

CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Tuesday, January 31, 2017

6:30 PM

Council Chambers

City Council

Mayor Barbara Halliday
Mayor Pro Tempore Sara Lamnin
Council Member Francisco Zermeño
Council Member Marvin Peixoto
Council Member Al Mendall
Council Member Elisa Márquez
Council Member Mark Salinas

**SPECIAL JOINT CITY COUNCIL/
REDEVELOPMENT SUCCESSOR AGENCY MEETING**

CALL TO ORDER Pledge of Allegiance: Council Member Márquez

ROLL CALL

CLOSED SESSION ANNOUNCEMENT

PUBLIC COMMENTS

The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Information Items. The Council welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.

WORK SESSION

Work Session items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.

1. [WS 17-005](#) Review and Discussion of Housing Affordability Strategies and Resources in Hayward and Alameda County (Report from City Manager McAdoo)

Attachments: [Attachment I Staff Report Executive Summary](#)
[Attachment II Staff Report Full Expanded Report](#)
[Attachment III City of Hayward Housing Element 2014](#)
[Attachment IV State of California -Senate Bill 1069 Accessory Dwelling Units](#)
[Attachment V State of California - Assembly Bill 2584 Housing Accountability Act 2016](#)
[Attachment VI County of Alameda - Affordable Housing Bond Program Summary](#)
[Attachment VII City of Hayward - FAQ - Affordable Housing Ordinance Guidelines](#)
[Attachment VIII City of Hayward - FAQ - Residential Rent Stabilization Ordinance](#)
[Attachment IX City of Hayward - Affordable Housing Ordinance](#)
[Attachment X City of Hayward - Resolution Increasing Affordable Housing Impact Fees](#)
[Attachment XI - City of Hayward - Residential Rent Stabilization Ordinance](#)
[Attachment XII City of Hayward - Resolution Amending Residential Rent Stabilization Ordinance](#)
[Attachment XIII Resumen Ejecutivo en Español - Executive Summary in Spanish](#)

ACTION ITEMS

The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council Member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk any time before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.

CONSENT

2. [CONS 17-046](#) Approval of the Annual Recognized Obligation Payment Schedule for the Period July 1, 2017 to June 30, 2018 and the Successor Agency Administrative Budget for the Period July 1, 2017 to June 30, 2018

Attachments: [Attachment I Staff Report](#)
[Attachment II RSA Resolution](#)
[Attachment III ROPS 17-18](#)
[Attachment IV FY 2018 Adminstrative Budget](#)

CITY MANAGER'S COMMENTS

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items.

ADJOURNMENT

NEXT MEETING, February 7, 2017, 7:00 PM

PUBLIC COMMENT RULES

The Mayor may, at the beginning of the hearing, limit testimony to three (3) minutes per individual and five (5) minutes per an individual representing a group of citizens or organization. Speakers will be asked for their name before speaking and are expected to honor the allotted time. Speaker Cards are available from the City Clerk at the meeting.

PLEASE TAKE NOTICE

That if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.

PLEASE TAKE FURTHER NOTICE

That the City Council adopted Resolution No. 87-181 C.S., which imposes the 90-day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.

****Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. ****

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.

Assistance will be provided to those requiring language assistance. To ensure that interpreters are available at the meeting. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400.



CITY OF HAYWARD

Hayward City Hall
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File #: WS 17-005

DATE: January 31, 2017

TO: Mayor and City Council

FROM: City Manager
City Attorney
Director of Development Services
Director of Library and Community Services

SUBJECT

Review and Discussion of Housing Affordability Strategies and Resources in Hayward and Alameda County

RECOMMENDATION

That the Council reviews this report and provides direction to staff on the questions and discussion points contained herein.

ATTACHMENTS

Attachment I	Staff Report (Executive Summary)
Attachment II	Expanded Staff Report
Attachment III	City of Hayward - Housing Element
Attachment IV	State of California - Senate Bill (SB) 1069: Accessory Dwelling Units
Attachment V	State of California - Assembly Bill (AB) 2584: Housing Accountability Act
Attachment VI	County of Alameda - Affordable Housing General Obligation Bond (Measure A1) Program Summary
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Staff Report (Executive Summary)

DATE: January 31, 2017

TO: Mayor and City Council

FROM: City Manager
City Attorney
Director of Development Services
Director of Library and Community Services

SUBJECT: Review and Discussion of Housing Affordability Strategies and Resources in Hayward and Alameda County

RECOMMENDATION

That the Council reviews this staff report (executive summary), reads the attached full report and supporting documents and provides direction to City staff in response to the questions and recommendations that are listed at the end of this Executive Summary as well as in the full report.

SUMMARY

Housing is a basic human need. It is fundamental to the human condition. Housing is so important that much of modern civilization is focused on the homes we live in – developing and building them, buying and selling them, hunting for them, investing in them, renting and sharing them, repairing and improving them, bringing services to them, and protecting them.

In America, housing is absolutely central to the American Dream. Whether we own, or rent, or share a home, all Americans have in common a basic human need for housing we can afford and call our own. Being secure in our homes gives us the freedom to pursue our life interests and work toward our dreams, whether our dream is to start a family, or build an investment for the future, or simply to have a place to go where we are safe and warm and can live our lives free from fear and want.

This report will review many strategies that the City of Hayward, Alameda County, and the State of California use to help make housing more affordable. The report ends with specific recommendations for the City Council to consider. The longer version of this report with

many more details can be found in Attachment II. There are even more details and data in the extra attachments which are labeled Attachments III through XII.

BACKGROUND

It is no secret that our society, especially the Bay Area, is in a major housing crisis right now. There are many reasons why this crisis is happening. The rising cost of housing is a very complicated problem with many moving parts that all affect each other. The crisis we are in now was caused by many complex things, including some which began many years ago. No one single thing by itself caused the current housing crisis. Because there is no one cause of the crisis, there is no one cure-all that can quickly solve it. We should be careful not to oversimplify the problem. A crisis this complicated will have many different solutions and some solutions may take years to show progress.

It is tempting to try quick solutions that seem to give immediate progress, such as by immediately raising taxes very high to build more housing, or by passing very strict rent control laws. Every community is different, often with many diverse points of view, and every local housing market has different and unique factors affecting it. Even if solutions have good intentions, if they are not very carefully tested and studied before they are fully implemented, they can fail to work, or have unexpected consequences, or be struck down in lawsuits later. This can make the crisis worse, sometimes right away or years later.

For example, San Francisco has many housing laws including some of the strictest rent control laws in the country. However, rents in San Francisco still continue to escalate and are now among the most expensive in the world. This makes it so landlords fight even harder to protect their investments and their ability to raise rents because their properties are even more valuable. Because it is a very wealthy city, San Francisco can and does spend hundreds of millions of dollars to build affordable housing. However, it is still not enough. Ordinary working families with good jobs and decent pay who have lived there for many years in the past can no longer live there and still make ends meet.

Many of these working families have moved to more affordable cities like Oakland, Richmond, and Hayward. This has made the demand for housing in other Bay Area cities go up very fast. However, many of these cities are already built out, and new housing is not being built fast enough to make room for all the people who want to move in. There is not enough supply of housing to match all the demand. This makes housing prices go up. Rents in Hayward have gone up in the past three years, though not as high as in other parts of Alameda County like Castro Valley, Fremont, and Livermore.

In 1950, when the storied “Baby Boom” population explosion had just begun, Hayward was a small city of 14,000 people who lived in 4,700 houses and apartments combined (housing units). At that time, Hayward was mainly a farm town, and most of the land was farms, orchards, ranches, and other open lands. Ten years later in 1960, the population had grown very rapidly to 72,000 people. Many new homes had been built very fast, and Hayward had grown to 20,200 housing units in 1960. By 1970, the population had grown very fast again, to

93,000 people. Thousands more housing units were built, but not as many as in the previous ten years. In 1970 Hayward had 28,600 housing units.

From 1950 to 1970 – in a single family generation of twenty years – Hayward’s population exploded by 660%. The number of housing units had multiplied by 608%. During this time of very fast growth, nearly all of Hayward’s large orchards and farms and other open spaces were turned into massive neighborhoods of single family homes and “garden apartment” complexes, with shopping centers, schools, parks and many other services in between. This filled up nearly all of the open land in Hayward.

By the year 2000, Hayward’s population had continued to grow and had reached over 140,000 people. The number of housing units had barely kept up with the demand, to just over 45,000 housing units.

After the year 2000, housing development in Hayward slowed down. Nearly all of the available and easily developable open land for building housing had been filled. People’s attitudes about building had changed, and most wanted to leave the land that was still open alone, or keep it as parks and open space areas. People became more concerned about the impacts to the environment and quality of life in their neighborhoods that more housing could cause. Housing developers had to shift their focus to infill projects, which use smaller pieces of land or land that already has buildings on it. Infill projects are typically much more difficult and expensive to build than projects on open land. New restrictions and community opposition to infill projects based on density, parking, traffic, environmental impacts, and other complicated factors added to the difficulty and expense of developing and building new housing.

The gap between population growth and housing development began to widen. Between 2005 and 2015, Hayward’s population grew by nearly 15,000 people, but over the same period the total number of housing units increased by less than 500 units overall.¹

To look at this trend another way: In 2005, Hayward had one housing unit for every 2.84 people. In the year 2015, Hayward had one housing unit for every 3.24 people².

This problem is not limited to just Hayward. The entire State of California, and particularly the Bay Area, is confronting a growing housing affordability crisis. A recent draft statewide housing study from the State’s Housing and Community Development Department (HCD) entitled “[California’s Housing Future: Challenges and Opportunities](#),” found that:

- Production in California averaged less than 80,000 new homes per year over the last 10 years, and ongoing production continues to fall far below the projected need of 180,000 additional homes annually.

¹ U.S. Census. American Communities Survey, 2005-2015.

² Ibid.

- The majority of Californian renters — more than 3 million households — pay more than 30 percent of their income toward rent, and nearly one-third — more than 1.5 million households — pay more than 50% of their income toward rent.

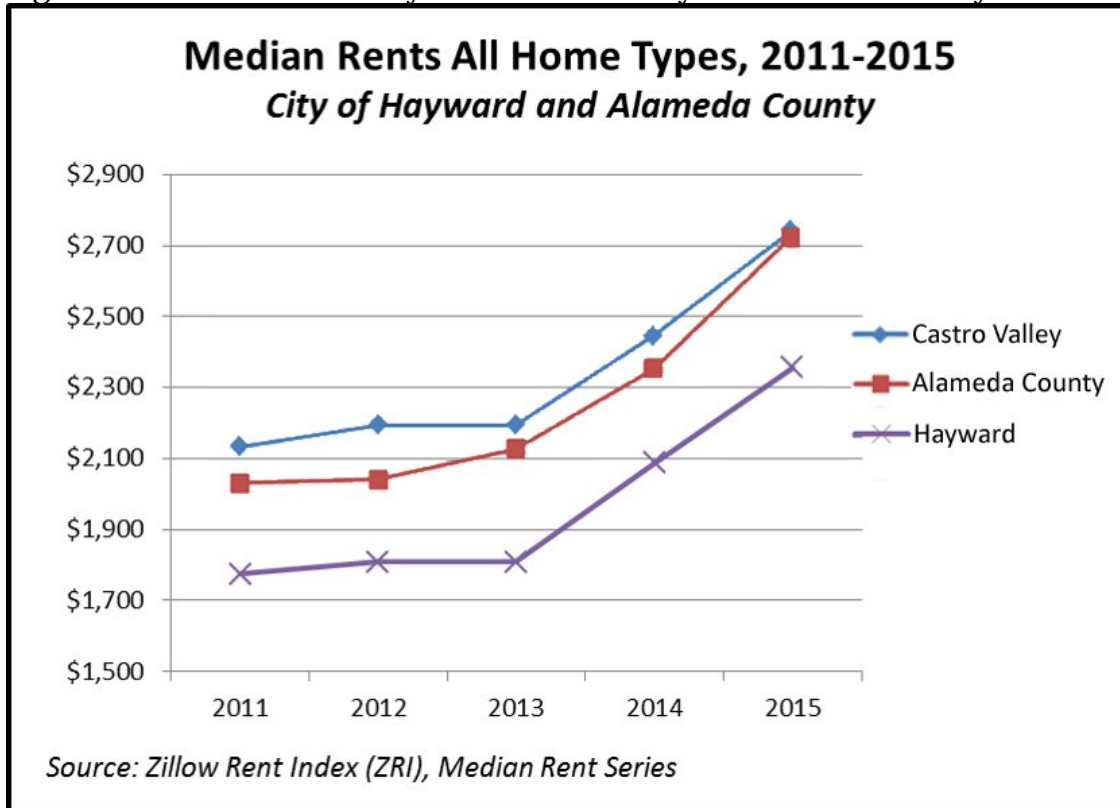
In Hayward, home sales prices rose 84% between 2010 when the housing market bottomed out and 2015, the most recent year for which data is available.

In Hayward, rents increased 33% between 2011 and 2015.

In Hayward in 2015, approximately 91% of Very Low Income renters paid over 30% of their incomes for rent, and 36% paid more than half of their incomes for rent.³

While these trends are cause for concern, Hayward’s rents are actually lower than median (middle-of-the-road) rents in Alameda County by a significant margin (See Figure 1).

Figure 1. Median Rents in Hayward, Castro Valley and Alameda County, 2011-2015



With limited resources available, how can local governments help solve the problem of housing affordability? Local governments typically have far fewer resources available to them than the state or federal government. What role do business people and investors, particularly housing developers, have to play in helping to resolve the housing crisis? The answers to

³ Source: Zillow Rent Index (ZRI), Media Rent Series. Data includes Unincorporated Cherryland and Fairview

these questions are explored in more detail in the full report, which is linked to this summary as Attachment II.

DISCUSSION

Attachment II, which contains the comprehensive report on this topic, is broken down into four major strategy areas: 1) Anti-displacement; 2) Regulation and land use policies; 3) Housing preservation and rehabilitation; and 4) Acquisition and construction of affordable housing. The four above strategy areas are explored and outlined in more detail in the full report.

What follows is a brief discussion of each major strategy area along with some policy recommendations and proposed next steps.

1. Anti-displacement. Strategies and programs to prevent displacement of current residents from their homes, especially the most vulnerable sectors of the community. This includes fair housing activities such as tenant/landlord mediation and anti-discrimination programs, and local regulations such as the rent stabilization ordinance administered by the City Attorney's office.
2. Regulation and land use policies. Local regulatory or planning strategies aimed at expediting or incentivizing the construction and preservation of housing such as the density bonus law. In Hayward, the Development Services Department primarily administers this strategy area.
3. Housing preservation and rehabilitation. Programs to help preserve and upgrade the existing stock of housing to help lower income homeowners stay in their homes, such as the Brace and Bolt Program, the Housing Rehabilitation Program, and the Rental Inspection Program. The Community Services Division of the Library and Community Services Department primarily administers this strategy area.
4. Acquisition and construction of affordable housing. Programs aimed at creating new long-term deed-restricted affordable housing units, including the acquisition, new construction, preservation, and rehabilitation of both homeownership and rental housing, both permanent and transitional. The Housing Division of the Library and Community Services Department primarily administers this strategy area.

RECOMMENDED NEXT STEPS

As described in more detail in the full report (Attachment II), staff recommends the following next steps to City Council for discussion and potential action within the next six to twelve months:

1. **RESIDENTIAL RENT STABILIZATION ORDINANCE – ADDITIONAL STUDY.**
Additional study of the existing Residential Rent Stabilization Ordinance is needed to identify how the ordinance could be revised to potentially strengthen tenant protections and/or expand existing protections to more rental units, while also balancing the interests of landlords who are constitutionally entitled to a ‘fair rate of return’ on their investments. Should Council so direct, staff will commission such a study for Council’s further consideration at a later date.
2. **UPDATE AND REVISE THE CITY’S ORDINANCE REGARDING ACCESSORY DWELLING UNITS (ADUs).**
State law SB-1069 regarding accessory dwelling units took effect on January 1, 2017, and rendered null and void certain provisions of the City’s current ordinance related to parking restrictions and water and sewer connection fee requirements for second units. Should Council so direct, staff will prepare a revision to the ordinance to bring the municipal code into compliance with State law while preserving local control over housing decisions to the greatest extent possible.
3. **EXPLORE OPTIONS TO DEVELOP A NEW HOUSING REHABILITATION ADU PROGRAM.**
A new Housing Rehabilitation ADU Program could potentially incentivize and assist homeowners to undertake construction and conversion projects that create new accessory dwelling units in existing single-family homes. Should Council so direct, staff will prepare an analysis of program options and potential resources, such as County Measure A1 funds, to support the program.
4. **ISSUE NOFA/RFP FOR AFFORDABLE RENTAL HOUSING DEVELOPMENT PROJECTS.**
Staff recommends the City issue a Notice of Funding Availability (NOFA) and/or a Request for Proposals (RFP) to solicit project proposals for affordable housing development that advance Council priorities and the Housing Element policies related to permanent affordable rental housing development. Staff further recommends that the NOFA/RFP emphasize proposals that “...focus on rental housing affordable to lower-income households with special needs (e.g., seniors, extremely low-income households, and persons with disabilities, including developmental disabilities), especially projects that promote the City’s goals relating to transit-oriented development and jobs/housing balance” or, to the extent funding from Measure A1 for transitional housing is available, on projects for development of “...emergency shelters, and transitional and supportive housing programs for the homeless and those who are at risk of becoming homeless.”
5. **REACTIVATE THE FIRST TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM**
Staff recommends the reactivation of a dormant yet critically important housing program: the First Time Homebuyer Down Payment Assistance Pilot Program. On March 22, 2016, staff recommended a funding allocation from the Hayward Housing Authority of \$1.5 million over two years to temporarily restore the First Time Home Buyers Down Payment Assistance Program for moderate-income households starting at the beginning of FY 2017. At that time, Council deferred action on that recommendation pending a more robust discussion of housing affordability strategies

and resources. Should Council so direct, staff will prepare and bring forward to Council, in its role as the Housing Authority Board, a proposal to implement the Program at the beginning of FY 2018.

At the direction of City Council, staff will develop and bring back any or all of the above recommendations for additional discussion or actions at future Council meetings, as well as any additional recommendations or suggestions found in the full report or from the community which the Council may desire to have explored in further detail.

Prepared and Recommended by: Michael Lawson, City Attorney
Maria Hurtado, Assistant City Manager
David Rizk, Director of Development Services
Sean Reinhart, Director of Library & Community Services

Approved by:



Kelly McAdoo, City Manager

Attachments:

Attachment II	Expanded Staff Report
Attachment III	City of Hayward - Housing Element
Attachment IV	State of California - Senate Bill (SB) 1069: Accessory Dwelling Units
Attachment V	State of California - Assembly Bill 2584: Housing Accountability Act
Attachment VI	County of Alameda - Affordable Housing General Obligation Bond (Measure A1) Program Summary
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Attachment XIII	Resumen Ejecutivo en Español – (Executive Summary Spanish Translation)



Expanded Staff Report

Review and discussion of housing affordability strategies and resources in Hayward and Alameda County

January 31, 2017

CONTRIBUTORS

Kelly McAdoo, City Manager
Michael Lawson, City Attorney
Maria Hurtado, Assistant City Manager
David Rizk, Development Services Director
Sean Reinhart, Library and Community Services Director
Dana Bailey, Acting Community Services Manager
Monica Davis, Management Analyst
Omar Cortez, Housing Development Specialist

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Introduction

Housing affordability is a critical issue throughout the Bay Area region, including Hayward. Over the past several decades, the population of the metropolitan Bay Area in particular has continued to increase, while the options and opportunities for developing new housing units to meet this burgeoning demand have become more limited and challenging.

There are many individuals and families in Hayward who want to own a home and who can qualify for a mortgage and afford the monthly payments, but who struggle to buy their first home through traditional channels because they are unable to save enough for a down payment while also paying rent for their current housing. With the current cost of living and rental housing in the Bay Area, even median-income families with good income and good credit can find it incredibly difficult to amass the savings needed to cover a 10% or 20% down payment on a home in a market like Hayward where the median home price can trend as high as \$500,000 or more. This forces more households to remain in the rental market, driving up demand and pricing for rental housing.

There are also many individuals and families in our community who are paying a too-large percentage of their income on their housing payments (mortgage or rent). This can cause housing insecurity: the circumstance in which just one unforeseen event – an illness, a job loss, or an income decrease from a job change – could result in missed payments and eviction. In these circumstances, people must make difficult economic sacrifices or trade-offs just to stay housed, such as “doubling up” in crowded or unsafe housing arrangements, borrowing money at disadvantageous rates, or even missing payments and defaulting. People in these circumstances regularly find themselves faced with tough economic choices: paying the water bill or buying gas to get to work; replacing a broken appliance or buying children’s school clothes; buying food or paying the rent.

A Note About Homelessness

Even more difficult than the above circumstances is when – far too frequently yet impossible to prevent entirely for everyone all the time – people lose their housing and become homeless. As discussed in other recent Council reports, homelessness occurs for a myriad of reasons. Sometimes it is temporary, such as when an individual loses their home and is unable to immediately secure alternative arrangements due to a change in housing cost, income loss, personal or family illness, domestic violence, or other reasons. While these circumstances are often temporary and many who are affected by them often rapidly transition back into

housing, not all do. Even a brief episode of homelessness can be extraordinarily traumatic, and can sometimes trigger more long-term or recurring homelessness. Compounding factors such as substance addiction, health or mental illness issues, or post-traumatic disorders can further erode a homeless person's ability to find, secure, and sustain permanent housing.

Addressing the extraordinarily complex and difficult issues of homelessness and housing affordability is a multilayered and many-faceted endeavor with no simple answers or magic solution. In addition to emergency shelters and other critically important intervention services to address the immediate crisis of homelessness, it is essential to also develop and implement long term housing-related strategies to prevent homelessness, preserve housing affordability, and help homeless individuals move back to permanent housing.

The availability of more affordable housing helps prevent homelessness by helping at-risk residents stay housed. Any discussion of affordable housing must recognize the need to also address the related issue of homelessness. However, the issue of homelessness is extraordinarily complicated and requires its own specific set of strategies which are beyond the scope of this report. Staff will prepare a separate report on the homelessness issue for Council, with specific strategies and policy recommendations, within the next six months. That report will include policy considerations related to land-use and planning, alternative housing products like 'tiny homes' and micro-units, development of emergency shelters, transitional or crisis housing, and other related strategies. That report also will focus on the results of the 2017 EveryOne Home Point-In-Time homeless count being undertaken in Alameda County and Hayward on January 31, 2017. The EveryOne Home count is the major biennial census and survey of the homeless population in our region, and in 2017, it is expected to produce more specific, detailed data about Hayward's homeless population than ever before.

The Purpose of This Housing Affordability Report

This report is focused specifically on housing affordability. It will review strategies that the City of Hayward, Alameda County, and the State of California use to help make housing more affordable. The report provides in-depth reviews of the major strategies the City employs to address housing affordability, and ends with specific recommendations for the City Council to consider. An Executive Summary with a summary of the recommendations can be found in Attachment I. Supporting documents with many more details and data can be found in Attachments III through XII.

The City of Hayward has multiple programs related to the development and preservation of quality housing opportunities in the City. Although the issues affecting affordable housing and homelessness are intertwined, the focus of this report is to provide Council with an overview of the City of Hayward's affordable housing strategies and policies, arranged by four major

strategy areas, which include: (1) Anti-displacement; (2) Regulation and land use policies; (3) Housing preservation and rehabilitation; and (4) Acquisition and construction of affordable housing.

Housing Ü Úty ? Major strategy

The City of Hayward's affordable housing strategies and programs may be grouped in four major strategy areas:

1. **ANTI-DISPLACEMENT.** Strategies and programs to prevent displacement of current residents from their homes, especially the most vulnerable sectors of the community. This includes fair housing activities such as tenant/landlord mediation and anti-discrimination programs, and local regulations such as the rent stabilization ordinance administered by the City Attorney's office.
2. **REGULATION AND LAND USE POLICIES.** Local regulatory or planning strategies aimed at expediting or incentivizing the construction and preservation of housing such as the density bonus and accessory dwelling units. In Hayward, the Development Services Department primarily administers this strategy area.
3. **HOUSING PRESERVATION AND REHABILITATION.** Programs to help preserve and upgrade the existing stock of housing to help lower income homeowners stay in their homes, such as the Brace and Bolt Program, the Housing Rehabilitation Program, and the Rental Inspection Program. The Community Services Division of the Library and Community Services Department primarily administers this strategy area.
4. **ACQUISITION AND CONSTRUCTION OF AFFORDABLE HOUSING.** Programs aimed at creating new long-term deed-restricted affordable housing units, including the acquisition, new construction, preservation, and rehabilitation of both homeownership and rental housing, both permanent and transitional. The Housing Division of the Library and Community Services Department primarily administers this strategy area.

Strategy Area No. 1: Anti displacement

This section contains an overview of strategies and programs to prevent displacement of current residents from their homes, especially the most vulnerable sectors of the community.

This includes fair housing activities such as tenant/landlord mediation and anti-discrimination programs, and local regulations such as the rent stabilization ordinance administered by the City Attorney's office.

a. RENT CONTROL/STABILIZATION PROGRAMS

The City enacted rent stabilization programs for mobile home parks and conventional residential units in 1979. (This report does not examine mobile home park rent stabilization programs.) When first enacted, there were approximately 20,000 residential units covered by the program. The program established an annual five percent ceiling on rent increases but allowed landlords to make modest capital improvements to units in order to remove them from the program. Over time, as a result of such units being removed from the program, along with changes in state law (e.g., the 'Costa-Hawkins Act' in 1995), and vacancy de-control, there are approximately 1,000 units covered by the program.

Rent stabilization and rent control programs, while valid public policy in California since 1976, vary among cities and counties throughout the state. Some cities, such as San Francisco, have more restrictive forms of rent control, while other cities have less restrictive forms of rent control. Whether voter-enacted or enacted by a legislative body, rent control policies and programs are complex economic platforms that generate much debate as to the efficacy of balancing the interests of landlords, who are constitutionally entitled to a 'fair rate of return' on their investments, and tenants who need and desire safe and affordable housing in their communities and neighborhoods of choice.

The City's rent stabilization program is administered by the City Attorney's Office (CAO), the most important function of which is to respond to public inquiries about the City's program requirements. Over the last twelve months, the CAO's records reflect an average of 100 inquiries per month of walk-ins, telephone calls, e-mail, and online Access Hayward requests, a substantial increase over prior years. Most of the inquiries are by tenants concerned about rent increases, landlord inspections, and code compliance disputes. Inquiries from landlords include questions about the applicability of the five percent ceiling in the City's regulations. A more subtle, but frequent, question is whether landlords can 'bank' increases – a term which refers to a landlord's ability to hold on to increases during a period in which there are no or less-than-maximum increases and then apply those banked increases at a later point – which might have the effect of a 10-20 percent increase at one time.

Residential units not covered by any form of rent control are subject to the demands of the market. Hayward staff in attendance at community meetings or in other forums hear of increases of 25 percent per year or higher, or multiple increases over the course of one year.

In many cases, unsophisticated tenants do not have written rental agreements and do not know their rights and responsibilities in the tenant-landlord relationship. Many tenants express fear of retaliatory evictions if they do ask their landlords for agreements or other documents establishing base rents and the entitlement of rent increases.

Bay Area cities whose legislative bodies or voters considered rent control or rent stabilization policies for the first time in 2016, or updates to existing programs, generally engaged in studies unique to those cities and conducted hearings or focused sessions to understand the needs of renters and landlords. Similar guidance would be necessary in Hayward, if there is consideration for strengthening the existing regulations.

Following are some notable features about Hayward's rent stabilization program:

- It prohibits retaliatory evictions in a wide variety of situations where tenants have asserted their rights to request inspections, to ask for copies of rental agreements or seek documentation in support of rent increases or pass-through utility costs, among other things;
- It establishes distinct reasons for which tenants can be evicted -- known as 'good cause for eviction' regulations -- which can be asserted (and typically are asserted) as defenses in unlawful detainer (eviction) cases;
- It creates a process by which rent increases for covered units can be mediated or arbitrated by neutral fact-finders -- the City Attorney's Office is the neutral administrator of this program;
- It allows landlords to de-control and remove covered units from the regulations by making modest capital improvements such as weather-proofing windows or upgraded doors. As of 2016, an investment of approximately \$2,500 in such improvements by a landlord could allow removal of a unit from rent regulations. The City Attorney's Office uses a CPI factor to adjust this factor each year; however, such adjustments were not made for approximately twenty years, during which time many covered units were de-controlled and removed from the program.

b. SLEEPING IN CARS/VEHICLES

Inquiries have been made regarding the City's attitude towards people who sleep in their vehicles, particularly at night and on public property including streets and municipal lots. The City does not currently have regulations or provisions in the municipal code which prohibit sleeping in cars or vehicles on streets or municipal lots or similar public places. Such conduct

by itself is not illegal, although there could be other conduct that might warrant law enforcement contact. For example, sleeping in a vehicle with the engine running is a health hazard or sleeping in a vehicle with children could indicate parent/guardian neglect.

A recent decision of the 9th Circuit, U.S. Court of Appeals, suggests local jurisdictions would have a difficult time enacting a prohibition on sleeping in vehicles on public property. In *Desertrain v. City of Los Angeles*, 754 F.3d 1147 (2014), the following ordinance was held unconstitutional:

CITY OF LOS ANGELES – ORDINANCE – “USE OF STREETS AND PUBLIC PARKING LOTS FOR HABITATION”

‘No person shall use a vehicle parked or standing upon any City street, or upon any parking lot owned by the City of Los Angeles and under the control of the City of Los Angeles or under control of the Los Angeles County Department of Beaches and Harbors, as living quarters either overnight, day-by-day, or otherwise.’

The court’s fact-specific opinion held that the ordinance (1) failed to provide adequate notice of the conduct it criminalizes (i.e., it opens the door to discriminatory enforcement against the homeless and the poor); and (2) violated the Due Process Clause of the Fourteenth Amendment because it was unconstitutionally vague.

On the other hand, Hayward’s regulations do prohibit sleeping in cars or vehicles on private property. Article 7 of the Hayward Municipal Code, which deals specifically with the conduct of sleeping in vehicles, is found in section 5-7.20, which provides:

CITY OF HAYWARD – ORDINANCE – “PUBLIC NUISANCE”

‘It shall be unlawful for any responsible party owning, leasing, renting, occupying, or having charge or possession of any property in the City to maintain or to allow to be maintained such property in a condition detrimental to public health, safety, or general welfare or in a condition which violates any code or ordinances adopted by the City...The existence of any of the following conditions on the property is hereby declared to be detrimental to public health, safety, or general welfare and thus constitutes a public nuisance, including but not limited to:
(...)

‘(s) Sleeping in or living in any vehicle.’

The City typically enforces this prohibition upon receipt of a complaint, usually involving someone living in a tent, camper, trailer or recreational vehicles (RV) with no utility hook-ups or power or improper hook-ups and generators. The City does not have a policy allowing

private property owners to host people who sleep or live in their vehicles with the provision of code-compliant sanitation and food preparation facilities.

This information regarding sleeping or living in vehicles on the street or on private property is provided without recommending changes in these policies. Any proposed change would require specific analysis of the benefits and detriments of retaining or changing the policy and consultation with the affected communities.

c. FAIR HOUSING POLICIES

The State's Fair Employment and Housing Act prohibits housing discrimination in a number of different areas, including race, religion, sexual orientation, marital status, and so on, including national origin. State and local community-based organizations can receive or process any such complaints. A main concern in Hayward is situations in which there is an absence of documentation in the tenant-landlord relationship (under-the-table rentals), in addition to any alleged discriminatory conduct on the part of landlords as directed towards tenants – particularly based on national origin.

d. OTHER ANTI-DISPLACEMENT STRATEGIES

As an over-arching policy, the adoption and implementation of policies designed to prohibit or lessen the impact of displacement of long-term residents and families, including 'gentrification' due to development and high housing costs, requires thoughtful and forward-thinking strategies. The City's Housing Element is one such strategy, but there are also strategies designed to support tenants in communities where there are a large percentage of renters. Examples of strategies used in some communities include:

1. Tenant-based assistance – locally-funded monetary assistance to help with one-time emergencies or as ongoing subsidies;
2. Home-sharing programs – locally-administered program that encourage homeowners with extra rooms to 'share' with pre-screened tenants/students; and
3. Other anti-displacement strategies – locally-operated programs that could potentially prevent/discourage eviction or economic displacement of residents/families due to market pressures.

e. RECOMMENDATIONS

Additional in-depth study of the existing Residential Rent Stabilization Ordinance would be needed to identify how the ordinance could be revised to potentially strengthen tenant protections and/or expand existing protections to more rental units, while also balancing the interests of landlords who are constitutionally entitled to a ‘fair rate of return’ on their investments. Should Council so direct, staff will commission such a study for Council’s further consideration at a later date.

Strategy Area No. 2: Land use policies and regulations

This section discusses land use policies and related regulations that promote housing development and affordability in Hayward.

The City Council plays a key role in land use policy and regulations related to affordable housing by adopting policy and regulations, providing policy direction to staff, and making decisions on development projects. Council, staff, and the Hayward community have in recent years put a tremendous amount of effort and discussion in these areas through the development and adoption of major housing-related strategies, including the General Plan and Housing Element, the Affordable Housing Ordinance, the Density Bonus, and others.

The Development Services Department plays a key role in recommending and implementing the City’s land use policy and regulations. Other departments that are involved in processing planning and building permit applications are also key, such as the Fire Department, Public Works Department, Library and Community Services Department, and the Utilities and Environmental Services Department.

Existing Policies and Strategies

What follows is a review of the major housing policies, regulations and strategies currently in place in the City of Hayward.

a. HOUSING ELEMENT OF THE HAYWARD 2040 GENERAL PLAN

The City's major housing policy document, which includes the topic of affordable housing, is the Housing Element¹ of the City's General Plan. The Housing Element was developed through years of public input and Council discussion, and was formally adopted by Council in December of 2014. The Housing Element includes six goals and a wide range of supporting policies and implementation strategies to promote the construction, rehabilitation, and preservation of housing, including affordable housing.

The stated purpose of the Housing Element is to “achieve an adequate supply of decent, safe, and affordable housing for Hayward’s existing and future workforce, residents, and special needs populations.” Housing Element law is designed to ensure that low-income families are not excluded from opportunities in all communities and to promote economic and environmental sustainability throughout the region. The Housing Element strives to conserve the city’s existing housing stock, while providing opportunities for new housing for all economic segments of the community.

State Housing Element law requires that local jurisdictions describe and analyze the housing needs of their community, the barriers or constraints to providing that housing, and actions proposed to address these concerns over an eight-year period. In addition, Housing Element law requires each city and county to accommodate its “fair share” of projected housing need over the Housing Element planning period. Cities and counties must demonstrate that adequate sites are available to accommodate this need, and that the jurisdiction allows for development of a variety of housing types. This housing need requirement is known as the Regional Housing Need Allocation (RHNA) and the Association of Bay Area Governments (ABAG) apportions to each jurisdiction its portion of the Bay Area’s projected need.

To make adequate provision for the housing needs of all economic segments of the community, the Housing Element establishes six major goals:

1. Conserve and improve the condition of the existing affordable housing stock;
2. Assist in the development of housing affordable to low and moderate income households;
3. Identify adequate sites to encourage the development of a variety of types of housing for all income levels;
4. Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing;
5. Promote equal housing opportunities for all persons; and

¹ See Attachment III.

6. Provide for the special housing needs of seniors, persons with disabilities, large families with children, single female-headed households, and persons who are homeless.

Additional details about each of the six major Housing Element goals are provided below.

1. Conserve and improve the condition of the existing affordable housing stock. Conserving and improving the housing stock helps maintain investment in the community and keeps existing housing affordable. Because the majority of the housing stock is more than 30 years old, significant rehabilitation needs are anticipated. A number of factors can cause residential units to become unsafe or unhealthy to live in. Preventing these problems from occurring and addressing them when they do occur protects the safety and welfare of residents and assists in meeting housing needs throughout Hayward. The City will focus its efforts on rehabilitation, code enforcement, rental housing inspection, and preserving existing affordable units to take a proactive approach to conserving the current housing stock. An important part of preserving the existing affordable housing stock is ensuring that subsidized affordable housing units maintain their affordability and do not convert to market rate. Policies in this section of the Housing Element focus on improving the existing housing stock and assisting in the preservation of affordable housing.
2. Assist in the provision of housing that meet the needs of all socioeconomic segments of the community. Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for the development of affordable housing units. The City works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City also supports programs that make purchasing a home a realistic option for lower-income households.
3. Provide suitable sites for housing development that can accommodate a range of housing by type, size, location, price, and tenure. A major part of meeting the housing needs of all segments of the community is the provision of adequate sites to facilitate the development of all types, sizes, and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing

housing needs of residents. The Hayward General Plan, Zoning Ordinance, and various design/concept plans establish where and what types of housing may locate in the city. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

4. Mitigate any potential constraints to housing production and affordability. Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.
5. Promote equal access to housing by educating City residents about fair housing and lending laws. The City recognizes the importance of extending equal housing opportunities for all persons, regardless of race, religion, sex, family status, marital status, ancestry, national origin, color, age, physical or mental disability, sexual orientation, source of income, or any other arbitrary factor.
6. Provide housing choices that serve the needs of “special needs” populations, including seniors, homeless, female-headed households, large families, and persons with disabilities, including developmental disabilities. The City of Hayward is a diverse community with people of all backgrounds, lifestyles, family types, and income levels. Many residents also have special housing needs. State law requires the housing element to address the needs of specific “special needs” groups, including seniors, persons with disabilities, large families with children, female-headed households, and people who are homeless. Meeting the needs of these residents requires a broad range of strategies for housing and other services. This section also addresses student and faculty housing. Hayward is home to Chabot College, California State University, East Bay, and various professional and vocational schools. Policies in this section support the production of student and faculty housing in Hayward, to enhance Hayward’s reputation as a great college town. Several policies in the Community Health and Quality of Life Element also support aging in place for senior residents and people with disabilities.

Each of the six major Housing Element goals are supported by multiple supporting policies and strategies that were carefully designed and determined through a years-long community wide public input process that culminated in Council approval of the Housing Element in

December 2014. The full text of the Housing Element document is included with this report as Attachment III.

Regulations

There are several regulations that help implement the goals and policies of the General Plan and Housing Element. Primarily, they are the Zoning Ordinance, the Form-Based Codes, and the Affordable Housing Ordinance, which are briefly described below.

b. ZONING ORDINANCE AND FORM-BASED CODES

The development regulations call out basic development standards, such as density, height, setbacks, parking, etc. The lowest densities allowed in the City are in the upper portions of the hillside around the Stonebrae development and further east, which are zoned Agriculture, with a minimum 160-acre lot size. The highest densities allowed are in the Downtown and range from 65 units per acre for much of the Downtown, up to 108 units per acre at the 11-story City Center site (will likely be revised with the Downtown Specific Plan); and near the South Hayward BART station, where the [Form-Based Code](#) allows up to 100 units per acre at the BART station and on properties directly across Dixon Street from it, and up to 65 units per acre generally within ¼ mile of the BART station. Properties with higher densities could accommodate micro units, or smaller units, but regulations, including those with incentives, would need to be developed that would limit unit sizes and number of bedrooms in such units.

c. AFFORDABLE HOUSING ORDINANCE (AHO)

The stated purposes of the AHO are to:

1. Enhance the public welfare by ensuring that future Residential Development Projects contribute to the attainment of the affordable housing goals set forth in the 2015-2023 Housing Element of the General Plan of the City of Hayward.
2. Require that future Residential Development Projects mitigate their impact on the need for affordable housing in Hayward by contributing to the production of residences in Hayward that are affordable to extremely low, very low, low-and moderate-income households.
3. Increase the production of residences in Hayward that are affordable to extremely low, very low, low, and moderate-income households.

4. Ensure that residences affordable to extremely low, very low, low- and moderate-income households are distributed throughout the City's various neighborhoods.
5. Support the housing objectives contained in State law.

Any development project consisting of 20 or more units is subject to the City's Affordable Housing Ordinance requirements. Those standards indicate such developers shall either:

1. Pay an Affordable Housing Impact Fee equal to \$4.61²/sq. ft. of habitable space for detached ownership units, or \$3.24³/sq. ft. of habitable space for attached ownership units, and \$3.63⁴/sq. ft. of habitable space for rental units; or
2. Include at least 10% of the project's total number of detached units or 7.5% of projects total attached units as on-site affordable ownership or rental housing units; or
3. Construct ownership affordable units off-site if approved by the Decision-Making Body and certain findings are made, such as a determination that the off-site construction will further affordable housing opportunities in the City to a greater extent than construction of the required on-site affordable units; or
4. Provide an alternative that would mitigate the affordable housing impact of a proposed project if the Decision-Making Body finds that such an alternative would provide a greater benefit to the City than the other options explicitly required.

A policy issue worth considering, as has been encouraged by some of the Planning Commissioners, is whether the AHO should be revised to require affordable units to be built within a development project, or that developers could pay an in-lieu fee only with Council approval, versus paying a fee without such special approval as currently allowed. That is similar to the situation that existed some years ago. The downside to doing so may be that such requirement could discourage residential development, or reduce funds in the City's affordable housing funds to provide opportunities for flexibility in use of funds for other affordable housing projects.

² \$5.06/sq. ft. of habitable space if paid at time certificate of occupancy is issued, versus at time of permit issuance.

³ \$4.28/sq. ft. of habitable space if paid at time certificate of occupancy is issued, versus at time of permit issuance.

⁴ \$3.99/sq. ft. of habitable space if paid at time certificate of occupancy is issued, versus at time of permit issuance.

d. STATE POLICIES AND STRATEGIES

Recent changes to State law impact housing development in Hayward. In response to the growing housing affordability crisis throughout California, the Legislature and Governor have recently adopted and signed into law several new provisions that impact how housing, especially affordable housing, is developed in Hayward.

SB-1069: Accessory Dwelling Units (ADU's)

Senate Bill SB-1069, the Accessory Dwelling Unit Act, was signed into law on September 27, 2016 by Governor Jerry Brown⁵, and became effective on January 1, 2017. The law restricts the local governments' authority to impose requirements on second units, commonly known as "in-law units" or "granny flats." The bill, which renames these accessory dwelling units (ADUs), requires that these units be approved ministerially (basically without review by the Planning Commission or City Council) under certain conditions.

Ü SB 1069 reduces parking requirements to one space per bedroom or unit. SB 1069 also prohibits parking requirements if the ADU meets any of the following:

- Is within a half mile from public transit.
- Is within an architecturally and historically significant historic district.
- Is part of an existing primary residence or an existing accessory structure.
- Is in an area where on-street parking permits are required, but not offered to the occupant of the ADU.
- Is located within one block of a car share area.

SB 1069 provides that ADUs shall not be considered new residential uses for the purpose of calculating utility connection fees or capacity charges, including water and sewer service. The bill prohibits a local agency from requiring an ADU applicant to install a new or separate utility connection or impose a related connection fee or capacity charge for ADUs that are contained within an existing residence or accessory structure. For attached and detached ADUs, this fee or charge must be proportionate to the burden of the unit on the water or sewer system and may not exceed the reasonable cost of providing the service.

⁵ See Attachment VI.

SB 1069 provides that fire sprinklers shall not be required in an accessory unit if they are not required in the primary residence.

Local governments must ministerially approve an application to create within a single family residential zone one ADU per single family lot if the unit is:

- contained within an existing residence or accessory structure.
- has independent exterior access from the existing residence.
- has side and rear setbacks that are sufficient for fire safety.

The City's ADU ordinance – Chapter 10-1.245(n) of the Hayward Municipal Code⁶ – is currently out of compliance with respect to these new elements of the State ADU law, and is null and void. Staff is preparing an analysis of options for Council consideration to update and revise the City's ADU ordinance in light of the new State law.

Density Bonus

The City's Density Bonus Ordinance⁷, Article 19 of Chapter 10 of our Municipal Code, is also out of compliance with State Density Bonus Law (DBL), based on several revisions over the last few years, including four bills signed into law last year, which include:

- AB 2442 expands the categories of specialized housing that could qualify a development for a density bonus.
- AB 2501 attempts to clarify and streamline the procedure at the local level, while restating the DBL's objective of producing more housing units.
- AB 2556 answers some of the implementation questions left open by SB 1069 as it relates to the required replacement of affordable units previously onsite.
- AB 1934 provides certain development bonuses for commercial developers that partner with affordable housing developers in conjunction with their commercial projects

Staff is also recommending that our local ordinance be revised to be compliant with State law.

⁶https://www.municode.com/library/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZ_OSU_ART1Z0OR_S10-1.200SIMIREDIRS_S10-1.245MIDEPEST

⁷https://www.municode.com/library/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZ_OSU_ART19DEB0OR

AB-2584: Housing Accountability Act

Assembly Bill AB-2584, the [Housing Accountability Act](#)⁸, was signed into law on September 21, 2016 by Governor Jerry Brown. Among other things, it prohibits a local agency from disapproving a housing development project for very low, low-, or moderate-income households or an emergency shelter or conditioning approval in a manner that renders the project infeasible unless the local agency makes specified written findings, based upon substantial evidence in the record. Generally, the most relevant finding would be that the development project or emergency shelter is inconsistent with both the zoning ordinance and general plan land use designation.

The State laws outlined above are clear indicators of the State's intent and willingness to override local control of housing development decisions to make it easier and less costly for new housing units to be created throughout the State.

e. RECOMMENDATIONS

Staff recommends updating and revising the City's ordinance regarding Accessory Dwelling Units in light of the State law SB-1069 which took effect on January 1, 2017, and which rendered null and void certain provisions of the City's current ordinance related to parking restrictions and water and sewer connection fee requirements for attached second units. Should Council so direct, staff will prepare a revised ordinance for Council's consideration, to be compliant with State law, but also retain as much local control as possible.

Also, as stated previously, there have been recent changes to State law regarding Density Bonus, which has resulted in the City's local ordinance being non-compliant. Staff would also recommend that the City's Density Bonus Ordinance also be revised to be compliant with State law and allow it to remain compliant with future State law revisions, while retaining local control as much as possible.

Strategy Area No. 3. Housing preservation and rehabilitation

⁸ See Attachment V.

Preserving and rehabilitating the existing housing stock in Hayward’s aging neighborhoods is a relatively inexpensive and effective strategy to support housing affordability for current residents, especially low-income seniors and people with disabilities who are at greater risk of being displaced from their homes due to deferred maintenance and deterioration issues in older homes.

Existing Policies and Strategies

a. HOUSING REHABILITATION PROGRAM

The Housing Rehabilitation Program (HRP) works with homeowners to make home modifications that are a cost-effective strategy to helping vulnerable homeowners remain in the Hayward community for as long as possible, to accommodate their increasing physical limitations and minimize impacts to an overburdened emergency services system. The condition or supportiveness of a home not only impacts the homeowner but caregivers and service agents who provide assistance. There are three main barriers to safety and independence in the home: access in and out of the property; falls and trip hazards; and environments that don’t support activities of daily living (bathing, dressing, toileting, etc.).

HRP offers loans or grants for home rehabilitation projects to eligible low-income Hayward homeowners who are senior (62+) or severely disabled. Potential HRP clients either self-refer or are referred by safety personnel, code enforcement, or nonprofit service providers. Alameda County operates a similar program, the Healthy Homes Department (HHD), which administers housing rehabilitation projects for residents of unincorporated Alameda County.

Operating in Hayward since 1986, the Housing Rehabilitation Program (HRP) is a federally funded portion of Hayward’s Community Development Block Grant (CDBG) program. The program has helped over 600 low-income Hayward homeowners to achieve safe and healthy housing and prevent displacement from their homes. The program embraces partnerships and most recently has coordinated efforts with Habitat for Humanity, Rebuilding Together East Bay, and the California Earthquake Authority.

HRP provides financial assistance for a wide variety of projects and repairs that improve accessibility and mobility in the home, correct code violations, or fix major systems failures such as leaky roofs, broken furnaces or faulty plumbing. Assistance is available only to low-income senior and/or disabled Hayward homeowners for projects on their owner-occupied homes. Funds are provided through zero interest deferred loans, or as smaller grants to HUD defined very low-income (50% below the area median income) homeowners without

sufficient equity. City staff manage all rehabilitation projects including environmental review, procurement of contractors, contracting and direct-pay administration.

b. MINOR HOME REPAIR PARTNERSHIPS

The HRP collaborates with two nationally recognized nonprofits to provide needed services to eligible homeowners. Service is provided through annual contracts and performance is monitored monthly to assure outcomes are achieved. Habitat for Humanity offers up to \$20,000 of repairs to qualified mobile homeowners who reside in one of the City's nine mobile home parks. Habitat for Humanity East Bay manages the project from start to finish; for this particular program, only licensed contractors complete the work. Rebuilding Together East Bay completes minor handyman type repairs to single family homes through its Safe at Home Program. Minor home repairs such as installing grab bars and handheld shower heads are completed utilizing skilled and unskilled volunteers led by Rebuilding Together licensed staff.

c. BRACE AND BOLT SEISMIC RETROFIT PROGRAM

The City of Hayward Brace and Bolt Retrofit Program offers free earthquake retrofits to qualified low-income senior and/or disabled residents who own and live in their homes. Repairs are completed by FEMA trained contractors. Brace and Bolt projects are sometimes combined with Housing Rehabilitation Program projects to conduct additional repairs that meet City and HUD criteria. The City additionally offers the [California Earthquake Authority's Brace & Bolt program](#)⁹ for all Hayward homeowners.

For the City of Hayward low-income program, applicants must provide verifiable documentation of eligibility as senior (age 62 and older), certified severely disabled, or HUD qualified low income. Low-income applicants must provide at least two forms of income verification (tax return, SSI/SDI payments, etc.) for all household occupants over the age of 18 years old.

The program offers one-time assistance with a deferred zero-interest loan. Loan repayment is deferred until transfer of title, sale of property or death of borrower, whichever comes first. The loan can be repaid in full at any time. Homeowner must maintain at least twenty percent equity in the home after repairs are complete, and must occupy the property for a minimum of five years after the repairs are complete. Repairs are limited to owner-occupied, single family properties.

⁹ URL: <https://www.hayward-ca.gov/ebb>

The potential for widespread housing displacement in the aftermath of a major seismic event is significant. The Brace and Bolt program is designed to incentivize and support homeowners to undertake retrofit projects that improve their homes' survivability, and thus prevent homeowners from being displaced from housing in the event of a major earthquake.

d. OTHER HOUSING PRESERVATION POLICIES AND STRATEGIES

According to the 2016 Alameda County Plan for Older Adults, by 2040, the senior population is expected to increase regionally to 513,607 which represents an increase of 108%. Other studies of adults at risk of homelessness points to the increasing impact of high housing costs on cost-burdened citizens, particularly seniors on fixed incomes. Low-income households often delay payments for utilities, medication, and food in order to prioritize housing expenses. Hayward's housing challenges are shared by the surrounding community and throughout the state. Lack of supply and rising costs compound inequality and create additional burdens for already vulnerable residents.

The passage of County Measure A1 and subsequent set aside of approximately \$155 million for the creation of affordable housing programs and innovative projects provides a unique opportunity to consider alternative housing products through the HRP. In addition, HUD and the California Housing and Community Development Department (HCD) are relaxing key regulations and encouraging flexibility in land use and housing policies. Within this context, the HRP is exploring the potential of augmenting available rental housing for marginally housed people through accessory dwelling units (ADU's).

There is growing awareness and acceptance of ADU's as an inexpensive and rapid way to increase the affordable housing supply and address illegal units already in existence. ADU's can be classified into three categories: interior; attached; and detached. For the purposes of the HRP, only interior units located within the existing housing space are under review. A case study commissioned by HUD explored how the adoption of ordinances with reduced regulatory restrictions to encourage ADU development can be advantageous for communities as an option to mitigate increases in costs of living. The HRP would restrict approval of ADU's to eligible properties occupied by elderly or low-income owners and further restrict rental access to low-or moderate income applicants such as college students, those entering the workforce, or other cost burdened low-income residents.

The HRP would continue to study the impacts of allowing ADU development in Hayward in coordination with Development Services, the City Attorney's Office, Code Enforcement and the Hayward Housing Authority.

e. RECOMMENDATIONS

Staff recommends exploring the possibility of creating a new Housing Rehabilitation ADU Program that would incentivize and assist homeowners to undertake construction and conversion projects that create new accessory dwelling units in their single-family homes. Should Council so direct, staff will prepare an analysis of program options and potential resources, such as County Measure A1 funds, to support the program.

Strategy Area ÜÇ4: onstruction and acquisition of Ü ffordable Ü

This section discusses the fourth component of the housing affordability strategy, which includes the acquisition, rehabilitation, acquisition-rehab, preservation, and new construction of long-term, deed-restricted affordable units for families, seniors and households with special needs. Rental and homeownership assistance that promotes permanent housing opportunities for households that without such assistance would not be able to afford a home is also part of this strategy.

Often, the creation of new permanent homes subject to long-term affordability restrictions requires local financial investment due to the local contribution requirement of the other major sources of funding for affordable housing. This requirement, which is to gage the support for a specific program or project is also essential for the local project proposals to compete for the bulk of funding provided by those funders. This includes the US Department of Housing and Urban Development (HUD) and the State Department of Housing and Community Development (HCD). Therefore, to the extent that the design and implementation of local projects and programs need to be consistent with the guidelines of the major funders, the guidelines of such funders inform Hayward's affordable housing development policies. Such programs include the HOME Investment Partnership (HOME), the State Low-Income Housing Tax Credit (LIHTC), the Tax-Exempt Multifamily Housing Revenue Bond, and the Community Development Block Grant (CDBG) programs.

At the local level, the major policy-informing documents are the City's Housing Element, the Affordable Housing Ordinance (the AHO), the 2015-2019 Consolidated Plan (and related annual plans and reports) and the Analysis of Impediments to Fair Housing Choice. These last two documents come from the Alameda County HOME Consortium to which the City is a part. All these documents have been approved and/or certified by the City Council within the last two years.

This section describes the policies and related implementation projects and programs aimed at advancing strategy area #4 included in the main local policy-informing policy document: The Housing Element. Programs intended to increase the creation of permanent affordable housing or the resources for its creation currently being explored by other jurisdictions are discussed in this section as well.

Roles

The City of Hayward Housing Authority (the Authority), as Housing Successor to the former Redevelopment Agency (the former RDA), is the local agency responsible for administering funding, projects, and programs aimed at promoting affordable housing opportunities for Hayward residents. Among the powers, duties, and functions of the Authority are to acquire, construct, finance, operate, rehabilitate, refinance, or develop permanent housing affordable to very low-, low-, and moderate-income households. Currently, the City/Authority has one employee, the Housing Development Specialist, dedicated to carrying out these activities and the continued obligations of the former RDA. The staff holding the position accomplishes these functions with the help a team of experts in the field of affordable housing development that usually includes a financial advisor and legal and bond counsel. Other duties of the position include:

- Monitoring the City-wide portfolio of City/Authority-restricted affordable housing units
- Managing and enforcing the former RDA housing assets (loans and affordability covenants)
- Administering the City's Affordable Housing Ordinance
- Serving as the City representative in the Alameda County HOME Consortium and administering the HOME Program funding and activities
- Identifying and pursuing (often in partnership with housing developers) new sources of funding for affordable housing
- Serving as the liaison between the City and the developers and/or providers of affordable housing, and the tenants of the City's affordable housing developments
- Assisting in the formulation and implementation of affordable housing policies
- Responding to audits and preparation of ongoing compliance and performance reports required by the different funding agencies/entities.

The Authority is organizationally housed in the Library and Community Services Department, which also implements and manages social and housing-related services, including services to homeless families and individuals, housing rehabilitation programs for seniors and people with disabilities, and related programs.

Existing Policies and Strategies

f. HOUSING ELEMENT (HE) POLICIES AND IMPLEMENTING PROGRAMS.

Consistent with the overall goal of the HE of ensuring adequate provision for the housing needs of all economic segments of the community, the HE identifies six major goals. The implementing programs for the HE goals directly related to the strategy described in this section are part of HE goals 1, 2, and 6, as follows:

1. Preservation of at-risk housing (HE Program #4)
This program implements HE policy H-1.4 (Preserve At-Risk Units) which establishes that the City shall avoid the loss of assisted housing units and the resulting displacement of low-income residents by providing funds, as available, to non-profit developers to be used for the acquisition of subsidized housing developments at risk of converting to market rate.
2. Mortgage Credit Certificate Program (HE Program #6)
The MCC program allows low- and moderate-income first-time homebuyers to deduct 15% of their annual mortgage interest payments on their federal income tax returns, effectively lowering the dollar amount of their monthly mortgage payments. The MCC is one of the programs that implements HE policy H-2.1 (Homeownership Housing). This policy provides that the City shall encourage the development of ownership housing and assist tenants to become homeowners to reach a [local] 60 percent ownership occupancy rate, within the parameters of federal and state housing laws.
3. Tenant-Based Rental Assistance (HE Program #7)
Through this program, funded with HOME funds, the City implements policy H-6.1 of the HE (Address Special Housing Needs). This policy reads that the City shall address the housing needs of special populations and extremely low-income households through emergency shelters, transitional housing, supportive housing, and single-room occupancy.

4. Affordable Housing Development (HE Program #8)

This program implements most of the policies included in HE Goal H-6 which establishes that the City will “[provide] housing choices that serve the “special needs” populations, including seniors, homeless, female-headed households, large families, and persons with disabilities, including developmental disabilities.” Consistent with HE Goal H-6, HE Policy H-6.1 provides that the City shall address the housing needs of special populations and extremely low-income households through supportive housing, and single-room occupancy units. HE Policy H-6.2 specifically, refers to the promotion of permanent supportive housing for households with special needs; H-6.7 provides that the City shall facilitate and encourage the development of a range of housing types for seniors; and H-6.8 provides that the City shall facilitate and encourage the development of larger rental and ownership units for families with children.

5. Affordable Housing Ordinance

This program is one of the main tools used by the City to implement several housing policies including HE Policies H-2.1 to H-2.4 which are formulated with the goal of assisting in the provision of housing that meets the needs of all socioeconomic segments of the community in mind (HE Goal H-2). For example, in addition to promoting homeownership opportunities for moderate-income individuals (Policy H-2.1), the AHO provides that the developer may request development incentives (Policy H-2.2) in return for providing some affordable housing units – consistent with density bonus law. Additionally, the AHO is a tool that promotes inclusionary housing (Policy H-2.3) by encouraging “... a mix of affordability levels in residential projects and encourage the dispersal of such units to achieve greater integration of affordable housing throughout the community.” (Policy H-2.4)

6. Boomerang Funds (HE Program #18)

The HE established that the City shall consider options for allocating a portion of unrestricted City General Funds received as part of a one-time distribution of liquidated Low-Moderate Income Housing Trust (Low-Mod) Funds of the former RDA (aka “Boomerang Funds”) for the development of affordable housing. To the extent that funds from a Boomerang program are used for its intended purpose (Affordable Housing Development), such program would implement several HE policies. However, the City has not implemented this program.

7. Housing Choice Vouchers (HE Program #20)

The HE establishes that the City shall continue to participate in the Housing Choice Voucher (Section 8) Program, administered by the Alameda County, with a goal of

providing rental assistance to lower-income residents and that the City shall work with the Alameda County to maintain, or, if possible, increase the current number of vouchers for Hayward residents. Although the document lists H-2.4 as the only policy this program implements, the program also helps implement several other HE policies, including the provision of housing opportunities for large families and extremely low-income households.

8. Student Housing

The HE includes two policies related to student and faculty housing. H-6.9 states that the City shall engage and work with the two higher education institutions of the City to “...provide housing accommodations for students, faculty and employees that reflect the housing needs and preferences of their respective institutions.” H-6.10 states that the City shall support the development of student and faculty housing within the City’s Priority Development Areas (excluding the Cannery Transit Neighborhood). Currently, there isn’t a related implementing HE program. Therefore, the development of student housing can be further explored.

g. RESOURCES AND FISCAL IMPACTS

The following are the current sources of funding available for the implementation Strategy # 4, particularly for the creation of new permanent affordable housing in Hayward and the provision of rental and homeownership assistance that promotes permanent housing opportunities:

Affordable Housing Ordinance Trust Fund

On January 27, 2015, Council approved an Affordable Housing Ordinance (AHO)¹⁰ which, like the former Inclusionary Housing Ordinance (IHO), applies to both for-sale and rental residential developments consisting of twenty or more units.¹¹ At the same time, Council also approved a resolution establishing the AHO Impact Fees which, unlike the IHO in-lieu fees, are to be based on the square footage of the proposed projects’ livable spaces.

Pursuant to the AHO, developers of for-sale residential developments may comply with the AHO requirements in various ways, including: paying the AHO Impact Fees; including on-site

¹⁰ This report may be found at: [CITY OF HAYWARD - Meeting of City Council on 1/27/2015](#) – See item # 11

¹¹ A copy of the Affordable Housing Ordinance is available online at: http://www.hayward-ca.gov/sites/default/files/documents/CH10A17_eff033115.pdf

for-sale affordable units; or proposing other alternatives that would mitigate the affordable housing impact of the proposed residential development project.

All new rental projects with twenty or more units are required to pay the AHO Impact Fees, calculated in the same manner as the fees for for-sale developments. No affordable units are required to be included in any rental residential project that does not receive City assistance as described in § 10-17.310 of the AHO. However, as an alternative to paying AHO Impact Fees or providing for-sale units on for-sale residential projects, an applicant may propose to provide 7.5% of attached dwelling units and 10% of detached dwelling units as affordable rental units.¹²

Since Council's adoption of an Ordinance Providing Interim Relief from Certain Inclusionary Housing Provisions (the "Relief Ordinance") at the end of 2010¹³ which allowed developers to pay the fees by right, all residential developers subject to the affordable requirements have chosen to pay in-lieu and AHO impact fees. To date, the balance of the fees is approximately \$3.3 million. These funds have been received for the most part during the last eighteen months and have been deposited in the City's AHO Trust Fund (Fund #285). The use of the fees for a specific project is subject to Council approval but must be used to create new long-term permanent affordable homes that benefit very low-, low-, and moderate-income workers subject to long-term restrictions.

Housing Authority Fund

As part of the elimination of Redevelopment Agency, in 2011, the City Council elected for the City not to retain the housing assets and functions previously performed by the former RDA. Instead, Council designated the Hayward Housing Authority to serve as the successor housing agency effective February 1, 2012. In doing so, the Authority accepted all rights, powers, duties, obligations, and housing assets, with specified exceptions, of the former RDA. This designation of the until-then-dormant Authority as "Hayward's Housing Successor Agency" to the former RDA permitted the City to: a) retain the former RDA housing assets, b) receive all repayments on loans made by the former RDA to affordable housing projects throughout the City; and c) to receive repayments of amounts borrowed from the former RDA's Low and Moderate-Income (Low-Mod) Housing Fund.

¹² If this option is chosen, 50% of those units must be made available at affordable rents to low-income households and 50% at affordable rents to very low-income households for a minimum of 55 years.

¹³ Inclusionary Housing Interim Relief Ordinance.

In FY 2010 and FY 2011, the City's former RDA borrowed moneys from the Low-Mod funding balances totaling approximately \$3.9 million to make the State-mandated SERAF¹⁴ payments. The State has now repaid all the SERAF loans and, in absence of the former RDA, they were remitted directly to the Authority.

Payments of outstanding loans from affordable housing projects and from participants of the original First-Time Homebuyers' Down Payment Assistance Program (FTHB DAP) are also being repaid to the Authority.

As of the date of this report, the Authority has an uncommitted project-related fund balance of approximately \$4.5 million mostly from recent loan repayments, including FTHB DAP and the SERAF loans. Consistent with laws governing the use of Low-Mod funding, a 10% allowance has been set aside to pay for the operations of the Authority.

HOME Investment Partnerships Fund

Since 1991, the City of Hayward has been part of the Alameda County HOME Consortium (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 an allocation of federal HOME Investment Partnership (HOME) funds since FY 1992.

The City's participation in the Consortium not only ensures an annual allocation of HOME funds but also alleviates the administrative burden of the funds. As the representative of the Consortium, the County of Alameda Department of Housing and Community Development 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.

HOME funds must be used for HOME-eligible housing-assistance activities, including acquiring, rehabilitating, and constructing high-quality, sustainable permanent housing affordable to low-income households (those earning incomes at or below 80% of the area median income (AMI))¹⁵ adjusted for household size, as well as providing homebuyer and tenant-based rental assistance.

¹⁴ AB 26 x4-mandated Supplemental Educational Revenue Augmentation Fund (SERAF) payments required of redevelopment agencies to fund school districts and the county office of education.

¹⁵ As of the date of this report, the 80% figure in Alameda County for a family of four is \$71,600.

In previous years, HOME funds were used to help finance the construction of the Glenn Berry and Sara Conner Court Apartments, the rehabilitation of Huntwood Commons and Tennyson Gardens Apartments, the acquisition and rehabilitation of Leidig Court Apartments, and the acquisition of Cypress Glen Apartments.

Most recently, HOME funded-projects include Weinreb Place, aka Hayward Senior Housing II apartment complex, and the South Hayward BART affordable housing project, now renamed Alta Mira Apartments. Long-term affordability covenants have been recorded on all these properties to ensure they benefit local income-eligible households for generations to come. Since 2009, funds have also been set aside to pay for rental subsidies for participants of Project Independence, a program that provides supportive services and rental subsidies to emancipated youth (youth from 18 to 24 who have aged out of the foster care system). Since the implementation of the Project, the City’s contributions of HOME funding have helped house over two hundred fifty (250) Hayward emancipated youth who would have otherwise become homeless. At any point in time, the Hayward Project supports an average of twelve at-risk former foster youth, some of whom are parents themselves with custody of their children.

Despite its significant reduction by the federal government, HOME funding continues to be critical to further the City’s goal of providing quality affordable housing and preventing homelessness to the extent that it must be used to acquire, rehabilitate, and construct long-term deed-restricted affordable housing and to provide rental subsidies to at-risk households. Hayward’s available uncommitted balance from its federal FY 2016-17 (October 1st, 2016 to September 30, 2017) HOME allocation is \$183,057. The average annual Hayward allocation of HOME funding for projects and programs during the previous three years was \$250,000. It is uncertain what the allocation will be with the new federal government administration.

In sum, the following are the current balances of the City of Hayward funding sources for permanent affordable housing development in Hayward:

Table A: Current Balances of City of Hayward (COH) Affordable Housing Funds

Housing Authority	\$ 4,493,973
Inclusionary/Affordable Housing Ordinance Trust Fund	\$ 3,311,863
HOME Investment Partnership Funds	\$ 183,058
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The above table summarizes only the City of Hayward funding sources; however, a new funding source for affordable housing was approved by the Alameda County voters during the last elections: the Alameda County General Obligation Bond for Affordable Housing.

Alameda County Affordable Housing General Obligation Bond (Measure A1)

On November 8, 2016, Alameda County voters approved a \$580 million County-Wide General Obligation (GO) Bond issuance to generate revenues for affordable housing-related programs and projects in jurisdictions throughout Alameda County. This is a major, significant new resource. The GO Bond will dramatically improve Hayward's ability to build new affordable homes, especially rental housing in the near term.

The GO Bond includes a base allocation of \$100 million to the City of Hayward for affordable rental housing development in Hayward. It also includes a competitive \$100 million regional funding pool for affordable rental housing development in the mid-County region of which Hayward is a part. The primary focus of the GO Bond's direct jurisdictional allocations is to create new permanent affordable rental housing units. However, although the size has not yet been determined, the bond programmatic proposal allows the option for jurisdictions to set aside a portion of their allocation for rental housing for the creation of crisis/transitional housing. An additional \$100 million will be placed in a County-wide pool for innovation projects and opportunities including anti-displacement-related rental housing development projects.

The GO Bond also includes \$120 million for new County-wide affordable home ownership programs such as a down payment assistance program, an owner-occupied home preservation program, and a homeownership development program. The latter program would permit funding for sweat-equity affordable ownership programs such as the Habitat for Humanity program.

Council held a work session on October 18, 2016 in which the details of the GO Bond were discussed in detail.¹⁶

h. OTHER POLICIES AND STRATEGIES TO INCREASE RESOURCES AND AFFORDABLE HOUSING OPPORTUNITIES

Due to the widespread affordable housing crisis, jurisdictions and professionals in the affordable housing field throughout the County have been exploring mechanisms to expand the resources for the creation of affordable housing and different policies and programs to develop or increase the supply of new affordable housing. Although most of these policies and programs are of regulatory and land use/zoning nature, some deal with the expansion and/or

¹⁶ This report may be found at: [CITY OF HAYWARD - Meeting of City Council on 10/18/2016](#) – See item #11

utilization of existing affordable housing resources to build more affordable housing in light of both the crisis and the declining availability of Federal and state funding.

The following are some of the best practices discussed in reports or research literature that deal with the expansion of resources for affordable housing or for its actual construction:

Small Site Acquisition and Management

One of the alternatives being explored by jurisdictions and nonprofit organizations to solve the affordable housing crisis is the acquisition and rehabilitation of small sites/buildings (buildings with twenty units or less). One of the advantages of this approach is that it helps low and moderate-income residents already living in those small buildings stay in their homes. San Francisco, for example, has developed a small site acquisition program and set aside funds specifically for such a program.¹⁷

There are several limitations for the implementation of small-site acquisition program, however. According to a study recently published by the Oakland Housing Cabinet¹⁸, nonprofit organizations have found that managing and maintaining small buildings is more difficult as they don't have the economies of scale of larger buildings. Also, according to San Francisco staff¹⁹ for a small-acquisition program/model to work, it needs: a) a new approach to property and asset management; b) a nimbler acquisition process and a willing seller because competing with private investors in hot market leaves nonprofits little choice of properties; c) tenant education and engagement to ensure full compliance and eligibility for public subsidies; and d) most importantly, a high average local subsidy per unit because this is not a model that qualifies for Low Income Housing Tax Credits (LIHTCs), for example, and because it requires 100% acquisition financing up front to ensure fast acquisition and permanent affordability.

Ground Leases of Publicly-Owned Land²⁰

¹⁷ Rick Lewis and Traci Parent, Presentation at the Innovative Approaches to Solve the Housing Crisis Symposium held on August 8, 2016 and organized by the Federal Reserve Bank of San Francisco.

¹⁸ Oakland At Home: Recommendations for Implementing A Roadmap Toward Equity from the Oakland Housing Cabinet. City of Oakland and Enterprise. 2016 – Accessed at: <https://www.enterprisecommunity.org/resources/oakland-home-recommendations-implementing-roadmap-toward-equity-oakland-housing-cabinet>

¹⁹ Rick Lewis and Traci Parent, Ibid.

²⁰ This and the following two program models (Mechanisms to Restrict the Use of Publicly-Owned Land After Sale and Community Land Trusts) are for the most part extracts of pages 7 – 10 from: Gentrification Response: A survey of Strategies to Maintain Neighborhood Economic Diversity. NYU Furman Center. October 2016 – Accessed at http://furmancenter.org/files/NYUFurmanCenter_GentrificationResponse_26OCT2016.pdf.

To the extent that it is available, land at no or reduced cost can be a crucial leveraging subsidy for housing development that cities can provide due to the fact that the price of land accounts for a substantial amount of the cost of building new housing in high demand areas. City-owned land need not be vacant to be useful; government-owned buildings may be redeveloped into affordable units or have affordable units added on top of them. When land is used this way, cities can structure the assistance in a number of ways to promote the long-term affordability of the housing on the site. For example, cities can utilize ground leases.

With a ground lease, cities maintain ownership of the land while renting it out on a long-term basis (often 75 to 99 years) to a developer. The lease with the developer can establish the terms of the affordability requirements. The benefit of leasing the land, rather than selling it, is that the land remains within the City's control once the lease is over. The disadvantages of ground leases, however, are that they result in less revenue for cities than a sale and that, by retaining ownership, the City, as landlord, retains some legal obligations to the property. To further the affordability of the units, ground leases may need to be paired with other housing subsidies.

Mechanisms to Restrict Use of Publicly-Owned Land After Sale

When a city transfers its land to private ownership for the creation of affordable housing, it can ensure the long-term affordability of units on that property through either: a) a restrictive covenant (a deed restriction limiting land uses that “run with the land”) or b) a restrictive declaration, which is an agreement between a government actor and a private party that is recorded against the property and runs with the land, binding future owners – just as a restrictive covenant does.

Restrictive covenants are the legal instruments the City has used to memorialize and enforce the long-term affordability and occupancy requirements of all properties it has invested any type of local resource in, including former RDA-owned property.

Community Land Trusts (CLTs)

A CLT for affordable housing is non-profit entity that owns land (transferred to it by a government entity) that it stewards to ensure the long-term affordability of the properties on the land. The benefits of CLTs are that, by removing the cost of land, a CLT allows the units on the land to be sold or rented for more affordable prices. The CLT then provides a long-term lease to the building owner to ensure the affordability of the housing. Also, transferring city-owned land into a CLT can help ensure its long-term affordability and insulate it from a city's changing political priorities over time. Finally, transfer of the land

into a CLT also passes responsibility for maintenance and enforcement from the City to the CLT. The drawback of this model is that, by relinquishing city-owned land to a CLT or any other entity, the city gives up control of the land to the trust – although a deed restriction can stipulate that should the CLT dissolve, the land reverts back to city ownership. Naturally, this model assumes that the city owns or has the resources to purchase land for transfer to the CLT.

Examples of existing CLTs in the Bay Area are: The Bay Area Community Land Trust (BACLt), the Housing Land Trust of Sonoma County (HLTSC), the Northern California Land Trust (NCLT), San Francisco Community Land Trust (SFCLT), the Community Land Trust of West Marin (CLAM), Oakland CLT (OAKCLT), and PAHALI (East Palo Alto).

Shared Housing

The approach described here does not deal with roommate-kind-of arrangements described in previous sections; rather, this model refers to the acquisition and rehabilitation or new construction of housing that can accommodate, often, persons with special needs paired with supportive services, case management and service coordination along with property management in a communal setting. An example of this approach is currently implemented by the Housing Consortium of the East Bay (HCEB), a non-profit organization located in Oakland, CA. HCEB partners with for- or non-profit developers to secure set-aside units in larger rental communities or to develop shared housing for low-income individuals with special needs, such as developmental disabilities, throughout Alameda and Contra Costa counties. Currently, HCEB has properties in twelve cities in both counties serving a total of 300 tenants – 95% of them earning 20% of AMI or less.²¹

i. PROGRAMS TO EXPAND AFFORDABLE HOUSING RESOURCES

As explained in the staff report for the public hearing held on September 27, 2016 regarding the update of the AHO Impact Fees²², cities are exploring different financing programs to generate revenue to address the housing affordability crisis. The following are some of those programs:

Commercial (Linkage) Fees

A financing program considered or adopted by some area jurisdictions are the non-residential (commercial) fees, also called Housing Linkage Fees (the “Linkage Fees”).

²¹ More information about this organization and its mission may be found at: <http://hceb.org/>

²² This report may be found at: <https://hayward.legistar.com/LegislationDetail.aspx?ID=2843826&GUID=CC715F0D-9DF3-4E6E-A31C-8C925E53819A&Options=&Search=>

Linkage Fees are a form of impact fee assessed on new commercial developments based on the need for workforce housing generated by new and expanding businesses. Revenues generated by the Linkage Fees are then used to help fund the development of affordable housing.

As explained in the September 27, 2016 report, to take advantage of a relatively affordable, regional effort of several Alameda and Santa Clara County jurisdictions, the City recently commissioned a non-residential nexus study that was prepared by Keyser Marston Associates Inc. (KMA). Due to the high incomes that working families need to afford housing in the area, the study found that the maximum supportable non-residential fees are very high for all the commercial prototypes analyzed. However, the City's Economic Development (ED) staff who evaluated the results of the study, concluded that the adoption of additional development fees at this time may not be advisable because market demand for most commercial development in Hayward is not yet strong enough and that, given the uncertainty as to what nearby jurisdictions who also participated in the study would adopt, the City decided to wait and see what those jurisdictions adopt (if anything) so as not to be placed at a comparative disadvantage.

Council seemed to have agreed with ED staff's recommendation by expressing a unanimous rejection of the idea to develop a Linkage Fee program. Nevertheless, this financing mechanism is an alternative that Council can always revisit as, as KMA study suggested, the key for a linkage program to work is that the fee level needs to be based on market strength, local policy, and sustainability with the general goal of not altering development decisions or drive activity to other jurisdictions. In other words, a program could be designed to generate some funding for affordable housing and yet not discourage commercial development.

Property Tax Incentives²³

As the value of real estate in a neighborhood increases, property taxes rise as well. The burden that this creates for property owners presents an opportunity for cities to use property tax relief to prevent displacement of vulnerable homeowners. When targeted towards rental properties, the tax benefit can be used to create affordable housing opportunities. When used for creating affordable housing opportunities, the property tax benefit can have rules that require owners to maintain a certain portion of their units at affordable rents for some period of time or that the units benefitting from the tax break enter into a rent stabilization program that slows their rent growth. The limitations of this mechanism are that a bottom-line-minded owner will only be interested in trading off a tax

²³ This is also a reference from: Gentrification Response, Ibid, pages 10-11.

break in exchange for affordability if the tax break is sufficient to make it worthwhile to forgo raising the rents to market. Also, cities have to forgo substantial tax revenue to entice owners into keeping units affordable for any significant length of time.

Enhanced Infrastructure Finance District (EIFD) Focused on Affordable Housing

The above-cited Oakland Cabinet study, has recommended that Oakland explores the establishment of an EIFD focused on affordable housing. The EIFD is a funding tool that allows a portion of future property taxes from new buildings to be reserved to pay for infrastructure, community facilities and affordable housing. The tax increment generated by EIFDs cannot be used for service or operating expenses. The limitation of EIFDs are that, unlike former Redevelopment, EIFD tax increment can only be used to pledge the taxes of taxing agencies that agree and they cannot include school districts. Additionally, while no voter approval is required to establish an EIFD, a vote of 55% for those in the district is required to issue bonds against future tax increments. This is the primary purpose of an EIFD.

General Fund Allocation including former RDA “Boomerang Funds”

As mentioned previously, the Policy Document of the HE established that the City shall consider options for allocating a portion of unrestricted City General Funds received as part of a one-time distribution of liquidated Low-Mod Funds of the former RDA (aka “Boomerang Funds”) for the development of affordable housing. According to an analysis from the County Auditor’s Office, since the elimination of Redevelopment (FY 2012) to the end of FY 2016, the City has received a total of $\$10.5$ million in residual payments. The City, however, has not implemented a Boomerang Fund program given the ongoing deficit in the General Fund and the need to continue ongoing critical services to the community, like police, fire, and maintenance.

Other Revenue-Generating Programs

The City may consider exploring other revenue-generating programs currently implemented by other cities such, including the use of hotel taxes generated by Airbnb/VRBO units to fund housing policy enforcement or the use of unrestricted proceeds from the sale of public land not used for housing for affordable housing. Staff has not embarked on extensive research on these options and does not recommend doing so at this point given limited staff resources.

j. NEXT STEPS

Projects Approved and Projects in the Pipeline

On November 15, 2016, staff presented to Council a report on the proposed uses of the balances of the three local affordable housing funding sources described above (Authority, HOME, and AHO Impact Fund).²⁴ The November 15 work session report to Council was prepared prior to the approval of the GO Bond by the voters. For that reason, the report assumed that the local balances would be the only resources available to fund the financing gap of the affordable housing projects described in the report. This included the ten-unit, Sequoia Grove homeownership project by Habitat for Humanity/East Bay Silicon Valley (Habitat), the acquisition and substantial rehabilitation of the sixty-two-unit Faith Manor apartment complex in connection with the rehabilitation of the existing ninety-six-unit affordable complex, Tennyson Gardens, and the potential development of twenty affordable ownership homes at a City-owned property, also by Habitat.

The current GO Bond programmatic proposal requires that jurisdictions provide a financial contribution (a match) toward local rental projects that receive a funding allocation from the GO bond. For this reason, depending on readiness, staff still plans to bring forward the projects described in the report for the November 15, 2016 meeting, for consideration by Council. However, the local financial investment recommended would be considered to the extent it leverages both the direct allocation and the competitive regional pool of the GO Bond/Measure A1 funding.

Measure A1 Funding NOFA/RFP

In addition to bringing forward the above project proposals, staff plans to issue a Notice of Funding Availability (NOFA) and/or a Request for Proposals (RFP) to solicit project proposals for affordable housing development that advance Council priorities and the City's HE policies as related to permanent affordable rental housing development. Particularly, the NOFA/RFP would solicit proposals that "...focus on rental housing affordable to lower-income households with special needs (e.g., seniors, extremely low-income households, and persons with disabilities, including developmental disabilities), especially projects that promote the City's goals relating to transit-oriented development and jobs/housing balance" or, to the extent funding from GO Bond (aka Measure A1) funding for transitional housing is available, on projects for development of "...emergency shelters, and transitional and supportive housing programs for the homeless and those who are at risk of becoming homeless."

The NOFA is a great tool to solicit proposals that implement the City's HE policies and Council priorities and to target the funds, say, in a specific policy or geographic area. The City of Oakland, for example, is considering to "revamp" its NOFA process to give priority to proposals that pursue Affordable Housing and Sustainable Communities program (AHSC)

²⁴ URL: <https://hayward.legistar.com/LegislationDetail.aspx?ID=2882099&GUID=BF927A7E-9217-487E-BA85-BA3AD286226F&Options=&Search=>

funding.²⁵ The AHSC program is a component of the Greenhouse Gas Reduction Fund (GGRF) that supports the preservation and creation of affordable housing and transportation infrastructure. AHSC funds prioritize projects that enhance community connectivity such as pedestrian and bicycle networks and improved access to BART and AC transit stations. The prioritization of proposals that leverage AHSC funding, also leads to a priority for transit-oriented developments, as, in addition to access, the program favors connectivity.

The NOFA process can include a point system whereby new construction vs. acquisition-rehab or a specific RHNA income level is targeted. Also, to the extent permitted by fair housing law and the major funders, priority can be given to proposals for the creation of units that serve a specific population such as the ones already identified in the HE, including seniors, large families, students, persons with disabilities, and homeless, at-risk of becoming homeless, or formerly homeless families and individuals.

The purpose of the NOFA would be to be able to access Measure A1 funding when those funds are available. Staff anticipates the first issuance to take place in the early fall of 2017. Thus, the City NOFA or RFP could be issued before or soon after the first GO Bond issuance. Both the issuance of the NOFA and the approval of funding for the higher-ranking proposals would have to be vetted by the City Council at a future meeting date. The Council would have the ability to review the funding priorities identified in the NOFA prior to its release and staff anticipates providing a more robust analysis and discussion of the costs/benefits of new construction vs. acquisition/rehab in that report to Council.

Amending the Affordable Housing Ordinance.

Council has also asked staff to prepare a Nexus Study to possibly update and amend the AHO to require developers of Ü Ü Â Ü to provide affordable units on site²⁶. This Study would also evaluate the economic impacts of this revised policy. Developers currently have several options for compliance, including the payment of AHO Impact Fees. For-sale housing developers may also comply with the AHO by including on-site for sale affordable units, by constructing for-sale off-site affordable units, if approved by Council, or by providing rental affordable units if consistent with the Costa Hawkins Act. Developers may also propose additional alternatives that would mitigate the affordable housing impact of a proposed project, if approved by Council. While this analysis is ongoing, Council requested that an item

²⁵ Oakland At Home, Ibid, Page 37.

²⁶ To be consistent with the Palmer decision and the Costa Hawkins Act, the City cannot require developers of rental housing to provide affordable units unless they receive funding or regulatory assistance of some type and enter into an agreement with the City.

be brought forward in the near term to increase the AHO fees so that they come closer to the maximum identified in the original Nexus Study.

As explained in the November 15, 2016 work session cited above, the developers' decision to provide the affordable units, to pay the Fees, or to propose any other alternative is a financial decision. Currently, the low level of Hayward's fees incentivizes residential developers to pay the fees rather than providing the units.

If Council desires to revisit the AHO requirements for for-sale developments so developers must provide the required units rather than pay the fees, the AHO would have to be amended. For this to happen, an economic feasibility study would likely need to be undertaken to make sure that the program requirements help the City meet the City's affordable housing goals without rendering market rate residential projects infeasible (or only marginally feasible), thus discouraging residential development in the City. Accordingly, it is important to note that this was the reason that Council adopted a low level of AHO Impact Fees early in 2015: to ensure that the new fees did not discourage local residential development. Council was particularly sensitive to the concerns from market-rate residential developers, voiced at the meetings leading to the adoption of the AHO, that new or higher rates would render their projects infeasible. The Building Industry Association (BIA), particularly, suggested that it would certainly not support any increases above and beyond the fees considered by Council at that moment (the fees at the Relief Ordinance fee levels).

Therefore, the adoption of both the AHO and the associated impact fees reflect the desire by Council to balance the desire to enact an ordinance that could potentially result in the creation of more affordable housing and the concerns of the market-rate residential development community that new and higher fees would be detrimental to their projects and therefore limit the development of new housing in the City. However, if further directed by Council to pursue this discussion, staff could bring forward an item for the approval of a professional services contract with a consultant to update the Nexus Study to possibly amend the AHO. In the meantime, staff will return in the near term with the increase to the AHO fees based on the current Nexus Study.

First-Time Homebuyer Down Payment Assistance Program

On March 22, 2016, Council considered a resolution authorizing the use of \$1.5 million in available Hayward Housing Authority fund balance to implement a First Time Homebuyer Down Payment Assistance Pilot Program. At that time, Council opted to defer action on the program until after a more robust discussion of housing resources at a later time. The proposed program, if Council in its role as the Housing Authority Board had taken action to authorize it at that time, would have been implemented at the beginning of FY 2017, and

would have provided approximately 42 loans during the two-year pilot period.

The FTHB program, if ultimately re-established by Council, would provide several benefits to Hayward residents:

- 1) The Program is a primary implementation strategy for achieving the City's policy and the Housing Element's goal of increasing the homeownership rate in Hayward.
- 2) The Program fosters the City's economic diversity and social integration as it allows moderate-income households to stay in Hayward and work here, or to afford living in different areas of Hayward where they would not be able to afford otherwise.
- 3) The Program will help increase home sales in Hayward which contributes to the local economic recovery through attracting consumers of goods and services to own homes in Hayward and increasing the local transfer and property tax base.

