**Measure A1 Annual Report – 2016-2018 updated draft**

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**Rough Draft**

# I. Executive Summary

## I.a. Letter from Director – Michelle Starratt (to be completed for submission)

### I.a.i. Priority for Alameda County

### I.a.ii. Key Themes – Setting Policy, Building Partnerships, Stepping up to the Gap

## I.b. Letter from OC Chair – Ndidi Okwelogu (to be completed for submission)

### I.b.i. Community Oversight and Accountability

### I.b.ii. Priorities for Implementation

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### I.c.i. Community Development Agency

The Alameda County Community Development Agency (CDA) seeks to enhance the quality-of-life of County residents and plan for the future well-being of the County's diverse communities: to balance the physical, economic, and social needs of County residents through land use planning, environmental management, neighborhood improvement, and community development; and to promote and protect agriculture, the environment, economic vitality and human health.

### I.c.ii. Housing and Community Development:

As a department of CDA, the Housing and Community Development Department (HCD) plays a role in the development of housing and programs to serve the County's low- and moderate-income households, homeless, and disabled populations. HCD maintains and expands housing opportunities for low- and moderate-income persons and families in the County by:

1) Preserving the County's housing stock through rehabilitation and repair assistance programs.
2) Expanding the supply of affordable housing for lower income renters and owners, including first-time homebuyers.
3) Serving the needs of the homeless community as the lead agency in the County-wide homeless collaborative and partnering with homeless service providers.
4) Revitalizing low-income neighborhoods by installing sidewalks and public accessibility improvements, and by constructing neighborhood-serving facilities.

## I.d. High Level Overview:

In 2016, Alameda County residents voted to pass a $580 million general obligation bond – Measure A1 – to provide critical funding to significantly alleviate the housing crisis by building several thousand affordable housing units, preserving existing affordable units, helping moderate-income families afford to own a home, and providing necessary repairs and updates to many long-term homeowners. This report provides context, the implementation process and outcomes for the reporting period of December 2016 through June 2018,

### I.d.i. Reporting Period in Context

The first phase of implementing the Measure A1 Affordable Housing bond, December 1, 2016 through June 30, 2018, included the finalization and endorsement of Measure A1's implementation programs by the Board of Supervisors, the selection of program administrators for the Down Payment Assistance Loan Program and the Housing Preservation Loan Program, and the initial allocation of planned Base City rental housing development funds. The Board of Supervisors passed $77,460,601 in Base City funding for eighteen affordable rental projects, supporting the creation of 1,071 units of housing.

In addition to implementing the Measure A1 planned program, the first months after its passage proved the utility of having such a fund for nimble responses to housing emergencies. Unforeseen in the run-up to passage of Measure A1 was the sudden decrease nationally in the value of Low Income Housing Tax Credit following the 2016 election. Passage of Measure A1 allowed Alameda County to provide affordable housing projects in development with $29,641,394 for eleven projects[1] to fill the funding gap created by the loss of tax credit value. This use of A1 funding saved the development of 693 housing units in the County.

### I.d.ii. 2016-2018 Priorities

HCD set several priorities for the immediate implementation period of the Measure A1 bond program. The priorities were:

1. Set policy for implementation of A1 Bond for four key programs: including Rental Housing Development Program, Homeownership Development Program, Innovation and Opportunity Fund.
2. Build partnerships with program administrators, non-profit developers, labor and government agencies.
3. Address immediate needs to deliver long-term affordable housing solutions targeted toward specific populations of the County's most vulnerable residents:
    a. experiencing homelessness
    b. at risk of displacement
    c. low-income essential workers
    d. veterans
    e. living with HIV/AIDS
    f. with disabilities

[1] Following approval by the Board of Supervisors for 20 projects, two of the projects that received these emergency funds concluded they were not needed and the total investment for the tax credit value emergency was $25,641,394 across nine projects, supporting 575 housing units.

g. transition-aged youth
h. returning from incarceration

4. Build internal capacity through new systems and staff

### I.d.iii. Reporting Period Outcomes and Program Matrix

This annual report covers the Measure A1 program implementation period of December 2016 through June 2018, which includes policy creation and program organization as well as the first commitments to programs. Much of the work involved moving from the theoretical ideas of the ballot measure to building the structures that would allow the bond funding to flow to highly functioning programs. Along the way, HCD and Board of Supervisors responded to a drop in tax credit values that endangered several affordable housing projects already in development. Below are the major outcomes of the reporting period from the reporting period.

1) 18 rental housing projects supported with $77,460,601 of Base City A1 funding from the Rental Development program, leveraged for $754,682,246 in total development costs with 1071 units supported with HCD funds, of which 196 are reserved for households earning less than 20% of AMI.[2]
2) Hosted 3 open community meetings and 9 organizational public comment meetings
3) Formed County Bond team
4) Selected Down Payment Assistance Loan Program administrator
5) Selected Housing Preservation Loan Programs administrator
6) Issued First bond for $240,000,000
7) Created Citizens' Oversight Committee structure
8) Created HCD staffing plan for Bond implementation program delivery and administration

[2] Funding allocations, supported units and units targeted to 20% of AMI figures are based on Board of Supervisor resolutions during the reporting period of December 1, 2016 through June 30, 2018.

| HCD - Measure A1 - Program Matrix for first Annual Report - Dec. 2016-June 2018 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Program | Administrator RFQ Released | Program Admin Selected | Policies Developed | Policies Adopted | Launch | Funding Allocated | Funding Committed | Leveraged Funding | Units Supported |
| DALP - "AC Boost" | Yes | Yes | Yes | FY19 | FY19 | $50m | $0 | $0 | 0 |
| HPLP - "Renew AC" | Yes | Yes | Yes | FY19 | FY19 | $45m | $0 | $0 | 0 |
| Homeownership Development | No | No | No | No | No | $25m | $0 | $0 | 0 |
| Rental Housing Development | N/A | N/A | Yes | Yes | Yes | $425m | $77.5m | $754.7m | 1071 |
| Acquisition and Opportunity Fund | FY19 | No | No | No | No | $25m | $0 | $0 | 0 |
| Innovation Fund | FY21 | No | No | No | No | $10m | $0 | $0 | 0 |
| | | | | | **Total** | **$580m** | **$77.5m** | **$754.7m** | **1071** |

## VI. Measure A1 History

### II.a. Housing Crisis – Need for Investment

In the years leading up to the 2016 Measure A1 ballot measure, the importance of the housing affordability crisis in Alameda County gained wide recognition among County residents, community leaders, employers, and housing advocates. Both the rental and ownership markets had accelerated beyond the wages of most middle-income, lower-income and very low-income Alameda County residents. At the same time, support for affordable housing from the federal and state governments dropped. This resulted in three main trends: the unprecedented increase in people experiencing homelessness, the displacement of residents to distant counties or out of the region entirely, and the inability of many middle-income earners to access homeownership within the County. Such pressures were even greater for people in vulnerable populations, such as seniors, veterans, and people with disabilities.

Stakeholders came to agree that local sources of funding to support housing interventions would help alleviate the housing affordability crisis. The most important interventions identified were: rapidly expanding the stock of affordable housing units available to moderate, low and very low income people and families, providing resources to help people stay in their homes, and increased support for and access to homeownership for middle-income residents.

