



CITY OF HAYWARD

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Cover Memo

File #: LB 21-013, **Version:** 1

DATE: May 4, 2021

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT

Affordable Housing Development Funding: Adopt Resolutions Authorizing the City Manager to Prioritize Current Affordable Housing Projects for Allocation of Existing Inclusionary Housing Trust Funds Not-to-Exceed \$4.9 million and to Issue a Notice of Funding Availability (NOFA) to Establish an Affordable Housing Development Pipeline

RECOMMENDATION

That the City Council:

1. Adopts a resolution amending the FY 2021 Housing Division budget by appropriating Four Million Nine Hundred Thousand Dollars (\$4,900,000) from fund balance in the Inclusionary Housing Trust fund to fund affordable housing development loans (Attachment II);
2. Adopts a resolution authorizing the City Manager to negotiate and execute loan documents between the City of Hayward and Developers of existing affordable housing projects., in an amount not-to-exceed Four Million Nine Hundred Thousand Dollars (\$4,900,000) (Attachment III); and
3. Adopts a resolution authorizing the City Manager to issue an affordable housing NOFA to establish an affordable housing funding pipeline (Attachment IV).

SUMMARY

On November 28, 2017, the City Council adopted amendments to the Affordable Housing Ordinance, which increased the affordable housing in-lieu fees paid by housing developers deposited into the Inclusionary Housing Trust Fund. Currently, there is \$4.9 million available in the Inclusionary Housing Trust Fund available to allocate to affordable housing development projects.

Collectively, initial findings from a recent City displacement study, being prepared by HR&A Advisors, draw a picture of low-income households, particularly renters and Black and Hispanic households, who are experiencing intense economic pressure and housing need in Hayward. Study findings demonstrate that those pressures have intensified in the last decade and have already resulted in a loss of low-income Hayward residents. Those who are still living in Hayward are struggling with cost burden, especially Black and Hispanic households, as housing supply does not align with household income. These trends of

economic and housing instability, especially for Black and Hispanic households, are likely exacerbated by the consequences of the COVID-19 pandemic.

Based on these findings, the pipeline of City supported projects, prospective projects, and recommendations from the Homeless Housing Task Force (HHTF), staff recommends that Council prioritize projects that will provide safe and decent affordable housing to low-, very low- and extremely low-income households who are housing insecure and at risk of displacement and homelessness by:

- 1) Awarding existing funds to City supported projects with funding gaps to usher these projects into construction expeditiously, and
- 2) Issuing an affordable housing NOFA to establish a pipeline of projects and to pre-commit Inclusionary Housing Trust Fund (Housing Fund) to expedite the development of affordable housing by awarding monies to projects on the pipeline as funds become available through payment of the affordable housing in-lieu fees.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution Appropriating \$4.9 million
Attachment III	Resolution Authorizing Funding Affordable Housing Developments
Attachment IV	Resolution Authorizing Issuance of the Affordable Housing NOFA
Attachment V	Affordable Housing Project Pipeline
Attachment VI	NOFA Threshold and Scoring Criteria