



# REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE January 6, 1998

AGENDA ITEM 3

WORK SESSION ITEM \_\_\_\_\_

**TO:** Redevelopment Agency Board Members

**FROM:** Director of Community and Economic Development

**SUBJECT:** **Public Hearing to Review the 1994-99 Implementation Plan for the Downtown Hayward Redevelopment Project**

### **Recommendation:**

1. That the Agency conduct a public hearing to review and receive comment on the 1994-99 Downtown Hayward Redevelopment Project Implementation Plan.
2. That the Agency accept the 1997 Mid-Term Review of the 1994-99 Downtown Hayward Redevelopment Project Implementation Plan.

### **Background:**

Adoption of Five Year Implementation Plans for redevelopment project areas was one of the requirements of AB 1290, the Community Redevelopment Law Reform Act. Implementation Plans were required to describe goals and objectives for each Project Area, as well as the specific programs, including potential projects, and the estimated expenditures to be made during the five years covered by the plans. Implementation Plans were also required to include an explanation of how the goals and objectives, programs, potential projects and estimated expenditures would eliminate blight within the Project Area. Finally, Implementation Plans were required to describe how the Agency would use its Low and Moderate Income Housing Fund to increase, improve and preserve low and moderate income housing. The Implementation Plan for the downtown Hayward Redevelopment Project was adopted on December 14, 1994.

The new law also requires that the Agency conduct a public hearing between the second and third years of the five-year term of the Implementation Plan for the purpose of reviewing the Plan and evaluating the progress of the Redevelopment Project. The purpose of this public hearing is to meet this requirement of the law. Staff has prepared a mid-term review of the 1994 Implementation Plan, which is Exhibit A of this agenda report. The mid-term review includes an updated summary of Agency expenditures from 1994 to 1999.

Since the Implementation Plan was adopted in late 1994, the activities of the Redevelopment Agency have shifted from planning activities and site assembly to project activities and completion of projects. The Atherton Place Townhomes is the first major redevelopment project that was completed. In addition to this, City funded projects and private sector projects have

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contributed to the continuing redevelopment effort in the Downtown Hayward Redevelopment Area. City funded projects include the new City Hall, Fire Station No. 1 and the Hayward Area Historical Society Museum Renovation project. Mervyns is undertaking a major renovation of their downtown corporate offices which will add 800 employees downtown. Finally, the Agency continues to work on the proposed Lucky's and multiscreen theater projects.

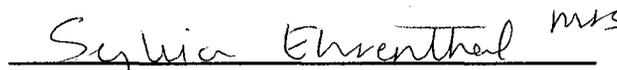
In 1995 the Housing Element of the General Plan was amended to establish a 70% owner-occupancy goal. One result of this policy change has been to use the Low and Moderate Income Fund to create financing and outreach programs targeting low to moderate income first-time homebuyers. The Low and Moderate Income Housing Fund also continues to fund or provide matching funds for new construction projects and multifamily housing rehabilitation programs.

The Agency is not required to take any formal action concerning the 1994 Implementation Plan or the Redevelopment Plan. This mid-term review is an opportunity for the Agency to accept public comment and review the activities and expenditures of the Agency since 1994 and to review what is proposed until 1999. The law acknowledges that annual budget decisions by the Board will determine the actual amount allocated to any particular program or project, and the inclusion of an estimated amount in an Implementation Plan does not constitute approval of that amount.

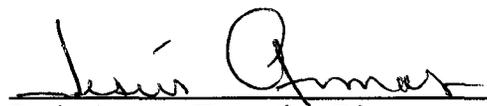
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**Approved by:**

  
Jesús Armas, Executive Director

Exhibits A: Mid-Term Review of the 1994-99 Downtown Hayward Implementation Plan  
B: 1994 Implementation Plan

**EXHIBIT A**

**MID-TERM REVIEW**  
**OF THE**  
**1994-1999**  
**DOWNTOWN HAYWARD REDEVELOPMENT**  
**IMPLEMENTATION PLAN**

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**PART I**  
**REDEVELOPMENT IMPLEMENTATION PLAN**  
**AND**  
**ASSOCIATED PROGRAMS**

## **INTRODUCTION**

The State Legislature passed the Community Redevelopment Law Reform Act, which took effect on January 1, 1994. One of the requirements of this redevelopment reform legislation is the adoption of Five Year Implementation Plans for all Redevelopment Project Areas. Implementation Plans are required to describe the goals and objectives for each Project Area, the specific programs and potential projects for each Project Area, and the estimated expenditures to be made during the five years covered by the Plans. Implementation Plans are also required to describe how the Agency would implement the Community Redevelopment Law requirements related to the provision and preservation of Low and Moderate Income housing. The Implementation Plan for the Downtown Hayward Redevelopment Project Area (Exhibit B) was adopted on December 14, 1994.