For the reasons outlined above, staff recommends temporarily restoring the First Time Home Buyers Down Payment Assistance Program for moderate-income households. Should Council so direct, staff will prepare and bring forward to Council, in its role as the Housing Authority Board, a proposal to implement the Program at the beginning of FY 2018.

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Staff recommends the following next steps for action and potential implementation within the next three to six months:

1. RESIDENTIAL RENT STABILIZATION ORDINANCE – ADDITIONAL STUDY

Additional study of the existing Residential Rent Stabilization Ordinance is needed to identify how the ordinance could be revised to potentially strengthen tenant protections and/or expand existing protections to more rental units, while also balancing the interests of landlords who are constitutionally entitled to a 'fair rate of return' on their investments. Should Council so direct, staff will commission such a study for Council's further consideration at a later date.

2. UPDATE AND REVISE THE CITY'S ORDINANCE REGARDING ACCESSORY DWELLING UNITS.

State law SB-1069 regarding accessory dwelling units took effect on January 1, 2017, and rendered null and void certain provisions of the City’s current ordinance related to parking restrictions and water and sewer connection fee requirements for second units. Should Council so direct, staff will prepare for Council’s consideration a revision ordinance to bring the municipal code into compliance with State law while preserving local control over housing decisions to the greatest extent possible.

3. EXPLORE OPTIONS TO DEVELOP A NEW HOUSING REHABILITATION ADU PROGRAM

A new Housing Rehabilitation ADU Program could potentially incentivize and assist homeowners to undertake construction and conversion projects that create new accessory dwelling units in existing single-family homes. Should Council so direct, staff will prepare an analysis of program options and potential resources, such as County Measure A1 funds, to support the program.

4. ISSUE NOFA/RFP FOR AFFORDABLE RENTAL HOUSING DEVELOPMENT PROJECTS

Staff recommends the City issue a Notice of Funding Availability (NOFA) and/or a Request for Proposals (RFP) to solicit project proposals for affordable housing development that advance Council priorities and the Housing Element policies related to permanent affordable rental housing development. Staff further recommends that the NOFA/RFP emphasize proposals that “...focus on rental housing affordable to lower-income households with special needs (e.g., seniors, extremely low-income households, and persons with disabilities, including developmental disabilities), especially projects that promote the City’s goals relating to transit-oriented development and jobs/housing balance” or, to the extent funding from GO Bond (aka Measure A1) funding for transitional housing is available, on projects for development of “...emergency shelters, and transitional and supportive housing programs for the homeless and those who are at risk of becoming homeless.”

5. EVALUATE AFFORDABLE HOUSING ORDINANCE AND ASSOCIATED IMPACT FEES

Staff recommends returning in the near term to Council with a proposed increase to the AHO fees that would bring these fees in alignment with the findings and recommendations in the current Nexus Study. If also directed by Council, staff could bring forward an item for the approval of a professional services contract with a consultant to update the Nexus Study to possibly amend the AHO so as to require developers of for-sale housing to provide affordable units on site. This Study would also evaluate the economic impacts of this revised policy. Developers currently have several options for compliance, including the payment of AHO Impact Fees. For-sale housing developers may also comply with the AHO by including on-site for sale affordable units, by constructing for-sale off-site affordable units, if approved by

Council, or by providing rental affordable units if consistent with the Costa Hawkins Act. Developers may also propose additional alternatives that would mitigate the affordable housing impact of a proposed project, if approved by Council.

6. REACTIVATE THE FIRST TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

Staff recommends the reactivation of a dormant yet critically important housing program: the First Time Homebuyer Down Payment Assistance Pilot Program. On March 22, 2016, staff recommended temporarily restoring the First Time Home Buyers Down Payment Assistance Program for moderate-income households starting at the beginning of FY 2017. At that time, Council deferred action on that recommendation pending a more robust discussion of housing affordability strategies and resources. Should Council so direct, staff will prepare and bring forward to Council, in its role as the Housing Authority Board, a proposal to implement the Program at the beginning of FY 2018.

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Attachment III	City of Hayward - Housing Element
Attachment IV	State of California - Senate Bill (SB) 1069: Accessory Dwelling Units
Attachment V	State of California - Assembly Bill 2584: Housing Accountability Act
Attachment VI	County of Alameda - Affordable Housing General Obligation Bond (Measure A1) Program Summary
Attachment VII	City of Hayward - FAQ: Affordable Housing Ordinance Guidelines
Attachment VIII	City of Hayward - FAQ: Residential Rent Stabilization Ordinance
Attachment IX	City of Hayward - Affordable Housing Ordinance
Attachment X	City of Hayward - Resolution Increasing Affordable Housing Impact Fees
Attachment XI	City of Hayward - Residential Rent Stabilization Ordinance
Attachment XII	City of Hayward - Resolution Amending Residential Rent Stabilization Ordinance
Attachment XIII	Resumen Ejecutivo en Español – (Executive Summary Spanish Translation)

Reference Links / Additional

- California Housing and Community Development Department, California's Housing Future: Challenges and Opportunities, January 2017 Public Draft. <http://www.hcd.ca.gov/policy->

[research/plans-reports/docs/California's-Housing-Future-Full-Public-Draft.pdf](#)

- Alameda County HOME Consortium. Analysis of Impediments to Fair Housing Choice. 2014. <http://bitly.com/impediments-to-fair-housing-choice-2014>
- Association of Bay Area Governments. People, Places and Prosperity. 2014. <http://reports.abag.ca.gov/ppp/2015/section-2.php>
- City of Hayward. Affordable Housing Ordinance. 2015. http://www.hayward-ca.gov/sites/default/files/documents/CH10A17_eff033115.pdf
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- City of Hayward. Current Strategies to Address Homelessness, Hunger, and Disruptive Street Behaviors in Alameda County and Hayward. 2015. <http://bitly.com/homeless-report>
- City of Hayward. Authorization of Near-Term Strategies to Assist Homeless Individuals in Hayward. 2015. <http://bitly.com/homeless-strategies>
- Everyone Home. Ending Homelessness in Alameda County. 2015. <http://everyonehome.org>
- United States Interagency Council on Homelessness. Achieving Functional Zero Veteran Homelessness. 2015. <https://www.usich.gov/goals/veterans>
- United States Interagency Council on Homelessness. People Experiencing Chronic Homelessness. 2015. <https://www.usich.gov/goals/chronic>
- Alameda County HOME Consortium 2015-2019 Consolidated Plan: http://www.acgov.org/cda/hcd/documents/FY_2014_CAPER_Client_File_1up.pdf
- 2014 Final Report of the Residential Nexus Analysis and Financial Feasibility Analysis: <https://hayward.legistar.com/MeetingDetail.aspx?ID=454159&GUID=6980F6E4-B56F-4638-AFA1-548E73417972&Search> - See Attachment IV to agenda item # 11.

...LOOKING FORWARD

2040



HAYWARD GENERAL PLAN



Hayward 2040 General Plan

Housing Element

December 2014



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POLICY DOCUMENT: PART 3

HOUSING ELEMENT

The purpose of the Housing Element is to achieve an adequate supply of decent, safe, and affordable housing for Hayward’s existing and future workforce, residents, and special needs populations. Housing Element law is designed to ensure that low-income families are not excluded from opportunities in all communities and to promote economic and environmental sustainability throughout the region. The Housing Element strives to conserve the city’s existing housing stock, while providing opportunities for new housing for all economic segments of the community.

State Housing Element law requires that local jurisdictions describe and analyze the housing needs of their community, the barriers or constraints to providing that housing, and actions proposed to address these concerns over an eight-year period. In addition, Housing Element law requires each city and county to accommodate its “fair share” of projected housing need over the Housing Element planning period. Cities and counties must demonstrate that adequate sites are available to accommodate this need, and that the jurisdiction allows for development of a variety of housing types. This housing need requirement is known as the Regional Housing Need Allocation (RHNA) and apportions to each jurisdiction its portion of the Bay Area’s projected need.

To make adequate provision for the housing needs of all economic segments of the community, the Housing Element establishes goals, policies, and programs to:

- Conserve and improve the condition of the existing affordable housing stock;
- Assist in the development of housing affordable to low and moderate income households;
- Identify adequate sites to encourage the development of a variety of types of housing for all income levels;

- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing;
- Promote equal housing opportunities for all persons; and
- Provide for the special housing needs of seniors, persons with disabilities, large families with children, single female-headed households, and the homeless.

The goals and policies of the Housing Element are closely related to several other elements of the General Plan, including the Land Use and Community Character Element and the Community Health and Quality of Life Element.

GOAL 1 CONSERVE AND IMPROVE THE EXISTING HOUSING STOCK

Conserving and improving the housing stock helps maintain investment in the community and keeps existing housing affordable. Because the majority of the housing stock is more than 30 years old, significant rehabilitation needs are anticipated. A number of factors can cause residential units to become unsafe or unhealthy to live in. Preventing these problems from occurring and addressing them when they do occur protects the safety and welfare of residents and assists in meeting housing needs throughout Hayward. The City will focus its efforts on rehabilitation, code enforcement, rental housing inspection, and preserving existing affordable units to take a proactive approach to conserving the current housing stock. An important part of preserving the existing affordable housing stock is ensuring that subsidized affordable housing units maintain their affordability and do not convert to market rate. Policies in this section focus on improving the existing housing stock and assisting in the preservation of affordable housing.

GOAL H-1

Maintain and enhance the existing viable housing stock and neighborhoods within Hayward. *[Source: Existing Goal 1.0]*

H-1.1 Code Enforcement

The City shall enforce adopted code requirements that set forth the acceptable health and safety standards for the occupancy of housing units. *[Source: Existing Policy 1.1, modified] (RDR/CSO)*

H-1.2 Preserve Affordable Single Family Housing

The City shall preserve the existing single family housing stock occupied by lower-income households by rehabilitating single family owner-

occupied conventional and mobile homes. *[Source: Existing Policy 1.2, modified] (MPSP)*

H-1.3 Residential Rehabilitation

The City shall administer residential rehabilitation programs that assist lower-income households to ensure the safety and habitability of housing units and the quality of residential neighborhoods. *[Source: Existing Policy 1.3, modified] (MPSP)*

H-1.4 Preserve At-Risk Units

The City shall avoid the loss of assisted housing units and the resulting displacement of low-income residents by providing funds, as available, to non-profit developers to be used for the acquisition of subsidized housing developments at risk of converting to market rate. *[Source: Existing Policy 2.3, modified] (FB)*

H-1.5 Address Foreclosures

The City shall strive to alleviate individual and community issues associated with foreclosures to preserve homeownership and promote neighborhood stability. *(MPSP) [Source: New Policy]*

GOAL 2 ASSIST IN THE DEVELOPMENT OF AFFORDABLE HOUSING

Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for the development of affordable housing units. The City works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City also supports programs that make purchasing a home a realistic option for lower-income households.

GOAL H-2

Assist in the provision of housing that meet the needs of all socioeconomic segments of the community. *[Source: Existing Goal 2.0, modified]*

H-2.1 Homeownership Housing

The City shall encourage the development of ownership housing and assist tenants to become homeowners to reach a 60 percent owner-occupancy rate, within the parameters of federal and state housing laws. (MPSP) *[Source: Existing Policy 2.1, modified]*

H-2.2 Provide Incentives for Affordable Housing

The City shall promote the use of density bonuses and other incentives to facilitate the development of new housing for extremely low-, very low-, and low-income households. *[Source: Existing Policy 2.2, modified]* (RDR/PI)

H-2.3 Inclusionary Housing

The City shall enforce the Inclusionary Housing Ordinance to ensure that a certain percentage of new residential units will be made affordable to lower- and moderate-income households. *[Source: Existing Policy 3.6, modified]* (RDR)

H-2.4 Integration of Affordable Housing

The City shall encourage a mix of affordability levels in residential projects and encourage the dispersal of such units to achieve greater integration of affordable housing throughout the community. *[Source: New Policy]* (RDR/MPSP)

GOAL 3 PROVIDE ADEQUATE SITES FOR A VARIETY OF HOUSING TYPES

A major part of meeting the housing needs of all segments of the community is the provision of adequate sites to facilitate the development of all types, sizes, and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing housing needs of residents. The Hayward General Plan, Zoning Ordinance, and various design/concept plans establish where and what types of housing may locate in the city. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

GOAL H-3

Provide suitable sites for housing development that can accommodate a range of housing by type, size, location, price, and tenure. [Source: Existing Goal 3.0]

H-3.1 Diversity of Housing Types

The City shall implement land use policies that allow for a range of residential densities and housing types, prices, ownership, and size, including low-density single family uses, moderate-density townhomes, and higher-density apartments, condominiums, transit-oriented developments, live-work units, and units in mixed-use developments. [Source: Existing Policy 3.1, modified] (RDR)

H-3.2 Transit Oriented Development

The City shall encourage transit-oriented developments that take advantage of the City's convenient availability of transit [Source: Existing Policy 3.2, modified] (MPSP)

H-3.3 Sustainable Housing Development

The City shall improve affordability by promoting sustainable housing practices that incorporate a 'whole system' approach to siting, designing, and constructing housing that is integrated into the building site, consumes less water and improves water quality, reduces the use of energy use, and other resources, and minimizes its impact on the surrounding environment. (MPSP) [Source: Existing Policy 2.5]

H-3.4 Residential Uses Close to Services

The City shall encourage development of residential uses close to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes. [Source: Existing Policy 3.3, modified] (RDR)

H-3.5 Compatible Development of Underutilized Sites

The City shall encourage compatible residential development in areas with underutilized land. (RDR) [Source: Existing Policy 3.4, modified]

H-3.6 Flexible Standards and Regulations

The City shall allow flexibility within the City's standards and regulations to encourage a variety of housing types. [Source: Existing Policy 3.5, modified] (RDR)

H-3.7 New Sources of Infrastructure Financing

The City shall continue to seek new sources of financing for necessary infrastructure improvements for new development to facilitate new housing development. [Source: New Policy] (FB)

H-3.8 Facilitate Lot Consolidation

The City shall facilitate lot consolidation to encourage the development of housing for lower-income households on infill sites. [Source: New Policy] (RDR)

H-3.9 Adaptive Reuse

The City shall support innovative strategies for the adaptive reuse of residential, commercial, and industrial buildings to provide for a variety of housing types and residential uses. [Source: New Policy] (RDR)

H-3.10 No Net Loss Zoning

Consistent with Government Code Section 65863, the City shall consider the impacts of rezoning and general plan amendments of residential sites on the City's ability to meet its share of the regional housing need. [Source: New Policy] (RDR)

GOAL 4 REMOVE CONSTRAINTS

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance,

improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

GOAL H-4

Mitigate any potential constraints to housing production and affordability. *[Source: Existing Goal 4.0]*

H-4.1 Flexible Development Standards

The City shall review and adjust as appropriate residential development standards, regulations, ordinances, departmental processing procedures, and residential fees that are determined to be a constraint on the development of housing, particularly housing for lower- and moderate-income households and for persons with special needs. *[Source: Existing Policy 4.1, modified]* (RDR)

H-4.2 Clear Development Standards and Approval Procedures

The City shall strive to maintain and administer clear development standards, and approval procedures for a variety of housing types, including, but not limited to, multifamily housing and emergency shelters. *[Source: New Policy]* (RDR)

GOAL 5 EQUAL HOUSING OPPORTUNITIES FOR ALL PERSONS

The City recognizes the importance of extending equal housing opportunities for all persons, regardless of race, religion, sex, family status, marital status, ancestry, national origin, color, age, physical or mental disability, sexual orientation, source of income, or any other arbitrary factor.

GOAL H-5

Promote equal access to housing by educating City residents about fair housing and lending laws. *[Source: Existing Goal 5.0]*

H-5.1 Fair Housing Services

The City shall support services and programs that eliminate housing discrimination. (IGC/JP) *[Source: Existing Policy 5.1, modified]*

GOAL 6 HOUSING FOR PERSONS WITH SPECIAL NEEDS

The City of Hayward is a diverse community with people of all backgrounds, lifestyles, family types, and income levels. Many residents also have special housing needs. State law requires the housing element to address the needs of specific “special needs” groups, including seniors, persons with disabilities, large families with children, female-headed households, and people who are homeless. Meeting the needs of these residents requires a broad range of strategies for housing and other services. This section also addresses student and faculty housing. Hayward is home to Chabot College, California State University, East Bay, and various professional and vocational schools. Policies in this section support the production of student and faculty housing in Hayward, to enhance Hayward’s reputation as a great college town.

Several policies in the Community Health and Quality of Life Element also support aging in place for senior residents and people with disabilities.

GOAL H-6

Provide housing choices that serve the needs of “special needs” populations, including seniors, homeless, female-headed households, large families, and persons with disabilities, including developmental disabilities. [Source: New Goal; CityStaff]

H-6.1 Address Special Housing Needs

The City shall address the housing needs of special populations and extremely low-income households through emergency shelters, transitional housing, supportive housing, and single-room occupancy units. [Source: Existing Policy 2.4, modified] (MPSP)

H-6.2 Housing and Supportive Services

The City shall promote housing, along with supportive services, for households with special needs, including seniors, persons with disabilities, single-parents, and the homeless. [Source: Existing Policy 5.2, modified] (MPSP)

H-6.3 Funding for Accessibility Retrofits The City shall consider providing funding to residents for home retrofits that improve accessibility. [Source: New Policy] (MPSP)

H-6.4 Reasonable Accommodation

The City shall continue to implement a reasonable accommodation process for persons with disabilities to request exceptions or modifications of zoning, permit processing, and building regulations to ensure housing is accessible. [Source: New Policy] (RDR)

H-6.5 Support Alameda County Continuum of Care Council

The City shall support the efforts of the Alameda Countywide Continuum of Care Council in its

efforts to meet the needs of homeless families and individuals. [Source: New Policy] (IGC)

H-6.6 Support Organizations Serving the Homeless Community

The City shall support the efforts of non-profit and community organizations that provide emergency shelter and other assistance for the homeless population, including alcohol and drug recovery programs. [Source: New Policy] (IGC/JP)

H-6.7 Range of Housing for Seniors

The City shall facilitate and encourage the development of a range of housing types for seniors that are readily accessible to support services. [Source: New Policy] (RDR)

H-6.8 Family Housing

The City shall facilitate and encourage the development of larger rental and ownership units for families with children, including lower- and moderate-income families, and the provision of services such as childcare and after-school care when feasible. [Source: New Policy] (RDR)

H-6.9 Student and Faculty Housing

The City shall engage and work with Chabot College and CSU East Bay to update campus master plans and provide housing accommodations for students, faculty, and employees that reflect the housing needs and preferences of their respective institutions. [Source: New Policy] (IGC)

H-6.10 University Housing in PDAs

The City shall support the development of student and faculty housing within the City’s Priority Development Areas (excluding the Cannery Transit Neighborhood). [Source: New Policy] (RDR)

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
1. Housing Rehabilitation Loan Program (HRLP). The City shall continue to provide below market-rate rehabilitation loans to qualified lower-income homeowners to make repairs (costing more than \$5,000) to correct major health and safety deficiencies and make needed accessibility modifications. The City shall disseminate information to homeowners who participate in the Housing Rehabilitation Loan Program regarding rehabilitation standards, preventative maintenance, and energy conservation measures. <i>[Source: Existing Program 1] (MPSP/PI/FB)</i>						
Implements Which Policy(ies)	H-1.2, H-1.3					
Responsible Department(s)	Library and Community Services					
Supporting Department(s)/ Partner(s)	City Manager					
Potential Funding Source(s)	CDBG					
2. Minor Home Repair Grant (MHRP). The City shall continue to provide rehabilitation grants up to \$5,000 to qualified lower-income elderly and/or disabled homeowners to make minor home repairs in order to address health and safety problems, correct code deficiencies, and improve the outward appearance of homes. Priority will be given to work that corrects health and safety issues, and to accessibility modifications for people who have disabilities. The City shall disseminate information to homeowners who participate in the Housing Rehabilitation Loan Program regarding rehabilitation standards, preventative maintenance, and energy conservation measures. <i>[Source: Existing Program 2] (MPSP/PI/FB)</i>						
Implements Which Policy(ies)	H-1.2, H-1.3					
Responsible Department(s)	Department of Library and Community Services					
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	CDBG					
3. Residential Rental Inspection Program. The City shall continue to systematically inspect rental units throughout the city through the Residential Rental Inspection Program to safeguard the stock of safe, sanitary rental units within the city and protect persons entering or residing in rental units. The City shall focus attention on rental housing in higher density areas with the goal of inspecting these units every three to four years. The City shall inspect properties outside the focus area less frequently, unless they are the subject of a complaint. All rental units shall be subject to inspection. To fund the program,						

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
<p>the City shall continue to charge an annual, per-unit fee in addition to fees charged for every unit in which a violation is found. The City shall assess penalties for lack of timely correction of violations. The City shall disseminate information to residents about the mandatory rental inspections, as well as up-to-date information on the City’s building, mechanical, plumbing, electrical, and housing codes. <i>[Source: Existing Program 4] (CSO/FB/PI)</i></p>						
Implements Which Policy(ies)	H-1.1					
Responsible Department(s)	Development Services					
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	General Funds					
<p>4. Preservation of At-Risk Housing. The City shall continue to monitor all units considered at risk of conversion to market rate and assist property owners in maintaining the affordability of these units. The City shall support and assist property owners in applying for State and Federal funding to preserve at-risk housing, and as funding permits, shall provide financial assistance to nonprofit housing developers in the acquisition and rehabilitation of at-risk housing projects. The City shall ensure that property owners comply with State noticing requirements to notify tenants one year ahead of their intent to terminate subsidy contract or affordability covenants. As necessary, the City shall also provide technical assistance to tenants to access other affordable housing resources. <i>[Source: Existing Program 7] (MPSP)</i></p>						
Implements Which Policy(ies)	H-1.4					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Alameda County Department of Housing and Community Development					
Potential Funding Source(s)	HOME; Inclusionary Housing In-Lieu Fees; Section 8 Rental Assistance; and other HUD and State Housing Preservation funds					
<p>5. Foreclosure Prevention and Counseling. The City shall continue to support foreclosure prevention by partnering with non-profit organizations that provide foreclosure prevention services. The City shall continue to provide information about foreclosure prevention resources in the housing programs section of the City’s website, including information about the programs available for refinancing at-risk loans, and contact information for legal services agencies and HUD-approved counseling organizations in the area. The City shall mail foreclosure prevention materials to local residents who receive notices of</p>						

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
default and notices of trustee sale, and shall organize foreclosure-prevention seminars for Hayward residents at risk of losing their homes. <i>[Source: Existing Program 8] (JP/PI)</i>						
Implements Which Policy(ies)	H-1.5					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Library and Community Services; ECHO					
Potential Funding Source(s)	CDBG					
6. Mortgage Credit Certificate Program. The City shall continue to participate in the Mortgage Credit Certificate (MCC) program, administered by Alameda County, to assist eligible buyers qualify for a mortgage loan. The City shall assist the County in promoting the program to eligible buyers through the City website and written materials. <i>[Source: Existing Program 11] (IGC/PI)</i>						
Implements Which Policy(ies)	H-2.1					
Responsible Department(s)	Alameda County Department of Housing and Community Development;					
Supporting Department(s)/ Partner(s)	City Manager					
Potential Funding Source(s)	MCC Allocation					
7. Tenant-Based Rental Assistance for Emancipated Youth. The City shall continue to provide financial support to Project Independence, a program implemented by ABODE Services to provide a continuum of supportive services, including tenant-based rental assistance, to emancipated youth in Alameda County (youth from 18 to 24 who have aged out of the foster care system). <i>[Source: Existing Program 12] (FB)</i>						
Implements Which Policy(ies)	H-6.1					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	ABODE Services					
Potential Funding Source(s)	HOME					

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
8. Affordable Housing Development. The City shall work with developers to facilitate affordable housing development. Specifically, the City shall review available funding programs annually and shall provide technical support in the application for State, Federal, and other public affordable funding sources, and, as funding permits, shall provide gap financing for affordable housing. Gap financing shall focus on rental housing units affordable to lower-income households and households with special needs (e.g., seniors, extremely low-income households, and persons with disabilities, including developmental disabilities), especially projects that promote the City’s goals relating to transit-oriented development and jobs/housing balance. <i>[Source: Existing Program 13] (JP/FB)</i>						
Implements Which Policy(ies)	H-2.2					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Library and Neighborhood Services; Development Services					
Potential Funding Source(s)	Proposition 1C funds, In-Lieu Fees					
9. Density Bonus. The City shall develop a brochure describing the Density Bonus Ordinance and distribute to potential developers in order to promote affordable housing development. <i>[Source: Existing Program 14] (PI)</i>						
Implements Which Policy(ies)	H-2.2					
Responsible Department(s)	Development Services					
Supporting Department(s)/ Partner(s)	City Manager					
Potential Funding Source(s)	General Fund					
10. Provision of Adequate Sites. The City shall maintain a residential sites inventory that can accommodate the City’s Regional Housing Needs Allocation. The City shall update the inventory annually to monitor the consumption of residential and mixed use properties and continued ability to fulfill the RHNA. The City shall make the updated inventory of sites available on the City website. <i>[Source: Existing Program 16] (MPSP/PI)</i>						
Implements Which Policy(ies)	H-3.1, H-3.10					
Responsible Department(s)	Development Services					
Supporting Department(s)/ Partner(s)	City Manager					
Potential Funding Source(s)	General Fund					

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
<p>11. Affordable Housing on Large Sites. The City shall facilitate the development of housing for lower-income households on large sites identified in the Sites Inventory by encouraging land divisions and specific plans resulting in parcels sizes that facilitate multifamily developments that include units affordable to lower income households in light of State, Federal and local financing programs. The City shall provide incentives for the development of affordable housing, including but not limited to:</p> <ul style="list-style-type: none"> • Priority to processing subdivision maps that include affordable housing units; • Expedited review for the subdivision of larger sites into buildable lots where the development application can be found consistent with the General Plan, applicable Specific Plan and master environmental impact report; • Financial assistance (based on availability of Federal, State, local foundations, and private housing funds); and • Modification of development requirements, such as reduced parking standards for seniors, assisted care, and special needs housing on a case-by-case basis. <i>[Source: Existing Program 17] (RDR/FB)</i> 						
<p>Implements Which Policy(ies)</p>	H-3.1					
<p>Responsible Department(s)</p>	Development Services					
<p>Supporting Department(s)/ Partner(s)</p>						
<p>Potential Funding Source(s)</p>	General Fund					
<p>12. Inclusionary Housing Ordinance. The City shall continue to implement the Inclusionary Housing Ordinance, but shall modify the ordinance, if necessary, based on the findings of the Inclusionary Housing Ordinance Review and Affordable Unit In-lieu Fee/Nexus Study. <i>[Source: Existing Program 18] (RDR)</i></p>						
<p>Implements Which Policy(ies)</p>	H-2.3					
<p>Responsible Department(s)</p>	City Manager					
<p>Supporting Department(s)/ Partner(s)</p>	Development Services					
<p>Potential Funding Source(s)</p>	General Fund; In-lieu Fees					
<p>13. Funding for Emergency Shelters and Transitional Housing. The City shall</p>						

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
use CDBG funds and other funds, as available, to support emergency shelters, and transitional and supportive housing programs for the homeless and those who are at risk of becoming homeless. <i>[Source: Existing Program 20] (FB)</i>						
Implements Which Policy(ies)	H-6.11, H-6.2, H-6.5, H-6.6					
Responsible Department(s)	Library and Neighborhood Services					
Supporting Department(s)/ Partner(s)	Development Services					
Potential Funding Source(s)	CDBG					
<p>14. Child Care Services and Facilities. The City shall consider amending the Zoning Ordinance to address child care needs associated with new residential development. Specifically, the City shall consider the following:</p> <ul style="list-style-type: none"> • For residential projects over 100 units, estimate the expected number of children and consult with child care intermediaries, such as the Child Care Coordinating Council of Alameda County on corresponding area supply and need for child care. • Encourage the inclusion of child care space, particularly in affordable housing developments. City staff shall consult with child care intermediaries such as the Child Care Coordinating Council of Alameda County when initiating new proposals for publicly funded projects to develop added incentives for projects that review need for child care. • Support the provision of child care centers in residential neighborhoods and in new residential projects through policies, planning, and coordinated staff support. • To the extent feasible, encourage applicants for publicly financed projects to consider need for child care and pursue supportive corresponding strategies if warranted, by working with child care intermediaries such as the Resource and Referral agencies. • Consider offering incentives for child care inclusion in other projects such as: parking reductions and density bonuses and consider creative mechanisms for supporting the financing of new housing linked child care such as development agreements for child care, public funding of the child care component, and/or other strategies. <i>(PSR/RDR)</i> 						
Implements Which Policy(ies)	H-6.8					
Responsible Department(s)	Development Services					

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	None required					
15. Fair Housing Services. The City shall continue to contract with ECHO to provide fair housing and tenant/landlord services, including fair housing counseling and education and tenant/landlord counseling and mediation. The City shall also work with Bay East Association of Realtors to ensure that residential real estate agents and brokers adhere to fair housing laws and regulations, and work with tenants, tenant advocates, and rental housing owners and managers to eradicate housing discrimination and to ensure that Hayward's supply of rental housing is decent, safe and sanitary. The City shall promote training for property owners and managers to ensure that they are knowledgeable of the requirements of Federal, State and local real estate, housing discrimination, tenant protection, housing inspection and community preservation laws; and promote training of tenants in the requirements of Federal, State, and local laws so that they are aware of their rights and obligations. Finally, the City shall disseminate information to homeowners about predatory lending practices. <i>[Source: Existing Program 22] (JP/PI)</i>						
Implements Which Policy(ies)	H-5.1					
Responsible Department(s)	Library and Neighborhood Services					
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	CDBG					
16. Universal Design Principles. The City shall develop an ordinance that promotes the use of Universal Design Principles in new construction and/or rehabilitation of housing. <i>[Source: Existing Program 23] (RDR)</i>						
Implements Which Policy(ies)	H-6.1, H-6.7					
Responsible Department(s)	Development Services					
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	General Fund					
17. Small Lot Consolidation. The City shall assist in land consolidation by providing sites information to interested developers and provide gap financing assistance, as available, to nonprofit housing developers. The City will provide information about the lot consolidation procedure on the City website by						

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
2015. The City shall process lot consolidation requests ministerially when the lots are within the same zoning district. <i>[Source: New Program] (RDR/FB)</i>						
Implements Which Policy(ies)	H-4.2					
Responsible Department(s)	Development Services					
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	General Fund					
18. Boomerang Funds. The City shall consider options for allocating a portion of unrestricted City General Funds received as part of a one-time distribution of liquidated Low-Moderate Income Housing Trust Funds of the former Redevelopment Agency (aka “Boomerang funds”) for the development of affordable housing, and shall adopt a resolution regarding the use of these funds. <i>[Source: New Program] (FB)</i>						
Implements Which Policy(ies)	H-2.2					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	General Fund					
19. Exemptions of Transit Priority Projects from Environmental Review. The City shall implement the provisions of SB 375 streamlining the CEQA process for Transit Priority Projects and projects that conform to the Sustainable Communities Strategy and meet specific criteria set forth in SB 375. <i>[Source: New Program] (RDR)</i>						
Implements Which Policy(ies)	H-3.2					
Responsible Department(s)	Development Services					
Supporting Department(s)/ Partner(s)						
Potential Funding Source(s)	General Fund					
20. Housing Choice Vouchers. The City shall continue to participate in the Housing Choice Voucher Program, administered by Alameda County, with a goal of providing rental assistance to lower-income residents. The City shall work with Alameda County to maintain, or if possible increase, the current number of vouchers for Hayward residents. <i>[Source: New Program] (IGC)</i>						
Implements Which Policy(ies)	H-2.4					

Table H-1 HOUSING ELEMENT Implementation Programs		2015-2017	2018-2020	2020-2040	Annual	Ongoing
Responsible Department(s)	Alameda County Department of Housing and Community Development					
Supporting Department(s)/ Partner(s)	City Manager					
Potential Funding Source(s)	Section 8					
21. Outreach to Developmentally Disabled. The City shall work with the East Bay Regional Center to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities. The City shall make information available on the City website.						
Implements Which Policy(ies)	H-6.2					
Responsible Department(s)	Library and Community Services					
Supporting Department(s)/ Partner(s)	City Manager, Development Services					
Potential Funding Source(s)	General Fund					

Summary of Quantified Objectives

One of the requirements of State law (California Government Code Section 65583[b]) is that the Housing Element contain quantified objectives for the maintenance, preservation, improvement, and development of housing. The quantified objectives set a target goal for Hayward to achieve based on needs, resources, and constraints. State law recognizes that the total housing needs identified by a community may exceed available resources and the community’s ability to satisfy this need. Under these circumstances, the quantified objectives need not be, and are not intended to be, identical to the total housing needs.

The quantified objectives shown in Table 4-1 represent targets. They are estimates based on past experience, anticipated funding levels, and anticipated housing market conditions. The quantified objectives are not designed to be minimum requirements. The quantified objectives are based largely upon implementation programs that have measurable outcomes. However, the Housing Element contains several policies and implementation programs that reduce barriers and create opportunities for affordable housing. These policies and programs are essential to meeting the City’s housing needs, but are more qualitative and difficult to quantify.

TABLE 4-1 EIGHT-YEAR QUANTIFIED OBJECTIVES, 2015-2023					
	Extremely Low	Very Low	Low	Moderate	Total
New Construction	150	200	400	600	1,350
Rehabilitation	-	100	100	-	200
Preservation (At-Risk Units)*	-	-	-	-	-
Housing Choice Vouchers	1,200	1,200			2,400

Note: *There are no units identified in the Housing Element that are at high risk of converting to market rate

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BACKGROUND REPORT

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SECTION 4.1 INTRODUCTION

Housing Element Purpose

The purpose of the housing element is to identify local housing issues within the broader regional context, determine associated housing needs, and set forth a housing strategy which will address those needs, consistent with adopted goals and policies. The housing element is a mandatory component of a jurisdiction's general plan, and upon certification by the Department of Housing and Community Development (HCD), complies with State law.

Over the past several decades, the State Legislature has increased attention on housing-related issues in California. This attention is due to the State's continued population growth, particularly in the State's urban areas. This significant growth has placed increased demands on the existing housing resources and has accelerated the need for new housing, especially affordable housing. California has among the highest housing costs compared to other states. California has also led the rest of the nation in recognizing the need for long-range planning to determine how this growth may be accommodated.

Legality of the Housing Element

California State housing element law requires that local jurisdictions present community housing needs and constraints to meeting those needs, and adopt actions to analyze those needs over an eight-year period. In 1981 Article 10.6 of the Government Code was enacted to better define the scope and content of local housing elements, including: an assessment of housing needs; an inventory of housing resources; the identification of those constraints that may impede the development of new housing; a statement of goals, policies, and objectives; and an eight-year housing plan. More recent revisions have focused on the need to facilitate the provision of housing for extremely low-income households and those with special needs, including persons with disabilities.

State law is very specific concerning the scope and contents of housing elements.¹ The State Legislature understands the importance of local housing elements in implementing statewide goals for providing decent and suitable housing for all segments of the community. The Legislature also recognizes the importance of providing affordable housing for low- or moderate-income households. State law makes it clear that the provision of affordable housing is the responsibility of all local governments and, using vested powers, local governments should make a conscious effort to see that there are housing opportunities for all income groups.²

¹ State of California Government Code § 65581 as amended.

² State of California Government Code § 65580 as amended.



Additionally, in accordance with other State requirements, the Association of Bay Area Governments (ABAG) allocated a “fair share housing need” that the City must consider in the development of the Housing Element. The fair share need is an estimate of the number of new units that the City must plan for to meet anticipated demand over the planning period of the Housing Element.

Format of the Housing Element

The City of Hayward Housing Element contains the following key components that together fulfill the State’s housing element requirements:

- A background analysis that serves as the basis for the development of housing policy. Key topics considered include the city’s demographic characteristics, the characteristics of the existing housing stock, household characteristics, and socioeconomic characteristics.
- An analysis of those issues that could constrain the development and/or maintenance of housing, especially affordable housing. Constraints considered include: governmental constraints, market constraints, and environmental constraints.
- A discussion of resources available to address the city’s identified housing needs.
- A housing plan for accommodating existing and projected housing needs through new construction, rehabilitation, preservation, and provision of assistance.

Relationship to Other General Plan Elements

The elements that comprise the Hayward General Plan are required by State law to be internally consistent. Together these elements provide the framework for the development of facilities, services, and land uses necessary to address the needs and desires of City residents. To ensure that these needs are addressed throughout the General Plan, the Elements must be interrelated and interdependent. This Housing Element is most directly related to the Land Use Element, since it is the Land Use Element that designates the location and extent of residential development throughout the city. Hayward adopted its current General Plan in 2002, which is intended to guide development in the city through the year 2025. The City is currently (2013) working on an update to the General Plan to guide development through 2040. The Hayward Housing Element will be adopted as part of the 2040 General Plan in 2014.

With respect to the 2040 General Plan, the following findings of conformity can be made:

- This Housing Element does not propose any changes in land uses or in zoning that would result in any inconsistencies with the adopted General Plan elements, or with any specific plans and development plans.

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- This Housing Element will not change the adopted land use and/or development standards included in the Land Use Element or other specific plans and development plans.
- This Housing Element does not promote or propose any land use changes requiring the installation of any new street or infrastructure not already anticipated in the General Plan.
- The Safety and Conservation Elements will be reviewed when preparing the environmental review (Initial Study) for the Housing Element.

As the Elements of the General Plan are amended in the future, the City will review the Housing Element to ensure internal consistency in the General Plan. Amendments to these other elements in the future may warrant an amendment to the Housing Element or vice versa.

Public Participation

As part of the Housing Element update process, the City implemented the State's public participation requirements in Housing Element Law, set forth in Government Code Section 65583(c)(7), that jurisdictions "...shall make a diligent effort to achieve participation of all economic segments of the community in the development of the housing element."

The City of Hayward values public input in the development of its community development goals and objectives, including in the provision of decent and adequate housing. On August 15, 2013, the City of Hayward conducted a workshop with housing developers, service providers, and other community stakeholders that represent the housing needs of residents of all economic segments of the community. The City also used the Hayward 2040 Town Hall Forum, an online community forum, to solicit additional input on housing issues and potential solutions. The City reviewed and considered all the public input, and several of the comments provided at the workshop and on the online Town Hall Forum helped the City develop new policies and programs and modify existing policies and programs included in the Housing Element. For example, some members of the public discussed wanting to attract more young families to Hayward; the City added a policy to facilitate and encourage larger rental and ownership units. Other members of the public identified opportunities to reuse older buildings for housing; the City added a policy to support adaptive reuse.

The following section summarizes public outreach conducted by the City of Hayward. The Housing Needs Survey conducted for the 2009-2014 Housing Element, included in Appendix A, also includes detailed information about housing needs in Hayward.

Community/Stakeholder Housing Element Workshop (August 15, 2013)

On August 15, 2013, the City of Hayward conducted a community/stakeholder workshop at City Hall. To advertise the workshop, the City sent an email notice to about 30 local agencies, community organizations, and stakeholders in the city. At the workshop City staff and the



Housing Element Consultant presented a brief overview of the Housing Element Update and facilitated an interactive discussion to solicit ideas from participants about the most critical housing issues facing Hayward residents, and new ways the City and community might address these issues. About six representatives of various local and regional agencies and organizations attended the workshop. Due to the lower than anticipated turnout, City staff sent a survey to the same 30 agencies to gather input on housing issues. Appendix A contains a summary of the comments gathered at the community/stakeholder workshop and from the survey. As described above, the City reviewed the public comments from the workshop and survey and considered these comments as it prepared the policies and programs for the 2015 Housing Element.

Hayward 2040 Town Hall Forum (August to October 2013)

The City of Hayward posted three topics about housing on the online Hayward 2040 Town Hall Forum to solicit input from the community on the unmet housing needs in the city and what the City can do to help provide for those needs: Diversifying Housing, Affordable Housing, and Housing Element Issues. The questions asked residents to: identify how the City could create more housing opportunities; describe the barriers to affordable housing in Hayward and to suggest solutions to address the issues and barriers identified; and describe what issues they would like to see addressed in the Housing Element Update. Responses generally focused on rehabilitation, however, while some residents believed that Hayward needs to do its part in providing affordable housing, others believe that Hayward has done enough already. Appendix A contains a summary of the comments gathered on the Town Hall Forum. As described above, the City reviewed the public comments from the workshop and survey and considered these comments as it prepared the policies and programs for the 2015 Housing Element.

General Plan Task Force Meeting (October 10, 2013)

The City held a General Plan Task Force meeting on October 10, 2013. Only one member of the Task Force attended the meeting. The comment provided at the meeting was that there is already enough affordable housing in Hayward and the city needs more high-end housing.

Planning Commission Study Session (April 10, 2014)

The City held a study session with the Planning Commission on April 10, 2014, to review the Draft Housing Element, solicit feedback from the Planning Commission, and provide the public an opportunity to comment on the Draft Housing Element.

City Council Study Session (May 6, 2014)

The City held a study session with the City Council on May 6, 2014, to review the Draft Housing Element, present the comments and recommendations from the Planning Commission, provide the public another opportunity to comment on the Draft Housing Element, and solicit feedback from the Council before submitting the Draft Housing Element to HCD.

SECTION 4.2 COMMUNITY PROFILE

Overview of the City of Hayward

In 1851 a frustrated gold miner named William Hayward opened a general store on (what is now) the corner of “A” and Main Streets. Located in southern Alameda County, Hayward was incorporated in 1876 and essentially remained a small town with an agrarian economy on the urban fringe of San Francisco and Oakland until the end of World War II.

Since that time Hayward has undergone substantial changes. Between 1950 and 1960 Hayward’s population increased over 400 percent, which was typical of many cities throughout the nation. This post-World War II population boom created a demand for single family detached housing. More than 70 percent (approximately 15,000 units) of Hayward’s single family detached homes were built between 1950 and 1960. From 1960 to 1990 only 3,411 units of single family housing were developed. Between 1990 and 2000 an increase in the rate of development occurred, where approximately 2,930 units of single family housing were developed – only 500 fewer than the total number of units developed in the preceding 30 years. Similarly, from 2000 to 2010 about 2,990 single family units were developed, many during the housing market boom that occurred in the first half of the decade, which was followed by a worldwide recession in the latter half of the decade.

Prior to 1960 there were relatively few (approximately 1,400) multifamily housing units in Hayward. To accommodate the substantial population increase and minimize the costs to extend City water, storm drain, and sewer infrastructure throughout Hayward, developers began to focus on creating multifamily housing. Between 1960 and 1970 there were approximately 7,000 units of multifamily housing built throughout the city and an additional 10,000 units of multifamily housing were developed during the next two decades. As a result of the post-war housing construction boom, Hayward was transformed into a suburban bedroom community.

During the late 1960s and 1970s Hayward experienced a surge in industrial development that created numerous employment opportunities, balancing to some extent the housing that was developed earlier.

Hayward’s character remains in transition as the city evolves from a suburban community to a more urbanized older city. The downtown core is undergoing revitalization as over 700 housing units and retail stores have been added to create transit-oriented developments within walking distance of the Hayward BART station. A Cannery Design Plan was adopted in 2001 to redevelop the old Hunt’s Cannery area just west of downtown, involving mixed use, high density residential development, including between 800 and 1,000 new units, a new elementary school, and a rebuilt and expanded community park. Many of these sites are still currently (2013) under construction.



Hayward today (2013) is a city of approximately 148,756 people.³ It is one of the oldest cities within the San Francisco-Oakland-San Jose area, a region with a population of approximately 8.4 million people.⁴ Although Hayward is an employment center, many residents commute between Hayward and other major employment centers and outlying satellite communities. This is primarily due to the high cost of housing in the Bay Area, since many people cannot afford to live in the type of housing they desire near their site of employment.

According to Trulia.com, the median sales price increased 15.5 percent between 2011 and 2012, increasing from \$242,500 to \$280,800. However, the 2012 median sales price is still substantially lower than it was in 2007 (\$466,625), which indicates that Hayward has yet to recover from the housing market crash.

Prices of existing homes and rentals in Hayward are generally lower than surrounding cities. In October 2012, the median sales price in Hayward was higher than the median sales price in Emeryville, Oakland, and San Lorenzo; was comparable to the median sales price in Newark, San Leandro, Union City, and the countywide total; and was lower than Alameda, Albany, Berkeley, Castro Valley, Dublin, Fremont, Livermore, and Pleasanton. In August 2013, Hayward had higher rents than Oakland and San Leandro and lower rents than Albany, Berkeley, Dublin, Emeryville, Fremont, and the countywide total.

Sources of Information

The primary source of demographic, housing, and socioeconomic information used to support the technical analysis in this Element includes data collected by the U.S. Census Bureau. This baseline population, housing, and socioeconomic data for cities and counties is collected every 10 years as part of the national Census. The most recent Census was collected in 2010.

The Census Bureau compiles interim data between censuses in the American Community Survey (ACS). The ACS, however, represents averaged data over one, three, and five years and is collected from a sample. Averaged data does not offer as good of a snapshot of the community or recognize the changes in that community over time as well. Furthermore, a small sample results in margins of errors that may not accurately represent specific socioeconomic characteristics. Using this same information, HUD creates a special Census tabulation for use in Consolidated Plans. The most recent HUD Comprehensive Housing Affordability Strategy (CHAS) data available was tabulated using the 2005-2009 ACS.

The 2010 Census data is supplemented with population and housing estimates from the State Department of Finance (DOF) and Association of Bay Area Governments (ABAG) employment data from the State Employment Development Department (EDD), as well as current housing market data from other sources, such as DataQuick and a local realtor.

³ California Department of Finance, Population and Housing Estimates, January 1, 2013.

⁴ United States Census Bureau, Annual Estimates of the Population of Combined Statistical Areas, March 1, 2013.

Demographic Characteristics

Population Growth Trends

The population in Hayward and Alameda County has been steadily growing since incorporation. Following Hayward's explosive growth during the 1950s when the population expanded by more than 400 percent (from 14,000 to over 72,000), the level of population increase slowed during the 1960s to 28 percent, and nearly halted during the 1970s. As shown in Table 4-1, between 1980 and 1990 the city's population increased nearly 20 percent, similar to the level of growth experienced by Alameda County during the decade. However, population growth in the city outpaced countywide growth between 1990 and 2000. While this trend was reversed from 2000 to 2010, the city's growth rate from 2010 to 2012 is slightly higher than that of the county. According to the State Department of Finance (DOF), the city's total population was 147,113 as of January 1, 2012. This represents only a 2 percent increase from 2010. In 2012 Hayward was the third largest city in Alameda County and the sixth largest city in the greater San Francisco Bay Area.

Population	Estimated Population Counts					Percent change			
	1980	1990	2000	2010	2012	1980-90	1990-00	2000-10	2010-12
Hayward	93,058	111,498	140,030	144,186	147,113	19.8%	25.6%	2.97%	2.03%
Fremont	131,945	173,339	203,413	214,089	217,700	31.4%	17.3%	5.25%	1.69%
Union City	39,406	53,762	66,869	69,516	70,646	36.4%	24.4%	3.96%	1.63%
Alameda County	1,073,183	1,279,182	1,443,741	1,510,271	1,530,176	19.2%	12.9%	4.61%	1.32%

Sources: U.S. Census, 1980, 1990, 2000, and 2010; California Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, January 1, 2011 and 2012.

Table 4-2 shows how Hayward's population has compared to the population of Alameda County and the greater San Francisco Bay Area between 1940 and 2010. As shown, Hayward's population, as a percentage of the population of Alameda County and the Bay Area, has remained relatively consistent since the 1970s. This indicates that the city has experienced growth rates that are generally consistent with the growth rates of the county and the greater Bay Area region.



**TABLE 4-2
POPULATION GROWTH**

City of Hayward, Alameda County, and San Francisco Bay Area
1940 to 2010

Date	Hayward	Alameda County	Bay Area ¹	Hayward Population as a Percentage of:	
				Alameda County Population	Bay Area Population
1940	6,736	513,011	1,734,308	1.3%	0.4%
1950	14,240	740,315	2,681,322	1.9%	0.5%
1960	72,700	908,209	3,638,939	8.0%	2.0%
1970	93,058	1,073,184	4,628,199	8.7%	2.0%
1980	94,167	1,105,379	5,179,784	8.5%	1.8%
1990	111,498	1,279,182	6,023,577	8.7%	1.9%
2000	140,030	1,443,741	6,783,760	9.7%	2.1%
2010	144,186	1,510,271	7,150,739	9.5%	2.0%

¹ Includes the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.
Source: US Census Bureau, Federal Decennial Census, 1940 to 2010.

As shown in Table 4-3, among the neighboring cities the City of Dublin had the most growth from 2000 to 2013 at over 56 percent. Emeryville had a 48 percent increase in population and the cities of Livermore, Pleasanton, Albany, and Berkeley all had about a 12 percent increase in population between 2000 and 2012. Hayward had the fifth lowest population growth in the county (about 5 percent). Oakland and Piedmont each lost about 1 percent of their population.

**TABLE 4-3
POPULATION GROWTH IN ALAMEDA COUNTY JURISDICTIONS**

Cities in Alameda County
2010 to 2012

City	2000 Population	2012 Population	Percent Change
Alameda	72,259	74,640	3.3%
Albany	16,444	18,488	12.4%
Berkeley	102,743	114,821	11.8%
Dublin	29,973	46,785	56.1%
Emeryville	6,882	10,200	48.2%
Fremont	203,413	217,700	7.0%
Hayward	140,030	147,113	5.1%
Livermore	73,345	82,400	12.3%
Newark	42,471	43,041	1.3%
Oakland	399,484	395,341	-1.0%
Piedmont	10,952	10,807	-1.3%
Pleasanton	63,654	71,269	12.0%
San Leandro	79,452	86,053	8.3%
Union City	66,869	70,646	5.6%

Source: US Census Bureau, 2000; and DOF Population Estimates, January 1, 2011 and 2012.

Population and Household Projections

In Plan Bay Area, adopted July 18, 2013, ABAG projected that the City of Hayward will add 12,288 housing units between 2010 and 2040. If this occurs, there would be 59,919 housing units in Hayward in 2040. Assuming a vacancy rate of approximately 3.0 percent, there would be an estimated 58,825 households in the city.

The total projected population in the city of Hayward would vary based on the average household size. Assuming that the average household size remains at 3.12 persons per household, the city of Hayward would have an estimated 2040 population of 183,533.

Age Characteristics

One of the more significant indicators of population growth trends is the age composition of residents. Table 4-4 shows age characteristics of the city's population in 2000 and 2010. The greatest amount of growth between 2000 and 2010 occurred among the age 55 to 64 (52 percent), while those aged 5 to 19 declined by almost 5 percent during this same period. Other age groups that increased between 2000 and 2010 include the elderly (65+) and middle aged population (35-54). In contrast, all age groups under 34 decreased between 2000 and 2010. These trends are generally consistent with those in Alameda County and the greater San Francisco Bay Area, where the percentage of seniors is increasing as result of an aging baby boomer generation. According to the 2010 Census, the median age in the city of Hayward is 33.5, which is slightly younger than the median age of both Alameda County (36.6) and the state (35.2). The city's median age has been increasing since 1960 when it was only 24.0.

TABLE 4-4 AGE CHARACTERISTICS City of Hayward 2000 and 2010					
Age	2000	Percent of Total	2010	Percent of Total	Percent Change
Under 5	11,011	7.9%	10,774	7.5%	-2.2%
5 to 19	30,494	21.8%	29,126	20.2%	-4.5%
20 to 34	35,761	25.5%	35,401	24.6%	-1.0%
35 to 54	38,831	27.7%	39,449	27.4%	1.6%
55 to 64	9,706	6.9%	14,794	10.3%	52.4%
65+	14,227	10.2%	14,642	10.2%	2.9%
Total	140,030	100.0%	144,186	100.0%	3.0%

Source: U.S. Census, 1990, 2000, and 2010.



Race and Ethnicity

Changes in the racial/ethnic composition of a population may have implications on housing needs. Traditionally, some cultures (such as Asians and Hispanics) are likely to live with extended family members. These households, therefore, tend to be larger and require large homes to accommodate their needs.

Table 4-5 shows some significant changes in the racial makeup of residents in Hayward between 2000 and 2010. The number of Asian or Pacific Islander residents grew by approximately 20 percent and those who were identified as Hispanic or Latino increased by 19 percent between 2000 and 2010. The Hispanic or Latino population is the largest population group in the city at 41 percent, followed by Asian and Pacific Islanders at 25 percent. These numerical increases were accompanied by a decrease among non-Hispanic White residents (-51 percent). As a result, whereas Whites comprised about 29 percent of Hayward's population in 2000, this racial/ethnic group made up less than 20 percent of the population in 2010. The decrease in the white population is a continuing trend that began in the 1950s. During the same time frame, the proportion of the population that identified as Hispanic or Latino increased from 34 percent of the population in 2000 to 41 percent in 2010.

**TABLE 4-5
CHANGES IN RACE AND ETHNICITY**

City of Hayward
2000 to 2010

Race/Ethnicity	2000		2010		Percent Change between 2000 to 2010
	Population	Percent of Total	Population	Percent of Total	
Hispanic or Latino (of any race)	47,850	34.2%	58,730	40.7%	18.5%
Not Hispanic or Latino:	92,180	65.8%	85,456	59.3%	-7.9%
White	40,896	29.2%	27,178	18.8%	-50.5%
Black or African American	14,846	10.6%	16,297	11.3%	8.9%
American Indian and Alaska Native	570	0.4%	492	0.3%	-15.9%
Asian	26,189	18.7%	30,090	21.6%	13.0%
Native Hawaiian or Other Pacific Islander	2,511	1.8%	4,290	3.0%	41.5%
Some Other Race	692	0.5%	352	0.2%	-96.6%
Two or More Races	6,476	4.6%	5,757	4.0%	-12.5%

Source: US Census Bureau, Federal Decennial Census, 2000 and 2010.

Table 4-6 compares Hayward's demographics to nearby communities. Hayward's race demographics share some similarities with Oakland, also an older established community of ethnic diversity. Generally, Hayward has a much lower Non-Hispanic White population than nearby communities and a much higher proportion of Hispanics/Latinos.

TABLE 4-6 RACE AND ETHNIC COMPARISON City of Hayward, Alameda County, and Surrounding Cities 2010					
Race/Ethnicity	Hayward	Livermore	Dublin	Oakland	Alameda County
Not Hispanic or Latino:	59.3%	79.1%	85.5%	74.6%	77.5%
White	18.8%	64.7%	44.3%	25.9%	34.1%
Black	11.3%	1.9%	9.2%	27.3%	12.2%
American Indian	0.3%	0.3%	0.4%	0.3%	0.4%
Asian/Pacific Islander	21.6%	8.5%	27.0%	17.2%	26.7%
Other	3.0%	0.2%	0.3%	0.3%	0.3%
Two or more races	0.2%	3.4%	4.4%	3.6%	4.0%
Hispanic/Latino	40.7%	20.9%	14.5%	25.4%	22.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

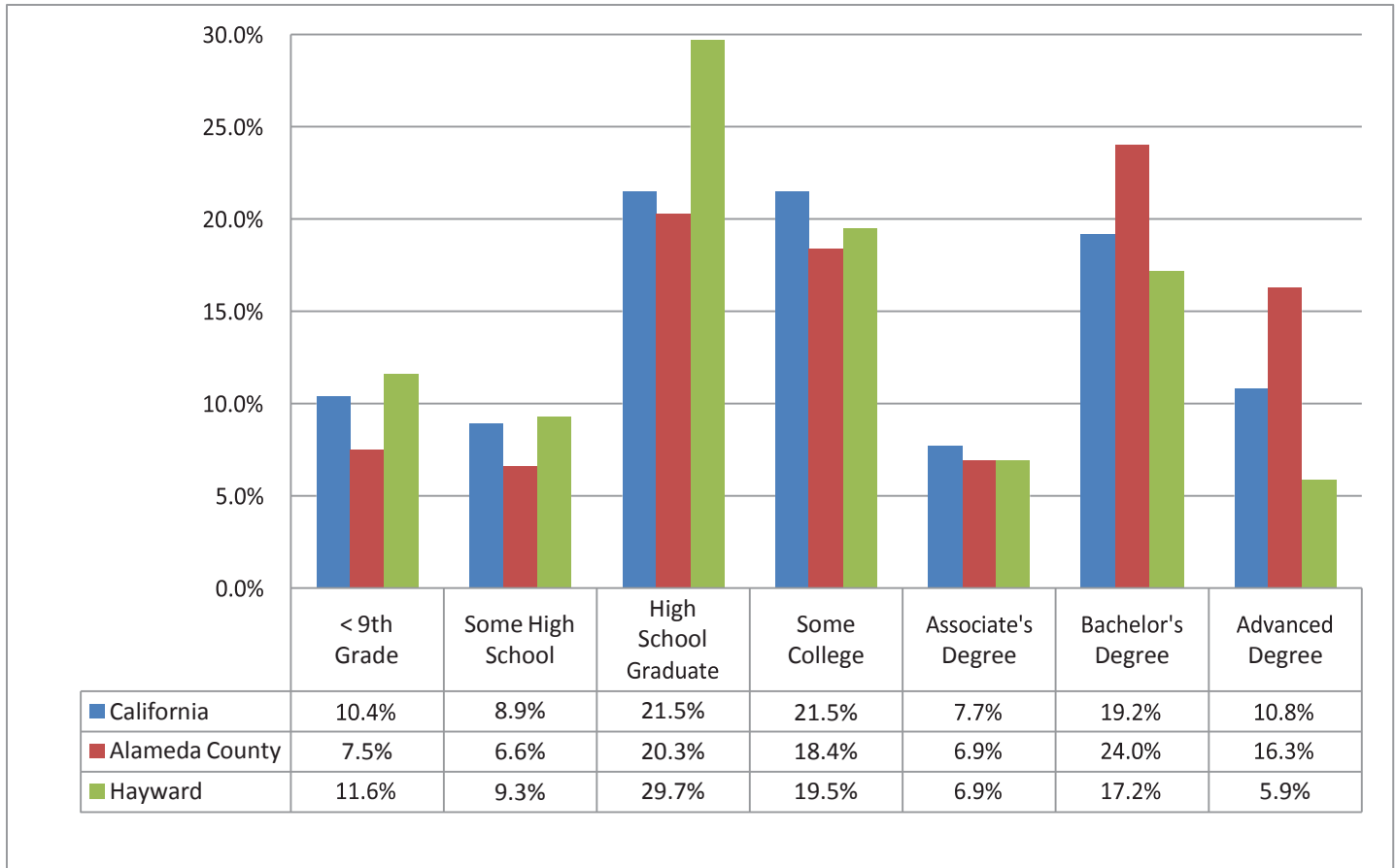
Source: U.S., Census, 2010.

Educational Attainment

Educational attainment is an important indicator of income level and, therefore, ability to afford housing. A college education is a strong indicator of earning potential and the lack of one can potentially reduce income and limit housing opportunities. The percentage of the population that did not graduate from high school in Hayward (20.9 percent) is slightly higher than in Alameda County (14.1 percent) and the state (19.3 percent). However, as shown in Figure 4-1, compared with the state (21.5 percent) and the county (20.3 percent), Hayward had the highest proportion of high school graduates, including GED equivalency (29.7 percent). Conversely, compared with the state (30 percent) and Alameda County (40.3 percent), Hayward had the lowest proportion of residents with higher education (23.1 percent), including Bachelor's and advanced degrees. Overall, Hayward had lower educational attainment than the county or state.



FIGURE 4-1
EDUCATIONAL ATTAINMENT FOR THE POPULATION AGE 25 AND OVER
Hayward, Alameda County, and California (2010)



Source: U.S. Census, 2010.

Household Characteristics

According to criteria established by the U.S. Census Bureau, a household consists of the occupants of a housing unit. A household may consist of one individual, a family, or a number of unrelated individuals. A “family household” is defined as a household consisting of two or more individuals related by blood, marriage, or adoption. Hayward saw a 16 percent increase in the number of families from 1990 to 2000 and a 12 percent increase in the number of households during the same time period (Table 4-7). However, from 2000 to 2010 both the number of families and households in Hayward decreased. At the same time, the average household size increased, indicating that larger non-family households are becoming more common.

TABLE 4-7 HOUSEHOLD DEMOGRAPHICS City of Hayward 1990, 2000, and 2010					
	1990	2000	2010	Percent Change	
				1990-2000	2000-2010
Population	111,498	140,030	144,186	25.6%	3.0%
Dwelling Units	42,216	45,922	48,947	8.8%	6.59%
Families	27,611	31,931	31,038	15.6%	-2.8%
Households	40,117	44,804	44,380	11.7%	-1.0%
Average Household Size	2.75	3.08	3.15	12.0%	2.3%

Source: U.S. Census, 1990, 2000, and 2010.

As mentioned before, increases in certain racial/ethnic groups may be accompanied by an increase in the average household size. The city's average household size has continued to increase since 1990, although leveling off somewhat since 2000. Household size increased slightly from 3.08 in 2000 to 3.12 in 2010. Owner-occupied units in Hayward in 2010 had a slightly larger household size than renter-occupied units (Table 4-8).

TABLE 4-8 TENURE AND HOUSEHOLD SIZE City of Hayward 2010			
Tenure	Population	Percent of Total	Average Household Size
Owner-Occupied	23,935	52.8%	3.14
Renter-Occupied	21,430	47.2%	3.10
Total Occupied Housing Units	45,365	100.0%	3.12

Source: U.S. Census, 2010.

Household Projections

The California Sustainable Communities and Climate Protection Act of 2008 (California Senate Bill 375) requires each of the 18 metropolitan areas in the state to reduce greenhouse gas emissions from cars and light trucks by preparing and implementing a Sustainable Communities Strategy (SCS). An SCS is a regional blueprint for transportation, housing, and land use that is focused on reducing driving and associated greenhouse gas emissions.



The SCS for the San Francisco Bay Area is contained within Plan Bay Area, an integrated long-range transportation, land use, and housing plan prepared by ABAG and the Metropolitan Transportation Commission (MTC) and adopted in July 2013. The SCS anticipates that 79 percent of the housing units built in Hayward between 2010 and 2040 (9,659 units) will be constructed within five priority development areas:

- The Cannery
- Downtown Hayward
- The South Hayward BART Corridor
- The South Hayward BART Neighborhood
- The Mission Corridor

Table 4-9 shows the specific allocation for each priority development area within the city.

TABLE 4-9 HOUSING UNIT AND HOUSEHOLD PROJECTIONS City of Hayward Priority Development Areas 2010 through 2040						
Priority Development Area	2010		Growth Between 2010 and 2040		2040	
	Housing Units	Households	Housing Units	Households	Housing units	Households
The Cannery	343	331	752	741	1,095	1,072
Downtown	2,287	2,096	3,223	3,275	5,510	5,371
South Hayward BART Corridor	184	172	1,173	1,158	1,357	1,330
South Hayward BART Neighborhood	1,796	1,658	2,698	2,737	4,494	4,395
Mission Corridor	1,482	1,229	1,839	1,977	3,321	3,206
<i>Subtotal: Priority Development Areas</i>	<i>6,092</i>	<i>5,486</i>	<i>9,685</i>	<i>9,888</i>	<i>15,777</i>	<i>15,374</i>
Remainder of City	42,204	39,879	2,603	3,572	44,807	43,451
Total City	48,296	45,365	12,288	13,460	60,584	58,825

Source: Association of Bay Area Governments. Sustainable Communities Strategy (Jobs-Housing Connection Strategy), July 2013.

Household Income

Household income is an important consideration when evaluating housing and community development because a lower income typically constrains a household's ability to secure adequate housing or services. While housing choices, such as tenure (owning versus renting) and location of residences are very much income-dependent, household size and type often affect the proportion of income that can be spent on housing.

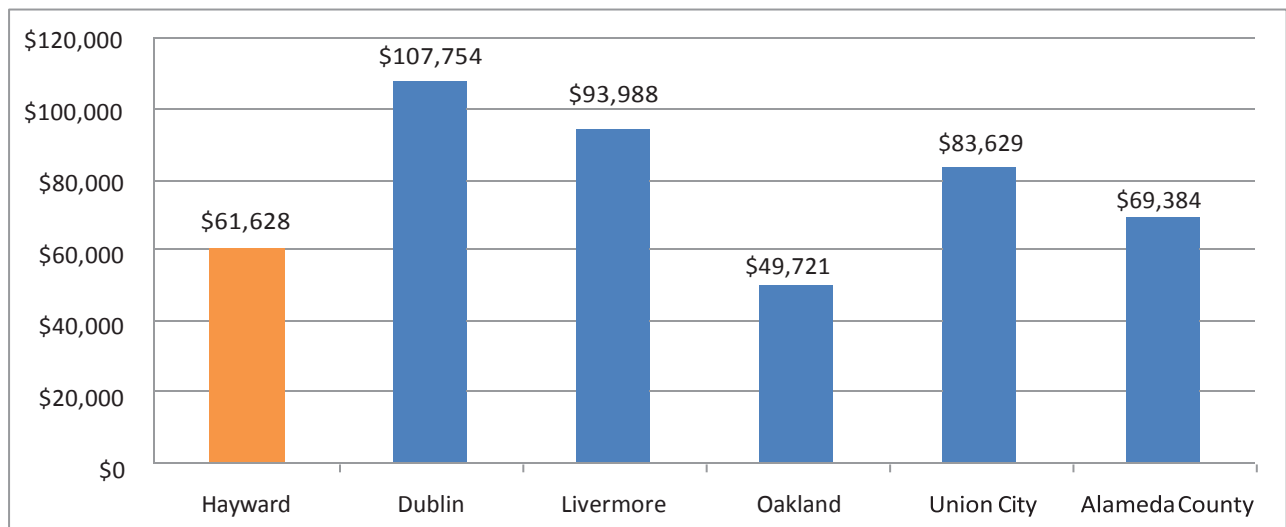
For purposes of determining eligibility for housing assistance, the California Department of Housing and Community Development (HCD) has established the following income groups based on the Area Median Income (AMI) of a Metropolitan Statistical Area (MSA):

- Extremely Low Income: 0-30 percent AMI
- Very Low Income: 31-50 percent AMI
- Low Income: 51-80 percent AMI
- Moderate Income: 81-120 percent AMI
- Above Moderate Income: greater than 120 percent AMI

Collectively, households with extremely low, very low and low incomes are referred to as lower-income households.

According to the 2010 Census, the median household income in Hayward in 2009 was \$61,628, which was lower than the county and most neighboring cities, with the exception of the City of Oakland (see Figure 4-2). When adjusted for inflation, the 1999 median income of \$51,577 is equal to \$65,903 in 2009 dollars. Therefore, median household income actually decreased from 1999 to 2009 in Hayward when adjusted for inflation.

**FIGURE 4-2
MEDIAN HOUSEHOLD INCOME COMPARISON
Hayward And Surrounding Cities (2009)**



Source: U.S. Census, 2010.

Table 4-10 shows household income by tenure based on the Comprehensive Housing Affordability Strategy (CHAS) data prepared by the U.S. Department of Housing and Urban Development (HUD) using Census data. According to the CHAS data, 45 percent of the city’s households could be classified as having lower incomes and 55 percent had moderate or above moderate incomes in 2009. Lower-income households are disproportionately renters (60 percent) rather than owners (40 percent).



TABLE 4-10 HOUSEHOLD TYPE BY INCOME LEVEL City of Hayward 2009						
Household Type	Owner Occupied		Renter Occupied		Total	
	Households	Percent of Total	Households	Percent of Total	Households	Percent of Total
Extremely Low-Income	1,965	7.9%	4,710	24.5%	6,675	15.1%
Very Low-Income	2,680	10.8%	3,535	18.4%	6,215	14.1%
Low-Income	3,275	13.1%	3,570	18.6%	6,845	15.5%
<i>Subtotal (all lower-income)</i>	<i>7,920</i>	<i>31.80%</i>	<i>11,815</i>	<i>61.50%</i>	<i>19,735</i>	<i>44.7%</i>
Moderate/Above-Moderate Income	16,985	68.2%	7,425	38.6%	24,410	55.3%
Total	24,905	100.0%	19,240	100.0%	44,145	100.0%

Source: US Housing and Urban Development Department, Comprehensive Housing Affordability Strategy, 2005 to 2009.

Table 4-11 presents household income by income group and household type based on the CHAS data prepared by HUD using Census data. Elderly households make up 40 percent of lower-income owners and 54 percent of extremely low-income owners. About 87 percent of elderly renter households are lower-income. For large family households, 67 percent of renters are lower-income and 44 percent of owners are lower-income.

TABLE 4-11 HOUSEHOLD TYPE AND INCOME LEVEL City of Hayward 2009							
Income	Renter			Owners			Total
	Elderly	Large Families	Total	Elderly	Large Families	Total	
Extremely Low	750	525	4,710	1,055	270	1,965	6,675
Very Low	375	540	3,535	1,250	300	2,680	6,215
Low	285	515	3,570	830	665	3,275	6,845
All Lower Income	1,410	1,580	11,815	3,135	1,235	7,920	19,735
Moderate/Above Moderate	210	750	7,425	2,660	2,820	16,985	24,410
Total	1,620	2,330	19,235	5,795	4,055	24,910	44,145

Source: 2005-2009 Comprehensive Housing Affordability Strategy (CHAS), HUD.

Housing Characteristics

A community’s housing stock is defined as the collection of all residential dwelling units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age and condition, tenure, vacancy, costs, and affordability are important in determining the housing needs for the community. This section details Hayward’s housing stock characteristics

in an attempt to identify how well the current housing stock meets the needs of current and future residents of the city.

Housing Unit Types

According to the most recent estimates prepared by the State Department of Finance (2013), there were 48,900 housing units in the city (Table 4-12). The distribution of unit types in Hayward and Alameda County are similar. Alameda County and Hayward had similar proportions of single family and multifamily homes. However, Hayward had a larger proportion of multifamily complexes with five or more units than the county. Mobile homes also constituted a larger portion of the city's housing stock than in the county. Approximately 52 percent of the city's housing structures were single family detached homes and 28 percent of units were in multifamily structures with five or more units. Nearly 5 percent of housing units were mobile homes, a considerable proportion given the urbanized nature of the city.

TABLE 4-12 HOUSING UNIT TYPES City of Hayward and Alameda County 2013				
Unit Type	Alameda County		Hayward	
	Number	Percent	Number	Percent
Single family Detached	311,246	53.1%	25,371	51.9%
Single family Attached	44,965	7.7%	4,543	9.3%
2-4 Units	65,581	11.2%	2,935	6.0%
5+ Units	156,845	26.7%	13,729	28.1%
Mobile Homes	7,837	1.3%	2,322	4.8%
Total	586,474	100.0%	48,900	100%

Source: State Department of Finance, Population and Housing Estimates, May 1, 2013.

Table 4-13 displays the trends in residential development within the city that occurred over the past 20 years. The Census statistics are shown for 1990 and 2000, while American Community Survey is shown for 2010. The city's housing stock has remained predominately single family during the past 20 years. Single family attached and detached housing increased almost 14 percent from 2000 to 2010 while two- to four-unit multifamily housing decreased 11 percent and multifamily housing of five units or more decreased almost 2 percent. However, the Census Bureau used a new methodology for counting group quarters in 2000 that missed or wrongfully categorized millions of group homes and institutions. In 2010 the Census Bureau revised its methodology and definitions to more accurately count and categorize group homes. Therefore, the "loss" of multifamily buildings may actually be due to the recategorization of some multifamily units as group homes. Mobile home parks and other types of housing experienced a slight increase from 2000 to 2010, but have remained stable at five percent of housing units since 2000.



TABLE 4-13 HOUSING UNIT CHANGES City of Hayward 1990, 2000, and 2010								
Unit Type	1990		2000		2010		Changes 2000-2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Single family	23,591	56.4%	26,174	56.9%	29,718	60.7%	3,544	13.5%
2-4 Units	2,985	7.1%	3,352	7.3%	2,974	6.1%	-378	-11.3%
5+ Units	12,945	31.0%	14,133	30.8%	13,902	28.4%	-231	-1.6%
Other	2,286	5.5%	2,301	5.0%	2,353	4.8%	52	2.3%
Total	41,807	100.0%	45,960	100.0%	48,947	100.0%	2987	6.5%

Source: U.S. Census, 2000;2006-2010 American Community Survey.

Housing Tenure

According to Census data, Hayward is nearly equally split in tenure (53 percent owner-occupied units versus 47 percent renter-occupied units). As shown in Table 4-14, between 2000 and 2010 the proportion of owner-occupied households decreased slightly while the proportion of renters slightly increased.

TABLE 4-14 HOUSING UNIT TENURE City of Hayward 2000 and 2010						
Tenure	2000		2010		Change 2000-2010	
	Number	Percent	Number	Percent	Number	Percent
Owner	23,824	53.2%	23,935	52.8%	111	0.5%
Renter	20,980	46.8%	21,430	47.2%	450	2.1%
Total Occupied Housing Units	44,804	100.0%	45,365	100.0%	561	1.3%

Source: U.S. Census, 2000 and 2010.

Vacancy

Vacancy rate is often a good indicator of how effectively for-sale and rental units are meeting the current demand for housing in a community. Vacancy rates of 6 or 7 percent for rental housing and 1 to 2 percent for ownership housing are generally considered optimum, where there is a balance between the demand and supply for housing.⁵ A higher vacancy rate may

⁵ Giang Hoang-Burdette, Nobody’s Home: California Residential Vacancy Rates, May 9, 2012; Joan C. Fahrenthold, Associated Press, America’s Sickest Housing Markets, 2012; Emmett Pierce, San Diego Union Tribune, Uptick in County Rental, Vacancy Rates, Tenants Together, June 6, 2008; William Poe, Area Landlords High on Healthy Rental Market, July 27, 2012; Housing New York City, 2008; Mary Ellen Podmolik, Chicago’s a Renter’s Market, but Vacancies, Delinquencies on Rise, Census Paints a Bleak Picture of Arizona Housing, 2011; Rolf Boone, The Olympian, Thurston Apartment Vacancy Rates Up a Bit, 2012; Bill Conerly, Housing Recovery Progressing Very Slowly, Businomics, 2011.

indicate an excess supply of units and, therefore, price depreciation, while a low vacancy rate may indicate a shortage of units and escalation of housing prices. Census data indicated that Hayward had a normal overall vacancy rate 6.1 percent in 2010. The homeowner vacancy rate was 2.3 percent in 2010 and the rental vacancy rate was 6.6 percent.

Housing Unit Conditions

Generally, housing older than 30 years of age will require minor repairs and modernization improvements. Housing units over 50 years of age are more likely to require major rehabilitation such as roofing, plumbing, and electrical system repairs. Table 4-15 depicts the statistics on the age of the housing units in Hayward. An estimated 71 percent of the housing units in the city are over 30 years of age and 37 percent are over 50 years of age.

TABLE 4-15 HOUSING UNIT AGE City of Hayward 2010		
Year Structure Built	Number	Percent of Total
2005 or later	1,196	2.4%
2000 – 2004	2,313	4.7%
1990 – 1999	3,707	7.6%
1980 – 1989	6,898	14.1%
1970 – 1979	9,389	19.2%
1960 – 1969	7,340	15.0%
1950 – 1959	13,437	27.5%
1940 – 1949	2,671	5.5%
1930 and earlier	1,823	3.7%
Total	48,947	100.0%
<i>30 years or older (built before 1980)</i>	<i>34,660</i>	<i>70.8%</i>
<i>50 years or older (built before 1960)</i>	<i>17,931</i>	<i>36.6%</i>

Source: U.S. Census, 2010.

An important indicator of the existing condition of the housing supply is the number of structurally substandard units, or units needing rehabilitation or replacement. While the majority of the housing units within the city are in relatively good condition, as the existing stock ages, the number of housing units needing rehabilitation is expected to increase. According to the City's Code Enforcement staff, no units are estimated to be in need of substantial rehabilitation and none are in need of replacement in the city. Through the City's Community Preservation and Rental Housing Inspection programs, the City has addressed any housing units that are in need of rehabilitation.



Employment and Economic Characteristics

According to the 2010 Census, 75,733 Hayward residents over the age of 16 were in the labor force. Of these residents 66,877 were employed, yielding an unemployment rate of 7.9 percent. The State Employment Development Department reported an unemployment rate of 8.2 percent as of July 2013.

Table 4-16 tabulates occupations held by Hayward residents according to the 2010 Census and provides corresponding wage scales in Alameda County as of 2013. Among the employed residents, about 12 percent held construction and maintenance occupations, which command a moderate salary. Approximately 28 percent of residents were employed in retail sales and office support occupations, which are usually lower paid. Close to 26 percent of the employed residents held managerial and professional occupations, which command higher wages in the county.

TABLE 4-16 OCCUPATIONS AND WAGE City of Hayward 2010/2013			
Occupation	Number	Percent of Employed	Alameda County Mean Wage
Management, Business, Science, and Arts	17,641	26.4%	\$95,224
Service	11,254	16.8%	\$68,328
Sales and Office	18,967	28.4%	\$44,516
Natural Resources, Construction, and Maintenance	8,172	12.2%	\$47,934
Production, Transportation, and Moving Goods	10,843	16.2%	\$58,474
Total	66,877	100.0%	\$40,792

Sources: U.S. Census, 2010; California Employment Development Department, Labor Market Statistics, First Quarter 2013.

Employment Projections

According to ABAG, there were 69,100 jobs in the city of Hayward and 694,440 jobs in Alameda County in 2010. Hayward is home to approximately 10 percent of the jobs in the county. The ABAG projects that the city of Hayward will add 20,800 new jobs between 2010 and 2040, increasing from 69,100 to 89,900 jobs. This represents a 30 percent increase in local jobs. Only 6,960 jobs will be located in the priority development areas identified in the Sustainable Communities Strategy.

Housing Costs and Affordability

Housing affordability is a major consideration in providing suitable housing. The cost of housing itself is not a problem, unless households in the area cannot find adequately sized units at an affordable price. Affordability is defined as paying 30 percent or less of gross monthly household income on housing costs, based on both State and Federal standards.

Rental Housing

According to rental listings on Trulia (www.trulia.com), in December 2012 the average rent for apartments in Hayward is \$1,109 and the average rent for single family homes is \$2,232 (Table 4-17). Apartments in Hayward rent for significantly less than homes and condominiums.

TABLE 4-17 RENTAL PRICES City of Hayward 2012		
Apartments	Average Rent	Median Rent
Studio	--	--
1 Bedroom	\$1,109	\$1,070
2 Bedroom	\$1,396	\$1,350
3+ Bedroom	\$1,992	\$1,930
Total Apartment Rent	\$1,421	\$1,350
Homes for Rent	Average Rent	Median Rent
1 Bedroom	--	--
2 Bedroom	\$1,700	\$1,700
3 Bedroom	\$2,019	\$1,950
4+ Bedroom	\$3,060	\$2,900
Total Home Rent	\$2,232	\$2,048

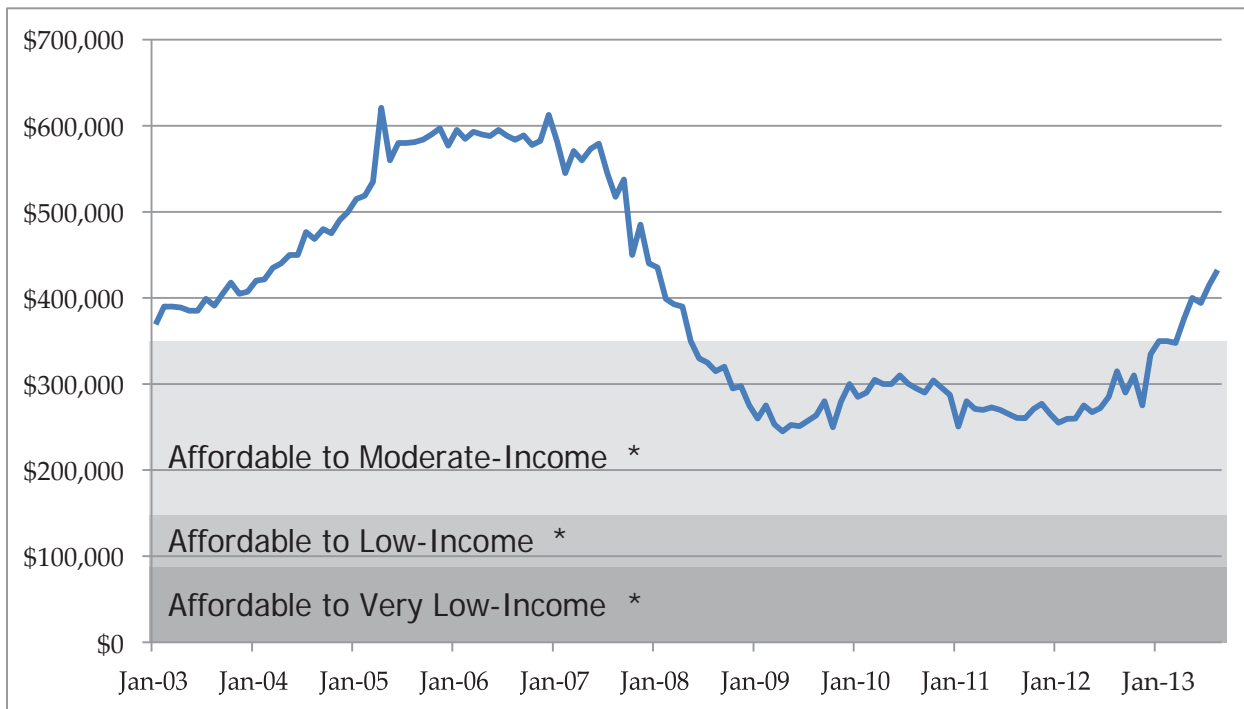
Source: www.trulia.com, Housing for Hayward, CA, December 5, 2012.

For-Sale Housing

Figure 4-3 shows the median sales prices for homes in Hayward between January 2002 and August 2013 and the affordable sales price based on 2013 income limits. The median sales price significantly increased between early 2003 and mid-2006. After 2006, the housing market slowdown affected sales prices in Hayward. Between mid-2006 and early 2009, the median sales price decreased by over 60 percent, making housing more affordable. While prices rose slightly from 2010 to 2011, they decreased to 2009 levels in 2012. The median sales price of \$255,000 in January 2012 was still out of reach for lower-income families, but within reach for most moderate-income families in Alameda County. However, by August 2013 the median sales price had increased by 69 percent to \$432,000 and was no longer affordable to moderate-income families. It is likely that housing prices will continue this upward trend during the Housing Element planning period.



**FIGURE 4-3
MEDIAN SALES PRICE AND PRICE PER SQUARE FOOT**



*Based on the ability to pay analysis in Table 4-24 for a household of four people.
Source: Bay East Association of Realtors, 2013.

Table 4-18 shows the median housing price by number of bedrooms and price per square foot for homes in the city of Hayward in 2007, 2011, and 2012. While the median home sale price for homes of all sizes is affordable to moderate-income households, lower-income households are not able to afford any size home. A low-income household of four, which would generally need a three-bedroom home, could only afford the median sales price of a one-bedroom home.

**TABLE 4-18
MEDIAN SALES PRICE AND PRICE PER SQUARE FOOT**

City of Hayward
2007, 2011, and 2012

Number of Bedrooms	2007		2011		2012	
	Median Price	Average Price Per sq. ft.	Median Price	Average Price Per Sq. Ft.	Median Price	Average Price Per Sq. Ft.
1 Bedroom	\$328,000	\$419	\$79,000	\$141	\$122,500	\$621
2 Bedroom	\$353,757	\$362	\$143,500	\$152	\$188,500	\$198
3 Bedroom	\$468,450	\$354	\$244,250	\$208	\$280,000	\$220
4+ Bedroom	\$546,000	\$318	\$325,445	\$173	\$382,500	\$199
All Properties	\$466,625	\$352	\$242,500	\$186	\$280,800	\$229

Note: Data for each year is from August to October.
Source: www.trulia.com, Hayward Market Trends, December 5, 2012.

Table 4-19 shows home price trends in Hayward from May 2012 to May 2013. This period reflects a time of significant changes in the housing market after the lending market collapse, as home prices are starting to increase again as the market recovers. Median sale prices throughout the city rose between 45 to 50 percent. The number of homes sold actually decreased, because while prices are nominally increasing, many owners are waiting for prices to continue to increase before selling their home. In addition, while interest rates are low and offer an incentive to buy, the lending market is very tight as loan qualifications are considerably stricter than in the past.

TABLE 4-19 HAYWARD HOME PRICE TRENDS Hayward Zip Codes 2012							
Zip Code	Number of Sales	Percent Change	Median Price	Percent Change	High Price	\$/sq. ft.	Percent Change
94541	34	-17%	\$375,000	30%	\$705,000	\$257	30%
94542	16	23%	\$550,000	17%	\$2,212,500	\$269	29%
94544	41	-20%	\$400,000	39%	\$841,000	\$301	44%
94545	29	26%	\$428,888	36%	\$640,000	\$308	42%

Notes: Data is presented for August 2013, Percent Change data is compared to August 2012.

Source: Bay East Association of Realtors, 2013.

Table 4-20 compares home sale prices in Hayward to neighboring communities as well as all of Alameda County. Every jurisdiction (except Emeryville) in Alameda County experienced an increase in median prices from October 2011 to October 2012. As shown, Hayward generally has a low median sales price when compared to other communities in Alameda County. Only a few communities had lower median sales prices in October 2012 (i.e., Oakland, Emeryville, and San Lorenzo). However, Hayward experienced a relatively large increase in median sales price between October 2011 and October 2012, with an increase of over 26 percent.



Location	Number of Homes Sold in October 2012	October 2011 Median Sales Price	October 2012 Median Sales Price	Percent Change from October 2011 to October 2012
Alameda County	1,431	\$330,000	\$358,727	16.89%
Alameda	54	\$429,000	\$561,500	30.89%
Albany	14	\$490,000	\$493,250	0.66%
Berkeley	67	\$475,000	\$610,000	28.42%
Castro Valley	62	\$370,000	\$468,000	26.49%
Dublin	82	\$519,500	\$590,250	13.62%
Emeryville	35	\$240,000	\$233,500	-2.71%
Fremont	197	\$449,000	\$525,000	16.39%
Hayward	167	\$237,000	\$300,000	26.58%
Livermore	108	\$366,750	\$429,000	16.97%
Newark	40	\$319,500	\$351,000	9.86%
Oakland	343	\$235,000	\$296,250	26.06%
Pleasanton	78	\$594,000	\$630,000	6.06%
San Leandro	77	\$300,000	\$328,500	9.50%
San Lorenzo	28	\$280,000	\$295,000	5.36%
Union City	65	\$330,000	\$356,000	7.88%

Source: DQNews, California Home Sales Price Medians by County and City, Home Sales Recorded in October 2012.

