Measure A1 Annual Report 2 – July 2018 through June 2019

Draft text and mock-up visuals

<u>Outline</u>

    2. Measure A1 Expenses and costs during this period
    3. Measure A1 expenses and costs from inception through the end of the period
c. Staffing
    1. Staffing up for A1 during this period
d. Systems
    1. City Data Services
    2. Elations
e. Oversight Committee work
f. Preview of Next Report

Letter from the Director

I am pleased to present the second annual report on the Measure A1 Affordable Housing Bond for the period of July 2018 through June 2019. In the first report published in January 2021, we provided a summary of accomplishments through December of 2020. We did this to alert the community that we had achieved 2,937 of our 3,800 new unit goal. In this report, we focus on the second reporting period of July 1, 2018 through June 30, 2019. Implementation of the $580 million Measure A1 bond picked up speed during this second reporting period; we doubled the number of multi-family affordable rental project supported by Measure A1, launched new programs and funding allocations, supported existing projects to close construction financing, built up our internal capacity to deliver the Bond programs, and finalized the Oversight Committee structure so it could be seated in the next reporting period. We were busy during this period.

Meanwhile, the reasons voters approved this historic Bond continued; Alameda County became less affordable to live in with rents rising by 45% since 2009, and the number of our neighbors experiencing homelessness doubled between 2014 and 2019. The Urban Institute estimates that we have a 60,000-unit shortfall of affordable housing for low-income households, and nearly half of all renters spend more than one third of income on rent. This is a crisis in which significant portions of our residents who might experience a relatively small financial emergency will quickly spiral into experiencing homelessness. We also know that the unhoused in our community are disproportionately people of color, and that African Americans make up the largest portion of the homeless population. In this report you will read about how racial and economic equity and an awareness of past discriminatory practices guided us in implementing each of A1 programs.

We continued to evolve as a department. Tasked with such an ambitious opportunity to build the County's stock of affordable housing, we implemented new systems and rewrote our guiding mission, vision and values statements to better align with a mandate to lead the Bay Area in building equitable housing. In its 2019-2020 annual report the California Department of Housing and Community Development announced that Alameda County won the second-most state affordable housing funding of any County in the state, behind only Los Angeles County. In recent history, such a feat would not have been imagined, and without A1 providing local funding to make projects more competitive, would not have been possible. A1 funds helped projects be more competitive for state-wide funding sources

This report and the excellent programs it represents are a team effort. Our Board of Supervisors provided thoughtful leadership in the continued roll-out of A1 programs; holding us accountable to our promises and providing the resources necessary to deliver on them. We are grateful to our partner departments within the Alameda County Community Development Agency, the County Administrator, Auditor-Controller, County Counsel, Social Services and Health Care Services agencies and their staffs. We also want to thank each of the cities in Alameda County for partnering with us to build more affordable housing and their continued commitment to ending homelessness. We cannot do this work in isolation. Partnerships with our non-profit developers and program administrators, advocates for residents and taxpayers, and our partners in labor make our programs stronger and outcomes more meaningful. I am proud of this report. It documents Measure A1 building momentum and unlocking additional opportunities to make Alameda County a place where we all belong.

Michelle Starratt, Director

Housing and Community Development Department

Community Development Agency

Letter from the Oversight Committee Chair

On behalf of the Measure A1 Citizens' Oversight Committee, it is my pleasure to present the July 2018 through June 2019 annual report for the Measure A1 Affordable Housing Bond Program. Our Committee is comprised of advocates, residents of subsidized housing, civic organizations, labor representatives, city managers, and representatives from each Board of Supervisors district. Our mandate is to review Measure A1 expenditures to ensure their compliance with the Bond Measure, approved by Alameda County voters in 2016.

The COVID-19 pandemic has highlighted the importance of adequate shelter to public health and the stability of our communities. The health crisis has disproportionately hit those already suffering from the Bay Area's housing crisis – communities of color living with the ongoing legacy of discrimination, households of frontline workers crowded into housing they can barely afford, and people living without suitable shelter. This dual crisis underscores that all members of our community need safe and affordable housing, for their own sake and the good of the greater community.

Measure A1 is doing that important work; building an affordable apartment for the mom and her son who have been living in their car, putting to work that recent Laney College grad as an apprentice on a construction site, and helping the couple in Hayward maintain the safety and accessibility of their home that has been a place of sanctuary for generations of children and grandchildren. Strong communities are where people are empowered in the good times, and, as a result, can help each other in the hard times. Housing is a cornerstone of strong communities where we all belong.

In the year-plus since the Citizens' Oversight Committee was seated, we've dug into the important issues of Measure A1 through presentations, discussions and reports. We set the template for reporting in the first annual report. This report builds on that foundation and discusses important, sometimes complex, aspects of implementation as additional funding pools come online and more A1 programs launch. Our Committee is proud of our work with County staff to make this report informative and accessible to a wide audience.

Measure A1 Bond programming continues, so does the work of the Citizens' Oversight Committee; asking the important questions, creating accountability and providing a venue for Alameda County residents learn about and be heard on how their tax dollars are being spent to make our communities stronger through affordable housing. We are proud of this report and the efforts it represents at making Alameda County a place where we can all belong.

Ndidi Okwelogu

Measure A1 Citizens' Oversight Committee Chair

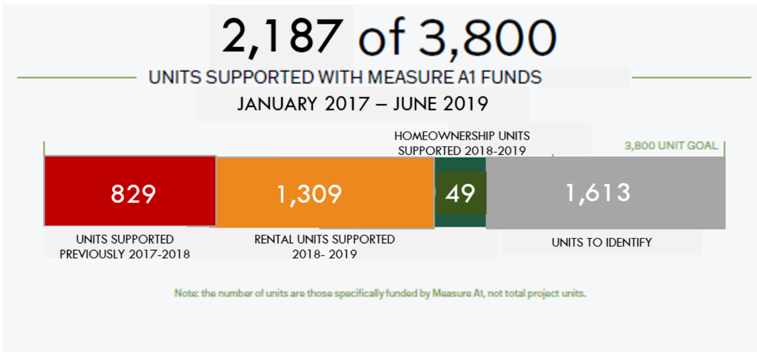
1. Executive Summary

The goal of Measure A1 is to create or preserve 3,800 affordable housing units to help address Alameda County's housing crisis and improve the lives of thousands of County residents. In our first report, we reported on accomplishments through December 2020 and were proud to have achieved 2,937 of our 3,800 goal. During this reporting period, between July 1, 2018 and June 30, 2018 the three A1 programs that have launched – Rental Development, Downpayment Assistance, and Housing Preservation - combined to support the creation or preservation of 1,358[1] units of housing, of which 1,309 are affordable rental units in multi-family buildings, 46 are homes approved for downpayment assistance loans, and 3 are homes approved for preservation loans. Combined with the 829 affordable rental units supported during the previous reporting period, Measure A1 supported 2,187 total units by the end of July 2019. These programs and those that will launch in the near future – Homeowner Development, Innovation, and Acquisition and Opportunity funds – will identify an additional 1,613 units of affordable housing to support in the coming years to meet the 3,800-unit goal.

Highlights from this Reporting Period

This annual report focuses on the work of the Measure A1 affordable housing bond during the second full fiscal year of implementation, from July 2018 through June 2019. HCD and partners built on the work of the first reporting period and made significant progress toward goals during this time: winning Board of Supervisors support for an additional 17 rental development projects, shepherding 15 projects to close construction financing, beginning implementation of two Homeownership programs, and recruiting representatives to serve on the Measure A1 Oversight Committee.

[1] 1309 rental, 46 approved DALP, 3 HPLP = 1,358



3,800 units estimated based on $150,000 per unit investment

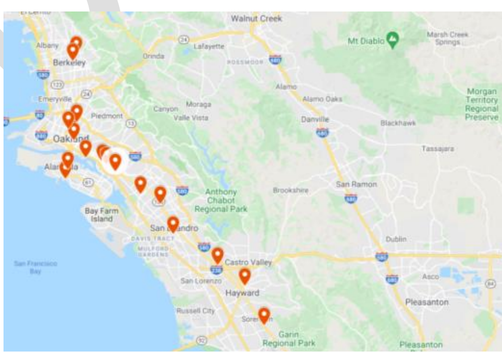
Total Units – Rental and Homeownership – supported through June 2019

- **The Rental Housing Development Program**

The Rental Housing Development Program helps fund projects that provide affordable rental units to low income households, with targeted support to people who are most in danger of displacement and homelessness. The goal of the program is to develop new units, and it is expected that Measure A1 will support over 2,800 new affordable restricted units.

- 21 Projects supported
- Supported 1,309 affordable units of which
- Began construction on 15 projects
- $149 million in Measure A1 funds committed
  - A1 funding leveraged an additional $775 million* from other sources
- Contracted labor tracking and compliance services

  **Additional funds includes estimates for projects in predevelopment*



Measure A1 Rental Development Projects supported in FY2018-19

- **Downpayment Assistance Loan Program (DALP), aka “AC Boost”**

AC Boost assists middle-income, first-time homebuyers with a down payment so that they can get into a home and start building generational wealth and stability.

  - $50 million in A1 funding
- Launched in March 2019
  - Held 4 application workshops resulting in 67 completed application
  - Approved 46 applications for Reservation of Funds
  - Supported 25 applicant households purchased homes with AC Boost funds
  - Committed $3.2 million to home purchases

- **Housing Preservation Loan Program (HPLP), aka “Renew AC”**

Renew AC provides attainable, low-interest loans that allow seniors, people with disabilities, and other low-income homeowners to make much-needed improvements to their homes. Renew AC also provides support services that help people navigate the process of making those home improvements. Improvements help prevent homeowner displacement and allow people to stay safely in their homes and communities.

- $45 million in A1 funding
  - Launched March 2019
  - 188 program applications requests received
  - 21 complete applications received
  - 5 projects approved for construction
- $637,736 committed to home preservation projects

	Allocation	Administration - 10% of each Fund	Commitments thru June 2019	Commitments thru March 2021	Expenditures thru June 2019	Expenditures thru March 2021	Balance as of March 2021
Rental Development	$425 M	$42.5 M	$152 M	$349.6 M	$18.4 M	$129.8 M	$32.9 M
Innovation & Opportunity	$35 M	$3.5 M	0	$6.3 M*	0	$6.3 M	$25.2 M
Downpayment	$50 M	$5 M	$3.2 M	$18 M	$326 K	-	$27 M
Home Preservation	$45 M	$4.5 M	$637 K	$18.5 M	$132 K	$6.2 M	$22 M
Home Owner Development	$25 M	$2.5 M	-	-	-	-	$22.5 M

Measure A1 Program Allocations, Commitments, Expenditures and Balances through for the reporting period and through March 2021.

***Funds used as the revolving loan local match for the purchase of two motels under the State of California's Homekey program to provide housing for people experiencing or at risk of homelessness. The Measure A1 funds will be repaid into the Innovation & Opportunity Fund upon close of construction financing by the developers.

