

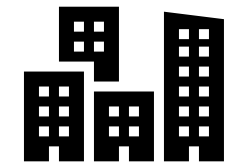
# Proposed Workplan to Incentivize Housing Production

A nighttime photograph of Hayward City Hall, a large, modern building with a curved facade and a dark, tiered roof. The building is illuminated from within, showing interior spaces. In the foreground, there is a circular fountain with water spraying upwards. The area is lit by streetlights, and there are trees and a paved plaza. The text "HAYWARD CITY HALL" is visible on the building's facade.

Jennifer Ott, Deputy City Manager and Christina Morales, Housing Division Manager  
September 5, 2019

# Purpose of Presentation

- Review policies to incentivize the production of both market rate and affordable housing; and
- Seek approval of proposed workplan.



# Presentation Focus



**REVIEW OBJECTIVE**



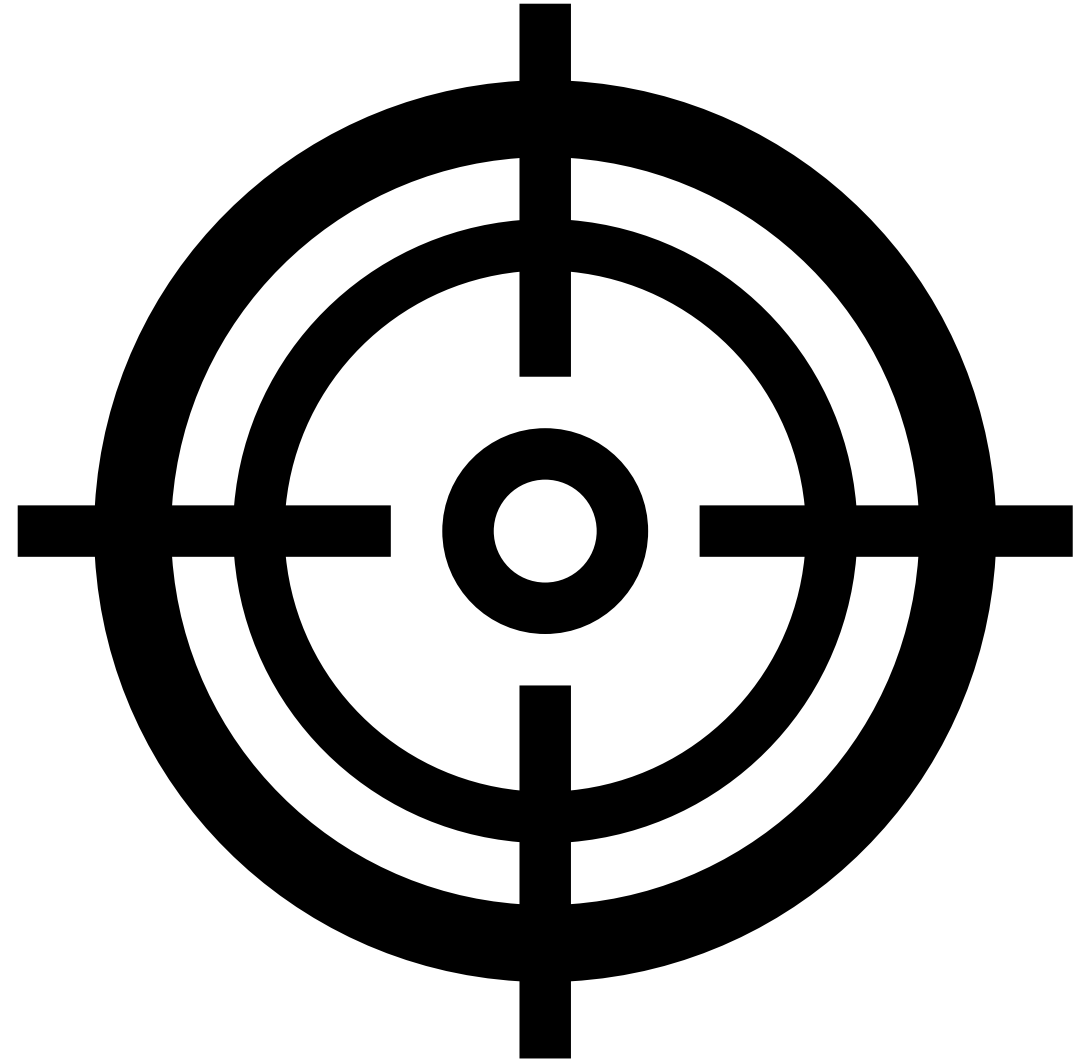
**REVIEW HOUSING  
PRODUCTION  
STRATEGIES**



