



**Public comments received as of July 11, 2017 in response to draft
Measure A1 Implementation Policies – Rental Housing Development
Fund & Innovation and Opportunity Fund**

OC

Omar Cortez <Omar.Cortez@hayward-ca.gov>

Yesterday, 5:00 PM

AC Housing Bond, CDA

Reply all | v

A few comments:

The City wants to make sure that whenever MHRB funding is utilized, the City will reserve the right to issue the bonds.

- Policies should allow for a developer fee over \$2 million to allow projects to attract more equity but should specify that the portion of the developer fee above \$2 (or \$2.5) million should be invested back into the project to pay for clearly identifiable and agreed-upon development costs.
- Large families should be included in the target populations.
- Will the Share of Residual Receipts payment to the County be a requirement of every dollar of A1 rental program investment? In other words, does this apply to the Innovation Pool only? Or to the Innovation and Regional Pool only? Does it apply to the direct jurisdictional allocation as well? The City strongly suggests that the Share of Residual Receipts to-the-County requirement should only apply to the Innovation pool. If it applies to the regional pool, the share should be equal to the jurisdiction where the project funded is located. Finally, it should NOT apply to the direct jurisdictional allocation of A1 funding.
- The Innovation Pool funds becoming a revolving fund may be a good idea but since those funds would be used for projects that couldn't wait to go through a regular process to address an immediate need (i.e., for the acquisition of a building about to be sold), structuring them as loans may be an issue - unless they are forgiven, if the project does not go forward, or become part of the overall financing, if the project does go forward.

Thank you,

Omar Cortez | Housing Development Specialist | City of Hayward

Tel: 510.583.4246 | E-mail: omar.cortez@hayward-ca.gov



July 10, 2017

Ms. Linda Gardner
Ms. Michelle Starratt
Alameda County Housing and Community Development
alcohousingbond@acgov.org

RE: Comments on Measure A1 Draft Implementation Policies

Dear Ms. Gardner and Ms. Starratt:

Thank you for the opportunity to provide comments and feedback on the proposed Measure A1 Implementation Policies. We appreciate the work the County has done to develop these policies and to solicit and incorporate community input.

Our primary objective is to ensure that Measure A1 funds can be utilized to their fullest as quickly as possible to address the county's pressing housing crisis, and that program policies will facilitate this for both the Base Allocation and Regional pools.

Our comments below are based on input from a cross-section of members, including both developers and residents of affordable housing. Comments are cross-referenced to the numbered items in the Draft Policies for the Rental Housing Development Fund & Innovation and Opportunity Fund.

A1 Specific Policies for Rental Housing Development Fund

I. Income Levels

- Funds for 80% AMI rental housing should be limited to 5% of each pool's total. Because of the lack of leveraging opportunities for housing affordable above 60% AMI, units serving people in the 60-80% AMI range would actually require more subsidy per unit to serve households at higher income levels. We note also that while 60-80% AMI households are clearly experiencing some degree of housing problems, the problems faced by households with incomes less than 60% AMI are more widespread and far more severe.
- For acquisition/rehab projects, where units may be occupied by households with incomes greater than 60% AMI, the County should adopt guidelines that permit "over-income" tenants to remain in the property but to require that on turnover the units must be occupied by income-qualifying tenants at rents affordable at or below 60% AMI. We do not want to see any tenant households evicted or displaced as a result of A1 investment.

- We support the policy that 20% of A1 funds serve households with incomes less than 20% AMI, including applying it to each pool rather than requiring it in each project.

Nonetheless, achieving this goal is nearly impossible in the absence of project-based rental subsidies. Rents at 20% AMI are significantly lower than operating cost, even with no debt service. In cities where project-based rental assistance is not available from the local housing authority, this could cause them to lose funds due to factors beyond their control.

In the current environment, operating subsidies will be increasingly scarce. For example, we anticipate that the Housing Authority of Alameda County will not have new project-based Section 8 to allocate for at least another 2-3 years. Therefore there should be flexibility with regard to meeting this requirement over the A1 program horizon. At the same time, for the competitive regional pools, the county should award points for projects based on the proportion of 20% AMI units in order to incentivize these units across multiple projects and in all parts of the county, in order to avoid situations where this requirement is only met by funding one or more projects that have 100% of units affordable at 20% AMI.

The County should treat any unit that has a project-based rental subsidy contract as meeting the 20% AMI target. The County should also work with local housing authorities to ensure that it's possible to restrict such units only to household below 20% AMI.

- It is also important to note that the few operating subsidies that are available offer contracts of 10-20 years maximum. If operating subsidies are canceled or cannot be renewed during the regulatory period, rents must be allowed to float up to TCAC maximum (60% AMI). Without this flexibility, developers will be unable to attract the necessary private debt and equity to make projects feasible.
- At the same time, developers should be encouraged to pursue opportunities for deeply affordable units wherever possible. The County should require A1-funded projects to apply for, accept, and renew project-based subsidies wherever available.

ii. Project Selection Criteria

- In addition to restricting affordability for 55+ years, the County should explicitly prohibit conversion of assisted rental housing developments to condominiums.
- Please provide more clarification about what it means to "one or more" target populations and how many units must be reserved or prioritized for target populations within a project that may serve multiple target populations. Is the County proposing to give preference to projects serving multiple target groups? Given the exhaustive nature of this list, what populations does the County consider to not fall within one of the target groups?
- For purposes of meeting the target population requirements, the definition of "seniors" should be flexible and, on a project-by-project basis, defer to the age requirements of any Federal or State

funding programs anticipated for that project (in some cases the age limit will be 55, in other cases it will be 62).

- In order to serve the re-entry population, EBHO strongly recommends that the County affirmatively eliminate barriers to their access to housing. We urge the County to adopt and require that A1-funded developments abide by measures similar to those in Richmond's Fair Chance Ordinance (copy attached), which prohibits screening out tenants for criminal records at the initial application stage, and requires that owners justify any rejection of applicants that otherwise meet all the eligibility criteria. The County should also work with local housing authorities to ensure that opportunities for re-entry populations be compatible with HUD or local housing authority rental policies so that Section 8 assistance can be used for this population.
- We are concerned that the County intends not to permit any city-imposed preferences for people who live/work in that city or were displaced from that city. Since this could be a requirement for city funding, if the County were to pre-empt local requirements, it could result in projects being unable to secure local funding for match or to close the funding gap to make projects financially feasible. We urge the County to defer to local preferences where such preferences exist, and to impose County-level requirements only where no local requirements are in place.
- We appreciate the goal of reaching out to people who have been displaced from Alameda County. We are uncertain how the County would enforce or structure a requirement to market units to people who had been displaced from Alameda County. Would this require marketing in other counties? That could be costly and exceedingly difficult. It may make more sense to require preferences for people who were displaced from housing in Alameda County through no fault of their own (no-fault evictions, excessive rent increases, etc.), particularly if they are now rent burdened, overcrowded or living in substandard conditions.

III. Eligible Types of Projects

- No comments here, but see comments below regarding the policies for Base City Allocations.

IV. Eligible Uses of Funding

- For projects that use funds for land acquisition, a "reasonable" time period should be defined as submitting a viable development and financing plan within 2 years and starting construction within 4 years.
- Where developers have a commitment from a public agency to provide publicly owned land, but have not yet taken possession of that land (often this doesn't happen until construction starts), the County should allow unsecured financing for predevelopment costs necessary to move the project to construction.

V. Investment per Project

- We are greatly concerned that the proposed funding cap of 25% of project costs may be far too low, particularly for projects with 4% tax credits but no financing from AHSC or other non-local sources. As the County's own numbers suggest, the amount of "other local subsidy" that would be required far exceeds the local match requirement and is likely to be a major barrier to project feasibility. Moreover, reduced pricing for tax credits, and the loss of Difficult to Develop designations for many areas have reduced the amounts that can be obtained from tax credits. The scenarios presented in Exhibit C likely underestimate the funding gap significantly, making higher per-unit and per-project loan limits essential. Particularly for projects with 4% tax credits, we recommend a higher cap of 35-40% of eligible costs. We understand that a number of developers have submitted comments with a detailed analysis of this issue, and we support those comments.
- We are also concerned that the proposed per-unit caps may be too low given current and rising development costs. At least for the base city allocations, we recommend using only the per project limits, and for the regional pools, we recommend awarding points for greater leveraging rather than locking in specific per-unit subsidy amounts that could make projects infeasible.
- In determining funding caps, the calculation should be based only on units that are restricted to low income households. Unrestricted units should not be eligible for funding, and should not be included when calculating the maximum per-project or per-unit subsidy.
- A1 funds should not be used for development of units that are built to comply with local requirements such as density bonus, inclusionary zoning, or on-site alternative to payment of impact fees. These units would be built even without A1 funding and should not be subsidized with these funds.
- The County should clarify how Base City Allocations can be combined with Regional Pool funds. Do loan limits apply separately to each allocation, or to the total amount of A1 funds invested in a project? Will Regional Pool funds be made available before all Base City Allocation funds are committed? If so, because some cities may commit their Base City Allocations sooner than others, this could provide more advantage to projects in those cities seeking Regional Pool funds and could result in concentrations of A1 projects in some jurisdictions and few A1 projects in others.

VI. Match Requirements

- While we appreciate the County's efforts to balance the desire for City match with a recognition that many cities have very limited funding resources, we note that the amount of local subsidy needed to achieve financial feasibility will far exceed the minimum match requirement.

VII. Leverage Requirements

- In the competitive processes, will Base City funds count as leverage for funding from Regional Pools for scoring purposes?
- We urge the County to accept preliminary commitments of leveraged funds, including local funding, that are conditioned on award of A1 funds. For many sources, including tax credits, the initial commitment of local or county funding will be essential to secure leveraged funds. If the County requires that leveraged funds be committed prior to getting an award of A1 funds, it could work against the goal of maximizing leverage.
- For projects seeking to serve households below 20% AMI through the use of project-based rental assistance, the County should not require that such assistance be committed at the time of award of A1 funds. Instead, the County should provide commitments that are conditioned on successful application for such funds. Project-based Section 8 can only be awarded through a competitive process – that could be a reliance on local or county NOFAs. Thus, the commitment of project-based rental assistance might not be possible until after A1 and leveraged funds are awarded.
- We are concerned that over-reliance on 9% tax credits as leverage will simply result in too many potential 9% projects in Alameda County competing against one another to raise their tie-breaker scores. We should be aiming for a tie-breaker score that will beat out other projects in the region. We suggest that the County track which projects are applying for 9% credits and pick the top two or three that are most competitive, and award only those projects up until the point where their tie-breaker scores are ahead of where projects from other parts of the region are likely to score. Other projects would be encouraged to apply for 4% credits or to re-apply or wait in a queue for the following round of the 9% competition.

VIII. Wage Levels & Employment Opportunities

- Where city funding for A1 projects already requires compliance with local prevailing wage, local enterprise, and local hire requirements, the County should not apply additional requirements but should instead defer to such local requirements.
- For requirements to comply with any Future Job Training & Career programs, this should apply only to newly awarded projects. The policies should clearly state that that projects must comply with programs in place at time of funding award. Programs and requirements adopted after a commitment of A1 funds should not be applied retroactively to projects that were underwritten based on then-current requirements.
- EBHO, in conjunction with NPH, has submitted separate and more detailed comments on labor requirements. We want to note here that EBHO and NPH are currently meeting with the Alameda County Building and Construction Trades Council to develop an agreement that works for affordable housing development and the Trades. We are also in discussions with stakeholders about local hire

and local contracting. **We respectfully request that the County defer adoption of labor policies at this time and allow us more time to work out mutual agreements that will maximize affordable housing development for the most vulnerable Alameda County communities as well as advance a strong and sustainable economic development strategy. Please see the separate comment letter submitted by NPH and EBHO for more detail.**

IX. Single Core Tenancy

- We support the development of a Single Core Tenancy Application. We urge the County to maintain flexibility around implementation to ensure that leasing requirements tied to other funding sources can also be met. Development of the Single Core Tenancy Application should be done in consultation with developers and managers of affordable housing to ensure that the process will be both efficient and effective.

Specific Policies for Base City Allocations

II. Types of Projects

- While we understand the need for crisis, interim or transitional housing, there should be a cap on the percentage of funds that can be used for this purpose. The primary objective of this program should be to expand the supply of permanent housing for low income households. For over a decade, the County's EveryOne Home plan for preventing and eliminating homelessness has focused on the need for permanent supportive housing. Use of A1 funds for short-term or transitional housing should be limited to no more than 10% of each allocation.

III. Commitment Deadline

- In addition to deadlines for commitments of Base City Allocation funds (after which funds are reallocated to the regional pool), there should also be deadlines for start of construction or expenditure of funds to ensure satisfactory progress toward completion of units.
- Where projects that have received commitments of Base City Allocation funds fail to secure all necessary sources of funding or otherwise are unable to proceed despite best efforts by the developer, the awarding City should have an opportunity to reallocate those funds before they are shifted to the Regional Pool.
- Given the substantial amount of local funds that will be needed to make projects feasible (and especially if the County does not increase its loan limits as discussed above), cities may not be able to commit their Base City Allocations within 3 years because there are insufficient local funds to provide match funds, and more importantly, sufficient gap financing, in just 3 years. The County should consider longer time for commitment.

Innovation Fund Policies

- For site acquisition, the County should clarify and adopt a reasonable repayment term that allows sufficient time to secure permanent financing. The County should consider allowing Innovation Fund moneys to roll over into permanent financing. At a minimum, the County must ensure that loan repayment terms provide sufficient time for projects to qualify for and secure permanent funding from Measure A1 funds.

Administrative Loan Terms

L. Developer Fees

- The County should increase the developer fee caps for projects that entail joint ventures with newer organization seeking to gain capacity and experience. These higher caps are needed to ensure that joint ventures are feasible for both the more and less experienced partners.

N. Asset/Partnership Management Fees

- The County should allow a higher initial fee and provide for escalators to account for inflation over time. To the extent that higher fees are required by investors, it is not reasonable to require nonprofit developers to cover these costs from their own funds.

Y. Developer Criteria

- We strongly support policies that will maximize participation by local, community-based organizations. Toward this end, we recommend that the minimum requirement for developer experience be the successful completion of at least five comparable projects in the Bay Area. Developers who do not meet this requirement should partner with more experienced developers. To facilitate this, the County should permit higher developer fees for joint ventures, and to the extent possible provide technical assistance and funding for capacity building of these less experienced developers.

New Provision for Tenant Rights

- We strongly urge the County to adopt new requirements that all projects provide for tenant rights, including the right to organize and form resident associations or councils. At a minimum, the County should require all projects to comply with HUD's guidance on Resident Rights and Responsibilities (copy attached), and that these provisions be a required attachment to all leases.
- All leases should provide for eviction only for good cause, and for fair and accessible grievance procedures.
- Our Resident Community Organizing Project has submitted separate comments that include additional recommendations for more detailed language on tenant rights.

Again, we would like to thank County staff for its extensive efforts to solicit and include community and stakeholder input into the design and implementation of these programs. We look forward to continuing to work close with you to ensure the rapid and effective award and expenditure of Measure A1 funds to meet the County's urgent affordable housing crisis.

Please don't hesitate to contact me if you have any question or concerns, or wish to discuss some of these recommendations further.

Sincerely yours,

Jeffrey Levin

Jeffrey Levin

Policy Director

Attachments: Richmond Fair Chance Ordinance
HUD Guidance on Resident Rights and Responsibilities



Serving Alameda, Contra Costa, Marin and San Francisco counties

July 10, 2017

Alameda County Community Development Agency
Attn: Housing & Community Development (HCD) Department
224 West Winton Avenue, Room 110
Hayward, CA 94544-1215

via email to: achousingbond@acgov.org

RE: Bond Rental Program Policy, and
Bond Homeownership Development Program

Dear HCD Staff:

On behalf of the Sierra Club, the San Francisco Bay Chapter submits these comments regarding implementing programs for the Alameda County Measure A1 Housing Bond approved by Countywide voters in November 2016. The Sierra Club formally supported the bond measure. Our comments relate to both the Rental and Ownership programs under the measure, and are consistent with verbal comments that have been presented by a volunteer at HCD community workshops.

In 2008, the California Legislature enacted SB 375 (Chapter 728, Steinberg), which requires all metropolitan regions in the State to develop a Sustainable Communities Strategy (SCS) as part of their Regional Transportation Plan (RTP). For Alameda County as well as the other eight counties in the San Francisco Bay Area Region, these plans are developed by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). The current draft Plan Bay Area 2040 (PBA 2040) is due to be adopted later this month.

Under SB 375, metropolitan regions must accommodate new population growth, preferably through infill housing which helps to meet State goals of reducing greenhouse gas emissions by reducing vehicle miles traveled (VMT) by cars and light-duty trucks. Community development is expected to be achieved by encouraging greater access to public transit and active transportation, with more amenities such as parks and complete streets. In the Bay Area, these more desirable communities are called "Priority Development Areas" (PDAs).

The Sierra Club very much supports actions and policies that will make PDAs a success. PBA 2040 specifically recognizes “The Regional Housing Crisis” as a real impediment to achieving State and regional goals. By 2040, Alameda County population is projected to grow by 23%, with 189,000 new households. ¹

The Sierra Club urges Alameda County and the HCD Department to encourage and incentivize use of Measure A1 funds within Priority Development Areas to the maximum extent possible. PDAs have already been designated by their respective jurisdictions to absorb additional population by meeting designated criteria. In Alameda County, there are 46 PDAs ², approved by the County and/or most of the cities:

- City of Alameda (2)
- Alameda County (4)
- Albany (1)
- Berkeley (6)
- Dublin (3)
- Emeryville (1)
- Fremont (4)
- Hayward (5)
- Livermore (3)
- Newark (2)
- Oakland (10)
- Pleasanton (1)
- San Leandro (3)
- Union City (1)

Emphasis on encouraging housing development in PDAs can also assist in the County’s goal to leverage other public and private funds to match Measure A1. In particular, MTC has established a program called “One Bay Area Grants” (OBAG), using fungible transportation funds to support focused housing growth. In many communities, this will require improved transit services in order to be effective.

We recognize the importance of an Oversight Committee to assist staff and policymakers in reviewing and monitoring the compliance of approved projects with the intent of Measure A1. ³ However, as stated at the stakeholder workshops, we strongly recommend that the Committee be named the Community Oversight Committee, rather than Citizen Oversight Committee, to ensure full inclusiveness.

¹ Draft Plan Bay Area 2040, page 44. <http://2040.planbayarea.org>

² See <http://abag.ca.gov/priority/development/> and <http://www.planbayarea.org/sites/default/files/pdf/legal/5%28c%29%28i%29-current.pdf>

³ Staff memo dated January 23, 2017 to the Board of Supervisors Health Committee.

