the Affordable Housing Cost and the Maximum Affordable Sales Price for the initial sales and for any future sales. Any deviation from these assumptions must be clearly identified and justified by the project sponsor:

- The downpayment percentage will be assumed at 5% of the sales price.
- The interest rate on the first mortgage loan will be assumed to be equal to the Federal National Mortgage Association's (FNMA) Required Net Yield Rate for 30-year fixed rate mortgages (60-day Actual/Actual), as of the date and time of day specified by City, rounded to the nearest one-eighth of one percentage point (0.125%). If the FNMA required net yield rate cannot be determined, the assumed interest rate shall be set by City using a comparable rate intended to approximate typical rates available to borrowers for 30-year conventional fixed-rate mortgages. For purposes of estimating the sales price at the time of application, a 15-year average of the FNMA Rate should be used.
- The term of the first mortgage loan will be assumed, and required, to be 30 years, fixed.
- The effective property tax rate will be assumed to be 1.4% of the sales price, plus a minimum of $800 for special assessments.
- Private mortgage insurance (PMI) will be assumed to equal to 0.77% of the first mortgage amount.
- Utility costs shall be based on the current Utility Allowances prepared by the Oakland Housing Authority (OHA).
- Maintenance reserve assumption shall be a minimum of $25 per month and will assume a 5% annual increase.
- Hazard and casualty insurance payments will be assumed at .35% of the sales price.
- The homeowner's association/maintenance association fees will be the amount charged by the homeowners association for the Project.

The City reserves the right to adjust any of these assumptions to reflect changing conditions or industry standards.

When the developer is ready to start marketing the units (generally 60 days prior to start of construction), they should contact the City's Housing Development staff and submit an updated Affordable Sales Prices which would reflect the most current income limit and interest rate for the project.

When the existing homeowner is ready to sell their unit, they must provide written notice to the City's Housing and Community Development staff of their intention to sell their unit at least 60 days prior to listing the unit for sale. They must request that the City provide a written statement of the current Affordable Housing Cost and Affordable Sales Price for their particular unit as well as whether the City will exercise its (first) right to purchase.

LONG TERM AFFORDABILITY AND FAIR RATES OF RETURN

The City will allow the buyers of the units to receive a fair rate of return and, at the same time, will assure that the units are sold only to qualified homebuyers, at not more than the maximum Affordable Sales Price, over the life of the project (essentially in perpetuity). This is realized by the following:

Long Term Affordability. The loan agreement with the developer will contain appropriate pass-through enforcement provisions (an Affordability Agreement recorded at close of the development loan and a Declaration of Resale and Occupancy Restrictions and Grant of First Right of Purchase ["the Declaration"] and Performance Deed of Trust [Deed of Trust] recorded prior to sale of each unit to an initial buyer) for the City to ensure compliance on the part of both the developer and the homeowners. A recorded Assumption Agreement executed by the initial homebuyer and each subsequent homebuyer, and referencing the Declaration and the Deed of Trust, will ensure that houses are resold only to qualified low or moderate income households at an affordable sales price each time the unit is sold. Except in extraordinary circumstances, the City will not subordinate affordability covenants, including the Declaration and the Deed of Trust.

Fair Rate of Return. When the owner sells the unit to the new buyer, the seller will be able to receive the net sales proceeds from their original investment plus all of the appreciation up to the ASP. The seller receives a fair, though very limited, rate of return on their investment, much like that from the sale of a unit in a limited equity cooperative. The ASP will fluctuate based on both the maximum income limit for the unit and the interest rate at the time of sale, not based on market forces. Because the sales prices are always going to be affordable, no additional City mortgage assistance will be needed or provided to keep the units permanently affordable.

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Addendum #3: Guidelines for Developer Fees on Housing Development Projects

MAXIMUM DEVELOPER FEE

Tax Credit Projects

At application for City funds, the total developer fee allowed for tax credit projects (both for 4% and for 9% projects) shall not exceed $1,400,000, the amount currently allowable in tax credit eligible basis by TCAC for 9% tax credit projects (see TCAC Regulations Section 10327).

If, after receiving a commitment of City funding, the sponsor is able to leverage additional funding which allows a fee higher than the maximum shown above without a request for additional City funding, the City may negotiate and approve additional developer fees for the project.

Non-Tax Credit Projects

For projects not using tax credits, the following limits will apply:

First 20 units:	$30,000 per affordable unit
Unit 21 to unit 40:	$20,000 per affordable unit
Units 41 and above:	$15,000 per affordable unit
Maximum fee:	$1,400,000

The fee for each project is subject to approval by the City of Oakland. Note that fees may also be capped by other financing sources.

Allowable fees for mixed-income projects, minor rehabilitation projects, or rehabilitation of existing affordable housing will be negotiated on a project-by-project basis. If the proposed project includes market-rate units, is an acquisition/rehab or refinance/rehab, please call Housing Development staff as soon as possible prior to submitting your application to discuss the allowable developer fee.

Developer fees are contingent upon satisfactory completion of the project. Where project costs exceed the approved budget, developers may be required to contribute a portion of the developer fee toward the excess costs.

Amount available for developer administration/overhead prior to completion:

The lesser of the following:

- 50% of the total developer fee.
- $400,000.

SCHEDULE FOR DISBURSEMENTS

The approved total developer fee for the project will be earned based on a schedule agreed upon by the City and the developer. The following standard schedule of disbursement applies, and is expected to be implemented.

Administration portion (up to a maximum of $400,000):

1. 50% upon securing firm commitments for all financing and closing City loan.
2. Additional 50% upon start of construction.

Remainder of development fee:

1. 50%, or the balance of the fee, less a final disbursement of $100,000 (for cost certification as specified below), upon full occupancy and closing of all permanent financing.
2. 50%, up to a maximum of $100,000, upon City review and approval of final cost certification, and HOME Completion Report or tenant lease up report. (Please refer to Program Description and Requirements for additional details on the final cost certification process).

The following examples illustrate the disbursement schedule, for purposes of clarity:

	Project A: 87 Units	*Project B:* 12 Units
Total Developer Fee:	**$1,400,000**	**$360,000**
Administration Portion ($400,000 maximum):	**$400,000**	**$180,000**
• 50% disbursed when all financing is committed and the City loan has closed	$200,000	$90,000
• 50% disbursed on start of construction	$200,000	$90,000
Remainder of Development Fee:	**$1,000,000**	**$180,000**
• 50%, or the balance less $100,000, disbursed upon full occupancy and closing of all permanent financing	$900,000	$90,000
• 50%, up to a maximum of $100,000, disbursed upon City review and approval of final cost certification and HOME Completion Report or tenant lease up report	$100,000	$90,000

CONTROLLING DISBURSEMENT OF FEES IN COORDINATION WITH OTHER FUNDERS

In the case of fees paid from syndication, the City will make the payment schedule a condition of approval of the syndication. When developer fees are funded by other lenders, the City may need to negotiate an "Inter-Creditor Agreement" or other similar agreement with the other lender or the investor to ensure that the above schedule is followed.