This report will tell the story of how this Bond has affected those who are most in danger of displacement and homelessness. The programs under A1 are for our our teachers, our medical staff, our custodians, our artists, our grocery store clerks, our restaurant staff, and everyone else who makes our community flourish. From aging adults to those with disabilities, to our veterans and our children, Measure A1 has already profound impacted our communities. However, this work is not done. Daily, we seek creative and adaptable ways to fight the housing affordability crisis and to make safe and affordable housing a reality for all residents of Alameda County.

Using the Measure A1 Report

Building on the first Measure A1 Annual Report, this report--and the two that will follow to catch up to the current year--is our opportunity to share the great news about what our programs already accomplished. We want to highlight how HCD has changed as a department in response to this great task and share the historic ways in which Measure A1 is building social justice through affordable housing.

This report covers the Fiscal Year of July 2018 – June 2019. The report is divided into five main sections, including an introduction, an historical look at housing in the Bay Area, a chapter on each of the main programs, and a chapter on the bond administration. Stable and affordable living spaces are essential to the health and diversity of our communities. The four reports we will publish through 2021 will highlight more of the social justice work that HCD has spearheaded in the affordable housing space and will provide updates on the evolution of the

HCD team. The 2017-2018 report was published in early 2021. Reports to follow this 2018-2019 report in 2021 will cover:

- 2019-2020
- 2020-2021

We are proud to present the details and data of our communities' accomplishments.

2. Introduction : Why Measure A1

"In crafting Measure A1, our main goals were to address the increasing gap for affordable housing and fund anti-displacement efforts for community members. With the addition of 2,966 A1-funded affordable units (with 1,006 being prioritized for unhoused residents) and the assistance from the down payment and preservation programs- I think we will be seeing the Impact of the measure on the region for years to come."

- Supervisor Keith Carson, District 5

We have a housing crisis in Alameda County. Affordable housing is getting significantly harder to find. Seniors, veterans, people with disabilities, and low-income families face being rent-burdened, needing to move out of the area or becoming homelessness because they cannot afford rent in our communities. State and federal funding for affordable housing has decreased by 89%. According to the California Housing Partnership, we face a shortfall of 60,000 homes that are affordable to low-income families, with 40,000 of those needed for people who are extremely low-income.[2] The private housing market has not and will not meet this need on its own.

This shortfall has significant impacts on County residents. The lack of new units and influx of high-income workers reduced vacancy rates across Alameda County, driving up rents. Alameda County became less affordable to live in and our ranks of neighbors living without proper shelter doubled from the 2015 point-in-time count of 4,040 people to 8,022 in 2019.[3] Nearly half of all renter households spend more than one third of income on rent. Housing costs above 30% generally come at the expense of savings and other priorities, leaving the family less prepared to weather emergencies.[4]

Since 2009, the median rent has increased by 45% from 2009 to $2,374 in 2019, leaving moderate and low-income families with difficult choices. In order to afford such rents, households would need to earn triple Oakland's minimum wage of $14.14/hour. Most service industry workers would need to triple their wages to afford these rents.[5] Failing that, most families are forced to forego other essentials, like food, healthcare, childcare or transportation. When those budget safety valves are no longer enough to make the rent, families double-up into

[2] Urban Institute, "Mapping America's Rental Housing Crisis," https://apps.urban.org/features/rental-housing-crisis-map/

[3] Everyone Home, "Alameda County Homeless Count & Survey 2019," https://everyonehome.org/wp-content/uploads/2019/07/2019_HIRDReport_Alameda_FinalDraft_8.15.19.pdf

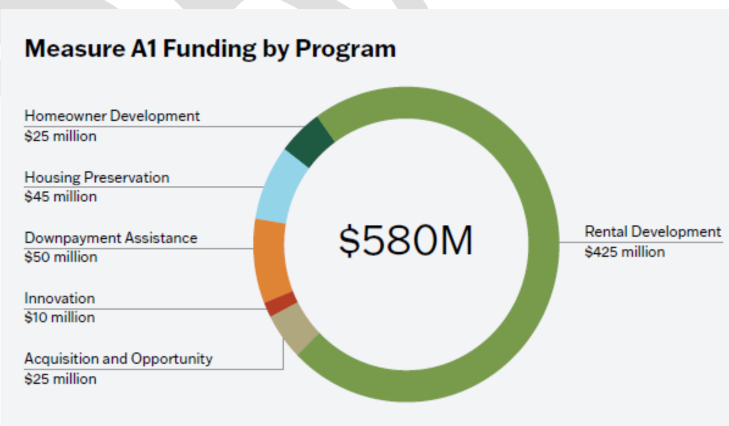
[4] Healthy Alameda County, "Renters Spending 30% or More of Household Income on Rent," http://www.healthyalamedacounty.org/indicators/index/view?indicatorId=393&localeId=238

[5] California Housing Partnership, "Market Trends: Alameda County," https://chpc.net/housingneeds/?view=37.405074,-119.26758,5&county=Alameda&group=market&chart=historical-rents,vacancy,asking-rents|2020,budgets|2020

overcrowded housing, seek shelter on the streets or leave the region to seek housing that is affordable elsewhere. A lack of affordable rental housing has a direct link to the explosion in our population of people experiencing homelessness.

We must acknowledge that the housing crisis most heavily impacts Black, Latinx and Indigenous people who have been subject to discriminatory public policies and institutional bias. There is a significant wealth gap between Black and Latinx households and Caucasian households, and, just as telling, Black and Indigenous people are homeless at a rate 4 times the general population of Alameda County. Guided by the Everyone Home report, "Centering Racial Equity in Homeless System Design,"[6] we must acknowledge these discriminatory impacts and focus greater resources throughout the continuum of housing to aid those currently facing homelessness, and better support people before they reach this dangerous threshold, especially communities particularly at risk.

As a community, we stepped up to address this crisis. The Measure A1 bond program provides $580 million in funding to create and protect affordable housing options for people who need it most in Alameda County – seniors, veterans, people with disabilities, and many in the workforce who we count on to help contribute essential services. It supports people who struggle with housing costs, provides people experiencing homelessness and other vulnerable populations with long-term affordable housing, and it helps families buy homes, a critical step for building long term wealth and financial stability. Racial equity is central to the design and implementation of each of the Measure A1 programs.



[6] Everyone Home, "Centering Racial Equity in Homeless System Design," https://everyonehome.org/wp-content/uploads/2020/10/EveryOneHome_10.20_Summary_FINAL.pdf

3. History of Housing in the Bay Area – Foundations of Housing Discrimination

The health of our communities can be measured by the accessibility for all residents to safe and healthy homes, quality education, adequate employment with sustainable incomes, efficient transportation, physical activity, proximity to nature, community assets, nutritious food, quality health care, and vibrant neighborhoods. Healthy communities are defined by affordability, stability, diversity, safety, social justice, and equity. At Alameda County HCD, we know that the health of our communities is inextricably linked with housing - an essential component of resilience and vitality. When safe and equitable housing is unaffordable or inaccessible due to discrimination, lack of opportunity, financial barriers, and other factors, our communities suffer immensely.

America's legacy of structural and systemic racism shaped a landscape of opportunity: where you live determines your ability to thrive. Many Black, Indigenous and People of the Global Majority (BIPoGM) live in neighborhoods that lack resources, are proximal to environmental hazards, and face disproportionate housing cost burdens, among other challenges. Housing is the foundation for opportunity, and we cannot address our current housing crisis without centering equity and social justice.

The Bay Area has become nearly synonymous with inequality. Our 9-county region is now the fastest growing region in all of California, with the fastest growth rates in Alameda, San Francisco, and Contra Costa counties (Green and Schuller, 2019). Sustained expansion as a world-famous technological hub has nurtured one of the most lucrative global economies, yet beneath this glow of boom-times, symptoms of crisis are abundant. In Alameda County, equity gaps continue to worsen, the number of unsheltered neighbors continues to skyrocket, displacement and gentrification have become regional hallmarks, and income inequality is worsening. Bay Area households in the 95th percentile ($357,594) make 11 times the income of those in the 20th percentile ($36,273) (Kendall, 2018). A recent report conducted by PolicyLink and the USC Program for Environmental and Regional Equity found that a family with two minimum wage workers can afford the median market rent in only 5% of Bay Area neighborhoods. 92% of those few accessible neighborhoods are rated as having very low economic opportunity, threatening social and economic stability let alone mobility, and imperiling the Bay Area's future success (Bellisario et al, 2018).

In our first annual report, we presented a high-level overview that contextualizes HCD's commitment to protecting and promoting housing as a human right, which involves both repair of past racialized traumas and injustices and a dedication to measurable impact to achieve equity and belonging in Alameda County. In this report, we deepen the explanation of historical racism and systemic and structural housing discrimination against African American, Indigenous, Latinx and other marginalized communities to set the stage to highlight the county's efforts through the Downpayment Assistance Loan Program (DALP) and the Housing Preservation Loan Program

(HPLP), which respectively make homeownership more attainable for moderate-income households and help keep homes safe and appropriate for current low-income homeowners.

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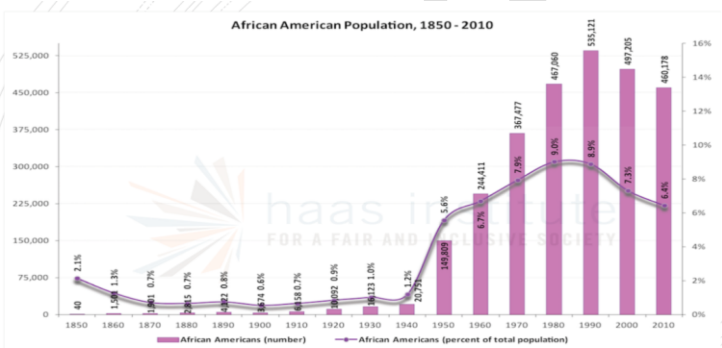
All facets of housing in the United States, from planning to financing and construction, are inseparable from this nation's long history of systemic racism. We cannot begin discussing the history of systemic racism in housing without acknowledging that Alameda County is seated on stolen land of the Ohlone, Chochenyo, and Muwekma peoples. We acknowledge the institution we represent was founded upon the exclusion and erasure of Indigenous peoples and cultures. We acknowledge the American Indian community of Alameda county, elders of the past, present, and future generations. The arrival of European colonizers to the Americas meant the decimation of Indigenous peoples and dispossession from their lands for control and economic benefit. European colonizers brought with them the very concept of land ownership, and the lending of it as a scarce resource through the concept of rent to absorb additional value from the labor, maintenance or extra value their tenants generate, whether it is through occupancy of a housing unit or tilling the land for produce. The Doctrine of Discovery was invented and utilized to justify colonial powers to lay claim to lands of foreign nations during the Age of Discovery. It was used to invalidate or ignore Indigenous claim to land on behalf of colonial governments. In this report we focus primarily on the experience of African American peoples, and in future reports we will elucidate upon white supremacist violence against other marginalized peoples. The long history of systematized discrimination and subjugation has systematized the suppression of BIPoGM through violence, theft, exclusion, and exploitation. State-sanctioned terror against BIPoGM, seizure of their wealth, widespread exclusion from government programs and policy efforts facilitated tremendous wealth-building for white people while intentionally limiting and/or preventing wealth accumulation among non-whites, entrenching residential racial segregation through both legal means and through the choices and prejudices of individuals.

