

Housing and Community Development Department Measure A1 Oversight Committee

DATE 5/27/2021

TIME 9:30 A.M.

Chair: Ndidi Okwelogu

Vice-Chair: Gloria Bruce

Committee Members:

Gloria Bruce, Randi DeHollander, David Denton, Jeffrey Dixon, Brian Dolan, Lisa Fitts,
Lynda Foster, Daniel Gregg, Jason Gumataotao, Daphine Lamb-Perrilliat,
Ndidi Okwelogu, Kendra Roberts, Mimi Rohr, Rose Works

Members of the Public: 13 attendees

Location: Held via teleconference

Minutes Adopted: June 24, 2021

Summary/Action Minutes

I. Call to Order and Roll Call of Committee Members – Ndidi Okwelogu, Chairperson Meeting began at 9:30 a.m.

- Chairperson Okwelogu called the meeting to order at 9:32 a.m. and requested Mr. Fuller call the roll.
- Of the 14 seated members, 13 were present at roll-call. Quorum is eight.

Committee Members in Attendance

- Ndidi Okwelogu, Chairperson-
- Daniel Gregg -
- Kendra Roberts -
- Brian Dolan -
- Lynda Foster-
- Jason Gumataotao-
- Rose Works
- Gloria Bruce, Vice Chair
- David Denton
- Randi DeHollander
- Jeffrey Dixon
- Daphine Lamb-Perrilliat (arrived after roll-call)
- Mimi Rohr (arrived after roll-call)
- Lisa Fitts (arrived after roll-call)

Committee Members Not in Attendance

Alameda County Staff Members Participating

- Michelle Starratt, Director, Housing and Community Development, Alameda County

- Community Development Agency (CDA)
- Jennifer Pearce, Manager, Housing and Community Development, Alameda County Community Development Agency (CDA)
- Heather Littlejohn, Deputy County Counsel, Alameda County
- Melissa Rydman, Administrative Associate, Office of the Clerk, Alameda County Board of Supervisors
- Hilde Myall, Manager, Housing and Community Development, Alameda County Community Development Agency (CDA)
- Robert Fuller, Oversight Committee Liaison, Housing and Community Development, Alameda County Community Development Agency (CDA)
- Teresa Hester, Clerk Specialist, Housing and Community Development, Alameda County Community Development Agency (CDA)
- Rachel Heydemann, Housing and Community Development Project Manager, Housing and Community Development, Alameda County Community Development Agency (CDA)

II. II. Approval of 3/25/2021 Oversight Committee Minutes – Chairperson Okwelogu

Action Item - Approve January 21, 2021 meeting minutes, make any amendments, and approve.

Discussion:

- No discussion from the Committee

Public Comment:

- No public comment.

Ms. Lamb-Perrilliat motioned to adopt the March 25, 2021 minutes. Ms. Works seconded the motion.

Through a roll-call vote, the Committee adopted and accepted the minutes with 11 votes in favor, 0 no votes and 1 abstention.

Gloria Bruce, Vice Chairperson	X___ yea, ___ nay, ___ abstain
Daniel Gregg	X___ yea, ___ nay, ___ abstain
Jason Gumataotao	___ yea, ___ nay, X___ abstain
Brian Dolan	X___ yea, ___ nay, ___ abstain
Lisa Fitts	___ yea, ___ nay, ___ abstain
Lynda Foster	X___ yea, ___ nay, ___ abstain
Rose Works	X___ yea, ___ nay, ___ abstain
Daphine Lamb-Perrilliat	X___ yea, ___ nay, ___ abstain
Kendra Roberts	X___ yea, ___ nay, ___ abstain
Randi DeHollander	X___ yea, ___ nay, ___ abstain
Jeffrey Dixon	___ yea, ___ nay, ___ abstain
David Denton	X___ yea, ___ nay, ___ abstain
Mimi Rohr	X___ yea, ___ nay, ___ abstain
Ndidi Okwelogu, Chairperson	X___ yea, ___ nay, ___ abstain

Total: 11 yea, 0 nay and 1 abstain
The motion passes

III. Oath of Office for New Member for Jason Gumataotao, Melissa Rydman, Administrative Associate, Office of the Clerk, Alameda County Board of Supervisors
Informational Item – Nominatiom approved on May 25, 2021 Board of Supervisors (BOS) meeting.

