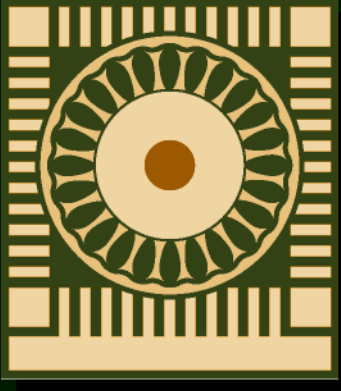


**CITY COUNCIL MEETING  
TUESDAY, MAY17, 2016**

**PRESENTATIONS**



CITY OF  
**HAYWARD**  
HEART OF THE BAY

Authorization of Issuance of Multi-Family Housing Revenue Bonds for the Acquisition and Rehabilitation of Glen Berry and Glen Eden



# The Project

<b>Property</b>	<b>Location</b>	<b>Number of Units</b>
<b>Glen Berry</b>	625 Berry Avenue	50
<b>Glen Eden</b>	561 A Street	36
	Total:	86



# Previous Council Actions In Relation to Project

- TEFRA Hearing on Oct. 27, 2015. Council authorized the following actions:
  1. Restructure existing City financing to facilitate Project rehabilitation
  2. Extend the affordability period
  3. File the application with CDLAC.
- Housing Authority authorized actions in connection with existing covenants on both properties.



# The Bonds

- The City is not responsible for repayment - the City simply acts as a conduit for the Bond issuance.
- The City's credit worthiness is not involved in or affected by the bond issuance.
- CDLAC on March 16, 2016 adopted a resolution granting an allocation of bonds (Project must meet program guidelines).
- Wells Fargo will purchase the bonds on a private-placement basis.



# Project Benefits

- Substantial rehabilitation of deteriorated properties.
- New 55-year affordability restrictions will be recorded against 86 homes.
- No permanent relocation and no CEQA or NEPA reviews are needed.
- Project advances Council priorities and Housing Element goals.



# Project Schedule

- October 13, 2015: Public Hearing Notice published in *The Daily Review*.
- October 27, 2015: Public Hearing (TEFRA) and Council approval.
- July 2016 (projected): Closing of financing, bond issuance.
- August 2016 (projected): Construction start.
- Spring 2017 (projected): Project completion.



# Key Considerations

- Layers of review will ensure City's loans of restricted funding maximize **economic** benefits and that City loans are leveraged.
- Restructuring facilitates substantial rehab of distressed properties while recording new 55-year affordability restrictions on 86 units.
- Project requires no additional City funding.
- All City costs are recovered, including long-term monitoring of affordability covenants.

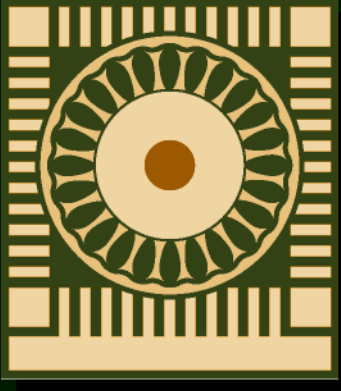




## Recommended Next Steps

- Adopt resolution authorizing the issuance of up to \$15,000,000 in tax-exempt multifamily housing revenue bonds to assist in the acquisition and rehabilitation of the Project; and
- Authorize the City Manager to execute the documents required for the proposed bond issuance.





CITY OF  
**HAYWARD**  
HEART OF THE BAY

Authorization of Issuance of Multi-Family Housing Revenue Bonds for the Acquisition and Rehabilitation of Glen Berry and Glen Eden





ALAMEDA COUNTY  
**Community Development Agency**

# OVERVIEW

## DRAFT FRAMEWORK

### FOR

# ALAMEDA COUNTY

# HOUSING BOND

May 2016

# Presentation Outline

2

- Housing Crisis
- Process and Stakeholder Input
- Criteria for Bond Programs
- Overview of Draft Bond Program Framework
  - Homeowner Programs
    - Down Payment Assistance
    - Accessibility Improvements
    - Housing Preservation Fund
  - Rental Housing Programs
    - Rental Housing Development Program
    - Innovation & Opportunity Fund
- Next Steps



