



DATE: March 4, 2021

TO: Homelessness-Housing Task Force

FROM: Assistant City Manager

SUBJECT: Provide Comments on Funding Priorities for Inclusionary Housing Trust Fund

RECOMMENDATION

That the Homelessness-Housing Task Force (HHTF) reviews and provides comments on this report summarizing funding options for the use of Inclusionary Housing Trust Funds.

SUMMARY

On November 28, 2017, the City Council adopted amendments to the Affordable Housing Ordinance, which increased the affordable housing in-lieu fees paid by housing developers deposited into the Inclusionary Housing Trust Fund. Currently, there is \$4.4 million available in the Inclusionary Housing Trust Fund available to allocate to affordable housing development projects. Collectively, initial findings from a recent City displacement study, being prepared by HR&A Advisors, draw a picture of low-income households, particularly renters and Black and Hispanic households, who are experiencing intense economic pressure and housing need in Hayward. Study findings demonstrate that those pressures have intensified in the last decade and have already resulted in a loss of low-income Hayward residents. Those who are still living in Hayward are struggling with cost burden, especially Black and Hispanic households, as housing supply does not align with household income. These trends of economic and housing instability, especially for Black and Hispanic households, are likely exacerbated by the consequences of the COVID-19 pandemic.

Based on these findings and a pipeline of City supported projects and prospective projects, staff recommends that the HHTF prioritize projects that will provide safe and decent affordable housing to low-, very low- and extremely low-income households who are housing insecure and at risk of displacement and homelessness by awarding existing funds to City supported projects with funding gaps and by issuing an affordable housing Notice of Funding Availability (NOFA) to establish a pipeline of projects pre-committing affordable housing funds to expedite the development of new rental housing in the future once new Inclusionary Housing Trust Fund monies become available.

BACKGROUND

On November 28, 2017, the City Council adopted amendments to the Affordable Housing Ordinance (AHO) based on the Nexus Study prepared by Keyser Marston Associates, Inc that evaluated the impact of the development of new market-rate housing on the need for affordable housing in the City and that supported increases to the affordable housing in-lieu fees paid by housing developers. The AHO provides options to housing developers to comply that are intended to increase the supply of affordable housing. These options include providing on- or off-site affordable units, paying an affordable housing in-lieu fee, and proposing alternate plans. The AHO intends to increase the supply of affordable units by creating mixed-income housing developments in market rate development or by generating fee revenue that is deposited into the Inclusionary Housing Trust Fund (Housing Fund) to subsidize the development of affordable housing.

To help inform the discussion about allocating funding from the Housing Fund, background information is provided regarding eligible uses of the Housing Funds, an accounting of the Housing Fund, the current affordable housing development pipeline including funding needs, the most recent estimates for Regional Housing Needs Allocation compliance (RHNA), and an analysis of Hayward's housing needs.

Inclusionary Housing Trust Fund

The Housing Fund was established in June 2003 when the City of Hayward adopted the AHO to address the need for affordable housing that is created by the development of market rate housing. The AHO requires that in-lieu fees paid by the developer are deposited into the Housing Fund and that the funds are to be used to increase the supply of housing affordable to moderate-, low-, very low-, or extremely low-income households (See **Table 1**) in the City through:

1. New construction, acquisition of affordability covenants, and substantial rehabilitation of existing housing; or
2. Provision of other residential facilities, including emergency shelters and transitional housing if those facilities mitigate the impact of market-rate housing on the need for affordable housing with special findings made by Council; and
3. Generation of funds to cover up to ten percent (10%) administrative costs.

Use of Housing Funds are restricted to the above referenced uses and can be applied to either rental or ownership housing. Funds cannot be spent on down-payment assistance. The AHO and collection of the in-lieu fee is based on a nexus between the development of market rate housing and the need to develop more affordable housing.

Table 1. 2020 California Department of Housing and Community Development Income Limits by income level and household size

Household Size	1	2	3	4	5
Extremely Low Income 30% AMI	27,450	31,350	35,250	39,150	42,300
Very Low Income 50% AMI	45,700	52,200	58,750	65,250	70,500
Low Income 80% AMI	73,100	83,550	94,000	104,400	112,800
Median Income 100% AMI	83,450	95,350	107,300	119,200	128,750
Moderate Income 120% AMI	100,150	114,450	128,750	143,050	154,500

Since the adoption of the AHO, the City has collected in-lieu fees in the amount of \$9.77 million. **Table 2** provides a summary of the in-lieu fees collected to date by fiscal year. The fees paid were based on the rates in effect at the time of project approval. Only two small projects have been subject to the higher fee adopted February 1, 2018. Additionally, \$1.6 million has been invoiced in in-lieu fees. The developer has the option of paying these fees prior to the issuance of permits or prior to issuance of certificate of occupancy subject to a 10% increase of the fee.

