

CITY COUNCIL MEETING
TUESDAY, NOVEMBER 7, 2017

Documents Received After Published Agenda

ITEM #5 – PH 17-099

Agenda Questions & Answers

AGENDA QUESTIONS & ANSWERS
MEETING DATE: NOVEMBER 7, 2017

Item #5: Introduction of Amendments to the Affordable Housing Ordinance and Adoption of In-Lieu Fees

Do we have to target an income level (ex: 80%-110% AMI) for inclusionary units? Or, can we maintain flexibility?

It has been the City's policy to target homeownership units to moderate-income households – those households earning between 80% and 120% of the Area Median Income (AMI). Rental units are targeted for very low- and low-income households – households earning 50% and 60% of AMI or less, respectively. This policy is reflected in the IHO (adopted in 2003) and also part of previous Redevelopment Agency Plans, and Housing Elements from previous periods. Setting fixed target income levels allows developers to predict their costs and the City to apply standards systematically, rather than a case-by-case negotiated basis.

Where the AHO provides flexibility is through the AHO's "Combination of Alternatives" provision which allows developers to provide a combination of on-site construction, off-site construction, in-lieu fees, and land dedication that equals the cost of providing the affordable units on-site and/or furthers affordable housing opportunities in the City (i.e., by targeting deeper affordability levels). Two examples of how this provision was implemented are the Inclusionary developments facilitated by the IHO – the South Hayward BART and the B & Grand projects. The former includes units for extremely low-income households. By virtue of the primary source of funding, HUD 202, which allows the renters to pay only 30% of their income towards rent, the latter project allows extremely low-income seniors afford living in the development. Additionally, Development Agreements may also provide an avenue for the City to target income levels different than those required by the AHO as that can be an aspect of the negotiation of the agreement. Lastly, one of the policy implications that Council considered to keep the fee-by-right option was the flexibility of using the fees to target different income levels, including the possibility of targeting extremely low-income and special needs households.

Is there already an inherent fee differential for smaller developments? For example, if a project proposes to build two units, 10% would be 0.2 units or 20% of the fee?

AHO Fees are calculated on a per-square-footage a basis not on a per unit basis. In the case of this example, a two-unit townhome project with a 3,000 sq. ft. total livable space, the fee (assuming that it is paid at B.P.) would be $\$18.18 * 3,000 / 2 = \$27,270$. The fee is divided by two due to the step-up fee structure described in the 10/17/17 and 11/07/17 reports and incorporated in the fee resolution (see page 3 of attachment IV). Two-unit projects pay 50% of the applicable fee.

<p>Would affordable units (owner and rental) have fees that would cover staff time to monitor compliance and/or deed restrictions to maintain affordability?</p>	<p>The AHO does not currently include a monitoring fee for affordable units provided. However, the 10% admin fee set-aside of the AHO/In-Lieu Fees currently allowed by the AHO can be used to cover some monitoring costs. Council may decide to impose the payment of monitoring fees in the future – probably not as part of these amendments as the imposition of new fees would need to be supported by a study of the City’s monitoring costs and would trigger the legally-mandated 60-day noticing requirements.</p>
<p>I recommend a minor change to the ordinance to allow payment at certificate of occupancy at a level equivalent to the City’s AHO fee on the date of payment. That way, the developer, not the City, will incur the risk of construction or other project delays.</p> <p>For most projects, this will result in a small difference from staff’s recommendation since they usually take about 2-3 years to build from the entitlement date. But it will be impactful on a project that incurs multi-year delays. Without this provision, the City is at risk of collecting a fee (as much as 10+ years later) that has not keep pace with the cost of housing construction.</p> <p>Without this provision, we risk rewarding developers who delay their project for many years or choose to sell their entitled project to another developer who then takes many years to construct. Keep in mind, a long-delayed project could lock in the AHO fee at any time by simply paying it at any point between entitlement and certificate of occupancy. So it is the developer’s choice to pay now or pay more later.</p> <p>If possible, I would like staff to be prepared to respond to this alternative so the council can weigh this option in a fully informed matter.</p>	<p>The AHO currently allows payment at Building Permit or Certificate of Occupancy.</p> <p>Currently, the grandfathering provisions of the fee resolution do not require the developer to construct the project <i>within any particular period</i> and could allow the current low fees to remain in place for many years for particular projects. If the Council decides to modify this provision so that this does not occur, it could make the following change in Section 4, page 4, of the fee resolution (Attachment IV):</p> <p><u>4. Applications for Residential Development Projects of Two or More Units Submitted by October 10, 2017 and Deemed Complete as of November 28, 2017</u></p> <ul style="list-style-type: none"> a. <u>Units within</u> projects that received all discretionary approvals prior to November 28, 2017: Affordable Housing Impact Fees in effect at the time the discretionary approvals were granted. b. <u>Units within</u> projects that receiving all discretionary approvals after November 28 and prior to February 1, 2018 <u>and issued a building permit by January 31, 2020</u>: Affordable Housing Impact Fees in effect on November 28, 2017. c. <u>Units within</u> projects not receiving all discretionary approvals by February 1, 2018 and <u>issued a building permit by January 31, 2020</u>: 50% of the Affordable Housing In-Lieu Fee calculated under either Section 1 or Section 2 above, as applicable depending on the size of the project. <p>In addition, the Council may want to clarify that in-lieu fees paid are those in effect at the issuance of the building permit, by adding this sentence to Ordinance Section 10-17.410:</p> <p><u>The amount of any affordable housing in-lieu fee for a dwelling unit shall be based upon the fee resolution in effect at the time of issuance of the building permit for that dwelling unit.</u></p>