ALAMEDA COUNTY  
**Community Development Agency**

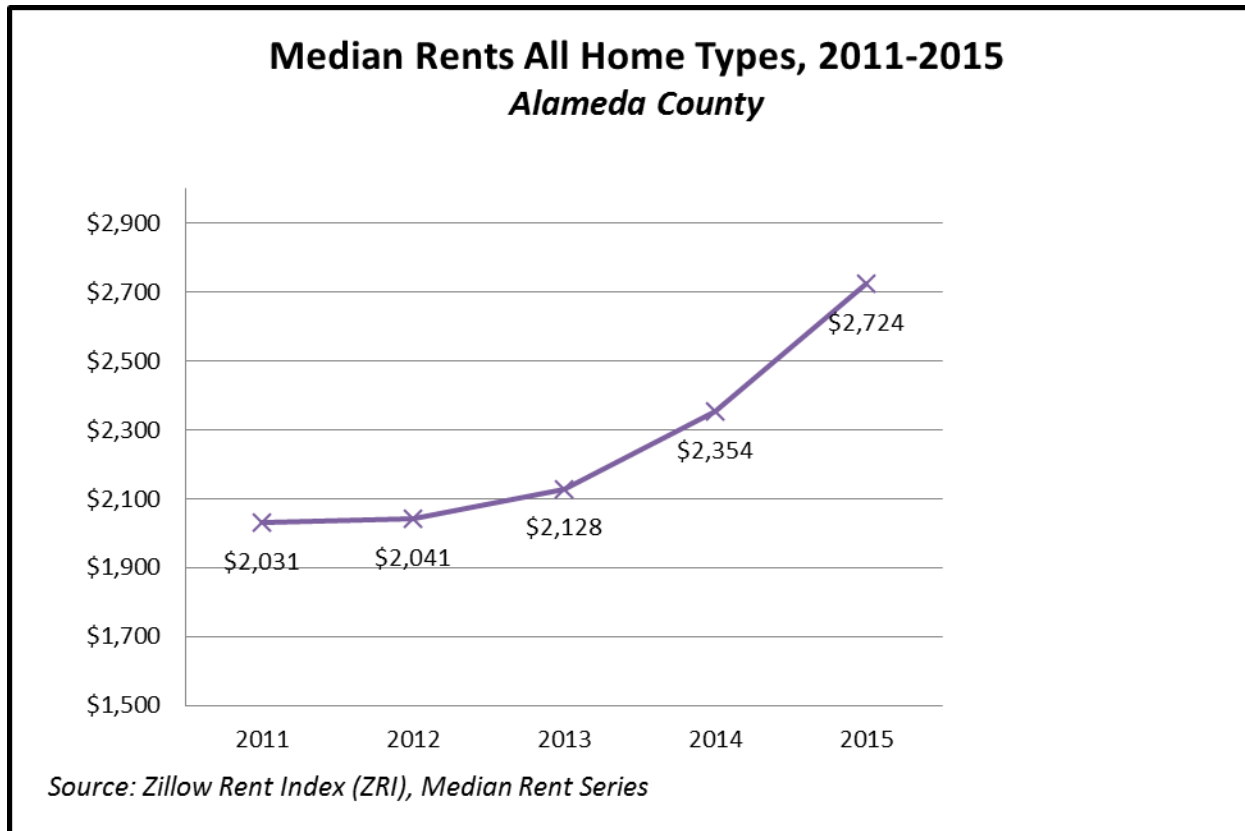
# ALAMEDA COUNTY HOUSING CRISIS

May 2016

# Affordable Housing Crisis

4

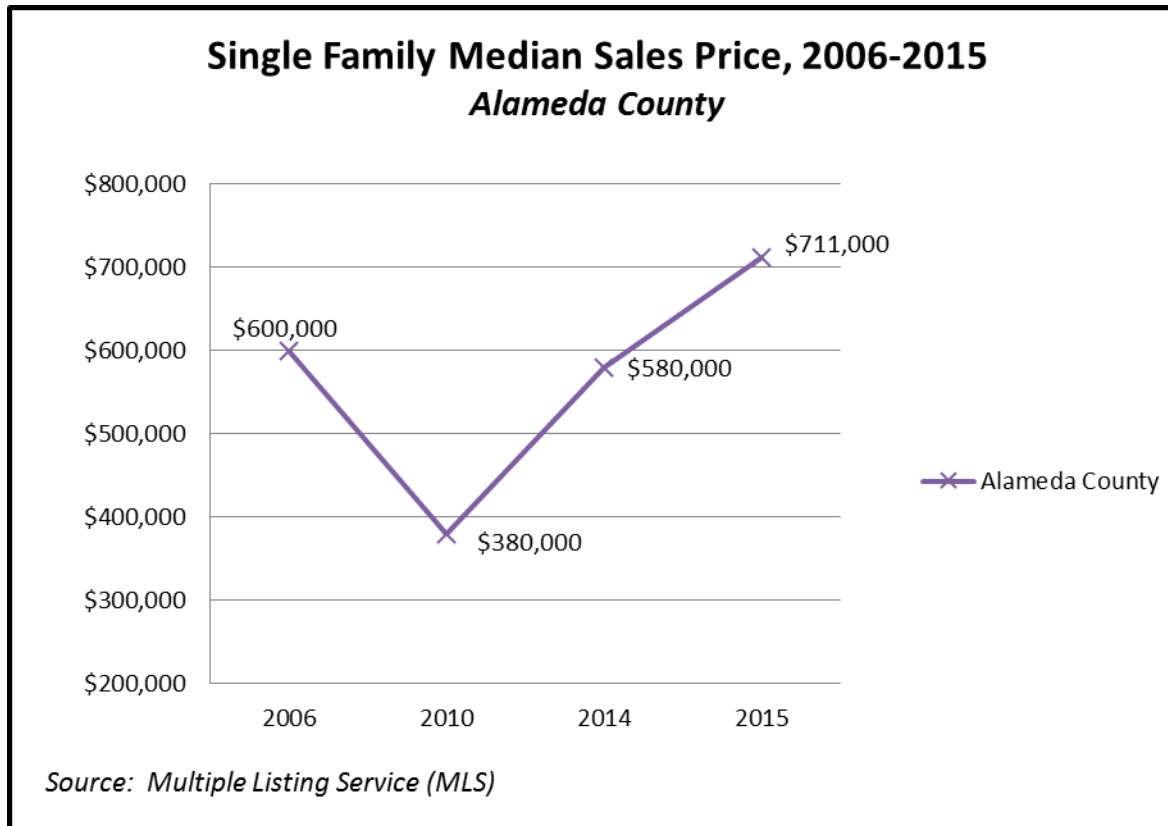
## Rents Have Increased 34% since 2011 Countywide