**APPROVE  
PROPOSED  
WORKPLAN**

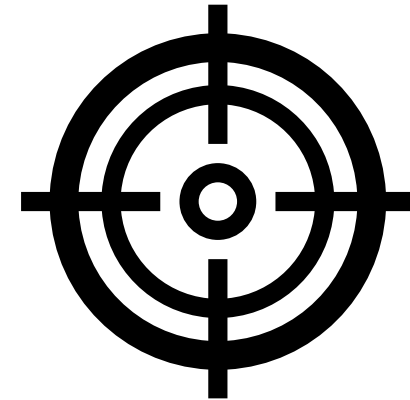
# Objectives

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# Objectives

- Incentivize the production of both market rate and affordable housing
- Implement measures to meet Regional Housing Need Assessment (RHNA) goals included in the Housing Element.
- Establish “pro-housing” policies to ensure Hayward remains competitive for State Housing Funds.
- Improve housing affordability





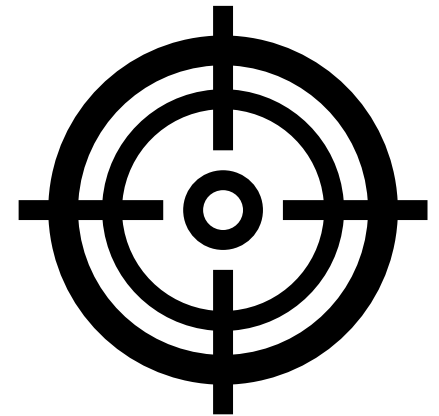
# Objectives

## Pro-Housing Local Policies

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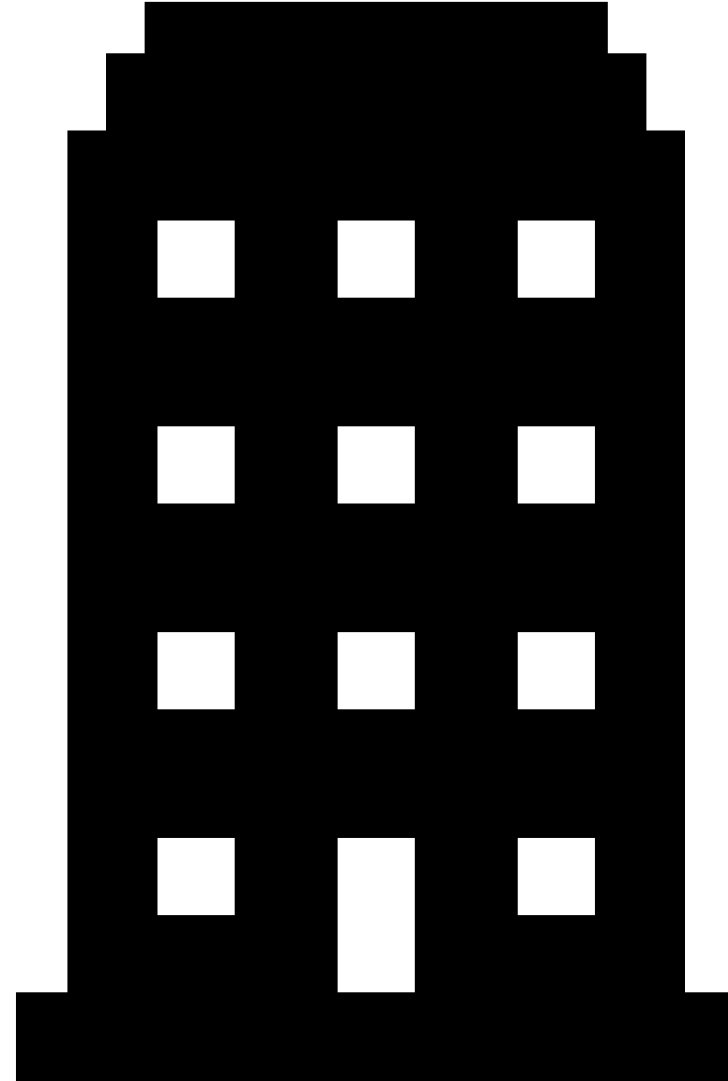
### **State defined pro-housing local policies:**

- Establishing local housing trust fund
- Reducing parking requirements
- Using by right approvals
- Reduction of permit processing time
- Reduction of development impact fees
- Establishment of Workforce Housing Opportunity Zone or housing sustainability district



# Housing Production Strategies

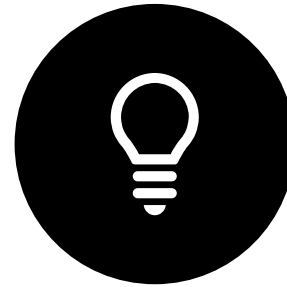
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# Identification of Strategies



**Proposed State  
legislation**



**Policies from other  
jurisdictions**



**Regional planning  
efforts**



**Industry  
professionals**



# Identification of Strategies

## Industry Professionals

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Abode Services/Allied Housing

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Bay East Association of Realtors

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Bridge Housing

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D.R. Horton

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EAH

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Eden Housing

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Eden Realty

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Habitat for Humanity – East Bay/Silicon Valley

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Meta Housing

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Rental Housing Association of Southern Alameda County

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Resources for Community Development

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Satellite Affordable Housing Associates

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Trumark Homes

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William Lyon Homes, Inc.

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# Housing Production Incentives Categories

Zoning and Housing Approvals

Accessory Dwelling Units (ADU) Approvals

Impact Fees and Transparency

Funding Resources

Public Land Disposition

Streamlining Approval Process

★ Highly Supported

★ Supported

★ Did not support

# Incentivizing Housing Production

## Zoning and Housing Approvals

**Highly  
Recommended**

Adopt zoning text amendment to allow faith-based temporary shelters by right (short-term)

**Recommended**★ Provide density bonus greater than 35% (State law density bonus limit) (mid-term)

★ Up zone residential land use categories and expand single-family residential land use categories to allow up to four units (long-term)

Allow emergency shelter sites in more areas within the City (mid-term)

**Not  
Recommended**

Amend parking ordinance with elimination or modification to parking requirements

★ Highly Supported

★ Supported

★ Did not support

# Incentivizing Housing Production

## Accessory Dwelling Units (ADU)

Addressed	Reduce time to approve and issue ADU permit (short term)
	Modify replacement parking requirements for ADUs (short term)
Recommended	Modify owner occupancy requirements to allow property owner to: <div>             1) reside in either primary residence or ADU, or             2) to rent primary dwelling and ADU (short term)           </div>
Not Recommended	Permit ADUs to be sold separately from primary residence if developed by non-profit developer
	Permit two ADUs per primary residence lot in city-wide single-family zones
	Eliminate parking requirements for ADUs

- ★ Highly Supported
- ★ Supported
- ★ Did not support

# Incentivizing Housing Production

## Fees and Transparency

### In Progress

Provide more transparency to the development community about the cost of fees.

### Highly Recommended

- ★ Exempt, reduce or defer city development impact fees for affordable housing units (short term)
- ★ Exempt, reduce or defer city development impact fees for ADUs (short term)
- ★ Allow deferral of utility impact fees for affordable housing units and ADUs until service connection (short term)

# Incentivizing Housing Production

## Reduction of Development Impact Fees

### Maintain current exemption

- 100% Affordable
- Average affordability 60% AMI
- Non-profit developer

### Reduce fee for on-site affordable units


- Must meet minimum requirements for on-site units per Affordable Housing Ordinance (AHO)
- 50% reduction of park fees for on-site affordable unit
- 50% reduction of transportation fee for on-site affordable units for projects located ½ mile of BART or major-high frequency transit.

