



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 19-068, **Version:** 1

DATE: February 5, 2019

TO: Mayor and City Council

FROM: City Manager

SUBJECT

Approval of Execution of Joint Exercise of Powers Agreement Relating to the California Public Finance Agency to Allow the Existing Leisure Terrace Apartment Complex Located at 1638 E Street to Apply for Four Percent Low Income Housing Tax Credits to Convert All Units to Deed Restricted Affordable Housing Units

RECOMMENDATION

That Council adopts the attached resolution approving, authorizing, and directing execution of a joint exercise of powers agreement relating to the California Public Finance Authority to allow the existing Leisure Terrace Apartment complex to apply for four percent Low Income Housing Tax Credits (LIHTCs) to convert all units to deed restricted affordable housing units.

SUMMARY

The Reliant Group, an apartment investment group, has requested public bond financing from the California Public Finance Authority (CalPFA) in order to acquire, rehabilitate, and convert the Leisure Terrace Apartments located at 1638 E Street in the City of Hayward to a 100% deed restricted affordable housing project. If the Reliant Group does not receive public bond financing, they will acquire the apartments with private financing and most likely have to increase rents to help finance the intended investment and rehabilitation of the apartment units.

For CalPFA to have jurisdiction to issue bonds for any project in the City, it is necessary for the City of Hayward to become a member of CalPFA. As a result of the public financing, the property will be converted to a 100% affordable housing project. Staff recommends joining CalPFA to facilitate the acquisition, rehabilitation, and conversion of the Leisure Terrace Apartments to affordable housing that will protect low-income residents most vulnerable to displacement caused by the new acquisition and investment.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution

