



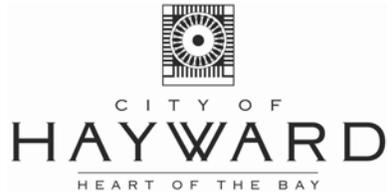
CITY OF
HAYWARD
HEART OF THE BAY

CITY COUNCIL AGENDA
NOVEMBER 4, 2014

MAYOR BARBARA HALLIDAY
MAYOR PRO TEMPORE GREG JONES
COUNCIL MEMBER FRANCISCO ZERMEÑO
COUNCIL MEMBER MARVIN PEIXOTO
COUNCIL MEMBER AL MENDALL
COUNCIL MEMBER SARA LAMNIN
COUNCIL MEMBER ELISA MÁRQUEZ

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CITY COUNCIL MEETING FOR NOVEMBER 4, 2014
777 B STREET, HAYWARD, CA 94541
WWW.HAYWARD-CA.GOV

CITY COUNCIL MEETING
Council Chambers – 7:00 PM

CALL TO ORDER Pledge of Allegiance Council Member Mendall

ROLL CALL

PRESENTATION

Proclamation declaring November 15-23, 2014 National Hunger and Homeless Awareness Week

PUBLIC COMMENTS

The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Work Session or Information Items. The Council welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.

NON-ACTION ITEMS: *(Work Session and Informational Staff Presentation items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.)*

WORK SESSION (60-Minute Limit)

1. Review of Inclusionary Housing Ordinance and In-Lieu Fee (Report from Assistant Manager McAdoo)
[Staff Report](#)
[Attachment I Key Terms and Acronyms](#)
[Attachment II Final Nexus Report](#)

ACTION ITEMS: *(The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk anytime before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.)*

CONSENT

2. Adoption of Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0083 Relating to a Residential Development at 23830 and 23836 Saklan Road and 24137 Eden Avenue

[Staff Report](#)
[Attachment I Summary of Ordinance](#)

Information items are presented as general information for Council and the public, and are not presented for discussion. Should Council wish to discuss or take action on any of the “information” items, they will direct the City Manager to bring them back at the next Council agenda as an Action Item.

INFORMATION ITEMS

None

CITY MANAGER’S COMMENTS

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items.

ADJOURNMENT

Tuesday, November 11, 2014 – Veterans Day Holiday –

NEXT MEETING – 7:00 PM, Tuesday, November 18, 2014

PUBLIC COMMENT RULES: *The Mayor may, at the beginning of the hearing, limit testimony to three (3) minutes per individual and five (5) minutes per an individual representing a group of citizens or organization. Speakers will be asked for their name before speaking and are expected to honor the allotted time. Speaker Cards are available from the City Clerk at the meeting.*



PLEASE TAKE NOTICE that if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.

PLEASE TAKE FURTHER NOTICE that the City Council has adopted Resolution No. 87-181 C.S., which imposes the 90 day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.

***Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. ***

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.

Please visit us on:



DATE: November 4, 2014
TO: Mayor and City Council
FROM: Assistant City Manager
SUBJECT: Review of Inclusionary Housing Ordinance and In-Lieu Fee

RECOMMENDATION

That the City Council reviews and comments on this report.

BACKGROUND

Initial Years of the Inclusionary Housing Ordinance. According to a study published by the Non-Profit Housing Association of Northern California in 2007¹, in order to respond to the housing affordability crisis that had worsened during the previous decades, the localities in California that adopted inclusionary housing programs from 1994 to 2003 increased by 40% (from 64 to 107). The City of Hayward (the City) joined this trend and adopted an Inclusionary Housing Ordinance (IHO) in June 2003. Later that year, the City also adopted an Inclusionary Housing In-Lieu Fee (In-Lieu Fee) by separate resolution. Pursuant to the IHO, new “for-sale” residential developments of twenty or more units must set aside 15% of the total number of units for purchase by households of moderate-income (incomes up to 120% of area median income (AMI)). New rental developments of twenty units or more also have a 15% set aside requirement, which is to be split 50/50 between very-low and low-income households at 50% to 80% of AMI, respectively.

To the date of this report, the IHO has helped to facilitate the creation of 359 affordable homes (311 rental apartments and forty-eight ownership homes located in six developments (see Table A on page 2)).

As illustrated by Table A, most developers subject to the IHO requirements have chosen to comply by utilizing the “Combination of Alternatives” provision of the IHO. This provision allows developers to comply with the IHO by providing a combination of on-site construction, off-site construction, in-lieu fees, and land dedication that at least equals the cost of providing the affordable units on-site and/or furthers affordable housing opportunities in the City to a greater extent. To date, the City has collected the equivalent of two in-lieu fees under the IHO. Those payments were

¹ Non-Profit Housing Association of Northern California, California Coalition for Rural Housing, San Diego Federation and the Sacramento Housing Alliance. *Affordable by Choice: Trends in California Inclusionary Housing Programs*. 2007.

made by Taylor-Morrison, one of the successors to an Amended Inclusionary Housing Agreement (IHA) entered into between the City and two developers: Citation Homes Central and Integral Communities. This agreement memorialized a “mix” of requirements, including fee payments in-lieu of providing seven (7) affordable housing units within the Cannery Place development. However, Taylor Morrison was later relieved from the requirement to pay the rest of the in-lieu fees because its overall affordable housing requirement was reduced as a consequence of the City’s enactment of the Relief Ordinance (see next section).

Table A: Housing Developments Facilitated by the IHO

Development	Market Rate Dev.	No. of Units	Ownership/ Unit Types	Population Served
Crossings at Eden Shores	Bridgeport and Crossings at Eden Shores	40	Ownership Townhomes	Families
Garden Walk	Garden Walk	8	Ownership Townhomes	Families
Walker Landing at Saklan	Garin Vista, La Vista and Eden Point	78	Rental Apartments	Families
Hayward Senior Housing (at C & Grand)	Cannery Place	60	Rental Apartments	Seniors
B & Grand Senior Housing (under constr.)	Cannery Place	22	Rental Apartments	Seniors
South Hayward BART Affordable Development (in predevelopment)	South Hayward BART Market	151	Rental Apartments	Families and Seniors

The Relief Ordinance Adopted December 14, 2010. Due to the downturn in the new residential construction market and as a result of a Court of Appeal decision holding that cities could not require rental projects to provide affordable units or pay in-lieu fees (described in more detail below), in 2009, the City Council directed staff to initiate the process to review the IHO and In-Lieu Fee, and to consider potential developer relief measures. To this end, staff retained Keyser Marston Associates (KMA), a consulting firm that provides real estate advisory services, including market and feasibility analyses and fiscal and economic impact studies. KMA conducted two analyses: a Residential Nexus Analysis and a Financial Feasibility Analysis (both referred to as the “Study”, further described in the next section of this report).

After several discussions of the Study findings, on December 14, 2010, the City Council introduced an ordinance that provided interim relief from certain inclusionary housing provisions (the Relief

Ordinance).² The Relief Ordinance enacted the following measures effective until December 31, 2012:

- Reduced the inclusionary housing requirements from 15% to 10% for single-family housing and to 7.5% for condominiums, townhomes, and other attached housing;
- Allowed developers to pay inclusionary housing in-lieu fees “by right” rather than providing units on site, at the developers’ option;
- In compliance with applicable case law, it exempted rental housing developments approved without a subdivision or condominium map from any inclusionary requirements – unless they received City assistance of some type.

First Amendment to the Relief Ordinance Introduced November 15, 2011. In response to recommendations from staff and members of the development community, on November 15, 2011, the City Council introduced an ordinance that clarified certain provisions of the Relief Ordinance (the First Amendment to the Relief Ordinance).³ One of those clarifications was that the in-lieu fees must be paid upon receipt of a certificate of occupancy or at the time of final inspection - if no occupancy permit is required for a dwelling unit. Originally, the Relief Ordinance contemplated delaying payment of the in-lieu fees until close of escrow or up to one year after issuance of a certificate of occupancy. Staff and developers agreed that this choice was not administratively workable.

First Extension of the Relief Ordinance Approved December 18, 2012. At the end of 2012, Council approved a twelve-month extension of the inclusionary housing relief provisions.⁴ This would allow staff to conduct a study similar to the one conducted by KMA in 2009 to either reinstate or permanently modify the IHO, or to further amend or extend the Relief Ordinance.

At the December 2012 meeting, Council also authorized further extensions of the Relief Ordinance by resolution, rather than requiring an ordinance amendment, in case there was not a significant and permanent change in the housing market and/or a noticeable increase in residential construction activity during the time in which the Relief Ordinance applied. However, any resolution extending the Ordinance would be considered by Council during regular Council sessions.

DRA Retained to Conduct the Study in the Summer of 2013. In June 2013, staff issued a Request for Proposals (RFP) from consultants to update the Study and to determine an In-Lieu Fee amount that is appropriate and sustainable in Hayward’s housing market.

On July 30, 2013, Council authorized staff to enter into a contract with David Paul Rosen and

² This report is available at: <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2010/cca121410full.pdf>. See item No. 16.

³ This report is available at: <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2011/CCA11PDF/cca111511full.pdf>. See item No. 9.

⁴ This report is available at: <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2012/CCA12PDF/cca121812full.pdf>. See item No. 7

Associates (DRA),⁵ the consultant selected among the five consultants who submitted proposals in response to the RFP. DRA was selected in consideration of its qualifications and the quality of the proposal with emphasis on the firm's experience in the area of policy and program design for affordable housing nexus fees.

Further Extensions of the Relief Ordinance. At the end of 2013 and later on June 24, 2014, Council approved two additional extensions⁶ of the Relief Ordinance by resolution to allow DRA and staff more time to fine-tune the Study, to afford more opportunities to the development community to provide input regarding the Study, and to develop a series of alternatives for consideration by Council. The extension approved on June 24 this year will sunset on December 31, 2014. Consequently, projects must receive discretionary approvals by December 31, 2014, and building permits must be issued by December 31, 2016 for projects to benefit from the Relief Ordinance. Developers would still be required to pay in-lieu fees upon receipt of a certificate of occupancy or at the time of final inspection if no occupancy permit is required for a dwelling unit.

Neither the Relief Ordinance nor the First Amendment to the Relief Ordinance and its subsequent extensions modified the City's existing inclusionary housing in-lieu fee of \$80,000 per required inclusionary unit.

DISCUSSION

The goal of this report is to provide recommendations to Council in connection with the IHO or Relief Ordinance in light of the Study, current residential construction market conditions, and recent court cases. In order to provide a framework for staff's recommendations, a summary of California's legal requirements in connection with impact fees and the most recent court decisions affecting inclusionary housing discussed in the Study follows. A summary of the Study findings is also included in this section. More detailed narratives regarding both the findings and the legal framework can be found on Attachment II, the Final Report of the Study.

Legal Issues. Recent court cases, including the following, have affected the application of inclusionary policies in California:

- 1) Required Justification for Affordable Housing Requirements. Local general plans and zoning ordinances use the police power of local government to take actions and adopt laws and policies that protect the public's health, safety, and welfare. Over the years, courts have held the police power to be quite broad, especially in the context of local land use law. Most inclusionary housing ordinances adopted in the State have been adopted as zoning ordinances under cities' police powers.

Currently, the California Supreme Court is considering whether inclusionary housing ordinances are similar to impact fees and must be justified by a nexus study, or whether

⁵ This report is available at: <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2013/CCA13PDF/cca073013full.pdf>. See item No. 5.

local governments may use their police powers to further the general welfare, by requiring the provision of needed affordable housing. To resolve this issue, on September 11, 2013, the California Supreme Court granted a petition for review in California Building Industry Association v. City of San Jose (Case No. S212072). Although the case has been fully briefed as of the date of this report, the Supreme Court has not yet set a date for oral arguments. Therefore, it is uncertain when this matter will be resolved.

- 2) Rental Housing and the Palmer Decision. In 2009, in Palmer/Sixth Street Properties, L.P. v City of Los Angeles (2009) 175 Cal. App. 4th 1396, the California Court of Appeal prohibited the City of Los Angeles from enforcing its inclusionary housing ordinance on the developer's rental housing development. The Court held that forcing Palmer to provide affordable housing units at regulated rents conflicts with the right afforded to residential landlords under Costa-Hawkins Act to establish the initial rental rate and the rate upon vacancy for a dwelling unit. The Court also held that in-lieu fees were "inextricably intertwined" with affordable housing requirements and so were also prohibited. The Costa-Hawkins Act does not apply where the owner has agreed by contract to build affordable housing in consideration for a direct financial contribution or a form of regulatory assistance specified in state density bonus law.

As a consequence of Palmer, cities cannot impose inclusionary requirements on rental housing unless the City provides monetary or other assistance and the owner agrees by contract. Instead, cities may mitigate the impacts of rental housing on the need for affordable housing by imposing a fee justified by a nexus study, like the one conducted by DRA.

Findings of the Study.

- 1) Nexus Analysis. The goal of a Nexus Analysis is to determine the impact that the addition of new market-rate housing has on the need for additional affordable housing in a community. A Nexus Analysis evaluates the relationship between new market-rate housing development (and associated spending on goods and services and employment impacts) and the affordable housing needs of the workers required by the new market-rate housing.

DRA's Nexus Analysis looked at three common housing prototypes currently developed in Hayward, the pricing of those prototypes, and the expected income levels of their occupants. The three types of housing units analyzed were: 1) single-family detached developments, such as Bridgeport at Eden Shores and Eden Commons; 2) townhome developments, such as the Cannery Place; and 3) stacked flat apartments over podium parking developments such as the South Hayward BART Affordable Housing Project.

DRA then surveyed development costs of affordable housing and the price or rent levels that households ranging from very-low to moderate incomes can afford to pay, and assigned a value to the difference, or "affordability gap." The "affordability gap" was then applied to the prototypes identified to determine a mitigation cost associated with the demand for affordable housing units created by the production of market-rate units.

The results of the Study suggest that supportable *per-market-rate-unit* nexus fees (or “affordable housing impact fees”) would range from \$47,300 for stacked flats over podium parking to a high of \$86,400 for townhomes. In contrast, Hayward’s in-lieu fee amount as established by the IHO (currently set at \$80,000 per affordable unit), is equivalent to \$12,000 per market rate unit.⁷ The Relief Ordinance per-market-rate fee equivalents are \$8,000 per single-family detached and \$6,000 for attached housing. Table B compares the per-market rate unit IHO, Relief Ordinance, and maximum supportable fees per the Study.

Table B: IHO, Relief Ordinance, and the Study’s Per-Market Rate Unit Fees

Prototypes	Maximum Fee Per Market-Rate Housing Unit		
	IHO	Relief Ordinance	Study
Single Family (Prototype 1)	\$ 12,000.00	\$ 8,000.00	\$ 81,900.00
Townhomes (Prototype 2)	\$ 12,000.00	\$ 6,000.00	\$ 86,300.00
Stacked Flats (Prototype 3)			\$ 47,300.00

The percentages and the range of fee amounts supported by the Nexus Analysis are directly related to the difference in size and in pricing of the different housing prototypes analyzed. For example, townhomes were estimated to be sold at prices averaging \$541,000 to households with average annual incomes of approximately \$122,000, whereas single family detached infill units were estimated to be sold at \$589,000 to households with maximum annual incomes of approximately \$131,000. The higher-income households corresponding to the larger units are assumed to have larger disposable incomes, and therefore generate a higher number of lower-wage jobs, which generate the demand for affordable housing.

Because of the correlation between the size and price of a market-rate housing unit and its impact, a logical way to calculate an affordable housing fee would be based on the size, or square footage, of the market-rate housing unit. Several jurisdictions base their fees on square footage as illustrated by Table ES10 of Attachment II. This approach would also work for Hayward: by expressing the inclusionary housing fee on a per square foot basis (for example, \$9.00 per square foot of market-rate housing unit), the City would be able to adopt one fee for most, if not all, residential development types, and would capture much of the nexus, or impact, between the size of different residential units and the demand that they create for affordable housing.

- 2) **Financial Feasibility Analysis:** In addition to providing a sound legal basis for establishing affordable housing inclusionary requirements, the Nexus Analysis is also an effective tool for setting the upper end of a proposed affordable housing requirement or fee. However, the consultants also conducted a Financial Feasibility Analysis in order to provide an

⁷ The conversion of an inclusionary fee assessed per required affordable unit to one that is based on the number of market-rate units in a development can be done using a hypothetical one hundred-unit residential development. For example, under Hayward’s current Ordinance, for a one hundred-unit development, the inclusionary housing requirement would be for 15%, or fifteen, of the units to be affordable. An in-lieu fee applied to the fifteen units would yield (15 X \$80,000/affordable unit =) \$1,200,000 in total fees. This amount can be converted to a fee per market-rate unit of (\$1,200,000/100 total units =) \$12,000 per market-rate unit.

assessment of the fee amount that developers can generally afford to pay toward affordable housing given current home prices and development costs and standard return on investment requirements. Thus, the Financial Feasibility Analysis evaluates the financial feasibility of various housing development types at the time of the study and the impact of different impact fee levels on those developments. The consultants again analyzed the three housing prototypes referred to above, researched area land costs, construction costs, and rental and sales pricing to be able to conduct a Land Residual Analysis and a Rent and Return Analysis.⁸

The *Land Residual Analysis* calculates the value of a development based on its income potential and subtracts the costs of development (including the affordable housing impact fees) and developer profit to yield the underlying value of the land. The findings of the Land Residual Analysis suggest that residual land values remain within the range of recent land sales prices for the three housing prototypes with affordable housing fees of up to \$30,000 per market rate unit.⁹

To conduct a *Rent and Return Analysis*, DRA calculated the percentage increase in sales prices or rents, and decrease of return on investor equity, required to finance the affordable housing impact fee at current market terms for both debt and equity financing. The goal of applying the average financing cost to keep the fee at illustrative levels is to determine the rent increase necessary to keep returns to developers and investors constant. Alternatively, DRA conducted the analysis keeping rents constant to calculate the decrease in the rate of return on equity to investors.

DRA's analysis suggests that a change in rents due to the imposition of an affordable housing impact fee is the least likely market outcome and that for project sites already owned by their developers (as opposed to those yet to be purchased by a developer), a reduction in the rate of return on their investment may occur. For example, an impact fee of \$40,000 on rental apartments reduces the rate of return on equity from 11.16% to 10.91%, a reduction that DRA does not consider significant.

In sum, the Financial Feasibility Analysis indicates that under current market conditions, the prototypes analyzed (stacked-flat apartments, townhomes and single-family infill detached units) are estimated by DRA to be within the range of recent land sales prices and yielding reasonable rates of return (profit margins) based on a Land Residual Analysis and a Rent and Return Analysis respectively. It should be noted that the economic factors facing each developer vary from project to project and that the Study could never capture all the variables of each housing development situation.

⁸ The methodology utilized for both Analyses is described on pages 47 to 50 of Attachment II.

⁹ For example, a nexus fee of \$30,000 per a single-family infill unit reduces residual land value by approximately \$7.42 per square foot and a fee of \$40,000 per unit reduces residual land value by approximately \$10.00 per square foot. For townhomes, a nexus fee of \$30,000 per unit reduces residual land value by about \$16.00 per square foot, and a fee of \$40,000 per unit reduces residual land value by about \$21.00 per square foot.

- 3) Affordability Gap Analysis: In order to complete the Analysis, DRA also conducted an affordability gap analysis, which compares the cost of housing in the City to the amount very low, low, and moderate income households can afford to pay for rental or ownership housing. The affordability gap represents the capital subsidy required to develop housing affordable to families at the target income levels. A more detailed description of the methodology to calculate the per-unit subsidy is included on pages 32-36 of Attachment II and table ES-5 shows the average affordability gap expressed both on a per-affordable housing and per market-rate unit basis.

The results of the gap analysis show affordability gaps compared to market-rate home prices for single-family detached and attached townhomes at approximately \$151,300 and \$112,400 respectively. These figures represent the **average gap to price** or the subsidy that low and moderate-income buyers would need in order to afford market-rate mortgages to purchase townhomes and single-family detached homes. These affordability gaps are higher than the City's per affordable-unit in-lieu fee of \$80,000 under the IHO and current Relief Ordinance.

Local Home Prices and Rents. The City has seen an increase in residential construction activity during the last two years. The most recent residential development log kept by the Building Department shows that since 2010, the year the Relief Ordinance was adopted, six residential development applications of 20 or more units (for a total of 875 housing units) have been received. However, the number of developments currently awaiting planning approvals is higher as several applications are for projects of less than 20 units. Also, several projects with pending applications prior to the downturn of the economy resumed activity during this time period. This includes the South Hayward BART market rate project that will include 206 units upon completion of its first phase. Another part of the residential construction activity involves projects entitled prior to the onset of the great recession. These projects, which were put on hold by developers until they perceived signs of improvement in the economy, are now under construction.

During the previous two years, per square foot median prices of most single-family home prototypes have seen increases of over 30% (see Table A-11 of Attachment II). For example, per square foot median prices of two-bedroom and three bedroom condos and townhomes, have increased by 49% and 43%, respectively. These two products represent the bulk of the housing prototypes being built in Hayward at the moment. Although Hayward has been relatively affordable compared to other cities, the consequence of this steady increase in home prices has meant that more and more low and moderate-income households, particularly those on fixed-incomes, are not able to afford to buy a home. With current market prices, as mentioned previously, the *average* gap to price (or the average subsidy low to moderate-income buyers need to afford market-rate mortgages) is \$151,300 for single-family detached and \$112,400 for single-family attached homes based on the prototypes analyzed.

The current vacancy rate in Eden Housing's overall portfolio of affordable apartments is 1.1% and the portfolio-wide waiting list contains approximately 17,000 applicants.¹⁰ City staff has also seen an increase of inquiries for assistance from Hayward residents that have been served eviction notices due to their inability to pay the increasing rents at their apartments or single-family homes. In fact, in 2014 alone (January thru September), the asking rents for two-bedroom apartments in Hayward has jumped from \$1,669 to \$2,036 – a 22% increase.¹¹ DRA's Study, which also show increases in rents and housing prices, is consistent with the statistics of the General Plan update, which may be found in the Housing Profile section of the Public Hearing Draft Housing Element (the Draft Element).¹²

The IHO and the Housing Element. As part of the update of its General Plan, the City recently updated the Housing Element and is awaiting certification from the State Department of Housing and Community Development (HCD). HCD requests that jurisdictions analyze their inclusionary requirements as possible governmental constraints to the development of housing. In compliance with this request, the Background Report of the Draft Element lists the IHO among the potential governmental constraints to the development of housing and specifies that, concurrent with the update of the Element, the City was in the process of conducting the Study. On the other hand, the Policy Document section of the Draft Element lists the IHO as one of the programs that the City will continue to implement and modify to the extent necessary, based on the findings of the Study. Given the City's goal to remove constraints to the development of housing, staff believes that the recommendations in the next section are consistent with the goals and policies of the Housing Element for the previous planning period, the Draft Element, and the findings of the Study as the latter suggest that the City's IHO requirements do represent an additional, but sustainable, cost to residential projects. Pursuant to the Study, the current Relief Ordinance and previous IHO fee levels and percentages do not constitute a deterrent to the development of housing.

Recommendations. One of the comments of market-rate developers is that an increase of fees at the maximum nexus fee levels would be detrimental to the financial feasibility of their projects, especially for projects where they have site control and are planning to submit development applications. Staff is not recommending a fee increase to the level of the maximum supportable nexus fees, but in response to the market-rate developers' concerns, the Study, and the current housing market, staff is recommending that Council:

- a) Discontinues the current IHO and adopts an Affordable Housing Ordinance (AHO) that requires per market-rate Affordable Housing Impact Fees (Housing Fees) equal to the Relief Ordinance fees. However, staff recommends that the AHO calculate the Housing Fees on a

¹⁰ Per e-mail to staff from Jan Peters, Executive Vice President and Chief Operating Officer at Eden Housing, Inc. October 24, 2014. Eden Housing owns and manages most apartments affordable to low and very low-income households in Hayward.

¹¹ While the increase from January 2013 to September 2014 was 48%. Source: <http://www.rentjungle.com/average-rent-in-hayward-rent-trends/>

¹² http://www.hayward-ca.gov/GENERALPLAN/documents/2014/Attachment_I_HayHE_PHD_Combined_2014-09-04small.pdf

per square foot basis to allow the fee to reflect unit sizes of proposed developments. Table D below shows the equivalent of the current per-market-rate unit Relief Ordinance fees on a per square foot basis.

- b) Requires the Housing Fees to be adjusted until the end of next year (and annually thereafter) based on the percentage change (increase or decrease) in the three-year trailing median home price in the City. Using median home price as an index will adjust for changes in the local economy, up or down, and using a three-year average will smooth out fluctuations in the market to avoid more drastic changes in the Housing Fees from year to year.

DRA’s Study found that fees higher than the current Relief Ordinance fees may be imposed on market-rate developments without a significant impact in their financial feasibility. For this reason, Council could consider adopting higher fees. Table C below summarizes the relationship between the Relief Ordinance fees and the fees calculated via the Study’s affordability gap analysis (see Table ES-5 of Attachment II). It is important to note that affordability gap analysis fees (at the right hand side of the table) are not the fees necessary to mitigate the impact of new market rate development in Hayward (the nexus fees). Rather, these fees represent the **average gap to price** or the subsidy that low and moderate-income buyers would need to afford market-rate mortgages. Therefore, all these fees are lower than the maximum per-market rate nexus fees calculated by DRA - \$81,900 for detached and \$86,400 for attached units.

Table C: IHO, Relief Ordinance, and Study’s Per-Affordable Unit Fees

	IHO and Relief Requirements		Afford. Gap Analysis Fees	
	SF Detached	Attached	SF Detached	Attached
Per Afford. Unit Housing Fee	\$80,000	\$80,000	\$151,300	\$112,400
Per MRU* Fee (15% Req’t)	\$12,000	\$12,000	\$22,700	\$16,900
	50%	100%	184%	181%
Per MRU Fee (10% Req’t)**	\$8,000	N/A	\$15,100	N/A
			89%	
Per MRU Fee (7.5% Req’t)**	N/A	\$6,000		\$8,400
				40%

*MRU = Market Rate Unit

** Base for comparison

As mentioned in a) above, staff recommends that the AHO calculate the affordable housing impact fees on a per square foot basis to allow the fee to reflect unit sizes of proposed developments. On a per square foot basis, the fees in the above table would equal the following:

Table D: IHO, Relief Ordinance, and Study’s Per Affordable Unit Fees Per-Square Foot

	IHO and Relief Requirements		Afford. Gap Analysis Fees	
	SF Detached	Attached	SF Detached	Attached
Per Afford. Unit Housing Fee	\$40.00	\$43.24	\$75.65	\$60.76
Per MRU* Fee (15% Req’t)	\$6.00	\$6.49	\$11.35	\$9.14
Per MRU Fee (10% Req’t)	\$4.00	N/A	\$7.55	N/A
Per MRU Fee (7.5% Req’t)	N/A	\$3.24	N/A	\$4.54

* Based on average unit size of 2,000 sq. ft. for the SFD unit and 1,850 sq. ft. for the attached unit based on the housing prototypes.

All the fees in the above table are significantly lower than the per square foot nexus fees recently adopted by area jurisdictions, which range from \$10 per square foot to approximately \$44 per square foot (see table ES-10 of the report). The City of Fremont’s current Affordable Housing Ordinance requires a \$19.50 per square foot fee.

Expressing the inclusionary housing fee on a per square foot basis, as mentioned earlier in this report, would allow the City to capture much of the nexus, or impact, between the size of different residential units and the demand that they create for affordable housing. For example, the fees a 100-unit single-family infill detached development would be required to pay under the current Relief Ordinance would be \$800,000 (\$8,000 times 100 units) *regardless* of the unit mix. On the other hand, a development with 100 three-bedroom single-family infill detached units each measuring 2,400 square ft. would be required to pay \$960,000 (or \$4 times 2,400 sq. ft. times 100 units).

The following are additional staff recommendations for Council consideration:

- 1) Allow developers to build the units on site at the developer’s option.
- 2) To motivate early payment of the fees, allow the fees to be paid at the time the building permits are pulled at the adopted levels and/or payment of the fees plus a 10% increase at the time of issuance of certificates of occupancy.
- 3) Remove inclusionary housing requirements for rental housing and in its place adopt Housing Fees for rental housing, to comply with the *Palmer* decision. If this requirement is adopted, the applicable Housing Fees would be the same as those adopted for the attached units. Their annual adjustment based on the change in local market rents would be advisable as well.
- 4) Allow a 5% administrative set-aside per Housing Fee paid for administration of the AHO.
- 5) Allow the use of up to 25% of the Housing Fees collected for the acquisition and rehabilitation of existing housing for affordable housing purposes.

Staff will ensure that the AHO complies with the provisions of the major sources of funding for affordable housing such as the Low-Income Housing Tax Credits (LIHTCs) program and the federal HOME Investment Partnerships (HOME) Program. All the provisions in the current IHO

would become part of the new AHO. For example, the Combination of Alternatives provision, which provides developers flexibility to comply with the IHO requirements, has facilitated the creation of most of the City's post-IHO affordable units. This provision helped render the IHO an effective tool for the creation of new housing affordable to low and moderate-income households in the City, so staff will ensure that this provision is part of the AHO.

ECONOMIC IMPACT

The ability of the City to fund the development of housing affordable to low and moderate-income households and individuals with special needs has been dampened by the dissolution of Redevelopment by the State legislature and the steady decreases of federal funding for affordable housing, including an almost 40% decrease in HOME and 23% decrease in Community Development Block Grant (CDBG) program funding. As a consequence, the Housing Fees from the AHO may be (to the extent that residential development continues in an upward direction) the main source of funding to help mitigate the effects of new market-rate housing construction in the City. In adopting the AHO, the Ordinance would constitute the main tool for balancing market-rate residential growth and associated jobs in the local economy (i.e., the "jobs-housing balance").

The findings of the Study suggest that fees higher than those imposed by the current Relief Ordinance fees could be adopted. For example, increasing the obligations to the previous 15% requirement at \$80,000 *per affordable unit* (or its per-market rate, per square foot equivalents) could be adopted with marginal effects on the financial feasibility of residential developments. However, in order to respond to concerns of the market-rate residential developers that currently own sites and have calculated their financial projections at current fee levels, staff recommends keeping the Housing Fees at the Relief Ordinance fee levels and adjusting them at the end of 2015 based on the formula outlined earlier in the report. This will prevent an adverse impact of higher fees on those project proformas and may encourage the developers to submit their project proposals. Lastly, keeping the Housing Fees at current fee levels will continue to stimulate new residential construction and job creation, especially if the economy continues to improve.

FISCAL IMPACT

Some of the projects awaiting approvals or under construction have or will have fully or partially met the IHO requirements (i.e., the Cannery, the South Hayward BART market rate, the Traynor at Orchard, and the 28816 Mission Boulevards projects). However, the Housing Fees that new market-rate developments would pay may generate moderate revenues for the development of housing affordable to the low and moderate-income workers. Also, to the extent that residential developments are encouraged to proceed, the City will continue to gain additional building permit fee revenue, transfer taxes, and property taxes from new housing development of all types.

PUBLIC CONTACT

City Council has had several discussions (some extensive, some brief) related to the IHO in the context of the adoption, modification, and various extensions of the Relief Ordinance and the hiring

of the consultants that have conducted or updated the Study. The findings of the Study were discussed at a stakeholders' roundtable on October 18. The Public Review Draft Report of the Study was sent via e-mail to all attendees to the October 18 stakeholders' meeting and other interested parties. A notification of this work session date, time, and place was sent by e-mail as well. In sum, although no outreach efforts are legally required for this discussion, City staff has made good faith efforts to notify the stakeholders (especially the market-rate development community), about the potential modifications to the IHO.

As of the date of this report, staff has not received any written comments regarding the Study from affordable housing advocates, or market-rate and affordable housing developers. However, most of the comments expressed by market-rate developers at the stakeholders' meeting seem to stem from the market-rate developers' concern that staff would recommend that Council adopts significant housing impact fee and percentage requirement increases, including increases up to the maximum nexus fee levels reflected in the Study. According to the market-rate developers, increasing the fees would have a negative effect: a) in the financial projections of projects where developers already own sites and have not yet submitted applications, and b) in the local economy in general, as higher fees would increase the cost of housing in the City. Developers also asserted that although the residential construction has improved, their profit margins are not back to pre-recession levels and requested that new requirements adopted (if any) include as many options for compliance as possible. Staff recommendations and the provisions already built into the IHO, such as the Combination of Alternatives provision, are meant to address these concerns.

