

Alameda County Measure A1 Annual Report

January 2017 - June 2018



Alameda County
Community Development Agency
Housing and Community Development Department

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Alameda County Board of Supervisors

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Alameda County—where housing is a human right



Michelle Starratt

We are pleased to present the first annual report on the Measure A1 Affordable Housing Bond. A great deal of work has been done to implement the \$580 million Measure A1 bond since it passed during the November 2016 election with 73% of voter approval. This report describes the period following passage through June 2018, the period covered by the first implementation plan for the Bond. During this time of an affordable housing funding emergency, HCD, working with the community and the Board of Supervisors created the policies to guide implementation of multiple programs, funded 18 rental housing development projects, and selected program administrators for two homeownership programs. HCD also scaled up operations, implemented new systems and built on strong partnerships with developers, community-based organizations, and labor advocates during this time to ensure that Measure A1 has the greatest impact.

Measure A1 is addressing the housing crisis felt in communities across Alameda County and providing housing to vulnerable people most heavily impacted by the lack of affordable housing. From November 2016 through June 2018, HCD worked to operationalize this unprecedented local funding to meet the challenge of the affordable rental housing crisis in Alameda County. In the first few months of 2017, Measure A1 provided crucial funding to 9 rental housing projects that were in danger of abandonment after a large drop in value of Low Income Housing Tax Credits created funding deficits in these nearly ready-to-go developments. In early 2018, A1 funding supported an additional 9 multifamily rental projects that Alameda County cities selected for the city-specific allocations of Measure A1 Rental Development funding.. The \$92 million in Measure A1 funding invested into these 18 rental projects is supporting the creation of 994 units of affordable housing in the cities of Alameda, Berkeley, Livermore, Oakland, Pleasanton and San Leandro. These additions to the County's affordable housing stock are critically needed, but do not tell the whole story. These Measure A1 funds helped to provide crucial gap funds to develop deeply affordable housing, allowing 149 of these housing units to be reserved for families and individuals with incomes at or below 20% of Area Median Income, and 234 units will be prioritized for people experiencing or in danger of becoming homeless.

This period also saw work towards implementing two of Measure A1's affordable homeownership programs. During this reporting period, non-profit organizations were selected through competitive Request for Proposals processes to administer the Downpayment Assistance Loan Program (DALP) and the Housing Preservation Loan Program (HPLP), which respectively make homeownership more attainable for moderate-income households and help keep homes safe and appropriate for current low-income homeowners.

HCD experienced tremendous growth, transforming from a department administering approximately \$4 million in housing development funding per year to one that now awards upwards of \$120 million per year. As part of the work described above, HCD held a dozen community meetings for the public, cities, and other interested parties to comment on draft Rental Housing Development Program implementation policies, including meetings of Board of Supervisors' Committee for comment and then recommendation for adoption to the full Board. As noted above, , program administrators were selected for the Down Payment Assistance Loan Program and Housing Preservation Loan Program. HCD also created and brought to the Board recommendations for the structure of the Citizens' Oversight Committee and the process for nominating, selecting, and approving it's membership. In addition, the County issued the first tranche of the Bond for \$240 million.

This first reporting period represents just the beginning of Measure A1 funds being put to work to respond to the deep needs for affordable housing in Alameda County. The Oversight Committee will soon be bringing additional reports for the reporting periods of fiscal years 2018-2019 and 2019-2020. These reports will cover the ongoing progress in developing rental housing, launching two homeownership programs, policy development for the remaining programs including the Rental Housing Innovation Fund,, along with other topics including the impact of the Covid-19 pandemic on residents. In 2016, we could not have foreseen the Covid-19 pandemic and its catastrophic impact on residents of Alameda County, whose lives are endangered by a health crisis on top of a housing crisis. The pandemic's impact on our economy also threatens to further exacerbate the housing crisis, underscoring the need for continued investment in affordable housing.

It is no small task to administer a new fund of \$580 million. Implementing Measure A1 requires partnership between HCD, other Community Development Agency departments, the County Administrator, Auditor-Controller, County Counsel and their staffs, City Councils and staff from across the county, housing developers, labor, community advocates and program providers, and many others. None of this work would have been possible without the strong leadership of the Alameda County Board of Supervisors on the critical need to expand the supply of affordable housing and without the voters of Alameda County's overwhelming approval of the Measure A1 Bond Measure to help create homes for thousands of our most vulnerable neighbors. This report covers just the beginning of the on-going impact of Measure A1 across Alameda County.



Michelle Starratt, Director
Housing and Community Development Department
Community Development Agency

Linda Gardner, Former Director
Housing and Community Development Department
Community Development Agency

Letter from the Oversight Committee Chair



Ndidi Okwelogu

On behalf of the Measure A1 Citizens' Oversight Committee, it is my pleasure to present the first annual report of the Measure A1 Affordable Housing Bond program. We represent a wide array of Alameda County stakeholders. Members represent each Board of Supervisors district, residents of subsidized housing, city managers, labor, taxpayers, and advocacy groups. Our charge is to review Measure A1 expenditures to ensure their compliance with the 2016 Bond Measure.

We all benefit from affordable housing. Whether you are a renter in Berkeley, own a home in San Leandro or are an employer in Fremont, quality housing affordable for people of all incomes makes our communities thrive. We are proud to provide oversight to this important effort and do our part addressing Alameda County's affordable housing crisis.

Since the Committee was seated in January 2020, we deepened our collective understanding of Measure A1 and its programs, received reports on the current progress of programs, and provided input on the content and narrative of this report. Each meeting was a collaborative process in which Alameda County Housing and Community Development department staff worked with Committee members to discuss the who, what, when, where, why and how of addressing Alameda County's affordable housing crisis, and what we as a community are doing about it.

Our Committee played an active role in the production of this report. We reviewed it, made suggestions, asked questions, dug deep and made sure our constituencies' voices were heard. We endorse this annual report of the Measure A1 Affordable Housing Bond program for the period of December 2016 through June 2018.

In the coming years, the Citizens' Oversight Committee will continue to bring annual reports to the Board and community and diligently watch the progress of the Measure A1 Bond program, making sure the expectations of voters are met and that we house Alameda County's most vulnerable residents.

Ndidi Okwelogu

Measure A1 Citizens' Oversight Committee Chair



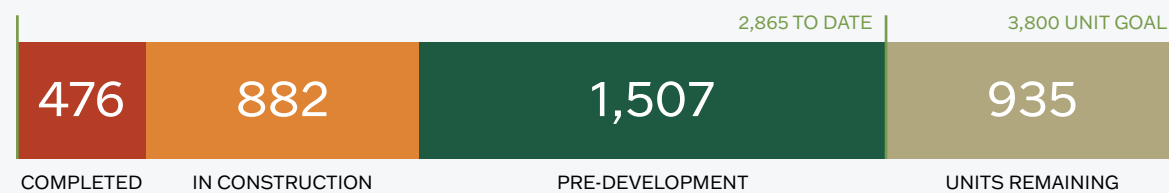
Whether you are a renter in Berkeley, own a home in San Leandro, or are an employer in Fremont, quality housing affordable for people of all incomes makes our communities thrive.

Alameda County affordable housing units supported with Measure A1 funds to-date:

The Measure A1 goal is to create and preserve 3,800 units of affordable housing rental and ownership, within Alameda County. As of December 2020, a total of 2,865 units are in the development pipeline, with 935 units to be identified.

2,865 of 3,800

UNITS SUPPORTED WITH MEASURE A1 FUNDS TO-DATE
JANUARY 2017 - DECEMBER 2020



Note: the number of units are those specifically funded by Measure A1, not total project units.

Executive Summary

Measure A1, a \$580 Million General Obligation Bond, was passed by the voters in 2016 with 73% of the vote in favor of creating 3,800¹ affordable housing units county-wide to address a severe housing crisis in our community.

Empowered with this mandate, Alameda County Housing and Community Development Department (HCD) began implementing this bold initiative. With our partners we formulated policies, solicited community feedback on program design, responded to an affordable housing funding crisis, launched the multi-family rental housing program, selected program administrators for two homeownership programs, and did the groundwork for implementing the three other rental and homeownership programs.

