



CITY OF
HAYWARD
HEART OF THE BAY

DATE: January 27, 2015

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Agenda Item #11 Changes – 1) Proposed Modifications to Affordable Housing Ordinance (“AHO”) Provisions regarding Exemptions and 2) Split of Affordability Levels for Rental Units.

- 1) *AHO Exemptions.* Staff proposes the following clarifying changes to the proposed AHO provisions regarding exemptions. A representative for the Stonebrae development raised the concern that the existing Inclusionary Housing Ordinance (“IHO”) and the proposed AHO uses language that could be interpreted to apply the IHO and the AHO to the Stonebrae project, contrary to the City’s intent. To eliminate this ambiguity, staff proposes the following revision (deletions shown in strikethrough text; additions shown in underlined text):

“SEC. 10-17.600 EXEMPTIONS.

The requirements of this Article do not apply to the following:

...

b. Development agreements, ~~as originally approved, originally that have been~~ adopted and executed by the City Council prior to January 1, 2004 and any extensions or modifications of those development agreements that did not modify the affordable housing requirements. ~~This exemption shall not apply to modifications of existing development agreements.”~~

- 2) *Split of Affordability Levels for Rental Units.* Staff is also presenting this memorandum to seek Council approval for an additional modification to the proposed language of the AHO. Section 10-17.310, “Rental Affordable Units Permitted if Consistent with Costa Hawkins Act”, currently specifies that if the developer proposes to provide affordable rental units instead of paying the Housing Fees, the units would be provided to low-income households only. This provision is not consistent with the existing IHO language, which requires a 50/50 split of the units between very low- and low-income affordable units. Staff proposes that the AHO language be modified to require an equal split of the units between low and very low-income units if the developer chooses this mode of compliance.

The findings of the Nexus Study suggest that a higher percentage of very low-income units could be required if this option is chosen (see Prototype #3, Table A-29 on Page 84 of Attachment IV). However, in order to mirror the current IHO requirements, staff is recommending keeping the 50/50 split.

Prepared by:

Omar Cortez, Housing Development Specialist

Recommended by:

Kelly McAdoo, Assistant City Manager

Approved by:



Fran David, City Manager