



DATE: October 18, 2016

TO: Mayor and City Council

FROM: Library and Community Services Director

SUBJECT

Resolution in Support of Alameda County Measure A1 (Alameda County General Obligation Bond for Affordable Housing)

RECOMMENDATION

That the City Council considers adopting the attached resolution in support of Alameda County Measure A1 (Alameda County General Obligation Bond for Affordable Housing).

BACKGROUND

Earlier in a work session conducted at this October 18, 2016 meeting, Council had the opportunity to discuss the County Bond for Affordable Housing proposal. This report complements the staff report prepared for that work session but provides a summary of the programs (and related goals) proposed to be funded with the bond issuance proceeds.

There is growing recognition that a housing crisis exists in the Bay Area. The costs for both rental and for-sale housing in Hayward and the rest of Alameda County (the County) have risen substantially in recent years, causing displacement and making it difficult for people at all income levels to find housing. Extremely low and low-income households are hit the hardest by the housing crisis. The inability to find affordable housing is also fueling a homelessness crisis and making it difficult to house people experiencing homelessness. Affordable housing is a critical resource that provides a stable, safe environment for members of the local workforce as well as the most vulnerable sectors of the community such as seniors, people with disabilities, and others on fixed incomes.

Through the Regional Housing Needs Allocation (RHNA) process completed by the Association of Bay Area Governments in 2013, Hayward's assigned share of the regional housing need was 3,920 units, including 1,331 units affordable to low- and very low income families. However, with the dissolution of redevelopment agencies by the State of California in 2012, Hayward and other California cities lost a powerful financial tool for development of new affordable housing.

In the spring of 2016, the County Board of Supervisors (BOS) held a series of work sessions and public stakeholder meetings for the purpose of developing a proposal for a General Obligation (GO) bond for affordable housing. On June 28, 2016, the BOS took the necessary actions to place the bond measure, Measure A1, on the November 2016 ballot for consideration by the voters in the County.

DISCUSSION

Measure Language. The following is the language that was included in the BOS-approved authorizing resolution of Measure A1:

“To provide affordable local housing and prevent displacement of vulnerable populations, including low- and moderate-income households, veterans, seniors and persons with disabilities; provide supportive housing for homeless people countywide and help low- and middle-income households purchase homes and stay in their communities; shall the County of Alameda issue up to \$580 million in general obligation bonds to acquire or improve real property, subject to independent citizen oversight and regular audits?”

If approved, Measure A1 could generate \$580 million countywide for affordable housing, including \$460 million for rental housing programs and \$120 million for homeowner programs, as described in more detail below. Included as Attachment III is a fact sheet on Measure A1 for more detail on the proposed uses of the bond proceeds and their allocation to local jurisdictions.

Homeowner Programs:

- *Down Payment Assistance Loan Program (\$50 million)*
GOAL: to assist middle-income working families to purchase homes and stay in the County.
- *Homeowner Housing Development Program (\$25 million)*
GOAL: to assist in the development of homeownership housing and help first-time homebuyers stay in the County.
- *Housing Preservation Loan Program (\$45 million)*
GOAL: to help seniors, people with disabilities, and other low-income homeowners to remain safely in their homes. Provide small loans to pay for accessibility improvements, such as ramps, widened doorways, and grab bars. The program would provide rehabilitation loans for deferred maintenance such as roofs, plumbing, and electrical systems to seniors, people with disabilities and low-income households at 80% of the Area Median Income (AMI).

Rental Housing Programs:

- *Rental Housing Development Fund (\$425 million)*
GOAL: to create and preserve affordable rental housing for vulnerable populations, including lower-income workforce households.
- *Innovation and Opportunity Fund (\$35 million)*
GOAL: to respond quickly to affordable development opportunities that arise in the market to preserve and expand affordable rental housing and/or prevent tenant displacement.

Under the Rental Housing Development Fund Program, approximately \$20.3 million is estimated to be available for Hayward projects, with another \$49.8 million potentially available through a regional pool for projects in Alameda (City), Hayward, San Leandro and Unincorporated Alameda County.

Measure A1 would provide an important new resource for developing affordable rental housing and providing affordable homeownership opportunities in Hayward, assisting the City towards accomplishing its RHNA goals, and helping the City achieve numerous policy goals as laid out in the Housing Element of the City's General Plan including its pledge to "assist[ing] in the provision of housing that meets the needs of all socio-economic segments of the community."

FISCAL IMPACT

Approval of this Resolution will not result in a fiscal impact to the General Fund of the City. The cost to property owners of the bond measure is projected to be \$12-\$14 per \$100,000 of assessed value.

NEXT STEPS

If approved, staff will distribute the support resolution to the appropriate leaders of Measure A1 campaign.

Prepared by: Omar Cortez, Housing Development Specialist

Recommended by: Sean Reinhart, Library and Community Services Director

Approved by:



Kelly McAdoo, City Manager