

**CITY COUNCIL
MEETING**

April 25, 2023

PRESENTATIONS

**AFFORDABLE HOUSING
BONDS**

ITEM #10

WS 23-014



Affordable Housing: Review and Discuss a Proposed Social Impact Bonds Program and Reallocation of \$2 Million in Housing ARPA Funds

Doris Tang, Management Analyst
April 25, 2023

ARPA Funding Allocations for Housing Programs

Projects Implemented

- Foreclosure Prevention (\$1 million)
- Emergency Relocation Assistance (\$250,000)
- Legal Assistance for Tenants Facing Eviction (\$500,000 with \$500,000 reserved)

Projects Yet To Be Implemented (\$2 million available):

- Tax-Defaulted Property Acquisition Program - property limitation
- Wealth Building Program - time limitation to implement

These projects were selected to provide COVID-19 recovery programs to the community in ways that were not already provided by Alameda County

Proposed Projects for Consideration for Remaining \$2 Million

- **Tenant Right to Counsel**

- Guarantees free legal representation for eviction defense to qualifying renters
- Requires adoption of legislation, ongoing funding source (currently unavailable), and sufficient legal service providers (currently undetermined)
- Recommend evaluating existing contracts and available funding before proposing right to counsel

- **Additional Rental Assistance**

- City provided \$2 million & County provided \$32.4 million to Hayward residents
- County is proposing a foreclosure prevention program for landlords

Proposed Projects for Consideration for Remaining \$2 Million

- **Tax-Defaulted Properties for Community Land Trusts (CLT)**
 - Creates limited equity ownership opportunities like inclusionary housing units created by the City's Affordable Housing Ordinance
 - Very few tax-defaulted properties which are likely owner occupied making this model challenging to complete within expenditure deadline
- **Downpayment Assistance**
 - No other Housing Division funds can be used for downpayment assistance
 - Will require \$200,000 - \$300,000 per unit to target low-income households
 - Better equity building than inclusionary units

Social Impact Bonds Program

- **Acquisition and Rehab of vacant/blighted properties using Social Impact Bonds (SIB) with Downpayment Assistance**
 - Leverages existing partnership between RCF Connects and Neighborhood Housing Services East Bay to finance and administer the program
 - Creates wealth building opportunities (business development & homeownership equity)
 - Pair program with ARPA funds used for downpayment assistance to increase affordability levels
 - Need to identify investor which has become more challenging with the failure of financial institutions, interest rates and the current state of the economy

Recommendation

- Recommend implementing a viable downpayment assistance program which may or may not include social impact bonds.
- Program would meet the same objectives of both originally proposed programs and promote objectives supported by City Council:
 - Promote wealth building through homeownership
 - Promote social equity initiatives
 - Create affordable ownership opportunities
 - Rehabilitate vacant, blighted, or tax-defaulted properties if social impact bonds program feasible

Questions

Do you support:

- 1 Reallocating \$2 million ARPA funding for a down payment assistance program?
- 2 If an investor is identified, provide downpayment assistance with Social Impact Bond program to convert vacant and blighted properties to ownership opportunities?

If you do not support using ARPA funds for downpayment assistance

- 3 Do you think funding legal assistance, rental assistance or helping a land trust acquire a property should be the top priority (subject to proposal feasibility)?

AIRPORT RENTAL RATE ADJUSTMENT

ITEM #11

PH 23-020



Hayward Executive Airport Hangar Rental Rates April 25, 2023



Background

- Enterprise fund
- Financial self-sufficiency
- Managing costs and adjusting revenue to meet needs



History of Rent Increases

- Policy adopted on May 25, 1999
- 75% of CPI every 2 years
- CPI is utilized at other airports
- Market analysis every 4 years
- Past deviations from policy and impact
- Market rate study in 2017
- Below market rate



Most Recent Rent Increase

- Initial increase: 50% over 5 years
- Public outreach
- Final increase: 20% over 4 years
- Rent increase package approved by Council January 15, 2019
- Annual increases from FY19-FY22



Methodology

- Financially self-sustaining
- Fair and reasonable
- Compliance with FAA policy
- Hangar subsidies