IV. Future Meetings – Chair Okwelogu

Approve the addition of Oversight Committee meeting on Thursday, June 24, 2021 at 9:30 a.m.
Action

Discussion:

- This meeting will be an opportunity to have an additional discussion of the second annual report before going to the BOS.
- Ms. Works, Mr. Dixon, Ms. Rohr, and Ms. DeHollander support adding the June 24, 2021 meeting.

Public Comment:

- No public comment.

Ms. DeHollander motioned to approve the addition of an Oversight Committee meeting on Thursday, June 24, 2021 at 9:30 a.m. Mr. Dixon seconded the motion.

Through a roll-call vote, the Committee adopted and accepted the minutes with 12 votes in favor, 0 no votes and 1 abstention.

Gloria Bruce, Vice Chairperson	X___ yea, ___ nay, ___ abstain
Daniel Gregg	X___ yea, ___ nay, ___ abstain
Brian Dolan	X___ yea, ___ nay, ___ abstain
Jason Gumataotao	X___ yea, ___ nay, ___ abstain
Lisa Fitts	___ yea, ___ nay, ___ abstain
Lynda Foster	X___ yea, ___ nay, ___ abstain
Rose Works	X___ yea, ___ nay, ___ abstain
Daphine Lamb-Perrilliat	X___ yea, ___ nay, ___ abstain
Kendra Roberts	X___ yea, ___ nay, ___ abstain
Randi DeHollander	X___ yea, ___ nay, ___ abstain
Jeffrey Dixon	X___ yea, ___ nay, ___ abstain
David Denton	___ yea, ___ nay, X___ abstain
Mimi Rohr	X___ yea, ___ nay, ___ abstain
Ndidi Okwelogu, Chairperson	X___ yea, ___ nay, ___ abstain

Total: 12 yea, 0 nay and 1 abstain
The motion passes

V. Update on Measure A1 news – Jennifer Pearce, Housing Specialist, Housing and Community Development Manager, Alameda County Community Development Agency (CDA)
Informational Item

Ms. Pearce gave an update on Measure A1 recent news:

- On May 18, 2021, BOS approved the following items:
 - Adoption of the first Annual Report

- \$5,426,348 in Newark Base City Allocation for Timber Senior Housing
 - Developer: Eden Housing
 - 72 units to low- and extremely low-income senior households
 - Program Updates
 - Granite Ridge (Fremont) – closed 4/30/2021 has closed construction financing
 - 73 units, including homeless units
 - A1 funding: \$9.7 million
 - Developer: Eden Housing
 - Irvington Senior (Fremont) - groundbreaking ceremony 5/14/2021
 - 90 units
 - A1 funding: \$12.2 million
 - Developer: Allied/ Abode
 - Empyrean Towers (Oakland) reopening celebration on 5/18/2021
 - Renovation of existing residential hotel
 - 147 units, including homeless units and units for people with HIV/AIDS
 - A1 funding: \$4.7 million
 - Developer: Resources for Community Development
 - Fruitvale Transit Village II-B (Oakland) – anticipating construction closing mid-June
 - 181 units, including homeless units
 - A1 funding: \$16.2 million
 - Developer: Bridge Housing/ Unity Council
 - May 25, 2021 Livermore City Council approved entitlements for Downtown Livermore
 - A1 funding: \$14.4 million

Discussion:

- No further discussion from the Committee.

Public Comment:

- No public comment.

VI. Alameda County Housing and Community Development News - Jennifer Pearce, Housing and Community Development Manager, Alameda County Community Development Agency (CDA) Informational Item

- Ms. Pearce gave an update on HCD news:
 - Emergency Rental Assistance Program (ERAP) is moving forward and contractors have been hired to assist in the administration, marketing, and outreach.

Discussion:

- No further discussion from the Committee.

Public Comment:

- No public comment.