The Reform Act also requires that the Agency conduct a public hearing at least once, between the second and third years of the five year term of the Implementation Plan, for the purpose of reviewing the Plan, and evaluating the progress of the Redevelopment Project to which it applies. The following report is intended to provide such review. First, the report identifies the completed and proposed proposal programs and projects within the redevelopment area. This is followed by all discussion of the Redevelopment Agency's progress towards the completing the programs recommended in the Implementation Plan and a review of program expenditures. Part II of this report provides a review of the Agency's programs and activities funded its Low and Moderate Income Housing Fund.

## **SUMMARY**

The Redevelopment Agency continues to pursue activities that implement the goals of the Downtown Hayward Redevelopment Plan. The Agency has largely progressed beyond site assemblage for Sites 1, 2 and 3, and has proceeded to site preparation and development. Major public and private projects have been completed or are under construction, resulting in an investment of almost \$70 million in the Project Area since 1994. Specifically, redevelopment of Site 1 has been completed and development of Site 2 is underway. Development plans for Site 3 now contemplate mixed-use development and the Sulphur Creek realignment has been completed. Site assemblage for Site 4 continues as opportunities arise. Finally, the Agency is in negotiations for commercial redevelopment of an adjacent BART Station Area site, the Lucky Site. The Agency is currently pursuing another significant project which is the theater project, and will consider adding the Cannery Park Area to the Downtown Hayward Redevelopment Area.

## **GOALS AND OBJECTIVES OF THE HAYWARD DOWNTOWN REDEVELOPMENT PLAN**

Historically, Downtown Hayward has been the commercial and business center of the City and surrounding areas. The Downtown Redevelopment Area is characterized by a variety of physical and economic conditions that adversely affect the economic functioning and improvement of the

area. These conditions include multiple ownerships, vacant and underutilized land and buildings, obsolescence and physical deterioration of buildings, geologic impediments, and inadequate circulation, parking and pedestrian amenities. In response to these conditions within the Project Area, the central goal of the Redevelopment Plan is to:

"Provide an improved physical, social and economic environment which will establish this area as a center of community activity, containing a viable mixture of commercial and residential development, open space, public and related uses."

Within this broad goal, the Redevelopment Plan identifies specific activities which may be undertaken by the Redevelopment Agency. These include:

- A. Beautification and enhancement of the Project Area to create an improved visual environment and to promote comfort, convenience, safety and visual unity.
- B. Creation of a safe and efficient transportation and traffic circulation system.
- C. Creation and/or expansion of off-street parking facilities, including surface lots and multiple story structures.
- D. Provision of public facilities which will be needed to support the revitalization of downtown which may include but will not be limited to public buildings, recreation facilities, open space and utilities.
- E. Provision of expanded living and employment opportunities through the creation of suitable parcels of land for private development of housing and commercial uses.

## **COMPLETED AND PROPOSED PROGRAMS AND PROJECTS WITHIN THE DOWNTOWN REDEVELOPMENT AREA**

Several projects have recently either been completed, are under construction, or are "on the drawing board." The most significant of these projects is the new City Hall. The following is a description of all of the current projects in downtown and their estimated investment.

### **PROJECTS COMPLETED OR UNDERWAY**

#### **1. The New Hayward City Hall**

Without question, the major new project Downtown is the construction of the new City Hall at the southwest corner of B and Watkins Streets. The new City Hall has a state-of-the-art design and seismic engineering to better serve all of the citizens of Hayward now and into the 21st Century. The City Hall was completed in December, 1997.

The City Hall is a four story structure that will house approximately 300 City employees, as well as the City Council offices and Council Chambers. The City Hall is designed to maximize public usage in a people friendly environment. The design, with a signature two story glass rotunda, emphasizes the "openness" of the government in Hayward. The building features both visual and physical accessibility with a high proportion of public space within the building. Special features of this City Hall include:

- User-friendly facilities, including a "one stop counter" for all of the City's development permits and fees.
- The rotunda and galleria provide opportunities for the community art program's rotating exhibits.
- The City Hall is adjacent to the downtown BART and Intermodal Stations to promote mass transit use, and is also easily accessible to the Library, Post Office, and other public facilities.
- Historic design elements from the original City Hall on Mission Boulevard have been incorporated into the new project.
- Careful attention has been paid to make sure that this building will fit into the existing downtown environment.

Engineered and built to withstand the impacts of a major earthquake, the new City Hall location and design is the culmination of several years of planning, public work sessions and hearings. The design of this City Hall creates a new focal point for Downtown activities while acknowledging both pedestrian and view corridors into the Downtown. The cost of the new City Hall is approximately \$30 million, and was financed by the City with Certificates of Participation. This amount includes land cost and construction of the City Hall, the Plaza and parking. The new City Hall is located on Redevelopment Site 2. In order to facilitate development of the Site in accordance with the City's adopted Core Area Specific Plan, the Agency exchanged a portion of its property with the Bay Area Rapid Transit District (BART). It will be necessary to convey the City Hall site from the Agency to the City. It is anticipated that the remainder of the Site will be developed as townhomes (see Site 2 Residential).

## **2. City Hall Plaza**

The new City Hall project also includes a significant pedestrian plaza and promenade. The City Hall Plaza extends from the BART station to Watkins Street between City Hall and the future residential site north of C Street.

The City Hall Plaza includes landscaped and lighted pedestrian walkways, hardscape plazas, fountains, lawn terraces, and outdoor seating. The primary plaza area extends outward from

the City Hall rotunda to Watkins Street and B Street. A \$962,000 grant from the Federal Transportation Enhancement Activities (TEA) program has been obtained for this project.

**3. Atherton Place Townhomes**

This \$13 million residential development was the Agency's first private sector redevelopment project. As of December, 1997 all units had been sold and the project was completed. Atherton Place consists of 83 two and three bedroom townhomes with initial sales prices ranging from \$140,000 to \$175,000. The Agency assembled the site (Site One) and sold the site to the developer in accordance with a Disposition and Development Agreement (DDA). The Agency has received its payment of \$674,621 for the site, in accordance with the DDA.

Atherton Place was the recipient of the prestigious MAME Golden Nugget Award for its quality construction features and architectural design.

**4. Hayward Fire Station No. 1**

In May, 1993, the City Council authorized the replacement of Fire Station No. 1 with a new facility at its existing location at the southeast corner of C and Main Streets. The old Station No. 1 was demolished and a new 14,000 square foot, two story fire station was constructed in its place.

The new Hayward Fire Station No. 1 honors the architectural heritage of Downtown Hayward. The historic design of the fire station is manifested in the extensive use of detailed cornices, cast medallions, arched windows, and plaster treatment that simulates cast-in-place concrete. This new fire station resembles a historic two story commercial building that fronts the sidewalk, like many of the buildings downtown. Fire Station No. 1 was built at a cost of \$4.6 million in City funds, and began operation in January, 1997.

**5. Hayward Area Historical Society Museum Renovation Project**

Work has recently been completed to seismically upgrade and renovate the Eggert Building, location of the Hayward Area Historical Society Museum. Improvements include handicap accessibility modifications, renovated bathrooms and kitchen, new electrical and plumbing systems, reconstruction of the mezzanine and storage areas, and a new heating and ventilation system. The cost of this building renovation project is approximately \$700,000, including City and federal funding. The work was completed in December, 1997.

**6. Mission Boulevard City Hall Retrofit and Linear Park**

This building has been vacant since 1982, after it was concluded that it was not safe to occupy due to its location directly over the Hayward Fault. The City Council has decided to preserve the original City Hall in its current location and seismically upgrade the building's roof

structure. It will not be reoccupied, but rather incorporated into the design of a linear park to be located along the east side of Mission Boulevard between C and D Streets.

The 1.25 acre linear park will be developed in 1998 as part of the City's 1997-98 Capital Improvement Program. The estimated cost is \$500,000. As part of this project, the old Healds College Building at the corner of C and Mission Boulevard will be demolished and incorporated into the park.

**7. B Street Ornamental Street Light Project**

This project will remove all utility poles and overhead wires on B Street between Atherton and Grand Streets, and on Montgomery and Grand Streets between A and B Streets. This project will install new ornamental street lights on both sides of B Street from Watkins to the BART station and on both sides of Watkins Street between B and C Streets. The cost of this project is \$200,000.

