

# **Addenda**

## **New Construction of Multifamily Affordable Housing 2020 Pipeline NOFA**

**City of Oakland**

**Department of Housing and Community Development**

**April 30, 2020**

**New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addenda**

**Table of Contents**

**Addendum #1: Minimum Developer Qualifications..... 2**

**Addendum #2: Affordable Homeownership Development Program..... 6**

**Addendum #3: Guidelines for Developer Fees for Housing  
Development Projects..... 10**

**Addendum #4: Affirmative Fair Marketing Procedures..... 15**

**Addendum #5: Income Limits, Rent Payment Limits, and Utility  
Allowance..... 25**

**Addendum #6: Poverty Rates by Census Tract..... 29**

**Addendum #7: Homeownership Rates by Census Tract..... 30**

**Addendum #8: EveryOne HOME Property Management Guidelines ..... 31**

**Addendum #9: Insurance Requirements..... 38**

**Addendum #10: Oakland Displacee, Neighborhood Resident, Oakland  
Resident and Oakland Worker Preference Regulation  
for Multifamily Affordable Housing..... 42**

**City Of Oakland  
New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addendum #1: Minimum Developer Qualifications**

This section contains criteria for assessing developer experience, competence, and capacity. The criteria can help developers and development teams to evaluate the likelihood of obtaining City funding. Staff is available to discuss any of the criteria provided herein.

**DEVELOPER QUALIFICATIONS**

---

The following set of developer criteria apply to the development entity that has applied for funding. All development entities applying for funding must meet the experience requirements below. A developer which does not meet the criteria for experience may joint-venture with a developer which does. Joint-venture criteria are outlined below in Section III.

**I. NONPROFIT DEVELOPERS**

***DEVELOPMENT EXPERIENCE.*** The development entity applying for funding must have experience successfully completing at least three affordable housing development projects. At least one of the completed projects must be similar to the project for which funding is being sought. Developers must submit the following information concerning completed projects, using the format provided in the Application.

1. The type of project developed (Number of units, funding sources, total development cost, new construction or rehabilitation).
2. Location of project.
3. Date of project start and completion.
4. List of staff members involved in the development of the project.
5. The income level of the households that were served.
6. Name, title, and telephone number of staff member of local governing body most familiar with the project.
7. Whether project was on time and on budget (relative to schedule and budget at start of construction)

***COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs).*** For organizations qualifying as CHDOs for the purposes of HOME funding, the staff with development experience must be paid employees on staff at the organization (not consultants, contractors, board members, or volunteers).

## **II. FOR-PROFIT DEVELOPERS**

In general, the experience of a for-profit developer will be treated similarly to the experience of a nonprofit developer. For-profit developers must also submit the resumes of the firm principals.

## **III. JOINT VENTURES**

- A.** Prior to funding approval, the City must review and approve all joint venture agreements. In all joint ventures, a majority interest and control must be held by the development entity meeting the City requirements for experience as described in Sections I & II above.
  
- B.** If the joint venture entity is composed of a for-profit developer and a nonprofit developer, the City will decide which criteria are applicable by determining which joint venture partner has the majority interest in the management and operation of the joint venture.

In special circumstances only, the City may approve joint-venture agreements in which the development entity meeting the City experience requirements does not hold a majority interest in the development, but holds control over key development and management decisions.

## **IV. LIMITED PARTNERSHIPS**

For projects proposed as limited partnerships, the City reserves the right to approve the limited partnership agreement.

# **DEVELOPMENT TEAM QUALIFICATIONS**

---

The following section addresses the required elements of the development team. Resumes must be included for each development team member to document their qualifications and experience.

## **I. REQUIRED EXPERIENCE OF THE DEVELOPMENT TEAM**

### **A. Developer Project Management: Experience with 3 similar projects is required.**

1. Please show experience with at least 3 projects similar to the project proposed.
2. Please show that the lead staff person assigned has completed one project from start to finish, which should be of the same general type and complexity as the project being proposed.
3. Submit resumes and job descriptions of key staff.

### **B. Architect: Experience with 3 similar projects is required.**

1. Please show experience with at least 3 projects similar to the project proposed.

2. Please show experience with a project that was financed by similar types of funding sources (e.g. local, state or federal). Experience in this area is desirable, not mandatory.
3. Please show experience with similar construction types, e.g. steel or wood frame, podium construction.
4. If this is unusually complex, please demonstrate experience with a project of similar complexity.
5. Please show that the lead staff person assigned to the project has the required experience.
6. Submit resumes and job descriptions of key staff.

**C. Attorney: If the developer uses different law firms for different aspects of the projects, then key staff for the assignment should have experience in the relevant area.**

1. Please show experience in housing and redevelopment law.
2. Please show experience in corporation law (nonprofit corporate law desirable, if a nonprofit developer is involved).
3. Please show experience in real estate law.
4. Please demonstrate experience in low income housing tax credit syndication (if the project is proposed to be syndicated).
5. Submit resumes and job descriptions of key staff.

**D. Development and/or Financial Consultant: Experience with 3 similar projects required. A development consultant is not required if the developer and development team possess sufficient experience.**

1. Please show experience with a project that was financed by similar types of funding sources (e.g. local, state or federal). Experience in this area is mandatory.
2. If this project is unusually complex, please demonstrate experience with a project of similar complexity. Please show that the lead staff person assigned has completed one project from start to finish, which should be of the same general type and complexity as the project being proposed.
3. Submit resumes and job descriptions of key staff.

**E. General Contractor: Experience with 3 similar projects required. Designation of a general contractor is not required with the NOFA application submission. Upon designation of a general contractor, the following information must be submitted as part of the City approval process.**

1. Please demonstrate experience with similar construction types, e.g. steel or wood frame, podium construction.
2. If this project is unusually complex, please demonstrate experience with a project of similar complexity.

3. Please show experience with prevailing wage/Davis-Bacon requirements. Experience in this area is desirable. If contractor has been involved with a previous project partially financed by the City, previous performance will be considered.
4. Please show experience with local hiring programs. Experience in this area is desirable. If contractor has acted on a previous project partially financed by the City previous performance will be considered.
5. Please demonstrate that the contractor has the capacity to take on the project.
6. Please show that the on-site construction supervisor has the experience required of the contractor.
7. Submit resumes and job descriptions of key staff including the on-site manager.
8. Submit evidence that the contractor has the ability to obtain the required labor and materials, and performance bonds in an amount equal to one hundred percent (100%) of the construction contract amount.

#### **F. Property Manager**

1. Submit evidence of experience with 3 similar projects.
2. Submit list of all projects managed within the past five years and show the current status.
3. Submit evidence of experience with the management of projects that are subject to rent and occupancy restrictions.
4. If the proposed project is unusually complex, please demonstrate experience with a project of similar complexity.
5. Please show that the lead staff person assigned has the same management experience that is required of the manager.
6. Please provide evidence that the management company has the capacity to take on the project.
7. Submit resumes and job descriptions of key staff.

#### **G. Developer as Builder**

If the developer desires to act as the builder, all the requirements that have been listed under “E. Contractor” must be met by the developer.

#### **H. Developer as Property Manager**

If the developer desires to act as the property manager, all the requirements that have been listed under “F. Property Manager” must be met by the developer.

**City Of Oakland  
New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addendum #2: Affordable Homeownership Development Program**

The City's Affordable Homeownership Development funding program (AHDP) is structured to keep its new homeownership projects permanently affordable. Under the terms of the City funding for this program and by State law, all assisted units must be sold to qualified first-time homebuyers at an affordable housing cost. This requires that the assisted unit be sold at an affordable sales price. Each time the assisted unit is sold, it must be sold at not more than the affordable sales price, which changes over time based primarily on changes in the maximum income levels and interest rates.

To help accomplish this, the City may provide a forgivable development loan to the developer to be used for a portion of the development costs. Generally, for projects where all units are affordable, the City will forgive and convert to a grant that portion of its development loan equal to the difference between the total development cost and the total net sales proceeds. This is intended to allow the developer to sell the assisted units to initial qualified buyers at affordable sales prices yet still cover costs and receive a reasonable profit. In the case where some units will be sold at market-rate, the amount of the development loan that may be forgiven will be determined on a project by project basis.

Because the prices are limited to no more than the affordable sales prices for the target households, silent second mortgages are not provided by the City. When the homeowner sells the unit to the next qualified buyer, the sales price will be limited by the affordable housing cost for that particular unit (based on the interest rate and maximum income limit at that time of sale). At resale, the homeowner will be able to receive the equity from their original investment and any repayment of their first mortgage plus all the appreciation up to the maximum Affordable Sales Price (ASP).

**Average Affordability 100% of AMI:** Based on current City Council policy, though households with incomes up to 120% may be assisted, the average affordability level for all assisted units in a project must not exceed 100% of AMI. For example, in a 20 unit project, 6 units would be sold to households at 120% of AMI, 6 units would be sold to households at 80% of AMI, and 8 would be sold to households at 100% of AMI.

**DETERMINING THE AFFORDABLE HOUSING COST FOR AN ASSISTED UNIT**

The Affordable Housing Cost (AHC) is the maximum monthly housing cost that a household in a certain income group should pay. The AHC is set as a maximum percentage of a certain income adjusted for family size for the appropriate unit. The maximum income limit for AHDP units is 120% of AMI as set by the Oakland City Council.

For simplicity in marketing and sales, it is advised to have as few different target income groups in a development as feasible. The general formula to determine the Affordable Housing Cost is:

- Households earning less than 80% of AMI:

One-twelfth of 30% of ten percent less than the target income limit, adjusted for family size. Example: the AHC for units restricted to households earning up to 60% of AMI is: 1/12 of 30% of 50% of AMI adjusted for family size for the appropriate unit.

- Households earning 81% of AMI-120% of AMI:

One-twelfth of 35% of ten percent less than the target income limit, adjusted for family size. Example: the AHC for units restricted to households earning up to 90% of AMI is: 1/12 of 35% of 80% of AMI adjusted for family size for the appropriate unit.

Housing costs used in the calculation of Affordable Housing Cost include all of the following associated with owning a housing unit: principal and interest payments on a mortgage loan; private mortgage insurance; property taxes and assessments; fire and casualty (hazard) insurance covering replacement value of improvements; a reasonable allowance for utilities (using the Oakland Housing Authority's Utility Allowance as a base) and for unit maintenance; and homeowner's/maintenance association fees (if applicable).

#### **PRESUMED HOUSEHOLD SIZE FOR CALCULATING AFFORDABLE HOUSING COST**

For purposes of calculating the AHC, "family size appropriate to the unit" means a household of:

- a) one person in the case of a studio unit;
- b) two people in the case of a one-bedroom unit;
- c) three people in the case of a two-bedroom unit;
- d) four people in the case of a three-bedroom unit; and
- e) five people in the case of a four-bedroom unit.

Although the ASP is based on a specific target income level, the income of the particular homebuyer must not exceed the required maximum income for the assisted units (as very low, low or moderate income units as approved by Council) based on their actual income and household size.

#### **DETERMINING THE AFFORDABLE SALES PRICE FOR AN ASSISTED UNIT**

The maximum Affordable Sales Price (ASP) is the total sales price at which a typical household with an income equal to a specified percentage of the area median income, adjusted for the household size appropriate for the unit size, pays no more than an Affordable Housing Cost per month.

