

## Multi-Family Market Rate Housing Production Incentives Forum November 14, 2019

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### City Approval Process and Fees

- Control fees and don't try to keep up with other cities that have different market conditions.
- Understand land residual – How do City policies impact financial feasibility?
- Educate City Council on construction costs and density implications on financial feasibility.
- Promote pre-application and CEDC meetings to obtain upfront certainty and clarity on project requirements. Avoid “late hits” from Utilities and Public Works Departments.
- Infill development requires creativity. Need policies that allow for flexibility.
- Staff attitude of “how do we make this project work?”/ Staff is doing a good job.
- Solve union issue – PLAs affect affordability and attainability
- More clarity on inclusionary requirements – fees or on-site? Provide incentive(s) for providing on-site requirement, but don't “punish” developments.
- Better fee transparency. Recommend developing a fee calculator like City of Dublin.
- Staff should be aware of financing rules/structure as it relates to feasibility of development including ADUs and adjust local regulations accordingly.
- Increase density bonus
- Fostering relationships to be sure Hayward is where folks want to invest such as school district and Hayward's image.
- Don't look to new development to solve all City's housing issues.
- Transparent rules and fees that are consistent and don't change during mid-project.
- Merge processes; tentative map and final map.
- Require on-site affordable units – can't fee out (remove option to pay in-lieu fee) with concession to lighten up RRSO
- Sliding scale of flexibility of regulations
- By right approval at certain densities
- Update base zoning districts to reflect current development patterns/needs
- PLAs
- CEQA and challenges related to CEQA
- Length of time to process building permits, especially small projects
- Identify “opportunity zones” and allow for a tax deferral incentive.
- Eliminate 50% of requirements to make project feasible
- Process is extremely costly and very time consuming. For example, park fees are extremely high.
- Impact fees should be exempted for affordable housing projects

- Feels that City Council opposes/not in favor of market-rate multi-family projects.
- Create a “Incentives Package/Checklist” that provides clear criteria for developers to receive development related incentives. This also has the potential to encourage market-rate developers to include affordable units in their project(s).
- Incentives for on-site affordable:
  - Streamline project schedule/timeline
  - Reduce development fees
  - Defer fees up until Certificate of Occupancy
  - Provide menu of items
  - Allow segregation of affordable housing
- Have the ability for developers to transfer their in-lieu fee as credit to an alternative off-site project of their choice.
- Provide clear obligations and streamline development process
- In favor of up zoning single family residential zones (R1) and consider same for commercial and industrial zones. This could potentially offset the issue of the increasing number of people experiencing homelessness.

### **New Funding Sources**

- Do not issue/remove NOFA

### **Financial and Market Challenges**

- Concerns about financing for multi-family housing impacted by rent control measures.
- Lack of labor supply.
- Townhomes most feasible product right now.
- Market-rate development is risky – some projects make no money.
- Ground floor retail is costly and doesn’t have a positive cash return. This can impact feasibility. Retail market is changing and risky. Mission Blvd. is too busy and not safe for pedestrians to walk which makes it not a good location for retail.
- Adaptable ground floor space; facades can be made to look like retail/pedestrian scale space.

### **Other City Efforts**

- Educate public about feasibility issues associated with multi-family housing – not feasible right now due to high costs/lower rents.
- Homeless blight issues impact investment potential – Clean downtown helps attract investment.
- Remove arbitration and mediation component of RRSO and replace with a public hearing process that is not as time consuming (i.e. City of Fremont).
- Better streetscape concept/vision for Mission