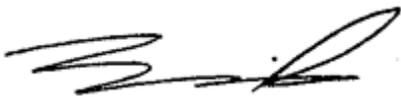
NEXT STEPS

If directed by Council, staff will bring back at a regular meeting in December an item for the adoption of the Affordable Housing Ordinance. If Council chooses to continue the discussion of this item, and, as a consequence, no action regarding the IHO or the Relief Ordinance is taken before the end of the year, staff may also need to bring to Council a consent item for adoption of a resolution extending the relief provisions for six months or one year, as Council prefers.

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Recommended by: Kelly McAdoo, Assistant City Manager

Approved by:



Fran David, City Manager

Attachment I Key Terms and Acronyms Used in the Staff Report

Attachment II Final Report of the Residential Nexus Analysis and Financial Feasibility
Analysis (the Study)

Key Terms and Acronyms Used in the Staff Report

AHO:	Affordable Housing Ordinance
Affordability Gap Analysis:	This analysis compares the cost of housing to the amount very low, low, and moderate income households can afford to pay for rental or ownership housing. The affordability gap represents the capital subsidy required to develop housing affordable to families at the target income levels.
AMI:	Area Median Income
CDBG:	Community Development Block Grant Program
DRA:	David Paul Rosen and Associates
Financial Feasibility Analysis:	In the context of the Study, this is the analysis performed to evaluate the financial feasibility of various housing development types at the time of the study and the impact of different impact fee levels on those developments.
HCD:	Department of Housing and Community Development
HOME:	Federal HOME Investment Partnerships Program
Housing Fees:	Affordable Housing Impact Fees
IHO:	City of Hayward's Inclusionary Housing Ordinance
In-Lieu Fee:	Inclusionary Housing In-Lieu Fee
KMA:	Keyser Marston Associates
Land Residual Analysis:	This study calculates the value of a development based on its income potential and subtracts the costs of development and developer profit to yield the underlying value of the land
LIHTCs:	Low-Income Housing Tax Credits
Nexus Analysis:	Analysis performed to evaluate the relationship between new market-rate housing development (and associated spending on goods and services and employment impacts) and the affordable housing needs of the workers required by the new market-rate housing
Relief Ordinance:	An ordinance providing interim relief from certain inclusionary housing provisions adopted by the City Council on January 18, 2011
Rent and Return Analysis:	Analysis performed to calculate the percentage increase in sales prices or rents, and decrease of return on investor equity, required to finance the impact fee(s) at current market terms for both debt and equity financing
The Draft Element:	The Public Hearing Draft Housing Element
Study:	Residential Nexus Analysis and Financial Feasibility Analysis

**Final Report of the Residential Nexus Analysis
and Financial Feasibility Analysis (the Study)**

City of Hayward Inclusionary Housing and Nexus Study



Final Report
October 28, 2014



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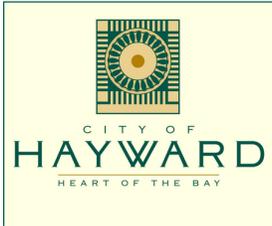
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Executive Summary

Introduction

The City of Hayward first adopted its Inclusionary Housing Ordinance in 2003. Pursuant to the Ordinance, the City also established an Affordable Unit In-lieu Fee by resolution. The City has since entered into several Inclusionary Housing Agreements (IHA's) which have provided a range of methods for developers to meet inclusionary housing requirements, ranging from on-site development of moderate income units, to the provision of off-site affordable housing, and a combination of on-site and off-site housing.

In response to the downturn in the housing market during the last recession, and recent court decisions, the City adopted an ordinance on January 18, 2011 that provided interim relief from certain inclusionary housing provisions (the Relief Ordinance). An additional ordinance (the First Amendment to the Relief Ordinance) was adopted on November 15, 2011 to clarify certain provisions of the Relief Ordinance. On December 18, 2012 the City extended the inclusionary housing relief provisions for 12 months, until December 2013, to allow staff to conduct a nexus study. The City Council also authorized further extensions of the Relief Ordinance by resolution if there is not a noticeable improvement in the housing market and increase in local residential construction during 2013.

Based on the Relief Ordinance and its First Amendment, the inclusionary housing percentage was reduced from 15% to 10% for single-family detached housing and to 7.5% for attached single-family homes, townhomes and other attached housing. In addition, developers have the by right option to pay in-lieu fees instead of providing units on site and rental housing is exempted from the requirements if they are not mapped as condominiums or do not receive City assistance of some type.

The City of Hayward (City) retained David Paul Rosen & Associates (DRA) in 2013 to assist the City in preparing an Inclusionary Housing Ordinance Review and a nexus study examining the legality and basis for establishing a rational nexus between market-rate residential development and the need for affordable housing



in the City. To the extent that new market-rate residential development in the City increases demand for housing and exacerbates the City's shortage of affordable housing, the City has a strong public interest in, and a legal basis for, causing new affordable housing to be developed to meet this additional demand. The City has since retained to update the 2013 nexus analysis to represent 2014 economic conditions. This report summarizes the assumptions and analysis of DRA's 2014 nexus update.

In designing a fee on new residential development to assist the provision of affordable housing, the basis for the fee is that such development has a deleterious impact by increasing employment, which also increases the demand for housing for the added employees, because market-rate housing development, with no public assistance, will not provide housing affordable for the additional lower-earning employees. A nexus study is intended to determine whether: (1) those who must pay the fee are contributing to the problem that the fee will address; and (2) the amount of the fee is reasonably justified by the magnitude of the fee-payer's contribution to the problem. Nexus fees have been successfully upheld against legal challenge where the fees met standards set by case law.

The case law is inconclusive regarding whether inclusionary housing ordinances, which require a share of newly constructed housing to be affordable to people with low and moderate incomes, must be justified by a nexus study or can rely on the police power of local government to adopt laws and policies that protect the public's health, safety and welfare. The California Supreme Court has granted a petition for review in *California Building Industry Association v. City of San Jose* (Case No. S212072) to resolve this issue. Because the issue is unsettled, this study provides support for inclusionary requirements through both a nexus study and as an exercise of the City's police power.

In 2009, in *Palmer/Sixth Street Properties, L.P. v City of Los Angeles* (2009) 175 Cal. App. 4th 1396, the California Court of Appeal held that forcing Palmer to provide affordable housing units at regulated rents conflicts with the right afforded residential landlords under Costa-Hawkins Act to establish the initial rental rate and the rate upon vacancy for a dwelling unit. However, the Costa-Hawkins Act does not apply where the owner has agreed by contract to build affordable housing in consideration for a direct financial contribution or other form of assistance specified in state density bonus law.

As a consequence of *Palmer*, the City cannot impose inclusionary requirements on rental housing unless the City provides monetary or other assistance. Instead, the City may mitigate the impacts of rental housing on the need for affordable housing



by imposing a fee justified by a nexus study. This nexus study examines the impacts of new rental housing in Hayward on the need for affordable housing.

Target Income Levels and Affordable Housing Cost

The nexus analysis uses income limits commonly defined by the U.S. Department of Housing and Urban Development (HUD) and most affordable housing assistance programs. Very low income households are defined as households with incomes up to 50 percent of area median income (AMI), or \$46,750 for a four-person household in Alameda County in 2014. Low income households are defined as households with incomes between 51 percent and 80 percent of AMI, or \$74,800 or less for a four-person household in 2014. Moderate income households are defined as those households earning between 81 and 120 percent of AMI, or \$112,200 or less for a four-person household. All of these income limits are based on the 2014 State median income of \$93,500 for Alameda County.

Table ES-1 shows 2014 very low, low and moderate income limits for the City of Hayward for household sizes of one to six persons using HUD household size adjustment factors.

Table ES-1 Affordable Housing Income Limits by Percent of Area Median Income (AMI) and Household Size City of Hayward Affordable Housing Nexus Study 2014					
Household Size	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
One Person	\$32,750	\$39,250	\$52,350	\$65,450	\$78,550
Two Persons	\$37,400	\$44,900	\$59,850	\$74,800	\$89,750
Three Persons	\$42,100	\$50,500	\$67,300	\$84,150	\$101,000
Four Persons	\$46,750	\$56,100	\$74,800	\$93,500	\$112,200
Five Persons	\$50,500	\$60,600	\$80,800	\$101,000	\$121,200
Six Persons	\$54,250	\$65,100	\$86,750	\$108,450	\$130,150

Source: State 2014 median household income for Alameda County of \$93,500, adjusted by household size and percent of area median income (AMI); DRA.

Summary of Findings

Affordability Gap Analysis

The affordability gap analysis compares the cost of developing housing in the City to the amount very low, low, and moderate income households can afford to pay for housing. The affordability gap represents the capital subsidy required to develop housing affordable to families at these target income levels.

The per unit subsidy required to make new housing affordable to very low, low, and moderate income residents was calculated by subtracting per unit development costs from the per unit mortgage or home price supportable from affordable rents and owner housing cost. For the rental housing prototype, we have also subtracted the estimated portion of the gap that would be covered by tax credit equity in a typical 4 percent rental tax credit project, which DRA estimates at 25 percent of total development costs. The resulting per unit subsidies required by unit bedroom count are shown for new housing development in **Table ES-2** for very low income households, **Table ES-3** for low income households, and **Table ES-4** for moderate income households.

The results of the gap analysis show significant affordability gaps for all prototypes for very low and low income households. Given the relatively high median income for Alameda County, there are no gaps for some unit sizes and prototypes at the moderate income level.

**Table ES-2
Per Unit Affordability Gaps
Very Low Income Households
New Construction Housing Prototypes
City of Hayward Affordable Housing Nexus Study
2014**

Unit Bedroom Count	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
One Bedroom	N/A	N/A	\$153,700
Two Bedrooms	N/A	N/A	\$244,900
Three Bedrooms	\$330,700	\$323,700	\$291,000
Four Bedrooms	\$365,100	\$359,100	N/A
Average ¹	\$347,400	\$332,600	\$214,600

¹Weighted average based on the unit distribution by bedroom count for the housing prototypes in Appendix Table A-1.

Source: Appendix Tables A-8 through A-10; DRA.

**Table ES-3
Per Unit Affordability Gaps
Low Income Households
New Construction Housing Prototypes
City of Hayward Affordable Housing Nexus Study
2014**

Unit Bedroom Count	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
One Bedroom	N/A	N/A	\$128,000
Two Bedrooms	N/A	N/A	\$215,900
Three Bedrooms	\$286,900	\$279,900	\$258,800
Four Bedrooms	\$317,800	\$311,800	N/A
Average ¹	\$301,900	\$287,900	\$186,400

¹Weighted average based on the unit distribution by bedroom count for the housing prototypes in Appendix Table A-1.

Source: Appendix Tables A-8 through A-10; DRA.

Table ES-4 Per Unit Affordability Gaps Moderate Income Households New Construction Housing Prototypes City of Hayward Affordable Housing Nexus Study 2014			
Unit Bedroom Count	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
One Bedroom	N/A	N/A	\$0
Two Bedrooms	N/A	N/A	\$71,000
Three Bedrooms	\$67,100	\$60,100	\$97,800
Four Bedrooms	\$80,500	\$74,500	N/A
Average ¹	\$73,600	\$63,700	\$45,200

¹Weighted average based on the unit distribution by bedroom count for the housing prototypes in Appendix Table A-1.

Source: Appendix Tables A-8 through A-10; DRA.

Inclusionary Housing In Lieu Fees

The affordability gap analysis approach can also be used to calculate inclusionary housing in lieu fees. If the City wishes to encourage direct unit production, the in-lieu fee should be set at the economic equivalent of providing an inclusionary unit, which equals the affordability gap. In-lieu fees set lower than the economic equivalent of providing an inclusionary unit provide an incentive for developers to pay the fee rather than producing the unit. **Table ES-5** shows the inclusionary housing in lieu fee under the City of Hayward Inclusionary Housing Ordinance, and the Relief Ordinance and First Amendment, based on the gap between affordable home prices and estimated market sales prices for the owner prototypes. In lieu fees were only calculated for the owner housing prototypes, since the *Palmer* decision prevents enforcement of inclusionary housing requirements on rental housing.

Table ES-5 Inclusionary Housing In Lieu Fee Calculation Owner Housing Prototypes City of Hayward Affordable Housing Nexus Study 2014		
Unit Bedroom Count	Prototype #1	Prototype #3
	Single-Family Infill	Owner Townhomes
Average Affordability Gap Per Affordable Housing Unit ¹	\$151,300	\$112,400
Percent of Affordable Units Per City's Inclusionary Housing Ordinance	15%	15%
In Lieu Fee Per Market Rate Unit	\$22,700	\$16,900
Percent of Affordable Units Per City's Relief Ordinance and First Amendment	10.0%	7.5%
In Lieu Fee Per Market Rate Unit	\$15,100	\$8,400

¹For moderate income households, calculated at 110% of area median income, per City of Hayward Inclusionary Housing Ordinance.
 Source: City of Hayward; Table A-39; DRA.

Residential Nexus Analysis

The methodology used for the residential nexus analysis begins with the estimated sales prices or rents of a prototypical residential subdivision or apartment complex and moves through a series of linkages to the incomes of the households that purchase or rent the units, the annual expenditures of those households on goods and services, the jobs associated with the delivery of these goods and services, the income of the workers performing those jobs, the household income of those worker households, and finally to the affordability level of the housing needed by those worker households. The steps of the analysis are as follows:

1. Define a prototypical residential development or subdivision.
2. Estimate the household income distribution of the households purchasing or renting these homes.
3. Estimate the consumer expenditures of those households.



4. Estimate the number of new full-time employees required to provide the goods and services purchased by these households.
5. Estimate the number of new households associated with this employment growth.
6. Estimate the income distribution of these new employee households.
7. Estimate the number of new households requiring affordable housing.
8. Estimate the housing affordability gap for these affordable housing units.
9. Calculate the maximum supportable residential nexus fee.

For owner housing, DRA estimated the household income distribution of households purchasing the new homes based on minimum qualifying income criteria for new loans on these units. For renters, tenant household income is calculated from typical income to rent standards used by apartment owners. The consumer expenditures of these households and the jobs generated by these expenditures are estimated using the IMPLAN model, a model widely used for the past 25 years to quantify employment impacts from personal income. Based on the employment generation by industry from the IMPLAN model, DRA used its nexus model to quantify the income of worker households by affordability level.

Table ES-6 shows the estimated maximum supportable residential nexus fee per housing unit based on the costs to build new renter and owner housing in Hayward. **Table ES-7** shows the supported nexus fees on a per square foot basis. The results of the nexus analysis show significant supportable nexus fees for all prototypes for very low and low income households. Given the relatively high median income for Alameda County, there are no affordability gaps for some unit sizes and prototypes at the moderate income level, resulting in no to low supportable nexus fees for this income level.

Development impact fee programs may include the cost of administering the program that funds affordable housing, including:

- The administrative costs of assessing, collecting, cost accounting, and public reporting of the fee;
- The cost of justification analyses, legal support, and other costs of annual and/or periodic updates to the fee; and

- Costs of capital planning and programming, including project management costs associated with the share of projects funded by the fee.

Administration charges typically range from 1.0 percent up to 5.0 percent and may be added to the maximum fee level.

Table ES-6			
Estimated Maximum Residential Nexus Fee Per Housing Unit			
City of Hayward Affordable Housing Nexus Study			
2014			
Household Income Level	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
Very Low Income	\$59,600	\$62,400	\$34,300
Low Income	\$19,400	\$21,600	\$11,200
Moderate Income	\$2,900	\$2,400	\$1,800
Total	\$81,900	\$86,300	\$47,300

Source: Appendix Table A-29; DRA.

Table ES-7			
Estimated Maximum Residential Nexus Fee Per Square Foot			
City of Hayward Affordable Housing Nexus Study			
2014			
Household Income Level	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
Very Low Income	\$29.82	\$33.71	\$34.74
Low Income	\$9.72	\$11.67	\$11.32
Moderate Income	\$1.44	\$1.29	\$1.83
Total	\$40.98	\$46.67	\$47.89

Source: Appendix Table A-29; DRA.



Economic Impact Analysis

DRA analyzed the potential economic impact of an affordable housing nexus fee on market-rate residential development. The increase in cost associated with the nexus fee, however large or small, must be absorbed in one of the following three ways, or some combination of the three:

1. Through an increase in cost to the end user of the building in the form of a price or rent increase;
2. Through a decrease in profits to the developer who develops the site; and/or
3. Through a decrease in the price for the land paid to the landowner.

In a competitive market, owners of residential developments are already commanding the maximum sales prices or rents that the market will bear. Therefore, it is least likely that sales prices or rents will increase.

When an additional cost is imposed on a project after the land is purchased, the developer will most likely bear the cost in terms of reduced profit on projects in the pipeline. Over time, developers will shop for the highest return on their investment within the regional market area. The total amount of development impact fees is but one of many cost and income factors that determine the rate of return for one project compared to another. Ultimately, the fee is most likely to be absorbed through a decrease in land price after the market adjusts. This may take several years as the projects already in the pipeline are completed.

Given these potential alternative impacts, DRA uses several different approaches in assessing the economic effect of a proposed nexus fee. We conduct a land residual analysis that calculates the value attributed to land from proposed development on a site, with and without a nexus fee. For the rental prototype, we also use a market and investment approach that calculates the increase in rents, or decrease in the rate of return on investor equity, required to accommodate the fee at current market terms for both debt and equity financing.

LAND RESIDUAL ANALYSIS

Land residual analysis methodology calculates the value attributed to land from proposed development on a site. It is commonly used by real estate developers and investors to evaluate development financial feasibility and determine the highest and best use among alternative permitted uses for a piece of property.



Land residual methodology calculates the value of a development based on its income potential and subtracts the costs of development and developer profit to yield the underlying value of the land. When evaluating alternative land uses, the alternative that generates the highest value to a site is considered its highest and best use. An alternative that generates a value to the land that is negative, or well below market land sales prices, is not financially feasible.

DRA calculated net sales income or net operating income from each housing prototype, based on estimated market sales prices for owner housing, and rents, vacancy rates and operating costs for rental housing. For the rental housing prototype, net operating income is capitalized at an assumed capitalization rate to determine the value of the developed property. The capitalization, or “cap,” rate is the ratio of net operating income to project fair market value, or sales price, exhibited in the market and reflects the rate of return required by investors in rental property. Total development costs are subtracted from estimated net sales proceeds for owner housing or the capitalized value of rental housing to yield the estimated residual land value.

Table ES-8 summarizes the land residual analysis for the housing prototypes at varying nexus impact fee levels. Residual land values remain within the range of recent land sales prices for all three prototypes with affordable housing fees of up to \$40,000 per unit.

Table ES-9 tests the sensitivity of the land residual analysis to increases in prototype development costs. Residual land values remain within the range of recent land sales prices for all three prototypes with affordable housing fees of up to \$20,000 per unit with increases in total development costs of 15% for the single-family prototype and 7.5% for the townhome and apartment prototypes.

RENT AND RETURN ANALYSIS

For the renter prototype, DRA calculated the percentage increase in rents, and the decrease in the rate of return on investor equity, required to finance the fee at current market terms for both debt and equity financing. By applying the average financing cost to the fee at illustrative fee levels, we determine the rent increase necessary to keep returns to developers and investors constant. Alternatively, we calculate the decrease in the rate of return on equity to investors assuming rents remain constant.

An impact fee of \$30,000 per unit for rental Prototype #3 reduces the rate of return on equity from 12.00% to 11.16%, a reduction that DRA does not consider significant.

**Table ES-8
Land Residual Analysis
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis**

2014

	Prototype #1		Prototype #2		Prototype #3	
	Single-Family Infill		Owner Townhomes		Stacked Flat Apts. Podium Parking	
Tenure (Owner, Renter)		Owner		Owner		Rental
Gross Building Square Feet		279,600		148,000		148,250
Density (Units/Acre)		10.8		24		105
Total Housing Units in Prototype		140		80		150
Average Site Area Per Unit (SF)		4,045		1,815		415
Average Unit Size (Net Square Feet or NSF)		1,997		1,850		988
Construction Type		Wood frame		Wood frame		Wood frame
Parking Type		Attached garage		Attached garage		Structure
Development Costs (Excluding Land)	Per NSF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Direct Costs	\$110	\$220,300	\$150	\$276,700	\$263	\$260,100
Permits and Fees	\$19	\$38,000	\$21	\$38,000	\$24	\$24,000
Indirect Costs	\$8	\$15,600	\$11	\$20,300	\$23	\$22,900
Financing/Closing	\$25	\$49,900	\$26	\$48,500	\$42	\$41,500
Developer Profit @ 10%	<u>\$23</u>	<u>\$46,500</u>	<u>\$24</u>	<u>\$44,700</u>	<u>\$37</u>	<u>\$36,300</u>
Total Development Costs	\$185	\$370,300	\$231	\$428,200	\$389	\$384,800
Revenue						
Market Value (1)	\$295	\$588,900	\$292	\$541,000	\$446	\$440,929
Residual Land Value	\$109	\$218,600	\$61	\$112,800	\$57	\$56,129
Residual Land Value With Affordable Housing Fee		Per SF Site Area		Per SF Site Area		Per SF Site Area
No Affordable Housing Fee		\$54.04		\$62.15		\$135.25
Aff. Hsg. Fee of \$5,000 per Unit (3)		\$53.01		\$59.81		\$128.08
Aff. Hsg. Fee of \$10,000 per Unit (3)		\$51.78		\$57.05		\$120.04
Aff. Hsg. Fee of \$20,000 per Unit (3)		\$49.30		\$51.54		\$103.97
Aff. Hsg. Fee of \$30,000 per Unit (3)		\$46.83		\$46.03		\$87.90
Aff. Hsg. Fee of \$40,000 per Unit (3)		\$44.36		\$40.52		\$71.83
Aff. Hsg. Fee of \$60,000 per Unit (3)		\$39.42		\$29.50		\$39.69
Aff. Hsg. Fee of \$80,000 per Unit (3)		\$34.47		\$18.48		\$7.55

1) Average market sales price per unit (net of sales costs) for owner prototypes and capitalized value of net operating income for rental prototype (based on average market rent of \$2,780 per unit, \$7,000 per unit annual operating expenses and 5.6% cap rate).

(2) Average market sales price per unit (net of sales costs) for owner prototypes and capitalized value of net operating income for rental prototype (based on average market rent of \$2,450 per unit, \$7,000 per unit annual operating expenses and 5.6% cap rate).

(3) Fee per market rate unit. Equivalent to the following nexus fees per net square foot by prototype:

\$5,000	\$2.50	\$2.70	\$2.50
\$10,000	\$5.01	\$5.41	\$5.01
\$20,000	\$10.01	\$10.81	\$10.01
\$30,000	\$15.02	\$16.22	\$15.02
\$40,000	\$20.03	\$21.62	\$20.03
\$60,000	\$30.04	\$32.43	\$30.04
\$80,000	\$40.06	\$43.24	\$40.06

Source: DRA.

Table ES-9
Land Residual Analysis With Increased Development Costs
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis

2014

	Prototype #1		Prototype #2		Prototype #3				
	Single-Family Infill		Owner Townhomes		Stacked Flat Apts. Podium Parking				
Tenure (Owner, Renter)		Owner		Owner		Rental			
Gross Building Square Feet		279,600		148,000		148,250			
Density (Units/Acre)		10.8		24		105			
Total Housing Units in Prototype		140		80		150			
Average Site Area Per Unit (SF)		4,045		1,815		415			
Average Unit Size (Net Square Feet or NSF)		1,997		1,850		988			
Construction Type		Wood frame		Wood frame		Wood frame			
Parking Type		Attached garage		Attached garage		Structure			
Development Costs (Excluding Land)		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit		
Direct Costs		\$110	\$220,300	\$150	\$276,700	\$263	\$260,100		
Permits and Fees		\$19	\$38,000	\$21	\$38,000	\$24	\$24,000		
Indirect Costs		\$8	\$15,600	\$11	\$20,300	\$23	\$22,900		
Financing/Closing		\$25	\$49,900	\$26	\$48,500	\$42	\$41,500		
Developer Profit @ 10%		<u>\$23</u>	<u>\$46,500</u>	<u>\$24</u>	<u>\$44,700</u>	<u>\$37</u>	<u>\$36,300</u>		
Total Development Costs, Original Estimates		\$185	\$370,300	\$231	\$428,200	\$389	\$384,800		
Total Development Costs Increased by:	15.0%	\$213	\$425,845	7.5%	\$249	\$460,315	7.5%	\$419	\$413,660
Revenue									
Market Value (1)		\$295	\$588,900	\$292	\$541,000	\$446	\$441,000		
Residual Land Value		\$81.64	\$163,055	\$44	\$80,685	\$28	\$27,340		
Residual Land Value With Affordable Housing Fee			Per SF Site Area		Per SF Site Area		Per SF Site Area		Per SF Site Area
No Affordable Housing Fee			\$40.31		\$44.45		\$65.88		
Aff. Hsg. Fee of \$5,000 per Unit (3)			\$39.31		\$42.15		\$58.57		
Aff. Hsg. Fee of \$10,000 per Unit (3)			\$38.07		\$39.39		\$50.54		
Aff. Hsg. Fee of \$20,000 per Unit (3)			\$35.60		\$33.88		\$34.47		
Aff. Hsg. Fee of \$30,000 per Unit (3)			\$33.13		\$28.37		\$18.40		
Aff. Hsg. Fee of \$40,000 per Unit (3)			\$30.66		\$22.86		\$2.33		
Aff. Hsg. Fee of \$60,000 per Unit (3)			\$25.71		\$11.85		(\$29.81)		
Aff. Hsg. Fee of \$80,000 per Unit (3)			\$20.77		\$0.83		(\$61.95)		

1) Average market sales price per unit (net of sales costs) for owner prototypes and capitalized value of net operating income for rental prototype

(2) Average market sales price per unit (net of sales costs) for owner prototypes and capitalized value of net operating income for rental prototype (based on average market rent of \$2,450 per unit, \$7,000 per unit annual operating expenses and 5.6% cap rate).

(3) Fee per market rate unit. Equivalent to the following nexus fees per net square foot by prototype:

\$5,000	\$2.50	\$2.70	\$2.50
\$10,000	\$5.01	\$5.41	\$5.01
\$20,000	\$10.01	\$10.81	\$10.01
\$30,000	\$15.02	\$16.22	\$15.02
\$40,000	\$20.03	\$21.62	\$20.03
\$60,000	\$30.04	\$32.43	\$30.04
\$80,000	\$40.06	\$43.24	\$40.06

Source: DRA.

Nexus Fees in Other Cities

DRA surveyed supported and adopted affordable housing nexus fees on market-rate rental residential development in other cities that have prepared, or are preparing, nexus studies and/or have adopted such fees since the *Palmer* and *Patterson* legal decisions. Our findings are summarized in **Table ES-10**.

Of the ten cities surveyed, six have adopted rental housing nexus fees ranging from a low of \$10 per square foot (Mountain View) to a high of \$31.10 per SF (based on a per unit fee of \$38,000 and average unit size of 900 square feet) in Berkeley. For the three other cities with adopted fees on rental housing, the fees range from \$19.50 to \$28 per square foot.

In addition to fees on rental apartments, the City of Santa Monica has adopted a nexus fee of \$32.30 per square foot on condominiums, and San Carlos has adopted an in-lieu fee on owner housing that varies based on the number of units, but generally ranges from \$20.59 to \$42.20 per square foot. East Palo Alto adopted nexus fees on owner housing ranging from \$23.00 for owner townhomes to \$44.72 per square foot for higher density stacked flat condos with structured parking.

Pleasanton did not change its Low Income Housing Fees based on the nexus study, but kept its prior fee structure in place. Sacramento completed a draft nexus study but is still in the process of reviewing its Mixed Income Housing Ordinance.

Table ES-10 Supported and Adopted Nexus Fees in Selected California Communities City of Hayward Affordable Housing Nexus Study October, 2014			
City	Supported Fee Per Unit¹	Supported Fee Per SF¹	Adopted Fee
Berkeley	\$34,000 per unit	\$37.78 based on 900 SF unit	\$28,000 per unit (equals \$31.11 based on 900 SF unit)
Carlsbad ²	N/A	\$22 to \$32	\$20 per SF (recommended)
East Palo Alto	\$19,700 to \$47,900 per unit	\$22.70 to \$44.72 per SF	\$22.70 to \$44.72 per SF
Fremont ³	N/A	\$19.60 to \$25.20 per SF	\$19.50 per SF owner; \$22.50 per SF owner on lots over 6,000 SF; \$19.50 renter
Mountain View	\$35,000 to \$64,000 per unit	N/A	\$10 per SF
Pleasanton ⁴	N/A	N/A	\$10,880 per unit for SFD; \$2,696 per unit for multifamily
Sacramento ⁵	\$24,200 to \$30,000 per unit	\$25.47 to \$35.41 per SF	N/A
San Carlos	\$43,101 per unit	\$42.04 to \$45.28 per SF	Varies by number of units but generally \$23.54 to \$28.27 per SF
Santa Monica	N/A	N/A	\$27.57 per SF
Solana Beach	\$34,000 to \$39,800	\$48 to \$57 per SF based on 695 SF unit	\$25.28 per SF

N/A = Not Available

¹Based on a nexus study.

²No fee has been adopted yet. The Housing Commission recommended to City Council the adoption of a fee of \$20 per SF.

³Nexus study conducted in 2010. Owner fee was adopted as an in lieu fee.

⁴Nexus study completed in 2013. The City did not change its Low Income Housing Fee based on the nexus study. Adopted fees are current as of January 1, 2014. Multifamily fee applies to rental and owner units as well as SFD units less than 1,500 square feet.

⁵Draft of study completed in July 2013. The effort is still ongoing as of October 2014.

Source: DRA.



Recommendations

With the ever-diminishing supply of developable land in the East Bay Area, and increasing population pressures, DRA expects the City of Hayward to experience significant speculative pressure on home prices and rents in the years to come. In addition, resources to assist the development and preservation of affordable housing are limited since the end of redevelopment in California. Therefore, we recommend that the City take action to preserve existing affordable units in the City, to encourage private development of new affordable housing, and to generate revenue to subsidize the development of publicly-assisted affordable housing for the benefit of the community.

DRA proposes the following major revisions to the City's Inclusionary Housing Ordinance:

1. Remove inclusionary housing requirements for rental housing, and in its place adopt an affordable housing impact fee (nexus fee) for rental housing, to comply with the *Palmer* decision.
2. Set affordable housing impact fees (nexus fees) for rental housing and nexus or in lieu fees for owner housing below the maximum supportable nexus fees.
3. Review fee levels annually to reflect the actual costs for the City to produce BMR units.
 - a. Adjust owner in lieu fees annually based on the percentage change (increase or decrease) in the three-year trailing median home price in the City of Hayward. Using median home price as an index will adjust for changes in the local economy, up or down. Using a three-year average will smooth out fluctuations in the market to avoid more drastic changes in the fee from year to year.
 - b. Adjust renter nexus fees annually based on the change in local market rents.
 - c. Update the nexus analysis every five years to ensure the necessary relationship between the fee and the projected deleterious impact of residential development on affordable housing is maintained.



Introduction

The City of Hayward (City) retained David Paul Rosen & Associates (DRA) to prepare a study reviewing the City's Inclusionary Housing Ordinance and examining the legality and basis for establishing a rational nexus between residential development and the need for affordable housing in the City.

This report describes the methodology, assumptions and findings of the inclusionary ordinance review and nexus analysis. The nexus analysis estimates the number of very low, low, and moderate income households associated with development of new residential development in the City, and calculates the maximum nexus fee based on the cost to produce housing affordable to these households. The nexus analysis is based on the demographic and economic characteristics of employees expected to provide goods and services to new residential customers.

This report is presented in the following major sections:

- The Nexus Relationship
- Affordable Housing Income Levels, Rents and Home Prices
- Market Rents and Home Prices
- Affordability Gap Analysis
- Residential Nexus Analysis
- Economic Impact Analysis

The Nexus Relationship

This section describes statutory and case law requirements to establish a nexus in the calculation of development impact fees for affordable housing, and describes the nexus relationship between market-rate residential development and the need for affordable housing.



Nexus Legal Requirements in California

Impact fees on development in California are subject to several legal requirements, which include in particular:

1. Where fees are imposed individually on projects, the U.S. Constitutional requirement of “essential nexus” and “rough proportionality” under the U.S. Supreme Court cases of *Nollan v. California Coastal Commission* (1987) 483 U.S. 825 and *Dolan v. City of Tigard* (1994) 512 U.S. 374, respectively;; and
2. Where fees are imposed on a broad class of projects, the “reasonable relationship” requirement contained in case law (*San Remo Hotel L.P. v. City & County of San Francisco* (2002) 27 Cal. 4th 643) and in the California Mitigation Fee Act, which includes a series of statutes enacted over a number of years, initiated by Assembly Bill 1600, contained in California Government Code sections 66000-66010, commonly referred to AB 1600 or the Mitigation Fee Act.

