



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**File #:** CONS 20-498, **Version:** 1

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**DATE:** October 20, 2020

**TO:** Mayor and City Council

**FROM:** Deputy City Manager

### **SUBJECT**

Adopt a Resolution Authorizing the City Manager to (1) Submit an Application to the California State Department of Housing and Community Development (HCD) for a Maximum Amount of \$5 Million for Mortgage Assistance Funding under the CalHome Program; (2) Enter into and Execute a Standard Agreement and Any Subsequent Amendments, Modifications, or Documents thereto, if Awarded; and (3) Accept and Appropriate Any Awarded Funds in an Amount Not to Exceed \$5 Million

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to:

1. Submit an application to the California State Department of Housing and Community Development (HCD) for a maximum amount of \$5 million for mortgage assistance funding under the CalHome Program;
2. Enter into and execute a Standard Agreement and any subsequent amendments, modifications, or documents necessary to participate in the CalHome Program with the California State Department of Housing and Community Development if the grant funds are awarded, and
3. Accept and appropriate any awarded funds in an amount not to exceed \$5 million.

### **SUMMARY**

Housing affordability is an issue for many people in the Bay Area and homeownership provides long-term housing stability. On August 31, 2020, HCD released the CalHome Program Notice of Funding Availability (NOFA), which made available approximately \$57 million in funding to local public agencies and non-profits for qualifying CalHome activities that support homeownership. While there are multiple eligible uses for the CalHome funds, staff determined that first-time homebuyer mortgage assistance will address the affordability gap for low-income purchasers, can be implemented by integrating it into existing homeownership services, and fulfills the request of the Homelessness-Housing Task Force (HHTF) to provide greater affordable homeownership opportunities for Hayward residents.

Staff has determined that the City would be eligible for grant funds under the CalHome NOFA, if it partners with a more experienced program administrator. Staff has issued a Request For Proposal (RFP) to identify a qualified program administrator and will enter into a contract with the consultant administratively for a first phase of work to develop the framework of a mortgage assistance program and return to Council for approval of a contract amendment for any subsequent work, if required.

A successful application would provide mortgage assistance in the form of a deferred loan to low-income, first-time homebuyers in an amount not to exceed \$100,000. Staff estimates that a four-person household earning near the income limit with modest consumer debt could afford a \$570,000 purchase price with a \$100,000 CalHome mortgage assistance loan, which is sufficient to enter the Hayward housing market.

Staff is requesting Council authority to apply for the maximum grant amount of \$5 million, although anticipates that the application may be submitted for a lower amount to increase feasibility competitiveness.

## **ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution