Summary/Action Minutes

I. Measure A1 – Affordable Housing Bond- Implementation Update

Attachment

Linda Gardner, Director, Housing and Community Development, Community Development Agency and Michelle Starratt, Assistant Director, Housing and Community Development, Community Development Agency presented a PowerPoint presentation on the Measure A1 Affordable Housing Bond Implementation update.

Background

On January 23, 2017, the Health Committee Subcommittee on Housing approved the initial Measure A1 Housing Bond Implementation Plan, which focused on the first 18-month implementation period, through June 2018. The initial Plan covered major work-related areas, including formation of a County Bond team and the first Bond Issuance, implementation-level policies and selection processes for the Rental Housing Development Program, the Homeownership Development Program, and the Innovation and Opportunity Fund, the selection of program administrators for the Down Payment Assistance Loan Program and Housing Preservation Loan Programs, creation of the Citizen Oversight Committee, and the HCD staffing plan for Bond implementation program delivery and administration.

Implementation Accomplishments

Since the approval of the Implementation Plan in January 2017, and pending Board approval of an additional four (4) projects on February 27, 2018, $79 million has been allocated to affordable rental housing developments from Base City Allocations in the Rental Housing Development Fund. The 14 projects with Measure A1 funding commitments and the additional four to be considered by the Board of Supervisors are in every region of the County and contain 1,000 units of affordable housing.

Additionally, Request for Proposal processes were conducted to select Program Administrators for the Down Payment Assistance Loan Program and the Housing Preservation Loan Program. Contract negotiations are nearing completion and contracts will be coming to the Board for approval in March and early April 2018. Implementation policies will be developed in the following several months for Board consideration and adoption, after which these two programs will begin accepting applications to assist thousands of moderate-income residents to buy their own homes, and lower-income existing homeowners to stay safely and affordably in the homes they own.

Implementation-Level Policies Adopted for Rental Housing Development Fund, Rental Housing Innovation and Opportunity Fund, and Homeowner Housing Development Fund

An inclusive and multi-faceted community input process was undertaken for the development of the Measure A1 Rental and Homeownership Development implementation level policies. A series of public input meetings were held and widely published to gather public input.
Additionally, HCD convened meetings with staff from all cities in the County to discuss key policy issues and the relationship of possible Measure A1 policies to city-level policies and programs. The Board of Supervisors adopted the implementation level policies for the Rental Development Program, the Innovation and Opportunity Program and the Homeownership Development Program on November 7, 2017.

**Rental Housing Development Fund: Base City Allocations**

Approximately $53 million has been committed to date in two funding rounds for the Base City Allocations, an initial ‘emergency’ round in Spring 2017 due to sudden financing gaps caused by unanticipated changes in the market for Low Income Housing Tax Credits, followed by a more formal Notice of Funding Availability (NOFA) process to cities. A third set of projects in response to the NOFA will be coming to the Board on February 27, 2018 for funding commitments of an additional $23 million.

Eighteen projects approved and recommended in these first three funding rounds are located in all regions of the county and contain 1,000 total affordable rental units throughout the County, and include units at a variety of affordability levels and for a variety of target populations.

If the Board approves the Measure A1 allocations for the four additional projects on February 27th commitments of Measure A1 Rental Housing Development Fund Base City Allocations will have been approved for eighteen projects, totaling $79 million in Measure A1 investment which will leverage almost $600 million in additional funding and $81 million in city match.

**Down Payment Assistance Loan Program (DALP)**

In Spring 2017, HCD staff met with each of the cities in Alameda County to discuss Measure A1 programs, including existing homeownership support programs within the county and how these programs might relate to the Measure A1 Down Payment Assistance Loan Program (DALP). Subsequently, a Request for Qualifications (RFQ) for the DALP Administrator was released on June 22, 2017 at a public meeting at HCD’s offices. The County Selection Committee (CSC), comprised of three housing staff from local cities and one HCD staff member, unanimously recommended selection of Hello Housing.

**Housing Preservation and Loan Program (HPLP)**

At the spring 2017 meeting with some cities, under the DALP program, HCD discussed existing local home preservation programs and issued an RFQ for the Housing Preservation Loan Program (HPLP) Administrator on June 22, 2017.