Affordable sales prices are based on the target income level (for example, 80% of AMI for units restricted to Low Income households), not the income of the actual homebuyer. The household size adjustment that is used in determining the income limit for purposes of setting the maximum affordable sales price is based on the number of bedrooms in the unit, not the size of the specific homebuyer's household. This allows sales prices to be set in advance of identifying a specific buyer. This also ensures that the homes are affordable to a range of low or moderate income households.

#### **ASSUMPTIONS AND INDICES**

The City strongly recommends the following indices for each of the assumptions used in calculating both the Affordable Housing Cost and the Maximum Affordable Sales Price for the



initial sales and for any future sales. Any deviation from these assumptions must be clearly identified and justified by the project sponsor:

- The down payment percentage will be assumed at 5% of the sales price.
- The interest rate on the first mortgage loan will be assumed to be equal to the Federal National Mortgage Association's (FNMA) Required Net Yield Rate for 30-year fixed rate mortgages (60-day Actual/Actual), as of the date and time of day specified by City, rounded to the nearest one-eighth of one percentage point (0.125%). If the FNMA required net yield rate cannot be determined, the assumed interest rate shall be set by City using a comparable rate intended to approximate typical rates available to borrowers for 30-year conventional fixed-rate mortgages. For purposes of estimating the sales price at the time of application, a 15-year average of the FNMA Rate should be used.
- The term of the first mortgage loan will be assumed, and required, to be 30 years, fixed.
- The effective annual property tax rate will be assumed to be 1.4% of the sales price, plus a minimum of \$1,212 for special assessments.
- Private mortgage insurance (PMI) will be assumed to equal 0.80% of the first mortgage amount annually.
- Utility costs shall be based on the current Utility Allowances prepared by the Oakland Housing Authority (OHA).
- Maintenance reserve assumption shall be a minimum of \$25 per month and will assume a 5% annual increase.
- Hazard and casualty insurance payments will be assumed at .35% of the sales price annually.
- To forecast annual AMI income limits, use an inflation factor of 2% per year.
- The homeowner's association/maintenance association fees will be the amount charged by the homeowners association for the Project.

The City reserves the right to adjust any of these assumptions to reflect changing conditions or industry standards.

When the developer is ready to start marketing the units (generally 60 days prior to start of construction), they should contact the City's Housing Development staff and submit an updated Affordable Sales Prices which would reflect the most current income limit and interest rate for the project.

When the existing homeowner is ready to sell their unit, they must provide written notice to the City's Housing and Community Development staff of their intention to sell their unit at least 60 days prior to listing the unit for sale. They must request that the City provide a written statement of the current Affordable Housing Cost and Affordable Sales Price for their particular unit as well as whether the City will exercise its (first) right to purchase.

#### **LONG TERM AFFORDABILITY AND FAIR RATES OF RETURN**

The City will allow the buyers of the units to receive a fair rate of return and, at the same time, will assure that the units are sold only to qualified homebuyers, at not more than the maximum Affordable Sales Price, over the life of the project (essentially in perpetuity). This is realized by the following:

***Long Term Affordability.*** The loan agreement with the developer will contain appropriate pass-through enforcement provisions (an Affordability Agreement recorded at close of the development loan and a Declaration of Resale and Occupancy Restrictions and Grant of First Right of Purchase [“the Declaration”] and Performance Deed of Trust [Deed of Trust] recorded prior to sale of each unit to an initial buyer) for the City to ensure compliance on the part of both the developer and the homeowners. A recorded Assumption Agreement executed by the initial homebuyer and each subsequent homebuyer, and referencing the Declaration and the Deed of Trust, will ensure that houses are resold only to qualified low or moderate income households at an affordable sales price each time the unit is sold. Except in extraordinary circumstances, the City will not subordinate affordability covenants, including the Declaration and the Deed of Trust.

***Fair Rate of Return.*** When the owner sells the unit to the new buyer, the seller will be able to receive the net sales proceeds, up to the new ASP. The seller is eligible to potentially receive a fair, though limited, rate of return on their investment, tied to the Area Median Income rather than the housing market. The ASP will fluctuate based on both the maximum income limit for the unit and the interest rate at the time of sale, not based on market forces. Because the sales prices are always going to be affordable, no additional City mortgage assistance will be needed or provided to keep the units permanently affordable.

**City Of Oakland**  
**New Construction of Affordable Multifamily Housing**  
**2020 Pipeline NOFA**

**Addendum #3: Guidelines for Developer Fees for Housing  
Development Projects**

**MAXIMUM DEVELOPER FEE**

**Tax Credit Projects**

At application for City funds, the total developer fee allowed for tax credit projects (both for 4% and for 9% projects) shall not exceed the maximum allowed under TCAC Regulations (see TCAC Regulations Section 10327).

If, after receiving a commitment of City funding, the sponsor is able to leverage additional funding which allows a fee higher than the maximum shown above without a request for additional City funding, the City may negotiate and approve additional developer fees for the project.

**Maximum fee**

- For 9% tax credit projects, the maximum developer fee allowed shall be the maximum allowed by TCAC: a) \$2 million for rehabilitation or adaptive reuse and b) \$2.2 million for new construction.
- For 4% tax credit projects, \$2 million allowed in development sources with an additional \$1.5 million allowed from operational income as deferred fee. Between up-front developer fees paid by development sources and deferred fees paid by operational income, developer fee shall not exceed \$3.5 million.

**Non-Tax Credit Projects**

For projects not using tax credits, the following limits will apply.

|                     |                              |
|---------------------|------------------------------|
| First 20 units:     | \$33,000 per affordable unit |
| Unit 21 to unit 40: | \$22,000 per affordable unit |
| Units 41 and above: | \$17,000 per affordable unit |

However, the fee for each project is subject to approval by the City of Oakland. Note that fees may also be capped by other financing sources.

Allowable fees for mixed-income projects, minor rehabilitation projects, or rehabilitation of existing affordable housing will be negotiated on a project-by-project basis. If the proposed project includes market-rate units, is an acquisition/rehab or refinance/rehab, please call Housing Development staff as soon as possible prior to submitting your application to discuss the allowable developer fee.

Developer fees are contingent upon satisfactory completion of the project. Where project costs exceed the approved budget, developers may be required to contribute a portion of the developer fee toward the excess costs.

**Amount available for developer administration/overhead prior to completion:**

The lesser of the following:

- 50% of the total developer fee.
- \$600,000.

**SCHEDULE FOR DISBURSEMENTS**

The approved total developer fee for the project will be earned based on a schedule agreed upon by the City and the developer. The following standard schedule of disbursement applies, and is expected to be implemented.

*Administration portion (up to a maximum of \$600,000):*

1. 50% upon securing firm commitments for all financing and closing City loan.
2. Additional 50% upon start of construction.

*Remainder of development fee:*

1. 50%, or the balance of the fee, less a final disbursement of \$100,000 (for cost certification as specified below), upon full occupancy and closing of all permanent financing.
2. 50%, up to a maximum of \$100,000, upon City review and approval of final cost certification, and HOME Completion Report or tenant lease up report. (Please refer to Program Description and Requirements for additional details on the final cost certification process).

The following examples illustrate the disbursement schedule, for purposes of clarity:

|  | <u>Project A:</u>  | <u>Project B:</u> |
|--|--------------------|-------------------|
|  | 87 Units           | 12 Units          |
| <b>Total Developer Fee:</b>  | <b>\$3,500,000</b> | <b>\$396,000</b>  |
| <u>Allowed from up-front Development Sources</u>   | <b>\$2,000,000</b> |                   |
| <u>Administration Portion (\$600,000 maximum):</u>   | <b>\$600,000</b>   | <b>\$198,000</b>  |
| <ul style="list-style-type: none"> <li>• 50% disbursed when all financing is committed and the City loan has closed</li> <li>• 50% disbursed on start of construction</li> </ul>   | \$300,000          | \$99,000          |
|  | \$300,000          | \$99,000          |
| <u>Remainder of up-front Development Fee:</u>  | <b>\$1,400,000</b> | <b>\$198,000</b>  |
| <ul style="list-style-type: none"> <li>• The greater of 50% of the balance, or the balance less \$100,000, disbursed upon full occupancy and closing of all permanent financing</li> <li>• The remaining balance disbursed upon City review and approval of final cost certification and HOME Completion Report or tenant lease up report</li> </ul> | \$1,300,000        | \$99,000          |
|  | \$100,000          | \$99,000          |
| <u>Deferred Development Fee</u>  | <b>\$1,500,000</b> |                   |
| <ul style="list-style-type: none"> <li>• Excess cash flow from operations after operating costs, senior debt, and reserves.</li> </ul>   |                    |                   |

**CONTROLLING DISBURSEMENT OF FEES IN COORDINATION WITH OTHER FUNDERS**

In the case of fees paid from syndication, the City will make the payment schedule a condition of approval of the syndication. When developer fees are funded by other lenders, the City may need to negotiate an "Inter-Creditor Agreement" or other similar agreement with the other lender or the investor to ensure that the above schedule is followed.

The applicant is required to provide the City disbursement schedule to all other funding sources. Subsequently, the City will assume that other funding sources are aware of the disbursement requirements, and that the preceding disbursement schedule will be implemented and followed, unless an "Inter-Creditor Agreement" has been finalized.

The City will hold an amount of its funds equal to the final developer fee payment until the final project cost certification is reviewed and approved, and the final HOME Completion Report (if applicable) or tenant lease up report is reviewed and approved.

**COSTS INCLUDED IN "DEVELOPER FEE"**

Any funds disbursed to the developer or sponsor for administrative costs, provision of guarantees, or fees for services are considered to be a portion of the developer fee. Payments into reserves required by lenders or investors will not be included, but payment of fees for

guaranteeing against operating deficits will be included. Specific examples of items to be treated as fees (in addition to any fees charged by the developer) include:

1. Administration
2. Staff costs, including development consultants (but not historic preservation, environmental, or syndication consultants)
3. Net worth guarantee fees
4. Marketing and/or rent-up supervision fees
5. Tax credit compliance guarantee fees
6. All credit consultant fees
7. Real estate brokerage fees paid to a related party
8. Loan brokerage fees paid to a related party
9. Processing agent fees
10. Developer overhead and profit
11. The cost of any personal guarantees
12. Reserves in excess of those customarily required by multi-family housing lenders.

***Treatment of "Partnership Management" or "Asset Management" Fees***

A Partnership Management fee is allowed to be paid to the General Partner of a tax credit project for handling investor relations, tax preparation, etc., and an Asset Management fee is allowed to be paid to the General Partner for all projects (including those without tax credits) for handling ongoing asset management tasks. The combined Partnership and Asset Management fee for tax credit projects, excluding investor's fees, should not exceed \$34,000 and may increase at up to 3.5% per year. For non-tax credit projects, Asset Management fees may not exceed \$12,500 per year. Both fees may be paid from project cash flow after debt service and deposits to reserves. Where the fee is funded in advance from syndication proceeds, it should be placed in escrow and paid out over time to ensure a steady stream of income to cover these costs. Deferred partnership/asset management fee can only be paid from the developer sponsor's portion of the Incentive Management Fee.

***Incentive Management Fee***

For nonprofits, if a project has no monitoring findings or other violations of City or other agreements, and if excess cash flow from operations is available after payment of operating costs, senior debt, deferred developer fee, and reserves, the developer/sponsor may keep 50% of the remaining cash flow as an Incentive Management Fee. If the project is owned by a partnership, the partnership agreement should clearly indicate that the Incentive Management Fee will be paid to the developer/sponsor. This additional fee must be approved by the City annually and may be used for projects and activities that would contribute directly to the borrower's (or its nonprofit affiliate's) activities relating to its affordable housing and community development activities only. If other lenders also require residual receipts payments the developer/sponsor's proportion of the excess cash flow will be reduced to 25%. The lenders will receive distributions of the remaining 75% of the excess cash flow based on

relative loan amounts. Staff should be included in any negotiations of residual receipts loan payments.

**City of Oakland  
New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addendum #4: Affirmative Fair Marketing Procedures**

**I. Policy on Nondiscrimination and Accessibility**

1. Owners and managing agents of housing assisted by the City of Oakland (the “City”) must not discriminate against potential tenants or purchasers on the basis of race, color, religion, sex, physical or mental (including cognitive, developmental or emotional) disability, familial status (presence of child under age of 18 and pregnant women), national origin, ancestry, age, marital status, sexual orientation, gender identity or expression, having Acquired Immune Deficiency Syndrome (AIDS) or AIDS related conditions (ARC), source of income, any arbitrary basis, or any other status protected by federal, state or local law.
2. On February 4, 2020 the Oakland City Council adopted the Ronald V. Dellums and Simbarashe Sherry Fair Chance Access to Housing Ordinance set forth in City of Oakland Ordinance No. 13581, and codified at Chapter 8.25 of the Oakland Municipal Code, as may be amended from time to time (the “*Fair Chance Ordinance*”). In accordance with this ordinance, an owner of residential rental property (referred to in the ordinance as a “*Housing Provider*”) shall not, at any time or by any means, whether direct or indirect, inquire about an applicant’s criminal history, require an applicant to disclose criminal history, require an applicant to authorize the release of criminal history or, if such information is received, base an adverse action in whole or in part on an applicant’s criminal history.
3. In addition, owners must undertake affirmative marketing efforts to reach persons that are unlikely to apply for housing due its nature, location or other factors.
4. Developers receiving Federal funds are required to create units that are accessible to people with disabilities. At least five percent of new units must be accessible to people with mobility impairments and at least two percent must be accessible to people with hearing or vision impairments.
5. In addition to Federal laws requiring units for people with physical disabilities, fair housing laws require owners to make reasonable accommodations to people with all types of disabilities who request accommodations due to disability at any time during the application, resident selection and rent-up process. In doing so, owners are required to make and pay for structural and non-structural modifications to dwelling units and common areas when needed as a reasonable accommodation for tenants or applicants with disabilities. In such cases where providing a requested accommodation would result



in an undue financial and administrative burden, developers are required to take any other action that would not result in an undue burden.

6. All developers who receive funds from the City are required to enter into loan agreements, and regulatory agreements or affordability agreements with the City prior to receiving any funds. These agreements are designed to bind the recipients to all of the program requirements, including the affirmative fair marketing procedures.
7. The following document outlines the affirmative fair marketing procedures that must be adhered to by developers and owners of housing units assisted by the City.

## **II. Training**

1. The owner and managing agent shall provide property management staff with all relevant regulations and fair housing provisions. All property management staff shall be required to follow the procedures and policies adopted by the owner and managing agent.
2. Property management staff shall annually receive instruction regarding fair housing laws and the development's Affirmative Fair Marketing Plan. Formal training programs shall include marketing, outreach, data collection, reporting, and record keeping.

## **III. Methods and Practices for Informing the Public**

1. In order to inform the public, owners, and prospective tenants about Federal fair housing laws and the City's affirmative marketing policies, the City will include the Equal Housing Opportunity logo and/or slogan, and a logo and/or slogan indicating accessibility to persons with disabilities, in all press releases, solicitations, and program information materials.
2. In addition, the City provides funding to a number of fair housing agencies to provide information and counseling regarding fair housing laws and policies.

## **IV. Marketing and Outreach**

1. As a condition of the agreements, not less than 180 days prior to project completion, owners must submit proposed marketing and management plans to the City for review and approval. Prior to commencing marketing activities, owners will be required to meet with City staff to review the proposed marketing strategy to ensure that affirmative marketing efforts will be employed.

Marketing plans must include information on strategies for reaching persons and groups not likely to apply including, but not limited to, households that include a member with disabilities. Marketing plans must also include procedures for ensuring that people with

disabilities who request accessible features are given preference for occupancy of accessible units, as described below. Management plans must include policies for ensuring reasonable accommodation for persons with disabilities. Management plans must also contain policies and provisions for recordkeeping and monitoring. The City will provide written guidance on selection of tenants and reasonable accommodation during occupancy, if requested.

2. All advertising shall display the Equal Housing Opportunity logo and/or the phrase “Equal Housing Opportunity”, and a logo and/or slogan indicating accessibility to persons with disabilities. Fair housing posters must be displayed at the project rental or sales office.

Marketing plans must include use of a welcoming statement to encourage people with disabilities to apply for units, as well as a description of available units, accessible features, eligibility criteria, and the application process. The City will provide developers with sample notices, if requested.

Marketing plans must indicate that qualified applicants with disabilities who request accommodation shall receive priority for the accessible units. Open houses and marketing offices must be accessible to allow persons with disabilities to visit the site and retrieve information about accessible units.

3. Owners are required to advertise available units in media outlets of general circulation unless the City approves an alternative notification strategy. Owners must also provide notice to neighborhood community groups when units become available. The management agent shall place notices in newspapers, specialized publications, and newsletters to reach potential residents. Applications, notices, and all publications will include a Fair Housing and Equal Opportunity Logo, and the Accessibility Logo. Community media advertisement of the projects may include the following:

- a. East Bay Times
- b. Oakland Post
- c. El Observador (Spanish)
- d. Sing Tao Daily Newspaper (Chinese)
- e. Eden I&R, Inc. 2-1-1- Information and Referral Line

4. Consistent with the resident population each development was designed to serve, the marketing of the project must ensure equal access to appropriate size units for all persons in any category protected by Federal, state, and local laws governing discrimination.

Owners are required to engage in special outreach to persons and groups in the housing market area who, in the absence of such outreach are not likely to apply for the housing. In determining what special outreach is needed, owners should take into account past patterns of discrimination, the racial and ethnic makeup of the neighborhood, language barriers, location, or other factors that might make it less likely that some persons and groups (a) would be aware of the availability of the housing or (b) would be likely to apply for the housing.

Special marketing outreach consideration will be given to members of protected classes which have been identified as having disproportionate housing needs, including the following groups:

- a. African-Americans
  - b. American Indians
  - c. Hispanics
  - d. Asians and Pacific Islanders
  - e. Persons with disabilities and persons with special supportive housing needs
  - f. Very low income households of all types (including persons making the transition from homelessness to permanent housing)
  - g. Immigrants
  - h. Non-English speaking residents
  - i. Large families
5. In particular, owners are required to advertise in media which are reasonably likely to reach such targeted groups, and to provide notice to neighborhood community organizations, fair housing agencies, and other similar organizations. A list of local disability organizations and community development boards will be provided by HCD if requested. HCD will also provide developers with sample advertisements if requested.

Multilingual advertising is encouraged where such efforts would result in reaching persons and groups not likely to apply. Owners and managers must ensure that people with limited English proficiency are not discouraged from applying or discriminated against and are encouraged to provide translation assistance or referrals to community-based organizations that can assist with translation.

## **V. Specific Procedures for Ensuring that Accessible Units are Occupied by People with Disabilities who Require Accessible Features**

1. Outreach by owners to the disability community shall include the distribution of notices describing:
  - a. the availability of all units;
  - b. specific information regarding the availability and features of accessible units;
  - c. eligibility criteria; and
  - d. application procedures

2. All application forms shall include information indicating that people with disabilities requiring accessible features shall receive priority for accessible units. The application must include a section to be filled out by any applicant requesting an accommodation with details on the applicant's special needs for accessible features or other accommodations. Under no circumstance should an applicant be required to disclose a disability unless requesting an accommodation. (Housing units targeting seniors or people with disabilities may request documentation of age or disability to verify eligibility, but only if the same questions and documentation are asked of all applicants.) This will allow developers to provide, upfront, any necessary accessible features and/or accommodations for those people requesting accommodations. For more information on tenant selection, request the document entitled "Selection of Individual Tenants."
3. Owners shall take reasonable nondiscriminatory steps to maximize the utilization of accessible units by eligible individuals whose disability requires the accessibility features of the particular unit. To this end, any vacant, accessible unit should first be offered to a current, tenant with disabilities of the same project or comparable project under the owner's control. The occupant with disabilities must require the features in the vacant unit and must be occupying a unit not having such features. If no such occupant exists, the developer shall then offer the unit to a qualified applicant on the waiting list who has a disability requiring the accessibility features of the unit.
4. Owners may offer an accessible rental unit to an applicant without a disability after efforts have been exhausted to occupy the unit by an individual with a disability. However, the owner shall require such an applicant to agree to move to an available comparable non-accessible unit when the accessible unit is needed by a household that includes a member with disabilities. Such an agreement should be incorporated into the lease.
5. Note: An owner may not prohibit an eligible family with a member who has a disability from accepting a non-accessible unit which may become available before an accessible unit. Owners are generally required to modify such a non-accessible unit as needed or move a household that includes a member with disabilities into a unit that can be altered. If the modifications would result in an undue financial and administrative burden or alteration in the nature of a program, the owner is required to take any other action that would not result in an undue burden. All applicants should be provided information about how to request a reasonable accommodation at the time they apply for admission and at every recertification.

## **VI. Procedures for Complaints**

1. The owner shall maintain written procedures indicating how applicants or tenants can file complaints regarding fair marketing and/or alleged discriminatory practices.
2. Owner shall promptly investigate all applicant or tenant complaints and shall take corrective actions as necessary.

3. Owner shall maintain records of all such complaints, investigations and corrective actions.

## **VII. Compliance Assessment**

1. The owner and managing agent must review the project's marketing and management plans at least every five years and update as needed to ensure compliance. The advertising sources shall be included in the review to determine if past sources should be changed or expanded.
2. The owner and managing agent shall annually assess the success of affirmative marketing actions for each project. If the demographic data of the applicants and residents vary significantly from the jurisdiction's population data for the target income group, advertising efforts and outreach should be targeted to underrepresented groups in an attempt to balance the applicants and residents with the demographics of the jurisdiction.

## **VIII. Data Collection and Record Keeping**

1. Owners must establish and maintain an Affirmative Fair Marketing file for each project to hold advertisements, flyers, and other public information documents to demonstrate that the appropriate logo and language have been used. Additionally, owners must keep records of activities to implement the affirmative marketing plan, including other community outreach efforts and an annual analysis. Upon request, owners are required to submit to the City copies of all advertisements indicating the date the advertisements were placed and the media outlets which were used. Owners must also provide copies of notices sent to community groups and a listing of those groups to which notices were sent. Owners must maintain records for at least five years regarding marketing and tenant selection practices.
2. Owners shall keep up-to-date records for each project regarding the characteristics of persons applying for vacant units, persons selected to occupy units and residents of the project (including race, ethnicity, presence of children under the age of 18 in the household, requests for reasonable accommodation for a disability, income, and household size), and records about tenant selection or rejection. Under no circumstance should an applicant be required to disclose a disability unless requesting an accommodation. (Housing units targeting seniors or people with disabilities may request documentation of age or disability to verify eligibility, but only if the same questions and documentation are asked of all applicants.) Applicants cannot be discriminated against due to the presence of children in the household.
3. Application materials must include the "City of Oakland Race and Ethnic Data Intake Form" or a substantially equivalent form. The owner and managing agent are required to offer each household member the opportunity to complete the form. Parents or guardians

are to complete the form for children under the age of 18. Completed documents for the entire household shall be stapled together and placed in the household's file.