Along the way HCD began the metamorphosis required to launch, deliver and maintain a Bond fund that is more than ten times the size of affordable housing funds managed by the department previous to the 2016 ballot Measure. We began implementing systems, bringing on new team members, and deepening partnerships in Alameda County to meet the high expectations of the voters who supported the affordable housing Bond.



What is Measure A1 and why do we need it?

We have a housing crisis in Alameda County. Affordable housing is getting harder and harder to find. Seniors, veterans, people with disabilities, and low-income families are rent-burdened and pressured to move out of the area or risk becoming homeless because they cannot afford rent in our community.

Measure A1 Funding by Program

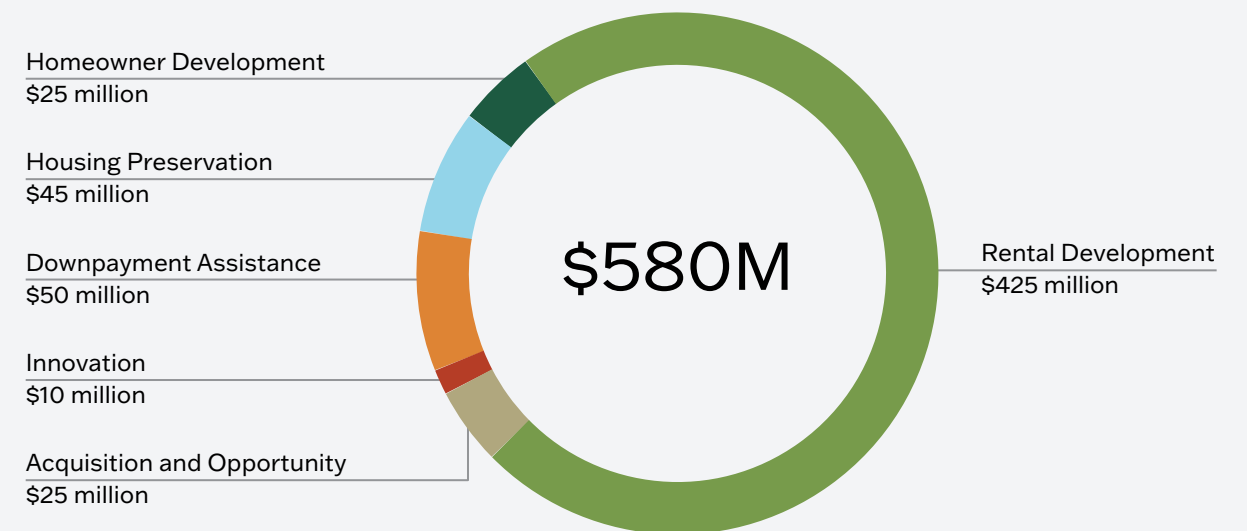


Figure 1 - Allocations of Measure A1 by Program

State and Federal funding for affordable housing has decreased by 89% and we face a shortfall of 60,000 homes that are affordable to low-income families. The California Housing Partnership annually publishes statewide statistics on the need for new housing. See page 4 of the Appendix for the findings of this report.

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

Highlights of this Reporting Period (January 2017 - June 2018)

Housing access is at the core of the work we do at HCD. This first report focuses on the six affordable housing programs that were made possible when Alameda County voters passed the Measure A1 Bond in 2016. The first in a series, this report will share what the Bond has accomplished from when the Bond was passed through June 2018 reporting period and will highlight what we're set up to achieve in the coming months and years.

Rental Housing Programs Highlights:

- Rental Housing Development Fund
 - In this first reporting period, \$95.6 million has been allocated to fund 18 new multi-family affordable housing projects approved by the Board of Supervisors

Homeowner Programs Highlights:

- Down Payment Assistance Loan Program
 - Hello Housing was selected through a competitive process as the program administrator for the Down Payment Assistance Loan Program
- Housing Preservation Loan Program
 - Habitat for Humanity East Bay/Silicon Valley was selected through a competitive process as the program administrator for the Housing Preservation Loan Program

Accomplishments to Date

Housing access is at the core of the work we do at HCD. This annual report focuses on the six affordable housing programs that were made possible when Alameda County voters passed the Measure A1 Bond in 2016. The first in a series of reports, this report will share what the Bond has accomplished in the January 2017 through June 2018 reporting period and will highlight what we're set up to achieve in the coming months and years.

During the first four years of Measure A1, we launched three of the six housing programs funded with this Bond: the Rental Housing Development Program, the Downpayment Assistance Loan Program (DALP), and the Housing Preservation Loan Program (HPLP). Already we have seen the incredible impact these programs have made in the community by supporting the purchase, preservation, or creation of 2,919 units of affordable housing with \$351.8 million of Measure A1 funding to date.

What's Ahead

Stable and affordable living spaces are essential to the health and diversity of our communities. The four reports we will publish through 2021 will highlight more of the social justice work that HCD has spearheaded in the affordable housing space and will provide updates on the evolution of the HCD team. Reports to follow in 2021 will cover:

- 2018 - 2019
- 2019 - 2020
- 2020 - 2021

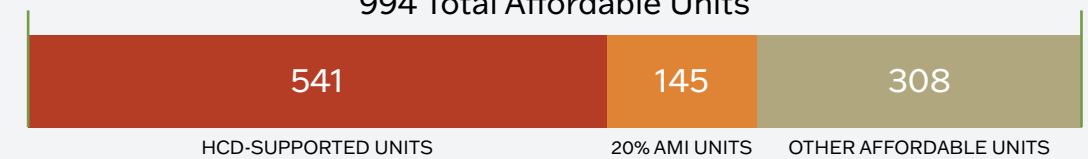
We are excited to present the details and data of our accomplishments.

Rental Housing Development Fund Overview

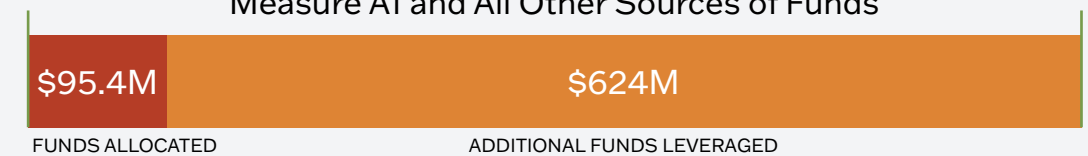
FIRST REPORTING PERIOD

18 AFFORDABLE HOUSING DEVELOPMENTS

994 Total Affordable Units



Measure A1 and All Other Sources of Funds



Introduction

In 2016, Alameda County residents responded to the dire housing situation. 73% of voters passed Measure A1, a Bond that generates \$580 million in local funds to create and preserve affordable housing. This was a huge step toward progress for Alameda County. The Measure A1 funding allowed us to leverage state and federal funds in order to build quality affordable housing throughout Alameda County. In following chapters, we will present information on a program by program basis, including information on the amount of additional funds brought to the county to build and create more housing for our residents.

Purpose, Vision, Impact

“In the face of a rising housing crisis, Measure A1 has been instrumental in providing critically needed affordable housing for individuals, families, and homeless residents throughout Alameda County. We have also ensured complete transparency through independent audits and taxpayer oversight so the public can have full confidence in this process.”

– Alameda County Supervisor Wilma Chan, District 3
Chair, Housing Subcommittee of the Board of Supervisors Healthcare Services Committee

Alameda County leaders envisioned the Measure A1 Affordable Housing Bond program as a local tool for addressing the rapidly worsening housing crisis. This tool would be at a scale large enough to have a meaningful impact by creating new affordable rental units, preserving existing affordable units and empowering people to access homeownership. In the face of retreating federal and state resources, Measure A1 would provide multiple programmatic resources to prevent displacement and homelessness while helping to move people experiencing homelessness into permanent housing. The range of programs would account for the complexity of the problem. At the same time this local fund would seek to leverage other resources to maximize total impact, recognizing that Measure A1 funds would not be enough to address the crisis on their own.



Measure A1 has made a profound impact in our community



This Reporting Period, January 2017 - June 2018

This annual report highlights Measure A1 successes during the first 18 months of implementation, from January 2017 through June 2018. HCD staff have been incredibly resourceful during this time and were able to implement the first the three programs, develop the other three programs, and form the Citizens' Oversight Committee structure.