A local government charging a fee must make some affirmative showing that: (1) those who must pay the fee are contributing to the problem that the fee will address; and (2) the amount of the fee is justified by the magnitude of the fee-payer's contribution to the problem. The basis for a fee on new market-rate residential development to assist in the provision of affordable housing is the relationship between new market-rate residential development and the need for new affordable housing. New market-rate residential development increases employment and also the demand for housing for the added employees. Market-rate housing development, without public assistance, will not provide housing affordable for the additional lower-earning employees. Without public assistance for new affordable housing development, such as the funding provided by a development impact fee, this will result in deleterious impacts upon the community. For example, without adequate affordable housing, workers will have to commute greater distances, thus increasing pollution and traffic impacts. As another example, if local workers cannot find affordable housing, they are forced to seek less than adequate shelter, overpay for shelter, and double up with other households, all of which carry a deleterious public impact.

Unlike development impact fees, local general plans and zoning ordinances rely on the police power of local government to take actions and adopt laws and policies that protect the public's health, safety and welfare. In *Miller v. Board of*

Pubic Works (1925) 195 Cal. 477, the California Supreme Court found that local governments could legitimately employ their police powers to protect the general welfare through enactment of zoning ordinances creating residential zones reserved for single-family housing. Over the years, courts have held the police power to be quite broad, especially in the context of local land use law.

The case law is inconclusive regarding whether inclusionary housing ordinances are similar to impact fees and must be justified by a nexus study, or whether they represent local government's use of the police power to correct past and continuing disparities to further the general welfare, such as those exacerbated by "exclusionary zoning" practices that excluded affordable housing and contributed to patterns of racial and economic segregation. The California Supreme Court has granted a petition for review in *California Building Industry Association v. City of San Jose* (Case No. S212072) to resolve this issue. Because the issue is unsettled, this study provides justification for inclusionary requirements through both a nexus study, in the event that the requirements are found to be similar to impact fees, and as an exercise of the City's police power.

In 2009, in *Palmer/Sixth Street Properties, L.P. v City of Los Angeles* (2009) 175 Cal. App. 4th 1396, the California Court of Appeal held in favor of the owner/developer, and prohibited the City of Los Angeles from enforcing its inclusionary housing ordinance on the developer's rental housing development. In its ruling, the Court held that forcing Palmer to provide affordable housing units at regulated rents conflicts with the right afforded residential landlords under Costa-Hawkins Act to establish the initial rental rate and the rate upon vacancy for a dwelling unit. The Court also held that the proposed in-lieu fee conflicts with the Costa-Hawkins Act because the fee was based solely on the number of affordable housing units that Palmer was required to provide under the City's Specific Plan. However, the Court acknowledged that the Costa-Hawkins Act does not apply where the owner has agreed by contract to build affordable housing in consideration for a direct financial contribution or other form of assistance specified in state density bonus law.

Under *Palmer*, communities cannot impose inclusionary requirements on rental housing unless the developer receives monetary or other incentives. Many communities have completed or are undertaking nexus studies in order to mitigate the impacts of new rental housing on the need for affordable housing by imposing development impact fees on new rental housing,

No court cases have examined development impact fees charged against new rental and ownership housing that have been developed using appropriate

methodology demonstrating that the fees were reasonably related to and limited to the City's costs of addressing deleterious public impacts on affordable housing attributable to new development. However, the Ninth Circuit Court of Appeals upheld a commercial linkage fee using a similar methodology in *Commercial Builders of Northern California v. City of Sacramento* (1991) 941 F. 2d 872).

The Nexus Rationale

New market-rate housing development accommodates growth in population and households. The arrival of new population creates demand for additional jobs in retail outlets and services that serve that population. A portion of the income of the residents in new market-rate housing units will be spent to purchase a range of goods and services, such as purchases at local supermarkets and restaurants or services at local dry cleaners. These purchases in the local economy in turn generate employment in a range of different compensation levels.

New residential construction makes room for new population and households moving to the City. Even if the household moving into a new unit is relocating from another house in the City, the household vacates an existing unit that, in turn, is filled with another household. Somewhere in the chain, new population and households are added to the City.

New housing affordable to lower income households is not added to the supply in sufficient quantities to meet the needs of new lower income employee households. The cost to build new housing, or to acquire and rehabilitate existing housing, is more than the rents or home prices that lower income households can afford to pay. Lower income households often have jobs in the retail and service sectors, which have a high proportion of low-paying jobs, resulting in the inability of these households to afford rents or home prices.

The methodology for quantifying the nexus relationship can be demonstrated in relation to a new family moving into the City. A new residential unit is developed within the City and sold or rented to a family at the going market rate. The family's income can be estimated based on the amount needed to purchase or rent the home, by using current mortgage rates, lending standards, and income/rent ratios used by rental property managers. A portion of a household's income will be used to purchase goods and services, which will generate the need for additional employees at the businesses the household frequents. The additional employees will be paid at different salary levels, based on the industry and type of job. Some of the jobs that are produced will be low paying, especially service industry jobs,

and will produce very low, low, and moderate income households, even when there are multiple earners in the households. These households are unable to purchase or rent housing units at market rates, and thus will seek out affordable units.

The nexus methodology used by DRA quantifies the estimated increase in lower income households associated with new residential development, and estimates the costs of providing housing affordable to these new households. These costs are then translated into the maximum nexus fee that may be levied on residential development. This methodology is consistent with the standards of reasonable relationship established by Supreme Court case law and Government Code sections 66000-66010.

DRA's nexus analyses are designed to demonstrate the economic relationship between residential development and the need for affordable housing in the City. DRA employs consistently conservative assumptions, so that the resulting calculations of the maximum fees are likely to understate the maximum nexus calculation for each land use type.

Affordable Housing Income Levels, Rents and Home Prices

Target Income Levels

The nexus analysis uses income limits commonly defined by the U.S. Department of Housing and Urban Development (HUD) and most affordable housing assistance programs. Very low income households are defined as households with incomes up to 50 percent of area median income (AMI). Low income households are defined as households with incomes between 51 percent and 80 percent of AMI. Moderate income households are defined as households with incomes between 81 percent and 120 percent of AMI. All of these income limits are adjusted by household size using HUD family size adjustment factors.

Table 1 shows 2014 very low, low and moderate income limits for the City by household size based on these income category definitions and the State median household income for the Alameda County of \$93,500 for a four-person household.

Table 1 Affordable Housing Income Limits by Percent of Area Median Income (AMI) and Household Size City of Hayward Affordable Housing Nexus Study 2014					
Household Size	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
One Person	\$32,750	\$39,250	\$52,350	\$65,450	\$78,550
Two Persons	\$37,400	\$44,900	\$59,850	\$74,800	\$89,750
Three Persons	\$42,100	\$50,500	\$67,300	\$84,150	\$101,000
Four Persons	\$46,750	\$56,100	\$74,800	\$93,500	\$112,200
Five Persons	\$50,500	\$60,600	\$80,800	\$101,000	\$121,200
Six Persons	\$54,250	\$65,100	\$86,750	\$108,450	\$130,150

Source: State 2014 median household income for Alameda County of \$93,500, adjusted by household size and percent of area median income (AMI); DRA.

Affordable Rents and Home Prices

AFFORDABLE HOUSING COST DEFINITIONS

Calculation of affordable rents and home prices requires defining affordable housing expense for renters and owners. Affordable housing expense for renters is defined to include rent plus utilities, which is standard for affordable housing programs and practice. For owners, affordable housing expense is defined to include mortgage principal and interest, property taxes (including special assessments), property insurance and homeowner’s association (HOA) dues, consistent with the City of Hayward’s Inclusionary Housing Ordinance and Density Bonus Ordinance. For renters, affordable housing expense is calculated at 30 percent of household income, the standard of virtually all rental housing programs. For owners, affordable housing expense is calculated at 35 percent, per the City’s Inclusionary Housing Ordinance, Density Bonus Ordinance, and many lender standards.

For the purpose of calculating the affordability gap, defining affordable housing expense at the top of each income range in the calculation of affordable rents and sales prices means that the resulting affordable rent or home price is not affordable to most households in the income category. Therefore, the City’s policy is to define affordable housing expense for low and moderate income households at a mid-point of the income range. For low income households, affordable housing expense is calculated at 60 percent of AMI. For moderate income households, affordable housing expense is calculated at 110 percent of AMI.



Table 2 shows renter affordable housing cost at the 30% of gross income standard, for a range of household sizes and percent of AMI categories. **Table 3** shows owner affordable housing cost at the 35% of gross income standard.

Table 2 Renter Affordable Housing Cost¹ by Percent of Area Median Income (AMI) and Household Size City of Hayward Affordable Housing Nexus Study 2014					
Household Size	50% AMI	60% AMI	80% AMI	110% AMI	120% AMI
One Person	\$818	\$982	\$1,309	\$1,800	\$1,964
Two Persons	\$935	\$1,122	\$1,496	\$2,057	\$2,244
Three Persons	\$1,052	\$1,262	\$1,683	\$2,314	\$2,525
Four Persons	\$1,169	\$1,403	\$1,870	\$2,571	\$2,805
Five Persons	\$1,262	\$1,515	\$2,020	\$2,777	\$3,029
Six Persons	\$1,356	\$1,627	\$2,169	\$2,983	\$3,254

¹ Assumes 30% of gross income spent on housing.

Source: State 2014 median household income for Alameda County of \$93,500, adjusted by household size and percent of area median income (AMI); DRA.

Table 3 Owner Affordable Housing Cost¹ by Percent of Area Median Income (AMI) and Household Size City of Hayward Affordable Housing Nexus Study 2014					
Household Size	50% AMI	60% AMI	80% AMI	110% AMI	120% AMI
One Person	\$954	\$1,145	\$1,527	\$2,100	\$2,291
Two Persons	\$1,091	\$1,309	\$1,745	\$2,400	\$2,618
Three Persons	\$1,227	\$1,473	\$1,964	\$2,700	\$2,945
Four Persons	\$1,364	\$1,636	\$2,182	\$3,000	\$3,273
Five Persons	\$1,473	\$1,767	\$2,356	\$3,240	\$3,534
Six Persons	\$1,582	\$1,898	\$2,531	\$3,480	\$3,796

¹ Assumes 35% of gross income spent on housing.

Source: State 2014 median household income for Alameda County of \$93,500, adjusted by household size and percent of area median income (AMI); DRA.

OCCUPANCY STANDARDS

Because income definitions for affordable housing assistance programs vary by household size, calculation of affordable rents and affordable owner housing costs requires the definition of occupancy standards (the number of persons per unit) for each unit size. For the purposes of this analysis, affordable housing cost is based on an occupancy standard of one person per bedroom plus one, consistent with California Health and Safety Code Section 50053(h). For example, the occupancy



standard for purposes of calculating affordable rents and sales prices is 4 persons for a three-bedroom unit, and 3 persons for a two-bedroom unit.

UTILITY ALLOWANCES

Affordable net rents are calculated by subtracting allowances for the utilities paid directly by the tenants from the total affordable housing cost. For this calculation, DRA has incorporated utility allowances effective July 1, 2014 from the Housing Authority of the County of Alameda, summarized in **Table 4** below. These utility allowances assume residents pay for electric heating and lighting and natural gas cooking and water heating. It assumes the landlord pays for trash, water and sewer service.

The complete utility allowance schedule is contained in **Appendix B**. These published utility allowances are higher than would be used in new Low Income Housing Tax Credit (LIHTC) projects, which are required to be highly energy efficient and are allowed to calculate lower allowances that vary from project to project using the California Utility Allowance Calculator (CUAC).

Actual utility allowances for an individual unit would also depend upon a variety of factors, including the utilities that are in fact paid by the residents (e.g., water, gas, electricity, sewer, trash), the type of appliances and heating units contained in the units and whether appliances and heating units require electricity or gas.

Table 4 Current Monthly Utility Allowances for Rental Housing Hayward Affordable Housing Nexus Study Effective July 1, 2014	
Unit Bedroom Count	Monthly Utility Allowance
One Bedroom	\$33
Two Bedrooms	\$44
Three Bedrooms	\$55
Four Bedrooms	\$65

Note: Assumes electric heating and lighting and gas cooking and water heating.
 Source: Housing Authority of the County of Alameda; DRA.



AFFORDABLE NET RENTS AND OWNER MONTHLY HOUSING EXPENSE

Table 5 summarizes affordable monthly net rents by income level based on the assumptions described above. **Table 6** summarizes monthly affordable mortgage principal and interest payments for owners. Owner affordable mortgage calculations in Table 6 assume monthly property insurance costs of \$100, monthly HOA dues of \$300, and annual property taxes, including assessments at 1.20 percent of the affordable home price. (In the nexus analysis, HOA dues are varied by prototype.) Detailed assumptions and calculations for affordable housing expense are shown in **Appendix Tables A-2** and **A-3**.

Table 5			
Affordable Monthly Net Rents¹			
Hayward Affordable Housing Nexus Study			
2014			
Unit Bedroom Count	Very Low Income (<=50% AMI)	Low Income (51% - 80% AMI)	Moderate Income (81% -120% AMI)
One Bedroom	\$902	\$1,089	\$2,024
Two Bedrooms	\$1,008	\$1,218	\$2,270
Three Bedrooms	\$1,114	\$1,348	\$2,516

¹ Gross rents are calculated assuming an occupancy standard of one person per bedroom plus one. Net rents are calculated assuming 30% of gross income spent on rent and then deducting the utility allowances from Table 4.

Source: Appendix Table A-2; DRA.

Table 6			
Affordable Monthly Owner Mortgage Principal and Interest Payments¹			
Hayward Affordable Housing Nexus Study			
2014			
Unit Bedroom Count	Very Low Income	Low Income	Moderate Income
One Bedroom	\$580	\$763	\$1,678
Two Bedrooms	\$694	\$900	\$1,929
Three Bedrooms	\$809	\$1,037	\$2,181
Four Bedrooms	\$900	\$1,147	\$2,382

¹Owner affordable housing costs are calculated assuming an occupancy standard of one person per bedroom plus one, 35% of gross income spent on housing, monthly property insurance costs of \$100, monthly HOA dues of \$300, and annual property taxes and assessments at 1.20 of the affordable home price.

Source: Appendix Table A-3; DRA.



AFFORDABLE HOME PRICES

Table 7 shows affordable home prices by income level, based on the affordable monthly owner housing cost by income level and deductions for property taxes, property insurance and HOA dues. The maximum affordable home price is estimated assuming a 3 percent owner downpayment, a 5.0 percent mortgage interest rate and 30-year mortgage term. Detailed calculations of affordable home prices are shown in **Appendix Table A-3**.

Table 7			
Affordable Home Prices ¹			
Hayward Affordable Housing Nexus Study			
2014			
Unit Bedroom Count	Very Low Income	Low Income	Moderate Income
One Bedroom	\$111,300	\$146,400	\$322,200
Two Bedrooms	\$133,200	\$172,900	\$370,500
Three Bedrooms	\$155,300	\$199,100	\$418,900
Four Bedrooms	\$172,900	\$220,200	\$457,500

¹Affordable mortgage principal and interest calculated by deducting the following from affordable owner monthly housing cost: annual property taxes and assessments at 1.2 percent of affordable home price; HOA dues of \$300 per month; and property insurance of \$100 per month. Affordable mortgage calculated assuming 3% owner downpayment, 5.0% mortgage interest rate and 30-year mortgage term.

Source: Appendix Table A-3; DRA.

Market Rents and Home Prices

APARTMENT RENTS AND VACANCY RATES

Table 8 summarizes the characteristics of the market-rate apartment inventory in Alameda County and the City of Hayward in the second quarter of 2013 based on data from REALFACTS. The data for the County included a total of 296 apartment properties and 46,730 units, with an average of 157 units per property. The data for the City of Hayward include 56 properties and 6,800 units, with an average of 121 units per property.

The overall rental vacancy rate for market-rate apartments in the County in the second quarter of 2013 was 2.7 percent, down from an average of 4.0 percent for 2012. Generally, a vacancy rate below 5 percent is considered to reflect a “tight”



housing market. Growth in rents has been strong, with a 6.2 percent increase in the average rent over the prior year and a 23.4 percent increase since 2010.

The data show that less than 4 percent of market-rate apartment units in the County are studios, 43 percent have one bedroom, 18 percent have two bedrooms and one bath, 23 percent have two bedrooms and two baths, and under 3 percent have three bedrooms and two baths. Average monthly rents in the 2nd quarter of 2013 were \$1,282 for a studio and \$1,531 for a one-bedroom, one-bath unit. For two-bedroom units, average monthly rents were \$1,650 for units with one bath and \$2,080 for two-bedroom units with two baths. The average monthly rent for a three-bedroom, two-bath unit was \$2,346.

The weighted average rent per square foot for the County's rental inventory was \$2.07 per square foot in the second quarter of 2013. The average rent per square foot for Class A properties, which account for 9 percent of the apartment units according to REALFACTS, was about 37 percent higher than the overall average at \$2.84 per square foot.

Table 8 also shows REALFACTS data for the City of Hayward in the second quarter of 2013. The REALFACTS data for the City included 56 properties and 6,800 total units. In 2013, the average rent in the County (\$1,722) was nearly 25 percent higher than the average rent for the City (\$1,379). Average rents in the City are lower than in the County, on a per unit and a per square foot basis, for all bedroom configurations except for studio rents, which were higher in the City on a per square foot basis.

In 2013 REALFACTS categorized 9 percent of units in the County as Class A properties, and 14 percent of units as Class B properties, with the remaining 77 percent designated as Class C properties. The City of Hayward had no Class A properties and only two Class B properties (5 percent of units). The rest were shown as Class C.

Table 9 compares average rents and rent per square foot in Hayward by unit bedroom count for the second quarter 2013 with the second quarter 2014. The average rent in the City increased 14.9% over the year. The average rent increased most rapidly for studio units at 24.0%, followed by two-bedroom, two-bath units at 16.4%.

Table 8
Apartment Inventory Characteristics
Alameda County and City of Hayward
Second Quarter, 2013

Unit Size	Alameda County				City of Hayward			
	Units	Average SF	Average Rent	Average Rent/SF	Units	Average SF	Average Rent	Average Rent/SF
Studio	1,754	519	\$1,282	\$2.47	86	510	\$1,073	\$2.10
1 BR/1 BA	20,220	697	\$1,531	\$2.20	3,204	696	\$1,230	\$1.77
2 BR/1 BA	8,616	856	\$1,650	\$1.93	1,212	880	\$1,408	\$1.60
2 BR/2 BA	10,759	1,011	\$2,080	\$2.06	1,617	980	\$1,633	\$1.67
2 BR TH	1,942	1,045	\$1,797	\$1.72	202	885	\$1,361	\$1.54
3 BR/2 BA	1,246	1,200	\$2,346	\$1.96	87	1,152	\$1,923	\$1.67
Other ¹	2,193	--	--	--	--	--	--	--
TOTAL	46,730	832	\$1,722	\$2.07	6,800	814	\$1,379	\$1.69

Note: Averages for the total row are weighted averages.

¹Includes lofts, junior one-bedroom units, one-bedroom and three-bedroom townhome units, and units with other bathroom configurations than the ones listed above, which individually comprise less than 1.2% of the total apartment inventory in the County.

Source: REALFACTS; DRA.

Table 9
Apartment Rents
City of Hayward
2013 and 2014

Unit Size	Units 2014	Average SF 2014	2 nd Quarter 2013		2 nd Quarter 2014		% Change in Ave. Rent
			Average Rent	Average Rent/SF	Average Rent	Average Rent/SF	
Studio	86	510	\$1,073	\$2.10	\$1,331	\$2.61	24.0%
1 BR/1 BA	3,204	696	\$1,230	\$1.77	\$1,419	\$2.04	15.4%
2 BR/1 BA	1,212	881	\$1,408	\$1.60	\$1,618	\$1.84	14.9%
2 BR/2 BA	1,552	979	\$1,633	\$1.67	\$1,900	\$1.94	16.4%
2 BR TH	202	885	\$1,361	\$1.54	\$1,438	\$1.62	5.7%
3 BR/2 BA	87	1,152	\$1,923	\$1.67	\$2,064	\$1.79	7.3%
Other ¹	392	--	--	--	--	--	
TOTAL	6,735	813	\$1,379	\$1.69	\$1,584	\$1.95	14.9%

Note: Averages for the total row are weighted averages.

¹See footnote 1 to Table 8 above.

Source: REALFACTS; DRA.



Table 10 shows the average rent per unit for the thirteen cities within Alameda County that have five or more properties in the REALFACTS database in the second quarters of 2013 and 2014, respectively. The City of San Leandro has the lowest average rent at \$1,366 in 2014, followed by Castro Valley at \$1,504 and Hayward at \$1,584. The highest average rents of the cities shown are found in Berkeley at \$2,799, followed by Emeryville at \$2,320 and Oakland at \$2,033. While rents increased at varying rates in the cities, their ranking from lowest to highest rent remained unchanged.

City	# of Properties	% of Total	2 nd Quarter 2013		2 nd Quarter 2014		% Change in Ave. Rent
			Average Occupancy	Ave. Rent	Average Occupancy	Ave. Rent	
San Leandro	32	11.00%	98.20%	\$1,247	97.90%	\$1,366	9.50%
Castro Valley	10	3.40%	98.20%	\$1,344	98.50%	\$1,504	11.90%
Hayward	56	19.20%	98.20%	\$1,379	97.50%	\$1,584	14.90%
Livermore	18	6.20%	98.80%	\$1,567	97.30%	\$1,730	10.40%
Alameda	21	7.20%	97.30%	\$1,667	96.30%	\$1,901	14.00%
Union City	12	4.10%	96.30%	\$1,697	96.50%	\$1,884	11.00%
County	296	100%	96.70%	\$1,722	97.10%	\$1,928	12.00%
Fremont	67	23.00%	97.50%	\$1,739	97.40%	\$1,959	12.60%
Newark	5	1.70%	97.20%	\$1,807	97.60%	\$1,994	11.30%
Pleasanton	19	6.50%	97.30%	\$2,000	96.50%	\$2,092	4.60%
Dublin	13	4.50%	96.90%	\$2,029	97.30%	\$2,279	12.30%
Oakland	22	7.60%	97.30%	\$2,033	96.10%	\$2,421	19.00%
Emeryville	7	2.40%	95.80%	\$2,320	96.50%	\$2,473	6.60%
Berkeley	9	3.10%	89.90%	\$2,491	95.40%	\$2,799	12.40%

¹Includes cities with at least 5 apartment properties in the REALFACTS database.
Source: REALFACTS; DRA.

CONDOMINIUM AND SINGLE-FAMILY HOME SALES PRICES

DQ News reports median home prices, including resale single-family residences and condos as well as new homes, by zip code for the San Francisco Bay Area. Median home sales prices in City of Hayward zip codes in August, 2013 and July, 2014 were as follows:

Zip Code:	94541	94542	94544	94545
August 2013	\$400,000	\$550,000	\$371,500	\$411,000
July 2014	\$403,500	\$600,000	\$410,250	\$472,500
% Change 2013 to 2014	0.9%	9.1%	10.4%	15.0%

Median prices previously increased 20% to 37% in these zip codes from August, 2012 to August, 2013.

Appendix Table A-12 shows sales of condominiums built in the City of Hayward since 2011 from January 1, 2013 through August 31, 2013, according to data from Dataquik Information Systems. Only three sales of two-bedroom units were recorded, at a median price of \$312,000, or \$206 per square foot. The vast majority of units had three bedrooms, which sold for a median price of \$295,000 and \$194 per square foot.

Appendix Table A-13 shows sales of condominiums built since 2011 in the City of Hayward between September 1, 2013 and August 31, 2014.

Appendix Table A-14 shows sales of single-family homes built in the City of Hayward since 2011 from January 1, 2011 and August 31, 2013, also according to data from Dataquik. Only five sales of two-bedroom units were recorded, at a median price of \$305,000, or \$201 per square foot. The vast majority of units had three bedrooms, for which the median price was \$299,000 and the median price per square foot was \$260.

Appendix Table A-15 shows sales of homes built since between September 1, 2013 and August 31, 2014.



Affordability Gap Analysis

The affordability gap analysis compares the cost of developing housing in the City to the amount very low and low income households can afford to pay for housing. The affordability gap represents the capital subsidy required to develop housing affordable to families at target income levels.

The methodology, key assumptions and findings of the affordability gap analysis are summarized below. Detailed assumptions and calculations for the affordability gap analysis are contained in **Appendix A**.

The resulting affordability gaps are used in later sections of this report to estimate the maximum residential nexus fee required to mitigate new demand generated by each building type for housing affordable to low and moderate income households.

Methodology

The first step in the gap analysis establishes the amount a tenant or homebuyer can afford to contribute to the cost of renting or owning a dwelling unit. This analysis uses the income level and affordable housing cost definitions defined in prior sections of this report.

The second step estimates the costs of constructing or preserving affordable housing in the City. DRA calculated the affordability gap for three owner prototypes and one renter prototype considered representative of recent and current new multifamily and single-family development in the City. The prototypes used in this analysis are detailed in **Appendix Table A-1**. These prototypes are based on actual or planned housing developments in the City. Prototype #1 is a detached single-family infill product, similar to the Bridgeport development. Prototype #2 is an attached townhome development, similar to the homes being built in The Cannery area of the City. Prototype #3 consists of stacked flat apartments over podium parking, a market-rate version of the South Hayward BART affordable housing development built by Eden Housing. Affordability gaps are calculated for one-, two- and three-bedroom units for renters, and one- through four-bedroom units for owners, depending upon the prototype.

The third step in the gap analysis establishes the housing expenses borne by the tenants and owners. These costs can be categorized into operating costs, and financing or mortgage obligations. Operating costs are the maintenance expenses

of the unit, including utilities, property maintenance, property taxes, management fees, property insurance, replacement reserve, and insurance. For the rental prototypes examined in this analysis, DRA assumed that the landlord pays all but certain tenant-paid utilities as an annual operating cost of the unit paid from rental income. For owner prototypes, DRA assumed the homebuyer pays all operating and maintenance costs for the home.

Financing or mortgage obligations are the costs associated with the purchase or development of the housing unit itself. These costs occur when all or a portion of the development cost is financed. This cost is always an obligation of the landlord or owner. Supportable financing is deducted from the total development cost, less any owner equity (for owner-occupied housing, the downpayment) to determine the capital subsidy required to develop the prototypical housing unit affordable to an eligible family at each income level.

For rental housing prototypes, the gap analysis calculates the difference between total development costs and the conventional mortgage supportable by net operating income from restricted rents, plus any other sources available to subsidize the housing. Recent affordable housing in the City typically has been financed using 4 percent tax credits. For these projects, tax credit equity filled about 25 percent of total project costs on affordable tax credit units. This ratio has been used to adjust the portion of the affordability gap assumed to fall to the responsibility of the developer, and to be filled by the nexus fee.

For owners, the gap is the difference between total development costs and the supportable mortgage plus the buyer's downpayment.

The purpose of the gap analysis is to determine the fee amount by land use that would be required to develop housing affordable to the very low and low income households who will need to find housing in the City in connection with new residential development in the City. Therefore, no other housing subsidies, or leverage, are assumed.

Housing Development Costs

DRA estimated the costs to build the new rental and owner housing prototypes in 2013 based on a review of historical project cost data, land sales and interviews with developers active in the Bay Area.

DRA updated its construction cost estimates for the residential prototypes assuming a 5% increase in construction hard costs since 2013. The Engineering News-Record Construction Cost Index, widely used in the construction industry, increased by 3.2% from August 2013 to August 2014. Cumming Corporation, an international construction cost consulting firm, estimated the increase in construction costs in California 2013 at 3.5% to 4.2%.

DRA also reviewed recent land sales data. **Appendix Table A-16** shows vacant residential land sales recorded by Dataquick in the City of Hayward from January 1, 2012 through August 31, 2013. **Appendix Table A-17** shows vacant residential land sales from September 1, 2013 through August 31, 2014. Land sales prices for larger parcels (over 10,000 SF) declined based on available comps, so DRA did not increase its land price assumptions for this analysis.

Estimated development costs are detailed in **Appendix Tables A-4** through **A-6** for Prototypes #1 through #3, respectively, and are summarized in **Appendix Table A-7**.

Total per unit development costs for the housing prototypes are summarized in **Table 11**.

Table 11 Estimated Per Unit Total Development Costs¹ New Construction Housing Prototypes City of Hayward Affordable Housing Nexus Study 2014			
Unit Bedroom Count	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
One Bedroom	N/A	N/A	\$303,000
Two Bedrooms	N/A	\$479,000	\$444,000
Three Bedrooms	\$486,000	\$532,000	\$525,000
Four Bedrooms	\$538,000	N/A	N/A
Average ²	\$511,000	\$492,000	\$399,000

¹Costs increased an estimated 5% from DRA's 2013 Draft Nexus Study.

²Weighted average based on the unit distribution by bedroom count for the housing prototypes in Appendix Table A-1.

Source: Appendix Tables A-8 through A-10; interviews with area developers; Engineering News Record Construction Cost Index; DRA.



Calculation of Per Unit Subsidy Amounts

The per unit subsidy required to make new housing affordable to very low and low income residents was calculated by subtracting per unit development costs from the per unit mortgage or home price supportable from affordable rents and owner housing cost. For the rental housing prototype, we have also subtracted the estimated portion of the gap that would be covered by tax credit equity in a typical 4 percent rental tax credit project, which DRA estimates at 25 percent of total development costs. The resulting per unit subsidies required by unit bedroom count are shown for new housing development in **Table 12** for very low income households, **Table 13** for low income households, and **Table 14** for moderate income households. Detailed calculations are shown in **Appendix Tables A-8** through **A-10**.

The results of the gap analysis show significant affordability gaps for all prototypes for very low and low income households. Given the relatively high median income for Alameda County, there are no gaps for some unit sizes and prototypes at the moderate income level.

Table 12 Per Unit Affordability Gaps Very Low Income Households New Construction Housing Prototypes City of Hayward Affordable Housing Nexus Study 2014			
Unit Bedroom Count	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
One Bedroom	N/A	N/A	\$153,700
Two Bedrooms	N/A	N/A	\$244,900
Three Bedrooms	\$330,700	\$323,700	\$291,000
Four Bedrooms	\$365,100	\$359,100	N/A
Average ¹	\$347,400	\$332,600	\$214,600

¹Weighted average based on the unit distribution by bedroom count for the housing prototypes in Appendix Table A-1.

Source: Appendix Tables A-8 through A-10; DRA.



**Table 13
Per Unit Affordability Gaps
Low Income Households
New Construction Housing Prototypes
City of Hayward Affordable Housing Nexus Study
2014**

Unit Bedroom Count	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
One Bedroom	N/A	N/A	\$128,000
Two Bedrooms	N/A	N/A	\$215,900
Three Bedrooms	\$286,900	\$279,900	\$258,800
Four Bedrooms	\$317,800	\$311,800	N/A
Average ¹	\$301,900	\$287,900	\$186,400

¹Weighted average based on the unit distribution by bedroom count for the housing prototypes in Appendix Table A-1.

Source: Appendix Tables A-8 through A-10; DRA.

Table 14 Per Unit Affordability Gaps Moderate Income Households New Construction Housing Prototypes City of Hayward Affordable Housing Nexus Study 2014			
Unit Bedroom Count	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
One Bedroom	N/A	N/A	\$0
Two Bedrooms	N/A	N/A	\$71,000
Three Bedrooms	\$67,100	\$60,100	\$97,800
Four Bedrooms	\$80,500	\$74,500	N/A
Average ¹	\$73,600	\$63,700	\$45,200

¹Weighted average based on the unit distribution by bedroom count for the housing prototypes in Appendix Table A-1.

Source: Appendix Tables A-8 through A-10; DRA.

Residential Nexus Analysis

Impact Methodology and Use of the IMPLAN Model

The methodology used for the residential nexus analysis begins with the estimated sales prices of a prototypical residential subdivision and moves through a series of linkages to the incomes of the households that purchased the units, the annual expenditures of those households on goods and services, the jobs associated with the delivery of these goods and services, the income of the workers performing those jobs, the household income of those worker households, and finally to the affordability level of the housing needed by those worker households. The steps of the analysis are as follows:

1. Define a prototypical residential subdivision.
2. Estimate the household income distribution of the households purchasing or renting these homes.
3. Estimate the consumer expenditures of these households.