4. Owners must maintain information regarding the location, description and number of vacant and occupied accessible units. In addition, owners must track and keep records of accessible and non-accessible units that are occupied by tenants requesting reasonable accommodations for a disability. Owners also should document any reasonable accommodations made to, or requested by, tenants during the reporting year.

## **IX. Reporting and Monitoring**

1. As part of the City's monitoring of assisted housing developments, the City may review the owners' records to verify that either:
  - a. Each household living in a physical and sensory accessible unit has at least one household member who needs the accessible features of the unit; or
  - b. If an accessible unit is not occupied by a household who has at least one household member who needs the accessible features of the unit, the owner will verify that no such households (either current or prospective tenants) are on a waiting list for the accessible unit. The owner will also provide documentation that the current occupants agree to move to a comparable non-accessible unit when the accessible unit is needed by a household that includes a member with disabilities.
2. The owner and managing agent shall provide the City access to any pertinent books, documents, papers or other records of their City-assisted properties, as necessary, for determining compliance with civil rights and nondiscrimination requirements.
3. The duration of monitoring of Affirmative Fair Housing Marketing (AFHM) requirements varies with each housing program. For homeownership programs, AFHM requirements apply through the completion of initial sales transactions on units covered by the approved AFHM plan. For assisted rental housing, AFHM requirements apply throughout the term of the loan and regulatory agreements, including those periods when the project does not maintain occupancy. Assisted housing developments must comply with current City Affirmative Fair Housing Marketing requirements, not the policies in effect when the regulatory agreement was executed. Owners are responsible for researching and implementing the City's current requirements.

## **X. Assessment of Success and Corrective Actions**

1. The City will review records maintained by owners to ensure that affirmative fair marketing requirements are being met. Where the characteristics of applicants are significantly different from the make-up of the City's population (i.e., in cases where specific groups are over-represented or under-represented), the City will examine in more detail the owner's actions to determine if a violation of the requirements has occurred.
2. The City may employ a variety of corrective actions. Initially, owners who have not fully complied with the requirements will be directed to engage in targeted marketing efforts to reach groups not initially reached. In cases where owners refuse to comply with the affirmative fair marketing procedures, the City may take additional actions to secure performance under the loan agreement or regulatory agreement, including declaring the loan in default and recapturing the funds.

### ***Attachments***

Attachment A: Additional Resources Available from the City of Oakland

Attachment B: Sample Advertisement/Listing

## **Attachment A**

### **Additional Resources Available from the City of Oakland**

- List of local disability organizations (available from CDBG Program)
- List of local HUD-approved housing counseling organizations, if applicable (available from Homeownership Program)
- List of City-trained loan consultants, if applicable (available from Homeownership Program)
- List of City-trained real estate professionals, if applicable (available from Homeownership Program)
- Sample Notice of Housing Availability
- Housing Logos and Slogans
  - Accessibility for Persons with Disabilities Logo and Slogan
  - Equal Housing Opportunity Logo and Slogan
- Reasonable Accommodation Sample Notice and Forms
  - Sample Notice of Right of Reasonable Accommodation
  - Sample Request for a Reasonable Accommodation Form
  - Sample Unit Transfer Request Form
  - Sample Verification of Need for a Reasonable Accommodation Form
  - Sample Response to a Request for Reasonable Accommodation Form
- Legal Considerations During Screening and Intake
- Operation and Management of Housing
- City of Oakland Race and Ethnic Data Intake Form and Instructions
- HUD-27061 “Race and Ethnic Data Reporting Form” and Instructions



## **Attachment B**

### **Sample Advertisement**

*(Project name)*, an affordable housing development in Oakland has *(studio, 1, 2, 3, and/or 4)* bedroom apartments available at reduced rents for qualified low income households. Applicants with disabilities are encouraged to apply. Income and other restrictions apply. *(Section 8 welcome)* Equal Opportunity Housing Provider.

**City Of Oakland  
New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addendum #5: Income Limits, Rent Payment Limits, and Utility Allowance**

The Income and Rent Limits schedules are also available for download here:  
<https://www.oaklandca.gov/resources/rent-and-income-limits-for-affordable-housing>

**2019 Income Limits**  
 City of Oakland Housing and Community Development Department  
 Effective Date: HOME Income & Rent Limits - 6/28/2019;  
 Sec 8 FMRs - 10/1/2018; TCAC - 4/24/2019; CA HCD - 5/6/2019; NSP - 6/28/2019

| <b>INCOME LIMITS, ADJUSTED FOR HOUSEHOLD SIZE</b>                            |                   |                   |                     |                    |                    |                   |                     |                     |
|--|-------------------|-------------------|---------------------|--------------------|--------------------|-------------------|---------------------|---------------------|
| <b>INCOME LEVEL</b>  | <b>One Person</b> | <b>Two Person</b> | <b>Three Person</b> | <b>Four Person</b> | <b>Five Person</b> | <b>Six Person</b> | <b>Seven Person</b> | <b>Eight Person</b> |
| 20% AMI  | \$16,290          | \$18,600          | \$20,920            | \$23,240           | \$25,100           | \$26,960          | \$28,820            | \$30,680            |
| 25% AMI  | \$21,700          | \$24,800          | \$27,900            | \$30,975           | \$33,475           | \$35,950          | \$38,425            | \$40,900            |
| <b>30% of Area Median Income<br/>(Extremely Low Income)</b>                  | \$26,040          | \$29,760          | \$33,480            | \$37,170           | \$40,170           | \$43,140          | \$46,110            | \$49,080            |
| 35% AMI  | \$30,380          | \$34,720          | \$39,060            | \$43,365           | \$46,865           | \$50,330          | \$53,795            | \$57,260            |
| 40% AMI  | \$34,720          | \$39,680          | \$44,640            | \$49,560           | \$53,560           | \$57,520          | \$61,480            | \$65,440            |
| 45% AMI  | \$39,060          | \$44,640          | \$50,220            | \$55,755           | \$60,255           | \$64,710          | \$69,165            | \$73,620            |
| <b>50% of Area Median Income<br/>(CDBG Low Income)<br/>(Very Low Income)</b> | \$43,400          | \$49,600          | \$55,800            | \$61,950           | \$66,950           | \$71,900          | \$76,850            | \$81,800            |
| <b>60% of Area Median Income</b>   | \$52,080          | \$59,520          | \$66,960            | \$74,340           | \$80,340           | \$86,280          | \$92,220            | \$98,160            |
| 65% AMI  | \$56,310          | \$64,355          | \$72,395            | \$80,395           | \$86,870           | \$93,300          | \$99,730            | \$106,145           |
| 70% AMI  | \$60,540          | \$69,185          | \$77,830            | \$86,445           | \$93,395           | \$100,315         | \$107,235           | \$114,130           |
| 75% AMI  | \$64,770          | \$74,020          | \$83,265            | \$92,500           | \$99,925           | \$107,335         | \$114,745           | \$122,115           |
| <b>80% of Area Median Income<br/>(CDBG Moderate)<br/>(Low Income)</b>        | \$69,000          | \$78,850          | \$88,700            | \$98,550           | \$106,450          | \$114,350         | \$122,250           | \$130,100           |
| <b>100% of Area Median Income<br/>(Median Income)</b>                        | \$78,200          | \$89,350          | \$100,550           | \$111,700          | \$120,650          | \$129,550         | \$138,500           | \$147,450           |
| <b>120% of Area Median Income</b>  | \$104,100         | \$118,950         | \$133,800           | \$148,700          | \$160,500          | \$172,450         | \$184,350           | \$196,250           |
| <b>150% of Area Median Income</b>  | \$117,300         | \$134,030         | \$150,830           | \$167,550          | \$180,980          | \$194,330         | \$207,750           | \$221,180           |

**2019 Rent Limits**  
**MAXIMUM RENTS ALLOWED UNDER CITY OF OAKLAND HOUSING PROGRAMS**  
**OAKLAND, CALIFORNIA**

Effective Date: HOME Income & Rent Limits - 6/28/2019;  
 Sec 8 FMRs - 10/1/2018; TCAC - 4/24/2019; CA HCD - 5/6/2019; NSP - 6/28/2019

| RENT LIMITATIONS                   | SRO <sup>1</sup> | 0 Bdrm. <sup>2</sup> | 1 Bdrm. | 2 Bdrm. | 3 Bdrm. | 4 Bdrm. | 5 Bdrm. |
|------------------------------------|------------------|----------------------|---------|---------|---------|---------|---------|
| 30% of 25% of area median income   | \$407            | \$543                | \$581   | \$698   | \$806   | \$899   | \$992   |
| 30% of 30% of area median income   | \$488            | \$651                | \$697   | \$837   | \$966   | \$1,078 | \$1,189 |
| 30% of 35% of area median income   | \$570            | \$759                | \$813   | \$976   | \$1,127 | \$1,258 | \$1,388 |
| 30% of 50% of area median income   | \$814            | \$1,085              | \$1,162 | \$1,395 | \$1,611 | \$1,797 | \$1,983 |
| 30% of 60% of area median income   | \$977            | \$1,302              | \$1,395 | \$1,674 | \$1,933 | \$2,157 | \$2,379 |
| 30% of 80% of area median income   | \$1,294          | \$1,725              | \$1,971 | \$2,218 | \$2,464 | \$2,661 | \$2,859 |
| 30% of 110% of area median income  | \$1,613          | \$2,151              | \$2,304 | \$2,765 | \$3,195 | \$3,563 | \$3,932 |
| <b>HOME Low Rents<sup>3</sup></b>  | n/a              | \$1,085              | \$1,162 | \$1,395 | \$1,611 | \$1,797 | \$1,983 |
| <b>HOME High Rents<sup>3</sup></b> | n/a              | \$1,390              | \$1,491 | \$1,791 | \$2,060 | \$2,496 | \$2,713 |
| <b>Section 8 Fair Market Rent</b>  |                  | \$1,409              | \$1,706 | \$2,126 | \$2,925 | \$3,587 | \$4,125 |

(1) SRO units are single room units without both a kitchen and a bathroom.

(2) 0 Bedroom units have both kitchen and bathroom (efficiency and studio units)

(3) HOME units must comply with applicable HOME Low or High rents. Apply the most restrictive rent when different.

Rent increases on City of Oakland restricted affordable housing units are subject to City approval based on the current annual rent increase policy.

Rents must be reduced by an allowance for tenant-paid utilities.

Sponsors may use the utility allowances under the federal Section 8 Program as published by the Oakland Housing Authority, or sponsors may present documentation substantiating other figures.

To calculate Utility Allowances, see the Oakland Housing Authority's Utility Allowance chart, available at [www.oakha.org](http://www.oakha.org). Housing developments with loan closings after 8/23/2013 must use the HUD utility model to calculate the utility allowance.