The applicant is required to provide the City disbursement schedule to all other funding sources. Subsequently, the City will assume that other funding sources are aware of the disbursement requirements, and that the preceding disbursement schedule will be implemented and followed, unless an "Inter-Creditor Agreement" has been finalized.

The City will hold an amount of its funds equal to the final developer fee payment until the final project cost certification is reviewed and approved, and the final HOME Completion Report (if applicable) or tenant lease up report is reviewed and approved.

COSTS INCLUDED IN "DEVELOPER FEE"

Any funds disbursed to the developer or sponsor for administrative costs, provision of guarantees, or fees for services are considered to be a portion of the developer fee. Payments into reserves required by lenders or investors will not be included, but payment of fees for guaranteeing against operating deficits will be included. Specific examples of items to be treated as fees (in addition to any fees charged by the developer) include:

1. Administration
2. Staff costs, <u>including development consultants</u> (but not historic preservation, environmental, or syndication consultants)
3. Net worth guarantee fees
4. Marketing and/or rent-up supervision fees
5. Tax credit compliance guarantee fees
6. All credit consultant fees
7. Real estate brokerage fees paid to a related party
8. Loan brokerage fees paid to a related party
9. Processing agent fees
10. Developer overhead and profit
11. The cost of any personal guarantees
12. Reserves in excess of those customarily required by multi-family housing lenders.

Treatment of "Partnership Management" or "Asset Management" Fees

A maximum Partnership Management fee of $15,000 is allowed to be paid to the General Partner of a tax credit project for handling investor relations, tax preparation, etc. A maximum Asset Management fee of $10,000 is allowed for all projects (including those without tax credits) for handling ongoing asset management tasks. The combined Partnership and Asset Management fee should not exceed $25,000 and may increase at up to

3% per year. Both fees may be paid from project cash flow after debt service and deposits to reserves. Where the fee is funded in advance from syndication proceeds, it should be placed in escrow and paid out over time to ensure a steady stream of income to cover these costs.

Incentive Management Fee

For nonprofits, if a project has no monitoring findings or other violations of City or other agreements, and if excess cash flow from operations is available after payment of operating costs, senior debt, deferred developer fee, and reserves, the borrower may keep 50% of the remaining cash flow as an Incentive Management Fee. This additional fee must be approved by the City annually and may be used for projects and activities that would contribute directly to the borrower's (or its nonprofit affiliate's) activities relating to its affordable housing and community development activities only.

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Addendum #4: Affirmative Fair Marketing Procedures

I. Policy on Nondiscrimination and Accessibility

1. Owners and managing agents of housing assisted by the City of Oakland (the "City") must not discriminate against potential tenants or purchasers on the basis of race, color, religion, sex, physical or mental (including cognitive, developmental or emotional) disability, familial status (presence of child under age of 18 and pregnant women), national origin, ancestry, age, marital status, sexual orientation, gender identity or expression, having Acquired Immune Deficiency Syndrome (AIDS) or AIDS related conditions (ARC), source of income, any arbitrary basis, or any other status protected by federal, state or local law.

2. In addition, owners must undertake affirmative marketing efforts to reach persons that are unlikely to apply for housing due its nature, location or other factors.

3. Developers receiving Federal funds are required to create units that are accessible to people with disabilities. At least five percent of new units must be accessible to people with mobility impairments and at least two percent must be accessible to people with hearing or vision impairments.

4. In addition to Federal laws requiring units for people with physical disabilities, fair housing laws require owners to make reasonable accommodations to people with all types of disabilities who request accommodations due to disability at any time during the application, resident selection and rent-up process. In doing so, owners are required to make and pay for structural and non-structural modifications to dwelling units and common areas when needed as a reasonable accommodation for tenants or applicants with disabilities. In such cases where providing a requested accommodation would result in an undue financial and administrative burden, developers are required to take any other action that would not result in an undue burden.

5. All developers who receive funds from the City are required to enter into loan agreements, and regulatory agreements or affordability agreements with the City prior to receiving any funds. These agreements are designed to bind the recipients to all of the program requirements, including the affirmative fair marketing procedures.

6. The following document outlines the affirmative fair marketing procedures that must be adhered to by developers and owners of housing units assisted by the City.

II. Training

1. The owner and managing agent shall provide property management staff with all relevant regulations and fair housing provisions. All property management staff shall be required to follow the procedures and policies adopted by the owner and managing agent.

2. Property management staff shall annually receive instruction regarding fair housing laws and the development's Affirmative Fair Marketing Plan. Formal training programs shall include marketing, outreach, data collection, reporting, and record keeping.

III. Methods and Practices for Informing the Public

1. In order to inform the public, owners, and prospective tenants about Federal fair housing laws and the City's affirmative marketing policies, the City will include the Equal Housing Opportunity logo and/or slogan, and a logo and/or slogan indicating accessibility to persons with disabilities, in all press releases, solicitations, and program information materials.

2. In addition, the City provides funding to a number of fair housing agencies to provide information and counseling regarding fair housing laws and policies.

IV. Marketing and Outreach

1. As a condition of the agreements, not less than 180 days prior to project completion, owners must submit proposed marketing and management plans to the City for review and approval. Prior to commencing marketing activities, owners will be required to meet with City staff to review the proposed marketing strategy to ensure that affirmative marketing efforts will be employed.

   Marketing plans must include information on strategies for reaching persons and groups not likely to apply including, but not limited to, households that include a member with disabilities. Marketing plans must also include procedures for ensuring that people with disabilities who request accessible features are given preference for occupancy of accessible units, as described below. Management plans must include policies for ensuring reasonable accommodation for persons with disabilities. Management plans must also contain policies and provisions for recordkeeping and monitoring. The City will provide written guidance on selection of tenants and reasonable accommodation during occupancy, if requested.

2. All advertising shall display the Equal Housing Opportunity logo and/or the phrase "Equal Housing Opportunity", and a logo and/or slogan indicating accessibility to persons with disabilities. Fair housing posters must be displayed at the project rental or sales office.