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

As the first of many annual reports during the life of the Measure A1 Bond program, this one sets the template for those that will follow. This report is meant to be accessible to a wide range of audiences. We want to tell the story of how this Bond has affected those who are most in danger of displacement and homelessness. The programs under A1 are for our restaurant staff, our teachers, our custodians, our artists, our grocery store clerks, and everyone else who makes our community flourish. From aging adults to those with disabilities, to our veterans and our children, Measure A1 has already made a profound impact in our community. This work is not done. Daily, we seek creative and adaptable ways to fight the housing affordability crisis and to make housing a reality for all members of Alameda County.

In its first four years, Measure A1 supported HCD's mission of increasing housing opportunities and providing stability for all members of Alameda County. The six programs funded under this Measure support the creation and maintenance of affordable living spaces that are accessible, livable, and stable. Three of the programs under Measure A1 support home ownership and two are for rental housing. The largest and most well-funded program is the Rental Housing Development Fund.

In this report and reports to be published, the program chapters are presented as follows:

- Rental Programs
 - Rental Housing Development Fund
 - Innovation Fund and Opportunity Fund
- Homeownership Programs
 - Downpayment Assistance Loan Program
 - Home Preservation Loan Program
 - Homeownership Development Fund
- Administration

In each program chapter we will describe the fund's allocation, methodology of implementation, accomplishments from the reporting period and a preview of upcoming activity in that program. You as the reader will be able to follow progress from one report to the next as each ensuing report will pick up where the preceding one left off, and will provide a preview of activities to look forward to in forthcoming reports.

The following sections provide an overview of each program and progress during the reporting period. It should be noted that each program is on its own timeline for implementation – the Rental Housing Development Fund supported nine projects in the first months of 2017, while the public comment for the Housing Preservation Loan Program and Downpayment Assistance Loan Program implementation policies had begun by the middle of 2018, and initial conversations for implementing the Homeownership Development had begun at the close of this reporting period. Future reports will provide updates to each program's progress toward implementation and completion.



Why Measure A1?

Alameda County leaders envisioned the Measure A1 Affordable Housing Bond as a broadly supported revenue source large enough to make a significant impact in addressing the local affordable housing crisis. The scale of the Bond would empower the County to produce a goal of 3,800 units of housing for the most vulnerable residents while also implementing innovative programs to address the root causes of the housing crisis, such as access to lending, barriers to homeownership, and rapid changes in the housing market. The Bond would replace some of the receding federal and state funding for affordable housing.

At the same time Measure A1 would open up opportunities – providing matching funds for emerging sources of funding and creating the institutional capacity to ensure that continued affordable housing efforts were not lost when the State of California ended redevelopment in 2012 and Alameda County lost \$58 million annually towards affordable housing efforts county-wide. The Measure A1 Bond would have immediate impacts on the housing crisis while preparing the County to play a more active role in protection, production and preservation of housing. Measure A1 Bond is a strong step in reversing the retreat in state funding to build new housing and helps make our communities more equitable and accessible to people no matter their incomes, no matter their stories.

The complex housing affordability crisis continues in Alameda County but Measure A1 is in the process of supporting over 40 projects that will provide thousands of new affordable housing units. This translates to thousands of changed lives throughout the County: these programs provide affordable homes for renters, help for low-income homeowners stay in their homes, and help for moderate-income residents to become homeowners.



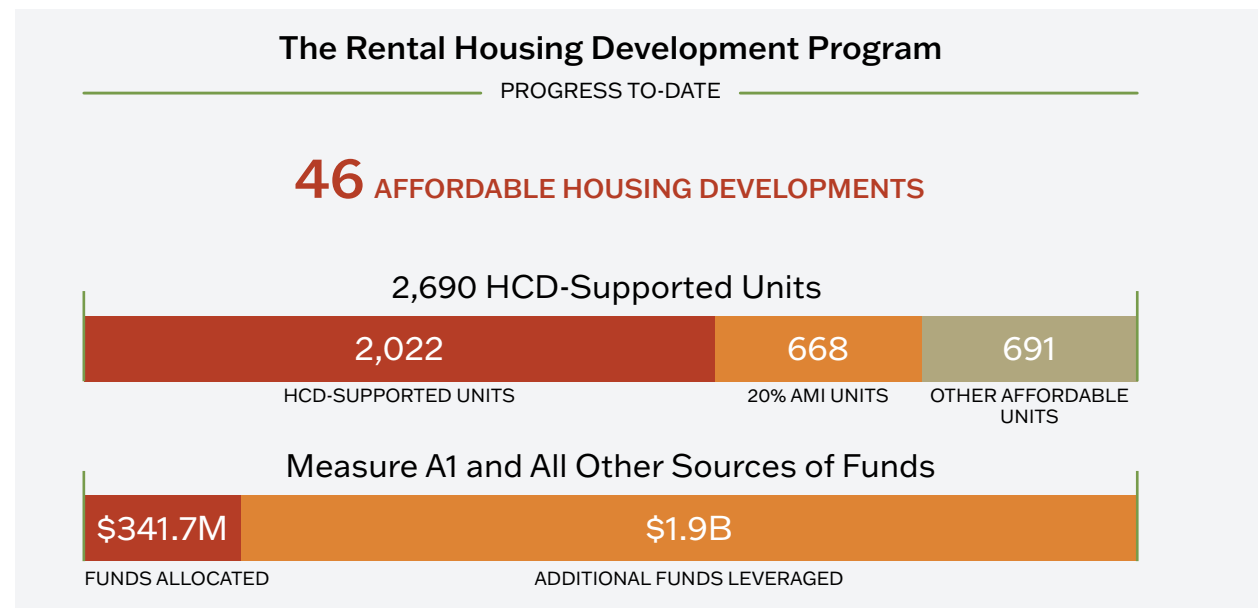
The affordable housing movement has always been a response to social injustice, meant to level the economic playing field and allow all residents to live stable lives of dignity. These reports will include history and background on housing programs and policies to provide the context of our current reality and help our community shape new directions and next steps for housing policies. The reports will include an ongoing thread of racial and social justice in the next three Measure A1 annual reports. In the 2018-2019 report this chapter will discuss historical forms of discrimination in housing and how the affordable housing movement sought to right those wrongs. In the 2019-2020 report, this chapter will focus on more recent changes to housing policy that stripped the federal, state, and local governments of tools for providing affordable housing. The 2020-2021 chapter will look more closely at the current state of affordable housing and where Alameda County and the larger affordable housing movement will go in the near term.

Measure A1 Accomplishment to Date Progress – Winter 2020

This report focuses on the first 18 months of Measure A1 implementation. Ahead of diving into that specific period, below is an accomplishment to date snapshot of progress that has been made from January 2017 through November 2020.

The Rental Housing Development Program

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



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

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

- \$50 million in A1 funding
- Launched in March 2019
- 157 households approved to receive downpayment assistance*
- 69 homes purchased
- \$8.55 million of A1 funding*

*as of January 2021

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

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

- \$45 million in A1 funding
- Launched March 2019
- 28 loans approved
- 6 home renovations completed*
- \$3.2 million in A1 funding used*

*as of November 2020

The other three Measure A1 programs are in process and will be ready to launch in 2021. One of these programs is the Innovation and Opportunity Fund (\$35 million), which was created to increase affordable rental units in Alameda County by supporting developers who preserve or create new affordable housing. This fund is divided between two programs: the Innovation Fund (\$10 million) and the Acquisition and Opportunity Fund (\$25 million). The final program is the Homeownership Development Program (\$25 million), which will increase access to affordable home ownership for first-time homebuyers. The launch of this program was planned for May of 2020 but is delayed due to COVID-19 response.