According to California Housing Partnership's 2016 report[3] Alameda County had a deficit of more than 60,000 units of housing affordable to low and very-low income households. This deficit led many families rent-burdened, paying more than 30% of income on housing, and

[3] https://chpc.net/wp-content/uploads/2016/05/Alameda-County.pdf

unable to even consider homeownership. Thousands of units would need to be built to stabilize communities, keep current residents in their homes, move people experiencing homelessness into permanent housing, and house new arrivals to the County.

In the spring of 2016, the Alameda County Board of Supervisors Health Committee held six public work sessions to gather community input and craft a ballot measure responsive to the housing crisis. Following these meetings, the Alameda County Board of Supervisors placed the following Measure A1 on the November 8, 2016 ballot:

> **"To provide affordable local housing and prevent displacement of vulnerable populations, including low- and moderate-income households, veterans, seniors, persons with disabilities; provide supportive housing for homeless people countywide; and help low- and middle-income households purchase homes and stay in their communities; shall the County of Alameda issue up to $580 million in general obligation bonds to acquire or improve real property, subject to independent citizen oversight and regular audits?"**

Alameda County voters approved of the measure by more than 73%, empowering Alameda County to bond fund the five Measure A1 programs.

### II.b. "Why these programs?" Background

California in general and the Bay Area have traditionally had higher rental and homeownership costs than any other region in the nation. This has been driven by demand to live in a region with many amenities combined with public and private decisions that have limited supply of housing for moderate-, low- and very-low-income households. The high cost of housing in Alameda County has been exacerbated in the past decade by rising wages for high-income households, disinvestment in affordable housing by the State of California and the federal government, and the absence of production of workforce housing by the private sector.

The heavy burden of increased rents combined with the inability of most moderate- and low-income households from affording a home purchase caused a number of negative outcomes for individuals and Alameda County as whole - displacement of whole communities, families budgets being burdened by housing costs, scarcity of workers in a number of industries, and an explosion in the incidence of people experiencing homelessness.

#### II.b.i. Ownership Affordability Gap

Homeownership is the bedrock of wealth-building and the primary investment for most Americans and residents of Alameda County. Among current homeowners in Alameda County are people who fought discriminatory lending practices, exclusionary covenants and overtly hostile neighbors. Today many of those gains are threatened by market forces and insufficient action by government.

The dramatic increase in home values has benefitted many long-time homeowners who were able to profit on greater equity and sales prices. For many others, those high values led to displacement and the dislocation from communities after decades of interpersonal investment that cannot be valued with dollars alone. Along with sale prices, mounting maintenance costs of aging properties, the fallout from predatory lending, and the lack of financial resources for heirs to hold on to a property are among the factors that have displaced long-time moderate- and low-income homeowners and prevented potential homeowners from accessing homeownership.

Home prices have historically been thirty percent higher in California than the rest of the nation. In the aftermath and recovery from the Great Recession, California home prices rose to more than twice the national average by 2015. This trend has been even more severe in the Bay Area where the average homes price of $925,000 is twice California's average of $437,000. This steep rise has had many causes, but the primary driver has been a lack of home building, especially for moderate- and low-income households, even while demand rose, particularly in the Bay Area.

Supply falling short of demand is not new in California and trends of the past decade only exacerbated a homebuilding deficit that goes back to at least 1970. According to the California Legislative Analyst Office,[4] Alameda County had a shortfall of new housing of 13,000 units in 2010. This gap and the associated increase in prices lead to several negative outcomes for Alameda County residents – housing is a larger proportion of household expenses, delays in or foregoing homeownership, more people crowded into existing housing, commutes are longer as people seek lower costs further from urban centers, and long-time residents moving outside Alameda County.

The shortage of for-sale housing is not a problem isolated to the home purchase market. Households squeezed out of homeownership who remain within Alameda County most often remain renters, placing greater demand on that market

https://www.acgov.org/cda/hcd/documents/lao_report-on-high-housing-costs2015.pdf

### II.b.ii. Rental Affordability Gap

Renting is an essential housing option for a large portion of Alameda County residents. It provides people with flexibility to move within and into the County without a significant investment, helps to weather temporary transitions in life, and allows families to save for a home purchase. 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.

Construction of rental housing changed following the Great Recession in the late 2000's, as most new rental units were designed for higher-income renters. At the same time, funding from federal, state and local sources for housing affordable dropped by 68% in Alameda County.

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[4] https://www.acgov.org/cda/hcd/documents/lao_report-on-high-housing-costs2015.pdf

Funding for subsidized units shrank at the same time the market was not meeting need for moderate and low-income rental housing.

The lack of production of new housing units for sale at prices affordable to moderate income households also squeezed the rental market, as many would-be homeowners stayed in rental housing. People priced out of homeownership competed for rental units, placing even greater pressure on the rental market. In 2016, the California Housing Partnership[5] estimated that Alameda County had a shortfall of 60,911 rental units affordable to low-income and extremely low-income residents. Median renter income increased 4% since 2000. Meanwhile, the median rent increased by 19% for the same period.

Hikes in rent are not felt evenly across income levels. Higher rents impact the life choices of the household earning 100% of Area Median Income, but the impact is greater for families who earn less. For Alameda County's lowest income renters, rent represents 58% of their household expenses while 30% of income is the generally accepted standard of rent affordability. This leaves families less money each month to spend on transportation, food, health care, education and other needs. When rent represents the overwhelming majority of expenses, the slightest change in circumstance, such as a medical emergency, job loss or car accident, can endanger a family's ability to make the rent and remain housed.

With 47% of Alameda County households renting, the affordability of the rental market affects a large swath of residents. Housing affordability pressures compress on those with the least means. As middle-income families are priced out of ownership, they remain in the rental market, increasing demand for rental units. As demand rises in the rental market moderate-income households compete with lower-income households for units and prices rise for people at all income levels. Rising rents tax low and very low-income household budgets, leaving tight margins for remaining housed and greater incidence of homelessness.



### II.b.iii State of Homelessness

The housing affordability crisis in Alameda County intensified the problems of homelessness and been a major factor that has caused many individuals and families who had been housed to experience homeless. In nearly every corner of Alameda County one can find people living outdoors in tents, vehicles or other improvised shelters. A deeper examination reveals more homes and apartments crowded with multiple families, more fully utilized shelters, and more homes with young adults just starting out living with parents and/or seniors on fixed incomes living with their adult children. The lack of affordable homeownership and rental options are forcing more people in the County to be classified as homeless, whether they are living outdoors or in crowded housing.

[5] https://chpc.net/wp-content/uploads/2016/05/Alameda-County.pdf

According to Alameda County's 2017 Homeless Census and Survey,[6] the population of people living on the street or in shelters had risen nearly 30 percent since 2009 from 4,341 people to 5,629. Of people individuals surveyed, 57% cited money issues as their primary cause of homelessness and nearly 40% answered that this was their first experience with homelessness. Additionally, rent assistance was the most cited intervention, at 42%, that people identified might have prevented them from becoming homeless. The County's point-in-time count does not capture people who are doubled-up or sheltering in places not easily surveyed, but their experience is likely heavily influenced by economic factors as well.