Finally, we suggest that the Board of Supervisors help to optimize the outcomes of these recommendations by directing the County's representative to MTC to vote in accordance with supporting PDAs and improved transit services throughout Alameda County.

If you have any questions, please do not hesitate to contact me at mwillia@mac.com.

Sincerely,



Matt Williams
Chair, Transportation and Compact Growth Committee
San Francisco Bay Chapter, Sierra Club

cc: Chapter Chair, Executive Committee
Northern Alameda County Group
Southern Alameda County Group
Tri-Valley Group



American Federation of Labor & Congress of Industrial Organizations
Alameda County Building & Construction Trades Council
7750 Pardee Lane, Suite 100
Oakland, CA. 94621

July 10, 2017

To Whom It May Concern:

The Alameda County Building and Construction Trades Council (ACBTC) has always been a strong supporter of the development of affordable housing in the East Bay. Affordable housing presents a unique opportunity to our affiliates. By heavily investing into the long-term viability of the middle class it is important we help provide strong career opportunities, build stable housing options and continue to build meaningful relationships with our community partners. This is especially important during this economic boom were it easy to forget those less fortunate residents who are sadly forced out of their homes. For these reasons, the Building Trades and all our 28 affiliates were strong supporters of Measure A1 and participated in its passage with significant financial support and "boots on the ground."

However, the production of affordable housing should not be at the expense of those workers who are building these much-needed units. The production of affordable housing should not contribute to an unjust economy, which in turn will add to the exasperation of the availability of housing for all. Those workers who are producing this housing should be earning the proper income to participate in the commercial housing market at best, or at a minimum, earn enough to be able to afford the very affordable housing in which they are building. The residential housing market, which includes the production of affordable housing, contains systemic abuse and exploitation of workers who earn close to minimum wage, have no benefits, work under unsafe conditions and are "at-will" employees having no rights and representation at their workplace. Even those workers working under "prevailing wage" projects have no real protections since monitoring, and enforcement, of these provisions are ultimately done by the employers themselves. High profile cases, such as NBC Contractors, demonstrate the sophisticated levels of the exploitation that is occurring, but also the near impossibility of catching those contractors that deliberately cheat and exploit their workforce.

For these reasons, the ACBTC is strongly advocating for the inclusion of Project Labor Agreement (PLA) requirements on projects funded through Measure A1. A PLA will ensure that workers on these projects will be well represented, work in safe work environments free of harassment and exploitation, and make wages that will allow them to live in the East Bay. Given that workers will come from our hiring halls in Alameda County, these wages that are earned will be reinvested in our local communities supporting other local businesses and workers. Without a PLA, many of the workers employed on the construction of the projects will be coming from outside of the area not only taxing the already tight housing market through short term rentals, but also putting pressure on local public services such as health care, since most of them are provided no health insurance.

Our council, also strongly supports the inclusion of a "local hire" provision into the PLA language, such as those that are in the County of Alameda's Project Stabilization Agreement and Community Workforce Agreement. These provisions will ensure that local disadvantaged residents will have access to the good careers provided through union construction, by becoming apprentices on the

A1 funded projects. In fact, through a PLA we could target those residents of low income housing developments to break the cycle of poverty faced by these members of our community. The Alameda County PLA has demonstrated to effectively bring hundreds of new members into the Trades from communities that have traditionally not had access to these careers.

The ACBTC also understands that the production of affordable housing is a complex and challenging undertaking which incurs all the construction costs of market rate housing, while at the same time is under strict financial and regulatory constraints from funders and regulatory agencies. We also know that most non-profit housing developers share the same values and commitment with the labor movement around providing all working residents of our communities with a decent living and a sustainable future. For this reason, we have been partnering with the affordable housing community to develop language in a PLA that will make a priority the assurance of union jobs and strong local and disadvantaged hire, while at the same time not jeopardizing the development of these projects. We strongly encourage all interested parties to make these joint commitments a priority when assessing all the policy implications of the development of affordable housing. Not only are additional affordable units brought on the market, but those new union apprentices hired to work on these projects will now be able to afford housing in the East Bay due to their new careers. For this reason, we believe that the spending of A1 funds under these PLAs will be a win-win for our communities!

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Cluver', written in a cursive style.

Andreas Cluver, Secretary- Treasurer
Alameda County Building & Construction Trades Council

Alameda County Measure A1 Comment Letter
Prioritizing Community Needs & Racial Equity

July 10, 2017

Alameda County Board of Supervisors

Linda Gardner
Director
Alameda County Housing & Community Development

Michelle Staratt
Deputy Director
Alameda County Housing & Community Development

Anika Campbell-Belton
Alameda County Clerk

Dear Alameda County Officials;

Thank you for your tremendous work on implementing the Measure A1 bond. We are community, faith, and business leaders who care deeply about advancing an equitable prosperity and racial equity agenda in Alameda County. We offer you the following recommendations on the Housing & Community Development Department's (HCD) proposed policies on Rental Development and Homeowner Development funds.

A. PROPOSED RENTAL HOUSING DEVELOPMENT POLICIES

I. Project Selection Criteria:

Recommendation 1: Marketing efforts should also include specific outreach to community based organizations from lists provided by the County Supervisors.

Recommendation 2: Expand the selection process to include private housing developers.

Recommendation 3: Provide preference in the selection process for maximizing County's existing SLEB to enhance contracting and procurement opportunities for small, local and emerging businesses within Alameda County by providing up to 10% bid preferences on eligible contracts.

Recommendation 4: Provide preference points for nonprofit developers who partner on projects with faith and community-based organizations.

II. Eligible Uses of the Funds:

Recommendation 1: Add capacity building for small local businesses or community or faith based organizations to perform affordable housing development.

Alameda County Measure A1 Comment Letter
Prioritizing Community Needs & Racial Equity

III. Amount of Measure A1 Investment Per Project/Unit

Recommendation 1: Allow for **increase of Measure A1** funds and **increase the developer fee to enable nonprofit developer equitable partnerships with faith and community-based organizations.**

IV. Match Requirements

Recommendation 1: Ensure that **local match requirements** do not negatively impact a city's ability to access A1 funds or prevent the ability to develop as many new units as possible. For example, please ensure that there is no requirement that projects applying for the Regional Pool of funds must also have received funds from the Base City allocation.

Recommendation 2: When City local match funds are no longer available, **waive the local match requirement** to ensure equitable access.

Recommendation 3: Under the proposal for cash or land donated by developer as a result of a negotiated deal with the city or due to a city policy, include the ability to leverage private dollars such as employer based incentivized housing with public dollars.

V. Wage Levels and Employment Opportunities:

Recommendation 1: Provide preference in the selection process for maximizing the County's existing SLEB and ECOP to enhance contracting and procurement opportunities for small, local and emerging businesses within Alameda County by providing up to 10% bid preferences on eligible contracts and requiring strict adherence by all proposers to the utilization goals in SLEB and ECOP.

Recommendation 2: Include Contractor & Community Development Bonding Assistance Program specific to Measure A1 Projects.

Recommendation 3: Maximize opportunities for local residents to obtain employment through the expenditure of Measure A1 dollars through:

- Preference for small, local and diverse businesses who are more likely to hire local workers.
- Local hire requirements that include preference for homeless, low-income, formerly incarcerated and disadvantaged workers.
- Additional points in the selection process for those proposers with demonstrated collaboration and partnership with Cypress Mandela Training Center, Rising Sun and other community based workforce development providers.

**Alameda County Measure A1 Comment Letter
Prioritizing Community Needs & Racial Equity**

B. PROPOSED INNOVATION & OPPORTUNITY FUND POLICIES

I. Use of Funds

Recommendation 1: Set aside a percentage of the fund or overall Measure A1 dollars specifically for **faith and community based projects** to build affordable housing on existing or under-utilized property e.g. parking lots and vacant buildings.

Recommendation 2: Prioritize acquisition projects for buildings that are **occupied by tenants who are at risk of displacement or eviction**, i.e. rent increases or conversion.

II. Procurement

Recommendation 1: Expand definition of Tier One Developer—see below.

III. Leveraging

Recommendation 1: Encourage leveraging of funds to the greatest degree possible in consideration of pre-qualified developers who include diverse teams for partnering. e.g. Private and non-profit developers partnering with local developers or faith based developers and include participation from disadvantaged businesses, small minority contractors.

C. PROPOSED HOMEOWNERSHIP DEVELOPMENT POLICY

I. Project Selection

Recommendation 1: Allow opportunities for new faith and community-based developers to compete, i.e. advisors to include developers with previous experience.

II. Maximum Sales Price Calculation:

Recommendation 1: For sweat equity programs, the portion of down payment paid by homebuyer can be lower than 3% as approved by the Housing Director--need to develop more objective and consistent criteria.

D. PROPOSED POLICIES ACROSS FUNDS

I. Removal of Housing Barriers for Formerly Incarcerated Residents

Recommendation 1: Remove the current exclusion of formerly incarcerated residents to A1 funded housing by including terms from the City of Richmond's "Fair Chance to Access Affordable Housing Ordinance" as a condition of receiving A1 funding.

Recommendation 2: Address a potential conflict of interest of HCD Director on the development of the Fair Chance policy terms given the complaints from Richmond re-entry

Alameda County Measure A1 Comment Letter
Prioritizing Community Needs & Racial Equity

leaders about alleged discrimination by her brother's property management company, the John Stewart Property Management Company.

II. Anti-Displacement of Tenants

Recommendation 1: Create a system for tracking that there will **not be any permanent displacement** of existing low or moderate-income tenants when acquiring a site with A1 funds.

Recommendation 2: Ensure that **tenant relocation** funds are available when tenants have to temporarily move due to site acquisition and development.

Recommendation 3: Ensure that existing low or moderate-income tenants have the **first refusal to return** to their previous or comparable unit at comparable or lower rents after the redevelopment of projects funded by A1.

Recommendation 4: Prioritize acquisition funds, i.e. Innovation and Opportunity Fund, for housing projects occupied by tenants who are at risk of displacement.

III. Developer Criteria

Definition of Tier One Developer specifications. The developer team must demonstrate knowledge, experience with at least three similar projects, and measurable success. (P.6, Item K)

Recommendation 1: Redefine or expand criteria for Tier One Developers to expand access for newer faith or community based developers.

IV. Wage Levels and Employment Opportunities

Recommendation 1: Community-based organizations and nonprofits should not be exempt from SLEB or ECOP goals. Consider adopting the City of Oakland's local business and hiring goals.

Recommendation 2: Utilize the County's Second Chance hiring goals.

Recommendation 3: Local business and hiring goals should be requirements and not aspirational goals. If requirements are not able to be met on Housing Bond Projects, developers and contractors should be required to meet the goals on other projects, rather than pay a penalty for non-performance.

V. Marketing and Outreach

Recommendation 1: Utilize broader lists other than 211, including community outreach lists from the County Supervisors.

Recommendation 2: Ensure that outreach materials are translated into other languages.

Alameda County Measure A1 Comment Letter
Prioritizing Community Needs & Racial Equity

VI. Public Accountability

Recommendation 1: Create Community Oversight Committee to approve the expenditure of A1 funds, not just review after the funds have been disbursed.

Recommendation 2: Provide quarterly public reports on A1 proposed projects, expenditures, and outcomes.

Thank you for your consideration of our recommendations for ensuring that Measure A1 funds are utilized in ways that best advance community and racial equity.

Sincerely yours,

Margaretta Lin
Dellums Institute for Social Justice

John Jones III
Communities United for
Restorative Youth
Justice

Ben Bartlett
Berkeley City
Councilmember

Bishop Jerry Macklin
Glad Tidings Church

Gloria Crowell
Allen Temple Social
Services

Pastor Mike McBride
The Way Berkeley

Len Turner
Turner Construction Group &
Construction Resource Center

Cheryl League
National Coalition of
100 Black Women

Diane Lewis
National Coalition of 100
Black Women

Martina Cucullu Lim
Centro Legal de la Raza

James Vann
Oakland Tenants Union

Alvina Wong
Asian Pacific
Environmental Network

Frank Martin
East Bay Community Law Center

Wendy Peterson
Senior Services
Coalition of Alameda
County

Ingrid Merriwether
Merriwether & Williams

Bernida Reagan Esq.
Merriwether & Williams

Ndidi Okwelogu
Dellums Institute for
Social Justice



Griggs-Murphy, Donna <Donna.Griggs-Murphy@HumanGood.org>

Reply all | v

Mon 7/10/2017 11:27 AM

To: AC Housing Bond, CDA ↗

Inbox

You replied on 7/10/2017 12:26 PM.

Dear Alameda County Housing and Community Development Department,

1. I recommend strong tenant protections be incorporated in the A1 policies. At minimum, I recommend all projects be required to abide by HUD Resident Rights & Responsibilities. Additionally we recommend that all tenant leases be required to include an Exhibit with additional language on tenant rights drafted by the County, (sample language attached). I recommend language clarifying this will apply to all projects in the Project Selection Criteria.
2. The past few years have seen increased local advocacy to reduce and remove barriers for formerly incarcerated people. San Francisco and Richmond have passed Housing Ban the Box policies, no longer asking for a person's criminal record in the first step of the housing application process. There are an estimated 375,000 people in Alameda County who have criminal records, according to a 2014 report by the Alameda County probation department. I recommend that all projects using A1 funding be required to abide by provisions comparable to those in Richmond's Fair Chance Ordinance. The language in Section II) Proposed Policy D) is not enough to ensure this barrier is removed from all units.
3. I recommend a preference for Bay Area based non-profit developers, to ensure knowledge of our communities, responsiveness to the needs of future residents, and to encourage small developer partnerships. (Under Exhibit A) Y) Developer Criteria)
4. I fully support and encourage the Single Core Tenancy Application System in order to streamline the application process.

Best,

Donna GriggsMurphy
Chair Alameda County Commission on Aging
Social Services Coordinator
Allen Temple Arms

Donna Griggs-Murphy | Social Services Coordinator
Allen Temple Arms I | 8135 International Blvd, Oakland, CA 94621 | 510 553 1193
Donna.Griggs-Murphy@HumanGood.org | HumanGood.org

K

kkepstein@gmail.com

Yesterday, 5:13 AM

Alco Housing Bond 

 Reply all | 

Inbox

E-mail submitted from following website: [Housing_and_Community_Development_home_page](#)

Name: Kitty Kelly Epstein, PhD

EmailAddress: kkepstein@gmail.com

Comments: Because this bond is one of few sources of funding for the least expensive and most sustainable housing solutions for low-income people much of the bond should be spent on a) . rehabilitation of existing buildings and community land-trust solutions

JM

Joan Miro <joan.of.art.goodie.tables@gmail.com>

Mon 7/10/2017 9:58 AM

To: jeff@ebho.org; najla@ebho.org; AC Housing Bond, CDA ↗

↩ Reply all | ▼

Inbox



Reply all | Delete | Junk | ...



✓ Show all 1 attachments (2 MB) Download Save to OneDrive - Alameda County

To: jeff@ebho.org

najla@ebho.org

achousingbond@acgov.org

In my opinion, this is not any opportunity to do anything. Obviously Alameda County isn't looking for information or they would have made public/promoted/been more obvious about... that they were looking for information. And EBHO is going along with the secretive nature of the operation by sending their notice about the deadline only a few days before the end of the 30 day comment period that ends now, on 7/10/17 at 10am Pacific Time.

I, for one, would have liked to opt for putting some of that money into housing the seriously mentally ill and homeless per the housing illustration, *Certain Circles*, (attached) that I already spent 100 hours designing (with the hope of showing what housing for the seriously mentally ill should look like), but I saw no information from either party about how to go about doing it. After getting people involved in helping to pass A1, my opinion is that it would have been appropriate for Alameda County or EBHO to at least inform anyone interested in the process of putting a proposal or plan together to effect change and/or have some input into the process of applying for some of the \$ 580,000,000 instead of being so secretive about how to do it.

In that regard, don't you think the following comment to EBHO's members only a few days before the end of the comment period, shows a complete disregard for what the public has to say: "We want to remind you of this opportunity to provide feedback. The 30 day comment period officially ends Monday July 10th at 10am, but the County appreciates getting comments sooner to avoid delay in implementing these programs. " I received this email last Thursday, July 6th, 2017, and this morning, Monday, July 10th, the comment period is now over.



To: HCD Staff
From: Affirmed Housing
Date: 7/10/2017

Re: Measure A1 Implementation Policies – Rental Housing Development Fund & Innovation and Opportunity Fund

In response to the Measure A1 Implementation Policies associated with Rental Housing Development & Innovation and Opportunity Fund, Draft Program Guidelines, Affirmed Housing has prepared comments for sections below.

1) Wage Levels and Employment Opportunities

- a. In cases where the City has more restrictive wage & employment policies, we'd propose that the developer comply with the most restrictive and that information be shared across jurisdictions, between City & County. We have some concerns over construction cost increasing due to the multiple levels of compliance in the event that the City has more restrictive wage & employment requirements.

2) Match Requirements

- a. We propose that development impact fees be included as a type of match allowed by County (this may be the intent, but we didn't see it listed). There are times that a City has the ability to waive a few of these fees to help reduce project costs.

3) Amount of Measure A1 Investment per Project/Unit

- a. We propose that the County allow for a higher threshold, 35% of total project costs, for 100% special needs, permanent supportive housing developments. Although these developments typically will require 100% local housing authority vouchers, we find that the funding gap, for 100% PSH developments is always higher on both a per unit and % basis than a family development for example. 100% PSH developments are able to leverage very little permanent debt due to the high wrap around service costs, which is the main difference in the capital stack vs. a family development. In order to incentivize developers to submit permanent supportive housing developments to the County's NOFA, we strongly urge the County to provide higher loan limits on these types of developments.

4) Developer Fees

- a. We suggest that HCD defer to CTCAC regulated developer fees for both 4% & 9% transactions. CTCAC went through a lengthy public engagement process, up and down the State, to come up with their new developer fee limits.

5) Replacement Reserve

- a. The replacement reserve numbers look high compared to other jurisdictions we do work in. We'd suggest a fixed per unit cost of the following:
 - i. \$400 per unit for new construction Senior projects
 - ii. \$500 per unit for new construction Special Needs projects
 - iii. \$400 per unit for new construction Family projects

6) Asset/Partnership Management Fees

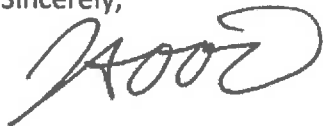
- a. Although we believe the combined limit to be fair for family/senior developments, we propose that 100% special needs projects, should be allowed to include asset/partnership management fees up to \$30,000 with an escalator. 100% PSH developments, typically do not have cash flow. As a developer who has developed several 100% PSH projects, Affirmed and other developers of PSH projects rely heavily on these fees to oversee the asset, which tends to include more overhead/oversight than a typical senior/family affordable development.