Table 2. In-lieu Fees Collected by Fiscal Year

Fiscal Year	In-Lieu Fees Received
2011	\$80,000
2012	\$80,000
2013	\$0.00
2014	\$640,000
2015	\$1,043,888.84
2016	\$939,110.96
2017	\$960,823.91
2018	\$1,143,373.56
2019	\$808,286.93
2020	\$3,599,171.18
2021 (as of 02/28/21)	\$475,829.76
Total	\$9,770,485.14

Housing Funds have been previously awarded to projects through an affordable housing NOFA process. This process creates a framework to identify projects that are aligned with the City's housing priorities. On April 30, 2018, the City issued an affordable housing NOFA to allocate Housing Funds. On October 2, 2018, the City Council approved \$10.3 million of the City's affordable housing funds, which included \$4.9 million from the Housing Fund, to support the development of Mission Paradise (formerly known as Mission Senior Paradise), Pimentel Place (formerly known as Matsya Villas), and 2595 Depot Road. **Table 3** below summarizes the Inclusionary Housing Trust funding commitments by project.

Table 3. City Inclusionary Housing Trust Fund Commitments by Project

Developer	Project	Project Type	Units	Inclusionary Housing Trust
EAH, Inc.	Mission Paradise	Senior	57	\$1,284,720
EAH, Inc.	Pimentel Place	Family	76	\$2,000,000
Allied Housing	2595 Depot Rd	Individuals	126	\$1,610,000
Total				\$4,894,720

Currently, the Housing Fund has \$4.4 million in uncommitted funds to apply towards eligible projects. Considering the limited funds available and the significant housing crisis and need, staff recommends that the City prioritize projects that help prevent displacement and homelessness.

Affordable Housing Development Pipeline

Staff has been tracking affordable housing development. Currently there are 9 projects requiring funding from the City. These projects will provide 606 units of affordable rental housing targeting seniors, families, teachers; people experiencing homelessness; and households with incomes between extremely low- to low income (see **Table 1**). These projects will need approximately \$43 million of local support to leverage state funds and tax credits. Four of the projects are existing City project that need additional \$4-\$6 million in gap financing. Of these four projects one is an ownership project that will provide 10 units of housing targeting low to moderate income households. There is one shelter that would require \$9 million from the City. Attachment II provides a list of projects in the pipeline with funding gaps.

The funding gaps for existing City projects are created by multiple factors outside the developer’s control. For projects previously funded by the City, causes include increased construction costs, delays related environmental issues, delays related to dissolution of the redevelopment, and unsuccessful applications for other funding due to competitiveness or changes to the guidelines.

Housing Element and Regional Housing Needs Allocation Compliance

Local jurisdictions report progress annually on meeting their RHNA goals. **Table 4** demonstrates progress made toward meeting Hayward’s RHNA goals for the period between 2015-2023 as of the last report year (2019) and estimates potential for compliance by including approved projects and projects pending approval. Permits to construct the units must be issued in order to count toward the City’s RHNA goals. **Table 4** includes projects identified as entitled on the list of affordable housing developments with funding gaps (**Attachment II**). If the developers are unable to fund the development gap, the City’s estimated RHNA compliance will be reduced by 143 units. Funding additional projects from this list would improve compliance in the very low- and low-income category.

Table 4. 2023 RHNA Goal Progress in the City of Hayward

Income Category	Unit Goal	Reported 2019		Approved		Pending Approval		Estimated Compliance		Estimated Deficiency	
		Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal
Very low	851	40	5%	229	27%	59	7%	328	39%	523	61%
Low	480	39	8%	183	38%	122	25%	344	72%	136	28%
Moderate	608	27	4%	64	11%	0	0%	91	15%	517	85%

In addition to compliance with the RHNA goals, to allocate the Housing Funds, the City must consider the current housing needs of Hayward residents.