Foreclosures

With low interest rates, “creative” financing (e.g., zero down, interest only, adjustable loans), and predatory lending practices (e.g., aggressive marketing, hidden fees, negative amortization), many households nationwide purchased homes that were beyond their financial means during the peak of the real estate market (2005 to 2006). Under the assumptions that refinancing to lower interest rates would always be an option and home prices would continue to rise at double-digit rates, many households were unprepared for the hikes in interest rates, expiration of short-term fixed rates, and decline in prices that set off in 2006. Suddenly faced with significantly inflated mortgage payments, and mortgage loans that are larger than the worth of the homes, foreclosure was the only option available to many households.

Table 4-21 shows the active foreclosures within cities and unincorporated communities in Alameda County. As shown, there were 7,798 foreclosures in Alameda County (December 2012). Of these foreclosures, 1,082 (13.9 percent) were in Hayward. The city of Hayward had the second highest number of active foreclosures recorded in Alameda County. Only the City of Oakland had more foreclosures. In addition, the City of Hayward had the highest rate of new foreclosure filings in October 2012, as one in every 324 homes in the city filed for foreclosure. This is substantially higher than the County rate, which is one in every 534 homes.

TABLE 4-21 ACTIVE FORECLOSURES Alameda County and Cities and Unincorporated Communities in Alameda County 2012				
Location	Number of Homes in Foreclosure	Average Foreclosure Sales Price	Housing Units that Received a Foreclosure Filing in October 2012	
			Number	Rate
Alameda	216	\$499,016	27	1 in every 1,198
Albany	33	NA	6	1 in every 1,405
Berkeley	264	\$424,000	29	1 in every 1,794
Castro Valley	255	\$361,960	28	1 in every 786
Dublin	233	\$464,550	34	1 in every 464
Emeryville	322	\$243,948	30	1 in every 503
Fremont	634	\$425,095	76	1 in every 974
Hayward	1,082	\$296,931	183	1 in every 324
Livermore	480	\$386,846	77	1 in every 408
Newark	240	\$354,864	31	1 in every 433
Oakland	2,789	\$264,651	399	1 in every 412
Pleasanton	209	\$610,000	26	1 in every 1,023
San Leandro	526	\$294,591	70	1 in every 565
San Lorenzo	169	NA	27	1 in every 332
Union City	340	\$358,528	51	1 in every 417
Total Alameda County	7,798	\$335,050	1,094	1 in every 534

Source: Realtytrac, <http://www.realtytrac.com/foreclosure/October 2012>.

Housing Affordability

The generally accepted definition of housing affordability is for a household to pay no more than 30 percent of its gross annual income on housing, with the exception of moderate-income households and above. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Housing affordability can be estimated by comparing a household's income with their monthly rent or a combination of their monthly mortgage, homeowner's association fees, and property taxes.

Housing affordability can be estimated by comparing the affordable housing cost of owning or renting a home in the city with the maximum affordable housing cost for households at different income levels. Together, this information can show who can afford what size and type of housing and which households are most likely to experience overpayment and overcrowding. Table 4-22 shows the affordable housing cost guidelines established in Section 50053 of the California Health and Safety Code. The guidelines are based on the median income calculated by the HCD income limits.



Income Level	Income Limit	For Sale	Rental
Extremely Low	0-30% AMI	30% of 30% of AMI	30% of 30% of AMI
Very Low	31-50% AMI	30% of 50% of AMI	30% of 50% of AMI
Low	51-80% AMI	30% of 70% of AMI	30% of 60% of AMI
Moderate	81-120% AMI	35% of 110% of AMI	35% of 110% of AMI

Note: Affordability levels should be adjusted for household size.

HCD establishes household income limits to determine if a household has an extremely low-, very low-, low-, or moderate-income level. These income levels vary throughout the state and are based on the area median income of the region and adjusted based on the number of persons per household. The income limits for Alameda County are shown on Table 4-23. As shown in the table, a family of three with an annual income of \$59,600 would be considered a low-income household.

Income Level	Persons Per Household					
	1	2	3	4	5	6
Extremely Low	\$19,650	\$22,450	\$25,250	\$28,050	\$28,050	\$30,300
Very Low	\$32,750	\$37,400	\$42,100	\$46,750	\$50,500	\$54,250
Low	\$46,350	\$53,000	\$59,600	\$66,250	\$71,550	\$78,560
Median	\$65,450	\$74,800	\$84,150	\$93,500	\$101,000	\$108,450
Moderate	\$78,550	\$89,750	\$101,000	\$112,200	\$121,200	\$130,150

Source: California Department of Housing and Community Development, 2013.

Table 4-24 shows the 2013 HCD-defined household income limits for very low-, low-, and moderate-income households in Alameda County (including Hayward) by the number of persons in the household. It also shows maximum affordable monthly rents and maximum affordable purchase prices for homes. For example, a three-person low-income household with an income limit at 60 percent of the area median could afford to pay a monthly gross rent (including utilities) of up to \$1,263. A three-person low-income household with an income limit at 70 percent of the area median could afford to purchase a house priced at or below \$138,000.

TABLE 4-24 ABILITY TO PAY FOR HOUSING BASED ON HCD INCOME LIMITS Alameda County 2013			
Very Low-Income Households at 50 Percent of 2013 Median Family Income			
	1 BR	2 BR	3 BR
Number of Persons	2	3	4
Income Level	\$37,400	\$42,100	\$46,750
Max. Monthly Gross Rent ¹	\$561	\$631	\$701
Max. Purchase Price ²	\$64,000	\$81,000	\$95,000
Low-Income Households at 80 Percent of 2013 Median Family Income			
	1 BR	2 BR	3 BR
Number of Persons	2	3	4
Income Level Renter (60 percent of MFI)	\$44,880	\$50,520	\$56,100
Max. Monthly Gross Rent ¹	\$1,122	\$1,263	\$1,403
Income Level Owner (70 percent of MFI)	\$52,360	\$58,940	\$65,450
Max. Purchase Price ²	\$117,000	\$138,000	\$158,000
Moderate-Income Households at 120 Percent of 2013 Median Family Income			
	1 BR	2 BR	3 BR
Number of Persons	2	3	4
Income Level (110 percent of MFI)	\$82,280	\$92,565	\$102,850
Max. Monthly Gross Rent ¹	\$2,400	\$2,700	\$3,000
Max. Purchase Price ²	\$265,000	\$305,000	\$345,000

¹ Assumes that 30 percent of income (or 35 percent for moderate-income) is available for either: monthly rent, including utilities; or mortgage payment, taxes, mortgage insurance, and homeowners insurance

² Assumes 95 percent loan at 5.92 percent annual interest rate and 30-year term; assumes taxes, mortgage insurance, homeowners association, utilities, and homeowners' insurance account for 60 percent of total monthly payments

Source: California Department of Housing and Community Development, 2013; and Mintier Harnish, 2013.

Based on the rental and home sale prices presented earlier in Table 4-17 and Figure 4-3, most lower-income households would not be able to afford housing in Hayward. Rental housing is generally affordable to moderate-income households within the city, but for-sale housing is out of reach for most households except for above moderate-income households.



Table 4-25 shows HUD-defined fair market rent levels (FMR) for the Oakland-Fremont PMSA (including Hayward) for 2012 and 2013. In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.⁶ HUD uses FMRs for a variety of purposes: FMRs determine the eligibility of rental housing units for the Section 8 Housing Assistance Payments program; Section 8 Rental Certificate program participants cannot rent units whose rents exceed the FMRs; and FMRs also serve as the payment standard used to calculate subsidies under the Rental Voucher program.

The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard quality rental housing units in the FMR area. The basic standard for the FMR figures is the 40th percentile. However, in some areas HUD sets the level at the 50th percentile to give lower-income families who participate in the voucher program access to a broader range of housing opportunities. The FMR figures that apply to the Oakland-Fremont PMSA are set at the 40th percentile of rents in the area. In other words, 60 percent of the rents in the Oakland-Fremont PMSA are above the figures shown and 40 percent are below.

TABLE 4-25 HUD FAIR MARKET RATE Oakland-Fremont PMSA 2013	
Bedrooms in Unit	2013 FMR
Studio/Efficiency	\$892
One-Bedroom	\$1,082
Two-Bedroom	\$1,361
Three-Bedroom	\$1,901
Four-Bedroom	\$2,332

Note: The Oakland-Fremont PMSA contains Alameda and Contra Costa Counties.

Source: U.S. Department of Urban Development (HUD), 2013.

Comparing the current FMR levels to Table 4-24, a three-person household classified as moderate-income could afford to pay \$2,700 monthly gross rent (including utilities). The 2013 FMR for a two-bedroom unit is \$1,361, which is affordable to a moderate-income household if such a unit were available in Hayward. However, a three-person low-income household (\$50,520 at 60 percent of the median) could afford to pay \$1,263, which is below the 2013 FMR.

⁶ According to HUD, "the level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). Public housing units and units less than 2 years old are excluded."

Housing Problems

Overpayment

Overpayment, also known as cost burden, is defined as households spending more than 30 percent of their gross household incomes on housing costs. HUD's Comprehensive Housing Affordability Strategy (CHAS) data provides information on housing overpayments by income group (Table 4-26).

Overall, 48 percent of households in the city experienced housing overpayment in 2009. Housing overpayment impacted certain groups more severely than others. Particularly, overpayment was prevalent among the following groups:

- Over 68 percent of lower-income households overpaid for housing.
- A majority of all extremely low-income households overpaid for housing (79 percent), and nearly all extremely low-income large family renters (91 percent) faced a housing cost burden.
- Among very low-income households, 89 percent of renters overpaid for housing and 90 percent of large family owners overpaid for housing.
- About 71 percent of all elderly low-income renters overpaid for housing.



**TABLE 4-26
HOUSING OVERPAYMENT
City of Hayward
2009**

Household by Type, Income, and Housing Problem	Renters			Owners			Total
	Elderly	Large Families	Total Renters	Elderly	Large Families	Total Owners	
Extremely Low Income							
Total	750	525	4,710	1,055	270	1,965	6,675
With cost burden >30%	610	475	3,810	725	230	1,485	5,295
	81.3%	90.5%	80.9%	68.7%	85.2%	75.6%	79.3%
With cost burden >50%	420	465	3,345	460	230	1,185	4,530
	56.0%	88.6%	71.0%	43.6%	85.2%	60.3%	67.9%
Very Low Income							
Total	375	540	3,535	1,250	300	2,680	6,215
With cost burden >30%	260	425	3,135	415	270	1,520	4,655
	69.3%	78.7%	88.7%	33.2%	90.0%	56.7%	74.9%
With cost burden >50%	125	65	1,275	165	230	1,060	2,335
	33.3%	12.0%	36.1%	13.2%	76.7%	39.6%	37.6%
Low Income							
Total	285	515	3,570	830	665	3,275	6,845
With cost burden >30%	130	130	1,665	255	520	1,865	3,530
	45.6%	25.2%	46.6%	30.7%	78.2%	57.0%	51.6%
With cost burden >50%	20	0	215	80	355	1,140	1355
	7.0%	0.0%	6.0%	9.6%	53.4%	34.8%	19.8%
All Lower Incomes							
Total	1,410	1,580	11,815	3,135	1,235	7,920	19,735
With cost burden >30%	1,000	1,030	8,610	1,395	1,020	4,870	13,480
	70.9%	65.2%	72.9%	44.5%	82.6%	61.5%	68.3%
With cost burden >50%	565	530	4,835	705	815	3,385	8,220
	40.1%	33.5%	40.9%	22.5%	66.0%	42.7%	41.7%
Total							
Total	1,620	2,330	19,235	5,795	4,055	24,910	44,145
With cost burden >30%	1,079	1,100	9,859	1,845	2,170	11,150	21,009
	66.6%	47.2%	51.3%	31.8%	53.5%	44.8%	47.6%
With cost burden >50%	615	530	4,925	740	905	4,555	9,480
	38.0%	22.8%	25.6%	12.8%	22.3%	18.3%	21.5%

Source: 2005-2009 HUD Comprehensive Housing Affordability Strategy (CHAS).

Overcrowding

Overcrowding is typically defined as those housing units containing more than one person per room (including living and dining rooms but excluding bathrooms and kitchens) and units with more than 1.5 persons per room are considered as severely overcrowded. As shown in Table 4-27, in 2010 an estimated 7 percent of occupied units in the city were classified as overcrowded and 2.5 percent were severely overcrowded. The proportion of overcrowded renter-occupied units was almost double that of owner-occupied units. Nearly 9 percent of renter households were overcrowded, and 3.5 percent were severely overcrowded.

TABLE 4-27 OVERCROWDING City of Hayward 2010						
	Owner-Occupied		Renter-Occupied		Total Occupied Units	
	Number	Percent	Number	Percent	Number	Percent
Total Occupied Units	24,679	100%	19,701	100%	44,380	100%
Overcrowded (>1.0 persons/room)	1,368	5.5%	1,734	8.8%	3,102	7.0%
Severely Overcrowded (>1.5 persons/room)	438	1.8%	683	3.5%	1,121	2.5%

Source: US Census Bureau, 2006-2010 American Community Survey.

Overcrowding was less prevalent in Alameda County, compared with Hayward. Specifically, almost 4 percent of the households in the county and 7 percent in Hayward were considered overcrowded, with less than 2 percent in the county and 2.5 percent in Hayward being severely overcrowded. While overcrowding also impacted more renter-households than owner-households in the both the county and in Hayward, the extent of overcrowding in the county was not as significant as in Hayward. Approximately 3.1 percent of the owner-households and 7.9 percent of the renter-households countywide were overcrowded. In Hayward 5.5 percent of the owner-households and 8.8 percent of the renter-households were overcrowded.

Special Needs Populations

Local housing elements must include an analysis of special housing needs. Under State law special needs refer to those households that contain seniors, persons with disabilities (including developmental disabilities), large households, female-headed households, homeless, and farmworkers. Table 4-28 shows the number, percent, and characteristics of Hayward special needs populations.



**TABLE 4-28
SPECIAL NEEDS POPULATION**

City of Hayward
2010

Special Needs	Number of Households or Persons	Owners	Renters	Percent of Total Households or Population
Households w/ senior member	10,690	--	--	23.6%
Senior-Headed Households	8,047	5,942 (73.8%)	2,105 (26.2%)	17.7%
Seniors Living Alone	3,193	2,037 (68.7%)	1,156 (31.3%)	7.0%
Civilian Noninstitutionalized Persons with Disabilities ¹	14,924	--	--	10.3%
Persons with Development Disabilities ³	1,390	--	--	0.9%
Large Households	9,259	4,834 (52.2%)	4,425 (47.8%)	20.4%
Female-Headed Households ²	6,830	2,397 (35.1%)	4,433 (64.9%)	15.4%
Female-Headed Households w/ own Children ²	3,673	819 (22.3%)	2,854 (77.7%)	8.3%
Agriculture, forestry, fishing and hunting, and mining employees	290	--	--	0.4%
Residents Living in Poverty	17,565	--	--	12.5%
Extremely Low-Income Households	6,675	1,965 (29.4%)	4,710 (70.6%)	15.1%

¹ Data is from the 2008-2010 American Community Survey.

² Data is from the 2006-2010 American Community Survey.

³ Data for the following zip codes (includes most of Cherryland): 94540, 94541, 94542, 94543, 94544, 94545

Source: U.S. Census, 2010; 2006-2010 American Community Survey; 2008-2010 American Community Survey.

Senior Households

In 2010, 10,690 Hayward households (approximately 24 percent of the city's households) had members 65 years of age and over (see Table 4-28). The number of households with seniors increased between 2000 and 2010, as households with seniors represented only 22 percent of households in 2000. A total of 3,193 Hayward seniors live alone. Over 69 percent of seniors that live alone are female.

The housing needs of seniors, especially frail elderly, are often related to a disability and limited mobility. Senior households on fixed or with lower incomes may also have greater difficulty affording constant increases in rents and major home repairs. Other senior housing needs include providing options for active seniors, such as housing with space for arts and hobby, and easy access to recreational programs.

Several businesses and non-profit organizations provide licensed care for seniors in Hayward (see Table 4-29). Licensed care that is available includes adult day care, adult residential facilities, and residential care for the elderly. The California Community Care Licensing Division reports that 52 residential care homes for the elderly that can serve a total of 887 residents in Hayward. Together, all licensed facilities in Hayward have the capacity to serve 1,762 seniors. In addition, there is a large residential care for the elderly center that provides continuing care contracts (nursing care) in nearby Union City. This facility has a license to serve 376 seniors.

TABLE 4-29 RESIDENTIAL CARE FACILITIES City of Hayward 2012		
Type of Facility	Number of Facilities	Number of Beds
Adult Day Care	9	389
Adult Residential Facility	58	486
Residential Care for the Elderly	52	887
Total:	119	1,762

Source: California Department of Social Services, California Community Care Licensing Division, https://secure.dss.cahwnet.gov/cclid/securenet/cclid_search/cclid_search.aspx, December 6, 2012.

Persons with Disabilities

Persons with physical, visual, hearing, and mental disabilities have special housing needs. These needs can include ramps instead of stairs, elevators for units with two or more stories, modified bathrooms, wider doorways, lower shelves, and other modifications. State law requires all new single family construction to be accessible to persons with disabilities, but existing housing units are often not accessible or designed for the disabled. Many persons with disabilities also have fixed incomes, which can limit housing options.

According to the 2008-2010 American Community Survey, 14,924 residents reported having one or more disabilities, representing 10 percent of the city's civilian non-institutionalized population. As shown in Table 4-30, hearing disabilities affected all of the youth under age 5 who reported a disability. Cognitive disabilities were more common in youth 15 years of age or younger, affecting 61 percent of those who reported a disability. For adult residents (18-64 years of age), cognitive, ambulatory, and independent living disabilities were the most prevalent. Seniors were more frequently affected by ambulatory disabilities.



**TABLE 4-30
PERSONS WITH DISABILITIES**
City of Hayward
2010

Disability	Age <5	Age 5-17	Age 18-64	Age 65+	Total
Number of Persons	61	871	7,979	5,174	14,085
Hearing Disability	100%	20.4%	15.9%	30.6%	21.9%
Vision Disability	26.2%	12.6%	13.0%	16.8%	14.4%
Cognitive Disability	--	60.6%	48.1%	27.7%	41.2%
Self Care Disability	--	4.1%	17.0%	29.7%	20.8%
Ambulatory Disability	--	15.3%	46.1%	66.8%	51.6%
Independent Living Disability	--	--	40.4%	50.2%	41.3%

Note: A person can report multiple disabilities; therefore, totals within each age group may exceed 100 percent.

Source: 2008-2010 American Community Survey.

SB 812, which took effect January 2011, amended State housing element law to require an evaluation of the special housing needs of persons with developmental disabilities. A "developmental disability" is defined as a disability that originates before an individual becomes 18 years old, continues or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. This includes Mental Retardation, Cerebral Palsy, Epilepsy, and Autism.

According to the California Department of Developmental Services, as of November 2013 the Regional Center of the East Bay served 17,055 residents with developmental disabilities in the region (see Table 4-31). In November 2013 the Regional Center served 1,390 developmentally disabled persons in Hayward. Of the total 24 percent of disabled persons are under the age of 14, 16 percent are aged 15-22, 41 percent are aged 23-54, 12 percent are aged 55-64, and 7 percent are 65 or older. The Agnews Developmental Center in San Jose, which also served residents from the region, closed in 2009. Most developmentally-disabled residents in Hayward (71.9 percent) have an intellectual disability and many (20.9 percent) are autistic.

Few developmentally-disabled Hayward residents receiving services from the Regional Center of the East Bay lived in a group home facility (less than 24 percent). Most developmentally-disabled individuals lived at home (58 percent). Many developmentally-disabled persons are able to live and work. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. Because developmental disabilities exist before adulthood, the first housing issue for the developmentally-disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

TABLE 4-31 DEVELOPMENTAL DISABILITY BY TYPE Served by the Regional Center of the East Bay Hayward ¹ November 2013		
Disability Type	Number ²	Percent
Autism	290	20.9%
Epilepsy	263	18.9%
Cerebral Palsy	242	17.4%%
Intellectual Disability	999	71.9%
Other Diagnosis	211	15.2%
Total	1,390	

¹ Includes the following zip codes (includes most of Cherryland): 94540, 94541, 94542, 94543, 94544, 94545

² Numbers do not add up to the total because some clients have more than one disability.

Source: California Department of Developmental Service, December 2, 2013.

The City of Hayward has several residential care facilities to serve disabled residents. The California Community Care Licensing Division reports the facilities and number of beds available, displayed in Table 4-29. On April 1, 2013, Anka Behavioral Health, Inc. (Anka) opened the doors of their new program, the Glen Eden Home, a program that provides a permanent home and supportive services, in partnership with the Regional Center of the East Bay, for women with intellectual and developmental disabilities.

Large Households

Based on State Housing Element law, a “large household” refers to a household with five or more persons. The increase in the number of household members does not proportionately increase the earning power of the household. Often, it means an additional dependent child or elderly parent. Large households often require larger dwelling units, but the availability of adequately sized and affordable units is usually limited, resulting in overcrowding and/or overpayment among large households.

According to the 2010 Census, approximately 20 percent of the households in the City of Hayward are considered large households (see Table 4-28), compared to only 12.6 percent of the households in Alameda County. The number of large households in Hayward increased from 5,421 households (14 percent) in 1990 to 8,729 households (20 percent) in 2000. Between 2000 and 2010, it increased slightly to 9,259. This trend is reflected in the increase in average household size over the past two decades (Table 4-7). The increase in the number of large households likely corresponds with the increase in the Hispanic and Latino population, as they generally have larger families than other population groups. In terms of tenure there was a larger proportion of owner-occupied (52 percent) large households than renter-occupied (48 percent) large households.



Single-Parent and Female Headed Households

Single-parent households tend to have lower incomes because there is only one working adult supporting their children. Additionally, with no spouse present, there may be only one parental figure to provide time for child development and educational support. Female single-parent households, who generally earn less than men, are even more likely to be in poverty. Single parent households are also more dependent on affordable child care services and after school programs.

Based on Census data, families with females as heads of households decreased from 11,429 (20 percent) in 2000 to 6,830 (15 percent) in 2010 (see Table 4-28). Of Hayward's 6,830 female-headed households, 3,673 were living with their own children. In addition, 1,482 female-headed families (5 percent) and 1,362 female-headed families with related children (4 percent) were living in poverty. This compares to only 90 single male-headed households making up less than one percent of all families. These figures bear importance in relation to social service needs, such as child care, recreation programs, and health care, which are of special concern to these households.

According to the California Department of Social Services, California Community Care Licensing Division, there are 42 licensed child care centers, 56 licensed large-family child care homes, and three licensed school age child care centers in the city of Hayward. Collectively, these facilities have the capacity to serve 2,948 children.

Farmworkers

Farmworkers are considered a special housing group because of the seasonal nature of their work and the low wages for these employees. Farmworkers include employees of nurseries, stables, and agricultural and livestock operations. Farmworkers generally have limited and seasonable incomes, which present a need for affordable housing near their places of work on a seasonal basis. The 2006-2010 American Community Survey indicated that 290 people, approximately 0.4 percent of Hayward's civilian labor force, were employed in agriculture, forestry, and fishing occupations (see Table 4-28). It is likely that many of these residents are employed in fishing given Hayward's location adjacent to the San Francisco Bay. The others are likely employed with landscaping nurseries, landscaping services, and gardens in the East Bay Area. Given these statistics and the fact that there are no significant agricultural operations within Hayward, farmworker housing is not a significant issue.

Extremely Low-Income Households

Extremely low-income households are defined as those households with incomes under 30 percent of the county median income. Extremely low-income households typically consist of minimum wage workers, seniors on fixed incomes, persons with disabilities, and farmworkers. This income group is likely to live in overcrowded and substandard housing conditions. In Hayward a household of three persons with an income of \$25,250 in 2012 is considered an

extremely low-income household. In 2009 there were 6,675 extremely low-income households (15.1 percent) in Hayward.

As shown earlier in Table 4-10, Hayward had a much larger percentage of extremely low-income renter households (71 percent) than owner households (29 percent). About 81 percent of extremely low-income renters had a cost burden greater than 30 percent (see Table 4-28 above), and about 76 percent of extremely low-income owner households had a cost burden greater than 30 percent. About 71 percent of extremely low-income renters and 60 percent of extremely low-income owners had a cost burden greater than 50 percent.

HUD defines households with “any housing problem” as those with a housing cost burden greater than 30 percent of income, and/or overcrowding, and/or without complete kitchen or plumbing facilities. In 2009, 79 percent of extremely low-income households in Hayward experienced “any housing problems.”

Government Code Section 65583(a)(1) states:

“Local agencies shall calculate the subset of very low-income households allotted under Section 65584 that qualify as extremely low-income households. The local agency may either use available census data to calculate the percentage of very low-income households that qualify as extremely low-income households or presume that 50 percent of the very low-income households qualify as extremely low-income households. The number of extremely low-income households and very low-income households shall equal the jurisdiction's allocation of very low-income households pursuant to Section 65584.”

The 2014-2022 Regional Housing Needs Allocation (RHNA) assigns 851 very low-income units (inclusive of extremely low-income units) to Hayward. Pursuant to State law (AB 2634), the City's RHNA of very low-income units may be split into 425 extremely low- and 426 very low-income units. However, for purposes of identifying adequate sites for the RHNA, State law does not mandate the separate accounting for the extremely low-income category.

Homeless Persons

Two categories of need should be considered when discussing the homeless population: 1) transient housing providing shelter only and usually on a nightly basis; and, 2) short-term housing, usually including a more comprehensive array of social services to enable families to re-integrate themselves into a stable housing environment. Led by the mortgage crisis, the current recession has resulted in a new wave of individuals and families made homeless due to losing their jobs or their homes. As a result, homelessness within California continues to be a problem.



Various circumstances that may lead to homelessness include the following:

- Single adult transients passing through the city on the way to some other destination;
- Seasonal and/or migrant homeless individuals seeking seasonal employment in the city;
- The chronically homeless, single adults, including non-institutionalized, mentally disabled individuals, alcohol and drug abusers, seniors with insufficient incomes, and others who voluntarily, or due to financial circumstances, are forced to live on the streets;
- Minors who have run away from home;
- Lower-income families who are temporarily homeless due to financial circumstances or are in the process of searching for a home (single-parent families, mostly female-headed, are especially prevalent in this group); and
- Women (with or without children) who are escaping domestic violence.

The Alameda Countywide Homeless Continuum of Care Council (HCCC) relies on a “community-defined” definition of homeless. This includes the HUD-defined chronic homeless population as a subset of the County’s overall homeless population. Community-defined homelessness includes people staying in emergency shelters or transitional housing, living on the street or in a car, and people who will lose their housing within a month and have nowhere to go.

Assessing a region’s homeless population is difficult because of the transient nature of the population. In 2001 Congress directed HUD to require communities receiving McKinney-Vento Act Programs (now called Homeless Assistance Grants) to begin to collect counts of homeless populations by Continuum of Care jurisdictions. For Alameda County the Continuum of Care jurisdiction is the county as a whole. This HUD mandate called for the establishment of two things: a biennial point-in-time “street count” of homeless populations and the establishment of a Homeless Management Information System (HMIS). HMIS is primarily a database to collect demographic information on homeless individuals and families receiving housing and services. These two activities comprise the best data on homeless populations in Alameda County.

The Alameda County strategy to alleviate homelessness is called the EveryOne Home plan, and incorporates and coordinates as many of the various resources available as possible to reduce and ultimately end homelessness. In 2005 EveryOne Home administered a comprehensive count of the number of homeless people in Alameda County; the number was updated in 2007, 2009, 2011, and 2013 using sampling surveys. This data was analyzed and provides a good estimate of the number of homeless people in Alameda County; however, the County has not provided a detailed estimate of the homeless population of Hayward and other local jurisdictions since 2007. The 2009 count includes details of homeless population by subregion.

The County conducted the most recent homeless count on January 30, 2013, but the countywide report does not include an estimate for the city of Hayward. Grace Kong, Administrative Analyst in the Community Services Division at the City of Hayward, and Sara Lamnin, Program Director for the Hayward Community Action Network at South Hayward Parish, estimate that there are currently (2013) about 200 homeless persons within the city of Hayward.

The 2013 Alameda Countywide Homeless Count and Survey Report estimates that 4,264 people were “literally homeless” in Alameda County on a given day in late January 2013. Literally, homeless refers to individuals and families living on the street, in shelters, transitional housing, or other places not meant for prolonged or permanent human habitation. However, it does not include the “hidden homeless” (individuals or families residing on a temporary basis in motels, with friends or relatives, or that may be evicted from their home within seven days), and individuals or families in housing that rely on services, such as hot meal sites, food pantries, and drop-in centers.

Approximately 55 percent of the literally homeless surveyed in 2013 were classified as unsheltered homeless, 21 percent were in emergency shelter programs, and 24 percent were in transitional housing programs. Despite the economic recession, the “literally homeless” population has decreased slightly since 2007 when it was estimated at 4,838. Characteristics of the homeless population are presented below:

- 22 percent are chronically homeless;
- 11.5 percent are veterans;
- 25.9 percent are living with a severe mental illness;
- 32 percent were in a household with one or more children;
- 39.5 percent of the unsheltered homeless are African American;
- 36.1 percent of the unsheltered homeless are White;
- 7 percent of the unsheltered homeless are Hispanic/Latino; and
- 84 percent of the unsheltered homeless are male.

The most recent count that summarizes the homeless population at the sub-county level was conducted in 2009. In December 2009 there were an estimated 385 “literally homeless” people living in the mid-county region, which includes Hayward, San Leandro, and several unincorporated areas. An additional 148 “hidden homeless” were also living in the mid-county region. When these two homeless populations are combined, the total homeless population of the mid-county region is 533. As of December 2009 an estimated 7.2 percent of the County’s homeless population lives in the mid-county region.

In the mid-county region, which includes Hayward, approximately 56 percent of the estimated homeless population consists of families with children. Children comprise 35 percent of the



total mid-county homeless population. These characteristics distinguish Hayward from other parts of the county, where homeless families with children are generally present in lower proportions (23 percent countywide). Characteristics of the homeless population (including literally homeless and hidden homeless) in the mid-county region are presented below:

- 14.5 percent of the population are chronically homeless;
- 28.2 percent of the population have a severe mental illness;
- 22.8 percent are chronic substance abusers;
- 10.4 percent are veterans;
- 26.2 percent are victims of domestic violence; and
- 0.9 percent are unaccompanied youth.

In 2008 the City provided over \$255,000 to different non-profit area organizations to assist individuals and families that were homeless or at risk of becoming homeless. Programs funded included transitional housing, shelter and on-site case management services, a motel voucher program, and the Alameda County 2-1-1 housing and services referral system. The following programs and facilities serve homeless in Hayward and surrounding communities:

Supportive Services

- **The Alameda County Community Food Bank:** The Food Bank offers nutritious food to local homeless shelters and other local non-profit service providers. The Food Bank provides scholarships to six or more agencies in Hayward, which enables them to purchase food at a discounted rate.
- **The Bridge of Faith Meals of Love Program:** The Meals of Love Program provides hot meals, groceries, information and referral services, and clothing to low-income and homeless Hayward residents.
- **Centro Legal de la Raza:** Centro Legal de Raza provides free, direct legal services and tenants' rights education to low-income Hayward residents facing eviction and habitability issues.
- **The Davis Street Family Resource Center:** The Resource Center provides emergency food, clothing, subsidized child-care, free acute medical and dental care, mental health counseling, crisis intervention, case management, and many other support services to low-income Hayward residents.
- **Eden Information and Referral:** Eden Information and Referral provides the 2-1-1 telephone services, which provides free access to health, housing, and human services information and referral. Eden Council for Hope & Opportunity (ECHO) provides Fair Housing counseling and investigation services. ECHO also works with landlords and tenants on housing rights and responsibilities to prevent evictions. From 2007 to 2012 the

City provided \$203,615 to ECHO to conduct annual audits, tests, investigations of complaints, and fair housing workshops.

- **South Hayward Parish’s Hayward Community Action Network:** The Hayward Community Action Network provides outreach, coordination, and case management to homeless individuals who live in Hayward.
- **The Safe Alternatives to Violent Environments (SAVE) Program:** The SAVE program provides crisis intervention services in collaboration with law enforcement. SAVE provides services to homeless, low-income survivors of domestic violence and their children. Resources include affordable housing, emergency sheltering, counseling services, clothing, transportation, and assistance in obtaining retraining and protection orders, among many other services.
- **The South Hayward Parish:** The Parish provides emergency food for over 1,000 unduplicated low-income Hayward residents each year.

Emergency Shelters

- **Family Homeless Shelter:** The Family Emergency Shelter Coalition provides shelter and support services to approximately 60 homeless families, including children, each year. Services include intake, stabilization, a family needs assessment, and case management.
- **Domestic Violence Shelter:** This 42-bed confidentially-located facility provides shelter, counseling, case management, and other support services to low-income female survivors of domestic violence and their children.
- **Family Violence Law Center (FVLC):** The FVLC serves victims of domestic violence in Alameda County, including emergency overnight shelter and serving as a liaison with police and the criminal justice system. The FVLC helps families to leave domestic violence situations without becoming homeless or experiencing further injury.
- **Single Women’s Shelter (Women on the Way):** A 10-bed shelter that provides drug and alcohol recovery treatment, counseling, and other support services to women to help them transition into more stable housing.

Permanent and Transitional Housing

- **Male Parolees’ Transitional Housing Program (7th Step Foundation):** Provides housing for 32 adult male parolees from the California Correctional System returning to the Hayward area.
- **Magnolia House:** A six-bed residence that assists pregnant and post-partum women and their children to recover from the effects of mental illness and co-occurring substance abuse and addictions.



- **Bay Area Youth Centers and Project Independence:** These programs provide transitional housing and support services for emancipated youth (those who are no longer served by the foster care system).
- **Abode Services Alameda County Impact Program:** The Alameda County Impact Program is a permanent supportive housing program targeting chronically homeless people who have a history of interaction with law enforcement and other emergency systems. The program provides homeless individuals with permanent rental subsidies and supportive services.
- **Tranquility House Alternatives:** Tranquility House Alternatives provides safe and sober transitional housing to men and women in recovery. The nonprofit currently (December 2012) rents two houses in Hayward, one for women and another for men.

Inventory of Affordable Rental Housing and At-Risk Status

An affordable rental housing development is a development where all or a portion of the housing units must be rented at affordable levels to extremely low-, very low-, and low-income households. The units are made affordable for an extended period of time by subsidy contracts, deed restrictions, and/or development agreements. When the contracts, deed restrictions, and development agreements expire, the units can be rented at market rates to any household. State housing element law requires an analysis of the affordable housing developments to determine if there are any affordable units that are at risk of being converted to market rate units. The “at-risk” analysis must cover a period of 10 years.

Table 4-32 shows the affordable rental housing developments within the city of Hayward. The city of Hayward has 19 affordable rental housing developments with 1,298 units that are made affordable either with subsidy contracts, deed restrictions, and/or development agreements.⁷ Cypress Glenn, which has 54 affordable units, is the only development with affordability requirements that are set to expire within the 10-year time-frame of 2014 to 2024.⁸ However, Cypress Glenn is considered to have a low risk of conversion because it is owned by Eden Housing, Inc. which is listed on HCD’s list of qualified entities. Eden Housing, Inc. is a non-profit housing company with the mission “to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower-income families, seniors and persons with disabilities.” The City of Hayward expects Eden Housing, Inc. to extend the affordability expiration of Cypress Glenn, as they have done so with several other housing developments within the city.

⁷ An affordable rental housing development is one where all or a portion of the units are set at affordable levels to extremely low-, very low-, and low-income tenants based on local, State, or Federal standards.

⁸ State Housing Element law requires this “at-risk” housing analysis to cover a 10-year planning period. For the 2015-2023 Housing Element cycle, the at-risk housing analysis, therefore, covers the period from 2015-2025.

**TABLE 4-32
AFFORDABLE RENTAL HOUSING DEVELOPMENTS**

City of Hayward
2013

Project Name (Owners)	Total Units	Affordable Units	Funding Source	Affordability Expiration
Villa Springs (Eden Housing, Inc./Villa Springs, LLC)	66	66	RDA/TC	2065
C & Grand Senior Housing (Eden Housing, Inc./Grand/C LLC)	60	60	Inclusionary/RDA/TC	2064
The Majestic Apartments (The Pacific Companies/Hayward Pacific Associates, L.P.)	81	81	Bond/RDA/TC	2063
Walker Landing (Eden Housing, Inc./Saklan Avenue, L.P.)	78	78	Inclusionary/Bond/TC	2062
Huntwood Commons (Eden Housing, Inc./Huntwood Commons Associates)	40	40	HOME/WFHRGP	2061
Josephine Lum Lodge (Eden Housing/Josephine Lum Lodge, L.P.)	150	150	Bond/Tax Credit	2060
Lord Tennyson (Volunteers of America)	252	252	Bond/TC	2060
Sara Conner Court (Eden Housing, Inc.)	57	57	HOME/RDA/TC	2059
Park Manor Apartments (Pacific American Properties, Inc.)	81	81	TC/CDBG	2031
742 Harris Court (Eden Housing, Inc./Harris Court Associates)	4	4	HOME	2054
Harris Court Apartments (Eden Housing, Inc./Harris Court Assoc.)	20	20	HOME/TC	2053
Glen Berry (Eden Housing, Inc.)	50	50	HOME/CDBG/TC	2048
Glen Eden (Eden Housing, Inc./Glen Eden Associates)	36	36	CDBG/RDA/TC	2047
E.C. Magnolia (Eden Housing, Inc.)	21	21	RDA/HUD 202/HUD 811	2046
Eden Issei Terrace (Eden Housing, Inc.)	100	100	HUD 202	2025
Cypress Glen (Eden Housing, Inc.)	54	54	HOME/RHCP/TC	2017/2062 ¹
Olive Tree Plaza (Eden Housing, Inc.)	26	26	HUD 202/HUD 811/Section 8/TC	2026
Tennyson Gardens Preservation Partners/Tennyson Preservation LP	96	96	Bond/HOME/TC	2056
Sycamore Square (Fairfield Residential, LLC)	26	26	CalHFA	2031
Total	1,298	1,298	--	--

¹ The Low Income Housing Tax Credit funding terms expire in 2017; however, the City also provided Cypress Glen with HOME funds which deed-restricted two units for 55 years, expiring in 2062.

Notes:

HOME: Department of Housing and Urban Development (HUD)'s HOME Investment Partnerships Act Program

HUD 202: HUD's Section 202 Supportive Housing for the Elderly Program

HUD 811: HUD's Section 811 Supportive Housing for Persons with Disabilities Program

RHCP: Rental Housing Construction Program

TC: Low Income Housing Tax Credits

Sec. 8: HUD's Housing Choice Voucher Program (Section 8 Program)

CDBG: Community Development Block Grant Program

CalHFA: California Housing Finance Agency

RDA: Redevelopment Agency Low and Moderate Income Housing Funds

Inc: Inclusionary Housing Program of the City of Hayward Municipal Code

Bond: Multifamily Housing Tax-Exempt Revenue Bonds

WFHRGP: State of California Workforce Housing Reward Grant Program

Source: City of Hayward, 2013.

In 2007 the Redevelopment Agency provided Eden Housing with a \$200,000 HOME loan for the Cypress Glen Apartments, a 54-unit housing complex affordable to low- and very-low-income



households. Eden Housing exercised the option to become the sole owner of the property and deed-restricted two units for 55 years. The Redevelopment Agency provided a \$250,000 loan for emergency repairs and the replacement of the roofs at the Villa Springs Apartments, an existing 66-unit rental housing complex affordable to low- and very low-income households. Additionally, the City facilitated the issuance of mortgage revenue bonds for the acquisition and rehabilitation of an 81-unit market-rate housing complex, The Majestic Apartments, which was restricted for low- and very low-income households for 55 years. The Redevelopment Agency also provided a \$750,000 loan to help pay for the seismic retrofit of the property.

In 2009 the City's Redevelopment Agency approved a \$1.5 million loan for a local non-profit housing developer to acquire and rehabilitate Tennyson Gardens, a 96-unit rental apartment complex for low-income families that was facing foreclosure. In addition, the City approved the re-funding of existing tax-exempt bonds. This, along with the Agency loan, allowed the new owner to address the immediate and long-term rehabilitation needs of the project, ensuring its long-term affordability and viability. However, soon after the City provided funds to Tennyson Gardens, Las Casitas, a 61-unit affordable rental housing project, also faced foreclosure as the Citizens Housing Corporation management closed its business. The City was not able to provide funds to Las Casitas, as they had already committed funding to preserve Tennyson Gardens. While Eden Housing took over management of Las Casitas temporarily, they could not ultimately afford to finance the property, and management of Las Casitas was returned to the bank. The bank sold the property to a market rate developer and the Las Casitas site is now owned and operated by Townhomes on Gading and no longer includes affordable units.

However, starting in 2011 and effective in 2012, the State of California enacted Assembly Bill 1x26, which dissolved redevelopment agencies across the state. Therefore, after 2011 the City was not able to acquire at-risk affordable housing, mostly due to the dissolution of Redevelopment which in turn eliminated the main source of funding for the creation, rehabilitation, or preservation of housing affordable to lower- and moderate-income households. In spite of this turn of events, the City's Community Program Specialist (CPS) has continued to monitor compliance of owners of affordable properties with income, occupancy, maintenance, and other regulatory restrictions required by funding sources, including HOME funds and tax-exempt bonds issued by the City. The CPS continues to monitor 60 deed-restricted ownership homes and over 1,100 City-funded affordable apartments located in 17 rental properties.

Preservation Options

To maintain the existing affordable housing stock, the City works to preserve existing assisted units or facilitate the development of new units. Depending on the circumstances of at-risk projects, different options may be used to preserve or replace the units. For purposes of compliance with Government Code Section 65583, the following describes actions the City could take to preserve the affordability of at-risk units. Preservation options typically include:

- **Transfer of Ownership to a Non-Profit Housing Provider:** Transferring ownership of an at-risk project to a non-profit housing provider is generally one of the least costly ways to ensure that the at-risk units remain affordable for the long term. By transferring property ownership to a non-profit organization, low income restrictions can be secured indefinitely and the project would become potentially eligible for a greater range of governmental assistance. This option applies only to the projects that are owned by for-profit development. According to a listing of multifamily rental apartments for sale on loopnet.com, the average cost to purchase an apartment rental unit is approximately \$156,209 for similar projects to Cypress Glen with at least 20 units. Based on this estimate, the cost to purchase the 50-unit Cypress Glen apartment building would be \$7.81 million.
- **Provision of Rental Assistance to Tenants:** Rental assistance using non-Section 8 funding sources can be used to maintain affordability of at-risk units. These rent subsidies could be structured to mirror the Section 8 program. Under Section 8, HUD pays the difference between what tenants can pay (defined as 30 percent of household income) and what HUD estimates as the fair market rent (FMR) for the unit. However, the feasibility of this alternative is highly dependent upon the availability of a sustainable funding source to make subsidies available and the willingness of the property owner to participate in the program. As indicated in Table 4-33, the total cost of subsidizing the rents for all 54 units in Cypress Glen is estimated at \$37,864 per month or \$454,368 annually. Over the course of 20 years, the long-term costs are estimated at approximately \$9.3 million or an average of approximately \$168,284 per unit over 20 years.⁹
- **Purchase of Affordability Covenants:** Another option to preserve the affordability of an at-risk project is to provide an incentive package to the owners to maintain the projects as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance and/or supplementing the Section 8 subsidy received to market levels. The feasibility of this option depends on the equity of the property and the willingness of the property owner to participate in the program.
- **Construction of Replacement Units:** The construction of new lower-income housing is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e., square footage and the number of bedrooms), location, land cost, and type of construction. According to housing cost estimates from the Inclusionary Housing Ordinance Residential Nexus Study, the average multifamily rental housing project of about 65 units per acre and 900 square feet costs about \$213,000 per unit (see discussion on construction costs later in the Market Constraints section that starts on page 4-48).

⁹ Assuming an annual inflation rate of 2.5 percent, the future value of rent subsidies over 20 years is estimated at approximately \$9.3 million.



Assuming an average of \$213,000, the cost to replace the 50-unit Cypress Glenn project is estimated at close to \$1.7 million.

TABLE 4-33 RENTAL SUBSIDIES REQUIRED City of Hayward 2013						
Unit Size	Total Units	Fair Market Rent ¹	Household Size	Very Low Income Affordable Housing Cost ²	Monthly per Unit Subsidy	Total Monthly Subsidy
1-br	12	\$1,082	2	\$561	\$521	\$6,252
2-br	25	\$1,361	3	\$631	\$730	\$18,250
3-br	17	\$1,901	4	\$1,115	\$786	\$13,362
Total	54					\$37,86437,864

¹Fair Market Rent (FMR) is determined by HUD.

²Section 8 rental assistance is only available to very low-income households. Alameda County 2013 Area Median Household Income (AMI) limits set by the California Department of Housing and Community Development (HCD).
Note: Affordable Cost = 30 percent of household income minus utility allowance.

Cost Comparison

The most costly option is usually new construction of affordable units. With increased requirements in local, State, and Federal government requirements, the time and costs involved in new construction are far more extensive than purchasing existing units and converting them into affordable housing, or than providing rent subsidies. Providing rental assistance generally requires the least upfront costs. However, a sustainable funding source must be identified for this option to be feasible.

Resources for Preservation

Federal Programs to Preserve At-Risk Units

For below-market properties Section 8 preservation tools include the Mark-Up-to-Market program, which provides incentives for for-profit property owners to remain in the Section 8 program after their contracts expire. The Mark-Up-to-Market program allows non-profit owners to increase below-market rents to acquire new property or make capital repairs while preserving existing Section 8 units. For above-market properties Mark-to-Market provides owners with debt restructuring in exchange for renewal of Section 8 contracts for 30 years.

For Section 236 properties Interest Reduction Payment (IRP) Retention/Decoupling enables properties to retain IRP subsidy when new or additional financing is secured.

Section 515 enables USDA to provide deeply subsidized loans directly to developers of rural rental housing. Loans have 30-year terms and are amortized over 50 years. The program gives first priority to individuals living in substandard housing.

A range of resources are available for preservation of Section 515 resources. Non-profit organizations can acquire Section 515 properties and assume the current mortgage or receive a new mortgage to finance acquisition and rehabilitation of the structures. Section 538 Rental Housing Loan Guarantees are available for the Section 514 and 516 loans and grants are also available for purchase and rehabilitation of Section 515 properties that are occupied by farmworkers. Section 533 provides a Housing Preservation Grant Program, which funds rehabilitation, but not acquisition.

State Programs to Preserve At-Risk Units

At the State level the California Housing Finance Agency offers low-interest loans to preserve long-term affordability for multifamily rental properties through its Preservation Acquisition Finance Program.

The Division of Financial Assistance also offers the Multifamily Housing Program (MHP), which provides deferred payment loans for preservation of permanent and transitional rental housing, as well as new construction and rehabilitation.

The HOME Investment Partnerships Program provides grants to cities and counties and low-interest loans to State-certified community housing development organizations to create and preserve affordable housing for single- and multifamily projects benefitting lower-income renters or owners.

Local Resources for Preserving At-Risk Units

Available public and non-profit organizations with the capacity to preserve assisted housing developments in Hayward include:¹⁰

- Affordable Housing Associates
- Alameda County Allied Housing Program
- Asian Neighborhood Design Bay Area Community Services
- C. Sandidge and Associates
- Christian Church Homes of Northern California, Inc.
- Community and Economic Development Agency

¹⁰ These are entities qualified for preserving at-risk housing in Alameda County, according to the State Department of Housing and Community Development.



- Community Development Corporation of Oakland
- Community Home Builders and Associates
- Community Housing Developers
- East Bay Asian Local Development Corporation
- Eden Housing
- Housing Authority of the County of Alameda
- Housing Corporation of America Nehemiah Progressive Housing Development Corporation
- Northern California Land Trust, Inc.
- Petaluma Ecumenical Properties, Inc.
- Resources for Community Development
- ROEM Development Corporation
- Satellite Housing Inc.

SECTION 4.3 HOUSING CONSTRAINTS

Constraints to the provision of adequate and affordable housing are created by market, governmental, infrastructure, and environmental factors, among others. These constraints may increase the cost of housing, or may render residential construction economically infeasible for developers. Housing production constraints can also significantly impact households with low and moderate incomes and special needs.

Market Constraints

Land Costs

Hayward is an almost entirely “built-out” city and there are no longer large quantities of vacant parcels available for residential development. High land costs have represented the overriding factor affecting the affordability of residential development in the city; however, this changed with the decline in land prices during the recession. In 2012 housing and land prices are increasing and are expected to continue to increase throughout the housing element planning period.

In November 2012, 15 vacant residential land parcels were listed for sale in the city.¹¹ These vacant parcels ranged in price from \$169,000 to \$15,865,500. The prices of land vary depending on a number of factors, including size, location, the number of units allowed on the property,

¹¹ www.LoopNet.com, accessed November 2012.

and access to utilities. The asking price for land available for multifamily development generally ranged from \$15 to \$40 per square foot. In addition, a property with a fully entitled mixed-use and high density project had an asking price of \$86.57 per square foot. The asking price for land that is available for single family development generally ranged from \$15 to \$33 per square foot..

Developed residential, commercial, and industrial properties that are zoned for residential uses can also be redeveloped with new housing developments. The cost to clear an acre of land for redevelopment significantly increases the cost of development, as do the local, State, and Federal policies relating to relocation and replacement of low-income housing. Depending on the existing improvements that must be removed to redevelop a site, the total cost to acquire a parcel, relocate occupants, and possibly mitigate hazardous materials can be quite expensive. This can pose a problem for development if Hayward rents or sales prices cannot support the higher cost development.

Construction Costs

Table 4-34 shows the estimated construction costs for various residential projects in Hayward. The costs are based on the 2010 Residential Nexus Analysis prepared for the City of Hayward Inclusionary Housing Ordinance. As shown, the construction costs vary based on the type of housing, the type of construction, and the type of parking. The estimated per unit construction costs range from \$166,000 for rental apartments with surface parking to \$312,000 for a 2,700 square foot single family home with an attached garage. Construction costs per square foot range from \$116 per square foot for single family homes to \$237 per square foot for rental apartments and condominiums with structured parking.

Density bonuses for senior and affordable housing can help to offset this per-unit cost premium for multifamily developments. A reduction in amenities and quality of building materials could result in lower costs and sale prices. However, high quality design and sufficient tenant amenities are generally required by City policies and standards to maintain minimum health and safety standards, and to achieve a minimum standard of design quality.



**TABLE 4-34
HOUSING CONSTRUCTION COST ESTIMATES**

City of Hayward
2010

Type of Housing	Construction Type and Parking Type	Density (Units per Acre)	Average Unit Size (Square Feet)	Construction Costs (Per Square Foot)	Construction Costs (Per Unit)
Single family Home	Woodframe with Attached Garage	6	2,700	\$116	\$312,000
Small Lot/Zero Lot Line Homes to "Duet" Hybrids	Woodframe with Attached Garage	12	1,850	\$126	233,000
Townhomes	Woodframe with Attached garage	18	1,400	\$136	\$191,000
Condominium	Woodframe with Structured Parking	45	1,200	\$237	\$284,000
Rental Apartments	Woodframe with Surface Parking Lot	25	1,000	\$166	\$166,000
Rental Apartments	Woodframe with Structured Parking	65	900	\$237	\$213,000

Note: Construction costs exclude soft costs, such as fees, permits, and financing and carrying costs.

Source: City of Hayward, Residential Nexus Analysis: Inclusionary Housing Ordinance, April 2010.

Availability of Financing

Development Financing

The availability of developer financing options affects the feasibility of housing developments. Financing is available from a variety of sources including financial institutions, insurance companies, and pension plans (such as CalPERS). The collapse of the housing market and the subsequent credit crisis of 2007 and 2008 resulted in major changes to the housing credit market. The number of financing packages has been reduced, and the terms of financing are now more strict, which limits the amount of financing available to potential developers.

Public funding for affordable housing projects in California has also been reduced by the State's dissolution of local redevelopment agencies. As part of the 2011 Budget Act, the State Legislature approved the dissolution of over 400 redevelopment agencies in the state of California. After a period of litigation all redevelopment agencies were officially dissolved on February 1, 2012. As a result, the cities and counties that previously had redevelopment agencies, including the City of Hayward, no longer have the tool of Tax Increment Financing. Tax Increment Financing was the main tool used to generate revenue for redevelopment activities, including the provision of affordable housing.

According to the Implementation Plan for the Downtown Hayward Redevelopment Project Area (FY 2010 to FY 2012), Tax Increment Financing was projected to generate over \$17.5 million for affordable housing projects and programs between fiscal year 2012 and 2018. Since this money is no longer available due to the dissolution of the Hayward Redevelopment Agency, it will be more difficult for the City of Hayward and its housing partners to meet their affordable housing goals.

The cost of developing affordable units varies according to a number of factors, including the size of the project, cost of land, the quality of design and construction, and the population served. Based on the development costs of recently planned (2012) affordable projects in the city, it is estimated that affordable units in the city cost approximately:

- \$71,000 to \$129,600 per unit for the rehabilitation of an apartment complex;
- \$256,500 to \$415,400 per unit for the construction of an affordable ownership housing development for families;
- \$228,200 to \$388,600 per unit for the construction of an affordable housing project for seniors; and
- \$257,600 to \$352,800 per unit for the construction of an affordable housing development for families and seniors.

With tighter credit markets and the loss of redevelopment funding for affordable housing, obtaining financing for affordable housing is increasingly challenging. Typical sources of funding for affordable housing include:

- A first mortgage from a lending institution
- Low Income Housing Tax Credits and/or tax exempt mortgage bonds
- Community Development Block Grant
- HOME Investment Partnership funds
- State of California Proposition 1C funds
- California Housing Finance Agency loans

Depending on the type of financing used (e.g., tax credits, bonds, Federal funds), other requirements, such as the inclusion of certain accessibility accommodations and the use of prevailing wage versus Davis-Bacon¹² wage, can affect development costs significantly.

¹² The Davis-Bacon Act of 1931 is a federal law which established the requirement for paying prevailing wages on public works projects. All federal government construction contracts, and most contracts for federally assisted construction over \$2,000, must include provisions for paying workers on-site no less than the locally prevailing wages and benefits paid on similar projects.



Mortgage Financing

The availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements, and refinancing, whether financed at market rate or with government assistance.

Home Purchase Financing

Table 5-35 summarizes the disposition of loan applications submitted to financial institutions in 2009 for home purchase, refinance, and home improvement loans in Hayward.¹³ The table includes information on loan applications that were approved and originated,¹⁴ approved but not accepted by the applicant, denied, withdrawn by the applicant, or incomplete.

In 2009 a total of 1,474 Hayward households applied for conventional loans to purchase homes. The overall loan approval rate was almost 68 percent. A total of 967 Hayward households applied for the purchase of homes in Hayward through government-backed loans (e.g., FHA, VA) in 2009, over 69 percent of which were approved. To be eligible for such loans, applicants must be lower- and moderate-income and the purchase price must meet the cap established by the program. While home prices decreased during the recent recession to levels affordable to low-income households, prices are already increasing and are anticipated to continue to increase throughout the housing element planning period.

¹³ HMDA data is aggregated by census tract, not by municipal boundary. HMDA data presented in this Housing Element is based on the census tracts that approximate the geographic coverage of the City of Hayward.

¹⁴ An originated loan is one that is approved by the lender and accepted by the applicant.

**TABLE 4-35
DISPOSITION OF HOME PURCHASE LOAN APPLICATIONS**

City of Hayward and Alameda County
2009

	Total Applicants	Approved	Denied	Other
City of Hayward				
Home Purchase Loans				
Government-Backed	967	669 (67.9%)	162 (16.8%)	136 (14.1%)
Conventional	1,474	1,001 (67.9%)	280 (19.0%)	193 (13.1%)
Home Improvement	169	76 (45.0%)	64 (37.9%)	28 (17.2%)
Refinance	3,070	1,731 (56.4%)	821 (26.7%)	518 (16.8%)
Alameda County				
Home Purchase Loans				
Government-Backed	5,496	3,912 (71.2%)	798 (14.5%)	786 (14.3%)
Conventional	26,065	10,926 (41.9%)	2,295 (8.8%)	1,918 (7.3%)
Home Improvement	4,236	1,588 (37.5%)	603 (14.2%)	457 (10.8%)
Refinance	110,269	45,208 (41.0%)	11,203 (10.2%)	8,670 (7.9%)

Note: "Other" includes files closed for incompleteness, and applications withdrawn.

Source: Home Mortgage Disclosure Act (HMDA) Aggregated Statistics For Year 2009, <http://www.city-data.com/city/Hayward-California.html#ixzz2Ey9tbqPO> and http://www.city-data.com/county/Alameda_County-CA.html#ixzz2GvrC8zJq.

Home Improvement Financing

Hayward residents were more likely to be denied for home improvement loans than for any other types of loan applications. About 40 percent of the applicants were denied, while 45 percent were approved by lending institutions in 2009. The large proportion of home improvement loan denials may be explained by the nature of these loans. Home improvement loans are usually second loans; the debt-to-income ratio may be too high for some homeowners to qualify for additional financing.

However, denial rates were generally higher in Hayward than in Alameda County. Most significantly, Hayward had denial rates about twice as high as Alameda County for conventional, home improvement, and refinance loans. Hayward residents were denied refinancing loans 38 percent more than residents in Alameda County as a whole.

To address potential private market lending constraints and expand homeownership and home improvement opportunities, the City of Hayward offers the Housing Rehabilitation Loan Program, which provides loans to homeowners to make improvements for:

- **Improved accessibility:** modifications to the home that would improve the ability of residents to use wheelchairs, canes, crutches, or walkers; or would aid in the performance of "activities of daily living" (ADLs) such as eating, bathing, or toileting. Examples of eligible work are ramps and safety grab-bars.



- **Code Corrections:** correction of violations documented in citations issued by safety personnel or mobile home park personnel. Examples of eligible work include broken doors and windows, tarped roofs, and vegetation that prevents safe entry/exit of the home.
- **System Failures:** repair of leaking roofs or rehabilitation of failing or inoperable systems including plumbing, electrical, or heating/air conditioning.

This program assists lower- and moderate-income residents by increasing access to favorable loan terms to purchase or improve their homes. Using the Housing Rehabilitation Loan Program and the discontinued Minor Home Repair Grant and Disability Access and Grant programs, the City spent approximately \$497,400 and \$359,000 on the Minor Home Repair Grant and Housing Rehabilitation Loan Programs, respectively, for 74 grants and 3 loans to assist eligible low-income homeowners with home repairs and upgrades. From 2010 to 2012 the City provided over \$907,600 in HRLP grants and loans using CDBG funds, and 156 low-income homeowners received assistance to upgrade and repair their homes and to conduct lead inspections.

Refinancing

Relatively low interest rates and a high prevalence of interest-only, adjustable-rate, and balloon-payment mortgages led Hayward residents to file 3,070 applications for home refinance loans in 2009. About 56 percent of these applications were approved, while 27 percent were denied. Refinancing activities fell during the recent credit crisis. Along with the decreased opportunities in refinancing came increases in foreclosures. The extent of foreclosures was discussed previously.

However, the market has shown signs of recovery, and refinancing activities have increased as homebuyers are taking advantage of low interest rates and increased opportunities for refinancing from Federal programs. The Departments of the Treasury and Housing and Urban Development offer 11 programs to assist homeowners in refinancing their homes to take advantage of better interest rates, reduce monthly payment amounts, or consolidate debt, including:

- Home Affordable Modification Program (HAMP®)
- Principal Reduction Alternative SM (PRA)
- Second Lien Modification Program (2MP)
- FHA Home Affordable Modification Program (FHA-HAMP)
- USDA's Special Loan Servicing
- Veteran's Affairs Home Affordable Modification (VA-HAMP)

- Second Lien Modification Program for Federal Housing Administration Loans (FHA-2LP)
- Home Affordable Refinance Program (HARP)
- FHA Refinance for Borrowers with Negative Equity (FHA Short Refinance)
- Home Affordable Unemployment Program (UP)
- Hardest Hit Fund (HHF)

Governmental Constraints

Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees, and exactions, and permit processing procedures, among other issues, may constrain the maintenance, development, and improvement of housing.

In general, Hayward's land use controls, design guidelines, codes and enforcement, required site improvements, fees and permit processing procedures have been developed, in part, to correct development problems that have become evident over time. For example, in the early 1990s, the City Council adopted design guidelines for various types of development to ensure that development within Hayward met a minimum quality standard and that developers were provided with consistent information from staff. This section discusses potential governmental constraints in Hayward.

Land Use Controls

General Plan

Hayward adopted its current General Plan in 2002, which is intended to guide development in the City through the year 2025. The City is currently (2013) working on an update to the General Plan to guide development through 2040. The 2040 General Plan will include a new mixed-use designation consistent with the Zoning Code: Sustainable Mixed-Use (25-55 du/ac). This new mixed-use designation is in addition to three existing mixed-use designations: Commercial/High Density Residential (17.4-34.8 du/ac), Downtown City Center: High Density Residential (40-110 du/ac), and Downtown City Center: Retail and Office Commercial (40-110 du/ac). Together these designations provide opportunities for housing on 1,035 acres along main arterials and in the central city.

The residential land use designations included in the Draft 2040 General Plan include:

- **Rural Estate Density:** Typical density is between 0.2-1.0 dwelling units per net acre. Typical lot sizes are one acre or more. Typical development is single family detached housing, although second units may be permitted. Planned Developments may include a variety of housing types within the overall density range.



- **Suburban Density:** Typical density is between 1.0- 4.3 dwelling units per net acre. Typical lot sizes are 10,000 square feet or more. Typical development is single family detached housing, although second units may be permitted. Planned Developments may include a variety of housing types within the overall density range.
- **Low-Density:** Typical density is between 4.3-8.7 dwelling units per net acre. Typical lot sizes range from 5,000 to 10,000 square feet. Typical development is single family detached housing, although second units may be permitted. Some mobile home parks are developed at this density. Planned Developments may include a variety of housing types within the overall density range.
- **Mobile Home Park:** Typical density is between 8.7-12.0 dwelling units per park acre. This designation covers all mobile home parks and development is limited to mobile home parks.
- **Limited Medium Density:** Typical density is between 8.7- 12.0 dwelling units per net acre. Minimum lot area per dwelling unit is 2,500 square feet. Typical development may be mobile home parks; single family detached, mixed with duplexes, triplexes, and fourplexes; or townhouses and two- to three-story garden apartments. Planned Developments may include a variety of housing types within the overall density range.
- **Medium Density:** Typical density is between 8.7-17.4 dwelling units per net acre. Minimum lot area per dwelling unit is 2,500 square feet. Typical development may be mobile home parks; single family detached, mixed with duplexes, triplexes, and fourplexes; or townhouses and two- to three story garden apartments. Planned Developments may include a variety of housing types within the overall density range.
- **High Density:** Typical density is between 17.4- 34.8 dwelling units per net acre, although individual projects may be approved at higher densities if over three stories (up to 58 dwelling units per net acre). Typical development includes apartments or condominiums within multi-story buildings near major activity centers or along major streets. Planned Developments may include a variety of housing types within the overall density range.
- **Sustainable Mixed-Use:** Mixed-use development may include residential with retail and/or office/commercial uses, or educational and cultural facilities with public open space as standalone uses or uses combined in the same building (e.g., commercial ground floor and residential upper floors). Residential densities range from 17.4-100 dwelling units per net acre for mixed-use projects that include a residential component. This land use designation is located along major transit corridors, near transit stations or in close proximity to public higher education facilities or large employment centers. To facilitate transit-oriented development in these areas, developments will have reduced parking requirements. Neighborhood-serving retail uses are highly recommended for residential component mixed-use projects to reduce car trips.

- **Commercial/High Density-Residential:** These areas may include retail and office or general commercial uses. Certain areas along major arterials that are commercially zoned but presently vacant or underutilized may be appropriate for high-density residential use or mixed commercial/residential use of 17.4 to 34.8 units per net acre. Development proposals within these areas should be evaluated within the context of applicable policies and standards and compatibility with adjoining areas.
- **Downtown-City Center High Density Residential:** Residential densities range from 40-110 dwelling units per net acre, although the highest densities are reserved for projects near the Downtown BART Station and City Center. Typical development throughout the remaining area will be three- to five-story apartments or condominiums.
- **Downtown-City Center Retail and Office Commercial:** This area is the major activity center in the planning area. It contains major public facilities such as City Center and the Main Library, retail and office areas, and high-density residential areas. Residential densities range from 40-110 dwelling units per net acre. Mixed-use development is encouraged to promote the pedestrian orientation and to maintain the downtown area as an integrated living, working, shopping, and recreational area. While typical building types include mixed-use buildings (e.g., commercial ground floor and residential upper floors), standalone residential uses may be appropriate outside of the retail core of the Downtown Area. The boundary of this area, as delineated on the Policies Plan Map, includes areas within the Central City Zoning District.

Specific/Area Plans

The City of Hayward has adopted several key specific and area plans including the Cannery Area Design Plan, the Downtown Hayward Design Plan, the Downtown Core Area Plan, the South Hayward BART/Mission Boulevard Concept Design Plan and Form-Based Code, the Walpert Ridge Specific Plan, and the South of Route 92/Oliver and Weber Properties Specific Plan. In addition, the City is currently (July 2013) preparing the Mission Boulevard Specific Plan. In general, these plans have created the opportunity for additional housing in the city by revising land use designations to allow more residential development opportunities. The Cannery Area Design Plan, the Downtown Hayward Design Plan, the Downtown Core Area Plan, and the South Hayward BART/Mission Boulevard Concept Design Plan and Form-Based Code also allow high-density housing near transit stations and along transit corridors. Therefore, the plans are not considered a constraint to the maintenance, development, and improvement of housing in Hayward. Instead, these plans represent efforts to remove constraints to encourage more housing in targeted areas of the city.

Downtown Hayward Design Plan

The Downtown Hayward Design Plan presents the City's development policies for the Downtown area. It addresses development potential, the density and intensity of development,



open space requirements, building heights, urban design objectives, and parking requirements. The Plan was adopted in 1987 and was last revised in 1992.

Downtown Core Area Plan

The Downtown Core Area Plan is a specific component of the Downtown Hayward Design Plan. Its focus is on the creation of a Downtown Plaza and visual focal point at the southern end of B Street, developing Downtown housing, revitalizing the B Street business district, increasing the number of cultural activities, creating Downtown boundaries and gateways to enhance identity, and realigning Mission Boulevard to the Hayward Fault corridor. The Plan was adopted in 1992.

South of Route 92/Oliver and Weber Properties Specific Plan

The South of Route 92/Oliver and Weber Properties Specific Plan was adopted in 1998. It is a specific plan for a 333.5-acre area southwest of the Industrial Parkway and Hesperian Boulevard intersection. The plan calls for the creation of a new neighborhood and business park and light manufacturing uses. The residential neighborhood, known as Eden Shores, is completely developed and includes a community center, community swimming pool, and several parks and green ways. Several of the business parks and light manufacturing properties within the Specific Plan Area are still vacant.

Cannery Area Design Plan

The Cannery Area Design Plan is a land use and urban design plan to transform the older industrial zone of the city into an urban mixed-use neighborhood. The Plan was adopted in 2001. Key features of the plan include a grid of streets and blocks, a system of over 29 acres of public open space, improved access to the Hayward Amtrak Station, a new Burbank Elementary School, a community center, neighborhood commercial and professional office uses, and 800 to 950 new homes, including townhouses, apartments, and lofts. Most of the Cannery Area Design Plan has been implemented, including the elementary school, the community center, and several housing developments.

South Hayward BART/Mission Boulevard Form-Based Code

The City adopted the South Hayward BART/Mission Boulevard Form-Based Code in October 2011. The Code establishes updated zoning rules for properties in the area surrounding the South Hayward BART Station and nearby Mission Boulevard. The Form-Based Code draws from the vision and design guidelines of the 2006 South Hayward BART/Mission Boulevard Concept Design Plan and combines the zoning regulations, subdivision standards, and design standards in one clear and concise document. The South Hayward BART/Mission Boulevard Form-Based Code better defines future development from the perspective of the community and from the perspective of property owners and developers.

Mission Boulevard Corridor Specific Plan

The City of Hayward is currently (May 2013) preparing the Mission Boulevard Corridor Specific Plan. The Specific Plan is a land use and urban design plan for segments of Mission Boulevard. The plan extends from Harder Road in the south to the city limits in the north, but excludes the segment of Mission Boulevard within the downtown core.

The Mission Boulevard Corridor Specific Plan will include a form-based code and a long-term economic strategy for the project area. The goals of the project are to develop a vision and supporting implementation strategies that will result in attractive development for the City, including vibrant commercial uses; pedestrian-friendly neighborhoods that are safe, desirable, and at sufficient densities to support public transportation; and a built form that will encourage such uses. Other goals include the revitalization of the corridor; addressing the deterioration of the existing uses, including distressed auto-related uses; and establishing a vision for transit-oriented development that incorporates economic and environmental sustainability. The project is scheduled for adoption in November 2013.

Walpert Ridge Specific Plan

The Walpert Ridge Specific Plan was adopted in 1998. It is a specific plan for a 2,160-acre area located in the hillsides east of Garin Regional Park. The plan allows for the development of 310 acres with large single family homes and an elementary school. The remainder of the Specific Plan Area is designated as open space. The area, now known as Stonebrae, has been approved for 550 homes and is partially built out. Stonebrae Elementary School was completed in 2006.

Smart Growth

Following the precedent set by the 2002 General Plan, the 2040 General Plan includes “smart growth” principles being promoted throughout the country. While there is no single definition of “smart growth” that everyone embraces, there are certain common elements. Typically, smart growth fosters development that revitalizes central cities and suburbs, supports and enhances public transit, and preserves open spaces and agricultural lands. Smart growth creates communities that are more livable by developing efficiently within the already built environment. Smart growth advocates argue that the problems of both the cities and the suburbs can be addressed through more infill development, and more concentrated development and redevelopment, especially in areas served by transit or close to major employment centers. The basic concept is to make more efficient use of existing developed areas so that the need to accommodate growth through unfettered expansion of a developed area is minimized. The basic principles can be summarized as follows:

- Mix land uses;
- Take advantage of compact building design;
- Create a range of housing opportunities and choices;



- Create walkable neighborhoods;
- Foster distinctive, attractive communities with a strong sense of place;
- Preserve open space, farmland, natural beauty, and critical environmental areas;
- Strengthen and direct development towards existing communities;
- Provide a variety of transportation choices;
- Make development decisions predictable, fair, and cost-effective; and
- Encourage community and stakeholder collaboration in development decisions.

Hayward has already undertaken various planning efforts that serve to implement smart growth principles. Examples include: adoption of a Historic Preservation ordinance to protect historic sites and structures; adoption of the South Hayward BART/Mission Boulevard Concept Design Plan and Form Based Code to promote transit-oriented development and smart growth principles; adoption of the Downtown Hayward Design Plan and Downtown Core Area Plan to promote high density, mixed-use, and transit-oriented development; and adoption of Urban Limit Lines (ULLs) to preserve the shoreline and the hills. The City is currently (2013) working on the Mission Boulevard Specific Plan which will include a form-based code to create pedestrian-friendly, transit-oriented development. The 2040 General Plan incorporates policies and strategies that continue to encourage the use of smart growth principles in long-range planning and development well beyond the Housing Element planning period. Such policies and strategies seek to reduce the city's dependence on the automobile, create pedestrian friendly neighborhoods, make efficient use of remaining land, preserve open space, and foster distinctive neighborhoods with a sense of place.

The current City of Hayward General Plan has an established Urban Limit Line (ULL). The City's ULL preserves the shoreline and the hills from development. Along the shoreline the land adjacent to and outside of the ULL is in public ownership and a plan has been developed to restore and/or maintain its natural habitat. The hill area outside the ULL has never been considered for affordable housing because of its topographic and geologic constraints. The ULL, therefore, is not a constraint on the development of affordable housing.

Zoning Ordinance

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. In general, the City's zoning regulations are designed to balance the goal of providing affordable housing opportunities for all income groups while protecting the health and safety of residents and preserving the character of existing neighborhoods. The City's Zoning Ordinance allows residential uses in the following districts:

- **Residential Natural Preserve (RNP):** The purpose of the RNP District is to allow for the development in areas where topographic configuration is a major consideration in

determining the most suitable physical development for the land. This district allows development only where it is subservient to and compatible with the preservation of major natural features, such as the tree line.

- **Single-Family Residential (RS):** The RS District is intended to promote and encourage a suitable environment for family life. It is to be used primarily for single family homes and the community services related to this use.
- **Medium Density Residential (RM):** The RM District is intended to promote a compatible mingling of single family and multifamily dwellings.
- **High Density Residential (RH):** The RH District is intended to promote and encourage a suitable high-density residential environment through the development of multifamily dwellings.
- **Residential Office (RO):** The purpose of the RO District is to protect the residential amenity of areas with a mix of residential and office use.
- **Sustainable Mixed-Use District (SMU):** The SMU District encourages mixed-use development consisting of either residential with retail, residential with commercial or office, or educational or cultural facilities with public open space, along major transit corridors, near transit stations, or in close proximity to public higher education facilities or large employment centers, in order to provide transit oriented development in a sustainable way.
- **Mobile Home Park (MH):** The MH District is intended to promote and encourage a suitable living environment for the occupants of mobile homes.
- **Neighborhood Commercial District (CN):** The CN District is intended to establish several areas throughout the city that are carefully located in relationship to other commercial districts and to residential districts. The CN District allows residential units above first-floor commercial uses only.
- **Neighborhood Commercial-Residential (CN-R):** The CN-R District includes a mixture of neighborhood serving businesses and residences along portions of certain arterials in order to provide housing with ready access to shops and transit. The CN-R District encourages joint development of lots along arterials in order to minimize curb cuts and maximize architectural continuity. The CN-R District adjusts parking and open space requirements to reflect the characteristics of mixed-use development along arterials.
- **General Commercial District (CG):** The CG District is intended to provide services for supporting primary business activities in the CB or CC Districts. The CG District allows residential units above first-floor commercial uses only.
- **Commercial Office District (CO):** The CO District provides for and protects administrative, professional, business, and financial organizations which may have unusual requirements for space, light, and air, and which are clean and quiet and are not



detrimental to adjacent residential properties. The CO District allows multifamily dwellings and small group homes associated with single family dwellings.

- **Limited Access Commercial District (CL):** The CL District accommodates uses typically serving commuters and travelers that are accessible from major arterials and freeways. Uses within the CL District are service-related, and serve the motoring public adjacent to highways of major importance. The CL District allows residential units above first-floor commercial uses only.
- **Central Business District (CB):** The CB District is intended to establish a principal downtown area of regional importance, and several outlying areas of citywide importance, where concentrations of comparison shopping facilities, financial and business services, and opportunities for amusement or recreation may be found. The CB District allows residential units above first-floor commercial uses only.
- **Central City-Residential (CC-R):** The purpose of the CC-R Subdistrict is to establish a concentration of multifamily and complementary uses in order to provide a quality Central City living environment and to provide market support for Central City businesses.
- **Central City Commercial Subdistrict (CC-C):** The CC-C District is intended to establish a mix of business and other activities which will enhance the economic vitality of the downtown area. Permitted activities include, but are not limited to, retail, office, service, lodging, entertainment, education, and multifamily residential uses. The CC-C District allows residential units above first-floor commercial uses only.
- **Central City Plaza Subdistrict (CC-P):** The CC-P District is intended to establish a unique environment of retail and other complementary uses contributing to the pedestrian nature and quality image of such streets as B Street. The CC-P District allows artist's lofts above the first floor of their place of business and standalone multifamily units.

Zoning Overlays

In addition to the above zoning districts, the Zoning Ordinance also establishes a combining district and overlay districts to apply additional regulations and standards to certain properties. The combining district applies additional lot standards to various residential zoned properties. Residential properties that must comply with these additional lot standards are denoted with their base zone, a "B", and a number. For example, a property with RSB40 zoning is zoned single family residential (RS) with a minimum lot size of 40,000 square feet (B40). A property with RMB4 is zoned medium-density residential (RM) with a minimum lot size of 4,000 square feet (B4). When a property is within an overlay district, the symbol of that district is added to the base zone of the property (example: RSB40/SD-1).

The following zoning overlays apply to residential development in portions of the city:

The “B” Street Special Design Street Car District

This district has some of the oldest housing in Hayward. It consists of the five blocks of B Street from Grand Avenue, west of City Hall, to Meekland Avenue. Architecture and materials used in this district must be sympathetic to original Victorian, Colonial Revival, or Craftsman styles. Untrimmed openings, garish colors, and plywood siding are generally not acceptable.

The Mission Corridor Special Design District

This district runs from Jackson Street along Mission Boulevard to Harder Road. The design theme for this district is Spanish ranch, compatible with the early history of Mission Boulevard as a connection between Spanish ranches and missions on the California coast. The theme is intended to support a friendly, neighborhood character with relatively low, spreading rooflines, warm earth textures and colors, and attractive exterior spaces for pedestrians, workers, and residents.

The Cottage Special Design District

This district is the smallest special design district, one block in length, along Montgomery Street. This overlay district allows a historic pattern of small lot, single family cottage development near town and transit which would otherwise be precluded by contemporary lot size, front setback, and parking requirements. The Cottage District development pattern was established before cars, and suits households with one or no motor vehicles. New cottage development would need to continue the architectural themes of horizontal wood siding, hip or gable rooflines of medium pitch, and a front entry porch that is expansive relative to the size of the cottage.

The Cannery Special Design District

This district contains older industrial uses that are surrounded by residential areas. The purpose of the Cannery Area Special Design District is to implement policies embodied in the Cannery Area Design Plan. The Design Plan envisions conversion of the industrial uses to commercial uses, residential uses, or mixed uses, as appropriate.

Mission-Garin Area Special Design District

This district ensures the orderly development of the Mission-Garin Area. The clustering of residential development is encouraged in this area, with development located so as to avoid geologic hazards, minimize grading and preserve significant natural site features, such as rock outcroppings, nature trees, natural drainage courses and scenic views. Preferred hillside development includes clustering of dwelling units, whether single family or multifamily, separated by interconnected natural open space or greenbelt corridors.



Hayward Foothills Trail

This district ensures the orderly development of a continuous trail as properties involved in the 238 Bypass Land Use Study are developed. The District establishes the general location for the trail as well as the standards and guidelines for establishing the trail. The Trail is envisioned as a 16-foot wide trail within a 20-foot wide area to accommodate multiple users. Where the trail traverses individual properties, it is envisioned to be developed in a location which will maximize the future development potential of the property. Residential development adjacent to the trail shall maintain at least a 10-foot setback from the edge of the trail, where feasible.

Zoning Development Standards

Development standards specific to each zone district are designed to protect and promote the health, safety, and general welfare of residents, as well as implement the policies of the General Plan. These standards also serve to preserve the character and integrity of existing neighborhoods. Specific residential development standards are summarized in Table 4-36. Generally, development standards can limit the number of units that may be constructed on a particular piece of property. These include density, minimum lot and unit sizes, height, and open space requirements. Limiting the number of units that could be constructed would mean higher per-unit land costs and, all other factors being equal, result in higher development costs that could impact housing affordability.

**TABLE 4-36
RESIDENTIAL DEVELOPMENT STANDARDS
City of Hayward
2013**

Zoning District	Min. Lot Area (sq. ft.)		Setback (ft.)			Max. Height (ft.)	Max. Lot Cover
	Interior	Corner	Front	Rear	Side		
RS	5,000 ¹	5,914 ¹	20	20	5 ²	30	40%
RM	5,000 ¹	5,914 ¹	20	20	5 ²	40	40%
RH	7,500 ¹		20	20	5 ²	40	65%
RNP	20,000		20	20 ⁶	30 ⁷	30	30%
RO	5,000	5,914	10	20	5	40	50%
SMU	20,000		10/20 ⁸	10/20 ⁸	10/20 ⁸	55	90%
MH	7 acres		20	10	10	40	40%
CN	6,000		10	0	0	40	90%
CN-R	10,000 (20,000 SD6 Special Design District)		10	20	0 ³	40 (60 SD6 Special Design District)	90%
CG	None		10 ⁹	0 ¹⁰	0 ¹¹	None	90%
CO	5,000	5,760	10	20	5 ²	40	50%
CL	10,000		20	20	10	40	40%
CB	None		10	None	5 ²	None	90%
CC-C	None		0 to 4 ⁵	15 ⁴	5 ²	42 to 173 ⁵	None
CC-R	None		0 to 4 ⁵	0 ⁴	5 ²	42 to 173 ⁵	None
CC-P	None		0 to 4 ⁵	0 ⁴	0	42 to 173 ⁵	None

¹ Although the minimum lot size for newly created lots is 5,000 square feet, the lot area per dwelling unit varies as a ratio of lot frontage to lot depth.

² Or 10 percent of the lot width at the front setback line whichever is greater up to a maximum of 10 feet.

³ Except where entrances or windows face the side lot line, then 10 feet is required.

⁴ Except 15 feet shall be required for residential uses or other uses abutting residential or open space zones or residentially developed property.

⁵ To be in compliance with Downtown Hayward Design Plan.

⁶ Or 30 feet from a tree line.

⁷ Combined, with no one side yard of less than 10 feet.

⁸ Setback is 20 feet along a public street and 10 feet for all other areas.

⁹ Unless building is located at the property line.

¹⁰ None when abutting a CG district but otherwise the same required rear yard of the abutting district.

¹¹ Unless abutting a R, A, MH, OS or residential PD District where the side yard shall be a minimum of 10 feet.



Parking Requirements

Parking requirements for residential uses in Hayward are summarized in Table 4-37. These requirements are similar to parking standards for density bonus eligible projects as established in State law and, therefore, do not present a significant constraint on the production of housing. Nonetheless, the provision of parking, especially if provided in underground or structured parking facilities, can significantly increase the cost of housing and could affect the feasibility of various housing projects in the city.

**TABLE 4-37
PARKING STANDARDS FOR RESIDENTIAL DEVELOPMENT
City of Hayward
2013**

Use	Parking Spaces Required	
Single family	2.0 covered spaces per unit	
If a lot abuts a public or private street that has no parking lane on either side of the street or is posted for no parking on both sides of the street	2.0 covered spaces per unit plus 2.0 open spaces per unit	
If a dwelling with a single car garage was built prior to March 24, 1959	1.0 covered space per unit	
Multifamily ¹		
Studio	1.0 covered and 0.5 open spaces per unit	
One-bedroom	1.0 covered and 0.7 open spaces per unit	
Two or more bedrooms	1.0 covered and 1.1 open spaces per unit	
Mobile Homes	2.0 per mobile home space, plus 1.0 guest parking space per three mobile home spaces	
Attached Second Units	No additional parking spaces required.	
Central Parking District (multifamily for elderly)	0.5 space per unit	
CN-R	Studio or One-Bedroom	1.5 spaces
	Two or More Bedrooms	2.0 spaces

¹ 10 percent of multifamily parking spaces are to be designated as visitor's parking, and at least 70 percent must accommodate standard size vehicles. When less than 10 spaces are required, a minimum of one parking space is to be designated as visitor's parking.

Within the area subject to the Downtown Core Area Specific Plan, the residential parking requirement may be reduced by the approving authority to a minimum of 1.0 space-per-dwelling unit, provided that the aggregate parking supply for all residential units at buildout, as described in the Specific Plan, excluding units exclusively for the elderly, is 1.5 spaces per dwelling. Residential parking requirements may be met in locations other than on the development sites, subject to the approval of the reviewing authority.

Furthermore, parking standards can be reduced throughout the city on a case-by-case basis when a project is located near the BART station or when the project caters toward seniors. The City also offers reductions in required parking spaces for proximity to public transportation

facilities, housing for senior citizens and/or persons with disabilities, and for projects using transportation systems management programs.

Planned Development District

The Hayward Zoning Ordinance provides for a Planned Development (PD) District to foster well-designed residential and nonresidential development by encouraging projects incorporating a variety of housing types or combinations of residential and nonresidential uses. The PD District allows diversification in the relationship of uses, buildings, architectural design, lot sizes, yard areas, and open spaces that may not be achievable under other zoning districts. The City encourages developers to use PD zoning for a creative or innovative project that may involve a mixture of uses or housing types or where the terrain or natural features of the property are such that make development difficult. The PD zone can provide flexibility in terms of site layout and encourages excellent design and enhanced site amenities. An application to establish a PD district must be reviewed by the Planning Commission and approved by the City Council, since it involves a rezoning of property. The Planned Development Zone provides housing developers, including affordable housing developers, flexibility to create unique housing projects. Therefore, it is not considered a constraint to housing.

South Hayward BART/Mission Boulevard Form-Based Code

The purpose of the Form-Based Code is to implement policies embodied in the South Hayward BART/Mission Boulevard Concept Design Plan. The Concept Design Plan envisions the development of high-density, transit-oriented development along the Mission Boulevard transit corridor, generally between Harder Road and Industrial Parkway, and a transit village including high-density residential development with a variety of neighborhood-serving retail and public uses in proximity to the South Hayward BART Station. The Form-Based Code establishes two residential zones to implement smart growth principles (i.e., Urban General Zone S-T4, Urban Center Zone S-T5). The City may also apply one of two overlay zones to further increase densities in the S-T5 zone (i.e., TOD Density Overlay 1 S-T5-1, TOD Density Overlay 2 S-T5-2). Table 4-38 includes the development standards established by the Hayward BART/Mission Boulevard Form-Based Code.



TABLE 4-38
SOUTH HAYWARD BART/MISSION BOULEVARD FORM-BASED CODE
 City of Hayward
 2013

Zoning District	Density	Setback (ft.) ¹			Max Height ²	Max Lot Cover	Parking
		Front	Rear	Side			
Urban General Zone (S-T4)	17.5 to 35.0 units/acre	6 to 24 feet	3 feet min ³	0 feet min	2 to 4 stories	80%	Max 1.75 off-street spaces (multifamily)
							Max 2.0 off-street spaces (condominium)
Urban Center Zone (S-T5)	35.0 to 55.0 units/acre	2 to 12 feet	3 feet min ³	0 to 24 feet	3 to 5 stories	90%	Max 1.5 off-street spaces (multifamily)
							Max 1.8 off-street spaces (condominium)
TOD Density Overlay 1 (S-T5-1)	75.0 to 100.0 units/acre	--	--	--	2 to 5 stories	--	--
TOD Density Overlay 2 (S-T5-2)	40.0 to 65.0 units/acre	--	--	--	3 to 6 stories	--	--

¹ For a secondary unit in the S-T4 zone the front setback is a minimum of 20 feet from the building setback, the side yard setback is 0 feet or 2 feet in a corner, and the rear setback is still 2 feet. In the S-T5 zone the setbacks are the same, except that the front setback is a minimum of 40 feet from the building setback.