Once people are unsheltered, they face greater barriers to employment, education and regaining housing. People experiencing homelessness are more likely to become victims of crime, suffer from substance abuse, and face greater threats to their mental and physical health. For the general public, the growing incidence of homelessness is costly as well. People experiencing homelessness require more health care, sanitation, public safety and other public services. As has been documented during the COVID-19 pandemic, people without shelter face greater health risks and are less able to quarantine themselves from others if they contract a communicable disease. Additionally, people seeking shelter in public facilities, like libraries and parks, frequently displace those using the facilities for their intended uses. Preventing and alleviating homelessness has significant benefits to those experiencing it and the greater community.

The shortfall of affordable housing for residents at all income levels is making Alameda County less livable and less vibrant. Whether you are a teacher unable to afford to live within short driving distance of your school, a front-line service worker forced to spend a majority of wages on rent in an overcrowded apartment, or a family living out of their car so their daughter can continue attending the same elementary school, a greater supply of affordable housing will make living in Alameda County more realistic and less stressful.

## II.c. Supported Populations

Unaffordable housing directly strains residents throughout Alameda County and makes the region less dynamic. Affordable housing helps long-term residents remain in their homes, reduces traffic congestion, frees up household budgets to spend money on goods and services, reduces housing overcrowding, makes employment in the County more attractive to new and long-term residents, reduces strains on the social safety net, and prevents people from experiencing homelessness. These benefits have broad positive implications for all of Alameda County.

Outreach to stakeholders in the run-up to placing Measure A1 on the 2016 ballot revealed strong support for targeting affordable housing investments to people most likely to be displaced from the County or experience homelessness. Measure A1 programs are meant to support the most vulnerable populations by making investments where the private market has failed to build housing, and where support from the state and federal governments receded in recent years. HCD

[6] https://everyonehome.org/wp-content/uploads/2017/06/ALAEMDA_7-1.pdf

identified who would benefit from Measure A1 programs based on income and by a household's status in a vulnerable population.

Achieving affordability is complicated. It requires multiple tools designed to serve a diverse group of people in need of affordable housing. The cost realities of homeownership in the current market mean that creating and supporting homeownership for low- and extremely low-income households would be difficult and the amount of resources needed per household would significantly limit how many households could be served. As a result, the Home Preservation and the Homeownership Development programs are designed to assist families with incomes up to 80% of AMI in the while the Downpayment Assistance program is primarily for households earning up to 120% of AMI and, on a sliding scale, households with incomes up to 150% of AMI. The homeownership programs also prioritize assistance to seniors, people with disabilities, first-responders, people who have been displaced from the County and people who would be able to live near their jobs or near transit to reach their jobs.

The rental programs provide support at a deeper level of affordability. Most units supported by the rental programs must be affordable to households making up to 80% of AMI and 20% of units in the Rental Development program must be affordable to families earning up to 20% of AMI. Each Rental Development project must also provide units that are prioritized for the vulnerable populations – people experiencing homelessness, people with disabilities, people living with HIV/AIDS, those reentering society following incarceration, seniors, veterans, transition-aged youth, and lower-income members of the workforce.

These targeted investments should alleviate the housing burden of individuals and families served by the Measure A1 programs. At the same time, all County residents will benefit from stronger communities, less congestion, greater spending power, a more responsive safety net and better quality of life.

### II.d. Programs Overview

The $580 million in Measure A1 funds are used in five programs to build affordable housing, preserve affordability and house people experiencing homelessness. Three of the programs focus on homeownership and two on rental housing. Measure A1 provides $120 million for three homeownership programs. The Down payment Assistance Loan Program "AC Boost" utilizes a $50 million allocation to provide qualifying households with up to $150,000 loan for down payment assistance to a new home purchase. The Home Preservation Loan Program "Renew AC" utilizes a $45 million allocation to provide current qualifying homeowners with up to $150,000 loans for accessibility upgrades, major system repairs and energy efficiency to help residents stay in their homes. The Homeownership Development program will utilize a $25 million allocation to support the development of new affordable housing units.

The two rental programs are the Rental Development Fund and the Innovation and Opportunity Fund. They are supported with $460 million in Measure A1 funding. The Rental Development Fund, with a $425 million allocation, provides gap financing to multi-family projects that include affordable rental units to qualifying households. Some units are prioritized for people most in danger of displacement and homelessness. The Innovation and Opportunity Fund's $35 million allocation is divided into the Innovation Fund, with $10 million of funding, and the Acquisition and Opportunity Fund, with $25 million of funding. The Acquisition and Opportunity Fund will support eligible developers developing or preserving affordable housing units. The Innovation Fund will be used to develop programs to address long-term issues of affordability.

**Measure A1 Programs**

Homeownership

**"AC Boost" Down Payment Assistance Loan (DALP) - $50 million**
**"Renew AC" Home Preservation Loan - $45 million**
**Homeownership Development - $25 million**

Rental

**Rental Housing Development Fund - $425 million**
**Innovation and Opportunity Fund - $35 million**

*Innovation Fund - $10 million*
*Acquisition and Opportunity Fund - $25 million*

## VII. Programs

### III.a. Home Ownership

Alameda County leaders designed Measure A1 to make homeownership more affordability and to preserve homes owned by moderate- and low-income families. Making homeownership affordable decreases the pressure on the rental market, builds community stability, and is the primary vehicle for wealth building. Unequal and discriminatory access to homeownership has locked many Black, Latinx, Asian American, Indigenous families out of the stability of homeownership and its ability to foster intergenerational wealth. Unequal access to homeownership is one of the most important contributors to the racial wealth divide in the United States, including Alameda County.

The Measure A1 programs are designed to assist moderate- and low-income families of all backgrounds. Discriminatory housing policies have resulted in a 30 percent gap in the homeownership rate for Black and Latinx households compared to White households.[7] The homeownership programs supported by Measure A1 are designed to be accessible to and empowering of the many households who identify as being part of communities that experienced housing access discrimination and were blocked from homeownership. If successful, these programs will have a participant pool that closely approximates the racial and ethnic demographics of Alameda County.

### III.a.i. Down Payment Assistance Loan Program – "AC Boost" - $50 million

#### III.a.i.1. Description

[7] https://prosperitynow.org/resources/downpayment-divide-steps-ease-racial-inequality-homeownership

The goal of the countywide Down Payment Assistance Loan Program, now called "AC Boost," is to assist middle-income first-time homebuyers. Eligible households have annual incomes at or below 120% of Area Median Income, currently $107,250 for a two-person household and $134,050 for a four-person household.[8] The program 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 at least 3% of the purchase cost of their own funds as a portion of the down payment and must qualify for a first mortgage from a participating lender. In 2018, HCD chose Hello Housing as the AC Boost program administrator through a competitive Request for Proposals (RFP) process.

### III.a.i.2. Populations Served and Priorities

Households with incomes up to 120% AMI ($112,650 for a family of four in 2017) qualify for this program and some flexibility exists to support households with incomes up to 150% AMI, to qualify. This shared appreciation, no interest mortgage 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 benefit educators and first responders to live in the communities where they work.