7) 20% at 20% Proposed Policy

- a. We have run into issues on developments with 20% AMI units due to SSI income & other misc. income received from homeless tenants, putting them over the AMI limits and making the units nearly impossible to fill. We had an issue on a development with this in Los Angeles. We are bringing this to staff's attention, as a possible issue. If the intent is to have 20% of the units of the program be targeted to homeless, we'd propose that staff increase the AMI requirement to 30%, while depicting the 20% homeless requirement.

We appreciate the opportunity to provide feedback on the proposed guidelines and we applaud staff for a great job thus far on the draft guidelines.

Sincerely,



Jimmy Silverwood, on behalf of:

James Silverwood
President & CEO
Affirmed Housing

AL

Alexis Lozano <alozano@everyonehome.org>

Mon 7/10/2017 9:08 AM

To: AC Housing Bond, CDA 

 Reply all | 

Inbox

Hello,

See below for our feedback on the draft policies--

- Income levels--Please ensure maximum points are given to projects that dedicate more than the minimum 20% of units to those at 20% AMI or below. Example--Application that totals 100 points. Projects dedicating 30% of units to 20% AMI will receive additional 5 points; projects dedicating 40% will receive additional 10 points and so on. These point values need to be substantial to ensure maximum impact.
- Population--As with income levels we would like homeless people to be prioritized and maximum points going to projects that will prioritize.
- Screening/Tenancy Application--To ensure these vulnerable populations are screened into housing we are recommending that it be required for projects to use the EveryOne Home Property Management Guidelines.
- Rent increases--As much as possible we want to protect populations that have fixed/no income. When possible rent should not increase when income does not increase.

Thank you!

Alexis Lozano

Operations Manager

101 Callan Ave., Suite 230

San Leandro, CA 94577

office 510.473.8643 x103



July 10, 2017

Ms. Linda Gardner
Ms. Michelle Starratt
Mr. Jim Bergdoll
Alameda County Housing and Community Development
alcohousingbond@acgov.org

RE: Measure A1 Implementation Policies Comments

Dear Ms. Gardner, Ms. Starratt and Mr. Bergdoll:

On behalf of Enterprise Community Partners Northern California, we thank you for all the hard the work the County has done to shepherd the Alameda County Housing Bond through its successful passage last November, for developing the proposed Measure A1 Implementation Policies and for this opportunity for the public to provide comments and feedback on these policies.

Enterprise Community Partners is one of the leading providers of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. For more than 30 years, Enterprise has introduced neighborhood solutions through public-private partnerships with financial institutions, governments, community organizations and others that share our vision. Nationally, we have raised and invested more than \$23.4 billion in equity, grants and loans to help build or preserve more than 358,000 affordable rental and for-sale homes to create vital communities. In California, we have invested over \$1.9 billion through Low Income Housing Tax Credits, grants and loans to nonprofit and for profit developers of affordable housing and other community development projects. We are determined to work with partners to ensure the East Bay remains a secure place for existing residents while the region experiences the current lopsided economic boom.

Our primary interest is to ensure that Measure A1 funds can be utilized to their fullest to address the county's pressing housing crisis and are keenly focused on resources like AI that **can be strategically leveraged with other local, state, and federal funding sources**. We have experience doing so with some of the partners you will work with and from this perspective offer some insights about leverage and feasibility.

We are grounded in what works. For example, our team is providing technical assistance to partners in the county to aligning affordable housing funding sources, including Low-Income Housing Tax Credits. We work at the regional level to create innovative regional housing funds to leverage additional funding, some of which you have recently heard about from Rich Gross, Vice President. At the state level, we are the leading TA provider for the Affordable Housing and Sustainable Communities (AHSC) program, a critical source of state funding that requires local matching. Last year, we touched 60% of the winning projects and we are especially proud that many were Alameda County ones. In fact, we are currently working with fifteen Alameda County proposals to tee up for this year's applications due in early January. Lastly, we work at the local level in Alameda County, especially in the City of Oakland through my role co-chairing the Housing Impact Table (a.k.a. the Oakland Housing Cabinet) with Claudia Cappio and

Michele Byrd for the Oakland Thrives Joint Powers Authority our team, to help city, funders, banks, transit agencies and developer partners shape the policies, resources like acq/rehab funds, to develop and preserve affordable housing. It is clear from these bodes of work that there is no shortage of good ideas and yet, a deep need to discern practicality to reach end goals. We want to support you with whatever is practical.

For the sake of realizing end goals of more affordable homes through the bond. it is critical that county funds are designed to allow them to leverage additional funding. Localities can achieve impactful and innovative affordable housing developments and transit investments by leveraging State Affordable Housing and Sustainable Communities (AHSC) funding. Therefore, we respectfully submit the following recommendations related to two of the Guiding Principles outlined in Section V of the Policies:

- **Leverage:** We encourage the County to take action immediately to follow through on the commitment to maximize leverage in order to produce the largest number of units possible. One of the most important ways that this can be done is by aligning Measure A1 sources with the State's AHSC program, which is one of the few remaining sources of state matching dollars. In order to do so, the timing of A1 funds must align with AHSC, which means that **firm commitment letters for Measure A1 awards must be issued by the time that AHSC applications are due (currently January 2018).** We urge the County to ensure that A1 commitments are made by this date. This is a critical year to do so because, due to state politics, unfortunately it is currently unclear that the state will have these funds for much longer. Blended, the city and county leverage opportunity is very compelling -up to \$20m available per project!
- **Feasibility:** We believe that feasibility should continue to be a primary driving force in making funding allocation decisions for A1 monies. **We encourage the County to focus on its commitment to ensuring that Measure A1 funds are awarded to projects that are feasible to develop in the near term.** One important criteria for feasibility is the ability of the project to secure State and Federal financing.

We appreciate your time and attention to our recommendations, and welcome the opportunity to meet with Alameda County Housing and Community Development staff to discuss leverage and feasibility alignment and provide detailed information about AHSC project competitiveness in the near future. Our Enterprise team stands at the ready to help County determine project feasibility. For example, we are glad to offer the County a basic training in the elements of a successful AHSC project. We welcome the opportunity to discuss this with you and your staff in greater detail at a date convenient for you. And in the meantime, we salute your hard work bringing the spirit of the bond to fruition.

Sincerely,



Heather Hood
Deputy Director



To: Alameda County Board of Supervisors

From: NPH and EBHO Measure A1 Working Group

Date: July 10, 2017

re: **Measure A1 Comments from NPH and EBHO on Labor Requirements**

Measure A1 provides a tremendous opportunity to boost the pace and scale of affordable housing construction in Alameda County, and we are confident that we can find a way to move forward that fulfills that potential, while expanding economic development opportunities and taking into account the values of labor as well as the concerns of many other public and private stakeholders.

NPH and EBHO members worked collaboratively with many constituencies to pass Measure A1 and share County leadership's vision for improving affordability and accessibility to housing during this crisis. Changes at the state and federal level, including reduced and uncertain funding, mean that County resources are more important than ever. We are strongly committed to achieving the goals of Measure A1 and ensuring housing programs consistent with Alameda County values – reducing poverty, increasing opportunity, ensuring fair employment and housing, and investing in our neediest communities.

Our top priority is to maximize construction of quality affordable housing for the lowest income and highest need communities. We also want our projects to advance policy goals shared by local government, including providing quality employment, training, and contracting opportunities for the communities where we build and maintain properties.

Over the past year, NPH and EBHO members have been meeting in a working group to study the status and impacts of a range of labor goals and requirements. While virtually all of the affordable housing projects we build pay prevailing wages, our data also shows that union contractors perform the vast majority of the work.

We are currently negotiating with the Alameda County Building and Construction Trades Council to develop a labor agreement that works for affordable housing development and the Trades. We are also in discussions with stakeholders about local hire and local contracting. **We respectfully request more time to work out mutual agreements that will maximize affordable housing development for the most vulnerable Alameda County communities as well as advance a strong and sustainable economic development strategy.**

Our target date to complete negotiations and develop a comprehensive proposal for a labor agreement and local hire/contracting policies is early September before the 9/12/17 Board of Supervisors hearing.

We also request that you take the following cost pressures from the State of California into account as you develop policies to implement Measure A1 programs. Our primary concern is that any new requirements do not increase costs and complexity for these projects to a degree that will limit the number of affordable units constructed, and make certain projects nonviable.

Even a small increase in construction costs per unit will reduce the number of units a project can provide, and in some cases will make a project infeasible. Additionally, state regulation not only limits per-unit costs, but also penalizes the developers' next project for cost overruns.

Please see attached document for an additional explanation of the low-income housing tax credit program in California that provides 30-70% of the funding for affordable housing developments. Measure A1 would leverage these funds. However, the tax credit program imposes absolute limits on costs per unit. **Since most Alameda County developments are already at the cost limit, any cost increase created by new labor requirements would make projects ineligible for tax credits.** If this happened, Measure A1 funds would build significantly less affordable housing, and make it most difficult to build housing for extremely low-income residents and formerly homeless residents, and make it twice as expensive to develop very low-income housing for seniors and families.

Moreover, we do not want new requirements to have unintended side effects, such as causing delay and keeping people on waiting lists for longer periods. We want to ensure that any labor agreement does not make it more difficult for projects to comply with local hiring requirements or small, local and emerging business participation goals that advance access and equity to disadvantaged communities and contractors.

We wish to work collaboratively with the County, labor partners, and local hire/contracting stakeholders to find creative ways to ensure that our projects provide quality employment and training opportunities, without adding untested requirements and costs that may force us to scale back, delay or forego some of our projects.

NPH and EBHO members stand ready to partner with Alameda County and local labor and stakeholder representatives to develop labor programs and compliance policies for Measure A1 funds that reflect our collective values and promote the County's priorities. We point with pride to the quality properties that we have built – and are responsible for maintaining for as many as 55 years and more – for tens of thousands of low-income people in communities across the County. We look forward to collectively celebrating and demonstrating the successful outcomes of Measure A1 to voters.

CITY OF PIEDMONT CALIFORNIA



July 10, 2017

Keith Carson, Supervisor
1221 Oak Street, Suite 536
Oakland, CA 94612

Re: 2016 Alameda County Affordable Housing Bond (Measure A1)

Dear Supervisor Carson:

Thank you for this opportunity to comment on the proposed draft Measure A1 Implementation Policies and to request that the County of Alameda Housing and Community Development Department and the County of Alameda Housing Authority provide a more flexible array of financing options available to cities to implement the 2016 Measure A1 Affordable Housing Bond (the Bond). Piedmont requests that the draft A1 Implementation Policies be amended particularly for the acquisition and improvement of real property for local housing through the part of the program called the "city allocation." Although the draft A1 Implementation Policies recognize the importance of accessory dwelling units as a source of new housing for low and very low income residents (section III.C), the other sections of the A1 Implementation Policies, such as the required 55-year deed restriction, may be appropriate for large, multi-family projects with tax-credit funding eligibility, but not for accessory dwelling units on single-family properties.

The cost of the 2016 Measure A1 Bond to Piedmont property owners is \$12 - \$14 per \$100,000 of assessed value. The average value of a property in Piedmont is \$1.5 million. With 3,924 households, the annual contribution of Piedmont property owners will be approximately \$706,320. After 24 years, Piedmont residents will have generated approximately \$17 million of the total Bond funds.

The majority of the Bond measure funds will be used for regional affordable housing projects, administered by the County. A percentage (38.7%) of the Bond's funding will be the "city allocation" to the unincorporated area and cities in Alameda County for rental housing development. Piedmont is expected to receive \$2.43 million from the allocated funds or .0419 % of the total Bond funds, the lowest of all allocations based on population and assessed value.

The City of Piedmont agrees that it is appropriate that the majority of both regional housing funds and allocated housing funds will be directed toward large communities and large multi-family developments. However, small cities like Piedmont have affordable housing programs for a portion of the County's population of low-income seniors, families, and service providers and other workers. In 2015, the Census estimated that there were 383 Piedmont households with incomes below \$50,000 a year, and the income of 5.2% of the population was below the poverty level. Of the total number of households living below the poverty line, more than half were individuals age 65 or older.

Piedmont's affordable housing program relies on accessory dwelling units (ADUs). In 2015 and 2016, Piedmont's award-winning accessory dwelling unit program allowed the Planning Commission to grant parking and unit size exceptions for those property owners who recorded 10-year deed restrictions requiring rents affordable to household with low and very low incomes. This program has been very successful for both the construction of new affordable units and for the City's goal of meeting RHNA requirements for affordable housing units. In years 2015 and 2016 combined, property owners obtained planning approval for a total of 17 new dwelling units. Three of the units were accessory dwelling units with 10-year deed restrictions limiting rents to very low income households.

Piedmont's Housing Element relies on accessory dwelling units for several reasons. Commercial and multi-family properties, including duplexes, are less than 2% of the City's land. Single-family zoning makes up 68.1% of the City. The few multi-family properties in the City rarely come on the real estate market. No multi-family property has sold in the last 10 years. It is not likely that a multi-family property will become available for acquisition by the City during the 3-year lifetime of the Bond. In addition, the Charter of the City of Piedmont requires an election and majority vote to change a zoning classification, such as changing a property in the single-family residential zone to a multi-family one.

As an alternative to multi-family housing, accessory dwelling units (ADUs) are consistent with the State of California's housing policies and recent legislation, and ADUs take full advantage of Piedmont's limited available land, hillside topography, history of infill development, and single-family zoning. If A1 Bond funding were granted to the City of Piedmont to be used to finance ADUs, Piedmont would use it to create incentives for affordable rents. An A1 ADU loan would be attractive to property owners such as seniors and others who might not qualify for conventional construction loans. If necessary, the City of Piedmont and other interested small cities could administer an A1 ADU program through an RFP, bid, and a single developer coordinator. City staff would work with County staff to calculate fair annual increases in the allowed rents, using CPI, inflation, and other methodologies, to be reviewed and approved by County staff as part of the City's grant application for allocated funds from the A1 Bond.

An A1 ADU program like the one described above could provide new housing units without the cost of land acquisition or overhead operational subsidies, creating new affordable housing at the lowest cost per unit compared to many types of housing programs. Piedmont strongly urges the Board of Supervisors, the Housing and Community Development Department, and the Housing Authority to direct allocated rental housing development funds toward local affordable housing programs, including programs in small cities such as Piedmont. An A1 ADU program could be started with \$2.4 million (or more if other small communities choose to participate). In conclusion, the benefits of the A1 ADU program could include greater geographic dispersion of affordable housing, greater diversity of housing types, local funds used locally, and low cost per unit of new affordable housing.

Sincerely,



Pierce Macdonald-Powell
Senior Planner

cc: City of Piedmont Mayor and City Council

Linda Gardner, Housing Director, County of Alameda Housing and Community Development

July 7, 2017

Ms. Linda Gardner
Ms. Michelle Starratt
Alameda County Housing and Community Development
achousingbond@acgov.org

Dear Linda and Michelle,

Thank you for all of your work on getting this Measure A1 bond up and running. We appreciate the opportunity to provide comments on the draft of your Implementation Policies. Generally, we think the approach and policies are well-conceived and will generate a productive and equitable program. Here are a few comments.

Base and Regional

I. Income Levels

We understand the bond measure allows for some housing to be developed for the 60-80% ami level, but we hope you can minimize how much of this scarce resource is spent on that higher end of the low income spectrum. As you know, the need is more dramatic as you reach to lower income levels. We support the EBHO recommendation for limiting the funds used for 60-80% ami to 5% of each pool's total.

We support your proposed approach to the requirement that 20% of total units funded in the program be restricted to 20% ami households, whereby each pool must meet the 20% requirement. We understand that it would be difficult to impose the requirement on every project, particularly given the challenge in securing operating subsidies. However, we want to make sure that there is a reasonable spread of 20% ami units across projects. Perhaps you could have a requirement that projects apply for any available vouchers, such as Section and VASH, and that if a project receives vouchers, they would need to restrict at least 10% of project units to 20% ami households.

II. Project Selection

We're not clear what "priority" for the "target populations" means. The list of target populations appears to cover all low income households. If you intend to incentivize projects reserving a percentage of their apartments for special needs populations such as homeless or TAY, it would be helpful to know what you are anticipating for implementation of those specific priorities.

V. Amount of A1 per Project

We are concerned that a cap of 25% of project costs would not be sufficient to move these projects forward. While of course we want to see these funds stretched to support as much new housing as possible, we also want to make sure we're not just creating a logjam of partially funded projects competing for AHSC or tax credits with few actually getting through. We propose a 40% cap.

We support your use of the HCD per unit loan limits, but suggest just using the 4% limits rather than using different sets for the 9% and 4% projects. We're not always sure at the time of applications for local funds which tax credit program the project will end up using, and sticking with one set of loan limits provides the more significant County contribution for all projects.

VI. Match

We support your approach of using scoring points to incentivize cities to provide more than the minimum match.

We see that you aren't allowing Base Allocation to be used for match. But we can't tell if you're anticipating cities using their Base Allocation for leverage? Are you expecting projects to use both Base and Regional allocations? That seems a bit cumbersome.

Base Allocations

II. Type of Project

We're concerned about the use of A1 funds for "interim, crisis, or transitional" housing. We believe the public voted for this measure as a way to create more permanent housing opportunities for low income residents. We appreciate your restricting these uses to situations where cities have identified operating /

service subsidies. But we think you should also limit these uses to a very small percentage – maybe 10% at the most – of a city's allocation.

And a few minor details on the Administrative Loan Terms

C. We would like the flexibility to increase or decrease the interest rate depending on the needs of the project. Perhaps it could refer to determination by Housing Director, rather than saying "unless Promissory Note says otherwise."

D. Residual receipts payments – what is your definition of "many" soft lenders making the 50/50 waterfall split go to 75/25? Perhaps the 75/25 should apply if there are more than two lenders getting a share of the cash flow.

There are also other mechanisms besides "incentive management fee" for sponsors to get their share of cash flow, such as seller take-back notes.

I. We're not aware of other instances of the County being the bond issuer and are not familiar with the County's terms for bond issuance. Perhaps that could be negotiated on a deal by deal basis.

J. State HCD is now using \$500/unit for replacement reserves across all types of developments. It would simplify if you conformed to that standard.

L. We appreciate the increase in allowable developer fee, but would like to clarify, does the "net" concept mean the net (after subtracting deferred fee and GP equity) of \$2 million is allowable from development sources? There should be an additional amount allowed as a priority distribution from cash flow prior to the 50/50 or 75/25 waterfall split.

N. The allowable Partnership Management Fee should be \$25,000 PLUS the Investor's fee. Sponsors cannot control the investor's fee that often is \$7,500-\$8,500. The fee should also be allowed to increase a standard 3.5%/year.

