

What the City of Hayward Can Do to Encourage More Housing Development? Feedback from Market Rate Developer Interviews

1. **Flexibility:** Promote flexibility within development standards, design guidelines and existing zoning without requiring a Planned Development or rezone that exposes a developer to a referendum. Every site and every adjacency is unique and not everything fits within a strict rulebook, especially due to changing market conditions and the unique conditions of infill sites that confront special challenges.
2. **Existing Regulations.** Honor the existing standards and regulations in the zoning without exacting more during the development process, which creates uncertainty, delays projects and jeopardizes financing.
3. **Definitive Obligations and More Upfront Certainty:** Provide upfront clarity of required or event potential impact fees, mitigation measures, agreements or early conditions of approval to solidify fees, obligations, and timing requirements and lock in regulations and codes at the time a project is deemed complete. Developers want upfront “certainty” about project requirements so that they can plan their costs and financing accordingly.
4. **Realistic Off-site Improvements:** One project cannot and should not be burdened to fix impacts greater than itself just because it’s viewed as having a deep pocket.
5. **Cost Impacts.** The Bay Area is currently experiencing inflationary cost escalation. As a result, the City’s development process should be careful about adding any requirements that add costs to projects, such as expensive roof top decks, significant design elements and exterior articulation, and more parking, which make projects more expensive, and potentially infeasible.
6. **Willing Compromise:** Constant “asks” month after month without some compromise on the cities’ part hinders and delays development. If the city wants development, then both sides will need to be willing to compromise on challenging issues.
7. **Expedite Permit Processing:** Review ways to decrease the time it takes to obtain entitlements – the longer it takes the more uncertainty the project will be built due to changing market, cost, financing and regulatory conditions. Work on a schedule from the very beginning of a process to help set expectations on both sides of the table and then work jointly to meet those timelines.
8. **Development Opportunities:** Clearly identify and market opportunities throughout the city for development.
9. **City Sponsored Zoning and General Plan (GP) Amendments:** If a City pre-zoned or amended the GP to a developable land use that the City supports ahead of the developer, risk is minimized for both the developer and their equity partners.

10. **Fee Freeze or Deferral:** Freezing or deferring fees are a huge help to proformas and project financial feasibility. Can certain fees be delayed until building permit, or ideally, until Certificate of Occupancy of the home itself? As some cities have done with below market rate fees, the city could get paid directly out of escrow. This helps the builder in every respect, especially when considering the fees that the city cannot control such as school impact fees. Additionally, provide flexibility in paying the affordable housing fee and not insisting on on-site affordable housing.
11. **Ground Floor Commercial Requirements.** There is not sufficient demand for retail and commercial uses to require these uses on the ground floor in all projects along Mission Boulevard and other major corridors. Additionally, these requirements increase costs and do not generate value for the project, which undermines the feasibility of a project. Focus on corner developments along Mission Blvd and other corridors for retail/commercial spaces and do not discount the potential for housing along the ground floor to create pedestrian vibrancy along this corridor as well.
12. **Early Grading Permit:** It greatly helps project viability if a developer can shorten the project duration by performing grading or clean-up prior to Improvement Plans and Final Map.
13. **Expeditious Plan Checking:** Anything that can be done to turn around reviews and commitments as quickly as possible helps housing feasibility and production.
14. **Creative Problem Solving:** Encourage a solution-oriented city culture when it comes to new housing development.
15. **Strong Staff Partnership.** Encourage strong staff partnership and authority to help guide, support and facilitate housing projects.
16. **Councilmember Education:** Educate the City Council to the impacts of their comments and the costs associated with them. Some City Councils like to redesign or “fix” a project without context or a true understanding of what Planning and the developer have gone through together for years in the entitlement process.
17. **CEQA:** This is where a developer is most vulnerable due to the unknowns, exposure from potential opposition (neighbors, unions, nimby’s, etc.), and the cost associated with resolution. How can the City help to mitigate this risk? Is it in their response to comments or how they qualify feedback on the CEQA document?
18. **No Union Mandates:** Eliminate pressure for mandatory union labor, as this is a major way to increase costs and render a project infeasible.
19. **Professional Studies and Reports:** Many cities require third-party reports then dismiss them because they disagree with the conclusions. Avoid requiring useless reports that increase costs and delay processing, if their conclusions are not going to be trusted.
20. **City Support:** It makes a difference when Planning Commissioners and City Councilmembers stand up for developers in a public forum. Nothing sends a positive, pro-housing message faster to the development community than a decisionmaker making a

public statement in favor of development in their town. There are countless benefits of development, and sometimes the community could be reminded of those benefits, such as impact fees, road improvements, retail, affordable units, school fees, open space, housing that supports jobs, site clean-up, blight removal due to redevelopment, etc.

21. **Other Miscellaneous Feedback:** Developers also provided other information that is helpful in understanding housing production in Hayward:

- Stacked flat multi-family housing projects are more expensive than other product types and are not currently feasible as a stand-alone product in Hayward right now.
- Prices are going down and costs are staying the same or increasing slightly right now.
- Medium density housing products (18-25 units per acre) are highly feasible right now.
- It is becoming increasingly difficult to balance the needs of the surface area of new development as there are many competing uses, such as buildings, parks, parking, landscaping, stormwater treatment, and utilities.
- As new policy and planning ideas are considered, evaluate and be aware of any unintended consequences of these actions on the production of housing.
- If the City is going to promote alternative modes of transportation through developer funded transportation demand management plans, the streets need to be made safer.
- The quality of Hayward schools is a competitive disadvantage in terms of housing development compared to other nearby cities.