The Utility Allowance schedule is also available for download here:  
<http://www.oakha.org/Residents/Housing%20choice-voucher-residents/Pages/default.aspx>

Oakland Housing Authority

Effective December 1, 2017

SECTION 8 UTILITY & APPLIANCE ALLOWANCES FOR TENANT-PAID UTILITIES

**A**  
**APARTMENTS**

**STANDARD MONTHLY ALLOWANCES**

| End Use                | Utility  | SRO  | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR  | 5 BR  | 6 BR  | TOTAL |
|------------------------|----------|------|------|------|------|------|-------|-------|-------|-------|
| Cooking                | Gas      | \$4  | \$6  | \$6  | \$8  | \$9  | \$9   | \$10  | \$11  |       |
|                        | Electric | \$5  | \$6  | \$7  | \$8  | \$9  | \$10  | \$11  | \$12  |       |
| Space Heating-standard | Gas      | \$9  | \$12 | \$15 | \$19 | \$20 | \$22  | \$25  | \$28  |       |
|                        | Electric | \$11 | \$15 | \$19 | \$23 | \$28 | \$31  | \$33  | \$36  |       |
| Hot Water              | Gas      | \$6  | \$8  | \$8  | \$13 | \$15 | \$19  | \$23  | \$26  |       |
|                        | Electric | \$12 | \$16 | \$18 | \$20 | \$22 | \$28  | \$32  | \$38  |       |
| Lighting-standard      | Electric | \$16 | \$22 | \$27 | \$33 | \$46 | \$59  | \$71  | \$76  |       |
|                        | Water    | \$61 | \$81 | \$83 | \$88 | \$98 | \$106 | \$113 | \$153 |       |
|                        | Garbage  | \$34 | \$45 | \$45 | \$45 | \$45 | \$63  | \$80  | \$121 |       |

Applies to  
**CONSTRUCTION**

**ENERGY EFFICIENT MONTHLY ALLOWANCES**

**6/1/2001 & AFTER**

|                         |          | SRO  | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR | TOTAL |
|-------------------------|----------|------|------|------|------|------|------|------|------|-------|
| Space Heating-efficient | Gas      | \$7  | \$10 | \$12 | \$15 | \$17 | \$18 | \$21 | \$23 |       |
|                         | Electric | \$10 | \$14 | \$16 | \$19 | \$24 | \$26 | \$28 | \$31 |       |
| Lighting-efficient      | Electric | \$15 | \$22 | \$26 | \$31 | \$44 | \$56 | \$69 | \$74 |       |

**TENANT OWNED APPLIANCES**

|              | SRO | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR | TOTAL |
|--------------|-----|------|------|------|------|------|------|------|-------|
| Stove        | \$6 | \$8  | \$8  | \$8  | \$9  | \$9  | \$9  | \$10 |       |
| Refrigerator | \$6 | \$8  | \$8  | \$8  | \$9  | \$9  | \$9  | \$10 |       |

Per Month Cost \$ \_\_\_\_\_

Client Name \_\_\_\_\_

RX Date \_\_\_\_\_

Client Number \_\_\_\_\_

Housing Rep's Initials \_\_\_\_\_



SECTION 8 UTILITY & APPLIANCE ALLOWANCES FOR TENANT-PAID UTILITIES



STANDARD MONTHLY ALLOWANCES

| End Use                | Utility  | 1 BR | 2 BR | 3 BR  | 4 BR  | 5 BR  | 6 BR  | TOTAL |
|------------------------|----------|------|------|-------|-------|-------|-------|-------|
| Cooking                | Gas      | \$6  | \$8  | \$9   | \$9   | \$10  | \$11  |       |
|                        | Electric | \$7  | \$8  | \$9   | \$10  | \$11  | \$12  |       |
| Space Heating-standard | Gas      | \$20 | \$28 | \$37  | \$44  | \$52  | \$57  |       |
|                        | Electric | \$23 | \$35 | \$42  | \$57  | \$66  | \$77  |       |
| Hot Water              | Gas      | \$8  | \$13 | \$15  | \$19  | \$23  | \$26  |       |
|                        | Electric | \$18 | \$20 | \$22  | \$28  | \$32  | \$38  |       |
| Lighting-standard      | Electric | \$30 | \$38 | \$52  | \$67  | \$80  | \$87  |       |
|                        | Water    | \$84 | \$92 | \$104 | \$116 | \$127 | \$131 |       |
|                        | Garbage  | \$45 | \$45 | \$45  | \$63  | \$80  | \$80  |       |

Applies to  
CONSTRUCTION

ENERGY EFFICIENT MONTHLY ALLOWANCES

| 6/1/2001 & AFTER        |          | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR | TOTAL |
|-------------------------|----------|------|------|------|------|------|------|-------|
| Space Heating-efficient | Gas      | \$16 | \$23 | \$30 | \$36 | \$42 | \$47 |       |
|                         | Electric | \$20 | \$29 | \$36 | \$48 | \$55 | \$62 |       |
| Lighting-efficient      | Electric | \$29 | \$36 | \$50 | \$63 | \$76 | \$83 |       |

TENANT OWNED APPLIANCES

|              | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR | TOTAL |
|--------------|------|------|------|------|------|------|-------|
| Stove        | \$8  | \$8  | \$9  | \$9  | \$9  | \$10 |       |
| Refrigerator | \$8  | \$8  | \$9  | \$9  | \$9  | \$10 |       |

Per Month Cost \$ \_\_\_\_\_

Client Name \_\_\_\_\_

RX Date \_\_\_\_\_

Client Number \_\_\_\_\_

Housing Rep's Initials \_\_\_\_\_

**City of Oakland  
New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addendum #6: Poverty Rates by Census Tract**

Below are poverty rates by Census Tract. The City average poverty rate is 18.7%. Data source is the 2018 5-year American Community Survey. The census tract for a particular address may be found at <https://geocoding.geo.census.gov/geocoder/geographies/address?form>

**Table 1: Census Tracts with Poverty Rates Below the City Average**

| Tract No. | Poverty Rate | Tract No. | Poverty Rate | Tract No. | Poverty Rate | Tract No. | Poverty Rate |
|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
| 4001      | 3.6%         | 4037.02   | 7.6%         | 4050      | 5.3%         | 4078      | 10.3%        |
| 4002      | 6.5%         | 4038      | 5.1%         | 4051      | 2.5%         | 4079      | 6.5%         |
| 4003      | 5.3%         | 4039      | 9.8%         | 4052      | 6.4%         | 4080      | 3.9%         |
| 4004      | 11.3%        | 4040      | 7.1%         | 4053.01   | 12.3%        | 4081      | 3.5%         |
| 4005      | 11.9%        | 4041.01   | 6.9%         | 4053.02   | 16.0%        | 4083      | 10.0%        |
| 4006      | 9.2%         | 4041.02   | 9.1%         | 4055      | 15.7%        | 4085      | 16.9%        |
| 4007      | 12.9%        | 4042      | 3.2%         | 4056      | 9.5%         | 4092      | 16.5%        |
| 4008      | 12.2%        | 4045.01   | 1.9%         | 4066.01   | 12.8%        | 4098      | 11.6%        |
| 4012      | 9.1%         | 4045.02   | 0.3%         | 4066.02   | 15.2%        | 4099      | 9.7%         |
| 4035.01   | 16.7%        | 4046      | 3.3%         | 4067      | 7.8%         | 4100      | 4.0%         |
| 4035.02   | 9.9%         | 4047      | 2.8%         | 4068      | 7.1%         | 4104      | 15.6%        |
| 4036      | 5.5%         | 4048      | 8.0%         | 4069      | 8.8%         | 4105      | 12.7%        |
| 4037.01   | 11.1%        | 4049      | 4.7%         | 4077      | 3.3%         | 9832      | 10.1%        |

**Table 2: Census Tracts with Poverty Rates Equal to or Above the City Average**

| Tract No. | Ownership Rate | Tract No. | Ownership Rate | Tract No. | Ownership Rate | Tract No. | Ownership Rate |
|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|
| 4010      | 34.8%          | 4054.01   | 14.7%          | 4070      | 41.7%          | 4089      | 32.0%          |
| 4013      | 16.0%          | 4054.02   | 10.5%          | 4071.01   | 32.6%          | 4090      | 49.5%          |
| 4014      | 18.9%          | 4057      | 24.3%          | 4071.02   | 49.2%          | 4091      | 60.4%          |
| 4015      | 34.9%          | 4058      | 32.8%          | 4072      | 22.1%          | 4093      | 38.8%          |
| 4016      | 22.6%          | 4059.01   | 30.4%          | 4073      | 22.7%          | 4094      | 37.3%          |
| 4018      | 23.0%          | 4059.02   | 32.5%          | 4074      | 35.1%          | 4095      | 28.9%          |
| 4022      | 35.8%          | 4060      | 12.2%          | 4075      | 21.9%          | 4096      | 36.2%          |
| 4025      | 25.1%          | 4061      | 32.6%          | 4076      | 51.5%          | 4097      | 36.6%          |
| 4026      | 10.7%          | 4062.01   | 19.7%          | 4082      | 38.5%          | 4101      | 62.9%          |
| 4027      | 12.6%          | 4062.02   | 9.7%           | 4084      | 36.6%          | 4102      | 49.3%          |
| 4028      | 28.3%          | 4063      | 36.3%          | 4086      | 40.1%          | 4103      | 38.9%          |
| 4029      | 6.4%           | 4064      | 46.0%          | 4087      | 40.1%          | 9820      | 100.0%         |
| 4030      | 0.8%           | 4065      | 32.5%          | 4088      | 23.7%          |           |                |

**City of Oakland**  
**New Construction of Affordable Multifamily Housing**  
**2020 Pipeline NOFA**

**Addendum #7: Homeownership Rates by Census Tract**

Below are homeownership rates by Census Tract. The City average homeownership rate is 40.7%. Data source is the 2018 5-year American Community Survey. The census tract for a particular address may be found at

<https://geocoding.geo.census.gov/geocoder/geographies/address?form>

**Table 1: Census Tracts with Homeownership Rates Lower Than City Average**

| Tract No. | Ownership Rate | Tract No. | Ownership Rate | Tract No. | Ownership Rate | Tract No. | Ownership Rate |
|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|
| 4004      | 37.3%          | 4029      | 0.8%           | 4057      | 24.3%          | 4073      | 22.7%          |
| 4005      | 35.8%          | 4030      | 31.4%          | 4058      | 32.8%          | 4074      | 35.1%          |
| 4005      | 37.3%          | 4031      | 30.9%          | 4054.01   | 14.7%          | 4075      | 21.9%          |
| 4007      | 39.5%          | 4033      | 31.3%          | 4054.02   | 10.5%          | 4082      | 38.5%          |
| 4008      | 36.9%          | 4034      | 9.2%           | 4057      | 24.3%          | 4084      | 36.6%          |
| 4009      | 29.2%          | 4035.01   | 10.9%          | 4058      | 32.8%          | 4086      | 40.1%          |
| 4010      | 34.8%          | 4035.02   | 22.0%          | 4059.01   | 30.4%          | 4087      | 40.1%          |
| 4013      | 16.0%          | 4036      | 14.5%          | 4059.02   | 32.5%          | 4088      | 23.7%          |
| 4014      | 18.9%          | 4037.01   | 13.0%          | 4060      | 12.2%          | 4093      | 38.8%          |
| 4015      | 34.9%          | 4037.02   | 20.8%          | 4061      | 32.6%          | 4094      | 37.3%          |
| 4016      | 22.6%          | 4038      | 30.3%          | 4062.01   | 19.7%          | 4095      | 28.9%          |
| 4018      | 23.0%          | 4039      | 34.5%          | 4062.02   | 9.7%           | 4096      | 36.2           |
| 4022      | 35.8%          | 4040      | 29.6%          | 4063      | 36.3%          | 4097      | 36.6           |
| 4024      | 25.1%          | 4041.01   | 34.1%          | 4065      | 32.5%          | 4103      | 38.9%          |
| 4025      | 10.7%          | 4052      | 27.1%          | 4066.01   | 35.4%          | 4105      | 12.7%          |
| 4026      | 12.6%          | 4053.02   | 6.1%           | 4066.02   | 32.8%          |           |                |
| 4027      | 28.3%          | 4054.01   | 14.7           | 4071.01   | 32.6%          |           |                |

**Table 2: Census Tracts with Homeownership Rates Equal to or Higher Than City Average**

| Tract No. | Ownership Rate | Tract No. | Ownership Rate | Tract No. | Ownership Rate | Tract No. | Ownership Rate |
|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|
| 4001      | 89.3%          | 4045.02   | 87.0%          | 4064      | 46.0%          | 4090      | 49.5%          |
| 4002      | 62.2%          | 4046      | 93.6%          | 4067      | 64.7%          | 4091      | 60.4%          |
| 4003      | 43.3%          | 4047      | 86.1%          | 4068      | 71.9%          | 4101      | 62.9%          |
| 4006      | 43.1%          | 4048      | 47.7%          | 4069      | 54.4%          | 4102      | 49.3%          |
| 4042      | 79.1%          | 4049      | 58.4%          | 4070      | 41.7%          | 9820      | 100.0%         |
| 4043      | 86.2%          | 4050      | 71.7%          | 4071.02   | 49.2%          |           |                |
| 4045.01   | 89.1%          | 4051      | 91.8%          | 4076      | 51.5%          |           |                |

City of Oakland  
**New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

## **Addendum #8: EveryOne HOME Property Management Guidelines**

### **Introduction**

The EveryOne Home Plan calls for ending homelessness by 2020 by creating 15,000 housing opportunities for the homeless and those living with severe mental illness or HIV/AIDS. We can achieve this ambitious goal of ensuring equal housing opportunities for all people, and not just specific populations, with the help of property managers and owners who believe everyone deserves a safe, affordable place to call home and are willing to work with us to make their housing accessible to people who face these difficulties. EveryOne Home and its partners believe it is possible to implement tenant screening and leasing practices that protect properties, are fair, and help to house the most vulnerable in our community.

Unfortunately, many standard industry practices can inadvertently exclude people who are homeless or have had bad credit or housing histories due to a disability. To address this dilemma we are asking EveryOne Home Property Management Partners to make three fundamental commitments in their leasing policies and practices.

### **Commitment 1**

Assess the individual circumstances of each applicant rather than to categorically deny those who are homeless, have negative or non-existent credit history, evictions in their past, and/or criminal backgrounds.

### **Commitment 2**

Encourage applicants to request a reasonable accommodation and/or present evidence of mitigating circumstances at the *beginning* of the application and/or interview/eligibility review process, rather than after a denial and subsequent appeal of the decision.

These commitments will be fulfilled at all stages of the tenant selection process:

1. Advertising of Available Units & Open Waitlists
2. The Application Package with Supplemental Forms
3. Applicant Screening
4. The Appeals Process



### **Commitment 3**

Use the EveryOne Home Property Management Partner Guidelines for advertising units, the content of the application packet, screening practices, and the appeals process.

#### **I. Advertising of Available Units and Open Waitlists**

*EveryOne Home property management partners will include the statement below in their advertisement of available units and open wait lists:*

*As an EveryOne Home partner, we will evaluate the individual circumstances of each applicant, will consider alternative forms of verification and additional information submitted by the applicant, and will provide reasonable accommodations when requested if verified and necessary. Persons with disabilities are encouraged to apply.*

Applying for housing can be a complex and intimidating process. Many homeless and disabled people opt out before even applying because they believe they will not qualify and they have experienced rejection before. This statement lets people know they will not be automatically rejected, but considered on an individual basis.

#### **II. The Application Package with Supplemental Forms (application form can be found on the EveryOne Home website at [www.everyonehome.org](http://www.everyonehome.org))**

*EveryOne Home property management partners will use the enclosed application for rental properties or include the essential elements discussed below in their existing application (s):*

**Application:** The enclosed application form can be used as provided or can be integrated into your current rental application. The items highlighted in green are questions required for properties funded by tax credit deals and can be removed if not needed.

The essential elements of the EveryOne Home Leasing practices are highlighted in blue and along with the supplemental attachments must be part of any partner's application package. Those essential elements are:

1. Statement on the cover of the application encouraging applicants to request accommodation or consideration for problems in their rental, credit or criminal background by completing the supplemental forms:

*Applicants with an eviction or criminal record are not automatically denied. If your criminal record or poor rental history was due to a disability, then you are encouraged to submit a **Request for Reasonable Accommodation** along with this application. If your history was due to circumstances that no longer apply, additional consideration may be requested on the **Request for Consideration** form.*

2. Reference to homeless verification at the beginning of the residential history section (top of page 4) letting homeless clients know they can submit a verification form with the package so it will not hold up consideration of their application
3. Inclusion of in-kind benefits in the income section (top of page 6) allows property management to consider non-cash assistance that a household gets to help meet their cost of living when evaluating whether they have the income to pay rent.
4. Alternate Contact Persons (bottom of page 6) gives applicants the option of providing contact persons for messages or even to discuss the application. This can be especially critical for homeless persons whose contact information may change frequently.
5. Addition of “experience of homelessness” and “status as a survivor of domestic violence” in the list of factors in the Equal Opportunity Housing Provider statement at the bottom of the application.

*EveryOne Home property management partners will eliminate any inquiry into current drug or alcohol use or abuse in the rental application form.*

Self-reports of drug or alcohol use or abuse are unreliable. For landlords it is an applicant’s conduct as a tenant that matters, not their drug or alcohol use per se.

Supplemental Forms: Include the forms listed below as part of the standard application package. Applicants who wish to do so can submit any that apply.

- a. **Notice of Right to Reasonable Accommodation and Modification**
- b. **Request for Reasonable Accommodation**
- c. **Request for Consideration of Mitigating Circumstances**
- d. **Homelessness Third Party Verification**
- e. **Homelessness Self Verification**
- f. **Optional Contact Information**

### **III. Applicant Screening**

In general, the criteria by which applicants are evaluated must comply with fair housing law and apply to all applicants. Screening should be focused on assessing the likelihood that an applicant will be able to meet the essential requirements of tenancy as expressed in the lease. These requirements include: paying rent, appropriately maintaining the unit, refraining from engagement in criminal activity, honoring the right to others’ peaceful enjoyment of the property and their units, cooperating with management, and complying with health and safety codes. Past actions are not always a good predictor of future conduct. Circumstances change, and landlords should weigh current and probable future circumstances in balance with past actions. Additionally, landlords should remember that applicants may have a right to a reasonable accommodation if negative information in their background is related to a disability.

## **Income/Ability to pay rent**

*EveryOne Home property management partners will be flexible with rent-to-income ratios and may use alternative means of verification of ability to pay rent.*

Landlords often require an income to rent ratio of 2.5 to 3 times the income as the rent. Many households with fixed incomes (such as Social Security or CalWORKS benefits) will be unable to meet the standard ratio, but because of other factors will be able to afford the rent. With fixed incomes, there is less fluctuation and no taxes are deducted from the amount. Most households of this type also get non-cash benefits that help meet medical, food, and transportation expenses. Such households should be permitted a lower ratio of income to rent; 1.6 times the rent (or 2 times the rent if in-kind/non-cash benefits are included) is recommended.

Additionally, landlords should accept use of a representative payee, as well as other forms of rental subsidy such as Shelter Plus Care and Section 8.

A history of rental payments equal to or greater than the rent of the unit being applied to, under similar income circumstances, should serve to verify ability to afford rent. The following can be used as *evidence of past payment of rent*:

- Prior 6 months of rent receipts from current residence
- Prior 6 months of bank statements (indicating sufficient balance and/or evidence of rent or other regular payments made)
- Payee's records of rent payments made on behalf of applicant

## **Credit/Eviction/Residential History**

*EveryOne Home property management partners will assess the individual circumstances of each applicant.*

A negative or nonexistent credit history does not necessarily indicate unwillingness or inability to pay rent (and utilities), either in the past or as a future resident. Similarly, a negative eviction history does not necessarily mean that an applicant did not pay rent or committed lease violations. Landlords should take into account if the applicant has a representative payee, whether their poor credit or rental history was the result of acts of domestic violence committed against the applicant or of a disability that is now under control, or whether there is a verifiable explanation for the negative credit.

In reviewing applications consider the following:

- Past extenuating circumstances and favorable current circumstances
- Satisfaction of judgment (balance paid in full to prior landlord)
- Change in current circumstances and presence of services now or in the future
- Tenancy-related problems due to disability but now unlikely to recur

- Whether the negative history is related to acts of domestic violence committed against the applicant

Landlords should also remember that if a negative history is related to a disability, the applicant could be entitled to a waiver of policies and practices (i.e. denial of application based on not having a minimum credit score) as a reasonable accommodation.

*EveryOne Home property management partners will accept alternative forms of residence verification.*

Typically, applicants are asked to provide verified residence addresses for at least the past two years, with positive or neutral rental history (rent paid as required, residence maintained in a clean and proper manner, no violence or mistreatment of staff or neighbors, no outstanding balances) and with no eviction/unlawful detainer actions within the past 3 years.

If past landlord(s) cannot be reached, or if an applicant has no rental history, then landlords could consider asking for two non-family, non-friend personal references

If the applicant is currently homeless, verification from shelter, transitional housing, a case manager, or another homeless-serving program can be accepted (*see **Homelessness Third Party Verification form***).

## **Criminal Record**

*Rather than bar all applicants with criminal records, EveryOne Home property management partners will assess the individual circumstances of each applicant.*

Many landlords require that applicants have no criminal history to qualify for housing. There is no scientifically validated evidence that a past criminal record predicts future tenant problems. Rather than a categorical exclusion landlords will consider:

- Only arrests that resulted in convictions
- The seriousness and nature of the conviction
- Only convictions for crimes that constitute a direct threat to property or the health or safety of other residents
- The length of time that has passed since the conviction
- Changes in circumstance (See the **Request for consideration of Mitigating Circumstances form**)
- Evidence of rehabilitation, such as participation in a treatment program, education, employment or job training program, or church group and/or recommendation letters from parole or probation, a teacher, employer, case manager, social worker, or community leader showing that the applicant will be a suitable resident
- Whether the conviction is related to a physical or mental disability, such as former substance abuse, that may entitle the applicant to a reasonable accommodation (See **Notice of Right to Reasonable Accommodation and Modification** and **Request for Reasonable Accommodation forms**)

(Note: In certain HUD-assisted units, owners must exclude persons who are subject to a lifetime sex offender registration requirement under a state sex offender registration law.)

#### **IV. The Appeals Process**

*EveryOne Home property management partners will have an appeals process for applicants who are denied.*

An applicant found ineligible for admission is entitled to a review of the decision. The purpose of the review is to give the applicant a meaningful chance to contest the decision.

#### **Notice of Denial**

Without a full and complete notice of denial, an applicant will not be able to prepare for the review. (See the **Notice of Denial** form.) The notice of denial should:

- Describe the specific reason for the denial. The notice should not contain a vague statement that “the applicant did not meet the admission criteria because of a criminal record.” Instead, the notice should list the facts the landlord relied on to make the decision.
- Inform the applicant of his or her right to respond in writing or request a meeting.
- Explain how to request a meeting and/or how to submit a written response and supporting documents. An applicant should be given at least 14 days to request the meeting or to submit additional documents. Inform the applicant that he or she will receive a response within five business days to any meeting request, in order to set up a mutually-agreeable time and location for the review.
- State that an applicant with a disability is entitled to request a reasonable accommodation to participate in the meeting.
- Inform the applicant that he or she is allowed to bring an advocate and/or attorney to the meeting.
- Describe the information that the landlord will consider at the meeting.
- Inform the applicant that if the reason for the denial is related to a disability, he or she is entitled to request a waiver of the admission criteria as a reasonable accommodation.
- **NOTE:** If an applicant is found ineligible on the basis of information obtained from a tenant screening agency, the landlord must follow the notice requirements of the Fair Credit Reporting Act and the Investigative Consumer Reporting Agencies Act.

#### **Review**

If an applicant asks for a review, he or she should not lose his or her place on the waiting list. To ensure that the review is fair, landlords should:

- Respond to a meeting request within five business days, in order to set up a mutually-agreeable time and location for the review.

- Before the meeting, allow the applicant to examine his or her file and to make copies at his or her own expense.
- Allow the applicant to bring an advocate and/or attorney to the meeting.
- Confine the subject of the meeting to the reason for denial listed in the notice.
- Give the applicant a chance to present documents and witnesses.
- Have an impartial person conduct the meeting. It should not be the staff person who made the initial decision or a subordinate of the person who made the initial decision.
- Allow the applicant to record the meeting.
- Within 5 days of the meeting, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon.

## **Conclusion**

These guidelines aim to lead to fairer, more equitable rental practices that are inclusive of populations susceptible to homelessness. Property Owners can contribute to ending homelessness by adopting the EveryOne Home Guidelines in order to extend opportunity to those formerly discriminated against due to circumstances that may not reflect accurately the kind of tenants they will be.

To become an EveryOne Home Property Management Partner, I will:

- Review, complete and submit the Memorandum of Understanding
- Incorporate EveryOne Home Property Management Partner Guidelines into current leasing practices
- Include the following documents in my rental application:
  - **Notice of Right to Reasonable Accommodation and Modification**
  - **Request for Reasonable Accommodation**
  - **Request for Consideration of Mitigating Circumstances**
  - **Homelessness Third Party Verification**
  - **Homelessness Self Verification**
  - **Optional Contact Information**

***Please Note: These Guidelines are not intended as legal advice. If you have further legal questions, contact an attorney. Adopting these commitments may require changing fair marketing housing plans with funders. For these types of questions, please consult applicable funding and regulatory agencies and agreements.***

City of Oakland  
**New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addendum #9: Insurance Requirements**

LOAN AGREEMENT: EXHIBIT I

I. Insurance Coverage Requirements

Borrower must procure, prior to Loan closing, and keep in force for the term of this Agreement, at Borrower's own cost and expense, the following policies of insurance or certificates or binders as necessary to represent that coverage as specified below is in place with companies doing business in California and acceptable to Lender. If requested, Borrower must provide Lender with copies of all insurance policies. The insurance must at a minimum include:

A. Commercial General Liability insurance, shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, Bodily Injury, Broad Form Property Damage, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract); Contractual Liability; XCU; and Owners and Contractor Protective Liability. Pollution Liability coverage is required if Loan proceeds are used for the remediation of Hazardous Materials. The CGL policy must contain severability of interest clause or cross liability clause or the equivalent thereof. If such CGL insurance contains a general aggregate limit, it shall apply separately to this Agreement.

i. Coverage afforded on behalf of Lender shall be primary insurance and any other insurance available to Lender under any other policies shall be excess insurance (over the insurance required by this Agreement).

ii. Limits of liability: Borrower must maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, it must apply separately to this project.

B. Automobile Liability Insurance. Borrower shall maintain automobile liability insurance for bodily injury and property damage liability with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos). Coverage shall be at least as broad as Insurance Services Office Form Number CA 00 01.

C. Worker's Compensation insurance as required by the laws of the State of California. Statutory coverage may include Employers Liability coverage with limits not less than \$1,000,000. Borrower certifies that it is aware of the provisions of section 3700 of the California Labor Code, which require every employer to provide Workers' Compensation coverage, or to undertake self-insurance in accordance with the provisions of that Code. Borrower and its

contractors must comply with the provisions of section 3700 of the California Labor Code before commencing performance of the work under this Agreement and thereafter as required by that code.

D. Professional Liability/Errors and Omissions insurance as appropriate for design/build operations with limits not less than \$2,000,000 each claim. If the professional liability/errors and omissions insurance is written on a claims made form:

i. The retroactive date must be shown and must be before the date of the contract or the beginning of work.

ii. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of this Agreement.

iii. If coverage is cancelled or non-renewed and not replaced with another claims made policy form with a retroactive date prior to the Agreement effective date, Borrower must purchase extended period coverage for a minimum of three (3) years after completion of work.

E. Builders Risk/Course of Construction Insurance (CP 10 30) covering all risks of loss in an amount equal to the completed value form with no coinsurance penalty provisions and in an amount equal to the initial contract sum, subject to subsequent modification of the contract sum. The insurance shall apply on a replacement cost basis. The insurance shall name as insured the City of Oakland, the Borrower, and all subcontractors in the work. The insurance shall cover the entire work at the site identified herein including reasonable compensation for architectural services, engineering costs, financing costs, legal fees (soft costs) and expenses made necessary by an insured loss. Insured property shall include portions of the work located away from the site but intended for use at the site and shall also cover portions of the work in transit. The policy shall cover the cost of removing debris, including demolition as may be made legally necessary by the operation of any law, ordinance or regulation. The insurance shall be maintained in effect until the Project has been accepted as substantially complete. The insurer shall waive all rights of subrogation against the City.

F. Property Insurance on an all risk coverage basis to the extent of full replacement value of the premises for the duration of the term of the Loan. Coverage amount may be adjusted for fluctuation in replacement values. This coverage is required upon completion of construction of the Project, or upon closing of this Loan if the Project is a rehabilitation project.

G. Loss of Rents Insurance Coverage in the amount of 75% of scheduled annual gross rents.

## II. Terms, Conditions, and Endorsements

The insurance required by this Agreement must be endorsed and have all the following conditions:



A. Insured Status (Additional Insured): Borrower shall provide insured status naming the City of Oakland, its councilmembers, directors, officers, agents, employees and volunteers as insured's under the Commercial General Liability policy. General Liability coverage can be provided in the form of an endorsement to Borrower's insurance (at least as broad as ISO Form CG 20 10 (11/85) or both CG 20 10 and CG 20 37 forms, if later revisions used). If Borrower submits the ACORD Insurance Certificate, the insured status endorsement must be set forth on an ISO form CG 20 10 (or equivalent). A STATEMENT OF ADDITIONAL INSURED STATUS ON THE ACORD INSURANCE CERTIFICATE FORM IS INSUFFICIENT AND WILL BE REJECTED AS PROOF OF MEETING THIS REQUIREMENT.

B. Loss Payee: Borrower must ensure that the City of Oakland, its Councilmembers, directors, officers, agents, employees and volunteers are named as Loss Payee in the Builders' Risk Insurance and Property Insurance. Borrower shall provide appropriate Loss Payee endorsement as proof of meeting this requirement.

C. Cancellation Notice: 30-day prior written notice of termination or material change in coverage and 10-day prior written notice of cancellation for non-payment.

D. The Worker's Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the contractor, its employees, agents and subcontractors.

E. Cross-liability coverage as provided under standard ISO forms' separation of insureds clause.

F. Certificate holder is to be the same person and address as indicated in the "Notices" section of this Agreement.

G. Insurer must carry an A.M. Best Rating of A VII, or better.

### III. Replacement of Coverage

In the case of the breach of any of the insurance provisions of this Agreement, Lender may, at Lender's option, take out and maintain at the expense of Borrower such insurance in the name of Borrower as is required pursuant to this Agreement, and may deduct the cost of taking out and maintaining such insurance from any sums which may be found or become due to Borrower under this Agreement.

### IV. Insurance Interpretation

All endorsements, certificates, forms, coverage and limits of liability referred to herein shall have the meaning given such terms by the Insurance Services Office (ISO) as of the date of this Agreement.

### V. Proof of Insurance

Borrower will be required to provide proof of all insurance required for the Loan prior to execution of the Loan Agreement, including copies of Borrower's insurance policies, if and when requested. Failure to provide the insurance proof requested or failure to do so in a timely manner shall constitute ground for rescission of the Loan Agreement award.

#### VI. Subcontractors

Should Borrower subcontract out the work required under this Agreement, they shall include all subcontractors as insureds under its policies or shall maintain separate certificates and endorsements for each subcontractor. As an alternative, Borrower may require all subcontractors to provide at their own expense evidence of all the required coverages listed in this Exhibit. If this option is exercised, both Lender and Borrower shall be named as additional insured under the subcontractor's General Liability policy. All coverages for subcontractors shall be subject to all the requirements stated herein. Lender reserves the right to perform an insurance audit during the course of the project to verify compliance with requirements.

#### VII. Deductibles and Self-Insured Retentions

Any deductible or self-insured retentions must be declared to and approved by Lender. At the option of Lender, either: the insurer shall reduce or eliminate such deductible or self-insured retentions as respects Lender, its Councilmembers, directors, officers, agents, employees and volunteers; or Borrower shall provide a financial guarantee satisfactory to Lender guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### VIII. Waiver of Subrogation

Borrower waives all rights against the City of Oakland and its Councilmembers, officers, directors, employees and volunteers for recovery of damages to the extent these damages are covered by the forms of insurance coverage required above.

#### IX. Evaluation of Adequacy of Coverage

Lender maintains the right to modify, delete, alter or change these requirements, with reasonable notice, upon not less than ninety (90) days prior written notice.

City of Oakland  
**New Construction of Affordable Multifamily Housing  
2020 Pipeline NOFA**

**Addendum #10: Oakland Displacee, Neighborhood Resident, Oakland Resident and Oakland Worker Preference Regulation for Multifamily Affordable Housing**

**Housing Preferences**

The following regulations have been created to provide more detailed specifications for the implementation of the City of Oakland (“City”) policy regarding preference for occupancy in City-assisted multifamily affordable housing.

On July 19, 2016, the City Council adopted Ordinance No. 13379 C.M.S. instituting a preference policy for neighborhood residents, Oakland residents and workers, and displaced households in applying for multifamily affordable housing funded by the City. This ordinance also institutes a policy for Oakland residents, workers and displaced households for participants in the City’s first-time homebuyer Mortgage Assistance Program. (Definitions are provided in Section II below.) The policies are codified in Chapter 15.63 of the Oakland Municipal Code.

The multifamily affordable housing preference policy applies to all developers, owners and their agents, successors and assigns (together, “owners”) responsible for selling or leasing affordable housing units sponsored and/or supported by the City whose projects meet all of the following conditions:

1. The project has five or more attached or detached units, including scattered site housing projects.
2. The units are restricted as affordable housing to occupancy by or sale to very low, low and/or moderate income households at a restricted rent or sales price.
3. The project has received development assistance from the City for new construction or substantial rehabilitation.
  - a. Development assistance means a grant, below-market rate loan, deferred loan, or below-market rate lease or sale of real property.
  - b. Substantial rehabilitation means rehabilitation with a level of City development assistance that exceeds 25% of the project’s after rehabilitated market value.
4. The development assistance was approved by the City Council or the City Administrator after July 19, 2016.

