

# **CITY COUNCIL MEETING**

**MAY 4, 2021**

**PRESENTATIONS**

**PUBLIC HEARING**

**ITEM #9**

**PH 21-039**

**2579 HOME AVE**

---

# Site Plan Review & Grading Permit Application

## Proposed Hillside Single-Family Residence and ADU

(Application No. 202000579)

---

City Council Public Hearing  
May 4, 2021 *(Item Continued from March 2<sup>nd</sup> Hearing)*  
Marcus Martinez, Associate Planner





## COMMUNITY PROCESS

**February 2020** – Application submitted to Planning Division and Notice of Application Receipt sent all properties within 300-feet of project site, including Old Highlands Homeowners Association (OHHA) and Hayward Area Planning Association (HAPA)



**February and March 2020** – City receives public comments from OHHA members and nearby residents on the project related to home design, storm drainage issues, parking concerns, and perception of multi-family project. City staff responds to residents.



**March 2020 to December 2020** – Project undergoes project review from City development review staff.



**January 2021** – Notice of Planning Commission Hearing sent to all properties within 300-feet of the project site. Three members of the public spoke at Planning Commission hearing citing storm drainage and parking concerns. Planning Commission voted 4-2 to recommend approval.



**March 2021** – Applicant and OHHA members meet at the project site to discuss storm drainage concerns followed by another meeting with city engineering staff to discuss site improvements prior to City Council public hearing.



## COMMUNITY PROCESS AFTER MARCH 2<sup>nd</sup> COUNCIL MEETING

**March 11<sup>th</sup>** – City staff met with property owner and architectural designer to discuss community concerns and explore design alternatives to mitigate the perceived concerns of massing, scale, and bulk.



**March 16<sup>th</sup>** – City staff virtually met with OHHA board members, John Vukasin and Bob Carlson, regarding the design of the proposed residence, their membership's overall concerns, and the relationship between the City's 2040 General Plan and their 1998 neighborhood plan. Following the meeting, OHHA provided staff five design suggestions to mitigate the structure's aesthetic impact.



**March 31<sup>st</sup>** – Per direction from the Council, the City moderated a meeting between OHHA and the applicant to discuss the project features including the building design, landscaping, and storm drainage improvements. Applicant shared their proposal of changes to appease the concerns of community. OHHA shared proposed changes to design with membership.



**April 6, 2021** – Staff received a letter from OHHA chair stating that OHHA is amenable to the project progressing provided that the project incorporates the changes the designer proposed, OHHA is involved in the final landscape design, and that the applicant install storm drainage infrastructure along street frontage.



# PROJECT SUMMARY

## Requested Approvals

- Site Plan Review
- Grading Permit (average slopes greater than 20%)

## Project Scope

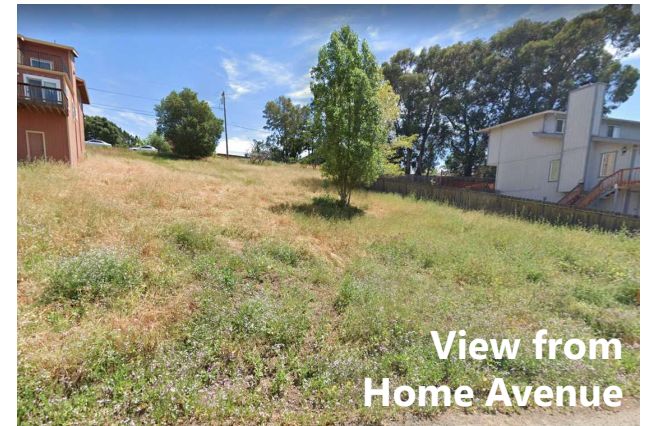
- New Multi-Level Single-Family Residence with an Attached Accessory Dwelling Unit (ADU)
  - *\*3,777 Square-Foot* Main Home
  - *\*1,196 Square-Foot* Attached ADU
  - Each with Two-Car Garage
- Related Site Improvements (e.g. grading, landscaping, stormwater control measures)





## PROJECT SITE

- ✓ 2579 Home Avenue
- ✓ Vacant 0.21-Acre Hillside Lot
- ✓ One Singular Parcel with Double Frontage



**View from  
Home Avenue**

Zoning District:

- ✓ Single-Family Residential (RS)

General Plan Land Use Designation:

- ✓ Low Density Residential (LDR)