For Black Americans, historical disadvantage is baked into the economy. As author and journalist Ta-Nehisi Coates wrote, "Perhaps no statistic better illustrates the enduring legacy of our country's shameful history of treating Black people as sub-citizens, sub-Americans and sub-humans than the racial wealth gap." Coates states: "American institutions, businesses, associations, and governments—federal, state, and local—repeatedly plundered Black communities. Their methods included everything from land-theft, to redlining, to disenfranchisement, to convict-lease labor, to lynching, to enslavement, to the vending of children. So large was this plunder that America, as we know it today, is simply unimaginable without it (2014)."

Wealth in the United States has its roots in exploitation and theft. One of the most significant fonts of wealth, and the foundation of US capitalism, is the plantation. Though the 13th Amendment granted slaves their freedom, it was replaced by the Jim Crow era which entrenched the insidious and racist practice of mass incarceration, that to this day jails Black men at 5 times the rate of white men (NAACP, n.d.). Demographic shifts of African Americans from the South to the North and West post-slavery, through World War I, the Great Depression, and the post war 1930's leading into World War II were seismic periods in the U.S. in which the nation experienced a tidal wave of changes and the installation of numerous federal programs that attempted to respond to era-defining political, economic, and social transformations, but also deepened racial divides throughout the country. African Americans moved into the Bay Area in astounding numbers during the Great Migration (1916-1970), during which 6 million African Americans move out of the rural Southern in pursuit of job opportunities facilitated by the rise of industrialization, war mobilization, and the federal investment in shipbuilding (Menendian, S., & Gambhir, S. (2019).



Othering & Belonging Institute Research

Segregation was implemented and maintained via public housing, rental housing practices, and homeownership through exclusionary zoning (racial + economic), the origins of which date back to 1870 when zoning was introduced to criminalize Chinese tenants and reclaim their workplaces and housing for San Francisco's white residents. Despite repeated reaffirmation by the U.S. Supreme Court of the unconstitutionality of racist/discriminatory zoning, the practice not only continued but proliferated throughout the 20th century. As outright racially oriented zoning became increasingly barred, local and federal officials began utilizing economic zoning ordinances to "reserve middle-class neighborhoods for single-family homes that lower-income families of all races could not afford." (Rothstein, 2017).

Simultaneously, in the early 1930's, single family homeownership among white households received massive subsidization and incentivization from the federal government. The Federal Housing Administration (FHA) was formed in 1934 under Franklin Roosevelt's Administration in the aftermath of the Great Depression to support middle-class renters in accessing homeownership for the first time through government subsidies and loans. The FHA wielded tremendous influence over numerous developments in this country's housing history: 1) their standards included whites-only requirements, which meant racial segregation was mandated by the federal mortgage insurance program, 2) they codified race as an element of risk in the mortgage lending space and refused to insure mortgages in and near African-American neighborhoods — a policy known as redlining (implemented by the Homeowners Loan Corporation - HOLC), 3) they explicitly tied property valuations to race, and in particular, suggested that homogenous white communities should receive higher property valuations in their underwriting manual, 4) they discouraged banks from making loans in urban neighborhoods and instead prioritized loans in newly built suburbs, particularly "in areas where boulevards or highways served to separate African American families from whites", and 5) they financed entire subdivisions as "racially exclusive white enclaves" (Rothstein, 2007). These efforts were explicitly and undeniably racist. Between the 1930's-1950's, redlining practices exploded. Racially restrictive covenants remade the landscape of cities across the country creating segregation where it did not previously exist, and such covenants were common across the Bay Area (Rothstein, 2007). For example, homes in the Westlake subdivision in Daly City, in the Rockridge neighborhood of Oakland, and in the unincorporated community of San Lorenzo included racial covenants covering all properties in the development to exclude all but white residents (Stiles, 2015). Shelley v Kraemer ruled in 1948 that enforcement of racially restrictive covenants were a violation of the Equal Protection Clause of the Fourteenth Amendment yet many local governments refused to enforce compliance. Further white homeowners' associations were often created by real estate developers with bylaws that restricted membership to whites only, functioning to prevent African Americans from buying in those neighborhoods. covenants that persisted even after Shelley (Rothstein, 2017). Many Bay Area neighborhoods remained entirely white through much of the twentieth century. For example, the City of San Leandro's homeowners' associations reportedly kept a "vigilante-like" watch on local real estate agents to prevent any homes from being shown to African Americans and that the city government took no action to stop this intimidation. While unenforced, racially restrictive regulations remained within homeowner association bylaws in some instances as late as the 1990s and 2000s, such as Lakeside in San Francisco and Cuesta La Honda in San Mateo County (National Committee Against Discrimination in Housing, Inc., 1971).

A growing nationwide housing shortage led FDR to create the nation's first public housing for civilians that either segregated African Americans from whites or entirely excluded them from developments. Segregation was further imposed upon integrated neighborhoods by the Public Works Administration and the "neighborhood composition rule". As suburbanization increasingly took hold, offering middle-to-upper-class white Americans the opportunity to realize the white-picket fenced American Dream away from the city in what is known as "White Flight", urban conditions deteriorated rapidly and poverty becoming increasingly entrenched in the "inner city". In the Bay Area, white homeowners left areas of increasing diversity such as East Palo Alto and Oakland to head to newly incorporated suburbs, which provided mechanisms to keep these new communities exclusive. The resulting land rush produced three new cities—

Newark, Union City, and Fremont—and an enlarged, reinvigorated older city, Hayward (Moore et al, 2019). Between 1951 and 1957, competitive incorporation and annexation converted Alameda County's prewar agricultural hinterland into a collection of cities bigger than Los Angeles (Moore et al, 2019). Municipal incorporation reinforced racial stratification and took capital from the East Bay's urban core out to suburbs where residents of color were banned. Fremont more than doubled in population within 15 years of its incorporation, yet it remained 97 percent white (US Census Bureau, 1970). This pattern was driven by "the federal subsidy to move, combined with the local power to exclude..." and "drew white people and opportunity from the city while walling in people of color with constantly diminishing resources (powell and Graham, 2002)." White homeowners sought racial exclusion coupled with the desire for greater municipal amenities and lower taxes in their migration out of urban cores. Richmond stands apart as an area that remained unincorporated, without a municipal government, and one of the few areas of Richmond where African Americans were permitted to live through the 1940s. Though it lacked paved streets and public lighting, and was prone to flooding, it became a famed source of blues music (Moore et al, 2019).

African American populations were essentially banned from white suburbs and faced further discrimination in the city, where sufficient housing was scarce. Only a fraction of African American applicants were accepted to public housing, with lower-income white families receiving disproportionate access to such services. Recent research conducted by Caleb Matthews as an intern for Supervisor Miley found that by 1946, more than half of the total African American population in Alameda County lived in temporary war housing. Increasingly these communities were blighted, which then led to "slum clearance" as the excuse for "urban renewal" projects, further destroying African American communities (Matthews, 2018).

By the late 1950's and early 1960's, the tide began to shift. President Kennedy's 1962 executive order attempted to end financing of residential segregation by federal agencies. In 1968, the Fair Housing Act was passed which expressly prohibited discrimination on the basis of "race, color, religion or country of origin", made it unlawful to refuse to rent or sell a home because of race, prohibited racial discrimination in terms and conditions of any rental or sale, prohibited blockbusting, banning agents from making comments about the race of neighbors or those moving in order to promote panic selling, and obligated HUD and other federal agencies (unspecified) to take affirmative steps to further fair housing. Also in 1968 Supreme Court Case Jones v. Mayer upheld a claim under the 1866 Civil Rights Act, that the refusal to sell to African American family solely based on race is unconstitutional. Despite this action, the percentage of African Americans who own their own homes today is essentially the same as when housing discrimination was outlawed in 1968. The 1970 census found 42% of African American households owned their own homes, and in 2017, the number was 41% (Wake, 2019). Many barriers remain to this day that prohibit and limit access to homeownership among African Americans, including limited access to credit or resources for a down payment, continued discriminatory practices, devaluation of assets in African American neighborhoods, and what's known as the “Black Tax” - the income Black professionals give to family members or friends to support them, meaning that their paycheck is often not available for saving or building wealth, but for mitigating the impacts of discriminatory systemic injustice for those in their network (Oliver, 2019).

Finally, macroeconomic crises have widened the wealth gap over time, as Black communities consistently face the brunt of economic hits. Access to wealth-building opportunities, such as the equity gained in homeownership, has prevented African Americans from critical quality of life opportunities, like the benefits of living in better neighborhoods, the ability to afford their children’s education throughout life, to pay for healthcare, and access capital to start a business. Wealth can also protect against hardship such as job loss or serious illness. The implications of centuries of government-sponsored activities that structured American policy, political economy, and society to create and expand white wealth-building opportunities at the expense of others has meant a devastating racial wealth gap: the median income for white households is $171,000 compared to $17,600 for Black households (Survey Consumer Finances, 2016). In a harrowing report entitled The Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America’s Middle Class by the Institute for Policy Studies, their key findings indicate that median Black household wealth will fall to zero by 2053 (Asante-Muhammad et al, 2017). In sharp contrast, median white household wealth is expected to climb to $137,000 by 2053. If current trends continue, by 2020 median Black households stand to lose nearly 18 percent of the wealth they held in 2013, and the median white household will own 86 times more wealth than its Black counterpart.

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Despite these significant rectifying measures, racial residential segregation has had broad, detrimental implications for BIPOC communities across nearly every facet of life. Currently, very few mechanisms exist to ensure housing as a human right. As described above, the limited housing opportunities available to African Americans was through public housing. By the 1960’s, as the cost of operating and maintaining public housing eclipsed the revenue brought in from resident rents, the federal government turned to housing agencies and the private sector to procure market-based forms of social housing through Section 8 vouchers, transitioning from a supply-side approach to a demand-side approach to address affordability. HUD was further defunded by President Reagan who halved the budget for public housing and Section 8 to about $17.5 billion and sought to eliminate federal housing assistance to the poor altogether. Section 8 helped struggling individuals and families fill the gap between income and rent in the private market. By the 1990’s, the federal government had accelerated the transformation of traditional public housing through HUD’s Hope VI Program, which tore down distressed projects to be replaced by mixed communities built with private partners/investors who received a credit against Federal tax owed in return for providing funds to developers to help conduct these renovations.

Preservation, Enhancement and Transformation of Rental Assistance Act (PETRA), Rental Assistance Demonstration (RAD), and other HUD programs had similar goals of redeveloping old public housing projects in conjunction with private developers and investors. Today, the Low-Income Housing Tax Credit (LIHTC) program is the nation’s largest active rental housing subsidy program. It issues tax credits to private investors to acquire, rehabilitate, or construct new rental housing targeted to low-income households (HUD). These programs respond to the retrenchment of public financing for affordable housing to improve their quality, help low-income, marginalized families move to opportunity, mitigate the income and wealth disparities African American families face by subsidizing their rent, build mixed-income developments to promote integration, and more.