**8. Downtown Hayward Farmers Market**

The Downtown Farmers Market has been in existence since 1992 and continues to operate -- rain or shine -- every Saturday on Main Street between A and B Streets. The hours of the Market are from 9:00 a.m. to 2:00 p.m. on Saturdays. The Market received funding in its first three years of operation, and is now self-supporting.

**9. Mervyn's Downtown Office Increases to 1,200 Employees**

Mervyn's is consolidating its corporate offices in Hayward by relocating all employees to its building on Foothill Boulevard across from Centennial Hall. As a result of this move, the number of employees at the Foothill building will increase from 400 to 1,200. Mervyn's is proceeding with its interior renovations for the building, and expects that this move of 800 employees to Downtown will be completed in 1998. The cost of this project is estimated to be \$12 million.

**10. Downtown Facade Improvement Program and Retail Technical Assistance**

The City has begun a new Facade Improvement Program for downtown properties. The initial pilot program is limited to B Street between Foothill Boulevard and Watkins Street, Main Street between A and C Streets, and Mission Boulevard between A and C Streets. The purpose of the program is to stimulate business development by improving the appearance of Downtown and encouraging long-term building maintenance.

The first year funding for architectural services and property rehabilitation is \$485,000 in Community Development Block Grant funds. A deferred loan for facade improvements is provided to a property owner as long as the property owner maintains the building in

accordance with the loan agreement. Eligible projects include painting and cleaning the building, installing new signs and awnings, or exposing and repairing the original facade. Applications for 36 Downtown properties have been submitted to participate in this program and construction work on the buildings will begin in the Spring of 1998.

The City also offers a Retail Technical Assistance Program for Downtown merchants. An expert in merchandising conducts a series of workshops and on-site consultations with merchants. Technical assistance is also being provided for visual merchandising and display, customer targeting, store imaging and store design. Over 45 merchants in downtown Hayward have participated in this program.

## **11. Downtown Business Improvement Area**

Most of the businesses located within the Downtown Hayward Redevelopment Project Area are also in the Hayward Downtown Business Improvement Area (BIA). The BIA exists in order to undertake improvements and activities which will serve to promote business in the Downtown area. All retail service/professional and financial institutions within the boundaries of the BIA pay a charge to fund these activities and improvements.

The BIA's annual funding from collected fees is approximately \$48,000. The Redevelopment Agency has contributed an additional \$20,000 each year for the past several years to the BIA budget for sidewalk steam cleaning and downtown decorations.

## **PROPOSED PROJECTS**

### **1. Proposed New Lucky's Store and Retail**

The Redevelopment Agency is currently negotiating with American Stores Properties, Inc. for a proposed new 62,000 square foot Lucky's/Sav-On store with 18,000 square feet of additional retail shop space. This project would be located across from the new City Hall west of Mission Boulevard between A and B Streets, and incorporates the existing businesses on B Street between Mission Boulevard and Watkins Street. The site currently includes a mix of privately-owned properties, a portion of Watkins Street, which would be closed from A to B Streets, and an Agency-owned municipal parking lot which would be conveyed for fair market value to the Developer. The site is approximately six acres.

The Redevelopment Agency has approved an Exclusive Right to Negotiate Agreement with the developer, and the Planning Commission is expected to review the plans for this project in early 1998. If this project proceeds, then staff will work with the developer to acquire the privately-owned properties and to relocate the existing tenants. An important component of this project is working with the developer to re-lease the existing 27,000 square foot Lucky Store at B Street and Foothill Boulevard to another anchor retail tenant for the Downtown.

Currently, it is estimated that construction could start on this project by fall, 1998 with completion by mid-year 1999.

## **2. Proposed Multi-Screen Theater Project**

The Redevelopment Agency is also considering a proposed multi-screen theater project at Foothill Boulevard and Russell Way. The Agency has approved an Exclusive Right to Negotiate Agreement with NL Properties, a developer that owns a portion of the theater site.

The project site is bounded by Foothill Boulevard to the west, Russell Way on the south, Second Street to the east, and San Lorenzo Creek to the north. Preliminary plans have been submitted by the developer. The proposed project is a 16+ screen theater complex with 14,000-18,000 square feet of retail space. The developer has also purchased the building at the south corner of Russell Way and Foothill Boulevard and expects to develop approximately 11,000 square feet of retail space facing Russell Way. The developer is also investigating the feasibility of retaining the brick building at the corner of Russell Way and Second Street, and converting it into a creekside restaurant adjacent to the theater. It is currently estimated that construction could begin on this project by mid-1998 with completion date of summer, 1999.