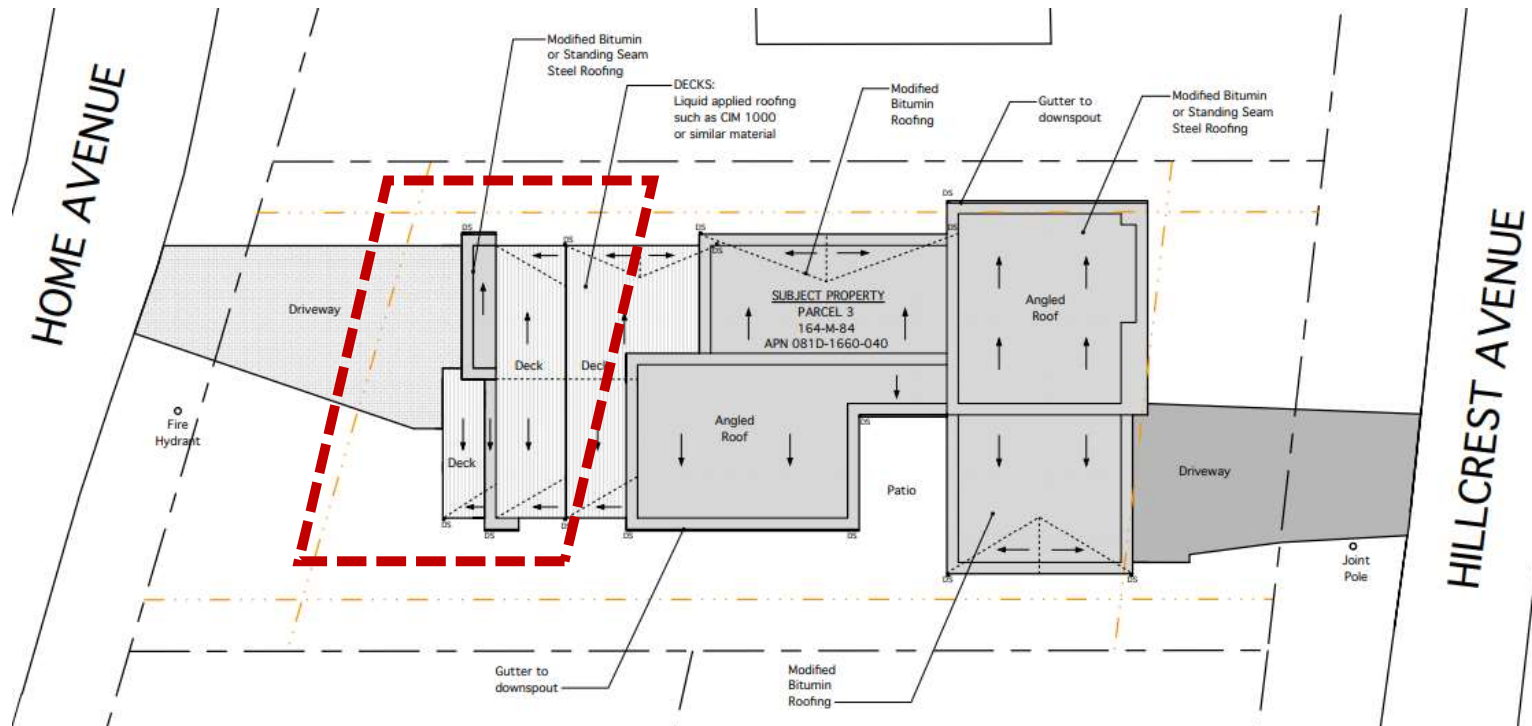


## SUMMARY OF CHANGES SINCE MARCH 2<sup>nd</sup>

- ✓ Increase setback of ADU facing Home Avenue by approximately 8'-8" to help break up mass from bottom of slope
- ✓ Reduce the size of the projecting decks and roof lines at the two uppermost levels (as viewed from Home Avenue)
- ✓ Position trees along Home Avenue façade to mitigate the mass of the home using local vegetation that blends with neighborhood (Condition of Approval #5)
- ✓ Install drainage ditch across the project frontage via a 12-inch drainpipe to assist in mitigating potential storm drainage concerns (Condition of Approval #30)