Down payment assistance was identified as a priority program because many families can afford the mortgage payment for a home, but it is often the up-front sum of a down payment that prevents a home purchase. 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 family more competitive in making an offer on a property and for mortgage financing.

### III.a.i.3. Program Design and Implementation

HCD elected to engage a non-profit partner to serve as program administrator to implement AC Boost. A non-profit program administrator is able to quickly hire enough staff to provide excellent customer service to program participants and can call on experience in administering similar types of programs.

To recruit a program administrator, HCD published a Request for Qualifications in June of 2017. Hello Housing was selected as program administrator from a pool of eligible respondents. Hello Housing is a non-profit housing developer with a strong track record of program administration and work on public policy. Hello Housing's contract was approved by the Board of Supervisors March of 2018. For the remainder of fiscal year 2018, Hello Housing worked with HCD to

[8] Income limits as of 2019 - https://www.acgov.org/cda/hcd/documents/HUD-Limits2020.pdf

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

During the program design phase, Hello Housing conducted extensive research to ensure the AC Boost program met high expectations of total loans made, impact of the loans in helping families attain homeownership, and participation by a diverse pool of people, representative of Alameda County's demographics. This included research into the racial wealth gap and how policies and program design can avoid discriminatory practices and further fair housing. Hello Housing analyzed the real estate market and how to appropriately size loans for participants to access homes in higher-opportunity neighborhoods. Additionally, Hello Housing reviewed San Francisco's down payment assistance loan program to garner lessons learned and best practices.

Given the potential power of an effective down payment assistance program to provide homeownership access and long-term benefits of wealth-building and community stability, HCD and Hello Housing sought to emphasize overcoming historic issues of access to similar programs. Informed by San Francisco's down payment assistance program and feedback from the community and stakeholders, AC Boost includes several equity-centered policies: a sliding scale of assistance based on need and income to allocate funding equitably while complying with fair housing law, the use of a shared appreciation model to balance household wealth-building with program sustainability, multi-lingual outreach combined with multi-lingual program materials and customer service, and self-reporting of demographics by participants to allow AC Boost demographic performance to be tracked and analyzed.

A loan application process is inherently complex for the applicant and requires the collection of multiple documents. In order to simplify this for participants and ease administration, Hello Housing utilized a single portal for use by applicants, and eventual participants. This portal allows Hello Housing to track participant progress and maintain records.

Such equity policies discussed above should help empower a diverse pool of potential homeowners to enter the market and secure a home. AC Boost is also designed to ease the course for program participants out in the market once they have secured down payment assistance. The program will educate realtors, lenders and sellers about the program and how they may benefit by engaging with AC Boost participants.

#### III.a.i.4. Accomplishments

Future annual reports of the Measure A1 bond will discuss outcomes of AC Boost implementation which began in fiscal year 2019.

(Potential flash forward to 2020 update)

#### III.a.i. Moving Ahead

### III.a.ii Home Preservation Loan Program – "Renew AC" - $45 million

#### III.a.ii.1. Description

The goal of the Housing Preservation Loan Program, "Renew AC," is to provide rehabilitation and accessibility improvement services and loan financing to cover associated costs to allow seniors, individuals with disabilities, and other low-income homeowners to remain safely in their homes and prevent displacement due to deteriorating conditions. 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 the owner-occupied home. Eligible homeowners are those with annual incomes at or below 80% AMI.

Renew AC helps residents make home improvements that are necessary to stay, grow, and thrive in their homes. Renew AC empowers low-income homeowners to access affordable, low interest deferred payment loans for home improvement projects that maintain safe housing, increase accessibility, and ultimately prevent homeowner displacement.

Housing preservation was identified as a priority because the homes that are already affordable to low- and moderate-income families are the low-hanging fruit of addressing the affordability crisis. A family that can remain in its home and age in place is not competing for homes on the ownership market, are not placing more pressure on the rental market, and are potentially building wealth and housing stability for their offspring. Renew AC provides loans of up to $150,000 for households that need seismic strengthening, need to address health and safety issues, could benefit from efficiency improvements, and require accessibility improvements for occupants. Such work helps homeowners to stay in their homes as they age, face disability or otherwise would be unable to repair and upgrade major home systems.

### III.a.ii.2. Populations Served and Priorities

The primary demographic group targeted for participation in the Renew AC program are homeowners in Alameda County earning up to 80% AMI – an income limit of $80,400 for a household of four people in 2017 – and who have assets of no more than $150,000. The maximum loan is $150,000. Renew AC is additionally targeted to assist residents who are seniors and people with disabilities, as they frequently would benefit from accessibility improvements, may have homes with unaffordable deferred maintenance, and may not otherwise be able to afford the cost of renovations.

### III.a.ii.3. Program Design and Implementation

HCD elected to engage a non-profit partner to serve as program administrator to implement the Renew AC Boost housing preservation loan program. A non-profit program administrator is frequently well-positioned to quickly hire enough staff to provide excellent customer service to program participants and can call on experience in administering similar renovation programs.

To recruit a program administrator, HCD published an RFQ in June 2017. Habitat for Humanity East Bay/Silicon Valley (Habitat for Humanity) was selected as program administrator from a pool of eligible respondents. Habitat for Humanity is a non-profit with a long track record of building and preserving affordable housing, and empowering people to be homeowners. Habitat for Humanity'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 polices. Habitat for Humanity and HCD held seven public meetings and solicited the feedback of a wide range of stakeholders, including housing leaders, senior services and Alameda County cities, to refine the program design and policies.

During the program design phase Habitat for Humanity conducted extensive research to ensure the Renew AC program met high expectations for total loans made, impact of the loans in preserving homes, and serving a pool of participants whose demographics mirror those of the County. This included research into the demographics of low-income homeowners and the age of housing stock in Alameda County. Additionally, Habitat for Humanity analyzed comparable programs in other jurisdictions. This research allowed Habitat for Humanity to design the program to target households who would most benefit from a preservation loan, in communities with housing needing the most crucial work, and to accommodate the needs of homeowners.

The nature of a home preservation program poses a number of challenges for participants and the administrator. In most cases, an occupied renovation, one in which the resident and their belongings remain in the home during construction, is necessary and can be highly disruptive to residents. Additionally, seniors, a group heavily targeted for this program, tend to require additional customer service through the process, may have their lives more heavily disrupted due to compromised health, may be homebound and unable to leave the home, and may not have the physical ability to remove belongings from areas of the home undergoing renovation. Habitat for Humanity designed their program to allow for intense customer service to help participants through these challenges and are connected to social services that may help address the physical and mental challenges faced by participants.

#### III.a.ii.4. Accomplishments

Future annual reports of the Measure A1 bond will discuss outcomes of Renew AC implementation which began in fiscal year 2019.

(Potential flash forward to 2020 update)

#### III.a.ii.5. Moving Ahead

### III.a.iii. Homeownership Development Program - $25 million

#### III.a.iii.1. Description

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 ($78,850 for a two-person household and $98,550 for a four-person household in 2017). 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.

#### III.a.iii.2. Populations Served and Priorities

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 $80,400 for a household of four people in 2017.