In Item 5 (affordable housing), Attachment 3 (ordinance), Page 5 of 16. Would you please clarify the formula outlined below? What is the 30% multiplier?

c. "Affordable Rent" is defined as the maximum monthly rent, including all fees for housing services and a utility allowance as determined by the Alameda County Housing Authority, that does not exceed the following, based on Presumed Occupancy Levels:

1. For Extremely Low Income Households: thirty percent of Area Median Income multiplied by thirty percent and divided by twelve.
2. For Very Low Income Households: fifty percent of Area Median Income multiplied by thirty percent and divided by twelve.
3. For Low Income Households: sixty percent of Area Median Income multiplied by thirty percent and divided by twelve.

The Ordinance has captured the widely-accepted State of California standard (See the CA Health and Safety Code S. 50052.5) that, in turn, was adopted from the U.S. Department of Housing and Urban Development (HUD). This standard, used in the calculation of the level of costs considered affordable to different households, states that housing expenses/costs are affordable to such households if they spend no-more than 30% of their income in housing. From the current Alameda County HOME Consortium AI:

Housing Market Affordability

Housing is deemed unaffordable when monthly costs (e.g., rent, mortgage payments, utilities) exceed 30 percent of the household's monthly income. Housing affordability is typically evaluated for households at specific income levels, expressed as a percentage of the Area Median Income (AMI) established by HUD. With some adjustments for high cost areas and

An example of the calculation described in the Section of the Ordinance cited would look as follows: Consider a 3-person very low-income household. The maximum AMI for a 3-person VL income household is \$46,950 or 50% of AMI. The formula description says "fifty percent of Area Median Income multiplied by thirty percent and divided by twelve". Therefore, to obtain the maximum affordable rent we take the applicable AMI, \$46,950 multiply by 30% which gives us \$14,085. We divide this by twelve to obtain a gross monthly rent. That would be \$1,173.75. This amount minus a utility allowance or other fees would provide us with the maximum monthly rent.

ITEM #5 – PH 17-099

PUBLIC COMMENTS

- **Steven Dunbar**
- **Building Industry Association (BIA)**
- **The Grupe Company**
- **East Bay Housing Organizations**
- **Sophia Dewitt**

From: Steven Dunbar
Sent: Tuesday, November 7, 2017 5:28 PM
To: List-Mayor-Council <List-Mayor-Council@hayward-ca.gov>
Subject: Fwd: Comment for Hayward Affordable Housing Ordinance Update

----- Forwarded message -----

From: Steven Dunbar
Date: Tue, Nov 7, 2017 at 5:26 PM
Subject: Comment for Hayward Affordable Housing Ordinance Update
To: miriam.lens@hayward-ca.gov <miriam.lens@hayward-ca.gov>

Councilmembers,

I am glad we have reached the point of updating this ordinance.

As someone who analyzes development standards as part of housing advocacy, I am happy that staff has picked a good balance of requirement percentages and building profitability. We want racially and financially integrated development everywhere. However, if we overreach, we harm everyone more in the long term, especially those just above the subsidy allowance but including those eligible for BMR housing as well. The goal is the highest total number of affordable units, not some percentage. Other cities in the bay have overreached and seen their housing starts drop precipitously, harming lower and middle class families.

I have some reservations about the grandfathering for projects that have been in the works - it's not quite fair to change their outlook as they made financial arrangements based on the old method.

I think the round-down with payment in lieu for the rounded section is great.

As a final note, please do not move from this important item to the next "I will deny this because it doesn't have X" reasoning. I urge you to continue to update your code rather than bring every

development forward for discretionary review. As we've learned from the downtown plan meetings, other cities have had success with changing their guidelines and seeing far more projects meet all the design standards so they don't require laborious discretionary review.

