



SUBJECT REVIEW AND RECOMMENDATION TO CITY COUNCIL FOR ALLOCATION OF ALAMEDA COUNTY MEASURE A1 HOUSING BOND FUNDS TO TRI-VALLEY REACH TO ASSIST IN THE CONSTRUCTION OF TWO ACCESSORY DWELLING UNITS TO PROVIDE AFFORDABLE HOUSING TO RESIDENTS WITH DEVELOPMENTAL DISABILITIES

RECOMMENDATION

Review and recommend to City Council the allocation of the remaining \$552,772 from the City Pleasanton's Measure A1 Countywide Housing Bond funds to assist with the construction of two Tri-Valley REACH accessory dwelling units (ADUs) on two of its single-family homes in Pleasanton in order to provide affordable housing to four additional residents with developmental disabilities.

BACKGROUND

Alameda County Measure A1 Bond

In November 2016, the Measure A1 Bond was passed by over 73% of voters. The \$580 million countywide Housing Bond program funded the three programs related to homeownership and two programs related to rental housing development:

- 1) Down Payment Assistance Loan Program (\$50 million), designed to assist middle-income households to purchase homes and stay in Alameda County;
- 2) Homeownership Housing Development Program (\$25 million), designed to assist in the development and long-term affordability of homeownership housing for low-income households to become first-time homebuyers; and,
- 3) Housing Preservation Loan Program (\$45 million), to help seniors, people with disabilities, and other low-income homeowners to remain safely in their homes.
- 4) Rental Housing Development Fund (\$425 million), to create and preserve affordable rental housing for vulnerable populations. See below for allocations by city from this Fund within Alameda County; and,
- 5) Innovation and Opportunity Fund (\$35 million), to respond quickly to capture opportunities that arise in the market to preserve and expand affordable rental housing and/or prevent tenant displacement.

Below is a list of the Bond funding allocations for each Alameda County city from the Rental Housing Development Fund totaling \$225 million. The remaining \$200 million from the Rental Housing Development Fund will be allocated to a regional competitive housing pool divided by North County, Mid County, East County and South County.

- City of Alameda (\$10.3 million)
- City of Albany (\$2.6 million)
- City of Berkeley (15.8 million)
- City of Dublin (\$8.8 million)
- City of Emeryville (\$2.8 million)
- City of Fremont (\$33.3 million)
- City of Hayward (\$20.3 million)
- City of Livermore (\$12.7 million)
- City of Newark (\$6 million)
- City of Oakland (\$54.8 million)
- City of Piedmont (\$2.4 million)
- **City of Pleasanton (\$13.7 million)**
- City of San Leandro (\$11.9 million)
- Unincorporated Alameda County (\$19.7 million)
- City of Union City (\$9.8 million)

The City previously allocated \$11,795,844 to two affordable housing developments: 1) \$4,600,000 to the 54-unit senior housing Kottinger Gardens Phase 2 in 2017; and 2) \$7,195,844 to the 31-unit Sunflower Hill for adults with developmental disabilities in 2018.

The City of Pleasanton’s \$13,720,684 “Base City Allocation” has a remaining balance of \$552,772, as shown on the table below.

Base City Allocation:	\$13,720,684
Less: County HCD Administration Cost (including bond issuance)	(1,372,068)
54-unit Kottinger Gardens Phase 2 development	(4,600,000)
31-unit Sunflower Hill development	(7,195,844)
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Remaining balance	\$ 552,772

Tri-Valley REACH seeks the remaining \$552,772 balance from the City’s \$13.7 million allocation from this Fund. City staff has been working with Alameda County Housing and Community Development Department (County HCD) to discuss Tri-Valley REACH ADU project proposal to ensure that the project complies with the Bond program policies. City staff also worked to obtain County HCD’s written approval for a 12-month extension to commit these remaining funds as the Measure A1 funding policy guidelines required that all “Base City Allocation” funds must be committed to an affordable housing project by December 31, 2021. The City has been granted a one-year extension until December 31, 2022. Uncommitted funds will be rolled back to the County HCD’s Regional Pool.

DISCUSSION

City staff explored different options of how to commit its remaining \$552,772 “Base City Allocation” funds prior to the new December 31, 2022 commitment deadline. City staff reached out to various non-profits including Tri-Valley REACH, who has been providing affordable homes to adults with developmental disabilities for the past thirty years. Tri-Valley REACH is continually exploring options to expand its inventory of housing that provide adults with developmental disabilities that opportunity to live independently. As the real estate market

continues to see rapidly escalating sales prices of homes throughout the Tri-Valley due to low inventory and large number of competing buyers, Tri-Valley REACH has had difficulties acquiring new properties.

Tri-Valley REACH proposed the alternative of using the Measure A1 funds to construct accessory dwelling units (ADUs) on two of its Pleasanton homes. The construction of 2-bedroom ADUs is more cost effective and could accommodate two additional tenants at each property. This will allow Tri-Valley REACH to increase its Pleasanton residents from sixteen to twenty at a preliminary estimated costs of approximately \$500,000. In comparison, a 2-bedroom townhome would only accommodate 2 tenants but cost more at approximately \$750,000.

Tri-Valley REACH is already engaging with Hello Housing, a Bay Area non-profit organization that specializes in providing feasibility and project management support to homeowners who want to add an ADU or JADU on their property. Tri-Valley REACH and Hello Housing are collaborating to submit their ADU permit application to the City for review and approval.

May 19th Housing Commission Meeting Process

The Commission may request representatives from Tri-Valley REACH and/or Hello Housing to answer any questions relating to the proposed ADU project after Tri-Valley REACH and Hello Housing makes its presentation describing the project including the proposed floor plans and elevations. The Commission could then close the hearing, discuss the project, and formulate a recommendation for consideration by the City Council.

The Commission's recommendation is tentatively scheduled to be reviewed by the City Council on June 7, 2022. At that time, it is expected the Council will adopt a resolution authorizing the allocation of the Measure A1 funds to assist Tri-Valley REACH in constructing the two ADU units.

Staff Recommendation

Staff, including Planning Division staff, are coordinating with Tri-Valley REACH and Hello Housing to ensure that the proposed ADU project will comply with the City's design standards and requirements for ADUs.

As stated earlier, staff is recommending the Housing Commission review and recommend the allocation of the City's remaining \$552,772 Measure A1 Housing Bond funds to assist Tri-Valley REACH construct two accessory dwelling units (ADUs) on two of its single-family homes in Pleasanton in order to provide affordable housing to four additional residents with developmental disabilities. Following the Commission's action, staff will forward the Commission's recommendation to the City Council for review and approval.