Housing provision in this country now relies almost entirely on private-sector production, with affordability subsidized and incentivized by federal, state, and local governments. The federal government is locked into the private rental market, with subsidy costs spiraling to keep up with private rents (Gallent, 2018). By subsidizing individuals rather than building homes, the federal government propagated a negative circularity, with low-to-middle income renters shut out of homeownership now reliant on a largely unaffordable private rental sector (Dorling, 2015). As homeownership is increasingly seen as an investment, economic rent derived from the market continues to funnel money toward the wealthy elite class, while renters hemorrhage their increasingly declining incomes to pay for the basic human need of shelter. As the federal government withdrew from housing production and management, the market is now the only source of housing, and it must attempt to meet a broad range of needs and demands.

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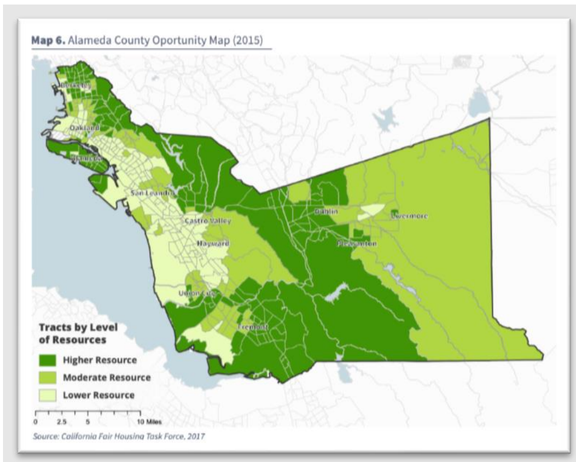
For BIPOC families able to achieve homeownership, predatory lending practices, among other barriers, have made it incredibly difficult to attain and sustain their housing. A study by Professor Carolina Reid at UC Berkeley found that the probability of sustaining homeownership for longer than five years by first-time homebuyers who were low-income or people of color was equal to a coin toss—and that was before the foreclosure crisis (Reid, 2005). The foreclosure crisis was a devastating experience for Alameda County residents particularly in the flatlands where 1 in 7 Oakland mortgages defaulted and 1 in 14 homes lost to foreclosures (at least 13,000 homes) from 2007 to 2011. BIPOC Alameda County residents have subsequently faced devastating displacement, housing instability and the decimation of millions of dollars of household wealth when entire multigenerational safety nets were obliterated. Predatory lending disproportionately targeted the vulnerable elderly, which meant traumatic losses of homes and assets by being pressured to take on debt, losing her home and placing many generations of family members at risk who relied on that home base. Displaced residents often have no other option than to become homeless, accounting for the dramatic increase in Alameda County’s homeless count to 8,022.



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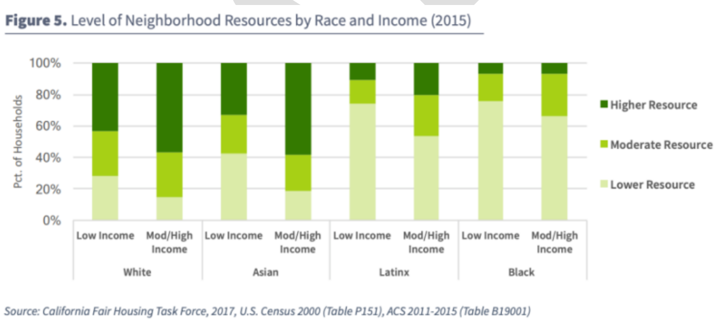
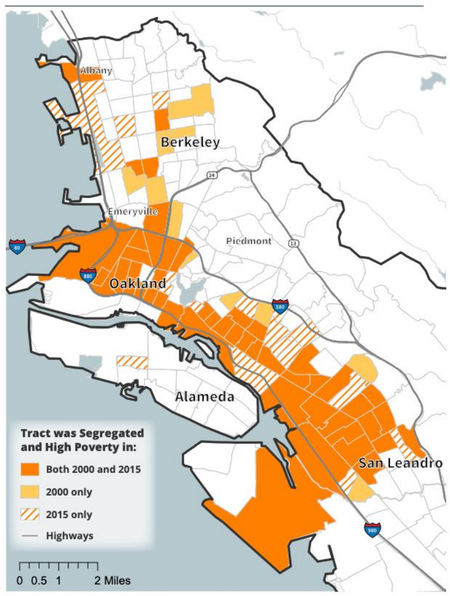
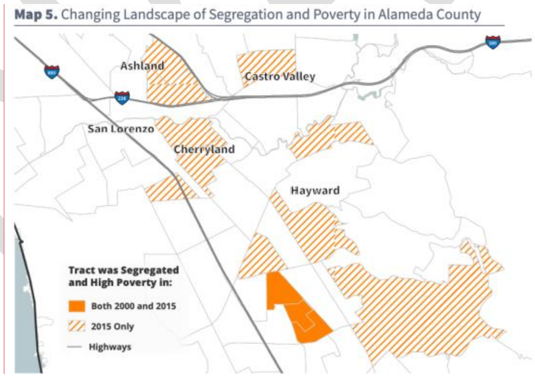


The above map and chart from Urban Displacement Project (2015) demonstrate the disparity in resources geographically and across race in Alameda County. The map demonstrates how lower resourced tracts are the urban core areas and resources increase as one moves outward into the suburbs, which is a product of White Flight and urban disinvestment. The chart demonstrates how racial disparity maps onto place, in that Black and Latinx households live in disproportionately low resource neighborhoods compared to White and Asian households.



Source: U.S. Census 2000 (Table H063), ACS 2011-2015 (Table B25064)

Map 5. Changing Landscape of Segregation and Poverty in Alameda County



These maps from Urban Displacement Project (2015) demonstrate the concentration of poverty and segregation in Alameda County neighborhoods and the change over time, revealing that poverty and segregation have remained high, and are spreading into new census tracts.

Today, the majority of affordable housing production in high-cost, urban areas like the Bay Area follows predictable, harmful and racialized patterns. Because neighborhood revitalization is so

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Commented [HC2R1]: added content to explain often poorly managed if managed at all, when private investments are funneled into disinvested communities, often followed by neighborhood improvements like increased services this often results in gentrification. As neighborhoods become more costly, rents rise driven by rising property values, existing low-income households can't afford to remain in their newly revitalized neighborhoods. Added displacement pressure often occurs as affordable housing stock affordability regulatory periods expire and properties revert to market-rate. At that point, affordable housing residents are also displaced, and often with nowhere to go. As costs rise seemingly ceaselessly, there are few barriers to stem these powerful market forces.

The culmination of and interplay of racist policies has created the uneven landscape of opportunity we see today in which the wealth that white people own is vast and growing, particularly for older generations, meanwhile the wealth of BIPOC Americans and younger generations is collapsing to zero or negative. Nationally, 72.4 percent of white households' own homes, whereas only 42.2 percent of African American households do, in contrast.

Even as Alameda County's shortfall of affordable homes has become more acute, the state and federal governments have reduced direct funding for affordable housing by 89% since 2008 (Alameda County Housing & Community Development). Measure A1 provided Alameda County with the much-needed funding to adequately leverage what state and federal resources are available to meet our region's housing needs. We recognize that deep and broad action is essential to address these crises head on. The two programs featured in this report will elucidate our efforts to:

1. Provide targeted down-payment assistance through our Downpayment Assistance Loan Program (DALP), aka "AC Boost" which assists middle-income, first-time homebuyers with a down payment so that they can get into a home and start building generational wealth and familial stability.
2. Provide attainable, low-interest loans through our Housing Preservation Loan Program (HPLP), or "Renew AC" that allow seniors, people with disabilities, and other low-income homeowners to make much-needed improvements to their homes. Renew AC also provides support services that help people navigate how to make those home improvements. These improvements help prevent homeowner displacement and allow people to stay safely in their homes and communities.

Subsequent reports will continue to build on the context and on how Alameda County lives out its value to ensure that housing is a human right so that all of our residents can live stable lives of dignity.

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4. Rental Programs Made Possible by Measure A1

Rental programs received the largest portion of Measure A1 funding as multi-family affordable housing is the most effective housing tool for preventing homelessness and providing long-term solutions for people experiencing homelessness. For most moderate- and low-income County households, renting is the only way to afford shelter. Down payments, credit worthiness, and low wages are significant barriers to homeownership, leaving renting the only viable housing option. The development of multi-family affordable housing most directly addresses the 60,000-unit shortfall of housing affordable to low- and extremely low-income households discussed earlier in this report,

The creation and preservation of affordable rental housing throughout the County provides families with more equitable access to education, jobs, health care, and community amenities. It provides long-term solutions to homelessness, gives struggling families viable options to stay in the region, and is a significant investment in our communities and workforce. Measure A1 rental programs support this effort in all cities and regions of Alameda County, addressing current need and anticipating where more low-income families will be best served in the future.

a. The Rental Housing Development Fund

The Rental Housing Development Fund is the largest and most far-reaching program funded by A1. The goal of the Rental Housing Development Fund is to create and preserve affordable rental housing for very low-, low-, and moderate-income households and vulnerable populations throughout Alameda County. The housing supported by this fund will help people escape homelessness, avoid having to couch-surf or live in a vehicle, provides an affordable way to stay in the region, and build strong, diverse communities throughout the County. It is divided into two allocations: the $200 million “Regional Pool” allocation, distributed to development projects through competitive RFPs in four County regions, and $225 million “Base City Allocations,” a portion of which is allocated to each city, as well as the unincorporated county, based on a formula that accounts for each city’s current and future housing need. For more information on the amounts allocated, please see the Board-adopted Implementation plan.[7]

The rental program is guided by four principles of investment in projects. The funds should:

- maximize leverage of other sources and produce the largest number of units possible
- prioritize projects that can compete well for State and Federal financing
- fund projects at a level to ensure viability for the life of the regulatory period
- fill a gap and not supplement other funding

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[7] Measure A1 Housing Bond Implementation Plan Overview, January 23, 2017. https://www.acgov.org/cda/hcd/documents/ImplementationPlan.pdf

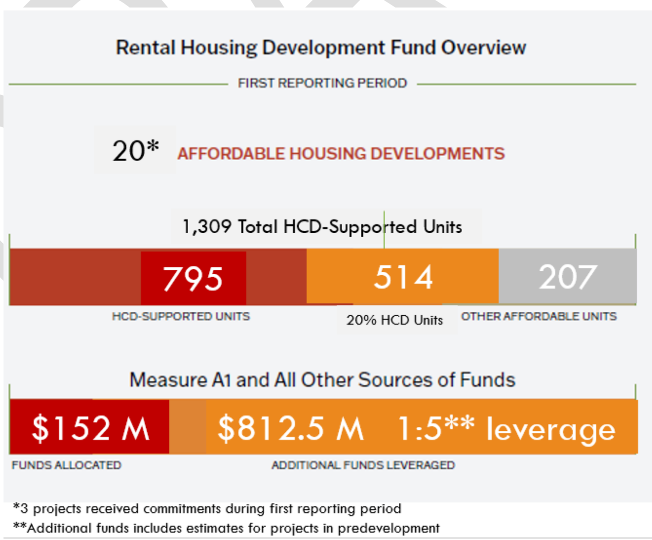
[Insert call out box: In 2018, the Area Median Income (AMI) in Alameda County was $104,400 for a family of four. For the same size household 20% of AMI was $23,240]

In addition to the four principles above, the Board also adopted several key policy requirements when they placed Measure A1 on the ballot:

- 20% of all the funds should be targeted to households earning up to 20% AMI
- All rental projects funded by the bond must pay prevailing wage
- Required financial contribution to each project from the city in which it is located
- Minimum affordability term of 55 years.

