# REALTOR® ASSOCIATION Funding **Request** Form

Date: __October 5, 2006_____

## Funds Requested By:

Applicant/REALTOR® Association: Home Place Initiatives Corporation/Oakland Association of Realtor
Address: 310 8th Street, Ste 200
City/Zip: _____Oakland/94107___ Telephone: _(510) 287-5353
Fax: _(510) 238-1349
Name of Executive Officer: __Lynette Jung Lee_ Email Address: _ljunglee@ebaldc.com_____
Contact Person (if different): _Karoleen Feng__ Email Address: ____kfeng@ebaldc.com____
Web Site Address: _____www.EBALDC.org_____

## Purpose of Funding:

Sausal Creek Homes: To assist with unforeseen increases in the construction cost of 17 affordable town-homes for moderate-income first-time homebuyers in Oakland's Lower San Antonio neighborhood.

## Recipient of Check: ___Home Place Initiatives Corporation (name of organization)

Treasurer/Financial Officer: Mark Weete
Address (Street/P.O. Box): 310 8th Street, Suite 200 Oakland, CA 94108
Federal Tax ID #: 94- 3237854
Brief Program Description:

Home Place Initiatives (HPI) was founded by EBALDC in 1996 to find innovative strategies to increase homeownership for low to moderate -income families, particularly in neighborhoods served by EBALDC. To date, over 95 single family homes have been acquired and built by HPI. The current project being developed is Sausal Creek Homes.

Amount Requested: $ 15,000

**Authorized By (to be completed by HAF): _____**

**IMPORTANT: REALTOR® Associations must attach a copy of Association minutes which authorized this request for funds.**
To avoid delays in processing requests, please be sure the above information is complete and accurate. INCOMPLETE FORMS WILL BE RETURNED FOR FURTHER INFORMATION. Requests for funds will be received on an ongoing basis throughout the year. The review process will typically take 30 to 45 days from the date on which a request is received. The review process may be delayed if additional information or clarifications are required.

***E-Mail completed form to:*** *monicar@car.org* **For more information call:** (213) 739-8380

**Program Description:** Please attach additional material as necessary.

1. Please describe, completely and concisely, the purpose of the program:

In 1995, EBALDC established Home Place Initiatives (HPI) to develop homeownership homes for low and moderate income families. Currently, HPI is developing 17 homes with a homeowners association at Sausal Creek on 26th Avenue in the San Antonio District of Oakland. Sausal Creek Homes will provide 17 affordable single family townhouses for low and moderate income first-time homebuyers in a neighborhood that has been disproportionately affected by the current housing crises.

2. Please describe the history/evolution of the program:

Since its inception, HPI has developed and/or renovated 97 for-sale homes. The program not only develops homes targeted towards first-time homebuyers, but also strives to improve the neighborhoods in which these homes are located. The three major projects completed by HPI include:

- Bay Port Village-71 homes in West Oakland, on an old Oakland Housing Authority site, in partnership with Oakland Community Housing Inc.

- West Oakland Homes- Renovated 5 homes in West Oakland in 1998-1999 all sold to qualified buyers earning less than 80% of the Area Median Income

- Swan's Marketplace Co-housing- 20 units of market rate co-housing condominiums located at the historic Swan's Marketplace in old Oakland.

Between 1995 and 1999, Homeplace Initiative (HPI) developed 77 affordable for-sale homes for low and moderate income homebuyers. The cost to build brand new 2, 3, and 4 bedroom houses, at that time, ranged from $155,000 to $260,000. These homes were sold to families making between 60 and 80 percent of the area median income (AMI) for $125,000 to $175,000.

HPI is projecting a $200,000 gap in funding for the Sausal Creek Homes project as a result of multiple external factors ranging from the construction costs to first-time homebuyer requirements. Due to Hurricane Katrina, many construction resources are dramatically increasing in cost, such as sheet rock and wood. In addition, a part of HPI's goal is to keep the homes affordable and meet the requirements of our major funder, the City of Oakland, the sales price of the homes are limited. They are required to be affordable for families earning between 80 and 100% of AMI (In 2005, a family of 4 at 80 percent of AMI, could only afford to pay approximately $250,000 to buy a home), thus limiting EBALDC's ability to pass on the increased development cost. Also, SB 800 requires ten year construction defect insurance that is extremely inflated and hard to acquire.

