



ALAMEDA COUNTY  
**Community Development Agency**

# OVERVIEW OF DRAFT FRAMEWORK FOR ALAMEDA COUNTY HOUSING BOND

Housing Bond Work Session 4-11-16

# Presentation Outline

2

- Process and Stakeholder Input
- Criteria for Bond Programs
- Overview of Draft Bond Program Framework
  - ▣ Homeowner
    - Down Payment Assistance
    - Accessibility
  - ▣ Rental Housing Development
    - Development
    - Innovation/Opportunity Fund
- Bond Programs and Boomerang Funded Programs Framework

# Process Overview & Schedule

3

## □ **March 2 – April 8, 2016 – Stakeholder Process**

County-facilitated stakeholder process to discuss county housing needs, receive input and feedback on desired programs, and engage other interested parties.

## □ **April 10 – May 22 – Draft Bond Program**

Policy and programmatic proposals discussed with stakeholders, city housing staff and officials, County housing staff, and Supervisors to develop a proposed program for use of housing bond funds.

## □ **May 2 – May 22 – Supervisorial District Town Hall Meetings**

Propose at least one district town hall be held in each Supervisorial district to inform and educate constituents about the housing bond, and to garner feedback.

Goal: to present the final housing bond measure language and authorizing resolution to be voted on by the full Board of Supervisors on June 14, 2016.

# Stakeholder Input Process

4

- **Stakeholder meetings:**
  - March 17, 2016
  - **April 13, 2016 6-7:30pm, San Leandro Library**  
**300 Estudillo Ave., Dave Karp Room**
  - May – Town hall meetings in Supervisorial Districts
- **On-line Survey: [www.tinyurl.com/alcohousingbond](http://www.tinyurl.com/alcohousingbond)**
- **Email: [alcohousingbond@acgov.org](mailto:alcohousingbond@acgov.org)**
- **Board of Supervisors Committee Work Sessions:**  
Next: **April 25<sup>th</sup>, 9:30 am, 1221 Oak St., 5<sup>th</sup> Fl, Board Chambers**



# CRITERIA FOR BOND PROGRAMS

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# Criteria for Bond Program

6

- Eligible uses of G.O. Bond proceeds
- Addresses critical housing needs
- Simple to explain
- Simple to administer
- Assures all parts of the County benefit
- Allocates funds over time
- Builds on successful program models within Alameda County and elsewhere
- Leverage other funds where possible
- Allows for innovation and creativity

# Basic Assumptions

7

- Issue bonds in 3 issuances, approximately 2 years apart, e.g.:
  - \$200 Million                      2017
  - \$200 Million                      2019
  - \$100 Million                      2021
  
- Each Program Component starts at 1<sup>st</sup> issuance and continues through 2<sup>nd</sup> and 3<sup>rd</sup>



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# DRAFT HOME OWNER PROGRAM COMPONENTS

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## Homeowner Programs

# Down Payment Assistance Loan Program

9

- **Program Parameters:**
  - 10-15 % of total bond funds
  - Funding Allocation: \$50 Million - \$75 Million
  - Countywide Allocation
  - Income limit: 80-120% of Area Median
    - e.g. Teachers, Electricians, Plumbers, Firefighters, Truck Drivers
  - Maximum Sales Price (e.g. \$600,000)
  - Buyer to put minimum 3-5% down payment
  - Maximum Down Payment Assistance Loan = lesser of \$100K or 15% of Sales Price
  - Shared Equity “silent second” loan

## Homeowner Programs

# Down Payment Assistance Loan Program

10

- Design features (priorities/incentives) to encourage program to benefit current Alameda County residents, for example:
  - Workforce Proximity Homeownership
  - Assist current residents to buy homes and stay in County
  - Teachers/First Responders
  
- **Estimated Households Assisted: 600-1000**

# Down Payment Assistance Loan Program – Response to Stakeholder Input

### □ Populations:

- First-time homebuyers
- Teachers and First Responders
- Work force housing
- Anti-Displacement

### □ Income levels:

- Middle income (80-120% of AMI)

### □ Program Types:

- Down payment assistance (with equity component)
- Anti-Displacement

## Homeowner Programs

# Accessibility Loan Program

12

- **Program Parameters:**
  - Funding Allocation: \$7.5 Million
  - Countywide Allocation
  - Income limit: 80% of Area Median
  - Target populations: Seniors, People with Disabilities
  - Accessibility improvements up to \$15,000
  - Silent second, deferred payment loan
  