   Marketing plans must include use of a welcoming statement to encourage people with disabilities to apply for units, as well as a description of available units, accessible

features, eligibility criteria, and the application process. The City will provide developers with sample notices, if requested.

Marketing plans must indicate that qualified applicants with disabilities who request accommodation shall receive priority for the accessible units. Open houses and marketing offices must be accessible to allow persons with disabilities to visit the site and retrieve information about accessible units.

3. Owners are required to advertise in newspapers of general circulation, and to provide notice to community groups when units become available.

   Marketing shall include the use of newspapers of general circulation in Oakland. The managing agent shall place notices in newspapers, specialized publications, and newsletters to reach potential residents. Applications, notices, and all publications will include a Fair Housing and Equal Opportunity Logo, and the Accessibility Logo. Community media advertisement of the projects may include the following:

   a. Oakland Tribune
   b. Oakland Post
   c. El Mensajero (Spanish)
   d. Sing Tao Daily Newspaper (Chinese)
   e. Eden I&R, Inc. 2-1-1- Information and Referral Line

4. Consistent with the resident population each development was designed to serve, the marketing of the project must ensure equal access to appropriate size units for all persons in any category protected by Federal, state, and local laws governing discrimination.

   Owners are required to engage in special outreach to persons and groups in the housing market area who, in the absence of such outreach are not likely to apply for the housing. In determining what special outreach is needed, owners should take into account past patterns of discrimination, the racial and ethnic makeup of the neighborhood, language barriers, location, or other factors that might make it less likely that some persons and groups (a) would be aware of the availability of the housing or (b) would be likely to apply for the housing.

   Special marketing outreach consideration will be given to the following underserved populations:

   a. African-Americans
   b. American Indians
   c. Hispanics
   d. Asians and Pacific Islanders
   e. Persons with disabilities and persons with special supportive housing needs
   f. Very low income households of all types (including persons making the transition from homelessness to permanent housing)
   g. Immigrants

h. Non-English speaking residents
i. Large families

5. In particular, owners are required to advertise in media which are reasonably likely to reach such targeted groups, and to provide notice to community organizations, fair housing agencies, and other similar organizations. A list of local disability organizations and community development boards will be provided by HCD if requested. HCD will also provide developers with sample advertisements if requested.

   Multilingual advertising is encouraged where such efforts would result in reaching persons and groups not likely to apply. Owners and managers must ensure that people with limited English proficiency are not discouraged from applying or discriminated against and are encouraged to provide translation assistance or referrals to community-based organizations that can assist with translation.

V. Specific Procedures for Ensuring that Accessible Units are Occupied by People with Disabilities who Require Accessible Features

1. Outreach by owners to the disability community shall include the distribution of notices describing:

   a. the availability of all units;
   b. specific information regarding the availability and features of accessible units;
   c. eligibility criteria; and
   d. application procedures

2. All application forms shall include information indicating that people with disabilities requiring accessible features <u>shall receive priority</u> for accessible units. The application must include a section to be filled out by any applicant requesting an accommodation with details on the applicant's special needs for accessible features or other accommodations. <u>Under no circumstance should an applicant be required to disclose a disability unless requesting an accommodation</u>. (Housing units targeting seniors or people with disabilities may request documentation of age or disability to verify eligibility, but only if the same questions and documentation are asked of all applicants.) This will allow developers to provide, upfront, any necessary accessible features and/or accommodations for those people requesting accommodations. For more information on tenant selection, request the document entitled "Selection of Individual Tenants."

3. Owners shall take reasonable nondiscriminatory steps to maximize the utilization of accessible units by eligible individuals whose disability requires the accessibility features of the particular unit. To this end, any vacant, accessible unit should first be offered to a current, tenant with disabilities of the same project or comparable project under the owner's control. The occupant with disabilities must require the features in the vacant unit and must be occupying a unit not having such features. If no such occupant exists, the developer shall then offer the unit to a qualified applicant on the waiting list who has a disability requiring the accessibility features of the unit.

4. Owners may offer an accessible rental unit to an applicant without a disability after efforts have been exhausted to occupy the unit by an individual with a disability. However, the owner shall require such an applicant to agree to move to an available comparable non-accessible unit when the accessible unit is needed by a household that includes a member with disabilities. Such an agreement should be incorporated into the lease.

5. Note: An owner may not prohibit an eligible family with a member who has a disability from accepting a non-accessible unit which may become available before an accessible unit. Owners are generally required to modify such a non-accessible unit as needed or move a household that includes a member with disabilities into a unit that can be altered. If the modifications would result in an undue financial and administrative burden or alteration in the nature of a program, the owner is required to take any other action that would not result in an undue burden. All applicants should be provided information about how to request a reasonable accommodation at the time they apply for admission and at every recertification.

VI. Procedures for Complaints

1. The owner shall maintain written procedures indicating how applicants or tenants can file complaints regarding fair marketing and/or alleged discriminatory practices.

2. Owner shall promptly investigate all applicant or tenant complaints and shall take corrective actions as necessary.

3. Owner shall maintain records of all such complaints, investigations and corrective actions.

VII. Compliance Assessment

1. The owner and managing agent must review the project's marketing and management plans at least every five years and update as needed to ensure compliance. The advertising sources shall be included in the review to determine if past sources should be changed or expanded.

2. The owner and managing agent shall annually assess the success of affirmative marketing actions for each project. If the demographic data of the applicants and residents vary significantly from the jurisdiction's population data for the target income group, advertising efforts and outreach should be targeted to underrepresented groups in an attempt to balance the applicants and residents with the demographics of the jurisdiction.

VIII. Data Collection and Record Keeping

1. Owners must establish and maintain an Affirmative Fair Marketing file for each project to hold advertisements, flyers, and other public information documents to demonstrate that the appropriate logo and language have been used. Additionally, owners must keep records of activities to implement the affirmative marketing plan, including other community outreach efforts and an annual analysis. Upon request, owners are required to submit to the City copies of all advertisements indicating the date the advertisements were placed and the media outlets which were used. Owners must also provide copies of notices sent to community groups and a listing of those groups to which notices were sent. Owners must maintain records for at least five years regarding marketing and tenant selection practices.