During this reporting period, Measure A1

- Funded 5 Base City projects
- Funded 17 Regional Pool projects
- Supported 1,309 affordable units of which
  - 514 units for households earning up to 20% AMI
  - 600 units prioritized for people experiencing homelessness
- Closed construction financing to begin construction on 15 projects
- Contracted labor tracking and compliance services



Who the fund serves

- Our front-line workers and the people who keep our communities running; grocery workers, restaurant cooks, warehouse workers, construction laborers, early-career teachers and administrative assistants have households incomes at 30-60% AMI. In 2018, this was $34,850 to $69,720 for a household of 4. Most of these families would need an additional job or two to pay median asking rent in Alameda County.
- People who earn less than minimum wage due to disabilities or barriers to employment; a parent of a child who's special needs require full-time care, a partner unable to work due to long-term mental health issues, a young person aging out of the foster care system, a senior on a fixed income who faces age discrimination in their search for work, or an individual returning to the community following incarceration who struggles to find work due to his record. We are building a minimum of 20% of housing units in each development are reserved for households with incomes at or below 20% AMI. In 2018, this was $23,240 for a household of 4. These families would need to more than triple their income in order to afford the median asking rent in Alameda County.
- Each supported project must serve at least one of these vulnerable populations:
    - Seniors
    - People experiencing homelessness
    - Lower-income workforce
    - Veterans
    - People with disabilities
    - Transition-aged youth
    - People returning from incarceration

How it works

In implementing the Measure A1 Rental Development Fund HCD is guided by several principles to ensure Measure A1 has a breadth and depth of impact:

-Emphasis on Equity – acknowledge exclusion and work toward inclusion
-Geographic distribution of funds – Base City and Regional Pool allocations balance geography, current needs and future needs
-Supporting vulnerable populations – provide direct support to people most in danger of displacement and homelessness
-Labor/local hire – invest in the local workforce
-Many tools for a complex problem – stay true to the mission and create solutions with multiple benefits

Base City and Regional Pool Allocations

In order to achieve geographic equity in project funding, the Rental Housing Development Fund was divided into the Base City Allocation and the Regional Pool Allocation. In the Base City Allocation, each Alameda County jurisdiction, including the unincorporated area, receives an allocation of funds for which they can use their own procurement processes for project selection, as long as the project adheres to the Rental Housing Development Fund's Implementation Policies. Each city must provide matching funds to support the selected project and then submit applications to the County for use of the Measure A1 Rental Housing Development funds. The size of each city's Base City allocation was based on an average of each city's percentage of the County's assessed property value and that city's percent of the County's total population.

The basis for allocations of funds to the Regional Pool is an average of the region's percent of people living in poverty and the percent of Regional Housing Needs Allocation (RHNA) for very low- and low-income housing, as developed by the Association of Bay Area Governments for the current planning period. This combination accounts for both current need and projected near-future need for the lowest-income vulnerable populations. This methodology allowed us to provide funds where affordable multi-family units are expected to be needed, supporting the cities in meeting their requirements under California Housing Element laws at the State level.

In the Regional Pool Allocation, the County is divided by region – East, Mid, North, and South – with each region receiving an allocation. This methodology was used to address the regional homeless crisis and prioritize funding where it is most needed. Projects are selected through a competitive Request for Proposals (RFP) process overseen by HCD. Winning projects must have a match from the jurisdiction in which the project is located.

Base City

The Base City allocation was the lone A1 fund that available during the first reporting period to support multi-family affordable housing projects. From January 2017 through June 2018, the Board of Supervisors committed $95.4 million in Measure A1 Base City funding to 18 multi-family affordable housing projects. These projects represent 829 affordable units in the development process supported by Measure A1. This section will discuss:

- Progress of the original 18 projects through the development process
- Support of 5 additional Base City projects
- Support of 18 projects through the Regional Pool
    - 4 already supported with Base City in the first reporting period (Alameda Site A Family, Coliseum Place, Embark Apartments and Parrott Street)

- 2 already received Base City during this second reporting period (Berkeley Way and Rosefield Village)

Additionally, this chapter will discuss

- 15 projects supported with Measure A1 closed construction financing and 6 projects began construction
  - 12 projects supported with the Base City allocation in the first reporting period (Camino 23, Casa Arabella, Chestnut Square, Coliseum Connections, Corsair Flats, Estrella Vista, Everett Commons, Grayson, Kottinger II, La Vereda, Monarch Homes and Sunflower Hill)
  - 3 projects supported with Base City in the first reporting period and an additional allocation from the Regional Pool in this second reporting period (Coliseum Place, Embark Apartments and Parrott Street)

During reporting period 1, Measure A1 supported 18 multi-family affordable rental projects with funds from the Base City Allocation. The first 9 projects were in danger of delays or no longer being viable following a steep drop in the value of Low Income Housing Tax Credits following the November 2016 presidential election. Alameda County took swift action, filling their funding gaps with Measure A1 funds. With the stability provided by Measure A1, several of the tax credit emergency projects were able to begin construction during reporting period 2. The nine other projects supported with A1 Base City funds were identified by cities based on the planned Base City request for proposals (RFP) process.

<u>New Commitments</u>

During the reporting period, the Board of Supervisors approved commitments of Base City Allocation funds for 5 multi-family affordable housing projects.

Base City Commitments Annual Report 2 - 2018-19				
Project	City	A1 Commitment	HCD-supported Units	HCD Units at 20% AMI
95th & International*	Oakland	$1.0 M	54	11
Bell Street Gardens	Fremont	$18.6 M	126	37
Berkeley Way	Berkeley	$13.5 M	185	97
City Center Apartments	Fremont	$6.8 M	59	20

Rosefield Village	Alameda	$1.7 M	85	18
Total		**$42.3 M**	**509**	**183**

*A1 funds committed to 95th and International were returned in 2021 when the sponsor found alternative financing.

Approved September 2018
Rosefield Village, Alameda: $1.7 million

Approved January 2019
Berkeley Way, Berkeley: $13.5 million
Bell Street Gardens, Fremont: $18.6 million
City Center Apartments, Fremont: $6.8 million
95th and International, Oakland: $1 million

The total Base City commitments for these 5 projects:

- $42.3 million Measure A1 Base City funds
- Supporting 515 total affordable units
- 509 affordable units under contract with Alameda County
- 183 units prioritized for households earning 20% AMI or less ($23,240 for a family of four in 2018)

Base City commitments during the reporting period total $42.4 million. Combined with the $95.4 million committed during the first reporting period, Alameda County committed $137.8 million of Base City funds by the end of the reporting period in June 2019, leaving $287.2 million available to support projects identified through the Base City RFP process.

Regional Pool

The Regional Pool Allocation launched during this reporting period, as the Board of Supervisors approved the process for identifying and committing Measure A1 funds from the Regional Pool Allocation. Since Board of Supervisors approval of Rental Development implementation policies in November 2017 until September 2018, HCD developed the Regional Pool request for proposal (RFP), minimum-required thresholds and evaluation criteria for Board consideration. The thresholds and criteria for the RFP were designed to identify and select the affordable housing projects that were the most financially feasible and “ready to proceed” to construction, in order to be competitive for other financing sources, such as the State of California’s Affordable Housing and Sustainable Communities Program, No Place Like Home, and the Low Income

Housing Tax Credit Program. The thresholds and criteria were also designed to incentivize the development of units for extremely low-income households and permanent supportive housing units for the homeless.

Following approval by the Board of Supervisors Health Committee in September 2018, the first Regional Pool RFP was released in Fall 2018. HCD received 25 applications in response to the RFP. Of those, 18 applications were for the North County Regional Pool and 7 applications for the Mid County Regional Pool. No applications were submitted in this round for the South or East County Regional Pools. Following the evaluation criteria HCD recommended 18 projects to be supported with Measure A1 funds. In February 2019 the Board of Supervisors adopted resolutions to fund the 18 recommended projects in the chart below.

Regional Pool Commitments Annual Report 2 - 2018-19					
Project	County Region	City	A1 Commitment	HCD-Supported Units	HCD Units at 20% AMI
1245 McKay	Mid	Alameda	$7.1 M	90	36
Alameda Point Family	Mid	Alameda	$9.2 M	51	14
Rosefield Village*	Mid	Alameda	$6.4 M	85	18
Bermuda Gardens	Mid	Unincorporated Ashland	$6 M	79	16
Matsya Village/ Pimentel Place	Mid	Hayward	$5.4 M	56	15
Mission Paradise	Mid	Hayward	$4.6 M	75	15
Parrot Street *	Mid	San Leandro	$1.5 M	57	4
Berkeley Way*	North	Berkeley	$6.2 M	185	97
Jordan Court	North	Berkeley	$5.8 M	345	7
Ancora Place	North	Oakland	$5.4 M	59	36
Coliseum Place	North	Oakland	$5.45 M	58	12
Embark Apartments*	North	Oakland	$2.5 M	37	13
Empyrean Towers	North	Oakland	$4.7 M	146	66
Foon Lok West	North	Oakland	$9.7 M	52	26
Fruitvale Transit	North	Oakland	$16.2 M	72	46
Fruitvale Studios	North	Oakland	$3.5 M	23	6

NOVA Apartments	North	Oakland	$13.8 M	56	56
West Grand & Brush	North	Oakland	$5.3 M	58	28
		Total	**109.7 M**	**1584**	**511**

* projects that had previously received a Base City commitment in addition

These 18 project commitments totaled

- $109.7 million investment of Measure A1 Regional Pool funds
- 1,001 total new (not already funded with Base City commitments) affordable units
- 800 new affordable units under contract with Alameda County
- 332 new units prioritized for households earning up to 20% AMI.