Commitments Through January 2021			
PROGRAM	ALLOCATION	COMMITMENTS	BALANCE
Rental Development	\$425 m	\$341.7 m	\$83.3 m
Acquisition and Opportunity	\$35 m	\$0	\$35 m
Downpayment	\$50 m	\$8.5 m	\$41.5 m
Home Preservation	\$45 m	\$3.2 m	\$41.8 m
Homeowner Development	\$25 m	\$0	\$25 m
Total	\$580 m	\$353.4 m	\$226.6 m

The affordable housing movement is a social justice movement



History of Housing in the Bay Area

The creation of affordable housing is one part of a larger social justice movement that asserts that all people, no matter their skin color, ability level, or background, should have their basic needs met in order to thrive and contribute to the community. People without safe, affordable housing are at a significant disadvantage in pursuing education, employment and other aspects of a fulfilling life. Through decades-long public policy decisions, our nation has systematically excluded low-income people, especially people of color, from housing that is safe and affordable. Building and preserving affordable housing is a vital part of fostering equity in our communities. Affordable housing directly challenges the exploitative segregation of low-income people and families by promoting inclusion of community groups that have been historically underserved.

Housing discrimination has immediate and apparent impacts on individuals and communities. It frequently forces families into substandard housing, causes workers to live far from their jobs, reinforces segregation in other aspects of life, like education, and can cause great physical and emotional harm to the person experiencing it. Growing research shows that those immediate impacts compound over time and discriminatory housing leaves generations disadvantaged. A study of Oakland neighborhoods in the 1930's that were redlined to discriminate against African American and other ethnic groups, effectively denying them access to home loans and insurance, showed that these neighborhoods have a statistically significant prevalence of preterm birth and infant mortality than neighborhoods that did have access to investment.² More than 80 years later, communities that experienced redlining are more likely to have worse health outcomes.

Discrimination in housing policy and practice has a compounding impact. The official policies of the distant past blocked generations of African American and Latino families from accessing homeownership, the most significant tool for wealth building in the United States. This history, combined with more recent predatory lending practices, most apparent in the wake of the 2008 housing crisis, has led to a deep divide in homeownership. As of 2017, more than 70% of White households were homeowners, while 41.3% of African American and 47% of Latino households were homeowners – a gap of 30%. Compounding this divide is the role homeownership plays between ethnic groups. While White households have a much higher homeownership rate, only 34% of White wealth is based on homeownership, while it represents more than 50% of African American and Latino wealth.³ Fewer African American and Latino households have historically had access to home ownership and as a result, equitable wealth-building policies and programs are imperative.

The creation and preservation of affordable housing, both rental and homeownership, is action that helps directly address the wrongs of discrimination in the past. At the same time it provides better access to education, jobs, financial freedom, health and a better quality of life to individuals and families who would otherwise only be able to afford to live in buildings and communities where poverty is concentrated and public services are overstretched.

Historically, the creation of housing for the working poor was done by the federal government then doled out by local housing authorities. State and local governments were often an impediment to public affordable housing, such as by adopting policies to site developments in existing low-income neighborhoods, with the intention of exacerbating racial segregation and concentrating poverty. Starting in the 1970's the Federal government began a retreat from its role in creating housing, leaving state and local governments to maintain and occasionally create new affordable housing. During this time, the Federal government introduced the Section 8 voucher program and the Low Income Tax Credit, which put the creation and management of affordable housing in the hands of the private sector. By the 2000's, creating affordable housing involved numerous layers of Federal, State and local layers of funding.

In California, this complicated work was done by the redevelopment authorities in each city and region which had dedicated affordable housing funding. By State law, redevelopment agencies were required to spend 20% of all the tax increment revenue on affordable housing. In the final years of redevelopment, this amounted to approximately \$58 million throughout all the redevelopment agencies in Alameda County. In 2012, these redevelopment authorities were liquidated in the interest of filling budget deficits, leaving Alameda County, like most areas of California, without the institutions and funding to respond to a rapidly worsening housing crisis.



Since the loss of redevelopment housing funds, localities have missed out on more than \$2 billion in Bond Cap revenue from the federal government because local governments did not have the required matching housing funding for affordable housing, exactly when it has been needed the most. The wealth of the tech boom and the lack of affordable housing swept thousands of County residents out of their homes, leaving them to double-up with other families, migrate to less expensive areas of the state, or to live on the street in tents, cars, and other types of unfit shelter. Such situations leave our low-income neighbors more exposed to health threats, less able to provide the basics for children, and more vulnerable to economic exploitation.

Measure A1 provided Alameda County with the much-needed funding to adequately leverage state and federal resources to build more affordable housing.

Rental Programs made possible by Measure A1

Renting provides people with flexibility to move within and into Alameda County without a significant investment, helps to weather temporary transitions in life, and allows families to save for a home purchase. For most moderate and low-income County households, renting is the only way to afford shelter. Down payments, credit worthiness, and low wages are significant barriers to homeownership, leaving renting the only viable housing option.

The creation and preservation of affordable rental housing throughout the County provides families with more equitable access to education, jobs, health care, and community amenities. Measure A1 rental programs will support this effort in all cities and regions of Alameda County, addressing current need and anticipating where more low-income families will be best served in the future.

\$425m

Allocation

The Rental Housing Development Fund is the largest and most far-reaching program funded by A1. The goal of the Rental Housing Development Fund is to create and preserve affordable rental housing for very low, low, and moderate-income households and vulnerable populations throughout Alameda County. The Rental Housing Development Fund is the largest program of the Measure A1 Bond. It is divided into two allocations: the \$200 million “Regional Pool” allocation, distributed to development projects through competitive RFPs in four County regions, and \$225 million “Base City Allocations,” a portion of which is allocated to each city, as well as the unincorporated county, based on a formula that accounts for each city’s current and future housing need. The methodologies for both the Regional Pools and the Base City Allocations are described in more detail later in the Report. For more information on the amounts allocated, please see the Board-adopted Implementation plan.⁴

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

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

In addition to the four principles above, the Board also adopted several key policy requirements when they placed Measure A1 on the ballot. First, 20% of all the funds should be targeted to households at 20% of Area Median Income. Second, all rental projects funded by the Bond must pay prevailing wage. These two overarching requirements of this program were meant to ensure that those most in need got access to housing, and that those who worked on the projects were paid a good wage. Additional key policies include flexibility of fund uses, a required financial contribution to each project from the city in which it is located, and a minimum affordability term of 55 years.

During this reporting period, we:

- Funded 9 Emergency projects
- Held 17 meetings with cities and stakeholders to gather input on the policies
- Drafted policies, held public meetings, and a 30 day public comment period
- Built a labor reporting database
- Funded 9 additional Base City projects for a total of 18 within 18 months

Who the fund serves

- Households with incomes at 30-60% AMI (in 2017, this was \$31,350 to \$62,700 for a household of 4)
- A minimum of 20% of housing units in each regional pool reserved for households with incomes at or below 20% AMI (in 2017, this was \$20,900 for a household of 4)
- Each supported project must serve at least one of these vulnerable populations:
 - Seniors
 - People experiencing homelessness
 - Low-income essential workers
 - Veterans
 - People with disabilities
 - Transition-aged youth
 - People returning from incarceration

In 2017, the Area Median Income (AMI) in Alameda County was \$97,400 for a family of four.