4. Estimate the number of new full-time employees required to provide the goods and services purchased by these households.
5. Estimate the number of new worker households associated with this employment growth.
6. Estimate the income distribution of these new worker households.
7. Estimate the number of new households requiring affordable housing.
8. Estimate the housing affordability gap for these affordable housing units.
9. Calculate the maximum supportable residential nexus fee.

DRA estimated the household income distribution of households purchasing the new homes based on minimum qualifying income criteria for new loans on these units. The consumer expenditures of these households and the jobs generated by these expenditures are estimated using the IMPLAN model, a model widely used for the past 25 years to quantify employment impacts from personal income. Based on the employment generation by industry from the IMPLAN model, DRA used its nexus model to quantify the income of worker households by affordability level.

THE IMPLAN MODEL

The IMPLAN model is an economic analysis software package now commercially available through the Minnesota IMPLAN Group (MIG). IMPLAN was originally developed by the U.S. Forest Service, the Federal Emergency Management Agency, and the U.S. Department of the Interior Bureau of Land Management. It has been in use since 1979 and refined over time. IMPLAN has become one of the industry standards widely used across the United States to predict economic impacts in a broad range of applications from major construction projects to natural resource programs. IMPLAN's clients include more than 20 federal government agencies, 60 state agencies across the country, and academic, local government, nonprofit and private sector clients numbering in the hundreds (follow these links to IMPLAN's [Client List](#) and [Consultants Listing](#)). IMPLAN is also the industry standard in California for use in local residential nexus impact fee analyses.

The IMPLAN model projects the number of employees needed to produce a given amount of goods and services, based on actual 2009 economic data for Alameda County. More specifically, IMPLAN is based on an input-output accounting of commodity flows within an economy from producers to intermediate and final

consumers. The model establishes a matrix of supply chain relationships between industries and also between households and the producers of household goods and services. The model tracks changes in purchases for final consumption through the supply chain. Industries that produce goods and services for final consumption must purchase inputs from other producers that, in turn, purchase goods and services. The model tracks these relationships through the economy to the point where leakages from the region stop the cycle.

IMPLAN's industry sectoring scheme is tied to the Bureau of Economic Analysis (BEA) Input-Output Study. The most recent 2002 BEA Benchmark study uses a 440-sector scheme. This scheme approximates 6-digit North American Industrial Classification System (NAICS) for manufacturing, and is more highly aggregated for service sectors. IMPLAN data sets are available for each county and state, so the model can be tailored to the specific economic conditions of the region being analyzed. This analysis uses the most current data set for Alameda County.

Economic impacts estimated using the IMPLAN model are divided into three categories:

Direct impacts result from the household spending included in the analysis. A relevant example is restaurant employment created when households in new residential buildings spend money dining out. Employment at the restaurant would be considered a direct impact.

Indirect impacts result from supplier purchases made by the business operations of the companies included in the analysis. With the restaurant example, indirect impacts would include employment at food wholesalers, kitchen suppliers, and producers of agricultural products.

Induced impacts result from increased demand for local-serving retail and services by the new employees. Again using the restaurant example, induced impacts would include employment generated when employees of the restaurant, food wholesaler and kitchen suppliers spend their earnings in the local economy.

The IMPLAN model projections include all three of the impacts listed above. The IMPLAN Pro Guide provides an introduction to input-output analysis and further documentation on the model's assumptions and mathematical equations. (Follow these links to the [Version 2 IMPLAN Pro guide](#) and the [Version 3.0 Reference Manual](#).)



Disposable Income of New Households

The analysis begins with the four prototypical housing developments described above in the affordability gap analysis. The income of the new households moving into these units is estimated based on an estimated distribution of homes by sales prices or rents for each prototype. Sales prices and rents for the prototypes are estimated based on a review of recent single-family home and condo sales prices in Hayward from Dataquick and asking prices of actively selling subdivisions, with the recognition that the new high-quality product represented by the prototypes would command somewhat higher prices than most of the existing housing stock.

To estimate the income distribution for the buyers of these new homes, this analysis assumes the average incomes are approximately equal to the minimum qualifying income criteria for a new-home loan. This calculation assumes that the new buyers pay a 10 percent down payment and secure a mortgage equal to 90 percent of the home's sale price. Monthly principal and interest payments on the mortgage are calculated assuming a 30-year fixed rate mortgage at 5.0 percent interest. Qualifying household income is estimated assuming households pay 35 percent of gross household income for principal, income, taxes and insurance (PITI), a typical standard used by mortgage lenders.

The IMPLAN model used in this analysis uses disposable household income as the primary upfront input. To arrive at disposable income, gross income for residents of prototypical units must be adjusted downward to account for Federal and State income taxes, Social Security and Medicare (FICA) taxes, and personal savings. Other taxes, including sales tax, gas tax and property tax, are handled internally within the model. Housing expenses are not deducted from disposable income as they are also handled internally within the IMPLAN model. Based on a review of data from the Tax Policy Center (a joint venture of the Brookings Institution and the Urban Institute), and the California Franchise Tax Board, disposable income for households in the income levels projected for the prototypical housing tract is estimated at 75 percent of total household income.

Table 15 calculates estimated disposable income of the households purchasing the prototypical owner units. **Table 16** calculates estimated disposable income of the households renting the prototypical rental units. Detailed calculations of disposable household income are shown in **Appendix Tables A-18** and **A-19**, for owner and renter households, respectively.

Table 15 Estimated Total Disposable Household Income of Homebuyers Owner Housing Prototypes City of Hayward 2014		
	Prototype #1 Single-Family Infill	Prototype #2 Owner Townhomes
Average Unit Size (SF)	1,997	1,850
Estimated Average Sales Price Per SF	\$295	\$292
Average Sales Price Per Unit	\$588,900	\$540,900
Average Mortgage Amount (1)	\$530,000	\$486,810
Monthly Principal and Interest Payment (2)	\$2,845	\$2,613
Monthly Property Taxes (3)	\$589	\$541
Monthly Property Insurance Cost	\$100	\$100
Monthly Homeowner Association Dues	\$300	\$300
Total Monthly Housing Cost	\$3,834	\$3,554
Estimated Average Annual Income (4)	\$131,000	\$122,000
Sales Price to Income Ratio	4.50	4.43
Percent of Income Available for Expenditures (5)	75%	75%
Ave. Disposable Income Available for Expenditures	\$98,250	\$91,500
Number of Units in Prototype	140	80
Total Disposable Housing Income of Resident Households	\$13,755,000	\$7,320,000

- (1) At a 90% loan to value (price) ratio, assuming a 10% buyer downpayment.
(2) Monthly mortgage principal and interest payment assuming a 5.0% fixed-rate loan for 30 years.
(3) Monthly property taxes estimated at 1.2% annual tax rate.
(4) Assumes principal, interest, taxes and insurance (PITI) at 35% of gross annual household income.
(5) After deductions for federal and state income taxes, Social Security and Medicare (FICA) taxes, and personal savings. Based on data from the Tax Policy Center for at the income levels projected for the housing prototypes
Source: Dataquick Information System; Tax Policy Center; Appendix Table A-20; DRA.



Table 16 Estimated Total Disposable Household Income of Tenant Households Renter Housing Prototypes City of Hayward 2014	
	Prototype #3 Stacked Flat Apartments
Average Unit Size (SF)	988
Average Monthly Rent Per SF	\$2.81
Average Monthly Rent Per Unit	\$2,800
Average Household Income (1)	\$112,000
Annual Household Income to Rent Ratio	3.3
Percent of Income Available for Expenditures (2)	75%
Disposable Income Available for Expenditures	\$84,000
Number of Units in Prototype	150
Total Disposable Household Income of Resident HHs	\$12,600,000

(1) Assumes rent at 33% of household income.

(2) After deductions for federal and state income taxes, Social Security and Medicare (FICA) taxes, and personal savings. Based on data from the Tax Policy Center for at the income levels projected for the housing prototypes

Source: REALFACTS; Tax Policy Center; Appendix Table A-21; DRA.

Projected Employment Generation

The IMPLAN model has been applied to link household consumption expenditures to job growth occurring in the City. The IMPLAN model distributes spending among various types of goods and services, and therefore industry sectors, based on data from the Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark Input-Output study to estimate direct, indirect, and induced employment generated. The IMPLAN model also projects total industry output and payroll associated with the direct, indirect and induced impacts.

The IMPLAN model input is the projected disposable income of the renters and homebuyers of each prototype. The IMPLAN model also projects total employment by industry sector. Detailed projections of employment from the IMPLAN model by prototype are presented in **Appendix Tables A-22 through A-24**.

ADJUSTMENT FOR FULL-TIME EMPLOYMENT

The employment impacts described above include both full-time and part-time employment. IMPLAN provides conversion factors by industry sector for use in converting total employment to full-time equivalent (FTE) employment. These factors are applied to total employment projections from the IMPLAN model to produce projected FTE employment, which is used in the nexus calculation. On average, FTE employment is projected to equal 88 percent of total employment projected by IMPLAN for this analysis.

ADJUSTMENT FOR POTENTIAL INCREASE IN LABOR FORCE PARTICIPATION

While most new workers at new establishments in the City serving new residents will come from outside of the City, DRA evaluated the extent to which new jobs are likely to be filled by existing residents in the City. This step reduces the number of new employees expected to need new housing in the City, to take into account employees who were previously living in the City but were not previously working.

In addition to new workers entering the labor force, another potential source of new employees is the pool of unemployed workers in the City. The California Employment Development Department (EDD) reports an unemployment rate of 8.3 percent for the City of Hayward as of August, 2013, based on a total labor force of 71,700 and total employment of 65,800. By comparison, the employment rate was slightly lower at 7.4 percent for the Alameda County as a whole for the same time period.

Given the somewhat high unemployment rate, a portion of new jobs in the City may be filled by existing unemployed residents. In addition, with the decline in labor participation rates in recent years, as some unemployed persons have given up looking for work, there is some room for increased labor participation by the existing population. For the purpose of this analysis, we estimate 5 percent of all new jobs will be filled by residents of existing City households to take into account both of these factors. As the unemployment rate falls, the maximum nexus fee will rise, since there is a smaller pool of unemployed workers to draw from before new workers are required.

Projected Household Growth

The next step in this analysis is to translate the number of new employees into the number of employee households in the City. The 2011 Three-Year ACS indicates that Alameda County had an average of 1.75 workers per worker household.¹ Therefore, DRA divided the number of new employees by 1.75 to generate the number of new households.

Projected Low and Moderate Income Households

This step estimates the number of new employee households that will require affordable housing. DRA estimated the percentage of employees in each economic sector qualifying for affordable housing based on wage data by occupation for the Oakland-Fremont Metropolitan Division, shown in **Table A-25**, and the estimated distribution of occupations by industry sector.

The average household size in Alameda County of the 2010 Census was 2.70 persons.² Therefore, this analysis uses the income limits for a three-person household of \$42,100 for a very low income household (50% of AMI), \$67,300 for a low income household (80% of AMI), and \$101,000 for a moderate income household (120% of AMI).

The projected number of very low, low and moderate income households that would be expected to move to the City as a result of the development of each of the four housing prototypes are summarized in **Table 17**. These figures represent the estimated number of households by income level that would be expected to move to the City to provide the goods and services required by the homebuyers and renters in each prototype. To be conservative, we rounded down to the nearest whole number of employees in all cases.

Detailed projections of the number of qualifying low income households by prototype are presented in **Appendix Tables A-26** through **A-28**.

¹ Based on total employment of 714,430 and 409,258 households with at least one worker.

² Total household population of 1,472,829 divided by 545,138 households.

Table 17 Estimated New Low and Moderate Income Employee Households Generated By New Construction Housing Prototypes City of Hayward Affordable Housing Nexus Study 2014			
Income Category	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Owner Townhomes	Stacked Flat Apartments Podium Parking
Very Low Income	24	15	24
Low Income	9	6	9
Moderate Income	5	3	6
Total	38	24	39

Source: Appendix Tables A-26 through A-28; DRA.

Total Affordability Gap for New Households

Using the projected number of households that will require affordable housing, DRA estimated the costs of providing housing to these new households using the results of the affordability gap analysis. The maximum residential nexus fees for each of the four housing prototypes are summarized in **Table 18**. Detailed calculations of the maximum residential nexus fees are found in **Appendix Table A-29**.

The results of the nexus analysis show significant supportable nexus fees for all prototypes for very low and low income households. Given the relatively high median income for Alameda County, there are no affordability gaps for some unit sizes and prototypes at the moderate income level, resulting in no to low supportable nexus fees for this income level.

Table 18 Estimated Maximum Residential Nexus Fee Per Housing Unit By Prototypical Housing Development City of Hayward 2014			
Household Income Level	Maximum Fee Per Housing Unit		
	Prototype #1	Prototype #2	Prototype #3
	Single-Family Infill	Townhomes	Stacked Flats Podium Parking
Very Low Income	\$59,500	\$62,400	\$34,300
Low Income	\$19,400	\$21,600	\$11,200
Moderate Income	\$2,900	\$2,400	\$1,800
Total	\$81,800	\$86,400	\$47,300

Source: Appendix Table A-32; DRA.

Economic Impact Analysis

This section assesses the potential economic impact of an affordable housing nexus fee on market-rate residential development.

The increase in cost associated with the nexus fee, however large or small, must be absorbed in one of the following three ways, or some combination of the three:

1. Through an increase in cost to the end user of the building in the form of a price or rent increase;
2. Through a decrease in profits to the developer who develops the site; and/or
3. Through a decrease in the price for the land paid to the landowner.

In a competitive market, owners of residential developments are already commanding the maximum sales price or rents that the market will bear. Therefore, it is least likely that sales prices or rents will increase.

When an additional cost is imposed on a project after the land is purchased, the developer will most likely bear the cost in terms of reduced profit on projects in the pipeline. Over time, developers will shop for the highest return on their investment within the regional market area. The total amount of development impact fees is but one of many cost and income factors that determine the rate of return for one

project compared to another. Ultimately, the fee is most likely to be absorbed through a decrease in land price after the market adjusts. This may take several years as the projects already in the pipeline are completed.

Given these potential alternative impacts, we use several different approaches in assessing the economic effect of a proposed nexus fee. We conduct a land residual analysis that calculates the value attributed to land from proposed development on a site, with and without a nexus fee. We also use a market and investment approach that calculates the increase in rents, or decrease in the rate of return on investor equity, required to accommodate the fee at current market terms for both debt and equity financing.

Land Residual Analysis

LAND RESIDUAL ANALYSIS METHODOLOGY

Land residual analysis methodology calculates the value attributed to land from proposed development on that site. It is commonly used by real estate developers and investors to evaluate development financial feasibility and select among alternative uses for a piece of property.

Land residual methodology calculates the value of a development based on its income potential and subtracts the costs of development and developer profit to yield the underlying value of the land. When evaluating alternative land uses, the alternative that generates the highest value to a site is considered its highest and best use. An alternative that generates a value to the land that is negative, or well below market land sales prices, is not financially feasible.

DRA calculated net operating income from each housing prototype, based on estimated market sales prices for owner housing, or rents, vacancy rates and operating costs for rental housing. For the rental housing prototype, net operating income is capitalized at an assumed capitalization rate to determine the value of the developed property. The capitalization, or “cap,” rate is the ratio of net operating income to project fair market value, or sales price, exhibited in the market and reflects the rate of return required by investors in rental property. Total development costs are subtracted from estimated net sales proceeds for owner housing or the capitalized value of rental housing to yield the estimated residual land value.

ASSUMPTIONS

Land residual analysis requires assumptions on gross income, vacancies and operating costs, hard construction costs, tenant improvements and financing costs for each land use to be examined. These assumptions are shown in **Appendix Table A-30**.



Estimated annual net sales income (owner prototypes) or net operating income (renter prototype) and total development costs (excluding land) for each of the housing prototypes are shown in **Appendix Table A-31**.

For rental housing Prototype #3, the land residual analysis assumes a cap rate of 5.60 percent. According to Cassidy Turley Commercial Real Estate Services, current capitalization rates for apartments have ranged from a low of 5.21 percent to a high of 5.80 percent over the five-quarter period from the first quarter of 2012 through and including the first quarter of 2013. The average cap rate was 5.62% over this period.

The results of the land residual analysis are shown in **Appendix Table A-32**. Table A-33 tests the sensitivity of the land residual analysis to increases in prototype development costs above the original assumptions.

MARKET LAND SALES PRICES

The findings of the land residual analysis can be compared to recent land sales prices in the City. **Appendix Table A-16** shows per square foot land sales prices for vacant residential property sold in the City between January 1, 2012 and August 31, 2013 based on data from Dataquick. The median sales price for all parcels was approximately \$35 per square foot. **Appendix Table A-17** shows per square foot land sales prices for vacant residential property sold in the City between September 1, 2013 and August 31, 2014. Median and average sales prices of parcels over 10,000 square feet declined, while prices of smaller parcels increased.

FINDINGS

The results of the land residual analysis indicate that residual land values remain within the range of recent land sales prices for all three prototypes with affordable housing fees of up to \$40,000 per market rate unit.

Residual land values remain within the range of recent land sales prices for all three prototypes with affordable housing fees of up to \$20,000 per market rate unit with increases in total development costs of 15% for the single-family prototype and 7.5% for the townhome and apartment prototypes.

Rent and Return Analysis

METHODOLOGY AND ASSUMPTIONS

DRA calculated the percentage increase in sales prices or rents, and the decrease in the rate of return on investor equity, required to finance the fee at current market terms for both debt and equity financing. By applying the average financing cost to the fee at illustrative fee levels, we determine the rent increase necessary to keep returns to developers and investors constant. Alternatively, we calculate the decrease in the rate of return on equity to investors assuming rents remain constant.

Total development costs for apartment construction are typically financed through a combination of debt and equity financing. A loan to value ratio of 60 percent for the first position mortgage was assumed. Current interest rates on term debt financing are approximately 6 percent or less for real estate mortgages on apartment buildings. Interest rates on debt financing are expected to remain low in the short term. Actions by the Federal Reserve are most effective in influencing short-term interest rates.

For this analysis, we have assumed that equity would comprise the other 40 percent of sources used to finance total development costs. We have provided for a 12 percent return on equity, which is within the range of current returns on real estate investment trusts (REITs). Based on DRA's substantial experience with REITs, recent returns are generally in the 7 percent to 9 percent range for apartments. However, new development is likely to require rates at the upper end of that range because of the development risk.

The average financing cost of capital based on a 6 percent interest rate for a 60 percent loan-to-value mortgage and a 12 percent return on equity for the remaining 40 percent of sources is approximately 8.4 percent.

After calculating the increase in sales prices or rents required to finance the development impact fee at illustrative levels, we calculated the increase in sales prices or rents as a percentage of current market sales prices or rents. We use the percentage increase in sales prices or rents as a measure of the magnitude of the impact of the fee. As a secondary measure, our evaluation also examines the fee at alternative levels as a percentage of total development costs for each land use.

The income and cost assumptions for each prototype are the same used in the land residual analysis above. Total development costs were estimated by adding the



construction costs for each prototype to estimated market land values for the residential prototypes.

The findings of the rent analysis are summarized in **Appendix Table A-34**. The findings of the rate of return analysis are summarized in **Appendix Table A-35**.

FINDINGS

As noted above, DRA believes that a change in rents due to the imposition of a nexus fee is the least likely market outcome. For project sites already owned by their developers (as opposed to those yet to be purchased by a developer), a reduction in the rate of return on their investment may occur. An impact fee of \$30,000 per unit for rental Prototype #3 reduces the rate of return on equity from 12.00% to 11.16%, a reduction that DRA does not consider significant.



Appendix A Tables
**City of Hayward Inclusionary Housing and
Nexus Study**

**Table A-1
Housing Prototype Projects
City of Hayward Inclusionary Housing and Nexus Study**

2014

PROTOTYPE	Prototype #1 Single-Family Infill	Prototype #2 Owner Townhomes	Prototype #3 Stacked Flat Apts. Podium Parking
Tenure	Owner	Owner	Rental
Unit Count	140 Units	80 Units	150 Units
Type of Product	Detached Small Lot Single-Family	Attached Townhomes	Stacked flats over podium parking
Number of Stories/ Type of Parking	2 Stories Garages	2 Stories Garages	Podium
Construction Type	Type V	Type V	Type III over Type I
Density (DU's/Net Acre)	10.8	24.0	105.0
Land Area (Acres)	13.00	3.33	1.43
Units by Bedroom Count			
One Bedroom	0	0	65
Two Bedroom/1 Bath	0	0	0
Two Bedroom/2 Bath	0	0	55
Three Bedroom	72	60	30
Four Bedroom	68	20	0
Percent of Units by Bedroom Count			
One Bedroom	0%	0%	43%
Two Bedroom/1 Bath	0%	0%	0%
Two Bedroom/2 Bath	0%	0%	37%
Three Bedroom	51%	75%	20%
Four Bedroom	49%	25%	0%
Unit Size (Net Square Feet)			
One Bedroom			750
Two Bedroom/1 Bath			
Two Bedroom/2 Bath			1,100
Three Bedroom	1,900	1,800	1,300
Four Bedroom	2,100	2,000	
Average Unit Square Feet	1,997	1,850	988
Building Square Feet			
Net Living Area	279,600	148,000	148,250
Community Space			3,000
Total Net Bldg. Square Feet	279,600	148,000	151,250
Number of Parking Spaces	430	150	270
Parking Spaces Per Housing Unit	3.07	1.88	1.80

Source: City of Hayward; David Paul Rosen & Associates

Table A-2
Affordable Rents and Prototype Supportable Mortgage
Renter Prototype
City of Hayward Inclusionary Housing and Nexus Study
2014

Assumptions

2014 State Median Income, Alameda County		\$93,500		
Affordable Housing Cost As a % of Income		30%		
Project Vacancy Rate		5%		
Annual Operating Cost Per Unit		\$4,200		
Debt Coverage Ratio		1.15		
Mortgage Interest Rate		6%		
Mortgage Term		30		
No. of Bedrooms	One Bedroom	Two Bedroom	Three Bedroom	
Household Size Adjustment	2 Persons	3 Persons	4 Persons	
Household Size Income Adjust. Factor (1)	80%	90%	100%	
Renter Utility Allowance (2)	\$33	\$44	\$55	
No. of Units in Renter Prototype	65	55	30	

Affordable Rents by Income Level

	One Bedroom	Two Bedroom	Three Bedroom
Very Low Income			
<u>50% of Median</u>			
Annual Gross Income	\$37,400	\$42,075	\$46,750
Affordable Monthly Housing Cost	\$935	\$1,052	\$1,169
Less: Monthly Utility Allowance	(\$33)	(\$44)	(\$55)
Affordable Monthly Rent	\$902	\$1,008	\$1,114
Low Income			
<u>60% of Median</u>			
Annual Gross Income	\$44,880	\$50,490	\$56,100
Affordable Monthly Housing Cost	\$1,122	\$1,262	\$1,403
Less: Monthly Utility Allowance	(\$33)	(\$44)	(\$55)
Affordable Monthly Rent	\$1,089	\$1,218	\$1,348
Moderate Income			
<u>110% of Median</u>			
Annual Gross Income	\$82,280	\$92,565	\$102,850
Affordable Monthly Housing Cost	\$2,057	\$2,314	\$2,571
Less: Monthly Utility Allowance	(\$33)	(\$44)	(\$55)
Affordable Monthly Rent	\$2,024	\$2,270	\$2,516

Estimated Prototype Supportable Mortgage	Very Low Income	Low Income	Moderate Income
Projected Total Gross Project Rents	\$1,769,880	\$2,138,580	\$3,982,680
Less: Vacancies	(\$88,494)	(\$106,929)	(\$199,134)
Less: Operating Costs	(\$630,000)	(\$630,000)	(\$630,000)
Net Operating Income	\$1,051,386	\$1,401,651	\$3,153,546
Affordable First Mortgage	\$12,707,418	\$16,940,843	\$38,114,857

(1) HUD published factors for adjusting household income by household size.
(2) Assumes electric heating and "other electric" and natural gas cooking and water heating.
Source: Alameda County Housing Authority, effective 07/1/14.

Table A-3
Affordable Mortgage By Income Level
Owner Housing Prototypes
City of Hayward Inclusionary Housing and Nexus Study
2014

ASSUMPTIONS

2014 State Median Income, Alameda County	\$93,500			
Affordable Housing Cost As a % of Income	35%			
No. of Bedrooms	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Household Size, Health and Safety Code	2 Persons	3 Persons	4 Persons	5 Persons
Household Size Income Adjust. Factor	80%	90%	100%	108%
Monthly HOA Fee/Maint. Cost	\$300			
Monthly Property Insurance	\$100			
Property Tax Rate	1.20%			
Downpayment as a % of Affordable Home Price	3.00%			
Mortgage Interest Rate	5.00%			
Term (Years)	30			

AFFORDABLE HOUSING PAYMENT (PITI)

		1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Very Low Income					
<u>50% AMI</u>					
Annual Gross Income		\$37,400	\$42,075	\$46,750	\$50,490
Affordable Monthly Housing Cost	35%	\$1,091	\$1,227	\$1,364	\$1,473
Less: HOA/Maintenance Expense		(\$300)	(\$300)	(\$300)	(\$300)
Less: Property Insurance		(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes/Assessments (1)	1.20%	(\$111)	(\$133)	(\$155)	(\$173)
Available for Principal and Interest		\$580	\$694	\$809	\$900
Supportable Mortgage		\$107,983	\$129,236	\$150,645	\$167,679
Afford. Sales Price w/ Downpmt. @	3.00%	\$111,323	\$133,233	\$155,304	\$172,865
Low Income					
<u>60% AMI</u>					
Annual Gross Income		\$44,880	\$50,490	\$56,100	\$60,588
Affordable Monthly Housing Cost	35%	\$1,309	\$1,473	\$1,636	\$1,767
Less: HOA/Maintenance Expense		(\$300)	(\$300)	(\$300)	(\$300)
Less: Property Insurance		(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes/Assessments (1)	1.20%	(\$146)	(\$173)	(\$199)	(\$220)
Available for Principal and Interest		\$763	\$900	\$1,037	\$1,147
Supportable Mortgage		\$142,050	\$167,679	\$193,151	\$213,622
Afford. Sales Price w/ Downpmt. @	3.00%	\$146,444	\$172,865	\$199,125	\$220,229
Moderate Income					
<u>110% AMI</u>					
Annual Gross Income		\$82,280	\$92,565	\$102,850	\$111,078
Affordable Monthly Housing Cost	35%	\$2,400	\$2,700	\$3,000	\$3,240
Less: HOA/Maintenance Expense		(\$300)	(\$300)	(\$300)	(\$300)
Less: Property Insurance		(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes/Assessments (1)	1.20%	(\$322)	(\$371)	(\$419)	(\$458)
Available for Principal, Interest, Taxes		\$1,678	\$1,929	\$2,181	\$2,382
Supportable Mortgage		\$312,542	\$359,423	\$406,304	\$443,809
Afford. Sales Price w/ Downpmt. @	3.00%	\$322,208	\$370,539	\$418,870	\$457,535

(1) HUD published factors for adjusting household income by household size.

(2) Property taxes calculated based on assessed value equal to affordable sales price with downpayment.

Table A-4
Estimated Development Costs
Owner Prototype #1
Single-Family Infill
City of Hayward Inclusionary Housing and Nexus Study

Land Acquisition Costs	566,280 Sf Land	\$35 /SF Land		\$19,819,800
Direct Costs				
On- and Off-Site Improvements (1)	140 Units	\$63,000 /Unit	\$8,820,000	
Building Shell (1)	279,600 NSF	\$78.75 /NSF	22,018,500	
Total Direct Costs		\$ 110.30 /NSF		\$30,838,500
Permits and Fees	140 Units	\$38,000 /Unit	\$5,320,000	\$5,320,000
Indirect Costs				
Architecture, Eng. & Consulting	3.9% Direct Costs		\$1,202,702	
Taxes, Ins, Legal & Acctg	3.0% Direct Costs		925,155	
Marketing/Sales Office	\$50,000 Allowance		50,000	
Total Indirect Costs				\$2,177,857
Financing/Closing Costs				
Interest + Loan Origination Fees (2)	140 Units	\$34,893 /Unit	\$4,885,000	
Brokerage/Closing Costs/Warranties	140 Units	\$15,000 /Unit	2,100,000	
Total Financing/Closing Costs				\$6,985,000
Developer Overhead & Profit	10.0% Development Costs			\$6,514,116
Total Development Costs	140 Units	\$511,823 /Unit		\$71,655,272
		\$256.00 /NSF		

(1) Escalated by 5% from 2013 estimates.

(2) Financing assumptions:

Average interest/equity rate: 8.40%

Construction/absorption period (mos.) 12

Source: DRA.

Table A-5
Estimated Development Costs
Owner Prototype #2
Owner Townhomes
City of Hayward Inclusionary Housing and Nexus Study

Land Acquisition Costs	145,200 Sf Land	\$35 /SF Land	\$5,082,000
Direct Costs			
On- and Off-Site Improvements (1)	80 Units	\$63,000 /Unit	5,040,000
Building Shell (1)	148,000 NSF	\$115.50 /NSF	17,094,000
Total Direct Costs		\$ 149.55 /NSF	\$22,134,000
Permits and Fees	80 Units	\$38,000 /Unit	\$3,040,000
Indirect Costs			
Architecture, Eng. & Consulting	4.1% Direct Costs		\$907,494
Taxes, Ins, Legal & Acctg	3.0% Direct Costs		664,020
Marketing/Sales Office	\$50,000 Allowance		50,000
Total Indirect Costs			\$1,621,514
Financing/Closing Costs			
Interest + Loan Origination Fees (2)	80 Units	\$33,500 /Unit	\$2,678,000
Brokerage/Closing Costs/Warranties	80 Units	\$15,000 /Unit	1,200,000
Total Financing/Closing Costs			\$3,878,000
Developer Overhead & Profit	10.0% Development Costs		\$3,575,551
Total Development Costs	80 Units	\$491,638 /Unit	\$39,331,065
		\$266.00 /NSF	

(1) Escalated by 5% from 2013 estimates.

(2) Financing assumptions:

Average interest/equity rate: 8.40%

Construction/absorption period (mos.) 12

Source: DRA.

Table A-6
Estimated Development Costs
Renter Prototype #3
Stacked Flat Apts.
Podium Parking
City of Hayward Inclusionary Housing and Nexus Study

Land Acquisition Costs	62,229 Sf Land	\$35 /SF Land		\$2,178,000
Direct Costs¹				
On- and Off-Site Improvements (1)	150 Units	\$10,500 /Unit	1,575,000	
Garage/Podium Parking Structure (1)	150 Units	\$42,000 /Unit	6,300,000	
Building Shell (1)	148,250 NSF Living Area	\$210.00 /NSF	31,132,500	
Total Direct Costs		\$ 263.12 /NSF		\$39,007,500
Permits and Fees	150 Units	\$24,000 /Unit	\$3,600,000	\$3,600,000
Indirect Costs				
Architecture, Eng. & Consulting	5.8% Direct Costs		\$2,262,435	
Taxes, Ins, Legal & Acctg	3.0% Direct Costs		1,170,225	
Total Indirect Costs		\$ 23.15 /NSF		\$3,432,660
Financing/Closing Costs				
Interest + Loan Origination Fees (2)	150 Units	\$40,500 /Unit	\$6,075,000	
Title, Closing and Escrow	150 Units	\$1,000 /Unit	150,000	
Total Financing/Closing Costs		\$ 41.99		\$6,225,000
Developer Overhead & Profit	10.0% Develop. Costs	\$ 36.72		\$5,444,316
Total Development Costs	150 Units	\$399,250 /Unit		\$59,887,476
		\$404.00 /NSF		

(1) Hard costs based on actual development costs for South Hayward BART Family and Senior Affordable Housing project, developed by Eden Housing, escalated 5% from 2013 to 2014.

(2) Financing assumptions:

Average interest/equity rate:	8.40%
Construction/absorption period (mos.)	18

Source: City of Hayward; DRA.