Hayward Housing Needs

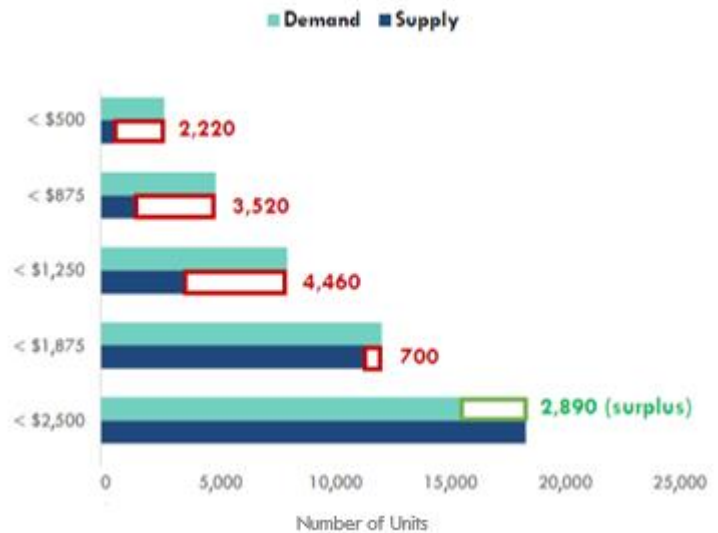
It is widely recognized that the Bay Area has been in an extended housing crisis for several years. While this crisis impacts all residents, it is particularly harmful for low-income residents, especially those who are people of color and facing historic, systemic racism and discrimination in housing. Hayward has long been considered a more affordable option for both renters and homeowners in the Bay Area. However, the combination of increasing rents and home values along with historic increases in high-paying jobs that are outpacing housing production, is leading to intense displacement pressures on many Hayward residents. Identifying who is most at risk of displacement enables the City to target its affordable housing funds toward those in Hayward with the greatest housing needs.

In November 2020, the City entered into an agreement with HR&A Advisors to conduct a displacement study to meet County requirements for applying a live/work preference for housing built with Measure A1 funds and to better understand who in Hayward is experiencing the greatest displacement pressures. The following section identifies some of study’s initial findings.

The City of Hayward has a significant housing supply gap, with a substantial imbalance between population growth and housing production that has made housing unaffordable to many.

- Since 2010, only 458 multifamily units have been built in the City of Hayward.
- Only 17 homes have been built for every job created in the Bay Area.
- Figure 1 to the right illustrates the Hayward housing supply gap relative to what Hayward households can afford. To provide rents affordable to existing Hayward residents, over 4,460 affordable units priced below \$1,250 per month would need to be developed.

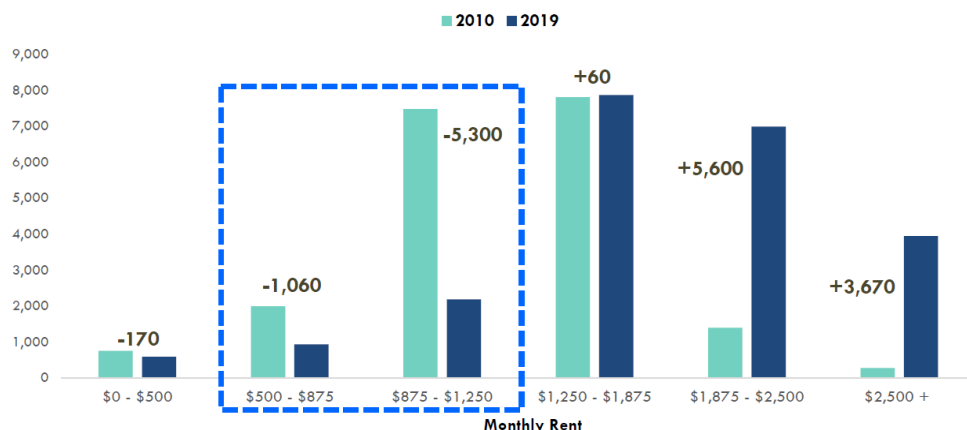
Figure 1. Hayward Housing Supply Gap (2019)



From 2010 to 2019, Hayward has seen a significant loss in naturally occurring affordable rental housing.

- Low to middle income rental units (affordable to incomes between \$20,000 and \$50,000) are being lost at a significant rate, as shown in Figure 2.
- Over 6,000 naturally occurring affordable rental units have been lost from 2010 to 2019.