Thank you,

Steven Dunbar



BUILDING INDUSTRY ASSOCIATION

DATE: Nov. 6, 2017

TO: Hayward Mayor Barbara Halliday, Mayor Pro Tem Elisa Márquez and Councilmembers Al Mendall, Francisco Zermeño, Mark Salinas, Sara Lamnin and Marvin Peixoto

FROM: BIA|Bay Area East Bay Executive Director for Governmental Affairs Lisa Vorderbrueggen

RE: Comments on Proposed Affordable Housing Ordinance Revisions and In-Lieu Fee

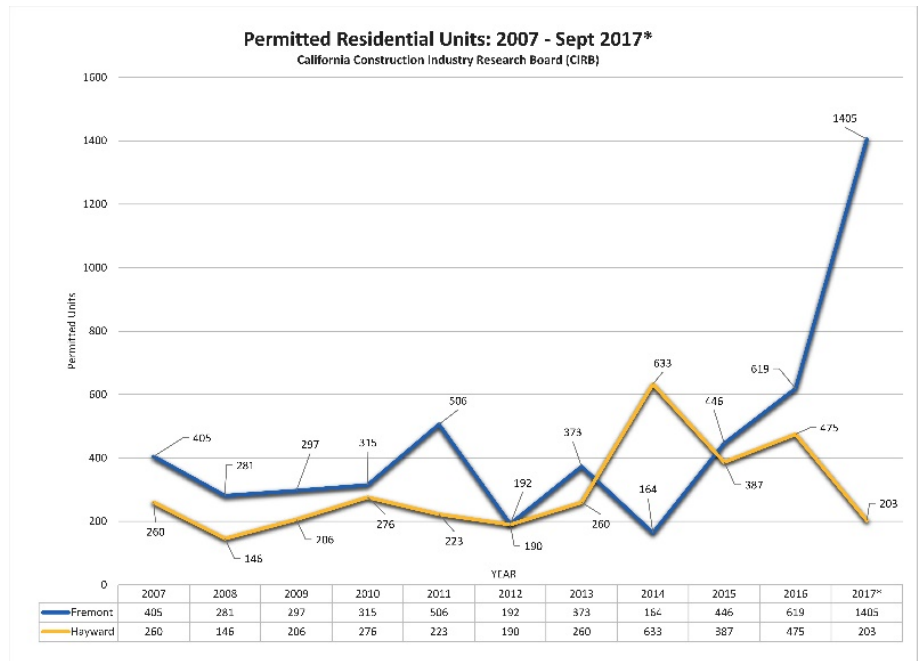
Dear Mayor Halliday and Councilmembers:

Thank you for the continued opportunities to discuss how to provide more housing for people of all income levels in Hayward. To that end, I would like to make the following comments and recommendations regarding the city’s draft Affordable Housing Ordinance and proposed affordable housing in-lieu fees.

I applaud the staff and City Council for retaining the “fee by right” option and the “combination of alternatives” provision. Hayward needs more housing and providing every project with as many tools necessary for its success will help ensure that either units or money to leverage units will materialize.

The proposed \$18 to \$20 per sq. ft. in-lieu fee is too high. The City should consider doubling the in-lieu fee to \$10 per sq. ft. for two years, then conducting an assessment of the impacts before considering additional increases. While we agree that Hayward’s current fee could be raised, BIA members tell me that a fourfold hike will render many of the residential projects in the city’s development pipeline infeasible for the foreseeable future. The natural inclination may be to fear a loss of the fees but in reality, the city could lose both the housing and the fees.

Construction and other housing development costs have been increasing during the past four years at rates that far exceed the rate of inflation. As a result, projects in Hayward’s pipeline are already facing significant headwinds that make



development more risky and less attractive to the investment community. That trend, coupled with a significant increase in regulatory costs (like the fee increase the City is proposing), could make some projects entirely infeasible. For example, when Meritage Homes began seeking entitlements for Mission Crossings in 2015, the company said its financial projections showed a solid financial return that justified the risk for a risky redevelopment program that involved subsidizing a hotel and retail facility plus 140 townhomes. If the project were to be burdened with an additional \$4.3 million in affordable housing fees, the added cost would not only make it impossible to subsidize the hotel, it would kill the entire deal. The land seller would not take the loss and the Hayward market is not sufficiently robust to allow for increasing the sales prices to cover the cost. Home builders don’t have the same direct pricing power of a consumer commodity. If production costs exceed what the market will return on the investment, housing investors will go elsewhere.

“Elsewhere,” for example, could be Fremont. As the chart on Page 2 shows, Fremont issued 1,405 residential permits in the first nine months of 2017 compared to 203 in Hayward. The chart on Page 2 offers a possible reason why:


Fremont has a substantially higher median home value than Hayward – in excess of \$330,000 in September – which allows developers to achieve the higher sales prices and rents necessary to recover the growing costs of producing housing while still attracting investors.

The City should consider phasing the in-lieu fee increase over two years, which will allow new projects time to incorporate the added costs into their financing structures. Under a \$10 per sq. ft. fee, the phasing could be set at \$7 per sq. ft. on July 1, 2018, and \$10 per sq. ft. on Jan. 1, 2019. Other cities have used this approach, as well. Oakland, for example, spread its affordable housing impact fee increase across three years, starting in 2016 with increases on July 1 of each successive year. Fremont also phased in some of its fee increases when it revised its affordable housing program in 2015.

For projects with pending development applications, I respectfully ask the City to consider the following alternative grandfathering provision: All development applications submitted by Nov. 28, 2017, that are deemed complete by Feb. 1, 2018, the presumed effective date of the amended ordinance, shall be grandfathered under the current Affordable Housing Ordinance and in-lieu fee schedule. Requiring developers to obtain a completed application AND all discretionary approvals prior to Nov. 28, 2017, in order to qualify for the grandfather provision is nearly tantamount to offering no grandfathering provision at all. It is the city that controls the discretionary approval schedule and determines when an application is “complete.”

More important, as I noted earlier, many of the projects on the pipeline list may no longer be economically feasible under your proposed ordinance amendments. Without a grandfathering or transition period, many of these much-needed housing units will not be built and the city will not collect any fees. I look forward to continuing to work with you on this important issue.

Sincerely,



Lisa A. Vorderbrueggen
 BIA/Bay Area East Bay Executive Director for Government Affairs
 1350 Treat Blvd., Ste. 140, Walnut Creek, CA 94597
 925-348-1956 (cell)
lvorderbrueggen@biabayarea.org

CC:

Hayward City Manager Kelly McAdoo
 Hayward Assistant City Manager María Hurtado
 Hayward Acting Housing Manager Omar Cortez

Attachments:

Chart 1 “Permitted Residential Units: 2007-Sept. 2017”
 Chart 2 “Fremont & Hayward Zillow Home Value Index 2008-Jan 2018”

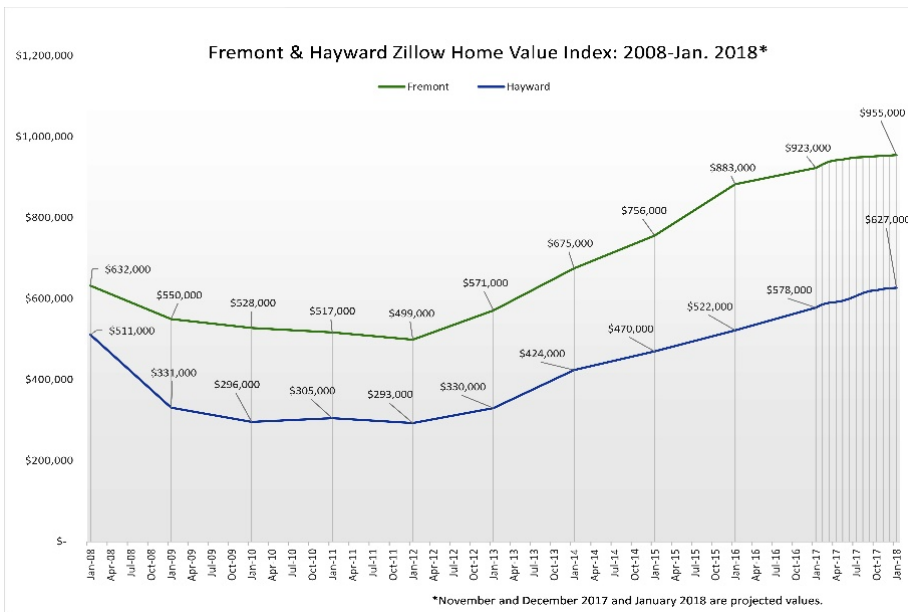
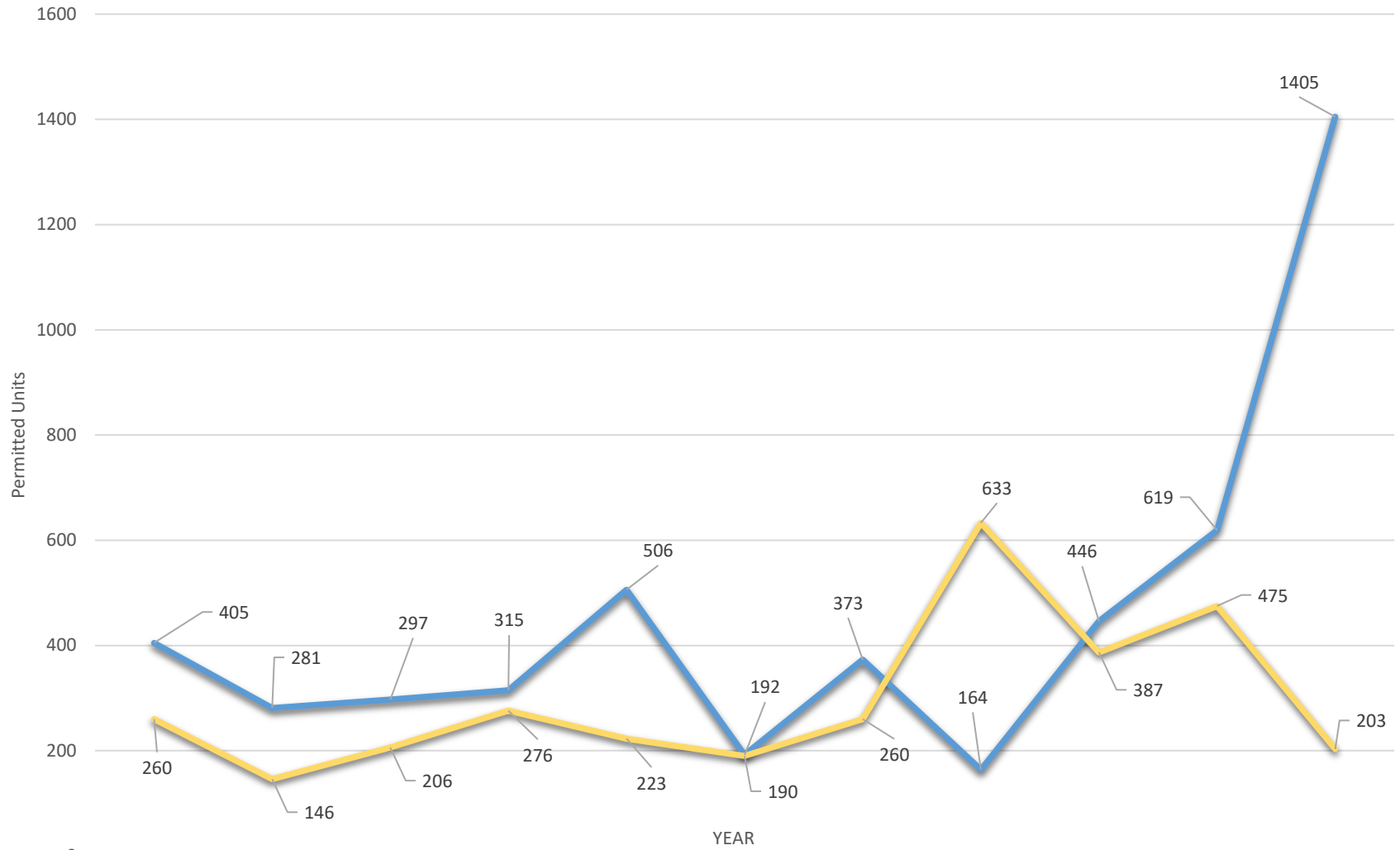


