



DATE: April 11, 2023

TO: Mayor & City Council

FROM: Assistant City Manager

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute the Cooperation Agreement for Fiscal Years 2024-2026 between the City of Hayward and the County of Alameda to Participate in the Alameda County HOME Consortium

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to execute the Cooperation Agreement (the Agreement) and all other implementing documents to enable the City of Hayward to participate in the Alameda County HOME Consortium.

SUMMARY

Every three years, the City of Hayward must reaffirm its membership in the Alameda County HOME Consortium by entering into a Cooperation Agreement with the HOME Consortium, led by Alameda County. The City has been a member of the Consortium since 1991. This administrative agreement between the City and Alameda County enables the City to continue participation for the next three fiscal years.

Through Consortium membership, the City has received approximately \$13.75 million in funds for HOME-eligible housing assistance activities benefitting households at or below 80% of the area median income (AMI), including acquiring, rehabilitating, and constructing affordable housing developments, and providing homebuyer and tenant-based rental assistance. Staff recommends that Council adopt the resolution to authorize the City's participation in the Consortium and to continue receiving federal HOME funds for FY 2024 through FY 2026. Approval of this resolution does not commit the City to funding any specific project at this time. Specific funding allocations to projects will come to the Council in the future for approval.

BACKGROUND

Since 1991, the City of Hayward has been part of the Alameda County HOME Consortium, which includes unincorporated Alameda County and the cities of Alameda, Fremont, Livermore, Pleasanton, San Leandro, and Union City. Hayward's participation in the Consortium has assured the City a total allocation of approximately \$13.75 million of federal HOME Investment Partnership funds since FY 1991-1992. Funds must be used for HOME-eligible housing assistance activities, such as:

- Affordable housing development through acquisition, rehabilitation, or construction activities
- Homebuyer assistance
- Tenant-based rental assistance (TBRA)

HOME program regulations require that 100% of HOME funds be used to assist households with incomes at or below 80% of the area median income (AMI) adjusted for household size. Currently, the Alameda County 80% of AMI income limit for a family of four is \$106,000.

DISCUSSION

The City's participation in the Consortium assures the City an annual allocation of HOME funds and alleviates the administrative burden of administering the funds. As the representative of the Consortium, Alameda County acts as the lead member for administrative and federal reporting purposes and coordinates the production of the Consolidated Annual Performance and Evaluation Report (CAPER) required by HUD. Several other reporting activities are also carried out in a joint effort by the participating jurisdictions.

The overall objective of the program is to provide high-quality, sustainable affordable housing. In previous years, HOME funds were used to help finance the following housing projects:

- Construction of the Glenn Berry and Sara Conner Court Apartments,
- Rehabilitation of Huntwood Commons and Tennyson Gardens Apartments
- Acquisition and rehabilitation of Leidig Court Apartments,
- Acquisition of Cypress Glen Apartments,
- Loan for the Weinreb Place (aka Hayward Senior Housing II) affordable senior complex,
- Loan for the Alta Mira Affordable Family and Senior Apartments (aka the South Hayward BART affordable housing project) which opened in the fall of 2016.
- Acquisition and development of Mission Paradise

Funds also provide tenant-based rental assistance to low-income renters. Since 2008, funds have been set aside to pay for rental subsidies for participants of Project Independence, a program that provides services and rental subsidies to emancipated youth (youth age 18 to 24 who have aged out of the foster care system). Additionally, in 2020, the Council authorized the use of HOME funds for emergency rental assistance to tenants experiencing economic hardship related to COVID-19.

Staff recommends that the City Council approve the continued participation in the Alameda County HOME Consortium for the next three Federal fiscal years – October 1, 2023, through September 30, 2026. Individual project funding commitments during this time will come to the Council separately for approval.

ECONOMIC IMPACT

Continuing participation in the Alameda County HOME Consortium ensures that the City receives an annual allocation of funds ranging from \$250,000 to \$425,000 to continue to address the region's housing crisis. These funds ensure Hayward's low-income residents

have access to decent, safe, and sanitary housing and help prevent housing instability and homelessness. Providing funding for affordable housing opportunities is an important part of the City's efforts to prevent displacement and homelessness.

FISCAL IMPACT

There is no fiscal impact associated with this agenda item.

Hayward's participation in the HOME Consortium allows the City to receive an annual allocation of HOME program funds from HUD. Between federal FY 2021 and FY 2023, the City received an average allocation of approximately \$420,000. Each year, 10% of funds may be used for administrative costs, and of those, 50% are retained by the County for administration, leaving the City with 5% of the total allocation for administration of ongoing and new HOME activities.

SUSTAINABILITY FEATURES

To be competitive for the major sources of funding, affordable housing development proposals must be located near transit and include energy-efficient and sustainable features that exceed the applicable standards. These two are major criteria in the Low-Income Housing Tax Credit Program, for example. The requirement to include energy-efficient and sustainable features is intended to guarantee that affordable developments are financially viable for the long term. Energy-related savings are essential to achieve that long-term viability – besides guaranteeing that the housing expenses of tenants are low or minimal.

Additionally, as housing becomes increasingly unaffordable, many households are forced to move out of their communities and, as they move farther away, they must spend a larger part of their incomes on transportation while adding further pressure to the already congested system of roads and freeways. Thus, the requirement to be located near transit helps reduce traffic congestion and frees up income of very low and extremely low income households to pay for other expenses such as education, childcare, and food. Therefore, to the extent that HOME and other local moneys will help Hayward affordable housing projects or program proposals compete for and/or leverage other sources of funding, this would help a) reduce area traffic impacts, and b) achieve other local sustainability goals.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, & Produce Housing for All. This item is not specifically related to a project identified in the Strategic Roadmap. Staff are bringing forth this item because it is a necessary administrative step for remaining in the HOME Consortium.

PUBLIC CONTACT

This is a standard three-year Agreement, purely administrative in nature, allowing the City to participate in the Alameda County HOME Consortium. It does not commit any funding to

projects. Neither HUD nor the County requires a public hearing or other public contact for this Agreement. Therefore, this Council resolution comprises the first and only required public contact for this Agreement.

NEXT STEPS

Project-related funds will be used for HOME-eligible housing-assistance activities. Future commitments and appropriation of those funds for such activities will require Council approval. Staff will later return to Council to recommend the allocation of HOME funds to eligible housing projects or programs when they are identified. No projects or programs have been identified for this Agreement term.

Prepared by: Amy Cole-Bloom, Management Analyst

Recommended by: Dustin Claussen, Assistant City Manager
Christina Morales, Housing Division Manager

Approved by:



Kelly McAdoo, City Manager