Rationale for New Rates

- Goal of self-sufficiency
- Revenues lagging behind expenditures
- Future fund balances

Airport Operating Fund - Fund 620									
	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2023 Estimated	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Beginning Fund Balance	\$6,952,234	\$7,521,357	\$6,854,947	\$6,854,947	\$5,741,250	\$4,563,524	\$3,791,778	\$3,348,855	\$3,417,402
Program Revenues									
Interest & Tower Rent	104,412	(42,750)	125,689	86,000	125,689	125,689	125,689	125,689	125,689
Land Rent	1,862,258	1,997,476	1,753,903	2,133,000	2,177,728	2,619,514	2,964,572	3,481,739	3,481,739
Hangar Rent	1,233,153	1,308,764	1,253,376	1,307,000	1,452,625	1,496,204	1,541,090	1,587,323	1,634,942
Fees & Service Charges	54,701	53,214	60,581	48,000	50,000	50,000	50,000	50,000	50,000
Other Revenues	384,992	439,760	318,505	344,000	347,440	350,914	354,424	357,968	361,547
Total Revenues	\$3,639,516	\$3,756,464	\$3,512,054	\$3,918,000	\$4,153,482	\$4,642,321	\$5,035,774	\$5,602,718	\$5,653,918
Expenditures									
Personnel	1,663,245	1,997,759	1,975,455	1,975,455	2,071,473	2,154,332	2,218,962	2,274,436	2,331,297
Non-Personnel	1,783,357	588,121	909,395	909,395	498,608	498,608	498,608	498,608	498,608
Transfers Out	1,587,836	1,836,994	2,146,847	2,146,847	2,761,127	2,761,127	2,761,127	2,761,127	2,761,127
Total Expenditures	\$5,034,438	\$4,422,874	\$5,031,697	\$5,031,697	\$5,331,208	\$5,414,067	\$5,478,697	\$5,534,171	\$5,591,032
Annual Surplus/(Shortfall)	(\$1,394,922)	(\$666,410)	(\$1,519,643)	(\$1,113,697)	(\$1,177,726)	(\$771,746)	(\$442,923)	\$68,547	\$62,886
Ending Fund Balance	\$7,521,357	\$6,854,947	\$5,335,304	\$5,741,250	\$4,563,524	\$3,791,778	\$3,348,855	\$3,417,402	\$3,480,288

Rent Increase – Chart Comparison (Initial vs. Revised)

Initial Proposal

Hangar Type	Current Rent/Month	FY23 Rent (Effective 5/1/23)	Increase/Month	FY24 Rent (Effective 7/1/23) 5.3% Increase	Total Increase from Both Adjustments (11.3% Total Increase)
Small	\$294	\$312	\$18	\$329	\$35
Standard	\$455	\$482	\$27	\$508	\$53
Large	\$566	\$600	\$34	\$632	\$66
Small Executive	\$982	\$1,041	\$59	\$1,096	\$114
Standard Executive	\$1,359	\$1,441	\$82	\$1,517	\$158
Large Executive	\$1,483	\$1,572	\$89	\$1,655	\$172

Revised Proposal

Hangar Type	Current Rent/Month	FY24 Rent (Effective 7/1/23) - Assume 75% of 6% Rent Increase for FY23 (4.5%) and 75% of 5.3% of Rent Increase for FY24 (4%) - Total Increase of 8.5%	Total Increase/Month (8.5%)
Small	\$294	\$319	\$25
Standard	\$455	\$494	\$39
Large	\$566	\$614	\$48
Small Executive	\$982	\$1,065	\$83
Standard Executive	\$1,359	\$1,475	\$116
Large Executive	\$1,483	\$1,609	\$126

Reinvestment of Rent – FY19 through FY23

- Paving improvements: \$150,000
- Hangar repairs: \$1,470,000
- Access control system: \$132,000
- Lighting: \$37,000
- Total investment: \$1,789,000
- Portion funded by rent increases: \$140,600 (7.9%)

Updates to Master Fee Schedule

- Reviewed annually
- Last increase: July 2021
- CPI increase of 4.5% (FY23) plus 4.0% (FY24), or 8.5% utilized