² For a secondary unit the maximum height is 2 stories.

³ Or 15 feet from the centerline of the alley

Mission Boulevard Corridor Form-Based Code

The Mission Boulevard Specific Plan and Form-Based Code includes new development that respects the existing character of the area and its surroundings, vibrant commercial uses, pedestrian-friendly neighborhoods that are safe, desirable, and at sufficient densities to support public transportation, and a built form that will encourage such uses and complements the natural and historic amenities in the area. The Mission Boulevard Corridor Form-Based Code establishes four residential zones (i.e., Sub-urban Zone M-T3, Urban General Zone M-T4-2, Urban General Zone M-T4-1, Urban Center Zone M-T5). In addition, the Form-Based Code establishes two height overlay zones (i.e., M-T5-2, M-T5-1). Table 4-39 includes the development standards established by the Mission Boulevard Corridor Form-Based Code.

**TABLE 4-39
MISSION BOULEVARD CORRIDOR FORM-BASED CODE DEVELOPMENT STANDARDS**

City of Hayward
2013

Zoning District	Density	Setback (min. ft.) ¹			Max Height ³	Max Lot Cover	Parking
		Front	Rear ²	Side			
Suburban Zone (M-T3)	4.3 to 17.5 units/acre	18 feet	10 feet	5 feet	1 to 2 stories	70%	2.0 off-street spaces max (multifamily) 1 to 2 car garage (single family)
Urban General Zone (M-T4-2)	17.5 to 35.0 units/acre	6 to 24 feet	3 feet ⁴	0 feet	2 to 4 stories	80%	1.75 off-street spaces max (multifamily) 2.0 off-street spaces max (condominium)
Urban General Zone (M-T4-1)	17.5 to 35.0 units/acre	6 to 24 feet	3 feet ⁴	0 feet	2 to 4 stories	80%	1.75 off-street spaces max (multifamily) 2.0 off-street spaces max (condominium)
Urban Center Zone (M-T5)	35.0 to 55.0 units/acre	2 to 12 feet	3 feet ⁴	0 to 24 feet	3 to 5 stories	90%	1.5 off-street spaces max (multifamily) 1.8 off-street spaces max (condominium)
<i>Height Overlay (M-T5-2)</i>	--	--	--	--	<i>2 to 3 stories</i>	--	--
<i>Height Overlay (M-T5-1)</i>	--	--	--	--	<i>2 to 4 stories</i>	--	--

¹ For a secondary unit in the M-T3 and M-T4 zones the front setback is a minimum of 20 feet from the building setback. The side setback is 3 to 10 feet in the M-T3 zone, 0 to 6 feet in the M-T4-1 and M-T4-2 zones, and 0 to 2 feet in the T5 zones. In all zones the rear setback is 3 feet.

² For a secondary unit the maximum height is 2 stories.

³ The minimum rear setback for two-story buildings is 20 feet. Or 15 feet from the centerline of the alley.

General Plan Land Use Designations and Residential Zoning Districts

Table 4-40 lists the residential land use categories included in the Land Use Element of the City's updated General Plan. The table also includes allowed densities and the zoning districts that generally correspond to each residential land use designation of the General Plan. The City's General Plan and Zoning Ordinance provide for a wide range of housing types and densities, ranging from 0.2 units per acre in Rural Estate Density areas to a maximum of 110 units per acre in the Downtown City Center. In addition, the City allows a density bonus for developments that qualify under State law.



TABLE 4-40
RELATIONSHIP BETWEEN GENERAL PLAN AND ZONING
 City of Hayward
 2013

General Plan Designation	Density (Dwelling Units Per Acre)	Zoning District(s)
Rural Estate Density	0.2-1.0	RSB40
Suburban Density	1.0-4.3	RSB10, RSB20, RSB40
Low Density	4.3-8.7	RS, RSB6, RSB8, RSB10
Mobile Home Park	8.7-12.0	MHP
Limited Medium Density	8.7-12.0	RSB4, RMB4, RMB3.5, (RS, RSB6, RSB8, RSB10)
Medium Density	8.7-17.4	RSB4, RMB4, RMB3.5, RM, (RS, RSB6, RSB8, RSB10, RO, CN-R)
High Density	17.4-34.8	RH, RHB7, (RSB4, RMB4, RMB3.5, RM, CN-R)
Sustainable Mixed-Use	17.4-100.0	SMU, S-T4, S-T5, S-T5-1, S-T5-2, S-CS
Commercial/High Density Residential	17.4-34.8	RHR, RHB7, CN, CO, CB, CG, CL, CR, AT-C, (RMB4, RMB3.5, RM, RO, CN-R, A, OS, SD, PD)
Downtown City Center: High Density Residential	40.0-110.0	CC-R, (RH, RHB7, RO, CC-C, CC-P, OS, SD, PD)
Downtown City Center: Retail and Office Commercial	40.0-110.0	CC-C, CC-P (CC-R, RO, OS, SD, PD)

() = Zoning districts listed within parenthesis are potentially consistent. Compatibility with adjacent uses and overall densities in the project area must be considered to determine consistency.

Source: City of Hayward, Draft General Plan, 2040; and City of Hayward Zoning Ordinance, 2013.

Residential Development Trends

The City's residential development standards are established to facilitate the development of a range of housing options. Recent developments in the various higher-density residential districts demonstrate that the City's development standards allow for projects at a wide range of densities and product types. The City's development standards are reasonable and do not constitute a constraint to housing development. Table 4-41 shows recent (January 2013) examples of housing development in the city. The table also identifies the allowed and built density for each project.

To minimize potential and actual constraints caused by the City's residential zoning regulations, the City of Hayward offers density bonuses to developers that agree to construct affordable housing or senior housing. In addition, the City has a policy to provide Community Development Block Grant or HOME Investment Partnership funding to improve the financing of affordable housing projects.

**TABLE 4-41
RECENT RESIDENTIAL DEVELOPMENTS**

City of Hayward
January 2013

Project	General Plan Land use Designation	Zoning	Density		Reduced Parking
			Allowed	Built	
Walker Landing	High Density	RH	34.8	22.2	Yes
C & G Senior Housing	High Density	CC-C/CC-R	50.0	43.0	Yes
City Walk	Downtown City Center – High Density	CC-R	65.0	29.0	No
Grand Terrace	Downtown City Center – High Density	CC-R/CC-P	50.0	34.9	No
Sara Conner Place	High Density	RH	34.8	31.0	Yes
Renaissance Walk	Downtown City Center (now Sustainable Mixed Use)	CC-R	30.0	27.5	No
Studio Walk	Downtown City Center (now High Density)	CC-R	25.0-50.0	35.0	No
C & Main Condos	Downtown City Center (now Central City Retail and Office Commercial)	CC-C/CC-P	30.0-65.0	55.0	No
Mission Paradise	Mixed Use	CN-R/SD6	27.0-55.0	43.2	No
Wittek/Montanna	Station Area Residential (now Sustainable Mixed Use)	SAR (now S-T5-1 and S-T5-2)	75.0-100.0	76.0	No

Source: City of Hayward, 2013.

Airport Approach Zoning Regulations

The Hayward Executive Airport is a general aviation facility used by a multitude of diverse aircraft ranging from business and corporate jets to small privately-owned aircraft. Pursuant to State law, all General Plan amendments, Zoning Ordinance amendments, and projects proposed within the Airport Influence Area (AIA) must be reviewed by the Alameda County Land Use Commission. The Airport Land Use Commission has 60 days for the review. However, the City Council has the authority to override the review with a four-fifths vote if it can make certain findings. Since this requirement is applicable to all jurisdictions located near airports/airfields, this requirement is not unique to the City of Hayward and does not constitute a constraint to housing development.

Green Building Ordinance

In December 2008 the City adopted a Green Building Ordinance, which establishes green building requirements for private developments. This Ordinance took effect on January 1, 2009. The ordinance requires the submittal of the GreenPoint checklist with a building permit application for any new residential or commercial building. The ordinance also requires that



residential additions and remodels over 500 square feet achieve a minimum of 50 points on the GreenPoint checklist and that an independent rater verify that the project adheres to the checklist submitted with the building permit checklist. The ordinance was recently revised in response to comments from the California Energy Commission (CEC) and the City approved the revised ordinance by the CEC on December 15, 2009.

The Green Building Ordinance is just one example of Hayward's commitment to promoting and implementing environmental sustainability policies and practices. Green buildings are sited, designed, constructed, and operated to enhance the well-being of their occupants and support a healthy community and natural environment. Green building strategies will also conserve natural resources, protect air and water quality, enhance indoor air quality for occupants, and provide potential economic benefits by reducing maintenance and replacement requirements, reducing utility bills, and lowering the cost of home ownership, increasing property and resale values.

Green building standards can also increase the cost of new housing, the cost of making improvements to existing housing, and the time it takes a project to be approved by the City. However, such features will ultimately reduce energy consumption costs in the long term. Furthermore, the City offers a Housing Rehabilitation Loan Program for homeowners who need to make home repairs that cost over \$2,000. Energy conservation features are eligible improvements.

In addition, City staff has met with developers to discuss possible incentives to offset any costs and/or obstacles associated with the City's Green Building Ordinance. In February 2010, in response to developer input, the City developed a Fee-deferral Ordinance to encourage residential developments exempt from the Ordinance to comply voluntarily. Staff is currently considering potential amendments to the City's Green Building Ordinance. Given the changes to Cal Green that will take effect in 2014, there is less need for a local Green Building Ordinance.

Density Bonus

State law requires the provision of certain incentives for residential development projects that set aside a certain portion of the units to be affordable to lower- and moderate-income households. The City implements State law through its density bonus ordinance. Under current State law, jurisdictions are required to provide density bonuses and development incentives on a sliding scale, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. The City of Hayward offers a density bonus consistent with State law to developers who agree to construct any of the following:

- 10 percent of total units for lower-income households;
- 5 percent of total units for very low-income households;
- A senior citizen housing development or a mobile home park; or

- 10 percent of total units for moderate income households.

The amount of density bonus granted varies depending on the percentage of affordable units provided and ranges from 5 percent to 35 percent. To obtain a density bonus in Hayward, the developer must submit a Density Bonus Application as well as an Affordable Housing Unit Plan and Agreement to the City.

Inclusionary Housing Ordinance

One of the City's most significant affordable housing policies is its Inclusionary Housing Ordinance. Hayward's Inclusionary Housing Ordinance requires that a certain percentage of new residential units be made affordable to low- and moderate-income households. This requirement applies to both ownership and rental housing developments consisting of 20 or more units. The current (September 2013) requirements are summarized below. However, as described later, the City adopted an Inclusionary Housing Relief Ordinance to waive inclusionary requirements for rental projects and reduce the inclusionary requirements for ownership units. The Ordinance also allows payment of in-lieu fees by right without approval from the City Council. The City is also conducting a review of the Inclusionary Housing Ordinance and preparing an Affordable Unit In-Lieu Fee/Nexus Study to determine if any further revisions to the Inclusionary Housing Ordinance are necessary.

Requirements

Affordable Rental Units

The Inclusionary Housing Ordinance has the following requirements for rental housing projects:

- 7.5 percent of the units must be affordable to households earning no more than 50 percent of the Area Median Income (AMI);
- 7.5 percent of the units must be affordable to households earning no more than 60 percent of the AMI;
- Monthly rent, plus an allowance for utility costs, must not exceed 30 percent of the maximum eligible monthly income;
- All affordable units must reflect the number of bedrooms provided in the development as a whole, and shall not be distinguished by design, construction, or materials.

Affordable Ownership Units

The Inclusionary Housing Ordinance has the following requirements for ownership housing projects:



- 15 percent of the units must be made affordable to households earning no more than 120 percent of the AMI for a term of no less than 45 years;
- Affordable housing costs (mortgage payment, taxes, utilities, insurance, and condo fees, if applicable) must not exceed 35 percent of 110 percent of the AMI, adjusted for house size;
- Affordable housing units should be dispersed throughout and be integrated with housing development as a whole; and
- Unit mix of affordable units must reflect the unit mix of the entire housing development.

Incentives and Alternatives

In residential development projects consisting solely of for-sale units, the applicant may request a waiver of the requirement to build affordable units in exchange for the payment of an affordable unit in-lieu fee. The waiver request requires City Council approval. In addition, the ordinance provides economic and land use benefits when the following conditions are met:

- **Density Bonus:** The City Council, upon request, may approve an increase in the number of units per acre permitted in a proposed project when such an increase in density is consistent with State Density Bonus law.
- **Off-Site Construction:** City policy is that affordable units must be integrated within the project to the extent possible. Where affordable units are required, an applicant may instead construct units not physically contiguous to the development (off-site) if the City Council determines that:
 1. Off-site construction will further affordable housing opportunities in the city to a greater extent than construction of the required units as part of the proposed residential project;
 2. A schedule for completion of the off-site units concurrently with completion of the related market-rate units is provided and agreed upon as a condition of approval for the project; and
 3. The off-site units are at least equal in size and amenities to affordable units which would be allowed in the project, or any comparative deficiency in size or amenities is compensated for by additional units, larger units, or affordability to households with lower incomes.
- **Modified Development Standards to Increase Density:**
 1. In a residential project that contains single family detached homes, the affordable units may be attached units rather detached homes. In a residential project that

includes attached multi-story dwelling units, the affordable units may contain only one story;

2. When a residential project is on a major transportation route, the applicant may request that City Council reduce the number of parking spaces required for the development based on the assumption that some households will take public transportation to their jobs. This will allow for increased density within the development.
- **Combination of Alternatives:** The City Council may choose to accept any combination of on-site construction, off-site construction, in-lieu fees, and land dedication that at least equal the cost of providing the affordable units on-site as would otherwise be required.
 - **Expedited Processing:** Expedited processing of development approvals and permits will be available for projects with affordable units.
 - **Technical and Financial Assistance:** Upon request, information shall be provided to developers, builders, or property owners regarding design guidelines and financial subsidy programs for residential development projects.

The Inclusionary Housing Ordinance has resulted in many affordable housing opportunities for Hayward residents. However, given the current market conditions, residential construction activities have slowed. In response to the economic downturn, the City allows the payment of an in-lieu fee by right as an option for fulfilling the inclusionary housing requirements. In 2010 the City conducted a study to:

- Review the Hayward Inclusionary Housing Ordinance and Affordable Housing In-Lieu Fee Resolution. Review best practices for methodology of determining fees.
- Determine the affordable housing cost differential.
- Prepare a nexus study to determine the impact of market-rate housing on the need for affordable housing.
- Analyze the financial costs, benefits, and use of incentives and alternatives to produce affordable housing.

The study showed that Hayward's existing 15 percent affordable housing requirement was justifiable for single family developments, but that a lower affordable housing requirement was needed for other types of residential development, given the economic climate.

Based on the results of this study, the City adopted an Inclusionary Housing Relief Ordinance on December 14, 2010, which waived inclusionary requirements for affordable units or payment of affordable housing in-lieu fees for rental projects, reduced the inclusionary requirement from 15 percent to 10 percent for moderate-income detached ownership units and from 15 percent to 7.5 percent for attached moderate-income ownership units, and allows payment of in-lieu fees



by right without approval from the City Council. At the end of 2011 the City also clarified some provisions of the Relief Ordinance, including allowing the application of relief provisions to developments subject to existing inclusionary agreements but not yet constructed. The Inclusionary Housing Relief Ordinance expired on December 31, and the City Council readopted the same ordinance on December 18, 2012, effective February 22, 2013, and expiring on December 31, 2015. Two inclusionary housing in-lieu fees have been paid to date (2013) totaling \$165,000.

The City is currently (November 2013) conducting another Inclusionary Housing Ordinance Review and Affordable Unit In-Lieu Fee/Nexus Study. The City Council will provide recommendations for revising the Inclusionary Housing Ordinance based on the findings in the study.

Provisions for a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single family homes, multifamily housing, second units, mobile homes, agricultural employee housing, homeless shelters, and transitional housing, among others. Table 4-42 below summarizes the various housing types permitted within the City's zoning districts.

The housing types allowed within the City of Hayward zoning districts are described below.

Single family

A "single family dwelling" is defined in the Hayward Zoning Ordinance as a detached building containing only one dwelling unit. Single family dwellings are permitted in the RS, RNP, RM, and M-T3 zones. An Administrative Use Permit is required for single family housing units in the RH and CO zones.

Condos/Townhomes

Condominiums and townhomes are permitted in the City's RM, RH, RO, and CC-R zones.

**TABLE 4-42
HOUSING TYPES PERMITTED BY ZONE**

City of Hayward
2013

	RS/ RNP	RM	RH	RO	SMU	MH	CN-R	CC-R	CO	CN	CG	CL	C-B	CC-P	CC-C	S-T4	S-T5	M-T3	M-T4-1	M-T4-2	M-T5
Single Family	P	P	A	P					A									P			
Condos/Townhomes		P	P	P				P													
Multifamily		P	P	P	P		p ² A ¹	P	p ^{1,2}	p ²	p ²	p ²	C ^{1,2}	p ¹	C ¹ p ²	P	P	C	p ³	p ³	P
Mobile Home Park						P															
Manufactured Housing	P	P	A	P		P		P													
Second Units	P	P	P	P					A							P	P	P	p ³	p ³	P
Small Group Home (6 or fewer residents)	P	P	P	P				P	P							P	P	P	p ³	p ³	P
Large Group Home (7 or more residents)	C	C	C	C				C	C							C	C		C ³	C ³	C
Artist's (Live/Work) Loft								P						P		P	P		p ³	p ³	P
Mixed Use							A*/P														
Emergency Shelter											C					P			p ³	p ³	
Single Room Occupancy																					C

P = Permitted C = Conditional Use Permit A = Administrative Use Permit
 *Ground-level units require Administrative Use Permit
¹ Must be ground level
² Must be above commercial
³ Residential uses in the Commercial Overlay Zone are not permitted on the ground floor.
 Source: Hayward Municipal Code, 2013.



Multifamily

Multifamily housing made up over 34 percent of the city's housing stock in 2013. Multifamily developments are permitted in the RM, RH, RO, SMU, CC-R, S-T4, ST-5, M-T4-1, M-T4-2, and M-T5 zones. The maximum densities in these zones range from 8.7 units per acre in the RM to 110 units per acre in the CC-R zone. Ground level multifamily units are also permitted in the CO zone and in the CB, CC-C, CC-P, and M-T3 zones with a Conditional Use Permit. Multifamily housing above commercial uses is permitted in the City's CO, CN, CN-R, CG, CL, CB, and CC-C zones, and in M-T4-1 and M-T4-2 zones with a Commercial Overlay.

Manufactured Housing and Mobile Homes

Manufactured housing and mobile homes can be an affordable housing option for low- and moderate-income households. According to the California Department of Finance, in 2013 only about 5 percent of Hayward's housing stock was made up of mobile homes. Pursuant to State law, a mobile home built after June 15, 1976, certified under the National Manufactured Home Construction and Safety Act of 1974, and built on a permanent foundation may be located in any residential zone where a conventional single family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. Hayward provides for mobile home parks within its MH zone.

Second Units

A "second unit" is defined as a unit attached to an existing owner-occupied single family dwelling that may be rented and contains no more than 640 square feet and no more than one bedroom. Second units may be an alternative source of affordable housing to lower-income households and seniors. In Hayward second units are permitted in the RS, RNP, RM, RH, RO, CC-R, S-T4, S-T5, M-T4-1, M-T4-2, and M-T5 zones, subject to the following standards:

- An attached second dwelling unit can only be added to an existing detached single family dwelling on a parcel containing no other dwellings, and which has at least two covered parking spaces, with at least one common wall between the attached second dwelling unit and the living or garage area of the existing dwelling;
- An attached second dwelling unit can contain no more than one bedroom. The unit must have a minimum area of 400 square feet and cannot be larger than 640 square feet in area;
- An attached second dwelling unit must conform to all required lot, yard, and height requirements; and
- An attached second dwelling unit cannot be located within the garage area or a converted garage area of the existing dwelling unless adequate substitute two-car garage parking is provided outside required front, side, and side street yards.

An Administrative Use Permit is required for the construction of second units in the CO zone. There were no second units permitted in the city from 2009 to 2013.

Farmworker Housing

While the City has an Agricultural zone, there are few people employed in agriculture in Hayward. Correspondingly, the Zoning Ordinance does not expressly address housing for agricultural workers. The city of Hayward is not an agricultural community. Since there are no large agricultural operations nearby that would attract a substantial permanent or seasonal farmworker population, there is no identifiable need for farmworker housing.

Group Homes/Residential Care Facilities

Residential care facilities licensed or supervised by a Federal, State, or local health/welfare agency provide 24-hour non-medical care of unrelated persons who have a disability and are in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment.

In Hayward, small group homes, serving six or fewer clients, are treated like a traditional single family use and are permitted in the RS, RNP, RM, RH, RO, CC-R, CO, S-T4, S-T5, M-T3, M-T4-1, M-T4-2, and M-T5 zones. Large group homes, serving seven or more clients, are conditionally permitted in the RS, RNP, RM, RH, RO, CC-R, CO, S-T4, and S-T5 zones.

The City has adopted a spacing requirement for large group homes. A large group home cannot be located within 500 feet of the boundaries of a parcel containing another group home, unless a conditional use permit is issued on the basis that waiver of such separation requirement would not be materially detrimental or injurious to the property, improvements, or uses in the immediate vicinity. According to the State Department of Social Services, Community Care Licensing Division, four licensed group homes with 24 beds and 58 licensed adult residential facilities are located in Hayward.

Live/Work Lofts

A live/work unit is an integrated housing unit and working space, occupied and used by a single household in a structure, either single family or multifamily, that has been designed or structurally modified to accommodate both residential occupancy and work activity. Live/work units are permitted in the CC-R, CC-P, S-T4, M-T4-1, and M-T4-2 zones, and are permitted above commercial uses in the M-T4-1 and M-T4-2 zones with a Commercial Overlay.

Mixed-Use

Mixed use projects combine both nonresidential and residential uses on the same site. Mixed-use development can help reduce the effects of housing cost burden by increasing density and offering opportunities for reduced vehicular trips by walking, bicycling, or taking public transportation. Mixed use residential developments with multifamily units located above a



ground floor commercial use are allowed in the CO, CN, CN-R, CG, CL, CB, and CC-C zones, and in M-T4-1 and M-T4-2 zones with a Commercial Overlay. Ground level multifamily units require approval of an Administrative Use Permit within CN-R zone.

Emergency Shelters

State law requires that local jurisdictions strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit. The statute permits the City to apply limited conditions to the approval of ministerial permits for emergency shelters. The identified zone must have sufficient capacity to accommodate at least one year-round shelter and accommodate the City's share of the regional unsheltered homeless population. Section 50801(e) of the California Health and Safety Code defines emergency shelters as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or fewer by a homeless person.

The City's Zoning Ordinance permits emergency shelters in the S-T4, M-T4-1, and M-T4-2 zones and conditionally permits emergency shelters in its CG zone. Properties in the S-T4, M-T4-1, and M-T4-2 zones are located along transportation corridors with easy access to social and supportive services. As shown in the sites inventory later in this Housing Element, these zones contains over 68 acres of vacant and underutilized properties.

Pursuant to State law, the City may establish standards for the following:

- Maximum number of beds;
- Proximity to other shelters;
- Length of stay;
- Security and lighting; and
- Provision of on-site management.

The City of Hayward allows homeless shelters of up to 60 beds separated by at least 300 feet from the parcel boundaries, and limits individual occupancy to six months within any one year period.

Transitional Housing

Transitional housing is a type of housing used to facilitate the movement of homeless individuals and families to permanent housing. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single family homes, and multifamily apartments;

and typically offers case management and support services to help return people to independent living (often six months to two years).

The City recently (February 4, 2014) revised the citywide Zoning Ordinance to amend the definition of transitional housing to clarify that it shall be treated as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. The City also revised the South Hayward/BART Mission Boulevard and Mission Boulevard Corridor Form-Based Codes to clarify that large transitional housing facilities shall also be treated as a residential use.

Supportive Housing

Supportive housing links the provision of housing and social services for the homeless, people with disabilities, and a variety of other special needs populations. California Health and Safety Code (Section 50675.2) defines “supportive housing” as housing with no limit on length of stay, that is occupied by the low-income adults with disabilities, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single family homes, and multifamily apartments.

The City recently (February 4, 2014) revised the citywide Zoning Ordinance to amend the definition of supportive housing to clarify that it shall be treated as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. The City also revised the South Hayward/BART Mission Boulevard and Mission Boulevard Corridor Form-Based Codes to clarify that large supportive housing facilities shall also be treated as a residential use.

Single Room Occupancy (SRO)

SRO units are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other. SROs are permitted conditionally in the M-T5 zone.

Employee Housing

The Employee Housing Act requires local governments to treat employee housing providing accommodations for six or fewer employees the same way as a single-family unit with a residential land use designation. The City cannot require a conditional use permit or other permit that is not required of a family dwelling of the same type in the same zone, and use of a family dwelling for the purposes of employee housing for six or fewer occupants shall not constitute a change of occupancy. The City complies with these requirements of State law.



Housing for Persons with Disabilities

Both the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. An analysis was conducted of the zoning ordinance, permitting procedures, development standards, and building codes to identify potential constraints for housing for persons with disabilities. The City's policies and regulations regarding housing for persons with disabilities are described below.

Zoning and Land Use

Under the State Lanterman Developmental Disabilities Services Act (aka Lanterman Act), small licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted by right in all residential districts. As a result, small residential care facilities are exempt from all local land use and zoning restrictions, taxes, or fees that do not apply to single family homes, and are subject to the same permit requirements as a single family home. Small group homes, serving six or fewer clients, are permitted in the RS, RNP, RM, RH, RO, CC-R, CO, S-T4, S-T5, M-T3, M-T4-1, M-T4-2, and M-T5 zones. Large group homes, serving seven or more clients, are conditionally permitted in the RS, RNP, RM, RH RO, CC-R, CO, S-T4, and S-T5 zones.

The City has adopted a spacing requirement for large group homes. A large group home cannot be located within 500 feet of the boundaries of a parcel containing another group home, unless a conditional use permit is issued on the basis that waiver of such separation requirement would not be materially detrimental or injurious to the property, improvements, or uses in the immediate vicinity.

As described above, the City recently (February 4, 2014) adopted ordinance amendments to adopt a definition of supportive housing consistent with State law. In addition, the City plans to develop an ordinance that promotes the use of Universal Design Principles in new construction and rehabilitation of housing.

Definition of Family

Local governments may restrict access to housing for households failing to qualify as a "family" by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of "family" that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.¹⁵ The Hayward

¹⁵ California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a "family" as (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single

Zoning Ordinance defines a family as “one or more persons living together as a single housekeeping unit, as distinguished from a group living in a boarding house, hotel, motel, or group or institutional living quarters such as a group home, day care home, or convalescent home.” This definition is not considered restrictive.

Building Codes

The City actively enforces 2013 California Building Standards Code provisions that regulate the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Government Code Section 12955.1 requires that 10 percent of the total dwelling units in multifamily buildings without elevators consisting of three or more rental units or four or more condominium units subject to the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.
- At least one powder room or bathroom shall be located on the primary entry level served by an accessible route.
- All rooms or spaces located on the primary entry level shall be served by an accessible route. Rooms and spaces located on the primary entry level and subject to this chapter may include, but are not limited to, kitchens, powder rooms, bathrooms, living rooms, bedrooms, or hallways.
- Common use areas shall be accessible.
- If common tenant parking is provided, accessible parking spaces is required.

Building Plan Checkers review development plans to ensure, among other items, that new developments meet the requirements of Title 24, Chapter 11, Volume 1 of the California Building Code. Major changes to existing residential, commercial, or industrial buildings are subject to review by the Planning and Building Departments. During the plan check process for Building Code compliance, Plan Checkers check for Title 24 compliance. Plan checkers also review commercial buildings for disabled access.

housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood-related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of a municipality, and, therefore, violates rights of privacy under the California Constitution.



Reasonable Accommodation

The City's Department of Library and Neighborhood Services provides ongoing assistance to complete rehabilitation work for single family properties and public facilities to install necessary accommodations, including installation of accessibility ramps and railings to meet handicapped accessibility. The City offers Housing Rehabilitation Loans to disabled tenants and to low-income homeowners who need to make accessibility modifications for themselves or a disabled household member. This program increases the availability of accessible housing stock throughout the city. Funds provided through this program may be used for services and materials required to make the dwelling accessible to a disabled person. Both structural and non-structural modifications for accessibility are permitted. Where financially feasible, modifications will follow the California Disabled Accessibility Guidebook (CalDAG). Necessary improvements to enhance accessibility, however, may result in conflicts with Zoning Ordinance standards.

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

On February 4, 2014, the City adopted a Zoning Ordinance amendment to implement a reasonable accommodation procedure to address reasonable accommodation requests. The reasonable accommodation procedure specifies eligibility, type, and extent of standards that the City will grant reasonable accommodation, criteria for determining reasonableness, review and approval procedure and body, and other provisions that will provide consistency in the granting of reasonable accommodation.

Development Review Process

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time which elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include: rezoning or general plan amendment requirements, public hearing required for Commission/Council review, or a required Negative Declaration or Environmental Impact Report (EIR).

The residential development process in Hayward is comprised of a number of stages. Stages in the planning process may include: obtaining appropriate zoning, approval of parcel or subdivision map, site plan review, and environmental reviews. State law governs the

processing time for planning applications, although the applicant can waive these time limits. The length of processing time also depends upon the knowledge, expertise, and ability of the development team; and their ability to prepare plans in accordance with City requirements, make timely submissions (and resubmissions), and revise plans based on feedback received.

Development Application

A development application is required for any of the following: administrative use permits, conditional use permits, general plan amendments, lot line adjustments, lot mergers, parcel maps, site plan reviews, tentative maps, variances, and zone changes. The planning approvals process for some of these actions is summarized in Table 4-43.

Site Plan Review

Site Plan Review is not required in most residential districts unless the Planning Director determines that a project materially alters the appearance and character of the property or area or may be incompatible with City policies, standards, and guidelines. This determination is made by considering whether or not a proposal takes into account on-site and surrounding structures and uses, physical and environmental constraints, and traffic circulation. The development must contribute to an attractive city and be compatible with surrounding development. Only the SMU, M-T3, M-T4-1, M-T4-2, M-T5, S-T4, and S-T5 districts require Site Plan Review. However, in any case, the Planning Director may also waive the requirement for site plan review if the proposed project meets all design and performance standards or if the proposed project will not materially alter the appearance or character of the property or area. Waiving this requirement can reduce the application review process by between four to six weeks. The Planning Director does require site plan review when the scope of the project is such that the public should be aware of it and have an opportunity to have public input.

Precise Plan

Tentative Tract Maps that involve rezoning to a Planned Development District are required to submit a Preliminary Development Plan along with the Tentative Map. The City Council approves the Tentative Map, the Preliminary Development Plan, and the rezoning at one time. Subsequently, an applicant is required to submit a Precise Development Plan, which includes more detailed architectural plans, landscape plans, and draft improvement plans. The Precise Development Plan is reviewed and approved by City staff and the review process typically takes between six and nine months. The Precise Development Plan must be approved before the City will accept applications for building permits or submittal of improvement plans. The time required to complete the Precise Development Plan review process can be considered a governmental constraint. City staff continues to meet with builders and developers on a bimonthly basis to obtain input on the Precise Development Plan process. Staff is also developing new internal reviewing procedures and ordinance requirements to reduce the time and cost associated with the review of the Precise Development Plan.



Processing Timeframe

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include: completeness of the development application submittal, responsiveness of developers to staff comments and requests for information, and projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendment, or are subject to a public hearing before the Planning Commission or City Council.

Certainty and consistency in permit processing procedures and reasonable processing times is important to ensure that the development review/approval process does not discourage developers of housing or add excessive costs (including carrying costs on property) that would make the project economically infeasible. The City is committed to maintaining comparatively short processing times. Total processing times vary by project, but the following timelines can be used as a general guide:

- Non-hillside single family project: 10 weeks
- Single family (hillside): 10 weeks
- Multifamily project: 10 weeks
- Multifamily project (with subdivisions): 16 weeks
- Mixed use: 10 weeks

The City of Hayward has a “one stop” permit processing center where an applicant can obtain information and feedback on plans from planners, plan checkers, fire prevention staff, and engineers. Handouts that describe requirements, time sequence, and checklists for all phases and types of development are available to the public. Table 4-44 summarizes the processes and procedures for various permits and provides a detailed summary of the planning review processing procedures and timelines of various types of projects in the city. Table 4-45 summarizes the development review processing time.

The City conducts Pre-Application and Code Assistance meetings to assist developers in preparing applications that meet City guidelines and can be processed quickly. When staff learns of a large or complex project, the developer and professional consultants, such as architects and engineers, are encouraged to meet with City staff to describe the project and obtain feedback from planning, building, fire, traffic, engineering, utilities, and any other City staff who may be likely to work on the project. This gives developers the opportunity to meet those likely to work on the project and learn about the City’s experience with and requirements for projects of this type. This also gives staff the opportunity to learn about and gain familiarity

with proposed projects in the pipeline, which can reduce the amount of time it takes to review plans once they are submitted. At these meetings representatives from each department discuss the codes and other regulations that pertain to the proposed project and make suggestions that, if accepted by the developer, can reduce application processing time and may, subsequently, reduce development costs. Feedback from developers has been very favorable about the utility of Pre-Application meetings and subsequent Code Assistance meetings (more detailed follow-up with fire, hazardous materials, and building) and improvements in processing time and activities.

Because the City does not require a public hearing for most types of residential development projects, there is more certainty in the City's development review time frame and outcome. Due to improvements in the City's development process, the processing of residential applications does not appear to be a constraint to the provision of housing.



**TABLE 4-43
DEVELOPMENT PROCESSES AND APPROVALS**

City of Hayward
2013

	Administrative Use Permit	Conditional Use Permit	Variance	Site Plan Review	Tentative Tract Map	Tentative Parcel Map
Step #1	Review of zoning and other regulations that relate to intended use.	Review regulations with a Planner.	Determine where the project varies from regulations and identify how the project could be designed to comply or identify special circumstances that might apply to the property.	Review applicable regulations and submittal material with Planner.	Determine what regulations apply and materials needed with the Development Review Engineer.	Determine what regulations apply and materials are needed with the Development Review Engineer or Specialist.
Step #2	Submit a completed application, filing fee, and other required documents.	Submit a completed application, filing fee, and other required documents.	Submit a completed application, filing fee, and other required documents.	Submit a completed application, filing fee, and other required documents.	Submit a completed application, filling fee, and other required documents.	Submit a completed application, filing fee, and other required documents.
Step #3	Within 30 days staff will notify whether submittal needs additional information or revised plans, or is complete.	Proposal referred for further review to other departments, agencies, property owners, and residents. Within 30 days City staff will notify whether submittal needs additional information or revised plans, or is complete.	Review is done by a Planner and other departments and agencies as needed. Within 30 days staff will notify whether submittal needs additional information or revised plans, or is complete.	Within 30 days City staff will notify whether submittal needs additional information or revised plans, or is complete.	Within 30 days City staff will notify whether submittal needs additional information or revised plans, or is complete.	Within 30 days City staff will notify whether submittal needs additional information or revised plans, or is complete.

**TABLE 4-43
DEVELOPMENT PROCESSES AND APPROVALS**
City of Hayward
2013

	Administrative Use Permit	Conditional Use Permit	Variance	Site Plan Review	Tentative Tract Map	Tentative Parcel Map
Step #4	After review, the application is either administratively approved or denied, or referred to the Planning Commission. Planning Director action may be appealed within 15 days to the Planning Commission.	Application is either approved or denied by the Planning Commission.	If a variance is warranted and the variance request is minor in nature, it is referred to the Planning Director for an administrative decision to approve or deny. Planning Director action may be appealed within 15 days to the Planning Commission.	Once the project review is complete, the Planning Director will decide whether to administratively approve the project or refer it to the Planning Commission. Planning Director action may be appealed within 15 days to the Planning Commission.	Preliminary meeting scheduled with all involved parties to review the project and its potential impact to the neighborhood and the environment.	Preliminary meeting is scheduled to review project and its potential impact to the neighborhood and the environment.
Step #5	Planning Commission action can be appealed to City Council (in writing within 10 days after decision made).	Planning Commission action can be appealed to City Council within 10 days.	Otherwise, the variance request is considered at a public hearing of the Planning Commission for a decision. Planning Commission action may be appealed within 10 days to the City Council.	Planning Commission decisions may be appealed to City Council within 10 days.	Project presented at the Planning Commission for a decision or recommendation to City Council.	Planning Director will make the decision or refer to Planning Commission for decision.



TABLE 4-43 DEVELOPMENT PROCESSES AND APPROVALS City of Hayward 2013						
	Administrative Use Permit	Conditional Use Permit	Variance	Site Plan Review	Tentative Tract Map	Tentative Parcel Map
Step #6					Decision of Planning Commission may be appealed to City Council.	Decision of Planning Commission may be appealed within 10 days to City Council
Total Time	Administrative: 3-8 weeks Planning Commission: 12-14 weeks	Administrative: 3-8 weeks Planning Commission: 12-14 weeks	Administrative: 3-8 weeks Planning Commission: 12-14 weeks	Administrative: 3-8 weeks Planning Commission: 12-14 weeks	3-6 months	10-12 weeks

Source: City of Hayward, 2013.

TABLE 4-44 PLANNING REVIEW AND PROCESSING TIMES City of Hayward 2013					
Project Type	Single family	Single family (Hillside)	Multifamily	Multifamily (with Subdivisions)	Mixed Use
Permits Required	Building Permit	SPR	SPR	SPR/TTM	SPR
Reviewing Body	Staff	Planning Director	Planning Director	Planning Commission	Planning Director
Public Hearing Required?	no	no	no	yes	no
Appeal Body (if any)	None	Planning Commission	Planning Commission	City Council	Planning Commission
Estimated Total Processing Time	10 weeks	10 weeks	10 weeks	16 weeks	10 weeks

¹ SPR = Site Plan Review

² TTM = Tentative Tract Map

³ Processing times include 30 days for determining whether or not an application is complete.

Source: City of Hayward, 2013.

TABLE 4-45 DEVELOPMENT REVIEW City of Hayward 2013	
Application/Action	Time
Building Permit Application submittal to first punch list provided to developer	25 working days
Re-submittal of application for corrections to items on first punch list	10 working days
Plans for model homes in subdivision	10 working days

Source: City of Hayward, 2013.

On- and Off-Site Improvements

In the mid-1990s the City reviewed all development requirements with an eye toward simplifying and speeding the process. At that time City staff discovered conflicts between the requirements of a number of departments. All conflicts have now been resolved (with public safety as the highest priority) and the City has a single standard for infrastructure that is applied uniformly. Public Works Engineering staff works with applicants to identify the development requirements that apply to their projects.

As a condition of approval, the City of Hayward requires housing developers to construct various on- and off-site improvements, including infrastructure, landscaping, and architectural improvements. These improvements are described below.



Infrastructure Improvements

When a new residential project is approved, the City of Hayward requires on-site infrastructure improvements to be constructed by the builder in accordance with City standards. Improvements include:

- The construction of curbs, gutters, sidewalks, street lighting, and street paving to meet the existing street pavement;
- Undergrounding existing overhead wires;
- The dedication of land, the payment of an in-lieu fee, or a combination of both, for park and recreational purposes; and
- The construction of water, sewer, storm drainage, and utility systems.

Completed improvements are typically dedicated to the City or privately maintained by a Homeowners Association. The City has not adopted any requirements above and beyond those authorized by the State Subdivision Map Act. Site improvement requirements on small infill sites, where interior streets are not required, are usually minimal. Such projects typically include curb and gutter replacements, street tree planting, and sidewalk repair. The City's site improvement requirements do not pose a development constraint, since the conditions required by Hayward are no greater than conditions for like subdivisions throughout Alameda County.

Minimum street widths are established in the City's Zoning Ordinance. Most streets are required to have a minimum width of 24 or 28 feet. However, the City has identified approximately 65 street segments whose specific street widths, ranging from 50 to 110 feet, are detailed in the Zoning Ordinance.

Landscaping and Architecture Improvements

The City has also established guidelines for site development, including: tree preservation, drainage, outdoor space, circulation, architectural design, and landscaping. These standards are specified in Hayward's Design Guidelines and performance standards are contained in the Zoning Ordinance. These guidelines are basic and reasonable principles that most architects would regularly incorporate into their plans and are not considered a constraint.

Development and Planning Fees

In addition to improvements and dedication of public land, developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. In general, these development fees can be a constraint to the maintenance, improvement, and development of housing because the additional costs borne by developers contribute to overall increased housing unit cost. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City.

New housing is typically charged for site plan review fees, sewer and water connection fees, plan checking and building permit fees, and school impact fees. If the development is a subdivision, there are additional fees for processing the tentative and final maps. In addition, the developer may have to pay the cost of preparing environmental reports, traffic studies, and soils reports.

Table 4-46 shows the fees for a typical 1,500 square-foot single family home and 50,000 square foot multifamily development in Hayward total. As shown in the table, the fees for a typical single family home are \$54,104, which represents 11 percent of the median price of \$515,000 for a new three-bedroom home.¹⁶ If school fees were subtracted from the total, planning and development fees would be \$49,649 or 10 percent of the median price of a new home. The estimated fees to construct a typical 50,000 square foot multifamily development would total \$1.25 million (including school fees). These fees represent approximately 12 percent of a \$10 million dollar project. When considering development impact fees alone, the City of Hayward's fees are modest compared to other communities in the county (see Table 4-47).

Whether a housing development is affordable or market rate, the impacts are quite similar. The City does not waive fees for affordable housing since these fees are intended to mitigate significant public facilities impacts. However, the City does waive the park in-lieu fee for projects for the elderly or disabled, for rental projects for households with incomes at or below 60 percent of the area median income, and for ownership projects for households with incomes at or below 95 percent of the area median income, subject to certain affordability agreements. If the fees create all or part of a financing gap, then City policy has been to provide the appropriate amount of Community Development Block Grant (CDBG), or HOME Investment Partnership (HOME) funds to bridge that gap. Nevertheless, in light of recent market conditions, the City defers the park dedication in-lieu fee and supplemental building construction improvement tax until the close of escrow for eligible speculative projects.

¹⁶ Based on the median price of a new three-bedroom single family home constructed in the last five years (2008 to 2012); www.trulia.com and www.zillow.com, accessed September 2013.



**TABLE 4-46
TYPICAL PLANNING AND DEVELOPMENT FEES**

City of Hayward
FY 2013/2014

Fee Description	Single Family Unit ¹	Multifamily Development ²
Plan Check Fee	\$499.00	\$499.00*
General Plan Fee	\$770.52	\$1,100.04
Landscape Fee	\$212.00	\$319.00*
Sewer Connection Fee	\$7,700.00	\$171,325.00 (\$6,853/unit)
Water Installation Fee ^{3*}	\$3,500.00	\$92,500.00 (\$3700/unit)
Water System Facilities Fee	\$8,106.00	\$162,100.00 (\$6,484/unit)
Fire Service Fee	\$0.00	\$162,100.00 (\$6,484/unit)
Inclusionary Housing In-lieu fee	\$0.00	\$160,000.00 ⁵
SMIP Fee	\$17.03	\$454.25
Solid Waste Review Fee	\$50.00	\$160.00
Fire Plan Check Fees (Residential Occupancy)	\$712.41	\$4,078.00
Fire Plan Check Fees (Garage)	\$650.00	\$2599.37
Fire Inspection Fees (Residential Occupancy)*	\$712.41	\$1,642.00
Fire Inspection Fees (Garage)	\$608.00	\$728.84
Building Plan Check Fees (Residential Occupancy)	\$4,549.00	\$8,157.00
Building Plan Check Fees (Garage)	\$753.00	\$2174.00
Building Inspection Fees (Residential Occupancy)	\$4,902.00	\$9,167.00
Building Inspection Fees (Garage)	\$1,519.00	\$4953.00
Building Construction & Improvement Tax	\$750.00	\$22,500
Supplemental Construction Fee	\$1,200.00	\$48,000
State Building Standards Fee	\$7.00	\$182.00
Park Dedication In-Lieu Fee	\$11,953.00	\$241,325.00 (\$9,653/unit) ⁴
Building Permit Administrative Issuance Fee	\$81.00	\$136.00
Address Assignment Fee	\$43.00	\$2,150.00
Technology Surcharge	\$354.84	\$542.89
Total City Fees	\$49,649.21	\$1,098,892.30
Hayward School District Fees	\$4,455.00	\$148,500
Total Fees (including School District Fees)	\$54,104.21	\$1,247,392.30

¹Based on a 1,500 square foot single family unit with a 500 square foot garage

²Based on a 50,000 square foot multifamily building of 25 two-bedroom, two-bathroom condo units [35,000 sq. ft. living plus 15,000 sq. ft. garage]

³Water Meter Installation Fee based on the size of the meter.

⁴The multifamily typical development fee includes a park in-lieu fee, landscape fee waiver, and plan check fee waiver.

⁵\$80,000 per required inclusionary unit.

Source: City of Hayward, June 10, 2013.

TABLE 4-47 COMPARISON OF DEVELOPMENT IMPACT FEES City of Hayward and Select Surrounding Cities 2011		
	Single family	Multifamily
Hayward	\$33,084	\$20,906
Fremont	\$66,608	\$42,667
Livermore	\$40,558	\$26,269
San Leandro	\$27,390	\$21,418

Note: Fee comparison only includes Roads, Water, Sewer, Parks, and Utility fees.

Source: Duncan Associates, 2011 National Impact Fee Survey, October 2011.

Building Codes and Enforcement

In addition to land use controls, local building codes also affect the cost of housing. The City of Hayward adopted the 2013 California Building Code in November 2013, and effective January 1, 2014, with various amendments, including the following:

- Creation of the Building Division of the Development Services Department as an enforcement agency.
- Automatic sprinkler system installation is required in all new buildings of 5,000 square feet or greater, regardless of occupancy classification.
- Automatic sprinkler system installation is required in existing buildings when cumulative additions, repairs, or alterations are made to the building and such additions, repairs, or alterations meet any of the following conditions:
 1. Additions, repairs, or alterations are valued at 50 percent or more of the current assessed value of the building.
 2. Any addition or additions to the original building which will add 10 percent or more of the total floor area of the existing building and the resulting floor area is 5,000 square feet or more, except where the occupancy classification for the building is Group S, division, 1 in which case the resulting total floor area required is 3000, square feet or more.
 3. Additions where items 1 or 2 do not apply that will result in total floor area that exceeds the maximum floor area allowed by the Building Code, under which the building was originally constructed; or
 4. Additions, repairs, or alterations that will result in a change of occupancy or use shall comply with 2013 California Building Code.



- Class I standpipe outlets are required to have added outlets located in enclosed corridors adjacent to enclosed stairway access doors at each level of every required stairway.
- Non-classified roofing is not allowed in the city.
- All structures must be separated from adjoining structures according to maximum inelastic response displacement.
- Every building three stories or more in height must be provided with at least one standpipe for use during construction.

The City has also adopted the 2009 International Code for Property Maintenance, Part 8 of the California Historical Building Code, Part 10 of Title 24 of the California Building Code of Regulations, and Part 11 of the 2013 California Green Building Code, as supplemental codes to the City of Hayward's Building Code.

All new buildings and alterations to existing buildings in California must meet the standards contained in Title 24, Part 6, of the California Code of Regulations (Building Energy Efficiency Standards for Residential and Nonresidential Buildings). These regulations respond to California's energy crisis and need to reduce energy bills, increase energy delivery system reliability, and contribute to an improved economic condition for the state. They were established in 1978 and most recently updated in 2013 (effective date of January 1, 2014). Through the building permit process, local governments enforce energy efficiency requirements. All new construction must comply with the standards in effect on the date a building-permit application is made.

In July 2010 the California Building Standards Commission (CBSC) adopted the 2010 California Green Building Standards Code, otherwise known as "CALGreen," which became effective January 1, 2011. CALGreen is California's first green building code and a first-in-the-nation State-mandated green building code. It is formally known as the California Green Building Standards Code, Title 24, Part 11, of the California Code of Regulations. The City of Hayward has adopted the most recent version of this code, which is the 2013 California Green Building Standards Code. CALGreen establishes mandatory minimum green building standards and includes more stringent optional provisions known as Tier 1 and Tier 2. Cities and counties, at their discretion, may adopt Tier 1 or Tier 2 as mandatory, or adopt and enforce other standards that are more stringent than the CALGreen Code. The City of Hayward has adopted the most recent version of CALGreen, but has not adopted the optional tiers. The City is not considering implementing voluntary Tier 1 or Tier 2 measures, but will focus instead on thorough enforcement of the mandatory requirements in the code.

CALGreen Requirements for new buildings include:

- Reduce water consumption by 20 percent;

- Divert 50 percent of construction waste from landfills;
- Install low pollutant-emitting materials;
- Separate water meters for nonresidential buildings' indoor and outdoor water use; and
- Moisture-sensing irrigation systems for larger landscape projects;

Mandatory inspections of energy systems (e.g., heat furnace, air conditioner, mechanical equipment) for nonresidential buildings over 10,000 square feet to ensure that all are working at their maximum capacity and according to their design efficiencies.

Except for the requirement for fire sprinklers, the City's building code requirements do not adversely impact the cost of construction. The requirements address basic health and safety considerations. The requirement for fire sprinklers is a life safety requirement for residences in the Hayward Hills due to the high fire danger.

Environmental and Historic Preservation Constraints

A community's environmental setting affects the feasibility and cost of developing housing. Environmental issues range from the availability of water to the suitability of land for development due to potential exposure to seismic, flooding, wildfire, and other hazards. If not properly recognized and accommodated in residential design, these environmental features could potentially endanger lives and property. The potential significance of a site or setting as it relates to a historic person, event, or period of time can also limit development and redevelopment opportunities. This section summarizes these potential constraints in Hayward.

Geologic and Seismic Hazards

Hayward is located in a seismically active area. The Hayward Fault runs through the city near Mission Boulevard and along the base of the hills. Liquefaction hazards exist in most flatter areas of the city. In the Alquist-Priolo Special Studies Zone, which extends 500 feet on either side from known fault traces, geologic hazard investigations are required before development can be approved. Minimum setback for construction near the fault is 50 feet. The cost to prepare geologic studies and investigations also increases the cost of development. However, other communities in the Bay Area and California have similar constraints and requirements. Therefore, geologic and seismic hazards are not considered a significant constraint to the maintenance, improvement, and development of housing.

Flooding

The city of Hayward is subject to flooding during major storm events and periods of high tide. Flood zones are generally located along the coastal baylands and along major creeks and drainages that traverse Hayward. While some residential properties near the baylands and creeks are subject to flooding, the majority of Hayward's residential land is not currently (December 2012) located within a flood zone. If located in a flood plain, appropriate mitigation



measures must be implemented so that the site meets applicable FEMA standards before the development can be constructed. Only two of the vacant or underutilized sites listed in the sites inventory are located in a FEMA flood zone. APN 441-0077-029-00, a one-acre Limited Medium Density Residential parcel inventoried for moderate-income housing, is located within a Special X FEMA flood zone, and 452-0020-007-06, a one-acre Sustainable Mixed Use parcel inventoried for low-income housing, is located within a FEMA flood zone A. Zone X applies to 500-year flood areas, 100-year flood areas with average depths of less than one foot or with drainage areas less than one square mile, and 100-year areas protected by levees. Zone A applies to 100-year flood areas that have no base flood elevations determined. The base flood elevation is the water-surface elevation of the 1 percent annual chance flood. However, no development standards are associated with these flood zones.

Hazardous Materials

The presence of hazardous materials in the soil and/or groundwater is another potential development constraint. Hazardous materials investigations are required prior to site development and remediation measures must be implemented where necessary. This will increase the cost of development and, more importantly, the length of time from acquisition to project completion. There are a number of ways to remediate hazardous materials, depending upon their type; however, some of the least expensive ways, for example, to remediate petroleum products, take time. Since time is a critical component of development, the presence of hazardous materials on a site is a constraint to development.

The City of Hayward Fire Department has had a Hazardous Materials Office since 1984. The Office inspects and regulates all hazardous materials/waste use and storage facilities within the City. In addition, that Office enforces the Hazardous Materials Storage Ordinance for the City and is the designated Certified Unified Program Agency for the Hayward area. This Office also identifies contaminated sites and works with various agencies including the California Regional Water Quality Board and the state Department of Toxic Substance Control to investigate, clean-up and close these sites.

Historic Preservation

The City of Hayward has a rich and diverse history dating back to 1843 when Mexican Governor Michaehtoreño rewarded Guillermo Castro for his past military and civil service, by granting him “El Rancho San Lorenzo,” 27,000 acres of land now known as Hayward and Castro Valley. Castro constructed an adobe house where the historic Hayward City Hall is located and his corrals were in the area now occupied by the city’s current Library and Post Office. By 1852 Don Castro had laid out the town of San Lorenzo, four blocks square, on the area surrounding his rancho adobe and rodeo plaza. Although Don Castro named what is now downtown Hayward “San Lorenzo,” many people referred to the town as “Hayward’s Place” or “Hayward’s” because of the famous Hayward Hotel.

The protection, enhancement, perpetuation, and use of structures and districts of historical and architectural significance located within the city of Hayward are of cultural and aesthetic benefit to the community. The economic, cultural, and aesthetic standing of the city will also be enhanced by respecting the heritage of the city. The City adopted a Historic Preservation Ordinance, which was revised in 2009, to:

- Designate, preserve, protect, enhance, and perpetuate those historic structures, districts, and neighborhoods which contribute to the cultural and aesthetic heritage of Hayward;
- Foster civic pride in the beauty and accomplishments of the past;
- Stabilize and improve the economic value of certain historic structures, districts, and neighborhoods;
- Develop and maintain appropriate settings for such structures; and
- Enhance the visual and aesthetic character, diversity, and interest of the city.

All development permit applications affecting a historical structure or site, those over 50 years old or located within a historic district, are to be reviewed by the Planning Director. Additions and/or alterations will be approved and issued either a Minor (valuation less than \$10,000) or Major (valuation of \$10,000 or more) Historical Alteration Permit as long as they do not adversely affect the exterior architectural characteristics or the historical or aesthetic value of the historical structure or site, and as long as they comply with the Secretary of the Interior Standards for the Treatment of Historic Properties. The Planning Director will review all development permit applications for proposed new construction and alterations that may substantially affect the style, scale, or bulk of a historic district or site. In making his/her decision, the Planning Director will consider the siting, landscaping, architectural style, design, materials, color, and all other pertinent factors of the proposed development project. The Planning Director may also require that a historical alteration permit application be reviewed and approved by the Planning Commission at his/her discretion.

The City prepared the Historical Resources Survey and Inventory Report in 2010 to identify historical properties in Hayward and completed an updated resources survey in 2013 as part of the General Plan Update. Hayward includes 20 historic buildings identified by the City and one building listed on the national register of historic landmarks. The City also has four historic districts: the Marks Historic Rehabilitation District, the Upper B Street Historic District, the B Street Historic Streetcar District, and the Prospect Hill Historic District.

Local Efforts to Reduce Governmental Constraints

The City has made significant efforts in recent years to remove barriers to meeting its housing needs. These efforts have included, but are not limited to, the following:



- **Increasing Densities.** To enhance development potential for high-density multifamily housing, the City included four new mixed-use designations in the 2040 General Plan for consistency with the Zoning Ordinance: Sustainable Mixed-Use (25.0-55.0 du/ac), Commercial/High Density Residential (17.4-34.8 du/ac), Downtown City Center: High Density Residential (40.0-110.0 du/ac), and Downtown City Center: Retail and Office Commercial (40.0-110.0 du/ac).
- **Providing for High-Density, Transit-Oriented Development.** The City adopted the South Hayward BART/Mission Boulevard Form-Based Code and is planning to adopt the Mission Boulevard Corridor Form-Based Code by the end of the year (2013), which both promote high-density development along transit corridors at 17.5 to 100 units per acre and 4.3 to 55 units per acre, respectively.
- **Zoning for Emergency Shelters.** The City adopted the South Hayward BART/Mission Boulevard Form-Based Code, which permits emergency shelters in the S-T4 zone, and will soon adopt the Mission Boulevard Corridor Form-Based Code, which permits emergency shelters in the M-T4-1 and M-T4-2 zones.
- **Transitional and Supportive Housing/Group Homes.** The City adopted the South Hayward BART/Mission Boulevard Form-Based Code and Mission Boulevard Corridor Form-Based Code, which allow small transitional and supportive housing facilities treated like a traditional single family use in the S-T4, S-T5, M-T3, M-T4-1, M-T4-2, and M-T5 zones. In September 2013 the City revised the South Hayward/BART Mission Boulevard and Mission Boulevard Corridor Form-Based Codes to clarify that large transitional housing facilities shall also be treated as a residential use. The City also amended the citywide Zoning Ordinance to revise the definition of group homes to clarify that transitional and supportive housing shall be treated as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone.
- **Single-Room Occupancy Units.** The City is planning to adopt the Mission Boulevard Corridor Form-Based Code by the end of the year (2013), which conditionally permits SROs in the M-T5 zone.
- **Live/Work Units.** The City adopted the South Hayward BART/Mission Boulevard Form-Based Code and is planning to adopt the Mission Boulevard Corridor Form-Based Code by the end of the year (2013), which allow live/work units in the S-T4, M-T4-1, and M-T4-2 zones.
- **Reasonable Accommodation.** The City adopted a reasonable accommodation procedure on February 4, 2014.
- **Fee Deferrals.** In February 2010 the City developed a Fee-deferral Ordinance to encourage residential developments exempt from the Green Building Ordinance for private developers to comply voluntarily. Due to recent market conditions, the City

currently (2013) defers the park dedication in-lieu fee and supplemental building construction improvement tax until the close of escrow for eligible speculative projects.

- **Inclusionary Housing Ordinance Review.** The City is currently (2013) conducting a review of the Inclusionary Housing Ordinance and preparing an Affordable Unit In-Lieu Fee/Nexus Study. A draft of the review and study are expected to be complete in mid-October 2013 for consideration by the City Council in mid-November 2013. The City Council will provide recommendations for revising the Inclusionary Housing Ordinance based on the findings in the study.

SECTION 4.4 HOUSING RESOURCES

This section analyzes the resources available for the development, rehabilitation, and preservation of housing in Hayward. This analysis includes an evaluation of the availability of land resources for future housing development, the City's ability to satisfy its share of the region's future housing needs, the financial resources available to support housing activities, and the administrative resources available to assist in implementing the City's housing programs and policies.

Regional Housing Needs Allocation

State Housing Element law requires that a local jurisdiction accommodate a share of the region's projected housing needs for the planning period. This share, called the Regional Housing Needs Allocation (RHNA), is important because State law mandates that jurisdictions provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community. Compliance with this requirement is measured by the jurisdiction's ability in providing adequate land to accommodate the RHNA. The Association of Bay Area Governments (ABAG), as the regional planning agency, is responsible for allocating the RHNA to individual jurisdictions within the region.

The RHNA is distributed by income category and covers a planning period from January 1, 2014, to October 31, 2022. For the 2014 Housing Element update, the City of Hayward is allocated a RHNA of 3,920 units as follows:

- Extremely Low-Income (up to 30 percent of AMI): 425 units (10.8 percent)¹⁷
- Very Low-Income (up to 50 percent of AMI): 426 units (10.9 percent)
- Low-Income (51 to 80 percent of AMI): 480 units (12.2 percent)

¹⁷ The City has a RHNA allocation of 851 very low-income units (inclusive of extremely low-income units). Pursuant to State law (AB 2634), the City must project the number of extremely low-income housing needs based on Census income distribution or assume 50 percent of the very low-income units as extremely low. Therefore, the City's RHNA of 851 very low-income units may be split in half for an allocation of 425 extremely low- and 426 very low-income units.



- Moderate-Income (81 to 120 percent of AMI): 608 units (15.5 percent)
- Above Moderate-Income (more than 120 percent of AMI): 1,981 units (50.5 percent)

Progress toward RHNA

Since the RHNA planning period starts on January 1, 2014, jurisdictions may count toward the RHNA any new units planned or approved as of January 1, 2014.

Units Planned or Approved/Entitled

As of January 1, 2014, there are 1,711 units that have been planned or approved in Hayward. The planned and approved units are summarized in Table 4-48 and are inventoried for above moderate-income households unless they include deed-restricted affordable units.

Market Rate Units

The City of Hayward has approved several new residential and mixed-use projects in recent years that include a variety of housing types, including detached single family homes, townhomes and condominiums, duplexes, multifamily units, and senior housing. As of January 1, 2014, there are 1,620 market rate units that are planned and approved, but not yet built. These units are counted as available for above moderate-income households, although the City recognizes that some of the units may also be affordable to moderate-income households as well.

Affordable Units

The planned and approved projects that include affordable units are listed individually and described below. Altogether, there are 178 very low-income units and 60 low-income units that are planned and approved in Hayward.

South Hayward BART Mixed-Use Project

In March 2009 the City Council approved a 788-unit planned development in the South Hayward BART Station Specific Plan area. As part of this development, 206 housing units were to be affordable to very low- and low-income households. Financing for the project included \$47 million in State Proposition 1C grants, along with nearly \$20M in support from the City's former Redevelopment Agency.

In early 2011 the developers advised City staff that the project may no longer be feasible and asked the City to consider approving modifications to the project. The feasibility of the project was challenged by several factors, including the elimination of redevelopment agencies, eliminating the ability to bond for future tax increment, which was to be a core component to financing the project, and the inability of the City Redevelopment Agency to commit funds

toward construction costs. The developers, therefore, proposed a re-phasing and rearrangement of the project.

On June 8, 2011, the Planning Director approved the developers' request for a Minor Modification to the Preliminary Development Plan. Phase 1 now consists of construction of a residential development consisting of 151 units of affordable housing and 206 market rate units. Phase II, which encompasses the redevelopment of the main BART parking lot west of Dixon Street, will consist of development of 431 housing units.

For Phase I of the project, the State Proposition 1C financing has been reduced to approximately \$18 million for the Infill Infrastructure Grant for infrastructure construction work and \$7 million for the Affordable Housing Transit-Oriented Development permanent loan. There are no Redevelopment funds being used for the project (as the Agency has been dissolved). The Housing Authority has entered into loan agreements to provide \$5.9 million to Eden Housing for the affordable housing component of the project.

B Street and Grand

In 2012 the City approved a proposed development by Eden Housing for 22 very low-income senior units at 581-597 B Street. The City Council approved two loans to help fund the project, which total \$1.9 million. The rest of the financing will come from a variety of sources, including a Federal grant, County and Federal loans, tax credits, and other funds.

A and Walnut

The City is currently (September 2013) working with Habitat for Humanity on the approval of 10 affordable townhomes on A and Walnut Street. The project is currently being reviewed and is anticipated to be approved prior to the start of the Housing Element planning period.

Remaining RHNA

With units approved and under construction, the City of Hayward has already met a portion of its RHNA. For the 2014-2022 Housing Element period, the City has a remaining RHNA of 1,766 units, for which it must provide sufficient land to accommodate: 425 extremely low-, 253 very low-, 480 low-, and 608 moderate income units. The planned and approved units are sufficient to meet the RHNA for above moderate-income units; the City has no remaining need in this category.



**TABLE 4-48
PLANNED AND APPROVED PROJECTS**

City of Hayward
As of January 1, 2014

Project	ELI	VLI	LI	MI	AMI	Total
Market Rate Units						
Approved	--	--	--	--	160	160
Approved with Tentative Final Map	--	--	--	--	910	910
Planned Projects (Pending Application)	--	--	--	--	550	550
<i>Subtotal</i>	--	--	--	--	1,620	1,620
Projects Including Affordable Units						
South Hayward BART Mixed Use Project – Phase I	--	151	--	--	206	357
South Hayward BART Mixed Use Project – Phase II*	--	--	-	--	431	431
B Street and Grand Avenue	--	22	--	--	--	22
A and Walnut	--	--	10	--	--	10
<i>Subtotal</i>	--	173	10	--	637	820
Total Planned and Approved Units	--	173	10	--	2,257	2,440
RHNA	425	426	480	608	1,981	3,920
Remaining RHNA	425	253	470	608	+276 (surplus)	1,766

Notes: Phase II of the South Hayward BART Mixed-Use Project is entitled for an additional 431 units. Because the affordability of these units is undetermined at this time, this Housing Element uses a conservative assumption that these units are market-rate, affordable to above moderate income households. However, this assumption is not a determination of the actual affordability of these units.

Source: City of Hayward, 2013.

Residential Sites Inventory

The City of Hayward is a community with many established neighborhoods. The City's goal is to maintain the integrity of established neighborhoods with emphasis on improvements in these areas. New residential development is expected to occur primarily in the areas covered by the following plans. Several of these plans cover areas identified as Priority Development Areas (PDA) within the One Bay Area Plan, as noted below:

- Mount Eden Neighborhood Plan
- Cannery Area Design Plan (Transit Neighborhood PDA)
- South Hayward BART Form-Based Code (Urban Neighborhood PDA)
- Mission Boulevard Specific Plan (Mixed Use Corridor PDA)
- 238 Study Area

The sites inventory identifies vacant and underutilized sites within these plan areas that have the capacity to accommodate the City's RHNA. Appendix B includes a detailed sites inventory for the purpose of showing that Hayward has the capacity and proper zoning designations in place to meet the remaining Regional Housing Needs Allocation (RHNA) of 1,766 housing units between 2014 and 2022. The inventory found that the sites identified have a potential for 3,076 new housing units.

Methodology

Identifying Sites

The City first identified vacant and underutilized sites using GIS data from the inventory of vacant and underutilized residential and mixed-use sites maintained by the City. Vacancy status was verified through aerial photographs. Using the inventory, which includes up-to-date information on the uses and values of parcels in the city, the City calculated the improvement-to-land value for each parcel to identify underutilized parcels. Only underutilized properties with an improvement-to-land (I-L) ratio of less than 1.0 (i.e. the improvements on site are worth less than the land) are included in the inventory. After identifying all parcels that meet the I-L ratio threshold, City staff reviewed all parcels for feasibility for redevelopment and narrowed the list of underutilized parcels. The majority of the parcels were included in the 2009 Housing Element sites inventory. A few new underutilized parcels were added to the inventory for the 2015 Housing Element. As described above, the majority of the underutilized parcels are located within Priority Development Areas and are envisioned in both regional plans and local specific plans to redevelop as higher density uses. The selected parcels were also evaluated to determine existing uses on site, parcel size, and location near other vacant and underutilized residential properties. In most cases sites smaller than half an acre are excluded, with the exception of the following:

- Vacant and underutilized properties located adjacent to other groups of vacant and underutilized properties that could be assembled into a larger site (at least one-half acre); and
- Vacant subdivided lots that are inventoried for moderate- and above moderate-income units;
- Sites accommodating lower-income units with potential for at least 20 units.

Relationship of Density to Affordability

To identify sites that can accommodate a local government's share of the RHNA for lower-income households, housing elements must include an analysis that demonstrates the appropriate density to encourage and facilitate the development of housing for lower-income households. The statute (Government Code Section 65583.2(c)(3)) provides two options for demonstrating appropriate densities:



- Provide a detailed market-based analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower-income households.
- Use the “default density standards” that are deemed appropriate in State law to accommodate housing for lower-income households given the type of the jurisdiction. Hayward is considered a “metropolitan jurisdiction” with a default density standard of 30 units per acre. HCD is required to accept sites that allow for zoning at this density as appropriate for accommodating Hayward’s share of the regional housing need for lower-income households.

The sites inventoried as low-income in this Housing Element were those zoned to allow densities equal to or greater than the default density standard of 30 units per acre. Table 4-49 shows the General Plan land use designations and the corresponding affordability levels included in the sites inventory.

TABLE 4-49 RELATION OF DENSITY TO INVENTORIED INCOME LEVELS City of Hayward 2013			
General Plan	Zoning	Density Range	Inventoried Income Level
Rural Estate Density	RS	0.2-1.0	Above Moderate-Income
Suburban Density	RS	1.0-4.3	Above Moderate-Income
Low Density	RS	4.3-8.7	Above Moderate-Income
Limited Medium Density	RS, RM (RO, CN-R)	8.7-12.0	Moderate-Income
Medium Density	RS, RM (CN-R)	8.7-17.4	Moderate-Income
High Density	RH (CN-R)	17.4-34.8	Lower-Income
Sustainable Mixed Use	SMU, S-T4, S-T5, S-T5-1, S-T5-2, S-CS	17.4-100.0	Lower-Income
Commercial/High Density Residential	RH, CN, CO, CN, CG, CL, CR (RO, CN-R, PD)	17.4-34.8	Lower-Income
Downtown City Center High Density Residential	CC-R (RH, RO, CC-C, CC-P, PD)	40.0-110.0	Lower-Income
Downtown City Center Retail and Office Commercial	CC-C, CC-P (CC-R, RO, PD)	40.0-110.0	Lower-Income

Source: City of Hayward 2040 General Plan.

Capacity Assumptions

The sites inventory uses a conservative approach to estimating capacity on vacant and underutilized sites. Residential sites were generally inventoried at a realistic capacity of 75 percent of maximum density allowed by the 2040 General Plan land use designation (or the maximum allowed by the zoning designation, whichever was least).

The capacity identified for mixed-use sites is generally based on the conservative assumption that 50 percent of the site will be developed as residential (and 50 percent as commercial) at 75 percent of the maximum residential density allowed by the 2040 General Plan land use designation (or the maximum allowed by the zoning designation, whichever was least). This assumption for the buildout of mixed-use sites is supported by other recently approved mixed-use projects, including the South Hayward BART approved project (Phases I and II), which includes 788 units at a net density of 84 units per acre. The project includes 75 percent of the site dedicated to residential uses and 25 percent for commercial development.

Cannery Area Design Concept Plan

The Cannery Area Design Concept Plan, prepared in 2000 as part of the City's strategy to revitalize and rebuild the downtown area and adjoining neighborhoods, estimated that the Cannery Area could accommodate 800 to 950 new single family units, multifamily units, townhomes, and live/work lofts. The Concept Plan divides the Cannery Area into blocks to estimate the residential and commercial capacity of each block.

A total of 188 units have already been built and an additional 387 units are currently (2013) under construction. There is additional capacity for 178 units on 17 vacant and underutilized parcels within four blocks on two opportunity sites in the Cannery Area that are not associated with current projects. Blocks 4, 6, and 8 at the warehouse site are envisioned to be 30,000 square feet of live/work units and 72 to 92 townhomes. The sites inventory assumes, as outlined in the Cannery Area Design Concept Plan, that the live/work units will be developed at a density of 30 units per acre for a total of 55 units, and that the average number of 82 townhomes will be developed on the site. Block 21 is envisioned for 36 to 46 multifamily units above commercial development. The inventory assumes the average number of 41 units will be developed on the site. Infrastructure has already been installed in the area.



Table 4-50 shows the residential development potential in the Cannery Area.

TABLE 4-50 RESIDENTIAL DEVELOPMENT POTENTIAL IN THE CANNERY AREA							
Cannery Area January 1, 2014							
Site ID	General Plan	Zoning	Acres	Number of Parcels	Density Permitted (du/ac)	Potential Units	Affordability
Cannery Area Block 21	City Center – High-Density Residential/ City Center - Retail and Office Commercial	CC-R/ CC-C	5.98	16	40.0-110.0	41	Lower Income
Cannery Area Blocks 4,6,8	High-Density Residential	RH	8.56	1	17.4-34.8	137	Lower Income
Total			14.54	17		178	

¹Density based on unit estimates included in the Hayward Cannery Area Design Plan. See text above for more detail.

Source: City of Hayward, 2013; Hayward Cannery Area Design Plan, 2001.

Mount Eden Neighborhood Plan

The Mt. Eden Neighborhood Plan was adopted in 1990. One of the objectives of this Neighborhood Plan is to provide new housing for a variety of housing needs with qualities that encourage long-term residency. As an older neighborhood in the city, the area is developed with a variety of uses, including single family homes, mobile homes, and some commercial uses.

To identify residential development in the Mt. Eden area, vacant and underutilized residential properties are included in the analysis. For underutilized properties only parcels developed with older single family homes or marginal commercial uses, but are designated for higher intensity uses are included.

There were five islands of unincorporated land in the Mt. Eden neighborhood. During Mt. Eden Annexation Phase 1 the City annexed three of the islands into the city in 2007, and during Annexation Phase 2 the City annexed the remaining two islands in 2010. At the time of annexation, the City estimated the development potential of the Phase 1 annexation area to be about 475 new housing units, although in 2006, a 149-unit, 12.5-acre project was approved for KB Home and constructed in 2009. Similarly, at the time of annexation the City estimated the development potential of Phase 2 to be about 54 new housing units.

Based on the analysis of remaining housing capacity on vacant and underutilized sites identified in the sites inventory, the Mount Eden Area has the potential for 263 residential units, including 25 above moderate-income units and 238 moderate-income units (see Table 4-51). Infrastructure has already been installed in the area.

**TABLE 4-51
RESIDENTIAL DEVELOPMENT POTENTIAL IN THE MT. EDEN NEIGHBORHOOD**

**Mt. Eden Neighborhood
January 1, 2014**

Residential Land Use	Zoning	Acres	Number of Parcels	Density Permitted (du/ac)	Potential Units ¹	Affordability
Low-Density Residential	RS	3.94	4	4.3-8.7	25	Above Moderate-Income
Limited Medium-Density Residential	RS/PD	8.35	15	8.7-12.0	68	Moderate-Income
Medium-Density Residential	RM/PD	13.65	16	8.7-17.4	170	Moderate-Income
Total	--	25.94	35	--	263	--

¹Potential units calculated at 75 percent of the maximum allowed density.

South Hayward BART

The Concept Design Plan for the South Hayward BART area was adopted in 2006 and envisions development of high-density transit-oriented development along the Mission Boulevard transit corridor generally between Harder Road and Industrial Parkway, and a transit village with high-density residential development with a variety of neighborhood-serving retail and public uses in proximity to the South Hayward BART Station.

The South Hayward BART Form Based Code incorporates Smart Growth principles in the area around the South Hayward BART station to further the principles in the Concept Design Plan, and to provide more clarity in terms of building form and land use, which will benefit developers. The Code establishes updated zoning rules for properties in the area surrounding the South Hayward BART Station and nearby Mission Boulevard.

The Plan encompasses 240 acres of land. Selection of properties to include in this Plan was based on proximity to the BART Station and a detailed assessment of opportunities. The Plan area is primarily developed with older residential and retail uses. At the time of Plan adoption, the area contained more than 45 acres of vacant properties (with more than half of the vacant acreage owned by Caltrans). With the adoption of the Plan, which introduces high density residential uses in the area, many properties offer excellent opportunities for redevelopment.

There is potential for high-density and mixed-use development within this area and projects are already underway. Phase I of the South Hayward BART Mixed Use Project in the South BART Station Specific Plan area will include development of 151 affordable housing units and 206 market rate units. Phase II is approved for an additional 431 high-density units.



Based on the analysis of remaining housing capacity on vacant and underutilized sites identified in the sites inventory, the South Hayward BART Area has the potential for 484 lower-income units (see Table 4-52).

Some infrastructure improvements are required in the South Hayward BART areas and developers will need to provide the necessary improvements. The costs associated with the improvements are comparable to infill developments in other highly urbanized areas and, therefore, do not serve to constrain housing development. Several recently constructed projects in the South Hayward BART areas have already provided infrastructure improvements to support their developments.

**TABLE 4-52
RESIDENTIAL DEVELOPMENT POTENTIAL IN THE SOUTH HAYWARD BART STATION
AREA**

South Hayward BART Station Area
January 1, 2014

Residential Land Use	Zoning	Acres	Number of Parcels	Density Permitted (du/ac)	Potential Units ¹	Affordability
Sustainable Mixed Use	ST-4	16.20	12	17.5-35.0	209	Lower-Income
	ST-5	11.55	7	35.0-55.0	275	Lower-Income
Total		27.75	19		484	

¹To account for the commercial uses allowed on sites designated Sustainable Mixed Use, the potential units were calculated at a realistic capacity of 50 percent of site acreage for residential and 75 percent of the maximum density allowed by the 2040 General Plan land use designation (or the maximum allowed by the zoning designation, whichever was least).

Mission Boulevard Specific Plan

The Mission Boulevard Specific Plan is currently (September 2013) in public review. The Mission Boulevard area includes 600 parcels on 240 acres in two miles extending from the city limits to Harder Road. The plan includes a Form Based Code with detailed design and development standards for mixed and public land uses. The Plan is a strategy to lay the groundwork for an economic transformation of the corridor currently marked by underutilized properties and disjointed commercial buildings.

Based on the sites identified in the sites inventory, the Mission Boulevard Specific Plan area includes just over 58 acres of vacant and underutilized land with capacity for 38 moderate-income units and 761 lower-income units. Infrastructure has already been installed in the area.

Table 5-53 shows the residential development potential in the Mission Boulevard Specific Plan Area.

TABLE 4-53 RESIDENTIAL DEVELOPMENT POTENTIAL IN THE MISSION BOULEVARD SPECIFIC PLAN AREA						
Mission Boulevard Specific Plan Area January 1, 2014						
Residential Land Use	Zoning	Acres	Number of Parcels	Density Permitted (du/ac)	Potential Units ¹	Affordability
Sustainable Mixed Use	MT-3	5.87	11	4.3-17.5	38	Moderate- Income
	MT4-1/ MT4-2	55.32	59	17.5-35.0	728	Lower-Income
	MT-5	1.47	5	35.0-55.0	33	Lower-Income
Total	--	58.28	75	--	799	--

¹To account for the commercial uses allowed on sites designated Sustainable Mixed Use, the potential units were calculated at a realistic capacity of 50 percent of site acreage for residential and 75 percent of the maximum density allowed by the 2040 General Plan land use designation (or the maximum allowed by the zoning designation, whichever was least).

Route 238 Study Area

Over 40 years ago the State of California purchased 354 acres of vacant, commercial and residential land in the City of Hayward and unincorporated Alameda County, in preparation for the construction of a Route 238 Bypass. The area surrounding these parcels has been developed primarily with residential subdivisions, multifamily housing, and institutional uses. In 2007 the City of Hayward received a grant from the State Department of Transportation ("Caltrans") to complete a conceptual land use study of the Route 238 Bypass parcels. This study was conducted in preparation for the transfer of State-owned parcels to new ownership. The land use study was completed in the summer of 2009.

Because the entire area is State-owned, the existing land use information in the Assessors database indicates "State-Owned Land." As part of the Conceptual Land Use Study, an existing land use report was prepared in 2008 using aerial photos and site visits. The 354-acre State-owned area is approximately 80 percent vacant and without structures. Most of the developed parcels have old single family homes, with a few multifamily buildings dispersed among them. There are 364 housing units in the study area of which 308 are located in the city of Hayward and 56 are in unincorporated areas. Among the 308 units within the city, 170 are single family homes and 138 are multifamily units on Caltrans parcels. Of the 308 units in the city portion of the study area, approximately 100 are currently uninhabitable and are boarded up. Several single family parcels owned by Caltrans have been cleared of the built structures, leaving just the foundations. The only significant development since 2008 is a new apartment building built on one of the sites previously included in the inventory.



Commercial uses on the Caltrans properties are few, primarily facing Foothill and Mission Boulevards. There are a couple of small offices in old, single-story structures on Grove Way; a sliver of land on Foothill Blvd that serves as a drive-through lane for a Taco Bell franchise; and a couple of auto-related businesses on Mission Boulevard.

The City of Hayward conducted a Historic Resources Survey and Inventory in 2010 that encompasses all areas of the city, but focuses on the downtown and older portions of Hayward, including the area that contains the residential properties identified above. Four of the residential structures in the study area, located in the 1400 block of B and C Streets and along Chestnut Street, are considered potentially historic and appear eligible for listing in the National Register of Historic Places. These historic sites are not included in the inventory.

A preferred land use plan was selected based on the conceptual land use plan. The General Plan and Zoning have been amended to reflect the preferred land use plan. Based on the amended General Plan and Zoning designations and including only vacant or underutilized parcels without significant existing development as conservative estimates of development potential in the 238 Corridor Study Area, an estimated 1,352 units can be accommodated at various densities in residential only and mixed-use districts on properties with development and redevelopment potential (see Table 4-54). As the entire Study Area is under a single ownership (Caltrans) and parcels are contiguous, various combinations of lots can be grouped and made available for development.

There is some overlap of the Route 238 Study Area with the Mission Boulevard Specific Plan Area and South Hayward BART Specific Plan Area. Vacant and underutilized parcels within the overlapping area are included in either the Mission Boulevard Specific Plan Area or the South Hayward BART Specific Plan Area, and are not counted in Table 4-54.

**TABLE 4-54
RESIDENTIAL DEVELOPMENT POTENTIAL IN THE ROUTE 238 STUDY AREA**

Route 238 Study Area
January 1, 2014

Residential Land Use	Zoning	Acres	Number of Parcels	Density Permitted (du/ac)	Potential Units ¹	Affordability
Suburban Density Residential	RNP	38.73	8	1.0-4.3	81	Above Moderate-Income
Low Density Residential	RS	13.59	11	4.3-8.7	84	Above Moderate-Income
Medium Density Residential	RM	34.04	7	8.7-17.4	440	Moderate-Income
Commercial/High Density Residential	RM	4.04	6	8.7-17.4	52.00	Moderate-Income
High Density Residential	RH	2.45	2	17.4-34.8	63	Lower-Income
Commercial/High Density Residential	CO/CN/ CG/RH	2.00	10	17.4-34.8	26	Lower-Income
Sustainable Mixed Use	SMU	29.41	1	25.0-55.0	606	Lower-Income
Total	--	124.23	45	--	1,352	--

¹For residentially-designated sites, potential units calculated at 75 percent of the maximum allowed density. To account for the commercial uses allowed on sites designated Sustainable Mixed Use, the potential units were calculated at a realistic capacity of 50 percent of site acreage for residential and 75 percent of the maximum density allowed by the 2040 General Plan land use designation (or the maximum allowed by the zoning designation, whichever was least).

Timeline

Through a series of legal actions initiated by Hayward community members, the Route 238 Project was stopped, although the parcels have remained in the State's ownership. On October 6, 2009, the Hayward City Council authorized the City Manager to sign a settlement agreement related to the 238 Corridor Bypass properties. The settlement agreement was contingent upon the Governor signing AB 1386 and upon the Court's dismissal of the Class Action Complaint in State Superior Court (*La Raza v. Volpe*). The Governor signed AB 1386 on October 11, 2009, and the case was dismissed in August 2010. The settlement agreement was agreed upon by all parties and signed in December 2009. The City completed the terms of the settlement, including outreach to tenants, settlement payment, and implementation of the Opportunity to Purchase a Home Program in June 2012. While some sites are available for purchase by current tenants, the majority are planned to be packaged and sold to a single developer.

Public Improvements

The City of Hayward completed the Route 238 Corridor Improvement Project in June 2013. This project improved traffic conditions along Foothill and Mission Boulevards between I-580 on-ramps and Industrial Parkway. The Project included changes in circulation, changes in lane directions and controls, a downtown one-way loop street system, improvements to the Foothill Boulevard/Mission Boulevard/Jackson Street intersection, improvements to the Mission



Boulevard/Carlos Bee Boulevard intersection, and other roadway improvements along Mission Boulevard. Other infrastructure improvements will need to be extended or expanded to serve intensified developments in the Study Area. Such improvements are typical of urban redevelopment and would not constrain housing development.

Adequacy of Sites Inventory in Meeting RHNA

Pursuant to State law (AB 2348), land use designations that permit residential development at 30 units per acre by default are considered to be adequate to facilitate the development of housing affordable to lower-income households. Overall, vacant and underutilized residential properties in the Cannery Area, Mt. Eden Neighborhood, South Hayward BART Station Area, Mission Boulevard Specific Plan Area, and Route 238 Study Area can accommodate 3,076 units, including 2,118 units at higher densities that can facilitate the development of housing affordable to lower-income households (Table 4-55). When including planned and approved projects, the City's sites inventory exceeds the remaining RHNA in all income/affordability levels, with a surplus capacity for 1,310 units (Table 4-55).

As described above, this is a conservative estimate of capacity for residential development. The sites inventory focuses on the areas of the city that are anticipated to experience the most infill and redevelopment; however, there are additional parcels outside these areas designated for residential uses that are available for development. Additionally, with the recent increase in mixed-use zoning and the adoption of two form-based codes, large areas of the city are now designated for mixed-use development. The sites inventory takes a very conservative approach to counting capacity for residential development on mixed-use sites.

Study Area	Lower-Income¹	Moderate	Above Moderate	Total
Cannery Area	178	-	-	178
Mt. Eden Neighborhood	-	238	25	263
South Hayward BART Specific Plan Area	484	-	-	484
Mission Boulevard Specific Plan Area	761	38	-	799
Route 238 Study Area	695	492	165	1,352
Total Site Capacity	2,118	768	190	3,076
<i>Remaining RHNA</i>	<i>1,158</i>	<i>608</i>	<i>0 (+221 surplus)</i>	<i>1,766</i>
Sites (+Surplus/-Deficit)*	+960	+160	+411	1,310

* The surplus capacity is the difference between the residential capacity included in the sites inventory and the remaining RHNA, after accounting for planned and approved projects.

¹ Lower-Income includes low-, very low-, and extremely low-income households.

Source: City of Hayward, 2013.

Availability of Infrastructure and Service Capacity

Except for a few areas in the hills, infrastructure capacity is not a constraint to residential development in Hayward. There is sufficient capacity to serve all Hayward residents through 2040. The City of Hayward or private companies provide the following services:

Water Service

The City of Hayward provides water service to city residents, except for those areas annexed from the County that continue to be on East Bay Municipal Utility District water.

Sanitary Sewer

The City of Hayward provides sewer service to city residents, except for areas annexed years ago which continue to be served by other providers. Specifically, about 5 percent of incorporated Hayward is served by Oro Loma Sanitary District for sewer service. The areas are located generally in the north and northeast parts of the city. A noteworthy “landmark” located in Oro Loma service area is the old 11-story City Hall.