## **3. Site 2 Residential**

The new City Hall and Plaza project has been completed on the northern half of Site 2. The Agency has a Disposition and Development Agreement (DDA) with City Center Company to construct 80 to 90 two and three bedroom townhouse units on the southern 3.1 acres of Site Two. This portion of Site 2 is currently owned by BART and the Agency is working with BART to acquire the property. This project should get underway in 1998.

## **4. Site 3 Mixed Use Development**

The City is currently preparing preliminary architectural and site plans to develop this site with a mixed-use development that would initially consist of a 300-space parking structure, approximately 18,000 square feet of retail space, and a continuation of the promenade connecting the Bart Station to the downtown area. The retail would be located along the B Street frontage of the site and would be incorporated into the parking structure. The parking structure would primarily serve City Hall employees as well as the general public. A building site of approximately 15,000 square feet would remain at the corner of C Street and Mission Boulevard, for future development. The Redevelopment Agency owns this 1.92 acre site.

## **5. City Center Building Sale**

In 1996 the City contracted with Cornish & Carey Commercial to market its 151,000 square foot former City Hall Building located a 22300 Foothill Boulevard. As of November, 1997 a prospective buyer has entered into negotiations and a due diligence period with the City, with

the intent of acquiring the building. The buyer proposes to undertake renovations and a seismic retrofit, and lease the building to commercial tenants. As part of the proposed sale, the City or the Agency will lease a portion of its Civic Center parking garage for daytime use by the office tenants. Negotiations are expected to be concluded by mid-year, 1998.

## **FIVE YEAR IMPLEMENTATION PLAN REVIEW**

The Five Year Implementation Plan adopted by the Redevelopment Agency in 1994 identified the following programs for the Agency to pursue between 1994-1999:

### **Redevelopment of Sites in the BART Station Area**

The Implementation Plan stated that "Agency must give highest priority to the completion of this activity which will create a desirable urban neighborhood, have substantial positive impact on downtown by introducing new residents and employees which will expand the customer base, enhance tax revenues, and provide positive signs of progress to other potential developers and/or prospective businesses."

Within the past three years, the Agency and the City have clearly moved towards the completion of this five year goal. Atherton Place, an 83-unit townhome project on Site 1, has been completed and sold out, and the City will finish construction of a new City Hall on a portion of Site 2. The Agency expects to work with the developer of Site 1 on the proposed Site 2 residential project. Finally, Site 3, is being considered as the location of a mixed-use development incorporating City Hall parking. Although not in the Redevelopment Project Area, Lincoln Properties has proposed the development of 176 units of high quality apartments located near the BART station at the north east corner of D and Grand Streets.

### **Business Attraction**

The 1994 Implementation Plan includes a program to "undertake efforts to attract new business to the Project Area". This effort was anticipated to be done through the City's Commercial Revitalization Program at an estimated cost of \$41,000 annually to provide partial funding for an Economic Development Specialist staff position to work on business attraction for the Project Area. The Agency partially funded this position in FY 1994-95 and, thereafter, the City has provided funding for this position. Efforts in FY 1995-96 were concentrated on a survey of the Downtown business community and preparation of a Market Analysis for Downtown. In 1997 the City funded the Retail Technical Assistance Program and the Downtown Facade Improvement program to assist in business attraction efforts and improve the image of downtown as a critical first step for business attraction.

In addition, the Agency is working on two potential commercial projects that could attract significant new businesses to the Project Area. The first project is the proposed new

In addition, the Agency is working on two potential commercial projects that could attract significant new businesses to the Project Area. The first project is the proposed new Lucky's/Sav-On, located west of Mission Boulevard between A and B Streets. This project is a proposed 80,000 square foot retail center that Lucky's would expand into from its existing building at Foothill Boulevard and B Street. The Agency would also work with Lucky's to re-lease their existing building to a new commercial tenant. The second project is the proposed multi-screen theater and retail development at Foothill Boulevard and Russell Way.

If either or both of these projects are completed, it will result in attracting new businesses to the Downtown. This is particularly true of the theater project, which would likely be an "anchor" tenant that attracts new restaurants and commercial uses.

### **Business Association Assistance**

A third identified program in the Implementation Plan was an annual contribution by the Agency of \$20,000 for the purposes of Downtown business development and promotional activities. Since 1994, the Agency has continued this level of annual funding for these activities to the Hayward Downtown Business Improvement Area (BIA). Until 1997, the Hayward Downtown Association (HDA) served as the administrator of the BIA. In June 1997, the HDA decided to cease operation. Because HDA no longer exists, Redevelopment Agency staff now administers an annual contract for Downtown promotional and advertising services. The Agency's funding is used for sidewalk steam cleaning and downtown decorations.