2. Owners shall keep up-to-date records for each project regarding the characteristics of persons applying for vacant units, persons selected to occupy units and residents of the project (including race, ethnicity, presence of children under the age of 18 in the household, requests for reasonable accommodation for a disability, income, and household size) , and records about tenant selection or rejection. Under no circumstance should an applicant be required to disclose a disability unless requesting an accommodation. (Housing units targeting seniors or people with disabilities may request documentation of age or disability to verify eligibility, but only if the same questions and documentation are asked of all applicants.) Applicants cannot be discriminated against due to the presence of children in the household.

3. Application materials must include the "City of Oakland Race and Ethnic Data Intake Form" or a substantially equivalent form. The owner and managing agent are required to offer each household member the opportunity to complete the form. Parents or guardians are to complete the form for children under the age of 18. Completed documents for the entire household shall be stapled together and placed in the household's file.

4. Owners must maintain information regarding the location, description and number of vacant and occupied accessible units. In addition, owners must track and keep records of accessible and non-accessible units that are occupied by tenants requesting reasonable accommodations for a disability. Owners also should document any reasonable accommodations made to, or requested by, tenants during the reporting year.

IX. Reporting and Monitoring

1. As part of the City's monitoring of assisted housing developments, the City may review the owners' records to verify that either:

    a. Each household living in a physical and sensory accessible unit has at least one household member who needs the accessible features of the unit; or
    b. If an accessible unit is not occupied by a household who has at least one household member who needs the accessible features of the unit, the owner will

verify that no such households (either current or prospective tenants) are on a waiting list for the accessible unit. The owner will also provide documentation that the current occupants agree to move to a comparable non-accessible unit when the accessible unit is needed by a household that includes a member with disabilities.

2. The owner and managing agent shall provide the City access to any pertinent books, documents, papers or other records of their City-assisted properties, as necessary, for determining compliance with civil rights and nondiscrimination requirements.

3. The duration of monitoring of Affirmative Fair Housing Marketing (AFHM) requirements varies with each housing program. For homeownership programs, AFHM requirements apply through the completion of initial sales transactions on units covered by the approved AFHM plan. For assisted rental housing, AFHM requirements apply throughout the term of the loan and regulatory agreements, including those periods when the project does not maintain occupancy. Assisted housing developments must comply with current City Affirmative Fair Housing Marketing requirements, not the policies in effect when the regulatory agreement was executed. Owners are responsible for researching and implementing the City's current requirements.

X. Assessment of Success and Corrective Actions

1. The City will review records maintained by owners to ensure that affirmative fair marketing requirements are being met. Where the characteristics of applicants are significantly different from the make-up of the City's population (i.e., in cases where specific groups are over-represented or under-represented), the City will examine in more detail the owner's actions to determine if a violation of the requirements has occurred.

2. The City may employ a variety of corrective actions. Initially, owners who have not fully complied with the requirements will be directed to engage in targeted marketing efforts to reach groups not initially reached. In cases where owners refuse to comply with the affirmative fair marketing procedures, the City may take additional actions to secure performance under the loan agreement or regulatory agreement, including declaring the loan in default and recapturing the funds.

Attachments

Attachment A: Additional Resources Available from the City of Oakland

Attachment B: Sample Advertisement/Listing

Attachment A

Additional Resources Available from the City of Oakland

- List of local disability organizations (available from CDBG Program)
- List of local HUD-approved housing counseling organizations, if applicable (available from Homeownership Program)
- List of City-trained loan consultants, if applicable (available from Homeownership Program)
- List of City-trained real estate professionals, if applicable (available from Homeownership Program)
- Sample Notice of Housing Availability
- Housing Logos and Slogans
    - Accessibility for Persons with Disabilities Logo and Slogan
    - Equal Housing Opportunity Logo and Slogan
- Reasonable Accommodation Sample Notice and Forms
    - Sample Notice of Right of Reasonable Accommodation
    - Sample Request for a Reasonable Accommodation Form
    - Sample Unit Transfer Request Form
    - Sample Verification of Need for a Reasonable Accommodation Form
    - Sample Response to a Request for Reasonable Accommodation Form
- Legal Considerations During Screening and Intake
- Operation and Management of Housing
- City of Oakland Race and Ethnic Data Intake Form and Instructions
- HUD-27061 “Race and Ethnic Data Reporting Form” and Instructions

Attachment B

Sample Advertisement

(Project name), an affordable housing development in Oakland has *(studio, 1, 2, 3, and/or 4)* bedroom apartments available at reduced rents for qualified low income households. Applicants with disabilities are encouraged to apply. Income and other restrictions apply. *(Section 8 welcome)* Equal Opportunity Housing Provider.

City Of Oakland
Department of Housing and Community Development
2013 Housing Development NOFA

Addendum #5: Income, Rent, Utility-Allowance and Owner-Occupied Housing Payment Limits

MAXIMUM RENTS ALLOWED UNDER CITY OF OAKLAND HOUSING PROGRAMS

OAKLAND, CALIFORNIA

Effective Date: HOME Income Limit - March 13, 2013; Home Rent Limit- June 1 2013; Sec 8 FMRs - April 30, 2013

RENT LIMITATIONS	SRO[1]	0 Bdrm.[2]	1 Bdrm.	2 Bdrm.	3 Bdrm.	4 Bdrm.	5 Bdrm.
30% of 25% of area median income[3]	$307	$409	$438	$526	$608	$678	$748
30% of 30% of area median income[3]	$368	$485	$519	$623	$729	$814	$898
30% of 35% of area median income[3]	$429	$566	$606	$727	$840	$937	$1,034
30% of 50% of area median income[3]	$614	$818	$876	$1,052	$1,215	$1,356	$1,496
30% of 60%of area median income[3]	$737	$982	$1,052	$1,263	$1,458	$1,627	$1,796
30% of 80% of area median income[3]	$846	$1,128	$1,208	$1,450	$1,675	$1,869	$2,062
30% of 110% of area median income[3]	$1,289	$1,719	$1,841	$2,208	$2,552	$2,846	$3,142
HOME Low Rents[4]	n/a	$818	$876	$1,052	$1,215	$1,356	$1,496
HOME High Rents[4]	n/a	$892	$1,082	$1,347	$1,547	$1,706	$1,864
Section 8 Fair Market Rent		$892	$1,082	$1,361	$1,901	$2,332	$2,682

(1) SRO units are single room units without both a kitchen and a bathroom.

(2) O Bedroom units have both kitchen and bathroom (efficiency and studio units)

(3) Rent limits, except for HOME rents and Section 8 Fair Market Rents, have been held at the 2012 rents. Formula rents do not calculate based on 2013 income limit chart.

(4) HOME units must comply with applicable HOME Low or High rents. Apply the most restrictive rent when different.

