



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
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## Cover Memo

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**DATE:** October 2, 2018

**TO:** Mayor and City Council

**FROM:** City Manager

### **SUBJECT**

Appropriation and Allocation of \$28.6 Million of the City of Hayward's Affordable Housing Funds and Measure A1 Base Allocation to Support the Development of 259 Units of Affordable Housing.

### **RECOMMENDATION**

That the City Council:

1. Adopts a Resolution Authorizing the Finance Department to Amend the FY19 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); and
2. Adopts a Resolution Authorizing the Finance Department to Amend the FY19 Housing Division Budget by Appropriating One Hundred Fifty-Five Thousand One Hundred Twenty-Four Dollars (\$155,124) to the HOME Fund consistent with the 2018 Subrecipient Agreement with the County of Alameda. (Attachment III); and
3. Adopts a Resolution Authorizing the City Manager to Negotiate and Execute Loan Documents between the City of Hayward and EAH, Inc., in an Amount not to Exceed Two Million Dollars (\$2,000,000), for Matsya Family Villas located at 22648 2<sup>nd</sup> Street to Build Approximately Fifty-Seven Units of Affordable Housing (Attachment IV).
4. Adopts a Resolution Authorizing the City Manager to Negotiate and Execute Loan Documents Between the City of Hayward and EAH, Inc., in an Amount not to Exceed Two Million Five Hundred Thousand Dollars (\$2,500,000), for Mission Senior Paradise located at 28000 Mission Boulevard Street to Build Approximately Seventy-Six Units of Affordable Housing (Attachment V)
5. Adopts a Resolution Authorizing the City Manager to: 1) Negotiate and Execute Loan Documents Between the City Of Hayward and Allied Housing, Inc., in an Amount Not to Exceed One Million Six Hundred Ten Thousand Dollars (\$1,610,000); and 2) Commit up to Eighteen Million Three Hundred Thousand Dollars (\$18,300,000) of the Base City Allocation for the 2595 Depot Road Project Located at 2595 Depot Road to Build Approximately 126 Units of Affordable Housing (Attachment VI).

That the Housing Authority of the City of Hayward:

1. Adopts a Resolution Authorizing the Finance Department to Amend the FY19 Housing Division Budget by Appropriating Four Million Two Hundred Thousand Dollars (\$4,200,000) from Fund Balance in the Hayward Housing Authority Fund to Fund Affordable Housing Development Loans (Attachment VII); and
2. Adopts a Resolution Authorizing the City Manager to Negotiate and Execute Loan Documents Between the Housing Authority of the City of Hayward and Allied Housing, Inc., in an Amount not to Exceed Four Million Two Hundred Thousand Dollars (\$4,200,000), for the 2595 Depot Road Project located at 2595 Depot Road to Build Approximately 126 Units of Affordable Housing (Attachment VIII).

## SUMMARY

This staff report recommends the appropriation and allocation of \$28.6 million of the City of Hayward's affordable housing funds, including \$10.3 million of City housing funds ("City Housing Funds") and authorization of the use of \$18.3 million of the City's Measure A1 base allocation to support the development of 259 units of affordable housing that will provide housing for extremely low- to low-income households including seniors, veterans, homeless, and people with mental health disabilities. The appropriation of the \$10.3 million of local housing funds will be used to leverage \$18.3 million in the City's base allocation of Measure A1 County bond funds ("Measure A1 Funds") and potentially up to an additional \$10 million in Measure A1 Funds from the County's discretionary pool of funds.

The City solicited applications for project funding on a competitive project basis. The results of the City's Notice of Affordable Housing Funding Availability (NOFA) for New Construction of Affordable Housing are described in this report. Staff recommends awarding funds to maximize the total number of units developed, prioritize the most vulnerable residents and project readiness, and provide a diverse mix of unit types. Recommended actions include:

1. Authorization of a loan to EAH for Matsya Family Villas, in an amount not to exceed \$2 million from Inclusionary Housing Trust funds to build 57 units of affordable family housing located at 22648 2nd Street;
2. Authorization of a loan to EAH for Mission Senior Paradise, in an amount not to exceed \$2.5 million, including \$800,000 from Community Development Block Grant (CDBG) Funds for acquisition costs, and \$415,280 for HOME Investment Partnership (HOME) funds, and up to \$1.3 million from Inclusionary Housing Trust funds for development costs to build 76 units of affordable senior housing located at 28000 Mission Boulevard;
3. Authorization of a loan and allocation of Measure A1 Funds to Allied Housing for the 2595 Depot Road project, in an amount not to exceed \$24.1 million, including \$4.2 million for Housing Authority funds, \$1.61 million from the City's Inclusionary Housing Trust funds, and allocation of \$18.3 million in Measure A1 Funds from the City's base allocation to build 126 units of affordable housing at 2595 Depot Road; and

4. Appropriation of nearly \$10.1 million of available City Housing Funds, including \$4.2 million of Hayward Housing Authority Funds, \$4.9 Affordable Housing Trust Funds, and \$155,124 in HOME funds.

By authorizing these funding amounts, these affordable housing developers can proceed with the next steps in the development process, which will include community engagement and any necessary land use applications and subsequent public hearings with the Planning Commission and City Council for those projects that have not already gone through that process.

## **ATTACHMENTS**

Attachment I	Staff Report
Attachment II	City Resolution Appropriating Inclusionary Housing Trust Funds
Attachment III	City Resolution Appropriating HOME funds
Attachment IV	City Resolution Loan with EAH, Inc. (Matsya Family Villas)
Attachment V	City Resolution Loan with EAH, Inc. (Mission Senior Paradise)
Attachment VI	City Resolution Loan with Allied Housing, Inc (2595 Depot Road)
Attachment VII	Housing Authority Resolution Appropriating Housing Authority Funds
Attachment VIII	Housing Authority Resolution Loan with Allied Housing, Inc (2595 Depot Road)
Attachment IX	NOFA Scoring Summary
Attachment X	Project Descriptions
Attachment XI	Project Summary