### Establish Impact fee loan program for affordable units


- Project must have City Regulatory Agreement

### Reduce Impact Fees for ADUs


- Reduce park fee for ADUs to zero-bedroom fee



Highly Supported



Supported



Did not support

# Incentivizing Housing Production

## Funding


### Recommended

Pilot a new moderate-income affordable housing financing model (short-term)

### Not Recommended

 Establish an Impact fee on commercial uses for affordable housing

Abate or defer property tax for market rate and/or affordable housing projects that meet certain density or affordability requirements

 Pursue Voter-Approved Ballot Measure for an Affordable Housing Bond Program

 Pursue Voter-Approved Ballot Measure for a Vacant Parcel Tax for Homelessness and/or Affordable Housing



★ Highly Supported

★ Supported

★ Did not support

# Incentivizing Housing Production

## Public Lands

### In Progress

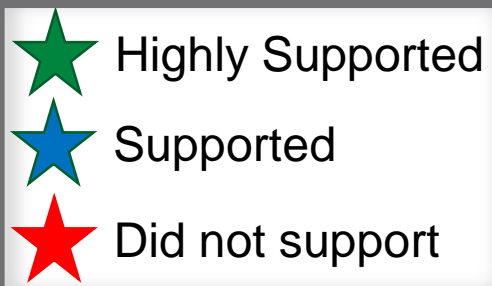
Prioritize on-site affordable housing for residential projects developed on City-owned land (short-term)

### Highly Recommended

Convert underused and tax defaulted properties to permanent affordable housing in partnership with nonprofit affordable housing developer (short-term)

### Not Recommended

Create a zoning exemption for affordable housing on surplus land in residential zones regardless of density maximums



# Incentivizing Housing Production

## Streamlining

### In Progress

Streamline approval for affordable housing projects meeting specific criteria consistent with SB 35 (short-term)

- ★ Review approval process to address inefficiencies with the goal of reducing overall approval time (short-term)

### Highly Recommended

- ★ Provide "Package of Incentives" for affordable housing projects and on-site inclusionary units. Incentives could include:
  - exemption/reduction of development impact fees,
  - parking reductions, and/or
  - physical building concessions
  - density bonus in excess of state law (short-term)

# Incentivizing Housing Production

## Illustrative Package of Incentives

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### Package A

#### **On-site affordable housing meeting AHO requirements**

- Density bonus increases and concessions consistent with current state law.
- Park fee reduction for affordable units
- Loan program for impact fees for affordable rental units

### Package B

#### **On-site affordable housing greater than minimum requirements (tbd)**

- Density bonus increase above 35%, if exceeds states affordability levels
- More concessions
- Park fee reduction for affordable units
- Loan program for impact fees for affordable rental units

### Package C

#### **100% Affordable**

- Density bonus increase above 35%
- More concessions
- Park fee exemption or reduction
- Loan program for impact fees