# Affordable Housing Crisis

5

## Home Prices Have Increased **19%** since 2006 Countywide

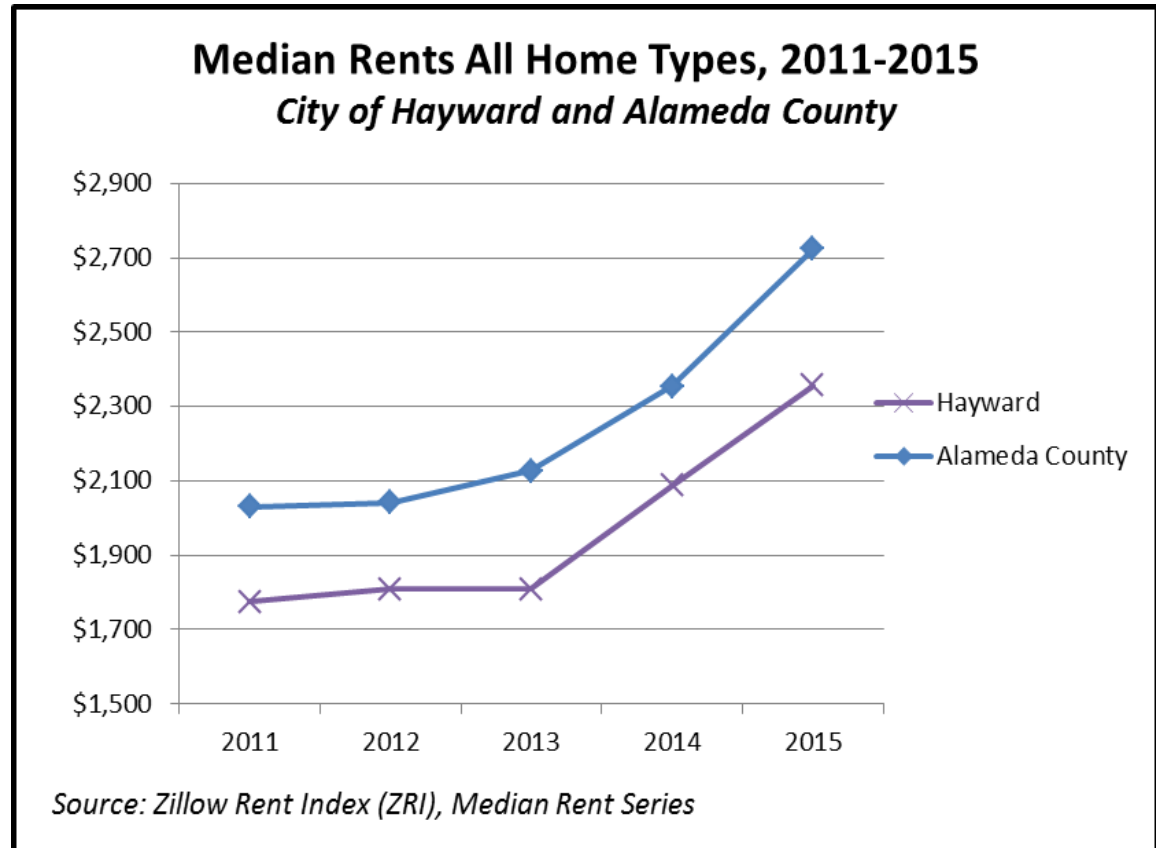


# Housing Crisis in Hayward\*

Hayward sales prices have risen 84% since the 2010 market bottom.

91% of Very Low Income renters pay over 30% of their incomes for rent, and 36% pay more than half of their incomes for rent.

## Rents have increased 33% since 2011



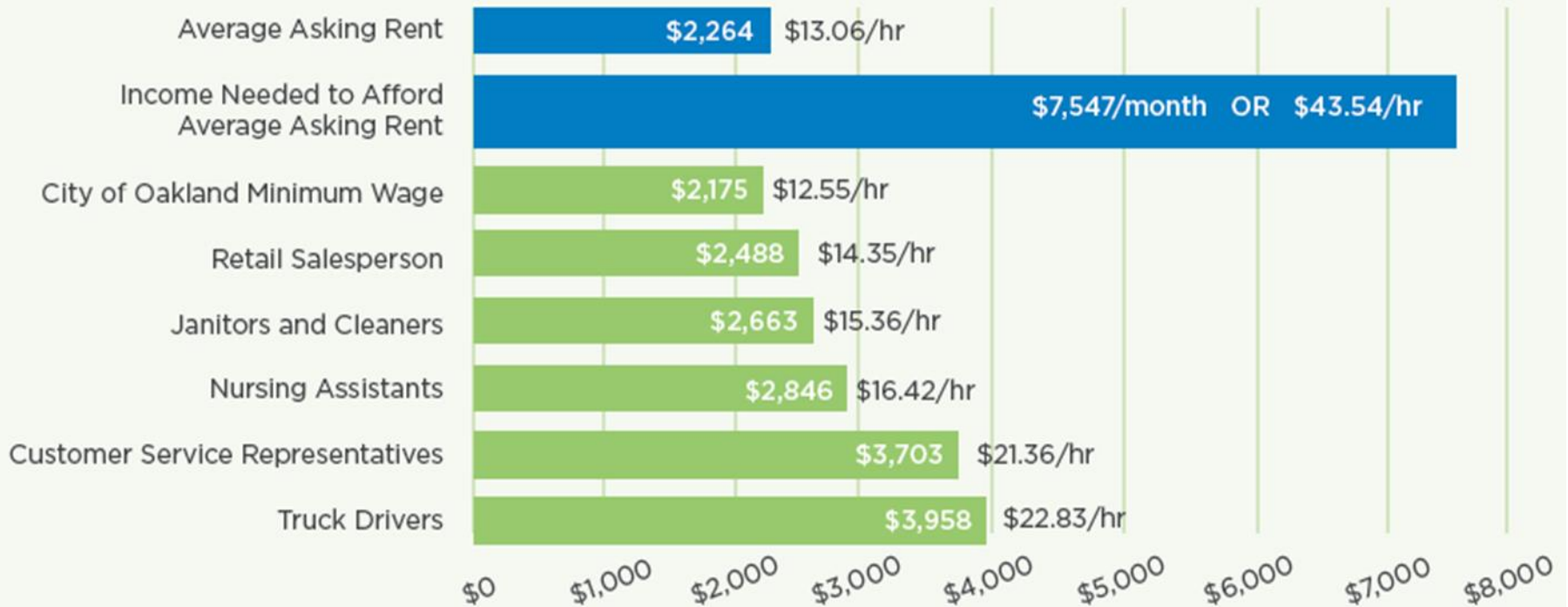
\*Data includes Unincorporated Cherryland and Fairview