\$425m

Allocation

How it works

Emphasis on Equity

- Geographic distribution of funds – Base City and Regional Pool
- Vulnerable populations
- Labor/local hire
- Many tools for a complex problem

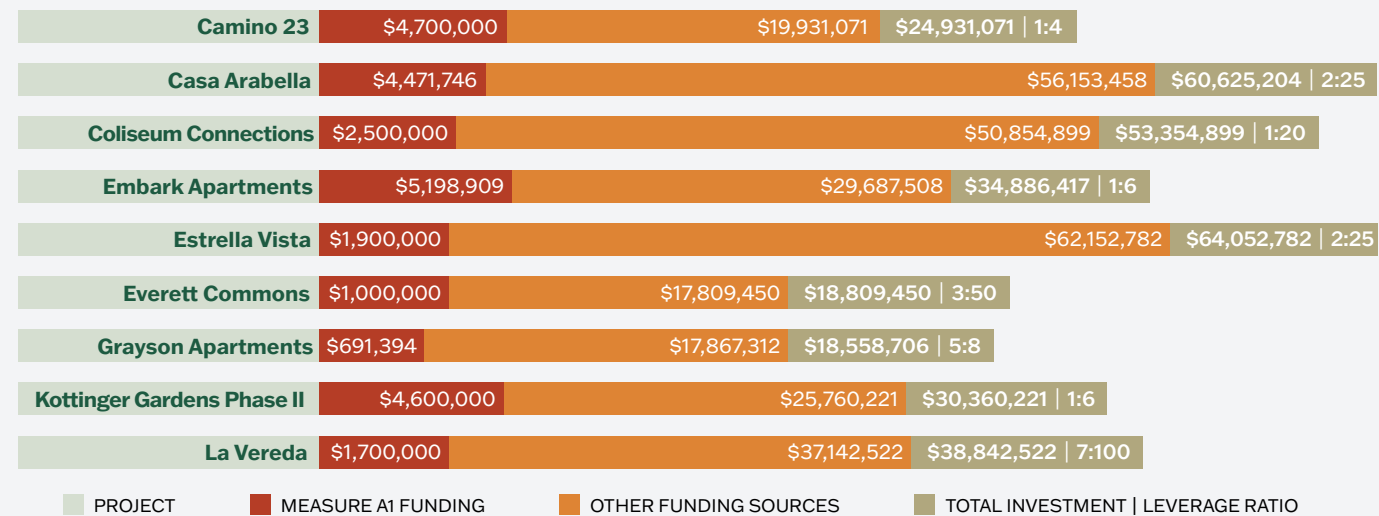
During the program design period, the Board of Supervisors passed local hire requirements for all rental development projects and the requirement of a project labor agreement for all projects with 80 units or more. These labor elements are meant to provide good-paying jobs to local workers and encourage the recruitment and training of local workers in the construction trades.

Meeting the Unplanned Need

The steep decline in Low Income Housing Tax Credits following the 2016 election required quick action using Measure A1 funds in order to preserve the projects that were already under development. To save these projects before the Bond was issued, the Board of Supervisors provided an early award of funds from the Base City Allocation to projects located in Alameda, Berkeley, Oakland, Pleasanton, and San Leandro.

In response to the tax credit emergency, the following was funded immediately:

Tax Credit Emergency Projects (2017)

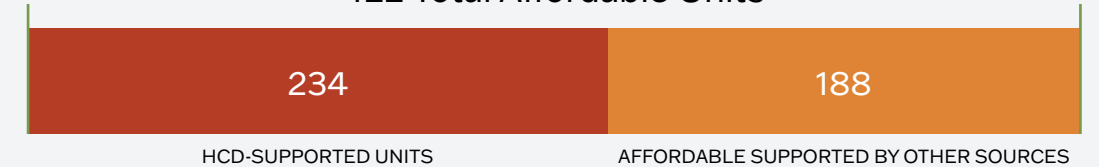


Meeting the Unplanned Need

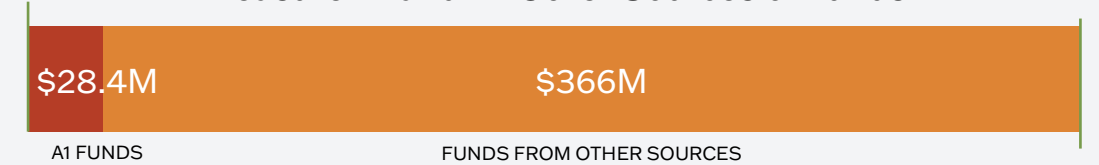
BENEFIT OF TAKING EMERGENCY ACTION

9 AFFORDABLE HOUSING DEVELOPMENTS

422 Total Affordable Units



Measure A1 and All Other Sources of Funds



After the tax credit emergency in early 2017, HCD proceeded with its planned implementation for the remainder of the A1 funding. After 12 different community meetings and 52 written comments on the draft policies, the Board of Supervisors adopted the Rental Housing Development Implementation Policies in November of 2017, providing HCD the ability to begin the planned funding rounds beginning in early 2018.



Embarc Apartments

2126 Martin Luther King Jr. Way, Oakland, CA
Affordable apartments in Oakland for veterans

Embarc Apartments was one of the Low Income Housing Tax Credit emergency projects Measure A1 committed funding to in February 2017. If not for A1 this development may have been delayed or failed to proceed to construction. It opened in February 2020 and is located in Uptown Oakland. The six-story building is within walking distance to bus stops, stores, and two different Veteran's Administration (VA) centers. Embarc is managed by Resources for Community Development (RCD) and offers support services for its residents. The building has 1 studio, 57 one-bedroom apartments, and four 2-bedroom apartments. Embarc also has a beautiful rooftop garden, community spaces, and offers on-site residential services with a unique focus on physical and mental health for veterans.



Profile

Vivan's Story

"I'm not what people think of when they think 'homeless,'" shares Vivan, a veteran living in Oakland's Embarc Apartments. Vivan is 59, sober, and has worked all of her life in the military and in chemical dependency programs. The last few years haven't been easy. Vivan lost her son in 2001. In 2013 she had a stroke and shortly after, retired. The Bay Area is expensive but it was important for Vivan to be there for her other son and her brother. She spent the last few years moving around a lot, struggling to make rent. Vivan lists all the places she's lived: "San Francisco, San Leandro, Antioch. Now Oakland."

Before coming to Embarc, Vivan spent several months living in her car, sometimes parking it in a friend's driveway in East Oakland. "It was like a war zone out there," she says. But it wasn't worth coming inside her friend's house, where people were using substances. Vivan wasn't willing to risk her sobriety. So she stayed in her car. Like many people experiencing homelessness, Vivan's journey was complicated and emotionally draining. She was in disbelief that she'd gotten there. Wiping her eyes, Vivan says, "I had to swallow my pride and ask for help ... the people at Embarc have helped me with everything. I came here with nothing. No bedding, no dishes, toiletries. This apartment is what I would have chosen if I was still working and could choose where I live."

Vivan lives in a 2-bedroom apartment with her son who helps care for her, and with her Yorkshire terrier, Sassy. She loves living near other veterans. "Once you been in the military you'll always have that camaraderie," she says. "There's a Bond. There's always that feeling that I know I can knock on their door and I hope they know they can knock on mine."



First round of planned implementation begins Spring 2018

Policy Development

Converting \$425 million in taxpayer money into thousands of units of affordable rental housing required a meticulous process of program and policy design. In June of 2016 the Alameda County Board of Supervisors passed the Housing Program for the Measure A1 Bond.⁵ Subject to the eventual passage of the ballot initiative, this program would provide HCD with guidance in formulating the implementation policies for each program. Passage of the Housing Program was preceded by:

- 9 stakeholder meetings
- 6 work sessions in which the Board of Supervisors Health Committee reviewed progress and implementation

Following passage of the ballot Measure in November 2016, HCD began the process of converting this Housing Program into implementation policies. In January of 2017 the Board of Supervisors adopted the Measure A1 Implementation Plan.⁶ Just months after the passage of A1, Alameda county staff began a series of meetings to better understand the needs of the community. HCD staff met with each city in the County's housing staff to ensure that the policy development of all the programs, and the Rental programs in particular, were in alignment with needs county-wide.

- Stakeholder meetings of affordable housing developers – March and April 2017
- Additional meetings with Everyone Home and homeless service providers in April 2017

The input from these groups was essential to the development of the first draft of the rental development policies, which was published in June 2017.

- HCD held two public meetings to review the policies, and then took comment for 30 days
- 40 comments on draft policies submitted by 38 organizations
- By the time the board adopted policies for the rental development programs, 22 meetings had been held with the community

Following this intense policy development and stakeholder engagement process, the Board of Supervisors adopted implementation policies for Measure A1, including the Rental Housing Development Fund, in November of 2017.⁷

Base City and Regional Pool Allocations

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

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

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



Labor

The investment of hundreds of millions of dollars in several thousand housing units by Alameda County is an opportunity to support the development of the local workforce and put County residents to work. The Board of Supervisors included a prevailing wage requirement for all rental development projects in the Measure A1 initial policy framework, adopted at the same time that the Bond was placed on the ballot in the summer of 2016. After these policies were adopted, the Board was asked by Labor to include Project Labor Agreements for each rental development funded. The Non-Profit Housing Association of Northern California (NPH), on behalf of non-profit affordable housing developers, and the Building Trades negotiated a Project Labor Agreement for projects with 80 units or more.

