

Oakland Housing Authority Development Policy

Consistent with its mission, to assure the availability of quality housing for low-income persons and to further the expansion of affordable housing within Oakland, the Oakland Housing Authority (OHA) is committed to projects that will provide the greatest benefit for low- and moderate-income families and have a positive impact on the communities in which development or redevelopment projects are located. Beyond simply expanding the number of hard units, it is OHA's intention that its development-related partnerships result in stronger and safer communities. Further, OHA desires to make development funding decisions in an open, fair and rational manner. Therefore, the OHA Board of Commissioners has adopted officially by resolution, the principles set forth below to govern decision-making regarding partnership opportunities for affordable housing rehabilitation, development or redevelopment projects.

These principles are intended to guide OHA in making decisions regarding the contribution of capital to land and property development activities in Oakland, CA. OHA acknowledges that in many cases the relative importance of the policy goals listed below must be balanced against each other and against other goals and constraints, such as the availability of other public and private financing and the requirements of the providers of those funds. In addition, this policy remains subject to all HUD requirements associated with the HUD funding OHA may make available to affordable housing projects. OHA reserves the right to determine how this general policy will be applied to any specific land acquisition, project or solicitation of projects.

As outlined in more detail below, the purpose of this policy is to outline the manner in which OHA will make decisions about the acquisition of land and/or its participation in affordable housing rehabilitation, development or redevelopment projects. OHA will first determine that development opportunities meet its baseline principles and will then consider the extent to which a project, or the acquisition of a potential development site, meets its overarching goals for: (1) overall impact; (2) neighborhood impact; (3) resident impact; and, (4) sustainability.

Baseline Principles

OHA will undertake appropriate and reasonable due diligence when making decisions to contribute OHA capital to support land and property development activities.

- Projects will be reviewed for financial feasibility and the extent to which they further OHA goals. Further, the project needs to demonstrate a reasonable ability to satisfy debt requirements, and provide high-quality management, supportive services, safety and police services and, for properties serving families, provide for access to high-quality education.
- The overall and per unit costs must be justified and OHA's contribution needs to be determined to be reasonable. In every project, every reasonable effort should be made to secure other private and public funds. Where additional funding must be sought to finance

the overall deal, OHA must be satisfied that such funding will be secured, and the project will commence, within a reasonable timeframe.

- It is the policy of OHA to provide, to the greatest extent feasible, economic opportunities to low- and very low-income persons residing in the Oakland metropolitan area (as defined in § 135.5 of 24 CFR Part 135) and to businesses meeting the definition of "Section 3 business concern" (as defined by 24 CFR Part 135). In furtherance of this policy OHA shall consider projects that seek not just to meet, but exceed HUD's Section 3 hiring goals in the use of OHA resident and Oakland resident hires during the construction and development of the project, and also in the management and maintenance of the project once completed.
- It is the intent of OHA to develop and promote economic growth for the community in which it serves. The Authority desires to foster the growth of small, local and emerging businesses (SLEB), including minority-, women- and veteran-owned firms. OHA projects should actively seek to provide the community information about their procurement and contracting processes for both goods and services to ensure the participation of SLEBs in the competitive processes of public procurement and provide training and development opportunities to support their growth. Additionally, projects should provide accurate and accessible information on available vendor/contract opportunities and ensure that the process is inclusive for all residents regardless of race, color, gender, age, religion, national origin, disability or any other factor that is prohibited when making business decisions.
- It is the desire of OHA to increase training and employment opportunities for its clients and other residents of the City of Oakland. Developers of larger projects should articulate the goal, and specific commitments and approach toward how the developer will achieve this goal, either through a project labor agreement (PLA) or other formal agreements.
- Projects that serve families with children should include a plan to ensure children have access to high-quality education, which could be achieved through an agreement with the Oakland Unified School District or a charter or private school, to provide preferential enrollment, or by other means.
- Projects should articulate design strategies to create safe communities, such as *crime prevention through environmental design* (CPTED), include a community-oriented plan for the ongoing safety of the property, and provide for a level of density that is appropriate to the site.
- OHA will consider participating in projects that result in displacement of current residents where necessary for the improvement of the housing, neighborhood and community. Where relocation of existing tenants is proposed, a detailed relocation plan must be provided for approval by OHA. Such a plan must outline the relocation benefits to be provided to all families or individuals subject to relocation, and specify that existing tenants will have the highest priority to apply to return to the site following rehabilitation or redevelopment.

Overarching Goals

Whereas OHA may outline other considerations in a given solicitation, decisions to enter into a partnership will be subject to a determination of the extent to which a project meets the following overarching principles.

1. **Overall Impact.** OHA seeks to participate in projects that will provide a significant benefit to affected tenants and the surrounding community. Decisions regarding OHA participation will consider the extent to which individual projects meet some or all of the following OHA goals.