# Incomes Not Keeping Up with Rents

7

## ALAMEDA COUNTY RENTERS NEED TO EARN \$7,547 A MONTH TO AFFORD AVERAGE ASKING RENTS



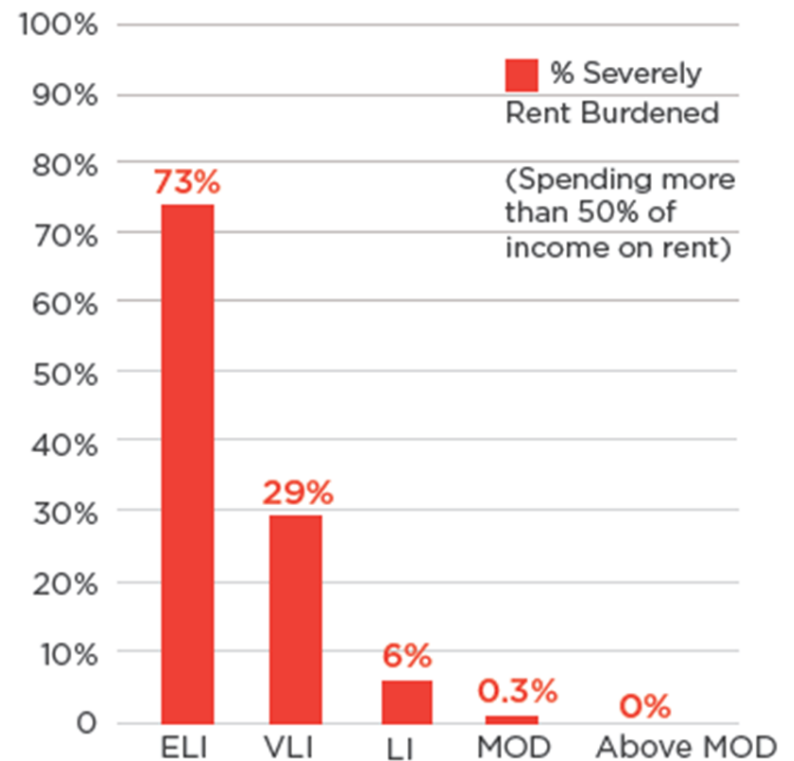
Source: CHPC Analysis of Real Answers Alameda County average rent data for the 1st Quarter 2016 and Bureau of Labor Statistics Average Annual Wage Data for CA Occupations 2015.

# Incomes Not Keeping Up with Rents

8

- 29% of Very Low and 73% of Extremely Low Income households spend more than 50% of their incomes on rent.

PERCENTAGE OF SEVERELY BURDENED HOUSEHOLDS BY INCOME GROUP



Source: NLIHC analysis of 2014 PUMS data.

# Affordable Housing Crisis

9

**There is a 60,911 unit shortfall for homes affordable to very low- and extremely low-income households in Alameda County alone.**

- California Housing Partnership Corporation, May 2016 Alameda County Housing Report

# Impacts of the Affordable Housing Crisis

10

- Long term residents have to leave
- More traffic congestion
- Too much income spent on housing costs
- Overcrowding
- Harder to attract and retain employees
- Undermines safety net
- Homelessness

# County Responding in Many Ways

11

- Continued State and Federal Advocacy
- “Boomerang Funds” for affordable housing development and helping homeless people
- Housing Bond



ALAMEDA COUNTY  
**Community Development Agency**

# HOUSING BOND PROCESS AND STAKEHOLDER INPUT

May 2016

# Process Overview & Schedule

13

- **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**

District town hall meetings to 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

14

## □ **Board of Supervisors Committee Work Sessions:**

**5 Sessions March - June**

**Final: June 6, 9:30 am, 1401 Lakeside Dr., 11<sup>th</sup> Floor**

**GSA Conference Room 1107**

## **Stakeholder Meetings:**

- **March 17<sup>th</sup> – Oakland**
- **April 13<sup>th</sup> – San Leandro**
- **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)**
- **Website: [www.acgov.org/board/housingbond.htm](http://www.acgov.org/board/housingbond.htm)**



# Stakeholder Input Highlights

## Who Should the Housing Serve?

15

- House the most vulnerable
- Homeless people:
  - with disabilities, including mental illness
  - Chronically homeless people with substance abuse issues
  - Homeless families with children
  - Homeless youth/foster care youth
- People with Disabilities
  - Physical, mental, developmental
- Low-income seniors
- Extremely Low Income people
- Very Low Income people