Wells Fargo Housing Foundation Focus Communities has offered a $100,000 Challenge Grant to help EBALDC develop Sausal Creek Homes. The Wells Fargo Housing Foundation (WFHF) Focus Communities will match dollar for dollar, contributions raised by EBALDC between **May 1, 2006 and November 1, 2006** for Sausal Creek Homes (excluding government funding). EBALDC has raised 70% of the funds needed to meet the Challenge, and a $15,000 grant from the CAR will help EBALDC reach the goal of securing the entire $100,000 Challenge Grant for Sausal Creek Homes.

3. What are the benefits and who are the beneficiaries of the program?

In response to the community's concerns about the increasing lack of affordable homeownership opportunities, EBALDC embarked on developing Sausal Creek Homes through our affiliate, Homeplace Initiatives (HPI). The goals of developing these homes is to increase affordable first time homeownership opportunities in Oakland; to market specifically to those with a stake in the community; and to create a community of proud homeowners in a neighborhood of high rental properties.

The neighborhood surrounding Sausal Creek Homes is a diverse neighborhood, with lower incomes and ownership rates in comparison to the city as a whole. In 2000, the median family income for the census tract was $32,586, while the city had a median family income of $44,384. Approximately 28% of the individuals in the census tract are living below poverty level, significantly higher than the 19.4% of Oakland as a whole, and the national percentage of 12.4%. Within the surrounding census tract, over 37% of the residents are African American, 28% are Hispanic and over 22% are Asian. Only 23% are while compared to 34% of the city as a whole.

To ensure that the diverse members of the community are made aware of the opportunities, the literature and meetings for the homes will be multilingual in at least English, Chinese and Spanish. The homes will be advertised widely and we are also targeting our community outreach efforts to those who live, work and play in the ethnically diverse Eastlake, Lower San Antonio and Fruitvale areas. EBALDC's Neighborhood and Economic Development department will target existing renters in the neighborhood by publicizing the homes with the many local community groups and merchants in the area. In addition, we will hold community workshops to present the homes and explain the City's affordable housing program.

Increasing homeownership rates provides greater stability for families and neighborhoods, as families who own their own homes have a base from which they can more easily attain other goals, like further education for their children. Sausal Creek Homes will bring stability to the neighborhood by providing homeownership opportunities in a neighborhood with low-income and high poverty rates.

4. What is the significance of the program to REALTORS®? How will this program affect housing affordability in your community?

Local Oakland Realtors will be engaged at the initial and future resales of the homes produced by HPI. The HPI program meets the policies set forth by the California Association of Realtors for homeownership. (https://www.car.org/index.php?id=OTA0)

- The project that the funding will be applied to, Sausal Creek Homes, is an affordable housing development by a non-profit organization.
- Through HPI and the Sausal Creek Homes project, the underserved market of low to moderate income potential homebuyers will have more products to purchase and become better educated in the homebuying process. HPI will extensively market Sausal Creek Townhomes and increase the pool of homebuyers ready to purchase their first home. To qualify for the project, the homebuyers must go through extensive counseling programs, which will introduce them to the home-buying process, including the financial programs in place to assist them with their mortgage.
- By becoming engaged in the sale of Sausal Creek Homes, Oakland Realtors will become more knowledgeable about the numerous local, state and federal homebuyer assistance programs that aid low-income and first-time homebuyers in the purchase of new homes. For instance, the development of Sausal Creek Homes will support the expansion of homeownership financing programs such as Individual Development Accounts (IDAs) that enable low-income and underserved households to save towards buying homes.
- Sausal Creek Homes is located in a redevelopment area. Sausal Creek Homes will target the underserved and demographically diverse communities in East Oakland, particularly the Lower San Antonio Neighborhood through EBALDC's neighborhood economic development program and our partnerships with organizations throughout the city of Oakland.

5. Who has overall responsibility for the program and, if different, who has day-to-day responsibility? How are these persons selected, and what are their qualifications?