#### III.a.iii.3. Implementation

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.

#### III.a.iii.4. Accomplishments

#### III.a.iii.5. Moving Ahead

## III.b. Rental

### III.b.i. Rental Housing Development Fund - $425 million

#### III.b.i.1. Description

The Rental Housing Development Fund aims to assist in the creation and preservation of affordable rental housing for very-low, low- and moderate-income households and vulnerable populations throughout Alameda County. The Rental Housing Development Fund is the largest program of the Measure A1 bond with $425 million in funds. 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.

The rental program is guided by four principles of investment in projects. First, A1 funds should maximize leverage of other sources and produce the largest number of units possible. Second, priority should be given to projects that can compete well for State and Federal financing. Third, the rental program should fund projects at a level to ensure viability for the life of the regulatory period. Fourth, the Measure A1 funds must fill a gap and not supplant other funding.

#### III.b.i.2. Populations Served and Priorities

Implementation policies require the majority of Measure A1 rental program funds to support units serving very-low-income households with incomes 30-60% AMI, with a minimum of 20% of the total supported units in each Regional Pool and in each city's Base City Allocation to be reserved for households with incomes at or below 20% AMI ($20.900 for a household of four in 2017). Each supported project must serve at least one of the adopted Measure A1 target populations: people experiencing homelessness, seniors, veterans, people with disabilities, re-entry populations, transition-age youth, and lower-income workforce.

The Board of Supervisors also included guidelines for geographic distribution of the program's support and for labor participation in order to ensure equity across the County and to invest in the local workforce. The resolution placing Measure A1 on the ballot required Rental Development projects include a prevailing wage standard. During the program design period, the Board of Supervisors passed local hire requirements for all rental development projects and the requirement of a project labor agreement for all projects with 80 units or more. These labor elements are meant provide good-paying jobs to local workers and encourage the recruitment and training of local workers in the construction trades.

In order to achieve geographic equity in project funding, the Rental 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 areas, receives an allocation of funds for which they can use their own procurement processes for project selection, so long as the project adheres to the Rental Development Program'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 Development funds.

In the Regional Pool Allocation, the County is divided by region – East, Mid, North, and South – with each region receiving an allocation. Projects are selected through a competitive Request for Proposals (RFP) process run by HCD. Winning projects must have a match from the jurisdiction in which the project is located.

The Rental Development Program represents a significant investment in housing construction in the region, which includes thousands of jobs. In order to support the existing workforce and local businesses, the program includes standards for local hiring and labor agreements. It requires 25% of the contract amount to be fulfilled by local businesses, including a 20% of contract amounts to be fulfilled by small and local businesses. For projects containing 80 units or more,[9] developers are required to engage in a Project Labor Agreement (PLA) with the Building and Construction Trades Council of Alameda County and participating construction trades unions. These PLA's are intended to help promote labor peace, secure the availability of adequate skilled labor, and to ensure construction projects are completed on time and on schedule for the benefit of residents and County taxpayers. In order to ensure labor compliance in Measure A1 programs, HCD has launched a labor compliance database.

### III.b.i.3. Program Design and Implementation

The Rental Development Program is administered by HCD in partnership with the cities of the County and non-profit developers. The Measure A1 funding represents one of many layers of financing from state and federal sources as well as local foundations and funds contributed by local jurisdictions. This is a collaborative process in which HCD worked to balance the needs and desires of stakeholders while aligning this program with those other layers of financing. As a result, the program is designed to avoid conflicting requirements with other funding sources and encourages developers to pursue additional layers of financing. At the same time, Rental Development encourages developers to design projects that address the needs of Alameda County's populations most at risk of displacement and homelessness.

[9] Excluding projects funded during the Tax Credit Emergency

The original plan for implementation included the program design, community input, bond issuance and approval by the Board of Supervisors before any funding allocations were made to projects. As discussed above,[10] the steep decline in Low Income Housing Tax Credits following the 2016 election necessitated quick action by HCD and the Board of Supervisors to utilize Measure A1 funds to preserve the viability of projects then under development. In order to save these projects, the Board of Supervisors to provide an early award of funds from the Base City Allocation. Since the bond had yet to be issued, the commitments had to be made on a reimbursement basis once the bond had been issued. A total of 9 projects in Alameda (1), Berkeley (1), Oakland (5), Pleasanton (1) and San Leandro (1) with 575 HCD-supported units received $25.6 million of Measure A1 funding in response to the tax credit emergency. This funding was leveraged for $431.7 million of total development funding that might not have been invested in Alameda County without this use of Measure A1 funds.

Following the tax credit emergency in early 2017, HCD proceeded with its planned course for implementation of the Rental Development Program. HCD released draft implementation policies for the program in late spring 2017, then held twelve community meetings to solicit input from residents, non-profit developers, labor, housing advocates and other stakeholders. In addition to feedback heard at these community meetings, HCD received 52 written comments on the draft policies. Taking into account the feedback received, HCD revised the draft policies and submitted them to the Board of Supervisors for their review and adoption. The Board of Supervisors adopted the Rental Development Implementation Policies in November of 2017, providing HCD the ability to commence the planned funding rounds beginning in early 2018.

A key element of the

#### III.b.i.4. Accomplishments

After the policies were adopted by the Board of Supervisors, HCD began formal implementation of the Rental Development Fund and cities worked to identify projects that would qualify for the Rental Development Fund, pledged matching funds to support the projects and applied to the County for award of funds. Cities requested funding for an additional nine projects through the Base City Allocation in January and February of 2018. The Board of Supervisors passed resolutions awarding these nine projects with $51.8 million in funding which supported 496 affordable units in the cities of Alameda (2), Livermore (1), Oakland (4), Pleasanton (1) and San Leandro (1).

During this first reporting period, the Rental Development Fund supported a total of 18 projects with Base City Allocation funding. Supported projects received a total of $77.5 million in commitments, which is 18.2% of the Rental Development Fund's allocation. These commitments leveraged $754.7 million in total project costs from all sources, producing 1,071 HCD-supported units. This unit count includes 196 units for people earning less than 20% AMI,[11] 242 units for people experiencing homelessness, 45 units for people with disabilities, 6 units for people with HIV/AIDS, 43 units for people reentering society from prison, 171 units for seniors, 90 units for

[10] Reporting Period in Context

[11] Tax Credit Emergency projects were not required to mee the 20% of units at 20% of AMI standard

veterans, no units for transition-aged-youth and 604 units for lower-income workforce households. These eighteen supported projects are spread across Alameda County: one in Berkeley, one in Livermore, two in Pleasanton, two in San Leandro, three in Alameda and nine in Oakland.

#### III.b.i.5. Moving Ahead

This first reporting period of the Rental Development Fund included opportunities for the planned implementation of the program as well as the emergency response to save projects endangered by the drop in value of Low Income Housing Tax Credits. The period also included the thoughtful crafting of the program's implementation policies. Future reports will include information on future funding rounds: Base City Allocation approvals in fiscal years 2019, 2020 and 2021 as well as Regional Pool Allocation requests for proposals and approvals in fiscal years 2019 and 2020.

### III.b.ii Innovation and Opportunity Fund - $35 million

The Innovation and Opportunity Fund is divided into two funds.

#### II.b.ii.1. Acquisition and Opportunity Fund

##### II.b.ii.1.a. Description

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 serving the same target populations as the Rental Housing Development Fund and 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 the Acquisition and Opportunity Fund. A contract for the recommended administrator is anticipated to be brought to the Board for consideration in 2021.

#### II.b.ii.2. Innovation Fund

##### II.b.ii.2.a. Description

HCD plans to continue developing innovative program proposals for the Innovation Fund portion of the Innovation and Opportunity Fund and to bring them to Board of Supervisors for consideration in Fall 2021. Possible focus of these additional programs could include programs related to Board and Care homes or other special needs community living facilities, and support for development of Accessory Dwelling Units on single-family parcels.

## VIII. Measure A1 Administration

### IV.a. HCD Organizational Capacity

Established in 1990, HCD's support of housing development in Alameda County has been funded by Federal and State sources: Community Development Block Grants, Emergency Solutions Grants, Housing Opportunities for Persons with HIV/AIDS, and the Neighborhood Stabilization Program. During HCD's first twenty-five years, HCD's support of affordable housing averaged $3-$5 million/year with an increase in 2014 to $7 million/year with an influx of local "Boomerang" funding.

Utilizing this funding, HCD supported 1,840 affordable rental units in 98 projects with a total of $189.6 million in funds over 26 years. By comparison, the Measure A1 Rental Housing Development program will invest $425 million in upwards of 4,000 affordable rental units in eight years, or less – more than ten times what was invested in the prior. The scale of Measure A1 programs required a significant increase in HCD's organizational capacity. Compared with the pre-A1 period, the Rental Housing Development program will invest an average of $53 million per year across eight years, representing a ten ten-fold increase in funding to manage from the previous period.

This massive increase in resources was accompanied by new needs for HCD to build its organizational capacity to develop programs, formulate policy, track contracts and compliance, foster partnerships, ensure oversight, build new administrative systems, and develop new resources for working with partners. In order to meet these demands, HCD utilized temporary employees to fill immediate staffing gaps during much of 2017 and 2018, added three managers in 2018, and hired seven line staff working directly on Measure A1 programs. HCD implemented new administrative systems for contract compliance and project management. Through stakeholder engagement and collaboration, HCD increased its own capacity to deepen stakeholder partnerships, craft effective programs, and reach populations most in need of affordable housing support. The Measure A1 programs would not be possible without HCD partnerships – Alameda County jurisdictions, affordable housing developers, non-profit program administrators, labor, residents and advocacy organizations. Working together, we will ensure Measure A1 programs fulfill the mandate of the ballot measure and create the outcomes taxpayers expect.

### IV.b. 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 and 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.

#### IV.b.i. Oversight Committee

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 OC is comprised of representatives from each Board of Supervisors district and from a number of stakeholder groups: residents of subsidized housing, the faith community, East Bay Housing

Organizations, Alameda County Taxpayers' Association,  Alameda County City Managers Association, the League of Women Voters of Alameda County and the Alameda County Building and Construction Trades Council. Members serve staggered four-year terms. The OC holds meetings open to the public at least quarterly to review expenditures and the Measure A1 annual report. HCD supports this volunteer body with staffing for organization, report creation and governance guidance.

Future Measure A1 annual reports will include information for the approval of the OC in fiscal year 2019, formation of the body, and initial meetings that begin in fiscal year 2020.

#### IV.b.ii. Annual Reports

The second structure of oversight for Measure A1 is the creation and publication of an annual report discussing all Measure A1 expenditures during the reporting program. Each report will be provided to the OC in an open meeting of the body and subject to public comment. Following a comment period and any revisions, the OC will provide the report for submission to the Board of Supervisors. HCD will present the report to the Board of Supervisors Health Committee.

This first annual report will be reviewed by the OC and submitted to the Board of Supervisors in 2021 with reports for fiscal years 2019 and 2020 to be ready for consideration in 2021. Following reports will be prepared in the year following the close of their fiscal year.

#### IV.b.iii. Board of Supervisors Actions

The Board of Supervisors is the legislative body charged with approving Measure A1 bond expenditures, commitments and policies. During the reporting period, the Board of Supervisors considered and adopted thirty-two resolutions approving expenditures or adopting policies related to Measure A1. Each item was heard in a public meeting and subject to public comment. During this same period, the Health Committee of the Board heard five reports related to Measure A1 programs.  Additionally, the Board of Supervisors heard an implementation report in early 2017 and 2018.

### IV.c Bond Program

#### IV.c.i Issuances

Alameda County Board of Supervisors approved the issuance of the first trance, $240 million, of general obligation bonds to fund the Measure A1 programs on November 2, 2017. This followed the creation of a finance team for this bond, the selection of Orrick, Herrington & Sutcliffe LLP as the Bond Counsel, KNN Public Finance, LLC as Financial Advisor, CSG as Special Advisor and Curls Bartling PC as Disclosure Counsel, as well as Bank of America Merrill Lynch as lead underwriter and Raymond James & Associates, Inc. and Loop Capital Managers as co-managers.

The County's General Obligation Bonds for Measure A1 were issued as a sale of taxable bonds not to exceed $240 million with an estimated true interest cost of 4.18% and a cost of issuance of $1.2 million. The total value, with interest and principal, of the bond was estimated to be $324.7 million to be paid by the special property tax levy authorized in the Measure A2 ballot measure.

The Board of Supervisors received a report on April 9, 2018 of the performance of the first tranche of the Measure A1 bond. The all-in true cost of the bond was 3.639% with an underwriters discount of $1,157,162 million. The total payments to bond holders will be $335,763,362 with $240,000,000 in principal and $95,763,362 in interest.

### IV.c.ii. Performance

The Board of Supervisors received a report on April 9, 2018 of the performance of the first tranche of the Measure A1 bond. The all-in true cost of the bond was 3.639% with an underwriters discount of $1,157,162 million. The total payments to bond holders will be $335,763,362 with $240,000,000 in principal and $95,763,362 in interest.

## IX. Supplementary Materials

### V.a. Terms Quick Reference

### V.b. Area Median Income and Rent Limits

**2017 Rent Limits**
**Maximum Rents Allowed Under City of Oakland**

| Rent Limitations | 0 Bedroom | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm | 5 Bdrm |
|---|---|---|---|---|---|---|
| 30% of 20% of AMI | $365 | $391 | $469 | $542 | $605 | $668 |
| 30% of 30% of AMI | $548 | $587 | $704 | $813 | $907 | $1,001 |
| 30% of 50% of AMI | $913 | $978 | $1,173 | $1,356 | $1,512 | $1,669 |
| 30% of 60% of AMI | $1,096 | $1,174 | $1,408 | $1,627 | $1,815 | $2,003 |
| 30% of 80% of AMI | $1,408 | $1,508 | $1,810 | $2,091 | $2,333 | $2,573 |
| 30% of 110% of AMI | $1,876 | $2,009 | $2,410 | $2,786 | $3,108 | $3,429 |

www2.oakland.net.com/oakca1/groups/ceda/documents/report/oak065449.pdf

**Area Media Income Limits 2017**
**City of Oakland Housing and Community Development**
**Income, Adjusted for Household Size**

