

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. LOW- AND MODERATE-INCOME HOUSING FUND

The Redevelopment Agency's Low- and Moderate-Income Housing Fund is the main source of housing funds utilized to support the City's housing programs. The City has nine active redevelopment project areas from which tax increment revenues are collected. These include Acorn, Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oak Knoll, Oakland Army Base, Stanford/Adeline, and West Oakland. State law requires that the Redevelopment Agency deposit 20 percent of the gross tax increment revenues from these 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, the Redevelopment Agency adopted a formal policy to deposit an additional five percent of tax increment into the LMIHF, and has done so every year since that time.

In 2000 and 2006, the Redevelopment Agency issued a total of \$95 million through tax allocation bonds backed by the Low- and Moderate-Income Housing Fund. Annual debt service on these bonds will require over \$8 million from the Low- and Moderate-Income Housing Fund. Most of these funds have already been committed to housing development projects, including projects anticipated to start and complete construction during this Housing Element period.

Over the next several years, and depending on the state of the bond market (currently severely impacted by the global financial crisis), additional bond issuances are anticipated for major developments such as Oak to 9th and the MacArthur BART transit-oriented development project. These funds will be required to insure that the Redevelopment Agency meets State law requirements that at least 15 percent of all housing developed in a redevelopment area be affordable to persons of low and moderate income; 40 percent of those units must be affordable to very low income households.

For FY 2008-09, the gross tax increment for all redevelopment areas is estimated to be approximately \$125 million, yielding \$31 million in deposits to the Low and Moderate Income Housing Fund. These funds are allocated as follows:

Debt Service	\$7.9 million
Citywide First Time Homebuyer Assistance	\$2.5 million
Citywide Housing Development Programs	\$8.8 million
Central City East Project Area Programs	\$4.5 million
West Oakland Project Area Programs	\$1.7 million
<u>Planning and Administration</u>	<u>\$6.2 million</u>
Total	\$31.6 million

**CITY OF OAKLAND
HOUSING ELEMENT 2007-2014**

The Redevelopment Agency anticipates modest increases in revenues through 2014; funds not needed for debt service or planning and administration are anticipated to be used for activities similar to those funded in FY 2008-09.

Most Redevelopment Agency housing activities are carried out citywide. Two of the City's redevelopment project areas – Central City East and West Oakland – have provisions that restrict the use of housing funds to programs within those specific areas. Following are proposed uses funds that represent the percentage of total funds allotted per program for those two areas:

Central City East:

Rehabilitation of Owner-Occupied Housing (CCE-HRP)	35%
Rehabilitation of Rental Housing (CCE-LARP)	20%
Mortgage Assistance Program (CCE-MAP)	20%
New Construction of Rental Housing (CCE-NOFA-RENTAL)	10%
New Construction of Ownership Housing (CCE-NOFA-OWNER)	15%

West Oakland

Residential Rehabilitation Program (WO-HRP)	20%
Mortgage Assistance Program (WO-MAP)	30%
Large Affordable Rehabilitation and Preservation Program (WO-LARP)	18%
Vacant Housing Acquisition and Rehabilitation Program (WO-VHARP)	10%
Foreclosure Acquisition and Rehabilitation Program (WO-FARP)	12%
Special Projects (WO-SP)	10%

B. OTHER FINANCIAL RESOURCES

In addition to locally generated redevelopment 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 FY 2008-09, the City received approximately \$4.3 million in HOME funds. Ninety percent of these funds were used for housing development activities; ten percent is used for planning, administration and monitoring activities. Similar levels of funding are anticipated in future years.

The City currently receives \$8.3 million annually from the federal Community Development Block Grant (CDBG). In past years, program income from loan repayments has generated an additional \$2 million, but the current housing crisis has reduced this amount to roughly \$600,000 per years. The City anticipates allocating approximately \$4 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 \$362,000 in federal Emergency Shelter Grant funds for support of shelter and services for the homeless.