David Dologite, the Real Estate Development Director has overall responsibility of all department developments. Karoleen Feng is responsible for day to day responsibility for the Sausal Creek development.

David Dologite, the Director of Real Estate Development, oversees the work of EBALDC Real Estate Development staff to build over 500 affordable apartments and townhouses and over 150,000 square feet of neighborhood serving community space. This work includes development 36 housing units in a new Native American Health Center; a HOPE VI development with 435 affordable apartments and 28 homes for sale with 14,000 square feet of space for social service providers; the development of 55 units of senior housing and community control of a local shopping center. Mr. Dologite came to EBALDC with over 5 years experience in Project Management with nonprofit housing developers in Boston. He graduated from University of Michigan Law School and is admitted to practice law in Massachusetts where he practiced for over a year. Since coming to EBALDC in October, 2004 he closed the Preservation Park New Markets Tax Credit deal, finalized financing for the Native American Health Center development, obtained funding for 55 senior housing units at Jack London Gateway and was project manager of EBALDC's Giant Road development. In April Mr. Dologite, was promoted as the Director of Real Estate.

Karoleen Feng has been a Project Manager at EBALDC since February 2006. The Project Manager is responsible for originating, scheduling, coordinating and implementing all aspects of the development of affordable housing projects and retail storefronts. She came to EBALDC two years ago as an Assistant Project Manager. Her experience in project management and affordable housing come from her work with LTSC Community Development Corporation in Los Angeles, Tenderloin Neighborhood Development Corporation in San Francisco and PolicyLink in Oakland. Her current projects include Sausal Creek Homes and Jack London Gateway Phase 1 and 2. She is responsible for managing partnership, retail leasing strategy, façade improvement of 58,000 sq ft neighborhood shopping center in West Oakland and in phase 2 Predevelopment and acquisition of 55-unit senior housing building and 14,000 sq ft. retail expansion. She has a Masters of City Planning from the University of California at Berkeley and a Bachelor of Arts from the University of California at Berkeley in Political Economy of Industrialized Societies.

6. What are appropriate measures of success of the program?
The program will be evaluated on the following indicators

a. Number of homebuyers successfully recruited from the neighborhood and surrounding areas.
b. Number of homebuyers leveraging additional first-time homebuyer funding
c. Number of homebuyers receiving pre and post homeownership consulting
d. Extent to which risk management is incorporated into the construction and planning
e. Rate and length of time it takes to sell the units once completed

7. Do other programs provide the same or similar service? How does this program differ?
HPI is the only program through which EBALDC offers homeownership housing. Other programs administered by the Real Estate Development department of EBALDC provide affordable multi-family housing and mixed-use housing targeting low to moderate -income households. Through our asset development and financial literacy programs, offered in partnership with our Neighborhood Economic Development department, we make the dream of affordable housing and homeownership a reality. To date, we have developed over 900 rental, first-time home buyer, and co-housing opportunities. Our current housing development projects will provide homes for 510 low-income families and individuals in the Bay Area through the development of 17 homeownership and 493 rental opportunities in the next few years.

8. Will part or all of H.A.F.'s committed funds be recoverable? Yes ____ No X
If yes, please explain and provide estimate of recoverable funds.

9. Has your association made a contribution to H.A.F.? Yes ____ No _____
If yes, what was the amount of the contribution.

## Program Budget

1. What is the budget for this program?

The funding for this program would be applied to Sausal Creek Homes. Please see attached budget. (Attachment 1)

If program has an indefinite term, what is the annual budget?

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2. What percentage of the total program budget would be comprised of the C.A.R.H.A.F. funds requested?

Sausal Creek Homes project funding will be applied to project development costs incurred during the grant period. Please see attached budget (Attachment 1)

3. Has the program received C.A.R.H.A.F. funds in the past? Please provide year(s) and amount(s):

Yes. 2005 - $15,000

4. How will C.A.R.H.A.F. funds be used among the following categories?

| **Category** | **Amount** | **Percentage** |
|---|---|---|
| Admin/Overhead | $0 | 0% |
| Direct Services | $15,000 | **0.2%** |
| Fundraising | $0 | 0% |
| TOTAL | $0 | 0.2% |