Based on ranked average scores on the RFQ criteria of the proposals, the County Selection Committee (CSC), comprised of two city housing staff and one HCD staff member, unanimously recommended Habitat for Humanity East Bay/Silicon Valley. The contract with Habitat is expected to come to the Board for consideration in late March or early April. After the contract approval by the Board, the public process to draft recommended implementation-level policies will begin. This process is projected to take several months, including bringing the policies to this Committee for review prior to being taken to the full Board for consideration.

**Next Steps in Measure A1 Implementation**

The current Implementation Plan period extends through June 2018. The next phase of implementation will be from July 1, 2018 through June 30, 2019.

**Homeownership Housing Programs Down Payment Assistance Loan Program**

The Contract for the Down Payment Assistance Loan Program (DALP) Program Administrator will be brought to the Board of Supervisors in March, 2018. Once approved, detailed implementation policies will be developed for DALP. After the Board adopts the implementation policies, intensive program marketing will take place and loan applications will begin to be accepted, expected to occur in Summer 2018.
Housing Preservation Loan Program

The Contract for the Housing Preservation Loan Program (HPLP) Program Administrator will be brought to your Board this spring. Once approved, detailed implementation policies will be developed for the HPLP. This process is projected to begin in Spring 2018, and will include public and stakeholder input and include presentation of draft policies to at least one meeting of this Committee. Loan documents and restriction agreements will be drafted by staff, and reviewed and approved by both County Counsel and Bond Counsel. After the Board adopts the implementation policies, intensive program marketing will take place and loan applications will begin to be accepted, expected to occur in Summer 2018.

Homeowner Housing Development Fund

The Homeownership Development Program RFP to select initial projects will be released in Spring 2018 and will be based on the Board-adopted policies for the Homeowner Housing Development Fund. Review of the initial applications will be completed during the Summer of 2018. Loan documents and restriction agreements will be drafted by staff, and reviewed and approved by both County Counsel and Bond Counsel. Commitments for projects will be submitted to the Board of Supervisors in Fall 2018.

Base City Allocation Existing Project Commitments

After the first issuance of the Measure A1 Bonds, Contracts for the existing 9 projects in construction will be brought to the Board of Supervisor for approval. The additional projects from Round B and C will close their construction financing and begin construction this year. Funding contracts and loan documents will be created and finalized for these additional projects. All of the projects will be monitored for construction progress and labor compliance.

Innovation and Opportunity Fund

The Innovation and Opportunity Fund is divided into two components: the Acquisition and Opportunity Fund, approximately $25 million, and the Innovation Fund, approximately $10 million. The Acquisition and Opportunity Fund’s goal is to support the ability for affordable housing developers to respond quickly to real estate opportunities (properties that are for sale) that arise in the market, to preserve and expand affordable rental housing and prevent displacement of current low-income tenants.

An RFQ for a Program Administrator for the Acquisition and Opportunity Fund will be issued to select an administrator for this component of the Innovation and Opportunity Fund. The RFQ is expected to be released in April 2018, followed by a selection process resulting in a contract being brought to the Board in late Summer or early Fall 2018. HCD plans to continue developing innovative program proposals for the Innovation Fund portion of the Innovation and Opportunity Fund and to bring them to the Committee along with implementation policies for consideration in fall 2018.

Unincorporated County Base City Allocation

The Unincorporated County’s Base City Allocation of over $17 million will be allocated through an RFP in summer 2018. Staff will meet with Board members whose districts include the Unincorporated County to discuss RFP priorities. These discussions will be informed by priorities established in adopted plans related to the Unincorporated County. These include the Community Development Strategy, the Housing Element and the Health and Wellness Element of the General Plan.

Rental Housing Development Fund - Regional Pools

RFPs will be issued to select the initial projects to be funded from the 4 regional pools of the Rental Housing Development Fund. The RFP will be released in Summer 2018 and will be based on the Board-adopted policies for the Rental Housing Development Fund. After proposal review, recommended projects for commitment of funds will come to the Board of Supervisors in time for the State Affordable Housing and Sustainable Communities application expected in January 2019.
Recommendation and Next Steps

This update to the Implementation Plan is presented to the Committee for consideration and discussion.