| Income Level | One Person | Two Person | Three Person | Four Person | Five Person | Six Person | Seven Person | Eight Person |
|---|---|---|---|---|---|---|---|---|
| 20% of AMI | $14,650 | $16,700 | $18,800 | $20,900 | $22,550 | $24,200 | $25,900 | $27,550 |
| 30% of AMI | $21,930 | $25,050 | $28,170 | $31,290 | $33,810 | $36,300 | $38,820 | $41,310 |
| 40% of AMI | $29,240 | $33,400 | $37,560 | $41,720 | $45,080 | $48,400 | $51,760 | $55,080 |
| 50% of AMI | $36,550 | $41,750 | $46,950 | $52,150 | $56,350 | $60,500 | $64,700 | $68,850 |
| 60% of AMI | $43,860 | $50,100 | $56,340 | $62,580 | $67,620 | $72,600 | $77,640 | $82,620 |
| 70% of AMI | $50,080 | $57,230 | $64,370 | $71,490 | $77,240 | $82,950 | $88,670 | $94,390 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 80% of AMI | $56,300 | $64,350 | $72,400 | $80,400 | $86,850 | $93,300 | $99,700 | $106,150 |
| 100% of AMI | $68,200 | $77,900 | $87,650 | $97,400 | $105,200 | $113,000 | $120,800 | $128,550 |
| 120% of AMI | $87,600 | $100,150 | $112,650 | $125,150 | $135,150 | $145,200 | $155,200 | $165,200 |
| 150% of AMI | $102,300 | $116,850 | $131,480 | $146,100 | $157,800 | $169,500 | $181,200 | $192,830 |

### V.c. Market-rate comparison of Affordable Housing and A1 Affordable Housing

Government support of affordable housing is intended to address the failure of the market to create and preserve housing that is affordable to people with moderate and low incomes. A review of East Bay rental listings provides a prime example of rents being set by what the market will bear, but underneath the profit sought by building owners is the minimum rent that any landlords must charge in order to service any debt, pay property taxes, meet minimal maintenance and build reserves for renovations. Non-profit organizations that develop and manage housing must charge such rent and, without public or private subsidies, the housing units would still be unaffordable to many moderate and low-income households.

The amount of subsidy needed to lower rents to an affordable level is the gap, which is filled by private donations and government funding programs at the federal, state and local levels. Traditional market-rate housing development is relatively simple, funded by investors and mortgages. This relative simplicity is accompanied by the freedom from rent limits, allowing the landlord to charge a high a rent as they believe renters will pay.

Affordable housing development budgets are generally much more complicated. Instead of three to four sources of funding, affordable developments often include upwards of a dozen sources of funds, many of which need to be won through competitive application processes. These can include land donations, municipal funding, tax credits administered by the state, federal funds administered by the county, deferred developer fees and inclusionary fees. Each layer of subsidy decreases the amount of debt that must be serviced thereby reducing necessary rents. Measure A1 rental program funds are meant to meet development gaps and deepen affordability of projects so that individuals and families who make 30 to 60% AMI can afford units. Additionally, Measure A1 requires that 20% of all supported units are affordable to households making less than 20% AMI. This requirement induces participating developers to pursue additional layers of subsidy that they might not have before Measure A1.

Table __ compares three hypothetical multi-family housing developments in Oakland in 2017. The market-rate development, Development A, includes only four sources of financing,[12] while the affordable development without A1 funds, Development B, (modeled on the Faith Manor Apartments) utilizes seven sources of financing, and the affordable development with A1 funds,

[12] https://www.enterprisecommunity.org/download?fid=911&nid=4233

Development C, (modeled on Coliseum Place) utilizes eleven sources of financing. In 2017, the average rent for a 3-bedroom apartment in Oakland was $4,305.[13] The standard of affordability for housing expenses is 30% of one's gross income. In order to afford that monthly rent, a family of four would need to earn $172,200 per year, which represents 177% of AMI. For perspective, the fair market rent limit set by the federal department of Housing and Urban Development was $3,017 per month in 2017 for Section 8 voucher holders. In Development A, a voucher holder would fall more than $1,000 short of rent for a 3-bedroom apartment. In the building with affordable units not supported by Measure A1, Development B, the lowest rent for a 3-bedroom apartment is $812 per month. A family of four would need to earn $29,220 per year, representing 30% AMI, to afford this apartment. In the Measure A1-supported building, Development C, the average rent for a 3-bedroom apartment is $581 per month. A family of four would need to earn $20,916 per year, representing 20% AMI, to afford this apartment.

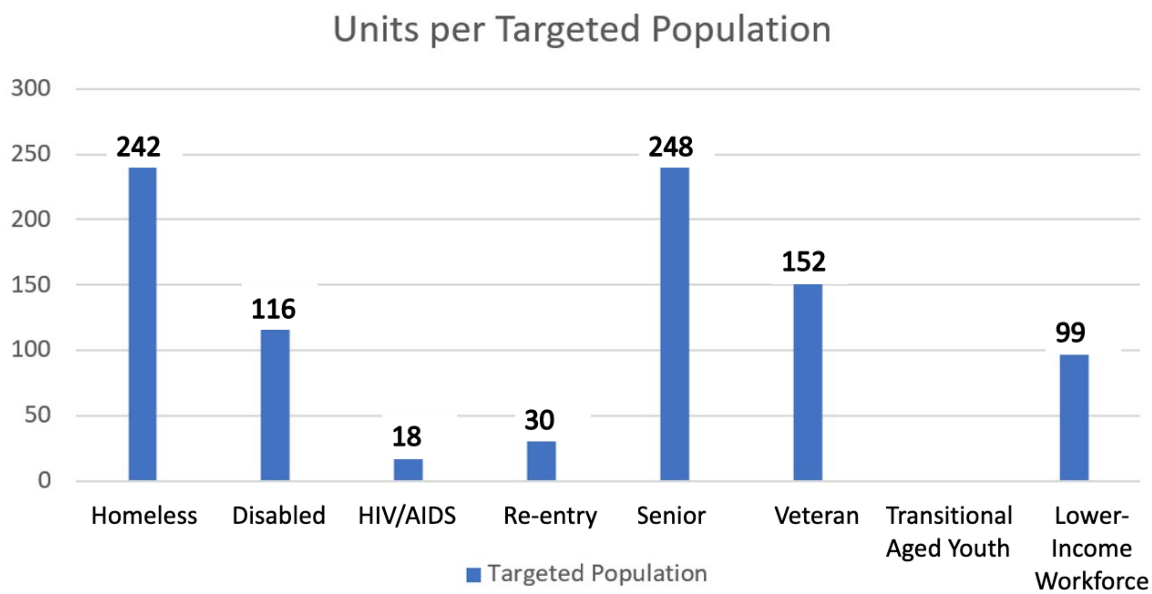
The scale of Measure A1 funding has fueled the support of more affordable housing developments than during similar periods of time in its history. In each development, HCD has been able to support more affordable units than in each development. Additionally, the scale of funding and the requirements of the Measure A1 rental program have made many of these units more deeply affordable to individuals and families, providing homes to people who might otherwise be burdened by rent, doubled-up in an overcrowded apartment, or facing homelessness.

| Development | Type | Layers of Financing | Lowest 3B Rent | Min. Income to Afford | % of AMI |
|---|---|---|---|---|---|
| A | Market Rate | 4 | $4,305 | $172,000 | 177 |
| B | Affordable w/o A1 | 7 | $812 | $29,220 | 30 |
| C | Affordable w/A1 | 11 | $581 | $20,916 | 20 |

Table___ Comparison of Market-Rate, Affordable Housing without Measure A1 and Measure A1 Affordable Housing. Based on 2017 median Oakland rents, Faith Manor Apartments and Coliseum Place.