Or, to be consistent with our earlier comment, State HCD's new UMRs allow a total of GP + LP fees of \$30,000, increasing 3.5%/year.

We are glad to discuss any of the above comments or any aspect of the implementation with which we could be of assistance. We're looking forward to collaborating with you to get great developments built with this new funding!

Sincerely,



Elissa Dennis



Diana Downton

ed



July 7, 2017

Linda Gardner, Director
Housing & Community Development Department
County of Alameda
224 W Winton Ave
Hayward, CA 94544

Linda
Dear Ms. Gardner:

I am writing on behalf of the City of Alameda to provide comments on the County's Measure A1 Implementation Policies for the Rental Housing Development Fund & Innovation and Opportunity Fund. The City has worked closely with the City of Alameda Housing Authority to develop these comments after reviewing the proposed policies.

SPECIFIC POLICIES FOR RENTAL HOUSING DEVELOPMENT FUND – BASE CITY ALLOCATION AND REGIONAL POOL

Section I. Income Levels

Clarification is needed regarding the 30% - 60% and 80% AMI households. The policy of 20% of units at 20% AMI is very clear, however it is not clear whether cities must or may (at their own discretion) enforce any other AMI requirements.

Section II. Project Selection Criteria

Clarify whether project must or may (at City discretion) include set-aside units for target populations; is it necessary to add this layer of targeting, or will it be driven by other (State or federal) funding sources? If this requires an additional, specific layer of targeting, clarify how this prioritization complies with Fair Housing law.

Reference to Fair Housing Plans – will individual projects require unique plans or may a City refer to its adopted AFFH Plan?

The phrase “those displaced from Alameda County” is unclear – does this mean people who once lived in the County but no longer do? Is there a time limit on when they last lived in Alameda to be considered displaced?

Section III. Eligible Types of Projects

Clarify if “preservation of affordable housing” includes only those units that are income restricted. Are funds available to preserve affordability of naturally occurring affordable units where there may be an opportunity to do so, such as private rental properties where rents are substantially below market or where low-income households currently reside?

Clarify “A. Projects must meet all Measure A1 policies and requirements.” For acquisition and/or rehab of properties, this could include the restructuring of existing Housing Authority and other waitlists to meet priority population requirements, and this could be problematic.

Section IV. Eligible Uses of the Funds

Clarify how acquisition and pre-development costs can be eligible expenses if, for example the project is not yet otherwise funded and the final unit mix/target population is not confirmed. Could the proposed project meet underwriting and then be revised later?

Section VI. Match Requirements

Proposed policy states: “A city may make a “future commitment” of match funds not yet available (e.g., inclusionary housing fees or ongoing revenue generated by the city), so long as they are backed by General Fund dollars that will replace this “future commitment” should it not become available.”

Requiring a “future commitment” to be backed by General Fund dollars is unnecessarily restrictive. Cities have access to other funds that could back a “future commitment” and should be allowed to pledge those funds.

Section VIII. Wage Levels and Employment Opportunities

Clarify the June 2016 adopted vs. the Proposed especially with respect to the 20% SLEB set-aside requirement; Will all bond-funded projects be required to report in the Elation system in addition to other wage reporting requirements?

Note that lenders and investors will not approve a project based on future/potential requirements and the statement “Should HCD develop a system, all projects will be required to utilize” may not be acceptable to underwriting

MEASURE A1 SPECIFIC POLICIES FOR BASE CITY ALLOCATIONS

Section IV. Commitment Deadlines

The proposed policy states that cities will have up to three years (until December 31, 2020) to commit funds to specific Projects. This commitment deadline should be extended such that jurisdictions have up to five years (until December 31, 2022) to commit funds to projects and the deadline for the County to commit the regional pool funds should be extended to align with the additional time granted to cities. Three years may not be sufficient time to get a project through to funding commitment and two additional years would streamline the process rather than allowing more time at the discretion of the County.

Innovation and Opportunity Fund

Section 1. Use of Funds

Section 1.B.: Staff suggests that the use of funds excludes vacant land acquisition to focus all funds on preservation of existing properties, save for vacant land with entitlements. Vacant land will generally require more than three years to occupy and there is uncertainty regarding entitlements and environmental issues, etc.

Section 1.C.: Clarification is needed on the definition of "short period of time." To provide adequate time to acquire and reposition a property, we would propose three to five years to allow for refinancing.


EXHIBIT A

Staff suggests adding permission to apply for waivers if needed to conform to State and private loan or equity funding requirements. For example, a modified standstill agreement may be required by other funding sources and the 15% contingency for rehabilitation may exceed allowed per-unit cost. The program should permit the re-use of third party documents (copied to County) to reduce duplication of cost, e.g. environmental and inspection reports, labor compliance, etc.

In general, we also request ample notice regarding the timing of the bond issuance and availability of the base City funds so that we can plan projects in advance and have enough time for the local NOFA.

Thank you in advance for your consideration of our comments. If you have any follow-up questions I can be reached at (510) 747-6899 or dpotter@alamedaca.gov.

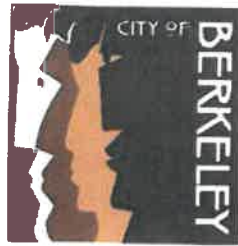
Sincerely,



Debbie Potter
Community Development Director

Cc: Victoria Johnson, Housing Authority

Office of the Mayor



Jesse Arreguín
Mayor

July 7, 2017

Ms. Linda Gardner
Housing Director
County of Alameda
224 Winton Avenue, Room 108
Hayward, CA 94544

Via email: achousingbond@acgov.org

RE: Public Comment – Measure A-1 Implementation Policies

Dear Linda:

Attached please find the response from the City of Berkeley on the approved and proposed policies for the implementation of Measure A-1.

We hope to have an opportunity to discuss questions that have been raised and suggested policy considerations in the City of Berkeley's response.

Thank you for the opportunity to comment on this very important implementation that will help our region's affordability and homeless crisis.

Sincerely,

Jesse Arreguin
Mayor
City of Berkeley

ALCO - HCD
2017 JUL -7 PM 1:18

2017 JUL

CITY OF BERKELEY – Comments to A-1 Policy Recommendations

Income Levels – Policy Adopted June 28, 2016

AGREE with exception

Exception: *The exception would be in the unincorporated areas.*

- 20% at 20% is reasonable for ongoing expense control in Cities that are providing a match.
- Should the base allocation remain for these communities (see comments on “Project Selection Criteria”) and, therefore assuming the County is providing the match, this gives an opportunity to provide more extremely low income units. It is difficult for cities to make a project “work” for developers with limited funds for a city match.
- We must have a regional goal to provide many more extremely low income units and supportive housing. And since the County will be providing the operating subsidies/services and capitalized operating/services reserve, and through Coordinated Entry prioritizing residents for supportive housing throughout the County it makes sense that an increase to at least 40% in the unincorporated areas will help optimize the need for our extremely low income county residents.

Project Selection Criteria – Policy Adopted June 28, 2016 and new policies 5 - 7

AGREE with exception and additional comment

Exception: *Since the Base City Allocation does not apply in the unincorporated areas, a greater number of extremely low income units should be provided per our comments in “Income Levels”. Also it will be important to ensure the mix of tenants are compatible to reduce any issues with the resident community.*

Additional Comment:

- The Fair Housing and Marketing Plans should be robust throughout the County and funded from the Administrative costs of A-1.
- There should be a single repository for ALL available units (whether or not affiliated with A1 projects) so residents can have “one stop” to look and apply for housing units. This resource should also be expandable to include affordable units in cities that have affordable and Section 8/Shelter + Care.
- A system for reimbursement to the County for providing a centralized repository could be worked out but such a system would make “running the gauntlet” to find affordable units less overwhelming especially for those with challenges.

Eligible Types of Projects – Policy Adopted June 28, 2016 and proposed policies

AGREE with comment on Proposed Policy

Comments on Proposed Policy:

- Scattered site homes and ADUs should not be included. It will be too hard to manage and the requirements for 50 + years encumber current and future buyers that might cause the loss of these affordable units.
- Small houses must be clustered, include greater than 5 small homes with community buildings that support a quality of life similar to larger projects and built to exceed the life expectation as all A1 properties.
- “Shared housing” that would include greater than 5 units should also be considered but must support a quality of life similar to larger projects.

Eligible Uses of the Funds – Policy Adopted June 28, 2016 and Proposed Policies

AGREE with comment and questions on Proposed Policy

Comments/Questions on Proposed Policy:

- Land banking should not be allowed.
- Housing Director should not have sole discretion – there needs to be an oversight committee.
- Will acquisition of land require a match? What will constitute the definition of “starting construction”?

CITY OF BERKELEY – Comments to A-1 Policy Recommendations

Amount of Measure A1 Investment per Project/Unit and Proposed Policies

AGREE with comment on Proposed Policy

Comments on Proposed Policy:

- Utilizing the annual State HCD maximum loan subsidy limits – ensuring updates occur within 30 days of publication – seem appropriate.
- Using excess amounts of A1 funds greater than 25% in any project should not be left to the sole discretion of the Housing Director – there needs to be an oversight committee

Match Requirements – Policy Adopted June 28, 2016 and Proposed Policies

AGREE with comment on Proposed Policy

Comments on Proposed Policy:

5. Including local authority's commitment to use project based vouchers in the match requirement is excellent.
Base City vs. Regional Pools:

- A portion of Unincorporated County base funds should be proportionately allocated to those cities that will be building shelters and supportive service housing. These are the communities that supports the needs of the County's most vulnerable citizens – which adds a significant burden to each City's general fund. Since the County will be prioritizing this housing into these city resources then there should be some consideration from the unincorporated areas that don't have similar resources. The balance of the base allocation from Unincorporated Areas should be placed in the larger \$89M pool.
- There must be some consideration to City's that are required to put in matching funds – the fact that there is no match requirement it is unclear if the County will be providing the match. If the county is not providing a match then there is an equity imbalance and a greater proportionality of funds will be going to unincorporated areas that do not have services or resources to support the needs.
- Match should apply to the "net" allocation in the Base City and Regional Pools (eg. Less administrative and other overhead fees)
- Additional "points" provided to cities that exceed match funding must be clearly defined and allow the city to leverage this increased match to providing a greater number of extremely low income units.

Leverage Requirements

- Additional "points" must be clearly defined and equitable to all participating parties of a project and ensure equity at all levels of income for the residents.

Geographic Distribution of Funding – Policy Adopted June 28, 2016

AGREE

Base City Allocations – Policy Adopted June 28, 2016

AGREE with comment on Proposed Policy

Types of Projects

- It is unclear that ADUs and scattered site homes could comply over the term of the 59-year contract to identify funding for associated operations and services. This is further support for deleting these units from qualifying for A1 funds.

Loan Administration:

- The portion of the Base City Allocation (and "pool" funding) that will contribute to Administrative Fees must be clearly state, have a cap and must be inclusive (eg. Loan administration, wage and hiring administration, centralized inventory resources, loan fees, monitoring fees, insurance administration, reporting, etc.). For planning purposes it is important that jurisdictions are made aware prior to application for Cap & Trade of the "net" allocation – or the maximum percentage that will be extracted for Administrative Fees.

CITY OF BERKELEY – Comments to A-1 Policy Recommendations

Commitment Deadline:

- Reference to an extension being granted by the Housing Director should not be at sole discretion – there needs to be an oversight committee.

Regional Pools – Policy Adopted June 28, 2016

AGREE

Wage Levels and Employment Opportunities – Policy Adopted June 28, 2016

AGREE with comment on Proposed Policy

- Additional “points” must be clearly defined and equitable to all projects, trade organizations and career pathway programs and priority to Alameda County residents/programs

Innovation and Opportunity Fund – Policy Adopted June 28, 2016

AGREE with comment on Policy Adopted June 28, 2016

Use of Funds:

- Since the funding is meant to be “revolving” and there is no expectation of a match, there needs to be a cap on the amount that can be lent per project.
- Cities, as well as developers, should have access and preference to these funds for short periods of time.

Procurement:

- Cities, as well as developers, should have access and preference to these funds for short periods of time and should not be subject to the RFQ process

Leveraging this fund – Proposed Policy

AGREE

Maximum or Minimum Loan Amounts – Proposed Policy

AGREE with comment on Proposed Policy

- There needs to be a cap on the amount that can be lent per project
- Cities, as well as developers, should have access and have preference to the funds.

Loan Terms – Proposed Policy

AGREE with comment on Proposed Policy

- Length of loan term needs to be established. Recommendation is 3 years to mirror the length of time a project needs to begin.
- If exceptions could be granted they cannot be at the sole discretion of the Housing Director – there needs to be an oversight committee

Match Requirements – Proposed Policy

AGREE with comment on Proposed Policy

- City Match at the time of the loan should mirror the requirements of the Base City Allocation.
- If cities use this fund to purchase a property/project there should be no match requirement.

CITY OF BERKELEY – Comments to A-1 Policy Recommendations

Alameda County Housing and Community Development Department Administrative Loan Terms and Policy

AGREE with comment

Payments:

- Deferral for special needs projects should not be at the Housing Director's sole discretion – there needs to be an oversight committee
- HCD "proportional share of residual receipts" needs greater clarification in order for jurisdictions to respond intelligently.

Rent Increases:

- Tax Credit rates would be an appropriate gauge for rent increases
- Housing Director should not have sole discretion in the increase – there needs to be an oversight committee

4% MFMR Bond Projects:

- Housing Director should not have sole discretion – there needs to be an oversight committee

Developer Fees

- Negotiations should occur through an oversight committee

Asset/Partnership Management Fees

- Is the combined \$25,000 limit an annual fee or project based fee? If it is a project based it should be included in the Developer Fees. If it is a fee for ongoing asset management than no escalator is inappropriate – it should be based on CPI.

Loan Fees

- Need to be included in the Administrative fees as previously stated
- There cannot be layering too many administrative fees on this project – there needs to be maximum benefit to the end user/resident.

Monitoring Fees

- Need to be included in the ongoing administrative fees for the A1 program. Burden of monitoring and reporting needs to be placed on the operator and city.
- There cannot be layering too many administrative fees on this project – there needs to be maximum benefit to the end user/resident.

HCDs Costs

- Only *direct costs* associated with NEPA/CEQA and legal fees should be charged to the Borrower or Project.
- Costs should not be duplicative. If the Borrower/Project engages consultants for these purposes, HCD should have the ability to approve the consultants but not engage others to perform the same service and then charge the project.
- ALL LOAN TERMS should not be at the sole discretion of the Housing Director – there needs to be an oversight committee

Additional Questions/Clarifications

- How will the "single core tenancy application system" relate to the homeless entry system now in progress? Will it be separated from CES? Will rapid re-housing clients take priority in the single core tenancy application process? If so, how will CES/single core tenancy collaborate/coordinate? Will Section 8 voucher holders qualify?
- What is envisioned with marketing these options to people displaced out of Alameda County? Is there a separate fund for this effort? Does it come out of Administrative fees? How will it be measured?



EAST BAY ASIAN LOCAL
DEVELOPMENT CORPORATION

BUILDING HEALTHY, VIBRANT AND SAFE NEIGHBORHOODS



July 7, 2017

Attn: Linda Gardner, Michelle Starratt
Alameda County Housing and Community Development
alcohousingbond@acgov.org

Dear Ms. Gardner and Ms. Starratt,

The East Bay Asian Local Development Corporation (EBALDC) is a 42 year old community development organization that develops affordable housing and community facilities with integrated services focused on tenants and neighborhood residents, serving the diverse low-income populations of Oakland and the greater East Bay. Our portfolio includes the development of more than 2,000 affordable apartments and nearly 300,000 square feet of commercial space throughout Alameda County.

We are grateful for the leadership of your staff and the Board of Supervisors in helping to pass the A1 Bond, and we recognize the energy and thought that has gone into writing these program guidelines and soliciting stakeholder input. We share your goals of protecting the public's investment while also getting resources out as quickly as possible, so that we can build new affordable housing and address the massive housing crisis that has engulfed the region.

Please accept our following comments on the 6/8/17 Public Comment Draft of the Measure A1 Implementation Policies. These comments track to the format of that document for easy reference.

A healthy County requires that we have a healthy housing market, with options accessible to all of our residents, regardless of their income. We look forward to working with you to stem the rising costs of housing which have so harshly impacted not only the most vulnerable populations in Alameda County, but also our working and middle class neighbors as well.

Sincerely,

Ener Chiu
Associate Director, Real Estate Development
EBALDC

EBALDC Comments on Measure A1 Implementation Policies, Public Comment Draft 6/8/17

Policy Applicable to Both Base City Allocation and Regional Pool

Section I: Income Levels

- Adopted Policy, Item B.: Is there any clarity yet on what portion of the funds will be allowed/targeted to subsidize units up to 80% of AMI?
- Proposed Policy, Item A.: It sounds like 20% of the units funded by the entire base city allocation and the regional allocation must be targeted to residents at 20% AMI or lower, and at this time the County is not mandating that 20% of every project be targeted at 20% AMI or lower. We suggest that the 20% requirement be applied across the each City or sub-County jurisdiction rather than on a project by project basis, to allow for the possibility of building 100% transitional housing or shelter facilities (for example, as Oakland is prioritizing in its use of local bond funds). While we are in favor of not holding each individual project to a 20% at 20% AMI requirement, we also do not want to see the 20% requirement simply blanketed across the entire County, because then it is likely that more suburban jurisdictions will push their extremely low income tenants to more concentrated at the urban core.
- Proposed Policy, Item A.: We also suggest that any unit with a Project Based Section 8 (PBS8) Voucher (or equivalent, like Shelter + Care or VASH) count towards the 20% AMI target. It can be written into the A1 supported project's marketing and leaseup plan that those PBS8 units must be leased to households at 20% AMI or below, regardless of what the tax credit designation for those units is. Post development, should the developer and local Housing Authority (or whatever entity is providing the voucher) provide written evidence that the vouchers are no longer available due to circumstances beyond the control of either entity, the 20% AMI requirement for those non-subsidized units should be relaxed, so that the entire affordable development is not threatened with financial insolvency.
- Proposed Policy, Note: Rents that are affordable to families with 20% of AMI will be less than the per unit operating cost of the building and it is difficult to have rents high enough to off-set the difference. If A1 is not paying for operating subsidies, services or reserves, then other sources will be required. It is highly unlikely that development of 20% AMI units will be financially feasible without Project Based Section 8 vouchers. Have the Housing Authorities within Alameda County committed to being able to provide vouchers for at least the total number of 20% AMI units projected to be created with A1 funds? Also, there may be a timing issue. In the case of Oakland, OHA will likely piggy back off of the County's competitive process, which means that they will not have a demonstrated commitment of the vouchers until after the County commits its funds (if OHA mirrors the practice that they have taken with the City NOFA). Thus development projects will not have the vouchers committed at the time of application to A1.