Population served: OHA desires that its participation strengthen communities by focusing on projects for low- and moderate-income populations that are underserved within the context of the local housing market. Generally, underserved populations are defined by the overall need of the population for affordable housing compared to the resources currently available or reasonably expected to be available in the foreseeable future for such populations. Funding proposals should demonstrate such a need.

Community Benefit: OHA seeks to participate in projects that will have a benefit beyond the boundaries of the subject property. Examples of community benefit include projects that contribute to, or provide an incentive for significant neighborhood revitalization, or projects that introduce or strengthen amenities or services available to neighborhood residents.

Partnerships and leverage: OHA seeks to support creative approaches, such as bringing together strong partnerships between the development and service providers, or a variety of leveraged partners that strengthen the overall financial feasibility of the project.

2. **Neighborhood Impact:** In general, OHA seeks to preserve and/or increase the supply of affordable housing units in healthy, vibrant neighborhoods, defined as those that have, or expect to have in the foreseeable future, at least some of the following characteristics.

Access to high-quality education: Whether through public or private schools, OHA seeks to fund projects that provide access to high-quality schools for school-age children and related supports for parents of such children. OHA is especially interested in innovative approaches to strengthening the relationship between housing providers and educators, and to providing services that support at-risk youth and build strong families. This may include set-asides for students of the property at well-performing neighborhood schools.

Access to public transportation: Projects located within easy access to public transportation, including major bus lines and Bay Area Rapid Transit (BART) stations, will be given greater consideration.

Access to supportive services and/or innovative programs: Beyond the services provided on-site, if any, OHA is interested in projects that propose an innovative and sustainable approach to meeting the needs of the population served. Proposed projects located in neighborhoods that provide access to unique or innovative programs with demonstrated results in getting families to take advantage of available services will be given greater consideration.

Access to amenities: OHA seeks to participate in projects that provide its residents with easy access to high-quality and diverse amenities, such as grocery stores with sufficient fresh food options, banks, drug stores, libraries, community centers and parks.

Resident Safety: Where appropriate, based on property size and location, project proposals should include a detailed plan for providing security services to the project and/or for contributing to the cost of the OHA Police Department to provide such services.

Access to a healthy environment and/or health-related services: OHA values projects that provide a healthy environment and provide access to quality health services and/or health-related activities such as walking and biking trails or access to recreational amenities.

Integrated Neighborhoods: OHA seeks to participate in projects that are located in neighborhoods that are economically, racially and culturally diverse.

3. **Resident Impact:** OHA will consider the extent to which current or future residents of the subject property will benefit from the proposed project.

Provision, siting and sustainability of services: OHA will consider the extent to which projects: provide appropriate services to residents based on the population served and a needs assessment conducted at the start of the project and revisited at appropriate intervals; have an established partnership with appropriate services providers; and, identify the mechanism by which services will be funded in a sustainable manner.

Economic integration within the property: As with its goal for siting projects in integrated neighborhoods, OHA also seeks to have an appropriate income mix within the property itself when feasible, taking into consideration the size of the property and its location.

Cost Containment: While pursuing the policy goals for acquisition of land and/or its participation in affordable housing rehabilitation, development or redevelopment projects, as outlined in this document, OHA will also seek to ensure that the per unit cost be reasonable and justifiable in the context of the local housing market. To achieve this, OHA staff will undertake a cost containment analysis of each project recommended to the Board of

Commissioners for funding. The analysis will look at key areas, including land cost, acquisition cost, construction cost, architectural and engineering costs, construction and permanent financing costs, attorney and consultant costs, and developer fees on a per unit basis. Further, in cases where the cost per unit exceeds that of the prior year's California Tax Credit Allocation Committee's First Round Residential Per Unit Cost by Region for the San Francisco/Bay Area Region for either new construction or rehabilitation, or where an area of significant cost is identified through the above analysis, additional justification for consideration of the project will need to be made. The goal of this provision is not to ensure that cheaply built projects are the most competitive, but instead to ensure that a balance of quality construction, appropriate siting and reasonable pricing is achieved.

4. Sustainability: In its goal to achieve sustainable communities, OHA will consider the extent to which proposed projects include the following elements.

Environmentally sustainable building materials and practices: To the extent feasible, OHA seeks to participate in projects that employ energy-efficient and environmentally-friendly design, materials and construction practices.

Environmentally sustainable management and operating practices: OHA will consider the extent to which standards for operating the property in a maximally sustainable manner will be employed and residents will be encouraged to make environmentally-conscious choices.

Financial Sustainability: OHA will assess the economic return on OHA's investment and the ability of a project to maintain the proposed level of management, services and security over time.