These labor elements are meant to provide good-paying jobs and encourage the recruitment and training of local workers in the construction trades. Local hire requirements are included to ensure that our workforce is supported and not imported from outside areas. They are also intended to help promote labor peace, secure the availability of adequate skilled labor, and to ensure construction projects are completed on time and on schedule for the benefit of residents and County taxpayers.

The labor standards include:

- 25% of the contract amount to be fulfilled by local businesses
- 20% of contract amounts to be fulfilled by small and local businesses
- For projects containing 80 units or more,⁸ developers are required to engage in a Project Labor Agreement (PLA) with the Building and Construction Trades Council of Alameda County and participating construction trades unions

Tracking workforce compliance is no small task. To assist in determining whether the County is meeting its workforce goals, HCD implemented a workforce participation tracking system, Elation. Future Measure A1 annual reports will include information on the Rental Housing Development Fund's workforce and trends of participation.

Key Policies Adopted by the Board November 2017

The Board of Supervisors adopted the Rental Development Policies in November of 2017. The key policy areas included:

- The majority of units are expected to serve very low income households between 30-60% of AMI, with a minimum of 20% of units developed serving households at 20% of AMI and a maximum of 5% of funds spent on households at 80% of AMI
- Rental development projects require a match from the local government in which the project is located
- Rental development projects will pay wage rates equivalent to state prevailing wages
- HCD should strive to create a single process for potential tenants to learn about an apply to affordable housing countywide
- Projects are selected and funded using the Base City Allocation and/or the Regional Pool Allocation to meet current need and address future need equitably across the County

Base City Request for Proposals from Cities

Following approval of implementation policies in the fall of 2017, HCD worked with city Housing staff to identify 9 additional projects through the planned Base City Allocation process. In the first half of 2018 the Board of Supervisors approved funding commitments for projects in Alameda, Livermore, Oakland, Pleasanton, and San Leandro.

Totals for the Reporting Period

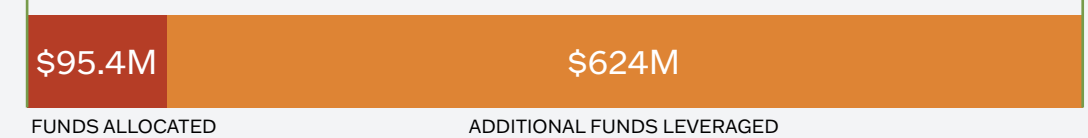
January 2017 – June 2018

18 AFFORDABLE HOUSING DEVELOPMENTS

686 HCD-Supported Units



Measure A1 and All Other Sources of Funds



The Innovation and Opportunity Fund

\$35m

Allocation

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

During this reporting period, we:

- Adopted the Policies for both programs

The Acquisition and Opportunity Fund

The goal of the Acquisition and Opportunity Fund is to empower eligible nonprofit affordable housing developers to respond quickly to preserve and expand affordable housing and prevent displacement of low-income tenants. The program will preserve and expand affordable rental housing at the same income levels and serve the same target populations as the Rental Housing Development Fund. This fund will support affordable housing developers in responding quickly to opportunities in the housing market as they arise.

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

The Innovation Fund

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



Home ownership programs made possible by Measure A1

Homeownership is the cornerstone of wealth building for most Americans. When achieved sustainably it can buoy the economic situation of a family and build stability for communities. Discriminatory policies and practices have historically locked low-income households, and especially African American and Latino families, from homeownership. Barriers to homeownership helped create and perpetuate a racial wealth gap that leaves the average African American and Latino family with median worth that is \$100,000 less than the average White household's net worth.⁹

Public policies have historically been central to uneven and discriminatory access to homeownership. The Measure A1 homeownership programs are designed to make ownership more accessible to low-income households and to help preserve those homes currently owned by low-income families. They are open to all households that qualify and additional attention is focused on ensuring participants in the homeownership programs reflect the racial and ethnic diversity of Alameda County.

The Downpayment Assistance Program (DALP)

\$50m

Allocation

AKA: AC Boost

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

During this reporting period, we:

- Held 16 community and stakeholder meetings
- Interviewed cities about their programs and how best to align programs
- Competitively selected a partner to implement the program and draft policy documents
- Adopted the policy and programmatic documents

Eligible households have annual incomes at or below 120% of Area Median Income, (in 2017, \$107,250 for a 2-person household and \$134,050 for a 4-person household). For these qualifying households, AC Boost provides loans of up to \$150,000 to first-time homebuyers who live or work in Alameda County or have been displaced from Alameda County within the last ten years. Educators and first responders receive preferences for AC Boost loans.

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

The Alameda County Board of Supervisors adopted AC Boost’s policy framework, which will assist first-time home buyers to purchase homes in Alameda County. The program provides loans to bring homeownership within reach of households who would otherwise not be able to afford a home. AC Boost provides loans of up to \$150,000 (depending on buyer income and need). Loans are interest-free and have no monthly payment during the time that a household owns their home.

The program requires repayment only when:

- the home is sold
- when the owner would like to take cash out of the home in a refinance
- the owner no longer wishes to occupy the home, or
- when the 30-year loan term ends

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

Who the fund serves:

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

- Households with incomes up to 120% AMI (\$112,650 for a family of four in 2017)

The Downpayment Assistance Program (DALP)



Our Partner Organization – Hello Housing

Hello Housing is a non-profit housing developer with a strong track record of program administration and work on public policy. Hello Housing advances housing solutions that promote stability, center equity and cultivate community. Hello Housing worked with HCD to develop the program design and policies. Hello Housing and HCD held seven public meetings and nine stakeholder interviews in order to refine the program design and policies.

Program design

Through an RFQ bidding process and selection process approved by the Board of Supervisors in March 2018, HCD selected Hello Housing as program administrator for AC Boost. Hello Housing is a non-profit housing developer with a strong track record of program administration and work on public policy. Hello Housing worked with HCD to develop the program design and policies. Hello Housing and HCD held seven public meetings and nine stakeholder interviews in order to refine the program design and policies.

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

Given the potential power of an effective down payment assistance program to provide homeownership access and long-term benefits of wealth-building and community stability, HCD and Hello Housing worked to emphasize overcoming historic issues of access to similar programs.

Informed by San Francisco's down payment assistance program and feedback from the community and stakeholders, AC Boost includes several equity-centered policies:

- A sliding scale of assistance based on need and income to allocate funding equitably while complying with fair housing law
- The use of a shared appreciation model to balance household wealth-building with program sustainability
- Multilingual outreach combined with multilingual program materials and customer service
- Self-reporting of demographics by participants to allow AC Boost demographic performance to be tracked and analyzed

As with most loan application processes, the application process for AC Boost requires collecting multiple documents which can be overwhelming for many applicants. In order to simplify this process for participants, Hello Housing utilized a single portal for use by applicants and eventual participants that would also allow Hello Housing to track participant progress and maintain records.

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

The Home Preservation Loan Program

\$45m

Allocation

AKA: Renew AC

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

During this reporting period, we:

- Held 7 community and stakeholder meetings
- Interviewed cities about their programs and how best to align programs
- Competitively selected a partner to implement the program and draft policy documents
- Surveyed housing stock County-wide
- Adopted the policy and programmatic documents

Renew AC provides attainable, low-interest loans that allow seniors, people with disabilities, and other low-income homeowners to make much-needed improvements to their homes. Renew AC also provides support services that help people navigate how to make those home improvements. In some cases, this means providing temporary housing for seniors and other sensitive groups while more drastic and potentially disorienting repairs are being made. These improvements help prevent homeowner displacement and allow people to stay safely in their homes and communities.

Renew AC provides 1% deferred interest loans of \$100,000-\$150,000 for eligible home improvement projects specifically to address health and safety conditions in owner-occupied homes. Eligible homeowners are those with annual incomes at or below 80% AMI (in 2017, this was \$80,400 for a family of 4).