VII. Rental Development Project Profile – Hilde Myall, Housing Finance Manager, Housing and Community Development Manager, Alameda County Community Development Agency (CDA)

- Ms. Myall presented on recent project development milestones for the following projects:
 - Empyrean and Harrison (Oakland)
 - Fruitvale Transit Village Phase II-B (Oakland)
 - Irvington Senior (Fremont)

Discussion:

- Mr. Denton inquired about the limited partner equity to confirm this is from the net proceeds of the sale of the various tax credits.
- Ms. Myall confirmed that is correct.
- Mr. Denton asked if it is required in underwriting that limited partners contribute 100% of the net proceeds from the sale of the tax credits to qualified expenses?
- Ms. Myall responded it is required the developer partnership, including the limited partner investor complies by State and Federal IRS tax credit guidelines. There are negotiations around relative lien position and distribution of residual receipts payments.
- Mr. Denton highlighted a project where 65% of net proceeds of tax credits went for non-qualified development of luxury apartments. It only reached 20% of limited partner equity to cost ratio. Why was this not flagged in underwriting?
- Ms. Myall responded that HCD can further research this project and report back to the Committee.
- Mr. Denton continued that it should be part of the underwriting process to require 100% of the net proceeds of the tax credits be used for qualified expenses.
- Ms. Myall confirmed this is part of the HCD underwriting process that the developer is in compliance with the agreement they have made to align with the State and Federal tax requirements. HCD is ensuring that they are not over subsidizing and putting in more money than a deal needs.
- Mr. Denton requested confirmation that HCD requires contractors to enter into project labor agreements.
- Ms. Myall confirmed A1 policies require new construction projects of 80 or more units to enter into private labor agreements. Rehab does not require this. For example, Irvington Senior did require a private labor agreement.
- Mr. Denton asked if the private labor agreement includes minority hiring requirements.
- Ms. Myall confirmed Alameda County is not a party in the private labor agreement. Outside of the agreement, HCD does require the Measure A1 labor compliance which includes a local hire goal, disadvantage hire goal, a 5% of all worker hours on a project. HCD recently presented a report to the Board of Supervisor Procurement and Contracting Committee reporting progress on those goals.
- Mr. Denton asked if it is surprising the current hiring that black participation in labor is 1%.
- Ms. Myall responded that workforce participation by ethnicity was presented to the Procurement and Contracting Committee. HCD did acknowledge the workforce participation does not align with the County as a whole and needs development. HCD does not currently have a workforce participation committee.
- Mr. Denton requested the referenced document to be distributed to the Committee.
- Ms. Starratt responded this document was presented to the Procurement and Contracting Committee and will provide the staff report with the data to the Committee. It was found that Alameda County has reached their workforce goals but there is work that needs to be done, including training and development programs. The African American workforce is not represented in the workforce. 5,000 jobs have been created. HCD is reaching out to the social services agency who does work on developing the workforce.

- Vice Chair Bruce offered further comment to the workforce discussion. It is important to create jobs and diversify the workforce. The affordable housing industry is focused on hiring diverse folks, but there is a long way to go to reach the goals.
- Mr. Dixon added the project labor agreement is applicable to projects with 80 units or more. May be beneficial to look at projects with 80 units or more compared to projects with 80 units or less to compare difference in workforce demographics.
- Ms. Starratt furthered that all projects are subject to Measure A1 labor requirements, including prevailing wage, local hiring requirements, disadvantage hiring requirements, etc., although not subject to the project labor agreement requirement. Even without a project labor agreement, there are base requirements approved by the BOS that need to be met.

Public Comment:

- No public comment.

VIII. AC Boost Program Update – Sarah Shimmin & Paxcelli Flores, Hello Housing Informational Item

Ms. Shimmin and Ms. Flores presented on AC Boost program updates focusing on a discussion of Hello Housing’s equity analysis of the initial AC Boost funding round. The presentation covered outcomes of the first funding cycle of the program as well as how Hello Housing has analyzed feedback from program participants to move forward with policy recommendations for BOS approval to further the goals of the program to address the racial wealth gap.

Discussion:

- Ms. Fitts requested Hello Housing to clarify how applicants get invited to workshops once they have submitted preapplications.
- Ms. Shimmin responded that anyone who meets criteria at the pre-application stage are given a lottery number and based on that, households are invited to workshops. The pre-application asks for basic information regarding household income and assets, whether they live or work in Alameda County or have been displaced from the County.
- Ms. DeHollander requested clarification on what loan programs or products that the closed transactions participated in? Thinking of households that got through the pre-application process but did not successfully close a transaction.
- Ms. Shimmin clarified that the survey did request participants to share what barriers they faced in submitting a full application. Survey responses suggested that participants faced barriers concerning credit, income, and/ or assets. Offered to share the report that further breaks down survey results.
- Ms. DeHollander suggested it is concerning that a large majority of survey participants did not know there are closing costs attached to their transaction from the time they applied to the time they attended a workshop. Is it possible to incorporate something like the Consumer Financial Protection Bureau Home Loan Toolkit, an interactive document for applicants?
- Ms. Shimmin responded Hello Housing is exploring how to better support applicants in preparing before they attend a workshop.
- Vice Chair Bruce requested explanation of what are seasoned funds and the change to down payment requirements.
- Ms. Shimmin explained seasoned funds is a requirement that households have at least 1.5% of the homes purchase price in their financial accounts consistently for at least 3 months prior to going into contract on the home. This was not a huge issue of households not having seasoned funds, but an issue of households not having the 3% in general. There were a few households disqualified for not having the seasoned funds. Removing this requirement will