In FY 2008-09, the City was awarded \$8.25 million in supplemental CDBG funds under the Neighborhood Stabilization Program (NSP) to assist with the acquisition, rehabilitation and resale or rental of foreclosed homes and apartments. This is a one-time award; grant activities will be carried out over a four year period.

In addition to the HOME and CDBG Programs, affordable housing developers in Oakland routinely apply for additional funds provided by the state and federal governments, including low-income housing tax credits, and special financing programs, such as the Section 202 and Section 811 programs for seniors and persons with disabilities. The City's willingness to make early commitments of local funds for housing development projects makes Oakland-based projects more competitive for outside funding. In addition, affordable and mixed-income housing projects in Oakland, most of them already receiving assistance from the City or Redevelopment Agency, have been awarded over \$80 million in funds from Proposition 1C under the State's Transit Oriented Development and Infill Infrastructure Grant competitive grant programs.

C. OTHER NON-FINANCIAL RESOURCES

The City of Oakland's Community & Economic Development Agency (CEDA) operates the City's housing programs, through the Redevelopment and Housing & Community Development Divisions. CEDA 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 seven Housing Rehabilitation Programs. These include the following:

- **HMIP Amortized Loan** – provides low interest rehabilitation loans to low- and moderate-income owner occupants of one to four unit dwellings. To be eligible, the property needs to be located in one of the seven community development districts.
- **HMIP Deferred Payment Loan** – provides rehabilitation resources to low-income homeowners unable to qualify for conventional mortgage loans. Again, the property needs to be located in one of the seven community development districts.
- **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.
- **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 Program** – provides loans for major home repairs that require immediate attention. A citation must be issued by a Fire Marshall, Health Officer, or Code Enforcement Officer. Qualified households must be low-income, single-family homeowners.
- **Lead Hazard Control and Paint Grant Program** – provides grants to extremely low-income senior homeowners, homeowners with a disability and some families (affordability

restrictions are relaxed for owner occupants who have children under the age of six or who are expectant mothers) for lead hazard remediation and exterior painting. Qualified households must live in one of the seven Community Development Districts.

- **Neighborhood Housing Revitalization Program** – provides financial assistance to owners of one-to-four unit or single family dwellings that are in need of repair to correct code violations and to eliminate safety and health hazards.

In past years, the City operated a rental rehabilitation program that provided deferred loans to owner/investors. The federal program that funded this activity was discontinued many years ago. The City has discontinued this program because available funding sources will require that the City restrict rents and tenant incomes in rehabilitated properties, and there is a lack of interest on the part of rental property owners who do not want this rent restriction requirement.

First Time Homebuyers

There are three First Time Homebuyer Programs. Neither has geographic targeting.

- **Mortgage Assistance Program (MAP) for First Time Homebuyers** – provides deferred interest loans of up to \$75,000 to low-income, owner-occupant, first time homebuyers.
- **Down Payment Assistance Program (DAP) for Public Safety Officers and Oakland Unified School District Teachers** – provides special loans of up to \$20,000 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.
- **American Dream Down payment Initiative Program (ADDI)** – provides assistance that can be combined with the City's First Time Homebuyer Mortgage Assistance Program to assist low-income, first time homebuyers.

Foreclosure Related Acquisition and Rehabilitation

- **Neighborhood Stabilization Program (NSP)** – provides assistance to purchase and rehabilitate foreclosed, bank-owned properties with funding targeted to the most distressed neighborhoods in the city (selected areas in East and West Oakland).

Redevelopment Area-Specific Programs

As discussed in Section A above, for two of the City's redevelopment project areas, the Project Area Committees have proposed specific allocations of housing funds for various programs.