Regional Pool Commitments by Region – Through March 2021

Region	Allocation	Project Commitment	Available Project Balance
North County	$80.3 M	$78.4 M	$1.9 M
Mid County	$44.8 M	$44.8 M	$0
South County	$30.2 M	$30.2 M	$0
East County	$24.6 M	$24.6 M	$0
Total	**$180.0 M**	**$173.6 M**	**$6.3 M**

<u>Development Pipeline</u>

Through the end of the reporting period, Measure A1 supported 5 new Base City projects, 12 new Regional Pool projects (not previously funded with A1) in addition to the 18 from the first reporting period, combining for 35 projects in the development pipeline. These projects represent 1,995 affordable units supported by Measure A1 funds, with 1,309 units supported in during the 2018-2019 reporting period.

A1-Supported Affordable Units 2018-2019	
Prioritized Population	**Units Supported**
Homeless	600
Disabled – Physical, Mental, Developmental	97
HIV/AIDS	14
Re-Entry from Incarceration	0
Senior	34
Veteran	12
Transition-Aged Youth	0
Lower-Income Workforce	483
Families	0

Regional Pool commitments during the reporting period total $109.7 million. Of that total, $78.4 million was from the North County Pool and $44.8 million was from the Mid County Pool leaving balances of $1.9 million and $0 in the respective pools.

b. The Innovation and Opportunity Fund

Allocation: *$35 million*

The Innovation and Opportunity Fund is divided into two funds: The Acquisition and Opportunity Fund and The Innovation Fund.

The Acquisition and Opportunity Fund

The goal of the Acquisition and Opportunity Fund is to empower eligible nonprofit affordable housing developers to respond quickly to preserve and expand affordable housing and prevent displacement of low-income tenants. The program will preserve and expand affordable rental housing at the same income levels and serve the same target populations as the

Rental Housing Development Fund. This fund will support affordable housing developers in responding quickly to opportunities in the housing market as they arise.

The Countywide program will provide over the counter, short-term predevelopment and site acquisition loans to pre-approved developers. A competitive RFQ was released in 2019 to select a program administrator for this fund. A contract for the recommended administrator is anticipated to be brought to the Board for consideration in 2021.

The Innovation Fund

HCD will develop an Innovation Fund to support innovations in addressing the need for affordable rental housing for the household income levels and target populations of the Measure A1 Rental Housing Development Fund. Possible programs might include board-and-care homes and accessory dwelling units. This program is in development stages.

6 - Home Ownership Programs Made Possible by Measure A1

Homeownership is the cornerstone of wealth building for most Americans. When achieved sustainably it can buoy the economic situation of a family and build stability for communities. Discriminatory policies and practices have historically locked low-income households, and especially African American and Latino families, from homeownership. Barriers to homeownership helped create and perpetuate a racial wealth gap that leaves the average African American and Latino family with median worth that is $100,000 less than the average White household's net worth.

Public policies have historically been central to uneven and discriminatory access to homeownership. As was discussed in the *History of Housing in the Bay Area* chapter, Measure A1 homeownership programs are designed to make ownership more accessible to low-income households and to help preserve those homes currently owned by low-income families, directly addressing homeownership as a bedrock housing equity in Alameda County. These programs are open to all households that qualify, and additional attention is focused on ensuring participants in the homeownership programs reflect the racial and ethnic diversity of Alameda County.

5. Homeownership Programs Made Possible by Measure A1

Homeownership is the single largest investment most Americans make in their lifetimes. It can be a vehicle for building financial stability in the short-term, and can be the basis of wealth that is passed between generations. As was discussed earlier, access to homeownership, and the ability to maintain it, have been unequally provided. From the refusal to recognize indigenous ownership to official policies of redlining, and from confiscation of land held by Japanese-Americans during World War II to the predatory lending practices of the 2000's that targeted Black and Latinx communities, the system of homeownership has not benefitted all equally. The Measure A1 homeownership programs are designed to overcome barriers to the benefits of owning one's own home.

a. The Downpayment Assistance Loan Program
AKA: AC Boost
Allocation: $50 million

Many families can afford the mortgage payment for a home, but are unable to save for a down payment. The Down Payment Assistance Program, now called "AC Boost," was created to assist these middle-income, first-time homebuyers with a down payment so that they can get into a home and start building generational wealth and familial stability. It is administered by the non-profit organization, Hello Housing.

During this reporting period, we:

- Held 4 application workshops resulting in 67 completed application
- Approved 46 applications for Reservation of Funds
- Supported 25 applicant households purchased homes with AC Boost funds
- Committed $3.2 million to home purchases

Eligible households have annual incomes at or below 120% of Area Median Income (AMI). In 2018, the income limit for a household of two was $111,550 and $139,450 for a four-person household. For these qualifying households, AC Boost provides loans of up to $150,000 to first-time homebuyers who live or work in Alameda County or have been displaced from Alameda

County within the last ten years. Educators and first responders receive preferences for AC Boost loans.

AC Boost loans are structured as shared appreciation loans, with no interest and no monthly payments. At time of sale (or in some circumstances, when refinanced or transferred) the AC Boost loan principal will be repaid, along with a percentage of the increase in value of the property on a pro-rata basis. Eligible buyers are required to invest their own funds of at least 3% of the purchase price of the home as a portion of the down payment and must qualify for a first mortgage from a participating lender. In 2018, Hello Housing was chosen as AC Boost's Program Administrator through a competitive Request for Proposals (RFP) process.

The program requires repayment only when:

- the home is sold
- the owner no longer wishes to occupy the home, or
- when the 30-year loan term ends

At time of payoff, the owner repays the amount that they borrowed plus a proportional share of the increase in the value of their home. AC Boost's down payment loan of up to $150,000 helps ensure monthly mortgage payments are lower than if the family could only afford a down payment of five percent. Additionally, this down payment makes the participating family more competitive in making an offer on a property and for mortgage financing.

Who the fund serves:

This program is designed to help Alameda County residents to purchase homes near work or transit that would bring them to work, benefit former Alameda County residents who have been displaced from the County, and encourage educators and first responders to live in the communities where they work. The fund provides a shared appreciation, no interest mortgage loan to qualifying households.

Our Partner Organization - Hello Housing

Hello Housing making places where people thrive

Hello Housing is a non-profit housing developer with a strong track record of program administration and work on public policy. Hello Housing advances housing solutions that promote stability, center equity and cultivate community.

Hello Housing worked with HCD to develop the program design and policies. Together we held seven public meetings and nine stakeholder interviews in order to refine the program design and policies.

Through an RFQ bidding process and selection process approved by the Board of Supervisors in March 2018, HCD selected Hello Housing as program administrator for AC Boost. Hello Housing is a non-profit housing developer with a strong track record of program administration and work on public policy.

Program Design and Implementation

Alameda County's Down Payment Assistance Loan Program, "AC Boost", was launched to the public in March 2019. During this FY18-19 reporting period, the program administrator, Hello Housing, worked with HCD to finalize program policies, develop organizational infrastructure and procedures to efficiently service the program, implement a marketing plan to market the program broadly throughout Alameda County communities, and officially open the program to receive applications from aspiring first time homebuyers.

In August 2018, the Board of Supervisors approved Implementation-Level Policies for AC Boost based on recommendations from HCD and Hello Housing. The policies were designed with the intent of bringing homeownership within reach of buyers who would not otherwise be able to afford a home in Alameda County. They were informed by an extensive process of public and stakeholder outreach, research into the racial wealth gap and disparities in homeownership rates, and a real estate market analysis to determine necessary loan sizing to ensure that AC Boost buyers would have access to higher-opportunity neighborhoods. Several equity-centered policies were included with the goal of overcoming historic issues of access to similar existing programs. These policies include:

• Sliding scale of assistance based on need and income to allocate funding equitably while complying with fair housing law

• Shared appreciation model to balance household wealth-building with program sustainability

• Multilingual outreach combined with multilingual program materials and customer service

• Self-reporting of demographics by participants to allow AC Boost demographic performance to be tracked and analyzed

In October 2018, HCD and Hello Housing finalized a Program Manual including detailed program policies and procedures. Hello Housing developed and implemented a robust marketing plan for the program. Given historically discriminatory barriers to homeownership, as well as dramatic disparities in current homeownership and home mortgage origination rates by race/ethnicity, the marketing for AC Boost included a concerted effort to reach potential homebuyer households facing disproportionate barriers to homeownership. Key strategies included:

- Outreach to organizations with close ties to communities of underrepresented homebuyers, including faith-based, healthcare, and social service organizations. This outreach asked for these organizations to help market AC Boost through social media, email blasts, newsletters, websites, community meetings and events.
- Work with diverse realtors, lenders and housing counseling agencies that serve underrepresented homebuyers
- Establishing a feedback loop with third parties regarding AC Boost participants' experiences during their homebuying process
- Targeted media campaign, including print, social media and radio advertising in multiple languages
- Working with "connector" individuals and organizations that convene interagency collaboratives to offer brief presentations at such meetings to encourage meeting

participants to become champions of the program.

Examples of Connectors:

- A-1 Community Housing Services (housing counseling agency) – two Housing Fairs
- Bay Area Community Benefit Organization (faith-based organization) – Housing and Homeless Services Clergy Breakfast
- Alameda County Family Justice Center – "From Homeless to Homeowner" workshop
- Associated Real Property Brokers (realtor association)
    - Networking Breakfast for association members
    - Realtist Summit
- Oakland Berkeley Association of Realtors
    - Training on program requirements
    - Mixer for association members
- Bay East Association of Realtors – information session on program requirements and application process
- 10 housing counseling agencies – information sessions on program requirements and application process
- Lenders - trainings on program requirements and application/closing process

Hello Housing compiled a preliminary list of contacts from key outreach categories, based on feedback from staff in every Alameda County city, recommendations from County staff, Hello Housing's existing network, and internet research. Hello Housing developed initial contact lists for each city that included: city staff in housing/planning, the City Manager's office, the Mayor's office, and all city councilmembers; the local housing authority and any local housing organizations; the Superintendent or other appropriate staff of the local school district and all school board members; the Chiefs or other appropriate staff of the police and fire department; the local chamber of commerce; and, where available, the labor organizations representing local teachers, police officers and firefighters. These initial city lists were provided to appropriate staff in every city and updated to reflect the cities' feedback, including members of various city commissions and advisory councils, local organizations with a strong community presence, and additional city staff.

In addition to the city-based contacts, the preliminary outreach lists include the following categories on a countywide basis:

- Offices of all elected officials representing Alameda County
- Housing organizations, including all HUD-certified housing counseling agencies serving any part of Alameda County
- Faith-based, community-based, social service and healthcare services
- Organizations serving residents with limited English proficiency
- Lenders and realtors
- Educational institutions and childcare providers
- Public and private agencies employing first responders
- County departments and advisory councils
- Labor organizations

Hello Housing used this preliminary list to ask contacts to sign up for their Stay Connected email newsletter to receive information and ongoing updates about AC Boost.

Hello Housing conducted 13 trainings and information sessions with Realtors, lenders and homebuyer counselors serving moderate-income homebuyers. Four lender trainings were held, which resulted in a pool of approximately 75 participating lenders that applicants can choose from to obtain a loan pre-approval letter when they are at the stage of submitting a program application.