- **Estimated Households Assisted: 500 - 750**

## Accessibility Loan Program – Response to Stakeholder Input

13

### □ Populations:

- Seniors
- People with Disabilities

### □ Income levels:

- Very Low to Low income (At or Below 80% of AMI)

### □ Program Types:

- Owner-occupied housing rehabilitation
- Disabled accessibility rehabilitation/improvements
- Anti-Displacement



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# DRAFT RENTAL HOUSING PROGRAM COMPONENTS

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# Rental Housing Programs - Response to Stakeholder Input

15

- **Populations:**
  - Homeless people:
    - with disabilities, including mental illness, substance abuse
    - Chronically homeless individuals
    - Homeless families with children
    - Homeless youth
  - Extremely Low Income people
  - Very Low Income people
  - Moderate-income renters
  - Renters who don't qualify for Section 8
  - Working poor
  - Work force housing

# Rental Housing Programs - Response to Stakeholder Input

16

- **Income levels:**
  - SSI income level (15% of AMI)
  - Extremely Low Income (30% AMI)
  - Very Low Income (50% of AMI)
  - under 60% median household income
  - Middle income (60-80% of AMI)
  - Deep affordability: extremely low to low
  - Working Poor
  - Workforce housing
  - Population mix



# Rental Housing Programs - Response to Stakeholder Input

17

- **Program Types:**
  - New construction of rental units
  - New construction or Acquisition/Rehabilitation of:
    - Permanent Supportive Housing
  - Rental housing rehabilitation
  - Disabled accessibility rehabilitation/improvements
  - Acquisition/Rehabilitation
    - Hotels/Motels SROs
    - Vacant/multi-family properties /Apartment complexes
  - Anti-Displacement
  - Maintain long-term/permanent affordability
  - Leverage other state, federal and local funds

# Rental Housing Program

## Program Parameters

18

- **Funding Allocation: 80-85% of bond funds**
  - \$417.5 - \$442.5 Million
- **Income limits:**
  - Most = 30-60% of Area Median Income
  - Match with operating subsidies to target below 30% AMI, including below 15% AMI
  - Possibly permit portion of funds for up to 80% AMI in mixed income developments
- **Target populations:**
  - Seniors
  - Homeless (chronic, families)
  - Working poor
  - Workforce housing
  - People with disabilities

# Rental Housing Program

## Program Parameters

19

- **Use of funds:**
  - Development gap financing:
    - Predevelopment financing
    - Development financing
    - New Construction
    - Acquisition
    - Rehabilitation
  - Innovation/Opportunity Fund
- **Leverage** tax credits, other state, federal and local funds
- **Require City financial contribution**
- **Long-term affordability**

**Estimated Households Assisted: 2,000 – 3,000**

# Rental Housing Program

## Program Parameters

20

- Innovation/Opportunity Fund Possible Examples:
  - Rapid response high-opportunity pre-development and site acquisition loans
  - Bond-qualified rental anti-displacement opportunities

# Rental Housing Program

## Geographic Allocation Models

21

- **Based on:**
  - Simple to explain
  - Assure that funds are available for projects throughout County
  
- **Geographic Allocation Models:**
  - Allocate all funds by city\*
  - Allocate all funds by region
  - Allocate by a combination of base city allocation and regional pools, based on need:
    - eg, allocate funds by region, with 1/2 of regional allocation prioritized by city

\*including allocation to unincorporated county

# Rental Housing Program

## Geographic Allocation Models

22

- **Regional allocation possible formula basis:**
  - Total population
  - Population in poverty
  - Homeless population
  - Housing Need Allocation
  - Combination of one or more of the above
    - e.g. regional allocations based on poverty, city allocations based on total population
  
- **City allocations possibilities:**
  - Could be same as regional basis, or
  - Minimum amount for all cities



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# **BOND PROGRAMS AND BOOMERANG FUNDS PROGRAM FRAMEWORK**

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# Annual Boomerang Funds (with G.O. Bond) - Example

24

- **Affordable Rental Housing**
  - Rental housing operating subsidies to reach lowest incomes
  - Little, if any, for development subsidies
- **Anti Displacement Programs**
- **Homeless Response**
  - Coordinated Assessment/Housing Resource Centers
  - Interim Housing
- **Bond and Boomerang Program Delivery**



# Next Steps

25

- Bond Counsel review
- Continue stakeholder input
- Further develop and refine program options
- Refine bond cost projections
- Draft measure language
- County Counsel and Auditor-Controller analysis

# DISCUSSION