## SITE PLAN (Modified Since March 2<sup>nd</sup>)



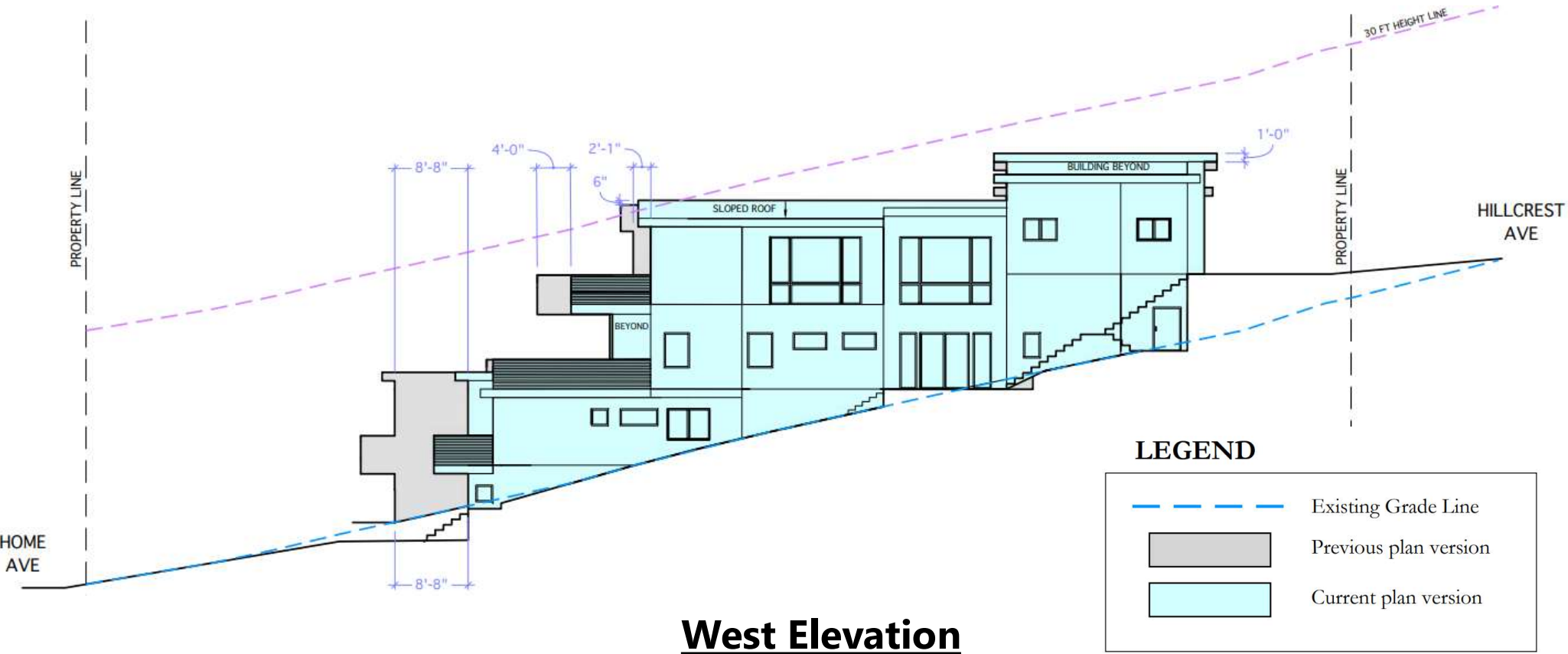
### Accessory Dwelling Unit

- Accessible from Home Avenue
- 1,196 Square-Feet of Living Area
- 2 Bedroom, 1 Bathroom

### Single-Family Home

- Accessible from Hillcrest Avenue
- 3,777 Square-Feet of Living Area
- 5 Bedroom, 4 Bathroom

# PROJECT ELEVATIONS (Modified Since March 2<sup>nd</sup>)

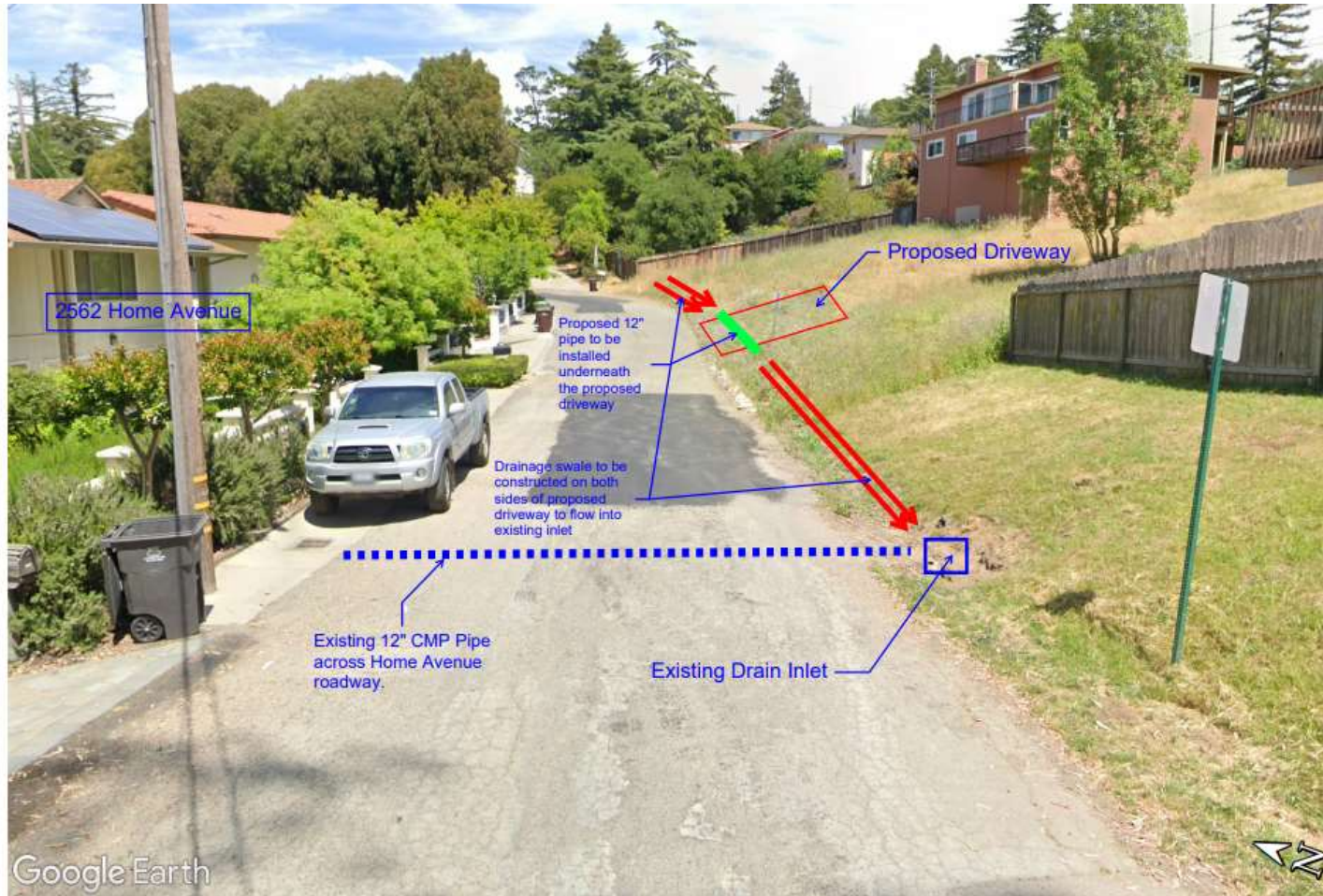


**West Elevation**

# PROJECT ELEVATIONS (Modified Since March 2<sup>nd</sup>)



# PROJECT IMPROVEMENTS



- To address storm drainage, applicant will install 12" pipe underneath driveway and will connect to existing storm drain inlet
- Included as Condition of Approval #30



## STAFF ANALYSIS

- ✓ Project complies with objective development standards of the RS zoning district, state ADU laws, and LDR land use designation.
- ✓ Development adheres to Hillside Design Guidelines to step along the existing hillside to minimize excessive grading and site disturbance.
- ✓ Project will result in the creation of a multi-generational household for the applicant and their extended family.
- ✓ Will result in an attractive single-family home and ADU with a modern contemporary design along with new site landscaping and storm drainage infrastructure.