## Fundraising Strategy:

1. Please indicate specific sources/groups and amounts of revenue already raised for this program.

**Sources/Groups Amounts**

Please see attached budget (Attachment 1)

2. What sources/groups are targeted for additional funds and at what amounts?

**Sources/Groups Amounts**

Please see attached budget (Attachment 1)

3. What fundraising techniques will be employed?

**Over 40% of the program cost will be financed from the City of Oakland's Redevelopment funds. The total development budget for the Sausal Creek Development is $7.5 million.**

The fund development staff has been working diligently to secure the remaining funds needed for the development. The fundraising efforts have included a $100,000 Wells Fargo Challenge grant that will match contributions 1 to 1 if received by November 1st, 2006. Other corporate foundations that have been approached are JP Morgan and Comerica for a grant in the amount of $25,000 each. Our signature fundraising events, EBALDC's annual Golf Tournament and annual Dinner also contribute greatly to this project. With dedicated supporters like the California Association of Realtors we will be able to raise the funds needed.

4. What role will consultants play in fundraising?

None.

(A) Will a percentage of the funds raised accrue to such firms? Yes ____ No _X____

If yes, what percentage? ____%

5. What is your timeframe for fundraising and what is the timeframe for the program?

**Timeframe for fundraising - Summer 2004 to Summer 2007.**

**Timeframe for program - Spring 2005 – Winter 2007**

6. Have you successfully raised funds in the past for similar programs? Please explain:

HPI has raised over $3.3 million, outside of public subsidies and financing and commercial loans for its previous projects.

I promise to send a follow-up report to the C.A.R.H.A.F. Committee within 30 days after the contribution.

Signature: _____, Association President

Signature: _____, Association Executive

***C.A.R.H.A.F. Expenditure Guidelines***

The following guidelines indicate the many ways in which C.A.R.H.A.F. funds may be used to advance the housing affordability interests of REALTORS® and REALTOR® organizations.

C.A.R.H.A.F. funds **CANNOT** be used for activities that directly or indirectly support or oppose a candidate for public office.

C.A.R.H.A.F. funds **SHALL NOT** be used to support or oppose the following: 1.) Ballot Measure Campaigns; 2.) REALTOR® Issue Mobilization

Campaigns; 3.) Dues and Contributions to Coalitions; 4.) Receptions/Events/Conferences; 5.) Professional or Volunteer Advocacy; 6.) Advocacy and Policy Education; and/or 7.) Policy Research and Consulting Services. These functions are supported by IMPAC funds.

C.A.R.H.A.F. funds must be used for charitable purposes that supports C.A.R.H.A.F.'s mission to play an active role in addressing the ongoing housing affordability crisis facing our state by promoting homeownership and addressing housing affordability issues statewide. The term charitable is used in its generally accepted legal sense and includes, but is not limited to, relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening the burdens of government; lessening of neighborhood tensions; elimination of prejudice and discrimination; defense of human and civil rights secured by law; and combating community deterioration and juvenile delinquency. For specific information on C.A.RH.A.F. guidelines and procedures, contact C.A.R.H.A.F. staff: Monica Rodriguez (213) 739-8380 or email at: monicar@car.org.

***C.A.R.H.A.F. Guiding Principles***

The Committee agreed to base its decisions upon the following guiding principles:

• In general, all programs should require matching funds to leverage C.A.R.H.A.F. funds. This includes grants to local associations. For example, a local association could request funds from C.A.R.H.A.F. for a project, but it should be able to obtain matching funds from other entities such as lenders, government, non-profits or other housing advocates.

• Where possible, funds should be recoverable.

• A REALTOR® 's services should be encouraged in all home purchase transactions. This will require that REALTORS® become familiar with both the C.A.R.H.A.F. and the programs offered by C.A.R.H.A.F. partners.

*Self-Help Project Guidelines:*

At no time will HAF commit more than 50% of the remaining 25% total annual disbursement to Self Help projects (including Habitat for Humanity).

Request for funds will not exceed the LESSER of: A) $50,000, or B) 10% of total existing funds. However, if a Regional approach with a majority of associations develops a large Habitat program, HAF may grant funds up to 10% of total existing funds. In addition, HAF may consider granting a larger sum with consent of the Board of Directors.