



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

Cover Memo

File #: CONS 22-207, **Version:** 1

DATE: April 19, 2022

TO: Housing Authority Board/Mayor and City Council

FROM: Housing Authority Executive Director/City Manager

SUBJECT

Adopt Resolutions Authorizing the City Manager/Housing Authority Executive Director to Execute a Second Amendment to the Disposition, Development, and Loan Agreement with Habitat for Humanity East Bay to Extend the Development Schedule for the Property Located at 123-197 A Street (A & Walnut/Sequoia Grove)

RECOMMENDATION

That the Council:

1. Adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an Affordable Housing Cooperation Agreement between the City of Hayward and the Housing Authority permitting the Housing Authority to implement a loan in the amount of \$200,000 from the Inclusionary Housing Trust Fund under the existing Disposition, Development, and Loan Agreement.

That the Housing Authority Board:

1. Adopts a resolution (Attachment III) authorizing the Executive Director to negotiate and execute an Affordable Housing Cooperation Agreement between the Housing Authority and the City of Hayward permitting the Housing Authority to implement a loan in the amount of \$200,000 from the Inclusionary Housing Trust Fund under the existing Disposition, Development, and Loan Agreement; and
2. Adopts a resolution (Attachment IV) authorizing the execution of a second amendment to the Disposition, Development, and Loan Agreement for the A & Walnut/Sequoia Grove Habitat for Humanity Housing Development to extend the development schedule and increase the loan amount to \$800,000.

SUMMARY

The Housing Authority entered into a Disposition, Development, and Loan Agreement (DDLA) with Habitat for Humanity (Habitat) in 2014 for the development of 123-197 A Street, also known as Sequoia Grove. However, delays caused by the dissolution of the Redevelopment Agency and site contamination created a funding gap that prevented the development of the project. In 2018, the Housing Authority approved an amendment to the DDLA in order for Habitat to secure Measure A1 bond funds to fill the development gap and extended the anticipated completion date of the project from January 2018 to

January 2022. Alameda County still has not issued the Request for Proposal (RFP) for homeownership development funds, which has further inhibited the Sequoia Grove project from obtaining all of the funding needed to implement the project. In 2021, the Council authorized additional funding from the Inclusionary Housing Trust Fund to help existing affordable housing projects in Hayward fill funding gaps and \$200,000 has been earmarked for Sequoia Grove. Even with the City's additional investment as well as other funds secured by Habitat, a financing gap remains. It is anticipated that the County's RFP will be issued this year and Habitat will need to demonstrate site control under the DDLA in order to be eligible. Habitat has requested a three-year extension of the development schedule in the DDLA to document site control to apply for Measure A1 bond funds and to have sufficient time to complete the project.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	City Resolution - Cooperation Agreement
Attachment III	Housing Authority Resolution - Cooperation Agreement
Attachment IV	Housing Authority Resolution - Amended DDLA