Section II: Project Selection Criteria

- Adopted Policy, Item C.: Intent of the policy is to serve 30% to 60% AMI households, with a portion allowed for 80% AMI households and at least 20% of units at 20% AMI. Also there is an intent to prioritize Homeless people, seniors, veterans, people with disabilities, re-entry, transition-age youth or lower income workforce. Does this mean that a project with the majority of units set aside for 30% to 60% AMI family households (not meeting the criteria of any of the target populations) will have lower priority? Will an applicant only be eligible to apply for the subsidy amount limit for each unit set aside for the priority target populations, the 20% AMI units and 80% AMI units? This is important because many affordable housing developers already do a lot of senior housing because it is easier to entitle in NIMBY communities, it's cheaper, etc. Building housing for the other special needs populations on your list tends to depend on the incremental capital and operating subsidies available to do population specific programming for those groups. But building for low income working family households is also really important to keep families in place in Alameda County, and our community stakeholders have really emphasized that they want us to do more family housing (2BR and 3BR units) even though they are more expensive and often get more pushback from neighbors. Lastly, what percentage of units in a building will have to be targeted to a specific population (for instance Veterans) in order to qualify as a priority? We recommend a reasonable threshold that allows more projects to serve both families and a more specialized priority population, and that also accounts for service providers' abilities to serve the specialized population within the building. Perhaps something like 10% could serve as the minimum, up to 20%, which would align with the percentage of units aimed at the lowest 20% AMI households.
- Proposed Policy, Item D.: Some local housing authorities have tenanting policies that screen out former felons (re-entry populations). If you are on one hand requiring 20% AMI units, which force us to work with Housing Authorities on these A1 supported projects, but your tenant screening policies are at odds with the Housing Authorities, there's very little that we as developers can do to reconcile those. We would advise that you work directly with the Housing Authorities in Alameda County and make sure that your marketing and screening policies are aligned.
- Proposed Policy, Item F.: Per the comment above on Item D, please spend some time aligning these policies with the Housing Authorities. In Oakland, our experience with County review of our Marketing and fair housing plans was that Oakland's requirements were aligned with the County's. That may not be true for other Cities' and Housing Authorities' templates.
- Proposed Policy, Item H.: See below for specific comments on Exhibit A.

Section IV: Eligible Uses of the Funds

- Proposed Policy, Item A.: Should clarify that “reasonable” is defined as “starting construction within three years of award of A1 funds.”

Section V: Amount of Measure A1 Investment per Project/Unit

- Proposed Policy, Item B.: The impact of the 25% cap on A1 funded projects will depend greatly on the availability of other sources of financing and the tax credit market in general. For illustrative purposes, I will divide my comments between 9% and 4% tax credit scenarios, and I have tried to make comments that apply to a number of different projects which are generally urban infill, on smaller sites, and between 6 and 8 stories tall, so they are modified Type III and Type 1 construction. Both scenarios will assume tax credit pricing at around \$1 per credit, which, due to concerns about Federal tax law changes that are proposed, is around 15% lower than what we were projecting at this time last year. In order to be illustrative, these project scenarios show no other public sources of financing other than the minimum City required matches and Project Based Section 8 vouchers which cover the 20% AMI units. These scenarios also abide by the per-unit Maximum Loan Limits proposed in Exhibit B. More specific comments on the Exhibit B Loan Limits will be found further down in our letter.
 - 9% scenarios: Under this financing scenario, our estimated range for remaining project gap is in the range of 10% to 20% of Total Development Cost (TDC), assuming:
 - a tiebreaker score in the approximate range of 35% to 40%
 - a City match that only includes plan check and building permit fees
 - Roughly speaking, every \$0.05 difference in equity pricing might be equivalent to around 2% of the TDC.
 - 4% scenarios: Under this financing scenario, our best estimate for the project gap is around 30% to 35% of TDC, assuming:
 - a City match that only includes plan check and building permit fees
 - Roughly speaking, every \$0.05 difference in equity pricing might be equivalent to around 1% of the TDC.
 - As you can see from both examples above, with the 25% cap in place, there are still significant gaps for both 9% and 4% deals. The gap is obviously lower for 9% deals, and so it is possible that larger Cities (like Oakland) with Housing Trust Fund sources from Boomerang and impact fees could put more money towards these deals and make them competitive. However, we suggest raising the cap slightly so that this gap is smaller and more feasible to overcome, and evaluating this cap annually after the 9% allocations provide some feedback.
 - Also, in regards to 9% projects, we are concerned that 9% projects within Alameda County will apply for too much subsidy from Alameda County, which will simply result in too many 9% projects in Alameda County engaging in an arms race to raise their tie-breaker scores. We should be aiming for a tie-breaker score that will beat out other

projects in the region. However, we suggest that Alameda County track which projects are applying for 9% credits within the County and pick the top two or three that are most competitive, and award only those projects up until the point where their tie-breaker scores are ahead of where projects from other parts of the region are likely to score. The other 9% projects can re-apply or wait in a queue for the following round of the 9% competition.

- However, no 4% deals could move forward without significant outside subsidy, and the State has not yet demonstrated that its Cap and Trade funds are a reliable source for keeping the 4% pipeline viable. The result is that 4% deals would continue to languish in Alameda County. We recommend raising or eliminating the cap for 4% projects.

Section VI: Match Requirements

- Proposed Policies, Item I.: We suggest adding that the match may be reached by an additive combination of any of the listed types of match. That will allow Cities to be creative in reaching the match minimum. They can write down a portion of their planning and building fees, and combine it with any of the other sources on the list.

Section VII: Leverage Requirements

- Proposed Policy: Awarding additional points to incentivize leverage is a fine idea. However, the County should expect that their A1 money be the second committed public money (after City funds, presumably) so that it can be practicably used to leverage more competitive monies from the State and from the tax credits.

Section VIII: Wage Levels and Employment Opportunities

- Adopted Policy, Item A.2.: We are unfamiliar with First Source hiring. However, if this has been a program that has been associated with HCD funds in the past, as long as there is the administrative infrastructure in place at the Alameda County Business Development Group that can quickly refer pre-screened, qualified employees to the vendors, we can comply. \$100,000 is a relatively low threshold for development projects that are likely going to be \$30M or more in total size. Proposed Policy, Item A.: It's difficult to comment on the Job Training and Career Pathway programs without more detail on what that may imply. We would suggest that Alameda County work through an existing program that is already funded and set up, with a clear and achievable numeric goal around how many employees should come through that program to work on the jobsite.
- Proposed Policy, Item B.: Are there existing career pathway programs that you are considering, for instance, Cypress Mandela Training Center? We would be fine with additional points for

projects that partner with a program like this, provided that these programs have the proper financial support to be able to deliver labor ready apprentices to the subcontractors and contractors looking to hire.

- We understand that the Alameda County Trades Council would like to have a Project Labor Agreement (PLA) that would apply to these types of projects. We would like to make sure that there is enough time to address conflicts between any PLA that might be considered and the local contracting and local hiring requirements.

Section IX: Single Core Tenancy Application/Posting for Unit Openings

- Goal, Item A.: We are interested in learning more about the timing of the possible development of a universal tenancy application system. EBALDC has recently invested a significant amount of money and staff time in creating a universal application and marketing database system for our portfolio, which allows us to track income and programmatic restrictions across all of our properties. If HCD were to develop their own system, we would need to understand what platform that system would be based on, whether the use of this system would require expensive software upgrades by end users (developers and property management companies), etc.. We would also need to negotiate with Cities, like Emeryville and Oakland, who have their own marketing requirements that may conflict with the County's requirements. For example, City of Oakland requires developments to prioritize City residents or recently displaced residents in their marketing and wait lists.

Measure A1 Specific Policies for Base City Allocations

Section II: Types of Projects

- Adopted Policy, Item B.: Can you define what a regional-serving project might be? If it's defined too loosely, then certain cities may use their Base City Allocation (BCA) to fund projects in other cities in order to avoid having to build affordable housing within their jurisdictions.

Section III: Loan Administration

- Adopted Policy, Item A.: We are concerned at increasing the costs of loan administration by having two local agencies (City and County) administer their funds separately. This increases the transactional costs to the developers, resulting in fewer dollars available for the actual housing. It also complicates closings by involving another set of staff and decision-makers in closing negotiations, for example around lien priority. If County administers its own funding, it would require another party battling for lien priority. On this specific issue, if the County does administer the BCA funds, we suggest that Cities and Counties determine beforehand which

party has lien priority, so that this does not become an issue during each individual project closing. Lastly, we are concerned that the County may not be able to on-board new staff quickly enough when some Cities (Oakland, for example) already having the staffing and administrative infrastructure in place to be able to administer the funds, as long as the rules and program regulations are set clearly enough in place. In order to streamline the process, the County could draft criteria that Cities have to meet, as well as boilerplate language for Cities to include in their loan docs.

Measure A1 Specific Policies for Regional Pools

Section II: Commitment Deadline

- Proposed Policy, Item A.: This comment is not meant to advocate for any change, but merely to guess that there may not be enough local funds available in the 4 year time period (by 12/31/2021) in order to commit all funds from the BCA and the Regional Pool. However, it seems like these proposed policies give enough flexibility to be able to move the money towards jurisdictions where the usage is higher and where funds may be getting committed more rapidly, though even in those jurisdictions, we do not anticipate that enough City match funds will be available for feasible projects to get into construction.

Innovation and Opportunity Fund

Section II: Criteria

- Adopted Policy: If the requirements for the Innovation and Opportunity Fund (IOF) are exactly the same as the Rental Housing Development Fund (RHDF), then many of our comments from above apply to this fund as well. However, in this case, because we may be using IOF funds to purchase existing buildings, we will not be able to control the profile of the existing tenants in many cases. For example if we are purchasing an existing building with mostly low-income tenants, will those tenants be required to match the prioritized populations in Section II of the RHDF project selection criteria? This may exclude vulnerable low-income families. And how will Alameda County regulatory agreement treat existing tenants who may be over 60% AMI? In a few cases, we will have tenants who are over 80% AMI, but happen to be in a building that is majority low-income, or tenants will be over-crowded to start. We do not have any concerns about meeting below 80% AMI criteria on unit turnover, but we do not want to force existing tenants out, even if they are over 80% AMI at the time of transaction.

Section IV: Procurement

- Adopted Policy, Item A.: Is there an estimate on timing of this RFQ yet?

Section VIII: Match Requirements

- Adopted Policy, Item B.: what demonstrates City approval of the match? Will a letter of support from City Administrator level staff suffice?

Exhibit A: Administrative Loan Terms

- Item F., Regulatory Agreement: If Alameda County requires that their Regulatory Agreement remain in senior lien position to bank loan documents, we will get very few lenders to participate in projects. We have not successfully completed a deal in which the local agency's Reg Agreement was not eventually subordinated to the lenders' loan agreements.
- Item P., Monitoring Fees: County will be charging \$300 PUPY. City of Oakland currently charges \$100 PUPY. This is yet another reason to allow the Cities that have the administrative infrastructure in place to be responsible for managing and monitoring projects within their jurisdiction. Every \$100 increase in annual operating expense results in approximately \$2,000 less in first position debt that can go towards development costs. On a 100 unit project, with a monitoring fee of \$300 PUPY, that might be \$600K less in permanent debt.

Exhibit B: Maximum Loan Limits

- 9% Project Loan Limits: As noted in more detail above in our comments on the Amount of Measure A1 Investment per Project/Unit, these unit limits will still leave a gap of between 10% and 20% TDC for many projects (again, depending on what tiebreaker score you aim at, and other project costs). This will likely incentivize Cities to allocate more funds per project; however this assumes that they have Affordable Housing Trust Funds to begin with. Many smaller jurisdictions may not have that. While our interest is certainly in building more affordable housing in the Cities that need it the most, like Oakland, we also want a healthy distribution of affordable housing throughout the County.
- 4% Project Loan Limits: As noted above, these unit limits still leave a gap of 30% to 35% of TDC. Thus, the feasibility of 4% projects would still lie primarily with scarce state resources. The County will thus need to decide whether it wants more units quickly, or whether it wants more units to be developed over the 10 year implementation period. Advocacy with the State is essential to encouraging that they continue to develop new sources of financing for these projects.



July 7, 2017

Ms. Linda Gardner
Ms. Michelle Starratt
Mr. Jim Bergdoll

Re: A1 Bond Policy Comments for the Homeowner Development Fund

Hello all,

First, a sincere thank you for your commitment to supporting affordable homeownership through Measure A1. We firmly support the tremendous investment in rental housing, and we also believe investment in affordable homeownership is essential to helping low-income households in Alameda County ensure their children, and their children's children, have greater access to opportunity through the many benefits generated by homeownership.

The following represents Hello Housing's comments and questions regarding the draft Homeownership Development Fund Policies and Procedures:

Proposed Policies - Page 1

Section A. Income Levels and First Time Homebuyer Status Policy Adopted June 28, 2016 (iii): Alameda County residents, those displaced from Alameda County, and Alameda County Workforce will be given priority.

- Please clarify whether the categories listed are of equal preference or are stated in order of priority.
- If a project includes local funding sources with local preferences, we recommend the County agree to a selection policy that starts first with the local preferences, followed by the Alameda County preferences.
- We recommend reference be made in this document to more detailed policies and procedures regarding homebuyer preferences, to be created at a later date. We recommend these policies be prepared in collaboration with the County by the party selected to administer the DALP program, and if applicable, for the preferences to be aligned.

Program Policies - Page 2

Section A: Homebuyer Selection Criteria (iii) Selection of potential homebuyers will occur through a competitive process, which HCD will approve in advance (i.e. lottery).

- We recommend replacing "competitive process" with "random-selection process within each preference category."

Section B: Proposed Policy (ii): Financial feasibility and cost reasonableness will be rating factors.

- Add additional language: "For scattered-site acquisition and rehabilitation proposals, developer to provide a proforma sources and uses budget to demonstrate financial feasibility and the average requested County funds per home. Developers will have discretion as properties are identified to use County funds interchangeably on acquisition and rehabilitation costs (which will vary based on home-specific purchase prices and renovation needs) and to manage to an average perm subsidy per home."

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Program Policies - Page 4

Section E. Form and Term of Development Financing - Proposed Policies (i) Upon sale of individual homes to eligible homebuyers, the developer loan will be retired and each homebuyer will assume a pro rata portion of the loan with new security documents recorded against the home purchased. Upon sale of the final affordable home in the development, the developer regulatory agreement will be removed from the property when all terms are met.

- This structure is functional for new construction, multi-unit homeownership projects, but is not functional for scattered-site, single-family acquisition/rehab projects. Each property should have freestanding regulatory agreement between the Developer and the County for each home. This regulatory agreement will be terminated upon the execution of a regulatory agreement between the homeowner and the County.
- We recommend the County funds invested in the property be evidenced by a silent loan with a recorded deed of trust that is resized with each resale to reflect the difference between the affordable price and the fair market value at sale. In our experience, when there is no Deed of Trust recorded, it is much easier for a lender or a title company to miss the restriction, which can result in homes being over-encumbered or even sold out of the program.

Program Policies – Page 5

Section I - Homebuyer Affordability Terms - Proposed Policies (ii): The homeowner's restricted future resale price will be calculated utilizing the original percent of Area Median Income (for example 70%) and other factors used to determine the initial sale price in order to maintain affordability over time at that income level!

- This method of calculating a resale price will create challenges over time for the owner who is selling the BMR home. To the extent interest rates rise while other variables remain relatively flat, the homeowner may be in a position where their maximum resale price is less than what they purchased the home for, putting them in a position to lose their equity. Hello Housing recommends an AMI method in which the resale price is based on the original purchase price plus an allowed appreciation equal to the percent change in AMI since the original purchase, plus the depreciated value of approved capital improvements minus the cost of any deferred maintenance at resale. For example, if the original purchase price was \$350,000, and AMI has increased by 5% since the year of purchase, and the owner received approval for \$5,000 in capital improvements, they would be permitted to sell the home for the lesser of \$367,500 or the fair market value at sale:

$$\$350,000 + (5\% * \$350,000) + \$5,000 - \$0 = \$367,500$$

- While this method may cause a gap in affordability between the targeted AMI and the purchase price over time should interest rates rise (which means the new buyer's income has less borrowing power than the original buyer's did), there are tools such as down payment assistance, MCC and other first-time homebuyer programs to address this gap for the new buyer. Of note, the City of Oakland recently changed their resale formula at our recommendation for the tax-defaulted homeownership pilot project after having experiences with BMR homeowners who were faced with taking a loss a resale due to the formula which sets the resale price using the same method as the initial pricing. This negative financial outcome for the homeowner is counter to the important goals of these programs and we believe should be guarded against. The formula we propose does not protect buyers from the risk of loss due to a decline in home values, a risk which every homebuyer – BMR or otherwise – must bear.

Program Policies - Page 6

Section I: Homebuyer Affordability Terms (v.) *In the event of a resale where no eligible homebuyer can be found with reasonable marketing and outreach, the property may be sold at market rate with the housing Director's approval, and all Measure A1 Bond funds and its percentage of the equity in the property at the restricted sale price will be returned to HCD.*

- We recommend that the responsibility to perform outreach to identify an eligible buyer rest with the County or its designated agent, rather than the homeowner. This is one of many best practices that will help protect the integrity this program, ensuring broad public access to the opportunity at each resale. We also recommend an outreach period of no less than 180 days before a home can be sold at market rate.
- We further recommend the preparation of the resale restriction and the stewardship of the units produced as a result of this fund be rolled into the scope of work of performed by the party selected to manage the DALP program. The annual compliance monitoring to ensure owner occupancy will be very similar for both programs, and the beneficiary of the monitoring in both cases will be the County.

Section L Contract Administration and Compliance (i) *Post-closing compliance monitoring will be required with at least annual communication with homeowner and verifying evidence of occupancy. A fee may be charged for monitoring as part of eligible project costs.*

- Because the resale restriction will be in effect in perpetuity, the County's interest in the homes produced by these funds will need protecting in perpetuity. While a post-purchase monitoring fee may be charged by the developer to the project, this fee will be insufficient to support the permanent monitoring requirement, which will result in a decline in monitoring over time. We highly recommend the County identify a funding source in order to take responsibility for the ongoing compliance monitoring and stewardship of the portfolio of homes developed with Measure A1 funds. In addition, the capacity to enforce restrictions is far greater for the County rather than a developer. Lastly, the developer will not be the appropriate party to help the homeowner when they want to refinance, sell their home, get approval for capital improvements or need answers to the myriad of questions that come up over time.