Hello Housing developed a stand-alone website for AC Boost, www.acboost.org, containing general program information, marketing flyers in English, Spanish, Chinese, Vietnamese and Tagalog, multiple pages to guide homebuyers at different stages of the application process and pages for lenders and Realtors. All homebuyer website content was translated into the four languages and the lender contact list on the website also notes which language(s) can be accommodated.

Hello Housing set up a dedicated phone line for AC Boost with pre-recorded program information available in English, Spanish and Chinese, as well as the option to speak directly with a staff person. A TTY phone was also set up for hearing-impaired participants, and dedicated email address was also established to field questions from the public about the program. The phone numbers and email address were included on all program marketing materials. With offices in downtown Oakland, Hello Housing also supported drop-in visits from prospective program participants requesting information about the program.

In March 2019, the first pre-application period opened, in which interested participants had 45 days to submit a pre-application on the AC Boost website or a paper pre-application form. Paper pre-applications were made available in Spanish, Chinese, Vietnamese and Tagalog. The pre-application form screened for basic eligibility criteria without requiring supporting documentation to be submitted at this stage. If deemed eligible, applicants were informed that their household would be entered into a lottery drawing to determine the ranking order in which they would be invited to submit full program applications for the program. Applicants were also informed if they were deemed ineligible. A total of 2,294 pre-applications were submitted, 1,989 of which were eligible to be entered into the lottery.

In April 2019, Hello Housing conducted a public lottery with all eligible pre-applicants to establish a ranking order for invitations to an application workshop, in preparation for submitting full applications. Hello Housing held the first workshop in May 2019. At the workshop, participants learned in-depth information about program eligibility requirements, the application process, and loan terms. Attendees then had three weeks to submit a program application along with a package of supporting financial documents to demonstrate program eligibility. Applicants had access to an online web portal to submit their application and supporting documents, and they had the option of submitting a paper application by mail. For participants submitting their application online, communications regarding their application status and requests for additional information were conducted through the web portal, which connects to Hello Housing’s database and file storage system.

During the reporting period, Hello Housing held four application workshops, resulting in 67 applications received and processed. Program staff completed full underwriting of applicant eligibility. Of the 67 received, 46 were approved for a Reservation of Funds, which stipulated the maximum loan amount participants qualified for and allowed them to shop for homes during a 90-day reservation period. If they did not successfully enter into a purchase contract during the first 90 days, they had the option to request an extension for a second 90 days, upon submitting documentation of having submitted at least two purchase offers during the initial reservation period. Participants could also request a final extension for an additional 60 days if they encountered extenuating circumstances that prevented them from having an offer accepted during their reservation period. Of the 46 households approved during this period, 25 successfully purchased homes with an AC Boost loan, with closing dates spanning between July 2019 and May 2020. The total amount of loan funds disbursed to these households was $3,180,552.

High-Level Outcomes of AC Boost as of March 1, 2021:

- 2,294 total Pre-applications submitted
- 1,989 eligible Pre-applications submitted

- 17 application workshops
- 739 participants attended an application workshop
- 226 program applications received and underwritten by Hello Housing
- 161 participants approved for a Conditional Approval and Reservation of Funds
- 47 participants approved for a 90-day extension of their Reservation of Funds
- 16 participants approved for a final 60-day extension of their Reservation of Funds
- 73 AC Boost loans disbursed to eligible homebuyers
- $9,095,552 of AC Boost funds disbursed to eligible homebuyers
- Cities where AC Boost loans have been used to purchase homes:

AC Boost Downpayment Assistance Purchases by Locality July 2018-June 2019		
Locality	Number of Assisted Purchases	Below Market Rate Unit Purchases
Alameda	4	
Castro Valley	3	
Dublin	1	1
Emeryville	2	1
Fremont	3	
Hayward	10	
Livermore	4	
Newark	1	
Oakland	31	2
San Leandro	8	
San Lorenzo	4	
Union City	2	

AC Boost Participation by Prioritized Groups July 2018-June 2019			
Prioritized Households	Submitted Application	Approved	Purchased
Educator	61	39	22
First Responder	7	5	2
Displaced from Alameda County	22	10	4

b. The Housing Preservation Loan Program
AKA: Renew AC
Allocation: $45 million

RENEW
ALAMEDA COUNTY
Making Home Improvement Affordable

Keeping existing low-income homeowners in their homes (i.e.; housing preservation) is a top priority of Measure A1. A family that can remain safely in their home and age in place is not competing for homes on the ownership market, is not placing more pressure on the rental market, and is potentially building generational wealth and housing stability for their family. Keeping people in their homes is particularly important in communities of color, where decades-old practices like redlining have prevented investments and improvements.

During this reporting period, we:

- 188 program applications requests received
- 21 complete applications received
- 5 projects approved for construction
- $637,736 committed to home preservation projects

Renew AC provides attainable, low-interest loans that allow seniors, people with disabilities, and other low-income homeowners to make much-needed improvements to their homes. Renew AC also provides support services that help people navigate how to make those home improvements. These improvements help prevent homeowner displacement and allow people to stay safely in their homes and communities.

Renew AC provides 1% deferred interest loans of $100,000-$150,000 for eligible home improvement projects specifically to address health and safety conditions in owner-occupied homes. Eligible homeowners are those with annual incomes at or below 80% AMI (in 2018, this was $89,600 for a family of 4).

Renew AC provides loans of up to $150,000 for households that need structural rehabilitation, need to address health and safety issues, could benefit from energy efficiency improvements, and/or require accessibility improvements for occupants with disabilities. This work helps homeowners to stay in their homes as they age, face disability, or would otherwise be unable to renovate and upgrade major home systems.

Who the fund serves:

The primary demographic group and parameters for participation in Renew AC are:

- Homeowners in Alameda County earning up to 80% AMI (in 2018, this income limit was $89,600 for a household of four)
- Those who have assets of no more than $150,000
- Seniors
- People with disabilities

Our partner program administrator - Habitat for Humanity East Bay/Silicon Valley

Through a competitive bid process, HCD recruited Habitat for Humanity East Bay/Silicon Valley (Habitat) as the program administrator for Renew AC. Habitat is a non-profit with a long track record of building and preserving affordable housing and empowering people to be homeowners. Their team is an excellent partner organization for the job.

Program Design

Habitat's contract was approved by the Board of Supervisors in May 2018. For the remainder of fiscal year 2018, they worked with HCD to develop the program design and policies. Community insight was important for this project. Habitat and HCD held seven public meetings and gathered feedback from a wide range of stakeholders, including housing leaders, senior services, and Alameda County cities. With these insights, Renew AC's design and policies were refined to best serve the community.

Public and Stakeholder Outreach During the Program Design Period

Public and stakeholder outreach was ongoing throughout 2018-2019. Habitat participated in the Department of Adult and Aging Services and Council for Age Friendly Community's Housing Workgroup to gain insight into how the program could best serve seniors. Key stakeholders shared valuable feedback at convenings and community meetings throughout the County.

Housing and construction-related groups expressed interest into various aspects of program design including eligibility of funds for use in the creation of Accessory Dwelling Units (ADU's), or for seismic strengthening. Conversation also focused on developing local and small contracting goals, procedures for marketing bids and soliciting/selecting contractors, and processes for continual evaluation and improvement of the contracting approach.

Program Design

Ongoing program design included a period of reviewing rehabilitation programs run by local governments across the country, public comment and feedback sessions, and dicsussions with a broad cross section of health and human services providers.

Emphasis was placed on providing support to seniors and disabled populations who would often need additional assistance in order to successfully participate in the program. Habitat committed to affirmative marketing strategies designed to reach marginalized communities, and explored ways to lessen the burden of major home rehabilitation on program participants by identifying funds for temporary storage and housing relocation. Finally, in order to ensure equity in utilization of funds, the approved policies include a wide range of eligible repairs with an emphasis on health and safety and on addressing code violations or imminent code violations before allowing for cosmetic improvements.

A comprehensive brand development process was undertaken to create an approachable and accessible name, tagline, website, and flyer for the program in conjunction with the development of the affirmative Marketing Plan. In early January, the newly minted "Renew AC" program was debuted in a press release.

Simultaneously, program staff began drafting the integral supporting documents necessary for program implementation: reporting templates, a policy and procedure manual, loan documents, a construction contract, and supporting documents.

Implementation Policies Approved by Board of Supervisors

The Board of Supervisors adopted the program's Implementation Policies in August 2018, which includes provisions that.only homeowners at or below 80% AMI who live in single family homes, townhomes, condos, and multi-unit properties of up to 4 units are eligible. Ultimately, the program terms were as favorable to the applicant as possible, including a flat, 1% simple interest rate, deferred payments, and a cap on the amount of interest that could accrue. The 30-year loan term also allows for an additional 30-year extension, reinforcing housing security by ensuring the homeowner may remain in their home payment-free for as long as they need. The loan is assumable by the homeowner's heirs, or by anyone to whom the home is sold or transferred as long as they are determined to meet program eligibility requirements.

Launch of Renew AC in 2019

Habitat hired an Outreach Specialist in August 2018, and began toraise awareness of the program throughout the County.

Renew AC officially launched in March of 2019. The program launch announcment was distributed broadly through local government newsletters, the Area Agency on Aging, Senior Injury Prevention Partnership group, and to the hundreds of public and nonprofit partners staff had identified during the program development phase.

Emphasis on Racial Equity Policy Design

Among other affirmative marketing efforts, Habitat staff worked proactively to communicate how the loan could help seniors age in place, allowing them to continue to live in their home, and eventually, to leave their home to their heirs as an asset. Opportunity for generational wealth-building through home ownership has been severely limited in communities of color resulting from discriminatory public policy such as red lining and denial of access to government-back mortgages, as well as racist real estate practices and predatory lending. By preserving affordable housing stock, especially a home owned by a person of color, Renew AC supports maintaining and building generational wealth in communities where access had once been unfairly limited.

Engaging with community members and leaders about these issues was key to ensuring the program was received as fair, reliable and building assets; particularly in communities of color that have at times been targets of unfair lending practices. In addition, racial equity in outreach and marketing was prioritized with the understanding that applications received should corresponded with the diverse demographics of the County overall.

Inclusive and comprehensive outreach strategies are employed to ensure that Renew AC program participants receive quality construction services by encouraging participation by a diverse pool of contractors, including small local businesses and minority-owned firms.

Outcomes to Date as of March 1, 2021

- 630 applications requested
- 581 applications received
- 37 loans funded
- $4,238,817 committed to projects
- 10 projects completed with another three in the escrow closeout period
- $103,000 average project cost

c. The Homeownership Development Program

Allocation: $25 million

How it Works

The Homeowner Housing Development Program aims to increase the affordable homeownership opportunities for low-income first-time homebuyers. These funds will support development and preservation of long-term affordability for households with incomes at or below 80% AMI ($71,7000 for a two-person household and $89,600 for a four-person household in 2018). The County will provide low-interest construction loans that will convert to silent second mortgage loans when the homes are sold to eligible low-income buyers.