Figure 2. Hayward Rental Unit Distribution by Rent Price (2010-2019)



Source: 2010-2019 PUMS 5-Year, 2010-2019 ACS 5-Year

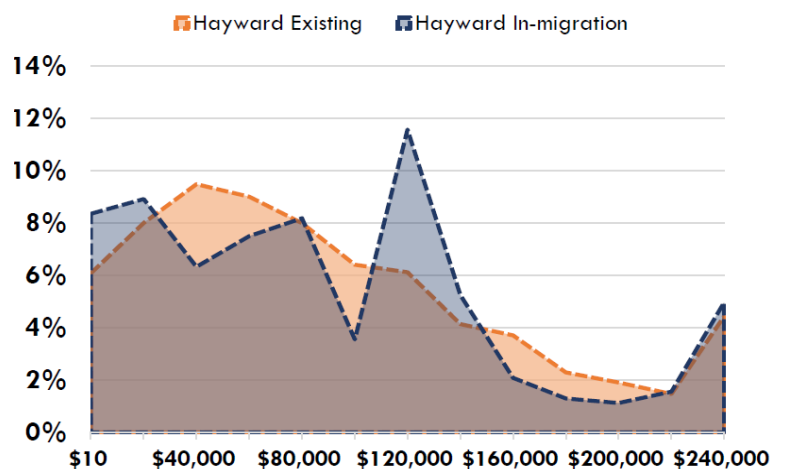
Affordable homeownership is also increasingly challenging, with few renters able to afford the median home price as home costs increase.

- To afford the median home in 2000, renters needed an income of at least \$55,000. In 2020, renters need an income of \$150,000 to afford the median home. In 2000, 20% of renters could afford the median home. In 2020, only 6% of renters can afford to purchase a median price home.
- To afford a resale restricted affordable home priced affordable to households making 120% of the area median income (AMI), households would need \$92,000 in annual income. In 2020, about 35% of Hayward renters could afford the affordable sales price for a two-bedroom home.
- As this trend continues, homeownership continues to be out of reach for many current renters, leading them to remain in the rental market for longer or to move to cities with more affordable housing.

Hayward has seen a decline in low-income residents and a significant increase in households earning over \$100,000 a year.

- The number of households earning less than \$55,000 a year has decreased 29% from 2010-2019, while the number of households earning more than \$100,000 has increased 72%.
- New migrants into Hayward have significantly higher average incomes (\$108,000) compared to current residents (\$86,000). This exacerbates pressure on low-income households who remain and indicates that the loss of low-income households is likely due to displacement, not to economic gains among previously low-income households.

Figure 3. Average Income of In-Migrants to Hayward



Trends in income changes are particularly pronounced among renter households.

- From 2010 to 2019, the number of renter households earning less than \$35,000 has decreased 24%, while the number of renter households earning more than \$100,000 a year has increased 209% (see Figures 4 and 5).
- Among the low-income renters remaining in Hayward, 52% are housing cost-burdened (i.e., paying more than 30% of their income on housing costs) and the number of overcrowded rental units increased by 91% from 2010 to 2019.

Figure 4. Household Income Distribution

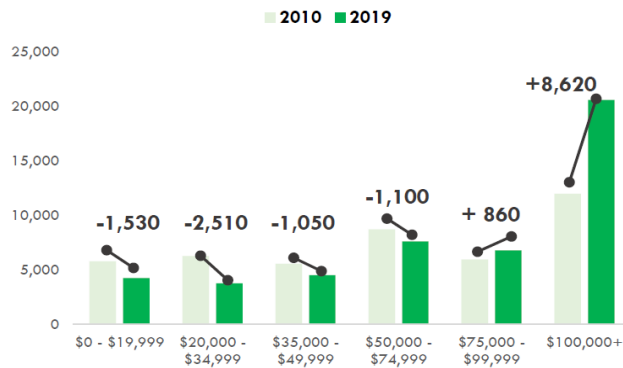
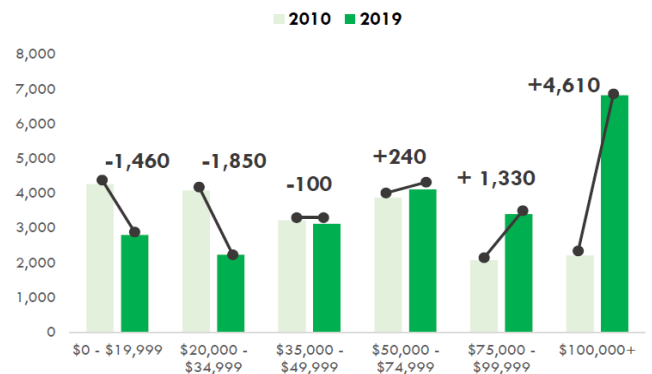