Program Policies - Page 7

Section M. Wage Levels and Employment Opportunities

- Please confirm in this section that state prevailing wage will not be required by the County. If it will be required (e.g. for projects over a certain size), please specify any exceptions (e.g. 1-4 unit properties).

Exhibit A

Section M: Retention *\$50,000 of HCD's loan funds must be allocated toward the developer fee and held as a performance retention, to be paid upon completion of construction and delivery of close out items.*

- We recommend 1-4 unit projects be exempt from this requirement given the developer fee for each home is far less than \$50,000. We recommend the program follow the payment terms used in the NSP program in which the developer earns 5% of costs as they are incurred, another 4 % of costs incurred upon construction completion, and 1% of costs incurred upon resale.

Section T: Change Orders *For construction period loans, construction change orders are subject to HCD's approval.*

- For 1-4 unit acq/rehab projects, we recommend no HCD approval of change orders be required as long as there is no reduction in the promised scope of work, and the cost of the change order can be covered by the project contingency.

Other Eligible Uses of Homeownership Development Funds

We recommend that these funds can be used to add an Accessory Dwelling Unit (ADU) to single-family homes. Generating a new income stream through rents could be hugely impactful for the households targeted by this program who will be earning <80% of Area Median Income, and is an extremely cost-effective way to add new rental stock within the fabric of existing neighborhoods. We recommend the estimated rental income from the ADU not be contemplated in the initial homebuyer eligibility calculation. By purchasing a home with an ADU, the <80% AMI homebuyer will have greater financial stability. We recommend the primary home be subject to the regulatory agreement in perpetuity which would require that the ADU serve as a permanent rental unit, but that the ADU not be subject to rent restrictions. Homeowners would be required to attend pre-purchase and ongoing landlord training with an emphasis on fair housing requirements. ECHO and Project Sentinel currently provide landlord training.

Thank you for this opportunity to provide our comments and questions. We are happy to provide further information if helpful.

Sincerely,



Mardie Oakes
Executive Director

HERA

housing and
economic
rights advocates

July 5, 2017

HCD Staff
224 Winton Avenue, Room 108
Hayward, CA 94544

Dear HCD Staff:

Thank you for your hard work and diligence in undertaking the daunting task of developing the draft policies for allocation of Measure A1 funds. I have reviewed the proposed policies for allocation of funds for both rental and home ownership units as both elements are of great concern for us at Housing and Economic Rights Advocates (HERA). We have a broad economic justice, anti-discrimination mission, and we focus on helping low and moderate income residents achieve their financial goals. The financial well being of both renters and homeowners is important to us, and the struggles of residents in our county are unprecedented.

We consider affordable housing to be an economic empowerment issue, and we have been directing advocacy efforts to stem displacement and to facilitate homeownership. We view the allocation of Measure A1 funds as an important opportunity to address our economic empowerment goals. Please review my comments below, which are intended to address both draft policies.

1) II. Project Selection Criteria. Amount of Measure A1 Investment Per Project/Unit. I have been informed that both non-profit and for-profit developers have been reluctant to partner with community-based organizations ("CBOs") to undertake affordable housing development due to the cap on development fees imposed by the County. Additionally, I understand that management fees must be deferred for 20 years. I suggest that the permitted developer fee be increased, at least modestly, and that the management fee deferral be abbreviated sufficiently to engage more developers in partnerships with CBOs.

2) VIII. Wage Levels and Employment Opportunities. Community-based organizations and nonprofits should not be exempt from SLEB or ECOP goals. Organizations that receive funds for development or providing housing related services will be spending public funds to secure needed services, and they should be required to spend those public funds to further the County's small business goals. Goals established by the County and by the City of Oakland should be adopted for small business and hiring targets under Measure A1. Moreover, developers and contractors should be required to establish internship or apprenticeship programs for work undertaken pursuant to Measure A1 funding.

3) VIII. Wage Levels and Employment Opportunities. Despite local policies to enhance contracting and procurement opportunities for SLEBs, there are still too few small businesses

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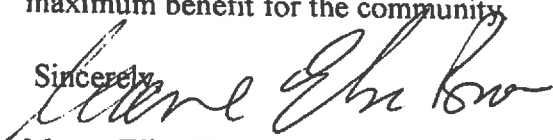
that are able to benefit from such opportunities. I recommend that SLEBs be given a better chance of success by providing a 10% bid preference on eligible contracts. Additionally, bonding assistance should be provided for SLEBs under the Measure A1 programs, as is provided under other County programs.

4) Innovation and Opportunity Fund. I. Anti-Displacement of Tenants. As mentioned above, HERA is concerned about displacement of tenants that is leading to increased homelessness. I recommend that anti-displacement be a top Measure A1 priority. Specifically, a) parties using Measure A1 funds should not be permitted to permanently displace low or moderate income people; b) In instances where people must be displaced in order to rehabilitate or replace units, funds should be available to compensate them for their temporary move; c) Once units are complete, those who had been displaced should be offered first right of refusal to return to their previous or replaced unit; and d) The County needs to develop a system to track those who are displaced and monitor the developments to assure that the displaced are offered the opportunity to return to the unit at a cost comparable to what they had paid before being displaced.

4) VIII. Wage Levels and Employment Opportunities. Community-based organizations and nonprofits should not be exempt from SLEB or ECOP goals. Organizations that receive funds for development or providing housing related services will be spending public funds to secure needed services, and they should be required to spend those public funds to further the County's small business goals. Goals established by the County and by the City of Oakland should be adopted for small business and hiring targets under Measure A1. Moreover, developers and contractors should be required to establish internship or apprenticeship programs for work undertaken pursuant to Measure A1 funding.

I appreciate your hard work on this tremendous opportunity to improve outcomes for residents of Alameda County. We look forward to working with you to finalize the policies to achieve the maximum benefit for the community.

Sincerely,



Maeve Elise Brown, Esq.
Executive Director

I have forwarded the comments prepared by Diane Lewis, Chair of the Advocacy and Public Policy Committee of the National Coalition of 100 Black Women which will be presented at the Board of Supervisors Health Committee on July 17, 2017. Any questions you may have, be sure to let me know.

Cheryl

Cheryl Perry League
President
NCBW Oakland Bay Area Chapter
510-928-9912

On Tuesday, July 4, 2017 7:15 PM, Aduke Lewis <siweldy@yahoo.com> wrote:

Greetings Linda and Michelle-

Thank you for your hard work and diligence in undertaking the daunting task of developing the draft policies for allocation of Measure A1 funds. I have reviewed the proposed policies for allocation of funds for both rental and home ownership units in my role as Chair of the Public Policy & Advocacy Committee of the National coalition of 100 Black Women, Oakland/Bay Area Chapter ("NCBW"). NCBW is a national organization committed to improving life opportunities and outcomes for Black women and girls in particular, and the Black community in general. We focus on education, health and economic empowerment. We consider affordable housing to be an economic empowerment issue, and are directing advocacy efforts to stem displacement and to facilitate home ownership. We view the allocation of Measure A1 funds as an important opportunity to address our economic empowerment goals. Please review my comments below, which are intended to address both draft

1) II. Project Selection Criteria. Amount of Measure A1 Investment Per Project/Unit. I have been informed that both non-profit and for-profit developers have been reluctant to partner with community-based organizations ("CBOs") to undertake affordable housing development due to the cap on development fees imposed by the County. Additionally, I understand that management fees must be deferred for 20 years. I suggest that the permitted developer fee be increased, the management fee deferral be abbreviated sufficiently to engage more developers in partnerships with CBOs.

2) VIII. Wage Levels and Employment Opportunities. Community-based organizations and nonprofits should not be exempt from SLEP or ECOP goals. Organizations that receive funds for development or providing housing related services will be spending public funds to secure needed services, and they should be required to spend those public funds to further the County's small business goals. Goals established by the County and by the City of Oakland should be adopted for small business and hiring targets under Measure A1. Moreover, developers and contractors should be required to establish internship or apprenticeship programs for work undertaken pursuant to Measure A1 funding.

3) VIII. Wage Levels and Employment Opportunities. Despite local policies to enhance contracting and procurement opportunities for SLEBs, there are still too few small business that are able to benefit from such opportunities. I recommend that SLEBs be given a better chance of success by providing a 10% bid preference on eligible contracts. Additionally, bonding assistance should be provided for SLEBs under the Measure A1 programs, as is provided under other County programs.

4) Innovation and Opportunity Fund. I. Anti-Displacement of Tenants. As mentioned above, NCBW is concerned about displacement of tenants that is leading to increased homelessness. I recommend that anti-displacement be a top Measure A1 priority. Specifically, a) parties using Measure A1 funds should not be permitted to permanently displace low or moderate income people; b) In instances where people must be displaced in order to rehabilitate or replace units, funds should be available to compensate them for their temporary move; c) Once units are complete, those who had been displaced should be offered first right of refusal to return to their previous or replaced unit; and d) The County needs to develop a system to track those who are displaced and monitor the developments to assure that the displaced are offered the opportunity to return to the unit at a cost comparable to what they had paid before being displaced.

4) VIII. Wage Levels and Employment Opportunities. Community-based organizations and nonprofits should not be exempt from SLEP or ECOP goals. Organizations that receive funds for development or providing housing related services will be spending public funds to secure needed services, and they should be required to spend those public funds to further the County's small business goals. Goals established by the County and by the City of Oakland should be adopted for small business and hiring targets under Measure A1. Moreover, developers and contractors should be required to establish internship or apprenticeship programs for work undertaken pursuant to Measure A1 funding.

Committee meeting to discuss the draft policies, on July 17th. We look forward to working with you to finalize the policies to achieve the maximum benefit for the community.

Sincerely,

Diane Lewis, Chair
Public Policy & Advocacy Committee
National Coalition of 100 Black Women- Oakland/Bay Area Chapter



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July 3, 2017

Ms. Linda Gardner
Ms. Michelle Starratt
Alameda County HCD
221 W. Winton Ave
Hayward, CA
achousingbond@acgov.org

RE: Measure A1 Draft Implementation Policies

Dear Ms. Gardner and Ms. Starratt:

Thank you for the opportunity to comment on Measure A1 Implementation Policies for the Rental Housing Development Fund. Our comments are set forward below in response to the draft policies published June 8, 2017 for public comment:

Measure A1 Specific Policies for Rental Housing Development Fund – Applies to Both Base City Allocation and Regional Pools

- I. Income Levels.
 - A. SAHA highly supports prioritizing the majority of A1 funds to create housing for households earning 60% Area Median Income (AMI) or less. These very low- and extremely low- income households are the hardest hit by current housing prices and are at risk of experiencing homelessness.
 - B. To the extent A1 funds are used to support housing creation for higher income households earning between 60-80% AMI, we recommend that funding commitments be limited to a maximum of 5% of total available program funding. It should be noted that there are presently no State or federal programs serving households 60-80% AMI that can be used to leverage A1 investment.
 - C. Everyday SAHA sees first-hand the need for deeply affordable units that serve households earning 20% AMI. However, we are concerned that with the shortage of long-term, project-based rental or operating subsidies (such as the Project Based Section 8 program) it will not be sustainable to operate properties with 20% of units at 20% AMI. Even when rental subsidies such as Project-Based Section 8 are available, these contracts are typically for a 15 year term and will expire prior to the County’s regulatory period. Therefore, we urge HCD and the Board of Supervisors to allow rents to “float up” to the TCAC maximum of 60% AMI in the event operating/rental subsidies are canceled or expire during the regulatory period.



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We support the proposed policy that each individual allocation (Base City and Regional Pool) must meet the requirement; in addition we encourage the County to consider a per project standard to ensure that the 20% AMI units are achieved incrementally and are included in the earliest projects to receive funding (for example, require each project to include at least 10% of units at 20% AMI to help ensure that each allocation eventually meets 20% of units funded at 20% AMI).

II. Proposed Selection Criteria.

We support the proposed selection criteria with the following clarifications:

- A. Definitions – with regard to the definition of “Seniors” we request that the County defer to age requirements as specified by State funding programs (age 55) versus federal funding programs (age 62) depending on which other funding sources are being used. With regard to the definition of “Re-entry” we request clarification as to how to identify and document this target population.
- D. Tenant Screening – SAHA supports screening in tenants via “ban the box” or similar application process; we support this requirement for both Base City and Regional Pool allocations.
- E. Marketing to Displaced Persons – we support the intent of this goal and request more clarification on how to operationalize marketing efforts to people displaced from and no longer living in Alameda County.

III. Eligible Type of Projects – no comment

IV. Eligible Uses of Funds

- A. With respect to land acquisition, “reasonable” should be defined as submitting a development plan within two years and starting construction within four years.
- B. With regard to predevelopment period costs: we support the requirement that funds be secured by a Deed of Trust and Regulatory Agreement prior to disbursement.

V. Amount of Measure A1 Investment per Project/Unit

- A. Rather than use State HCD per unit loan limits, we recommend that A1 funds be limited to 25% of the total affordable housing cost for projects using 9% tax credits and be limited to 35% of the total affordable housing cost for projects using 4% tax credits. We believe that capping A1 funds using a fixed percentage will be much easier to administer and monitor, will increase transparency, and will reduce the frequency of special requests to deviate from the standard.

It should be noted that when we applied the State HCD per unit loan limits to projects in SAHA's pipeline, we found that the 9% loan limits typically generated a funding request at or slightly below 25% of total housing costs. We found that the 4% loan limits generated an A1 funding request at or slightly below 35% of total housing costs. As a result we recommend streamlining and simplifying the per project maximums to 25% and 35% respectively for 4% and 9% tax credit projects.

- B. We feel strongly that per project maximums should be calculated based on total costs attributed to affordable housing development costs, exclusive of the costs associated with market rate units, commercial space, or other improvements that may be included in a project. Without this clarification, total project costs could be driven up and A1 funding increased due to non-housing costs.
- C. We strongly agree that per project funding caps should be in place for the both the Base City Allocations and the Regional Pools. This approach will incentivize all projects to leverage other funding, will help to avoid over-subsidization in any one project, and will result in a greater number of affordable units created. One exception to the cap that we would recommend is in a situation where a project has received the maximum funding commitment from a Base City allocation but subsequently has not been able to leverage adequate additional funding and begin construction. In this case, we would recommend that the project be able to increase its award from the Base City allocation prior to City's fund balance being returned to the Regional Pools.

VI. Match Requirements - no comment

VII. Leverage Requirements

- A. We agree with the goal of leveraging A1 funds. One point of clarification: will City Base Allocation funds count as leverage for scoring purposes in the Regional Pool application process? We recommend allowing Base City funds to count as leverage in the Regional Pool as a mechanism to prioritize and efficiently fund projects that have a commitment of remaining Base City funds that is less than the per project maximum.

VIII. Wage Levels & Employment Opportunities

- A. We recommend changing the proposed policy to read as follows "Projects must comply with hiring and wage programs in place at time of funding award; requirements shall not be retroactive". This approach is essential to ensuring that projects can adequately plan and budget to meet the applicable hiring and wage requirements.



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IX. Single Core Tenancy Application

- A. SAHA is highly supportive of the goal to create a streamlined and coordinated housing entry system. As this system rolls out, we encourage the County to maintain flexibility to ensure that leasing and occupancy requirements tied to other funding sources can also be met.

Measure A1 Specific Policies for Base City Allocations

III. Commitment Deadline

- A. We support the 3-year commitment deadline and in addition recommend an expenditure deadline of 3 years from the date of commitment.
- B. We support a policy that would require Cities to commit a minimum amount of their Base City allocation (e.g. 50%) to projects before projects in their jurisdiction could be eligible for Regional Pool funds.

Again thank you for the opportunity to comment. We appreciate your work and commitment to crafting an effective process for the deployment of A1 funds to meet housing needs in Alameda County.

Sincerely,

Eve Stewart
Director of Real Estate Development



June 30, 2017

Linda Gardner
Housing Director
Alameda County Housing and Community Development Department
224 Winston Avenue, Room 108
Hayward, CA 94544

RE: Response to proposed development fund guidelines for Measure A1

Dear Linda:

Thank you for the opportunity to provide comments regarding the Measure A1 Rental Housing Development Fund. Resources for Community Development (RCD) is a non-profit affordable housing developer based in Berkeley with over 30 years of experience creating and preserving affordable housing in Alameda County. RCD's staff, board and residents were also heavily involved with informing and supporting the Measure A1 bond measure. RCD has reviewed the draft Implementation Policies dated 6/8/17 and has the following comments:

Amount of Bond Investment per project/unit

RCD's largest concern is about the subsidy cap per unit and per project. We share the County's desire to make sure that projects are not over-subsidized, but want to balance that with the urgency to make sure the A1 funds get out the door and into construction quickly. We are concerned that the proposed caps would make it challenging for many projects to be fully funded, resulting in projects that are either in predevelopment for many years as developers try to cobble together financing or that do not get built at all because they are infeasible.

RCD reviewed several of the projects in our pipeline that would potentially be good fits for A1 funding. For almost every project, the funding gap was greater than what A1 could fill under the proposed guidelines. Each project would have been capped by either the per unit caps (based on HCD limits) or the total cap of 25% of total development costs. That final gap could theoretically be filled by other sources, but the reality is that there are very few other funding sources available. Our proposed scenarios already assume sources for special needs housing (HOPWA and/or No Place Like Home), AHP, and a small amount of city funds. Most Alameda County cities do not have sufficient housing funds available to fully fill the gap if the A1 limits remain as proposed. The state funds available (such as AHSC and VHHP) are limited and competitive; only a couple of Alameda County projects will successfully be awarded those funds in a given year.

Similarly, three of the four sample projects described in the Draft Implementation Policies (Exhibit C) show "other local funding" amounts above \$10,000,000. There are very few real projects that are able to raise this amount of other funds. Doing so typically takes several years, as developers go through rounds of applying for various funding sources and repositioning projects to be competitive. It will be very challenging to get

these projects into construction quickly, one of the County's stated goals. The City of Oakland, for example, estimates they will have no more than \$7,000,000 available for all new construction projects in the pipeline – and Oakland is lucky to have more resources than many local jurisdictions.

A modest increase in the per unit and per project cap is likely all that is needed to make sure that projects can be fully feasible, and so that local projects are not pitted against one another in the competition for scarce state funds or 9% tax credits. RCD proposes the following modifications to the loan limits:

- Increase the per unit cap by adding a boost to the state-published numbers. For example, set the per unit loan limit at the HCD levels plus \$50,000 per unit.
- Increase the per unit cap for special needs units
- Discount the cost of acquisition in calculating the permissible per unit or total development cost cap. Acquisition costs can vary widely across the county, with sites in the “high opportunity areas” favored by TCAC typically costing two to five times more than other sites. Projects that attempt to build in these areas should be encouraged, not limited by the funding cap.
- Increase the cap on total contributions to 40% of total development costs (which is in line with the City of Oakland's proposed guidelines for their Measure KK funds)
- To encourage leveraging of other sources, award points in the competitive NOFA for projects that request less than the maximum A1 funding amounts. We do not support the proposal to provide additional points in competitive scoring for projects with greater city contributions (as suggested on page 5 of the guidelines), since that will disadvantage cities with fewer resources, but overall leveraging (of city or other sources) could be used as a scoring consideration.