## Stakeholder Input Highlights

### Who Should the Housing Serve, cont.

16

- Elderly homeowners and tenant families at risk of displacement
- Veterans
- Moderate-income renters
- Renters who don't qualify for Section 8
- Tenants
- Teachers and First Responders
- Working poor/Workforce housing
- First-time homebuyers

# Stakeholder Input Highlights

## Affordability/Income Levels

17

- **Deeply affordable housing for lowest income levels**
  - SSI income level (15% of Area Median Income - AMI)
  - 20% of funds for 20% of AMI
  - Extremely Low Income (30% AMI)
  - Very Low Income (50% of AMI)
  - Under 60% AMI
  - Under 80% AMI
  
- **Middle income (80-120% of AMI)**
  - Population mix in rental
  - Homeownership
  
- **Maintain long-term/permanent affordability**



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Community Development Agency

# CRITERIA FOR BOND PROGRAMS

May 2016

# Criteria for Bond Program

19

- 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 Working Assumptions

20

- \$500 Million Total
- Issue bonds in 3 issuances, approximately 2 years apart, e.g.:
  - \$200 Million                      2017
  - \$200 Million                      2019
  - \$100 Million                      2021
- Each Program Component to start at 1<sup>st</sup> issuance and continue through 2<sup>nd</sup> and 3<sup>rd</sup>



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**Community Development Agency**

# DRAFT FRAMEWORK FOR ALAMEDA COUNTY HOUSING BOND

May 2016

# Broad Goals of the Bond Program

22

- Help people who are struggling with housing costs
- Help homeless and other vulnerable populations with long-term affordable rental housing
- Help moderate and lower income Alameda County residents buy homes



# Overview of Draft Program Framework

23

- Homeowner programs - \$75 million
  - Down Payment Assistance Loan Program
  - Accessibility Loan Program
  - Housing Preservation Loan Program
  
- Rental Housing Programs - \$425 Million
  - Rental Housing Development Fund
  - Innovation and Opportunity Fund



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**Community Development Agency**

# DRAFT HOME OWNER PROGRAM COMPONENTS

May 2016

# Homeowner Programs

25

- **Three Program Areas - \$75 million**
  - Down Payment Assistance Program
  - Senior/Disabled Home Accessibility Program
  - Home Preservation Loan Program
  
- **Common Components:**
  - Countywide Allocations
  - Revolving Loan Funds

## Homeowner Programs

# Down Payment Assistance Loan Program

26

- **Estimated Funding Amount: \$50 Million**
  - Goal: Assist middle income working families to purchase homes and stay in Alameda County
  
- **Program Parameters:**
  - Income limit: 80-120% of Area Median
    - e.g. Teachers, Electricians, Plumbers, Firefighters, Truck Drivers, EMT workers
  
- Design features 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

## Homeowner Programs

# Accessibility Loan Program

27

- Estimated Funding Amount: \$10 Million
- Goal: Assist Seniors and People with Disabilities to remain in their homes
  
- Program Parameters:
  - Income limit: 80% of Area Median
  - Accessibility improvements up to \$15,000

## Homeowner Programs

# Home Preservation Loan Program

28

- Estimated Funding Amount: \$15 Million
- Goal: Assist Low Income homeowners to retain their housing and stay in their homes
  
- Program Parameters:
  - Income limit: 50% or 80% of Area Median
  - Possible Program Areas:
    - Owner-Occupied Housing Rehabilitation
    - One-time back taxes and/or overdue mortgage payments



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# DRAFT RENTAL HOUSING PROGRAM COMPONENTS

May 2016

# Rental Housing Programs

30

- **Two Program Areas - \$425 Million**
  - ▣ Rental Housing Development
  - ▣ Innovation & Opportunity Fund



## Rental Housing Program

# Rental Housing Development Program

31

- Estimated Funding Amount: \$400 Million
- Goal: Create and preserve affordable rental housing for vulnerable populations, including workforce housing
- Program Parameters:
  - Income levels:
    - Most = 30-60% of Area Median Income (AMI)
    - Match with operating subsidies to target at least 20% of funds to 20% AMI or below
    - Possibly allow a portion of funds for up to 80% AMI in mixed income developments
  - Leverage tax credits, other state, federal and local funds
  - Require City financial contribution
  - Long-term affordability

## Rental Housing Program

# Rental Housing Development Program

32

- **Use of funds:**
  - ▣ **Development gap financing:**
    - Predevelopment and Development financing
    - New Construction, Acquisition, Rehabilitation
  - ▣ **Target populations:**
    - Homeless (chronic, families)
    - Seniors
    - Veterans
    - Workforce housing (including working poor)
    - People with disabilities (physical, developmental, mentally ill)

# Rental Housing Development Program

## Geographic Allocations of Funds

33

- **Based on:**
  - Simple to explain
  - Related to need
  - Assure that funds are available for projects throughout County
  
- **Geographic Allocation Model:**
  - Half of funds as a base allocation for use in each city\*
  - Half of funds to regional pools to be drawn on by projects in any city in region

\*including allocation to unincorporated county

# Rental Housing Development Program

## Geographic Allocation Model

34

### Half of Funds to Base City Allocations

City Base Allocations By:	Total Population	
Alameda city	4.9%	\$9,746,699
Albany city	1.2%	\$2,445,077
Berkeley city	7.4%	\$14,855,841
Dublin city	3.1%	\$6,206,424
Emeryville city	0.7%	\$1,329,557
Fremont city	14.2%	\$28,421,727
Hayward city	9.6%	\$19,171,235
Livermore city	5.4%	\$10,739,893
Newark city	2.8%	\$5,619,809
Oakland city	25.9%	\$51,719,462
Piedmont city	0.7%	\$1,413,713
Pleasanton city	4.7%	\$9,312,893
San Leandro city	5.6%	\$11,208,352
Unincorporated	9.3%	\$18,600,773
Union City city	4.6%	\$9,208,545
Alameda County Total	100.0%	\$200,000,000

### Half of Funds to Regional Pools

Regional Pools Allocations by:	% of Total	Need - Blend of Poverty and RHNA LI&VLI
North County	44.7%	\$89,325,065
Mid County	24.9%	\$49,803,134
East County	13.7%	\$27,332,372
South County	16.8%	\$33,539,429
Alameda County Total	100.0%	\$200,000,000

**North Co:** Albany, Berkeley, Emeryville, Oakland and Piedmont  
**Mid Co:** Alameda, Hayward, San Leandro, and Unincorporated Co  
**East Co:** Dublin, Livermore, and Pleasanton  
**South Co:** Fremont, Newark and Union City

## Rental Housing Program

# Innovation & Opportunity Fund

35

- Estimated Funding Amount: \$25 Million
- Goal: Respond quickly to capture market opportunities, preserve and expand affordable housing, tenant anti-displacement
- Program Possibilities - Examples:
  - Rapid response high-opportunity pre-development and site acquisition loans
    - Purchase problem motels and convert to affordable housing
  - Bond-qualified rental anti-displacement opportunities
    - Acquire apartment buildings on market to renovate and make/retain affordability
- Countywide Allocation



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# NEXT STEPS

May 2016

# Next Steps

37

- Continue stakeholder input
  - Town Hall meetings
- Further develop and refine program options
- Prepare materials for Board consideration to place measure on November 2016 ballot

# DISCUSSION



# Alameda County Income Limits

Persons in Household	Extremely Low		Very Low		Low	Median	Moderate
	20%	30%	50%	60%	80%	100%	120%
1	\$13,660	\$20,500	\$34,150	\$40,980	\$52,650	\$68,300	\$81,960
2	\$15,600	\$23,400	\$39,000	\$46,800	\$60,150	\$78,000	\$93,600
3	\$17,560	\$26,350	\$43,900	\$52,680	\$67,650	\$87,800	\$105,360
4	\$19,500	\$29,250	\$48,750	\$58,500	\$75,150	\$97,500	\$117,000

Effective March 2016

Adjusted annually

Based on HUD Extremely (30%), Very Low (50%) and Low (80%) Income limits

Alameda County Housing and Community Development, April 2016



ALAMEDA COUNTY  
**Community Development Agency**

# DISCUSSION AND FEEDBACK

May 2016

# Projected Additional Need for Affordable Housing: RHNA 2014-21

Alameda County					
Alameda County	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Alameda	444	248	283	748	1,723
Albany	80	53	57	145	335
Berkeley	532	442	584	1,401	2,959
Dublin	796	446	425	618	2,285
Emeryville	276	211	259	752	1,498
Fremont	1,714	926	978	1,837	5,455
Hayward	851	480	608	1,981	3,920
Livermore	839	474	496	920	2,729
Newark	330	167	158	423	1,078
Oakland	2,059	2,075	2,815	7,816	14,765
Piedmont	24	14	15	7	60
Pleasanton	716	391	407	553	2,067
San Leandro	504	270	352	1,161	2,287
Union City	317	180	192	417	1,106
Alameda County Unincorporated	430	227	295	817	1,769
<b>Total</b>	<b>9,912</b>	<b>6,604</b>	<b>7,924</b>	<b>19,596</b>	<b>44,036</b>

Source: Association of Bay Area Governments (ABAG) 2013

# Affordable Housing Crisis

42

## Over Payment

Paying more than 30% of income towards rent is very common in all of Alameda County.

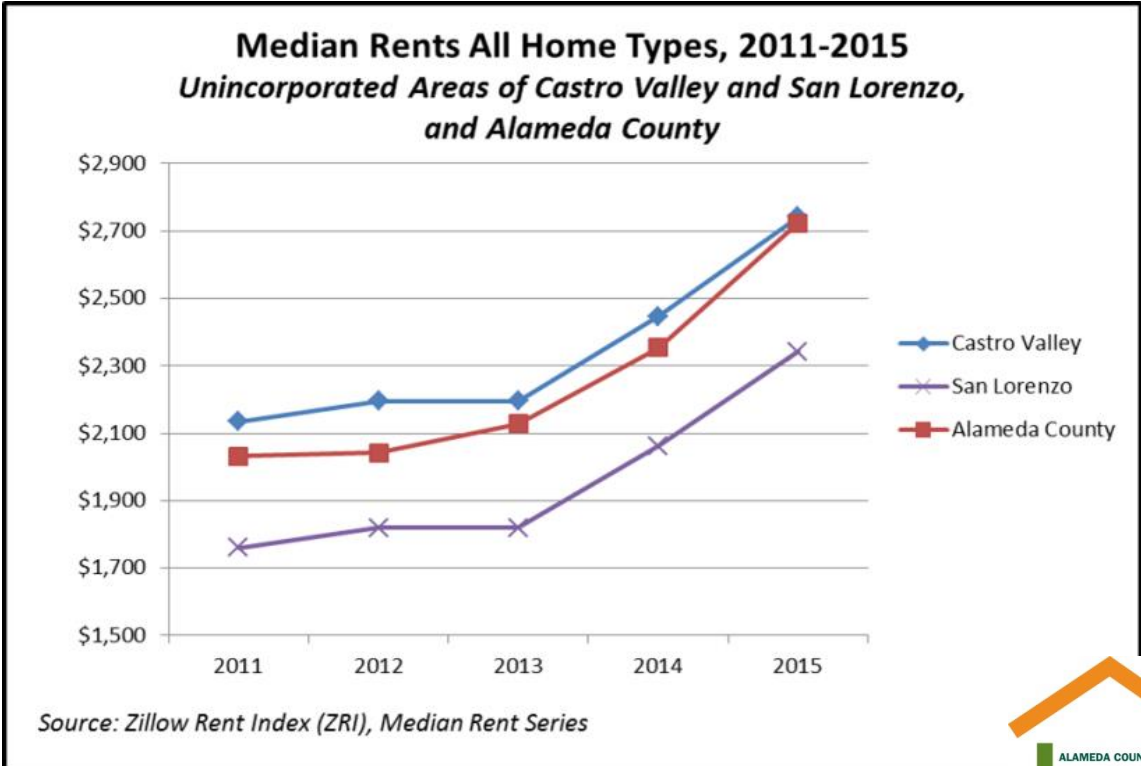
Berkeley	55.90%
Hayward	54.30%
Albany	53.40%
Oakland	52.60%
Union City	51.00%
Unincorporated	49.30%
Emeryville	48.10%
San Leandro	48.00%
Livermore	46.10%
Newark	44.70%
Alameda	42.50%
Fremont	38.80%
Dublin	38.50%
Pleasanton	35.80%
Piedmont	26.50%