Figure 5. Renter Household Income Distribution



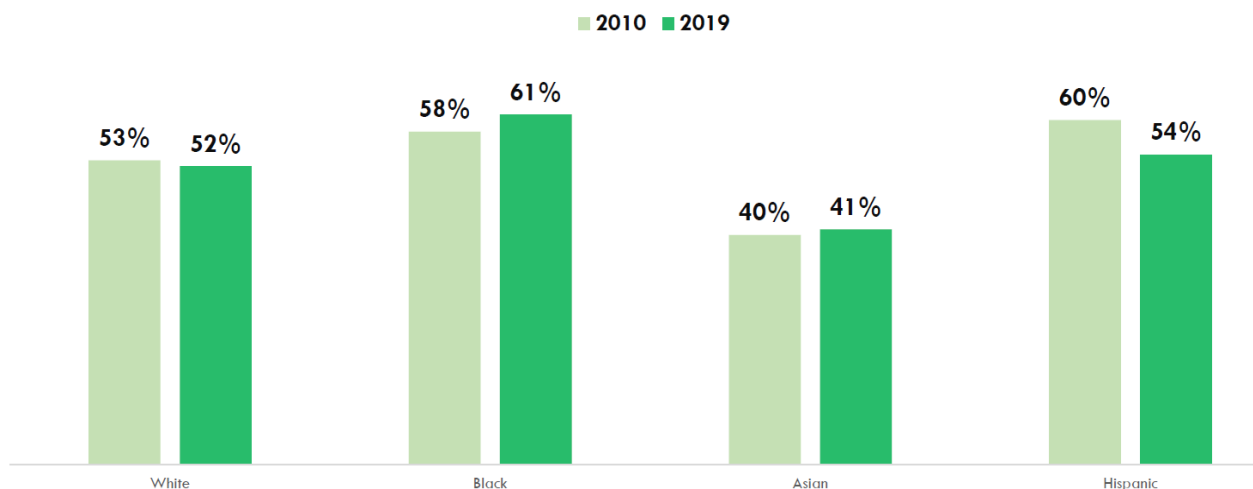
Note: 2010 data is adjusted for inflation.

Source: 2010-2019 PUMS 5-Year, 2010-2019 ACS 5-Year

Black and Hispanic households experience even greater displacement pressure compared to other racial and ethnic categories.

- Black and Hispanic households experience greater cost burden compared to White and Asian households, as shown Figure 6.

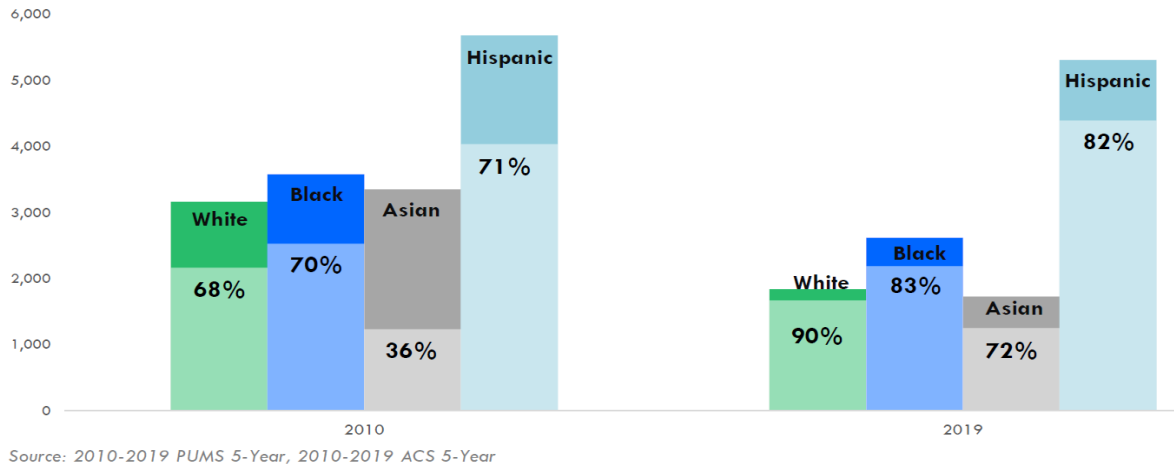
Figure 6. Hayward Renter Cost Burden by Race



Source: 2010-2019 PUMS 5-Year, 2010-2019 ACS 5-Year

- A larger share of lower-income renters in Hayward are cost burdened now compared to in 2010. As shown in Figure 7, the four largest racial and ethnic groups making less than \$75,000 are more cost burdened now than they were in 2010.
- Black and Hispanic renters represent a disproportionate share of cost-burdened renters overall. Black households make up 18% of Hayward renters, but 22% of all cost-burdened renters. Similarly, Hispanic households make up 41% of renters, but almost half of all cost burdened renters.