Storm Drainage

The City of Hayward provides storm drainage for the city. The Alameda County Flood Control and Water Conservation District serves certain areas annexed from the County.

Capacity for Emergency Shelters

The City allows emergency shelters in the S-T4, MT4-1, and MT4-2 zones by right, and the CG zoning district with a conditional use permit. Properties in these zoning districts are located along transportation corridors and, therefore, have easy access to services and public transportation. A review of capacity within these zoning district indicates that the City has over 68 acres of vacant and underutilized land in the S-T4, MT4-1, and MT4-2 zones where emergency shelters are allowed by right.¹⁸ There is additional capacity in the CG district where they are allowed with a conditional use permit. Therefore, capacity exists either in the form of new construction or adaptive reuse of existing buildings to accommodate the City’s homeless population.

Energy Conservation Opportunities

State housing element law requires an analysis of the opportunities for energy conservation in residential development. Energy efficiency has direct application to affordable housing because

¹⁸ Underutilized commercial properties are defined as properties with improvements that are at least 30 years old and improvement-to-land value ratio below 1.0 (i.e., the structures are worth less than the land). Many economists have used a building structure age of 15 years and improvement-to-land value ratio of 0.5 to identify underutilized commercial properties.



the more money spent on energy, the less available for rent or mortgage payments. High energy costs have particularly detrimental effects on low-income households that do not have enough income or cash reserves to absorb cost increases and many times must choose between basic needs such as shelter, food, and energy. In addition, energy price increases have led to a renewed interest in energy conservation.

Hayward is enforcing the provisions of Title 24. The code is a comprehensive and uniform regulatory code for all residential, commercial, hospital, and school buildings. The standards found in Title 24 create energy savings of approximately 50 percent over residential construction practices used prior to the standards.

There is a new section within the California Building Code that now includes green building regulations, referred to as CALGreen. This is the nation's first mandatory statewide green building code, intended to encourage more sustainable and environmentally friendly building practices, require low pollution emitting substances that can cause harm to the environment, conserve natural resources, and promote the use of energy efficient materials and equipment. Hayward is enforcing the provisions of CALGreen.

CALGreen requirements for new buildings include:

- Reduce water consumption by 20 percent;
- Divert 50 percent of construction waste from landfills;
- Install low pollutant-emitting materials;
- Separate water meters for nonresidential buildings' indoor and outdoor water use;
- Moisture-sensing irrigation systems for larger landscape projects; and
- Mandatory inspections of energy systems (e.g., heat furnace, air conditioner, mechanical equipment) for nonresidential buildings over 10,000 square feet to ensure that all are working at their maximum capacity and according to their design efficiencies.

Climate Action Plan

On July 28, 2009, the City of Hayward adopted a Climate Action Plan (CAP), which identifies greenhouse gas emissions reductions targets that are consistent with those adopted by the State of California as well as the actions that are needed to achieve the targets. The Hayward CAP is available at <http://www.hayward-ca.gov/GREEN-HAYWARD/CLIMATE-ACTION-PLAN/>.

The City of Hayward was awarded \$1.36 million in the Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) funds. On January 25, 2011, for the City allocated the funds to hire a part-time Sustainability Coordinator, who will be responsible for implementing the CAP for three years and establish three energy-related programs.

Local Programs

There are several energy conservation programs that are currently (2013) available or will be available soon for Hayward residents.

Property Assessed Clean Energy (PACE) Program

The City and Alameda County collaborated with other counties around California on an application for grant funds from the California Comprehensive Residential Building Retrofit Program for a Property Assessed Clean Energy (PACE) program for energy efficiency and renewable energy financing. In 2010 the California State Energy Program awarded the eight counties and 103 cities a grant for \$10.75 million for a comprehensive Residential Retrofit Program. However, later that summer the Federal Housing Finance Agency canceled all awards for PACE programs for fear that lenders would refuse to refinance a mortgage until the PACE assessment was paid off. The California Energy Commission (CEC) has been taking action to rework the State Energy Program and was supposed to reissue the Municipal Financing Program solicitation in August 2010. The CEC has yet to award these funds and the City adopted the CaliforniaFIRST PACE program on September 24, 2010, to show support for Congressional action to restore the program. The California Statewide Communities Development Authority established CaliforniaFIRST, which finances renewable energy, energy efficiency, and water efficiency improvements for commercial, industrial, and multifamily projects.

Energy Upgrade California

Energy Upgrade California is a statewide program that offers incentives to homeowners who complete energy-saving home improvements. The incentives currently available through the Energy Upgrade California program are the “Home Upgrade” and the “Advanced Home Upgrade” programs. The Home Upgrade incentives involve installing three or more measures from a flexible menu of options. Different measures have different point values. A maximum of 250 points and \$2,500 in rebates are possible. The Advanced Home Upgrade requires a comprehensive energy assessment of the home and rebates and incentives depend on the energy savings of the project. Incentives can be up to \$4,500 for a 45 percent increase in efficiency.

Energy Upgrade California Multifamily Program

This program, launched in July 2013, offers cash rebates and free energy consulting for multifamily properties that undertake energy upgrades. The program assists in planning energy saving improvements designed to save about 10 percent of a building’s energy usage and provides \$750 per unit in rebates to help pay for upgrades.



Home Energy Analyzer

This free online tool became available to Alameda County residents in September 2013. Residents can log in using their PG&E login information and the website analyzes their PG&E data to provide detailed energy usage information and tips for reducing electricity and natural gas use.

Pay As You Save (PAYS) Program

City staff is currently developing a Pay As You Save (PAYS) program that will initially be offered to owners of multifamily properties. It will allow energy and water efficiency improvements to be installed with no upfront cost and with project costs paid for over time on water bills. The program is anticipated to be launched in February 2014.

East Bay Energy Watch

The East Bay Energy Watch serves commercial customers within Alameda and Contra Costa Counties. PG&E customers are eligible for a no-cost comprehensive energy assessment of their building. Energy Watch professionals perform assessments and make recommendations for cost-effective retrofits and improvements that are designed to save money on utility bills.

The California Youth Energy Services (CYES) Program

The California Youth Energy Services (CYES) program conducted “Green House Calls” in Hayward in 2010, 2011, and 2013. The program will be offered in Hayward again in 2014. CYES offers local residents no-cost energy efficiency and water conservation services. CYES hires and trains local youth to provide no-cost in-home energy education and hardware installation to homeowners and renters through its Green House Call Service. The CYES program demonstrated success in the summer of 2013 in Hayward by providing employment and training to nine youth, ages 15-22, and by providing 269 Hayward area households with energy-saving hardware and information, 97 percent of which were located in the city of Hayward.

Financial Resources

A variety of existing and potential funding sources are available for affordable housing activities in Hayward. The main funding resources are described below.

Federal and State Resources

Community Development Block Grant (CDBG) Funds

The City of Hayward receives an annual allocation of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds. The CDBG program allows the City to use Federal funds to address specific local housing and *community*

development needs. To be eligible for CDBG funds, organizations must be nonprofit or governmental, serve lower-income Hayward residents, and submit projects for funding that assist lower-income Hayward residents in one or more CDBG priority areas. The City of Hayward received \$1,239,289 in CDBG funds in 2012 and \$1,356,206 in 2013.

HOME Investment Partnership Act (HOME)

The HOME program provides Federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership by low-income households.

The City of Hayward receives funding from the HOME Investment Partnership through its participation in the Alameda County HOME Consortium. HOME funds can be used to acquire, rehabilitate, finance, and construct affordable housing. During FY 2012-13 and 2013-14, the City received \$255,270 and \$259,650 in HOME funds, respectively, to help make affordable housing available to low-income Hayward residents. These amounts include a 5 percent set-aside for administrative costs.

Section 8 Housing Choice Vouchers

The Federal Section 8 program provides rental assistance to very low-income households in need of affordable housing. The Section 8 program assists a very low-income household by paying the difference between 30 percent of the gross household income and the cost of rent. Section 8 assistance is structured as vouchers; this allows the voucher recipients to choose housing that may cost above the fair market rent as long as the recipients pay for the additional cost. The City contracts with the Housing Authority of Alameda County to operate the jurisdiction's share of the Section 8 program. The Housing Authority manages an allocation of approximately 2,400 vouchers for people living in Hayward.

In addition, from 2008 to 2012 the City of Hayward provided almost \$466,500 to Project Independence, a program implemented by a non-profit organization that provides tenant-based rental assistance to emancipated youth, housing 125 Hayward households.

Proposition 1C

In 2006 the California voters authorized Proposition 1C, which significantly expanded the funding availability for affordable housing. Proposition 1C invests \$2.85 billion for housing and infrastructure programs to produce an estimated 118,000 housing units, 2,350 homeless shelter spaces, and infrastructure projects that help infill housing development such as water, sewer, parks, and transportation improvements.



The South Hayward BART mixed-use project received a total of \$21 million in Proposition 1C funds: a \$15 million TOD grant and \$6 million through the Infill Infrastructure Grant Program. The TOD grant is a permanent, long-term loan to Eden for the affordable housing, and will be disbursed to Eden upon completion of the affordable development.

As of June 2012 the State had approximately \$34.9 million remaining for the Infill Infrastructure Grant Program, \$2.7 million remaining for the Transit Oriented Development Program, and \$166 million remaining for the Housing-Related Parks Program.

Neighborhood Stabilization Program

Working with Habitat for Humanity East Bay, the City of Hayward implemented an acquisition, rehabilitation, and resale of single family foreclosed homes using a \$1.5 million Federal Neighborhood Stabilization Program (NSP)-1 grant from 2008 to 2011. Upon completion of the rehabilitation work, which included energy efficiency upgrades, the homes (nine total) were sold at affordable prices to low- and moderate-income households. The homes were located in areas severely affected by foreclosures.

As a member of the Alameda County NSP-2 Consortium, the City of Hayward received an additional \$1.5 million of NSP funding. In partnership with Habitat for Humanity, the City used these NSP-2 funds to supplement its NSP-1 Acquisition, Rehabilitation, and Resale of Foreclosed Homes Program. Using NSP-2 funds, the City included 14 additional homes in the program between 2010 and 2012.

Former Redevelopment Housing Set-Aside (Discontinued in 2012)

The former Hayward Redevelopment Agency (RDA) had been the primary source of housing funds for the City's housing programs. California Redevelopment Law required redevelopment agencies to set aside at least 20 percent of all tax increment revenues in a housing fund to be used for affordable housing. These redevelopment set-aside funds were used to supplement CDBG funding for residential rehabilitation loans, provide repair loans for owners of mobile homes, and assist in the development of affordable units.

In 2012 the State of California enacted Assembly Bill 1x26, which dissolved redevelopment agencies across the state. Existing redevelopment plan areas remain unchanged while city and county successor agencies wind down the activities of the former redevelopment agencies. The successor agencies are tasked with managing redevelopment projects currently underway, making payments on enforceable obligations, and disposing of redevelopment assets and properties with the sales proceeds to be given to the State.

With the elimination of redevelopment agencies, property tax revenues in the redevelopment plan areas are no longer available for new or future affordable housing programs. After making the required payments on existing bonds and other enforceable obligations, the remaining property tax revenues exceeding the amount of those obligations, if any, are allocated to taxing

entities such as cities, counties, special districts, and school and community college districts. As a result many cities and counties have lost their largest source of funding for affordable housing programs.

From 2007 to 2010 the City spent almost \$2 million on more than 60 loans to moderate-income homebuyers for downpayment assistance. However, due to the dissolution of the Redevelopment Agency, the City discontinued this program. Prior to the stay dictated by the State Supreme Court which effectively froze RDA activities, the City spent \$320,000 on 11 down payment assistance loans for first-time homebuyers. Additionally, during 2012 the City processed 10 subordination requests from lenders, which allowed program participants to benefit from lower and, therefore, more favorable interest rates. These lower interest rates, in turn, translated into savings for their households, improving the affordability of the homes for the participants of the City's homeownership programs.

While the City can no longer offer down payment assistance to first-time homebuyers due to the loss of redevelopment funds, Hayward residents can benefit from the Alameda County Mortgage Credit Certificate Program, Workforce Initiative Study for Homeownership (WISH) Program, and Wells Fargo Mortgage CityLIFT Program, described later.

Inclusionary Housing In-Lieu Fee

The City's Inclusionary Housing Ordinance represents an effective mechanism to create affordable housing in the community. As discussed earlier, the original Inclusionary Housing Ordinance allowed developers of for-sale only residential projects to request a waiver of providing affordable housing on site, subject to City Council approval. In exchange the developers must pay an in-lieu fee of equivalent value. In response to the downturn in the housing market during the last recession, and recent court decisions, the City of Hayward adopted an Inclusionary Housing Interim Relief Ordinance in January 2011 and an additional ordinance ("First Amendment") on November 15, 2011, to clarify certain provisions of the Relief Ordinance. The Interim Relief Ordinance, which allows the payment of in-lieu fees by right without City Council approval, expired on December 31, 2012, and the City Council readopted the same ordinance on December 18, 2012, effective February 22, 2013, and expiring on December 31, 2015. Two inclusionary housing in-lieu fees have been paid to date, totaling \$165,000. Revenues from in-lieu fees may be available in the future to fund affordable housing projects and programs.

Other Housing Funding and Programs

Rent Control Ordinance

The City administers two rent control ordinances. The Residential Rent Stabilization Ordinance ensures that multifamily projects of five units or more with certificates of occupancy issued prior to July 1, 1979, can only increase rent prices by 5 percent per year. If the property has not increased rent in previous years, then the landlord can increase the rent up to 10 percent.



Landlords are also required to pay interest on the security deposit. Only 1,291 units are under the Rent Control Ordinance or about 8 percent of units in the city. Additionally, the Mobilehome Space Rent Stabilization Ordinance that the mobile home park space rent may only be raised 3 percent or 60 percent of the percent change in the consumer price index (no greater than 6 percent total) within a one-year period.

Foreclosure Prevention Programs

The City of Hayward mailed approximately 7,360 letters containing foreclosure prevention materials to local residents who received notices of default and notices of trustee sale from 2009 to 2012, and the City website includes links for resources available to residents in danger or already going through foreclosure. In addition, the City, in partnership with real estate agents and a non-profit organization, organized 10 foreclosure prevention seminars from 2009 to 2012. The City also provided \$107,140 to a local organization to provide foreclosure prevention counseling.

Alameda County Mortgage Credit Certificate Program

The Alameda County Mortgage Credit Certificate (MCC) Program provides income eligible first-time homebuyers with an opportunity to reduce the amount of Federal income tax due by an amount equal to 15 percent of the mortgage interest payments at a dollar-for-dollar credit. The remaining 85 percent can be taken as the usual allowable deduction of the itemized return. The end result is an increase in the household's overall income and ability to qualify for a mortgage loan. From 2011 to 2012, 31 Hayward homebuyers obtained an MCC allocation, and the County reissued one MCC in 2011.

WISH Program

The WISH Program provides matching grants to low-income first-time homebuyers through the Federal Home Loan Bank of San Francisco (FHLB). Under the WISH Program, the FHLB provides up to \$15,000 per household, matching up to \$3 for every dollar contributed by the homebuyer toward the purchase of the home. Participants must complete a homebuyer counseling program and the WISH Program can complement or supplement a variety of local, State, and Federal homeownership programs, including CalHFA, NSP, and FHA programs.

CityLIFT Program

The Wells Fargo Mortgage CityLIFT Program provides \$20,000 in down payment assistance for the purchase of primary, owner-occupied homes to income-qualified homebuyers. Although the program is implemented by Wells Fargo, it is administered by non-profit organizations. In order to participate, prospective buyers must participate in a CityLIFT program event sponsored by Wells Fargo in collaboration with local non-profit organizations.

Administrative Resources

Several City departments have staff that serve as administrative resources for affordable housing. The main departments are described below.

City of Hayward Development Services Department

The mission of the Development Services Department is to manage the future development of Hayward, in order to assure the economic and environmental health of the community and a high quality of life for its residents, protect the health and safety of the community through building inspection and enforcement of standards of the existing rental stock, and provide new housing opportunities for the residents of the city. The Development Services Department consists of the Planning and Building divisions.

The Planning Division is responsible for the review of building permit applications related to planning/design, landscape, and development review issues as well as the processing of applications for land development. The Building Division performs plan checking for compliance with City and State codes and ordinances, responds to complaints about code violations, and provides building code related information to Hayward citizens and contractors.

Department of Library and Neighborhood Services

The Department of Library and Neighborhood Services manages the Community Preservation, Community Development Block Grant, Social Services, and Paratransit divisions. This department offers the Housing Rehabilitation Loan Program. Through this program the City provides loans and grants to eligible residents (i.e., low-income, age 62 or older, severely disabled) for improved accessibility modifications, correction of code violations, and repair of leaking roofs and failing plumbing, electrical, or HVAC systems.

Housing Authority of the County of Alameda

The Housing Authority of the County of Alameda (HACA) administers the Section 8 Housing Choice Voucher Program (HCVP) for the City of Hayward. HCVP participants can also apply to HACA's Family Self-Sufficiency Program (FSS). The objective of the FSS program is to reduce or eliminate the dependency of low-income families on welfare assistance and on Section 8, public assistance, or any Federal, State, or local rent or homeownership program. HACA measures the success of its FSS program by the number of FSS families who have become welfare free, obtained their first job or a higher paying job, obtained a diploma or higher education degree, or similar goals that will assist the family in obtaining economic independence.

Non-Profit Housing Developers

Eden Housing is an affordable housing developer whose mission is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower-income families, seniors, and persons with disabilities. Since its founding in 1968, Eden



has created nearly 5,000 affordable housing units that have provided homes for thousands of people. In the mid-1990s Eden expanded the scope of affordable housing development to include the provision of free onsite support services and programs for its residents. Although Eden Housing's initial home base for development is the city of Hayward, Eden's charter calls for the organization to work wherever there is a need for affordable housing in California. So far Eden has partnered with 20 cities in six counties, including San Mateo, Santa Clara, and Contra Costa counties. The organization has already developed or acquired and rehabilitated nearly a dozen affordable housing projects in the City of Hayward, including:

- Sara Conner Court Apartments
- Glen Eden Apartments
- E.C. Magnolia Court
- Olive Tree Plaza
- Huntwood Commons
- Villa Springs
- Josephine Lum Lodge
- Walker Landing
- C & Grand Senior housing
- Cypress Glen

Habitat for Humanity East Bay has built several homes in Hayward in the past and is likely to continue to acquire underutilized infill sites for affordable housing development. In addition, there are several non-profit developers who operate in the Bay Area. Community Housing Partnership (CHP) is a San Francisco-based nonprofit organization that develops and operates permanent housing for formerly homeless people with on-site support services, job training, leadership development, and employment opportunities. While CHP has traditionally built housing within the city of San Francisco, they often partner in their development ventures with organizations, like Mercy Housing, that operate all over California.

SECTION 4.5 EVALUATION OF 2009 HOUSING ELEMENT

The following are some of the important steps the City has undertaken to provide greater housing opportunities during the previous (2009-2014) Housing Element planning period. A detailed evaluation of the housing programs from the 2009 Housing Element is included in Appendix C.

- The City revised the Zoning Ordinance to allow group homes serving special needs populations of up to six persons by right in all residential districts;

- The City adopted the South Hayward BART/Mission Boulevard Form-Based Code, which permits emergency shelters in the S-T4 zone, and will soon adopt the Mission Boulevard Corridor Form-Based Code, which permits emergency shelters in the M-T4-1 and M-T4-2 zones;
- The City revised the Zoning Code to ensure that transitional and supportive housing are residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone;
- The City adopted the South Hayward BART/Mission Boulevard Form-Based Code to conditionally allow single room occupancy units (SROs) in the M-T5 zone; and
- The City amended the Zoning Ordinance to provide individuals with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing.
- The City adopted an Inclusionary Housing Interim Relief Ordinance in 2010 which lowered the in-lieu fees for most housing product types, allowed developers to pay in-lieu fees "by right," and delayed payment of those fees to close of escrow, and in 2012, the City approved an extension of the relief provisions through the end of 2013 to allow for more time to determine whether the relief provisions are still necessary to stimulate residential construction.
- The City held 12 eight-hour trainings and 14 two-hour manager trainings as part of the City's Crime Free Multi-Housing Program between 2009 and 2012. To date, managers from 92 local rental properties have attended the trainings. Currently, there are 13 fully certified properties in the program.
- The City inspected approximately 8,845 apartments in over 934 multifamily rental properties and 828 single family homes from 2009 to 2012 through the Residential Rental Inspection Program.
- The City provided \$860,077 in 120 grants and nine loans to low-income homeowners for minor home repairs, code compliance-related repairs, and accessibility upgrades. In 2009 the City spent approximately \$497,400 and \$359,000 on the Minor Home Repair Grant and Housing Rehabilitation Loan Programs (HRLP) respectively in 2007 and 2008. The City provided 74 grants and three loans to assist eligible low-income homeowners with home repairs and upgrades. From 2010 to 2012 the City provided over \$907,600 in HRLP grants and loans using CDBG funds, and 156 low-income homeowners received assistance to upgrade and repair their homes and to conduct lead inspections.
- The City provided Eden Housing with a \$200,000 HOME loan for the acquisition of Cypress Glen Apartments, a 54-unit housing complex affordable to low- and very low-income households in 2007. The Redevelopment Agency provided a \$250,000 loan for emergency repairs and the replacement of the roofs at the Villa Springs Apartments, an existing 66-unit rental housing complex affordable to low- and very low-income households. The City also facilitated the issuance of mortgage revenue bonds for the



acquisition and rehabilitation of an 81-unit market-rate housing complex, the Majestic Apartments, which was restricted for low- and very low-income households for 55 years. The Redevelopment Agency also provided a \$750,000 loan to help pay for the seismic retrofit of the property.

- The City approved a \$1.5 million loan for a local non-profit housing developer to acquire and rehabilitate Tennyson Gardens, a 96-unit rental apartment complex for low-income families in 2009. In addition, the City approved the re-funding of existing tax-exempt bonds.
- The City monitored 60 deed-restricted ownership homes and over 1,100 City-funded affordable apartments located in 17 rental properties.
- The City mailed approximately 7,360 letters containing foreclosure prevention materials to local residents who received notices of default and notices of trustee sale from 2009 to 2012 and posted several foreclosure-prevention resources on its webpage. In addition, in partnership with real estate agents and a non-profit organization, the City organized 10 foreclosure prevention seminars from 2009 to 2012. The City also provided \$107,140 to a local organization to provide foreclosure prevention counseling.
- The City implemented the acquisition, rehabilitation, and resale of nine single family foreclosed homes in cooperation with Habitat for Humanity East Bay, using a \$1.5 million Federal Neighborhood Stabilization Program (NSP)-1 grant from 2008 to 2011. Using NSP-2 funds, the City included 14 additional homes in the program between 2010 and 2012.
- The City provided almost \$2 million on more than 60 loans to moderate-income homebuyers for downpayment assistance between 2007 and 2010. Prior to the elimination of the Redevelopment Agency by the State, the City spent \$320,000 on 11 down payment assistance loans for first-time homebuyers. Additionally, during 2012 the City processed 10 subordination requests from lenders which allowed program participants to benefit from lower, more favorable, interest rates.
- The City facilitated the construction of 31 deed-restricted homes sold at an affordable price to moderate-income households in Hayward through the Inclusionary Housing Ordinance.
- The City provided almost \$466,500 from 2008 to 2012 to Project Independence, a program implemented by a non-profit organization that provides tenant-based rental assistance to emancipated youth, housing 125 Hayward households (mostly single mothers).
- The City provided \$203,615 to a local non-profit organization from 2007 to 2012 to conduct fair housing activities including an annual audit, tests, investigation of complaints, and fair housing workshops. From 2009 to 2012 the City also provided the organization \$94,840 for landlord-tenant mediation and education services, and over \$14,380 for rental assistance.

Table 4-56 shows the number of units constructed since 2007, the start of the previous Regional Housing Needs Assessment planning period. During the previous planning period, few housing units were constructed as a result of the housing market crash and economic recession, and the loss of redevelopment funding, which had been the City’s primary funding source for new affordable housing. However, as described above, the City participated in several efforts to preserve and rehabilitate at-risk units to ensure existing affordable units remained available for lower-income households.

While construction activity was slow during the previous planning period, the City approved several affordable developments that are anticipated to be built in the coming years. The City is already seeing development activity increase and expects a great deal more development during the next planning period. However, the biggest challenge for affordable development – a lack of available funding sources – will continue to impede the ability for the private market to provide affordable housing.

TABLE 4-56 UNITS CONSTRUCTED BY INCOME CATEGORY City of Hayward 2007-2013								
Income Category	2007	2008	2009	2010	2011	2012	2013	Total
Extremely Low Income	0	0	0	0	0	0	0	0
Very Low Income	59	0	0	0	0	0	0	59
Low Income	0	0	0	0	0	0	0	0
Moderate Income	17	0	11	16	3	1	70	118
Above Moderate Income	213	292	187	236	266	238	8	1,440
Total	289	292	198	252	269	239	78	1,617
<i>Second Units</i>	4	0	0	0	0	0	0	4

Source: City of Hayward, 2013.



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APPENDIX A: COMMUNITY INPUT

Summary of Comments from the Community/Stakeholder Workshop (August 15, 2013)

The following is a summary of the public comments from the Community/Stakeholder Workshop held on August 15, 2013. The comments do not necessarily represent the views of the City of Hayward.

- Make sure the Housing Element is internally consistent with the Climate Action Plan (CAP) and review the CAP as a potential barrier to housing, especially ownership housing.
- There is not enough market-rate rental housing in Hayward to meet the demand. With two BART stations, the City could benefit from more market-rate rental units.
- The City may have land zoned appropriately, but the City is not approving housing.
- The rental market is key to providing lower-income housing
- Provide information in the Background Report on market-rate rental unit prices compared to ability to pay at different income levels.
- Focus public resources on the most vulnerable populations (e.g., extremely low-income, homeless).
- Most people in the Bay Area pay 40-50 percent of their income for housing.
- The City should look into a housing scholarship program, which used to be available for recent graduates to help cover housing costs until they find a job. There is currently a program to cover housing costs for emancipated youth.
- A major barrier to housing is the loss of the Redevelopment Agencies and tax increment financing. Tax credits are now useless without outside support from redevelopment funds. What is the replacement for the 20 percent set aside funding?
- Make sure the housing element builds in some flexibility to address housing over the longer eight-year planning period.
- Hopefully SB 391 will pass and a new statewide source of funding will be available. The City should address this in the housing element to identify how they might target these funds for affordable housing.
- The Green Shutter Hotel is an important source of housing for extremely low-income residents, but it is a dilapidated, historic building that needs rehabilitation.
- Density standards address units, but would be more effective if the standards were based on bedrooms. Unit-based density standards are problematic for developments that include mostly one-bedroom and studio units.



- The Regional Housing Needs Assessment process is anti-sustainability. It does not address the connection between jobs and housing and whether a city is serving its own housing needs versus housing needs created by commuting to outside job centers.
- Hayward has a lot of potential for growth with two BART stations and a lot of available land.
- Location-efficient, mobility-efficient, and energy-efficient mortgages allow people to buy more expensive homes than they normally would because buyers are saving on transportation and energy costs.
- The City should revise its parking standards. Renters are forced to pay for parking that they don't need. This undermines sustainability and raises costs. There is a direct correlation between income and car ownership. Surface parking costs about \$30,000 per space. Some projects, especially affordable projects, are overparked at a 1:1 parking/unit ratio. The City should explore unbundling parking.
- The City provides flexibility in parking standards, but there is a perception in the community that parking is an issue. Parking needs to be handled on a site-specific basis.
- Cap and Trade money could be used for building sustainable housing. The City of Hayward should work with the League of California Cities to encourage Cap and Trade to invest in equity guarantees.
- Habitat for Humanity is interested in the needs of large family households and would like to see information in the Background Report on housing developments by number of bedrooms.
- There is a lot of opportunity for second units as infill development in Hayward. The City should develop a streamlined process for second units and make it easier to build second units by modifying development standards and reducing fees for second units. The City could offer reduced permitting times if the units are rent-controlled units.
- The City should explore a graduated in-lieu fee (i.e., higher end homes pay more than moderate-priced homes) as part of the inclusionary ordinance.

Summary of Comments from the Hayward 2040 Town Hall Forum (August to October 2013)

The following is a summary of the public comments in response to questions the City posted on the Hayward 2040 Town Hall Forum. The comments are verbatim and do not necessarily represent the views of the City of Hayward.

Diversify Housing

Question: How can Hayward create more housing opportunities?

- Hayward is a few things: a low to middle class town, largely built on the sixties sprawl model. Everything is far away from other things. There are no central areas to see a movie, go skating, go bowling, arcade, see art, have a picnic in a park, go shopping, eat out and get good food. It is a parochial provincial town bent on looking to the past and hanging onto nostalgic nonsense in many ways afraid of the change they claim to want. Hayward is now a speedway between 580, 880 and the San Mateo Bridge. I still wonder why anyone would want to stop. Hayward is a people dump; lots of people live here and work elsewhere. Hayward now offers, starting at four hundred thousand, opportunity to buy a town home with no shade right next to the Probation Department and the City Court where the criminals pass. They are largely empty.
- Stop trying to solve its issues with the same old methods.
- There is talk of attracting families, but when the young buy homes, restore them, have children, the city throws up endless barriers to remodeling homes or starting a business. The school system attracts only unsuspecting families. Yet with straight faces city planners wonder why families don't come. Why settle in a place when problems further down the road are known? I understand years ago the building of CSU was banished to up the hill for two reasons: 1. someone gave the land for low cost or free and 2. Hayward residents didn't want a Berkeley, in other words college students that bring vibrant energy and business. There is talk of homes at the old Mervyns site to be offered at six hundred thousand. People with that sort of income chose to live in places they can get services and restaurants equal. That's not Hayward. This city has no issue allowing another Dollar Store or another junk/antique store little else. Why shop downtown? There's nothing there.
- What types of housing does Hayward need more of? Co-op housing where all homes are built in a circle with a central park and garden. All owners agree to participate in the overall for example cook once a month for all, then the overall care is spread out. Models abound all over the U.S. where these types of things are held by land trust. What people buy and sell is the houses; the land is owned by the trust but cared for by the inhabitant. There are many models. Ultimately, this provides stability for housing. Hayward has no central organizing theme. It's like a catchall for "let's try this, let's try that." I suggest embracing Hayward's agricultural past and creating gardens, walking paths and a



beautiful, calm town people want to be in. I suggest building Senior Villages, smaller communities that embrace this obsession with hometown, homespun warmth. People might want to be in such a place.

- Let's remove the old City Buildings at the original Hayward HS Location. There is some prime real estate. Why is Hayward waiting to take this building down? What about the old Mervyns site. Again prime real estate. If you want to create a "City Center" then let's by all means proceed. There are some older buildings on B Street and Main Street; I like the idea of lofts. Let's do it.
- Nothing says a neighborhood is low class than having chainlink fences and garbage, recycle and yard waste containers in their driveway or front yard. Suggest all new single family housing in Hayward be banned from having chain link fences and garbage containers must be out of sight behind a fence or in the garage so they are not visible from the street. For that matter I would like to see chain link fences and visible garbage containers banned within the Hayward city limits.
- We have so many beautiful old downtown buildings we should talk to those owners and allow some tax incentives to convert some to upscale lofts that would attract commuters to live here and take Bart from the downtown area. Mixed residential/retail has proven in other cities and so too would it work here. The current downtown 'negative element' could be controlled if Hayward Police could patrol or 'walk-the-beat' at random times or when the bars are in full peak operation.
- To attract a modern element, Hayward should allow a development of energy efficient factory built homes such as Blu Homes. These could be assembled quickly, be energy efficient and the style would be progressive to match the future of housing trends. Not tract homes and cookie cutter nor custom. Pre-made homes are the future and a neighborhood parcel should be zoned for this. No, not a mobile home or trailer park a neighborhood of modern house styles, single level , visual appeal, affordable.
- The City should support the Bayview Quarry Village project in concept for 690 units of affordable, sustainable housing for CSUEB Hayward, BART users, seniors, and work-at-homes. The project reduces use of cars while supporting a high quality life style. The site plan has an open feeling. Less land is used for pavement. Three story row THs are well set back. Residents may have parking but there will be more walking and more transit use based on a fast, free, frequent shuttle, car share/rental, taxi vouchers, etc. The project has appealing design, health and safety, and a sense of community. All this combined will appeal to the educators and high tech workers we want to live in Hayward, and will be a model for more development along Mission Blvd. and other areas. The City would work with Caltrans, HAPA and legislators to authorize cap/trade \$ for an investment guarantee for the developer using an agreed proforma, vetted for the state by OPR. KB Home should be asked if interested.

- I would like to see more old buildings renovated and converted into housing. Many cities are converting old factories, schools and churches into apartments, often with businesses on the ground floors.
- Making sure the local job market is healthy is a guaranteed way to have citizens with more money to invest in things like housing and putting money earned into the economy.
- Given the location of Hayward, there is a market potential for nicer, community feel apartment complex targeting younger professionals who are willing to spend. It would help boost the local business as well.
- I don't want a homogenized city. I love our diversity and we should create and celebrate different kinds of housing that meets the needs of different kinds of people. How interesting and attractive that would be! Take a new look at restrictive codes and fees. Make exceptions where needed. Don't make exceptions that are not safe or that hurt neighborhood relationships. Resolve conflicts, don't force.
- I have added this before however would like to reiterate the value of something like a central park. Today Hayward does not have a real Central Park similar to Fremont. We have tiny parks scattered around the perimeter of Hayward that are not well maintained. Although I don't think we have the real estate, we do have a prime spot that would be an ideal location for one and that is where Winton Middle school sits today. Since Winton Middle school is rather old anyway, why not put the land to use as a very nice Hayward Central Park? If the school and all supporting buildings were removed, a nice pond, running/walking trail, mature trees could be established that would attract wildlife and further make this area much more vibrant and attractive area to live in.
- I think there are enough single family homes in Hayward, especially old ones that hurt Hayward's overall housing market value. Condos and Townhomes in the right areas will attract, a good number of higher income families that need a starter home, which will boost education and lower crime rates. Also, raise home values. Again education and crime rates need to change in Hayward! This is also good because most condos and townhomes have HOA's that go towards keeping the community nice and clean, which is something Hayward could use more of. HOA's are run by the residents of the communities which is why funds are diverted for better use. Apartments are run by investors that have little interest in keeping their communities nice. Apartments also, attract more lower-income households, which Hayward does not need anymore. Hayward needs to have standards and standards need to be set for future prosperity of Hayward. This will promote a well educated, affluent and diverse city. Hayward2040!



Affordable Housing

Question: *What are the barriers to affordable housing in Hayward? What can be done to address these issues and barriers?*

- Retrofitting older homes and financial assistance. Hayward has a number of areas that need a face lift. Instead of ignoring these areas, help assist current homeowners. There are organizations with volunteers that come in and help a homeowner with painting, new roof, etc.
- Poverty. Cost of Living.
- If we want affordability, we need to accurately the present situation and compare it to the new vision of 100% affordability and then see how we can get from here to there in new baby steps. Is anyone doing that?
- Unless Hayward cities want to give tax incentives or give partial down payment to 1st time home buyers. I would not recommend affordable housing, as it will hurt current home values. Also, it will turn Hayward, into another San Lorenzo, Oakland and other less desirable cities. If Hayward, wants to be anything like Fremont, Foster City or even better Palo Alto, it needs to concentrate its resources on education, crime rate and helping local businesses. Hayward could easily turn itself around into a better, safer and more affluent city, if focus is used elsewhere. And NOT make it, MORE affordable. If affordability is a concern for someone, then moving to an affordable city or even out of state would be a better solution. Otherwise, you're just hurting home values, raising crime rates and lowering education standards by attracting lower income households.

Housing Element Issues

Question: *What issues would you like to see addressed in the Housing Element Update?*

- In all further development, the City should make sure that all water and sewer lines are properly tested so that there is no leakage or obstructions at the time the City accepts responsibility for them. The City shouldn't have to deal with sewer overflows because a contractor left a plug behind or a 2x4 got stuck in the line. Union Sanitary District has some good guidelines for accepting new work that Hayward might adopt.
- Access to services. Being close to community groups, schools, and stores.
- Affordable, sustainable neighborhoods based on systems. Neighborhood systems look at land use, transportation, and transportation pricing as a whole and in terms of the whole economy, not just money. The six NS goals are affordability, sustainability, mobility, health and safety, good design, and neighborliness. Achieving them requires enough people with a short enough walking distance to support local groceries, a cafe, and a fast, frequent, free shuttle to BART. Rather than scatter-shot, auto-dependent development driven by developers, the city should focus on BART areas and short corridors serving BART, remove parking requirements from zoning, and support

unbundling. The City should survey residents within .5 miles of BART to see their car ownership and use patterns, to see if inside parking is actually being used for parking.

- Considering our city has a fault named after it, I think Hayward could be a little more proactive in making retrofitting possible for lower income families and all homeowners in general. San Leandro offers a free tool library, workshops, handbook, standard/plan set, and financial assistance. I would like to see the City of Hayward become a leader in earthquake retrofitting. A little money spent now can make a world of difference later on.
- Hayward must increase the proportion of homeowners to renters. We have way too many shabby apartment buildings now making for awfully shabby neighborhoods. It is no secret that the worst neighborhoods in Hayward are those with a lot of the cheap, ugly apartments that proliferated back in the 1960s. Renters do not have investment in Hayward, and no real incentive to maintain property that doesn't belong to them. Homeowners who make substantial down payments definitely have that incentive. Every other community around here has substantially recovered from the housing slump but Hayward, it seems. We had way too many foreclosures here because we put so much effort into attracting low income. This has adversely affected our property values, and has also affected our ability to attract and retain businesses to Hayward. Enough already, let's take a bold step and focus on bringing in some quality development for those who are prepared to make an investment in their community.
- Maintaining the quality of Hayward's housing infrastructure. Ensuring that all new and existing housing is free of safety and health hazards and supports the health and well-being of Hayward families with education and training of property owners, parents, and others who manage housing or work with families in their homes about how to maintain a healthy home, the regulations that apply, and available resources.
- Bring in developers that are willing to buy out larger development areas. That way they can help create better, safer and cleaner communities. Kind of like the KB homes community near Winton, Stonebrae in Hayward Hills or Eden Shores community near Costco. These areas again bring in higher income households that can contribute to the city and help make it safer. When you find developers that can help make nice developments like this, it will reduce the cost of tax payer money to pay for new parks, schools and other nice amenities that these developers pay for. I should know because I've worked with these developers before and they bring value to Hayward. Focus needs to be on the larger developers that can help develop better communities and help build new schools. This way Hayward can get rid of the older, outdated schools and have something to be proud of. Hayward's best schools only rank 6 out of 10. Which is sad compared to Fremont, which has a handful of schools ranked 10's.



City of Hayward 2009-2014 Housing Element Housing Needs Survey


The City conducted a Housing Needs Survey as part of the 2009-2014 Housing Element Update. The survey was available in English and Spanish. The City distributed the survey to service providers; made the survey available at various public counters throughout City Hall, at the public libraries, and several facilities operated by the Hayward Area Park and Recreation District; distributed the survey at community meetings; and accommodated online responses on the City's website. The survey was also advertised on-line and in print in the Vision Hispana newspaper.

In general, residents were satisfied with housing in Hayward. However, neighborhood safety issues, rehabilitation of multifamily structures, new construction of mixed use housing in downtown and transportation corridors, and housing programs for the elderly and disabled have surfaced as key housing needs expressed by survey respondents.

Do you want to help shape housing policy in Hayward?
If so, we want to hear from you.


The City of Hayward is updating the Housing Element of its General Plan. Mandated by State law, this update will include an evaluation of the City's present & future housing needs, including affordable housing issues.

You're invited to share your opinions and concerns in a short survey about housing in the City and Hayward's future housing. To complete the survey, visit www.hayward-ca.gov - Under the "Projects & Studies" section, click: Housing Element - UPDATE



For more information, visit www.hayward-ca.gov or contact Erik Pearson at 510-583-4210 or erik.pearson@hayward-ca.gov

Para preguntas en español, llame a Omar Cortez al 510-583-4246.


CITY OF HAYWARD
HEART OF THE BAY

www.Vision

**City of Hayward
2009-2014 Housing Element
Housing Needs Survey Results**

1. What zip code do you live in?

94544	94124	94542	94541	94545	94521
46%	2%	23%	21%	7%	2%

2. What kind of residence do you currently live in?

89% Single family home 6% Apartment
 2% Duplex/triplex 3% Condominium/townhome
 0% All Others (Hotel, Motel, etc.)

4. How many bedrooms does your residence have?

# of Bedrooms	1	2	3	4	5	6
% of Responses	5%	6%	53%	19%	14%	3%

5. Including yourself, how many people live in your residence?

Persons	1	2	3	4	5	6	7	8	9	10
% of Responses	16%	31%	13%	19%	14%	0%	5%	0%	2%	2%

6. Do you own or rent the unit in which you live?

89% Own 11% Rent

7. Approximately what percent of your gross monthly income is spent on housing (including rent/mortgage payment, utilities, homeowner fees, taxes/insurance)?

34% < 30%
 41% 30-49%
 25% 50% or more

8. How satisfied are you with your current residence?

Answer	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Dissatisfied	Response Count
Price/Rent	48%	31%	8%	13%	61
Quality/Condition	51%	34%	14%	2%	59



Size	58%	32%	7%	3%	59
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9. How satisfied are you with your overall neighborhood?

Answer Options	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Dissatisfied	Response Count
Quality/Conditions	31%	34%	17%	17%	64
Access to Services/Facilities	34%	39%	18%	8%	61
Safety	25%	32%	25%	17%	63

10. Please rank the relative level of importance of the following housing programs in Hayward. (1=Most Important, 4=Least Important)

Neighborhood and Housing Preservation Programs

- 2.05 Rehabilitation of single family homes
- 2.05 Rehabilitation of apartment buildings
- 2.2 Residential code enforcement
- 1.64 Neighborhood revitalization programs (housing, rehabilitation, property maintenance, beautification, traffic safety, new parks, historic districts, etc.)

11. Please rank the relative level of importance of the following housing programs in Hayward. (1=Most Important, 4=Least Important)

Expanding the Supply of Housing

- 2.48 New construction of affordable for-sale housing
- 2.97 New construction of affordable rental housing
- 2.54 New residential/commercial mixed-use development (i.e. residential above ground floor retail or office) in Downtown
- 2.17 New residential/commercial mixed-use development along transit corridors

12. Please rank the relative level of importance of the following housing programs in Hayward. (1=Most Important, 7=Least Important)

Providing Housing Assistance

- 4.72 Rental assistance
- 3.13 Disabled population

3.44	Homeownership assistance	2.46	Elderly population
3.98	Homeless population	4	Low-Income population
2.97	Home improvement assistance		

Summary of Survey Responses

Current Housing Situation

A vast majority (84 percent) of respondents lived in single family homes. Six percent lived in apartments and the rest were in condominiums, town-homes or other attached housing units. Most respondents lived in three-bedroom or larger homes. Three-bedroom homes were the most common housing arrangement with 50 percent of respondents, followed by four-bedroom homes with 17 percent, and five-bedroom homes with 11 percent.

Household Characteristics

The largest group of survey responders lived in two-person households (36 percent), while 16 percent lived in one-person households and 14 percent lived in three- and four-person households. About 13 percent responded from five-person households.

Housing Costs

Most survey respondents, 79 percent, were homeowners. When asked what percent of their income is spent on housing costs, 31 percent responded with the ideal 30 percent or less of their gross monthly income. The largest group, 39 percent, spent 30 to 49 percent on housing, while 30 percent of respondents spent more than 50 percent on housing costs.

A majority of respondents were very satisfied with the price, quality/condition, and size of their current residence (49 percent, 51 percent, and 55 percent, respectively). Only four percent were dissatisfied with the quality/condition and four percent were dissatisfied with the size. About 11 percent were dissatisfied with the price.

Neighborhood Conditions

When asked about their satisfaction with their overall neighborhood, most people were very satisfied or somewhat satisfied. Specifically, 35 percent said they were somewhat satisfied with the quality and condition of their neighborhood while 33 percent were very satisfied.

Access to services and facilities are also important and 36 percent were very satisfied with the access in their neighborhood while another 36 percent were somewhat satisfied. Regarding the safety in their neighborhood, 33 percent were somewhat satisfied and 29 percent were very satisfied; however another 23 percent were somewhat dissatisfied and 15 percent were very dissatisfied.



Housing Programs

Survey respondents were asked to rank housing programs by what they felt was most important in the city. When asked about the importance of neighborhood and housing preservation programs, survey respondents rated neighborhood revitalization programs as the lowest priority. Rehabilitation of apartment buildings was the most important with a slight margin, followed by residential code enforcement and rehabilitation of single family homes.

When asked to rank the four programs that would expand the housing supply. Respondents felt they were all important programs with little prioritization. New construction of affordable rental housing was the most important followed by new residential/commercial mixed use in the downtown area, new construction of affordable for-sale housing, and new construction of residential/commercial mixed use along the transit corridors.

Respondents were finally asked to rank seven programs that provide housing assistance. The most important program was determined to be programs that serve the elderly population, followed by programs for the disabled population, and then overall home improvement assistance. These programs were followed by homeownership assistance, followed by programs for the homeless population, the low income population, and overall rental assistance.

Open Comments (Verbatim)

1. The large number of homes for sale, their deteriorating condition, decreasing the home values in the area, lack of tenants at the Fairway Park Shopping center
2. Low income housing assistance for those whose rent is more than 33% of income.
3. There are many issues in my neighborhood: Too many of the homes are in foreclosure or just not selling. Too many homes have too many tenants/inhabitants. Too many homes are falling apart or the grounds are not kept up. Too many parked cars line the streets. Too many unfriendly folks are moving in, and many of them don't take care of their kids. Too many cars speed thru the neighborhood, run stop signs and throw out their empty liquor bottles and fast food containers onto the streets. Too many scavengers rummage thru the garbage cans. There is too little retail and Fresh and Easy is not moving in soon enough to save the shopping center....Too many people don't care about the city.
4. Control and then eradication of the 20 some gangs ensconced in Hayward - they say they own this town, and with the way they run freely to steal and deface this City without legal consequence they do. The crime rate in and around Hayward stymies any potential positive commercial growth and revitalization efforts. Enough with the multimillion dollar housing in the Hayward Hills - clean up and clear out the destructive elements and then begin issuing permits to scar the hillsides again with unattractive chicken fence homes. We should not have to constantly tell you where

the graffiti is, it should be eradicated immediately - set up cameras (and/or work with local businesses prone to graffiti to put up cameras) to catch them in the act, prosecute and jail them. Without the consequence of a permanent arrest/jail record to their names there will be no stemming the tide of this neighborhood blight and its offshoot crimes (burglary, auto theft, robbery, petty theft, grand theft). Has common sense left you all? The only way we think we can protect ourselves (because the police can't/won't do it) is to gate out communities - to stem the flow of people (adults and juveniles) who do not live in the neighborhood but come in to case the area and/or intend to dump their trash, deface and steal our property - but we cannot afford to do even that because the City insists that Neighborhood Community Parks be installed in our neighborhoods for which the neighborhoods must buy them back from the City at unrealistic market values. For your information, these so called Neighborhood Community Parks become an attractive nuisance to those who only want to use it to deal drugs or use it for a drop site for whatever reason. My neighborhood doesn't even use it park because of the element that has moved in - both day and night. Thank you very much, Hayward, for bringing this element right to our front doorsteps.

5. Major concerns are drug traffic issues and car racing, spinning. I live in Fairway Park. The city has placed intersection barricades to deter cars spinning, racing. However, the aesthetics of the plastic water containers used does not instill pride or respect for the neighborhood. It gives the appearance of a forgotten construction zone instead of a family neighborhood. I realize in the large picture of Hayward's issues this is a small thing, but all changes begin with small steps.
6. I would just like to say that I live in Fairway Park and I am tired of rentals or houses that have many families living in the homes. My next door house is a rental and we have so many families coming and going we do not know who lives in the house. Of course with all the people comes the cars! 8 to 10 cars at night. Fairway Park use to be a very quiet neighborhood full of single family homes and that has changed. I have lived in my home for 21 years and I never had to worry if I could park in front of my own home. I think that this should be something for the city to work on. What is the number of people and cars allowed per house hold?
7. Increased regular policing of the Fairway Park area to reduce property crime and vandalism.
8. The largest issue I have is the degradation of neighborhoods and lack of enforcement for the existing laws. This is NOT about city services, this is about many of our residents that are allowed to present homes with poor hygiene and structural disrepair. Our reputation is one of old, non-maintained neighborhoods and antiquated shopping, entertainment. Hayward is "the" place for opening a .99 cent store, low rent housing, or waste treatment plant --- not for opening anything



marginally upscale or novel. Because reasonable laws/ standards are not enforced and residents are allowed to disrespect certain standards, our armpit reputation will not be changed. ---Presenting a delicious meal encourages appetites.

9. The parking on the streets in our neighborhood are terrible, either there are abandon cars with flat tires, huge trucks are parked in our neighborhood and I am assuming that are illegally parked. Also the appearance of the homes themselves, I know we have a lot of foreclosures in our neighborhood but come on people take pride in what you have invested in mow your lawns, pull your weeds. Get a can of paint and paint your fences!! I live on Carroll Ave.
10. I believe there should be less concern for minor problems such as violating laws like RV or old car parking, and appearance of homes; and more concern for problems such as real crime such as burglary, robbery, etc. I would rather have my tax dollars (which are stretched to the limit at this time) spent on what I consider serious crime. Also the city should spend less money on new building and more on helping owners fix up old buildings, and helping businesses stay in Hayward.
11. Traffic cameras, added lights. lack of shopping, abandon buildings and cars, gangs.
12. Not enough police presence.
13. Cleaning up trash along roadways. Putting up a cement wall in place of the wooden fences along Mission Boulevard at Fairway Park residential area.
14. Very concerned about blighted abandoned commercial buildings (Holiday Bowl, skating rink that burned down, car dealerships, grocery stores, etc.) Very concerned about our need for a decent grocery store in our neighborhood. We have been WITHOUT a DECENT grocery store for at least a decade. That is unconscionable! We are grateful to the new owners of Fairway Park shopping center for starting the ball rolling but don't think Hayward city fathers & mothers have done enough in the past. This SHOULD HAVE been taken care of EIGHT years ago at least! The longer the blight lasts, the harder it is to fix.
15. Would like to see a major supermarket near the fairway park neighborhood.
16. Crime and property values are the most concern.
17. I would like Fairway Park Shopping Center to get a grocery store and hardware store. I would like to have all graffiti and littering in our area stop. I would like to have a recreational facility for our youth in this area, such as the Holiday Bowl building. I would like to have a career guidance center for all those who need it in our area. I would like every church in our area to have a food pantry and a soup kitchen. I would like all reckless driving in our neighborhood (El Rancho Verde) to

stop. I would like to see all residential properties kept up. I would like to see all the spring water in our gutters and yards (El Rancho Verde), diverted underground. That's all I can think of now. Thanks for the opportunity to express my wishes.

18. If Hayward wants to attract and retain a population that is working and can therefore generate revenue for the city, the schools must be vastly improved. There should be MUCH less catering to the low income population. Apartments and other rentals that allow Section 8 should be minimized as these attract leeches on the taxpaying population (drug dealers, gang members, etc).
19. Hayward police need to talk to people get to now what's going on in the neighborhood. We have plenty of apartment complexes in Hayward with low income people it is time to make changes in Hayward.
20. My major issue of concern is the following: 1. Neighbors not knowing how to respect others and respecting the neighborhood. 2. Street Parking 3. Garbage cans being left in front of homes. They should be hidden from the street. 4. Code violations: illegal garage conversions. 5. Too many people living in small houses.
21. Root out all gang activity which so negatively impacts people's feelings about where they live. Strict enforcement of codes to keep neighborhoods looking good. Use every code you have to root out gang and drug people from Hayward. Never let graffiti be seen on public or private property. Have more graffiti removal trucks. Prosecute taggers and make the parents of underage taggers pay.
22. More help for the HOMELESS.
23. In city of Hayward, we have oversupply of residential properties. In spite of new housing developments, city need to concentration to make better schools, encourage businesses, and control the crime to attract the migration from other cities.
24. Assistance for families dealing with foreclosures; either to transition to more affordable housing or to remain in their current home. Ask HUD for some kind of special dispensation to, at least temporarily, increase the availability of housing vouchers or rental assistance to low-income individuals and families; a population that often includes seniors, disabled, and homeless. One striking aspect of housing in Hayward is the inconsistency of the housing stock from neighborhood to neighborhood. Because of the affordability crunch, several neighborhoods have homes that appear to be over-improved and often have a curious impact on home values.
25. Involving those who are in need of housing assistance in the development of their sustainable safety/ security. For example, for low income individuals who can do construction work, have them help build/refurbish their home or work on City



infrastructure development. Others can invest other types of sweat equity into their community. The highest priority should be to ensure that the City's housing stock enables Hayward's work force to live (and ideally own) in Hayward.

26. The only concern I have about my neighborhood is the state of the streets and the poor access for emergency vehicles. I do understand that the homeowners in this neighborhood are very much opposed to any improvements but I it is a necessity. The neighborhood is at great risk in the event of a major fire if fire engines are not able to access in a timely manner. I consider safety a most important issue throughout the city as I do consider the entire city as my neighborhood. I have family throughout Hayward and want them to be in a safe environment. I would like to have safe shopping centers where I can do my shopping locally and not have to go to outside areas.
27. Starting with the speed humps on Folsom some years back, there have been so many speed humps added around and in the neighborhood that it is not possible to drive out of the neighborhood without having to navigate these humps. Hard on car, body, nerves. There seems to be too much emphasis placed on age, "elderly". We have many senior citizens in town who are more able to care for themselves and their property than many young/other citizens. Focus should be on ABLE or NOT ABLE, not age.
28. It is the type of people that end up in Hayward that is the problem. Somehow Hayward needs to attract a more educated population. Nothing wrong with low-income population, I grew up from a low income family but I studied and went to college. The families, immigrant and the natives are not motivated. Just look at the schools, I never went to a school that has a security officer on site. That is the norm in all Hayward high schools. Neighborhoods are a function of the people, you get poor quality people, you will get poor neighborhoods. The sooner you improve the people that better and faster Hayward will get in neighborhoods.
29. In Hayward it is hard to find a nice, decent place to live. There are so many overcrowded neighborhoods. I have a Section 8 housing voucher and feel it is extremely hard to find a good place to live due to the stereotype placed on this rental assistance program! More housing is needed.
30. The amount of graffiti and vandalism in the local parks is disturbing.
31. (a) We need to support the Hayward Police and Fire Department. Over the last 50+ years we have added so many rental units that the low social economic folks dominate and therefore rule our neighborhoods. It is a bit frightening to see the characters that wander the streets looking for mischief. (b) It is a shame that many neighborhoods leave spilled garbage, do not mow their lawns or clean their front yards. I was raised in Hayward and love our town. It is a shame to be afraid at

night. (c) We do NOT need more low income residents. We need to attract the "families" that have moved out to feel safer and where they can have access to better schools for their children. Only the less fortunate stay in our town. What a shame. It is very sad. (((Can't some of the other towns like Fremont build low income housing for these folks?))) Signed; Roberta dePonte-Jacobs, 124 Fagundes St., Hayward since 1949. Our Primary residence is now in Valley Springs, Calif. 80 miles east. Thank you for this survey.

32. Clean Up what you have. The Caltrans Properties, the OLD City Hall and our creeks. Remove the homeless living in our creeks. You need to do what San Leandro did. Make paths through our creeks and have walks and lighting. You can make downtown as nice as you want but as long as you have homeless living in the creeks and Caltrans vacant properties you will never clean up downtown. The senior retirement homes are over run with homeless coming up from the creeks. We need a clean up! Work with the County and make this happen for Hayward!
33. Noise from Freeway, Helicopters hovering over Freeways. Noise from small Airplanes. 2. Parks {This has IMPROVED GREATLY} You got it Right There! 3. Businesses - Too much red tape or something, business don't come in, too many have left. Jobs and local business are key for Hayward. I'm talking small businesses, not just Mervyns & Auto Dealers which I'm very sorry is leaving. 4. Traffic - Traffic lights, horrible timing on lights. Traffic Gridlock is Incredible. 5. Schools - Education providing free "English" Learning education Maybe on the Hayward Cable Channel? for Spanish, Farcie (sp) - Really need to get a cheap and fast way for students to learn outside the classroom. 6. Hayward is viewed poorly by "Buyers" and by "Parents" and by people who live there, main arteries have been improved Again Great JOB. 7. Low Cost housing or any other housing should not be placed on high Noise and Traffic Areas. Hayward is to cut up with Freeways, Major streets, Trains, BART, Airport, it's impossible to locate a reasonable safe neighborhood that has any quality of life for families. 8. HIGH Rise Units on Fault Lines (ie Mission Blvd area) - Poor Idea. High rise units where units face Noisy areas Poor Idea. Factor in open space that has viewability and safety and something constructive for children to play on -- not just destroy. 9. Anything to reduce GANGs.
34. This neighborhood seems to take care of itself except for the prostitution from Mission Blvd. and a few rentals that have unwanted tenants that deal drugs. Street parking is bad for passing cars on opposite directions. Some small streets should be one way traffic or dead ends in the Cherryland area and other unincorporated areas. As far as programs for helping others the City should get rid of over head wires from the power poles and put them under ground, this way it will indeed look much nicer. Hayward has quite a lot of room for improvement. San Leandro on the other hand has come a long way.



35. Better schools
36. I grew up in Hayward and have been back only a year. I'm not sure of all the issues and how important each one of them is. However, if you're looking for someone to become involved my name is Robert Cohn and I can be reached on my cell phone.
37. In the city of Hayward to me and a few of my neighbors. It is safety. My home has been shot at. My truck windows broken more than once, Graffiti. There is always car speeding down our street and there is small children & grand children playing. Maintenance to trees around Signs & Traffic Lights, Repainting of speed bumps. I believe that the safety and the safe feeling needs to come back.
38. More homeless shelters w/ counseling/health care facilitation.
39. Safety is still a concern, esp. driving late at night. Better quality of education from elementary to high school seems to be too far-fetched; which means option for private education will mean a big chunk of someone's household budget. I'd like to see affordable and less-restrictive housing for retirees-seniors, who have worked all their productive years but whose income is greatly reduced upon retirement. Thank you.
40. More programs to help Hayward rental residents be able to purchase Hayward homes.
41. In the areas near the two BART stations high density owner occupied residential units should be a priority. High-rise units surrounded by useable open space would be the most effective use of the land and provide the greatest habitability. As part of any plan the city's image is important. If we want nice neighborhoods (residential or business) the residents must be proud of where they live. People only develop this pride when the community looks and feels good. It is very, very important for the City of Hayward to maintain the city owned facilities in a superior condition. Without that commitment Hayward has little chance of overcoming its current image and developing and maintaining great livable neighborhoods.
42. Safety Education Police presence in challenge neighborhoods Adult Education Public recreation Teenage Programs Community events Public awareness and involvement consumer protection
43. Yes, implement no rent control. Owners and Landlords are less likely to invest in Hayward and to spend money on existing improvements.
44. I am very concerned about the condition of our neighborhood, street condition, code enforcement, crime, lack of police patrol on our street, neighborhood preservation, lack of a quality elementary school. I am also concerned regarding the

Mission Blvd. (auto row) poor condition. City government needs to address this problem and better plan for the future, the car business is gone and won't be coming back.

45. The prices in the houses is drop too much, for that reason we need someone do something about adjust the prices to the know expensive houses
46. Traffic congestion is getting out of hand in most areas of Hayward. Especially during commute hours. Vacant and foreclosed homes need to enforce a minimum maintenance program.
47. The state - ABAG Housing Needs Determination needs to be reformed to reduce requirements on localities which have reduced population growth, have minimal job surplus over employed residents or better, and have enough affordable housing for their lower-earning workers. Council should adopt an advocacy position on this. The sustainability committee should discuss it.
48. Speaking as Citizen Kyle, The single greatest problem in Hayward is the serious lack of community reservation. I have recently suggested to City Manager Greg Jones, a resurrection of AN INFORMAL ACTIVITY which was once highly successful in relation to it's low cost and audacity! Had it continued we would have a population acutely aware of the risks in creating 'bootleg' additions to housing which upon examination are largely substandard. I would much like to see some progress on the subject and ask that Mr. Jones bring forward any progress that he has made subsequent to our discussion of something which I had presented to him in written form. For many years I have complained about the general lack of concern for 'do it yourself' projects that are in obvious violation of zoning, as well as health and building codes. You can have the world's greatest general plan but when adverse, controllable conditions affect growth it becomes the general plan for much ado about nothing! An example of what I mean is that concern for low income housing and ABAG's quota for compliance with regional goals is much ado about nothing if other communities blithely ignore those concerns. The effect of non-compliance upon City and Schools here in Hayward is enormous. Also, here in Hayward we have a ratio of parolees to general population much greater than is true of other communities in the County. All because of present availability of low income housing! Plus the presence of a parole office which likes to keep 'the boys' close to the office! The argument that parolees should be returned close to the place of offense is very, very weak! When not in the 'tank' felons procreate children who have serious affect upon schools. That particular population of our students is a heavily involved with classroom transiency. It is group through no fault of their own who are constantly being shuffled... the affect of 'classroom transiency' upon test scores does the School district and its stake holders a huge injustice... how do you raise test scores in classrooms where the transiency rate reaches 45% as it did in



the 1990's.\ at the Longwood School? Now, the subject of transiency rates in the classrooms is no longer available on HUSD's website which is an injustice to teachers who take it in the slats for poor test exams! Prior to annexation of territories now within this City, there was a period of time when the Alameda County Planning Commission decisions on multiple housing units were over-riden by Supervisors whose friends included builders of Schlock! I question ABAG'S COUNT SINCE THAT ORGANIZATION PROBABLY DID NOT EXIST WHEN THE SHENNAIGANS WERE GOING ON AT COUNTY LEVEL! IF IT WERE UP TO ME I'D REQUIRE ABAG TO REALLY EXAMINE THE EXISTING HAYWRD INVENTORY AND COMPARE THE SCHLOCK AGAINST THAT WHICH IS FOUND IN PLEASANTON AS ONE EXAMPLE OF FAILURE TO COMPLY! HAVE I RAISED A FEW QUESTIONS WORTH ANSWERS?

49. There just isn't enough available, affordable, safe housing for elders, especially older, single women.
50. Very concerned with this proposal at the South Hayward Bart Station. At this point there is already too many multi dwellings on Dixon. adding any more will cause traffic.
51. A second priority in "expanding the supply of housing" should be new construction of affordable for-sale housing for singles.
52. Weary of slaving of poor, game room, gated communities abound for a few.
53. Eden Avenue had become a public garbage dump for the City of Hayward. People come from miles around to drop off trash (toilets, mattresses, tires, furniture, garbage bags). There are three unauthorized HUGE dumpsters parked on the street.
54. Traffic in downtown and Mission Blvd.
55. Empty dealerships on Mission, property should be re-zoned for housing.
56. Landlord is negligent, property is disheveled, shabby, dilapidated, falling apart. Extremely expensive, overpriced, looking daily to move out. Worst place I have ever rented, most costly, ugly area, (behind, west of BART).
57. Low-income communal housing, mixed – young mothers + disabled + business.
58. Terrible streets, no walking patters or sidewalks; too distant for stores in my neighborhood. I am a therapist with many poor clients who are living in sub-standard or inadequate housing due to a lack of rental assistance for low income people, it's quite desperate for some.

59. Affordable rental housing – near community, allow pets, with personal yard/patio and with individual laundry hookups
60. Real (not fake) affordable housing for seniors (Elders) with quality of life concerns – including allowing companion animals, private garden space (patios, balcony) 100% no smoking on premises. Not warehousing seniors – complexes away from community as Alameda County officials have done – shame on them. *Note Sr. Itsy on Arbor St. and “A” St. – next to freeway, behind gas station, crime neighborhood and no community!
61. Help for the homeless
62. Assistance for homes not selling or foreclosures
63. Drug free city
64. Safety for people, good schools are far from where we live, public transportation are threatened.
65. Make sure homelessness does not increase, TOD – already implemented here – should be a focus, be creative to assist various special needs populations
66. First homebuyers program, free shuttle service around Hayward, especially downtown, more retail shops and restaurants downtown.



4 HOUSING

Hayward General Plan Update

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APPENDIX B: RESIDENTIAL SITES INVENTORY

FIGURE B-2 VACANT LAND INVENTORY CANNERY AREA





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**TABLE B-1
CANNERY AREA SITES INVENTORY**

City of Hayward
January 1, 2014

APN/Site ID	General Plan	Density (units/ acre)	Acres	Zoning	ILR	Maximum Capacity (units)	Realistic Capacity (units) ¹	Existing Use
Lower Income Sites								
Cannery Area Block 21								
431-0040-017-00	City Center - High Density Residential/ City Center - Retail and Office Commercial	40.0-110.0	0.2	CC-R/ CC-C	0.34	657	41	Misc. industrial (improved)
431-0040-033-00			0.33		0.31			Commercial repair garage
431-0040-031-00			0.24		0.79			Commercial repair garage
431-0040-020-02			0.58		0.79			Warehouse
431-0040-022-00			1.07		0.74			Automobile dealership
431-0040-029-00			0.62		0.59			Industrial Light/Manufacturing
431-0040-028-00			0.42		0.02			Warehouse
431-0040-023-00			0.41		0.06			Warehouse
431-0040-024-02			0.33		0.53			Veterinarian Office
431-0040-026-00			0.23		n/a			Commercial repair garage
431-0040-027-00			0.3		0.52			Commercial repair garage
431-0040-021-01			0.27		n/a			Commercial towing company
431-0040-019-00			0.14		0.36			Single family home
431-0040-018-00			0.15		n/a			Single family home
431-0040-032-00			0.4		n/a			Industrial Light/Manufacturing
4310040-030-00			0.29		n/a			Commercial repair garage
Total:			5.98					
Cannery Area Blocks 4,6,8								
431-0109-003-04	High Density Residential	17.4-34.8	8.56	RH	0.71	297	137	Warehouse
Total:			14.54			954	198	

¹ The Cannery Area Design Concept Plan divides the area into blocks and estimates the buildout of each block, as envisioned in the Plan. Blocks 4, 6, and 8 at the warehouse site are envisioned for 30,000 square feet of live/work units and 72 to 92 townhomes. The inventory assumes, as outlined in the Cannery Area Design Plan, that the live/work units will be developed at a density of 30 units per acre for a total of 55 units, and that the average number of 82 townhomes will be developed on the site. Block 21 is envisioned for 36 to 46 multifamily units above commercial. The inventory assumes the average number of 41 units will be developed on the site. Realistic capacity based on unit estimates included in the Plan. The capacity indicated does not limit the development of the sites at a higher density than allowed by the General Plan and/or Zoning.

Source: City of Hayward, 2013; Hayward Cannery Area Design Plan, 2001.



TABLE B-2 MT. EDEN AREA SITES INVENTORY City of Hayward January 1, 2014								
APN	General Plan	Density (units/ acre)	Acres	Zoning	ILR ¹	Maximum Capacity (units)	Realistic Capacity (units) ²	Existing Use
Above Moderate Income Sites								
441-0012-062-02 441-0012-042-00 441-0012-041-00 Total:	Low Density Residential	4.3-8.7	1.79 0.12 <u>0.12</u> 2.03	RS	0.36 0.99 0.85	17	13	3 SF homes
441-0055-015-00	Low Density Residential	4.3-8.7	1.91	RS	n/a	16	12	SF Home
<i>Above Moderate Income Subtotal:</i>			3.94			33	25	
Moderate Income Sites								
441-0083-008-02 441-0083-009-00 Total:	Medium Density Residential and Parks and Recreation	8.7-12.0	2.52 <u>1.00</u> 3.52	PD and OS	n/a	42	36	Vacant, but 1/3 park land dedication for park expansion
441-0065-013-02	Limited Medium Density Residential	8.7-12.0	0.92	RS	0.81	11	8	SF home
441-0068-011-02	Limited Medium Density Residential	8.7-12.0	0.31	RS	n/a	3	2	Vacant
441-0068-032-00 441-0068-033-00 Total:	Limited Medium Density Residential	8.7-12.0	0.33 <u>0.33</u> 0.66	RS	0.68 0.31	7	5	SF home SF home
441-0071-013-02 441-0071-012-00 Total:	Limited Medium Density Residential	8.7-12.0	0.57 <u>0.39</u> 0.96	RS	0.70 0.76	11	8	SF home SF home
441-0071-010-00	Limited Medium Density Residential	8.7-12.0	0.58	RS	0.61	6	5	SF home
441-0077-008-00	Limited Medium Density Residential	8.7-12.0	0.55	RS	n/a	4	3	n/a
441-0077-024-02 441-0077-005-00 441-0077-025-02 441-0077-020-02 441-0077-021-02 441-0077-022-02 Total:	Limited Medium Density Residential	8.7-12.0	0.51 0.98 0.43 0.49 0.71 <u>0.21</u> 3.33	RS	0.28 0.52 0.66 0.30 n/a n/a	39	28	Warehouse 4 SF home Vacant
441-0077-029-00	Limited Medium Density Residential	8.7-12.0	1.04	RM	0.34	12	9	SF home

**TABLE B-2
MT. EDEN AREA SITES INVENTORY**

City of Hayward
January 1, 2014

APN	General Plan	Density (units/ acre)	Acres	Zoning	ILR ¹	Maximum Capacity (units)	Realistic Capacity (units) ²	Existing Use
441-0080-016-00	Medium Density Residential	8.7-17.4	0.41	RM	n/a	6	4	Vacant
441-0087-004-02 441-0087-029-05 441-0087-003-02 Total:	Medium Density Residential	8.7-17.4	0.72 0.35 <u>0.26</u> 1.33	RM	0.42 0.59 0.59	23	17	3 SF homes
441-0087-018-02	Medium Density Residential	8.7-17.4	1.00	RM	0.91	17	13	3 SF homes
441-0095-001-00 441-0095-002-00 441-0095-003-00 441-0095-004-02 441-0095-005-02 Total:	Medium Density Residential	8.7-17.4	0.98 0.97 0.29 0.41 <u>0.52</u> 3.17	RM	n/a 0.54 0.89 0.22 0.62	55	41	Vacant SF home SF home SF home SF home
441-0095-008-02	Medium Density Residential	8.7-17.4	0.96	RM	0.48	16	12	SF home
441-0095-028-10	Medium Density Residential	8.7-17.4	0.20	RM	n/a	3	2	Vacant
441-0100-001-02 441-0100-002-02 441-0100-003-02 Total:	Medium Density Residential	8.7-17.4	1.01 0.99 <u>1.06</u> 3.06	RM	0.56 0.59	52	45	SF home SF home
<i>Moderate Income Subtotal:</i>			22.00			307	238	
Total:			25.94			340	263	



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Figure B-3
Vacant Land Inventory
Mt. Eden Neighborhood





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**TABLE B-3
SOUTH HAYWARD BART AREA SITES INVENTORY**

City of Hayward
January 1, 2014

APN	General Plan	Density (units/acre)	Acres	Zoning	ILR	Maximum Capacity (units)	Realistic Capacity (units)	Existing Use
Lower Income Sites								
078C-0436-010-04	Sustainable Mixed Use	17.5-35.0	0.43	ST-4	n/a	15	5	Vacant
078C-0455-001-03	Sustainable Mixed Use	17.5-35.0	0.32	ST-4	n/a	338	125	Vacant
078C-0455-001-04			4.66		0.23			Junk yard, unpaved parking space for small single-story
078C-0455-001-05			0.15		0.76			One SF home
078C-0455-001-07			0.39		n/a			Marginal commercial use
078C-0455-001-08			4.15		0.41			Marginal commercial use
Total:			9.67					
452-0020-007-06			Sustainable Mixed Use		17.5-35.0			0.98
452-0020-008-00	0.68	0.4						
Total:	1.66							
078C-0455-005-01	Sustainable Mixed Use	17.5-35.0	2.45	ST-4	n/a	154	58	Vacant
078C-0455-005-02			0.58					Vacant
078C-0455-004-00			0.94					Vacant
078C-0455-003-00			0.47					Vacant
Total:			4.44					
<i>Subtotal ST-4 Zoned Sites</i>			16.20			565	209	
078C-0461-006-04	Sustainable Mixed Use	35.0-55.0	1.33	ST-5	n/a	73	54	Vacant
078C-0438-011-02	Sustainable Mixed Use	35.0-55.0	1.34	ST-5	n/an/a	451	171	Vacant
078C-0438-019-01			5.85					Vacant
078C-0438-011-01			1.04					Vacant



**TABLE B-3
SOUTH HAYWARD BART AREA SITES INVENTORY**

City of Hayward
January 1, 2014

APN	General Plan	Density (units/acre)	Acres	Zoning	ILR	Maximum Capacity (units)	Realistic Capacity (units)	Existing Use
Total:			8.23					
078C-0438-013-06	Sustainable Mixed Use	35.0-55.0	0.84	ST-5	n/a	109	50	Vacant
078C-0438-014-00			0.62					Vacant
078C-0438-015-02			0.53					Vacant
Total:			11.99					
<i>Subtotal ST-5 Zoned Sites</i>			<i>11.55</i>			<i>633</i>	<i>275</i>	
Total:			27.75			1,198	484	



Note: Where there is overlap between the 238 Corridor Study Area and the South Hayward BART Specific Plan Area, parcels are inventoried for the South Hayward BART Specific Plan Area.



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TABLE B-4 MISSION BOULEVARD CORRIDOR SPECIFIC PLAN AREA SITES INVENTORY City of Hayward January 1, 2014								
APN	General Plan	Density (units/ acre)	Acres	Zoning	ILR	Maximum Capacity (units)	Realistic Capacity (units)	Existing Use
Moderate-Income Sites								
445-0150-060-00	Sustainable Mixed Use	4.3-17.5	4.57	T3	0.23	79	29	School
445-0220-142-01	Sustainable Mixed Use	4.3-17.5	0.11	T3	n/a	9	4	Vacant
445-0220-003-00			0.06		n/a			Vacant
445-0220-004-00			0.06		n/a			Vacant
445-0020-005-00			0.06		n/a			Vacant
445-0220-006-00			0.06		0.00			Parking lot
445-0220-007-00			0.06		0.00			Parking lot
445-0220-008-00			0.06		0.00			Parking lot
445-0220-009-00			0.06		0.00			Parking lot
Total:			0.53					
<i>Subtotal Moderate Income Sites</i>			5.10			88	33	
Lower-Income Sites								
445-0220-018-00	Sustainable Mixed Use	17.5-35.0	0.12	T4-1	n/a	55	22	Parking lot/vacant
445-0220-017-00			0.14		0.65			One story store
445-0220-016-00			1.32		n/a			Small commercial buildings/parking lot
Total:			1.58					
445-0230-001-00	Sustainable Mixed Use	17.5-35.0	0.65	T4-1	0.20	27	10	Parking lot
445-0230-025-00			0.14		0.13			Commercial garage
Total:			0.79					
445-0230-023-00	Sustainable Mixed Use	17.5-35.0	0.35	T4-1	0.46	36	14	Small commercial
445-0230-022-00			0.35		0.25			Automobile dealership
445-0230-021-00			0.34		0.22			Parking lot
Total:			1.04					
445-0001-001-01	Sustainable Mixed Use	17.5-35.0	0.96	T4-1	n/a	229	91	Vacant
445-0001-004-13			4.64		n/a			Parking lot
445-0001-004-05			0.67		0.26			Service Station
445-0001-003-02			0.30		0.23			Service Station
Total:			6.57					
444-0060-010-00 ¹	Sustainable Mixed Use	17.5-35.0	0.16	T4-1/T4-2	0.08	354	141	Commercial garage
444-0060-011-00 ¹			0.40		0.15			Service station
444-0060-012-02 ¹			1.86		0.25			Automobile dealership



TABLE B-4 MISSION BOULEVARD CORRIDOR SPECIFIC PLAN AREA SITES INVENTORY City of Hayward January 1, 2014								
APN	General Plan	Density (units/ acre)	Acres	Zoning	ILR	Maximum Capacity (units)	Realistic Capacity (units)	Existing Use
444-0060-019-04 ¹ 444-0060-031-00 ¹ 444-0060-030-00 ¹ Total:²			7.43 0.62 0.65 11.12		0.12 0.25 0.10			Automobile dealership Automobile dealership Automobile dealership
444-0078-003-04 ¹ 444-0078-005-02 ¹ 444-0078-006-04 ¹ 444-0078-007-06 ¹ 444-0078-008-05 ¹ 444-0078-010-00 ¹ 444-0078-011-03 ¹ 444-0078-012-02 ¹ 444-0078-019-01 ¹ Total:²	Sustainable Mixed Use	17.5-35.0	2.03 0.75 0.72 1.24 0.72 0.34 1.51 0.20 0.27 7.78	T4-2	0.12 0.22 0.00 0.72 0.15 n/a n/a 0.00 0.00	225	90	Church Church parking lot Parking lot (ILR 1.9?) One story store One story store Vacant Vacant One story office Parking lot
444-0078-007-07 444-0078-008-06 444-0078-015-04 Total:²	Sustainable Mixed Use	17.5-35.0	1.52 0.78 2.13 4.43	T4-2	0.17 0.16 0.67	140	56	Commercial garage Vacant commercial One story store
428-0006-058-01	Sustainable Mixed Use	17.5-35.0	1.11	T4-1	0	38	14	Vacant apartment land
428-0006-069-01	Sustainable Mixed Use	17.5-35.0	0.97	T4-1	0.04	33	12	Parking lot
428-0031-073-01 428-0031-070-00 428-0031-069-01 Total:	Sustainable Mixed Use	17.5-35.0	0.63 0.24 0.86 1.73	T4-1	0.38 0.09 0.08	60	24	Automobile dealership Parking lot Parking lot
428-0036-058-01 428-0036-059-02 428-0036-060-00 Total:	Sustainable Mixed Use	17.5-35.0	0.36 0.34 0.23 0.93	T4-1	0.23 0.60 0.40	31	12	Car wash One story store One story store
428-0031-064-00	Sustainable Mixed Use	17.5-35.0	0.64	T4-1	0.58	22	8	Commercial repair garage
428-0051-024-00	Sustainable Mixed	17.5-35.0	0.21	T4-1	0.97	22	8	Commercial repair garage

TABLE B-4 MISSION BOULEVARD CORRIDOR SPECIFIC PLAN AREA SITES INVENTORY City of Hayward January 1, 2014								
APN	General Plan	Density (units/ acre)	Acres	Zoning	ILR	Maximum Capacity (units)	Realistic Capacity (units)	Existing Use
428-0051-023-00 428-0051-025-00 428-0051-026-00 Total:	Use		0.10 0.15 0.17 0.63		0.25 0.94 0.54			Commercial repair garage Restaurant One story store
444-0060-023-10 ¹	Sustainable Mixed Use	17.5-35.0	2.3	T4-2	0.11	80	32	Automobile dealership
445-0200-012-01 ¹		17.5-35.0	9.80	T4-1	N/A	343	137	Vacant, State Owned
<i>Subtotal Lower Income Sites</i>			52.94			1,695	671	
Mixed-Income Sites								
428-0056-032-00 428-0056-031-00 428-0056-034-00 428-0056-037-00 Total:	Sustainable Mixed Use	17.5-35.0 35.0-55.0	0.51 0.12 0.64 1.52	T4-1 T5	0 0 0.52 0.48	44 13	17 5	Vacant commercial land Vacant commercial land Warehouse Commercial repair garage
428-0051-039-00 428-0051-040-00 428-0051-036-01 428-0051-042-03 428-0051-037-02 428-0051-043-02 428-0051-044-02 428-0051-045-02 Total:	Sustainable Mixed Use	17.5-35.0 35.0-55.0	0.11 0.20 0.28 0.48 0.50 0.11 0.16 0.22 2.06	T4-1 T5	0.21 0.40 0.37 0 0 0 0 0	19 81	8 32 40	Commercial repair garage Commercial repair garage Multiple residential building Service Station Vacant commercial land Vacant commercial land Vacant commercial land Vacant commercial land
428-0011-076-02 428-0011-096-00 428-0011-077-00 428-0011-095-06 428-0011-092-00 428-0011-091-00 428-0011-095-05	Sustainable Mixed Use	17.5-35.0	0.24 0.08 0.16 0.38 0.22 0.48 0.45	T4-1	0.07 0.00 0.00 0.78 0.00 0.16 0.88	70	28	Parking lot Parking lot Vacant commercial Commercial repair Automobile dealership Vacant commercial land Automobile dealership



**TABLE B-4
MISSION BOULEVARD CORRIDOR SPECIFIC PLAN AREA SITES INVENTORY**

City of Hayward
January 1, 2014

APN	General Plan	Density (units/ acre)	Acres	Zoning	ILR	Maximum Capacity (units)	Realistic Capacity (units)	Existing Use
428-0011-090-00 428-0011-095-04	Sustainable Mixed Use	4.3-17.5	0.59 0.18	T3	0.06 0.00	13	5	garage Parking lot
Total:			2.78			83	33	
<i>Subtotal Mixed Income Sites</i>			<i>2.78</i>			<i>240</i>	<i>95</i>	
Total:			58.28			2,023	799	

¹ Parcel is within a commercial overlay zone. Development on these parcels must include commercial on the ground floor of buildings.

² There is a 40 ft. wide slip lane planned that will reduce acreage on these sites. Estimated units are based on an adjusted acreage.



Note: There is overlap between the 238 Corridor Study Area and the Mission Boulevard Corridor Specific Plan Area (MBCSPA), There are two vacant or underutilized parcels and both are included in the MBCSPA data.



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**TABLE B-5
ROUTE 238 STUDY AREA SITES INVENTORY**

City of Hayward
January 1, 2014

APN	General Plan	Zoning	Density (units/acre)	Acres	Maximum Capacity (units)	Realistic Capacity (units)	Notes/Existing Use
Above Moderate-Income Sites							
445-0250-041-01 445-0250-059-01 445-0250-060-00 445-0260-018-01 445-0260-084-01 445-0260-109-01 445-0270-054-02 Total:	Suburban Density Residential	RNP	1.0-4.3	2.82 3.60 5.66 2.23 9.95 4.63 <u>9.54</u> 38.43	165	80	Includes several multifamily buildings. Planned to be grouped, sold, and developed as a single unit, however several subdivided parcels are eligible for tenant purchase.
445-0240-054-00	Suburban Density Residential	RNP	1.0-4.3	0.30	1	1	Vacant
078C-0635-013-01	Low Density Residential	RS	4.3-8.7	0.83	7	5	One SF home
427-0026-040-00	Low Density Residential	RS	4.3-8.7	0.46	4	3	Vacant
427-0026-039-00 (portion)	Low Density Residential	RS	4.3-8.7	0.30	2	1	Vacant parcel; 0.41 acres, 0.30 designated LDR and 0.11 Parks and Recreation;
427-0026-042-00 (portion)	Low Density Residential	RS	4.3-8.7	0.18	1	1	Vacant parcel; 0.68, 0.50 designated Parks and Recreation, 0.18 LDR
427-0036-033-01	Low Density Residential/Medium Density Residential	RS	4.3-8.7	2.09	18	13	15 single family homes but remainder of site is about two acres that can be developed after parcels are created for homes
427-0036-055-01	Low Density Residential	RS	4.3-8.7	3.32	28	21	11 single family homes but remainder is 30,000 square feet that can be developed after parcels are created for homes
427-0046-029-00	Low Density Residential	RS	4.3-8.7	0.98	8	6	Vacant
427-0046-037-00	Low Density Residential	RS	4.3-8.7	0.34	2	2	Vacant



**TABLE B-5
ROUTE 238 STUDY AREA SITES INVENTORY**

City of Hayward
January 1, 2014

APN	General Plan	Zoning	Density (units/acre)	Acres	Maximum Capacity (units)	Realistic Capacity (units)	Notes/Existing Use
427-0046-038-00 (portion)	Low Density Residential	RS	4.3-8.7	1.25	10	8	Vacant parcel; 1.29 acres, 1.25 are designated LDR and 0.04 are Parks and Recreation
445-0070-078-00 (portion)	Low Density Residential	RS	4.3-8.7	3.47	30	22	3.47 acres are Vacant, the rest is Open Space
445-0210-001-01 (portion)	Low Density Residential	RS	4.3-8.7	0.37	3	2	Older commercial use and two single family homes, only 0.37 Vacant.
<i>Subtotal Above Moderate Income</i>				52.32	279	165	
Moderate-Income Sites							
078C-0626-001-07 (portion)	Medium Density Residential	OS RM	8.7-17.4	8.00	139	104	22 acre parcel; 8.00 acres designated MDR. The other 14 acres is Open Space.
078C-0626-003-09 (portion)	Medium Density Residential	OS RM	8.7-17.4	9.25	160	120	22 acre parcel; 9.25 acres designated MDR. The other 5.8 acres is Open Space
078C-0626-003-16	Medium Density Residential	RM	8.7-17.4	1.51	26	19	Vacant
443-0065-007-08 ¹	Medium Density Residential	RM	8.7-17.4	6.07	105	79	Vacant
427-0026-009-00	Medium Density Residential	RM	8.7-17.4	0.19	3	2	Vacant
427-0026-045-00	Medium Density Residential	RM	8.7-17.4	0.21	3	2	Vacant
445-0050-001-07 (portion)	Medium Density Residential High Density Residential	RM RH	8.7-17.4	8.78	152	114	Four single family homes – remainder of parcel is 8.78 acres that can be developed after parcels are created for homes, inventoried for moderate-income units only
415-0180-080-00 415-0180-081-01 415-0180-082-01 415-0180-083-01 415-0180-084-01 415-0190-064-00 Total:	Commercial/High Density Residential	RM	8.7-17.4	0.20	70	52	Vacant
0.96							
0.94							
0.62							
0.44							
0.88							
4.04							
<i>Subtotal Moderate Income</i>				38.05	658	492	

TABLE B-5 ROUTE 238 STUDY AREA SITES INVENTORY City of Hayward January 1, 2014							
APN	General Plan	Zoning	Density (units/acre)	Acres	Maximum Capacity (units)	Realistic Capacity (units)	Notes/Existing Use
Lower-Income Sites							
445-0040-011-03	High Density Residential	RH	17.4-34.8	1.46	50	38	Duplex units on a large property that should be redeveloped
426-0200-014-01	High Density Residential	RH	17.4-34.8	0.99	34	25	Vacant
415-0170-017-00 415-0170-018-00 415-0170-019-00 415-0170-020-00 415-0170-022-00 415-0170-023-00 415-0170-021-00 415-0170-025-00 415-0170-029-02 415-0170-024-00 Total:	Commercial/High Density Residential	CO	17.4-34.8	0.17 0.17 0.17 0.17 0.16 0.17 0.33 0.33 0.16 2.00	69	26	10-unit apartment; older building that could be combined and redeveloped with vacant properties
445-0180-001-00	Sustainable Mixed Use	SMU	25.0-55.0	29.41	1,618	606	Single family home
<i>Subtotal Lower Income</i>				33.86	1,771	695	
Total				124.23	2,708	1,352	

¹ Parcel is located outside the Route 238 Study Area, but is owned by Caltrans and is, therefore, included in the inventory for this area.