# Housing Crisis in Unincorporated County

Castro Valley sales prices have risen 48% and San Lorenzo have risen 59% since the 2010 market bottom.

76% of Very Low Income renters pay over 30% of their incomes for rent, and 35% pay more than half of their incomes for rent.

## Rents have increased 29% in Castro Valley 31% in San Lorenzo since 2011





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# Zero Net Energy Policy for Municipal Buildings

**UTILITIES & ENVIRONMENTAL SERVICES**

Alex Ameri  
Director of Utilities & Environmental Services

May 17, 2016

# ZNE Definition



A Zero Net Energy building is one that produces as much energy, based on the value of the energy produced, as it consumes over the course of a year

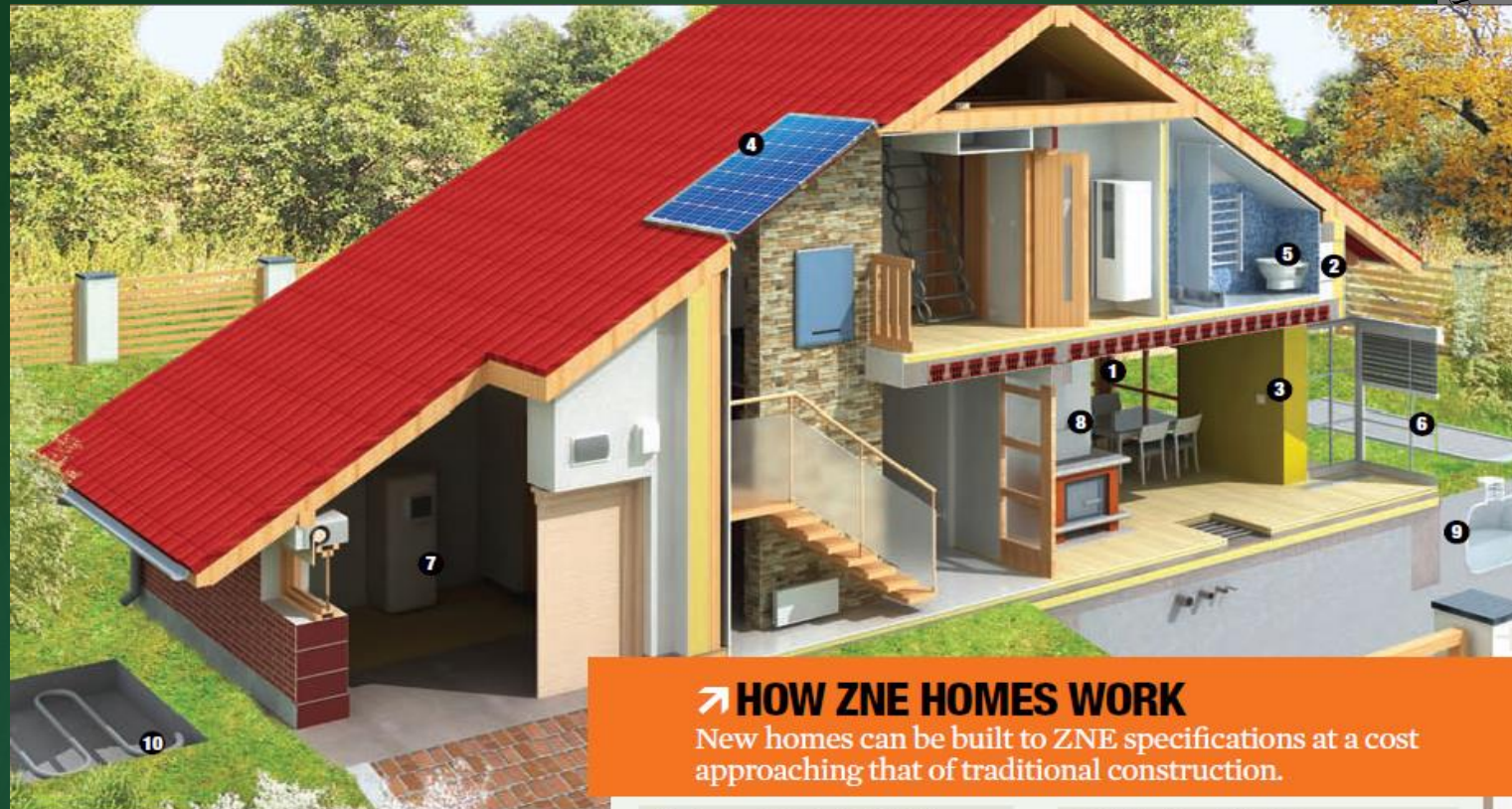
# Benefits of ZNE Buildings



- ▶ Energy Independence
- ▶ Local Resiliency
- ▶ Healthier Environment
- ▶ Lower Operating Costs
- ▶ More Comfortable Living and Working Spaces



# Example of ZNE Home



## ➤ HOW ZNE HOMES WORK

New homes can be built to ZNE specifications at a cost approaching that of traditional construction.

