

Affordable Housing Production and Retention Programs in Oakland

Comparison of 1) Community Land Trusts 2) Below Market Rate Ownership Units 3) Oakland's First Time Homebuyer Program and 4) Affordable Rental Projects

| | Subsidy Retention | Length of Affordability | Per Unit Subsidy (Estimated at current market conditions and current AMI) | Incomes Reached | Asset Building Component |
|---|--|--|--|--|--|
| Community Land Trust | Shared Equity (Subsidy stays with the land) | 99 year renewable for another 99 years | Average of \$75,000 (Assuming bulk purchase of REOs with a negotiated price reduction.) | 60% to 80% (\$49,800 to \$66,400 for a family of four) | Homeowner recovers mortgage payments and some limited equity. Can be guaranteed by resale formula. |
| Below Market Rate Ownership Units (BMRs) | Shared Equity (Subsidy stays with the unit) | In perpetuity | Up to \$300,000. (Subsidy pays difference between market rate and affordable price.) | Usually 100% to 120% (\$83,000 to \$99,600 for a family of four) | Homeowner recovers mortgage payments and some limited equity. Not guaranteed. |
| First-time Homebuyer Mortgage Assistance | Buyer side subsidy (Subsidy to one home-purchaser only) | Assistance goes to one purchaser. | \$75,000 (A "silent second" mortgage loan at simple 3 percent, repaid at sale of house.) | Currently 80% (\$66,400 for a family of four) | Homeowner sells house at market rate minus the amount of the loan |
| Affordable Rental Housing | Tax credits and redevelopment revenues (Subsidy stays with the unit) | Usually 55 years | Average of \$100,000 from the City of Oakland (The balance is in the form of tax credits and tenants rents.) | Up to 60% of AMI (\$49,800 for a family of four and below) | Renter pays only 30% of income for rent |