A nighttime photograph of a city and a bridge. The bridge, with its lights, spans across a body of water. The city lights are visible in the background, and the foreground shows a dark, silhouetted landscape.

# **STAFF RECOMMENDATION**

That the City Council:

---

- ✓ APPROVE the Site Plan Review and Grading Permit application based on the required Findings and subject to the Conditions of Approval.





## NEXT STEPS

### Project Specific:

- ✓ Should the project be approved, the property owner will be able to submit for final grading and building permit applications to execute the project.

### OHHA Neighborhood:

- ✓ City staff will engage OHHA community as part of the City's effort to convert subjective standards within the neighborhood plan to objective enforceable standards to comply with state legislation.
- ✓ As part of the Housing Element update, City staff will work with OHHA to carry over specific strategies and goals within their neighborhood plan into the General Plan.



**Questions?**

# **LEGISLATIVE BUSINESS**

## **ITEM #11**

### **LB 21-013**

#### **AFFORDABLE HOUSING DEVELOPMENT FUNDING**

#### **ISSUE A NOTICE OF FUNDING AVAILABILITY (NOFA)**

# Funding Priorities for Inclusionary Housing Trust Fund

Christina Morales | Housing Division Manager  
May 4, 2021

# Overview



# Background

Strategic Roadmap

Inclusionary Housing Trust Fund

Current Affordable Housing Pipeline and Funding Needs

Status of Regional Housing Need Allocation Compliance

Hayward Housing Needs



# Background



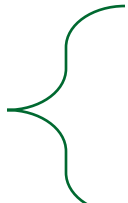
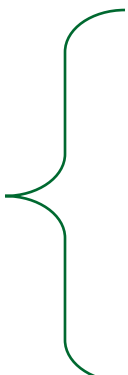
## Strategic Road Map

Supports the Strategic Priority of Preserve, Protect, & Produce Housing related to the implementation of the following project:

**Project 6, Part 6.a:** Hold a work session on establishing funding priorities for Affordable Housing Trust including the potential for affordable rental housing, homeownership, co-ops, and shelter opportunities.

# Background

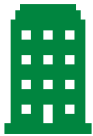
## Inclusionary Housing Trust Fund

Established		<ul style="list-style-type: none"><li>• Under the Affordable Housing Ordinance (AHO)</li></ul>
Funded		<ul style="list-style-type: none"><li>• Payment of affordable housing in-lieu fee</li></ul>
Use		<ul style="list-style-type: none"><li>• Increase the <u>supply</u> of affordable housing</li><li>• Administration (10% of fund)</li></ul>
Project Types		<ul style="list-style-type: none"><li>• New construction</li><li>• Acquisition of affordability covenants and substantial rehabilitation</li><li>• Residential facilities (subject to special findings)</li></ul>