### **Other Programs**

The 1994 Implementation Plan also included other minor programs for Downtown landscaping, property management, and staff assistance to property owners to meet the requirements of the Unreinforced Masonry Building Ordinance. Agency funding and staff time continue for these programs as described in the 1994 Implementation Plan, with a minor funding increase for landscaping activities through 1999.

## **PROPOSED DOWNTOWN HAYWARD REDEVELOPMENT PROJECT AREA AMENDMENT**

Over the past several months, the City has reviewed the potential of expanding the current Downtown Redevelopment Project Area to include the Cannery Area, which is located west of Downtown. After reviewing this potential project with the City's Economic Development Committee and Council Downtown Committee earlier this year, \$180,000 Redevelopment funds were included in the current fiscal year budget to undertake the necessary planning and document preparation to consider the Redevelopment Plan Amendment. In December, 1997 the City and the Agency took the first steps towards amending its Redevelopment Plan with the adoption of a Survey Area and the approval of a consulting team to assist with the necessary analysis and document preparation work. The estimated completion date of the proposal planamendmentt is December,

1998. This is a significant new redevelopment activity, which was not included in the 1994 Five Year Implementation Plan.

## REDEVELOPMENT PROGRAM EXPENDITURES

The Implementation Plan identified the following anticipated program expenditures between 1994 and 1999.

### SUMMARY OF RECOMMENDED PROGRAM EXPENDITURES (000's)\*

	94-95	95-96	96-97	97-98	98-99
Redevelopment Sites	715	0	175	0	0
Business Attraction	41	41	41	41	41
Business Association Assistance	20	20	20	20	20
Landscaping	5	5	5	5	5
Property Management	5	5	5	5	5
URM Program	0	0	0	0	0
<b>TOTAL</b>	<b>786</b>	<b>71</b>	<b>246</b>	<b>71</b>	<b>71</b>

\*Administration expenditures are accounted on the Projected Tax Increment Funds and Committed Expenditures Table.

The Implementation Plan anticipated project site expenditures of \$715,000 in 1994-95 for property acquisition, building demolition and Sulphur Creek reconstruction, and \$175,000 in 1996-97 for preparation of Site 2.

Because of the development of Site 1, the construction of City Hall on Site 2, future residential development on Site 2, site preparation for the future development of Site 3, and the proposed Lucky's and theater projects, the Redevelopment Agency has increased program expenditures for Redevelopment sites since Fiscal Year 1995-96. These increased expenditures have been for demolition, environmental remediation, legal services, financial consultants, and site preparation work.

**1995-96 Site Expenditures**

Demolition/Site Preparation - Site 1	\$ 40,000
Demolition/Site Preparation - Site 2	40,000
Sulphur Creek - Site 3	<u>2,000</u>
TOTAL	\$82,000

**1996-97 Redevelopment Site Expenditures**

Land Assembly - Site 2	\$233,200
Sulphur Creek	228,300
Demolition - Site 2	56,000
Site Preparation - Site 1	26,300
Consultants	15,000
Farmers Market	<u>5,000</u>
TOTAL	563,800

**1997-98 Redevelopment Site Expenditures (budgeted)**

Demolition - Site 2 & Site 3	70,000
Site Preparation - Theater Site	50,000
Consultants	42,000
Legal Services	<u>70,000</u>

SUBTOTAL \$232,000

1997-98 Downtown Hayward Redevelopment Plan Amendment	\$180,000
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TOTAL \$412,000

**1998-99 Redevelopment Site Expenditures (projected)**

Site Preparation Activities	\$150,000
Consultant Services	40,000
Legal Services	<u>50,000</u>

TOTAL \$240,000

Based on the changes made to Redevelopment expenditures which have occurred and which are anticipated through Fiscal Year 1998-99, the following is a revised Summary of Expenditures from 1994-95 to 1998-99:

**1997 REVISED SUMMARY OF RECOMMENDED PROGRAM EXPENDITURES**  
 (\$000's)\*

	<b>94-95</b>	<b>95-96</b>	<b>96-97</b>	<b>97-98</b>	<b>98-99</b>
Redevelopment Sites	715	82	445	365	240
Business Attraction	41	0	0	0	0
Business Association Assistance	20	20	20	20	20
Landscaping	5	9	8	9	15
Property Management	5	5	5	5	5
URM Program	0	0	0	0	0
Plan Amendment	0	0	0	180	0
<b>TOTAL</b>	<b>786</b>	<b>116</b>	<b>478</b>	<b>629</b>	<b>280</b>

\*Administration expenditures are accounted on the Projected Tax Increment Funds and Committed Expenditures Table.