Figure 7. Change in Cost Burden of Households under \$75,000, by Race



Homelessness, which is the most extreme outcome of displacement, is increasing in Hayward.

- There was a 23% increase in individuals experiencing homelessness in Hayward from 2017-2019. Such increase is consistent with research that shows that communities with cost-burdened renters experience more rapid increases in homelessness.¹
- The increase in homelessness has strained the local and regional care system, as 76% of homeless Hayward residents are unsheltered (i.e., sleeping outside).
- As with cost-burdened renters, Black residents are over-represented among the City’s homeless population. In 2019, almost 1 in 4 homeless individuals (24%) were Black, though at the time they made up only 10% of the total City population.
- Stakeholder feedback to the currently under development Let’s House Hayward! Strategic Plan for reducing homelessness indicates substantial support for City efforts to create more affordable housing, with particular emphasis on permanent supportive housing.

Collectively, initial findings from the displacement study draw a picture of low-income households, particularly renters and Black and Hispanic households, who are experiencing intense economic pressure and housing need in Hayward. Study findings demonstrate that those pressures have intensified in the last decade and have already resulted in a loss of low-

¹ Glynn, C. & Casey, A. (2018). Homelessness rises faster where rent exceeds a third of income. *Zillow*. Retrieved from: <https://www.zillow.com/research/homelessness-rent-affordability-22247/>

income Hayward residents. Those who are still living in Hayward are struggling with cost burden, especially Black and Hispanic households, as housing supply does not align with household income.

Through adoption of the AHO, the Council has established dedicated funding to support the development of affordable housing to mitigate the impacts of market rate development on the need for affordable housing. By establishing a funding process through the last NOFA, affordable housing developers have begun looking for development opportunities in Hayward. To meet the City's RHNA allocation and mitigate the impacts of market rate development on the need for affordable housing, the City must support the development of affordable housing through allocation of the Housing Funds. The purpose of this report is to identify funding priorities that best meeting the community's needs.

DISCUSSION

The primary objective of this discussion is to identify the types of project that will best meet the housing needs of Hayward residents described above and a mechanism for allocating funds.

Identifying Project Types

There is a need for both affordable rental housing and affordable ownership housing, however, funding is limited, and preliminary findings of the displacement study indicate a need to prioritize housing for very low-income Hayward residents that face intense economic pressure and housing insecurity which disproportionately impacts Black and Hispanic households. The following sections discuss the types of housing projects that can be funded with Housing Funds, which include:

- Development of new affordable rental housing,
- Development of New affordable ownership housing, and
- Rehabilitation/conversion of existing housing to affordable housing
- Emergency shelters and transitional housing with special findings.

New Affordable Rental Housing. Based on the eligible uses of Housing Funds and the findings from the displacement study, staff recommends prioritizing affordable rental housing with a set-aside for permanent supportive rental housing units. Development of this type of housing will support the Let's House Hayward! Strategic Plan by providing housing units with case management to support a successful transition into permanent housing. Additionally, this type of housing will prevent homelessness by increasing housing supply priced for low, very low and extremely low-income Hayward residents, reduce economic pressure for tenants that will occupy the housing, and mitigating the housing supply gap. Per the data from the displacement study only 458 multifamily housing units have been built since 2010 and there is a need for over 4,460 rental units priced below \$1,250 per to meet the needs of the community. Based on the affordable housing projects in the development pipeline, average cost per unit would be \$85,000. The City would be able to support more affordable units by investing the Housing Funds in new construction of rental housing.

Lastly, social research indicates that access to affordable housing can improve education outcomes, increase health and wellbeing, boost economic activity, and lower the costs for state and local governments to provide emergency housing, mental health crisis services, emergency medical care, and other services to assist the homeless or families and individuals with a housing crisis. The rent for affordable housing is relative to income levels versus market price and reduces rent burden. This increases income to pay for other basic needs or save for other financial goals such as furthering education or homeownership.