20% at 20% Policy

RCD supports the proposal that the 20% AMI requirement be met by allocation. However, an exception should be made for projects in jurisdictions that are not offering project-based vouchers. It is very difficult, if not impossible, for a project to support units at 20% AMI if an operating subsidy is not available. This is exacerbated by the proposed loan limits (addressed above), which limits the ability of a project to subsidize lower rents by capitalizing an operating reserve. For smaller cities without available operating subsidies, these combined factors might make it impossible for them to access any of their base allocation.

In order to meet the overall goal of 20% of units at 20% AMI, points could be awarded in the competitive allocations for projects that exceed this threshold, thus incentivizing projects that commit to more than 20% of units. This scoring, however, should only apply to projects located in jurisdictions where project-based vouchers are available. Projects that do have access to project-based vouchers already have the advantage of being able to leverage additional permanent loans, and therefore requiring less public subsidy. Projects in cities where this is not an option may already be penalized in terms of their leveraging potential. We propose that they not be doubly penalized if they fail to commit to units at 20% AMI.

City Match

RCD supports the current proposal for the city match requirement. However, some cities may hesitate to unconditionally commit funds before a project is awarded A1 or other funding. To alleviate these concerns, we suggest that HCD accept, as a match, funding commitments that are conditional on the award of Measure A1 (or other equivalent) funds within a certain period of time. We also propose that HCD copy the language proposed for the Innovation Fund to the Rental Fund as well: not requiring the match commitment at the time of application, but prior to loan closing. Timing may not allow projects to get formal funding commitments prior to the competitive application deadline. Some cities may have set cycles for making funding commitments, whose timing may or may not align with the A1 competitive NOFA deadline.

Current County Loan Terms

The County's loan terms are generally agreeable to RCD, except for the low Asset/Partnership Management fee provision. We have previously communicated to HCD our preference to increase the allowable Asset/Partnership Management Fee to \$32,500 and to allow it to inflate at 3% per year. \$32,500 is the maximum partnership management fee allowable by Contra Contra County, as a reference. This overall increase in allowable Partnership management fee is necessary because the required LP asset management fee that investors impose on projects has increased over the years. They also typically require an inflator for their fee as well. As a result, the portion of the total partnership management fee that the non-profit developers collect has decreased over the years as the investor share has increased overall, and it continues to decrease over time as the investor's portion escalates while the developer's portion is capped. This arrangement puts an increasing burden on the non-profit developers to fund these required investors fees. Meanwhile, the costs for non-profit developers to manage these partnerships and oversee the long-term financial and physical performance of their properties continue to increase.

Marketing Process

RCD looks forward to further discussion with the County about how some proposed aspects of project marketing and lease up will be implemented. For example, one item in the guidelines requires that households displaced from Alameda County are made aware of new housing opportunities. How would this requirement be implemented? Will the County maintain a database of interested households? In our experience, any efforts to reach out to displaced Alameda County residents will be offset by the requirement that current County residents and workers be given priority in leasing units. Given the extreme demand for affordable housing, there are typically so many applicants who meet the resident or worker preference, that they fill 100% of the available units.

RCD also looks forward to conversation as the County explores a single core application. This will entail a major shift in how RCD markets and operates our properties, and could be in conflict with other funding requirements, depending on the project specifics. We hope to be included in future conversations about what a one-stop application might look like and how we can work together to implement this approach successfully.

Thank you for considering our suggestions. We look forward to the release of the first Measure A1 NOFA later this year.

Sincerely,



Jessica Sheldon
Associate Director of Housing Development



June 29, 2017

Ms. Linda Gardner
Ms. Michelle Starratt
Alameda County Housing and Community Development
alcohousingbond@acgov.org
Attn: A1 Bond Policy Comments

22645 Grand Street
Hayward, CA 94541

510.582.1460 Phone
510.582.6523 Fax

Dear Ms. Gardner and Ms. Starratt:

Thank you for the opportunity to provide comments and feedback on the proposed A1 Bond Policies. We applaud the monumental amount of work completed to date and appreciate the incorporation of previous comments in the latest implementation policies.

In general, given the immediacy of the housing crisis in Alameda County, we urge that the implementation policies are crafted with the perspective of encouraging the increase of affordable housing, as quickly as possible. To help inform our comments, we applied some of the proposed policies to two of our pipeline projects in the County. We included our findings and hope they are helpful in understanding the effects of the policies on real and current projects.

Please consider our comments below.

1. 20% at 20% Proposed Policy

- The 20% of units at 20% of AMI will be difficult to achieve given the moratorium on project based vouchers available. The Housing Authority of Alameda County (HACA) has told us that they are in budget "shortfall" and are no longer issuing new project based vouchers until further notice. Prospects of lifting the moratorium are dim given the new federal administration's direction. We propose removing or reducing this requirement.
- Should this requirement be immovable, we hope that the 20% of units at 20% AMI policy is intended to be achieved in the aggregate by the county rather than being implemented within each project. This would allow a portion of A1 funds to finance projects that are 100% homeless/special needs at the 20% AMI level while other A1-funded projects can pursue more typical income levels for tax credit housing. We also request that A1 funds be released to eligible projects even if the 20% at 20% policy has not yet been met.
- We also propose that any units with existing vouchers or other available vouchers, such as VASH vouchers, be counted toward satisfying the 20% requirement even if the units are restricted at a higher AMI level. For example, Eden owns and manages an 80-unit senior building that has project-based vouchers on 40 of the units. The average AMI for the units with vouchers is 19%, and 70% of those households earn incomes below 20% AMI. A1 money contributed to this project in an acquisition/rehab scenario would preserve these deeper affordability levels for seniors in Alameda County.
- We note that VASH vouchers, which are still available in the county, must be able to house tenants earning up to 50% of AMI. This is a federal rule required by HUD and the VA. As such, VASH vouchers could not be put on units that are restricted at 20% AMI. Allowing for units with vouchers (even if restricted at 30% to 50% AMI) to count toward the 20% AMI requirement would solve this issue.



- If a project includes project-based vouchers, the AMI restrictions (particularly for the 20% AMI units) should be relaxable in the event that the vouchers are no longer available. This would allow the units to transition to higher AMI levels so that the project can remain self-sustainable.
- On acquisition or acquisition/rehabilitation projects that include 20% AMI units, we suggest that the 20% income restriction be layered in on unit turnovers to the extent that existing residents do not currently fall within the requisite income levels. Otherwise, we would effectively be displacing extremely low income households to house 20% AMI households.

EDEN PIPELINE SAMPLE PROJECT DATA

- Eden sample project #1: This pipeline project is a 68-unit family project serving households earning 30-60% AMI. Other than low income housing tax credits and the Federal Home Loan Bank's Affordable Housing Program (AHP), few other state and federal funding programs provide funding for family projects, and as such, the A1 funds are critical to filling the financing gap on projects such as this one.
 - Changing the unit mix to include 20% of units at 20% AMI increases the financing gap by \$1.4 million. However, the proposed A1 investment-per-project ceiling is too low to allow this project to access the additional funding needed (see comments for #4).
- Eden sample project #2: This pipeline project is a 60-unit project intended to serve a mix of target populations including homeless veterans and the workforce, earning 30%-60% AMI. VASH vouchers and Veterans Housing and Homelessness Prevention (VHHP) funding is expected to be sought for this project.
 - Changing the unit mix to include 20% of units at 20% AMI does not affect the financing gap because these units are expected to be overlain with VASH vouchers which provide fair market rental income to the project. However, as noted earlier, VASH vouchers are not allowed to be restricted below 50% AMI so we request that units overlain with VASH vouchers qualify as 20% AMI units though they are technically restricted at higher AMI levels. This would allow the A1 funds to be compatible with VASH, the only available new vouchers in Alameda County.

2. Target Populations

- We suggest that no one population group get prioritized over another. Target populations are determined based on a variety of factors such as localized need, site location, funding availability, and city priorities, and we believe all populations should be equally eligible for A1 funds.

3. Eligible Project Types

- We suggest prioritizing newly restricted affordable housing over existing affordable housing with existing affordability requirements. This could be implemented through a point system in the regional pool competitions or a cap on the percentage of funds going to the acq/rehab of existing affordable housing with existing affordability requirements.
- Projects that include rehabilitation of existing affordable housing projects should need to meet a minimum rehab requirement. We propose a minimum of \$50,000 in rehab construction costs per unit. TCAC only requires \$10,000 per unit but we feel that is

insufficient. Substantial rehab projects that Eden undertakes are typically in the \$90,000-\$140,000 per unit range. We believe \$50,000 is the bare minimum to make substantial improvements such as replacing the roof, painting, upgrading to current ADA accessibility standards, and performing other important life/safety and habitability upgrades. Without a minimum rehab requirement, bad actors could obtain A1 funds to collect developer fees while performing minimal capital improvements that do not benefit the property or residents.

4. Amount of A1 Investment per Project/Unit

- We suggest that limits or caps apply only to regional pool awards and not to base city allocation projects. The proposed loan limits are insufficient to fully cover the funding gap left after accounting for tax credit equity. As such, the project would need to obtain other funding sources. Obtaining those other sources takes time, and can delay a project's construction by up to several years. Removing loan limits or per project caps would help ensure that affordable housing projects can be financed and built as soon as possible, which we believe to be the primary goal of the A1 bond.
- For the regional pool allocations, we suggest that leverage be incentivized through competitive points rather than required.
- We appreciate that the county is using example projects in Example C to test the feasibility of the HCD loan limits and the 25% cap. However, we believe historical projects are not an accurate representation of the current funding environment and suggest that the examples used be re-examined to correct for the following differences:
 - Land cost. While donated "free" land has been the norm in the past, this is becoming increasingly scarce. As we exhaust the supply of RDA land, we must go to the open market to find suitable sites. If we are to quickly increase the inventory of affordable housing in Alameda County, we will need to purchase land and must account for the cost of land in our total development cost.
 - Construction pricing. Construction pricing has been escalating at an incredible clip over the past several years. We must assume construction costs today that are 10-20% higher than what they were even three years ago, and find additional funding accordingly.
 - Tax credit pricing. Tax credit pricing has fallen dramatically following the last election, resulting in 10-20% less tax credit equity. That contraction must be made up for by other funding sources.
 - Changes to HUD high-cost designations that provided the 130% tax credit boost. With the loss of the County-wide DDA status, in combination with the steep decline in tax credit pricing from investors at this point in time, we should not reasonably expect that tax credit equity on 4% projects will provide more than 30% of total capital funding. This is significantly less than is being shown in the models in Exhibit C.
 - Voucher subsidies. Given the new unavailability of project based vouchers in Alameda County, other sources must be used to plug the gap that the tranche B mortgage would have filled.

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Bank's Affordable Housing Program (AHP), few other state and federal funding programs provide funding for family projects, and as such, the A1 funds are critical to filling the financing gap on projects such as this one.

- Effect of per-unit loan limit: After accounting for tax credits and AHP, the financing gaps that we would look to A1 to fill are as follows: \$18.5 million for a 4% tax credit project or \$14.5 million for a 9% tax credit project. However, the per-unit loan limits would allow A1 to provide only a fraction of the gap financing: this project would qualify for \$7 million in A1 funding as a 4% tax credit project, and for \$12 million as a 9% tax credit project.
- Effect of 25% total development cost (TDC) cap: This project's need exceeds this cap, as it would need 53% of TDC for a 4% tax credit project or 42% of TDC for a 9% tax credit project.
- Eden sample project #2: This pipeline project is a 60-unit project intended to serve a mix of target populations including homeless veterans and the workforce, earning 30%-60% AMI. VASH vouchers and Veterans Housing and Homelessness Prevention (VHHP) funding is expected to be sought for this project.
 - Effect of per-unit loan limit: After accounting for tax credits, AHP, VASH, and VHHP, the financing gaps that we would look to A1 to fill are as follows: \$8 million for a 4% tax credit project or \$7 million for a 9% tax credit project. The per-unit loan limits would allow the project to qualify for \$10 million in A1 funding as a 4% tax credit project, and for \$5 million as a 9% tax credit project. Though this is insufficient for a 9% tax credit project, it is sufficient for a 4% tax credit project; however, this assumes the successful award of \$5 million in VHHP financing, without which, the A1 funds restricted by the per-unit loan limit would be insufficient.
 - Effect of 25% total development cost (TDC) cap: A 4% tax credit project would need 23% of TDC, and a 9% tax credit project would need 20% of TDC. However, we note that without the award of VHHP funding, the project would need 36% and 26% of TDC for 4% and 9% projects, respectively.

5. Match Requirements

- We are concerned with the city match requirement. This requirement benefits the more affluent cities that have more affordable housing funds. Cities that do not have affordable housing funds would therefore not be able to access their base city allocation nor would projects within their city limits be able to compete in the regional pools.
- A match requirement will slow down the production of affordable housing, as some cities do not have enough funds immediately available to provide the required match. Additionally, the city match will require various levels of negotiation and city approval which requires time and ultimately likely lead to project delays.
- If removing the city match requirement is not possible, we propose reducing the minimum match amount. In one jurisdiction in which we are working, the city only has \$1-2 million in their affordable housing trust fund. Planning and building fees for one project are \$1 million, which means that the city only has enough to provide the match requirement for one or two projects; however, their base city allocation is large enough that it could fund several projects. As such, they would not be able to fully expend their base city allocation even if they had the pipeline and willingness to support multiple affordable housing projects. We appreciate the logic that a city without substantial affordable housing coffers could waive

fees to cover their match requirement; however, in practice, cities rely on those fees to pay for city planning and building staff and waiving those fees are non-negotiable.

- We strongly urge the elimination or reduction of the match requirement. Should those options not be possible, we propose that the match only be required for projects that compete in the regional pool. As such, the match would indicate the city's support of the project. City support of projects funded through base city allocations would be implicit since cities are responsible for choosing those projects. Alternatively, the match could be incentivized rather than required by awarding points to projects competing in the regional pools.

End of comments

We thank you for your consideration and are available for any further discussion should HCD have any comments or questions.

Sincerely,



Andy Madeira
Senior Vice President



Building Futures

1395 Bancroft Avenue, San Leandro, CA 94577

510 357-0205 • www.bfwc.org

24-HOUR CRISIS LINE: 1-866-A-WAY-OUT

To Whom It May Concern;

Thank you for this opportunity to provide feedback on Housing Bond Measure A1.

I am writing on behalf of Building Futures to provide our feedback on emergency shelters that serve all homeless people in Alameda County.

Our understanding is that interim housing and shelter are eligible for A1 funding only under base city allocations of the Rental Housing Development Program of A1. Building Futures strongly believes that interim housing and shelter should be eligible for regional funding, and not only city-based funding, as we have been advised.

Building Futures' Alameda-based Midway Shelter provides emergency shelter for families and single women. Midway serves multiple regions in Alameda County and has done so since its opening in 1989. The shelter is comprised of four old and deteriorating trailers over 20 years old. We are looking in the next two years to identify a site to relocate the shelter because the trailers need to be extensively rehabbed or replaced. The existing site is not suitable for either of those options. We currently have three identified spaces in Alameda where the shelter could be potentially relocated.

One of the options is as part of a group of service providers currently in the process of pursuing a homeless accommodation process being conducted by the Health and Human Services Agency for a large federal property along the northern portion of McKay Avenue in Alameda. The site is nearly four acres of land and includes a number of buildings that had been previously utilized by USDA and other agencies.

We have formed a collaborative group headed by Alameda Point Collaborative (APC) consisting of APC, Operation Dignity, Building Futures, and Alameda Family Services. The Alameda Unified School District, East Bay Regional Parks, LifeLong Medical, and ALCO Behavioral Health Care may also become involved.

The proposal now being developed would establish a multitude of uses at the site including a drop-in/wellness center for unhoused Alameda-based individuals experiencing homelessness (current estimates are there are over 100). The site would provide counseling, therapy and family services offices and HeadStart preschool (staffed by Alameda Family Services) street outreach (Operation Dignity), emergency shelter (Building Futures, replacing the Midway shelter), and a rest home or convalescent center for chronically homeless seniors (APC with potential partners).

This initiative will be sited in Alameda, but the use is regional. Building Futures strongly advocates for these initiatives to qualify for A1 regional funding and not be limited to the City allocation. Interim housing and shelter for homeless people in Alameda County deserve access to regional funds.

Sincerely,
Liz Varela
Executive Director

From: Liz Varela [mailto:lvarela@bfwc.org]

Sent: Wednesday, June 28, 2017 4:10 PM

To: Starratt, Michelle, CDA <michelle.starratt@acgov.org>; Gardner, Linda, CDA <linda.gardner@acgov.org>

Cc: 'DBiggs@apcollaborative.org' <DBiggs@apcollaborative.org>

Subject: A1 Questions

Hi Linda and Michelle –

I have a few questions to ask about A1... would love to talk over the phone to either one of you..

Here is short version...

- City of Alameda has some CDBG funds they are trying to expend and we need a bathroom trailer at Midway Shelter to replace the 20 year old one that is there now. The amount they have is not quite enough. Preliminarily we would need \$60,000 to \$100,000 more. Natalie Bonnewit is getting bids now.
 - Does A1 allow for this type of expense? If they do how do we access?
- City of Alameda forwarded us an announcement for another homeless accommodation process being conducted by HHS for federal property along the northern portion of McKay Ave. Comprising almost 4 acres of land and a number of buildings that were previously utilized by USDA and other agencies.

We have formed a collaborative group headed by APC consisting at this time of APC, Operation Dignity, Building Futures with Women and Children and Alameda Family Services maybe more folks like the school district, East Bay Parks, maybe LifeLong and/or Behavioral Health Care. We are interested in submitting a proposal that would establish a multitude of uses at the site including a drop-in/wellness center for unhoused homeless in Alameda (current estimates are there are over 100), counseling, therapy and family services offices staffed by Alameda Family Services, Operation Dignities street outreach team, and an AFS operated Head Start Center, an emergency shelter operated by BFWC to replace the dilapidated and unsafe Midway shelter, and potentially a rest home or convalescent center for chronically homeless seniors run by APC.

This all preliminary... we would need to use A1 funds for this project but wanted to talk through the options. Also, wanted to know if you wanted to tour it with us next week, July 6th at 2 pm. Elizabeth Cook would be great to tour with us since she is familiar with us and the City of Alameda if either of you can't make it.

