

City Council Referral Memorandum

Council Members may bring forward a Council Referral Memorandum (Memo) on any topic to be considered by the entire Council. The intent of this Council Referrals section of the agenda is to provide an orderly means through which an individual Council Member can raise an issue for discussion and possible direction by the Council to the appropriate Council Appointed Officers for action by the applicable City staff.

Date: 6/18/19
To: Hayward Mayor & Council
From: Hayward City Council Member Aisha Wahab
Subject: Down-Payment Assistance Program for Hayward Residents

REFERRAL REQUEST: Hayward City Council must consider providing a down-payment assistance program to Hayward residents to purchase their first home in Hayward, CA.

Historically, housing has been unattainable or incredibly challenging for communities of color, women, low-income individuals, and seniors due to ageism, racism, red-lining, income-discrimination, and much more. In the last decade, through predatory lending, unclear mortgages rates, and an economic downturn, home-ownership and keeping one's home became impossible.

The median household income of Hayward (\$69,572) is slightly higher than the California average (\$69,051) but significantly lower than the Alameda County median household income (\$82,654). While the average home cost in Hayward has hit the \$700,000 mark with a down payment needing to be about 20% of that (\$140,000).

In Hayward, vulnerable groups have been displaced, either through force or gentrification. Housing costs have become unbearable, with senior homelessness projected to triple in the next decade. Millennials pay more than 60% of their income to housing and student loans. Housing is a human right. Housing needs to be addressed at multiple levels: rent, homelessness, production, protection from displacement, and more.

In the last six months, Hayward has allocated funds (\$3 million) to the Hayward Navigation Center to address homelessness, approved a down-payment assistance program (up to \$150,000 per employee) to Hayward employees looking to purchase a home in Hayward, and focused on correcting the Rent Stabilization Ordinance to address the decades of bad policy for renters.

The time has come for Hayward City Council to promote home-ownership among Hayward Residents.

REFERRAL REQUEST:

Hayward City Council must consider providing a down-payment assistance program to Hayward residents to purchase their first home in Hayward, CA.

Considerations (these are all factors that can be discussed and amended at a future date, once the referral is approved):

- Hayward Residents Priority Preference in Home-Ownership (5 years of residency)
- For Primary Residence Only (no use of home for rental, sale, etc. for 5+ years)
- No Restrictions on the Type of Home (Single Family, Condo, Townhome)
- No Restrictions on applicant's job or location of job

- This is intended for Hayward residents without discrimination but within the realms of certain financial qualifications/considerations. The Goal is to reduce the barrier of home-ownership for the majority of prospective home-buyers.
- Alameda County Boost Program is intended for first-responders & teachers
- Hayward City's Employee Down-Payment Assistance Program covers all Hayward employees.
- Moderate Income applicants should be a priority, not just low-income applicants as the Area Median Income is not reflective of current struggles.
- Hayward's Down Payment Assistance provides up to 20% of down-payment to purchase home
 - With a Goal to Remove PMI (Private Mortgage Insurance)
 - With a Goal to make mortgage affordable
- Financial health of applicant & education of home-ownership process will be considered
- Partnership with other agencies for potential funding options
- Interest charge to be no more than CPI (maximum 3%) and only flat rates through the life of the loan.

Timeline:

First Report Back to Council should be within 2 months.

Stakeholders:

Residents, Realtors & Associations, Financial Institutions, Housing Experts

Prepared & Submitted By:

Aisha Wahab

Aisha Wahab, M.B.A.

Hayward City Council Member