

JOINT WORK SESSION RECOMMENDATIONS THAT ARE NOT PART OF THE DENSITY BONUS ORDINANCE UPDATE

Project Amenities

Recommendation: Consider Density Bonus for project that provide certain project amenities, such as public art, dog parks, open space, etc.

Staff Response: While the City Council and Planning Commission suggested that providing amenities such as dog parks, public art, and recreation/open space could qualify a project to be eligible for a density bonus, amenities such as these increase the cost of projects. One option to provide broader flexibility with the development standards and incentivize the incorporation of on-site amenities could be to have applicants apply for Planned Development zoning (PD) and/or a General Plan Amendment. Most PD rezonings are applied for when the project is seeking additional flexibility on adopted development standards and these features could be considered as a public benefit when a Planned Development application is submitted.

On-Site Affordable Units

Recommendation: Require affordable housing units to be provided on-site.

Staff Response: While the updated Density Bonus Ordinance will help support and incentivize the construction of on-site affordable units, the requirements to provide those affordable units on-site is currently under review as part of an update to the City's Affordable Housing Ordinance (AHO). Staff expects a draft of the updated AHO to be completed in early 2023.

Fee Assessment

Recommendation: Look at fees on a square footage basis rather than a per unit basis.

Staff Response: While the Density Bonus Ordinance does contain recommendations for fee waivers or deferrals, the assessment of impact fees or other permit fees are often tied to nexus studies, which will determine the appropriate amount of fees charged and is codified as part of the City's Master Fee Schedule. While many development-related fees are based on square footage or per unit basis, the Density Bonus update will not determine how impact fees are assessed.

Property Transfer Tax

Recommendation: Increase Property Transfer Tax

Staff Response: The intent of the Density Bonus Ordinance is to either increase revenue or decrease development costs tied to affordable housing or housing tied to special needs populations. Property transfer taxes are not directly or indirectly tied to the Density Bonus Ordinance update.

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Applicable Income Levels

Recommendation: Use Hayward income levels rather than area median income as a measure, since Hayward income is lower than Alameda County

Staff Response: The State Density Bonus laws dictate the income levels/limits to be used for affordable housing.

Speculative Investments

Recommendation: Prevent speculative investment

Staff Response: Staff is currently exploring options tied to the Strategic Roadmap to preserve, protect, and produce housing.

Parking

Recommendation: No parking reduction and concerns about equity implications of not giving low-income units as much parking.

Staff Response: While the State already allows projects that qualify for a Density Bonus application to have a reduced parking ratio by right, the update to the Density Bonus Ordinance is not proposing any additional limitations or restrictions on project specific parking requirements. Staff is currently working to develop Objective Standards and as part of that project, parking regulations will be studied.

Displacement

Recommendation: Make sure residents are not displaced

Staff Response: Recently adopted SB330 legislation requires any housing units demolished that were occupied by protected tenants be replaced and additionally, the city has adopted a tenant assistance ordinance to provide tenant relocation assistance in the event they are displaced due to no-fault eviction or temporarily displaced due to renovations.

Project Financing

Recommendation: Banks may not lend to market rate buyers purchasing in a building with subsidized units

Staff Response: The City does not have the authority to regulate financial institutions but there are existing federal programs and lending criteria that allow for financing approval for restricted units.