Rents must be reduced by an allowance for tenant-paid utilities.

Sponsors may use the utility allowances under the federal Section 8 Program as published by the Oakland Housing Authority, or sponsors may present documentation substantiating other figures.

See attached chart of the Oakland Housing Authority Section 8 Utility Allowances.

2013 Income Limits

City of Oakland Department of Housing and Community Development

Effective Date: HOME Income Limit - March 13, 2013; Home Rent Limit- June 1 2013; Sec 8 FMRs - April 30, 201

	INCOME LIMITS, ADJUSTED FOR HOUSEHOLD SIZE							
INCOME LEVEL	**One Person**	**Two Person**	**Three Person**	**Four Person**	**Five Person**	**Six Person**	**Seven Person**	**Eight Person**
25% AMI	$15,650	$17,850	$20,100	$22,300	$24,100	$25,900	$27,700	$29,450
30% of Area Median Income (Extremely Low Income)	**$18,750**	**$21,400**	**$24,100**	**$26,750**	**$28,900**	**$31,050**	**$33,200**	**$35,350**
35% AMI	$21,880	$24,980	$28,120	$31,220	$33,730	$36,230	$38,740	$41,240
40% AMI	$25,000	$28,550	$32,130	$35,680	$38,550	$41,400	$44,280	$47,130
45% AMI	$28,130	$32,130	$36,140	$40,140	$43,380	$46,580	$49,820	$53,020
50% of Area Median Income (CDBG Low Income) (Very Low Income)	**$31,250**	**$35,700**	**$40,150**	**$44,600**	**$48,200**	**$51,750**	**$55,350**	**$58,900**
60% of Area Median Income	**$37,500**	**$42,840**	**$48,180**	**$53,520**	**$57,840**	**$62,100**	**$66,420**	**$70,680**
65% AMI	$39,400	$45,020	$50,635	$56,240	$60,780	$65,265	$69,790	$74,275
70% AMI	$41,300	$47,200	$53,090	$58,960	$63,720	$68,430	$73,160	$77,870
75% AMI	$43,200	$49,375	$55,545	$61,680	$66,660	$71,590	$76,530	$81,460
80% of Area Median Income (CDBG Moderate) (Low Income)	**$45,100**	**$51,550**	**$58,000**	**$64,400**	**$69,600**	**$74,750**	**$79,900**	**$85,050**
100% of Area Median Income (Median Income)	**$62,500**	**$71,400**	**$80,300**	**$89,200**	**$96,400**	**$103,500**	**$110,700**	**$117,800**
120% of Area Median Income	**$ 74,950**	**$ 85,650**	**$ 96,350**	**$107,050**	**$115,600**	**$124,150**	**$132,750**	**$141,300**
150% of Area Median Income	$93,750	$107,100	$120,450	$133,800	$144,600	$155,250	$166,050	$176,700

Oakland Housing Authority **Effective June 1, 2013**

SECTION 8 UTILITY & APPLIANCE ALLOWANCES FOR TENANT-PAID UTILITIES

APARTMENTS STANDARD ALLOWANCES

	Utility	SRO	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	TOTAL
Cooking	Gas	3	5	5	6	7	7	8	9	
	Electric	3	4	5	5	6	7	7	8	
Space Heating	Gas	7	9	12	14	16	17	20	21	
	Electric	8	10	12	15	18	20	22	24	
Hot Water	Gas	4	6	6	10	12	14	18	20	
	Electric	8	11	12	13	15	18	21	24	
Electric (standard lights)	Electric	12	16	20	25	33	45	57	62	
Water		47	62	62	66	72	78	88	126	
Garbage		22	29	29	29	29	46	62	62	

ENERGY EFFICIENT ALLOWANCES

CONSTRUCTION

6/1/2001 & AFTER		SRO	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	TOTAL
Space Heating (efficient)	Gas	5	8	9	12	13	14	16	17	
	Electric	7	9	11	13	16	17	19	20	
Electric (efficient lights)	Electric	11	15	17	21	27	35	45	49	

TENANT OWNED APPLIANCES

	SRO	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	TOTAL
Stove	6	6	6	6	6	6	6	6	
Refrigerator	6	6	6	6	6	6	6	6	

Per Month Cost $ _____

Oakland Housing Authority **Effective June 1, 2013**

SECTION 8 UTILITY & APPLIANCE ALLOWANCES FOR TENANT-PAID UTILITIES

HOUSES — STANDARD ALLOWANCES

	Utility	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	TOTAL
Cooking	Gas	5	5	6	7	7	8	9	
	Electric	4	5	5	6	7	7	8	
Space Heating	Gas	11	15	22	28	34	40	44	
	Electric	11	15	23	28	37	42	48	
Hot Water	Gas	6	6	10	12	14	18	20	
	Electric	11	12	13	15	18	21	24	
Electric (standard lights)	Electric	18	22	27	39	51	64	70	
Water		63	64	70	78	86	94	99	
Garbage		29	29	29	29	46	62	62	

ENERGY EFFICIENT ALLOWANCES

CONSTRUCTION

6/1/2001 & AFTER		0BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	TOTAL
Space Heating (efficient)	Gas	9	13	19	23	28	33	36	
	Electric	10	13	19	24	32	36	41	
Electric (efficient lights)	Electric	16	19	23	30	41	52	57	

TENANT OWNED APPLIANCES

	0BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	TOTAL
Stove	6	6	6	6	6	6	6	
Refrigerator	6	6	6	6	6	6	6	

Per Month Cost $ _____

City of Oakland
Department of Housing and Community Development
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Addendum #6
Areas of Low and High Concentration of Poverty

Below are census tracts with low, moderate, and high concentrations of poverty. All data is from the most recent American Community Survey. The census tract for a particular address may be looked up at http://factfinder2.census.gov.