• Hangar storage rooms			
Storage Room Type	Current Rent/Month	FY24 Rent (Effective 7/1/23)	Increase/Month
Small	\$73	\$79	\$6
Medium	\$101	\$110	\$9
Large	\$196	\$213	\$17
Extra Large	\$250	\$271	\$21

• Office spaces		
Current Rent/Month	FY24 Rent (Effective 7/1/23)	Increase/Month
\$650	\$705	\$55

• Tie down <u>spaces</u>		
Current Rent/Month	FY24 Rent (Effective 7/1/23)	Increase/Month
\$60	\$65	\$5

Tenant Proposal

- Annual increase of 2.46% through FY28
- Increase derived from a composite of CPI *predictions* and *forecasts* rather than actual annual CPI

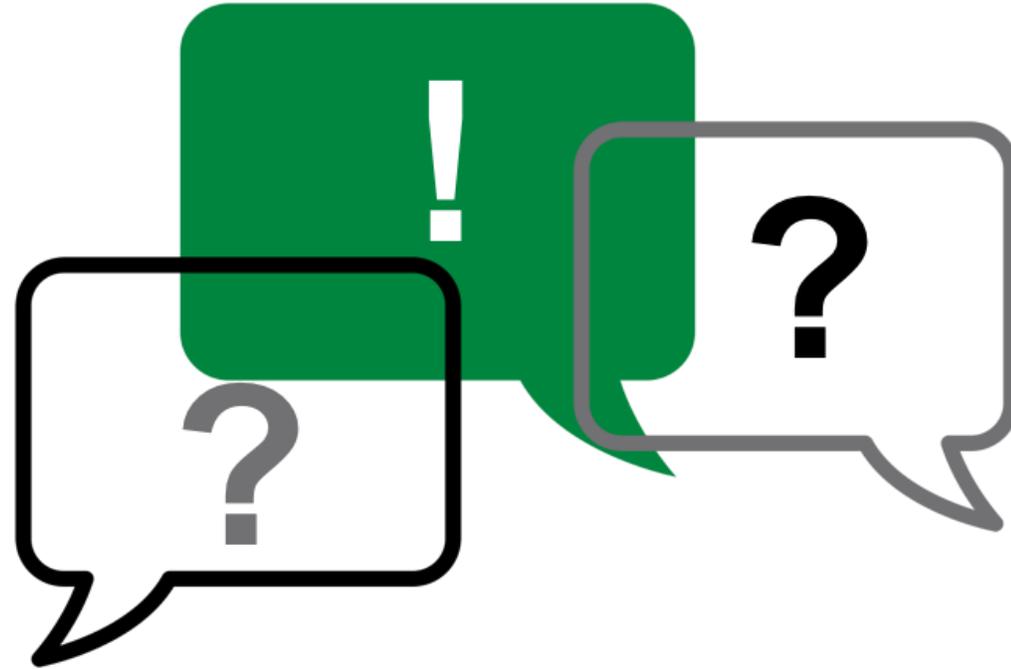
Results of Public Outreach

- Modified use of CPI
- One rate increase proposed
- Discussed alternatives with tenants

Next Steps

- Approval of 8.5% increase for FY24
- Implementation of increase on 7/1/23
- Meets noticing requirements

Questions



COMMUNITY AGENCY FUNDING

ITEM #12

PH 23-021

FY 2024 Annual Action Plan and FY 2024 Community Agency Funding Recommendations

City Council Public Hearing, April 25, 2023

Jessica Lobedan, Community Services Manager
Carol Lee, Management Analyst



FY 2024 Annual Action Plan

- Framework for identifying housing and community development needs and priorities through community engagement
- Guides the City's federal CDBG entitlement investment decisions over the designated period
- Priority needs:
 - Expand & Improve Public Infrastructure & Facilities
 - Preserve, Protect, and Produce Housing Stock
 - Public Services & Quality of Life Improvements
 - Economic Development