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Figure B-6
Vacant Land Inventory
Route 238 Study Area



Hayward City Limits
Route 238 Study Area
Vacant Parcels, Public Agency Owned

Source: Esri, DigitalGlobe, GeoEye, Earthstar (USA), USGS, AeroGRID, IGN, SITA, Imagery, © 2013, Google, and the US Dept. of Commerce



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APPENDIX C: REVIEW OF PAST ACCOMPLISHMENTS

**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
GOAL 1.0 Maintain and enhance the existing viable housing stock and neighborhoods within Hayward.				
<p>Program 1 Housing Rehabilitation Loan Program (HRLP): The Housing Rehabilitation Loan Program provides eligible lower income homeowners with below market-rate deferred loans to correct major health and safety deficiencies and make needed accessibility modifications. This program is intended for larger rehabilitation projects, where necessary repairs cost \$5,000 or more. Loans can be used for the following repair work:</p> <ul style="list-style-type: none"> Repairs needed to bring the property up to building and housing code standards. Code violations will be corrected. General property improvements including painting, flooring and kitchen and bathroom remodeling. Roof replacement, electrical and plumbing repairs. Accessibility renovations and improvements for people who have disabilities or mobility impairments. Room additions where overcrowding is identified. 	<ul style="list-style-type: none"> Continue to provide rehabilitation loans to qualified lower income homeowners. Disseminate information to homeowners regarding rehabilitation standards, preventive maintenance, and energy conservation. Assist 20 lower income households annually. 	Ongoing	<p>In 2009 the City spent approximately \$497,400 and \$359,000 on the MHRG and HRLP Programs respectively, including 74 grants and three loans to assist eligible low-income homeowners with home repairs and upgrades. From 2010 to 2012 the City provided over \$907,600 in HRLP grants and loans using CDBG funds, and 156 low-income homeowners received assistance to upgrade and repair their homes and to conduct lead inspections.</p> <p>The three separate home rehabilitation programs were merged into one program.</p>	Retain program.
<p>Program 2 Minor Home Repair Grant Program (MHRP): The Minor Home Repair Program offers grants up to \$5,000 for minor home repairs to low income elderly and/or disabled homeowners in order to address health and safety problems, correct code deficiencies, and improve the outward appearance of homes. Grants can be used to pay for minor repairs such as correcting leaky faucets, sinks, toilets, and replacing water heaters. Priority is given to work that corrects health and safety issues, and to accessibility modifications for people who have disabilities.</p>	<ul style="list-style-type: none"> Continue to provide rehabilitation grants to qualified lower income elderly and disabled homeowners. Disseminate information to homeowners regarding rehabilitation standards, preventive maintenance, and energy conservation. Assist 50 lower income households annually. 	Ongoing - Subject to CDBG availability	The three separate home rehabilitation programs were merged into one program. See response to Program 1 above.	Retain program.
<p>Program 3 Disability Access Grant and Loan Program: The Disability Access Grant and Loan Program provides below market-rate deferred loans and grants to lower income homeowners for the removal of architectural barriers in a residence to improve accessibility for persons with disabilities.</p>	<ul style="list-style-type: none"> Continue to provide rehabilitation grants and loans to qualified lower income homeowners. Disseminate information to homeowners regarding rehabilitation standards, preventive maintenance, accessibility requirements, and energy conservation. Assist 20 lower income households annually. 	Ongoing - Subject to CDBG availability	The three separate home rehabilitation programs were merged into one program. See response to Program 1 above.	Delete program.
<p>Program 4 Residential Rental Inspection Program: The purpose of the Residential Rental Inspection Program is to safeguard the stock of safe, sanitary rental units within the City and protect persons entering or residing in rental units through systematic inspection of rental housing throughout the City. The program focuses attention on rental housing in higher density areas with the goal of inspecting these units every three to four years. Properties outside the focus area are inspected less frequently, unless they are the subject of a complaint. All rental units are subject to inspection. In addition to an annual, per-unit fee, fees are charged for every unit in which a violation is</p>	<ul style="list-style-type: none"> Continue to perform inspections on residential rental units Citywide. Disseminate information to residents about the mandatory rental inspections, as well as up-to-date information on the City's building, mechanical, plumbing, electrical, and housing codes. Inspect approximately 3,000 rental units annually. 	Ongoing	The City inspected approximately 828 single family homes and 8,845 apartments in over 934 multifamily rental properties from 2009 to 2012.	Retain program.



**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
<p>found. Penalties are also assessed for lack of timely correction of violations.</p> <p>Program 5 Graffiti Abatement "Buster" Program: The Graffiti Buster vehicle offers graffiti abatement services on a one-time courtesy basis for retail/commercial businesses and residential fences and retaining walls that abut the public sidewalk. Staff removes graffiti from municipal property, pedestrian and vehicular overpasses, BART columns, sidewalks, traffic control boxes, and the Amtrak Station. Residents who wish to remove existing graffiti in their neighborhoods can also obtain paint from the Facilities Division to paint over graffiti. Paint is available in six basic colors.</p>	<ul style="list-style-type: none"> Continue to provide graffiti abatement services Citywide. Disseminate information to and get feedback from residents on community appearance, including weeds, signs, junk, graffiti, and vehicles. 	Ongoing	<p>The City owns and operates the Graffiti Buster Vehicle and offers graffiti abatement services on a one-time courtesy basis for retail and commercial businesses and residential fences and retaining walls that abut the public sidewalk. The City also runs a hotline to report graffiti and offers a reward of up to \$500 for any information that leads to the arrest and conviction of a graffiti vandal.</p> <p>The City encourages residents and business owners to be proactive in addressing graffiti and provides information on where they can buy anti-graffiti paint or obtain free paint to cover it.</p>	This program is included in other elements of the General Plan and is not a housing-specific program. Recommend removing program from the Housing Element.
<p>Program 6 Crime Free/Crime Prevention through Environmental Design: The City seeks to provide a safe and decent living environment for all residents. Specifically, the City will promote a crime-free environment through the following efforts:</p> <ul style="list-style-type: none"> The Development Services Department will continue to include the Police Department in the review of all development projects to adequately address crime and safety, and to promote the implementation of Crime Prevention through Environmental Design (CPTED) strategies. Prepare an ordinance that requires CPTED strategies for all new multifamily developments and requires owners of new multifamily rental properties to participate in the Hayward Police Department's Crime Free Multi-Housing program. When providing funding to existing affordable rental housing, require participation in the Hayward Police Department's Crime Free Multi-Housing program. 	<ul style="list-style-type: none"> Prepare ordinance on CPTED strategies for new multifamily developments in 2010. Disseminate information on the City's Crime Free Multi-Housing Program and CPTED strategies. 	Complete/ In Progress/ Ongoing	<p>In 2009 the City's Police Department launched the Crime Free Multi-Housing Program which educates managers and owners of multifamily rental properties on how to address and prevent crime and improve safety. To date, managers from a total of 92 local rental properties have attended the trainings. Currently, there are 13 fully certified properties in the program. The City held a total of 12 eight-hour trainings and 14 two-hour manager trainings between 2009 and 2012.</p> <p>The City plans to adopt an Ordinance that requires CPTED for all new multifamily developments by the end of 2014. The City's Police Department continues to review all development proposals to adequately address crime and safety and to promote CPTED strategies.</p>	Retain program.
GOAL 2.0 Assist in the provision of housing that meet the needs of all socioeconomic segments of the community.				
<p>Program 7 Preservation of At-Risk Housing: Thirteen assisted housing developments, with a total of 679 affordable housing units, in the City are considered at risk of converting to market-rate housing during the planning period of this at-risk analysis (July 1, 2009 through June 30, 2019). The City will monitor all units considered at risk of conversion to market rate and assist property owners in maintaining the affordability of these units.</p>	<ul style="list-style-type: none"> Annually monitor status of the 679 affordable housing units that are at risk of converting to market rate between 2009 and 2019. Ensure that property owners comply with State noticing requirements to notify tenants one year ahead of their intent to terminate subsidy contracts or affordability covenants. Support and assist property owners in applying for State and federal at-risk housing preservation funds. Provide technical assistance to tenants to access other affordable housing resources, such as assistance to tenants of at-risk affordable housing developments by referring them to the Eden I & R's Alameda County Referral Line, a 24-hour telephone line service (211) that provides residents free information about housing, health and social services throughout Alameda County. Currently, this program is partially supported by the City of Hayward with CDBG funding. 	Ongoing	<p>In 2009 the Redevelopment Agency approved a \$1.5 million loan for a local non-profit housing developer to acquire and rehabilitate Tennyson Gardens, a 96-unit rental apartment complex for low-income families. In addition, the City approved the re-funding of existing tax-exempt bonds. This, along with the Agency loan, allowed the new owner to address the immediate and long-term rehabilitation needs of the project, ensuring its long-term affordability and viability.</p> <p>From 2011 to 2013 the City did not acquire at-risk affordable housing, mostly due to the dissolution of Redevelopment which in turn eliminated the main source of funding for the creation, rehabilitation, or preservation of housing affordable to low- and moderate-income households. However, the City's Community Program Specialist (CPS) continued to monitor compliance of owners of affordable properties with income, occupancy, maintenance, and other regulatory restrictions required by funding sources including HOME funds and tax-exempt</p>	Modify program to reflect the loss of redevelopment.

**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
	<ul style="list-style-type: none"> Encourage the sale or transfer of rent-restricted residential developments to non-profit organizations which will agree to maintain the affordability restrictions for the life of the project. As funding permits, provide financial assistance to nonprofit housing developers in the acquisition/rehabilitation of at-risk projects. 		bonds issued by the City.	
<p>Program 8 Foreclosure Prevention and Counseling: Hayward is one of the Alameda County jurisdictions with the largest number of foreclosures, subprime loans, and delinquencies – behind Oakland and Unincorporated Alameda County. Among all the jurisdictions in Alameda County, Hayward had the highest ratio of foreclosures to the total number of outstanding mortgage loans.</p>	<ul style="list-style-type: none"> Include information about foreclosure prevention resources in the housing programs section of the City's website. Post information about the programs available for refinancing at-risk loans, and contact information for legal services agencies and HUD-approved counseling organizations in the area. Provide funds to ECHO Housing (ECHO) or another HUD-approved counseling organization to fund a foreclosure counselor to serve Hayward. Mail residents who receive Notices of Default (NOD's) relevant information about resources available for homeowners facing the loss of their home. Organize foreclosure-prevention seminars for Hayward residents at risk of losing their homes. 	Complete/ Ongoing	<p>The City and mailed approximately 7,360 letters containing foreclosure prevention materials to local residents who received notices of default and notices of trustee sale from 2009 to 2012 and posted several foreclosure-prevention resources on its webpage.</p> <p>In addition, in partnership with real estate agents and a non-profit organization, the City organized 10 foreclosure prevention seminars from 2009 to 2012. The City also provided \$107,140 to a local organization to provide foreclosure prevention counseling.</p>	Retain program. As Needed
<p>Program 9 Purchase, Rehabilitation, and Sale of Foreclosed Properties: Given the high rate of foreclosures in Hayward, the City has developed a program to acquire, rehabilitate, and resell foreclosed properties to lower and moderate income households. The program will likely target properties in ZIP Code 94544 where there is a concentration of foreclosed properties.</p>	<ul style="list-style-type: none"> The City will acquire four properties by June 30, 2010. The City plans to acquire another 16 units by the end of 2011. Work with nonprofit housing developer, Habitat for Humanity to implement program. 	Complete	<p>Working with Habitat for Humanity East Bay, the City of Hayward implemented the acquisition, rehabilitation, and resale of single family foreclosed homes using a \$1.5 million Federal Neighborhood Stabilization Program (NSP)-1 grant from 2008 to 2011. Upon completion of the rehabilitation work, which included energy efficiency upgrades, the homes (nine total) were sold at affordable prices to low and moderate-income households. The homes were located in areas severely affected by foreclosures.</p> <p>As a member of the Alameda County NSP-2 Consortium, the City of Hayward received an additional \$1.5 million of NSP funding. In partnership with Habitat for Humanity, the City used these NSP-2 funds to supplement its NSP-1 Acquisition, Rehabilitation, and Resale of Foreclosed Homes Program. Using NSP-2 funds, the City included 14 additional homes in the Program between 2010 and 2012.</p>	Delete program, as all NSP funds have been allocated.
<p>Program 10 First Time Homebuyer Program: The City of Hayward's First Time Homebuyer Program provides assistance to first-time</p>	<ul style="list-style-type: none"> The program features were restructured in 2009 to take advantage 	Discontinued	From 2007 to 2010 the City spent almost \$2 million on more than 60 loans to moderate-income homebuyers for downpayment assistance.	Delete program.



**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
<p>homebuyers by offering loans up to \$40,000 to qualified low-income homebuyers and up to \$30,000 to moderate-income homebuyers. Applicants may use the funds for down payment and/or closing costs. The program assistance is a 30-year loan which is secured by a deed of trust. Full amortization starts on year six with a 3.5% interest rate. No principal and interest accrue during the first five years.</p> <p>During the first part of 2009, City staff made the following changes to the Program in order to respond to current real estate market conditions:</p> <ul style="list-style-type: none"> The interest rate was fixed to 3.5 percent, as opposed to being tied to the 11th District Cost of Funds Index; A five-year loan payment deferral period was allowed; and <p>The loan amount was increased to \$30,000 to moderate-income homebuyers and \$40,000 to low-income homebuyers.</p>	<p>of current market conditions and expand assistance to increased number of households.</p> <ul style="list-style-type: none"> Continue to provide loans to potential low and moderate income homeowners. Provide 15 to 20 loans annually. 		<p>However, due to the dissolution of Redevelopment, the City discontinued this program. Prior to the stay dictated by the State Supreme Court which effectively froze RDA activities, the City spent \$320,000 on 11 down payment assistance loans for first-time homebuyers. Additionally, during 2012 the City processed 10 subordination requests from lenders which allowed program participants to benefit from lower, and more favorable, interest rates. These lower interest rates, in turn, translated into savings for their households, improving the affordability of the homes for the participants of the City's homeownership programs.</p> <p>The City continues to provide support to participants of the City's homeownership programs and provide information about available resources and financial assistance to potential first-time homeowners.</p>	
<p>Program 11 Mortgage Credit Certificate:</p> <p>The Mortgage Credit Certificate (MCC) program provides the income eligible buyer with an opportunity to reduce the amount of federal income tax otherwise due by an amount equal to 15 percent of the mortgage interest payments at a dollar-for-dollar credit. The remaining 85 percent can be taken as the usual allowable deduction of the itemized return. The result increases the household's overall income and ability to qualify for a mortgage loan. The MCC program provides assistance to first-time homebuyers for the purchase of owner-occupied single family homes, duplexes, townhomes, and condominiums.</p>	<ul style="list-style-type: none"> Continue to participate in the MCC program. Assist the County in promoting the program to eligible homebuyers. 	Ongoing	<p>The City contributes towards the administration costs of the Mortgage Credit Certificate (MCC) program, which is administered by the Alameda County Housing and Community Development Department (HCD). The MCC program allows low- and moderate-income homebuyers to deduct 15 percent of their annual mortgage interest payments on their Federal income tax returns, effectively lowering the dollar amount of their monthly mortgage payments. From 2011 to 2012, 31 Hayward homebuyers obtained an MCC allocation, and the County reissued one MCC in 2011.</p>	Retain program.
<p>Program 12 Tenant-Based Rental Assistance for Emancipated Youth:</p> <p>The City provides funding to Project Independence, a program implemented by ABODE Services to assist emancipated youth in Alameda County (youth from 18 to 24 who have aged out of the foster care system). Most of the participants in this program are single mothers on Cal WORKS with extremely low incomes. In addition to affordable housing, the program provides the youth and their children (if applicable) with comprehensive supportive services. Program participants live in subsidized apartments at scattered rental complexes and participate in case management, education and vocational training, employment placement, financial literacy training, mental and physical healthcare, and other supportive programs.</p>	<ul style="list-style-type: none"> Continue to support Project Independence. Work with ABODE Services to provide a continuum of supportive services for emancipated youth. 	Ongoing	<p>From 2008 to 2012 the City provided almost \$466,500 to Project Independence, a program implemented by a non-profit organization that provides tenant-based rental assistance to emancipated youth, housing 125 Hayward households (mostly single mothers).</p>	Retain program.

**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
<p>Program 13 Affordable Housing Development: The City will work with developers to facilitate affordable housing development. Specifically, as funding permits, the City will provide gap financing as a local match to State (e.g. Proposition 1C), federal, and other public affordable funding sources. Gap financing will focus on rental housing units affordable to lower income households and households with special needs (e.g. seniors and disabled), especially projects that promote the City's goals relating to transit-oriented development and jobs/housing balance. Recent affordable housing developments in the City have included units for extremely low income households (such as Sara Conner Court and Walker Landing). The City will continue to target households at this income level.</p>	<ul style="list-style-type: none"> Assist in the development of transit-oriented housing units affordable to lower income and special needs households through gap financing. Specifically, facilitate the development of 206 senior and family affordable units in the South Hayward BART area; target 33 of the 206 affordable units for extremely low income households (16 family units and 17 senior units). Provide developers with technical support in the application for State, federal, and other funding programs. Facilitate affordable housing development on Redevelopment Agency-owned properties, such as the sites located at A & Walnut (acquired) and B & Grand (targeted for acquisition in FY 2010) by the Agency with set-aside funds. A & Walnut is being considered for housing for persons with disabilities, with the potential to accommodate extremely low income households with disabilities. 	<p>Complete/ Ongoing</p>	<p>The City and its Housing Authority (which is the Housing Successor Agency to the former Redevelopment Agency), in partnership with Eden Housing, Inc. (Eden) and a market-rate developer, have continuously worked to secure the funding necessary for the development of the South Hayward BART station affordable housing development. Due to the housing crisis and the dissolution of Redevelopment by the State of California Legislature in 2011, the project financing, which included a \$7.1 million commitment in Redevelopment Agency Low and Moderate-Income Housing funds ("Low-Mod" funds) has continually evolved. As a result, the 206 affordable units initially planned, was reduced to 151 to include including 87 affordable units to low and very low-income families and 64 affordable units to very low-income seniors. The South Hayward BART mixed use project received a total of \$21 million in Proposition 1C funds: a \$15 million TOD grant and \$6 million through the Infill Infrastructure Grant Program. The TOD grant is a permanent, long-term loan to Eden for the affordable housing, and will be disbursed to Eden upon completion of the affordable development.</p> <p>The City acquired a half-acre site at the corner of B & Grand Avenue. The site was donated to the former Redevelopment Agency by a residential developer to meet part of its Inclusionary obligations in connection with an adjacent market-rate development. The transfer of the site took place on July 6, 2010. Later that year, the City's Housing Authority entered into a Disposition and Development Agreement (DDA) with Eden to develop the site as apartments for seniors to complement the adjacent Hayward Senior Housing, a 60-unit apartment complex affordable to very low-income seniors. The project has several permanent funding sources including the HUD 202 Capital Advance, approximately \$3.9 Million in Low Income Housing Tax Credits, and up to \$5.5 Million in Tax-Exempt Multifamily Housing Revenue Bonds issued by the City.</p>	<p>Retain program.</p>
<p>Program 14 Density Bonus: State law requires the provision of certain incentives for residential development projects that set aside a certain portion of the units to be affordable to lower and moderate income households. The City implements State law through its density bonus ordinance. Under current State law, jurisdictions are required to provide density bonuses and development incentives on a sliding scale, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. The City of Hayward offers a density bonus to developers who agree to construct any of the following:</p> <ul style="list-style-type: none"> Ten percent of total units for lower income households Five percent of total units for very low income households 	<ul style="list-style-type: none"> Continue to use the Density Bonus Ordinance to encourage the development of affordable housing. Develop a brochure describing the Density Bonus Ordinance and distribute to potential developers in order to promote affordable housing development. 	<p>In Progress</p>	<p>The City has not received any density bonus requests.</p>	<p>Retain program.</p>



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Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
<ul style="list-style-type: none"> A senior citizen housing development or a mobile home park Ten percent of total units for moderate income households <p>The amount of density bonus granted varies depending on the percentage of affordable units provided and ranges from five to 35 percent. To obtain a density bonus in Hayward, the developer must submit a Density Bonus Application as well as an Affordable Housing Unit Plan and Agreement to the City. In 2005, the City granted a density bonus of 5 units (10 percent) to the Olson Company for its 56-unit condominium development, Garden Walk.</p>				
<p>Program 15 Green Building Ordinance: Green building refers to a whole systems approach to the design, construction, and operation of buildings and structures that helps mitigate the environmental, economic, and social impacts of construction, demolition and renovation. Green building practices recognize the relationship between natural and built environments and seek to minimize the use of energy, water, and other natural resources and provide a healthy, productive indoor environment. Under the Green Building Ordinance, new structures and additions or remodels of over 500 square feet are required to be Green Point Rated in order to receive a Certificate of Occupancy.</p>	<ul style="list-style-type: none"> Continue to enforce the Green Building Ordinance. Develop possible incentives for affordable housing developers to offset any additional costs that the Green Building Ordinance may add to the cost of housing development. Incentives will be offered as part of the overall incentive package for housing development by July 2011. Develop possible incentives to encourage voluntary compliance with the Green Building Ordinance for all residential project projects by July 2011. Incentives may include financial assistance through the Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) and Alameda County's Green Packages. Develop a guide for alternative features and mechanisms for meeting the Green Building Ordinance by July 2011, if allowed by the new statewide green building code known as CALGreen. 	Complete/ In Progress/ Ongoing	In February 2010 the City developed a Fee-deferral Ordinance to encourage residential developments exempt from the Green Building Ordinance for residential developers to comply voluntarily. Given the changes to CALGreen that will take effect in 2014, there is less need for a local Green Building Ordinance. The energy portions of the City's Green Building Ordinance are still in effect; all other sections of the Ordinance have been repealed and we are deferring to the Cal Green requirements.	Retain program.
GOAL 3.0 Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure.				
<p>Program 16 Provision of Adequate Sites: Through the City's General Plan, Zoning Ordinance, and various concept/design plans, the City offers opportunities for a diverse range of housing options. Specifically, the City maintains an inventory of vacant and underutilized residential and mixed use sites that can accommodate the City's Regional Housing Needs Allocation (RHNA) of 3,393 units. With units constructed, under construction, and approved, the City of Hayward has already met a portion of its RHNA. For the 2009-2014 Housing Element period, the City has a remaining RHNA of 1,506 units: 553 very low income units; 433 low income units; and 520 moderate income units. The City will ensure adequate sites are available to accommodate this remaining RHNA.</p>	<ul style="list-style-type: none"> Maintain a residential sites inventory that can accommodate the City's remaining RHNA of 1,506 units. Update the inventory annually to monitor the consumption of residential and mixed use properties and continued ability to fulfill the RHNA. Begin implementation of the 238 Corridor Bypass Land Use Plan in 2010, coordinating with the provision of public improvements in the area according to the following schedule: <ul style="list-style-type: none"> California Transportation Commission (CTC) rescission of 238 Corridor Bypass project. CTC approval of LATIP no later than June 2010. Hiring of staff to implement program. Program implementation. Start sale/disposition of 238 Corridor properties estimated at 	Complete/ Ongoing	<p>The City began implementing the 238 Corridor Bypass Land Use Plan in 2010. The City completed the programmatic elements of the Lump Sum Stipend and the Opportunity to Purchase Home Program (OPHP) on December 31, 2012.</p> <p>The City continues to update its inventory of vacant and underutilized residential and mixed use sites that can accommodate the City's Regional Housing Needs Allocation (RHNA).</p>	Revise program to reflect the current (2014) RHNA.

**TABLE C-1
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Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
	<p>no later than Fall 2010.</p> <ul style="list-style-type: none"> • Complete programmatic elements of Lump Sum Stipend (LSS) and OPHP. Estimated to be no later than July 2012, since the Opportunity to Purchase Home Program (OPHP) is a two-year commitment. • Assist in land consolidation by providing sites information to interested developers and provide gap financing assistance to nonprofit housing developers. Through redevelopment efforts, coordinate public improvements to facilitate lot consolidation. 			
<p>Program 17 Affordable Housing on Large Sites: To facilitate the development of housing for lower income households on the largest sites identified in the Sites Inventory (i.e., the 24.12-acre site in the 238 Study Area, which has a potential for 964 units), the City will encourage land divisions and specific plans resulting in parcels sizes that facilitate multifamily developments that include units for affordable to lower income households in light of state, federal and local financing programs.</p>	<ul style="list-style-type: none"> • Offer the following incentives for the development of affordable housing, including but not limited to: <ul style="list-style-type: none"> ○ Priority to processing subdivision maps that include affordable housing units; ○ Expedited review for the subdivision of larger sites into buildable lots where the development application can be found consistent with the General Plan, applicable Specific Plan and master environmental impact report; ○ Financial assistance (based on availability of federal, state, local foundations, and private housing funds); and ○ Modification of development requirements, such as reduced parking standards for seniors, assisted care, and special needs housing on a case-by-case basis. 	Ongoing	There were no applications for development on these sites during the previous planning period.	Retain program.
<p>GOAL 4.0 Mitigate any potential governmental constraints to housing production and affordability.</p>				
<p>Program 18 Inclusionary Housing Ordinance: Hayward's Inclusionary Housing Ordinance requires that a certain percentage of new residential developments units be made affordable to low and moderate income households, depending on whether the project is intended as ownership or rental housing. Specifically: <i>Affordable Rental Units:</i></p> <ul style="list-style-type: none"> • 7.5 percent of the units must be affordable to households earning no more than 50 percent of the Area Median Income (AMI). • 7.5 percent of the units must be affordable to households earning no more than 60 percent of the AMI. <p><i>Affordable Ownership Units:</i></p> <ul style="list-style-type: none"> • 15 percent of the units must be made affordable to households earning no more than 120 percent of the AMI for a term of no less than 45 years. <p>To monitor and evaluate the effectiveness of the City's Inclusionary Housing Ordinance, the City has retained a consultant in November 2009 to conduct a study and recommend</p>	<ul style="list-style-type: none"> • Continue to enforce the Inclusionary Housing Ordinance. • Conduct a study by Spring 2010 to: <ul style="list-style-type: none"> ○ Review the Hayward Inclusionary Housing Ordinance and Affordable Housing In-Lieu Fee Resolution. Review best practices for methodology of determining fees. ○ Determine the affordable housing cost differential. ○ Prepare a nexus study to determine the impact of market-rate housing on the need for affordable housing. ○ Analyze the financial costs, benefits, and use of incentives and alternatives to produce affordable housing. ○ As part of the study, consider modifying the Inclusionary Housing Policy to set aside a specific percentage of the Inclusionary Housing Ordinance fees for extremely low income housing. 	Complete/ Ongoing	<p>The City's Inclusionary Housing Ordinance, adopted by the City in 2004, requires that 15 percent of the units in new residential developments be made affordable to low and moderate-income households. The Ordinance applies to both ownership and rental housing developments consisting of 20 or more units. From 2009 to 2012 there were 31 deed restricted homes completed and sold at an affordable price to moderate-income households in Hayward.</p> <p>The City hired a consultant to evaluate the Inclusionary Housing Ordinance and fee requirements by conducting a financial feasibility analysis and a fee nexus study with input from stakeholder organizations. As a result, at the end of 2010 the City adopted an interim relief Ordinance which lowered the in-lieu fees for most housing product types, allowed developers to pay in-lieu fees "by right", and delayed payment of those fees to close of escrow.</p> <p>At the end of 2011, the City also clarified some provisions of the Relief Ordinance, including allowing the application of relief provisions to</p>	Revise program to reflect that the study has been completed.



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Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
<p>modifications to the ordinance if necessary.</p>			<p>developments subject to existing inclusionary agreements but not yet constructed.</p> <p>At the end of 2012 and 2013, the City approved a 12-month and six-month extension, respectively, of the relief provisions through to allow for more time to determine whether the relief provisions are still necessary to stimulate residential construction.</p> <p>Eight inclusionary housing in-lieu fees have been paid to date, totaling \$640,000.</p>	
<p>Program 19 Development Fees and Processes:</p> <p>The City of Hayward charges a variety of fees to offset the costs of providing infrastructure improvements, public facilities, and services to serve new residential development. Fees are necessary to ensure that new residents are adequately served. However, they may also impact the feasibility of residential development especially during the current difficult market conditions.</p> <p>Applicants for Tentative Tract Maps that involve rezoning to a Planned Development District are required to submit a Preliminary Development Plan along with the Tentative Map. The City Council approves the Tentative Map, the Preliminary Development Plan and the rezoning at one time. Subsequently, an applicant is required to submit a Precise Development Plan, which includes more detailed architectural plans, landscape plans and draft improvement plans. The Precise Development Plan is reviewed and approved by City staff and the review process typically takes between three and nine months. Subsequent to approval of the Precise Development Plan, fully developed improvement plans are then submitted and reviewed. The time required to complete the Precise Development Plan/Improvement Plan review process can be considered a governmental constraint.</p>	<ul style="list-style-type: none"> • In February 2010, the City Council approved a package of developer incentives that allow payment of the park dedication in-lieu fee and the supplemental building and construction improvement tax to be deferred to close of escrow. The incentives also include longer time periods before initial development approvals expire and longer approval periods for extensions of approvals. • Hold public meetings in 2009 with builders and developers to obtain input on improving the Precise Development Plan process. Continue to meet bimonthly with developers and builders in 2010. (The City held the first meeting on December 2, 2009.) • As appropriate, amend the Zoning Ordinance and/or City procedures to establish a new Precise Development Plan process within six months of the adoption of the Housing Element. 	<p>Completed/ In Process/ Ongoing</p>	<p>In February 2010 the City Council approved a series of developer incentives that allow payment of the City's park dedication in-lieu fee and the supplemental building and construction improvement tax to be deferred to close of escrow.</p> <p>City staff continues to meet with builders and developers on a bimonthly basis to obtain input on improving the Precise Development Plan (PDP) process.</p>	<p>Modify program to reflect that the City has approved developer incentives, met with builders and developers for input on the PDP process, and is currently developing new internal procedures for processing PDPs.</p>
<p>Program 20 Extremely Low Income and Special Needs Housing:</p> <p>Extremely low income households and households with special needs have limited housing options in Hayward. Housing types appropriate for these groups include: emergency shelters, transitional housing, supportive housing, and single-room occupancy (SRO) units. Pursuant to State law, the City of Hayward's Zoning Ordinance must make provisions for such housing.</p>	<p>Pursuant to State Law, the Zoning Ordinance will be amended, within one year of the adoption of the 2009-2014 Housing Element, to address the following:</p> <ul style="list-style-type: none"> • <i>Emergency Shelters:</i> Pursuant to State Law, amend the Zoning Ordinance to permit homeless shelters with a ministerial permit within the General Commercial (CG) zoning district. Pursuant to State law, the City may establish standards such as: <ul style="list-style-type: none"> ○ Maximum number of beds; ○ Proximity to other shelters; ○ Length of stay; ○ Security and lighting; ○ Counseling services; and ○ Provision of on-site management. <p>The City will ensure that standards established work to facilitate the</p>	<p>In Progress</p>	<p>The City completed the necessary amendments to the Zoning Ordinance to comply with State law pertaining to emergency shelters. The City included appropriate language in the City's two new form-based codes: South Hayward BART, which was adopted in October 2011 and Mission Blvd. Corridor, which will be adopted by the end of 2013. Most of the City's General Commercial (CG) zoning will be replaced with new zoning designations per the Mission Boulevard Corridor Specific Plan and form-based Code. The new code includes an area similar to the CG zone in size and number of parcels that will allow Emergency Homeless Shelters and SROs. The City's Zoning Ordinance permits emergency shelters in the S-T4, M-T4-1, and M-T4-2 zones and conditionally permits emergency shelters in its CG zone.</p> <p>The City revised the citywide Zoning Ordinance to amend the definition of transitional housing to clarify that it shall be treated as a residential</p>	<p>Delete program.</p>

**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
	<p>development of emergency shelters.</p> <ul style="list-style-type: none"> <p><i>Transitional Housing:</i> Pursuant to State law, amend the Zoning Ordinance to address transitional housing and differentiate the different forms transitional housing can take (group quarters versus regular housing developments). For transitional housing facilities that operate as regular housing developments, meeting the Health and Safety Code definition, such uses will be permitted by right where housing is permitted.</p> <p>For transitional housing facilities that operate as group quarters, such facilities will be permitted as community care facilities.</p> <p>Potential conditions for approval of transitional housing for more than six persons in a group quarters setting may include hours of operation, security, loading requirements, noise regulations, and restrictions on loitering. Conditions would be similar to those for other similar uses and would not serve to constrain the development of such facilities.</p> <p><i>Supportive Housing:</i> Pursuant to State Law, amend the Zoning Ordinance to address supportive housing and differentiate the different forms supportive housing can take (group quarters versus regular housing developments). For supportive housing facilities that operate as regular housing developments, meeting the Health and Safety Code definition, such uses will be permitted by right where housing is permitted.</p> <p>For supportive housing facilities that operate as group quarters, such facilities will be permitted as community care facilities.</p> <p>Potential conditions for approval of transitional housing for more than six persons in a group quarters setting may include hours of operation, security, loading requirements, noise regulations, and restrictions on loitering. Conditions would be similar to those for other similar uses and would not serve to constrain the development of such facilities.</p> <p><i>Group Homes/Residential Care Facilities:</i> Pursuant to State Law, amend the Zoning Ordinance to explicitly identify group homes/residential care facilities for six or fewer persons as a regular residential use and permitted by right where residential uses are permitted.</p> <p><i>Single Room Occupancy (SRO):</i> Pursuant to State Law, amend the Zoning Ordinance to permit SROs in the General Commercial (CG) zoning district.</p> <p>City staff will establish relationships with the State agencies that</p> 		<p>use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. The City also revised the South Hayward/BART Mission Boulevard and Mission Boulevard Corridor Form-Based Codes to clarify that large transitional housing facilities shall also be treated as a residential use.</p> <p>The City adopted the Mission Boulevard Corridor Form-Based Code, which conditionally permits SROs in the M-T5 zone.</p> <p>In 2008 the City provided over \$255,000 to different non-profit area organizations to assist individuals and families that are homeless or at-risk of becoming homeless. Programs funded included transitional housing, shelter and on-site case management services, a motel voucher program, and the Alameda County 211 housing and services referral system.</p>	



**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
	regulate group homes, emergency shelters, and transitional and supportive housing facilities to encourage: <ul style="list-style-type: none"> ○ Educational opportunities for City staff to learn about how various housing facilities are regulated; and ○ Training managers/operators of housing facilities in the City's Crime Free Multi-Housing Program. ○ Utilize CDBG funds to support emergency shelters, and transitional and supportive housing programs for the homeless (e.g. Spectrum and Magnolia House) and those who are at risk of becoming homeless. 			
<p>Program 21 Child Care Services and Facilities: The City will consider amending the Zoning Ordinance and/or General Plan to address child care needs associated with new residential development. Specifically, the City will consider the following:</p> <ul style="list-style-type: none"> ● For residential projects over 100 units, estimate expected children and consult with a child care intermediaries such as the Child Care Coordinating Council of Alameda County on corresponding area supply and need for child care. ● Encourage the inclusion of child care space, particularly in affordable housing developments. City staff shall consult with child care intermediaries such as the Child Care Coordinating Council of Alameda County when initiating new proposals for publicly funded projects to develop added incentives for projects that review need for child care. ● Support the provision of child care centers in residential neighborhoods and in new residential projects through policies, planning and coordinated staff support and practice. ● To the extent feasible, encourage applicants for publicly financed projects to consider need for child care and pursue supportive corresponding strategies if warranted, by working with child care intermediaries such as the Resource and Referral agencies. <p>Consider offering incentives for child care inclusion in other projects such as: parking reductions and density bonuses and consider creative mechanisms for supporting the financing of new housing linked child care such as development agreements for child care, public funding of the child care component, and/or other strategies.</p>	<ul style="list-style-type: none"> ● Develop for consideration new requirements, incentives, and policies to facilitate the provision of adequate child care facilities and services associated with new residential development in 2010. 	Incomplete	This program has not yet been implemented.	Retain program.
GOAL 5.0 Promote equal access to housing by educating City residents about fair housing and lending laws.				

**TABLE C-1
EVALUATION OF 2009-2014 HOUSING ELEMENT PROGRAMS**

Program	2009-2014 Objectives	Status	Accomplishments	Recommendation
<p>Program 22 Fair Housing Services: The City of Hayward contracts with ECHO to provide fair housing and tenant/landlord services.</p> <ul style="list-style-type: none"> <i>Fair Housing Counseling and Education:</i> ECHO's Fair Housing Counseling Program conducts site investigations and enforcement in response to reports of housing discrimination complaints, performs audit-based investigations to determine degrees of housing discrimination existing in designated areas, and provides fair housing education for members of the housing industry including managers, owners, and realtors. <p>Tenant/Landlord Counseling and Mediation: ECHO's Tenant/Landlord Counseling Program provides information to tenants and landlords in Southern Alameda County on their housing rights and responsibilities. Additionally, ECHO has trained mediators to assist in resolving housing disputes through conciliation and mediation. The primary objective of the program is to build awareness of housing laws and prevent homelessness.</p>	<ul style="list-style-type: none"> Promote the dissemination of information to alert homeowners about predatory lending practices. Work with Bay East Association of Realtors to ensure that residential real estate agents and brokers adhere to fair housing laws and regulations. Work with tenants, tenant advocates, and rental housing owners and managers to eradicate housing discrimination and to ensure that Hayward's supply of rental housing is decent, safe and sanitary. Promote training for property owners and managers to ensure that they are knowledgeable of the requirements of Federal, State and local real estate, housing discrimination, tenant protection, housing inspection and community preservation laws; and promote training of tenants in the requirements of Federal, State, and local laws so that they are aware of their rights and obligations. 	<p>Ongoing</p>	<p>From 2007 to 2012 the City provided \$203,615 to a local non-profit organization to conduct fair housing activities including an annual audit, tests, investigation of complaints, and fair housing workshops. From 2009 to 2012 the City also provided the organization \$94,840 for landlord-tenant mediation and education services, and over \$14,380 for rental assistance.</p> <p>The non-profit organization funded to conduct fair housing activities also provided tenant/landlord mediation services and administered a rental assistance program on behalf of the City.</p>	<p>Retain program.</p>
<p>Program 23 Universal Design Principles: With 18 percent of the City's household being headed by an elderly person and 21 percent of the population has one or more disabilities, there is a need for accessible housing in the community. However, over 85 percent of the City's housing stock was constructed prior to 1990, before the passage of the Americans with Disabilities Act. Therefore, a significant portion of the City's housing stock is not accessible to persons with disabilities. The City will explore the feasibility of promoting the use of Universal Design Principles in new construction and rehabilitation of housing.</p> <p>Universal Design is the creation of products and environments meant to be usable by all people, to the greatest extent possible, without the need for adaptation or specialization. The intent of Universal Design is to simplify life for everyone by making products, communications and the built environment more usable by as many people as possible at little or no extra cost. Universal Design benefits people of all ages and abilities.</p>	<ul style="list-style-type: none"> Develop an ordinance that promotes the use of Universal Design Principles in new construction and/or rehabilitation of housing by the end of 2010. 	<p>Incomplete</p>	<p>The City has not yet developed a Universal Design Ordinance.</p>	<p>Retain program.</p>

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Senate Bill No. 1069

CHAPTER 720

An act to amend Sections 65582.1, 65583.1, 65589.4, 65852.150, 65852.2, and 66412.2 of the Government Code, relating to land use.

[Approved by Governor September 27, 2016. Filed with Secretary of State September 27, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1069, Wieckowski. Land use: zoning.

The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. That law makes findings and declarations with respect to the value of 2nd units to California's housing supply.

This bill would replace the term "second unit" with "accessory dwelling unit" throughout the law. The bill would additionally find and declare that, among other things, allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock, and these units are an essential component of housing supply in California.

The Planning and Zoning Law authorizes the ordinance for the creation of 2nd units in single-family and multifamily residential zones to include specified provisions regarding areas where accessory dwelling units may be located, standards, including the imposition of parking standards, and lot density. Existing law, when a local agency has not adopted an ordinance governing 2nd units as so described, requires the local agency to approve or disapprove the application ministerially, as provided.

This bill would instead require the ordinance for the creation of accessory dwelling units to include the provisions described above. The bill would prohibit the imposition of parking standards under specified circumstances. The bill would revise requirements for the approval or disapproval of an accessory dwelling unit application when a local agency has not adopted an ordinance. The bill would also require the ministerial approval of an application for a building permit to create one accessory dwelling unit within the existing space of a single-family residence or accessory structure, as specified. The bill would prohibit a local agency from requiring an applicant for this permit to install a new or separate utility connection directly between the unit and the utility or imposing a related connection fee or capacity charge. The bill would authorize a local agency to impose this requirement for other accessory dwelling units.

This bill would incorporate additional changes in Section 65852.2 of the Government Code proposed by AB 2299 that would become operative only

if AB 2299 and this bill are both chaptered and become effective on or before January 1, 2017, and this bill is chaptered last.

By increasing the duties of local officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 65582.1 of the Government Code is amended to read:

65582.1. The Legislature finds and declares that it has provided reforms and incentives to facilitate and expedite the construction of affordable housing. Those reforms and incentives can be found in the following provisions:

(a) Housing element law (Article 10.6 (commencing with Section 65580) of Chapter 3).

(b) Extension of statute of limitations in actions challenging the housing element and brought in support of affordable housing (subdivision (d) of Section 65009).

(c) Restrictions on disapproval of housing developments (Section 65589.5).

(d) Priority for affordable housing in the allocation of water and sewer hookups (Section 65589.7).

(e) Least cost zoning law (Section 65913.1).

(f) Density bonus law (Section 65915).

(g) Accessory dwelling units (Sections 65852.150 and 65852.2).

(h) By-right housing, in which certain multifamily housing are designated a permitted use (Section 65589.4).

(i) No-net-loss-in zoning density law limiting downzonings and density reductions (Section 65863).

(j) Requiring persons who sue to halt affordable housing to pay attorney fees (Section 65914) or post a bond (Section 529.2 of the Code of Civil Procedure).

(k) Reduced time for action on affordable housing applications under the approval of development permits process (Article 5 (commencing with Section 65950) of Chapter 4.5).

(l) Limiting moratoriums on multifamily housing (Section 65858).

(m) Prohibiting discrimination against affordable housing (Section 65008).

(n) California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3).

(o) Community redevelopment law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, and in particular Sections 33334.2 and 33413).

SEC. 2. Section 65583.1 of the Government Code is amended to read:

65583.1. (a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for substantial compliance with this article, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of property to a more intense land use category and increasing the density allowed within one or more categories. The department may also allow a city or county to identify sites for accessory dwelling units based on the number of accessory dwelling units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.

Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

(c) (1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 where the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2). Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

(A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

(B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

(C) Demonstrate that the units meet the requirements of paragraph (2).

(2) Only units that comply with subparagraph (A), (B), or (C) qualify for inclusion in the housing element program described in paragraph (1), as follows:

(A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:

(i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, or the relocation is otherwise provided prior to displacement either as a condition of receivership, or provided by the property owner or the local government pursuant to Article 2.5 (commencing with Section 17975) of Chapter 5 of Part 1.5 of Division 13 of the Health and Safety Code, or as otherwise provided by local ordinance; provided the assistance includes not less than the equivalent of four months' rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been found by the local government or a court to be unfit for human habitation due to the existence of at least four violations of the conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

(ii) The rehabilitated unit will have long-term affordability covenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 20 years or the time period required by any applicable federal or state law or regulation.

(iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.

(B) Units that are located either on foreclosed property or in a multifamily rental or ownership housing complex of three or more units, are converted

with committed assistance from the city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:

(i) The unit is made available for rent at a cost affordable to low- or very low income households.

(ii) At the time the unit is identified for acquisition, the unit is not available at an affordable housing cost to either of the following:

(I) Low-income households, if the unit will be made affordable to low-income households.

(II) Very low income households, if the unit will be made affordable to very low income households.

(iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households or if the acquired unit is occupied, the local government has committed to provide relocation assistance prior to displacement, if any, pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants displaced by the conversion, or the relocation is otherwise provided prior to displacement; provided the assistance includes not less than the equivalent of four months' rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low- or very low income for not less than 55 years.

(vi) For units located in multifamily ownership housing complexes with three or more units, or on or after January 1, 2015, on foreclosed properties, at least an equal number of new-construction multifamily rental units affordable to lower income households have been constructed in the city or county within the same planning period as the number of ownership units to be converted.

(C) Units that will be preserved at affordable housing costs to persons or families of low- or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:

(i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to, and reserved for occupancy by, persons of the same or lower income group as the current occupants for a period of at least 40 years.

(ii) The unit is within an "assisted housing development," as defined in paragraph (3) of subdivision (a) of Section 65863.10.

(iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low- or very low income.

(3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as defined in Section 65584, for low- and very low income households. A city or county shall document for any housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.

(4) For purposes of this subdivision, “committed assistance” means that the city or county enters into a legally enforceable agreement during the period from the beginning of the projection period until the end of the second year of the planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. “Committed assistance” does not include tenant-based rental assistance.

(5) For purposes of this subdivision, “net increase” includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.

(6) For purposes of this subdivision, “the time the unit is identified” means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.

(7) In the third year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), or (C) of paragraph (2) shall report in writing to the legislative body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the specific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision. If, by July 1 of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), or (C) of paragraph (2), the city

or county shall, not later than July 1 of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), or (C) of paragraph (2) in the housing element that it adopts for the next planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

(d) A city or county may reduce its share of the regional housing need by the number of units built between the start of the projection period and the deadline for adoption of the housing element. If the city or county reduces its share pursuant to this subdivision, the city or county shall include in the housing element a description of the methodology for assigning those housing units to an income category based on actual or projected sales price, rent levels, or other mechanisms establishing affordability.

SEC. 3. Section 65589.4 of the Government Code is amended to read:

65589.4. (a) An attached housing development shall be a permitted use not subject to a conditional use permit on any parcel zoned for an attached housing development if local law so provides or if it satisfies the requirements of subdivision (b) and either of the following:

(1) The attached housing development satisfies the criteria of Section 21159.22, 21159.23, or 21159.24 of the Public Resources Code.

(2) The attached housing development meets all of the following criteria:

(A) The attached housing development is subject to a discretionary decision other than a conditional use permit and a negative declaration or mitigated negative declaration has been adopted for the attached housing development under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code). If no public hearing is held with respect to the discretionary decision, then the negative declaration or mitigated negative declaration for the attached housing development may be adopted only after a public hearing to receive comments on the negative declaration or mitigated negative declaration.

(B) The attached housing development is consistent with both the jurisdiction's zoning ordinance and general plan as it existed on the date the application was deemed complete, except that an attached housing development shall not be deemed to be inconsistent with the zoning designation for the site if that zoning designation is inconsistent with the general plan only because the attached housing development site has not been rezoned to conform with the most recent adopted general plan.

(C) The attached housing development is located in an area that is covered by one of the following documents that has been adopted by the jurisdiction

within five years of the date the application for the attached housing development was deemed complete:

- (i) A general plan.
 - (ii) A revision or update to the general plan that includes at least the land use and circulation elements.
 - (iii) An applicable community plan.
 - (iv) An applicable specific plan.
- (D) The attached housing development consists of not more than 100 residential units with a minimum density of not less than 12 units per acre or a minimum density of not less than eight units per acre if the attached housing development consists of four or fewer units.
- (E) The attached housing development is located in an urbanized area as defined in Section 21071 of the Public Resources Code or within a census-defined place with a population density of at least 5,000 persons per square mile or, if the attached housing development consists of 50 or fewer units, within an incorporated city with a population density of at least 2,500 persons per square mile and a total population of at least 25,000 persons.
- (F) The attached housing development is located on an infill site as defined in Section 21061.0.5 of the Public Resources Code.
- (b) At least 10 percent of the units of the attached housing development shall be available at affordable housing cost to very low income households, as defined in Section 50105 of the Health and Safety Code, or at least 20 percent of the units of the attached housing development shall be available at affordable housing cost to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or at least 50 percent of the units of the attached housing development available at affordable housing cost to moderate-income households, consistent with Section 50052.5 of the Health and Safety Code. The developer of the attached housing development shall provide sufficient legal commitments to the local agency to ensure the continued availability and use of the housing units for very low, low-, or moderate-income households for a period of at least 30 years.
- (c) Nothing in this section shall prohibit a local agency from applying design and site review standards in existence on the date the application was deemed complete.
- (d) The provisions of this section are independent of any obligation of a jurisdiction pursuant to subdivision (c) of Section 65583 to identify multifamily sites developable by right.
- (e) This section does not apply to the issuance of coastal development permits pursuant to the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code).
- (f) This section does not relieve a public agency from complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or relieve an applicant or public agency from complying with the Subdivision Map Act (Division 2 (commencing with Section 66473)).

(g) This section is applicable to all cities and counties, including charter cities, because the Legislature finds that the lack of affordable housing is of vital statewide importance, and thus a matter of statewide concern.

(h) For purposes of this section, “attached housing development” means a newly constructed or substantially rehabilitated structure containing two or more dwelling units and consisting only of residential units, but does not include an accessory dwelling unit, as defined by paragraph (4) of subdivision (j) of Section 65852.2, or the conversion of an existing structure to condominiums.

SEC. 4. Section 65852.150 of the Government Code is amended to read:

65852.150. (a) The Legislature finds and declares all of the following:

(1) Accessory dwelling units are a valuable form of housing in California.

(2) Accessory dwelling units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods.

(3) Homeowners who create accessory dwelling units benefit from added income, and an increased sense of security.

(4) Allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock in California.

(5) California faces a severe housing crisis.

(6) The state is falling far short of meeting current and future housing demand with serious consequences for the state’s economy, our ability to build green infill consistent with state greenhouse gas reduction goals, and the well-being of our citizens, particularly lower and middle-income earners.

(7) Accessory dwelling units offer lower cost housing to meet the needs of existing and future residents within existing neighborhoods, while respecting architectural character.

(8) Accessory dwelling units are, therefore, an essential component of California’s housing supply.

(b) It is the intent of the Legislature that an accessory dwelling unit ordinance adopted by a local agency has the effect of providing for the creation of accessory dwelling units and that provisions in this ordinance relating to matters including unit size, parking, fees, and other requirements, are not so arbitrary, excessive, or burdensome so as to unreasonably restrict the ability of homeowners to create accessory dwelling units in zones in which they are authorized by local ordinance.

SEC. 5. Section 65852.2 of the Government Code is amended to read:

65852.2. (a) (1) A local agency may, by ordinance, provide for the creation of accessory dwelling units in single-family and multifamily residential zones. The ordinance shall do all of the following:

(A) Designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted. The designation of areas may be based on criteria, that may include, but are not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

(B) Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, architectural review,

maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places.

(C) Provide that accessory dwelling units do not exceed the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designation for the lot.

(2) The ordinance shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(3) When a local agency receives its first application on or after July 1, 2003, for a permit pursuant to this subdivision, the application shall be considered ministerially without discretionary review or a hearing, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits, within 120 days of submittal of a complete building permit application. A local agency may charge a fee to reimburse it for costs that it incurs as a result of amendments to this paragraph enacted during the 2001–02 Regular Session of the Legislature, including the costs of adopting or amending any ordinance that provides for the creation of accessory dwelling units.

(b) (1) When a local agency that has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives its first application on or after July 1, 1983, for a permit pursuant to this subdivision, the local agency shall accept the application and approve or disapprove the application ministerially without discretionary review pursuant to this subdivision unless it adopts an ordinance in accordance with subdivision (a) within 120 days after receiving the application. Notwithstanding Section 65901 or 65906, every local agency shall ministerially approve the creation of an accessory dwelling unit if the accessory dwelling unit complies with all of the following:

(A) The unit is not intended for sale separate from the primary residence and may be rented.

(B) The lot is zoned for single-family or multifamily use.

(C) The lot contains an existing single-family dwelling.

(D) The accessory dwelling unit is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.

(E) The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.

(F) The total area of floorspace for a detached accessory dwelling unit shall not exceed 1,200 square feet.

(G) Requirements relating to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other zoning requirements generally applicable to residential construction in the zone in which the property is located.

(H) Local building code requirements that apply to detached dwellings, as appropriate.

(1) Approval by the local health officer where a private sewage disposal system is being used, if required.

(2) No other local ordinance, policy, or regulation shall be the basis for the denial of a building permit or a use permit under this subdivision.

(3) This subdivision establishes the maximum standards that local agencies shall use to evaluate proposed accessory dwelling units on lots zoned for residential use that contain an existing single-family dwelling. No additional standards, other than those provided in this subdivision or subdivision (a), shall be utilized or imposed, except that a local agency may require an applicant for a permit issued pursuant to this subdivision to be an owner-occupant or that the property be used for rentals of terms longer than 30 days.

(4) A local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of accessory dwelling units if these provisions are consistent with the limitations of this subdivision.

(5) An accessory dwelling unit that conforms to this subdivision shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use that is consistent with the existing general plan and zoning designations for the lot. The accessory dwelling units shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(c) A local agency may establish minimum and maximum unit size requirements for both attached and detached accessory dwelling units. No minimum or maximum size for an accessory dwelling unit, or size based upon a percentage of the existing dwelling, shall be established by ordinance for either attached or detached dwellings that does not otherwise permit at least an efficiency unit to be constructed in compliance with local development standards. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(d) Parking requirements for accessory dwelling units shall not exceed one parking space per unit or per bedroom. These spaces may be provided as tandem parking on an existing driveway. Off-street parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon fire and life safety conditions. This subdivision shall not apply to a unit that is described in subdivision (e).

(e) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile of public transit.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is part of the existing primary residence or an existing accessory structure.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle located within one block of the accessory dwelling unit.

(f) Notwithstanding subdivisions (a) to (e), inclusive, a local agency shall ministerially approve an application for a building permit to create within a single-family residential zone one accessory dwelling unit per single-family lot if the unit is contained within the existing space of a single-family residence or accessory structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(g) (1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) Accessory dwelling units shall not be considered new residential uses for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service.

(A) For an accessory dwelling unit described in subdivision (f), a local agency shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge.

(B) For an accessory dwelling unit that is not described in subdivision (f), a local agency may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

(h) This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of accessory dwelling units.

(i) Local agencies shall submit a copy of the ordinances adopted pursuant to subdivision (a) to the Department of Housing and Community Development within 60 days after adoption.

(j) As used in this section, the following terms mean:

(1) “Living area” means the interior habitable area of a dwelling unit including basements and attics but does not include a garage or any accessory structure.

(2) “Local agency” means a city, county, or city and county, whether general law or chartered.

(3) For purposes of this section, “neighborhood” has the same meaning as set forth in Section 65589.5.

(4) “Accessory dwelling unit” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one

or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes the following:

(A) An efficiency unit, as defined in Section 17958.1 of Health and Safety Code.

(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

(k) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit applications for accessory dwelling units.

SEC. 5.5. Section 65852.2 of the Government Code is amended to read:

65852.2. (a) (1) A local agency may, by ordinance, provide for the creation of accessory dwelling units in single-family and multifamily residential zones. The ordinance shall do all of the following:

(A) Designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted. The designation of areas may be based on criteria, that may include, but are not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

(B) (i) Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places.

(ii) Notwithstanding clause (i), a local agency may reduce or eliminate parking requirements for any accessory dwelling unit located within its jurisdiction.

(C) Provide that accessory dwelling units do not exceed the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designation for the lot.

(D) Require the accessory dwelling units to comply with all of the following:

(i) The unit is not intended for sale separate from the primary residence and may be rented.

(ii) The lot is zoned for single-family or multifamily use and contains an existing, single-family dwelling.

(iii) The accessory dwelling unit is either attached to the existing dwelling or located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.

(iv) The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.

(v) The total area of floorspace for a detached accessory dwelling unit shall not exceed 1,200 square feet.

(vi) No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

(vii) No setback shall be required for an existing garage that is converted to a accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an accessory dwelling unit that is constructed above a garage.

(viii) Local building code requirements that apply to detached dwellings, as appropriate.

(ix) Approval by the local health officer where a private sewage disposal system is being used, if required.

(x) (I) Parking requirements for accessory dwelling units shall not exceed one parking space per unit or per bedroom. These spaces may be provided as tandem parking on an existing driveway.

(II) Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the jurisdiction.

(III) This clause shall not apply to a unit that is described in subdivision (d).

(xi) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit, and the local agency requires that those offstreet parking spaces be replaced, the replacement spaces may be located in any configuration on the same lot as the accessory dwelling unit, including, but not limited to, as covered spaces, uncovered spaces, or tandem spaces, or by the use of mechanical automobile parking lifts. This clause shall not apply to a unit that is described in subdivision (d).

(2) The ordinance shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(3) When a local agency receives its first application on or after July 1, 2003, for a permit pursuant to this subdivision, the application shall be considered ministerially without discretionary review or a hearing, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits, within 120 days after receiving the application. A local agency may charge a fee to reimburse it for costs that it incurs as a result of amendments to this paragraph enacted during the 2001–02 Regular Session of the Legislature, including the costs of adopting or amending any ordinance that provides for the creation of an accessory dwelling unit.

(4) An existing ordinance governing the creation of an accessory dwelling unit by a local agency or an accessory dwelling ordinance adopted by a local agency subsequent to the effective date of the act adding this paragraph shall provide an approval process that includes only ministerial provisions for the approval of accessory dwelling units and shall not include any discretionary processes, provisions, or requirements for those units, except as otherwise provided in this subdivision. In the event that a local agency

has an existing accessory dwelling unit ordinance that fails to meet the requirements of this subdivision, that ordinance shall be null and void upon the effective date of the act adding this paragraph and that agency shall thereafter apply the standards established in this subdivision for the approval of accessory dwelling units, unless and until the agency adopts an ordinance that complies with this section.

(5) No other local ordinance, policy, or regulation shall be the basis for the denial of a building permit or a use permit under this subdivision.

(6) This subdivision establishes the maximum standards that local agencies shall use to evaluate a proposed accessory dwelling unit on a lot zoned for residential use that contains an existing single-family dwelling. No additional standards, other than those provided in this subdivision, shall be utilized or imposed, except that a local agency may require an applicant for a permit issued pursuant to this subdivision to be an owner-occupant or that the property be used for rentals of terms longer than 30 days.

(7) A local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of an accessory dwelling unit if these provisions are consistent with the limitations of this subdivision.

(8) An accessory dwelling unit that conforms to this subdivision shall be deemed to be an accessory use or an accessory building and shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use that is consistent with the existing general plan and zoning designations for the lot. The accessory dwelling unit shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(b) When a local agency that has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives its first application on or after July 1, 1983, for a permit to create an accessory dwelling unit pursuant to this subdivision, the local agency shall accept the application and approve or disapprove the application ministerially without discretionary review pursuant to subdivision (a) within 120 days after receiving the application.

(c) A local agency may establish minimum and maximum unit size requirements for both attached and detached accessory dwelling units. No minimum or maximum size for an accessory dwelling unit, or size based upon a percentage of the existing dwelling, shall be established by ordinance for either attached or detached dwellings that does not permit at least an efficiency unit to be constructed in compliance with local development standards. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(d) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile of public transit.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is part of the existing primary residence or an existing accessory structure.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle located within one block of the accessory dwelling unit.

(e) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit to create within a single-family residential zone one accessory dwelling unit per single-family lot if the unit is contained within the existing space of a single-family residence or accessory structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(f) (1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) Accessory dwelling units shall not be considered new residential uses for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service.

(A) For an accessory dwelling unit described in subdivision (e), a local agency shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge.

(B) For an accessory dwelling unit that is not described in subdivision (e), a local agency may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

(g) This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of an accessory dwelling unit.

(h) Local agencies shall submit a copy of the ordinance adopted pursuant to subdivision (a) to the Department of Housing and Community Development within 60 days after adoption.

(i) As used in this section, the following terms mean:

(1) “Living area” means the interior habitable area of a dwelling unit including basements and attics but does not include a garage or any accessory structure.

(2) “Local agency” means a city, county, or city and county, whether general law or chartered.

(3) For purposes of this section, “neighborhood” has the same meaning as set forth in Section 65589.5.

(4) “Accessory dwelling unit” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes the following:

(A) An efficiency unit, as defined in Section 17958.1 of Health and Safety Code.

(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

(5) “Passageway” means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.

(j) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit applications for accessory dwelling units.

SEC. 6. Section 66412.2 of the Government Code is amended to read:

66412.2. This division shall not apply to the construction, financing, or leasing of dwelling units pursuant to Section 65852.1 or accessory dwelling units pursuant to Section 65852.2, but this division shall be applicable to the sale or transfer, but not leasing, of those units.

SEC. 7. Section 5.5 of this bill incorporates amendments to Section 65852.2 of the Government Code proposed by both this bill and Assembly Bill 2299. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2017, (2) each bill amends Section 65852.2 of the Government Code, and (3) this bill is enacted after Assembly Bill 2299, in which case Section 5 of this bill shall not become operative.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.



Assembly Bill No. 2584

CHAPTER 420

An act to amend Section 65589.5 of the Government Code, relating to housing.

[Approved by Governor September 21, 2016. Filed with Secretary of State September 21, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2584, Daly. Land use: housing development.

The Housing Accountability Act, among other things, prohibits a local agency from disapproving a housing development project for very low, low-, or moderate-income households or an emergency shelter or conditioning approval in a manner that renders the project infeasible unless the local agency makes specified written findings. The act authorizes an applicant or person who would be eligible to apply for residency in the development or emergency shelter to bring an action to enforce the act.

This bill would, in addition, authorize a housing organization, as defined, to bring an action challenging the disapproval of a housing development pursuant to these provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 65589.5 of the Government Code is amended to read:

65589.5. (a) The Legislature finds and declares all of the following:

(1) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.

(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing projects, reduction in density of housing projects, and excessive standards for housing projects.

(b) It is the policy of the state that a local government not reject or make infeasible housing developments, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, for very low, low-, or moderate-income households, or an emergency shelter, or condition approval in a manner that renders the project infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards, unless it makes written findings, based upon substantial evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a “specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards,

policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible.

(4) The development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) The development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a revised housing element in accordance with Section 65588 that is in substantial compliance with this article.

(A) This paragraph cannot be utilized to disapprove or conditionally approve a housing development project if the development project is proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.

(B) If the local agency has failed to identify in the inventory of land in its housing element sites that can be developed for housing within the planning period and are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584, then this paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed for a site designated in any element of the general plan for residential uses or designated in any element of the general plan for commercial uses if residential uses are permitted or conditionally permitted within commercial designations. In any action in court, the burden of proof shall be on the local agency to show that its housing element does identify adequate sites with appropriate zoning and development standards and with services and facilities to accommodate the local agency's share of the regional housing need for the very low and low-income categories.

(C) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can

accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the congestion management program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) (1) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development.

(2) Nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. However, the development standards, conditions, and policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

(3) This section does not prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the development project or emergency shelter.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) “Housing development project” means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses in which nonresidential uses are limited to neighborhood commercial uses and to the first floor of buildings that are two or more stories. As used in this paragraph, “neighborhood commercial” means small-scale general or specialty stores that furnish goods and services primarily to residents of the neighborhood.

(C) Transitional housing or supportive housing.

(3) “Housing for very low, low-, or moderate-income households” means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to persons and families of moderate income as defined in Section 50093 of the Health and Safety Code, or persons and families of middle income, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

(4) “Area median income” means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(5) “Disapprove the development project” includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved.

(B) Fails to comply with the time periods specified in subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(i) If any city, county, or city and county denies approval or imposes restrictions, including design changes, a reduction of allowable densities or the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the

development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.

(j) When a proposed housing development project complies with applicable, objective general plan and zoning standards and criteria, including design review standards, in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(k) (1) The applicant, a person who would be eligible to apply for residency in the development or emergency shelter, or a housing organization may bring an action to enforce this section. If, in any action brought to enforce this section, a court finds that the local agency disapproved a project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project or emergency shelter. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner who proposed the housing development or emergency shelter, except under extraordinary circumstances in which the court finds that awarding fees would not further the purposes of this section. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency, in which case the application for the project, as constituted at the time the local agency took the initial action determined

to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed approved unless the applicant consents to a different decision or action by the local agency.

(2) For purposes of this subdivision, “housing organization” means a trade or industry group whose local members are primarily engaged in the construction or management of housing units or a nonprofit organization whose mission includes providing or advocating for increased access to housing for low-income households and have filed written or oral comments with the local agency prior to action on the project. A housing organization may only file an action pursuant to this section to challenge the disapproval of a housing development by a local agency.

(l) If the court finds that the local agency (1) acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section and (2) failed to carry out the court’s order or judgment within 60 days as described in subdivision (k), the court, in addition to any other remedies provided by this section, may impose fines upon the local agency that the local agency shall be required to deposit into a housing trust fund. Fines shall not be paid from funds that are already dedicated for affordable housing, including, but not limited to, redevelopment or low- and moderate-income housing funds and federal HOME and CDBG funds. The local agency shall commit the money in the trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. For purposes of this section, “bad faith” shall mean an action that is frivolous or otherwise entirely without merit.

(m) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency. Upon entry of the trial court’s order, a party shall, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner’s points and authorities, (2) by the respondent with respondent’s points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has

been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) This section shall be known, and may be cited, as the Housing Accountability Act.



ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY

Chris Bazar
Agency Director

Agenda Item _____ June 28, 2016

224 West Winton Ave
Room 110

Hayward, California
94544-1215

phone
510.670.5333
fax
510.670.6374

www.acgov.org/cda

June 22, 2016

Honorable Board of Supervisors
Administration Building
Oakland, California 94612

Dear Board Members:

**SUBJECT: ALAMEDA COUNTY GENERAL OBLIGATION BOND
FOR HOUSING: HOUSING PROGRAM**

RECOMMENDATION:

Approve the Program to guide use of the proceeds of the \$580 Million General Obligation Bond for Affordable Housing upon passage by two-thirds of the electorate voting on the Measure in the November 8, 2016 General Election.

DISCUSSION/SUMMARY:

Over the last several months extensive work has been done on the development and refinement of program proposals for the proposed General Obligation Bond for Housing, including numerous stakeholder and other meetings and forums for public input to discuss the bond and to solicit feedback on the proposed bond programs. Staff has presented and taken comments on affordable housing needs and draft programs, and has developed and refined the program proposal, in consultation with County Counsel in conjunction with Bond Counsel.

The program is being forwarded by your Board's Health Committee, which was charged by your Board to oversee the process of developing the housing bond measure and program proposal. The Health Committee held six work sessions between March and June 2016, including its work session on June 21, 2016 at which it considered the attached program proposal.

The bond program proposal responds to critical housing needs across the County with an array of proposed programs eligible to be funded with General Obligation Bond proceeds. It also responds to key themes of stakeholder input and suggestions in a number of ways, including the size of the total bond issuance, the geographic spread of rental housing development funds, vulnerable populations to target for assistance, types of programs to be funded by the bond, and leveraging other sources of local funds which the Board has reserved for addressing affordable housing and homeless needs in our community.

The array of programs includes both homeowner and rental housing programs. Homeowner programs include a first-time homebuyer Down Payment Assistance Loan Program focused on assisting middle-income residents, a Homeowner Housing Development Program to assist low-income residents become homeowners without leaving the County, and a Home Preservation Program focused on existing low-income senior, disabled, and other low-income homeowners to stay in their homes safely and avoid displacement due to changing physical needs or dilapidated conditions. All of these programs will be available countywide and are revolving loan programs.

The rental housing programs includes a countywide Innovations and Opportunity Program designed for a quick response to capture opportunities as they arise in the market, including acquisition of existing apartment buildings to avoid displacement of current low-income tenants, and a Rental Housing Development Program focused on very low- and extremely low-income rental housing development for an array of vulnerable populations including homeless people, seniors, veterans, re-entry, youth aging out of foster care, and low-income workforce households. These funds will be distributed countywide according to a formula as described in the attached program. Additional information on housing needs and these programs is in the attached program description.

SELECTION CRITERIA AND PROCESS:

Detailed program policies and selection criteria and processes for the bond program will be brought to your Board for approval. Specific affordable housing developments to be financed with General Obligation Bond proceeds will be selected and come to your Board for approval after passage of the Bond Measure.

FINANCING:

Expenses related to issuance of the bonds, program delivery and bond-funded programs will be paid out of the proceeds of the bond. There is no Net County Cost as a result of this action.

Very truly yours,



Chris Bazar, Director
Community Development Agency

Attachment

cc: Susan S. Muranishi, County Administrator
Donna R. Ziegler, County Counsel
Steve Manning, Auditor-Controller
Heather M. Littlejohn, Office of the County Counsel
U.B. Singh, CDA Finance Director
Andrea Weddle, Assistant County Counsel
Kai Mander, County Administrator's Office
Theresa Rude, County Administrator's Office
Naomi Hsu, County Administrator's Office

**PROPOSED \$580 MILLION AFFORDABLE HOUSING GENERAL OBLIGATION
BOND PROGRAM SUMMARY
June 28, 2016**

Summary

In November 2016, Alameda County residents will have an opportunity to direct more resources towards addressing a range of critical affordable housing needs by passing a general obligation bond measure. The measure, a \$580 million General Obligation Bond, will create new affordable rental and homeowner housing units and assist existing low-income and vulnerable residents.

Acknowledging Alameda County's well-documented affordability gap for both rental and ownership housing across a range of income levels, the Bond program was developed with extensive input from the community, including 15 formal stakeholder and Board of Supervisor's committee meetings and an on-line survey. The capital investment in housing made possible by the Bond will help to meet the needs of lower income seniors, people with disabilities, homeless, veterans, re-entry, youth aging out of foster care, and low-income working families, while also helping to stabilize existing neighborhoods and increase the livability in every community in the County. Increasing access to safe and affordable housing will, in turn, promote diversity, social equity, and economic vitality – cornerstones that support our thriving County.

The 2016 Affordable Housing Bond proposes two categories of investments, each of which supports housing for Alameda County households at a range of income levels:

- **Affordable Rental Housing Development Programs**
 - Development of new and preservation of existing affordable rental housing units for residents of Alameda County; and
 - Creation of an Innovation & Opportunity Rental Housing Program to promote innovation and capture opportunities as they arise in the market.

- **Affordable Home Ownership Programs**
 - Down Payment Loan Assistance Program to assist middle-income, first-time home buyers to stay in Alameda County;
 - Home Preservation Rehabilitation Program to help low-income homeowners, especially seniors and people with disabilities, to remain safely in their homes; and,
 - Homeownership Development Program to create homeownership opportunities for lower-income residents.

Table 1: Alameda County Program Categories and Target Funding Levels

Alameda County Affordable Housing Bond	
Homeownership Programs	\$120,000,000
<i>Down Payment Assistance Loan Program</i>	\$50,000,000
Homeownership Development Program	\$25,000,000
<i>Home Preservation Loan Program</i>	\$45,000,000
Rental Housing Development Programs	\$460,000,000
<i>Affordable Rental Development</i>	\$425,000,000
<i>Innovations Program</i>	\$35,000,000
Total	\$580,000,000

The Housing Bond will:

- Invest in our local Alameda County communities;
- Develop and acquire housing for a broad range of populations who have an increasingly difficult time finding housing they can afford or affording the housing they currently have including people who are homeless, low-income seniors and disabled homeowners and renters, families and working households, people with disabilities, transition-aged youth, re-entry, veterans, and low and middle-income first-time homebuyers;
- Meet these needs through a range of activities, including development of new multi-family and single-family housing opportunities for rental or ownership, rehabilitation loans to low-income senior, disabled, and other low-income homeowners, down payment assistance for middle-income first-time homebuyers, and acquisition and/or rehabilitation of existing apartment buildings;
- Help people who are struggling with housing costs;
- Help homeless and other vulnerable populations with long-term affordable rental housing; and,
- Help low and middle income Alameda County residents buy homes.

While the Housing Bond will make a significant contribution to meeting the needs of Alameda County’s lower income residents, it alone cannot address all of them. There are a number of other efforts across the County underway. In particular to the County, the Board of Supervisors has also set-aside a minimum of \$5 million annually from funds returning to the County due to the dissolution of Redevelopment Agencies (“boomerang funds”) and is working to use those funds to address needs that the Bond cannot be used for, including a variety of anti-displacement uses for residents at risk of losing their housing.

Fiscal responsibility measures have been incorporated into the Housing Bond proposal including the establishment of an Independent Citizen’s Oversight Committee to ensure that bond proceeds are being spent in compliance with the ballot measure.

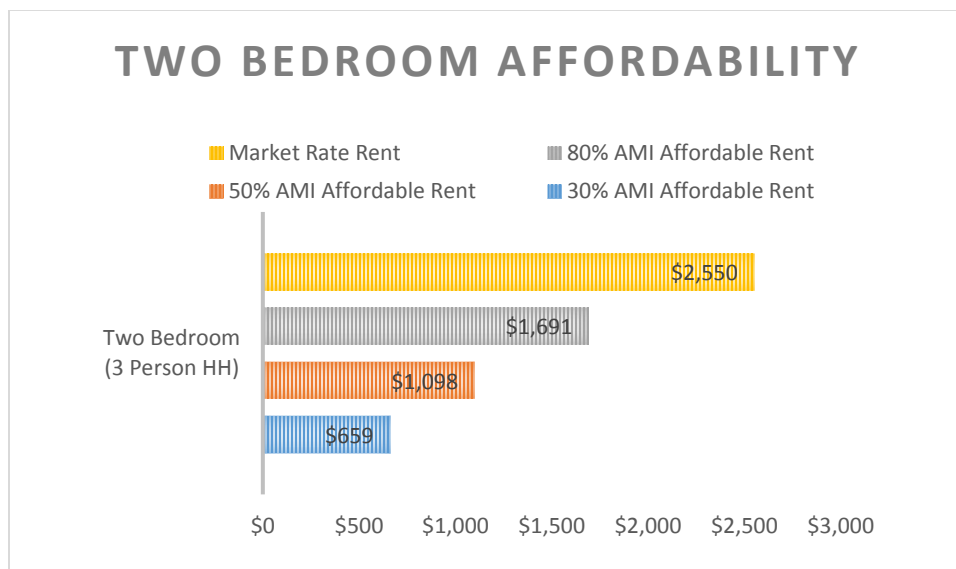
THE NEED FOR MORE AFFORDABLE HOUSING

The well-documented housing affordability gap, which has been growing in the current housing market, makes it a challenge for Alameda County to ensure that economic diversity can be maintained. These high housing costs inhibit healthy, balanced economic growth regionally. Individuals and families are increasingly locked out of the local housing market and forced to take on increasingly long commutes to reach employment. In recent years, the impact of this affordability gap has expanded beyond low- and moderate-income households, which traditionally could benefit from some forms of governmental assistance. Strong housing production and the availability of housing affordable to a wider range of households has therefore become more important than ever.

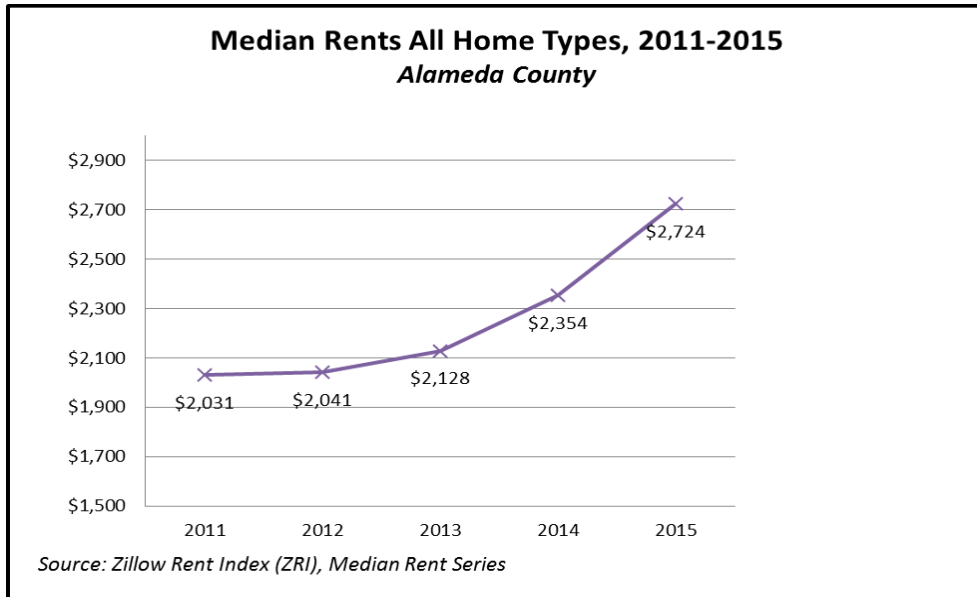
The Housing Bond will help to address the affordability gap, as well as the destabilization that occurs when market pressures in communities result in long-time residents being forced out of the County entirely in order to find housing they can afford.

Affordability Gap – Rental Housing

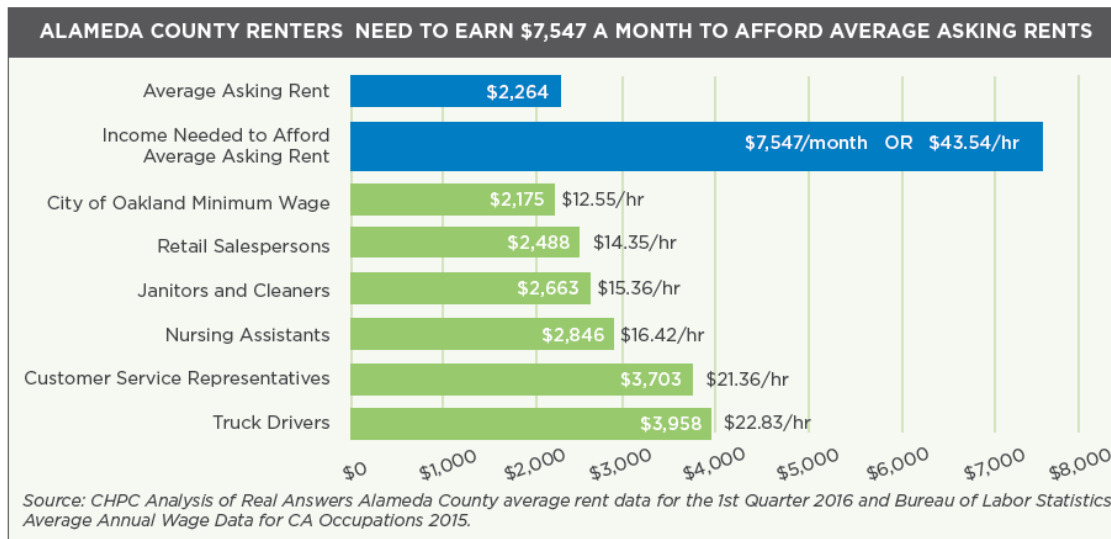
The difference between an affordable housing cost and market-rate housing cost is commonly called the housing “affordability gap.” Alameda County’s housing affordability gap exists for both rental and ownership housing. Low-income and middle-income households face a significant gap between what they can afford and the price of available housing. The illustration below highlights a three person household affordability gap at Extremely Low Income (30% of AMI), Very Low Income (50% of AMI) and Low Income (80% of AMI).



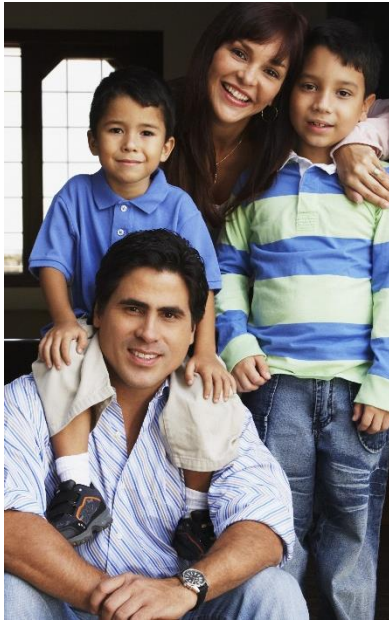
Median rents increased 34% between 2011 and 2015 countywide. While the percentage increases vary by city across the County, the trend line for all jurisdictions in the County mirrors the countywide trend; rapidly increasing rents over the last several years, are shown below.



At the same time that rents are increasing so rapidly, incomes in Alameda County are not keeping up with rapidly increasing rental housing costs. In addition to retired seniors and people with disabilities receiving Social Security Income (SSI), many working households do not earn high enough wages to afford housing in our communities. A sample is shown in the chart below to illustrate this point:

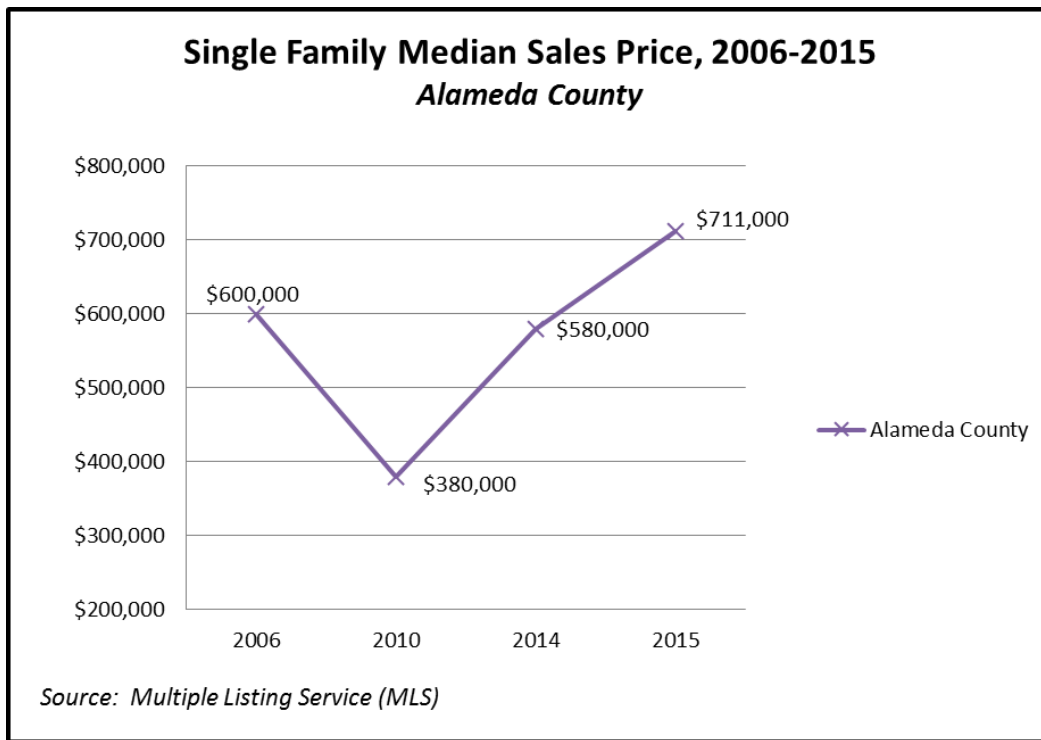


High and rising rental housing costs are especially difficult for the lowest-income populations and other vulnerable populations in Alameda County, including the over 4,000 people who are homeless every night across Alameda County. Almost 30% of very-low and 73% of extremely low-income households in Alameda County spend more than half of their incomes on rent. There is a shortfall of over 60,000 homes affordable to very low- and extremely low-income households in Alameda County.



The Affordability Gap – Homeowner Housing

Home purchase prices have also been rising extremely quickly, putting homeownership out of reach for even many middle income and above households. When these households cannot afford to purchase homes, they either stay in the rental market, reducing the number of units which would otherwise be available to households with less income, or move out of their communities and even out of the County in order to find homes they can afford. Across the County, home sales prices are exceeding the pre-recession prices. In terms of prices, this segment of the market has fully recovered from the recession, as shown by the graph below:



Projected Future Housing Needs

The documented housing affordability gap and excessive housing cost burdens highlight current Alameda County residents' need for more affordable housing. At the same time, the County must also grapple with the need to accommodate the future housing demands of an increasing

population. The Association of Bay Area Governments (ABAG) provides estimates of housing need through its Regional Housing Need Assessment (RHNA), which is conducted every 7 years. Limited funding resources and the high cost of housing development mean that the County's supply of affordable housing will be challenged in order to keep pace with future demand. This is especially true and acute for Extremely Low-, Very low-, Low-, and even Moderate-income households. The Extremely Low-Income housing need is estimated at half of the Very Low-Income need shown in the table below. The table below summarizes the RHNA allocations for each jurisdiction within Alameda County for the period of 2013 through 2021.

Alameda County Regional Housing Needs Allocation					
Alameda County	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Alameda	444	248	283	748	1,723
Albany	80	53	57	145	335
Berkeley	532	442	584	1,401	2,959
Dublin	796	446	425	618	2,285
Emeryville	276	211	259	752	1,498
Fremont	1,714	926	978	1,837	5,455
Hayward	851	480	608	1,981	3,920
Livermore	839	474	496	920	2,729
Newark	330	167	158	423	1,078
Oakland	2,059	2,075	2,815	7,816	14,765
Piedmont	24	14	15	7	60
Pleasanton	716	391	407	553	2,067
San Leandro	504	270	352	1,161	2,287
Union City	317	180	192	417	1,106
Alameda County Unincorporated	430	227	295	817	1,769
Total	9,912	6,604	7,924	19,596	44,036

Source: Association of Bay Area Governments (ABAG) 2013

Affordable Housing Subsidies

In the same period of rapidly escalating housing prices and increased housing cost burden, sources of financing for affordable housing development have been significantly reduced. The elimination of Redevelopment Agencies in 2011 caused a countywide loss of \$60 Million or more annually in funds specifically for affordable housing. Between 2008 and 2013, there was an overall decrease of 89% in State and Federal funding for affordable homes in Alameda County. This loss of funding has only exacerbated the affordability crisis. The County continues to advocate for increased investment in affordable housing at the State and Federal levels, but it is clear that local solutions are also needed.