Love to talk these both over the phone this week if possible!

Liz

Executive Director
Building Futures
510-924-3088
www.bfwc.org
24-hour crisis line 1-866-A-WAY-OUT





Charlene Jimerson <jimersoncharlene5@gmail.com>

Mon 6/26, 11:55 AM

AC Housing Bond, CDA

Reply all |

Inbox

I would like to address the fact that many people and small developers are inexperienced in understanding the many funding options of Measure A1. This would also apply to the many avenues in which funds can be moved from place to place. This is something that should be given consideration when asking small developers to partner with those developers who have proven track records. I am proposing that small developers be given the opportunity to learn from developers with proven track records without having to partner with them but more to be allowed to work with them in learning how it is done. This would be fair since large developers already have the advantage of proven track records, and would level the playing field, The importance of not creating an monopoly within the funding and building of affordable housing is also crucial in fairness in opportunity to all developers.

Sincerely,

Charlene Jimerson



Charlene Jimerson <jimersoncharlene5@gmail.com>

Mon 6/26, 9:13 AM

AC Housing Bond, CDA

Reply all | v

Inbox

The ratio of units serving the very low income population is still too low. Linda Gardner already expressed the needs of the homeless are "TOO" high. Accessible operating funds for transitional housing is crucial to alleviate the high needs of the chronically homeless population before they can successfully live in permanent housing. A1 does not meet the level of serious commitment needed for the chronically homeless population due to the requirement of securing operating funds without a reliable proven track record is very difficult. This is already a known factor, in building transitional housing. Also, the wrap around services are more geared to work within the scope of Alameda County Behavioral Health Care Services, with is more medical-model service based. I am proposing that more funding to be made available for the operating costs of transitional housing. The many disciplining personal values that can be acquired through strength-based service programs in transitional housing is beneficial in acquiring job training skills and will generate a more competitive job-salaried population instead of a continuing rising chronically homeless population.

Sincerely,

Charlene Jimerson



Charlene Jimerson <jimersoncharlene5@gmail.com>

Fri 6/23, 11:38 AM

AC Housing Bond, CDA ▾

📧 Reply all | ▾

Inbox

It saddens me because the needs of persons who are homeless are never dealt with realistically. It has always been considered "criteria" to be used for funding, and their many needs have proven to be useful for funding purposes only. I also would like to profoundly state that built in "tenant sustainability" should be implemented in the affordable housing tenant lease to protect against immediate evictions for lease violations by the authorization of Fair Employment and Housing and ADA rights in housing implemented by Disability Rights of California. This has been unaddressed for too long. The many funding entities "prevents" any jurisdiction over disputes between landlord and tenant. This is very problematic.

Everyone outside of "potential tenants" cares only about the funding even though they use the reason as being for prevention of homelessness. It is the money that draws the most attention. The reason why the needs of the homeless are so great is because they have never been attended to with real commitment to resolution. The sustainability of tenants living in affordable housing for a maximum of years is hardly given as much attention as it should be given.

Sincerely,

Charlene Jimerson



East Bay Housing Organizations

06/26/17

Measure A1 Bond Draft Rental Policies Comments

Dear Alameda County Housing and Community Development Department,

These comments are on behalf of EBHO's Resident and Community Organizing Program (RCOP) Committee. Thank you in advance for your consideration.

1. As advocates who worked day-in-day-out to ensure affordable housing residents across Alameda County were registered and informed to vote on Measure A1, we recommend strong tenant protections be incorporated in the A1 policies. At minimum, we recommend all projects be required to abide by HUD Resident Rights & Responsibilities (section attached). Additionally we recommend that all tenant leases be required to include an Exhibit with additional language on tenant rights as stipulated by the County (attaching language we would like to see). We want language clarifying this will apply to all projects in the Project Selection Criteria.
2. The past few years have seen increased local advocacy to reduce and remove barriers for formerly incarcerated people. San Francisco and Richmond have passed Housing Ban the Box policies, no longer asking for a person's criminal record in the first step of the housing application process. There are an estimated 375,000 people in Alameda County who have criminal records, according to a 2014 report by the Alameda County probation department. We recommend that all projects using A1 funding be required to abide by provisions comparable to those in Richmond's Fair Chance Ordinance, which we emailed you on March 17th, 2017. The language in Section II) Proposed Policy D) is not enough to ensure this barrier is removed from all units.
3. We recommend developer qualifications be kept to local-non-profits to ensure knowledge of our communities and responsiveness to the needs of future residents. (Under Exhibit A) Y) Developer Criteria)
4. We fully support and encourage the Single Core Tenancy Application System in order to streamline the application process.

ALCO - HED
2017 JUN 30 AM 10:43

Reentry is the first step for ex-offenders are taking to begin again. Once a sentence is served, ex-offenders deserve the opportunity to return to society with a fresh start. The return home should include an opportunity for a new beginning. Reentry housing is necessary.

Sincerely

Antia Louise Poole

affordable housing resident of AC County District 5

x *Antia Louise Poole*



East Bay Housing Organizations

06/26/17

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Sincerely,

Joe Horsington

affordable housing resident of AC County District

4
EAST-
MONT

x Joe Horsington



East Bay Housing Organizations

06/26/17

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every one need a second go round.

Sincerely, Ladd Phelps affordable housing resident of AC County District 3
 x Ladd Phelps



East Bay Housing Organizations

06/26/17

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Every one needs affordable housing. I was homeless and I was excepted into OHA as a resident, after two years and I'm blessed. I can now take a bath, wash my hair, sleep safe and mix and mingle with people my age for I'm a senior. Thank you for Affordable housing.

Sincerely, LUWANA EVANS

affordable housing resident of AC County District ~~3~~ 3

X



East Bay Housing Organizations

06/26/17

Measure A1 Bond Draft Rental Policies Comments

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Sincerely,

Wendolyn Dorsey affordable housing resident of AC County District 4

x Wendolyn Dorsey



East Bay Housing Organizations

06/26/17

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Sincerely,

Thea Polk

affordable housing resident of AC County District

3

x Thea Polk

Your Rights

As a resident of a HUD-assisted multifamily housing project, you should be aware of your rights.

Rights

Involving Your Apartment

- The right to live in decent, safe, and sanitary housing that is free from environmental hazards such as lead-based paint hazards.
- The right to have repairs performed in a timely manner, upon request, and to have a quality maintenance program run by management.
- The right to be given reasonable notice, in writing, of any nonemergency inspection or other entry into your apartment.

Rights

Involving Resident Organizations

- The right to organize as residents without obstruction, harassment, or retaliation from property owners or management.
- The right to post materials in common areas and provide leaflets informing other residents of their rights and of opportunities to involve themselves in their project.
- The right, which may be subject to a reasonable, HUD-approved fee, to use appropriate common space or meeting facilities to organize or to consider any issue affecting the condition or management of the property.
- The right to meet without the owner/manager present.
- The right to be recognized by property owners and managers as having a voice in residential community affairs.

Rights

Involving Nondiscrimination

The right to equal and fair treatment and use of your building's services and facilities, without regard to race, color, religion, gender, disability, familial status (children under 18), national origin (ethnicity or language), or in some circumstances, age.

In addition to HUD Tenant Rights, below is language EBHO's RCOP Committee would like to see included in an Exhibit (*drawn from issues residents of affordable housing experience*):

- Management provides a safe place and person to talk to: someone who is not connected or dependent on management/ someone impartial to advocate for the resident cause.
- Residents have the right to complain without feeling harassed by management or staff. It is an expectation that management and staff communicate openly, respectfully with tenants; in regards to complaints, they offer solutions to problems.
- A resident survey is administered regularly, with residents having a say in the questions that will be asked.
- Residents should be able to recommend programming/services that are specific to their needs and receive a response by management/resident services.
- Management should not be allowed to generate 'House Rules' with no resident input or approval.
- No minimum number of residents coming together constitutes a legitimate resident organizing body that can make requests of management.
- Residents have the right to dispute accusations by management/staff and receive a copy of notes written about them.
- Residents know what services they are entitled to based on the funding sources used to develop the building.
- Residents should be given the opportunity to evaluate on-site staff on a regular basis
- Access to common areas is key for residents building community, there is a pattern of common areas being locked and residents have a hard time reserving/using the space.
 - Language: Residents should have reasonable access to community spaces.
- Language accessibility for non-English speaking residents is an ongoing issue. There should be a requirement for translation/interpretation services provided for all communication from management and resident services. Residents should be able to request interpretation services for resident-organized meetings.

On the Grievance Procedure:

- Grievance procedure accountability: does the grievance process that residents can go through include an impartial third-party?
 - Draft language: "The impartial third party who conducts your hearing will be someone who is mutually agreeable to both you and management. This could be a Rent Board staff person, a professional mediator, or another person that is acceptable to both parties."
- Does the grievance procedure include a grievance form that is easy to use?
- Language for grievance procedure that lets residents know they are entitled to representation:
 - "At the hearing you must present your side of the dispute and state what you want done. You can bring as much evidence to the hearing as you think you need. You can bring someone to represent you at the hearing, but you must also be present."

June 23, 2017

Linda Gardner
achousingbond@acgov.org
Alameda County Community Development Agency
Housing & Community Development Department
224 W. Winton Avenue, Room 108
Hayward, CA 94544

RE: Comments on Alameda County's Measure A1 Draft Rental Implementation Policies

Ms. Gardner,

Thank you for your efforts to receive public comments regarding Measure A1's policies and implementation. We appreciate the opportunity to comment on the following policy areas for your consideration:

Income Levels

We support the County's proposal that each regional pool and city base allocation be responsible for meeting the 20% of units and 20% AMI requirement in an effort to evenly spread out the units with deeper affordability throughout Alameda County. We propose that any project competing in the County's Regional Pool with more than 20% of its units restricted at 20% of AMI be awarded additional points in the scoring and competition.

Project Selection Criteria

A definition for each priority target area and an explanation regarding how many units in a project need to serve one of the target populations would provide needed clarity. It is unclear whether a project that serves large families under the 9% TCAC definition would need to dedicate a certain number of units to one of the target populations or if it is assumed that large families would meet the lower-income workforce target population. We recommend the latter.

Eligible Uses of Funds

We propose the following language (underlined for reference) be added to Proposed Policy A:

- Acquisition of land is eligible, so long as a project is developed in a reasonable amount of time. "Reasonable" is defined as having a feasible development plan within 2 years and starting construction within 4 years. This may be modified at the Housing Director's discretion.

Amount of Measure A1 Investment Per Project/Unit

We support the County's proposed policy to utilize the annual State HCD maximum loan subsidy limits that take unit size and affordability levels into account; however, we propose that the State HCD maximum loan subsidy limits be applied to the **Regional Pool's funding** only. The sample projects included in Exhibit C to the Implementation Policies demonstrate that each project will need to secure approximately 30% of its funding from public sources outside of the



Measure A1 funds in order to utilize non-competitive 4% tax credits. By allowing cities to choose to use their Base Allocation to fund this gap, the County will produce units as quickly as possible. For some cities that do not have other public resources, the Base Allocation would allow a city to move a project or multiple projects forward funded with 4% tax credits in a more timely way.

Under the current proposed policy where the State HCD loan limits are cumulatively applied to the Regional Pool and Base Allocation, projects will either be competing against each other in the 9% competition where historically there are enough credits for approximately 4-6 projects per year or it will take approximately 5-7 years to secure the additional funding required to be a feasible 4% deal, assuming there are other resources available. In the current funding environment, there are two State HCD programs, No Place Like Home (NPLH) and Affordable Housing and Sustainable Communities (AHSC) that could potentially fill the gap. NPLH is not expected to release its first NOFA until the middle of 2018, assuming a judge does not challenge the legality of the entire funding program. AHSC has also proved to be unpredictable in terms of the amount of funding available each round and the number of projects it will fund. In the last AHSC round, there were only 4 AHSC awards in all of Alameda County, and 3 of the awards were in the City of Oakland. Relying on other State Funding programs as one of the only other sources available to fill the funding gap will slow down the production of critically needed housing units in the County and extend the term of the Measure A1 program.

In order to leverage other resources besides the Measure A1 funds, the County could give additional points in the Regional Pool funding competition to projects that leverage other funds.

Match Requirements

We support the County's proposal that the minimum amount of the match be equal to each city's planning and building fees. We propose that any project competing in the County's Regional Pool with a City contribution over the minimum required be awarded additional points in the scoring and competition.

Geographic Distribution of Funding

HCD should remain flexible regarding the total dollar amount that is available in each competitive regional pool funding round in order to not place constraints on larger projects.

Commitment and Initial Disbursement Deadline

We support the County's proposal giving cities up to 3 years to commit funds to specific projects, with the possibility of an extension if a feasible project has been identified. We also support the County's proposal to commit all funds in each Regional Pool within 4 years. We propose that the County also set a deadline for initial disbursement of funds within 3 years from the commitment date, unless an extension has been granted by the Housing Director. This deadline will only be feasible if a greater majority of projects have enough funding to utilize the 4% tax credits. This is another reason why it is important that there is no per project or per unit funding cap on a city's base allocation.

Implementation of Future Programs



The Implementation Policies refer to certain programs that HCD may establish in the future (i.e. Job Training and Career Pathway programs). We request that the County make it clear in the Implementation Policies that should these programs be established after a funding commitment is made to a project, the programs will not retroactively apply to the project.

Innovation and Opportunity Fund

Based on MidPen's experience utilizing similar funds in San Mateo County, we propose the Innovation and Opportunity loans have a 3-year term with up to two years of extensions allowable at the discretion of the HCD Director. The County could impose increasing interest rates year to year to encourage shorter holding of the funds. In order for the funds to be used quickly, it is our experience that requiring a City match will be problematic because City funds will not have the same flexibility as the Innovation and Opportunity funds, which can be used to purchase land or acquire buildings with simply the intention of providing affordable housing in the future. Therefore, we propose that a City's approval of the match is required at the time of the loan application for the take-out construction to permanent Measure A1 loan.

Thank you again for your thoughtful approach to developing policies that will ensure the Measure A1 funds are used to develop as much affordable housing as possible. We appreciate all the work that the current staff has done to implement A1 and support bringing on additional staff to ensure A1 projects are realized as quickly as possible. If you have any questions, you can reach me at 510-426-5668 or llewhaier@midpen-housing.org

Sincerely,

Lillian Lew-Hailer

Lillian Lew-Hailer
Director of Housing Development

cc: Matthew O. Franklin, President, MidPen Housing
Jan Lindenthal, Vice President of Real Estate Development
Alice Talcott, Director of Housing Finance
Carlos Castellanos, Director of Housing Development
Abby Goldware, Associate Director of Housing Development

From: Alin Lancaster <AlinL@UnionCity.org>

Sent: Wednesday, June 14, 2017 6:31 PM

To: Alco Housing Bond

Cc: Joan Malloy

Subject: Union City's Comments - Measure A1 Rental Housing Policies

Hello,

Below are Union City's comments on the Rental Housing Development Fund Policies.

- **Policies should provide equitable access to the regional pool funding**
The full regional pool amount should not be allowed to be allocated to a single city.
- **The match requirement should be equitable across all jurisdictions**
 - We encourage using the jurisdiction with the lowest Building/Planning fees as the basis for all cities. This will ensure that the match requirement is the same across all cities and that all cities are able to access their full city allocations.
 - The Unincorporated County should not be exempt from the matching funds requirement. The County charges building and planning fees for projects located in the Unincorporated County, so the County should either provide a match or waive its Building/Planning fees in order to access funding. The Unincorporated County should have to meet all the same standards as every other city.
- **Local Funding Sources Definition**
It should be more clearly stated that cities are allowed to use the following funding sources as part of their match: local funds, CDBG, HOME, and any other non-County funding.
- **Investment Per Project/Unit**
Union City supports using the State HCD maximum loan subsidy limits however we would encourage including language in the policies that allow for the County to make exceptions to this rule. This will provide for greater flexibility and ensure that projects with minor funding gaps that exceed the loan subsidy limit are able to move forward.
- **20% of units at 20% AMI requirement**
If a city is allocated regional pool funding and their project does not meet the 20% of units at 20% AMI requirement, the burden of "making up" those 20% AMI units should be on that particular city.

Thank you,

Alin

Housing & Community Development Coordinator, City of Union City

Office: 510.675.5322

34009 Alvarado-Niles Rd

Union City • CA • 94587

unioncity.org

Union City : Home

unioncity.org

City Council proclaimed its continued support of the Paris Agreement This week, City Council proclaimed its continued support of the Paris Agreement, detailing Union ...

Reply all | Delete | Junk |
M marie <marie@realestatebayareas.com>
Wed 6/14, 5:38 PM
AC Housing Bond, CDA ✓

Reply all | ✓ X

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You forwarded this message on 6/29/2017 1:56 PM

Greetings,

My public comment would be during the lottery process that whatever district the housing is built that 40% of the applicants come from that district.

The City and County of San Francisco has implemented this process.

Sincerely,
Marie Sturgell
Regional Vice President
California Association Of Real Estate Brokers Northern CA Chapters.
Realtor
RE/MAX Prestigious Properties
CalBre# 02022792
Direct: 415-671-6948
Email: marie@realestatebayareas.com

On Tue, Jun 13, 2017 at 9:13 AM, Charlene Jimerson <jimersoncharlene5@gmail.com> wrote:

Tenant Income status is a real factor in how projects will be favored by HCD. Therefore, career training services should be a mandatory factor when securing federal funding for transitional housing and the 20% population projects to help increase setting aside more units for the homeless population and to help the homeless population be more competitive in securing job security to maintain the needs of their families. I also disagree with transitional housing projects having to have secured funds for operation before it is approved by HCD for funding. Chronically homeless persons are the most in quantity and need. They are the "most used" criteria for funding of homelessness. The fact is people who have been chronically homeless for 4-6 years need to transition into permanent housing because there are other issues that have to be worked on before they are able to maintain permanent housing. I am sure this is a known issue simply because Alameda County has had many evictions in housing programs that are under MHSA/Shelter Plus Care/ Housing Choice Voucher subsidies. These subsidies will also be used as the additional funding for the population included in the 20% or lower income level of Measure A1. The projects that are not homelessness projects do not have to have secured income before approval of HCD. They can get approval if they expect to have additional funds even if they don't have the funds at the time of HCD approval. This is very unfair to people who are homeless and need transitioning preparation before permanent housing to adjust to lease compliancy and house rules and also in maintaining the upkeep of their apartment. This would include responsibility for paying PG&E, rent, and cleaning supplies, sheets, towels, furniture, food, etc. They need to have budgeting, employment, cooking and housekeeping skills. Plus they may need time to break addictions to smoking cigarettes inside their place of residence as you can not smoke on the property of affordable housing complexes.

Sincerely,

Charlene Jimerson