Tract No.	Poverty Rate	Poverty Level
Tract 4001	2.0	Low
Tract 4002	0.0	Low
Tract 4003	5.7	Low
Tract 4004	3.0	Low
Tract 4005	7.1	Low
Tract 4006	15.0	Moderate
Tract 4007	7.7	Low
Tract 4008	14.9	Moderate
Tract 4009	3.0	Low
Tract 4010	28.4	Moderate
Tract 4011	20.7	Moderate
Tract 4012	2.5	Low
Tract 4013	39.5	High
Tract 4014	27.0	Moderate
Tract 4015	24.4	Moderate
Tract 4016	15.7	Moderate
Tract 4017	15.1	Moderate
Tract 4018	28.1	Moderate
Tract 4022	26.6	Moderate
Tract 4024	22.4	Moderate
Tract 4025	37.2	High
Tract 4026	19.0	Moderate
Tract 4027	11.6	Moderate
Tract 4028	56.3	High
Tract 4029	8.6	Low
Tract 4030	13.7	Moderate
Tract 4031	41.0	High
Tract 4033	15.5	Moderate
Tract 4034	3.7	Low
Tract 4035.01	30.1	High
Tract 4035.02	0.0	Low
Tract 4036	1.2	Low
Tract 4037.01	9.5	Low
Tract 4037.02	3.2	Low
Tract 4038	0.0	Low
Tract 4039	0.0	Low
Tract 4040	0.0	Low

Tract No.	Poverty Rate	Poverty Level
Tract 4041.01	9.2	Low
Tract 4041.02	4.8	Low
Tract 4042	0.0	Low
Tract 4043	0.0	Low
Tract 4044	1.0	Low
Tract 4045.01	1.5	Low
Tract 4045.02	1.0	Low
Tract 4046	0.7	Low
Tract 4047	0.0	Low
Tract 4048	2.3	Low
Tract 4049	1.6	Low
Tract 4050	0.7	Low
Tract 4051	0.2	Low
Tract 4052	11.9	Moderate
Tract 4053.01	14.4	Moderate
Tract 4053.02	36.6	High
Tract 4054.01	19.9	Moderate
Tract 4054.02	21.1	Moderate
Tract 4055	18.7	Moderate
Tract 4056	19.3	Moderate
Tract 4057	12.0	Moderate
Tract 4058	25.9	Moderate
Tract 4059.01	26.6	Moderate
Tract 4059.02	18.0	Moderate
Tract 4060	34.1	High
Tract 4061	17.6	Moderate
Tract 4062.01	41.8	High
Tract 4062.02	36.4	High
Tract 4063	11.0	Moderate
Tract 4064	37.8	High
Tract 4065	16.3	Moderate
Tract 4066.01	16.1	Moderate
Tract 4066.02	7.3	Low
Tract 4067	6.9	Low
Tract 4068	3.2	Low

Tract No.	Poverty Rate	Poverty Level
Tract 4069,	9.9	Low
Tract 4070	24.5	Moderate
Tract 4071.	27.1	Moderate
Tract 4071.	28.5	Moderate
Tract 4072	18.7	Moderate
Tract 4073	28.1	Moderate
Tract 4074	18.5	Moderate
Tract 4075	32.5	High
Tract 4076	27.9	Moderate
Tract 4077	9.5	Low
Tract 4078	4.8	Low
Tract 4079	5.5	Low
Tract 4080	0.0	Low
Tract 4081	2.5	Low
Tract 4082	10.5	Moderate
Tract 4083	19.2	Moderate
Tract 4084	20.7	Moderate
Tract 4085	26.2	Moderate
Tract 4086	25.1	Moderate
Tract 4087	18.3	Moderate
Tract 4088	37.2	High
Tract 4089	30.4	High
Tract 4090	20.8	Moderate
Tract 4091	24.6	Moderate
Tract 4092	14.8	Moderate
Tract 4093	23.0	Moderate
Tract 4094	16.0	Moderate
Tract 4095	11.1	Moderate
Tract 4096	19.6	Moderate
Tract 4097	35.1	High
Tract 4098	17.0	Moderate
Tract 4099	0.0	Low
Tract 4100	8.3	Low
Tract 4101	17.1	Moderate
Tract 4102	12.8	Moderate
Tract 4103	30.7	High
Tract 4104	18.8	Moderate
Tract 4105	43.5	High

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Addendum #7
Census Tracts with Homeownership Rates Below the City Average

Below are homeownership rates by Census Tract. The City average homeownership rate is 42.4%. All data is from the most recent American Community Survey. The census tract for a particular address may be looked up at http://factfinder2.census.gov.

Tract No.	Homeownership Rate
Tract 4001	88.3
Tract 4002	68.4
Tract 4003	42.5
Tract 4004	48.3
Tract 4005	42
Tract 4006	47.2
Tract 4007	35.6
Tract 4008	26.1
Tract 4009	39.1
Tract 4010	39.6
Tract 4011	19.9
Tract 4012	49.5
Tract 4013	14.1
Tract 4014	17.9
Tract 4015	35.1
Tract 4016	19.2
Tract 4017	52.4
Tract 4018	12.3
Tract 4022	24.9
Tract 4024	22.3
Tract 4025	26.3
Tract 4026	16.7
Tract 4027	37.1
Tract 4028	9.6
Tract 4029	1.8
Tract 4030	26.9
Tract 4031	41.7
Tract 4033	26.1
Tract 4034	14.3
Tract 4035.01	9.1
Tract 4035.02	33.8
Tract 4036	19.8
Tract 4037.01	9.3
Tract 4037.02	20.6
Tract 4038	32.9
Tract 4039	37.7

Tract No.	Homeownership Rate
Tract 4040	23.8
Tract 4041.01	35.1
Tract 4041.02	10.3
Tract 4042	82.7
Tract 4043	87.2
Tract 4044	81.7
Tract 4045.01	86.9
Tract 4045.02	84.2
Tract 4046	98
Tract 4047	85.4
Tract 4048	57.3
Tract 4049	61.8
Tract 4050	62.4
Tract 4051	92.8
Tract 4052	23.8
Tract 4053.01	13.1
Tract 4053.02	3.4
Tract 4054.01	17.2
Tract 4054.02	15.7
Tract 4055	25.3
Tract 4056	24.3
Tract 4057	31.9
Tract 4058	38.6
Tract 4059.01	21.9
Tract 4059.02	37.2
Tract 4060	14.3
Tract 4061	28.4
Tract 4062.01	16.1
Tract 4062.02	14.8
Tract 4063	44
Tract 4064	55.8
Tract 4065	39.7
Tract 4066.01	35.8
Tract 4066.02	41.5
Tract 4067	71
Tract 4068	72.3
Tract 4069	60.6