# Background

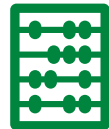
## Inclusionary Housing Trust Fund

**\$10.3 million collected since 2011**



**\$4.8 million committed to projects in 2018**

**3 projects funded building 259 units**



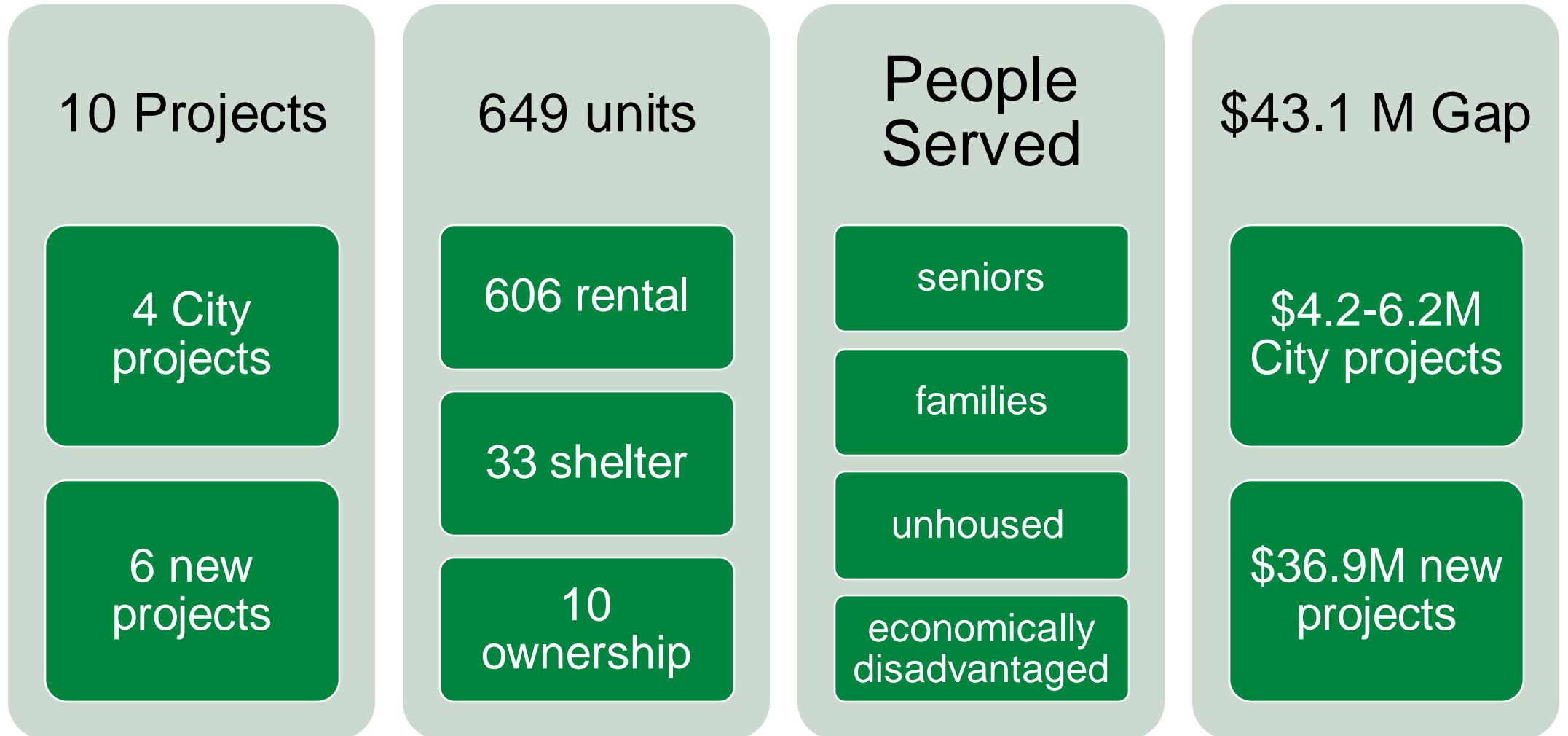
**\$4.9 million uncommitted**

**\$1 million invoiced**



# Background

## Affordable Housing Pipeline & Funding Gaps



# Background

## Regional Housing Need Allocation (RHNA) Compliance

Income Category	Unit Goal	Reported 2020		Approved		Pending Approval		Estimated Compliance		Estimated Deficiency	
		Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal
Very low	851	65	8	203	24%	88	10%	<b>356</b>	<b>42%</b>	495	58%
Low	480	153	32%	70	15%	122	25%	<b>345</b>	<b>72%</b>	135	28%
Moderate	608	72	12%	58	10%	10	2%	<b>140</b>	<b>23%</b>	468	77%

### Potential Compliance changes based on the Affordable Housing Pipeline

- Loss of 143 units if approved City projects do not fill financing gap
- 96 unit increase if new City project (Parcel Group 8) is funded
- Non-City projects could add up to 407 units toward compliance if they secure financing

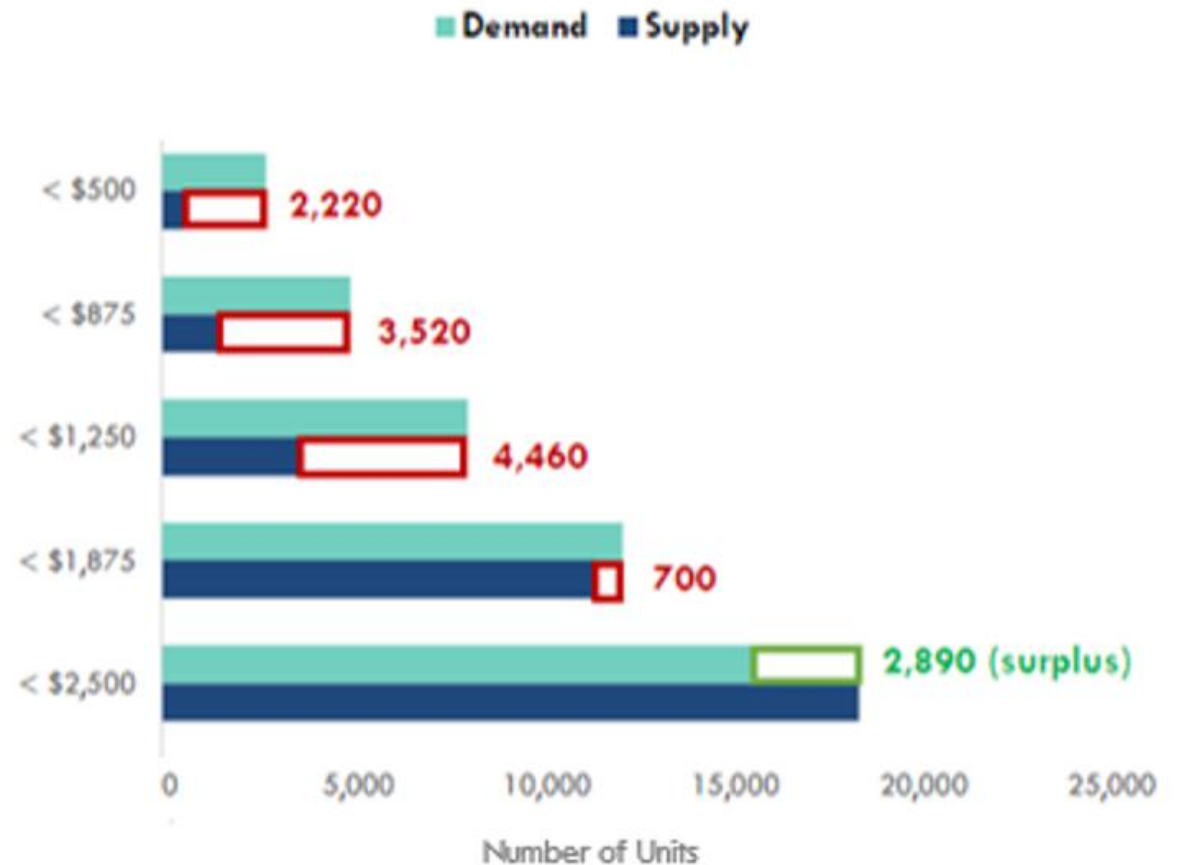
# Background

## Hayward Housing Need

### Displacement Study Preliminary Findings:

- Significant housing supply gap, especially for low-income households
- Rents and homelessness are increasing
- Black and Hispanic renter households experience greater displacement pressure and cost burden

