



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: WS 23-008, **Version:** 1

DATE: March 2, 2023

TO: Homelessness-Housing Task Force

FROM: Assistant City Manager

SUBJECT

Social Impact Bonds Program and Proposal to Reallocate \$3 Million of American Rescue Plan Act of 2021 (ARPA) Funding from the Wealth Building and Tax-Defaulted Property Acquisition Assistance Programs to the Social Impact Bonds Program for Down Payment Assistance

RECOMMENDATION

That the Homelessness-Housing Task Force (HHTF):

1. Receive and provide comments on a presentation from the Richmond Community Foundation (RCF) on a proposed Social Impact Bonds Program; and
2. Provide comments on a proposal to reallocate \$3 million American Rescue Plan Act of 2021 (ARPA) funding from the Wealth Building and Tax-Defaulted Property Acquisition Assistance Programs to a Social Impact Bonds Program for down payment assistance.

SUMMARY

On April 27, 2021, the City Council adopted a resolution authorizing the acceptance of \$38 million in federal stimulus allocation under the American Rescue Plan Act of 2021 (ARPA). On July 13, 2021, City Council approved the Hayward Federal Stimulus Expenditure Plan which included \$4.25 million for housing programs. Staff have already implemented the Foreclosure Prevention Program and the Emergency Relocation Assistance Program but have yet to implement the Wealth Building Program and Tax Defaulted Property Acquisition Program. All funds awarded through ARPA must be obligated no later than December 31, 2024.

In May 2022, representatives from Richmond Community Foundation (RCF) and Neighborhood Housing Services of the East Bay (East Bay NHS), both non-profit community development organizations, reached out to staff to present the idea of a Social Impact Bonds Program (the "SIB Program"), which has already been successfully implemented in the City of Richmond. The SIB Program is funded through the issuance of municipal bonds. The bond proceeds are used to acquire vacant or blighted properties, transforming them into clean, affordable, for-sale units that would be sold to buyers who intend to owner-occupy the properties. Staff proposes reallocating the \$3 million allocated to the Wealth Building and Tax-Defaulted Property Acquisition Programs for a down payment assistance program that could be used in conjunction with a Social Impact Bonds Program to provide deeper levels of affordability. The SIB Program would accomplish the same objectives as the Wealth Building and Tax-Defaulted Property Acquisition programs by providing opportunities for wealth building through homeownership and conversion of blighted properties into housing opportunities for low- and moderate-income households.

ATTACHMENTS

Attachment I Staff Report