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



Who the fund serves:

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

- Homeowners in Alameda County earning up to 80% AMI (in 2017, this is an income limit of \$80,400 for a household of four)
- Those who have assets of no more than \$150,000
- Seniors
- People with disabilities

Our partner organization – Habitat for Humanity East Bay/Silicon Valley

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

Program design

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

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

The Home Preservation Loan Program

How the fund works

With many home preservation projects, residents remain in their homes throughout the renovation process. Especially for disabled individuals and seniors, remaining at home during an extensive home rehabilitation project can be dangerous to their physical and mental health, particularly for individuals with dementia or other advanced health conditions. Most seniors and disabled persons do not have the physical or financial ability to leave their homes or to remove belongings where work needs to be done.


Habitat for Humanity designed their program to provide excellent customer service to help participants through these challenges. This included navigating how and what to renovate, connecting people with social support services, and in some cases providing temporary housing for homeowners while extensive renovations were being made.

What we've done so far

Future annual reports of the Measure A1 Bond will discuss outcomes of Renew AC implementation which began in fiscal year 2018-2019.

The Home Ownership Development Program

\$25m
Allocation



How it works

The Homeowner Housing Development Program aims to increase the affordable homeownership opportunities for low-income first-time homebuyers. These funds will support development and preservation of long-term affordability for households with incomes at or below 80% AMI (\$78,850 for a 2-person household and \$98,550 for a 4-person household in 2017). The County will provide low-interest construction loans that will convert to silent second mortgage loans when the homes are sold to eligible low-income buyers.

Who the program will serve

The primary demographic group targeted for participation in the Housing Development program are people who meet the Internal Revenue Service (IRS) definition of "First Time Homebuyer," will occupy the unit as their primary residence, are willing participate in homeownership and financial counseling, and earn no more than 80% AMI – an income limit of \$80,400 for a household of four people in 2017.

What we've done so far

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

Administration of the Measure A1 Bond by Alameda County's Housing and Community Development Department

Administration for Measure A1

Administration of the Bond

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

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

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



History of HCD

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

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

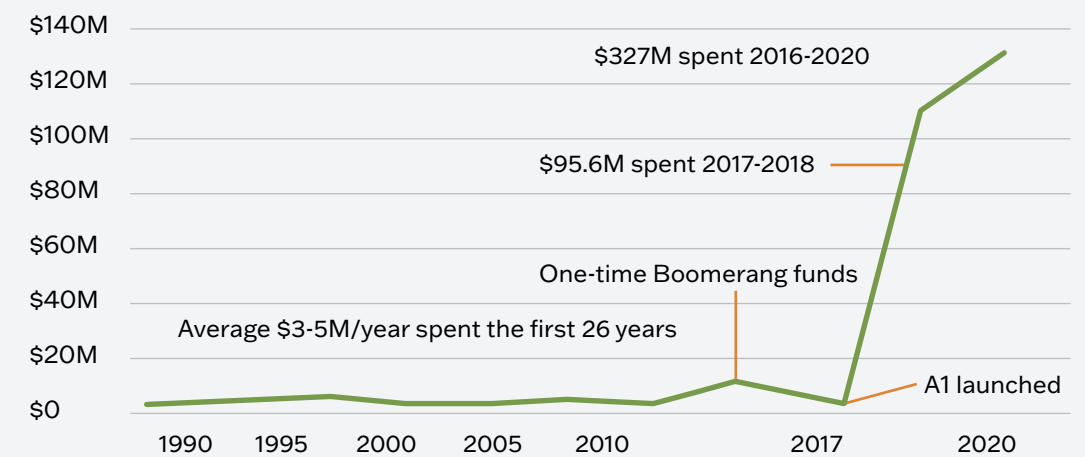
The department has always served as the housing department for unincorporated Alameda County, but also continues to play a role in directing community development resources to the cities in the County. Often this was done with the County's allocation of Community Development Block Grant funds and other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

In the early 1990's with the HOME Investment Partnership Program, HCD took on a second Entitlement Grant that covered all the cities in the County except for Berkeley and Oakland for the development of new affordable housing.

In 1993, through federal legislation, a single application for homeless funding had to be coordinated on a county-wide basis. HCD took on responsibility for the creation of the "Oakland, Berkeley Alameda County Continuum of Care" and homelessness programs funded by HUD. In the mid-2000's, as HUD expanded responsibilities regarding homelessness, HCD developed the County's Homeless Management Information System, in 2005. Over time, the department's mandate grew as it came to administer new funds. Throughout this development HCD deepened organizational ties with municipalities within jurisdiction as well as the many non-profit housing agencies serving Alameda County.

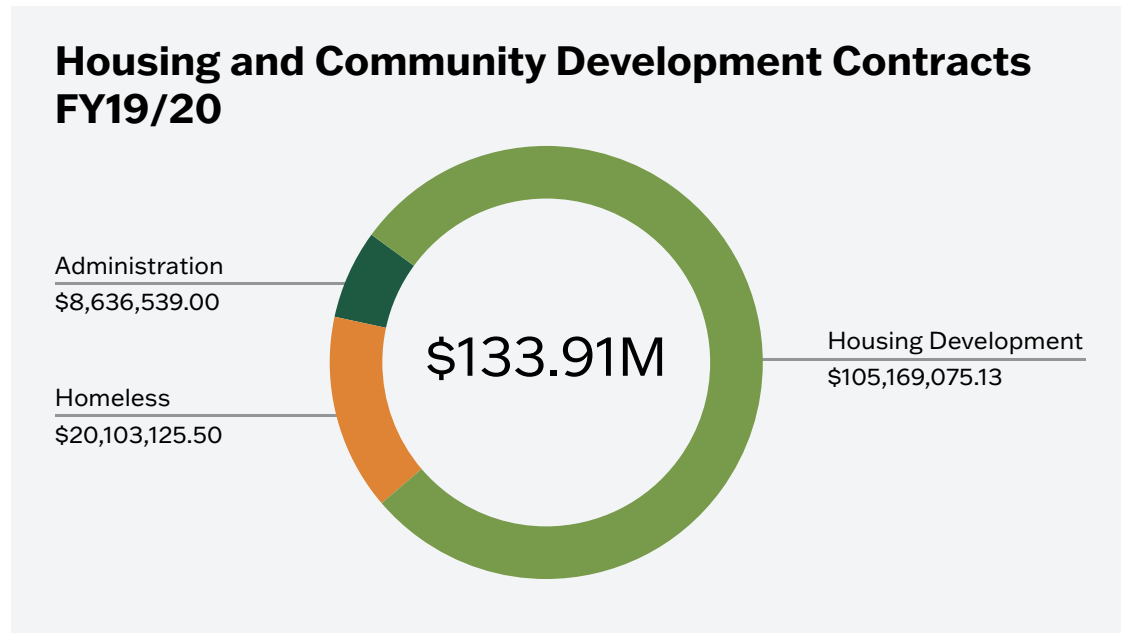
During the first 26 years of HCD's existence, the department supported affordable housing with an average of \$3.5 million per year. Before Measure A1, HCD directed \$189.6 million of state and local funds to help finance 98 affordable housing projects, supporting the creation or preservation of 1,840 affordable units. Of those units supported, 188 were prioritized for people experiencing or in danger of homelessness.