### Hayward Housing Supply Gap (2019)

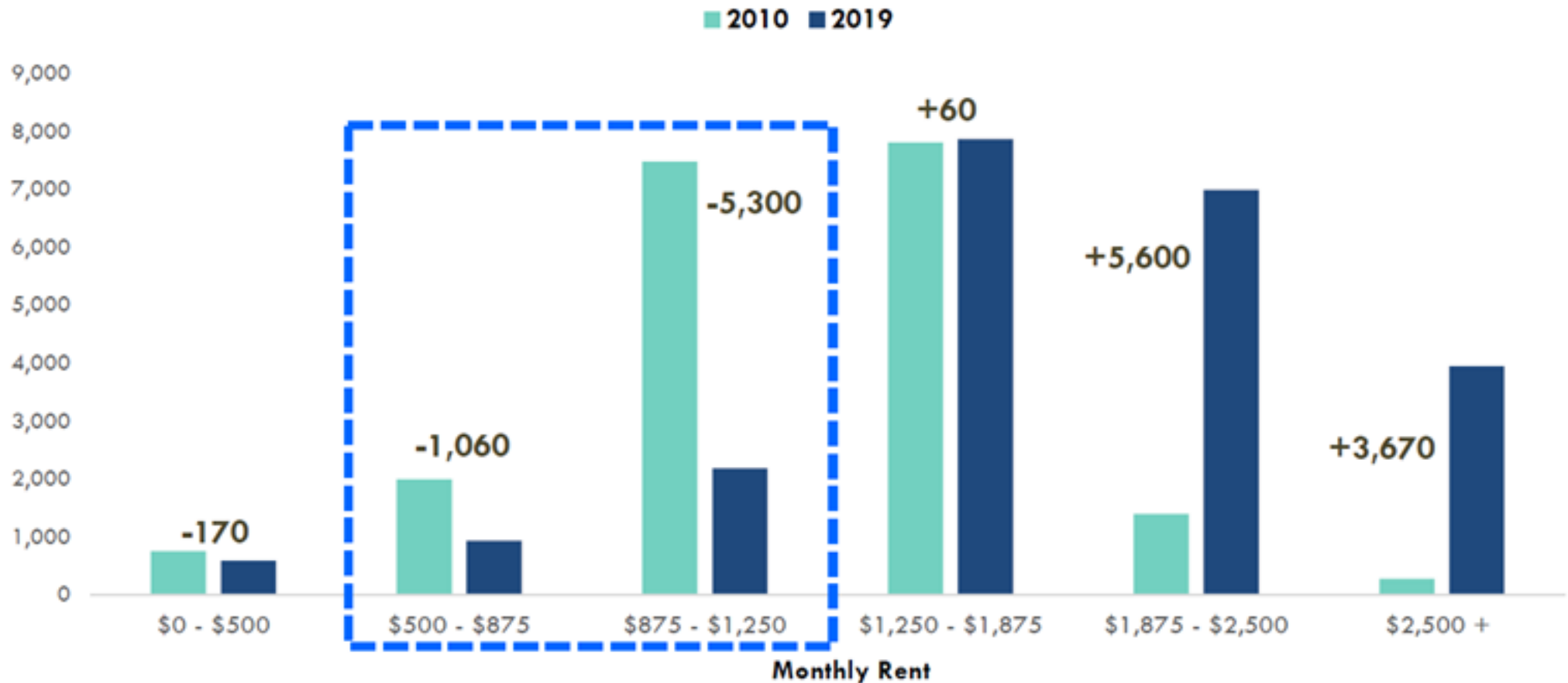




# Background

## Hayward Housing Need: Fewer Units Available at Lower Rents

Hayward Rental Unit Distribution by Rent Price (2010-2019)