Impacts of the Housing Affordability Crisis:

The impacts of the housing crisis affect every community across Alameda County.

- As housing is increasingly unaffordable, especially for very low and extremely low income people, long-term residents are forced to move out of neighborhoods and communities where they have lived, worshipped, worked, and have family and community ties.
- As people move further away, traffic congestion impacts occur, especially from commuters to work.
- When households spend over half of their incomes on housing costs, they have significantly less money to pay for other necessary expenses such as childcare, medical expenses, and food, which also decreases income to non-housing segments of the local economy.
- Homeless is increasingly visible across our communities, and there are also increases in the ‘hidden homeless’ such as families living in cars and young people aging out of foster care who are moving from couch to couch trying to stay sheltered.
- Local businesses face an increasingly difficult time attracting and retaining needed employees. Recent news articles have highlighted restaurants unable to find servers and school districts losing teachers as they take jobs in communities where they can afford to live. Even local hospitals have reported being less able to attract M.D. residents, doctors, nurses and other essential health care workers. Economic Development and business associations have named high housing costs as one of their top priorities.

PROGRAM DESCRIPTION

As mentioned above, the programs to be funded by the Bond were developed in response to critical housing needs across Alameda County and with significant community and stakeholder review and input. Community input and feedback was obtained through over 15 public meetings, including two widely publicized stakeholder meetings, eight Town Hall meetings held by the Board of Supervisors in each of the five districts across the County, and six Board committee meetings. Comments received at these meetings was augmented by an on-line survey available to the public, as well as letters and emails submitted to the County between March and early June 2016.

Criteria Used for Development of the Bond Program

The components of the Bond Program are designed to meet the following key criteria:

- Eligible uses of G.O. Bond proceeds:** Bond-funded programs must be eligible for this type of financing, which means that they must be related to the acquisition or development of real property. Rental subsidies and housing operating subsidies, for example, are not eligible uses of bond proceeds.
- Addresses critical housing needs:** Programs are designed to address some of the most critical housing needs across the County.

- ❑ **Cost effective to administer:** Costs will be kept to only those reasonable and necessary costs to deliver the programs and ensure that the funds are used as described. A Citizens' Oversight Committee will be established to ensure that bond proceeds are being spent in compliance with the ballot measure.
- ❑ **Assures all parts of the County benefit:** The range of programs are designed to be effective in the variety of urban and suburban communities in Alameda County. The allocation formula for the Rental Housing Development Loan fund ensures that each community is assured of a base level of funding to serve its residents, as well as the ability to draw on other regional and countywide pools of funding.
- ❑ **Builds on successful program models within Alameda County and elsewhere, while allowing for innovation and creativity:** There are many examples of successful programs to address housing needs for vulnerable residents and first-time middle-income homebuyers. Providing additional funds to continue successful models and bring them to scale will maximize efficiency and effectiveness of the programs. At the same time, changing conditions requires the ability to be creative and responsive as new needs and possible innovative solutions arise.
- ❑ **Leverage other funds where possible:** Bond funds will be used to bring other affordable housing funds into our County to meet needs. Successfully competing for State and Federal housing funds requires local investment.

Program Categories

The 2016 Affordable Housing Bond proposes two categories of investments, each of which supports housing for Alameda County households at a range of income levels, with several programs under each category:

- **Affordable Home Ownership Programs**
 - Down Payment Loan Assistance Program: to assist middle-income first-time homebuyers to stay in Alameda County;
 - Home Preservation Rehabilitation Program: to help low-income homeowners, especially seniors and people with disabilities, to remain safely in their homes; and,
 - Homeownership Development Program: to create homeownership opportunities for lower-income residents.
- **Affordable Rental Housing Development Programs**
 - Rental Housing Development Fund: financing for the development of new and preservation of existing affordable rental housing units for low income residents; and

- Innovation and Opportunity Fund: creation of an Innovation & Opportunity Rental Housing Program to promote innovation and respond quickly to capture opportunities as they arise in the market.

Each of these programs is described in more detail below.

Homeownership Programs

There are three components included in the bond-financed homeownership programs with a target total allocation of \$120 Million. All three programs are deferred-payment loans that are due upon sale or transfer of the home. In this way, there are no monthly loan payments which add to the housing cost burden of the households served, and the funds are returned to the program when the house is sold so that they can be used to benefit other eligible homebuyers and homeowners. If the home is sold to an eligible household, the loans can stay on the property instead of being repaid, if approved by the County. All three programs will be available countywide, on a first-come, first-served basis for eligible households.

Down Payment Assistance Loan Program:

The goal of this component of the bond program is to assist middle-income working households to purchase homes and stay in Alameda County, instead of having to move to outlying areas in order to afford a home. The target funding allocation is a total of \$50 Million over the course of the bond program.



Program Parameters:

The target population for this program is first-time homebuyers, as defined by the IRS, with household incomes at or below 120% of Area Median Income (AMI). A maximum income level of 150% of AMI will allow for flexibility over the life of the program to ensure that the program can assist homebuyers across the County and to allow for dual-income target population households to benefit from the program. These income caps include many types of employment, such as teachers, electricians, emergency medical technicians and others.

In addition, the program will include design features to encourage current Alameda County residents to purchase homes near where they work, or in proximity to transit that can take them to work. The County is working with legal counsel towards creating design features towards also allow former Alameda County residents who have been displaced due to foreclosure or rising housing costs to benefit from the program. The program will also include

design features to benefit teachers, other local educators, and critical first responders to live in the communities in which they work.

This program is modeled after a successful San Francisco loan program which has been in place for many years and which has been approved by Fannie Mae, FHA, and first mortgage lenders, which will allow the program to be up and running quickly. It is a shared-appreciation, silent-second mortgage that can provide up to 15% of the purchase price towards the down payment, with the home purchaser providing the remaining 5% (3% of their own funds minimum). There is no interest rate on the loan and no monthly payments to add to housing cost burden. When the home is sold or transferred to anyone other than an approved, income-eligible household, the loan is paid back along with the same percentage share of the net appreciation equity. This allows the funds to revolve and serve other households as the sales prices in the market rise, while also allowing the homeowner to benefit from a share of the appreciated price. The homes purchased with these loans will be monitored to ensure that they remain owner-occupied.

Home Preservation Loan Program:



The goal of this component of the bond program is to assist Low-Income Seniors, People with Disabilities, and other low-income homeowners to remain safely in their homes. The target funding allocation is a total of \$45 Million over the course of the bond program.

Program Parameters:

The target population for this component is low-income seniors, people with disabilities and other homeowners with incomes at or below 80% of Area Median Income. The program will provide home inspections and technical assistance, along with loans to pay for accessibility improvements, such as grab bars, ramps, and widened doorways, and other housing rehabilitation such as roofs, electrical and plumbing systems improvements, allowing the household to remain safely in the home and not become displaced either due to the home no longer being accessible to them or due to deteriorated conditions.

The funds will be provided in the form of 0% to low-interest deferred loans. There will be no payments on the loans while the low-income household remains living there, so the loan will not add to the housing cost burden. When the home is sold or transferred to anyone other than an approved, income-eligible buyer, the loan and interest due are repaid and the funds will be recycled to assist another low-income homeowner.

Low-Income Homeowner Housing Development Program

The goal of this component of the bond program is to assist in the development and long-term affordability of homeownership housing for Low-Income households to become first-time homebuyers, while remaining in the County. The target funding allocation is a total of \$25 Million over the course of the bond program.



North Oakland Homeownership Development, RCD

Program Parameters:

The target population for this component is low-income, first-time homebuyers who are residents of Alameda County and have incomes at or below 80% of Area Median Income. This income cap includes many types of employment, such as child care workers, medical lab technicians, truck drivers, mechanics, and others, as well as some retired senior households.

The program may involve a sweat-equity or other contribution requirement on the part of the homebuyer households. The County is working with legal counsel towards creating design features to allow former Alameda County residents who have been displaced due to foreclosure or rising housing costs to benefit from the program.

The Low-Income Homeowner Housing Development Program will provide construction loans to eligible nonprofit developers to help construct or acquire and rehabilitate homes for sale to low-income qualified households. The construction loans will be converted to down payment assistance loans when the home is purchased by an eligible household. These loans will be structured similar to the Down Payment Assistance Loan Program loans described above. They will be shared-equity, deferred payment loans with no monthly payment to add to housing cost burden and only due if or when the home is sold or transferred to an ineligible buyer.

Rental Housing Programs

There are two components included in the bond-financed rental housing programs with a target total allocation of \$460 Million. The larger of the two programs will have specific target allocations of funds for each city and each region of the County. The smaller program will be available on a countywide basis to respond to eligible opportunities.

Rental Housing Development Program:

The goal of this component of the bond program is to assist in the creation and preservation of affordable rental housing for vulnerable populations, including low-income workforce housing. The target funding allocation is a total of \$425 Million over the course of the bond program.



Program Parameters:

This program includes a variety of target populations. It is expected that the majority of housing units will serve very low-income households with incomes between 30% to 60% of Area Median Income. This income level includes cooks, retail sales clerks, preschool teachers, and plumber assistants, among others. A portion of the funds may be allowed to

subsidize units for households at or below 80% of AMI, to create affordable housing for a mix of lower-income levels within developments. The program also includes a target that at least 20% of the units will be matched with operating subsidies and reserved for extremely low-income households at or below 20% of Area Median Income. This income level includes homeless households, and seniors and people with disabilities on Social Security Income (SSI), and others.

Uses of funds in this component will be flexible, within the parameters of eligibility for use of general obligation bond proceeds, including predevelopment and development financing (including construction period and permanent financing) for new construction, acquisition, rehabilitation to create or preserve affordability. A city may decide to use a portion of its base allocation of funds to finance the development of interim crisis or transitional housing for homeless populations, provided that operating and services

Criteria for selection of developments to be financed under this component of the bond program will include leveraging other sources of affordable housing financing, including State, Federal, and other local subsidy sources. In addition, financed developments must include a financial contribution from the city in which they are located. The County will develop specific criteria for this financial contribution level, in consultation with the cities, to ensure feasibility. Developments financed must remain affordable for no less than 55 years.

Selection criteria will also include priority for one or more of the following target populations within the income limits described above:

- Homeless people, including individuals and families, chronically homeless people with disabilities and other homeless populations
- Seniors
- Veterans
- People with disabilities, including physical and developmental disabilities and mental illness
- Re-entry
- Transition age youth aging out of foster care
- Lower-Income Workforce

Geographic Allocation

Funds in the Rental Housing Development Program will be distributed across the County in two ways, based on formulas which take into account different levels of need in various parts of the County as well as ensuring that funds are available to address needs in each city, including the Unincorporated County. The geographic allocation model used creates a minimum allocation of funds for use in each city and also creates regional funding pools which can be drawn on to support developments located anywhere in that region of the County.

The city allocations were based on using an average of each city's percentage of the County's assessed property value and that city's percent of the County's total population.



Carmen Street Apartments, Livermore, SAHA Housing

The basis for allocations of funds to the regional funding pools is an average of the region's percent of people living in poverty and the percent of Regional Housing Needs Allocation (RHNA) for Very Low- and Low-Income housing, as developed by the Association of Bay Area Governments for the current planning period. This combination accounts for both current need and projected near-future need for the lowest-income vulnerable populations.

The County will administer the funds in both the regional pools and the city base allocations, working in cooperation with the cities. Developments financed with Bond funds must have the support and approval of the cities in which they are located, including financial support as described above. The table below contains the resulting funding allocations using the formulas described above.

Rental Housing Development Program Funds		\$225 Million to City Base Allocations
Base City Allocations		
Alameda city		\$10,370,727
Albany city		\$2,588,918
Berkeley city		\$15,796,369
Dublin city		\$8,831,465
Emeryville city		\$2,799,109
Fremont city		\$33,264,459
Hayward city		\$20,298,294
Livermore city		\$12,722,700
Newark city		\$6,029,275
Oakland city		\$54,803,565
Piedmont city		\$2,431,300
Pleasanton city		\$13,720,684
San Leandro city		\$11,907,775
Unincorporated		\$19,671,892
Union City city		\$9,763,468
Alameda County Total		\$225,000,000

Allocations based on average of % AV & % Total Population, with minimum no less than original projections.

Rental Housing Development Funds			\$200 Million to Regional Pools
Regional Pools Allocated by:	% of Total	Need - Blend of Poverty and RHNA LI&VLI	
North County	44.7%	\$89,325,065	
Mid County	24.9%	\$49,803,134	
East County	13.7%	\$27,332,372	
South County	16.8%	\$33,539,429	
Alameda County Total	100.0%	\$200,000,000	

No Co: Albany, Berkeley, Emeryville, Oakland, Piedmont

Mid Co: Alameda, Hayward, San Leandro, Unincorporated

East Co: Dublin, Livermore, Pleasanton

South Co: Fremont, Newark, Union City

Rental Housing Innovation and Opportunity Fund:

The goal of this component of the bond program is to support the ability for affordable housing developers to respond quickly to opportunities that arise in the market, to preserve and expand affordable rental housing and prevent displacement of current low-income tenants. The target funding allocation is a total of \$35 Million over the course of the bond program.

Program Parameters:



Cottonwood Apartments, Fremont, Eden Housing

The housing developed under this component must meet the requirements of the Rental Housing Development Program described above, however the program will be administered differently to allow for rapid response to market opportunities and to allow for flexibility and innovation, within the general obligation bond and program requirements. These funds will be available on a countywide basis, to enable the program to respond to opportunities that arise throughout the County.

One use of funds under this program component will be the creation of a rapid-response, high-opportunity site acquisition and predevelopment loan program under which pre-qualified developers can apply for quick-turnaround, relatively small loans, to secure properties for purchase. These properties can include, for example, vacant land, existing apartment buildings, or motels that can be converted to housing, that become available for sale in the market. If existing, occupied apartment buildings are acquired, lower-income qualified current residents will not be displaced, but rather the buildings may be renovated if needed and affordable rents either maintain or instituted.

Funding under this component may also be used to develop other innovative, bond-qualified programs that serve the same needs as the Rental Housing Development Program, allowing flexibility to develop creative responses to community needs and changing conditions in the housing market.

IMPLEMENTATION

The County has significant experience in implementing these types of programs efficiently and effectively. The Housing and Community Development Department of the County's Community Development Department has successfully financed over 90 multi-family affordable rental housing projects, assisted over 5,000 first time home buyers over a 30 year period with Mortgage Credit Certificates, and created and implemented an affordable acquisition/rehabilitation homeownership program.

The County will evaluate programs as they are designed, implemented, and delivered, to ensure effectiveness. This information will be considered annually and program modifications will be made as appropriate, based on this evaluative data.

Attachment

Persons in Household	Extremely Low		Very Low		Low	Median	Moderate
	20%	30%	50%	60%	80%	100%	120%
1	\$13,660	\$20,500	\$34,150	\$40,980	\$52,650	\$68,300	\$81,960
2	\$15,600	\$23,400	\$39,000	\$46,800	\$60,150	\$78,000	\$93,600
3	\$17,560	\$26,350	\$43,900	\$52,680	\$67,650	\$87,800	\$105,360
4	\$19,500	\$29,250	\$48,750	\$58,500	\$75,150	\$97,500	\$117,000

Effective March 2016

Adjusted annually

Based on HUD Extremely (30%), Very Low (50%) and Low (80%) Income limits

Alameda County Housing and Community Development, April 2016



ALAMEDA COUNTY
Community Development Agency

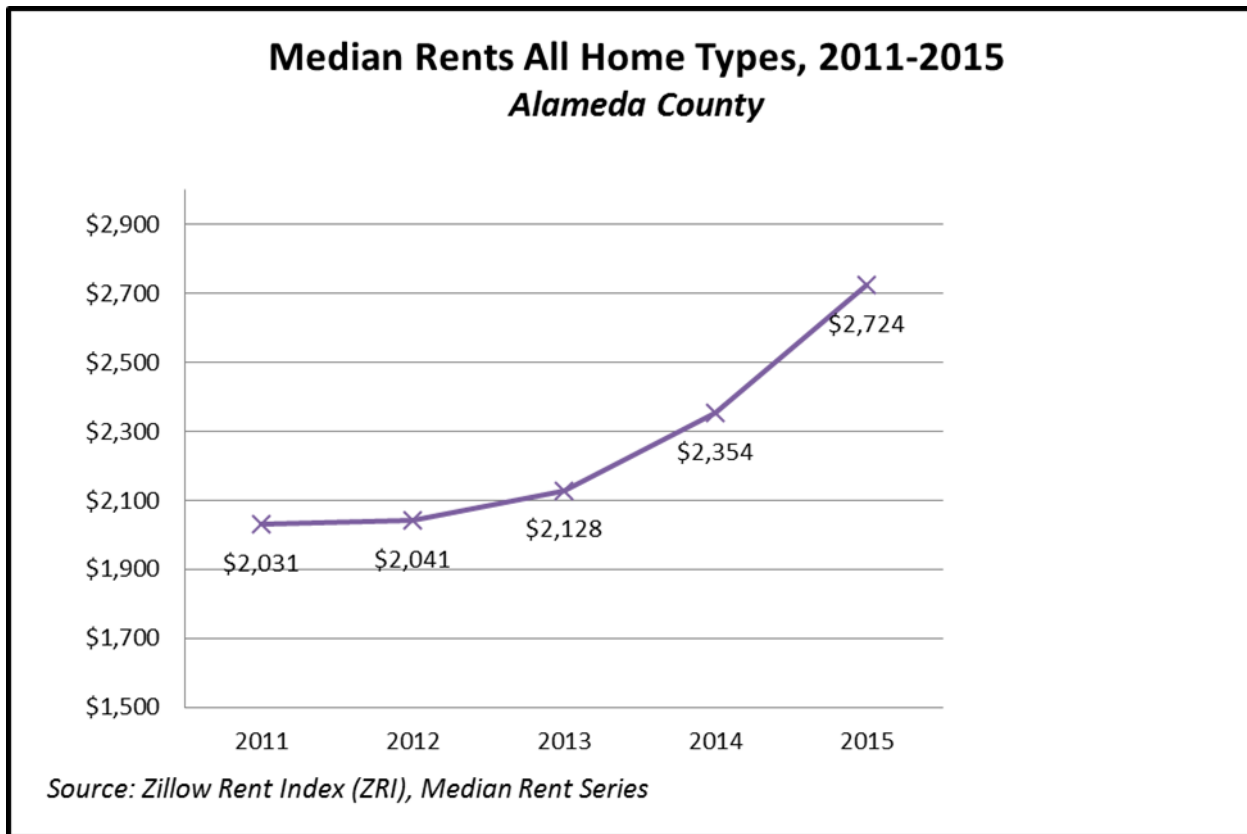
PROPOSED ALAMEDA COUNTY HOUSING BOND: OVERVIEW

June 28, 2016 Board of Supervisors

Affordable Housing Crisis

2

Rapidly Increasing Rents Countywide

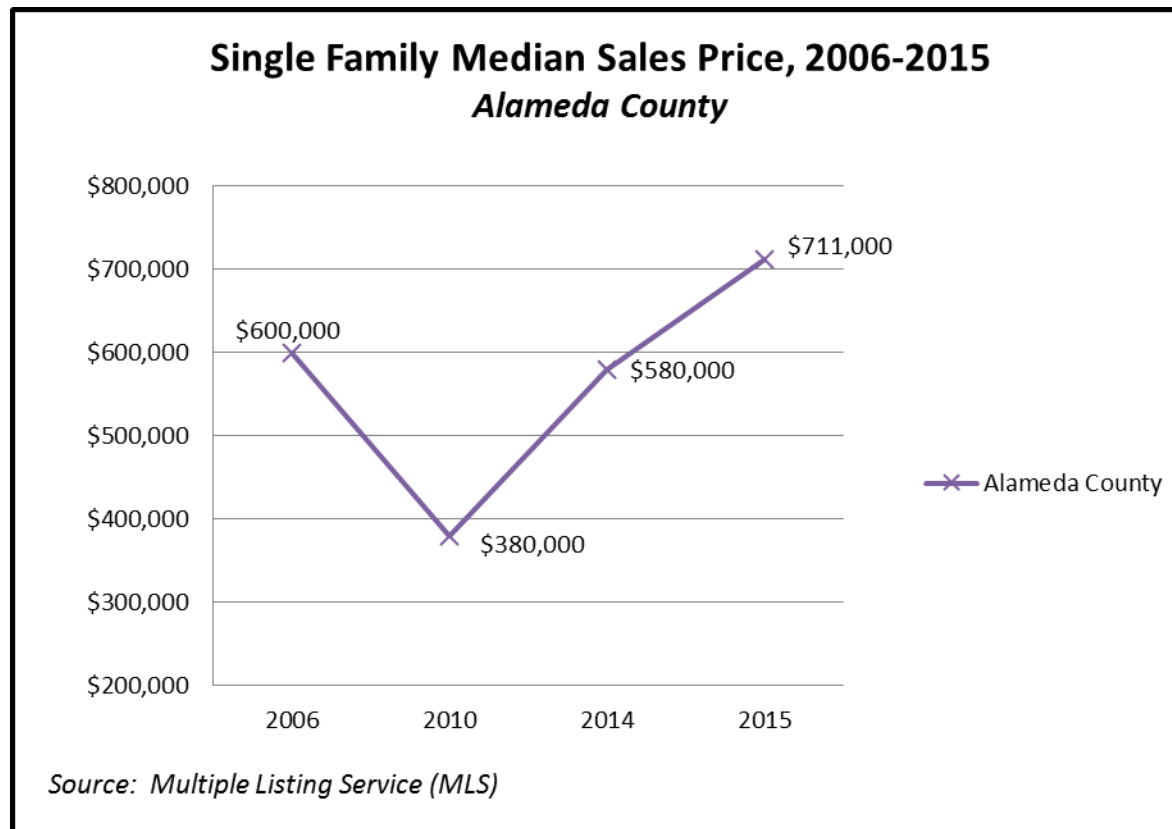


Rents Increased 34% between 2011 – 2015 Countywide

Affordable Housing Crisis

3

Home Sales Prices Rapidly Increasing Countywide



Home Prices Increased 22.5% between 2014 and 2015 Countywide

Affordable Housing Crisis

4

There is a 60,911 unit shortfall for homes affordable to very low- and extremely low-income households in Alameda County alone.

- California Housing Partnership Corporation, May 2016 Alameda County Housing Report

Impacts of the Affordable Housing Crisis

5

- Long term residents have to leave
- More traffic congestion
- Too much income spent on housing costs
- Overcrowding
- Harder to attract and retain employees
- Homelessness
- Undermines safety net

Stakeholder Input Process & Schedule

6

□ **Board of Supervisors Committee Work Sessions:**

6 Sessions: March - June

Stakeholder Meetings:

- March 17th – Oakland
- April 13th – San Leandro
- May – 8 Town hall meetings in Supervisorial Districts
- **On-line Survey:** www.tinyurl.com/alcoholhousingbond
- **Email:** alcoholhousingbond@acgov.org
- **Website:** www.acgov.org/board/housingbond.htm

Goal: to present the final housing bond measure language and authorizing resolution to be voted on by the full Board of Supervisors on June 28, 2016.



CRITERIA FOR BOND PROGRAMS

June 28, 2016 Board of Supervisors

Criteria for Bond Program

8

- Eligible uses of G.O. Bond proceeds:
 - Capital investment related to acquisition or development of real property
- Addresses critical housing needs
- Simple to explain
- Simple and cost effective to administer
- Assures all parts of the County benefit
- Allocates funds over time
- Builds on successful program models within Alameda County and elsewhere
- Leverages other funds where possible
- Allows for innovation and creativity



ALAMEDA COUNTY
Community Development Agency

ALAMEDA COUNTY HOUSING BOND PROGRAM

June 28, 2016 Board of Supervisors

Overview of Program Framework

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- Total Bond - \$580 Million

- Homeowner programs - \$120 Million
 - Down Payment Assistance Loan Program
 - Homeowner Development Program
 - Home Preservation Loan Program

- Rental Housing Programs - \$460 Million
 - Rental Housing Development Fund
 - Innovation and Opportunity Fund



ALAMEDA COUNTY
Community Development Agency

HOME OWNER PROGRAM COMPONENTS

June 28, 2016 Board of Supervisors

Homeowner Programs

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- **Three Program Areas - \$120 million**
 - Down Payment Assistance Loan Program
 - Homeowner Housing Development Program
 - Home Preservation Loan Program

- **Common Components:**
 - Countywide Allocations
 - Revolving Loan Funds

Homeowner Programs

Down Payment Assistance Loan Program

13

- **Estimated Funding Amount: \$50 Million**
 - Goal: Assist middle income working families to purchase homes and stay in Alameda County
- **Program Parameters:**
 - Income limit: Target 80-120% of Area Median Income (AMI) but allow up to 150% of AMI for flexibility
 - e.g. Teachers, Electricians, Plumbers, Firefighters, Truck Drivers, EMT workers
- Design features to encourage program to benefit current Alameda County residents, for example:
 - Workforce Proximity Homeownership
 - Assist current residents to buy homes and stay in County
 - Working with Counsel re: possible inclusion of displaced former residents
 - Educators/First Responders

Homeowner Programs

Homeowner Housing Development Program

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- ❑ **Estimated Funding Amount: \$25 Million**
- ❑ **Goal: Assist in the development and long-term affordability of homeownership housing for Low-Income households to become first-time homebuyers while staying in the County.**

- ❑ **Program Parameters:**
 - ❑ Income limit: 80% of Area Median
 - ❑ Construction loans to nonprofit developers
 - ❑ New Construction, Acquisition, Rehabilitation
 - ❑ Loans converted to Down Payment Assistance Loans when homes are purchased.
 - ❑ May involve a sweat-equity component.

Home Preservation Loan Program

- **Estimated Funding Amount: \$45 Million**
- **Goal: Assist Low-Income Seniors, People with Disabilities, and other low-income homeowners to remain safely in their homes**

- **Program Parameters:**
 - Income limit: 80% of Area Median
 - Accessibility improvements
 - Health and Safety-focused Housing Rehabilitation



ALAMEDA COUNTY
Community Development Agency

RENTAL HOUSING PROGRAM COMPONENTS

June 28, 2016 Board of Supervisors

Rental Housing Programs

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- **Two Program Areas - \$460 Million**
 - ▣ Rental Housing Development
 - ▣ Innovation & Opportunity Fund

Rental Housing Program

Rental Housing Development Program

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- Estimated Funding Amount: \$425 Million
- Goal: Create and preserve affordable rental housing for vulnerable populations, including low-income workforce housing
- Program Parameters:
 - Income levels:
 - Most = 30-60% of Area Median Income (AMI)
 - Match with operating subsidies to target at least 20% of units to 20% AMI or below (Homeless, SSI level)
 - Allow a portion of units for up to 80% AMI in mixed income developments
 - Leverage tax credits, other state, federal and local funds
 - Require City financial contribution
 - Long-term affordability (55 year minimum)

Rental Housing Program

Rental Housing Development Program

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- **Use of funds:**
 - Rental Housing development gap financing:
 - Predevelopment and Development financing
 - New Construction, Acquisition, Rehabilitation
 - Allow a portion of City allocations for interim crisis/Transitional Housing for homeless
 - **Target populations:**
 - Homeless (chronic, families)
 - Seniors
 - Veterans
 - People with disabilities (physical, developmental, mentally ill)
 - Re-entry
 - Transition age youth aging out of foster care
 - Workforce housing (including working poor)

Rental Housing Development Program

Geographic Allocations of Funds

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- **Based on:**
 - Related to need
 - Assure that funds are available for projects throughout County

- **Geographic Allocation Model:**
 - Half of funds as a base allocation for use in each city*
 - Half of funds to regional pools to be drawn on by projects in any city in region

*including allocation to unincorporated county

Rental Housing Development Program

Geographic Allocation Model

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Mid Co: Alameda, Hayward, San Leandro, Unincorporated

East Co: Dublin, Livermore, Pleasanton

South Co: Fremont, Newark, Union City

Rental Housing Program

Innovation & Opportunity Fund

22

- Estimated Funding Amount: \$35 Million
- Goal: Respond quickly to capture market opportunities, preserve and expand affordable housing, tenant anti-displacement

- Program Possibilities - Examples:
 - Rapid response high-opportunity pre-development and site acquisition loans
 - Purchase problem motels and convert to affordable housing

 - Bond-qualified rental anti-displacement opportunities
 - Acquire apartment buildings on market to renovate and make/retain affordability

- Countywide Allocation



ALAMEDA COUNTY
Community Development Agency

NEXT STEPS

June 28, 2016 Board of Supervisors

Title and Ballot Question

BALLOT MEASURE: ALAMEDA COUNTY AFFORDABLE HOUSING BOND. To provide affordable local housing and prevent displacement of vulnerable populations, including low- and moderate-income households, veterans, seniors, and persons with disabilities; provide supportive housing for homeless people countywide; and help low- and middle-income households purchase homes and stay in their communities; shall the County of Alameda issue up to \$580 million in general obligation bonds to acquire or improve real property, subject to independent citizen oversight and regular audits?

Next Steps

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- Board of Supervisors consideration to place measure on November 2016 ballot

- Development of public education materials

- “Boomerang” funds - development of program options:
 - Anti-Displacement
 - Homeless responses



ALAMEDA COUNTY
Community Development Agency

DISCUSSION

June 28, 2016 Board of Supervisors

Alameda County Income Limits

Persons in Household	Extremely Low		Very Low		Low	Median	Moderate
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4	\$19,500	\$29,250	\$48,750	\$58,500	\$75,150	\$97,500	\$117,000

Effective March 2016

Adjusted annually

Based on HUD Extremely (30%), Very Low (50%) and Low (80%) Income limits

Alameda County Housing and Community Development, April 2016



City of Hayward Affordable Housing Ordinance

The City of Hayward's Affordable Housing Ordinance (the AHO) requires that future residential development projects mitigate their impact on the need for affordable housing in the community by contributing to the production of residential units in Hayward that are affordable to very low, low-and moderate-income households. The ordinance applies to both ownership and rental developments consisting of **20** or more units. The following is a summary of the requirements for both:

Ownership Developments:

Ownership residential developments may comply with the affordable housing requirements by satisfying one of the following options:

- Pay an affordable housing impact fee. This fee, which is based on the total square footage of the proposed project's livable spaces, must be paid prior to the issuance of building permits. The developer may choose to defer payment of the fees until receipt of certificates of occupancy, in which case the developer shall pay the base fee plus 10 percent. For information on current applicable fees, please contact City Housing Division staff.
- Include on-site for-sale affordable units equal to a minimum of 7.5 percent of the attached dwelling units and 10 percent of the detached dwelling units.
- Construct for sale affordable units not physically contiguous to the development (off-site).
- Propose other alternatives that would mitigate the affordable housing impact of the proposed residential development project.
- Construction of off-site units or satisfaction of the requirements through other alternatives not included in the Ordinance are subject to the approval of the City Council.
- If affordable units (on-site or off-site) are provided, they must be made affordable to moderate-income households at an affordable ownership housing cost (as defined by the AHO) and be legally restricted for occupancy by those households for a minimum of 45 years.
- For information on current moderate-income limits and a sample calculation of an applicable affordable ownership housing cost, please contact Housing Division staff.

Rental Developments:

- No affordable units are required to be included in rental residential project that does not receive City assistance as described in S. 10-17.310 of the AHO.
- All new rental projects with 20 or more units are required to pay an affordable housing impact fee, calculated in the same manner as the fees for ownership developments (see the previous section). For information on current applicable fees, please contact City Housing Division staff.

- As an alternative to paying affordable housing impact fees for rental residential projects or providing for-sale units for ownership residential projects, an applicant may propose to provide 7.5% of attached dwelling units and 10% of detached dwelling units as affordable rental units.
- If rental units are provided, 50% of those units must be made available at affordable rents to low-income households and 50% at affordable rents to very low-income households for a minimum of 55 years.
- Applicable affordable rents, plus an allowance for utility costs, must not exceed 30% of the maximum monthly income of the eligible household. For information on applicable income limits and a sample calculation of affordable monthly rents, please contact Housing Division staff.
- The City may approve a proposal to provide affordable units in-lieu of a) paying housing impact fees for rental residential projects, or b) providing for-sale units for ownership residential projects, ONLY if the applicant agrees in a rent regulatory agreement with the City to limit rents in consideration for a direction financial contribution or other form of assistance.

Other Requirements:

- **Design and Distribution of Affordable Units** - All affordable ownership or rental units must be integrated in the project as a whole and reflect the range of unit sizes in the project. The affordable units must be at least equal in size and amenities as the on-site market-rate units, and any comparative deficiency in size or amenities must be compensated for by additional units, larger units, or affordability to households with lower incomes.
- **Affordable Housing Plan** – Unless the applicant proposes to pay affordable housing impact fees, an applicant must submit an Affordable Housing Plan (AHP) as part of an application for a residential development project. This AHP shall include at a minimum, among other things, the location, structure and size of the proposed market-rate and affordable units, a floor or site plan depicting the location of the affordable units, and the income levels at which each affordable unit will be made affordable. See S. 10-17.510 of the AHO for a full list of the AHP requirements.
- **Affordable Housing Agreement** – An approved AHP will be memorialized in an Affordable Housing Agreement (AHA) between the City and the applicant. Although it will vary for each project, it must include, at minimum, a description of the development including whether the affordable units will be rented or owner occupied and their affordability level(s), size and location, a marketing plan for sale or rental of the affordable units; etc.

NOTE:

For More Information

For more information, please contact the Housing Development Specialist at: (510) 583-4246

Updated: September, 2015



CITY OF
HAYWARD
HEART OF THE BAY

Residential Rent Stabilization Ordinance
Frequently Asked Questions

The City of Hayward Residential Rent Stabilization Ordinance (“Ordinance”) provides limits on rent increases and causes for eviction for residential rental units within the city limits of Hayward. Currently, the Ordinance applies to approximately 11,200 rental units in Hayward.

The following is a summary of the central provisions of the Ordinance in a FAQ (Frequently Asked Questions) format. Please note that this FAQ does not cover mobilehome units which are governed by a separate ordinance. The information in this FAQ is not a substitute for legal advice. Review of the Ordinance is strongly encouraged.

What units are covered under the Ordinance’s limits on rent increases?

A “rental unit” is defined as any residential dwelling unit used or occupied by the payment of rent, provided the unit is one of at least five (5) residential units in Hayward under common ownership.

The following are *not* considered rental units for purpose of the Ordinance:

- A mobile home unit;
- Hospitals, extended care facilities, convalescent homes, nonprofit homes for the aged and dormitories;
- Multi-family housing projects financed or insured by a federal state or local agency or receiving a rent subsidy therefrom if the units are subject to rent controls;
- Dwelling units in structures with a certificate of occupancy first issued after July 1, 1979;
- Motels, hotels, inns, and tourist/boarding/rooming houses with occupancies of less than thirty continuous days;
- Nonprofit cooperatives owned, occupied or controlled by a majority of the residents.

(See Section 2(1).)

In addition, state law also exempts certain properties from local rent control. The Costa-Hawkins Act, passed by the California Legislature in 1995, exempts the following properties from Hayward rent control:

- New construction if the property has a certificate of occupancy issued after February 1, 1995. (Cal. Civil Code § 1954.52(a)(1).)
- Single-family homes and condominiums if the tenancy commenced on or after January 1, 1996. (Cal. Civil Code § 1954.52(a)(3)(A).) However, single-family homes and condominiums are still subject to the Ordinance’s Eviction for Cause provisions if the unit is one of at least five (5) residential units in Hayward under common ownership.
- Properties and/or units already exempt from local rent control on or before February 1, 1995, pursuant to a local exemption for newly constructed units. (Cal. Civil Code § 1954.52(a)(2).)

What are the rules regarding rent increases for rental units subject to the Ordinance?

- **General Rule:** A landlord may not raise the rent more than five percent (5%) per year and may not increase the rent more than once in any twelve (12) month period.
- **Banking:** Where a landlord increases the rent payable during any twelve (12) month period commencing April 1, 1987 by less than five percent (5%) per year, the landlord may “bank” the untaken rent increase and apply it in the current year.
- **Government-Utility Service:** A landlord may also increase the rent more than five percent (5%) per year to recoup increases in costs of governmental-utility services.
- **Yearly Aggregate Cap:** The aggregate rent increase cannot exceed ten percent (10%) in any year.
- **Fair Return:** A landlord may also increase the rent more than five percent (5%) per year in order to obtain a fair rate of return on the landlord’s investment. The Ordinance authorizes a landlord to increase the rent in order obtain a fair return, subject to the noticing and review procedures provided in the Ordinance, as required under the California Constitution.

Is a landlord required to provide a notice of a rent increase to a tenant?

Yes. A landlord must serve a tenant with a notice of rent increase that provides the amount of rent increase in both dollars and as a percentage of existing rent. The notice must identify all other units affected by the rent increase, the contact information and availability of the landlord or landlord’s representative, and a copy of the City’s petition for rent review.

In addition, the notice must set forth the following information:

1. If the rent increase is five percent (5%) or less, a statement that the landlord considers the rent increase consistent with the limits set forth in the Ordinance.
2. If the rent increase exceeds five percent (5%):
 - a. The rental history of the unit, if the rent increase is based upon banking; or
 - b. A summary of the unavoidable increases in maintenance and operating expenses, a statement of the cost, nature, amortization, and allocation among rental units of any substantial rehabilitation or capital improvement; or
 - c. A summary of the increased cost of the landlord's debt service and the date and nature of the sale or refinancing transaction; or
 - d. Other relevant information that supports the level of rent increase desired.

The notice required pursuant to the Ordinance must accompany any written notice of rent increase required by state law. The failure of a landlord to follow the Ordinance's notice procedures is a defense in any action brought to recover possession of the rental unit or to collect such rent increase.

What is the process to contest a rent increase?

A tenant in a rent controlled unit may file a petition to initiate review of a rent increase, including a reduction in housing services, or the status of a unit as decontrolled. To initiate review of a rent increase, a tenant must follow these steps:

1. **Contact the Landlord:** A tenant must make a good faith attempt to contact the landlord or the landlord's representative to discuss the rent increase within ten (10) days of receipt of the notice of rent increase. A tenant's failure to make a good faith attempt to contact the landlord may result in the dismissal of any petition filed thereafter.
2. **File a Petition:** A tenant must file a petition for review of rent within thirty (30) days of either (a) service of a notice of rent increase, or (b) notice of an alleged failure to comply with a requirement of the Ordinance.
3. **Mediation:** The petition is assigned to a City mediator and the parties participate in non-binding mediation. Mediation is an informal dispute resolution process in which a neutral third party – a City-appointed mediator – helps the parties to reach an agreement. If the parties are unable to resolve the rent dispute at the mediation hearing, the next step in the process is binding arbitration.
4. **Arbitration:** Arbitration is a dispute resolution process in which a neutral third party – a City-appointed arbitrator – conducts and hearing and renders a binding decision concerning the rent dispute. The landlord or the tenant may request arbitration within ten (10) working days after a mediation hearing.

Are landlords required to pay interest on security deposits?

Yes. Landlords are required to pay an annual interest on all security deposits for tenancies of rent controlled units of more than one year's duration, with interest accruing from the first day a tenancy begins. The interest rate is set annually by the Rent Review Office each November and is available on the City's website. Landlords that do not meet their obligations concerning security deposits are liable to the tenants for three times the amount of interest wrongfully uncredited or unpaid.

What is Vacancy Decontrol?

State law authorizes a landlord to charge a "market" rent at the start of a new tenancy. A rental unit remains rent controlled for any subsequent rent increase. However, a landlord may "decontrol" a rental unit for purposes of any subsequent rent increase upon satisfaction of the following conditions:

1. The landlord has obtained a written certification from the City Building Official prior to the re-renting which states that the rental unit complies with applicable Hayward codes;
2. The landlord has made improvements to the unit prior to occupancy by a new tenant; and
3. The landlord has filed a written document with the Rent Review Officer within thirty (30) days following the re-renting stating that the unit has been decontrolled pursuant to the requirements of the Ordinance.

The value of the required improvements is adjusted annually based on the Consumer Price Index ("CPI") for Shelter for the San Francisco-Oakland-San Jose Metropolitan Statistical Area. The improvement value is adjusted at the time the CPI calculation is published by the Department of Labor in February of each year.

A summary of the decontrol process, including the adjusted value of required improvements, is available on the City's website. For information on the status of a particular unit, please contact the Rent Review Office.

What units are covered under the Ordinance's limits on eviction?

Evictions are governed mainly by state law, but the Ordinance imposes additional requirements known as "Eviction for Cause." The Ordinance's "Eviction for Cause" section provides that a landlord may recover possession of *a rental unit covered by the terms of the ordinance* only if the landlord demonstrates one of the following fifteen enumerated causes:

1. The tenant has failed to pay rent to which the landlord is legally entitled, unless the tenant has withheld rent pursuant to applicable law.

2. The tenant has continued, after written notice to cease, to substantially violate any of the material terms of the rental agreement.
3. The tenant has willfully caused or allowed substantial damage to the premises and has refused, after written notice, to pay the reasonable costs of repairing such damage and cease damaging said premises.
4. The tenant has refused to agree to a new rental agreement upon expiration of a prior rental agreement, but only where the new rental agreement contains provisions that are substantially identical to the prior rental agreement.
5. The tenant has continued, following written notice to cease, to be so disorderly as to destroy the peace and quiet of other tenants or occupants of the premises.
6. The tenant has, after written notice to cease, refused the landlord access to the unit as required by state or local law.
7. The landlord, after having obtained all necessary permits from the City of Hayward, seeks in good faith to undertake substantial repairs which are necessary to bring the property into compliance with applicable codes, and where such repairs cannot be completed while the tenant resides on the premises.
8. The landlord, after having obtained all necessary permits from the City of Hayward, seeks in good faith to recover possession of the rental units, in order to remove the rental unit from the market by demolition.
9. The landlord seeks in good faith to recover possession for his or her own use or occupancy as his or her principal residence, or for the use and occupancy as a principal residence by the landlord's spouse or domestic partner or by the landlord's or the landlord's spouse's child, parent, brother, sister, grandparents, or grandchildren. The landlord may not recover possession under this subsection if a comparable unit is already vacant and available in the property.
10. A landlord or lessor seeks in good faith to recover possession of the rental unit for his or her occupancy as a principal residence and has the right to recover possession of the unit for his or her occupancy as a principal residence under an existing rental agreement with the current tenants.
11. The tenant is convicted of using the rental unit for any illegal purpose.
12. The tenant has used or allowed the use of the rental unit for the manufacture, sale, distribution, possession, or use of a controlled substance as defined in state law.
13. The tenant has continued, after written notice to cease, to violate legal and reasonable written rules and regulations generally applicable to all tenancies within the premises.
14. The lawful termination of the tenant's employment by the landlord, where such employment was an express condition of, or consideration for, the tenancy under a written rental agreement.

15. The tenant has threatened to commit a crime which would result in the death or great bodily harm to any person on the premises, for which a report has been filed with the Hayward Police Department.

The Eviction for Cause provisions are only applicable to “rental units” as defined in the Section 2(l) of the Ordinance. In addition, any unit that has been decontrolled pursuant to the Ordinance’s Vacancy Decontrol procedures nonetheless remains subject to the Ordinance’s Eviction for Cause provisions.

Contact Information:

Rent Review Office – City Attorney
Hayward City Hall
777 B Street, 4th Floor,
Hayward, CA, 94541,
(510) 583-4454.

Updated: 6/30/2015

ARTICLE 17

AFFORDABLE HOUSING ORDINANCE

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ARTICLE 17

AFFORDABLE HOUSING ORDINANCE

SEC. 10-17.100 GENERAL PROVISIONS

SEC. 10-17.105 TITLE. This title shall be known and may be cited and referred to as the “Hayward Affordable Housing Ordinance.”

SEC. 10-17.110 PURPOSE. The purpose of this Article is to:

- a. Enhance the public welfare by ensuring that future Residential Development Projects contribute to the attainment of the affordable housing goals set forth in the 2015-2023 Housing Element of the General Plan of the City of Hayward.
- b. Require that future Residential Development Projects mitigate their impact on the need for affordable housing in Hayward by contributing to the production of residences in Hayward that are affordable to extremely low, very low, low-and moderate-income households.
- c. Increase the production of residences in Hayward that are affordable to extremely low, very low, low, and moderate-income households.
- d. Ensure that residences affordable to extremely low, very low, low- and moderate-income households are distributed throughout the City’s various neighborhoods.
- e. Support the housing objectives contained in State law.

SEC. 10-17.115 FINDINGS. The City Council finds and determines that lack of access to affordable housing has a direct impact upon the health, safety and welfare of the residents of the City of Hayward. The housing problem affects a broad range of income groups, including many who would not need public assistance or intervention in the housing market if they lived outside of the San Francisco Bay Area.

- a. According to the 2015-2023 Housing Element, 48 percent of Hayward households pay more than 30 percent of their income for housing. Over 68 percent of lower income households overpay, and among very low-income households, 89 percent of renters overpay for housing.
- b. The 2015-2023 Housing Element also shows that most lower income households cannot afford any available housing in Hayward and that moderate-income households can afford to rent but not purchase housing in Hayward.
- c. Because all forms of housing are expensive to build, rent, and buy, a variety of housing programs and resources are required to help meet the need for affordable housing.

- d. The California Legislature has required each local government agency to develop a comprehensive, long-term plan establishing policies for future development. As specified in Government Code Section 65583(c), the plan must (1) encourage the development of a variety of types of housing for all income levels, including multifamily rental housing; and (2) “[a]ssist in the development of adequate housing to meet the needs of extremely low, very low, low- and moderate-income households.” The City is also charged by the Legislature to use the powers vested in it to make adequate provision for the housing needs of all economic segments of the community. (Section 65580(d).)
- e. Because of the high cost of both existing and newly constructed housing, the City will be limited in its ability to contribute to the attainment of State housing goals and to maintain a thriving mixed-income community without additional affordable housing.
- f. Rising land prices have been a key factor in preventing development of new affordable housing. New housing construction in the City that does not include affordable units aggravates the existing shortage of affordable housing by absorbing the supply of available residential land. This reduces the supply of land for affordable housing and increases the price of remaining residential land. At the same time new housing contributes to the demand for goods and services in the City, increasing local service employment at wage levels that do not often permit employees to afford housing in the City. Providing the affordable units or fees required by this ordinance will mitigate the impacts of market-rate development on the need for affordable housing and will help to ensure that part of the City’s remaining developable land is used to provide affordable housing.

SEC. 10-17.120 DEFINITIONS. As used in this Article, each of the following terms is defined as follows:

- a. “Affordable Unit” is defined as an ownership or rental Dwelling Unit whose price is set at an Affordable Ownership Cost or Affordable Rent as defined in this Article.
- b. “Affordable Ownership Cost” is defined as the maximum purchase price that will be affordable to a Moderate-Income Household at Presumed Occupancy Levels, based on a reasonable down payment and monthly housing payments (including mortgage principal and interest, property taxes, homeowner’s insurance, and homeowner/condominium association fees where applicable) that do not exceed one hundred ten percent of Area Median Income multiplied by thirty-five percent and divided by twelve.
- 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.
- d. “Applicant” is defined as any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities that seeks discretionary or ministerial permits for a Residential Development Project from the City of Hayward.
 - e. “Area Median Income (AMI)” is defined as the median income for Alameda County, adjusted for household size, as published annually in Title 25 of the California Code of Regulations, Section 6932 (or its successor provision) by the California Department of Housing and Community Development (HCD).
 - f. “Decision-Making Body” is defined as the body with the authority to approve an application for a Residential Development Project.
 - g. “Dwelling Unit” is defined as a dwelling designed and intended for residential occupancy by one household.
 - h. “Extremely Low, Very Low, Low, and Moderate-Income Households” are defined as households whose incomes do not exceed the extremely low, very low, low, or moderate-income limits, as applicable, established for Alameda County and adjusted for household size that are published annually in Title 25 of the California Code of Regulations, Section 6932 (or its successor provision) by HCD.
 - i. “Household Income” is defined as the gross annual household income, monetary benefits, and all other sources of household income, before deductions or exemptions, and includes the income of all members of the household 18 years of age or older.
 - j. “Ownership Residential Project” is defined as any Residential Development Project that creates new Dwelling Units that may be sold individually, including but not limited to condominiums, townhomes, stock cooperatives, community apartments, and attached or detached single-family homes. An Ownership Residential Project also includes any Residential Development Project with a recorded condominium plan or map and the conversion of residential property to common interest developments as described in Hayward Municipal Code Section 10-3.370.

- k. “Presumed Occupancy Levels” as listed below shall be used to establish Affordable Ownership Cost and Affordable Rents, unless the Residential Development Project is financed with federal tax credits, in which case the applicable federal regulations shall determine the Presumed Occupancy Levels:
 - (1) One person for a studio unit;
 - (2) Two people for a one bedroom unit;
 - (3) Three people for a two bedroom unit; and
 - (4) One additional person for each additional bedroom thereafter.
- l. “Rental Residential Project” is defined as any Residential Development Project that creates new Dwelling Units that cannot be sold individually.
- m. “Residential Development Project” is defined as any development for which a discretionary or ministerial permit is required that includes the creation of twenty (20) or more net new Dwelling Units or residential lots, or Dwelling Units and residential lots in combination. A conversion of residential property containing twenty (20) or more Dwelling Units to a common interest development, as defined in Hayward Municipal Code Section 10-3.370, is also a Residential Development Project. All development within a two-year period of twenty (20) or more Dwelling Units on a lot, or on contiguous lots for which there is evidence of common ownership or control, even though not covered by the same City discretionary or ministerial permit, shall be considered to be one Residential Development Project. The provisions of this section shall be interpreted broadly to effect the purposes of this chapter and to prevent evasion of its terms.

SEC. 10-17.200 OWNERSHIP RESIDENTIAL PROJECTS.

SEC. 10-17.205 UNIT THRESHOLD AND BASIC REQUIREMENTS. All Ownership Residential Projects consisting of twenty (20) or more Dwelling Units shall be subject to the affordable housing requirements of this Article. This Article shall be applied no more than once to an approved Ownership Residential Project, regardless of changes in the character or ownership of the development, provided that the total number of Dwelling Units does not change.

At the time an application for an Ownership Residential Project is submitted, the Applicant shall specify how the requirements of this Section shall be met. An Applicant for an Ownership Residential Project shall comply with the affordable housing requirements of this article by satisfying one of the following options:

- a. Pay an affordable housing impact fee under Section 10-17.410; or
- b. Include on-site for-sale Affordable Units equal to a minimum of 7.5 percent of the attached Dwelling Units and 10 percent of the detached Dwelling Units.

Where the calculation of the required number of Affordable Units results in a fraction of a unit, one additional Affordable Unit shall be required. If a project amendment results in a change in the total number of units, the number of Affordable Units required will be recalculated to coincide with the final approved Ownership Residential Project; or

- c. Construct for-sale Affordable Units not physically contiguous to the development (off-site) if approved by the Decision-Making Body under Section 10-17.225; or
- d. Propose additional alternatives not listed in this Article that would mitigate the affordable housing impact of a proposed Residential Development Project if approved by the Decision-Making Body under Section 10-17.230; or
- e. Provide rental Affordable Units if consistent with Section 10-17.310.

SEC. 10-17.210 AFFORDABILITY LEVELS. For-sale Affordable Units shall be made affordable to Moderate- Income Households at Affordable Ownership Cost.

SEC. 10-17.215 DESIGN, DISTRIBUTION AND TIMING OF AFFORDABLE UNITS. On-site Affordable Units shall be integrated with the proposed Ownership Residential Project and shall be comparable in infrastructure (including sewer, water and other utilities), construction quality, exposure to environmental conditions, access to amenities, and exterior design to the on-site market-rate units. Specifically:

- a. The Affordable Units should be integrated with the project as a whole. Affordable Units may be smaller in aggregate size and have different interior finishes and features than market-rate units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing. The Affordable Units must be at least equal in size and amenities as the on-site market rate units, and any comparative deficiency in size or amenities must be compensated for by additional units, larger units, or affordability to households with lower incomes.
- b. No building permits will be issued for any market-rate units in the Ownership Residential Project until permits for all Affordable Units have been obtained, unless Affordable Units are to be constructed in phases pursuant to a plan approved by City Council.
- c. Market-rate units in the Ownership Residential Project will not be inspected for occupancy until all Affordable Units have been constructed, unless Affordable Units are to be constructed in phases pursuant to a plan approved by City Council.

SEC. 10-17.220 DURATION OF AFFORDABILITY REQUIREMENT. For-sale Affordable Units must be legally restricted to occupancy by Moderate-Income Households

for a minimum of 45 years from the date of approval of a final inspection or issuance of an occupancy permit.

SEC. 10-17.225 OFF-SITE CONSTRUCTION. As an alternative to on-site construction of for-sale Affordable Units, an Applicant may instead construct for-sale Affordable Units not physically contiguous to the development (off-site) if the Decision-Making Body determines that:

- (1) Off-site construction will further affordable housing opportunities in the City to a greater extent than construction of the required Affordable Units as part of the proposed Ownership Residential Project;
- (2) A schedule for completion of the off-site Affordable Units concurrently with completion of the related market-rate units is provided and agreed upon as a condition of approval for the project;
- (3) The off-site Affordable Units are at least equal in size and amenities to the Affordable Units that would be provided on-site, or any comparative deficiency in size or amenities is compensated for by additional units, larger units, or affordability to households with lower incomes.

Except as approved by the Decision-Making Body, off-site Affordable Units shall conform with all other requirements in this Article that are applicable to on-site for-sale Affordable Units.

SEC. 10-17.230 ADDITIONAL ALTERNATIVES. An Applicant may also propose additional alternatives not listed in this Article that would mitigate the affordable housing impact of a proposed Residential Development Project if the Decision-Making Body finds that such an alternative would provide a greater benefit to the City than the other options explicitly described in this Article. An Applicant may also choose to propose any combination of on-site construction, off-site construction, affordable housing impact fee, rental housing, or other alternative that conforms to the provisions of this Article and would at least equal the benefit to the City as the other options explicitly described in this Article. Except as approved by the Decision-Making Body, off-site Affordable Units shall conform with all other requirements in this Article that are applicable to on-site for-sale Affordable Units.

SEC. 10-17.300 RENTAL RESIDENTIAL PROJECTS AND RENTAL AFFORDABLE UNITS.

SEC. 10-17.305 UNIT THRESHOLD FOR AFFORDABLE HOUSING IMPACT FEE. No Affordable Units are required to be included in a Rental Residential Project which does not receive City assistance as described in Section 10-17.310. All Rental Residential Projects consisting of twenty (20) or more Dwelling Units shall pay affordable housing impact fees as described in Sections 10-17.400-415, unless the Applicant elects to provide rental Affordable Units in conformance with Section 10-17.310. The affordable housing impact fee shall be paid no more than once for an approved Rental Residential

Project, regardless of changes in the character or ownership of the development, provided that the total number of Dwelling Units does not change.

SEC. 10-17.310 RENTAL AFFORDABLE UNITS PERMITTED IF CONSISTENT WITH COSTA HAWKINS ACT. As an alternative to paying affordable housing impact fees for Rental Residential Projects or providing for-sale Affordable Units for Ownership Residential Projects, an Applicant may propose to provide 7.5 percent of attached Dwelling Units and 10 percent of detached Dwelling Units as rental Affordable Units, 50 percent of which shall be made available at Affordable Rent for Low Income Households and 50 percent of which shall be made available at Affordable Rent for Very Low Income Households for a minimum of 55 years from the date of approval of a final inspection or issuance of an occupancy permit. Any fraction of a unit shall be rounded to the next whole number unit and that unit shall be subject to the affordability requirements for Very Low Income Households. To ensure compliance with the Costa-Hawkins Act (Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code), the City may only approve such a proposal if the Applicant agrees in a rent regulatory agreement with the City to limit rents in consideration for a direct financial contribution or a form of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code. Rental Affordable Units shall otherwise conform to the standards in Section 10-17.215 of this Article.

SEC. 10-17.400 AFFORDABLE HOUSING IMPACT FEE.

SEC. 10-17.405 ADOPTION OF AFFORDABLE HOUSING IMPACT FEE. Affordable housing impact fees for Residential Development Projects may be established by resolution of the City Council and amended from time to time as appropriate. Any such fees shall be part of the City's Master Fee Schedule. The fees shall not exceed the cost of mitigating the impact of market rate housing on the need for affordable housing in the City.

SEC. 10-17.410 PAYMENT OF AFFORDABLE HOUSING IMPACT FEE.

Affordable housing impact fees shall be paid either prior to issuance of a building permit for a Dwelling Unit or prior to approval of a final inspection or issuance of an occupancy permit for a Dwelling Unit. Regardless of the option chosen, no final inspection will be approved and no occupancy permit will be issued for any Dwelling Unit unless all required affordable housing impact fees have been paid in full.

SEC. 10-17.415 USE OF AFFORDABLE HOUSING IMPACT FEE. The affordable housing impact fee shall be placed in the Affordable Housing Trust Fund and used as described in Sections 10-17.1000-1010.

SEC. 10-17.500 IMPLEMENTATION OF AFFORDABLE HOUSING PLAN.

SEC. 10-17.505 GENERAL. The provisions of this Article shall apply to all agents, successors and assignees of an Applicant or property owner proposing a Residential Development Project governed by this Article. No discretionary or ministerial permit shall be

issued for any Residential Development Project unless in compliance with the terms of this Article.

SEC. 10-17.510 AFFORDABLE HOUSING PLAN. Unless the Applicant proposes to pay affordable housing impact fees consistent with Section 10-17.400-415, an Applicant shall submit an Affordable Housing Plan (AHP) as part of the earliest application for a Residential Development Project. In accordance with the Permit Streamlining Act, the planning director shall determine whether the AHP is complete. The elements of a complete AHP are described below. If the AHP is incomplete, the AHP will be returned to the Applicant with a list of the deficiencies or the information required. No application for a discretionary or ministerial permit to which this Article applies shall be deemed complete until the AHP is deemed complete by the planning director. At any time during the review process, the planning director may require from the Applicant additional information reasonably necessary to clarify and supplement the application or to determine the consistency of the proposed AHP with the requirements of this Article.

A complete AHP shall include, at a minimum:

- a. The location, structure (attached or detached), proposed tenure (for-sale or rental), and size of the proposed market-rate units and Affordable Units and the basis for calculating the number of Affordable Units provided;
- b. A floor or site plan depicting the location of the Affordable Units;
- c. The income levels to which each Affordable Unit will be made affordable;
- d. For phased Residential Development Projects, a phasing plan that provides for the timely development of the number of Affordable Units proportionate to each proposed phase of development as required by this Article;
- e. A description of any incentives that are requested by the Applicant;
- f. If off-site units, rental units, or other alternatives are proposed under Sections 10-17.225, 10-17.230, or 10-17.310, the information necessary to support the findings required for approval of such alternatives;
- g. A marketing plan that describes how the Applicant will inform the public, and those within the appropriate income groups, of the availability of Affordable Units;
- h. A written statement demonstrating compliance with the requirements of Section 10-17.215 for on-site Affordable Units; and
- i. Any other information reasonably requested by the Planning Director to assist with evaluation of the AHP under the standards of this Article.

Affordable Housing Plans that meet all of the requirements of this Article shall be approved by Decision-Making Body. An Affordable Housing Plan that requests a waiver of any of the requirements set forth in this Article shall require approval of the City Council.

SEC. 10-17.515 AFFORDABLE HOUSING AGREEMENT. An approved Affordable Housing Plan shall be memorialized by an Affordable Housing Agreement (AHA) between the City and the Applicant. The form of the AHA will vary, depending on the manner in which the provisions of this Article are satisfied for a particular Residential Development Project. An AHA must include, at minimum, the following:

- a. Description of the development, including whether the Affordable Units will be rented or owner-occupied;
- b. The number, size and location of any Very Low-, Low- or Moderate-Income Units;
- c. Affordability incentives provided by the City (if any), including the nature and amount of any local public funding;
- d. Provisions and/or documents for resale restrictions, deeds of trust, rights of first refusal or rental restrictions;
- e. The marketing plan for sale or rental of the Affordable Units;
- f. Provisions for monitoring the ongoing affordability of the units, and the process for qualifying prospective resident households for income eligibility; and
- g. Any additional obligations relevant to the compliance with this Article.

The form of the AHA resale and rental restrictions, deeds of trust, option agreements and other documents authorized by this subsection must be approved by the City Manager or designee prior to being executed with respect to any Residential Development Project.

Approval of an AHA is a condition of any discretionary or ministerial permit for any Residential Development Project for which this Article applies, unless the Applicant has proposed to pay affordable housing mitigation fees consistent with Section 10-17.400.

SEC. 10-17.520 TERM OF AGREEMENT. All for-sale Affordable Units provided under this Article must be legally restricted to occupancy by Moderate, Low, Very Low, or Extremely Low-Income Households, as applicable, for a minimum of 45 years from the date of approval of a final inspection or issuance of an occupancy permit. All rental Affordable Units provided under this Article must be legally restricted to occupancy by Low, Very Low, or Extremely Low-Income Households, as applicable, for a minimum of 55 years from the date of approval of a final inspection or issuance of an occupancy permit.

SEC. 10-17.525 RECORDING OF AGREEMENT. An approved Affordable Housing Agreement must be recorded against the property included in the Residential Development Project prior to approval of any parcel or final map or issuance of any building permit, whichever occurs first. Additional rental or resale restrictions, deeds of trust, option agreements and/or other documents acceptable to the City Manager or designee may also be recorded. In cases where the requirements of this Article are satisfied through the development of off-site units, the Affordable Housing Agreement must simultaneously be recorded against the Residential Development Project site and the property where the off-site units are to be developed.

SEC. 10-17.600 EXEMPTIONS.

The requirements of this Article do not apply to the following:

- a. The reconstruction of any structures that have been destroyed by fire, flood, earthquake or other act of nature; provided, however, that this Article shall apply to net new Dwelling Units added to a site if the reconstruction of the site increases the total number of Dwelling Units by 20 or more.
- b. Development agreements originally adopted and executed by the City Council prior to January 1, 2004 and any extensions or modifications of those development agreements that did not modify the affordable housing requirements.

SEC. 10-17.700 DEVELOPMENT INCENTIVES.

This Article confers economic and land use benefits on Residential Development Projects that provide on-site Affordable Units, as set forth below.

- a. Density Bonus. The City Council, upon request, may approve an increase in the number of units per acre permitted in a proposed Residential Development Project governed by this Article, when such an increase in density is consistent with state density bonus law as set forth in Section 65915 of the State Government Code. In calculating the number of affordable units required by this Article, any additional units authorized as a density bonus pursuant to state law shall not be counted as part of the Residential Development Project.
- b. Modified Development Standards to Increase Density.
 - (1) In a residential project which contains single family detached homes, Affordable Units may be attached Dwelling Units rather than detached homes. In a residential project that includes attached multi-story Dwelling Units, Affordable Units may contain only one story;
 - (2) When a Residential Development Project is on a major transportation route, the Applicant may request that the Decision-Making Body reduce

the number of parking spaces required for the development based on the assumption that some households will take public transportation to their jobs. This will allow for increased density within the development.

- c. Expedited Processing. Expedited processing of development approvals and permits will be available for Residential Development Projects with on-site Affordable Units.
- d. Technical and Financial Assistance. Upon request, information shall be provided to Applicants regarding design guidelines and financial subsidy programs for Residential Development Projects.

SEC. 10-17.800 ADMINISTRATION OF AFFORDABLE UNITS.

SEC. 10-17.805 SELECTION CRITERIA. No household shall be permitted to occupy an Affordable Unit unless the City Manager or designee has first approved the household's eligibility as a Moderate-, Low-, Very Low, or Extremely Low-Income Household, as applicable. The Applicant, property owner or property manager shall use an equitable selection method established in compliance with the terms of this Article and approved by the City Manager or designee. If qualified, persons shall be selected for occupancy of an Affordable Unit based on the following criteria:

- a. First Priority: Persons who live or work within the City of Hayward.
- b. Second Priority: All other eligible households.

SEC. 10-17.810 CONFLICT OF INTEREST. The following individuals are ineligible to purchase or rent an Affordable Unit: City employees and officials (and their immediate family members) who have policy-making authority or influence regarding City housing programs and do not qualify as having a remote interest as provided by California Government Code; the Applicant and its officers and employees (and their immediate family members); and the property owner and its officers and employees (and their immediate family members).

SEC. 10-17.815 OCCUPANCY. Any household who occupies an Affordable Unit must occupy that unit as the household's principal residence. Should the household cease to occupy the Affordable Unit as its principal residence, the household will be in default of its resale restriction or lease. The City may, in its sole discretion, grant a temporary waiver of this occupancy requirement for hardship.

SEC. 10-17.820 OWNER-OCCUPIED UNITS. The initial and subsequent sales prices of the Affordable Unit must be set at Affordable Ownership Cost.

- a. Transfer of Restrictions. When the ownership of a for-sale Affordable Unit is transferred prior to the expiration of the 45-year affordability period, each new

owner must sign an Affordable Housing Agreement to complete the 45-year term.

- b. Resale. The maximum sales price permitted on resale of a for-sale Affordable Unit shall be the lower of (1) fair market value or (2) the seller's lawful purchase price, increased by the lesser of (a) the rate of increase of Area Median Income during the seller's ownership or (b) the rate at which the consumer price index increased during the seller's ownership. To the extent authorized in the resale restrictions or Affordable Housing Agreement recorded against the property, seller may recover, at time of sale, the value of capital improvements made by the seller (for which there are receipts) and the seller's necessary and usual costs of sale. The City Manager or designee may authorize an increase in the maximum allowable sales price to achieve such recovery. Capital improvements are limited to new construction. Repairs of any type, including but not limited to roofs, bathrooms and kitchens, are not considered capital improvements.

SEC. 10-17.825 OPTION TO PURCHASE FOR OWNER-OCCUPIED UNITS.

In the event of a default under the resale restrictions, the City shall have the option to purchase the unit following the default by the owner under the terms of the resale restrictions.

It is the responsibility of the seller of an Affordable Unit that is subject to this Article to select a purchaser that meets the income requirements of this Article. Information regarding potential purchasers who may meet the income criteria may be obtained from the City of Hayward or from similar programs offered by other municipalities, lenders or local housing organizations. The City may establish procedures to review the prospective purchaser's eligibility to purchase an Affordable Unit. If the seller is unable to find an eligible purchaser, the City shall have the option to purchase the unit.

In either event, the option price for the Affordable Unit shall equal the price that could be charged to an income-eligible purchaser.

SEC. 10-17.830 RENTAL UNITS. If for-rent Affordable Units are provided in accordance with Section 10-17.310, the Affordable Units shall be offered to eligible households at an Affordable Rental Cost. The owner of rental Affordable Units shall certify each tenant's Household Income to the City Manager or designee at the time of initial rental and annually thereafter. The owner must obtain and review documents that demonstrate the prospective tenant's Household Income and submit such information on a form approved by the City Manager or designee. The City Manager or designee shall review the prospective tenant's eligibility to rent an Affordable Unit. No tenant may move into an Affordable Unit prior to authorization by the City Manager or designee.

SEC. 10-17.835 MARKETING PLAN. Owners of rental Affordable Units may fill vacant units by selecting income-eligible households in accordance with the approved marketing plan contained in the Affordable Housing Agreement.

SEC. 10-17.840 COMPLIANCE REPORTS. Owners of rental Affordable Units shall submit annual compliance reports summarizing the occupancy of each Affordable Unit. Annually, the owner shall re-certify all tenants for income-eligibility and submit an annual report. The forms and format used will be the same as those specified for the Tax Exempt Multifamily Mortgage Bond Program or other State or federal housing subsidy program approved by the City.

SEC. 10-17.845 SUBSEQUENT RENTAL TO INCOME-ELIGIBLE TENANT. The owner shall apply the same rental terms and conditions to tenants of Affordable Units as are applied to all other tenants, except as required to comply with this Article (e.g., rent levels, occupancy restrictions and income requirements) or with other applicable government subsidy programs. The owner shall manage and operate the Affordable Units in compliance with federal and state fair housing laws.

SEC. 10-17.850 CHANGES IN TENANT INCOME. If, after moving into an Affordable Unit, a tenant's Household Income exceeds the income limit for that Affordable Unit, the following shall apply:

- a. If the tenant's Household Income does not exceed the income limits of other Affordable Units in the Residential Development Project, the owner may, at the owner's option, allow the tenant to remain in the original Affordable Unit and re-designate the Affordable Unit as affordable to households of a higher income level, as long so the next vacant Affordable Unit is re-designated for the income category previously applicable to the tenant's household.
- b. If there are no Affordable Units available at the tenant's increased income level, the tenant's rent shall be raised to 30 percent of the tenant's actual monthly Household Income or fair market rent, whichever is lower. If the tenant is paying fair market rent, the next vacant Dwelling Unit that is comparable in size (number of bedrooms, bathrooms, square footage, etc.) to the original Affordable Unit shall be designated as an Affordable Unit at the income level previously applicable to the Dwelling Unit converted to market rate. However, if the Affordable Units are financed with federal tax credits, the following shall apply: if, upon recertification, a tenant's Household Income exceeds 70 percent of AMI, the owner shall charge the existing tenant rent equal to the amount permitted under the rules and regulations of the Internal Revenue Service and the California Tax Credit Allocation Committee, and the owner shall rent the next available Dwelling Unit to a Very Low Income Household for Affordable Rent.

SEC. 10-17.900 ADJUSTMENTS AND WAIVERS.

SEC. 10-17.905 APPLICATION FOR ADJUSTMENTS AND WAIVERS. As part of an application for the first approval of a Residential Development Project, an Applicant may apply for a reduction, adjustment, or waiver of the requirements of this Article based upon a showing that applying the requirements of this chapter would result in an unconstitutional taking of property or would result in any other unconstitutional result. The Applicant shall set

forth in detail the factual and legal basis for the claim, including all supporting technical documentation.

SEC. 10-17.910 CONSIDERATIONS. In making a determination on an application to adjust or waive the requirements of this Article, the City Council may assume each of the following when applicable: (a) the Applicant will benefit from any incentives included in this Article; (b) the Applicant will be obligated to provide the most economical Affordable Units feasible in terms of construction, design, location and tenure; and (c) that the Applicant is likely obtain other housing subsidies where such funds are reasonably available.

SEC. 10-17.915 ACTION ON ADJUSTMENT OR WAIVER. The City Council, based upon legal advice provided by or at the behest of the City Attorney, may approve a reduction, adjustment, or waiver if it determines that applying the requirements of this chapter would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property. The reduction, adjustment, or waiver shall be approved only to the extent necessary to avoid an unconstitutional result, after adoption of written findings and based on legal analysis and the evidence. If a reduction, adjustment, or waiver is granted, any change in the residential or nonresidential project shall invalidate the reduction, adjustment, or waiver, and a new application shall be required for a reduction, adjustment, or waiver pursuant to this Section. If the City Council determines no violation of the United States or California Constitutions would occur through application of this Article, the requirements of this Article shall remain applicable.

SEC. 10-17.1000 AFFORDABLE HOUSING TRUST FUND.

SEC. 10-17.1005 TRUST FUND. There is hereby established a separate Affordable Housing Trust Fund (“Fund”). This Fund shall receive all affordable housing impact fees and may also receive monies from other sources.

SEC. 10-17.1010 PURPOSE, LIMITATIONS AND ADMINISTRATION. Monies deposited in the Fund must be used to increase the supply of housing affordable to Moderate-, Low-, Very Low-, or Extremely Low-Income households in the City, through new construction, acquisition of affordability covenants and substantial rehabilitation of existing housing, or 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. Up to ten percent of revenue may be used to cover reasonable administrative costs associated with the administration and implementation of this Article.

The Fund shall be administered by the City Manager or designee, who may develop procedures to implement the purposes of the Fund consistent with the requirements of this Article and any adopted budget of the City.

SEC. 10-17.1100 ENFORCEMENT.

SEC. 10-17.1105 MISDEMEANOR. It shall be a misdemeanor for any person to sell or rent an Affordable Unit at a sales price or rent exceeding Affordable Rent or Affordable Ownership Cost or otherwise to violate any of the provisions of this Article.

SEC. 10-17.1110 CITY ACTIONS. The City may institute actions in law or equity for violations of this Article and may suspend or revoke any discretionary or ministerial permit upon finding a violation of any of the provisions of this Article, an approved Affordable Housing Agreement, or any documents, such as resale restrictions and rent regulatory agreements, entered into by the City to implement the requirements of this Article.

Added by Ord. 03-09, adopted June 17, 2003

Amended by Ord. 15-06, adopted February 10, 2015.

HAYWARD CITY COUNCIL

RESOLUTION NO. 16-189

Introduced by Council Member Márquez

RESOLUTION INCREASING AFFORDABLE HOUSING
IMPACT FEES

WHEREAS, to assure that future housing development mitigates its impact on the need for affordable housing in the City of Hayward (the "City") by contributing to the production of residential units in the City that are affordable to very low, low- and moderate-income households, the City Council has adopted an Affordable Housing Ordinance (Chapter 10, Article 17 of the City's Municipal Code) (the "Affordable Housing Ordinance"); and

WHEREAS, the Affordable Housing Ordinance authorizes the imposition of Affordable Housing Impact Fees on for-sale and rental residential developments to mitigate the impact of such developments on the need for affordable housing in the City; and

WHEREAS, to ensure that the Affordable Housing Impact Fees adopted by this resolution do not exceed the actual affordable housing impacts attributable to the development projects on which the fee is imposed, the City Council has received and considered a report from David Paul Rosen & Associates dated October 28, 2014 and entitled "City of Hayward Inclusionary Housing and Nexus Study," which includes, among other information, an affordability gap analysis, a residential nexus analysis, and an economic impact analysis (the "DRA Study"); and

WHEREAS, the DRA Study demonstrated that, to fully mitigate the burdens created by residential development on the need for extremely low, very low, low, median, and moderate-income housing, an Affordable Housing Impact Fee of \$40.98 to \$47.89 per square foot of new market rate residential development would be needed; and

WHEREAS, by Resolution No. 15-021, the City Council adopted Affordable Housing Impact Fees to mitigate the burdens created by residential development on the need for extremely low, very low, low, median, and moderate-income housing; and

WHEREAS, Resolution No. 15-021 further provided that, commencing January 1, 2016, the City may adjust the Affordable Impact Fees based on the percentage change in the three-year trailing median home price in the City; and

WHEREAS, the three-year trailing median home price in the City has increased, as demonstrated by the evidence presented in the staff report, and the City Council now desires to increase Affordable Housing Impact Fees to reflect the percentage increase in the three-year trailing median home price in the City; and

WHEREAS, the Affordable Housing Impact Fees adopted by this Resolution do not exceed the justified fees needed to mitigate the actual affordable housing impacts attributable to the development on which the fees are imposed; and

WHEREAS, to ensure that development projects remain economically feasible, the Affordable Housing Impact Fees adopted by this resolution are lower than the amount found by the DRA Study to be needed to fully mitigate the burdens created by new development on the need for affordable housing; and

WHEREAS, at least ten days prior to the date this resolution is being heard, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues, in accordance with Government Code Section 66019; and

WHEREAS, at least fourteen days prior to the date this resolution is being heard, notice was provided to any persons or organizations who had requested notice, in accordance with Government Code Section 66019; and

WHEREAS, notice of the hearing on the proposed fee was published twice in the manner set forth in Government Code Section 6062a as required by Government Code Sections 66004 and 66018; and

WHEREAS, the City Council has reviewed the information contained in this Resolution and the accompanying staff report and attachments thereto at a meeting held on October 18, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAYWARD THAT:

Section 1. The City Council finds as follows:

A. The foregoing recitals are true and correct and incorporated into this resolution by this reference.

B. The purpose of the Affordable Housing Impact Fee is to mitigate the burdens created by new residential and nonresidential development projects on the need for extremely low, very low, low, median, and moderate-income housing.

C. In compliance with the Affordable Housing Ordinance, all Affordable Housing Impact Fees collected shall be deposited into the City's Affordable Housing Trust Fund to be used solely to increase and preserve the supply of housing affordable to households of extremely low, very low, low, median, and moderate incomes (including reasonable administrative costs).

D. After considering the findings of the DRA Study, the testimony received at the public hearing, and the substantial evidence in the record, the City Council hereby finds that the Affordable Housing Impact Fees adopted by this Resolution do not exceed the justified fees needed to mitigate the actual affordable housing impacts attributable to the development on which the fees are imposed; and that there is a reasonable relationship between the need for affordable housing and the impacts of the development for which the corresponding fee is charged, and there is also a reasonable relationship between the fee's use and the type of development for which the fee is charged.

E. Adoption of this resolution is exempt from the California Environmental Quality Act because the adoption of this resolution is not a project, in that it is a government funding mechanism which does not involve any commitment to any specific project. (CEQA Guidelines Section 15378(b) (4).)

Section 2. The City Council hereby adopts the following Affordable Housing Impact Fees:

1. Ownership Residential Projects – 20 Units or More
 - a. Detached Dwelling Units \$4.61/Square Foot of Habitable Space*
 - b. Attached Dwelling Units \$3.87/Square Foot of Habitable Space*

2. Rental Residential Projects – 20 units or More
 - a. Projects that Received All Discretionary Approvals Prior to Dec. 31, 2015 and Receive All Building Permits Prior to Dec. 31, 2017 No fee
 - b. All Other Rental Projects \$3.63/Square Foot of Habitable Space*

*Notes: Affordable housing impact fees shall be paid either prior to issuance of a building permit or prior to approval of a final inspection or issuance of an occupancy permit. Fees paid at occupancy shall be increased 10 percent, to \$5.06/sq. ft. of habitable space for attached dwelling units; to \$4.28/sq. ft. of habitable space for attached dwelling units; and to \$3.99/sq. ft. for rental residential projects.

"Habitable Space" means floor area within a dwelling unit designed, used, or intended to be used exclusively for living and sleeping purposes and exclusive of vent shafts, eaves, overhangs, atriums, covered entries and courts and any portion of a structure above ground used for parking, parking aisles, loading areas, or accessory uses.

Section 3. An Affordable Housing Impact Fee shall be paid by all developments subject to the fee, as shown in Section 2.

Section 4. This Resolution shall go into full force and effect on January 1, 2017.

Section 5. Any judicial action or proceeding to attack, review, set aside, void or annul this resolution shall be brought within the 90-day time period as established by Code of Civil Procedure Section 1094.6.

IN COUNCIL, HAYWARD, CALIFORNIA October 18, 2016

ADOPTED BY THE FOLLOWING VOTE:

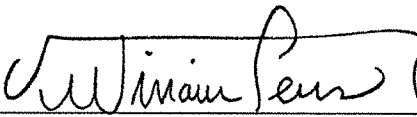
AYES: COUNCIL MEMBERS: Zermeño, Márquez, Mendall, Peixoto, Lamnin, Salinas
MAYOR: Halliday

NOES: COUNCIL MEMBERS: None

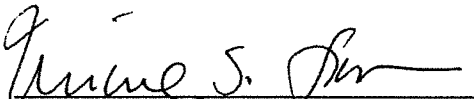
ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ATTEST:


City Clerk of the City of Hayward

APPROVED AS TO FORM:


City Attorney of the City of Hayward

OFFICE OF THE CITY ATTORNEY
RENT REVIEW PROGRAM

CITY OF HAYWARD

*RESIDENTIAL RENT
STABILIZATION
ORDINANCE*

City of Hayward Ordinance No. 03-01

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ORDINANCE NO. 03-01

RESIDENTIAL RENT STABILIZATION

SECTION 1. FINDINGS AND PURPOSE.

The City Council finds that a shortage of decent, safe, and sanitary residential rental housing continues to exist in the City of Hayward which is evidenced by a low vacancy rate among such units throughout the City; that in order to retain or find adequate rental housing, many residents of the City of Hayward pay a substantial amount of their monthly income for rent; that the present shortage of rental housing units and the prevailing rent levels have a detrimental effect on the health, safety, and welfare of a substantial number of Hayward residents, particularly those senior citizens, persons in low and moderate income households, and persons on fixed incomes who reside in the City; and that the welfare of all persons who live, work, or own property in the City of Hayward depends in part on attracting persons who are willing to invest in residential rental property in the City and it is therefore necessary to ensure that such persons are not discouraged from making such investments in the City by any action of the City Council.

Among the purposes of this ordinance are therefore: providing relief to residential tenants in the City by stabilizing rent increases for certain tenants; encouraging rehabilitation of rental units whenever vacancies occur; encouraging investment in new residential rental property in the City by providing for the gradual elimination of rent increase controls; and assuring efficient landlords both a fair return on their property and rental income sufficient to cover the increasing cost of repairs, maintenance, insurance, employee services, additional amenities, and other costs of operation while the provisions of this ordinance are in effect.

SECTION 2. DEFINITIONS.

(a) "**Affected Tenants.**" All tenants in a residential rental unit complex who have been notified that a rent increase is to become effective on the same date.

(b) "**Arbitrator.**" A person who is neither a tenant as that term is defined in this ordinance nor who has an interest in residential rental property that would require disqualification under the provisions of the Political Reform Act if such person were an elected state official and a person whom the Rent Review Officer determines meets one of the following criteria:

- (1) Completion of a Juris Doctor or equivalent degree from a school of law and completion of a formal course of training in arbitration which, in the sole judgment of the Rent Review Officer, provides that person with the knowledge

and skills to conduct a rental dispute arbitration in a professional and successful manner; or

- (2) Completion of at least three arbitration proceedings for a Superior Court or other public entity that involved issues the Rent Review Officer considers similar to those raised in rent dispute arbitrations.
- (c) "**Capital Improvements.**" Those improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses, and which may be amortized over the useful remaining life of the improvement to the property.
- (d) "**Governmental - Utility Services.**" Services provided by a public agency, public utility, or quasi-public agency or utility.
- (e) "**Housing Service.**" A service provided by the landlord related to the use or occupancy of a rental unit, which is neither a capital improvement nor substantial rehabilitation as those terms are defined herein, including but not limited to, insurance, repairs, replacement, maintenance, painting, lighting, heat, water, elevator service, laundry facilities, janitorial service, refuse removal, furnishings, parking, security service, and employee services.
- (f) "**Landlord.**" Any owner, lessor, or sublessor of real property who receives or is entitled to receive rent for the use or occupancy of any rental unit or portion thereof in the City of Hayward, and the representative, agent, or successor of such owner, lessor, or sublessor.
- (g) "**Mediator.**" A person whom the Rent Review Officer determines meets all of the following criteria:
 - (1) Has received at least 24 hours of formal training in mediation;
 - (2) Has mediated rent disputes or has had other experience or training showing a capability to mediate the issues which arise in such disputes; and
 - (3) Who is neither a tenant as that term is defined in this ordinance nor has an interest in residential rental property that would require disqualification under the provisions of the Political Reform Act if such person were an elected state official.
- (h) "**Peer Committee.**" A committee of landlords to be chosen by the Southern Alameda County Apartment Owners' Association to contact landlords and encourage their participation in and cooperation with this ordinance.
- (i) "**Rent.**" The total consideration, including any bonus, benefit, or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a rental

unit, or the assignment of a lease for such a unit, including housing services or subletting, but excluding any amount demanded or received by a landlord as a security deposit.

(j) "**Rent Increase.**" Any additional rent demanded of or paid by a tenant for a rental unit including any reduction in housing services without a corresponding reduction in the amount demanded or paid for rent.

(k) "**Rent Review Officer.**" The person or persons designated by the City Manager to administer and enforce the provisions of this ordinance.

(l) "**Rental Unit.**" Any residential dwelling unit, other than a mobilehome unit, and all housing services provided with such unit that is located in the City of Hayward and used or occupied by the payment of rent, provided that such residential dwelling unit is one of at least five (5) residential dwelling units, whether located on the same or different parcels of land within the City, which are under common ownership. For the purpose of this definition, common ownership shall be deemed to exist whenever a single individual or entity has any kind of ownership interest whether as an individual, partner, joint venturer, stock owner, or in some other capacity, in five (5) or more nonmobilehome residential dwelling units located within the City of Hayward and reports to the Internal Revenue Service any income received or loss of income resulting from such ownership or claims any expenses, credits, or deductions because of such ownership.

Notwithstanding the foregoing, the following residential dwelling units are not deemed rental units for the purpose of this ordinance:

- (1) Accommodations in any hospital, extended care facility, convalescent home, nonprofit home for the aged, or dormitory owned and operated by either an educational institution or a private organization which offers spaces in rooms for rent in conjunction with the providing of services such as meals, cleaning services, and social programs;
- (2) Dwelling units in multi-family housing projects financed or insured by a federal, state, or local agency or receiving rent subsidy assistance therefrom if the units are subject to rent controls as a result of such financing, insurance, or subsidy;
- (3) Dwelling units located in a structure for which a certificate of occupancy is first issued after July 1, 1979;
- (4) Accommodations in motels, hotels, inns, tourist houses, rooming houses, and boarding houses; provided that such accommodations are not occupied by the same tenant for thirty (30) or more continuous days; and

(5) Dwelling units in a nonprofit cooperative that is owned, occupied, and controlled by a majority of the residents.

(m) "**Security Deposit.**" Any payment, fee, deposit or charge, including but not limited to an advance payment of rent, used or to be used for any purpose, including but not limited to any of the following:

- (1) Compensation of a landlord for a tenant's default in the payment of rent;
- (2) The repair of damages to the premises caused by the tenant beyond ordinary wear and tear;
- (3) The cleaning of the rental unit, if necessary, upon termination of tenancy;

provided, however, that the term security deposit shall not include any fee or charge pursuant to any mutual agreement for the landlord at the request of the tenant to make any structural, decorative, furnishing, or other similar alterations as long as such alterations are other than that cleaning or repairing for which the landlord may charge the previous tenant under California law.

(n) "**Substantial Rehabilitation.**" That work done by a landlord to a rental unit or to the common area of the real property or the structure containing a rental unit, exclusive of a capital improvement as that term is defined herein, the value of which exceeds two hundred dollars (\$200.00) and which is performed either to secure compliance with any state or local law or to repair damage resulting from fire, earthquake, or other casualty or natural disaster, to the extent such work is not reimbursed by insurance or security deposit proceeds.

(o) "**Tenant.**" A tenant, subtenant, lessee, or sublessee, or any other person entitled to the use or occupancy of any rental unit.