New Affordable Ownership Housing. While supporting the development of ownership housing is an eligible use of Housing Funds, staff does not recommend supporting the development of affordable ownership housing at this time with the exception of existing projects. While it is undeniable that transitioning from renter to homeowner is significantly more difficult than it was a decade ago for Hayward renters; providing stable housing opportunities for housing insecure Hayward residents should be prioritized due to the funding limitations. Additionally, State and federal funding for these programs is limited which makes the cost per unit to the City higher than supporting rental housing. Staff estimates that affordable ownership projects would require an investment of \$150,000 to \$300,000 per unit depending on the property size, project type and affordability targeting. The Housing Fund currently has \$4.4 million in uncommitted funds which would support the creation of 14 to 28 units ownership housing units.

While staff does not recommend the use of Housing Funds to support the development of ownership housing at this time. Staff will continue to encourage the development of onsite-affordable ownership units in compliance with the AHO and pursue State funding for down payment assistance.

Rehabilitation/Conversion of Existing Housing. Housing Funds can be used to support the acquisition and rehabilitation of existing housing that is converted to long term affordable housing; however, due to funding limitations, staff recommends focusing on the construction of new affordable rental housing and increasing the supply. Allocation of funds to this type of project can invest dollars into aging housing stock and maintain below market rents in naturally occurring affordable housing. However, acquisition of occupied housing raises concerns about displacement when tenants are either over or under income for the project financing. To address this, the City can prohibit displacement which may limit available financing which increases cost to the City. Only rehabilitation/conversion projects that are identified in the City's Housing Element would count toward the City's RHNA allocation. Currently the City has no such projects identified.

Emergency Shelters and Transitional Housing. Housing Funds can only be used for emergency shelters and transitional housing if those facilities mitigate the impact of market-rate housing on the need for affordable housing. The City has been successful at obtaining other resources to support emergency shelters and transitional housing, including State Permanent Local Housing Allocation, which was recently awarded to the City for \$650,000 per year for a total of \$3.9 million over five years. Additionally, the City has received almost \$3.3 million from the Homeless Emergency Aid Program, Proposition 47, CDBG and CDBG CV funds to support the Navigation Center. Development of permanent affordable housing will support strategies to

end homelessness by creating pathways to permanent housing opportunities for extremely-low-income households. The City can require that rental housing include units a percentage of units for extremely low-income households and prioritized permanent supportive units.

While the Housing Funds can be used for different types of development projects, it can not be used for down payment assistance. In order to increase the supply of affordable rental used and to protect the most vulnerable Hayward residents, staff recommends allocating Housing Funds to new construction of affordable rental units.

Process for Allocating Inclusionary Housing Trust Funds

There are several options for allocating Housing Funds:

- 1) *Allocate Funds to Current City Projects.* Fill the \$4.2-\$6.2 million funding gaps of current City affordable housing projects through direct allocation outside of a competitive funding process to ensure successful completion. This will support the development of 242 rental units affordable, which includes 10 units of ownership units. These funding gaps are typically caused by increased construction costs, delays related to environmental issues, delays related to dissolution of redevelopment, and unsuccessful applications for other funding due to competitiveness or changes to the guidelines. For the previously funded NOFA projects the average cost per unit would increase from \$35,000 per unit to \$60,000 per units. For the new City development project, the per unit cost would range between \$10,000 per unit to \$30,000 per unit. Applying additional funds to these projects would decrease further delay and usher the projects to the construction phase. If recommended by the HHTF, staff would work with the developers to identify the minimum amount need to fill the funding gaps and seek Council approval to fund each of the existing projects.
- 2) *Establish Affordable Housing Development Pipeline.* There are six new affordable housing projects in the development pipeline that will require over \$36.9 million in local funding. Construction of these projects will provide an additional 374 units of affordable housing. The City could issue a NOFA to determine which projects most align with the City funding priorities and create an affordable housing development pipeline. As affordable housing in-lieu fees get paid, the City would allocate funds to the next entitled project on the list. The intent is to accelerate development based on future anticipated Housing Funds.
- 3) *Issue NOFA for Current City Projects and New Projects.* Require that all City projects compete with new projects for current Housing Funds.
- 4) *Postpone NOFA.* A more conservative approach is to postpone the NOFA until there is enough funds to fully fund at least one of the new projects. Once the City has at least \$7 million in the Housing Funds, the City would issue the NOFA.

Staff recommends moving forward with both #1 and #2 above: (1) allocate existing funds to current City projects to usher those projects to construction; and (2) issue a NOFA to establish an affordable housing pipeline to accelerate the funding process for future projects.