Speakers

Cheryl Perry, representing National Coalition of 100 Black Women, interested in County programs and the Measure A1 Oversight Committee.

Jeff Levine representing East Bay Housing Organization, Oversight Board

Margo Daschiell supports housing units for people living with mental illness; Oversight Committee should include family members

Diane Lewis, National Coalition of 100 Black Women supports Measure A2 and is interested in representation on the Oversight Committee.

Elaine de Coligny, Executive Director, EveryOne Home, spoke in support of Measure A1 implementation.

Jacqueline McCormick, City of Berkeley, is concerned and want to ensure that there is oversight over smaller amounts of money and active review of funds; more community involvement on Oversight Committee.

Purpose:
- Report progress
- Advocacy or Education
- Request Health Committee Recommendation or Position
- Other:

Recommendation from Health Committee Subcommittee on Housing: Move to the full Board of Supervisors for discussion.

II. Measure A1 – Affordable Housing Bond Oversight Committee Formation

Attachment

Linda Gardner, Director, Housing and Community Development, Community Development Agency presented a PowerPoint presentation on the Measure A1 Affordable Housing Bond Oversight Committee Formation.

The Independent Citizen’s Oversight Committee will also be established in the next phase of implementation. The purpose of the Oversight Committee is to review the annual report each year to ensure that Bond proceeds are being spent in compliance with the ballot measure.

Measure A Citizen Oversight Committee – A Model for Measure A1

During the development of the Measure A1 Bond Measure and programs, the Health Committee Subcommittee on Housing briefly discussed that a good place to start considerations for the formation of its Oversight Committee is the Health-related Measure A Oversight Committee. That Committee has a similar function to the role envisioned for the Measure A1 Committee: Review of expenditures for conformance to the purposes of the measure as approved by the voters through the mechanism of an annual report to the Board of Supervisors. Staff has reviewed materials related to the formation and current operations of the Measure A Committee and met with its staff. The initial considerations for form and structure of the Measure A1 Oversight Committee are substantially modeled after the Measure A Committee.
Form and Structure of the Measure A1 Oversight Committee

The role of the Committee to formally review and report to the Board of Supervisors on the issue of the conformity of measure A1 expenditures with the purposes set forth in the Measure.

Similar to the Measure A Committee, it is anticipated that the Measure A1 Oversight Committee will be subject to Brown Act requirements and that its members will be considered ‘public officials’ for the purposes of the California Political Reform Act and its restrictions related to conflict of interest.

It is proposed that the Committee

- Will meet not less than 4 times annually and not more frequently than monthly.
- Strive for consensus and make decisions by formal vote of a simple majority of seated members.
- Elect a Chair and Vice-Chair from among its membership
- Serve terms of no less than 2 years and no more than 4 years, and that the terms of original members vary (some shorter and some longer) to stagger the appointment expirations to support continuity of knowledge on the Committee.
- All members are appointed by the Board of Supervisors.
- Designated organizations with seats on the Committee shall forward nomination(s) to the Board of Supervisors.
- The Board can accept or reject nominations. If rejected, the organization will be asked to submit new nominee(s).
- It is proposed the Committee be composed of not less than 7 seats and not more than 20 seats.

Next Steps

Following Committee discussion and direction to staff, staff will return to the Health Committee with formal recommendations for the formation of the Oversight Committee for consideration, and possible approval and forwarding to the full Board of Supervisors.

Purpose:

- Report progress
- Advocacy or Education
- Request Health Committee Recommendation or Position
- Other:

Recommendation from Health Committee Subcommittee on Housing: Move to the full Board of Supervisors for discussion.

III. Review & Discussion of Implementation Update and Oversight Committee

The Health Committee Subcommittee on Housing recommended that this presentation be presented to the full Board of Supervisors.

Purpose:

- Report progress
- Advocacy or Education
- Request Health Committee Recommendation or Position
- Other:

Recommendation from Health Committee Subcommittee on Housing: Move to the full Board of Supervisors for discussion.

PUBLIC COMMENT

None.

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