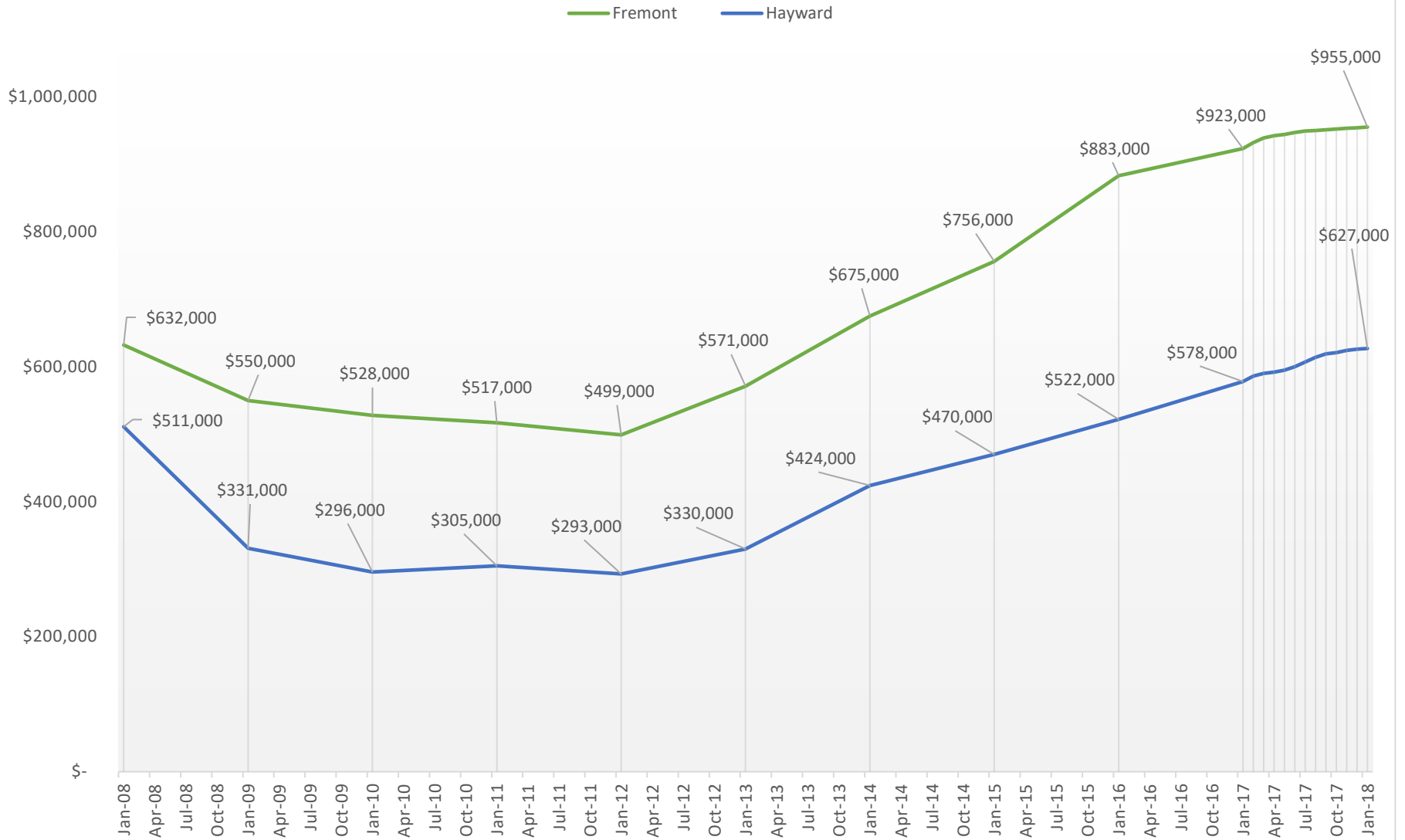
CHART 1: Permitted Residential Units: 2007 - Sept 2017*