Table A-7
Summary of Per Unit and Per Square Foot Total Development Costs
New Owner and Renter Housing Prototype Units
City of Hayward Inclusionary Housing and Nexus Study
2014

Prototype	Unit Bedroom Count				Weighted Average (1)
	One Bedroom	Two Bedroom/ Two Bath	Three Bedroom	Four Bedroom	
Prototype #1					
Single-Family Infill					
Owner					
Unit SF			1,900	2,100	1,997
Cost per SF			\$256.00	\$256.00	\$256.00
Cost per Unit			\$486,000	\$538,000	\$511,000
Prototype #2					
Owner Townhomes					
Owner					
Unit SF			1,800	2,000	1,850
Cost per SF			\$266.00	\$266.00	\$266.00
Cost per Unit			\$479,000	\$532,000	\$492,000
Prototype #3					
Stacked Flat Apts.					
Podium Parking					
Rental					
Unit SF	750	1,100	1,300		988
Cost per SF	\$404.00	\$404.00	\$404.00		\$404.00
Cost per Unit	\$303,000	\$444,000	\$525,000		\$399,000

N/A = Not Applicable

(1) Weighted average based on distribution of units by bedroom count for prototypical housing developments.

Source: Appendix Tables A-9 through A-12; DRA.

**Table A-8
Owner Housing Affordability Gap Calculations
Prototype #1
Single-Family Infill
City of Hayward Inclusionary Housing and Nexus Study
2014**

Income Level	No. of BR	Unit SF	Maximum Monthly Housing Cost	Affordable Sales Price Per Unit (2)	Total Development Cost Per Unit (3)	Total Units	Total Affordable Sales Price	Total Development Cost (3)	Affordability Gap	Gap Per Unit
Very Low Income	3	1,900	\$1,364	\$155,300	\$486,000	72	\$11,181,600	\$34,992,000	\$23,810,400	\$330,700
Low Income	3	1,900	\$1,636	\$199,100	\$486,000	72	\$14,335,200	\$34,992,000	\$20,656,800	\$286,900
Moderate Income	3	1,900	\$3,000	\$418,900	\$486,000	72	\$30,160,800	\$34,992,000	\$4,831,200	\$67,100
Very Low Income	4	2,100	\$1,473	\$172,900	\$538,000	68	\$11,757,200	\$36,584,000	\$24,826,800	\$365,100
Low Income	4	2,100	\$1,767	\$220,200	\$538,000	68	\$14,973,600	\$36,584,000	\$21,610,400	\$317,800
Moderate Income	4	2,100	\$3,240	\$457,500	\$538,000	68	\$31,110,000	\$36,584,000	\$5,474,000	\$80,500
Very Low Income	Weighted Average (1)	1,997	\$1,417	\$164,100	\$511,000	140	\$22,938,800	\$71,576,000	\$48,637,200	\$347,400
Low Income	Weighted Average (1)	1,997	\$1,700	\$209,650	\$511,000	140	\$29,308,800	\$71,576,000	\$42,267,200	\$301,900
Moderate Income	Weighted Average (1)	1,997	\$3,117	\$438,200	\$511,000	140	\$61,270,800	\$71,576,000	\$10,305,200	\$73,600

(1) Weighted average based on unit distribution by bedroom count for the owner housing prototype.

(2) From Table A-3.

(3) From Table A-7.

Source: DRA.

**Table A-9
Owner Housing Affordability Gap Calculations
Prototype #2
Owner Townhomes
City of Hayward Inclusionary Housing and Nexus Study
2014**

Income Level	No. of BR	Unit SF	Maximum Monthly Housing Cost	Affordable Sales Price Per Unit (2)	Total Development Cost Per Unit (3)	Total Units	Total Affordable Sales Price	Total Development Cost (3)	Affordability Gap	Gap Per Unit
Very Low Income	3	1,800	\$1,227	\$155,300	\$479,000	60	\$9,318,000	\$28,740,000	\$19,422,000	\$323,700
Low Income	3	1,800	\$1,473	\$199,100	\$479,000	60	\$11,946,000	\$28,740,000	\$16,794,000	\$279,900
Moderate Income	3	1,800	\$2,700	\$418,900	\$479,000	60	\$25,134,000	\$28,740,000	\$3,606,000	\$60,100
Very Low Income	4	2,000	\$1,364	\$172,900	\$532,000	20	\$3,458,000	\$10,640,000	\$7,182,000	\$359,100
Low Income	4	2,000	\$1,636	\$220,200	\$532,000	20	\$4,404,000	\$10,640,000	\$6,236,000	\$311,800
Moderate Income	4	2,000	\$3,000	\$457,500	\$532,000	20	\$9,150,000	\$10,640,000	\$1,490,000	\$74,500
Very Low Income	Weighted Average (1)	1,850	\$1,261	\$164,100	\$492,250	80	\$12,776,000	\$39,380,000	\$26,604,000	\$332,600
Low Income	Weighted Average (1)	1,850	\$1,514	\$209,650	\$492,250	80	\$16,350,000	\$39,380,000	\$23,030,000	\$287,900
Moderate Income	Weighted Average (1)	1,850	\$2,775	\$438,200	\$492,250	80	\$34,284,000	\$39,380,000	\$5,096,000	\$63,700

(1) Weighted average based on unit distribution by bedroom count for the owner housing prototype.

(2) From Table A-3.

(3) From Table A-7.

Source: DRA.

**Table A-10
Rental Housing Affordability Gap Calculations
Prototype 3
Stacked Flat Apts.
Podium Parking
City of Hayward Inclusionary Housing and Nexus Study
2014**

Income Level	No. of BR	Unit SF	Total Units	Development Cost Per Unit (1)	Maximum Monthly Rent Per Unit	Project Gross Income	Annual Net Operating Income (2)	Affordable First Mortgage (3)	Tax Credit Equity (4)	Development Cost (5)	Affordability Gap	Gap Per Unit
Very Low Income	1	750	65	\$303,000	\$902	\$703,560	\$395,382	\$4,778,725	\$4,923,750	\$19,695,000	\$9,992,525	\$153,700
Low Income	1	750	65	\$303,000	\$1,089	\$849,420	\$533,949	\$6,453,494	\$4,923,750	\$19,695,000	\$8,317,756	\$128,000
Moderate Income	1	750	65	\$303,000	\$2,024	\$1,578,720	\$1,226,784	\$14,827,339	\$4,923,750	\$19,695,000	(\$56,089)	(\$900)
Very Low Income	2	1,100	55	\$444,000	\$1,008	\$665,280	\$401,016	\$4,846,819	\$6,105,000	\$24,420,000	\$13,468,181	\$244,900
Low Income	2	1,100	55	\$444,000	\$1,218	\$803,880	\$532,686	\$6,438,229	\$6,105,000	\$24,420,000	\$11,876,771	\$215,900
Moderate Income	2	1,100	55	\$444,000	\$2,270	\$1,498,200	\$1,192,290	\$14,410,433	\$6,105,000	\$24,420,000	\$3,904,567	\$71,000
Very Low Income	3	1,300	30	\$525,000	\$1,114	\$401,040	\$254,988	\$3,081,874	\$3,937,500	\$15,750,000	\$8,730,626	\$291,000
Low Income	3	1,300	30	\$525,000	\$1,348	\$485,280	\$335,016	\$4,049,120	\$3,937,500	\$15,750,000	\$7,763,380	\$258,800
Moderate Income	3	1,300	30	\$525,000	\$2,516	\$905,760	\$734,472	\$8,877,085	\$3,937,500	\$15,750,000	\$2,935,415	\$97,800
Very Low Income	Weighted Average (1)	988	150	\$399,100	\$983	\$1,769,880	\$1,051,386	\$12,707,418	\$14,966,250	\$59,865,000	\$32,191,332	\$214,600
Low Income	Weighted Average (1)	988	150	\$399,100	\$1,188	\$2,138,580	\$1,401,651	\$16,940,843	\$14,966,250	\$59,865,000	\$27,957,907	\$186,400
Moderate Income	Weighted Average (1)	988	150	\$399,100	\$2,213	\$3,982,680	\$3,153,546	\$38,114,857	\$14,966,250	\$59,865,000	\$6,783,893	\$45,200

(1) Weighted average based on unit distribution by bedroom count for the renter housing prototype.

(2) Net operating income projected based on the following assumptions:

Vacancy rate: 5%
Annual operating expense/unit: \$4,200

(3) Affordable first mortgage from Table A-2 based on following financing terms:

Debt Coverage Ratio: 1.15
Mortgage interest rate: 6%
Mortgage Term: 30

(4) Estimated at 25% of development cost(for very low and low income households only) based on recent 4% tax credit rental housing developments in the San Francisco Bay area.

(5) From Table A-3.

(3) From Table A-7.

Source: DRA.

Table A-11
Increase in Condo, Single-Family Home and Land Sales Prices
2012 to 2014
Homes Built Since 2011
City of Hayward Inclusionary Housing and Nexus Study
2014

	Sales Between 1/1/11 to 8/31/2013	Sales Between 1/1/13 to 8/31/2014	% Increase	Annual % Increase (1)
Property Sales Between January 2011 to August 31, 2013				
Condos/Townhomes				
Two-Bedroom Units				
Average Price Per Square Foot (1)	\$205.06	\$312.69	52%	26%
Median Price Per Square Foot (1)	\$205.94	\$307.25	49%	25%
Three-Bedroom Units				
Average Price Per Square Foot (1)	\$195.32	\$269.29	38%	19%
Median Price Per Square Foot (1)	\$194.02	\$278.23	43%	22%
Four-Bedroom Units				
Average Price Per Square Foot (1)	\$185.07	\$253.80	37%	19%
Median Price Per Square Foot (1)	\$185.07	\$256.00	38%	19%
Single-Family Homes				
Three-Bedroom Homes				
Average Price Per Square Foot (1)	\$205.61	\$269.01	31%	15%
Median Price Per Square Foot (1)	\$201.32	\$277.60	38%	19%
Four-Bedroom Homes				
Average Price Per Square Foot (1)	\$237.69	\$275.20	16%	8%
Median Price Per Square Foot (1)	\$259.63	\$267.70	3%	2%
Five-Bedroom Homes				
Average Price Per Square Foot (1)	\$246.40	\$273.82	11%	6%
Median Price Per Square Foot (1)	\$243.54	\$227.99	-6%	-3%
Six-Bedroom Homes				
Average Price Per Square Foot (1)	\$239.11	\$201.35	-16%	-8%
Median Price Per Square Foot (1)	\$243.17	\$188.02	-23%	-11%
Vacant Residential Land Sales				
Parcels Over One-Half Acre				
Average Price Per Square Foot (1)	\$52.87	\$8.21	-84%	-42%
Median Price Per Square Foot (1)	\$12.60	\$5.74	-54%	-27%
Parcels Between 10,000 SF and One-Half Acre				
Average Price Per Square Foot (1)	\$105.87	\$89.32	-16%	-8%
Median Price Per Square Foot (1)	\$36.26	\$27.22	-25%	-12%
Parcels Under 10,000 SF				
Average Price Per Square Foot (1)	\$122.10	\$116.66	-4%	-2%
Median Price Per Square Foot (1)	\$88.36	\$131.12	48%	24%
All Sites				
Average Price Per Square Foot (1)	\$76.75	\$96.75	26%	13%
Median Price Per Square Foot (1)	\$34.54	\$106.60	209%	104%

(1) Averaged over two years.
Source: Dataquick Information Systems; DRA.

Table A-12
Condominium Sales: Condos Built Since 2011
City of Hayward
January 1, 2011 - August 31, 2013

No.	Zip Code	Address	Unit #	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Year Built	Total Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
Two-Bedroom Units											
1	94541	1016 Old Oak Ln		20120731	3	2	3.5	2012	\$305,000	1,515	\$201.32
2	94541	22856 Amador St		20120717	3	2	3.5	2012	\$312,000	1,515	\$205.94
3	94541	22870 Amador St		20120703	3	2	3.5	2012	\$315,000	1,515	\$207.92
				Bottom of Range					\$305,000	1,515	\$201.32
				Top of Range					\$315,000	1,515	\$207.92
				Average					\$310,667	1,515	\$205.06
				Median					\$312,000	1,515	\$205.94
Three-Bedroom Units											
1	94541	800 Old Oak Ln	4	20110712	2	3	2.5	2011	\$258,000	1,303	\$198.00
2	94541	400 Old Oak Ln	4	20110928	2	3	2.5	2011	\$262,500	1,356	\$193.58
3	94541	500 Old Oak Ln	4	20111109	2	3	2.5	2011	\$263,500	1,303	\$202.23
4	94541	800 Old Oak Ln	3	20110630	2	3	2.5	2011	\$265,000	1,542	\$171.85
5	94541	22584 Amador St	4	20110527	2	3	2.5	2011	\$269,000	1,468	\$183.24
6	94541	22584 Amador St	2	20110630	2	3	2.5	2011	\$274,000	1,542	\$177.69
7	94541	22774 Amador St	5	20110929	2	3	2.5	2011	\$275,000	1,468	\$187.33
8	94541	500 Old Oak Ln	3	20111110	2	3	2.5	2011	\$276,500	1,542	\$179.31
9	94541	800 Old Oak Ln	2	20110824	2	3	2.5	2011	\$281,500	1,468	\$191.76
10	94541	22584 Amador St	5	20110525	2	3	2.5	2011	\$282,000	1,542	\$182.88
11	94541	22584 Amador St	3	20110429	2	3	2.5	2011	\$282,000	1,468	\$192.10
12	94541	900 Old Oak Ln	2	20110527	2	3	2.5	2011	\$282,000	1,547	\$182.29
13	94541	22774 Amador St	3	20111027	2	3	2.5	2011	\$282,500	1,468	\$192.44
14	94541	900 Old Oak Ln	3	20110630	2	3	2.5	2011	\$283,000	1,542	\$183.53
15	94541	600 Old Oak Ln	2	20120329	2	3	2.5	2011	\$290,000	1,468	\$197.55
16	94541	700 Old Oak Ln	4	20120703	2	3	2.5	2011	\$290,000	1,303	\$222.56
17	94541	400 Old Oak Ln	2	20120525	2	3	2.5	2011	\$291,000	1,468	\$198.23
18	94541	22774 Amador St	6	20111028	2	3	2.5	2011	\$295,000	1,468	\$200.95
19	94541	22774 Amador St	4	20110927	2	3	2.5	2011	\$298,500	1,542	\$193.58
20	94541	216 Sullivan Way		20110505	3	3	3.5	2011	\$299,000	1,910	\$156.54
21	94541	22584 Amador St	1	20110520	2	3	2.5	2011	\$299,100	1,527	\$195.87
22	94541	800 Old Oak Ln	1	20111102	2	3	2.5	2011	\$300,000	1,612	\$186.10
23	94541	22774 Amador St	1	20120330	2	3	2.5	2011	\$300,000	1,579	\$189.99
24	94541	500 Old Oak Ln	2	20111123	2	3	2.5	2011	\$300,272	1,468	\$204.54
25	94541	22584 Amador St	6	20110610	2	3	2.5	2011	\$305,000	1,527	\$199.74
26	94541	900 Old Oak Ln	1	20110630	2	3	2.5	2011	\$305,000	1,572	\$194.02
27	94541	22774 Amador St	2	20111031	2	3	2.5	2011	\$305,000	1,468	\$207.77
28	94541	500 Old Oak Ln	1	20120316	2	3	2.5	2011	\$306,000	1,538	\$198.96
29	94541	22774 Amador St	7	20111031	2	3	2.5	2011	\$307,000	1,538	\$199.61
30	94541	700 Old Oak Ln	3	20120629	2	3	2.5	2011	\$318,000	1,542	\$206.23
31	94541	700 Old Oak Ln	2	20120703	2	3	2.5	2011	\$326,000	1,468	\$222.07
32	94541	264 Sullivan Way		20110413	3	3	3.5	2011	\$378,500	1,910	\$198.17
33	94541	900 Old Oak Ln	4	20130725	2	3	2.5	2011	\$391,000	1,303	\$300.08
34	94541	3079 Madsen St		20120601	3	3	3	2012	\$288,000	1,343	\$214.45
35	94541	600 Old Oak Ln	3	20120608	2	3	2.5	2012	\$289,500	1,468	\$197.21
36	94541	400 Old Oak Ln	3	20120522	2	3	2.5	2012	\$291,500	1,542	\$189.04
31	94541	400 Old Oak Ln	1	20120518	2	3	2.5	2012	\$299,000	1,538	\$194.41
32	94541	600 Old Oak Ln	1	20120518	2	3	2.5	2012	\$300,000	1,538	\$195.06
33	94541	22834 Amador St		20120706	3	3	2.5	2012	\$305,000	1,748	\$174.49
34	94541	22864 Amador St		20120713	3	3	2.5	2012	\$311,000	1,748	\$177.92
35	94541	245 Sullivan Way		20120216	3	3	2.5	2012	\$319,000	1,827	\$174.60
				Bottom of Range					\$258,000	1,303	\$156.54
				Top of Range					\$391,000	1,910	\$300.08
				Average					\$296,192	1,525	\$195.32
				Median					\$295,000	1,538	\$194.02
Four-Bedroom Units											
36	94541	3063 Madsen St		20120628	3	4	3.5	2012	\$390,500	2,110	\$185.07

Source: Dataquick Information Systems; DRA.

Table A-13
Condominium Sales: Condos Built Since 2011
City of Hayward
January 1, 2013 - August 30, 2014

No.	Zip Code	Address	Unit #	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Year Built	Total Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.	
Two-Bedroom Units												
1	94541	685 Macabee	Way	20131231	3	2	2.5	2011	\$375,000	1,227	\$305.62	
2	94541	655 Macabee	Way	20130718	3	2	2.5	2013	\$377,000	1,227	\$307.25	
3	94541	612 Staley	Ave	20140707	3	2	2.5	2012	\$399,000	1,227	\$325.18	
				Bottom of Range					\$375,000	1,227	\$305.62	
				Top of Range					\$399,000	1,227	\$325.18	
				Average					\$383,667	1,227	\$312.69	
				Median					\$377,000	1,227	\$307.25	
Three-Bedroom Units												
1	94541	900 Old Oak	Ln	4	20130725	3	3	2.5	2011	\$391,000	1,303	\$300.08
2	94541	22774 Amador	St	3	20131205	3	3	2.5	2011	\$395,000	1,468	\$269.07
3	94541	2310 Morrow	St		20130524	3	3	3.5	2013	\$370,000	1,834	\$201.74
4	94541	691 Macabee	Way		20130730	3	3	3	2011	\$400,000	1,516	\$263.85
5	94541	676 Macabee	Way		20131211	3	3	3	2011	\$422,000	1,516	\$278.36
6	94541	149 Burbank	St		20131230	3	3	3	2011	\$419,000	1,651	\$253.79
7	94541	315 Williams	Way		20130506	3	3	2.5	2011	\$445,000	1,827	\$243.57
8	94541	317 Williams	Way		20130405	3	3	2.5	2011	\$437,000	1,726	\$253.19
9	94541	341 Williams	Way		20130320	3	3	2.5	2012	\$437,000	1,726	\$253.19
10	94541	653 Macabee	Way		20130308	3	3	3	2013	\$372,500	1,516	\$245.71
11	94541	1218 Martin Luther King	Dr	J	20130628	3	3	3	2013	\$411,000	1,516	\$271.11
12	94541	610 Moss	Way		20130930	3	3	2.5	2012	\$465,000	1,726	\$269.41
13	94541	2342 Morrow	St		20131118	3	3	3	2013	\$540,000	1,982	\$272.45
14	94541	2329 Gibbons	St		20131202	3	3	2.5	2013	\$505,000	1,704	\$296.36
15	94541	2333 Gibbons	St		20131127	3	3	2.5	2013	\$545,500	1,809	\$301.55
16	94541	2337 Gibbons	St		20131202	3	3	2.5	2013	\$480,000	1,704	\$281.69
17	94541	1151 Martin Luther King	Dr	D	20131115	3	3	2.5	2013	\$518,000	1,704	\$303.99
18	94541	1149 Martin Luther King	Dr		20131202	3	3	2.5	2013	\$540,000	1,809	\$298.51
19	94541	22584 Amador	St	4	20140808	2	3	2.5	2011	\$134,500	1,468	\$91.62
20	94541	3179 Madsen	St		20140718	3	3	3.5	2011	\$501,000	1,834	\$273.17
21	94541	674 Macabee	Way		20140407	3	3	3	2011	\$460,000	1,516	\$303.43
22	94541	690 Macabee	Way	92	20140821	3	3	3	2012	\$468,100	1,516	\$308.77
23	94541	692 Macabee	Way		20140527	3	3	3	2011	\$470,000	1,516	\$310.03
24	94541	256 Sullivan	Way		20140731	3	3	3	2011	\$440,000	1,661	\$264.90
25	94541	262 Sullivan	Way	540	20140827	3	3	3	2011	\$460,000	1,651	\$278.62
26	94541	163 Burbank	St		20140616	3	3	3	2011	\$460,000	1,651	\$278.62
27	94541	167 Burbank	St		20140606	3	3	3	2011	\$127,273	1,651	\$77.09
28	94541	633 Staley	Ave		20140723	3	3	3	2012	\$465,000	1,516	\$306.73
29	94541	617 Staley	Ave		20140505	3	3	3	2012	\$465,000	1,516	\$306.73
30	94541	3135 Madsen	St		20140620	3	3	3	2012	\$412,000	1,343	\$306.78
31	94541	3087 Madsen	St	Sr	20140730	3	3	3	2012	\$420,000	1,343	\$312.73
32	94541	310 Williams	Way		20140108	3	3	2.5	2011	\$462,000	1,827	\$252.87
33	94541	329 Williams	Way		20140807	3	3	2.5	2011	\$480,000	1,726	\$278.10
34	94541	427 Palmer	Ave		20140418	3	3	2.5	2012	\$480,000	1,726	\$278.10
35	94541	2330 Morrow	St		20140430	3	3	2.5	2013	\$536,000	1,704	\$314.55
36	94541	2326 Morrow	St		20140218	3	3	3	2013	\$582,500	1,982	\$293.90
				Bottom of Range					\$127,273	1,303	\$77.09	
				Top of Range					\$582,500	1,982	\$314.55	
				Average					\$442,121	1,644	\$269.29	
				Median					\$460,000	1,656	\$278.23	
Four-Bedroom Units												
1	94541	265 Sullivan	Way		20131231	3	4	3	2011	\$505,000	1,999	\$252.63
2	94541	311 Williams	Way		20130830	3	4	3	2011	\$520,000	1,999	\$260.13
3	94541	353 Williams	Way		20131115	3	4	3	2012	\$530,500	1,999	\$265.38
4	94541	514 Staley	Ave		20130214	3	4	3	2012	\$456,000	1,999	\$228.11
5	94541	3047 Madsen	St		20140603	3	4	3.5	2012	\$542,000	2,110	\$256.87
6	94541	2160 Morrow	St		20140408	3	4	3.5	2012	\$535,000	2,110	\$253.55
7	94541	285 Sullivan	Way		20140718	3	4	3	2011	\$510,000	1,999	\$255.13
8	94541	502 Staley	Ave		20140731	3	4	3	2012	\$517,000	1,999	\$258.63
				Bottom of Range					\$456,000	1,999	\$228.11	
				Top of Range					\$542,000	2,110	\$265.38	
				Average					\$514,438	2,027	\$253.80	
				Median					\$518,500	1,999	\$256.00	

Source: Dataquick Information Systems; DRA.

Table A-14
Condominium Sales: Condos Built Since 2013
City of Hayward
January 1, 2013 - August 30, 2014

No.	Zip Code	Address	Unit #	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Year Built	Total Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
Two-Bedroom Units											
1	94541	655 Macabee	Way	20130718	3	2	2.5	2013	\$377,000	1,227	\$307.25
				Bottom of Range					\$377,000	1,227	\$307.25
				Top of Range					\$377,000	1,227	\$307.25
				Average					\$377,000	1,227	\$307.25
				Median					\$377,000	1,227	\$307.25
Three-Bedroom Units											
1	94541	2310 Morrow	St	20130524	3	3	3.5	2013	\$370,000	1,834	\$201.74
2	94541	653 Macabee	Way	20130308	3	3	3	2013	\$372,500	1,516	\$245.71
3	94541	1218 Martin Luther King	Dr	20130628	3	3	3	2013	\$411,000	1,516	\$271.11
4	94541	2337 Gibbons	St	20131202	3	3	2.5	2013	\$480,000	1,704	\$281.69
5	94541	2329 Gibbons	St	20131202	3	3	2.5	2013	\$505,000	1,704	\$296.36
6	94541	1151 Martin Luther King	Dr	20131115	3	3	2.5	2013	\$518,000	1,704	\$303.99
7	94541	2330 Morrow	St	20140430	3	3	2.5	2013	\$536,000	1,704	\$314.55
8	94541	2342 Morrow	St	20131118	3	3	3	2013	\$540,000	1,982	\$272.45
9	94541	1149 Martin Luther King	Dr	20131202	3	3	2.5	2013	\$540,000	1,809	\$298.51
10	94541	2333 Gibbons	St	20131127	3	3	2.5	2013	\$545,500	1,809	\$301.55
11	94541	2326 Morrow	St	20140218	3	3	3	2013	\$582,500	1,982	\$293.90
				Bottom of Range					\$370,000	1,516	\$201.74
				Top of Range					\$582,500	1,982	\$314.55
				Average					\$490,955	1,751	\$280.14
				Median					\$518,000	1,704	\$293.90

Source: Dataquick Information Systems; DRA.

Table A-15
Single-Family Home Sales: Homes Built Between 2011 and 2013
City of Hayward
January 1, 2011 to August 31, 2013

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.		
Two-Bedroom Units													
1	94541-6200	1028 Old Oak Ln	1/11/12	3	2	3.5	1,453	2011	\$293,000	1,515	\$193.40		
2	94541-6200	1036 Old Oak Ln	3/23/12	3	2	3.5	1,453	2011	\$316,000	1,515	\$208.58		
3	94541-6224	1110 Red Wing Dr	4/4/12	3	2	3.5	1,503	2011	\$300,000	1,515	\$198.02		
4	94541-6224	1103 Red Wing Dr	5/25/12	3	2	3.5	1,472	2012	\$311,500	1,515	\$205.61		
5	94541-6224	1111 Red Wing Dr	5/30/12	3	2	3.5	1,503	2012	\$305,000	1,515	\$201.32		
									Bottom of Range		\$293,000	1,515	\$193.40
									Top of Range		\$316,000	1,515	\$208.58
									Average		\$305,100	1,515	\$201.39
									Median		\$305,000	1,515	\$201.32
Three-Bedroom Units													
6	94545-4037	2803 Baumberg Ave	5/15/12	1	3	2.5	9,009	2012	\$459,000	2,268	\$202.38		
7	94542-2018	27097 Call Ave	4/21/11	2	3	3	11,014	2012	\$285,500	2,459	\$116.10		
8	94541-6200	1004 Old Oak Ln	3/30/12	3	3	2.5	2,387	2011	\$305,000	1,748	\$174.49		
9	94541-6200	1008 Old Oak Ln	3/30/12	3	3	2.5	2,326	2011	\$300,000	1,915	\$156.66		
10	94541-6200	1012 Old Oak Ln	3/30/12	3	3	2.5	1,758	2011	\$300,000	1,748	\$171.62		
11	94541-6200	1022 Old Oak Ln	5/1/12	3	3	2.5	1,454	2011	\$312,000	1,918	\$162.67		
12	94541-6200	1034 Old Oak Ln	10/4/11	3	3	2.5	1,454	2011	\$307,000	1,748	\$175.63		
13	94541-6224	1114 Red Wing Dr	7/15/11	2	3	2.5	1,707	2011	\$306,000	1,530	\$200.00		
14	94541-6224	1106 Red Wing Dr	9/23/11	3	3	2.5	1,503	2011	\$312,000	1,748	\$178.49		
15	94541-6224	1107 Red Wing Dr	6/6/12	3	3	2.5	1,503	2012	\$313,000	1,918	\$163.19		
16	94541-6224	1115 Red Wing Dr	5/29/12	2	3	2.5	1,687	2012	\$309,500	1,506	\$205.51		
17	94541-6218	22852 Amador St	6/19/12	3	3	2.5	1,687	2012	\$307,000	1,918	\$160.06		
18	94541-6218	22828 Amador St	10/5/12	3	3	2.5	1,645	2012	\$311,000	1,918	\$162.15		
19	94545-4773	28593 Anchorage Ln	5/6/11	2	3	2.5	2,586	2011	\$500,000	1,924	\$259.88		
20	94545-4780	2400 Homer Ln	9/30/11	2	3	2.5	2,991	2011	\$490,000	1,687	\$290.46		
21	94545-4780	2404 Homer Ln	12/21/11	2	3	2.5	2,459	2011	\$499,000	1,945	\$256.56		
22	94545-4780	2408 Homer Ln	2/24/12	2	3	2.5	2,459	2011	\$505,000	1,945	\$259.64		
23	94545-4783	2432 Homer Ln	8/28/12	2	3	2.5	2,227	2012	\$530,000	1,945	\$272.49		
24	94545-4783	2436 Homer Ln	7/24/12	2	3	2.5	2,227	2012	\$509,000	1,687	\$301.72		
25	94545-4783	2444 Homer Ln	9/27/12	2	3	2.5	2,227	2012	\$540,000	1,922	\$280.96		
26	94545-4783	2448 Homer Ln	9/25/12	2	3	2.5	3,749	2012	\$570,000	2,196	\$259.56		
27	94545-4783	2421 Homer Ln	5/31/12	2	3	2.5	2,634	2012	\$499,000	1,703	\$293.01		
28	94545-4783	2425 Homer Ln	5/31/12	2	3	2.5	2,459	2012	\$520,500	1,922	\$270.81		
29	94545-4783	2437 Homer Ln	7/24/12	2	3	2.5	2,459	2012	\$525,000	1,922	\$273.15		
30	94545-4783	2449 Homer Ln	9/28/12	2	3	2.5	3,696	2012	\$594,500	2,196	\$270.72		
31	94545-4781	28638 Bay Port Ct	12/19/12	2	3	2.5	3,039	2012	\$605,000	2,196	\$275.50		
32	94545-4781	28631 Bay Port Ct	12/20/12	2	3	2.5	4,003	2012	\$610,000	2,196	\$277.78		
33	94545-4782	2570 Freeport Ct	11/21/12	2	3	2.5	3,762	2012	\$592,000	2,196	\$269.58		
34	94545-4782	2578 Freeport Ct	11/21/12	2	3	2.5	2,499	2012	\$556,000	1,945	\$285.86		
35	94545-4782	2579 Freeport Ct	12/5/12	2	3	2.5	2,642	2012	\$557,000	1,945	\$286.38		
36	94545-4782	2571 Freeport Ct	11/28/12	2	3	2.5	3,738	2012	\$599,000	2,196	\$272.77		
37	94545-4784	2560 Anchorage Pl	3/23/12	2	3	2.5	2,625	2011	\$490,000	1,687	\$290.46		
38	94545-4784	2568 Anchorage Pl	4/26/12	2	3	2.5	2,261	2012	\$519,000	1,945	\$266.84		
39	94545-4784	2576 Anchorage Pl	3/30/12	2	3	2.5	2,285	2011	\$509,000	1,922	\$264.83		
40	94545-4778	2548 Lakeport Dr	6/30/11	2	3	2.5	2,262	2011	\$499,000	1,922	\$259.63		
41	94545-4778	2552 Lakeport Dr	4/15/11	2	3	2.5	2,262	2011	\$455,000	1,687	\$269.71		
42	94545-4778	2547 Lakeport Dr	8/26/11	2	3	2.5	2,484	2011	\$474,000	1,945	\$243.70		
43	94545-4778	2539 Lakeport Dr	10/26/11	2	3	2.5	2,482	2011	\$499,000	1,945	\$256.56		
44	94545-4778	2535 Lakeport Dr	9/16/11	2	3	2.5	3,584	2011	\$520,000	2,196	\$236.79		
45	94545-4779	28608 Anchorage Ln	9/30/11	2	3	2.5	3,838	2011	\$520,000	2,196	\$236.79		
46	94545-4779	28600 Anchorage Ln	10/26/11	2	3	2.5	2,900	2011	\$500,000	1,922	\$260.15		
47	94545-4779	28596 Anchorage Ln	9/30/11	2	3	2.5	3,922	2011	\$465,454	2,196	\$211.96		
									Bottom of Range		\$285,500	1,506	\$116.10
									Top of Range		\$610,000	2,459	\$301.72
									Average		\$461,392	1,942	\$237.69
									Median		\$499,000	1,922	\$259.63
Four-Bedroom Units													
48	94541-4416	2512 D St	8/5/11	1	4	2	116,095	2011	\$425,000	1,533	\$277.23		
49	94542-7922	366 Drummond Dr	1/12/11	2	4	3.5	7,268	2011	\$747,000	3,119	\$239.50		
50	94542-7909	191 Arundel Pl	9/8/11	2	4	3.5	8,320	2011	\$1,292,500	4,315	\$299.54		
51	94542-7909	187 Arundel Pl	4/21/11	2	4	4	8,320	2011	\$1,262,500	4,434	\$284.73		
52	94542-7907	167 Arundel Dr	12/4/12	2	4	3.5	8,214	2012	\$1,190,000	4,315	\$275.78		
53	94542-7907	159 Arundel Dr	5/6/11	2	4	4	8,151	2011	\$1,241,000	4,434	\$279.88		
54	94542-7907	151 Arundel Dr	6/8/12	2	4	3.5	8,186	2012	\$970,000	4,315	\$224.80		
55	94542-7907	127 Arundel Dr	1/10/12	2	4	4	8,171	2011	\$1,109,000	4,434	\$250.11		
56	94542-7906	116 Arundel Dr	7/29/11	2	4	4	8,610	2011	\$862,500	4,434	\$194.52		
57	94542-7906	130 Arundel Dr	11/6/12	2	4	3.5	11,642	2012	\$979,000	4,315	\$226.88		
58	94542-7906	160 Arundel Dr	1/31/13	2	4	3.5	11,858	2011	\$1,010,000	4,315	\$234.07		
59	94542-2007	2690 Tribune Ave	6/15/12	2	4	3.5	25,822	2012	\$701,000	3,055	\$229.46		
60	94541-6224	1102 Red Wing Dr	7/29/11	2	4	2.5	1,472	2011	\$308,000	1,564	\$196.93		
61	94545-4773	28572 Anchorage Ln	4/26/11	2	4	2.5	2,262	2011	\$520,000	2,134	\$243.67		
62	94545-4780	2412 Homer Ln	12/28/11	2	4	3	2,459	2011	\$499,000	1,835	\$271.93		
63	94545-4780	2416 Homer Ln	9/30/11	2	4	2.5	2,700	2011	\$540,000	2,134	\$253.05		
64	94541-4783	2422 Homer Ln	3/28/12	2	4	2.5	3,005	2011	\$566,500	2,134	\$265.46		