# Illustrative Housing Production Market Rate Strategies

## General Incentives

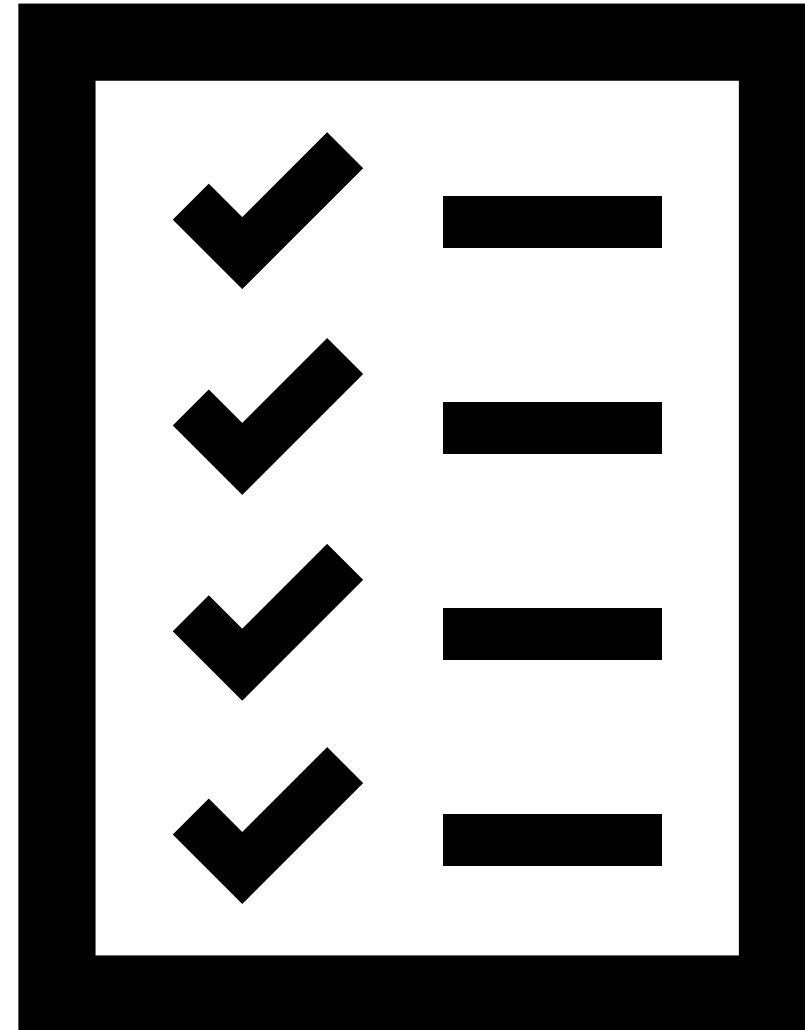
- Up zoning
- Fee transparency
- Improvement of approval efficiency

## On-site Affordable Housing Ordinance (AHO) Compliance Incentives

- Increased Density Bonus
  - Increase # of units
  - Development incentives
- Impact fee reduction or loans for inclusionary affordable units
- Package of Incentives to summarize available benefits for on-site inclusionary units

# Workplan

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# Workplan

## Short-term (In progress)

Strategy	Type	Depart
Improve fee transparency	Administrative	DSD
Prioritize on-site affordable housing for residential projects developed on City-owned land	Administrative	CMO
Streamline approval of affordable housing projects meeting specific criteria established in SB 35	Administrative	DSD
Review approval process to address inefficiencies	Administrative	DSD

# Workplan

## Short-term (1-2 years)

Strategy	Type	Depart
Defer utility impact fees	Administrative	PW&U
Exempt, reduce, defer and provide loans for impact fees on affordable units	Works Session Legislative	CMO
Reduce impact fees for ADUs	Works Session Legislative	DSD
Moderate-income affordable housing finance model	Legislative	CMO



# Workplan

## Short-term (1-2 years)

Strategy	Type	Dept
Faith based temporary housing by right	Legislative	CMO
Modify owner occupancy requirements for ADUs	Legislative	DSD
Program to convert tax defaulted properties to affordable housing	Administrative Legislative	CMO
Package of Incentives	Administrative	CMO

# Workplan

## Mid-term (2-3 years)

Strategy	Actions	Depart
Density bonus greater than 35% for Affordable Housing	Outreach Work Session Legislative	DSD
Revised package of incentives based on revised density bonus	Administrative	CMO
Allow emergency shelter sites in more areas within the City (mid-term)	Outreach Work Session Legislative	DSD

# Workplan

## Long-term (3+ years)

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Strategy	Actions	Depart
Up zone Residential Land Use Categories and Expand Single-Family Residential Land Use Categories to Allow Up to Four Units	Outreach Work Session Legislative	DSD

# Recommendation

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That the Homelessness-Housing Task Force recommends Council approval of the workplan to incentivize housing production.

# Questions