California Construction Industry Research Board (CIRB)



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
Fremont	405	281	297	315	506	192	373	164	446	619	1405
Hayward	260	146	206	276	223	190	260	633	387	475	203

CHART 2: Fremont & Hayward Zillow Home Value Index -- 2008-Jan. 2018*



*November and December 2017 and January 2018 are projected values.

GRUPE

November 7, 2017

Mayor Barbara Halliday; Council Members Sara Lamnin, Francisco Zermeño,
Marvin Peixoto, Al Mendall, Elisa Márquez, and Mark Salinas
City of Hayward
777 B Street
Hayward CA 94541-5007

RE: Proposed Affordable Housing Fee

Dear Council Members:

The Grupe Company is a real estate development and Homebuilding Company based in Stockton, California and has entitled in excess of 50,000 residential units and built nearly 28,000 single and multifamily homes over the past 50 years. The Grupe Company entered into an agreement to purchase approximately 17.2 acres from a partnership led by Richard Ersted, in July of 2016. The property has been zoned for residential since 2005, and the landowner has attempted in the past to develop a feasible development plan to no avail. On October 10, 2017, we submitted our 59-unit tentative map package to City planning. The tentative map submittal was the culmination of 18 months of work that included \$600,000 for professional services (geotechnical, biological and arborist's reports as well as engineering, planning and architectural consultant costs). Our efforts over the past 18 months were undertaken based on a set of economic assumptions which included the City's 2016 Master Fee Schedule. A significant change in this fee schedule will put in jeopardy all our efforts expended on this project to date. We would very much appreciate your willingness to consider our application to be deemed "Grandfathered" as it regards the proposed Affordable Housing Ordinance. I have provided below a chronological summary of our project related efforts in hopes to illustrate our investment in time and resources that was expended to submit our compressive tentative map package. As you will see by our timeline below this property has significant development constraints including fault lines, topography and wetlands which required significant analysis and time to develop feasible solutions and create a plan and product we're excited about and proud of. If this parcel was a typical development, we would have been able to submit our Tentative Map package by the end of 2016 and feel confident we would have been in front of the Planning Commission for a hearing by now, and thus would have been "Grandfathered".

- **July, 2016:** Agreement to purchase 17.2-acre parcel from the Hayward Tennyson, LLC, "Ersted Property"
- **August, 2016:** Wood Rodgers Planning and Engineering retained to perform due diligence services and develop first series of land plans and associated cost estimates

- **September, 2016:** Berlogar Geotechnical Engineers retained to assess earthquake fault risk
- **October, 2016:** Grupe pays \$4,000 for City to retain Peer Geologist, Lou Richardson, who does field inspection of open trenches to discover potential fault zones (total Grupe payments for City Geologic Peer Review totals \$10,000).
- **October, 2016:** Mosaic Environmental is retained to perform initial biological assessment of site
- **October, 2016:** First set of site plans submitted to City for Preliminary Review
- **November, 2016:** City holds Preliminary Review with Grupe and its consultants
- **January, 2017:** Peer Review letter from Lou Richardson, City's consulting geologist and follow-up letter from City Public works regarding Berlogar Geotech's fault zone investigation Report
- **January, 2017:** Mosaic Environmental Consulting is retained to perform Wetland Delineation Report
- **February, 2017:** Berlogar Geotech performs second round of field exploration trenches to determine land areas free and clear of potential fault zones
- **February, 2017:** Berlogar submits fault zone report to City for review
- **February, 2017:** Hortscience is retained to perform arborist study
- **March, 2017:** Berlogar produces design level geological engineering report
- **April, 2017:** Wood Rodgers prepares comprehensive topography and grading analysis
- **May, 2017:** Wood Rodgers prepares comprehensive Base Map with final fault zone and wetland constraint
- **June, 2017:** Bassenian and Associates (Architects) is retained to do architecture floor plans, elevations and assist in land planning efforts
- **June, 2017:** City Planning and Public Works meet with Grupe and its consultants to review revised land plan and discuss timing for tentative map submittal
- **June, 2017:** Started discussions with the City regarding access through "their" contiguous parcel
- **July, 2017:** Wood Rodgers and Bassenian Architecture prepare preferred land plan and grading analysis
- **August, 2017:** Grupe meets with City Publics Works Director to discuss revised land plan
- **October, 2017:** Grupe submits comprehensive tentative map package

Should you have any questions regarding the information provided above or wish a more detailed review of the project schedule and project related resources expended to date, please do not hesitate to contact me. Again, we very much appreciate you taking the time to consider our request for this project to be considered "Grandfathered" per the latest staff recommendations. We look forward to seeing you at the November 7, 2017 City Council hearing.