Table A-15
Single-Family Home Sales: Homes Built Between 2011 and 2013
City of Hayward
January 1, 2011 to August 31, 2013

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
65	94545-4783	2424 Homer Ln	6/15/12	2	4	3	2,227	2012	\$515,000	1,835	\$280.65
66	94545-4783	2428 Homer Ln	6/25/12	2	4	2.5	2,227	2012	\$545,000	2,134	\$255.39
67	94545-4783	2440 Homer Ln	9/19/12	2	4	2.5	2,227	2012	\$567,000	2,134	\$265.70
68	94545-4783	2429 Homer Ln	6/13/12	2	4	3	2,459	2012	\$525,000	1,835	\$286.10
69	94545-4783	2433 Homer Ln	7/17/12	2	4	2.5	2,459	2012	\$560,000	2,134	\$262.42
70	94545-4783	2441 Homer Ln	8/28/12	2	4	2.5	2,459	2012	\$565,000	2,134	\$264.76
71	94545-4783	2445 Homer Ln	9/18/12	2	4	3	2,459	2012	\$529,000	1,835	\$288.28
72	94545-4781	28635 Bay Port Ct	12/24/12	2	4	2.5	2,259	2012	\$577,000	2,134	\$270.38
73	94545-4782	2575 Freepoint Ct	11/16/12	2	4	3	2,261	2012	\$550,000	1,835	\$299.73
74	94545-4784	2564 Anchorage Pl	3/30/12	2	4	3	2,261	2011	\$519,000	1,835	\$282.83
75	94545-4784	2572 Anchorage Pl	3/23/12	2	4	2.5	2,261	2011	\$540,000	2,134	\$253.05
76	94545-4778	2544 Lakeport Dr	5/17/11	2	4	3	2,262	2011	\$488,000	1,835	\$265.94
77	94545-4779	28604 Anchorage Ln	9/8/11	2	4	3	2,897	2011	\$515,000	1,835	\$280.65
78	94542-7929	83 Sonas Dr	9/21/12	2	4	2.5	5,500	2012	\$866,500	3,184	\$272.14
79	94542-7932	33 Tullach Pl	3/28/12	2	4	2.5	7,691	2011	\$747,500	3,184	\$234.77
80	94542-7932	29 Tullach Pl	7/19/12	2	4	3.5	5,893	2012	\$752,000	3,459	\$217.40
81	94542-7932	25 Tullach Pl	9/6/11	2	4	2.5	6,495	2011	\$752,500	3,184	\$236.34
82	94542-7932	21 Tullach Pl	8/5/11	2	4	3.5	6,755	2011	\$784,500	3,459	\$226.80
83	94542-7932	20 Tullach Pl	8/9/11	2	4	3.5	7,189	2011	\$775,000	3,459	\$224.05
84	94542-7932	26 Tullach Pl	5/24/12	2	4	2.5	7,755	2012	\$755,500	3,184	\$237.28
85	94542-7929	87 Sonas Dr	8/30/11	2	4	3.5	5,500	2011	\$887,500	3,452	\$257.10
86	94542-7929	109 Sonas Dr	2/17/12	2	4	4	6,092	2011	\$740,000	2,781	\$266.09
87	94542-7932	9 Tullach Pl	5/20/11	2	4	3.5	5,822	2011	\$766,000	3,452	\$221.90
88	94542-7932	5 Tullach Pl	10/26/11	2	4	2.5	5,493	2011	\$775,000	3,184	\$243.40
89	94542-7932	10 Tullach Pl	3/30/12	2	4	3.5	6,058	2011	\$740,000	3,452	\$214.37
90	94542-7932	16 Tullach Pl	6/12/12	2	4	2.5	6,623	2012	\$750,000	3,184	\$235.55
91	94541-3391	22771 Rose Vine Ct	5/3/13	2	4	3.5	6,618	2012	\$640,000	2,989	\$214.12
92	94545-3064	2097 Cryer Pl	11/17/11	2	4	3	4,556	2011	\$472,500	2,130	\$221.83
93	94545-3064	2101 Cryer Pl	3/13/12	2	4	3	3,755	2012	\$476,500	2,445	\$194.89
94	94545-3064	2105 Cryer Pl	12/30/11	2	4	3	3,800	2011	\$485,500	2,445	\$198.57
95	94545-3064	2109 Cryer Pl	11/18/11	2	4	3	3,800	2011	\$508,500	2,266	\$224.40
96	94545-3064	2113 Cryer Pl	4/10/12	2	4	3	3,833	2012	\$470,000	2,445	\$192.23
97	94545-3064	2117 Cryer Pl	3/9/12	2	4	3	4,212	2011	\$479,000	2,445	\$195.91
98	94542-7934	27 Stonebrae Rd	4/25/12	1	4	4.5	13,328	2011	\$1,519,000	3,927	\$386.81
99	94541-6208	22966 Amador St	7/29/11	2	4	2.5	1,472	2011	\$307,000	1,564	\$196.29
100	94541-6208	22962 Amador St	3/7/12	2	4	2.5	1,503	2011	\$305,000	1,549	\$196.90
101	94541-6208	22958 Amador St	12/22/11	2	4	2.5	1,707	2011	\$299,000	1,549	\$193.03
			Bottom of Range						\$299,000	1,533	\$192.23
			Top of Range						\$1,519,000	4,434	\$386.81
			Average						\$690,222	2,793	\$246.40
			Median						\$572,000	2,445	\$243.54
Five-Bedroom Units											
102	94542-1405	4011 China Ct	8/16/13	2	5	4.5	185,914	2011	\$2,212,500	5,291	\$418.16
103	94542-1405	4023 China Ct	6/13/13	2	5	4.5	185,567	2011	\$2,000,000	5,072	\$394.32
104	94542-7920	112 Drummond Dr	3/31/11	2	5	5.5	7,912	2011	\$799,000	3,799	\$210.32
105	94542-7909	195 Arundel Pl	6/22/11	2	5	5.5	10,817	2011	\$1,616,000	4,957	\$326.00
106	94542-7907	163 Arundel Dr	12/28/11	2	5	5.5	8,154	2011	\$1,226,500	4,957	\$247.43
107	94542-7907	135 Arundel Dr	1/5/11	2	5	5.5	8,685	2011	\$1,137,000	4,957	\$229.37
108	94542-7930	110 Sonas Dr	6/29/11	2	5	2.5	8,468	2011	\$762,000	3,300	\$230.91
109	94542-7932	6 Tullach Pl	9/28/12	2	5	2.5	6,497	2011	\$725,000	3,300	\$219.70
			Bottom of Range						\$725,000	3,300	\$210.32
			Top of Range						\$2,212,500	5,291	\$418.16
			Average						\$1,309,750	4,454	\$284.53
			Median						\$1,181,750	4,957	\$239.17
Six-Bedroom Units											
110	94542-7909	183 Arundel Pl	3/22/12	2	6	5.5	8,320	2012	\$1,231,000	5,050	\$243.76
111	94542-7907	155 Arundel Dr	1/31/11	2	6	5.5	8,216	2011	\$1,228,000	5,050	\$243.17
112	94542-7906	120 Arundel Dr	5/2/13	2	6	5.5	11,290	2011	\$1,163,500	5,050	\$230.40
			Bottom of Range						\$1,163,500	5,050	\$230.40
			Top of Range						\$1,231,000	5,050	\$243.76
			Average						\$1,207,500	5,050	\$239.11
			Median						\$1,228,000	5,050	\$243.17

Source: Dataquick Information Systems; DRA.

Table A-16
Single-Family Home Sales: Homes Built Between 2011 and 2013
City of Hayward
January 1, 2013 to August 31, 2014

No.	Zip Code	Address		Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
Three-Bedroom Units												
1	94542	10 Arundel	Dr	20130509	2	3	3.5	11,161	2013	\$971,000	4,214	\$230.42
2	94542	16 Arundel	Dr	20130523	2	3	3.5	12,752	2013	\$1,021,000	4,214	\$242.29
3	94545	2421 Homer	Ln	20130912	2	3	2.5	2,634	2012	\$570,000	1,703	\$334.70
4	94542	136 Benmore	Dr	20131211	2	3	3.5	6,489	2013	\$1,009,500	3,143	\$321.19
5	94542	156 Benmore	Dr	20130918	2	3	3.5	6,348	2013	\$935,500	3,143	\$297.65
6	94542	131 Benmore	Dr	20131016	2	3	3.5	8,906	2013	\$872,500	3,143	\$277.60
7	94542	96 Sonas	Dr	20131120	2	3	3.5	6,414	2013	\$849,000	3,143	\$270.12
8	94542	27701 Vista Bahia	Way	20140612	2	3	3.5	30,807	2011	\$251,000	2,782	\$90.22
9	94541	1106 Red Wing	Dr	20140203	3	3	2.5	1,503	2011	\$421,000	1,748	\$240.85
10	94545	2548 Lakeport	Dr	20140502	2	3	2.5	2,262	2011	\$675,000	1,922	\$351.20
11	94545	28596 Anchorage	Ln	20140828	2	3	2.5	3,922	2011	\$665,000	2,196	\$302.82
				Bottom of Range						\$251,000	1,703	\$90.22
				Top of Range						\$1,021,000	4,214	\$351.20
				Average						\$749,136	2,850	\$269.01
				Median						\$849,000	3,143	\$277.60
Four-Bedroom Units												
12	94542	176 Arundel	Pl	20130221	2	4	3	11,533	2013	\$1,163,000	3,606	\$322.52
13	94542	120 Arundel	Dr	20130502	2	4	4	11,290	2011	\$1,163,500	4,700	\$247.55
14	94542	136 Arundel	Dr	20130604	2	4	4	12,854	2013	\$1,020,500	4,434	\$230.15
15	94542	156 Arundel	Dr	20131025	2	4	4	11,692	2013	\$960,500	4,434	\$216.62
16	94542	2650 Tribune	Ave	20130726	1	4	2.5	28,605	2013	\$690,000	3,041	\$226.90
17	94541	22990 Palazzo Del Kayla		20131220	2	4	3	11,274	2013	\$630,000	2,050	\$307.32
18	94542	6 Benmore	Dr	20131230	2	4	4.5	9,240	2013	\$1,144,500	4,142	\$276.32
19	94542	10 Benmore	Dr	20131223	2	4	4.5	8,448	2013	\$1,056,000	3,548	\$297.63
20	94542	150 Benmore	Dr	20131113	2	4	3.5	6,348	2013	\$972,000	3,220	\$301.86
21	94542	95 Benmore	Dr	20131122	2	4	4.5	7,250	2013	\$985,000	3,937	\$250.19
22	94542	91 Benmore	Dr	20131231	2	4	4.5	6,535	2013	\$969,500	3,548	\$273.25
23	94542	19 Sonas	Pl	20130619	2	4	4.5	7,355	2013	\$1,470,000	4,142	\$354.90
24	94542	23 Sonas	Pl	20130619	2	4	4.5	6,907	2013	\$1,470,000	3,937	\$373.38
25	94542	79 Sonas	Dr	20131018	2	4	3.5	5,786	2013	\$1,011,500	3,220	\$314.13
26	94542	15 Tullach	Pl	20130301	2	4	2.5	6,414	2013	\$762,000	3,184	\$239.32
27	94542	129 Sonas	Dr	20130329	2	4	2.5	4,951	2013	\$810,000	3,184	\$254.40
28	94542	100 Sonas	Dr	20130913	2	4	3.5	5,560	2013	\$862,000	3,220	\$267.70
29	94542	90 Sonas	Dr	20131122	2	4	3.5	6,622	2013	\$854,500	3,220	\$265.37
30	94541	22777 Rose Vine	Ct	20131220	2	4	3	4,893	2013	\$650,000	2,702	\$240.56
31	94541	22771 Rose Vine	Ct	20130503	2	4	3.5	6,618	2012	\$640,000	2,989	\$214.12
32	94541	2563 Highland Trail	Ln	20130322	2	4	3	6,000	2012	\$608,500	2,790	\$218.10
33	94541	2562 Highland Trail	Ct	20130122	2	4	3	6,001	2013	\$605,000	2,790	\$216.85
34	94542	19 Stonebrae	Rd	20130731	1	4	3.5	16,228	2013	\$1,404,000	3,899	\$360.09
35	94541	22966 Amador	St	20131127	2	4	2.5	1,472	2011	\$412,000	1,564	\$263.43
36	94542	2151 Parkhurst	St	20131112	2	4	2.5	-	2011	\$510,000	1,888	\$270.13
37	94541	23090 Palazzo Del Kayla		20140214	1	4	3	9,658	2013	\$629,500	2,064	\$304.99
38	94545	23058 Palazzo Del Kayla		20140122	1	4	2.5	7,051	2013	\$640,000	2,182	\$293.31
39	94545	2420 Homer	Ln	20140722	2	4	2.5	3,005	2011	\$695,000	2,134	\$325.68
40	94541	2017 Parkhurst	St	20140408	2	4	2.5	-	2011	\$535,000	2,105	\$254.16
				Bottom of Range						\$412,000	1,564	\$214.12
				Top of Range						\$1,470,000	4,700	\$373.38
				Average						\$873,224	3,168	\$275.20
				Median						\$854,500	3,220	\$267.70
Five-Bedroom Units												
41	94542	4011 China	Ct	20130816	2	5	4.5	185,914	2011	\$2,212,500	5,291	\$418.16
42	94542	4023 China	Ct	20130613	2	5	4.5	185,567	2011	\$2,000,000	5,072	\$394.32
43	94542	2 Arundel	Dr	20131024	2	5	3.5	10,024	2013	\$1,211,500	4,241	\$285.66
44	94542	12 Arundel	Dr	20131016	2	5	5.5	11,673	2013	\$1,083,000	4,956	\$218.52
45	94542	180 Arundel	Pl	20130926	2	5	5.5	9,490	2013	\$953,500	4,957	\$192.35
46	94542	160 Arundel	Dr	20130131	2	5	5	11,858	2011	\$1,010,000	4,430	\$227.99
47	94544	1297 Folsom	Ave	20130726	2	5	3	5,146	2013	\$580,000	3,227	\$179.73
				Bottom of Range						\$580,000	3,227	\$179.73
				Top of Range						\$2,212,500	5,291	\$418.16
				Average						\$1,292,929	4,596	\$273.82
				Median						\$1,083,000	4,956	\$227.99
Six-Bedroom Units												
48		6 Arundel	Dr	20131014	2	6	5.5	9,361	2013	\$945,000	5,050	\$187.13
49		186 Arundel	Pl	20130327	2	6	5.5	10,919	2013	\$1,156,000	5,050	\$228.91
50		166 Arundel	Dr	20131025	2	6	5.5	9,620	2013	\$949,500	5,050	\$188.02
				Bottom of Range						\$945,000	5,050	\$187.13
				Top of Range						\$1,156,000	5,050	\$228.91
				Average						\$1,016,833	5,050	\$201.35
				Median						\$949,500	5,050	\$188.02

Source: Dataquick Information Systems; DRA.

Table A-17
Single-Family Home Sales: Homes Built Since 2013
City of Hayward
January 1, 2013 to August 31, 2014

No.	Zip Code	Address		Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.		
Three-Bedroom Units														
1	94542	10 Arundel	Dr	20130509	2	3	3.5	11,161	2013	\$971,000	4,214	\$230.42		
2	94542	16 Arundel	Dr	20130523	2	3	3.5	12,752	2013	\$1,021,000	4,214	\$242.29		
3	94545	2421 Homer	Ln	20130912	2	3	2.5	2,634	2012	\$570,000	1,703	\$334.70		
4	94542	136 Benmore	Dr	20131211	2	3	3.5	6,489	2013	\$1,009,500	3,143	\$321.19		
5	94542	156 Benmore	Dr	20130918	2	3	3.5	6,348	2013	\$935,500	3,143	\$297.65		
6	94542	131 Benmore	Dr	20131016	2	3	3.5	8,906	2013	\$872,500	3,143	\$277.60		
7	94542	96 Sonas	Dr	20131120	2	3	3.5	6,414	2013	\$849,000	3,143	\$270.12		
										Bottom of Range		\$570,000	1,703	\$230.42
										Top of Range		\$1,021,000	4,214	\$334.70
										Average		\$889,786	3,243	\$282.00
										Median		\$935,500	3,143	\$277.60
Four-Bedroom Units														
8	94541	2562 Highland Trail	Ct	20130122	2	4	3	6,001	2013	\$605,000	2,790	\$216.85		
9	94541	23090 Palazzo Del Kayla		20140214	1	4	3	9,658	2013	\$629,500	2,064	\$304.99		
10	94541	22990 Palazzo Del Kayla		20131220	2	4	3	11,274	2013	\$630,000	2,050	\$307.32		
11	94545	23058 Palazzo Del Kayla		20140122	1	4	2.5	7,051	2013	\$640,000	2,182	\$293.31		
12	94541	22777 Rose Vine	Ct	20131220	2	4	3	4,893	2013	\$650,000	2,702	\$240.56		
13	94542	2650 Tribune	Ave	20130726	1	4	2.5	28,605	2013	\$690,000	3,041	\$226.90		
14	94542	15 Tullach	Pl	20130301	2	4	2.5	6,414	2013	\$762,000	3,184	\$239.32		
15	94542	129 Sonas	Dr	20130329	2	4	2.5	4,951	2013	\$810,000	3,184	\$254.40		
16	94542	90 Sonas	Dr	20131122	2	4	3.5	6,622	2013	\$854,500	3,220	\$265.37		
17	94542	100 Sonas	Dr	20130913	2	4	3.5	5,560	2013	\$862,000	3,220	\$267.70		
18	94542	156 Arundel	Dr	20131025	2	4	4	11,692	2013	\$960,500	4,434	\$216.62		
19	94542	91 Benmore	Dr	20131231	2	4	4.5	6,535	2013	\$969,500	3,548	\$273.25		
20	94542	150 Benmore	Dr	20131113	2	4	3.5	6,348	2013	\$972,000	3,220	\$301.86		
21	94542	95 Benmore	Dr	20131122	2	4	4.5	7,250	2013	\$985,000	3,937	\$250.19		
22	94542	79 Sonas	Dr	20131018	2	4	3.5	5,786	2013	\$1,011,500	3,220	\$314.13		
23	94542	136 Arundel	Dr	20130604	2	4	4	12,854	2013	\$1,020,500	4,434	\$230.15		
24	94542	10 Benmore	Dr	20131223	2	4	4.5	8,448	2013	\$1,056,000	3,548	\$297.63		
25	94542	6 Benmore	Dr	20131230	2	4	4.5	9,240	2013	\$1,144,500	4,142	\$276.32		
19	94542	176 Arundel	Pl	20130221	2	4	3	11,533	2013	\$1,163,000	3,606	\$322.52		
20	94542	19 Stonebrae	Rd	20130731	1	4	3.5	16,228	2013	\$1,404,000	3,899	\$360.09		
21	94542	19 Sonas	Pl	20130619	2	4	4.5	7,355	2013	\$1,470,000	4,142	\$354.90		
22	94542	23 Sonas	Pl	20130619	2	4	4.5	6,907	2013	\$1,470,000	3,937	\$373.38		
										Bottom of Range		\$605,000	2,050	\$216.62
										Top of Range		\$1,470,000	4,434	\$373.38
										Average		\$943,614	3,350	\$281.26
										Median		\$965,000	3,220	\$274.78
Five-Bedroom Units														
23	94542	2 Arundel	Dr	20131024	2	5	3.5	10,024	2013	\$1,211,500	4,241	\$285.66		
24	94542	12 Arundel	Dr	20131016	2	5	5.5	11,673	2013	\$1,083,000	4,956	\$218.52		
25	94542	180 Arundel	Pl	20130926	2	5	5.5	9,490	2013	\$953,500	4,957	\$192.35		
26	94544	1297 Folsom	Ave	20130726	2	5	3	5,146	2013	\$580,000	3,227	\$179.73		
										Bottom of Range		\$580,000	3,227	\$179.73
										Top of Range		\$1,211,500	4,957	\$285.66
										Average		\$957,000	4,345	\$219.07
										Median		\$1,018,250	4,599	\$205.44
Six-Bedroom Units														
27		6 Arundel	Dr	20131014	2	6	5.5	9,361	2013	\$945,000	5,050	\$187.13		
28		186 Arundel	Pl	20130327	2	6	5.5	10,919	2013	\$1,156,000	5,050	\$228.91		
29		166 Arundel	Dr	20131025	2	6	5.5	9,620	2013	\$949,500	5,050	\$188.02		
										Bottom of Range		\$945,000	5,050	\$187.13
										Top of Range		\$1,156,000	5,050	\$228.91
										Average		\$1,016,833	5,050	\$201.35
										Median		\$949,500	5,050	\$188.02

Source: Dataquick Information Systems; DRA.

**Table A-18
Vacant Residential Land Sales
City of Hayward
January 1, 2012 to August 31, 2013**

No.	Zip Code	Address	Assessor's Parcel Number	Sale Date	Sales Price	Lot Size (Sq. Ft.)	Price Per Sq. Ft.	
Sites of Approximately One-Half Acre or More								
1	94541	2Nd	St	426 016009100	20130418	\$363,000	142,545	\$2.55
2	94541	3216 D	St	417 022001201	20130514	\$690,000	108,900	\$6.34
3	94544	Fairway St		083 021500503	20121018	\$1,330,000	92,749	\$14.34
4	94541	1797 D	St	426 008001000	20121106	\$144,000	63,114	\$2.28
1	94544	890 Calhoun	St	078C064700500	20121012	\$170,000	54,450	\$3.12
2	94541	D	St	417 022001101	20130514	\$690,000	48,218	\$14.31
3	94542	27058 Greenhaven	Rd	425 028005100	20130329	\$330,000	44,431	\$7.43
4	94541	2689 D	St	426 001001000	20130712	\$303,000	43,648	\$6.94
5	94544	Manon	Ave	453 009001400	20120913	\$400,000	42,864	\$9.33
6	94545	1450 North	Ln	441 009500100	20121017	\$259,000	42,510	\$6.09
7	94542	26880 Dobbel	Ave	081D158502200	20130823	\$335,000	39,111	\$8.57
8	94542	Clover	Rd	425 008000400	20120118	\$80,000	35,150	\$2.28
9	94545	Eden	Ave	441 009501104	20130523	\$1,265,000	31,336	\$40.37
10	94541	2512 D	St	416 020002206	20121228	\$450,000	30,908	\$14.56
11	94541	2060 Twin Creeks	Pl	426 006101601	20121119	\$70,000	30,831	\$2.27
12	94541	25583 Madeiros	Ave	426 005001200	20120302	\$260,000	28,789	\$9.03
13	94542	2650 Tribune	Ave	081D209100900	20130726	\$690,000	28,605	\$24.12
14	94545	23356 Saklan	Rd	441 009502102	20120917	\$2,250,000	42,560	\$52.87
				Bottom of Range		\$70,000	28,605	\$2.27
				Top of Range		\$2,250,000	142,545	\$52.87
				Average		\$559,944	52,818	\$12.60
				Median		\$349,000	42,712	\$8.00
Sites of 10,000 Square Feet to One-Half Acre								
15	94542	24426 Karina	St	417 026103000	20121019	\$125,000	19,284	\$6.48
16	94542	24590 Karina	St	417 026101700	20120720	\$142,000	19,116	\$7.43
17	94542	2680 Tribune	Ave	081D209100600	20120126	\$850,000	18,348	\$46.33
18	94542	27000 Hayward	Blvd	081D163500406	20120323	\$85,000	17,314	\$4.91
19	94542	25289 Campus	Dr	445 009001103	20130125	\$400,000	17,008	\$23.52
20	94542	25273 Campus	Dr	445 009002803	20120531	\$60,000	16,664	\$3.60
21	94542	19 Stonebrae	Rd	085A643400200	20130731	\$1,404,000	16,228	\$86.52
22	94542	2670 Tribune	Ave	081D209100700	20120126	\$850,000	15,090	\$56.33
23	94542	24551 Karina	Ct	417 026103800	20120621	\$100,000	14,751	\$6.78
24	94542	1920 Highland	Blvd	445 010009500	20120214	\$80,000	13,467	\$5.94
25	94542	136 Arundel	Dr	085A643105400	20130604	\$1,020,500	12,854	\$79.39
26	94542	16 Arundel	Dr	085A643004200	20130523	\$1,021,000	12,752	\$80.07
27	94542	176 Arundel	Pl	085A643101500	20130221	\$1,163,000	11,533	\$100.84
28	94541	Carol	Pl	417 020002900	20130806	\$80,000	11,476	\$6.97
29	94541	Madeiras	Ave	426 005001000	20120302	\$260,000	11,470	\$22.67
30	94542	24438 Karina	St	417 026102900	20130618	\$50,000	11,248	\$4.45
31	94542	10 Arundel	Dr	085A643004000	20130509	\$971,000	11,161	\$87.00
32	94542	2109 Pappas	Pl	081D159505600	20130521	\$400,000	10,994	\$36.38
33	94542	186 Arundel	Pl	085A643101700	20130327	\$1,156,000	10,919	\$105.87
34	94542	3277 Jelincic	Dr	417 026103600	20121030	\$115,000	10,301	\$11.16
35	94542	24476 Karina	St	417 026102600	20121002	\$135,500	10,288	\$13.17
36	94541	23047 Henry	Ln	417 019010400	20130515	\$300,000	10,272	\$29.21
37	94542	3553 Sarita	St	417 026104900	20120420	\$89,500	10,047	\$8.91
				Bottom of Range		\$50,000	10,047	\$3.60
				Top of Range		\$2,250,000	19,284	\$105.87
				Average		\$472,065	13,591	\$36.26
				Median		\$335,000	12,752	\$22.67
Sites Under 10,000 Square Feet								
38	94545	2393 Dunn	Rd	439 001301300	20130705	\$1,487,500	9,867	\$150.76
39	94541	25471 Uvas	Ct	425 015002300	20130628	\$515,000	9,720	\$52.98
40	94542	1926 Highland	Blvd	445 010009400	20130228	\$125,000	9,593	\$13.03
41	94544	27497 Huntwood	Ave	453 006501206	20120823	\$170,000	9,400	\$18.09
42	94541	B	St	431 011802600	20130801	\$460,500	9,071	\$50.77
43	94542	131, Benmore	Dr	085A643003000	20130404	\$650,000	8,906	\$72.98
44	94541	Chove	Way	426 001600900	20121121	\$275,000	8,625	\$31.88

**Table A-18
Vacant Residential Land Sales
City of Hayward
January 1, 2012 to August 31, 2013**

No.	Zip Code	Address		Assessor's Parcel Number	Sale Date	Sales Price	Lot Size (Sq. Ft.)	Price Per Sq. Ft.
45	94541	2823 Kelly	St	416 018007700	20130628	\$1,800,000	8,583	\$209.72
46	94542	Parkside	Dr	081D166004400	20130327	\$145,000	8,575	\$16.91
47	94541	2823 Kelly	St	416 018007600	20130628	\$1,800,000	8,321	\$216.32
48	94541	B	St	431 011802400	20130705	\$402,000	7,852	\$51.20
49	94541	2823 Kelly	St	416 018007800	20130628	\$1,800,000	7,560	\$238.10
50	94541	Madeiras	Ave	426 005001100	20120302	\$260,000	7,527	\$34.54
51	94541	2236 Beckham	Way	426 015000900	20130830	\$150,000	7,491	\$20.02
52	94542	19 Sonas	Pl	085A643206100	20130619	\$1,470,000	7,355	\$199.86
53	94541	B	St	431 011802700	20130801	\$446,000	7,274	\$61.31
54	94541	B	St	431 011802800	20130723	\$418,500	7,225	\$57.92
55	94541	2055 Miller	Ct	426 012008100	20130424	\$130,000	7,202	\$18.05
56	94542	23 Sonas	Pl	085A643206200	20130619	\$1,470,000	6,907	\$212.83
57	94541	2310 Morrow	St	431 010825600	20130524	\$370,000	6,862	\$53.92
58	94542	90 Sonas	Dr	085A643302400	20130625	\$1,300,000	6,622	\$196.32
59	94541	22541 Lindberg	Ct	445 027001001	20120907	\$13,000	6,511	\$2.00
60	94541	B	St	431 011802500	20130801	\$490,000	6,456	\$75.90
61	94542	1204 Tiegen	Dr	445 004002100	20121019	\$63,500	6,450	\$9.84
62	94542	15 Tullach	Pl	085A643208300	20130301	\$762,000	6,414	\$118.80
63	94542	96 Sonas	Dr	085A643302300	20130625	\$1,300,000	6,414	\$202.68
64	94541	2823 Kelly	St	416 018007500	20130628	\$1,800,000	6,375	\$282.35
65	94542	Central	Blvd	445 027000601	20130603	\$57,000	6,265	\$9.10
66	94541	2823 Kelly	St	416 018007200	20130628	\$1,800,000	6,144	\$292.97
67	94541	2690 Highland Trail	Ct	425 016002900	20130208	\$629,000	6,084	\$103.39
68	94541	2823 Kelly	St	416 018007900	20130628	\$1,800,000	6,048	\$297.62
69	94541	2Nd	St	445 005002600	20130108	\$374,000	6,038	\$61.94
70	94541	2562 Highland Trail	Ct	425 016002600	20130122	\$605,000	6,001	\$100.82
71	94541	2563 Highland Trail	Ln	425 016002500	20130322	\$608,500	6,000	\$101.42
72	94542	79 Sonas	Dr	085A643207000	20130404	\$650,000	5,786	\$112.34
73	94541	2823 Kelly	St	416 018008000	20130628	\$1,800,000	5,756	\$312.72
74	94541	2823 Kelly	St	416 018007300	20130628	\$1,800,000	5,664	\$317.80
75	94541	2823 Kelly	St	416 018007400	20130628	\$1,800,000	5,558	\$323.86
76	94544	27571 Mandarin	Ave	464 000101300	20130802	\$100,000	5,500	\$18.18
77	94541	Maud	Ave	416 019006400	20120625	\$34,000	5,151	\$6.60
78	94544	1297 Folsom	Ave	464 006011600	20130726	\$580,000	5,146	\$112.71
79	94542	Chronicle	Ave	081D163500800	20130531	\$72,000	5,138	\$14.01
80	94542	129 Sonas	Dr	085A643301300	20130329	\$810,000	4,951	\$163.60
81	94544	24977 Pleasant	Way	444 004812000	20121009	\$54,500	4,219	\$12.92
82	94541	22626 Amador	St	431 010605500	20130329	\$384,000	1,286	\$298.60
83	94544	Park	St	444 000906303	20121011	\$280,000	976	\$286.89
				Bottom of Range		\$13,000	976	\$2.00
				Top of Range		\$1,800,000	9,867	\$323.86
				Average		\$745,891	6,671	\$122.10
				Median		\$481,033	6,453	\$88.36
	All Sites			Bottom of Range		\$13,000	976	\$2.00
				Top of Range		\$2,250,000	142,545	\$323.86
				Average		\$635,029	18,048	\$76.75
				Median		\$400,000	9,593	\$34.54

Source: Dataquick Information Systems; DRA.