While displaced households, neighborhood residents, Oakland residents and Oakland workers will be placed in a priority position on the wait list for available units, displacee or residency/employment status is not a requirement for occupancy, and all individuals and households may apply. Households comprised of applicants who were not displaced, or do not reside or work within Oakland may apply to occupy said units in the case that no eligible Oakland residents, workers or displaced households are on the wait list for occupancy.

The following priority order shall be utilized whenever applicable ownership or rental affordable housing units are initially made available to applicants in income eligible households:

- ♦ First Preference – Displaced households.
- ♦ Second Preference – Neighborhood residents. This preference shall apply to 30 percent of all units in the project.
- ♦ Third Preference –City of Oakland residents or workers.
- ♦ Fourth Preference – All other households.

The following priority order shall be utilized whenever applicable ownership or rental affordable housing units are made available from the waitlist after initial occupancy to applicants in income eligible households:

- ♦ First Preference – Displaced households.
- ♦ Second Preference –City of Oakland residents or workers.
- ♦ Third Preference – All other households.

Applications for units covered by this policy are to be processed in the order of the above preference groups, following a lottery for each group. Applicants can only be assigned to one preference group and will not receive a higher preference status for being in multiple preference categories, e.g., both living and working within Oakland.

This preference policy shall not require owners to approve applicants who are otherwise not qualified for renting or purchasing the unit. The preference is to be applied only if and to the extent that other funding sources for the project permit the preference. Other sources of funding may limit the ability of the City to require preferences for a given project.

## **Determination of Eligibility**

### **A. Displaced Household:**

#### *1. Definition of displaced household*

To qualify as a displaced household, the applicant’s household must include at least one adult member whose principal place of residence was a housing unit within the City of Oakland until they were displaced from that unit as a result of any of the following:

- a) City code enforcement activities, if the displacement occurred within one year prior to the date of application. (For purposes of these regulations, the “date of application” shall be the date the household first submitted an application for the lottery or waitlist for the project.) Displacement due to code enforcement activities includes situations in which a tenant vacates a unit in response to a notice to vacate, notice to abate a life-threatening condition, or declaration of substandard condition issued by the City or a court.
- b) A City-sponsored or City-assisted development project, if the displacement occurred within one year prior to the date of the application.
- c) A “no fault” eviction from a rental unit in Oakland if the eviction was completed within eight years of the date of application.

An applicant may qualify as a displaced household even if the applicant was displaced to another unit located within Oakland.

2. *Evidence of eligibility for preference*

The City shall provide the leasing agent with information verifying former residency and displacement as a result of City public projects, or by City code enforcement activities.

Applicants displaced due to a “no fault” eviction shall provide the leasing agent with a copy of an eviction notice providing 30 days or longer notice to vacate the unit.

The eviction notice must:

- i. Be dated within eight years of the date of application
- ii. Name at least one of the household members applying for housing
- iii. Not state cause for the eviction, or state the cause for eviction as:
  - a. Owner move-in,
  - b. Owner repairs, or
  - c. Owner removal of the unit from the rental market

In lieu of the eviction notice, the applicant may provide a copy of a court order or judgment in an unlawful detainer proceeding or other official records documenting the eviction as long as it includes the required information listed above. Applicants who were evicted due to cause, such as nonpayment of rent or breach of the rental agreement, shall not be eligible for this preference.

B. Neighborhood Resident:

1. *Definition of neighborhood resident*

To qualify as an applicant who is a neighborhood resident, the applicant’s household must include at least one adult member whose principal place of residence is either (1) within the Council District where the project is located, or (2) within a one mile radius of the project boundaries if the place of residence is within Oakland.

2. *Evidence of eligibility for preference*

In order to verify residency, the applicant must provide copies of **two** of the following documents showing the applicant’s name and address in the neighborhood:

- ♦ Driver’s License or State Identification
- ♦ Recent utility bill,
- ♦ Applicant’s current rental/lease agreement,
- ♦ Verification of Residence form sent and received by property management company, leasing agent or lender,
- ♦ Applicant’s insurance policy (automobile, renters, or homeowners),
- ♦ Voter Registration,
- ♦ Recent pay stub,
- ♦ Recent medical records,
- ♦ Recent school records,
- ♦ Recent documentation from a service provider,

- ♦ Recent court documents,
- ♦ Recent documentation from another government agency,
- ♦ Other documentation as approved by the City of Oakland.
- ♦ For homeless applicants:
  - Third party verification such a letter written on company letterhead from a service provider such as a drop-in center or outreach services including an emergency shelter, transitional housing, medical institution, mental health institution, correctional facility, substance abuse facility, social service agency providing case management or outreach to encampments, or
  - Homelessness self-verification designating the shelter address, post office, park or cross street closest to where the applicant resides.

“Homeless” means an individual or household who (1) lacks a fixed, regular, and adequate nighttime residence; (2) has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; (3) faces imminent release from an institution (i.e., jail, hospital or foster care system) where other housing placement resources are not available; or (4) resides in an overcrowded setting (more than two persons per living/sleeping area) in which the household does not hold a lease

The owner, developer, or leasing agent of each housing development will be required to verify residency by collecting the required documentation. “Recent” means a document dated within 60 days of submission.

### 3. *Duration of residency*

There is no minimum residency period to qualify for this residency preference (i.e., all neighborhood residents are eligible for the preference regardless of the length of time of residency in the neighborhood)

C. Oakland Resident:

1. *Definition of Oakland resident*

To qualify as an applicant who is a resident of the City of Oakland, the applicant's household must include at least one adult member whose principal place of residence is within the City of Oakland as of the date of application.

2. *Evidence of eligibility for preference*

In order to verify residency, the applicant must provide a copy of **two** of the following showing the applicant's name and address in Oakland:

Driver's license or state identification,

Recent utility bill,

Applicant's current rental/lease agreement,

- ♦ Verification of residence sent and received by property management company, leasing agent or lender,
- ♦ Applicant's automobile and/or renters or homeowners insurance policy,
- ♦ Voter registration,
- ♦ Recent pay stub,
- ♦ Recent medical records,
- ♦ Recent school records,
- ♦ Recent documentation from a service provider,
- ♦ Recent court documents,
- ♦ Recent documentation from another government agency, or
- ♦ For homeless applicants:
  - Third party verification such a letter written on company letterhead from a service provider such as a drop-in center or outreach services including an emergency shelter, transitional housing, medical institution, mental health institution, correctional facility, substance abuse facility, social service agency providing case management or outreach to encampments, or
  - Homelessness self-verification designating the shelter address, post office, park or cross street closest to where the applicant resides.

"Homeless" means an individual or household who (1) lacks a fixed, regular, and adequate nighttime residence; (2) has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; (3) faces imminent release from an institution (i.e., jail, hospital or foster care system) where other housing placement resources are not available; or (4) resides in an overcrowded setting (more than two persons per living/sleeping area) in which the household does not hold a lease

The owner, developer, or leasing agent of each housing development will be required to verify residency by collecting the required documentation. “Recent” means a document dated within 60 days of submission.

3. *Duration of residency*

There is no minimum residency period to qualify for this residency preference (i.e., all Oakland residents are eligible for the preference regardless of the length of time of residency in Oakland).

D. Oakland Worker:

1. *Definition of Oakland worker*

Work is defined for purposes of this policy as owning or operating a business located within the City of Oakland, employment for wages or salary for an employer located within the City of Oakland, contract employment where the actual work is conducted primarily within the City of Oakland, or commission work where the applicant’s principal location from which he/she works is located within the City of Oakland. An adult applicant who is an active participant in an education or job training program located within the City of Oakland is also eligible for the Oakland worker preference.

To qualify as an applicant who is employed within the City of Oakland, the applicant responsible for renting or purchasing the affordable housing unit must demonstrate that both of the following criteria have been met:

a. *Location of work*

At least one adult family member in the household must either:

- ♦ Already work in Oakland,
- ♦ Have been notified that they are hired to work in Oakland, or
- ♦ Be an active participant in an education or job training program located in Oakland.

b. *Hours of work/education/training*

The family member must be employed, hired to be employed, or actively participating in an education or job training program within the City of Oakland an average of at least 20 hours per week.

2. *Evidence of eligibility for preference*

In order to verify eligibility for this preference the applicant must provide a copy of **two** of the following showing the applicant’s name:

- ♦ Most current pay stub with the name and address of the employer printed on them,
- ♦ W-2 forms,
- ♦ Employer certification of employment on company letterhead,
- ♦ Verification of employment form sent and received by the property management company, leasing agent or lender,



- ♦ Job offer letter on company letterhead,
- ♦ Other evidence as proof of employment at a business location within the City of Oakland,
- ♦ Current enrollment records in an education or job training program within the City of Oakland,
- ♦ Letter on school or training program letterhead from academic advisor or other school official documenting participation in education or training program,
- ♦ Other documentation as approved by the City of Oakland.
- ♦ For applicants who are self-employed:
  - Tax returns,
  - City of Oakland business tax license,
  - Copy of a commercial lease for the business, or
  - Link to a website for the business.

The owner, developer, or leasing agent of each housing development will be required to verify employment by collecting the required documentation.

### *3. Duration of employment*

There is no minimum length of work in Oakland to qualify for the worker preference (i.e., all Oakland workers are eligible for the preference regardless of the length of time that the applicant has worked in the Oakland job).

### **Certification**

Applicants will be required to sign a Certification of Eligibility form at the time of application stating that the information provided on their application regarding previous displacement, neighborhood residency, Oakland residency and/or Oakland employment is true and that providing false information will permanently disqualify them from participation in any of the City's affordable housing programs.

Owners of assisted housing must retain such documentation for at least five (5) years from the date of initial occupancy, and must make such documentation available to the City upon request.

### **Evictions**

Applicants who fraudulently claimed to qualify at the time of their application may be subject to eviction.

### **Implementation of Policy**

The City Administrator and his or her designee have been appointed to adopt rules and regulations for the preference policy consistent with Ordinance No. 13379, administer the policy, and take any other action with respect to the policy consistent with the Ordinance and its basic purpose.

### **Marketing and Management Plans**

Preliminary and final marketing and management plans must include provisions for notice of such preferences and how they will be administered.

### **Priority Ranking; Selection of Qualified Applicant**

Before selecting applicants for units, the owner, developer, or leasing agent of each housing development is required to verify whether applicants qualify for the preference by collecting the required documentation. Regardless of the specific method used for establishing waiting lists, qualified applicants who meet the definition of a displaced household, neighborhood resident, Oakland resident or Oakland worker must be offered units before applicants who do not meet the definition, to the extent the preference is applicable.

### **Compliance Monitoring**

A report of compliance must be submitted to the City at completion of initial lease up or sale. Compliance will then be monitored as part of the City's regular monitoring and will be included on monitoring forms for each new tenant. Owners must retain documentation for each tenant/purchaser for five (5) years from the date of initial occupancy.

### **Penalties for Non-Compliance**

Owners or developers who fail to grant preferences to displaced households, neighborhood residents, Oakland residents and Oakland workers in violation of this policy shall be considered in breach of their contractual obligations under the loan agreement and the regulatory agreement or affordability agreement with the City for the project. The City reserves the right to pursue any of its remedies under the loan documents in the event of such breach.