**Possible visuals (more to come):**

[13] https://www.zumper.com/rent-research/oakland-ca


Units per Targeted Population
300
250
200
150
100
50
0
242
116
18
30
248
152
99
Homeless
Disabled
HIV/AIDS
Re-entry
Senior
Veteran
Transitional Aged Youth
Lower-Income Workforce
Targeted Population

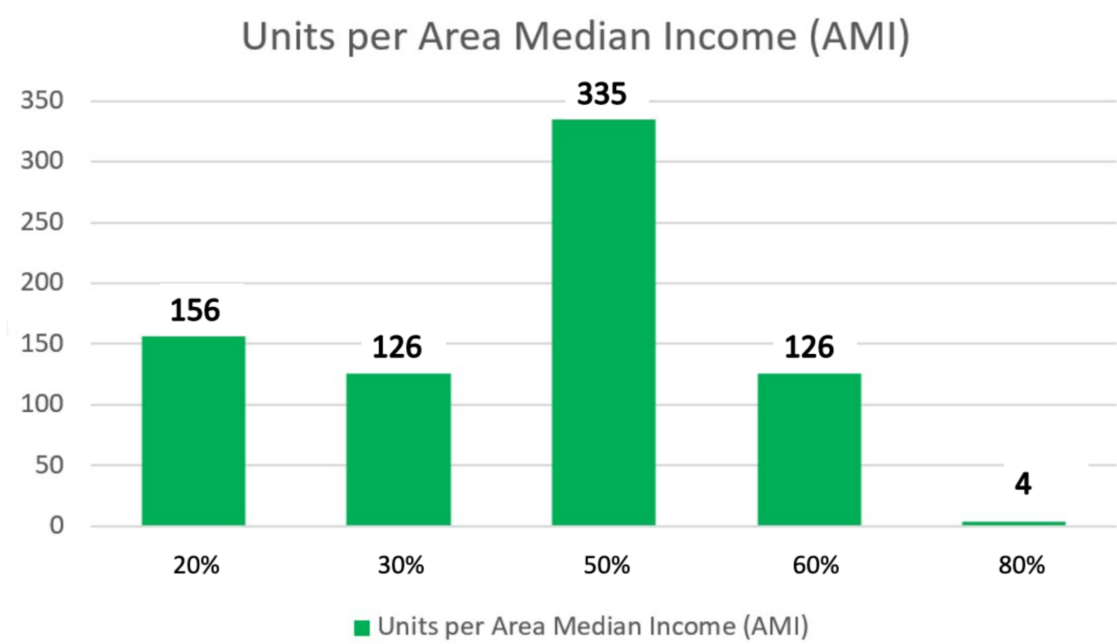

Units per Area Median Income (AMI)
350
300
250
200
150
100
50
0
156
126
335
126
4
20%
30%
50%
60%
80%
Units per Area Median Income (AMI)


*Figure 1 - Rental Development projects 2017-2018*



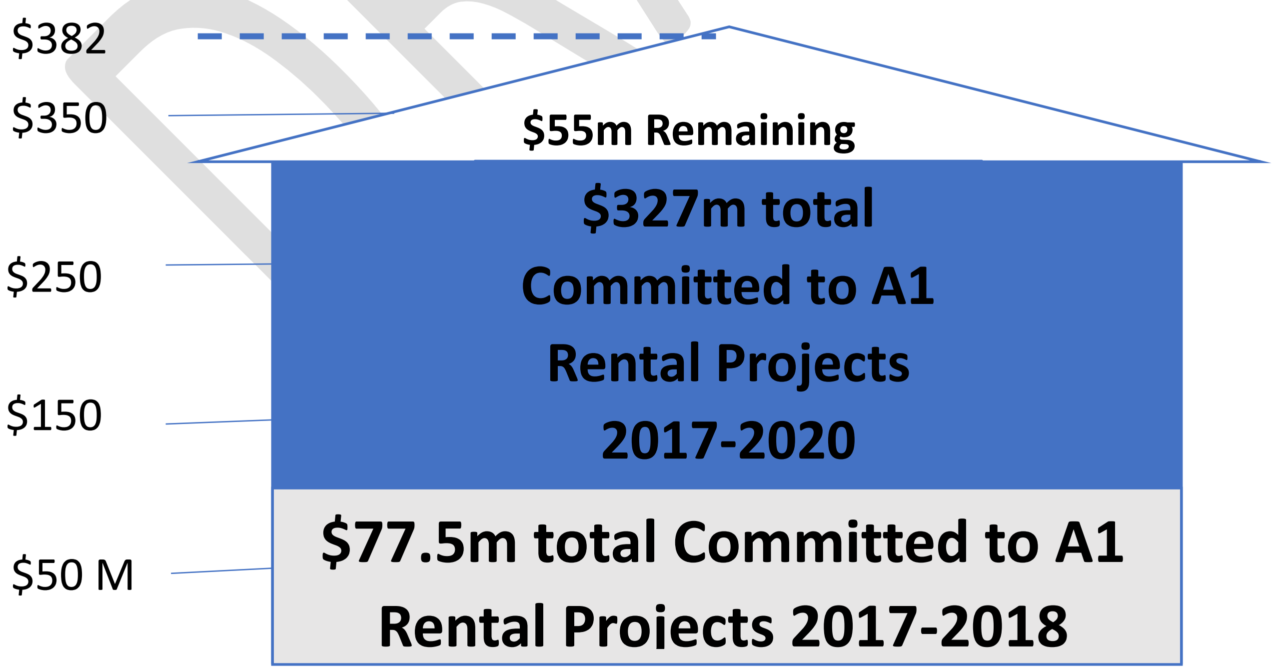


*Figure 2 - Measure A1 funds committed during first reporting period – 2017-2018 - and as of July 2020*

| City | # of Projects | A1 Funding Committed | HCD-Supported Units | 20% AMI Units |
|---|---|---|---|---|
| **Alameda** | **3** | **$4,200,000** | **150** | **39** |
| **Berkeley** | **1** | **$691,394** | **23** | **5** |
| **Livermore** | **1** | **$6,706,495** | **42** | **9** |
| **Oakland** | **9** | **$48,366,868** | **624** | **121** |
| **Pleasanton** | **2** | **$11,795,844** | **85** | **11** |
| **San Leandro** | **2** | **$5,700,000** | **147** | **11** |
| **Total** | **18** | **$77,460,601** | **1,071** | **196** |

*Figure 3 - Base City Rental Development commitments by Alameda County city 2017-2018*