Sincerely,



Chris Conklin
Vice President

CC:dl



East Bay Housing Organizations

November 1, 2017

City Council
City of Hayward, Council Chambers
777 B Street
Hayward, CA 94541

RE: Proposal to raise Residential Impact Fees for affordable homes

Dear Mayor Halladay and Members of the Hayward City Council,

On behalf of East Housing Organizations (EBHO), we would like to thank the City of Hayward for considering the possibility of raising much-needed local funds for affordable homes. We appreciate staff's effort in bringing this item forward-and as a general matter support an increase in development impact fees. We are concerned, however, that the proposed fee structure-and in particular the removal of the ability for developers of large (100+ unit) market rate projects to pay an impact fee into the affordable housing trust fund instead of providing on-site units-will not produce enough units at the depth of affordability needed in this community.

EBHO is a 33-year-old membership non-profit organization of over 500 individuals and organizations (many of whom live, work and belong to congregations and develop affordable housing in Hayward), dedicated to working with communities in Alameda and Contra Costa counties to preserve, protect and expand affordable housing opportunities for low-income communities through advocacy, organizing, and coalition building.

Hayward has historically been among the most affordable cities in the region, paving the way for people from different ethnic, racial, national, and socio-economic backgrounds to make a life in this community. However, as skyrocketing housing costs and displacement deeply impact the lives of working class communities and communities of color in Hayward, equitable strategies to meet the housing needs of those most impacted by the housing crisis are imperative to maintaining the City's accessibility and rich diversity.

Hayward's Housing Element identifies the need for an additional 1,331 low, very low, and extremely low-income units between 2014 and 2022. At the time the last Housing Element was issued, the city had only met 12% of its need for affordable homes. Lack of adequate resources for affordable housing at the State and Federal level has made it especially challenging to keep up with current goals. Nonetheless, with recent victories to increase funding for affordable homes in Alameda County, and recently, on the State level, Hayward is in a prime position to raise the necessary matching resources to meet its affordable housing goals, as required by the Regional Housing Needs Assessment (RHNA).

Achieving the adequate amount of affordable housing production and the levels of affordability needed in the community will require balancing both inclusionary units, which could help offset the amount of market-rate units currently approved, and payment of in-lieu fees, which will bolster the City's competitiveness for

outside funding. A balanced approach will encourage inclusionary units where they can make the most difference for affordable housing opportunities, while also continuing to incentivize the payment of in-lieu fees, which can, in many other situations, result in the production of greater numbers of units at deeper levels of affordability.

We support the Council's goal to increase affordable housing opportunities in Hayward and resonate with the interest in inclusionary housing units. We support a requirement for inclusionary units in affordable homeownership projects. There are few funding sources for these types of projects, so the ability to leverage in-lieu fees to attract additional dollars is minimal. For these projects, an inclusionary requirement will produce a greater quantity of affordable units- and give more Hayward families a path to homeownership.

In regards to rental housing policies, however, EBHO is a strong supporter of in-lieu fees as the best option to get the largest number of affordable housing units and at the deepest affordability levels. We believe that payment of in-lieu fees should be allowed as a "by right" option to for-profit developers, including those of the largest projects (of more than 100 units). The payment of in-lieu fees into the City's Affordable Housing Trust Fund will be most productive for affordable housing- and better for the City and its residents- for the following reasons:

- Leveraging other funds: Allowing the payment of a fee into the City's affordable housing trust fund will enable the City to build up an amount in the fund that will allow for its use by qualified affordable housing developers as leverage to attract other funds for affordable housing development. It will make projects in the City more competitive for additional funding sources such as Low Income Housing Tax Credits or Alameda County Affordable Housing Bond funds. The ability for nonprofit developers to use money in the City's fund as leverage for these other dollars will result in more units of affordable housing at deeper levels of affordability (between 20% and 60% of AMI) vs. the income levels that for-profit developers are most often able to offer inclusionary units at (c. 80% of AMI).
- Developer expertise and services: Funds from the payment of impact fees in the City's affordable housing trust fund will encourage nonprofit developers to build additional projects in Hayward. These organizations have deep expertise owning and managing affordable housing projects, including for specialized populations- such as the formerly homeless or people with disabilities- and can often also offer additional services to residents such as computer centers, onsite playgrounds, job coaching or case management.
- Permanent affordability: Because of the financing used to construct the units, nonprofit affordable housing developers can offer affordable units for a much longer time frame, typically 55 years, than a standard inclusionary unit constructed in a for-profit development.
- Ease of monitoring for City Staff: Facilitating non-profit affordable housing developers to build large projects in the City, where units are compact, will also ease the cost and time burden for City staff who must do annual compliance monitoring for the units.