HCD's Funding for Affordable Housing - 1990 to Present



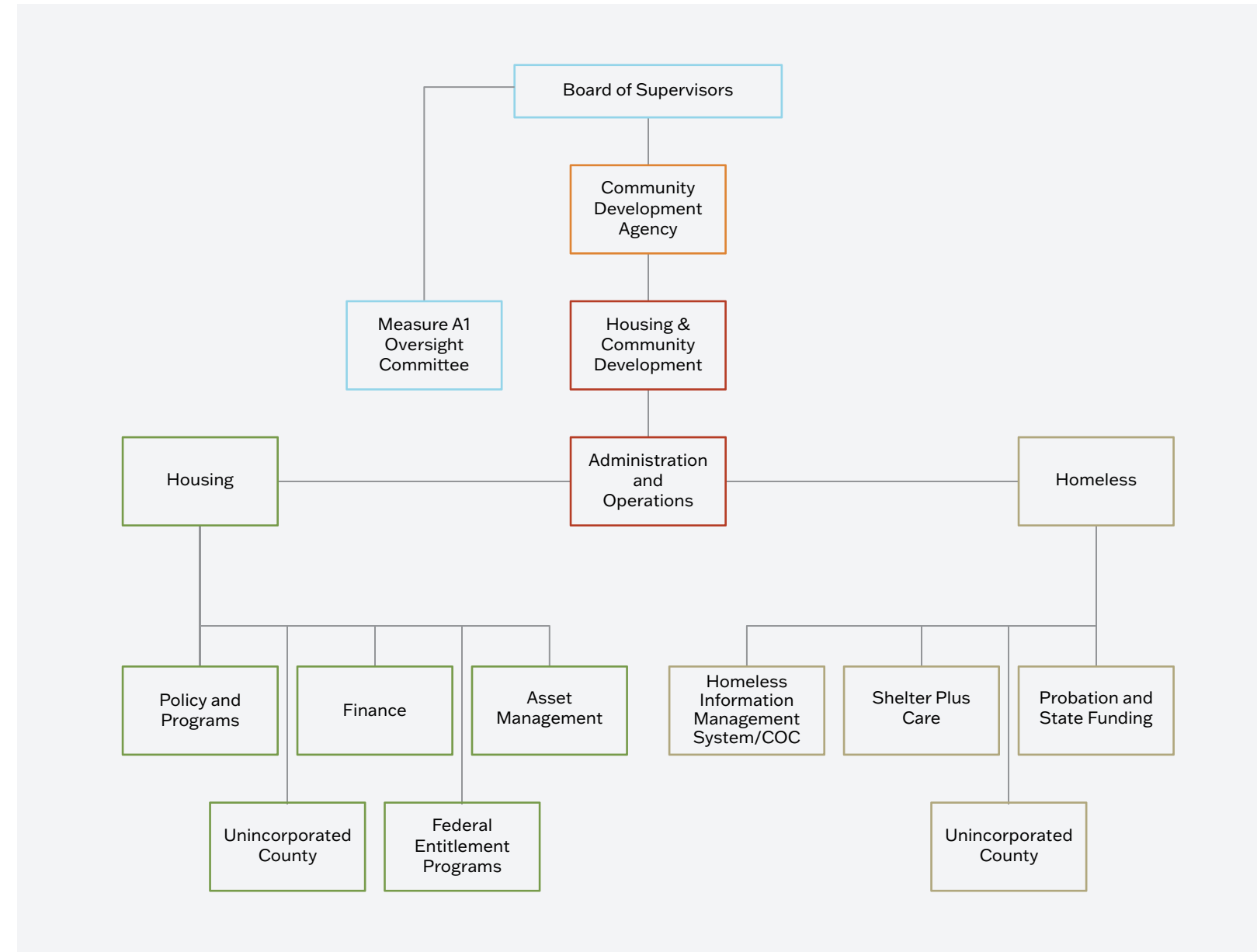
As the second decade of the 21st Century progressed, it became apparent that the previous level of Alameda County support for housing was not enough. The retreat of State Federal funds, the dismantling of redevelopment agencies, and skyrocketing housing costs made the displacement and homelessness issues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

Now, HCD assembles 24 sources of funding for a total of \$111.4 million (FY19/20) from the Federal Government, State of California and local sources to support our homelessness and housing programs. Since the passage of Measure A1, the amount of Affordable Housing funding has increased dramatically, and represents 61% of all expenditures by HCD.



Since early 2017 HCD has hired 9 new staff to manage Measure A1 programs, built systems to track contracts and compliance, and invested in partnerships with cities, developers, community-based organizations, and labor. HCD is in the process of transforming into the County institution that leads coordinated efforts to address the housing crisis and to prepare for a better housing future.

This section will elaborate this ongoing transformation in future reports. In the 2018-2019 report, this section will discuss the self-examination HCD staff conducted of the department to update our Mission, Vision, and Values to best reflect the department's new role and motivations. The 2019-2020 report will go into further detail of the structural changes made to the department to increase its capacity to manage much larger programs and to be a strong partner and leader in regional housing. The 2020-2021 report will discuss the future of HCD as the County's role in affordable housing continues to evolve.



First Bond Issuance

On November 7, 2017 the Alameda County Board of Supervisors authorized the first issuance of the Measure A1 Bond of \$240 million. Over the next six months, the County Administrator's Office with the County Auditor's Office, worked to administer this issuance. A second issuance is projected for Fiscal Year 21/22. The Alameda County Auditor has estimated the Measure A1 Bond will cost property owners \$12 to \$15 per year per \$100,000 of assessed value. Prior to the first issuance, the Board of Supervisors passed a reimbursement resolution in March of 2017 to empower the County to make project commitments before issuing the actual Bonds.

Commitment vs. Expenditures

In affordable housing development, multiple funding sources are secured for a development prior to the start of construction begins when most funds, including Measure A1, begin to be expended. As a result, during this reporting period, HCD committed \$94 million of the Measure A1 Bond to rental housing projects, but no funds were actually spent as most projects did not undergo significant construction during this time period. Additionally, the Board of Supervisors authorized a \$1.4 million administrative contract with Hello Housing on March 13, 2018 to oversee the Down Payment Assistance Program. Finally, HCD staff costs through the end of the reporting period totaled \$1.3 million. Future reports, when funds began will have been spent in earnest, will include commitment versus expenditure sections under each of the program chapters.

Oversight of the A1 Bond

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

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

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

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

The Oversight Committee is comprised of representatives from:

- Each Board of Supervisors district
- Residents of subsidized housing
- Faith communities
- East Bay housing organizations
- Alameda County Taxpayers' Association
- Alameda County City Managers Association
- The League of Women Voters of Alameda County
- The Alameda County Building and Construction Trades Council

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

The Measure A1 Oversight Committee was seated in January of 2020. They have been responsible for the development of this report along with HCD staff.

Endnotes

- 1 Measure A1 will provide an average of \$150,000 per unit across all programs
- 2 Nardone AL, Casey JA, Rudolph KE, Karasek D, Mujahid M, Morello-Frosch R (2020) "Associations between historical redlining and birth outcomes from 2006 through 2015 in California." PLoS ONE 15(8): e0237241. <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0237241>
- 3 Chopra, Asante-Muhammad, Newvill and Ryan (2017) "A Downpayment on the Divide." Prosperity Now. <https://prosperitynow.org/sites/default/files/PDFs/Federal%20Policy/Downpayment-on-the-Divide.pdf>
- 4 Measure A1 Housing Bond Implementation Plan Overview, January 23, 2017. <https://www.acgov.org/cda/hcd/documents/ImplementationPlan.pdf>
- 5 Alameda County Board of Supervisors, June 28, 2016 Regular Meeting, item 63.2 http://alamedacounty.granicus.com/DocumentViewer.php?file=alamedacounty_8412b72a53d050cbef796038fdb75cb1.pdf&view=1
- 6 Rental Development Implementation Plan, January 2017. <https://www.acgov.org/cda/hcd/housing/plan.htm>
- 7 Rental Development Adopted Policies, November 2017. <https://www.acgov.org/cda/hcd/documents/FINALBoardLetterRentalHousingDevelopmentPrograms101717.pdf>
- 8 Excluding projects funded during the Tax Credit Emergency
- 9 Chopra, Asante-Muhammad, Newvill and Ryan (2017) "A Downpayment on the Divide." Prosperity Now. <https://prosperitynow.org/sites/default/files/PDFs/Federal%20Policy/Downpayment-on-the-Divide.pdf>

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Glossary

Area Median Income (AMI):

The middle income level in an area. As the highest incomes in the area grow higher, this median number is brought up, as well. The AMI is used to estimate what housing costs the average family is expected to afford.

Rent Burdened:

Those who pay more than 30% of their income toward housing.

Redlining:

The discriminatory practice of categorizing certain neighborhoods where banks should avoid investments based on community demographics, mainly, Black neighborhoods. These decades-old housing practices have a lasting effect on our communities today.



We all belong in Alameda County



Alameda County
Community Development Agency
Housing and Community Development Department