NOFA

If the HHTF recommends issuing a NOFA, staff recommends that the NOFA solicit new construction of affordable rental housing. However, If the HHTF, recommends soliciting all project types, staff can issue a NOFA for all three project types. Each type would have separate scoring criteria and compared based on the percent of total points earned. Staff proposes maintaining most of the threshold and scoring criteria from the previous NOFA as it currently prioritizes populations experiencing intense economic pressure and housing insecurity. Attachment III provides more detail about past threshold and scoring criteria. Additionally, staff will modify the NOFA as follows:

- Review any Measure A1 funding requirements from the previous NOFA for consistency with City priorities.
- Make community engagement more robust.
- Prioritize projects from organizations with Racial Equity Plans.

Recommendation

Staff recommends that the HHTF prioritize projects that will provide safe and decent affordable housing to low-, very low- and extremely low-income households who are housing insecure and at risk of displacement and homelessness by awarding existing funds to City projects and by issuing a NOFA to establish a pipeline of projects pre-committing affordable housing funds to expedite the development of new rental housing in the future once more Housing Funds become available. Providing fund to fill funding gaps of existing projects and creating a pipeline will:

- Create stable permanent housing opportunities to Hayward's most vulnerable communities, which improves the educational, health and economic outcomes for these populations;
- Produce more units faster;
- Ensure that existing projects pull permits to be counted toward the current RHNA cycle;
- Establish an ongoing pipeline of projects that will help the City build more affordable units and increase compliance with its RHNA allocation in the most expeditious manner;
- Reduce staff time and cost to developers that result from responding multiple times to NOFAs with small allocations; and
- Accelerate allocation of funds based on City priorities to avoid funds remaining idle.

ECONOMIC IMPACT

Developers will leverage the City's investment in their project to secure funding from the County, the State, and private sources. Current projects referenced in this report will leverage \$170 million dollars compared to a \$12.6 million contribution from the City.

Additionally, social research indicates that access to affordable housing can improve education outcomes, increase health and wellbeing, boost economic activity, and lower the costs for state and local governments to provide emergency housing, mental health crisis services, emergency medical care, and other services to assist the homeless or families and individuals with a housing crisis. The rent for affordable housing is relative to income levels versus market prices which reduces rent burden. This increases available income to pay for other basic needs or save for other financial goals such as furthering education or homeownership. Stabilizing housing costs can be the first step to creating opportunities for personal economic advancement.

The projects described in this report that may will help the City achieve these and other socio-economic benefits. The specific project benefits will be further described when the proposals are presented to Council as funding for any project must be reviewed and approved by Council.

FISCAL IMPACT

There is no fiscal impact to the General Fund associated with this item. There are \$4.4 million available in Housing Funds to allocate to eligible projects. At this time, staff is only requesting guidance regarding funding priorities for the Housing Funds.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, & Produce Housing. Specifically, this items relates to the implementation of the following project:

Project 6, Part 6.a: Hold a work session on establishing funding priorities for Affordable Housing Trust including the potential for affordable rental housing, homeownership, co-ops, and shelter opportunities.

PUBLIC CONTACT

Staff engaged different community stakeholders through both the displacement study and the Let's House Hayward! Strategic Plan process. Through the displacement study, HR&A Advisors interviewed local developers and service providers to gain a more qualitative understanding of displacement trends and housing needs. Through the Let's House Hayward! planning process, staff and the consultant Homebase held virtual forums and interviews with individuals with lived experience of homelessness, homeless services providers, members of the business community, City staff, and other Hayward residents. Feedback ranged widely and is still being integrated, but initial findings demonstrate that community members broadly favored efforts to prevent displacement and to increase affordable housing development for the City's most vulnerable residents.

Additionally, staff received extensive feedback from current tenants and property owners during the 2018 Residential Rent Stabilization and Tenant Protection Ordinance outreach process. Tenant feedback focused on housing affordability and safety, while landlords and realtors discussed the needs to increase supply of affordable and market rate housing in Hayward.

NEXT STEPS

Should the HHTF recommend funding existing City projects, staff will review funding requests from developers to minimize the amount needed from the City. Staff will prepare a report to Council requesting authorization to allocate funds to these projects.

Additionally, should the HHTF recommend issuing a NOFA to establish an affordable housing development pipeline, staff would prepare a report to the full Council authorizing the issuance of the NOFA. **Table 5** provides the tentative NOFA Schedule.

Table 5. Tentative NOFA Schedule

City Council meeting authorize issuance of NOFA	May 2021
Release NOFA	June 2021
Deadline for submissions	August 2021
Complete project review & ranking	October - November 2021
Return to City Council for funding approvals	December 2021

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