- **Central City East Housing Programs**
 - **Rehabilitation of Owner-Occupied Housing (CCE-HRP)** – provides loan funds for exterior work only on homes owned and occupied by low to moderate income households in the Central City East redevelopment project area.
 - **Rehabilitation of Rental Housing (CCE-LARP)** – provides loan funds for the preservation and rehabilitation of older large affordable rental developments located in the Central City East redevelopment area; eligible developments are those previously funded or encumbered with regulatory agreements by the

City/Agency in the Central City East redevelopment project area. These funds are awarded through the Affordable Rental Housing Preservation and Rehabilitation Loan Program.

- **Mortgage Assistance Program (CCE-MAP)** – provides silent second mortgages to households making between 81% and 100% Area Median Income to purchase existing homes in the Central City East redevelopment area.
 - **New Construction/Substantial Rehabilitation of Rental Housing (CCE-NOFA-RENTAL)** – provides loan funds for the development and/or substantial rehabilitation of rental housing affordable to low-to moderate-income households in the Central City East redevelopment project area.
 - **New Construction/Substantial Rehabilitation of Ownership Housing (CCE-NOFA-OWNER)** -- provides loan funds for the development and/or substantial rehabilitation of ownership housing affordable to low-to moderate-income households in the Central City East redevelopment project area.
- **West Oakland Housing Programs**
 - **Residential (Homeowner) Rehabilitation Program (WO-HRP³⁴)** – provides loans to homeowners with incomes up to 80% of the Area Median Income to fund minor rehabilitation of their homes. The homes must be located in the West Oakland redevelopment project area.
 - **Mortgage Assistance Program (WO-MAP)** – provides silent second mortgages to households making between 81% and 100% of Area Median Income to purchase existing homes in the West Oakland redevelopment project area.
 - **Large Affordable Rehabilitation and Preservation Program (WO-LARP)** – provides loan funds for the preservation and rehabilitation of older large affordable rental developments located in the West Oakland redevelopment project area; eligible developments are those previously funded or encumbered with regulatory agreements by the City/Agency in the West Oakland redevelopment project area. These funds are awarded through the Affordable Rental Housing Preservation and Rehabilitation Loan Program.
 - **Vacant Housing Acquisition and Rehabilitation Program (WO-VHARP)** – provides loans to developers to acquire and rehabilitate vacant, blighted residential properties or to acquire and construct new affordable housing on vacant parcels. All properties must be in the West Oakland redevelopment project area and upon completion must be made available to low- to moderate-income households at affordable rents or prices.
 - **Foreclosure Acquisition and Rehabilitation Program (WO-FARP)** – provides assistance to low- and moderate-income households to purchase and rehabilitate foreclosed homes in the West Oakland redevelopment project area.

³⁴ Originally identified with acronym “WO-RRP” in the West Oakland 2008-2015 5-year Implementation Plan document but actual program description is for homeownership rehabilitation program better identified with the acronym “WO-HRP.” This is consistent with the acronym of a similar program “CCE-HRP.”

- **West Oakland Special Projects (WO-SP)** – provides small loans or grants for small-scale housing activities (e.g. installation of solar panels) that assist low- to moderate-income households in the West Oakland redevelopment project area.

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:

- **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.
- **ECHO Home Equity Conversion Program** – provides counseling to seniors who own their homes and are considering a reverse mortgage to enable them to retain their homes.
- **ECHO Rental Assistance Program** – provides funding for payment of first and last month's rent and security deposits for very low-income households.
- **Emergency Shelter Grant Program (ESG)** – provides shelter and other forms of temporary housing and support services to the City's homeless population. The ESG Program provides services to prevent homelessness, (e.g., rental assistance, legal assistance, and eviction prevention), assistance to battered women and their children, housing advocacy for senior citizens, and technical assistance.
- **Foreclosure Eviction Prevention** – provides informational mailings, outreach, and counseling services.
- **Homeless Facilities Construction and/or Rehabilitation** – provides funding for construction or rehabilitation of emergency, transitional or permanent housing with supportive services for homeless persons.