**Table A-19
Vacant Residential Land Sales
City of Hayward
September 1, 2013 to August 31, 2014**

No.	Zip Code	Address		Assessor's Parcel Number	Sale Date	Sales Price	Lot Size (Sq. Ft.)	Price Per Sq. Ft.
Sites of Approximately One-Half Acre or More								
1	94544	29212 Mission	Blvd	078C045500104	20140326	\$1,870,000	204,601	\$9.14
2	94544	11 Traynor	St	444 001501909	20140828	\$624,000	108,649	\$5.74
3	94542	2375 Rainbow	Ct	425 041002500	20140626	\$226,500	103,136	\$2.20
4	94542	Amyx	Ct	425 028000200	20140207	\$755,000	53,639	\$14.08
1	94542	Hayward	Blvd	425 047002102	20140717	\$300,000	49,300	\$6.09
2	94544	1 Jackson	St	444 001501908	20140828	\$624,000	46,000	\$13.57
3	94542	Star Ridge	Rd	425 005001303	20131114	\$155,000	45,841	\$3.38
4	94542	Vista Bahia	Way	425 047002901	20140401	\$120,000	45,402	\$2.64
5	94542	Fairview	Ave	085A610001200	20140624	\$250,000	43,560	\$5.74
6	94545	1450 North	Ln	441 009500100	20140609	\$800,000	42,510	\$18.82
7	94541	B	St	431 011401600	20140611	\$215,000	41,045	\$5.24
8	94544	1 Traynor	St	444 001501910	20140828	\$624,000	31,390	\$19.88
9	94541	22329 Garden	Ave	432 003201507	20140530	\$5,000	22,304	\$0.22
				Bottom of Range		\$5,000	22,304	\$0.22
				Top of Range		\$1,870,000	204,601	\$19.88
				Average		\$505,269	64,414	\$8.21
				Median		\$300,000	45,841	\$5.74
Sites of 10,000 Square Feet to One-Half Acre								
10	94544	18 Traynor	St	444 001500603	20140828	\$624,000	18,547	\$33.64
11	94541	Ocean View	Dr	414 008106700	20131105	\$185,000	15,000	\$12.33
12	94542	15 Stonebrae	Rd	085A643209000	20140711	\$1,400,000	14,728	\$95.06
13	94542	35 Benmore	Dr	085A643204800	20140815	\$1,087,000	14,458	\$75.18
14	94545	27501 Loyola	Ave	455 006800102	20131210	\$254,100	13,500	\$18.82
15	94542	31 Stonebrae	Rd	085A643400500	20140408	\$3,150,000	13,301	\$236.82
16	94542	53 Stonebrae	Rd	085A643400800	20140408	\$3,150,000	12,729	\$247.47
17	94542	39 Stonebrae	Rd	085A643400700	20140408	\$3,150,000	12,541	\$251.18
18	94542	27665 Dobbel	Ave	081D159503900	20140214	\$300,000	12,423	\$24.15
19	94542	27643 Dobbel	Ave	081D159504000	20140214	\$300,000	12,379	\$24.23
20	94542	65 Stonebrae	Rd	085A643401100	20140408	\$3,150,000	12,335	\$255.37
21	94542	27693 Dobbel	Ave	081D159503800	20140214	\$300,000	12,283	\$24.42
22	94542	35 Stonebrae	Rd	085A643400600	20140408	\$3,150,000	12,190	\$258.41
23	94542	27629 Dobbel	Ave	081D159504100	20140214	\$300,000	12,153	\$24.69
24	94542	24476 Karina	St	417 026105200	20140205	\$100,000	12,120	\$8.25
25	94542	61 Stonebrae	Rd	085A643401000	20140408	\$3,150,000	12,043	\$261.56
26	94542	57 Stonebrae	Rd	085A643400900	20140408	\$3,150,000	12,000	\$262.50
27	94542	2367 Rainbow	Ct	425 041002600	20140624	\$218,000	11,886	\$18.34
28	94542	27721 Dobbel	Ave	081D159503700	20140214	\$300,000	11,862	\$25.29
29	94542	115 Benmore	Dr	085A643203700	20140829	\$912,000	11,792	\$77.34
30	94542	27745 Dobbel	Ave	081D159503600	20140214	\$300,000	11,527	\$26.03
31	94542	27777 Dobbel	Ave	081D159503500	20140214	\$300,000	11,192	\$26.80
32	94541	East	Ave	425 009004400	20140729	\$280,000	11,070	\$25.29
33	94542	24546 Karina	St	417 026102000	20140307	\$232,500	10,999	\$21.14
34	94542	27801 Dobbel	Ave	081D159503400	20140214	\$300,000	10,858	\$27.63
35	94544	Orchard	Ave	444 001502001	20140828	\$624,000	10,748	\$58.06
36	94542	30 Benmore	Dr	085A643201200	20140428	\$1,169,500	10,658	\$109.73
37	94542	27081 Call	Ave	081D163504000	20140226	\$100,000	10,613	\$9.42
38	94541	East	Ave	425 009004500	20140729	\$280,100	10,459	\$26.78
39	94542	36 Benmore	Dr	085A643201300	20140605	\$1,145,000	10,070	\$113.70
				Bottom of Range		\$100,000	10,070	\$8.25
				Top of Range		\$3,150,000	18,547	\$262.50
				Average		\$1,102,040	12,282	\$89.32
				Median		\$300,000	12,082	\$27.22
Sites Under 10,000 Square Feet								
1	94542	26 Benmore	Dr	085A643201100	20140318	\$1,381,000	9,738	\$141.82
2	94542	1926 Highland	Blvd	445 010009400	20140207	\$150,000	9,593	\$15.64
3	94542	56 Sonas	Dr	085A643207800	20140717	\$1,625,000	9,080	\$178.96
4	94541	3390 Kelly	St	417 014005001	20140107	\$100,000	8,938	\$11.19
5	94542	2374 Rainbow	Ct	425 041002800	20140626	\$205,000	8,790	\$23.32
6	94541	3390 Kelly	St	417 014005102	20140410	\$210,000	8,688	\$24.17
7	94541	3390 Kelly	St	417 014005202	20140410	\$210,000	8,688	\$24.17
8	94542	5 Sonas	Pl	085A643205800	20140623	\$297,000	8,580	\$34.62
9	94542	20 Benmore	Dr	085A643201000	20140228	\$1,097,000	8,487	\$129.26
10	94541	1938 East	Ave	426 011011200	20140515	\$840,000	8,453	\$99.37
11	94542	119 Benmore	Dr	085A643203600	20140626	\$921,500	8,181	\$112.64
12	94542	50 Benmore	Dr	085A643201400	20140529	\$1,031,500	8,119	\$127.05
13	94541	1940 East	Ave	426 011011300	20140515	\$840,000	8,061	\$104.21
14	94542	179 Roslea	Rd	085A643301700	20140313	\$915,500	7,921	\$115.58
15	94542	123 Benmore	Dr	085A643203500	20140304	\$874,000	7,780	\$112.34
16	94542	16 Benmore	Dr	085A643200900	20140207	\$1,163,000	7,764	\$149.79

**Table A-19
Vacant Residential Land Sales
City of Hayward
September 1, 2013 to August 31, 2014**

No.	Zip Code	Address		Assessor's Parcel Number	Sale Date	Sales Price	Lot Size (Sq. Ft.)	Price Per Sq. Ft.
17	94542	60 Sonas	Dr	085A643207700	20140717	\$1,625,000	7,755	\$209.54
18	94542	50 Sonas	Pl	085A643205700	20140305	\$901,000	7,726	\$116.62
19	94541	2054 Miller	Ct	426 012008300	20131227	\$175,000	7,711	\$22.69
20	94542	6 Sonas	Pl	085A643205000	20140605	\$890,000	7,700	\$115.58
21	94541	23022 Palazzo Del Kayla		416 023201500	20140425	\$650,000	7,682	\$84.61
22	94542	15 Arundel	Dr	085A643003400	20140220	\$1,036,500	7,514	\$137.94
23	94542	76 Sonas	Dr	085A643207400	20140711	\$956,500	7,295	\$131.12
24	94542	16 Sonas	Pl	085A643205200	20140605	\$890,000	7,221	\$123.25
25	94542	100 Benmore	Dr	085A643202400	20140410	\$975,000	7,204	\$135.34
26	94542	130 Sonas	Dr	085A643301900	20140331	\$868,000	7,025	\$123.56
27	94542	80 Sonas	Dr	085A643207300	20140416	\$865,000	7,013	\$123.34
28	94542	96 Benmore	Dr	085A643202300	20140717	\$1,625,000	6,978	\$232.87
29	94542	76 Benmore	Dr	085A643201900	20140717	\$1,625,000	6,934	\$234.35
30	94542	106 Benmore	Dr	085A643202500	20140410	\$975,000	6,885	\$141.61
31	94542	63 Benmore	Dr	085A643204700	20140814	\$975,500	6,863	\$142.14
32	94542	116 Benmore	Dr	085A643202700	20140516	\$919,500	6,791	\$135.40
33	94542	120 Benmore	Dr	085A643202800	20140625	\$961,500	6,771	\$142.00
34	94542	51 Sonas	Pl	085A643206500	20140403	\$890,000	6,752	\$131.81
35	94542	33 Sonas	Pl	085A643206400	20140403	\$890,000	6,726	\$132.32
36	94542	126 Benmore	Dr	085A643202900	20140314	\$933,000	6,719	\$138.86
37	94542	86 Sonas	Dr	085A643207200	20140113	\$885,500	6,707	\$132.03
38	94542	79 Benmore	Dr	085A643204300	20140325	\$1,042,500	6,695	\$155.71
39	94541	2037 Miller	Ct	426 012008000	20140326	\$190,000	6,692	\$28.39
40	94542	63 Sonas	Dr	085A643206600	20140717	\$1,625,000	6,669	\$243.66
41	94542	75 Benmore	Dr	085A643204400	20140509	\$972,500	6,641	\$146.44
42	94542	130 Benmore	Dr	085A643203000	20140109	\$969,000	6,636	\$146.02
43	94542	60 Benmore	Dr	085A643201600	20140815	\$1,157,500	6,635	\$174.45
44	94542	127 Benmore	Dr	085A643203400	20140226	\$862,000	6,612	\$130.37
45	94542	67 Benmore	Dr	085A643204600	20140606	\$1,004,500	6,605	\$152.08
46	94542	71 Benmore	Dr	085A643204500	20140530	\$1,018,500	6,603	\$154.25
47	94542	83 Benmore	Dr	085A643204200	20140620	\$980,000	6,597	\$148.55
48	94542	110 Benmore	Dr	085A643202600	20140410	\$975,000	6,594	\$147.86
49	94542	87 Benmore	Dr	085A643204100	20140211	\$1,015,500	6,565	\$154.68
50	94542	Clover	Rd	425 024000300	20140121	\$712,500	6,537	\$108.99
51	94542	1240 Tiegen	Dr	445 012000400	20140425	\$540,000	6,510	\$82.95
52	94542	75 Sonas	Dr	085A643206900	20140117	\$985,500	6,486	\$151.94
53	94542	10 Sonas	Pl	085A643205100	20140605	\$890,000	6,480	\$137.35
54	94542	1204 Tiegen	Dr	445 004002100	20140128	\$525,000	6,450	\$81.40
55	94542	30 Sonas	Pl	085A643205500	20140403	\$890,000	6,391	\$139.26
56	94541	2073 Miller	Ct	426 012008200	20140522	\$209,000	6,356	\$32.88
57	94542	36 Sonas	Pl	085A643205600	20140305	\$901,000	6,323	\$142.50
58	94542	71 Sonas	Dr	085A643206800	20140703	\$1,071,000	6,164	\$173.75
59	94541	1942 East	Ave	426 011011400	20140515	\$840,000	6,144	\$136.72
60	94541	Cherry	Way	414 007600300	20140703	\$110,000	5,944	\$18.51
61	94541	527 Claire	St	431 004004600	20140403	\$123,500	5,740	\$21.52
62	94542	2383 Rainbow	Ct	425 041002400	20140613	\$192,000	5,640	\$34.04
63	94542	136 Sonas	Dr	085A643301800	20140318	\$880,500	5,283	\$166.67
64	94542	Chronicle	Ave	081D163500800	20140811	\$162,000	5,138	\$31.53
65	94541	1510 C	St	427 003608300	20131115	\$105,000	5,095	\$20.61
66	94541	21827 Rio Vista	St	428 001105800	20140228	\$136,000	4,887	\$27.83
67	94541	1312 Ash	St	414 005104300	20140307	\$425,000	4,700	\$90.43
68	94544	Lassen	St	465 003010200	20140408	\$332,500	4,333	\$76.74
69	94544	510 Fairway	St	083 022101600	20140731	\$450,000	1,500	\$300.00
				Bottom of Range		\$100,000	1,500	\$11.19
				Top of Range		\$1,625,000	9,738	\$300.00
				Average		\$792,246	6,934	\$116.66
				Median		\$890,000	6,726	\$131.12
		All Sites						
				Bottom of Range		\$5,000	1,500	\$0.22
				Top of Range		\$3,150,000	204,601	\$300.00
				Average		\$841,917	15,039	\$96.75
				Median		\$863,500	7,991	\$106.60

Source: Dataquick Information Systems; DRA.

Table A-20
Disposable Household Income of New Homebuyers
Owner Housing Prototypes
City of Hayward Inclusionary Housing and Nexus Study
2014

	Prototype #1	Prototype #2
	Single-Family Infill	Owner Townhomes
Number of Units		
One Bedroom	0	0
Two Bedroom/2 Bath	0	0
Three Bedroom	72	60
Four Bedroom	68	20
Total	140	80
Sales Price Per Unit (1)		
One Bedroom	0	0
Two Bedroom/2 Bath	0	0
Three Bedroom	\$570,000	\$529,200
Four Bedroom	\$609,000	\$576,000
Average	\$588,900	\$540,900
Unit Size (Square Feet)		
One Bedroom	0	0
Two Bedroom/2 Bath	0	0
Three Bedroom	1,900	1,800
Four Bedroom	2,100	2,000
Average	1,997	1,850
Sales Price Per Square Foot		
One Bedroom	\$0	\$0
Two Bedroom/2 Bath	\$0	\$0
Three Bedroom	\$300	\$294
Four Bedroom	\$290	\$288
Average Price/SF	\$295	\$292
Disposable Housing Income Projection		
Average Sales Price Per Unit	\$588,900	\$540,900
Mortgage Amount (2)	\$530,010	\$486,810
Monthly Principal and Interest Payment (3)	\$2,845	\$2,613
Monthly Property Taxes (3)	\$589	\$541
Monthly Insurance Cost	\$100	\$100
Monthly HOA Dues	\$300	\$300
Total Monthly Housing Cost	\$3,834	\$3,554
Estimated Average Annual Income (4)	\$131,000	\$122,000
Sales Price to Income Ratio	4.50	4.43
Percent of Income Available for Expenditures (5)	75%	75%
Ave. Disposable Income Available for Expenditures	\$98,250	\$91,500
Number of Units in Prototype	140	80
Total Disposable Household Income of Resident HHs	\$13,755,000	\$7,320,000

(1) DRA's 2013 sales price estimates were increased to 2014 based on a review of 2011 through 2014 home sales from Dataquik. Estimated 2013 price/square foot by prototype:

One Bedroom	\$0	\$0
Two Bedroom/2 Bath	\$0	\$0
Three Bedroom	\$263	\$275
Four Bedroom	\$272	\$286
Average	\$267	\$278
Annual % Increase in Assumed Price/SF 2013 to 2014		
One Bedroom	0%	0%
Two Bedroom/2 Bath	0%	0%
Three Bedroom	14%	7%
Four Bedroom	6%	1%
Average	10%	5%

(2) At a 90% loan to value (price) ratio, assuming a 10% buyer downpayment.

(3) Monthly mortgage principal and interest payment assuming a 5.0% fixed-rate loan for 30 years.

(4) Monthly property taxes estimated at 1.2% annual tax rate.

(5) Assumes principal, interest, taxes and insurance (PITI) at 35% of gross annual household income.

(6) After deductions for federal and state income taxes, Social Security and Medicare (FICA) taxes, and personal savings from the Tax Policy Center for at the income levels projected for the housing prototypes.

Table A-21
Disposable Household Income of New Renter Households
Rental Housing Prototypes
City of Hayward Inclusionary Housing and Nexus Study
2014

	Prototype #3 Stacked Flat Apts. Podium Parking
Number of Units	
One Bedroom	65
Two Bedroom/2 Bath	55
Three Bedroom	30
Total	150
Monthly Rent Per Unit (1)	
One Bedroom	\$2,190
Two Bedroom/2 Bath	\$3,130
Three Bedroom	\$3,420
Weighted Average	\$2,780
Unit Size (Square Feet)	
One Bedroom	750
Two Bedroom/2 Bath	1,100
Three Bedroom	1,300
Average	988
Monthly Rent Per Square Foot	
One Bedroom	\$2.92
Two Bedroom/2 Bath	\$2.85
Three Bedroom	\$2.63
Average Mo. Rent/SF	\$2.81
Disposable Housing Income Projection	
Average Unit Size (SF)	988
Average Monthly Rent Per SF	\$2.81
Average Monthly Rent Per Unit	\$2,800
Average Household Income (2)	\$112,000
Annual Household Income to Rent Ratio	3.3
Percent of Income Available for Expenditures (3)	75%
Disposable Income Available for Expenditures	\$84,000
Number of Units in Prototype	150
Total Disposable Household Income of Resident HHs	\$12,600,000

(1) DRA's 2013 rent estimates were increased to 2014 estimates based on the % annual increase in average rents in the REALFACTS database for the City of Hayward from 2nd quarter 2013 to 2nd quarter 2014:

	Est. 2013 Rent/SF	Est. 2013 Rent	% Increase to 2014
One Bedroom	\$2.53	\$1,900	15%
Two Bedroom/2 Bath	\$2.45	\$2,700	16%
Three Bedroom	\$2.46	\$3,200	7%
Average	\$2.48	\$2,450	13%

(2) Assumes rent at 33% of household income.

(3) After deductions for federal and state income taxes, Social Security and Medicare (FICA) taxes, and personal savings. Based on data from households the Tax Policy Center for at the income levels projected for the housing prototypes.

Table A-22
Projected Employment Impacts by Industry Sector
Prototype #1
Single-Family Infill
City of Hayward Inclusionary Housing and Nexus Study
2014

<u>Industry Sector</u>	<u>Total Employment (1)</u>	<u>FTE Conversion Factor (2)</u>	<u>Full-Time Employment (3)</u>
Manufacturing	1.513	0.964872	1.460
Wholesale Trade	3.304	0.963002	3.181
Retail Trade	21.449	0.858520	18.414
Transportation	2.012	0.940711	1.892
Warehousing and Storage	0.305	0.940345	0.286
Information and Communication	2.726	0.927466	2.528
Finance and Insurance	3.902	0.963254	3.759
Real Estate, Rentals and Leasing	5.258	0.909984	4.785
Professional, Scientific and Technical	3.771	0.943261	3.557
Management and Administrative Services	4.252	0.923231	3.926
Educational Services	4.242	0.887449	3.764
Health Care and Social Assistance	18.307	0.893779	16.363
Arts, Entertainment and Recreation	3.712	0.820378	3.045
Other Services	19.894	0.841627	16.743
Government	0.986	0.619877	0.611
Total	95.631		84.315

(1) Includes total direct, indirect and induced employment, full-time and part-time.

(2) Full-time equivalent (FTE) conversion ratios from the IMPLAN model.

(3) Total number of employees multiplied by FTE conversion factor.

Source: IMPLAN Input/Output Model; DRA
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Table A-23
Projected Employment Impacts by Industry Sector
Prototype #2
Owner Townhomes
City of Hayward Inclusionary Housing and Nexus Study
2014

<u>Industry Sector</u>	<u>Total Employment (1)</u>	<u>FTE Conversion Factor (2)</u>	<u>Full-Time Employment (3)</u>
Manufacturing	0.86	0.964872	0.831
Wholesale Trade	2.14	0.963002	2.062
Retail Trade	13.91	0.858520	11.938
Transportation	1.30	0.940711	1.227
Warehousing and Storage	0.20	0.940345	0.186
Information and Communication	1.77	0.927466	1.639
Finance and Insurance	2.53	0.963254	2.437
Real Estate, Rentals and Leasing	3.41	0.909984	3.102
Professional, Scientific and Technical	2.44	0.943261	2.306
Management and Administrative Services	2.76	0.923231	2.545
Educational Services	2.75	0.887449	2.440
Health Care and Social Assistance	11.87	0.893779	10.608
Arts, Entertainment and Recreation	2.41	0.820378	1.974
Other Services	12.90	0.841627	10.855
Government	0.64	0.619877	0.396
Total	61.880		54.547

(1) Includes total direct, indirect and induced employment, full-time and part-time.

(2) Full-time equivalent (FTE) conversion ratios from the IMPLAN model.

(3) Total number of employees multiplied by FTE conversion factor.

Table A-24
Projected Employment Impacts by Industry Sector
Prototype #3
Stacked Flat Apts.
Podium Parking
City of Hayward Inclusionary Housing and Nexus Study
2014

Industry Sector	Total Employment (1)	FTE Conversion Factor (2)	Full-Time Employment (3)
Manufacturing	1.385	0.964872	1.336
Wholesale Trade	3.661	0.963002	3.526
Retail Trade	20.966	0.858520	18.000
Transportation	2.117	0.940711	1.991
Warehousing and Storage	0.311	0.940345	0.292
Information and Communication	2.971	0.927466	2.755
Finance and Insurance	4.098	0.963254	3.947
Real Estate, Rentals and Leasing	6.561	0.909984	5.971
Professional, Scientific and Technical	3.852	0.943261	3.633
Management and Administrative Services	4.429	0.923231	4.089
Educational Services	3.359	0.887449	2.981
Health Care and Social Assistance	18.809	0.893779	16.811
Arts, Entertainment and Recreation	3.741	0.820378	3.069
Other Services	20.137	0.841627	16.948
Government	1.052	0.619877	0.652
Total	97.449		86.002

(1) Includes total direct, indirect and induced employment, full-time and part-time.

(2) Full-time equivalent (FTE) conversion ratios from the IMPLAN model.

(3) Total number of employees multiplied by FTE conversion factor.

Source: IMPLAN Input/Output Model; DRA.

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**Table A-25
Wages by Occupational Grouping
Oakland-Fremont Metropolitan Division
1st Quarter 2013**

SOC Code Prefix (1)	Occupational Category	May 2012 Employment Estimates	% of Total Employment	Mean Hourly Wage	Mean Annual Wage	25th Percentile Hourly Wage	Median (50th Percentile) Hourly Wage	75th Percentile Hourly Wage	25th Percentile Annual Wage	Median (50th Percentile) Annual Wage	75th Percentile Annual Wage	Est. % of Jobs Below 50% AMI	Est. % of Jobs Between 50%-80% AMI	Est. % of Jobs Between 80%-120% AMI
11	Management	61,270	6%	\$61.94	\$128,829	\$38.47	\$55.61	\$77.60	\$80,018	\$115,669	\$161,408	0%	0%	30%
13	Business and Financial Operations	59,600	6%	\$39.71	\$82,609	\$27.52	\$36.13	\$47.68	\$57,242	\$75,150	\$99,174	5%	40%	30%
15	Computer and Mathematical	39,320	4%	\$46.23	\$96,170	\$33.82	\$44.93	\$56.70	\$70,346	\$93,454	\$117,936	0%	25%	35%
17	Architecture and Engineering	30,260	3%	\$47.25	\$98,276	\$35.04	\$45.82	\$57.68	\$72,883	\$95,306	\$119,974	0%	25%	45%
19	Life, Physical and Social Science	15,820	2%	\$39.66	\$82,507	\$26.23	\$37.48	\$49.55	\$54,558	\$77,958	\$103,064	5%	25%	45%
21	Community and Social Services	15,220	2%	\$26.98	\$56,123	\$17.86	\$23.97	\$35.97	\$37,149	\$49,858	\$74,818	45%	40%	5%
23	Legal	6,730	1%	\$55.24	\$114,903	\$32.65	\$47.66	\$71.38	\$67,912	\$99,133	\$148,470	0%	0%	30%
25	Education, Training, and Library	62,120	6%	\$29.39	\$61,125	\$18.20	\$26.70	\$37.04	\$37,856	\$55,536	\$77,043	40%	35%	10%
27	Arts, Design, Entertainment, Sports, Media	13,830	1%	\$28.70	\$59,691	\$15.95	\$23.61	\$35.37	\$33,176	\$49,109	\$73,570	30%	35%	5%
29	Healthcare Practitioners and Technical	53,380	5%	\$50.06	\$104,128	\$30.29	\$47.03	\$64.27	\$63,003	\$97,822	\$133,682	5%	20%	30%
31	Healthcare Support	25,580	3%	\$17.84	\$37,118	\$13.25	\$16.65	\$21.63	\$27,560	\$34,632	\$44,990	75%	20%	5%
33	Protective Service	19,560	2%	\$28.24	\$58,723	\$13.93	\$23.48	\$41.74	\$28,974	\$48,838	\$86,819	50%	25%	15%
35	Food Preparation and Serving-Related	79,330	8%	\$11.03	\$22,940	\$8.81	\$9.40	\$11.97	\$18,325	\$19,552	\$24,898	85%	10%	5%
37	Building and Maintenance	26,620	3%	\$15.91	\$33,095	\$10.87	\$14.54	\$20.06	\$22,610	\$30,243	\$41,725	80%	10%	10%

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**Table A-25
Wages by Occupational Grouping
Oakland-Fremont Metropolitan Division
1st Quarter 2013**

SOC Code Prefix (1)	Occupational Category	May 2012	% of Total Employ- ment	Mean Hourly Wage	Mean Annual Wage	25th Percentile Hourly Wage	Median	75th Percentile Hourly Wage	25th Percentile Annual Wage	Median	75th Percentile Annual Wage	Est. % of Jobs Below 50% AMI	Est. % of	Est. % of
		Employ- ment Estimates					(50th Percentile) Hourly Wage			(50th Percentile) Annual Wage			Between 50%-80% AMI	Between 80%-120% AMI
39	Personal Care and Service	25,220	3%	\$13.53	\$28,138	\$9.12	\$10.87	\$14.73	\$18,970	\$22,610	\$30,638	75%	15%	5%
41	Sales and Related	98,230	10%	\$22.02	\$45,801	\$10.27	\$15.28	\$24.79	\$21,362	\$31,782	\$51,563	60%	15%	15%
43	Office and Administrative Support	159,950	16%	\$20.78	\$43,231	\$14.69	\$19.84	\$26.07	\$30,555	\$41,267	\$54,226	60%	20%	10%
45	Farming, Fishing, Forestry	1,360	0%	\$12.91	\$26,854	\$8.89	\$10.27	\$13.90	\$18,491	\$21,362	\$28,912	80%	10%	10%
47	Construction and Extraction	38,650	4%	\$29.98	\$62,371	\$21.14	\$29.36	\$37.83	\$43,971	\$61,069	\$78,686	30%	35%	15%
49	Installation, Maintenance and Repair	32,290	3%	\$26.24	\$54,576	\$17.97	\$25.61	\$33.57	\$37,378	\$53,269	\$69,826	30%	35%	15%
51	Production	49,410	5%	\$19.67	\$40,896	\$12.40	\$17.35	\$24.36	\$25,792	\$36,088	\$50,669	70%	25%	5%
53	Transportation and Material Moving	57,620	6%	\$19.57	\$40,687	\$11.37	\$16.38	\$23.76	\$23,650	\$34,070	\$49,421	70%	25%	5%
	TOTAL	971,360	100%											

(1) The first two digits of the six digit Standard Occupational Classification (SOC) code.

Source: California Employment Development Department, Occupational Employment Statistics Survey, First Quarter 2012; DRA

Table A-26
Estimated Qualifying Very Low, Low and Moderate Income Households
Prototype #1
Single-Family Infill
City of Hayward Inclusionary Housing and Nexus Study
2014

Economic Sector	Total New FTE Employees Generated by Development (1)	No. of New Households (2)	Average Payroll Per Employee (3)	Estimated Household Income (4)	Estimated Percent of HH Earning Incomes Below 50% AMI (5)(6)	Estimated Percent of HH Earning Incomes Between 51% and 80% AMI (5)(6)	Estimated Percent of HH Earning Incomes Between 81% and 120% AMI (5)(6)	Estimated Households Earning Incomes Below 50% AMI	Estimated Households Earning Incomes Between 51% and 80% AMI	Estimated Households Earning Incomes Between 81% and 120% AMI
Manufacturing	1.46	0.79	\$69,489	\$121,606	70%	25%	5%	0.55	0.20	0.04
Wholesale Trade	3.18	1.73	\$85,997	\$150,496	70%	25%	5%	1.21	0.43	0.09
Retail Trade	18.41	10.00	\$38,827	\$67,947	60%	15%	15%	6.00	1.50	1.50
Transportation	1.89	1.03	\$64,533	\$112,934	70%	25%	5%	0.72	0.26	0.05
Warehousing and Storage	0.29	0.16	\$64,147	\$112,257	70%	25%	5%	0.11	0.04	0.01
Information and Communication	2.53	1.37	\$94,318	\$165,057	60%	20%	10%	0.82	0.27	0.14
Finance and Insurance	3.76	2.04	\$46,072	\$80,626	5%	40%	30%	0.10	0.82	0.61
Real Estate, Rentals and Leasing	4.78	2.60	\$18,012	\$31,520	5%	40%	30%	0.13	1.04	0.78
Professional, Scientific and Technical	3.56	1.93	\$66,015	\$115,526	5%	25%	45%	0.10	0.48	0.87
Management and Administrative Services	3.93	2.13	\$50,003	\$87,506	0%	0%	30%	0.00	0.00	0.64
Educational Services	3.76	2.04	\$32,644	\$57,128	40%	35%	10%	0.82	0.72	0.20
Health Care and Social Assistance	16.36	8.88	\$69,493	\$121,614	75%	20%	5%	6.66	1.78	0.44
Arts, Entertainment and Recreation	3.05	1.65	\$23,957	\$41,925	30%	35%	5%	0.50	0.58	0.08
Other Services	16.74	9.09	\$33,178	\$58,061	75%	15%	5%	6.82	1.36	0.45
Government	0.61	0.33	\$94,482	\$165,344	60%	20%	10%	0.20	0.07	0.03
Total/Average	84.31	45.77	\$49,058	\$85,852				24.73	9.54	5.94

- (1) Includes full-time equivalent employees from direct, indirect and induced employment, from Table A-27.
(2) Number of FTE conversion employees divided by 1.75 employees per worker household.
(3) From IMPLAN input/output model.
(4) Average payroll per employee multiplied by 1.75 employees per worker household.
(5) Assumes three persons per household and income limits of \$42,100 for very low income households, \$67,300 for low income households, and \$101,000 for moderate income households.
(6) Percentage of employees by income category estimated based on IMPLAN average payroll figures, and CEDD wage survey from Table A-35.

Source: IMPLAN; California Employment Development Department, Occupational Employment Statistics Survey, First Quarter 2013; DRA.