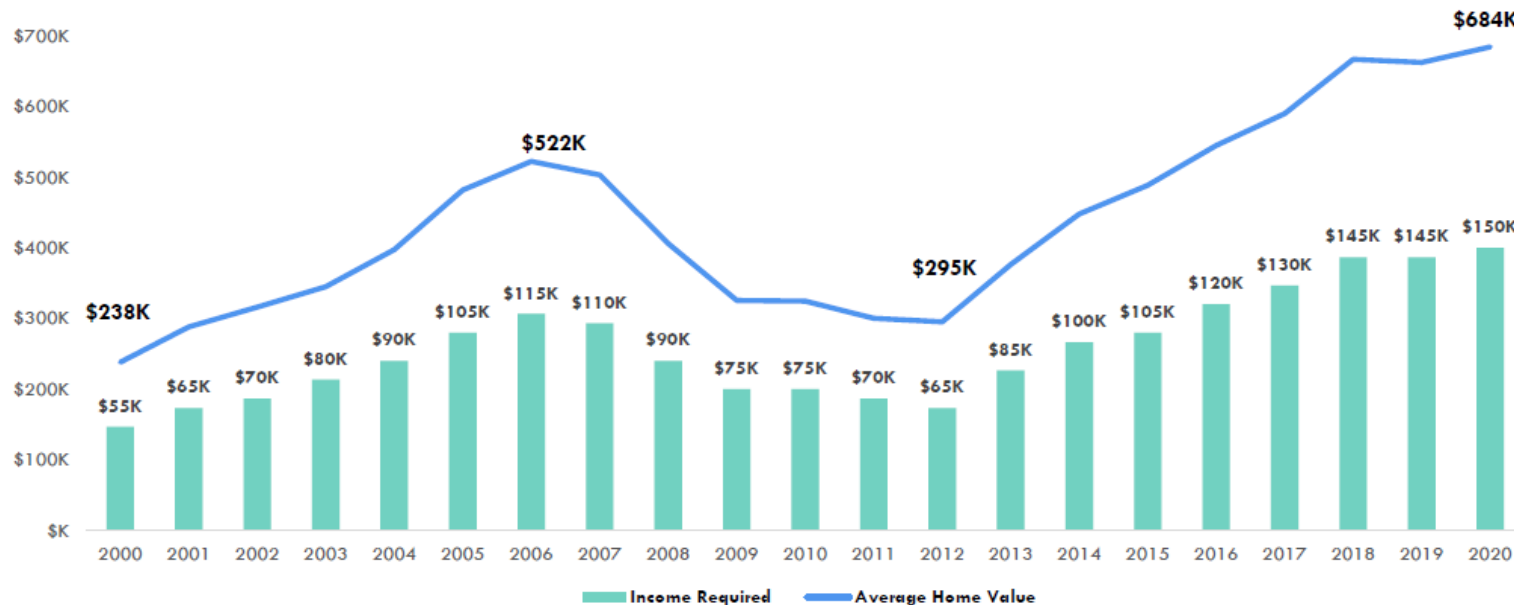


Source: 2010-2019 PUMS 5-Year, 2010-2019 ACS 5-Year

# Background

## Hayward Housing Need: Homeownership is Inaccessible to Most Lower Income Renters

### Income Required to Purchase Median Sales Priced Home



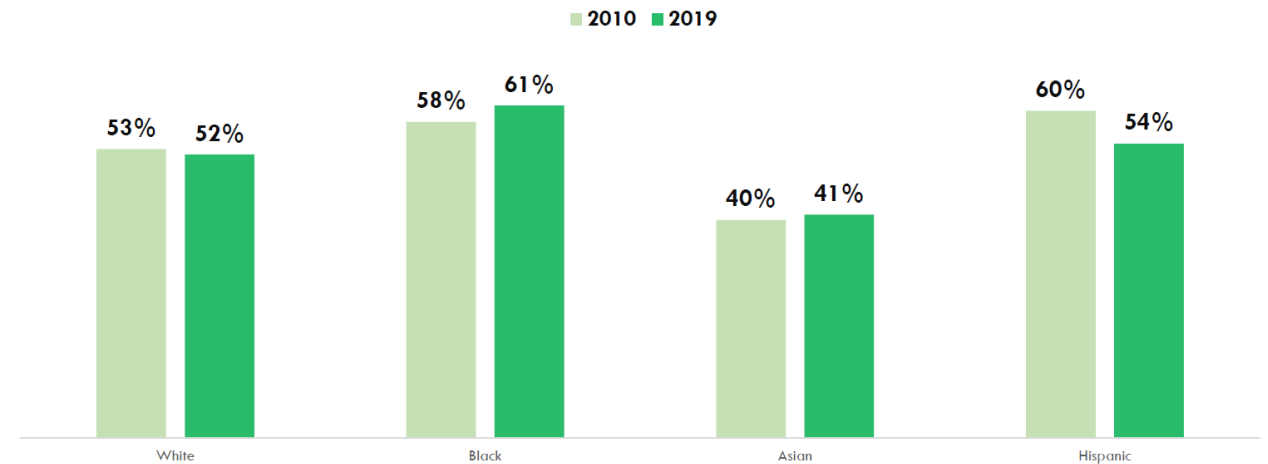
- Homeownership housing would not help renters struggling to stay housed
- 6% of Hayward renters can afford the median sales price home
- 35% of Hayward renters can afford to buy a moderate-income resale restricted home
- The demonstrated need for housing support is at a lower price point and would require large City subsidy, buyer credit capacity, and income sufficient to maintain housing

# Background Hayward Housing Need

## Racial Equity:

- Black and Hispanic households experience greater cost burden compared to White and Asian households
- Black and Hispanic renters represent a disproportionate share of cost-burdened renters overall
- Black residents are overrepresented among the City's homeless population

## Hayward Renter Cost Burden by Race



Source: 2010-2019 PUMS 5-Year, 2010-2019 ACS 5-Year

# Background

## Summary Hayward Housing Need

- Economic pressure has intensified in the last decade and has already resulted in a loss of low-income Hayward residents
- Those who are still living in Hayward are struggling with cost burden
- Black and Hispanic renter households are disproportionate impacted
- Based on identified housing need, staff recommends prioritizing the development of low-income rental housing when considering funding options

# Background

## Homeless Housing Task Force

The HHTF indicated support for allocating Housing Funds as follows:

1. Award existing funds to City supported projects with funding gaps
2. Issue an affordable housing NOFA to establish a pipeline of projects and to pre-commit Housing Funds to expedite the development of affordable housing
3. Include all project types in NOFA:
  - Development of new affordable rental housing,
  - Development of new affordable ownership housing,
  - Rehabilitation/conversion of existing housing to affordable housing, and
  - Emergency shelters and transitional housing with subject to special findings.