**PART II**  
**PROJECTS FUNDED WITH**  
**LOW AND MODERATE INCOME HOUSING FUNDS**

## **SUMMARY OF REDEVELOPMENT LOW AND MODERATE INCOME HOUSING FUND PROGRAMS**

Since the adoption of the five year Implementation Plan in 1994, most of the anticipated new affordable housing construction projects have been completed and a policy change has occurred that emphasizes home ownership projects. The availability of Mortgage Credit Certificates (MCCs) has been reduced dramatically at the state level, decreasing local allocations since FY 1996-97. As a result of this change far fewer low and moderate income families will be assisted with MCCs over the plan period. The Low and Moderate Income Housing Fund (LM Fund) continues to provide funds for the First Time Homebuyer Program and acquisition and rehabilitation program for multifamily properties that serve low and moderate income families in targeted areas.

### **AFFORDABLE HOUSING GOALS**

The Redevelopment Agency/City's housing goals under the Implementation Plan identified in the Housing Element are:

- ◆ Encourage the provision of an adequate supply of housing units in a variety of housing types which accommodate the diverse housing needs of those who live, or wish to live in the City;
- ◆ Ensure the safety and habitability of the City's housing units and the quality of its residential areas;
- ◆ Ensure that the City's housing stock contains an adequate number of decent and affordable units for households of all income levels; and
- ◆ Ensure that all households have a variety of housing units from which to choose and that the emergency housing needs of Hayward households are met.

These goals are still in place. In addition, the City, in response to a home ownership rate of approximately 51%, amended its Housing Element in 1995 to establish a 70% owner-occupancy goal. The effect of this Amendment to the Housing Element has been to create programs targeting low to moderate income first-time homebuyers purchasing homes in Hayward, including:

- ◆ providing a series of homebuyer workshops addressing various needs;
- ◆ creating the Hayward Housing Working Group, a public-private partnership between the City and ten lenders committed to assisting Hayward homebuyers. The Hayward Housing Working Group has been recognized by HUD as a partner in the federal homeownership effort; and
- ◆ providing downpayment and closing cost loans to first-time homebuyers.

As a result, the Low and Moderate Income Housing Fund which has been used to assist low to moderate income renters, is now being used to also support programs assisting low to moderate

income first-time homebuyers, since these programs move the City towards meeting its stated homeownership goal.

### Household Incomes

The incomes of the households residing in developments assisted with the Low and Moderate Income Housing Fund range from very low to moderate income levels. Table I displays current maximum income limits adjusted by household size for each of the respective income levels.

**TABLE I**

FY 1997 INCOME LEVEL	HOUSEHOLD SIZE					
	1	2	3	4	5	6
Very Low (50% of median)	\$21,050	\$24,050	\$27,050	\$30,050	\$32,450	\$34,850
Low (60% of median)	\$25,250	\$28,850	\$32,450	\$36,050	\$38,950	\$41,850
Low (80% of median)	\$30,450	\$34,800	\$39,150	\$43,500	\$47,000	\$50,450
Moderate (120% of median)	\$50,450	\$57,700	\$64,900	\$72,100	\$77,850	\$83,650

The following is a sample of various occupations of residents served by these developments. At the very low income level (50% of median) occupations include: waitress, restaurant assistant manager and clerk typist. At the 60% of median income level, (e.g., some of the households residing in the Glen Eden Apartments), include: machinists, office workers, security guards and sales persons. Occupations of moderate income households (120% of median), such as those purchasing at Spring Court, include: accountants, teachers, government employees, health care providers and legal secretaries.

### PROJECTS THAT ARE COMPLETED OR UNDER WAY

#### NEW CONSTRUCTION

##### *Rental Projects*

##### **E. C. Magnolia Court**

A 21-unit rental housing development serving very low income (with incomes at or below 50% of area median income) and physically disabled households. The Low and Moderate Income Housing Funds were leveraged with City Community Development Block Grant (CDBG) funds and HUD Section 202/8 financing. The loan is forgivable provided there is no violation of the property's use restrictions as an affordable rental housing development serving persons with physical disabilities.

