

## Affordable Housing New Construction and Substantial Rehabilitation Loan Program

---

<b>Purpose</b>	To provide gap financing for affordable rental and ownership housing development.	
<b>Status</b>	<b>Funding rounds are usually announced in August of each year. Check <a href="#">here</a> for current info.</b>	
<b>Maximum Amount</b>	40% of total residential development costs (50% for homeownership projects), as approved by the City.	<b>Minimum Amount</b> \$1,000 per assisted unit (10 unit minimum)

### REQUIREMENTS

<b>Eligible Applicants</b>	Non-profit and for-profit affordable housing developers, individuals, and general or limited partnerships. Applicants must demonstrate experience and capacity in the development and management of affordable rental or ownership housing, generally shown by the successful development of at least three similar projects.
<b>Location Eligible Properties</b>	Citywide. New construction and substantial or moderate rehabilitation (with or without acquisition) of rental or ownership property intended for occupancy by lower income households. Development of emergency shelters for the homeless is not eligible.
<b>Income</b>	Rental: At least 40% of total units must be reserved for households with incomes at or below 80% of the area median income as determined by HUD, with rents not to exceed 30% of 60% of area median income.. At least 10% of total units must be reserved for households with incomes at or below 50% area median income*, with rents not to exceed 30% of 35% of area median income.  Owner: Units must be priced with an average affordability level of 100% of area median income.  Click <a href="#">here</a> for the current rent and income limits. Click <a href="#">here</a> for the guidelines for sales prices for affordable homeownership units.
<b>Occupancy Eligible Uses</b>	City or Agency-assisted units must be occupied by households that fit the income guidelines. Owner-occupied properties cannot be sublet. Eligible uses for City financing include acquisition, demolition, construction, rehabilitation, related soft costs, and other costs as approved by the City. For mixed-income or mixed-use projects, assistance is limited to 40% of the total costs of the affordable housing portion of the project.
<b>Other Requirements</b>	Rent restrictions remain in place on the property for 55 years, regardless of prepayment of the City loan.

Homeownership units will remain permanently affordable.

For-profit applicants must provide equity equal to at least 10% of total project costs.

Funds are not disbursed without proof of financing commitments for total development cost.

Substantial other requirements apply, including compliance with local, state, and/or federal environmental, relocation, accessibility, living wage, and lead-paint regulations. Details are available in the most recent Notice Of Funds Available, available for download below.

### LOAN / GRANT DETAILS

<b>Interest Rate</b>	3.00% simple interest
----------------------	-----------------------

**Payments/  
Term**

Rental Projects:

- 55 years
- Payments deferred except to the extent that they can be paid from excess cash flow from the project.

Ownership Projects:

- Construction loan for 48 months (4 years)
- 3% simple interest
- Payments deferred until loan is due.
- Upon sale of units, a portion of the subsidy converts to a grant to write down the price to an affordable level.
- Buyers must agree to resale controls restricting sales prices to an affordable level, set by formula.

**Prepayment  
Penalty  
Security**

None

Deed of Trust and Regulatory Agreement (Rental) or Deed of Trust and Affordability Agreement (Homeownership).

**HOW TO APPLY**

**Status  
Deadline  
Process**

Open - applications are due no later than 4:00 p.m. on October 27, 2007.  
not applicable

1. Complete the application and all supporting exhibits.
2. Submit completed application (2 copies) by due date.
3. Staff will contact you to discuss the details of your proposal.

**Application**

Not currently available.

**MORE INFORMATION**

**Details  
Projects**

Download most recent [Notice Of Funds Available](#)  
[Completed Projects](#)  
[Projects Under Development](#)

**Contact**

Marge Gladman  
Manager  
[Housing Development Unit](#)  
City of Oakland  
Community and Economic Development Agency

\*Area Median Income limits are revised annually. [Click here for current limits.](#)

City of Oakland  
Community and Economic Development Agency  
Housing and Community Development Division  
250 Frank Ogawa Plaza Suite 5313 | Oakland, CA 94612  
Tel: 510.238.3015 | Fax: 510-238-3691 | TDD: 238-3254  
2002 All Rights Reserved  
Last updated August 14, 2007  
[contact the webpage editor](#)

It is the policy of the City of Oakland not to discriminate on the basis of race, ethnicity, religion, family status, sexual orientation, or disability in employment or any of its programs, activities, or services.

City of Oakland is an equal opportunity housing provider