- have an impact in expanding accessibility to the program. In terms of the reduction of the down payment requirement, cash to close and assets are main factors in successful participation in the program and there is not an increased risk in households defaulting on their home with decreased down payment amounts. Lenders have shared feedback that they can often support loans that go up to 100% combined-loan-to-value or higher.
- Ms. Duffy added that the number one risk to homebuyers are the predatory nature of the loan products they are utilizing. The program has benefited from utilizing pre-approved lenders and are underwriting what households are able to repay and what mortgage payment is affordable to that household. Access is the goal, compared to future risk.
 - Mr. Denton requested specifics on administration costs compared to program costs.
 - Ms. Shimmin confirmed this cost falls within the 10% range. Hello Housing can compile this data and provide the information to the Committee.
 - Mr. Denton requested confirmation the Bond allows the program to support applicants earning up to 120% of AMI.
 - Ms. Shimmin confirmed the Measure A1 Bond allows for up to 150% of AMI.
 - Ms. Lamb-Perrilliat requested further explanation regarding the usage of samples from San Francisco's AMI. How does this comparable to the income of Alameda County residents? Is there a pre-orientation information session provided to interested households explaining the financial responsibility?
 - Ms. Shimmin confirmed that the program is using Alameda County income limits. The program was designed with the San Francisco program as a sample. Additionally, no pre-orientation is currently offered but working to better prepare applicants before they get to the workshop stage, so they are ready to start the savings process and putting together documentation needed for the final application. More information will likely be included on the pre-application or included in an email once they submitted the pre-application with suggestions to prepare.
 - Ms. Duffy added there is collaboration with housing counseling agencies to assist potential homebuyers to ready themselves for the program. This helps applicants better prepare and understand what type of documents they will need to prepare.
 - Ms. Fitts added that Hello Housing is intentionally broadcasting a very broad net for the pre-application in order to increase numbers and avoid potential applicants from self-disqualifying before even applying. Survey results show 80% of people are open to applying again and are not discouraged by the process.

Public Comment:

- Ms. Donna Griggs-Murphy added appreciation to Hello Housing for administering AC Boost.
- Ms. Sophia – potential applicant – added appreciation to Hello Housing for administering AC Boost. Expressed excitement for the increased loan amount. Will there be opportunities in the future for other preference categories? Is race a factor in the application process?
- Ms. Shimmin explained that the preference categories are fixed based on approval by Alameda County BOS.
- Ms. Duffy added if there was a category Hello Housing noticed in the applications then they would consider bringing that to the BOS for consideration. In regard to race being a factor, Hello Housing must be in compliance with fair housing laws and do its due diligence in reaching all communities in their ability to apply.

IX. Measure A1 Program July 2018 to June 2019 Annual Report Draft -Jennifer Pearce, Housing and Community Development Manager, Alameda County Community Development Agency (CDA)

Informational

Ms. Pearce presented the Measure A1 Annual Report for July 2018-June 2018 for discussion.

Discussion:

- Ms. Works questioned best way for Committee to communicate suggested edits?
- Ms. Pearce explained feedback will be noted in today's meeting as well as in writing. There will also be a second draft presented during the June meeting to allow sufficient time for review prior to the July meeting.
- Ms. Works asked if there is a deadline that the Committee should provide feedback?
- Mr. Fuller requested the Committee provide feedback in a week.
- Ms. Starratt explained it is important to stick to the deadline, but if necessary, the deadline can be adjusted to allow for sufficient time to provide quality feedback. Reminded the Committee that in order to meet the BOS recess schedule, the second Annual Report will need to go to the Health Committee in July.

Public Comment:

- No public comment.

VI. Public Comment for Items Not on the Agenda – Chairperson Okwelogu

Speakers: None.

Adjournment at 11:46 a.m.