Tract No.	Homeownership Rate
Tract 4070	37.8
Tract 4071.01	34
Tract 4071.02	52.8
Tract 4072	23.5
Tract 4073	39
Tract 4074	27
Tract 4075	21.1
Tract 4076	44.9
Tract 4077	76.5
Tract 4078	79.1
Tract 4079	77.9
Tract 4080	88.2
Tract 4081	80.2
Tract 4082	54.3
Tract 4083	67.2
Tract 4084	53.1
Tract 4085	52.5
Tract 4086	40.4
Tract 4087	46
Tract 4088	31.1
Tract 4089	36.4
Tract 4090	49.7
Tract 4091	59.5
Tract 4092	57.2
Tract 4093	41.7
Tract 4094	42.6
Tract 4095	34.1
Tract 4096	38.5
Tract 4097	29.7
Tract 4098	61.9
Tract 4099	92.5
Tract 4100	88.3
Tract 4101	54
Tract 4102	44.5
Tract 4103	31.4
Tract 4104	61.4
Tract 4105	11.4
Tract 9819	0
Tract 9820	100
Tract 9832	43.6

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Addendum #8:
EveryOne HOME Property Management Guidelines

Introduction

The EveryOne Home Plan calls for ending homelessness by 2020 by creating 15,000 housing opportunities for the homeless and those living with severe mental illness or HIV/AIDS. We can achieve this ambitious goal of ensuring equal housing opportunities for all people, and not just specific populations, with the help of property managers and owners who believe everyone deserves a safe, affordable place to call home and are willing to work with us to make their housing accessible to people who face these difficulties. EveryOne Home and its partners believe it is possible to implement tenant screening and leasing practices that protect properties, are fair, and help to house the most vulnerable in our community.

Unfortunately, many standard industry practices can inadvertently exclude people who are homeless or have had bad credit or housing histories due to a disability. To address this dilemma we are asking EveryOne Home Property Management Partners to make three fundamental commitments in their leasing policies and practices.

Commitment 1

Assess the individual circumstances of each applicant rather than to categorically deny those who are homeless, have negative or non-existent credit history, evictions in their past, and/or criminal backgrounds.

Commitment 2

Encourage applicants to request a reasonable accommodation and/or present evidence of mitigating circumstances at the *beginning* of the application and/or interview/eligibility review process, rather than after a denial and subsequent appeal of the decision.

These commitments will be fulfilled at all stages of the tenant selection process:

1. Advertising of Available Units & Open Waitlists
2. The Application Package with Supplemental Forms
3. Applicant Screening
4. The Appeals Process

Commitment 3

Use the Everyone Home Property Management Partner Guidelines for advertising units, the content of the application packet, screening practices, and the appeals process.

I. Advertising of Available Units and Open Waitlists

EveryOne Home property management partners will include the statement below in their advertisement of available units and open wait lists:

> *As an EveryOne Home partner, we will evaluate the individual circumstances of each applicant, will consider alternative forms of verification and additional information submitted by the applicant, and will provide reasonable accommodations when requested if verified and necessary. Persons with disabilities are encouraged to apply.*

Applying for housing can be a complex and intimidating process. Many homeless and disabled people opt out before even applying because they believe they will not qualify and they have experienced rejection before. This statement lets people know they will not be automatically rejected, but considered on an individual basis.

II. The Application Package with Supplemental Forms (application form can be found on the EveryOne Home website at www.everyonehome.org)

EveryOne Home property management partners will use the enclosed application for rental properties or include the essential elements discussed below in their existing application (s):

Application: The enclosed application form can be used as provided or can be integrated into your current rental application. The items highlighted in green are questions required for properties funded by tax credit deals and can be removed if not needed.

The essential elements of the EveryOne Home Leasing practices are highlighted in blue and along with the supplemental attachments must be part of any partner's application package. Those essential elements are:

1. Statement on the cover of the application encouraging applicants to request accommodation or consideration for problems in their rental, credit or criminal background by completing the supplemental forms:

   *Applicants with an eviction or criminal record are not automatically denied. If your criminal record or poor rental history was due to a disability, then you are encouraged to submit a **Request for Reasonable Accommodation** along with this application. If your history was due to circumstances that no longer apply, additional consideration may be requested on the **Request for Consideration** form.*

2. Reference to homeless verification at the beginning of the residential history section (top of page 4) letting homeless clients know they can submit a verification form with the package so it will not hold up consideration of their application

3. Inclusion of in-kind benefits in the income section (top of page 6) allows property management to consider non-cash assistance that a household gets to help meet their cost of living when evaluating whether they have the income to pay rent.

4. Alternate Contact Persons (bottom of page 6) gives applicants the option of providing contact persons for messages or even to discuss the application. This can be especially critical for homeless persons whose contact information may change frequently.

5. Addition of "experience of homelessness" and "status as a survivor of domestic violence" in the list of factors in the Equal Opportunity Housing Provider statement at the bottom of the application.

EveryOne Home property management partners will eliminate any inquiry into current drug or alcohol use or abuse in the rental application form.

Self-reports of drug or alcohol use or abuse are unreliable. For landlords it is an applicant's conduct as a tenant that matters, not their drug or alcohol use per se.

Supplemental Forms: Include the forms listed below as part of the standard application package. Applicants who wish to do so can submit any that apply.

a. Notice of Right to Reasonable Accommodation and Modification
b. Request for Reasonable Accommodation
c. Request for Consideration of Mitigating Circumstances
d. Homelessness Third Party Verification
e. Homelessness Self Verification
f. Optional Contact Information

III. Applicant Screening

In general, the criteria by which applicants are evaluated must comply with fair housing law and apply to all applicants. Screening should be focused on assessing the likelihood that an applicant will be able to meet the essential requirements of tenancy as expressed in the lease. These requirements include: paying rent, appropriately maintaining the unit, refraining from engagement in criminal activity, honoring the right to others' peaceful enjoyment of the property and their units, cooperating with management, and complying with health and safety codes. Past actions are not always a good predictor of future conduct. Circumstances change, and landlords should weigh current and probable future circumstances in balance with past actions. Additionally, landlords should remember that applicants may have a right to a reasonable accommodation if negative information in their background is related to a disability.

Income/Ability to pay rent

EveryOne Home property management partners will be flexible with rent-to-income ratios and may use alternative means of verification of ability to pay rent.

Landlords often require an income to rent ratio of 2.5 to 3 times the income as the rent. Many households with fixed incomes (such as Social Security or CalWORKS benefits) will be unable to meet the standard ratio, but because of other factors will be able to afford the rent. With fixed incomes, there is less fluctuation and no taxes are deducted from the amount. Most households of this type also get non-cash benefits that help meet medical, food, and transportation expenses. Such households should be permitted a lower ratio of income to rent; 1.6 times the rent (or 2 times the rent if in-kind/non-cash benefits are included) is recommended.

Additionally, landlords should accept use of a representative payee, as well as other forms of rental subsidy such as Shelter Plus Care and Section 8.