- |   |  |
|---|--|
| <b>1</b> Energy-Efficient LED Lighting                                    | <b>6</b> Triple-Pane, High-Performance Windows and Properly Sealed Doors, Walls and Jambes |
| <b>2</b> Heavy-Duty Double, Sealed or Blown-In Insulation                 | <b>7</b> Tankless Water Heater   |
| <b>3</b> Smart Meter and Thermostat for Better Energy Management          | <b>8</b> Energy Star Advanced Tier Appliances  |
| <b>4</b> Photovoltaic Solar Panels and On-Site Battery for Energy Storage | <b>9</b> Greywater Recycling System with Drain-Water Heat Exchanger                        |
| <b>5</b> Low-Flow Water Fixtures  | <b>10</b> Geothermal Heating and Cooling   |

# State of California Goals:



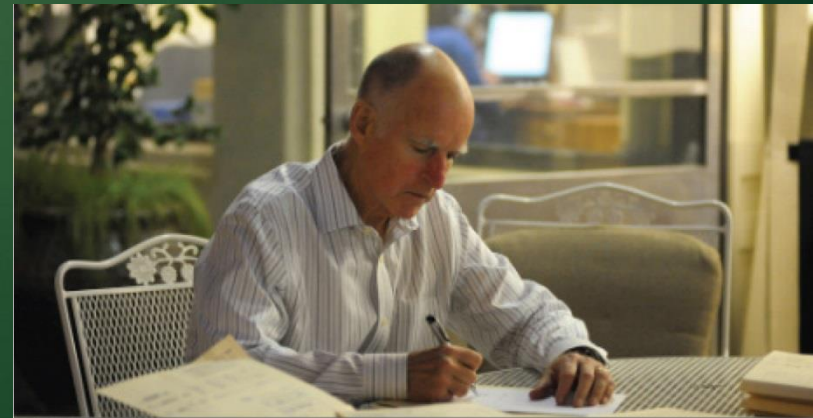
- ▶ all new residential buildings will be ZNE by 2020
- ▶ all new and 50% of existing state-owned public buildings will be ZNE by 2025
- ▶ all new and 50% of existing commercial buildings will be ZNE by 2030



# Executive Order B-18-12



- ▶ new State buildings and major renovations after 2025 must be ZNE
- ▶ interim target: 50% of new facilities after 2020 must be ZNE
- ▶ take measures toward achieving ZNE for 50% of existing state-owned building area by 2025



California Governor Jerry Brown



# Existing City Ordinance



- ▶ Current ordinance requires all new City building or renovation projects exceeding 20,000 sq. ft. or \$5 million to be LEED Silver certified.
- ▶ LEED (Leadership in Energy & Environmental Design) standards do not require using any Renewable Energy



# General Plan Policies



NR-4.10 Public Renewable Energy Generation

NR-4.11 Green Building Standards

PFS-2.3 Sustainable Practices

PFS-2.7 Energy Efficient Buildings and Infrastructure



# Considerations



- ▶ Different building types have significantly different energy use intensity (EUI).
- ▶ Renovations with tight budgets may prove difficult to achieve this goal.
- ▶ The more stories the building has, the more challenging and expensive ZNE becomes.
- ▶ Some sites have limited solar power potential.
- ▶ Extra design and engineering effort = higher costs.
- ▶ Initial construction costs would increase.

# Sustainability Committee



## Staff Proposed:

- ▶ all new City buildings that begin design after 2025 be ZNE
- ▶ all existing City buildings for which renovations exceeding 50% of the building's value and that begin design after 2025 be ZNE
- ▶ lesser improvements to existing City buildings should include efficiencies and technologies that facilitate achieving ZNE by 2030.

# Other Jurisdictions



- ▶ Santa Barbara County – Adopted resolution adopted in 2014 for County-owned buildings. Effective in 2025.
- ▶ Palo Alto – Recently adopted ordinance supporting ZNE for private development.
- ▶ Menlo Park – Draft ordinance to require partial ZNE in private development.



# Sustainability Committee



## Recommendation:

- ▶ all new municipal buildings designed and constructed after January 1, 2017 be ZNE
- ▶ all new and existing municipal buildings for which renovations exceed 50% of the building's value and are designed and constructed after January 1, 2017 be ZNE
- ▶ lesser improvements to existing municipal buildings should include efficiencies and technologies that facilitate achieving Zero Net Energy by 2030

# Recommendation continued



To make implementation of this policy feasible even where site conditions are challenging, the Sustainability Committee offered the following:

- ▶ Where the site, energy demand, or other aspects of a building make it infeasible or prohibitively expensive to achieve ZNE onsite, the building or site shall provide as much renewable energy as is feasible and the balance of the energy demand shall be offset by newly installed renewable energy facilities at other City-owned properties.

# Questions & Discussion