Who the Program Will Serve

The primary demographic group targeted for participation in the Housing Development program are people who meet the Internal Revenue Service (IRS) definition of "First Time Homebuyer," will occupy the unit as their primary residence, are willing participate in homeownership and financial counseling, and earn no more than 80% AMI – an income limit of $89,600 for a household of four people in 2018

What We've Done So Far

Future annual reports of the Measure A1 bond will discuss program implementation and programmatic outcomes following program launch, which was originally planned for May 2020, but was delayed due to Covid-19 response.

6. Administration

Alameda County's Housing and Community Development Department, a department of the Community Development Agency, is tasked with implementation of the Measure A1 bond and its oversight. HCD works to house Alameda County's most vulnerable populations and acts as the city level housing department for the unincorporated county, providing housing and community development programs to unincorporated county residents. The department divides its resources between addressing homelessness and supporting the creation and preservation of affordable housing county-wide.

To administer the bond programs, the Board of Supervisors authorized up to 10% of bond proceeds to be used towards administrative and bond issuance costs. Implementation of the Bond is expected to be done over a ten-year period, starting in January 2017 through fiscal year 2027/28.

g. Alameda County Housing and Community Development

The role of the Alameda County Housing and Community Development Department in the creation and preservation of housing has changed dramatically since its started as a programmatic division of the Planning Department in the early 1970's.

HCD first formed as part of the County's Planning Department tasked with administering the entitlement grant under the creation of the Housing and Community Development Act of 1974 for Alameda County to form the Alameda County Urban County and receive an annual allocation Community Development Block Grant funding. The Urban County covered much of East, South and mid-County at that time, but remains now as the five smallest cities and the Unincorporated County. In addition to securing and administering funds for community development programs, HCD's role grew in the 1980's as homeownership funding through the Mortgage Credit Certificate Program and rental housing funding through the Multi-Family Mortgage Revenue Bond programs became tools that the state provided to localities to increase housing opportunities.

The department has always served as the housing department for unincorporated Alameda County, but also continues to play a role in directing community development resources to the cities in the County. Often this was done with the County's allocation of Community Development Block Grant funds and other state and federal funds to build recreation and pedestrian facilities in the unincorporated areas, or to contribute to the financing of affordable housing in Alameda County.

As the second decade of the 21st Century progressed, it became apparent that the previous level of Alameda County support for housing was not enough. The retreat of state federal funds, the dismantling of redevelopment agencies, and skyrocketing housing costs made the displacement and homelessness issues that rose in importance to the level of public health and public safety -- traditionally the primary mandate of counties.

Our role in providing housing in the County has changed and we've had to change as an organization in order to deliver for residents. We added staff, built partnerships and implemented new systems to be the department the County needs. Along with those changes, we updated our mission and vision statements, and generated stated values to help guide our decisions. Our old mission statement reflected HCD's role in implementing decisions made at the state and federal level base on conditions within Alameda County. Our new statements reflect a more active role we play in setting the agenda and responding to community needs.

1. Mission

Ensure all Alameda County residents are housed, and that the housing is decent, safe and affordable in vibrant neighborhoods where all residents feel they belong.

We do this through collaboration and partnership with cities, community-based organizations, other County agencies, funders, and community groups.

2. Vision

We envision Alameda County as a community of opportunity, equity and well-being, providing its residents with affordable housing and vibrant neighborhoods, enabling residents to live healthy and active lives.

3. Values

<u>People Focused:</u> Dedicated to serving our communities through impactful and responsive programs and services that center their needs.

<u>Equity and Inclusion:</u> Cultivate a culture of belonging. Repair systemic and individual harm, promote diversity, dignity, and empowerment in our workplace and communities, and advance housing as a human right.

<u>Accountability:</u> Embody public stewardship. Commit to public investment with integrity to build a legacy of positive impact.

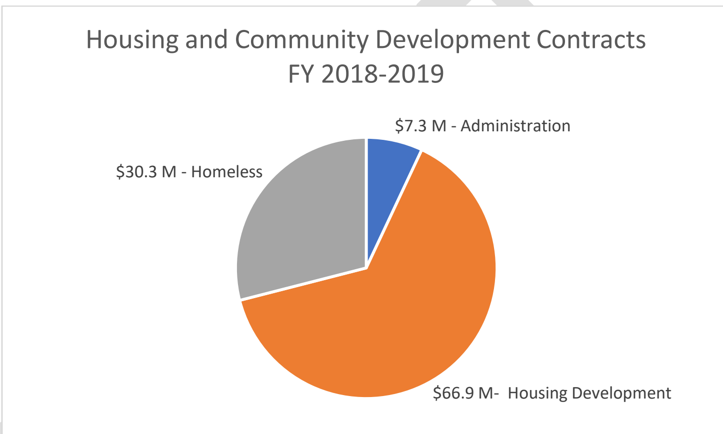
<u>Adaptability:</u> Strategic innovation. Creatively and flexibly respond to changing needs, shifting resources, and evolving community priorities to best serve Alameda County.

<u>Collaboration:</u> Strengthen existing connections and weave new ones to expand efforts and drive impactful programs. Facilitate open and honest communication to build alignment and support inclusive partnerships.

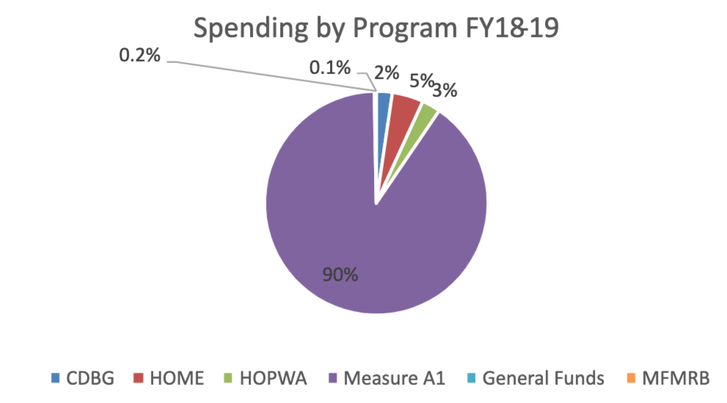
Leadership: Light the way. Instill hope and confidence, create a clear focus, responsibly shape a brighter future for Alameda County.

h. Budget

HCD assembles 24 sources of funding for a total of $104.5 million (FY18/19) from the federal government, State of California and local sources to support our homelessness and housing programs. Since the passage of Measure A1, the amount of Affordable Housing funding has increased dramatically, and represents 64% of all expenditures by HCD. Measure a1 represents 90% of all housing development expenditures by HCD. The remainder are HOME, HOPWA and CDBG-funded.



HCD Departmental Spending by Division – FY20180-2019



HCD Housing Development Spending Fiscal Year 2018-2019

During the reporting period of July 2018 through June 2019 HCD expended $18.4 million from the Rental Development fund, $326,000 from the Downpayment Assistance Loan Program fund, $132,000 from the Housing Preservation Loan Program fund, and $2.6 million for administration of programs.

i. Staffing

During the first reporting period, HCD used existing staff, augmented by some Temporary Assignment Pool (TAP) employees and consultants to begin implementation of Measure A1. The Board of Supervisors authorized 9 new positions in Spring of 2018 to implement the Bond and supporting programs, and the Civil Service Commission created the positions in May 2018. Hiring of new staff began in earnest with the hiring of three Housing and Community Development Managers and HCD Technicians in the fall of 2018.

During the second reporting period HCD hired 5 full time employees (FTE's) to support the implementation of Measure A1 programming. Since the beginning of A1 implementation HCD's staff for housing development and homelessness grew from 21 to 36 full-time employees.

j. Systems

Measure A1 significantly increased the number and scale of projects and contracts funded by HCD that require reporting and compliance. Measure A1 increased the administrative needs of the department by many fold. Before A1, HCD had been tracking fewer than five new projects per year. As was discussed in the preceding chapters, the Rental Development program alone awarded funding to more than twenty projects during the 2018-2019 reporting period. HCD implemented expanded existing systems and engaged new databases while building out staff capabilities to track progress and report to stakeholders.

In November 2018 the County contracted to adjust its existing contract and workforce system to track workforce participation specific to Measure A1 Rental Development projects – prevailing wage, local hire, targeted disadvantaged worker hire, local business contracting, small business contracting and minority-owned and women-owned business contracting and reporting on federal HUD Section 3 requirements. In January 2019, the County contracted with a professional workforce monitoring company to provide monitoring of workforce standards and develop HCD staff capacity to provide ongoing monitoring after the life of the contract. During the reporting period HCD staff and consultants built out the functionality of City Data Services, a database for tracking projects from application through Board of Supervisors approvals, construction and long-term compliance. This database preceded Measure A1 implementation and has been crucial to decreasing reliance on paper files and increasing access to documents across the HCD team. Each of the above systems empower HCD to accurately track the work of Measure A1, document implementation and report progress toward goals to stakeholders.

k. Oversight

The Measure A1 Affordable Housing bond measure question approved by voters includes three structures for transparency and oversight:

- A Citizens' Oversight Committee
- The creation and publication of annual reports
- The oversight of the Alameda County Board of Supervisors who approve all allocations of bond funds and changes to implementation policies

Each of these structures is meant to ensure Measure A1 funds are used according to the will of the voters.

The Measure A1 Citizens' Oversight Committee (OC) is a volunteer body mandated by the Measure A1 bond measure and empowered by the Board of Supervisors to annually review past expenditures of Measure A1 bond funds for compliance with the ballot measure.

The Oversight Committee is comprised of representatives from:

- Each Board of Supervisors district
- Residents of subsidized housing
- Faith communities
- East Bay Housing Organizations
- Alameda County Taxpayers' Association
- Alameda County City Managers Association
- The League of Women Voters of Alameda County

- The Alameda County Building and Construction Trades Council

Members serve staggered four-year terms. The OC holds public quarterly meetings to review expenditures and the Measure A1 annual report. HCD supports this volunteer body by staffing to organize, create reports, and provide guidance.

The Board of Supervisors approved this structure of the Measure A1 Oversight Committee in August 2018. HCD worked throughout this reporting period with each Supervisor and represented organization to recruit candidates to serve on the Oversight Committee. As will be discussed in the next Annual Report for July 2019-June 2020, the Oversight Committee candidates were approved by the Board of Supervisors in October 2019 and seated for their initial meeting in January 2020.

Oversight Committee members have been responsible for the development of this report along with HCD staff. For a listing of Oversight Committee, see the appendix.

l. Preview of Next Report

The 2018-2019 reporting period was a time of significant activity in implementing the Measure A1 bond program, including the near doubling of new multi-family rental housing projects supported, several projects closing construction financing, the launch of the Regional Pool allocation as well as two of the homeownership programs, and the further evolution of HCD's operations to execute the A1 mandate. The 2019-2020 report will go into further detail of the structural changes made to the department to increase its capacity to manage much larger programs and to be a strong partner and leader in regional housing. The 2020-2021 report will discuss the future of HCD as the County's role in affordable housing continues to evolve.

Appendix:

2018 AMI Chart

Project Summaries

Measure A1 Citizens' Oversight Committee

Endnotes