- **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.
- **Project Pride** – funds committed for the construction and rehabilitation of 42 transitional units with supportive services.
- **Supportive Housing Program** – provides a continuum of services, shelter, and transitional housing (54 units) to assist homeless families.
- **Transitional Housing Program** – provides temporary housing 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.
- **Winter Relief Program** – provides emergency food and temporary shelter during winter months to the homeless population.

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:

- Housing search assistance, counseling, and referrals for people with a disability.
- Code enforcement relocation.
- Fair housing and landlord-tenant counseling.
- Rent adjustment board.
- Shared housing education and counseling.
- Relocation assistance to families who live in housing scheduled for demolition or rehabilitation through city action.

E. ENERGY CONSERVATION

State law requires local governments, in preparing a Housing Element, to address energy conservation measures for residential development. The City of Oakland has taken several measures to implement energy conservation programs in residential projects. There are three areas that require analysis to comply with energy conservation in the Housing Element: planning and land use, conservation incentives for the City's building industry and residents, and promoting green building and energy efficient building standards and practices. In addition, the State recently adopted AB 32 (Chapter 488, Statutes of 2006) that seeks to reduce greenhouse gas emissions. SB 375, signed by Governor Schwarzenegger in September 2008 links AB 32 to land use planning and transportation decisions that will reduce the use of fossil fuel consumption. Highlights of SB 375 are that it requires regional governing bodies to include a "sustainable community strategy" in their regional transportation plan

that encourages reductions of vehicle miles travelled by encouraging development near public transportation. In addition it will mandate that transportation projects consistent with the “sustainable community strategy” receive federal transportation funds administered by the state.

The Housing Element is seen as a tool to implement this state policy by coordinating efficient land-use strategies that promote housing development that is affordable, is higher density in strategic urban locations, and that promotes housing policies related to the reduction of greenhouse gas emissions. The following three sections look at policies in place and policy goals for the next planning period that address Energy Conservation through the lens of housing development in the City.

Planning and Land-Use

Planning policies encourage energy conservation and sustainable development by focusing development in Oakland’s downtown and near major corridors well served by transit, as well as zoning land to ensure there is land available to meet housing needs at appropriate densities with an emphasis on land well served by public transit, and close to public services. Specifically, Policy 1.1 Downtown Housing and Major Corridor Housing Program, Policy 1.2 Availability of Land, and Policy 1.3 Appropriate Locations and Densities for Housing all encourage housing that maximizes sustainable development. With these policies in place, Oakland will help create more sustainable environment.

Conservation Incentives for the Building Industry and Residents

The City of Oakland’s Housing Element Policy Goal 7 (see Chapter 7 for a full list of Housing Element planning period policy goals where this is detailed) addresses the City’s efforts to promote sustainable development and follow the principles of a sustainable community strategy. Policies that are supported by the City include the following

- promoting a sustainable residential development program,
- minimizing energy consumption by encouraging energy conservation design in existing and future residential development,
- fostering low-carbon emissions and development by encouraging infill development at densities that are appropriate for targeted communities and by encouraging development in close proximity to transit resulting in a reduction in the number and frequency of trips made by automobiles,
- minimizing environmental impacts from new housing construction by working with developers to construct new housing that reduces the footprint of new construction, preserves green spaces, and supports ecological systems.

Promoting Green Building and Energy Efficient Building Standards and Practices

In October, 2010, Oakland passed a Green Building Ordinance (resolution number 13040), which requires private construction in the City, after certain thresholds are met, to use checklists and best practices for conserving energy and resources. These regulations enhance a 2005 ordinance which required that any City building project or public works project follow Green Building requirements as codified in Chapter 15.35 of the Oakland Municipal Code. For a number of years, the City used Green Building Guidelines (resolution number 79871, May 2, 2006), to encourage private and commercial residential developers to use green building and landscape design and construction

whenever feasible. Additionally, the City's Housing and Community Development department's annual Notice of Funding Availability for affordable housing development requires that developers achieve a minimum of 50 points on Build It Green's GreenPoint Checklist.