# Allocation of Inclusionary Housing Trust Funds



# Allocation of Inclusionary Housing Trust Funds

- AHO Established a dedicated funding source to support the development of affordable housing
- Consistent with HHTF recommendation, proposed process that will expedite the development of affordable housing by:
  - Filling funding gaps for existing City projects with existing funds to usher project to constructions
  - Establish an affordable housing development pipeline to allocate future funds

# Allocation Funds to Current City Projects

## Reasons for Funding Gaps

- Increased construction costs
- Discovery of environmental issues
- Delays related to dissolution of the redevelopment agency, and
- Highly competitive funding application

## Reason to provide funding

- Local funding increases competitiveness for state funding
- Decrease further delay
- Moves project expeditiously to construction start

**Amount of funding currently available: \$4.9 million**

# Affordable Housing Pipeline City Projects with Funding Gaps

Developer	Project	Target Population	Income Targeting	Tenure	No. of Units	Total Dev. Costs	Total City Commit -ment	City Funding Needed
						(in millions)		
RCD	Parcel Group 8 Affordable Housing	Families	Extremely low to low	Rental	96	\$56.7	TBD	\$1-2
Habitat for Humanity	Sequoia Grove	Families	Low to moderate	Ownership	10	\$7.5	Land + \$.63	\$0.2
EAH Inc.	Pimentel Place	Families	Extremely low to low	Rental	57	\$59.9	\$2.2	\$2.0
EAH Inc.	Mission Paradise	Senior	Extremely low to low	Rental	76	\$58.9	\$2.5	\$1.0
Totals					242	\$183.0	\$5.3+	\$5.2

# Establish Affordable Housing Development Pipeline through NOFA

- NOFA is a tool that allows the City to fund projects that are aligned with the City's housing priorities
- Staff has identified 6 affordable housing projects that could provide 374 units of affordable housing but require over \$36.9 million from the City to be constructed
- The City can issue a NOFA to:
  - Identify the projects that meet City's priorities
  - Pre-commit future funds to accelerate the development process

# Previous NOFA

## Required

Units for extremely low-income households

Site control

Community engagement

Establish maximum loan amount

Minimum number of units

Minimum Affordability Targets

## Prioritized

Readiness

Leveraging

Location proximate to amenities

Special needs populations

Housing for families

Developer capacity

Sustainability

Innovation

# Modifications to Previous NOFA

- Expand to allow the following project types:
  - Development of new affordable rental housing
  - Development of new affordable ownership housing
  - Rehabilitation/conversion of existing housing to affordable housing
  - Emergency shelters and transitional housing subject to special findings
- Identify requirements that may make projects less competitive for state funding
- Make community engagement more robust
- Prioritize projects from organizations with racial equity plans



## Recommendation

### **Consistent with the HHTF recommendation:**

---

Appropriate \$4.9 million of Housing Fund to develop affordable housing

---

Allocate \$4.9 million to current City projects to usher those projects to construction; and

---

Issue a NOFA to establish an affordable housing pipeline to accelerate the funding process for future projects.

# Next Steps

# Next Steps

If the Council recommends funding existing City projects:

- Request formal funding requests from developers
- Evaluate requests to ensure they are requesting the minimum amount needed
- City Manager to enter into funding commitments with developers not to exceed aggregate amount of \$4.9 million

# Next Steps

- If the Council recommends issuing a NOFA to establish a pipeline, staff will issue NOFA next fiscal year. Delay is due to anticipated increase in workload associated with implementing new housing program from federal stimulus money.
- Approximately 120 days after receipt of funding applications, staff will return to Council to review funding recommendations and approve housing pipeline
- Potential programs will be discussed at the June 3, 2021 HHTF meeting.

## ***Legislative Business Item:***

- 1) Council questions***
- 2) Public comments***
- 3) Council discussion and motion***

**WORK SESSION**

**ITEM #12**

**WS 21-021**

**CITY COUNCIL RETREAT  
FOLLOWUP**



# Work Session: Council Retreat Follow Up

April 20, 2021



# Topics to Cover

- Review Attachments III and IV and provide staff with direction on any additional revisions needed to Council Handbook.
- Review Council and other city survey results on the Council referral process and provide direction to staff on any desired changes to the referral process.

# **Retreat Follow Up – Other General Changes to Handbook**

- Review Attachments III and IV and provide staff with direction on any additional revisions needed to Council Handbook.

# **Survey of Councilmembers on Referral Process**



## Q2: Where would you prefer that the first discussion of Council referrals take place?

- Answered: 7    Skipped: 0

ANSWER CHOICES	RESPONSES	
Public section of closed session meetings	14.29%	1
Regular City Council meetings	42.86%	3
At the appropriate Committee meeting	42.86%	3
TOTAL		7

# Q4: Should Council referral votes be recorded in meeting minutes?

- Answered: 7    Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes	100.00%	7
No	0.00%	0
TOTAL		7

# Q6: What form should Council referrals take?

• Answered: 7    Skipped: 0

ANSWER CHOICES	RESPONSES	
Verbal request	28.57%	2
Brief memo (2 pages or less)	57.14%	4
Whitepaper/policy brief (longer than memo, cited, etc.)	14.29%	1
TOTAL		7



# Q8: Should a Council referral memo require more than one Councilmember signatory before being added to the agenda?

• Answered: 7    Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes	71.43%	5
No	28.57%	2
TOTAL		7

# Q10: Should there be a cost/complexity threshold for when referrals are incorporated into the strategic planning or budget process?

- Answered: 6    Skipped: 1

ANSWER CHOICES	RESPONSES	
Yes	83.33%	5
No	16.67%	1
TOTAL		6

# General Themes from Council Survey

- Consensus that there should be a brief written memo included with the agenda that is formally voted on and the vote should be recorded in the meeting minutes.
  - *Discussion question: Should the referral be sent to a Council Committee for further vetting?*
- Five Councilmembers indicated that 2-3 members should co-sign a memo before it is added to the agenda.
- There should be an analysis of the referral on the projects within the Strategic Roadmap as well as any staffing or fiscal impacts.

# Work Session Format

- Public Comments
- Council Questions/Comments

## Next Steps

- Council discussion and direction to staff
- Staff to bring back revised Council Handbook for adoption