Table A-27
Estimated Qualifying Very Low Income and Low Income Households
Prototype #2
Owner Townhomes
City of Hayward Inclusionary Housing and Nexus Study
2014

Economic Sector	Total New FTE Employees Generated by Development (1)	No. of New Households (2)	Average Payroll Per Employee (3)	Estimated Household Income (4)	Estimated Percent of HH Earning Incomes Below 50% AMI (5)(6)	Estimated Percent of HH Earning Incomes Between 51% and 80% AMI (5)(6)	Estimated Percent of HH Earning Incomes Between 81% and 120% AMI (5)(6)	Estimated Households Earning Incomes Below 50% AMI	Estimated Households Earning Incomes Between 51% and 80% AMI	Estimated Households Earning Incomes Between 81% and 120% AMI
Manufacturing	0.83	0.45	\$79,132	\$138,481	70%	25%	5%	0.32	0.11	0.02
Wholesale Trade	2.06	1.12	\$85,997	\$150,496	70%	25%	5%	0.78	0.28	0.06
Retail Trade	11.94	6.48	\$38,827	\$67,947	60%	15%	15%	3.89	0.97	0.97
Transportation	1.23	0.67	\$64,533	\$112,934	70%	25%	5%	0.47	0.17	0.03
Warehousing and Storage	0.19	0.10	\$64,147	\$112,257	70%	25%	5%	0.07	0.03	0.01
Information and Communication	1.64	0.89	\$94,318	\$165,057	60%	20%	10%	0.53	0.18	0.09
Finance and Insurance	2.44	1.32	\$46,072	\$80,626	5%	40%	30%	0.07	0.53	0.40
Real Estate, Rentals and Leasing	3.10	1.68	\$18,012	\$31,520	5%	40%	30%	0.08	0.67	0.51
Professional, Scientific and Technical	2.31	1.25	\$66,015	\$115,526	5%	25%	45%	0.06	0.31	0.56
Management and Administrative Services	2.55	1.38	\$50,003	\$87,506	0%	0%	30%	0.00	0.00	0.41
Educational Services	2.44	1.32	\$32,644	\$57,128	40%	35%	10%	0.53	0.46	0.13
Health Care and Social Assistance	10.61	5.76	\$69,493	\$121,614	75%	20%	5%	4.32	1.15	0.29
Arts, Entertainment and Recreation	1.97	1.07	\$23,957	\$41,925	30%	35%	5%	0.32	0.38	0.05
Other Services	10.85	5.89	\$33,178	\$58,061	75%	15%	5%	4.42	0.88	0.29
Government	0.40	0.22	\$94,482	\$165,344	60%	20%	10%	0.13	0.04	0.02
Total/Average	53.72	29.61	\$48,376	\$84,657				15.99	6.17	3.85

- (1) Includes full-time equivalent employees from direct, indirect and induced employment, from Table A-28.
(2) Number of FTE conversion employees divided by 1.75 employees per worker household.
(3) From IMPLAN input/output model.
(4) Average payroll per employee multiplied by 1.75 employees per worker household.
(5) Assumes three persons per household and income limits of \$42,100 for very low income households, \$67,300 for low income households, and \$101,000 for moderate income households.
(6) Percentage of employees by income category estimated based on IMPLAN average payroll figures, and CEDD wage survey from Table A-35.

Source: IMPLAN; California Employment Development Department, Occupational Employment Statistics Survey, First Quarter 2013; DRA.

Table A-28
 Estimated Qualifying Very Low Income and Low Income Households
 Prototype #3
 Stacked Flat Apts.
 Podium Parking
 City of Hayward Inclusionary Housing and Nexus Study
 2014

Economic Sector	Total New FTE Employees Generated by Development (1)	No. of New Households (2)	Average Payroll Per Employee (3)	Estimated Household Income (4)	Estimated Percent of HH Earning Incomes Below 50% AMI (5)(6)	Percent of HH Earning Incomes Between 51% and 80% AMI (5)(6)	Percent of HH Earning Incomes Between 81% and 120% AMI (5)(6)	Estimated Households Earning Incomes Below 50% AMI	Estimated Households Earning Incomes Between 51% and 80% AMI	Estimated Households Earning Incomes Between 81% and 120% AMI
Manufacturing	1.34	0.73	\$61,703	\$107,981	70%	25%	5%	0.51	0.18	0.04
Wholesale Trade	3.53	1.91	\$66,918	\$117,106	70%	25%	5%	1.34	0.48	0.10
Retail Trade	18.00	9.77	\$30,213	\$52,872	60%	15%	15%	5.86	1.47	1.47
Transportation	1.99	1.08	\$48,994	\$85,740	70%	25%	5%	0.76	0.27	0.05
Warehousing and Storage	0.29	0.16	\$49,915	\$87,351	70%	25%	5%	0.11	0.04	0.01
Information and Communication	2.76	1.50	\$72,960	\$127,680	60%	20%	10%	0.90	0.30	0.15
Finance and Insurance	3.95	2.14	\$35,328	\$61,823	5%	40%	30%	0.11	0.86	0.64
Real Estate, Rentals and Leasing	5.97	3.24	\$13,697	\$23,970	5%	40%	30%	0.16	1.30	0.97
Professional, Scientific and Technical	3.63	1.97	\$50,975	\$89,206	5%	25%	45%	0.10	0.49	0.89
Management and Administrative Services	4.09	2.22	\$39,124	\$68,468	0%	0%	30%	0.00	0.00	0.67
Educational Services	2.98	1.62	\$25,133	\$43,983	40%	35%	10%	0.65	0.57	0.16
Health Care and Social Assistance	16.81	9.13	\$55,927	\$97,872	75%	20%	5%	6.84	1.83	0.46
Arts, Entertainment and Recreation	3.07	1.67	\$19,240	\$33,670	30%	35%	5%	0.50	0.58	0.08
Other Services	16.95	9.20	\$25,915	\$45,352	75%	15%	5%	6.90	1.38	0.46
Government	0.65	0.35	\$73,548	\$128,709	60%	20%	10%	0.21	0.07	0.04
Total/Average	84.67	46.69	\$38,089	\$66,655				24.95	9.81	6.17

(1) Includes full-time equivalent employees from direct, indirect and induced employment, from Table A-29.

(2) Number of FTE conversion employees divided by 1.75 employees per worker household.

(3) From IMPLAN input/output model.

(4) Average payroll per employee multiplied by 1.75 employees per worker household.

(5) Assumes three persons per household and income limits of \$42,100 for very low income households, \$67,300 for low income households, and \$101,000 for moderate income households.

(6) Percentage of employees by income category estimated based on IMPLAN average payroll figures, and CEDD wage survey from Table A-35.

Source: IMPLAN; California Employment Development Department, Occupational Employment Statistics Survey, First Quarter 2013; DRA.

Table A-29
Estimated Maximum Residential Nexus Fees
New Renter and Owner Housing Prototypes
City of Hayward Inclusionary Housing and Nexus Study
2014

	Very Low Income	Low Income	Moderate Income	Total
Prototype #1				
Est. No. of New Employee Households Moving to Hayward	24	9	5	38
Gap Per Household (1)	\$347,400	\$301,900	\$80,500	
Total Gap	\$8,337,600	\$2,717,100	\$402,500	\$11,457,200
No. of Units in Prototype	140	140	140	
Gap Per Unit in Prototype = Supportable Nexus Fee (2)	\$59,554	\$19,408	\$2,875	\$81,837
Average Square Feet Per Unit in Prototype	1,997	1,997	1,997	
Gap Per Net Square Foot (3)	\$29.82	\$9.72	\$1.44	\$40.98
Prototype #2				
Est. No. of New Employee Households Moving to Hayward	15	6	3	24
Gap Per Household (1)	\$332,600	\$287,900	\$63,700	
Total Gap	\$4,989,000	\$1,727,400	\$191,100	\$6,907,500
No. of Units in Prototype	80	80	80	
Gap Per Unit in Prototype = Supportable Nexus Fee (2)	\$62,363	\$21,593	\$2,389	\$86,344
Average Square Feet Per Unit in Prototype	1,850	1,850	1,850	
Gap Per Net Square Foot (3)	\$33.71	\$11.67	\$1.29	\$46.67
Prototype #3				
Est. No. of New Employee Households Moving to Hayward	24	9	6	39
Gap Per Household (1)	\$214,600	\$186,400	\$45,200	
Total Gap	\$5,150,400	\$1,677,600	\$271,200	\$7,099,200
No. of Units in Prototype	150	150	150	
Gap Per Unit in Prototype = Supportable Nexus Fee (2)	\$34,336	\$11,184	\$1,808	\$47,328
Average Square Feet Per Unit in Prototype	988	988	988	
Gap Per Net Square Foot (3)	\$34.74	\$11.32	\$1.83	\$47.89

(1) Weighted average per unit gap based on distribution of units by bedroom count for each housing prototype, from Tables A-14 through A-17.

(2) Total gap divided by the number of units in each prototype.

(3) Equals gap per unit divided by average square feet per unit for each prototype.

Source: DRA

Table A-30
Land Residual Analysis Assumptions
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis

2014

COST/INCOME BY LAND USE	Unit of Measure	Prototype #1 Owner Single-Family Infill	Prototype #2 Owner Owner Townhomes	Prototype #3 Rental Stacked Flat Apts. Podium Parking
Total Development Cost (1)	Net SF	\$185.00	\$231.00	\$389.00
Gross Income/Sales Proceeds (2)	Net SF	\$294.87	\$292.38	\$2.81
Operating Expenses	Ann. Cost/Unit	N/A	N/A	\$7,000
Occupancy Rate	%	N/A	N/A	95.0%
Capitalization Rate (3)		N/A	N/A	5.6%
Net Living Area (Square Feet)		279,600	148,000	148,250
Gross Building Square Feet		279,600	148,000	148,250
No. of Residential Units		140	80	150
Net Rentable Square Feet		279,600	148,000	148,250

(1) Equals total development cost, excluding land, for each prototype from Appendix Tables A-9 through A-12.

(2) Equals sales price per square foot for owner prototypes and monthly rent per square foot for renter prototype.

(3) Source: Cassidy Turley Commercial Real Estate Services, "San Francisco Bay Area Apartment Market Report", First Quarter 2013.

Sources: Cassidy Turley Commercial Real Estate Services; Dataquick; RealFacts; DRA.

Table A-31
Land Residual Analysis Construction Cost and Net Operating Income Calculations (1)
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis

2014

	Prototype #1 Owner Single-Family Infill	Prototype #2 Owner Owner Townhomes	Prototype #3 Rental Stacked Flat Apts. Podium Parking
GROSS BUILDING SQUARE FEET	279,600	148,000	148,250
TOTAL HOUSING UNITS	140	80	150
DEVELOPMENT COSTS (000's)			
Total Development Costs (Excluding Land)	\$51,726	\$34,188	\$57,669
TOTAL DEVELOPMENT COSTS (000's)	\$51,726	\$34,188	\$57,669
TOTAL COSTS PER HOUSING UNIT	\$369,471	\$427,350	\$384,462
TOTAL COSTS/SF	\$185.00	\$231.00	\$389.00
NET (OPERATING OR SALES) INCOME (000's)			
Net Rentable/Saleable Building SF	279,600	148,000	148,250
Gross Income By Use	\$82,446	\$43,272	\$5,004
Less: Vacancy	\$0	\$0	(\$250)
Less: Operating Expense	\$0	\$0	(\$1,050)
NET (OPERATING OR SALES) INCOME	\$82,446	\$43,272	\$3,704
NET (OPERATING OR SALES) INCOME PER UNIT	\$588,900	\$540,900	\$24,692
NET (OPERATING OR SALES) INCOME /SF	\$294.87	\$292.38	\$24.98

(1) See Table A-41 for assumptions.

Source: DRA.

**Table A-32
Land Residual Analysis
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis**

2014

	Prototype #1 Owner Single-Family Infill	Prototype #2 Owner Owner Townhomes	Prototype #3 Rental Stacked Flat Apts. Podium Parking
Number of Housing Units	140	80	150
Gross SF Bldg Area	279,600	148,000	148,250
Net SF Site Area	566,280	145,200	62,229
Density (Units/Acre)	10.8	24.0	105.0
Ann. Net Operating/Sales Income (000's) (1)	\$82,446	\$43,272	\$3,704
Assumed Capitalization Rate: (2)	N/A	N/A	5.60%
Capitalized Value/Sales Value (000's) (3)	\$82,446	\$43,272	\$66,139
Total Develop. Costs Except Land (000's) (1)			
With Nexus Fee Per Housing Unit of:			
\$0 No Fee	\$51,726	\$34,188	\$57,669
\$5,000	\$52,426	\$34,588	\$58,169
\$10,000	\$53,126	\$34,988	\$58,669
\$20,000	\$54,526	\$35,788	\$59,669
\$30,000	\$55,926	\$36,588	\$60,669
\$40,000	\$57,326	\$37,388	\$61,669
\$60,000	\$60,126	\$38,988	\$63,669
\$80,000	\$62,926	\$40,588	\$65,669
Residual Land Value (000's)			
With Nexus Fee Per Housing Unit of:			
\$0 No Fee	\$30,720	\$9,084	\$8,470
\$5,000	\$30,020	\$8,684	\$7,970
\$10,000	\$29,320	\$8,284	\$7,470
\$20,000	\$27,920	\$7,484	\$6,470
\$30,000	\$26,520	\$6,684	\$5,470
\$40,000	\$25,120	\$5,884	\$4,470
\$60,000	\$22,320	\$4,284	\$2,470
\$80,000	\$19,520	\$2,684	\$470
Residual Land Value Per SF Site Area			
With Nexus Fee Per Housing Unit of:			
\$0 No Fee	\$54.25	\$62.56	\$136.11
\$5,000	\$53.01	\$59.81	\$128.08
\$10,000	\$51.78	\$57.05	\$120.04
\$20,000	\$49.30	\$51.54	\$103.97
\$30,000	\$46.83	\$46.03	\$87.90
\$40,000	\$44.36	\$40.52	\$71.83
\$60,000	\$39.42	\$29.50	\$39.69
\$80,000	\$34.47	\$18.48	\$7.55
Percent Reduction in Residual Land Value			
With Nexus Fee Per Housing Unit of:			
\$5,000	2.3%	4.4%	5.9%
\$10,000	4.6%	8.8%	11.8%
\$20,000	9.1%	17.6%	23.6%
\$30,000	13.7%	26.4%	35.4%
\$40,000	18.2%	35.2%	47.2%
\$60,000	27.3%	52.8%	70.8%
\$80,000	36.5%	70.5%	94.5%

(1) See Tables A-41 and A-42 for assumptions and calculations of net operating income and total development costs.

(2) Source: Cassidy Turley Commercial Real Estate Services, "San Francisco Bay Area Apartment Market Report", First Quarter

(3) For renter housing, equals net operating income divided by capitalization rate for apartment land use. For owner housing, equals total sales prices for units in prototype.

**Table A-33
Land Residual Analysis with Increased Development Costs
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis**

2014

	Prototype #1 Owner Single-Family Infill	Prototype #2 Owner Owner Townhomes	Prototype #3 Rental Stacked Flat Apts. Podium Parking
Number of Housing Units	140	80	150
Gross SF Bldg Area	279,600	148,000	148,250
Net SF Site Area	566,280	145,200	62,229
Density (Units/Acre)	10.8	24.0	105.0
Ann. Net Operating/Sales Income (000's) (1)	\$82,446	\$43,272	\$3,704
Assumed Capitalization Rate: (2)	N/A	N/A	5.60%
Capitalized Value/Sales Value (000's) (3)	\$82,446	\$43,272	\$66,139
Percentage Increase in Development Costs From Original Estimates	15.0%	7.5%	7.5%
Total Develop. Costs Except Land (000's) (1)			
With Nexus Fee Per Housing Unit of:			
\$0 No Fee	\$59,485	\$36,752	\$61,994
\$5,000	\$60,185	\$37,152	\$62,494
\$10,000	\$60,885	\$37,552	\$62,994
\$20,000	\$62,285	\$38,352	\$63,994
\$30,000	\$63,685	\$39,152	\$64,994
\$40,000	\$65,085	\$39,952	\$65,994
\$60,000	\$67,885	\$41,552	\$67,994
\$80,000	\$70,685	\$43,152	\$69,994
Residual Land Value (000's)			
With Nexus Fee Per Housing Unit of:			
\$0 No Fee	\$22,961	\$6,520	\$4,145
\$5,000	\$22,261	\$6,120	\$3,645
\$10,000	\$21,561	\$5,720	\$3,145
\$20,000	\$20,161	\$4,920	\$2,145
\$30,000	\$18,761	\$4,120	\$1,145
\$40,000	\$17,361	\$3,320	\$145
\$60,000	\$14,561	\$1,720	(\$1,855)
\$80,000	\$11,761	\$120	(\$3,855)
Residual Land Value Per SF Site Area			
With Nexus Fee Per Housing Unit of:			
\$0 No Fee	\$40.55	\$44.90	\$66.61
\$5,000	\$39.31	\$42.15	\$58.57
\$10,000	\$38.07	\$39.39	\$50.54
\$20,000	\$35.60	\$33.88	\$34.47
\$30,000	\$33.13	\$28.37	\$18.40
\$40,000	\$30.66	\$22.86	\$2.33
\$60,000	\$25.71	\$11.85	(\$29.81)
\$80,000	\$20.77	\$0.83	(\$61.95)
Percent Reduction in Residual Land Value			
With Nexus Fee Per Housing Unit of:			
\$5,000	3.0%	6.1%	12.1%
\$10,000	6.1%	12.3%	24.1%
\$20,000	12.2%	24.5%	48.3%
\$30,000	18.3%	36.8%	72.4%
\$40,000	24.4%	49.1%	96.5%
\$60,000	36.6%	73.6%	144.8%
\$80,000	48.8%	98.2%	193.0%

(1) See Tables A-41 and A-42 for assumptions and calculations of net operating income and total development costs.

(2) Source: Cassidy Turley Commercial Real Estate Services, "San Francisco Bay Area Apartment Market Report", First Quarter

(3) For renter housing, equals net operating income divided by capitalization rate for apartment land use. For owner housing,

equals total sales prices for units in prototype
Source: DRA.

**Table A-34
Development Cost and Rent Analysis
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis**

2014

**Prototype #3
Stacked Flat Apts.
Podium Parking**

DEVELOPMENT COST ANALYSIS

Development Cost Per Unit, Excluding Land	\$384,462
Plus: Land Cost Per Unit (1)	\$15,000
Total Development Cost Per Unit	\$399,462

Linkage Fee As % of Development Cost

At a Fee Per Housing Unit of:

\$5,000	1.25%
\$10,000	2.50%
\$20,000	5.01%
\$30,000	7.51%
\$40,000	10.01%
\$60,000	15.02%
\$80,000	20.03%

RENT ANALYSIS

Annual Gross Rent Per Sq. Ft. \$2.81

Average Occupancy Rate 95%

Increase in Annual Rent Per SF Required to Finance

At a Fee Per Housing Unit of:

\$5,000	\$0.45
\$10,000	\$0.91
\$20,000	\$1.81
\$30,000	\$2.72
\$40,000	\$3.63
\$60,000	\$5.44
\$80,000	\$7.26

% Increase in Annual Rent Per SF

At a Fee Per Housing Unit of:

\$5,000	16.12%
\$10,000	32.24%
\$20,000	64.48%
\$30,000	96.72%
\$40,000	128.96%
\$60,000	193.45%
\$80,000	257.93%

(1) From Table A-8.

(2) Financing assumptions:

Debt:

Loan to Value Ratio	60.00%
Debt Interest Rate	6.00%

Equity

% of Develop. Costs	40.00%
Equity Yield	12.00%
Current Average Financing Cost	8.40%
Assumed Average Financing Cost	8.40%

Source: DRA.

Table A-35
Rate of Return Analysis
City of Hayward Inclusionary Housing and Nexus Study
Economic Impact Analysis

2014

Prototype #3
Stacked Flat Apts.
Podium Parking

RETURN ANALYSIS

Original Equity Investment Per Housing Unit (1)	\$159,785
Increase in Equity Investment Per Housing Unit At a Fee Per Housing Unit of:	
\$5,000	\$2,000
\$10,000	\$4,000
\$20,000	\$8,000
\$30,000	\$12,000
\$40,000	\$16,000
\$60,000	\$24,000
\$80,000	\$32,000
Assumed Equity Yield:	12.00%
Original Return on Equity Per Housing Unit (3)	\$19,174
Revised Rate of Return on Equity at Development Impact Fee Per Square Foot of: (4)	
\$5,000	11.85%
\$10,000	11.71%
\$20,000	11.43%
\$30,000	11.16%
\$40,000	10.91%
\$60,000	10.43%
\$80,000	10.00%

-
- (1) Equals assumed equity yield multiplied by total development cost per square foot (without fee).
 - (2) Assumes development impact fee is financed 100% through equity, since imposition of fee does not increase debt-carrying capacity of development.
 - (3) Equals original return on equity per square foot multiplied by assumed equity yield.
 - (4) Equals original return on equity per square foot divided by the sum of original equity investment per square foot plus increase in equity investment per square foot.

Source: DRA.

**Table A-36
Owner Housing Affordability Gap to Price Calculations
Prototype #1
Single-Family Infill
City of Hayward Inclusionary Housing and Nexus Study
2014**

Income Level	No. of BR	Unit SF	Maximum Monthly Housing Cost	Affordable Sales Price Per Unit (2)	Estimated Market Sales Price Per Unit (3)	Total Units	Total Affordable Sales Price	Total Market Sales Price (3)	Affordability Gap	Gap Per Unit
Very Low Income	3	1,900	\$1,364	\$155,300	\$570,000	72	\$11,181,600	\$41,040,000	\$29,858,400	\$414,700
Low Income	3	1,900	\$1,636	\$199,100	\$570,000	72	\$14,335,200	\$41,040,000	\$26,704,800	\$370,900
Moderate Income	3	1,900	\$3,000	\$418,900	\$570,000	72	\$30,160,800	\$41,040,000	\$10,879,200	\$151,100
Very Low Income	4	2,100	\$1,473	\$172,900	\$609,000	68	\$11,757,200	\$41,412,000	\$29,654,800	\$436,100
Low Income	4	2,100	\$1,767	\$220,200	\$609,000	68	\$14,973,600	\$41,412,000	\$26,438,400	\$388,800
Moderate Income	4	2,100	\$3,240	\$457,500	\$609,000	68	\$31,110,000	\$41,412,000	\$10,302,000	\$151,500
Very Low Income	Weighted Average (1)	1,997	\$1,417	\$164,100	\$588,900	140	\$22,938,800	\$82,452,000	\$59,513,200	\$425,100
Low Income	Weighted Average (1)	1,997	\$1,700	\$209,650	\$588,900	140	\$29,308,800	\$82,452,000	\$53,143,200	\$379,600
Moderate Income	Weighted Average (1)	1,997	\$3,117	\$438,200	\$588,900	140	\$61,270,800	\$82,452,000	\$21,181,200	\$151,300

(1) Weighted average based on unit distribution by bedroom count for the owner housing prototype.

(2) From Table A-3.

(3) From Table A-20.

Source: DRA.

**Table A-37
Owner Housing Affordability Gap to Price Calculations
Prototype #2
Owner Townhomes
City of Hayward Inclusionary Housing and Nexus Study
2014**

Income Level	No. of BR	Unit SF	Maximum Monthly Housing Cost	Affordable Sales Price Per Unit (2)	Estimated Market Sales Price Per Unit (3)	Total Units	Total Affordable Sales Price	Total Market Sales Price (3)	Affordability Gap	Gap Per Unit
Very Low Income	3	1,800	\$1,227	\$155,300	\$529,200	60	\$9,318,000	\$31,752,000	\$22,434,000	\$373,900
Low Income	3	1,800	\$1,473	\$199,100	\$529,200	60	\$11,946,000	\$31,752,000	\$19,806,000	\$330,100
Moderate Income	3	1,800	\$2,700	\$418,900	\$529,200	60	\$25,134,000	\$31,752,000	\$6,618,000	\$110,300
Very Low Income	4	2,000	\$1,364	\$172,900	\$576,000	20	\$3,458,000	\$11,520,000	\$8,062,000	\$403,100
Low Income	4	2,000	\$1,636	\$220,200	\$576,000	20	\$4,404,000	\$11,520,000	\$7,116,000	\$355,800
Moderate Income	4	2,000	\$3,000	\$457,500	\$576,000	20	\$9,150,000	\$11,520,000	\$2,370,000	\$118,500
Very Low Income	Weighted Average (1)	1,850	\$1,261	\$164,100	\$540,900	80	\$12,776,000	\$43,272,000	\$30,496,000	\$381,200
Low Income	Weighted Average (1)	1,850	\$1,514	\$209,650	\$540,900	80	\$16,350,000	\$43,272,000	\$26,922,000	\$336,500
Moderate Income	Weighted Average (1)	1,850	\$2,775	\$438,200	\$540,900	80	\$34,284,000	\$43,272,000	\$8,988,000	\$112,400

(1) Weighted average based on unit distribution by bedroom count for the owner housing prototype.

(2) From Table A-3.

(3) From Table A-20.

Source: DRA.

Table A-38
Inclusionary Housing In-Lieu Fee Calculation Based on Gap to Price
Owner Housing Prototypes
City of Hayward Inclusionary Housing and Nexus Study
2014

	Prototype #1	Prototype #2
	Single-Family Infill	Owner Townhomes
Average Affordability Gap Per Affordable Housing Unit, Based on Estimated Sales Price (1)	\$151,300	\$112,400
Percent of Affordable Units Required Per City of Hayward Inclusionary Housing Ordinance	15%	15%
In Lieu Fee Per Market Rate Housing Unit	\$22,695	\$16,860
Percent of Affordable Units Required Per City of Hayward Relief Ordinance and First Amendment	10.0%	7.5%
In Lieu Fee Per Market Rate Housing Unit	\$15,130	\$8,430

(1) At moderate income level, calculated at 110% of AMI, per Hayward Inclusionary Housing Ordinance.

Source: Tables A-36 and A-37; City of Hayward; DRA.

Appendix B

Housing Authority of the County of Alameda Utility Allowance Schedule 2013 and 2014

Utility Allowance

HACA UTILITY ALLOWANCE

Post 09 February 2011 Last Updated on 09 April 2014 By Irv Aragon Hits: 18948



The Housing Authority of the County of Alameda's (HACA's) **utility allowance** is its estimate of the monthly cost of the reasonable consumption of those essential utilities (and, if supplied by the tenant, the refrigerator and/or stove) not included in the tenant rent but for which the tenant is responsible. The **utility allowance** does **not** include the cost of telephone or cable services.

The utility allowances below are effective **7/1/13** for moves and income redeterminations effective **7/1/13** or later.

7/1/13 Utility Allowance - Multi-Unit Buildings & Attached Homes Studio1-Br2-Br3-Br4-Br5-Br6-Br

Heating - Electric	\$8	\$8	\$11	\$14	\$17	\$25	\$29
Heating - Gas	\$10	\$12	\$14	\$16	\$19	\$19	\$22
Cooking - Electric	\$1	\$2	\$2	\$3	\$3	\$3	\$3
Cooking - Gas	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Hot Water - Electric	\$10	\$11	\$20	\$25	\$26	\$26	\$30
Hot Water - Gas	\$7	\$9	\$11	\$15	\$18	\$19	\$22
Refrigerator¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Stove¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Water	\$22	\$30	\$40	\$49	\$60	\$72	\$83
Sewer	\$21	\$21	\$21	\$21	\$21	\$21	\$24
Trash	\$22	\$22	\$22	\$38	\$38	\$66	\$76
Electric - Other	\$11	\$14	\$20	\$24	\$28	\$31	\$36

¹ Tenant-Supplied

7/1/13 Utility Allowance - Single Family Studio1-Br2-Br3-Br4-Br5-Br6-Br

Heating - Electric	\$10	\$10	\$18	\$23	\$41	\$44	\$51
Heating - Gas	\$12	\$16	\$20	\$24	\$27	\$33	\$38
Cooking - Electric	\$1	\$2	\$2	\$3	\$3	\$3	\$3
Cooking - Gas	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Hot Water - Electric	\$10	\$11	\$19	\$25	\$26	\$26	\$30
Hot Water - Gas	\$7	\$9	\$11	\$15	\$17	\$19	\$21
Refrigerator¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Stove¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Water	\$20	\$30	\$38	\$46	\$59	\$68	\$78
Sewer	\$23	\$23	\$23	\$23	\$23	\$23	\$24
Trash	\$22	\$22	\$22	\$38	\$38	\$66	\$76

Electric - Other	\$11	\$14	\$20	\$24	\$28	\$31	\$36
¹ Tenant-Supplied							

The utility allowances below are effective 7/1/14 for moves and income redeterminations effective 7/1/14 or later.

**7/1/14 Utility Allowance - Multi-Unit Buildings &
Attached Homes
Studio1-Br2-Br3-Br4-Br5-Br6-Br**

Heating - Electric	\$8	\$8	\$11	\$14	\$17	\$25	\$29
Heating - Gas	\$10	\$12	\$14	\$16	\$19	\$19	\$22
Cooking - Electric	\$1	\$2	\$3	\$3	\$3	\$3	\$3
Cooking - Gas	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Hot Water - Electric	\$10	\$11	\$20	\$25	\$26	\$26	\$30
Hot Water - Gas	\$7	\$9	\$11	\$15	\$18	\$19	\$22
Refrigerator¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Stove¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Water	\$22	\$34	\$40	\$49	\$68	\$72	\$83
Sewer	\$21	\$21	\$21	\$21	\$21	\$21	\$24
Trash	\$25	\$25	\$25	\$38	\$38	\$66	\$76
Electric - Other	\$11	\$14	\$20	\$24	\$28	\$31	\$36
¹ Tenant-Supplied							

**7/1/14 Utility Allowance - Single Family
Studio1-Br2-Br3-Br4-Br5-Br 6-Br**

Heating - Electric	\$10	\$10	\$18	\$23	\$41	\$44	\$51
Heating - Gas	\$12	\$16	\$20	\$24	\$27	\$33	\$38
Cooking - Electric	\$1	\$2	\$3	\$3	\$3	\$3	\$3
Cooking - Gas	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Hot Water - Electric	\$10	\$11	\$19	\$25	\$26	\$26	\$30
Hot Water - Gas	\$7	\$9	\$11	\$15	\$17	\$19	\$21
Refrigerator¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Stove¹	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Water	\$28	\$39	\$50	\$61	\$78	\$89	\$102
Sewer	\$23	\$23	\$23	\$23	\$23	\$23	\$29
Trash	\$25	\$25	\$25	\$38	\$38	\$66	\$76
Electric - Other	\$11	\$14	\$20	\$24	\$28	\$31	\$36
¹ Tenant-Supplied							

DATE: November 4, 2014
TO: Mayor and City Council
FROM: City Clerk
SUBJECT: Adoption of Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0083 Relating to a Residential Development at 23830 and 23836 Saklan Road and 24137 Eden Avenue

RECOMMENDATION

That the City Council adopts the Ordinance introduced on October 28, 2014.

BACKGROUND

The Ordinance was introduced by Council Member Mendall at the October 28, 2014 meeting of the City Council with the following vote:

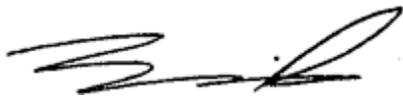
AYES:	Council Members:	Zermeño, Mendall, Jones, Peixoto, Lamnin, Márquez Mayor Halliday
NOES:	Council Members:	None
ABSENT:	Council Members:	None
ABSTAIN:	Council Members:	None

The motion was carried with the addition of a Condition of Approval that, “The Homeowners Association shall require homeowners to maintain in good condition the awnings over front entry ways of their homes.”

The summary of the Ordinance was published in the Hayward Daily Review on Saturday, November 1, 2014. Adoption at this time is therefore appropriate.

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:



Fran David, City Manager

Attachment:
Attachment I Summary of Ordinance Published on 11/01/14

PUBLIC NOTICE OF AN INTRODUCTION OF ORDINANCE
BY THE CITY COUNCIL OF THE CITY OF HAYWARD

AN ORDINANCE AMENDING CHAPTER 10, ARTICLE 1 OF THE HAYWARD MUNICIPAL CODE BY REZONING CERTAIN PROPERTY IN CONNECTION WITH ZONE CHANGE APPLICATION NO. PL-2014-0083 RELATING TO A RESIDENTIAL DEVELOPMENT AT 23830 AND 23836 SAKLAN ROAD AND 24137 EDEN AVENUE

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Rezoning.

Article 1 of Chapter 10 of the Hayward Municipal Code is hereby amended to rezone the property located at 23830 and 23836 Saklan Road and 24137 Eden Avenue (APN: 441-0100-001-02, 441-0100-002-02 and 441-0100-003-02) from Medium Density Residential (RM) to Planned Development (PD) District.

Section 2. Severance.

Should any part of this ordinance be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid or beyond authority of the City, such decision shall not affect the validity of the remainder of this ordinance, which shall continue in full force and effect, provided the remainder of the ordinance, absent the excised portion, can be reasonable interpreted to give effect to intentions of the City Council.

Section 3. Effective Date.

This ordinance shall become effective immediately upon adoption.

Introduced at the meeting of the Hayward City Council held October 28, 2014, the above-entitled Ordinance was introduced by Council Member Mendall.

This Ordinance will be considered for adoption at the regular meeting of the Hayward City Council, to be held on November 4, 2014, at 7:00 p.m., in the Council Chambers, 777 B Street, Hayward, California. The full text of this Ordinance is available for examination by the public in the Office of the City Clerk.

Dated: November 1, 2014
Miriam Lens, City Clerk
City of Hayward