Recommendations Fiscal Year 2024

- **ECONOMIC DEVELOPMENT & INFRASTRUCTURE**
- **PUBLIC SERVICES**
- **SOCIAL SERVICES**
- **ARTS & MUSIC**



Recommendations for Fiscal Year 2024

CATEGORY	FUNDING SOURCE	SUM OF FY 2024 REQUESTS	SUM OF FY 2024 RECOMMENDATIONS
Economic Development and Infrastructure-Neighborhood Facilities	CDBG	\$2,147,956	\$978,120
Public Services	CDBG	\$387,577	\$292,413
Social Services	General Fund	\$880,162	\$454,950
Arts & Music	General Fund	\$139,857	\$105,301
	TOTAL	\$3,698,052	\$1,830,784

Recommendation

That the City Council:

1. Approves authorization of the CDBG FY 2024 Annual Action Plan submission
2. Approves CDBG funding allocations for FY 2024
 - Infrastructure
 - Economic Development
 - Public Services
3. Approves General Fund funding allocations for FY 2024
 - Social Services
 - Direct allocation for 2-1-1 starting in FY 2025

Public Hearing Format

Part I: Annual Action Plan and CDBG, Social Services, and Arts & Music Funding Recommendations

1. Council Questions
2. Open Public Hearing
3. Council Discussion and Action

Part 2 Special Events Presentation/Discussion to Follow



Special Events

General Fund

CATEGORY	FUNDING SOURCE	SUM OF FY 2024 REQUESTS	SUM OF FY 2024 RECOMMENDATIONS
Special Event	General Fund	\$92,500	\$66,708

Recommendation

That the City Council approves Special Events funding allocations for FY 2024.

Next Steps

Public Comment Period

April 4, 2023 – May 4, 2023

Submit comments to Carol Lee

(carol.lee@hayward-ca.gov or 510-583-5343)

FY 2024 Annual Action Plan submission

Friday, May 12, 2023

FY 2024 Budget Adoption, June 6, 2023 (tonight's recommendations will be incorporated)

Public Hearing Format

Part II: Special Events (GF) Funding Recommendations

- 1. Council Questions**
- 2. Public Comments**
- 3. Council Discussion and Action**

PLANNING COMMISSION

ITEM #13

LB 23-016

PLANNING COMMISSION

ITEM 13: LB 23-016

Adopt a Resolution Accepting the Resignation of Mr. Ray Bonilla Jr., from the Planning Commission; and Consideration of Options for Filling the Planning Commission Vacancy

Tuesday, April 25, 2023
Miriam Lens, City Clerk

PLANNING COMMISSION STAFF RECOMMENDATION

- 1) Adopt a resolution accepting the resignation of Mr. Ray Bonilla Jr., and
- 2) Take action regarding the vacancy on the Planning Commission
 - a) Fill vacancy during 2023 annual recruitment process,
or
 - b) Adopt resolution appointing alternate Ms. Shanta Franco-Clausen to a term ending July 2023.

PLANNING COMMISSION BACKGROUND

4/4/23

- Former CM Márquez appointed to County Board of Supervisors

4/11/23

- City Council declares a vacancy

4/18/23

- Council appoints former Planning Commissioner Ray Bonilla Jr.

**PLANNING
COMMISSION
BACKGROUND**

11/22

• General Municipal Election. Former Planning Commissioner Roche elected.

1/23

• Council Appointment Process. Former Planning Commissioner Goldstein appointed.

12/22 -
1/23

• Special Planning Commission recruitment.

1/23

• Planning Commission Interviews.

1/23

• Ms. Karla Goodbody and Ms. Anika Patterson appointed to fill Planning Commission vacancies.

1/23

• Ms. Shanta Franco-Clausen selected as alternate to the Planning Commission for a term ending July 2023.

3/23

• 2023 Annual recruitment starts with water bill inserts. Deadline: 8/4/23

RECOMMENDATION

That the Council adopts a resolution accepting the resignation of former Planning Commissioner Ray Bonilla Jr., and

- 1) Proceeds with appointing Ms. Shanta Franco-Clausen to the Planning Commission vacancy for a term ending July 2023; or
- 2) Waits to fill the vacancy during the 2023 annual recruitment process.