(p) "**Voluntarily Vacated.**" A voluntary vacancy is any vacancy other than a vacancy that occurs when the tenancy has been terminated by the landlord by notice pursuant to California Civil Code section 1946 or has been terminated upon a change in the terms of the tenancy noticed pursuant to California Civil Code section 827, except a change permitted by law in the amount of rent or fees.

For purposes of this subsection, the landlord's termination or nonrenewal of a contract or a recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Civil Code section 827.

An otherwise voluntary vacancy under this subsection shall be considered nonvoluntary

if (i) the rental unit has been cited in an inspection report by the appropriate governmental agency as containing any of the conditions described in section 17920.3 of the Health and Safety Code, excluding any caused by a disaster; (ii) the citation was issued at least 60 days prior to the date of the vacancy; and (iii) the cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time.

SECTION 3. RESIDENTIAL RENT INCREASE LIMITATIONS.

(a) Except as provided hereinafter, from and after April 1, 1987, the rent payable for use or occupancy of any rental unit shall not be increased more than five percent (5%) per annum and shall not be increased more than once in any twelve (12) month period.

(b) Any rent increase or combination of increases occurring after July 1, 1979, and prior to the effective date of this ordinance, which taken together exceeds an aggregate of seven percent (7%) per annum, shall be subject to review as hereinafter provided.

(c) In the event a landlord has increased the rent payable during any twelve (12) month period commencing July 1, 1979, and ending March 31, 1987, by less than seven percent (7%) per annum, the landlord may, in addition to the increase provided for herein, increase no earlier than the anniversary date of the last rent increase the rent payable by the difference between the percent of increase actually imposed and seven percent (7%); provided, however, that no single increase shall exceed twelve percent (12%) per annum. Notwithstanding the provisions of Section 9, the standard of review shall be limited to verification of the rent increases imposed on the affected tenant.

(d) In the event a landlord has increased the rent payable during any twelve (12) month period commencing April 1, 1987, by less than five percent (5%) per annum, the landlord may, in addition to the increase provided for herein, increase no earlier than the anniversary date of the last rent increase the rent payable by the difference between the percent of increase actually imposed and five percent (5%); provided, however, that no single increase shall exceed ten percent (10%) per annum. Notwithstanding the provisions of Section 9, the standard of review shall be limited to verification of the rent increases imposed on the affected tenant.

(e) In the event a landlord wishes to increase the rent payable for any rental unit more than five percent (5%) per annum within a twelve (12) month period in order to apportion to each unit on a pro rata basis any increases in costs of governmental-utility services, the following provisions shall apply:

- (1) The landlord shall provide to all affected tenants relevant and detailed documentation supporting the level of increase desired to recover increases in the cost of governmental- utility services. At a minimum such documentation shall

include: receipts or other equivalent records showing the amount paid by the landlord immediately prior to the increase in governmental-utility service cost for which the landlord seeks a rent increase; billing notices or other equivalent documents from the agency imposing the increase reflecting the amount of increase in the governmental- utility services cost; and the calculations used by the landlord to apportion the increased costs among the affected tenants.

- (2) The documentation required by the preceding paragraph shall precede or accompany the written notice of rent increase required by state law. Failure of the landlord to follow the procedure set forth in this subsection shall be a defense in any action brought to recover possession of a rental unit or to collect such rent increase.
- (3) Notwithstanding the provisions of Section 9, the standard of review shall be limited to verification of the governmental-utility services cost increase, to the extent that the cost increase does not result from the irresponsible or wasteful use of utilities, and the allocation of such increase to or among the affected tenants.
- (4) A rent increase approved pursuant to the provisions of this subsection and in accordance with the procedure set forth in Section 5 of this ordinance shall not be considered part of the rent base upon which future rent increases can be made.

(f) In the event a landlord wishes to increase the rent payable for any rental unit more than five percent (5%) per annum within a twelve (12) month period for any reason other than that stated in subsection (e) herein, the procedures set forth in Sections 4 and 5 shall be followed.

(g) The rent increase limitations and procedures set forth in this Section shall not apply if doing so would violate the terms of a written lease entered into on or before March 22, 1980, for all units that were subject to the provisions of Ordinance No. 80-005 C.S., or July 26, 1983, for all other units.

(h) Except as provided in this subsection, in accordance with California Civil Code Section 1954.52, the rent increase limitations and procedures set forth in Section 3 shall not apply to any residential real property that is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d) or (f) of Section 11004.5 of the California Business and Professions Code. This exception shall not apply to a rental unit where the preceding tenancy has been terminated by the owner by notice pursuant to California Civil Code Section 1946 or has been terminated upon a change in the terms of the tenancy noticed pursuant to California Civil Code Section 827. This exception shall not apply to any rental unit (i) if the rental unit has been cited for any of the conditions

described in section 17920.3 of the Health and Safety Code, excluding any caused by a disaster; (ii) the citation was issued at least 60 days prior to the date of the vacancy; and (iii) the cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time.

SECTION 4. INFORMATION TO BE SUPPLIED TENANT.

(a) Within 30 days after the effective date of this ordinance and upon rerenting of each rental unit thereafter, the landlord shall supply the tenant either a current copy of this ordinance or a City prepared summary thereof. In addition, if the landlord or the landlord's predecessor(s) has failed to do so, the landlord shall provide each tenant with the rent history of the tenant's rental unit since July 1, 1979, and shall do so before July 1, 1987; in the event that the rental history of a tenant's rental unit is not available to the landlord, the landlord shall be deemed to have complied with this requirement if before July 1, 1987, the landlord provides the tenant with as much of the rent history of the tenant's rental unit as is available and with a statement made under penalty of perjury explaining why the complete rental history is not available.

(b) Whenever the landlord serves a notice of rent increase, the landlord shall at the same time and in the same manner serve the tenant with a notice that sets forth all of the following information:

- (1) The amount of the rent increase both in dollars and as a percentage of existing rent and either:
 - (i) A statement that the landlord considers the rent increase consistent with the five percent (5%) increase limitation set forth in Section 3(a) of this ordinance; or
 - (ii) Documentation supporting the level of increase desired, including at a minimum: the rental history of the unit if the landlord considers Section 3(c) or (d) as providing authorization for the rent increase; or a summary of the unavoidable increases in maintenance and operating expenses, a statement of the cost, nature, amortization, and allocation among rental units of any substantial rehabilitation or capital improvement, or a summary of the increased cost of the landlord's debt service and the date and nature of the sale or refinancing transaction, or other relevant information that supports the level of rent increase desired.
- (2) The identity of all other affected tenants and the units which they rent;
- (3) The address and telephone number of the Rent Review Officer and the fact that

the tenant is encouraged to contact the Officer for an explanation of the provisions of this ordinance;

- (4) The name, address, and telephone number of the person whom the tenant must attempt to contact within ten (10) days of receipt of the notice to satisfy the provisions of Section 5(b) of this ordinance and the best time(s) to attempt that contact; and
- (5) A copy of the petition form prepared by the Rent Review Officer which initiates the process established by this ordinance.

(c) The landlord and tenant shall execute a single document stating that the information, documents, or notices required by this section have been received by the tenant. The original of the document acknowledging receipt of information, documents, or notices required by this section shall be retained by the landlord and a copy thereof provided to the tenant. In the event a tenant fails or refuses to execute the document required herein within ten (10) days after the landlord's request that the tenant do so, the landlord shall prepare a declaration under penalty of perjury stating that the information, documents, or notices required by this section have been delivered to the tenant, the date the landlord requested the tenant to sign the joint document acknowledging receipt, and the date the declaration was executed.

(d) A landlord failing to provide a tenant the information, documents, or notices required by this section shall not be entitled to collect any rent increase otherwise authorized by this ordinance from that tenant nor to any rent increase that might otherwise be awarded by a mediator or arbitrator and such failure by the landlord shall be a defense in any action brought by the landlord to recover possession of a rental unit or to collect any rent increase from the tenant. A landlord may cure the failure to serve any notice or the obligation to provide information to a tenant which is required under this ordinance by giving such notice or information before initiating an action for possession of the unit or collecting any rent increase otherwise authorized hereunder.

SECTION 5. THE RENT DISPUTE RESOLUTION PROCESS.

(a) **Tenant Right to Contact Rent Review Officer.** The tenant may contact the Rent Review Officer for an explanation of the provisions of this ordinance.

(b) **Tenant and Landlord Obligations to Discuss a Noticed Rent Increase.** Within ten (10) days after service of the rent increase notice and the accompanying notice required by Section 4(b), the tenant shall make a good faith attempt to contact the landlord or the person designated by the landlord at the time and place shown on the notice provided by the landlord to discuss the rent increase. A tenant's failure to make a good faith attempt to contact the landlord or other person designated shall result, unless good cause is found by the mediator or

arbitrator, in the dismissal of any petition thereafter filed by the tenant. A landlord's or landlord designee's avoidance or refusal to respond to any attempted contact by a tenant to discuss a rent increase shall result, unless good cause is found therefor by a mediator or arbitrator, in denial of a rent increase.

(c) **Tenant Right to File a Petition.** A tenant may file a petition to initiate review of a rent increase, including a reduction in housing services, or the status of a unit as decontrolled. A tenant may not file a petition to initiate review of an eviction. Upon the filing of a petition, the rent increase, or that portion of the demanded rent that is in dispute, is not effective and may not be collected until and to the extent it is awarded by a mediator or, if appealed in a timely fashion, by an arbitrator pursuant to the provisions of the ordinance, or until the petition is abandoned.

(d) **Time to File a Petition.** Where applicable a tenant filing a petition under this section shall do so within the following time limits:

- (1) A tenant receiving a notice of rent increase and the accompanying notice required by Section 4(b) shall have thirty (30) days after service of such notices to file a petition for review of rent;
- (2) A tenant receiving any information, documentation or notice in accord with Section 4(d) shall have thirty (30) days after the service of such information, documentation, or notice to file for a petition for review of rent.
- (3) In instances where notice is not required under Section 4 of the ordinance the tenant shall file a petition for review of rent within thirty (30) days after he or she knew of the alleged failure to comply with the requirements of the ordinance.

(e) **Rent Review Officer Authority to Refuse to Accept Petitions.** The Rent Review Officer shall refuse to accept a petition in the following instances:

- (1) Where the petition is not completely filled out;
- (2) Where the subject complex or building consists of more than ten (10) units and the petition is signed by less than twenty-five percent (25%) of the affected tenants as shown on the notice required by Section 4(b);
- (3) Where from the face of the petition it is determined that the petition has not been filed in accord with Section 5(d).

(f) **Mediation.** Mediations under this ordinance shall be conducted consistent with the following rules and procedures.

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- (1) The parties may agree to waive mediation and proceed directly to arbitration. Written notice of the intent to waive mediation must be filed within five (5) days after receiving notice of the mediation hearing.
 - (2) The Rent Review Officer may adopt procedures for the conduct of mediation hearings.
 - (3) Upon receipt of the petition, the Rent Review Officer shall, within three (3) working days, assign a mediator. The Rent Review Officer shall set a date for a mediation no sooner than ten (10) nor later than twenty-one (21) days after the mediator is assigned. The landlord and tenant(s) shall be notified immediately in writing by the Rent Review Officer of the date, time, and place of the mediation hearing and this notice shall be served either in person or by ordinary mail. The Rent Review Officer may grant postponements of the hearing of up to twenty-one (21) days for good cause.
 - (4) The landlord and tenant(s) may appear at the mediation and offer oral and documentary evidence. Both the landlord and the tenant(s) may designate a representative or representatives to appear for them at the hearing. Such designation shall be in writing. The mediator may grant or order one continuance for not more than ten (10) days from the date of the initial mediation hearing. The parties, with concurrence of the mediator and Rent Review Officer, may agree to additional continuances. The burden of proving that the amount of rent increase is reasonable, or that the unit is decontrolled, shall be on the landlord.
 - (5) At any time during the mediation hearing process the mediator may, upon a determination of lack of good faith, if the parties reach an impasse, or upon a determination that further mediation is impracticable or not likely to be of further value, order the matter to arbitration. The parties shall be notified of this decision in person, if possible, or forthwith in writing if the decision is made outside the presence of the parties.
 - (6) In the event that the parties agree to a level of rent increase, the mediator shall prepare a memorandum of agreement for the signature of the landlord and the tenant(s). This agreement shall constitute a legally enforceable contract. If there are more than ten (10) units in the subject complex or building, all affected tenants must execute a memorandum of agreement; failing execution of a memorandum of agreement by all affected tenants within ten (10) days of the hearing at which agreement is first reached, no executed memorandum of agreement shall be deemed valid or enforceable and the parties shall proceed to best offer mediation or arbitration as determined by the mediator.

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- (7) The mediator may request each party to submit a best offer in writing at the hearing or within five (5) days of the initial mediation hearing or the continued hearing, if any, if agreement is not reached at that hearing. Upon receipt of a best offer from each party, the mediator shall determine the amount of rent increase, if any, which is reasonable. The mediator may determine that relief in the form of a rent reduction is appropriate for any period of time that the tenant has endured a reduction in services without a corresponding reduction in rent. The mediator may additionally determine that the rental rate may be restored to its former level if the landlord fixes, repairs, or otherwise cures the reduction in services by a date to be determined by the mediator. The determination of the mediator shall be based upon all the provisions of this ordinance, the evidence presented by the parties, and any previous decisions which are found relevant and persuasive, and shall be made within ten (10) days after the date the mediator received the parties' best offers. The parties may agree to a greater time in which to make a determination. The mediator shall forthwith communicate this determination and the reasons for it in writing by mail to the Rent Review Officer who shall forthwith distribute copies of the determination by mail to the landlord and tenant(s).
- (8) The determination of the mediator is final and binding thirty (30) days after it has been mailed to landlord and tenant unless that determination is appealed by either landlord or tenant within ten (10) days from the date of mailing of the mediator's determination. The appeal shall be in writing and shall be filed with the Rent Review Officer. Where the complex or building contains more than ten (10) units, at least fifty-one percent (51%) of all affected tenants must sign an appeal from the mediator's decision or that decision shall be final and binding upon the landlord and all affected tenant(s).

(g) **Arbitration Hearing.** Arbitrations under this ordinance shall be conducted consistent with the following rules and procedures:

- (1) The Rent Review Officer may adopt procedures for the conduct of arbitration hearings.
- (2) Within three (3) working days after the filing of an appeal from a mediation decision, the Rent Review Officer shall appoint an arbitrator to hear the appeal. If possible, the Rent Review Officer shall not select the same person to arbitrate the dispute as mediated the dispute. The arbitration hearing on the appeal shall be held no less than ten (10) nor more than twenty-one (21) days after the arbitrator is assigned. The landlord and tenant(s) shall be notified immediately in writing by the Rent Review Officer of the date, time, and place of the arbitration hearing and this notice shall be served either in person or by ordinary

mail. The Rent Review Officer may grant postponements of up to twenty-one (21) days for good cause.

- (3) The arbitrator shall hold a hearing de novo at which both oral and documentary evidence may be presented. The parties to the arbitration shall have the right to examine documents and cross-examine witnesses. Both the landlord and the tenant(s) may designate a representative to appear for them at the hearing. Such designation shall be in writing and in the case of tenant(s) may be included on the appeal form. The arbitrator may grant or order one continuance for not more than ten (10) days from the date of the initial arbitration hearing. The parties, with the concurrence of the arbitrator and Rent Review Officer, may agree to additional continuances. The burden of proof that the amount of rent increase is reasonable, or that the unit is decontrolled, shall be on the landlord.
- (4) The arbitrator shall, within ten (10) days of the close of the hearing, submit a written statement of decision and the reasons for the decision by mail to the Rent Review Officer who shall forthwith distribute copies of the decision by mail to the landlord and tenant(s). The parties may agree to a greater time in which to make a determination. The arbitrator shall determine the amount of the rent increase if any, which is reasonable based upon all the provisions of this ordinance, the evidence presented by the parties, and any previous decisions which are found relevant and persuasive. In addition, pursuant to Section 8(f) and Section 20(a), the arbitrator shall make findings as to the landlord's willfulness, oppression, fraud, or malice.
- (5) The arbitrator may order relief in the form of a decrease in rent for any period of time that the tenant has endured a reduction in services without a corresponding reduction in rent. The arbitrator may additionally order that the rental rate may be restored to its former level if the landlord fixes, repairs, or otherwise cures the reduction in services by a date to be determined by the arbitrator.
- (6) In order to grant any party the time within which to obtain a stay or judicial review from a court of law, the decision of the arbitrator shall not be final and binding upon the landlord and all affected tenant(s) until thirty (30) days after it has been mailed to the landlord and affected tenant(s). However, where a valid and timely application for correction has been filed pursuant to subsection (7), the arbitrator's decision shall not be final or binding until thirty (30) days after the arbitrator's denial of the application or correction of the award has been mailed to the landlord and affected tenant(s). Any sum of money determined by the decision of the arbitrator to be due to landlord by tenant or to tenant by landlord shall constitute a debt and, subject to the provisions of Section 10 of this ordinance, may be collected in any manner provided by law for the

collection of debts.

- (7) Not later than thirty (30) days after the date of the mailing of the decision, the arbitrator, upon written application of a party or on his or her own motion, may correct the decision upon the grounds that it contains a misstatement or omission of a material fact or issue. Application for such correction shall be made not later than ten (10) days after the date of mailing of the decision. Upon receiving such application the Rent Review Officer shall mail a copy of the application to all of the other parties to the arbitration. Any party to the arbitration may make a written objection to such application. The objection shall be made not later than ten (10) days after the mailing of the copy of the application by the Rent Review Officer. Upon receipt the Rent Review Officer shall mail a copy of the objection to all of the other parties to the arbitration. The arbitrator shall either deny the application or correct the award. The denial or correction shall be in writing and shall be distributed by mail to the parties.

SECTION 6. SUBPOENA POWER.

Subpoenas, including subpoenas duces tecum, requiring a person to attend a particular time and place to testify as a witness, may be issued in connection with any dispute pending before a mediator or arbitrator, and shall be issued at the request of the Rent Review Officer, a mediator, arbitrator, or a party. Subpoenas shall be issued and attested by the City Clerk in the name of the City. A subpoena duces tecum shall be issued only upon the filing with the City Clerk of an affidavit showing good cause for the production of the matters and things described in the subpoena, specifying the exact matters or things desired to be produced, setting forth in full detail the materiality thereof to the issues involved in the proceeding, and stating that the witness has the desired matters or things in his or her possession or under his or her control, and a copy of such affidavit shall be served with the subpoena; provided, however, that in the event a subpoena is issued at the request of a landlord, the Peer Committee has a reasonable time, to be determined by the Officer, but not to exceed seven (7) days, to contact the landlord before a subpoena or subpoena duces tecum is issued. Any subpoena or subpoena duces tecum issued pursuant to the provisions of this ordinance may be served in person or by certified mail, return receipt requested, and must be served at least five (5) days before the hearing for which the attendance is sought. Service by certified mail shall be complete on the date of receipt. Notwithstanding any other provision of this ordinance, any time limits set forth in this ordinance shall be extended for such time as is necessary, but not longer than five (5) days, if a subpoena has been served and five (5) days have not elapsed since the service.

Any subpoena or subpoena duces tecum issued pursuant to the provisions of this ordinance shall be deemed issued by and in the name of the City Council.

SECTION 7. CONSOLIDATION OF PETITIONS.

As soon as possible after a petition has been filed with respect to rental units which are operated as a single complex, the Rent Review Officer shall, to the extent possible consistent with the time limitations provided herein, consolidate petitions involving ten (10) or fewer affected tenants.

SECTION 8. VACANCY DECONTROL.

The following provisions shall apply upon the vacancy of a rental unit.

(a) **Rerenting Following a Voluntary Vacancy.** This ordinance does not impose limitations on the amount of initial rent a landlord can charge upon the rerenting of a rental unit that has been voluntarily vacated by the previous tenant. However, all subsequent rent increases shall be subject to the residential rent limitations contained in Section 3 for the remainder of the new tenancy.

A landlord may decontrol a rental unit for purposes of both the initial rent and any subsequent rent increase upon satisfaction of the following conditions:

- (1) The landlord has obtained a written certification from the City Building Official prior to the rerenting which states that the rental unit complies with the Housing Code of the City of Hayward, and with respect to any such unit rerented on or after January 1, 1991, that the unit has a solid-core front door or a rated fire door assembly as required, with a deadbolt installed to meet the requirements of the building security ordinance, Chapter 41 of the Building Code of the City of Hayward, and any auxiliary door or window locks that the City Building Official considers necessary or advisable to inhibit access to the unit from such possible points of entry; and
- (2) The landlord has made improvements, the value of which is at least \$1,000.00 for units with one or less bedrooms, \$1,500.00 for units with two bedrooms, and \$2,000.00 for units with three or more bedrooms, to the unit following notification by the previous tenant of his or her intent to voluntarily terminate the tenancy and prior to occupancy by the new tenant. The value of the required improvements shall be adjusted annually on the first of each year based on the Consumer Price Index for Rent or Shelter for the San Francisco-Oakland-San Jose Metropolitan Statistical Area; and
- (3) The landlord has filed a written document with the Rent Review Officer within thirty (30) days following the rerenting stating that the unit has been decontrolled pursuant to the provisions of this subsection and has attached thereto copies of

the City Building Official's certification and the documents required by subsection (e)(1).

Upon satisfactory completion of the vacancy decontrol procedures, the rental unit shall continue to be subject to the provisions of Sections 18 and 19 of this ordinance but shall not be subject to the remaining provisions of this ordinance, except and only to the extent necessary to determine the applicability of this subsection to the rental unit.

(b) **Rerenting Following a Nonvoluntary Vacancy.** Upon the rerenting of a rental unit which has not been voluntarily vacated, the landlord may raise the rent up to five percent (5%) regardless of the date of the last rent increase, provided that all of the following conditions have been met:

- (1) The landlord has obtained a written certification from the City Building Official prior to the rerenting which states that the rental unit complies with the Housing Code of the City of Hayward, and with respect to any such unit rerented on or after January 1, 1991, that the unit has a solid-core front door or a rated fire door assembly as required, with a deadbolt installed to meet the requirements of the building security ordinance, Chapter 41 of the Building Code of the City of Hayward, and any auxiliary door or window locks that the City Building Official considers necessary or advisable to inhibit access to the unit from such possible points of entry; and
- (2) The landlord has made improvements, the value of which is at least \$1,000.00 for units with one or less bedrooms, \$1,500.00 for units with two bedrooms, and \$2,000.00 for units with three or more bedrooms, adjusted annually as provided in Section 8(a)(2), to the rental unit following the landlord's action to terminate the tenancy of the previous tenant or the previous tenant's notification that he or she intends to vacate the unit nonvoluntarily because of an action by the landlord and prior to occupancy by the new tenant. The value of the required improvements shall be adjusted annually on the first of each year based on the Consumer Price Index for Rent or Shelter for the San Francisco-Oakland-San Jose Metropolitan Statistical Area; and
- (3) The landlord has filed a written document with the Rent Review Officer within thirty (30) days following the rerenting stating that the anniversary date for the unit has been changed pursuant to the provisions of this subsection and has attached thereto a copy of the City Building Official's certification and a copy of the notice required by subsection (e)(2).

A rent increase imposed pursuant to the provisions of this subsection shall establish a

new anniversary date for the purpose of applying the provisions of Section 3 of this ordinance to the rental unit. Except for the establishment of a new anniversary date, all provisions of this ordinance shall apply to a rental unit rerented pursuant to the provisions of this subsection.

(c) **Rerenting Following a Vacancy Where No Improvements Have Been Made.**

Upon the rerenting of a rental unit to which the provisions of neither subsection (a) nor (b) of this section apply, the rental unit shall continue to be subject to all remaining provisions of this ordinance.

(d) **Rerenting Following Termination or Nonrenewal of Contract with Governmental Agency for Rent Limitation.** The rent for a rental unit for which the landlord terminated or failed to renew a contract or recorded agreement with a governmental agency providing for a rent limitation to a qualified tenant shall be the same rate as the rent under the terminated or nonrenewed contract or recorded agreement, for three years following the date of termination or nonrenewal.

This limitation on rental increases shall not apply to any new tenancy of 12 months or longer duration established after January 1, 2000, pursuant to the landlord's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, unless the prior vacancy was pursuant to a nonrenewed or cancelled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant. If the new tenancy meets these requirements, the vacancy shall be treated as a voluntary vacancy.

(e) **Information Required Upon Rerenting.** In addition to providing the new tenant with a copy of this ordinance or a City-prepared summary thereof, as required by Section 4(a), the following information shall be provided by the landlord to a tenant upon the rerenting of rental units governed by subsections (a), (b), and (c) of this section.

- (1) Upon the rerenting of a rental unit to which the provisions of subsection (a) apply, the landlord shall provide the tenant with a document indicating the nature and value of the improvements made to the rental unit; a written statement that the security deposit of the previous tenant, if any, was not used for any purpose other than to compensate the landlord for the previous tenant's default in the payment of rent, repair damages to the rental unit caused by the previous tenant beyond ordinary wear and tear, or clean the rental unit if necessary upon termination of the previous tenancy; a declaration by the previous tenant that the unit was voluntarily vacated or nonvoluntarily vacated, or a declaration under penalty of perjury by the landlord that the unit was voluntarily vacated and the previous tenant was asked to sign the declaration but is unavailable or has refused to sign; and notice that the tenant is covered by the provisions of

Sections 18 and 19 of this ordinance.

- (2) Upon the rerenting of a rental unit to which the provisions of subsection (b) of this section apply, the landlord shall provide the tenant with a document indicating the nature and value of the improvements made to the rental unit; a written statement that the security deposit of the previous tenant, if any, was not used for any purpose other than to compensate the landlord for the previous tenant's default in the payment of rent, repair damages to the rental unit caused by the previous tenant beyond ordinary wear and tear, or clean the rental unit if necessary upon termination of the previous tenancy; and a statement indicating the rent paid by the previous tenant.
- (3) Upon the rerenting of a rental unit to which the provisions of subsection (c) of this section apply, the landlord shall provide the tenant with a statement indicating the rent paid by the previous tenant and the date of the last rent increase for the rental unit.

(f) **Definition of "Improvement."** As used in this section, the word improvement shall mean that work done to a rental unit which adds to the value of the property but is not ordinary maintenance or repair and which may, but need not necessarily be, a capital expenditure as that term is defined under the Internal Revenue Code. Some of the following may require a building permit regarding which additional information can be obtained from the City's Building Department.

- (1) Examples of work which would ordinarily be an improvement for the purposes of the definition provided herein include but are not limited to the following:
 - (i) Adding *new* appliances;
 - (ii) Replacing existing appliances with *new* ones;
 - (iii) Adding or replacing carpets or drapes with *new* ones;
 - (iv) Replacing other floor or wall coverings with *new* material or refinishing hardwood floors;
 - (v) Adding new electrical or plumbing fixtures;
 - (vi) Installing new kitchen or bathroom cabinets;
 - (vii) Installing solar hot water unit;

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- (viii) Installing new or improved security systems;
 - (ix) Remodeling rooms, walls, closets, or ceilings to improve the living space within a unit or replacing windows;
 - (x) Completing unscheduled painting of all painted wall surfaces to make the unit rentable.
- (2) Examples of work which would normally be ordinary maintenance or repair and not an improvement for the purposes of the definition provided herein include but are not limited to the following:
- (i) Cleaning windows, ceilings, floors, and appliances;
 - (ii) Repairing windows, doors, appliances, or lighting and plumbing fixtures;
 - (iii) Cleaning carpets;
 - (iv) Cleaning drapes;
 - (v) Replacing curtains, curtain rods, or window shades;
 - (vi) Painting interior walls;
 - (vii) Replacing or installing screens;
 - (viii) Replacing slide rods.

(g) **Penalties for Violation.** A landlord violating the provisions of this section shall be liable in a civil action to the tenant for three (3) times the amount of any rent increase wrongfully imposed upon a finding by the court that the landlord has acted willfully or with oppression, fraud, or malice. The arbitrator shall make findings as to the landlord's willfulness, oppression, fraud, or malice. In any civil action filed under the authority of this section, the court shall give the arbitrator's findings the weight to which they are legally entitled. In addition, failure to provide the information required herein shall be a defense in any action brought to recover possession of the rental unit or to collect any increased rent permitted by the provisions of this section.

SECTION 9. STANDARDS OF REVIEW.

In evaluating the rent increase proposed or imposed by the landlord, the following factors may be considered:

(a) Unavoidable increases in maintenance and operating expenses, including the reasonable value of the landlord's labor.

(b) The substantial rehabilitation or the addition of capital improvements, including the reasonable value of the landlord's labor, as long as such rehabilitation or improvement has been completed and is:

- (1) Distinguished from ordinary repair or maintenance;
- (2) For the primary benefit, use, and enjoyment of the tenants;
- (3) Permanently fixed in place or relatively immobile and appropriated to the use of the property;
- (4) Not coin-operated nor for which a "use fee" or other charge is imposed on tenants for its use; and
- (5) Cost-factored and amortized over the good faith estimate of the remaining useful life of the rehabilitation or improvement.

(c) Increased costs of debt service due to a sale or refinancing of the rental units or the building or property of which the units are a part within twelve (12) months of the increase, in accordance with the following criteria:

- (1) The arm's length nature of the transaction.
- (2) The frequency of past resale. A single sale of property within a five (5) year period is presumed to be non-speculative. Multiple transactions within such a period should be considered as speculative transactions in the absence of evidence to the contrary including, but not limited to, proof that the sale was the result of a dissolution or probate proceeding.

Where the mediator or arbitrator determines that a transfer is speculative as defined herein, and a rent increase was granted as a result of the preceding transfer, no consideration shall be given to increases in debt service resulting from a real or imputed sales price which exceeds the preceding real or imputed

sales price by more than the percentage increase in the Consumer Price Index for all urban consumers for the San Francisco-Oakland Metropolitan Area between the date of the previous purchase and the date of the most recent sale, plus any unrecovered costs of capital improvements or rehabilitation work made or performed by the seller.

- (3) The frequency and purpose of past refinancing. Monies derived from increased debt service costs due to refinancing should only be considered where they were reinvested in the subject rental property in the form of recapture of prior year's operating loss, capital improvements or substantial rehabilitation, unless doing so would deprive the landlord of a fair return on the property.
- (4) The loan to value ratio. When it is otherwise appropriate, increased debt service costs should be considered reasonable when in accordance with the following formula:
 - (i) The debt service costs are attributable to a loan or loans of up to seventy percent (70%) of the value of the property; and
 - (ii) No more than eighty percent (80%) of such debt service costs are being passed through.

Where the loan to value ratio exceeds seventy percent (70%), a rent increase based on debt service costs may be granted, provided that no increase should be granted which is attributable to the amount by which the loan to value ratio exceeds seventy percent (70%). In determining value of the property the mediator or arbitrator shall use the primary lender's appraisal or separately calculate values using information on comparable sales, a net operating income capitalization formula or any other valuation method accepted by the real estate industry. In considering value, the mediator or arbitrator shall take into account the existence of this ordinance.

- (5) The percent of the debt service being apportioned to each rental unit.
- (d) The rental history of the unit or the complex of which it is a part, including:
 - (1) The presence or absence of past increases;
 - (2) The frequency of past rent increases; and
 - (3) The occupancy rate of the complex in comparison to comparable units in the

same general area.

- (e) The physical condition of the rental unit or complex of which it is a part, including the quantity and quality of maintenance and repairs performed during the preceding twelve (12) months.
- (f) Any increase or reduction of housing services since the last rental increase.
- (g) Other financial information which the landlord is willing to provide.
- (h) Existing market value of rents for units similarly situated.
- (i) A fair return on the property prorated among the units of the complex.

SECTION 10. OBLIGATIONS OF THE PARTIES.

(a) Any increase in rent which has occurred since July 1, 1979, and prior to the effective date of this ordinance, which increase is subsequently disallowed, shall be either rebated to the tenant within thirty (30) days after the decision is final or credited against or set off from the next rent due after the effective date of this ordinance and any succeeding months until full credit for the increase has been applied; except that, in the event that the tenancy of the tenant is terminated for any reason prior to full credit to him against rent, the balance of the credit due the tenant shall be paid to him by the landlord within thirty (30) days from the date of the termination of his tenancy.

(b) If a final decision by a mediator or arbitrator finds that a proposed increase or any portion thereof that was previously inoperative is justified, the tenant shall pay the amount found justified to the landlord within thirty (30) days after the decision is final.

(c) If a final decision by a mediator or arbitrator finds that an increase or any portion thereof is not justified, the landlord shall refund any amount found to be unjustified, but that had been paid, to the tenant within thirty (30) days after the decision becomes final; if such refund is not made within thirty (30) days, the tenant may withhold the amount from the next rent(s) due until the full amount of the refund has been made; except that, in the event that the tenancy of tenant is terminated for any reason prior to full credit to him against rent, the balance of the credit due the tenant shall be paid to him by the landlord within thirty (30) days from the date of the termination of his tenancy.

(d) Any sum of money that under the provisions of this section is the obligation of the landlord or tenant, as the case may be, shall constitute a debt and, subject to the foregoing

provisions of this section, may be collected in any manner provided by law for the collection of debts.

SECTION 11. TENANT'S RIGHT OF REFUSAL.

A tenant may refuse to pay any increase in rent which is in violation of this ordinance, provided a petition has been filed and either no final decision has been reached by agreement, mediation, or arbitration or the increase has been determined to violate the provisions of this ordinance. Such refusal to pay shall be a defense in any action brought to recover possession of a rental unit or to collect the rent increase.

SECTION 12. RETALIATORY EVICTIONS; TENANTS' RIGHT TO ORGANIZE.

(a) No landlord may retaliate against a tenant for the tenant's assertion or exercise of rights under this ordinance in any manner, including but not limited to: threatening to bring or bringing an action to recover possession of a rental unit; engaging in any form of harassment that causes a tenant to quit the premises; decreasing housing services; increasing the rent; or imposing or increasing a security deposit or any other charge payable by a tenant.

(b) In an action by or against the tenant, evidence of the assertion or exercise by the tenant of his or her rights under this ordinance or other activity in furtherance of tenants' rights and organizations within six (6) months prior to the alleged act of retaliation shall create a presumption that the landlord's conduct was in retaliation for the tenant's assertion or exercise of rights under this ordinance.

(c) Notwithstanding the provisions of subsections (a) and (b) above, a landlord may recover possession of a rental unit and do any of the acts described in subsection (a), other than harassing the tenant, within the six-month period set forth in subsection (b), if any notice, pleading or statement of issues complies with the provisions of Section 19 of this ordinance.

SECTION 13. SECURITY DEPOSITS.

(a) Landlords shall pay annual interest in accordance with the provisions of this section on all security deposits of more than one year's duration with interest accruing from the first day a tenancy begins, and shall not impose or collect any handling, service, or other charges in connection therewith. The payment shall be prorated on a monthly basis upon

termination of any tenancy of more than one year's duration. Otherwise, the payment shall be made on an annual basis beginning upon the first anniversary of the tenancy and may be made by direct payment to the tenant within ten calendar days of each anniversary date or by crediting the same against the next month's rental payment. A landlord violating the provisions of this section shall be liable to the tenant for three times the amount of interest wrongfully uncredited or unpaid and a tenant may bring an action in the appropriate court to collect such penalty.

(b) The interest rate to be paid on security deposits shall be set annually by the Rent Review Officer each November. Said interest rate shall be based upon the Federal Reserve Bank Monthly Survey of Selected Accounts and shall equal the latest September percentage for the average rate paid on personal savings accounts for Bank Insurance Fund (BIF) insured savings banks or any successor or alternate survey the Rent Review Officer determines is comparable to the Federal Reserve Bank Monthly Survey. Landlords and tenants may obtain this rate by contacting the Rent Review Office after November 1st of each year. In cases where the year between anniversary dates of a tenancy spans periods in which more than one interest rate percentage applies, each rate shall be utilized to calculate the interest paid on the security deposit depending upon the number of months or, if less than a full month, days to which each rate applies.

SECTION 14. TERMINATION.

[REPEALED.]

SECTION 15. REVIEW BY THE CITY COUNCIL.

[REPEALED.]

SECTION 16. SEVERABILITY.

This ordinance shall be liberally construed to achieve its purposes and preserve its validity. If any provision or clause of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable and are intended to have independent validity.

To the extent that this ordinance presents an actual and impermissible conflict with state or federal law, the state or federal law will govern.

SECTION 17. NONWAIVERABILITY.

Any provision, whether oral or written, in or pertaining to a rental agreement whereby any provision of this ordinance is waived or modified, is against public policy and void.

SECTION 18. FEES.

The costs of administration of this ordinance shall be reimbursed in full to the General Fund by imposition of a rent stabilization administration fee chargeable against each rental unit subject to this ordinance in the City. The landlord who pays these fees may pass through to the tenant up to 50 percent of those fees assessed against a rental unit, except a rental unit to which the provisions of Section 8(a) are applicable, as a governmental services cost subject to the provisions of Section 3(e) herein. The remaining 50 percent of the fees assessed against a rental unit that is not subject to Section 8(a) shall not be passed on in any way to tenants.

The fees imposed by this section shall be paid annually. The time and manner of payment, delinquency status, and assessment and collection of penalties for delinquent payment of the fees imposed by this section shall be as provided in Article 1 of Chapter 8 of the Hayward Municipal Code. The City Manager and Rent Review Officer shall recommend to the City Council the amount of such fee and time for payment and the City Council shall adopt such fee by resolution.

A landlord failing to pay fees required by this section shall not be entitled to collect any rent increase otherwise authorized by this ordinance from the tenant nor to any increase that might otherwise be awarded by a mediator or arbitrator, and such failure by the landlord shall be a defense in any action brought by the landlord to recover possession of a rental unit or to collect any rent increase from the tenant. A landlord may cure the failure to pay the fees required by this section by paying such fees before initiating an action for possession of a unit or collecting any rent increase otherwise authorized hereunder.

If the park owner elects to pass on a percentage of the fee, the park owner shall send a notice to the tenant in substantially the following form:

NOTICE TO TENANTS

Pursuant to the provisions of Section 18 of the City of Hayward's Residential Rent Stabilization Ordinance No. 83-023 C.S., as amended, landlords are required to pay an administration fee to the City on an annual basis to defray the costs of administering the ordinance. The fee is charged against each rental unit subject to the ordinance in the City. The ordinance further

provides that landlords may collect up to 50 percent of this fee from the rental unit tenants by assessing the fee to the tenants as a governmental services cost pursuant to Section 3(e) of the ordinance.

The rent stabilization fee imposed for _____ reflects costs incurred during the calendar year of _____. The fee for this year is _____ per rental unit. The landlord has paid the full amount of the fee to the City and has decided to exercise the option to collect a portion of the fee from the rental unit tenants. Your 50 percent share of this fee is _____. Please remit the full amount of _____ to _____ by check payable to _____ with your next rent payment.

SECTION 19. EVICTION FOR CAUSE.

(a) **Cause for Eviction.** No landlord shall be entitled to recover possession of a rental unit covered by the terms of this ordinance unless the landlord shows the existence of one of the following grounds:

- (1) The tenant has failed to pay rent to which the landlord is legally entitled pursuant to the lease or rental agreement and under the provisions of state or local law, unless the tenant has withheld rent pursuant to applicable law.
- (2) The tenant has continued, after written notice to cease, to substantially violate any of the material terms of the rental agreement, except the obligation to surrender possession on proper notice as required by law, and provided that such terms are reasonable and legal and have been accepted in writing by the tenant or made part of the rental agreement.
- (3) The tenant has willfully caused or allowed substantial damage to the premises beyond normal wear and tear and has refused, after written notice, to pay the reasonable costs of repairing such damage and cease damaging said premises.
- (4) The tenant has refused to agree to a new rental agreement upon expiration of a prior rental agreement, but only where the new rental agreement contains provisions that are substantially identical to the prior rental agreement, and is not inconsistent with local, state, and federal laws.
- (5) The tenant has continued, following written notice to cease, to be so disorderly as to destroy the peace and quiet of other tenants or occupants of the premises.
- (6) The tenant has, after written notice to cease, refused the landlord access to the

unit as required by state or local law.

- (7) The landlord, after having obtained all necessary permits from the City of Hayward, seeks in good faith to undertake substantial repairs which are necessary to bring the property into compliance with applicable codes and laws affecting the health and safety of tenants of the building or where necessary under an outstanding notice of code violations affecting the health and safety of tenants of the building, and where such repairs cannot be completed while the tenant resides on the premises. Where the landlord recovers possession under this subsection, the tenant must be given the right of first refusal to re-occupy the unit upon completion of the required work.
- (8) The landlord, after having obtained all necessary permits from the City of Hayward, seeks in good faith to recover possession of the rental units, in order to remove the rental unit from the market by demolition.
- (9) The landlord seeks in good faith to recover possession for his or her own use or occupancy as his or her principal residence, or for the use and occupancy as a principal residence by the landlord's spouse or domestic partner or by the landlord's or the landlord's spouse's child, parent, brother, sister, grandparents, or grandchildren. For the purposes of this subsection, the term landlord shall be defined as the owner of record holding at least a fifty-one percent (51%) interest in the property and shall not include a lessor, sublessor, or agent of the owner of record. The landlord may not recover possession under this subsection if a comparable unit is already vacant and available in the property.
- (10) A landlord or lessor seeks in good faith to recover possession of the rental unit for his or her occupancy as a principal residence and has the right to recover possession of the unit for his or her occupancy as a principal residence under an existing rental agreement with the current tenants.
- (11) The tenant is convicted of using the rental unit for any illegal purpose.
- (12) The tenant has used or allowed the use of the rental unit, or any other area owned or controlled by the landlord, for the manufacture, sale, distribution, possession, or use of a controlled substance as defined in state law.
- (13) The tenant has continued, after written notice to cease, to violate legal and reasonable written rules and regulations generally applicable to all tenancies within the premises provided that such terms have been accepted in writing by the tenant.

-
- (14) The lawful termination of the tenant's employment by the landlord, where such employment was an express condition of, or consideration for, the tenancy under a written rental agreement, the notice of termination is given as provided in Section 1946 of the California Civil Code.
- (15) The tenant has threatened, either verbally or in writing, to commit a crime which would result in the death or great bodily harm to a tenant, guest, manager, owner or other person on the premises, for which a report has been filed with the Hayward Police Department.

(b) **Form of Notice.** A landlord's failure to specify either one or more grounds for eviction authorized by state or federal law or good cause as listed above in subsections 1 through 15 in the notice of termination or the notice to quit and in the complaint for possession shall be a defense of any action for possession of a rental unit covered by the terms of this ordinance.

SECTION 20. PENALTIES AND REMEDIES.

In addition to those penalties and remedies set forth elsewhere in this ordinance, the following penalties and remedies shall apply.

(a) **Receipt of Rent to Which Landlord is Not Entitled.** Any landlord who demands, accepts, receives, or retains any money as rent from a tenant to which the landlord is not entitled under the provisions of this ordinance shall be liable to the tenant for any actual damages, attorneys' fees, and costs incurred by the tenant as a consequence thereof. The landlord shall also be liable in a civil action for a civil penalty of five hundred dollars (\$500.00) or, if greater, three (3) times the amount of money the landlord accepted, received, or retained in violation of the provisions of this ordinance, upon a showing that the landlord has acted willfully or with oppression, fraud, or malice. The arbitrator shall, in his or her decision, make findings as to the landlord's willfulness, oppression, fraud, or malice. In any civil action filed under the authority of this section, the court shall give the arbitrator's findings the weight to which they are legally entitled.

(b) **Failure to Provide Required Notices.** Except as provided hereinafter, any landlord who fails to provide a tenant with any information, documentation, or notice required by the provisions of this ordinance shall be guilty of an infraction. The first conviction of a landlord of any provision of this ordinance requiring giving information, documentation, or notice in a twelve (12) month period shall be punishable by a fine of not more than one hundred dollars (\$100.00), the second conviction by a fine of not more than two hundred dollars (\$200.00), and the third by a fine of not more than five hundred dollars (\$500.00). Any landlord who has been convicted of three (3) or more infractions for violating any provision of

this ordinance requiring giving information, documentation, or notice in a twelve (12) month period shall be guilty of a misdemeanor punishable by a fine of not more than one thousand dollars (\$1,000.00) or by six (6) months imprisonment, or both for each additional such violation.

ORDINANCE NO. 03-01

ORDINANCE REPEALING EXISTING RESIDENTIAL RENT
STABILIZATION ORDINANCE AND ENACTING A NEW
ORDINANCE FOR RESIDENTIAL RENT STABILIZATION

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. The City of Hayward's Residential Rent Stabilization Ordinance is hereby repealed and, in substitution thereof, a new Residential Rent Stabilization Ordinance is hereby enacted to read as Exhibit "A" attached hereto.

Section 2. If any section, subsection, paragraph or sentence of this Ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid or beyond the authority of the City of Hayward by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance.

Section 3. This Ordinance shall become effective thirty (30) days after adoption by the City Council.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the 7th day of January, 2003, by Council Member Hilson.

ADOPTED at a regular meeting of the City Council of the City of Hayward held the 21st day of January, 2003, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS: Jimenez, Hilson, Rodriquez, Ward, Dowling, Henson
MAYOR: Cooper

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

APPROVED: Roberto Cooper
Mayor of the City of Hayward

DATE: January 21, 2005

ATTEST: Angelina Reyes
City Clerk of the City of Hayward

APPROVED AS TO FORM:

M. O. [Signature]
City Attorney of the City of Hayward

LIST OF AMENDMENTS AND REVISIONS TO RESIDENTIAL RENT ORDINANCE

<u>Ordinance Number:</u>	<u>Dates of Introduction and Adoption:</u>
Ordinance No. 83-023 C.S.	Introduced September 6, 1983 Adopted September 13, 1983
Ordinance No. 83-030 C.S.	Amended Section 8 - Vacancy Decontrol Introduced November 22, 1983, Adopted December 6, 1983 Effective January 5, 1984
Ordinance No. 84-005 C.S.	Technical amendments Introduced February 21, 1984, Adopted March 6, 1984 Effective April 5, 1984
Ordinance No. 84-023 C.S.	Amended Section 4 (d) Introduced September 4, 1984 Adopted October 2, 1984
Ordinance No. 84-032 C.S.	Technical amendments Introduced November 20, 1984 Adopted December 11, 1984 Effective January 10, 1985
Ordinance No. 85-033 C.S.	Amended Section 9 © Introduced November 19, 1985 Adopted December 10, 1985 Effective January 9, 1986
Ordinance No. 86-026 C.S.	Amended Section 14 - Termination Introduced August 5, 1986 Adopted September 2, 1986 Effective Oct. 2, 1986
Ordinance No. 87-002 C.S.	Amended Section 3 - Rent Increase Limitations Amended Section 4 - Information to Tenant Amended Section 5 - Rent Dispute Resolution Process Amended Section 8 - Vacancy Decontrol

Amended Section 14 - Termination

Amended Section 18 - Fees
Introduced February 17, 1987

Adopted February 24, 1987
Effective April 1, 1987

Ordinance No. 90-04 C.S.

Technical amendments

Introduced January 9, 1990,
Adopted January 30, 1990
Effective March 1, 1990

Amended Section 2 (p) - Voluntarily Vacated

Amended Section 5 [©] - Tenant Right to File a
Petition

Amended Section 5 (f) - Paragraph 7 and 8

Amended Section 5 (g) - Paragraph 4
Added to Section 5 (g) - New Paragraph 5

Renumbered Section 5 (g) - Paragraphs 5 and 6 to
6 and 7

Amended Renumbered Section 5 (g) - Paragraph 6

Amended Section 8 (f) - Penalties for Violation

Amended Section 10 - Obligations of the Parties

Amended Section 14 - Termination

Amended Section 18 - Fees

Added Section 19 (a) - Paragraph 12

Renumbered Section 19 (a) - Paragraphs 12 and 13
to 13 and 14

Amended Section 20 - Penalties and Remedies

Ordinance No. 90-09 C.S.	Technical Amendments Introduced March 13, 1990 Amended Section 19 (b) and Section 8 (f) Adopted March 27, 1990 Effective April 26, 1990
Ordinance No. 90-31 C.S.	Amended Section 8(a)(1) - Security Improvements Introduced November 13, 1990 Adopted November 27, 1990
Ordinance No. 92-32	Amended Section 13 - Security Deposits Introduced March 2, 1993 Adopted March 16, 1993
Ordinance No. 93-06	Amended Section 14 - Termination and Section 15 - Review by the City Council Introduced March 2, 1993 Adopted March 16, 1993
Ordinance No. 94-09	Amended Section 18 - Fees Introduced March 22, 1994 Adopted April 5, 1994
Ordinance No. 95-12	Amended Section 14 - Termination and Section 15 - Review by the City Council
Ordinance No. 96-08	Repealed Section 14 - Termination and amended Section 15 - Review by the City Council
Ordinance No. 03-01	Repealed and replaced Ordinance and its entirely Introduced January 7, 2003 Adopted January 21, 2003

ORDINANCE NO. 16 -

AN ORDINANCE AMENDING SECTION 2(1)(2) OF THE CITY OF HAYWARD RESIDENTIAL RENT STABILIZATION ORDINANCE CLARIFYING THE EXEMPTION APPLICABLE TO UNITS FINANCED OR INSURED BY A FEDERAL, STATE OR LOCAL AGENCY

WHEREAS, in 1983, the City Council for the City of Hayward first adopted the City of Hayward Residential Rent Stabilization Ordinance (Ordinance);

WHEREAS, the purpose of the Ordinance includes, but is not limited to, stabilizing rent increases for certain tenant and assuring efficient landlords a fair return on their property;

WHEREAS, the Ordinance imposes rent increase limitations on “rental units,” as defined, and also exempts certain residential units from rent control;

WHEREAS, the Ordinance exempts from local rent control those units that are financed or insured by a federal, state or local agency, or receive rent subsidy assistance therefrom if the units are subject to rent controls as a result of such financing, insurance, or subsidy;

WHEREAS, consistent with Council interpretation, it has been the practice of City staff to apply this exemption only to residential units that are currently financed or insured by a federal, state or local agency;

WHEREAS, the City Council finds it necessary to provide clarity to both landlords and tenant that the exemption provided in Section 2(1)(2) is applicable only to residential units that are currently financed or insured by a federal, state or local agency.

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Provisions. Upon the effective date of this ordinance, Section 2(1)(2) of the City of Hayward Residential Rent Stabilization Ordinance is hereby amended the read as follows:

Dwelling units in multi-family housing projects currently financed or insured by a federal, state, or local agency or receiving rent subsidy assistance therefrom if the units are subject to rent controls as a result of such financing, insurance, or subsidy;

Section 2. Severance. Should any part of this ordinance be declared by a final decision of a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of the City, such decision shall not affect the validity of the remainder of this ordinance, which shall continue in full force and effect, provided that the remainder of the

ordinance, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the City Council.

Section 3. Effective Date. In accordance with the provisions of Section 620 of the City Charter, this ordinance shall become effective 30 days from and after the date of its adoption.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the ____ day of ____, 2016, by Council Member _____.

ADOPTED at a regular meeting of the City Council of the City of Hayward, held the ____ day of ____, 2016, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED: _____
Mayor of the City of Hayward

DATE: _____

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



Resumen Ejecutivo

FECHA: 31 de enero de 2017

A: Alcalde y Consejo Municipal

DE: Gerente de la ciudad
Abogado de la ciudad
Director de Servicios de Desarrollo
Director de Biblioteca y Servicios Comunitarios

ASUNTO: Revisión y discusión de estrategias y recursos de asequibilidad de vivienda en el Condado de Hayward y Alameda

RECOMENDACIÓN

Que el Concejo Municipal de Hayward revise este Resumen Ejecutivo, lea el informe completo adjunto y los documentos de apoyo y proporcione orientación al personal de la Ciudad en respuesta a las preguntas y recomendaciones que se enumeran al final de este Resumen Ejecutivo, así como en el informe completo.

RESUMEN

La vivienda es una necesidad humana básica. Es fundamental para la condición humana. La vivienda es tan importante que gran parte de la civilización moderna está enfocada en los hogares en que vivimos – su desarrollo y construcción, la compra y venta de ellos, buscándolos, invirtiendo en ellos, alquilándolos y compartiéndolos, reparándolos y mejorándolos, trayéndoles servicios, y protegiéndolos.

En los Estados Unidos , la vivienda es absolutamente central para el Sueño Americano. Ya sea que poseamos, alquilemos, o compartamos una casa, todos los estadounidenses tienen en común una necesidad humana básica de una vivienda asequible que podamos llamar propia. Estar seguros en nuestros hogares nos da la libertad de perseguir nuestros intereses vitales y trabajar hacia nuestros sueños, ya sea que nuestro sueño sea comenzar una familia, construir una inversión para el futuro, o simplemente tener un lugar a donde ir donde estemos seguros y cálidos y podamos vivir nuestras vidas libres de miedo y gana .

Este reporte revisará muchas de las estrategias que la Ciudad de Hayward, el Condado de Alameda y el Estado de California usan para ayudar a que la vivienda sea más asequible. El reporte concluye con recomendaciones específicas para la consideración del Consejo Municipal. La versión más larga de este reporte con muchos más detalles se puede encontrar en el Adjunto II. Hay aún más detalles y datos en los anexos adicionales que se denominan Adjunto III a XII.

ANTECEDENTES

No es ningún secreto que nuestra sociedad, especialmente el Área de la Bahía, se encuentra en una importante crisis de la vivienda en este momento. Hay muchas razones por las que esta crisis está sucediendo. El aumento del costo de la vivienda es un problema muy complicado, con muchas partes móviles que se afectan entre sí. La crisis en la que nos encontramos ahora fue causada por muchas cosas complejas, incluyendo algunas que comenzaron hace muchos años. Ninguna cosa por sí sola causó la actual crisis de la vivienda. Porque no hay una sola causa de la crisis, no hay una sola cura-todo que la pueda resolver rápidamente. Debemos tener cuidado de no simplificar demasiado el problema. Una crisis tan complicada tendrá muchas soluciones diferentes y algunas soluciones pueden tardar años en mostrar progreso.

Es tentador probar soluciones rápidas que parecen dar un progreso inmediato, por ejemplo, inmediatamente aumentando los impuestos muy alto para construir más viviendas, o al aprobar leyes de control de alquileres muy estrictas. Cada comunidad es diferente, a menudo con muchos puntos de vista diversos, y cada mercado de la vivienda local tiene factores diferentes y únicos que lo afectan. Aunque las soluciones tengan buenas intenciones, si no son probadas y estudiadas muy cuidadosamente antes de ser implementadas en su totalidad, pueden fallar, tener consecuencias inesperadas o ser abatidas en demandas judiciales más adelante. Esto puede empeorar la crisis, a veces de inmediato o años más tarde.

Por ejemplo, San Francisco tiene muchas leyes de vivienda incluyendo algunas de las más estrictas leyes de control de alquileres en el país. Sin embargo, los costos de renta en San Francisco siguen aumentando y ahora están entre los más caros del mundo. Esto hace que los propietarios luchen aún más duro para proteger sus inversiones y su habilidad para aumentar rentas, porque sus propiedades son aún más valiosas. Debido a que es una ciudad muy rica, San Francisco puede y gasta cientos de millones de dólares para construir viviendas asequibles. Sin embargo, todavía no es suficiente. Las familias trabajadoras ordinarias con buenos empleos y sueldos decentes que han vivido allí durante muchos años en el pasado ya no pueden vivir allí y aún llegar a fin de mes.

Muchas de estas familias trabajadoras se han mudado a ciudades más asequibles como Oakland, Richmond y Hayward. Esto ha hecho que la demanda de vivienda en otras ciudades del Área de la Bahía suba muy rápido. Sin embargo, muchas de estas ciudades ya están construidas, y nuevas viviendas no se están construyendo lo suficientemente rápido como para dar cabida a todas las personas que quieren entrar. No hay suficientes suministros de viviendas para corresponder con toda la demanda. Esto hace que los precios de la vivienda suban. Las rentas en Hayward han subido en los últimos tres años, aunque no tan alto como en otras partes del condado de Alameda como Castro Valley, Fremont y Livermore.

En 1950, cuando la explosión demográfica "Baby Boom" había comenzado, Hayward era una pequeña ciudad de 14,000 habitantes que vivían en 4,700 casas y apartamentos combinados. En ese momento, Hayward era principalmente un pueblo agrícola, y la mayor parte de la tierra consistía de granjas, huertos, ranchos y otros terrenos abiertos. Diez años más tarde en 1960, la población había crecido muy rápidamente a 72,000 personas. Muchos hogares nuevos se habían construido muy rápidamente, y Hayward había crecido a 20,200 unidades de vivienda en 1960. Para 1970, la población había crecido muy rápidamente otra vez, a 93,000 personas. Se construyeron miles de unidades de vivienda más, pero no tanto como en los diez años anteriores. En 1970 Hayward tenía 28,600 unidades de vivienda.

De 1950 a 1970 - en una sola generación familiar de veinte años - la población de Hayward explotó en un 660%. El número de unidades de vivienda se había multiplicado por 608%. Durante este tiempo de crecimiento rápido, casi todas las grandes huertas y granjas de Hayward y otros espacios abiertos se convirtieron en vecindarios masivos de casas unifamiliares y complejos de "apartamentos de jardín", con centros comerciales, escuelas, parques, y muchos otros servicios. Esto llenó casi todo el terreno disponible en Hayward.

Para el año 2000, la población de Hayward había seguido creciendo y había alcanzado más de 140,000 personas. El número de unidades de vivienda apenas había mantenido la demanda, a poco más de 45,000 unidades de vivienda.

Después del año 2000, el desarrollo de viviendas en Hayward se desaceleró. Casi todos los terrenos disponibles y fácilmente desarrollables para la construcción de viviendas habían sido ocupados. Las actitudes de la gente acerca de la construcción habían cambiado, y la mayoría quería dejar la tierra que todavía estaba abierta sola, o mantenerla como parques y espacios abiertos. La gente se preocupó más por los impactos al medio ambiente y a la calidad de vida en sus vecindarios que la construcción de más viviendas podría causar.

Promotores de viviendas tuvieron que cambiar su enfoque a proyectos de relleno, que utilizan pedazos más pequeños de tierra o tierra que ya tiene edificios en ella. Los proyectos de relleno suelen ser mucho más difíciles y costosos de construir que los proyectos en terrenos abiertos. Nuevas restricciones y la oposición de la comunidad a los proyectos de relleno basados en la densidad, el estacionamiento, el tráfico, los impactos ambientales y otros factores complicados añadieron a la dificultad y el costo de desarrollar y construir nuevas viviendas.

La brecha entre el crecimiento de la población y el desarrollo de la vivienda se comenzó a ampliar. Entre 2005 y 2015, la población de Hayward creció por casi 15,000 personas, pero durante el mismo período el número total de unidades de vivienda aumentó por menos de 500 unidades en total.¹

Para ver esta tendencia de otra manera: En el 2005, Hayward tenía una unidad de vivienda por cada 2.84 personas. En el año 2015, Hayward tenía una unidad de vivienda por cada 3.24 personas.²

Este problema no se limita sólo a Hayward. El estado entero de California, y en particular el área de la bahía, se enfrenta a una crisis creciente de acceso de viviendas. Un reciente estudio preliminar sobre viviendas estatal del Departamento de Vivienda y Desarrollo Comunitario (HCD) titulado "[El futuro de la vivienda en California: desafíos y oportunidades](#)", encontró que:

- La producción en California tuvo un promedio de menos de 80,000 viviendas nuevas por año durante los últimos 10 años, y la producción en curso sigue cayendo muy por debajo de la necesidad proyectada de 180,000 hogares adicionales anualmente.
- La mayoría de los inquilinos Californianos -- más de 3 millones de hogares -- pagan más del 30 por ciento de sus ingresos en renta y casi un tercio -- más de 1.5 millones de hogares -- pagan más del 50% de sus ingresos en costo de renta.

En Hayward, los precios de venta de las viviendas aumentaron un 84% entre 2010, cuando el mercado de la vivienda tocó fondo y 2015, el año más reciente para el cual hay datos disponibles.

¹ *Censo de los Estados Unidos. Encuesta de la Comunidad Americana, 2005-2015.*

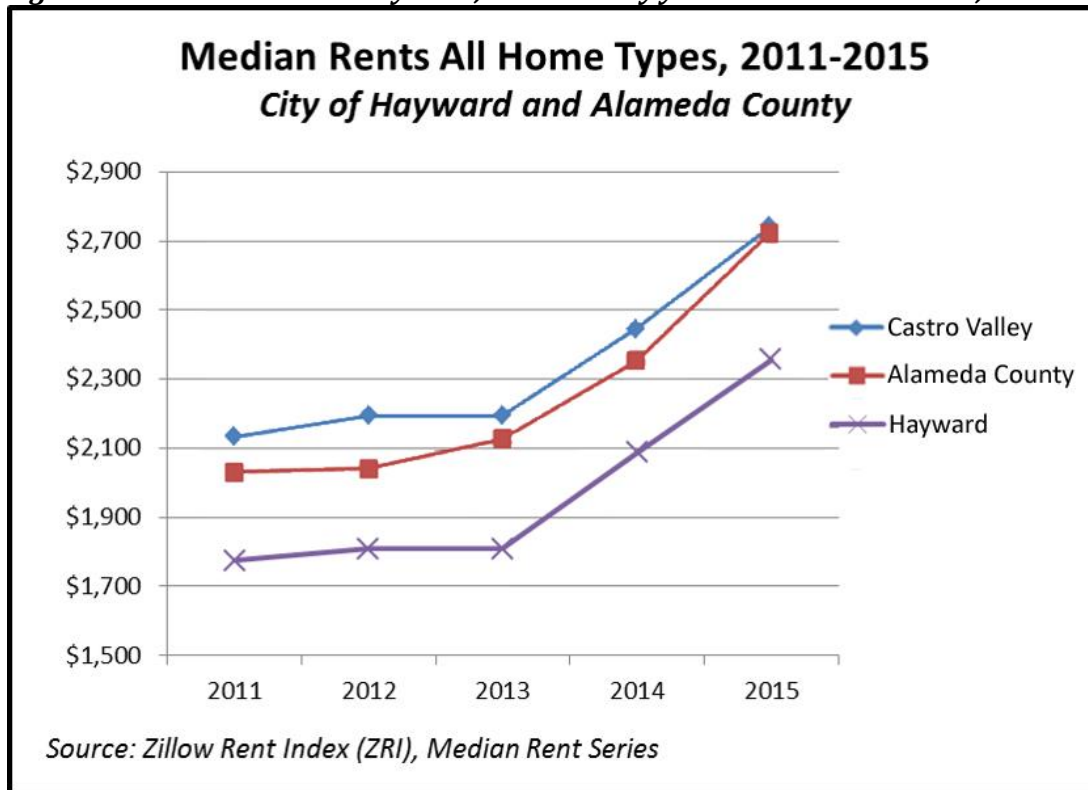
² *Ibíd.*

En Hayward, las rentas aumentaron un 33% entre 2011 y 2015.

En Hayward en 2015, aproximadamente el 91% de los inquilinos de ingresos muy bajos pagaban más del 30% de sus ingresos por alquiler y el 36% pagaban más de la mitad de sus ingresos por alquiler.³

Mientras estas tendencias son motivo de preocupación, las rentas de Hayward son en realidad más bajas que rentas medianas en el Condado de Alameda por un margen significativo (Ver Figura 1).

Figura 1. Rentas Medias en Hayward, Castro Valley y el condado de Alameda, 2011-2015



Con recursos limitados disponibles, ¿cómo pueden los gobiernos locales ayudar a resolver el problema de la accesibilidad a la vivienda? Los gobiernos locales suelen tener muchos menos recursos disponibles para ellos que el gobierno estatal o federal. ¿Qué papel tienen los empresarios e inversores, y en particular los promotores de viviendas, en ayudar a resolver la crisis de la vivienda? Las respuestas a estas preguntas se exploran con más detalle en el informe completo, que está vinculado a este resumen como Adjunto II.

DISCUSIÓN

El Adjunto II, que contiene el informe completo sobre este tema, se divide en cuatro áreas estratégicas principales: 1) Lucha contra el desplazamiento; 2) Pólizas de regulación y uso de la tierra; 3) Preservación y rehabilitación de viviendas; Y 4) Adquisición y construcción de viviendas asequibles. Las cuatro áreas estratégicas anteriores se exploran y se describen con más detalle en el informe

³ Fuente: Índice de Renta Zillow (ZRI), Serie Media Rent. Los datos incluyen Cherryland y Fairview no incorporado

completo. Lo que sigue es una breve discusión de cada área estratégica principal, junto con algunas recomendaciones de póliza y los próximos pasos propuestos.

1. ***Contra-desplazamiento.*** Estrategias y programas para prevenir el desplazamiento de residentes actuales de sus hogares, especialmente los sectores más vulnerables de la comunidad. Esto incluye actividades de vivienda justa como la mediación de arrendatarios / propietarios y programas contra la discriminación, y regulaciones locales como la ordenanza de estabilización de renta administrada por la oficina del Procurador de la Ciudad.
2. ***Regulación y pólizas de uso de la tierra.*** Estrategias locales de regulación o planificación enfocadas en acelerar o incentivar la construcción y conservación de viviendas, como la ley de bonos de densidad. En Hayward, el Departamento de Servicios de Desarrollo administra principalmente esta área de estrategia.
3. ***Preservación y rehabilitación de viviendas.*** Programas para ayudar a preservar y mejorar la existencia de viviendas para ayudar a los propietarios de bajos ingresos a permanecer en sus hogares, como el programa Brace y Bolt, el Programa de Rehabilitación de Viviendas y el Programa de Inspección de Viviendas. La División de Servicios Comunitarios del Departamento de Biblioteca y Servicios Comunitarios administra principalmente esta área de estrategia.
4. ***Adquisición y construcción de viviendas asequibles.*** Programas dirigidos a la creación de nuevas unidades de viviendas asequibles de largo plazo restringidas, incluyendo la adquisición, nueva construcción, preservación y rehabilitación tanto de vivienda como de viviendas de alquiler, tanto permanentes como transitorias. La División de Vivienda del Departamento de la Biblioteca y Servicios Comunitarios administra principalmente esta área de estrategia.

PRÓXIMOS PASOS RECOMENDADOS

Como es descrito con más detalle en el informe completo (Adjunto II), el personal recomienda los siguientes pasos para discusión del Consejo Municipal y para acción potencial en los próximos seis a doce meses:

1. ***ORDENANZA DE ESTABILIZACIÓN DE ALQUILER RESIDENCIAL - ESTUDIO ADICIONAL***
Es necesario un estudio adicional de la Ordenanza de Estabilización de Renta Residencial existente para identificar cómo se podría revisar la ordenanza para potencialmente fortalecer las protecciones de los inquilinos o ampliar las protecciones existentes a más unidades de alquiler, equilibrando también los intereses de los propietarios que tienen derecho a una "tasa de retorno" de sus inversiones. Si el Consejo así lo ordena, el personal encargará este estudio para consideración adicional para una fecha posterior.
2. ***ACTUALIZAR Y REVISAR LA ORDENANZA DE LA CIUDAD CON RESPECTO A LAS UNIDADES DE VIVIENDA DE ACCESORIOS (ADUS)***
La ley estatal SB-1069, relativa a unidades de vivienda de accesoria, entró en vigor el 1 de enero de 2017 y anuló ciertas disposiciones de la ordenanza actual de la Ciudad relacionadas con restricciones de estacionamiento y requisitos de tarifas de conexión de agua y alcantarillado para las segundas unidades. En caso de que el Consejo así lo dirija, el personal

preparará una revisión de la ordenanza para poner el código municipal en conformidad con la ley estatal preservando al mismo tiempo el control local sobre las decisiones de vivienda en la mayor medida posible.

3. OPCIONES PARA DESARROLLAR UN NUEVO PROGRAMA DE ADHESTIÓN DE REHABILITACIÓN DE VIVIENDAS

Un nuevo programa de rehabilitación de viviendas ADU potencialmente podría incentivar y ayudar a los propietarios para llevar a cabo proyectos de construcción y de conversión que crean nuevas unidades de vivienda de accesoria en las viviendas unifamiliares existentes. En caso de que el Consejo así lo dirija, el personal preparará un análisis de las opciones del programa y los recursos potenciales, como los fondos de la Medida del Condado A1, para apoyar el programa.

4. EXPEDIR NOFA / RFP PARA PROYECTOS DE DESARROLLO DE VIVIENDAS DE ALQUILER ASEQUIBLE

El personal recomienda a la Ciudad emitir un Aviso de Disponibilidad de Financiamiento (NOFA) y / o una Solicitud de Propuestas para solicitar propuestas de proyectos para el desarrollo de viviendas asequibles que promuevan las prioridades del Consejo y las pólizas de Elementos de Vivienda relacionadas con el desarrollo permanente de vivienda asequible. El personal recomienda además que la NOFA / RFP enfatice las propuestas que "... se enfocan en viviendas de alquiler asequibles para hogares de bajos ingresos con necesidades especiales (por ejemplo, personas mayores, hogares de extremadamente bajos ingresos y personas con discapacidades, incluyendo discapacidades de desarrollo) y especialmente en proyectos que promueven las metas de la Ciudad relacionadas con el desarrollo orientado al tránsito y el equilibrio entre el empleo y la vivienda "o, en la medida en que se disponga de fondos de la Medida A1 para la vivienda de transición, en proyectos de desarrollo de refugios de emergencia y programas de vivienda de apoyo y de transición para los desamparados y aquellos que corren el riesgo de quedar sin hogar ".

5. EVALUAR ORDENANZA DE VIVIENDAS ASEQUIBLES Y TASAS DE IMPACTO ASOCIADO

El personal recomienda regresar en el corto plazo al Consejo con un aumento propuesto para las tasas AHO (Ordenanza de Viviendas Asequibles) que traeria estas tasas más cercanas al máximo identificado en el estudio actual de Nexus (Nexus Study). Si también dirigida por el Consejo, el personal podría presentar un artículo para la aprobación de un contrato de servicios profesionales con un consultor para actualizar el Estudio de Nexus para posiblemente modificar el AHO para requerir a los desarrolladores de vivienda para proporcionar unidades asequibles en el sitio para la venta. Este Estudio también evaluaría el impacto económico de esta política revisada. Los desarrolladores tienen actualmente varias opciones para el cumplimiento, incluyendo el pago de las tasas de impacto de AHO. Los desarrolladores de vivienda para la venta pueden cumplir también con el AHO incluyendo unidades asequibles para venta en el sitio, mediante la construcción de unidades económicas fuera del sitio para la venta, si es apruebado por el Consejo, o por proporcionar viviendas asequibles de alquiler si es consistente con la ley de Costa Hawkins (Costa Hawkins Act). Los desarrolladores también pueden proponer alternativas adicionales que mitiguen el impacto de la vivienda de un proyecto propuesto, si es aprobado por el Consejo.

6. PROGRAMA REACTIVAR EL PROGRAMA DE ASISTENCIA PARA EL PAGO INICIAL DE CASA PARA COMPRADORES PRIMERIZOS

El personal recomienda la reactivación de un programa de vivienda inactivo, pero críticamente importante: el Programa Piloto de Asistencia para el Pago Inicial para el Comprador de Casa Primerizo. El 22 de marzo de 2016, el personal recomendó una asignación de fondos de la Autoridad de Vivienda de Hayward de \$1.5 millones durante dos años para restaurar temporalmente el Programa de Asistencia para el Pago Inicial de Compradores Primerizos de Hogar para hogares de ingresos moderados a comienzos del año fiscal 2017. En ese momento, El Consejo aplazó la adopción de esa recomendación en espera de un debate más sólido sobre las estrategias y los recursos de asequibilidad de la vivienda. En caso de que el Consejo así lo dirija, el personal preparará y presentará al Consejo, en su papel de Consejo de la Autoridad de Vivienda, una propuesta para implementar el Programa a principios del año fiscal 2018.

A la dirección del Consejo, el personal desarrollará y traerá de vuelta cualquiera o todas las recomendaciones anteriores para discusión o acciones adicionales en futuras reuniones del Consejo, así como cualquier recomendación o sugerencia adicional que se encuentre en el informe completo o de la comunidad que el Consejo pueda desear sea explorado con más detalle.

Preparado y Recomendado por: Michael Lawson, Abogado de la Ciudad
Maria Hurtado, Asistente de Gerente de la Ciudad
David Rizk, Director de Servicios de Desarrollo
Sean Reinhart, Director de Biblioteca y Servicios Comunitarios

Aprobado por:

Kelly McAdoo, Gerente de la Ciudad

Adjuntos:

Adjunto II	Reporte Completo
Adjunto III	Ciudad de Hayward - Elemento de la Vivienda
Adjunto IV	Estado de California - Proyecto de ley del Senado (SB) 1069: Unidades de viviendas de accesoria
Adjunto V	Proyecto de Ley de Asamblea 2584: Ley de Contabilidad de la Vivienda
Adjunto VI	Condado de Alameda - Bonos de Obligación General de Vivienda Asequible (Medida A1) Resumen del Programa
Adjunto VII	City of Hayward - Preguntas Frecuentes: Directrices de la Ordenanza de Vivienda Económica
Adjunto VIII	Ciudad de Hayward - FAQ: Ordenanza de Estabilización de Alquiler Residencial
Adjunto IX	Ciudad de Hayward - Ordenanza de vivienda asequible
Adjunto X	Ciudad de Hayward - Resolución Aumento de las tasas de impacto de la vivienda asequible
Adjunto XI	Ciudad de Hayward - Ordenanza de estabilización de alquileres residenciales
Adjunto XII	Ciudad de Hayward - Resolución que Modifica Ordenanza de Estabilización de Renta Residencial



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 17-046

DATE: January 31, 2017

TO: Mayor and City Council
Redevelopment Successor Agency Board

FROM: City Manager

SUBJECT

Approval of the Annual Recognized Obligation Payment Schedule for the Period July 1, 2017 to June 30, 2018 and the Successor Agency Administrative Budget for the Period July 1, 2017 to June 30, 2018

RECOMMENDATION

That the City Council, in its capacity as governing board of the Redevelopment Successor Agency, adopts the attached resolution (Attachment II) approving the Recognized Obligation Payment Schedule (ROPS 17-18) for the period July 1, 2017 through June 30, 2018 and the Successor Agency Administrative Budget for the period July 1, 2017 through June 30, 2018 and authorizes staff to take other administrative actions and execute contracts and such other documents as are appropriate to effectuate the intent of the resolution and all actions necessary to effectuate associated requirements of Assembly Bill x1 26 and AB 1484 (collectively, the "Dissolution Statutes").

ATTACHMENTS

Attachment I Staff Report
Attachment II RSA Resolution
Attachment III ROPS 17-18
Attachment IV FY 2018 Administrative Budget



DATE: January 31, 2017

TO: Mayor and City Council
Redevelopment Successor Agency Board

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BACKGROUND

Under the Dissolution Statutes, all California redevelopment agencies were dissolved effective February 1, 2012, and various actions are now required by successor agencies to unwind the affairs of all former redevelopment agencies.

The Dissolution Statutes require that the Successor Agency prepare and the Oversight Board approve a recognized obligation payment schedule (individually a "ROPS" and collectively, "ROPS's") setting forth for each twelve-month period all Enforceable Obligations (as defined in the Dissolution Act) of the Dissolved RDA.

The Dissolution Act generally provides that (with exceptions) agreements between the Dissolved RDA and the City are not Enforceable Obligations, but Health and Safety Code Codes 34178(a) and 34180(h) authorize the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements.

DISCUSSION

The intent of this report is to secure approval of the Recognized Obligation Payment Schedule for the period July 1, 2017 through June 30, 2018 (ROPS 17-18) and the Fiscal

Year 2018 Administrative Budget (Attachments III and IV). Each year, the Successor Agency is required to prepare and submit an Annual ROPS that outlines the required payments the Successor Agency must make to meet required obligations and to wind-down the affairs of the former Redevelopment Agency. Once the Oversight Board approves these items, staff will submit them to the Department of Finance by the February 1, 2017 deadline.

ROPS 17-18 includes repayment requests, for among other enforceable obligations, the interagency loan approved by the Oversight Board on May 21, 2012 pursuant to Health and Safety Code Sections 34178(a) and Section 34180(h) and the Housing Administrative Cost Allowance as allowed under Health and Safety Code Section 34176.1 (a). The Successor Agency will make one repayment to the City of \$800,000 on July 1, 2016 per the Reentered Repayment Agreement. Additionally, the ROPS includes complete repayment of the 1998 Water and Sewer Fund Loan per a recommendation from the Agency's Department of Finance assigned analyst last year.

Implementation Actions: The accompanying resolution authorizes and directs staff to take all administrative steps on behalf of the Successor Agency to implement upcoming requirements under the Dissolution Act and AB 1484, including providing necessary notices, transmittals, and postings regarding the ROPS and Successor Agency administrative budget.

Environmental Review: The actions set forth in the recommended accompanying resolution, as summarized above, are exempt under Guideline 15378(b)(4) of the California Environmental Quality Act (CEQA) in that the actions do not constitute a "project," but instead are required to continue a governmental funding mechanism for enforceable obligations of the former Redevelopment Agency and to perform the statutorily mandated unwinding of the assets, liabilities, and functions of the former Redevelopment Agency pursuant to the Dissolution Act.

ECONOMIC AND FISCAL IMPACT

Approval of ROPS 17-18 will facilitate the ability of the Successor Agency to continue payment of the enforceable obligations of the former Redevelopment Agency and is among the measures required to be taken to avoid triggering an event of default under any enforceable obligations. Approval of the Successor Agency administrative budget will facilitate the Successor Agency's receipt of the funds to which it is entitled under the Dissolution Act and AB 1484 to implement its administrative responsibilities.

NEXT STEPS

The Oversight Board will consider approval of the ROPS 17-18 and the Fiscal Year 17-18 Administrative Budget on January 25, 2017. Following approval of the ROPS 17-18 by the Oversight Board and the City Council, staff will submit this to the Department of Finance by the February deadline for approval. The Department of Finance then has an opportunity to review and object to any items on the ROPS and/or request additional documentation. If any

items on the ROPS 17-18 are challenged, the Successor Agency will have an opportunity to request a meet and confer session if staff disagrees with any of the Department of Finance's determinations. All Department of Finance meet and confer determinations must be made fifteen days prior to June 1, 2017, which is when the Successor Agency will receive the first disbursement of tax increment funds approved pursuant to the ROPS 17-18.

Prepared and Recommended by: John Stefanski, Management Analyst

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager

REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD
RESOLUTION NO. RSA 17-

Introduced by Agency Member ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD, ACTING AS THE GOVERNING BOARD OF THE HAYWARD SUCCESSOR AGENCY, A SEPARATE LEGAL ENTITY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 2017 THROUGH JUNE 2018 (“ROPS 17-18”) AND THE ADMINISTRATIVE BUDGET FOR THE 2017-18 FISCAL YEAR, AND DIRECTING THE CITY MANAGER TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE REQUIREMENTS ASSOCIATED WITH THIS APPROVAL

WHEREAS, pursuant to ABx1 26 (as amended by AB 1484, the “Dissolution Act”), the separate legal entity known as the Hayward Successor Agency (the “Successor Agency”) must prepare “Recognized Obligation Payment Schedules” (“ROPS”) that enumerate the enforceable obligations and expenses of the Successor Agency for each successive twelve-month fiscal period until the wind down and disposition of assets of the dissolved Redevelopment Agency of the City of Hayward (the “Dissolved RDA”) has been completed; and

WHEREAS, the Successor Agency staff has prepared a ROPS for the twelve-month fiscal period commencing on July 1, 2017 and continuing through June 30, 2018 (“ROPS 17-18”); and

WHEREAS, the Successor Agency staff has prepared an administrative budget for the fiscal period commencing on July 1, 2017 and continuing through June 30, 2018 (“FY 17-18 Administrative Budget”); and

WHEREAS, the Successor Agency is entitled to an administrative cost allowance (the “Administrative Cost Allowance”) pursuant to Health and Safety Code Sections 34181(b) and 34183(a)(3) in the approximate amount of \$250,000 for the 2017-18 fiscal year of which approximately \$125,000 will be disbursed during the ROPS 17-18A and ROPS 17-18B periods; and

WHEREAS, under the Dissolution Act, ROPS 17-18 and the FY 17-18 Administrative Budget must be approved by the Successor Agency's oversight board (the “Oversight Board”) to enable the Successor Agency to continue to make payments on enforceable obligations and to pay for administrative costs of the Successor Agency; and

WHEREAS, the City Council, acting as the Governing Board of the Successor Agency, has considered and desires to approve the following documents, copies of which are on file with the City Clerk (acting as the Secretary of the Successor Agency):

1. The ROPS 17-18; and

2. The FY 17-18 Administrative Budget; and

WHEREAS, the ROPS 17-18 and the FY 17-18 Administrative Budget will be submitted by the Successor Agency to the Oversight Board for the Oversight Board's approval in accordance with Health and Safety Code Sections 34187 and 34180(g); and

WHEREAS, the ROPS 17-18 and the FY 17-18 Administrative Budget will also be submitted by the Successor Agency to the Alameda County Administrative Officer, the Alameda County Auditor-Controller, and the State Department of Finance in accordance with Health and Safety Code Section 34189.6; and

WHEREAS, the accompanying staff report provides supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the City Council, acting as the Governing Board of the Successor Agency and in accordance with the Dissolution Act, hereby finds, resolves, and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

BE IT FURTHER RESOLVED that the City Council hereby approves the ROPS 17-18 and the FY 17-18 Administrative Budget, in the respective forms on file with the City Clerk (acting as the Secretary of the Successor Agency).

BE IT FURTHER RESOLVED that the Successor Agency is authorized and directed to enter into any agreements and amendments to agreements consistent with the Dissolution Act and necessary to memorialize and implement the agreements and obligations in ROPS 17-18 and the FY 17-18 Administrative Budget as herein approved by the Successor Agency.

BE IT FURTHER RESOLVED that the City Council hereby authorizes and directs the City Manager, acting on behalf of the Successor Agency, to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the ROPS 17-18 and the FY 17-18 Administrative Budget, and to take any other administrative actions necessary to ensure the validity of the ROPS 17-18 and the validity of any enforceable obligation listed thereon and the validity of the FY 17-18 Administrative Budget and corresponding Administrative Cost Allowance. In addition, the City Council authorizes and directs the Successor Agency staff to make such non-substantive revisions to ROPS 17-18 as may be necessary to submit ROPS 17-18 in any modified form required by the DOF, and ROPS 17-18 as so modified shall thereupon constitute ROPS 17-18 as approved by the City Council pursuant to this Resolution.

BE IT FURTHER RESOLVED that, subject to the Oversight Board approval, the City Council hereby authorizes and directs the City Manager, acting on behalf of the Successor Agency, to execute the documents and instruments as are appropriate, in consultation with

the City Attorney, acting in the capacity of counsel to the Successor Agency, to effectuate and implement the terms of this Resolution.

BE IT FURTHER RESOLVED that nothing in this Resolution shall abrogate, waive, impair or in any other manner affect the right or ability of the City, as a charter city, to initiate and prosecute any litigation with respect to any agreement or other arrangement of the Dissolved RDA, including, without limitation, any litigation contesting the purported invalidity of such agreement or arrangement pursuant to the Dissolution Act.

BE IT FURTHER RESOLVED that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34189(h).

HAYWARD, CALIFORNIA, January __, 2017

ADOPTED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST: _____
Secretary of the Successor Agency
of the City of Hayward

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Hayward
 County: Alameda

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 211,540	\$ 11,540	\$ 223,080
B	Bond Proceeds	-	-	-
C	Reserve Balance	200,000	-	200,000
D	Other Funds	11,540	11,540	23,080
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 4,637,830	\$ 1,922,052	\$ 6,559,882
F	RPTTF	4,512,830	1,797,052	6,309,882
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 4,849,370	\$ 1,933,592	\$ 6,782,962

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
 certify that the above is a true and accurate Recognized Obligation
 Payment Schedule for the above named successor agency.

 Name Title
 /s/ _____
 Signature Date

Hayward Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

Table with columns A-W and rows 1-121. Columns include Project Name/Debt Obligation, Obligation Type, Contract/Agreement Execution Date, Contract/Agreement Termination Date, Payee, Description/Project Scope, Project Area, Total Outstanding Debt or Obligation, Retired, ROPS 17-18 Total, Fund Sources (17-18A and 17-18B), and 17-18B Total.

Hayward Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					Q	17-18B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	17-18A Total	17-18B Total											
122									N	\$ -	\$ -					\$ -						\$ -	
123									N	\$ -	\$ -					\$ -							\$ -
124									N	\$ -	\$ -					\$ -							\$ -
125									N	\$ -	\$ -					\$ -							\$ -
126									N	\$ -	\$ -					\$ -							\$ -
127									N	\$ -	\$ -					\$ -							\$ -
128									N	\$ -	\$ -					\$ -							\$ -
129									N	\$ -	\$ -					\$ -							\$ -
130									N	\$ -	\$ -					\$ -							\$ -
131									N	\$ -	\$ -					\$ -							\$ -
132									N	\$ -	\$ -					\$ -							\$ -
133									N	\$ -	\$ -					\$ -							\$ -
134									N	\$ -	\$ -					\$ -							\$ -
135									N	\$ -	\$ -					\$ -							\$ -
136									N	\$ -	\$ -					\$ -							\$ -
137									N	\$ -	\$ -					\$ -							\$ -
138									N	\$ -	\$ -					\$ -							\$ -
139									N	\$ -	\$ -					\$ -							\$ -

**Hayward Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, [see Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
ROPS 15-16B Actuals (01/01/16 - 06/30/16)								
1	Beginning Available Cash Balance (Actual 01/01/16)				294,664	155,740	462,025	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					581,962	3,423,191	
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)				900,319	21,796	3,902,507	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
5	ROPS 15-16B RPTTF Balances Remaining	No entry required						
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ (605,655)	\$ 715,906	\$ (17,291)	

REDEVELOPMENT SUCCESSOR AGENCY				
FY 2018 ADMINISTRATIVE BUDGET				
PREPARED BY JOHN STEFANSKI, MANAGEMENT ANALYST				
AS OF JANUARY 18, 2017				
1	Beginning Balance	\$ 250,000.00		
2	Employee Salaries & Benefits	\$ (186,803.57)		
3	<i>Balance Remaining</i>	\$ 63,196.43		
4	Legal Costs	\$ (5,000.00)		
5	Supplies and Services	\$ (58,196.43)		
6	<i>Balance Remaining</i>	\$ -		