A history of rental payments equal to or greater than the rent of the unit being applied to, under similar income circumstances, should serve to verify ability to afford rent. The following can be used as *evidence of past payment of rent:*

- Prior 6 months of rent receipts from current residence
- Prior 6 months of bank statements (indicating sufficient balance and/or evidence of rent or other regular payments made)
- Payee's records of rent payments made on behalf of applicant

Credit/Eviction/Residential History

EveryOne Home property management partners will assess the individual circumstances of each applicant.

A negative or nonexistent credit history does not necessarily indicate unwillingness or inability to pay rent (and utilities), either in the past or as a future resident. Similarly, a negative eviction history does not necessarily mean that an applicant did not pay rent or committed lease violations. Landlords should take into account if the applicant has a representative payee, whether their poor credit or rental history was the result of acts of domestic violence committed against the applicant or of a disability that is now under control, or whether there is a verifiable explanation for the negative credit.

In reviewing applications consider the following:

- Past extenuating circumstances and favorable current circumstances
- Satisfaction of judgment (balance paid in full to prior landlord)
- Change in current circumstances and presence of services now or in the future
- Tenancy-related problems due to disability but now unlikely to recur
- Whether the negative history is related to acts of domestic violence committed against the applicant

Landlords should also remember that if a negative history is related to a disability, the applicant could be entitled to a waiver of policies and practices (i.e. denial of application based on not having a minimum credit score) as a reasonable accommodation.

EveryOne Home property management partners will accept alternative forms of residence verification.

Typically, applicants are asked to provide verified residence addresses for at least the past two years, with positive or neutral rental history (rent paid as required, residence maintained in a clean and proper manner, no violence or mistreatment of staff or neighbors, no outstanding balances) and with no eviction/unlawful detainer actions within the past 3 years.

If past landlord(s) cannot be reached, or if an applicant has no rental history, then landlords could consider asking for two non-family, non-friend personal references

If the applicant is currently homeless, verification from shelter, transitional housing, a case manager, or another homeless-serving program can be accepted (*see* **Homelessness Third Party Verification** *form*).

Criminal Record

Rather than bar all applicants with criminal records, EveryOne Home property management partners will assess the individual circumstances of each applicant.

Many landlords require that applicants have no criminal history to qualify for housing. There is no scientifically validated evidence that a past criminal record predicts future tenant problems. Rather than a categorical exclusion landlords will consider:

- Only arrests that resulted in convictions
- The seriousness and nature of the conviction
- Only convictions for crimes that constitute a direct threat to property or the health or safety of other residents
- The length of time that has passed since the conviction
- Changes in circumstance (See the **Request for consideration of Mitigating Circumstances** form)
- Evidence of rehabilitation, such as participation in a treatment program, education, employment or job training program, or church group and/or recommendation letters from parole or probation, a teacher, employer, case manager, social worker, or community leader showing that the applicant will be a suitable resident
- Whether the conviction is related to a physical or mental disability, such as former substance abuse, that may entitle the applicant to a reasonable accommodation (See **Notice of Right to Reasonable Accommodation and Modification** and **Request for Reasonable Accommodation** forms)

(Note: In certain HUD-assisted units, owners must exclude persons who are subject to a lifetime sex offender registration requirement under a state sex offender registration law.)

IV. The Appeals Process

EveryOne Home property management partners will have an appeals process for applicants who are denied.

An applicant found ineligible for admission is entitled to a review of the decision. The purpose of the review is to give the applicant a meaningful chance to contest the decision.

Notice of Denial

Without a full and complete notice of denial, an applicant will not be able to prepare for the review. (See the **Notice of Denial** form.) The notice of denial should:

- Describe the specific reason for the denial. The notice should not contain a vague statement that "the applicant did not meet the admission criteria because of a criminal record." Instead, the notice should list the facts the landlord relied on to make the decision.
- Inform the applicant of his or her right to respond in writing <u>or</u> request a meeting.
- Explain how to request a meeting and/or how to submit a written response and supporting documents. An applicant should be given at least 14 days to request the meeting or to submit additional documents. Inform the applicant that he or she will receive a response within five business days to any meeting request, in order to set up a mutually-agreeable time and location for the review.
- State that an applicant with a disability is entitled to request a reasonable accommodation to participate in the meeting.
- Inform the applicant that he or she is allowed to bring an advocate and/or attorney to the meeting.
- Describe the information that the landlord will consider at the meeting.
- Inform the applicant that if the reason for the denial is related to a disability, he or she is entitled to request a waiver of the admission criteria as a reasonable accommodation.
- **NOTE:** If an applicant is found ineligible on the basis of information obtained from a tenant screening agency, the landlord must follow the notice requirements of the Fair Credit Reporting Act and the Investigative Consumer Reporting Agencies Act.

Review

If an applicant asks for a review, he or she should not lose his or her place on the waiting list. To ensure that the review is fair, landlords should:

- Respond to a meeting request within five business days, in order to set up a mutually-agreeable time and location for the review.
- Before the meeting, allow the applicant to examine his or her file and to make copies at his or her own expense.
- Allow the applicant to bring an advocate and/or attorney to the meeting.
- Confine the subject of the meeting to the reason for denial listed in the notice.
- Give the applicant a chance to present documents and witnesses.
- Have an impartial person conduct the meeting. It should not be the staff person who made the initial decision or a subordinate of the person who made the initial decision.
- Allow the applicant to record the meeting.
- Within 5 days of the meeting, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon.

Conclusion

These guidelines aim to lead to fairer, more equitable rental practices that are inclusive of populations susceptible to homelessness. Property Owners can contribute to ending homelessness by adopting the EveryOne Home Guidelines in order to extend opportunity to those formerly discriminated against due to circumstances that may not reflect accurately the kind of tenants they will be.

To become an EveryOne Home Property Management Partner, I will:

- Review, complete and submit the Memorandum of Understanding
- Incorporate EveryOne Home Property Management Partner Guidelines into current leasing practices
- Include the following documents in my rental application:
    - **Notice of Right to Reasonable Accommodation and Modification**
    - **Request for Reasonable Accommodation**
    - **Request for Consideration of Mitigating Circumstances**
    - **Homelessness Third Party Verification**
    - **Homelessness Self Verification**
    - **Optional Contact Information**

Please Note: ***These Guidelines are not intended as legal advice. If you have further legal questions, contact an attorney. Adopting these commitments may require changing fair marketing housing plans with funders. For these types of questions, please consult applicable funding and regulatory agencies and agreements.***