For each of these reasons, in the area of rental housing policy, EBHO recommends that the Council set the development impact fee at a level that will provide developers an incentive to pay the fee, at a level just at or below the cost of providing the onsite units- at \$18-\$19/sq. ft.

Alternatively, or in addition, if the Council still believes that having affordable housing units in the same project as market rate units is a key goal for the City, EBHO would recommend that the Council amend the Affordable Housing Ordinance (AHO) to allow for by-right land dedication as an alternative. Developers could be allowed to dedicate a portion of their project site, equal in value to what they would have paid in development fees, for affordable housing development. The land value could also be used as leverage and help assure that the most units are built at the deepest affordability levels- and also that the affordable units have geographic proximity to market rate units.

Finally, EBHO recommends the following program requirements to ensure the most equitable, sustainable, and cost efficient results from the new AHO amendments:

- **Fee Adjustments:** We support adjusting fees annually based on the rate of increase in the Construction Cost Index as measured by the Engineering News Record Mc-Graw Hill Construction Weekly Building Cost Index. This methodology would be in line with other nearby jurisdictions like, Fremont, Newark, and Oakland.
- **Grandfathering:** The new requirements should apply to any developments that have yet to complete an application to receive a building permit, unless those projects already have vested development rights that make them exempt from amendments to the fees. Projects without prior land use entitlements should be subject to payment of the new fee levels and any other requirements.
- **Inclusionary Requirements for Rental:** Considering the challenges of monitoring affordable units that are scattered across small developments, we recommend just allowing payment of in-lieu fees for projects with fewer than 100 units.
- **Inclusionary Requirements for Homeownership:** In keeping with the Council's desire to build affordable homeownership projects, we support inclusionary requirements in for-sale projects and would still recommend keeping the by-right option of in-lieu fee payments.
- **Geographic Requirements:** There is good argument to encourage inclusionary requirements for developments in close distance to high frequency transit. Council could consider including a land dedication provision for for-profit developments in these areas to ensure affordable housing opportunities are available to low-income households within close proximity to transit and amenities.

Hayward has taken important steps this year in pursuing housing affordability and anti-displacement strategies to address the pain in the community stemming from rising rents and the risk of displacement. Raising resources for affordable homes through greater residential impact fees is a strong start in beginning to meet the needs and desires of those in the community seeking long-term quality affordable homes and residential stability. We hope the Council will consider the benefits of keeping the "by-right" option of in-lieu fee payments to build the most affordable units, at the deepest levels of affordability, and in the most efficient way possible. Strong affordable housing and anti-displacement policies, such as tougher tenant protections highlighted by members of the Hayward Collective and other community groups, would also improve the lives of residents and help keep Hayward a richly diverse, inclusive, complete community for generations to come.

EBHO has over 30 years of experience working with local government to support and fine tune housing programs and policies. We look forward to working with you on this and other policies to address Hayward's pressing affordable housing issues.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dessi Mia Carbajal'.

Dessi Mia Carbajal
Advocacy & Programs Associate

A handwritten signature in blue ink, appearing to read 'Rev. Sophia DeWitt'.

Rev. Sophia DeWitt
Program Director

Comparison of Proposals for AHO Amendments in Hayward

Project Type/ Requirement	Staff Proposal			EBHO Recommendation		
	For Sale		Rental Apartments	For Sale		Rental Apartments
	High Density Condos.	everything else		High Density Condos.	everything else	
Per Sq. Ft. Fee if at B.P.*	\$15	\$18.18		same as staff	\$18.00	
Per Sq. Ft. Fee if paid at C.O.**	16.25	\$20.00		same as staff	\$19.00	
Fee by Right Option	Yes			Yes		
Fee Adjustment Factor	Rate of Increase in Consumer Price Index			Rate of Increase in Construction Cost Index		
Grandfathering	<p>Project proposals complete and entitled before the effective date of the ordinance will be grandfathered into the current AHO reqs. and AHO fees.</p> <p>Project proposals not yet submitted or not deemed complete by November 28 will be subject to the new requirements.</p> <p>Projects deemed complete by November 28 but do not receive discretionary approvals by the effective date of the ordinance will be subject to the new requirements. However, if the developer elects to comply by paying the In-Lieu Fees, the fee owed shall be half (1/2) the applicable fee for the prototype</p>			<p>Same as staff.</p> <p>However, should developers elect to comply by paying the In-Lieu Fees in the case that their projects are deemed complete by November 28, but do not receive discretionary approvals, the fee owed should be the full amount of the updated fee requirement.</p>		

* B.P.: Building Permit

** C.O.: Certificate of Occupancy