## **Glen Eden Apartments**

A 36-unit family rental housing development serving lower income households (with incomes at or below 60% of area median income). Funds leveraged additional City CDBG, State Rental Housing Construction Program (RHCP) and Low Income Housing Tax Credit funds, in addition to financing from various private lenders. This loan was fully paid in May 1994.

## **Glen Berry Apartments**

Glen Berry Apartments is a 50-unit rental housing development serving lower income families (households with incomes at or below 60% of the area median). In December 1992, \$230,000 was committed to Eden Housing for a bridge loan to assist in the development of Glen Berry Apartments. Financing of Glen Berry also came from City CDBG, State Rental Housing Construction Program (RHCP) and Low Income Housing Tax Credit funds, in addition to financing from private lenders. Glen Berry is a unique project for Eden Housing, as it is their first permanent rental housing development to be developed in collaboration with a local nonprofit services provider, the Family Emergency Shelter Coalition (FESCO). FESCO coordinates the provision of the on-site supportive services, including child care for residents.

### *Homeownership Projects*

#### **Atherton Place Townhomes**

This project is an 83-unit project which was designed and marketed to the moderate-income buyer. Redevelopment Agency tax increment (not Low/Mod) funds were used to assemble the site and to "write down" the sale of the land to the developer to make the project feasible. No LM Funds were used in construction, however, homebuyers in this development were provided assistance under the City's First-Time Homebuyer Program. This project was completely sold by December 1977.

## **ACQUISITION AND REHABILITATION**

### *Rental Projects*

#### **Multifamily Housing Rehabilitation Program**

The City operates an acquisition and rehabilitation program that serves lower income households by bringing multifamily properties up to code and requiring a minimum term of affordability. Loans are provided to owners to rehabilitate their properties or to nonprofit or private developers to acquire and rehabilitate blighted properties. Funding for this program uses HOME Program funds with the LM Fund providing the required match. Units assisted with HOME funds must be affordable to households at or below 60% of the area median income. Units will be kept affordable for a minimum term defined by the City through deed restrictions or covenants recorded against the property. The rehabilitation program is targeted to specific lower income census tract areas in the City, such as the Harder-Tennyson neighborhood. This program begins in FY 1997-98; it is anticipated that approximately 53 units will be completed by the end of 1998-99.

*Homeownership Projects*  
**Spring Court Condominiums**

This project was a 32 unit condominium conversion project in one of the City's target neighborhoods. Twenty-nine of the units in this development were affordable to first-time home buyers of moderate income households (with income at or below 120% of area median income).

**GT Arms**

In July 1992, \$637,000 was committed, with an additional \$270,000 committed in April 1993, to the Northern California Community Development (NCCD) Corporation, a new nonprofit housing development organization sponsored by the Glad Tidings Church of God in Christ. NCCD sponsored GT Arms, the condominium conversion of two four-unit developments affordable to low and moderate income households. Three hundred sixteen thousand nine hundred seventy-eight dollars of the total \$907,000 loan was forgiven based upon project costs and up to \$177,252 was "rolled over" to provide second mortgage and closing costs assistance to qualified first-time homebuyers. A condition of the City financing required that homebuyers reside in the units being purchased as their place of principal residence. Partial loan repayments totaling \$474,068 were made during FY 1995-96 and FY 96-97 from sales of the condominium units.

**ASSISTANCE TO HOMEBUYERS**

**First-Time Homebuyer Program**

Since the beginning of the Implementation Plan period, the City has provided a total of 42 loans under the City's First-Time Homebuyer Program. At first, City loans were structured as five-year, unsecured and fully amortized loans at a below-market rate of interest. However, this was a problem because the payments had to be factored into calculating the buyer's housing expense ratios and the City's loan reduced the size of the first mortgage. As a result, the City revised its Program in FY 1996-97 to secure its loan (per Fannie Mae's revised guidelines) and amortize it over a 30-year period, making the monthly payments much smaller and less of an impact on the housing expense ratios. Maximum loans now available are up to 2% of the sales price as downpayment assistance and up to \$3,800 to cover closing costs. Borrowers must be low to moderate income households and the unit being purchased must be their place of principal residence. Maximum purchase price of the property cannot exceed \$227,150 in 1998. The City hired a Homeownership Coordinator in 1996 to market the Program and work with the lenders, realtors and homebuyers on a regular basis. This was needed to continually publicize the First-Time Homebuyer Program and ensure its use by lenders and realtors.

**Mortgage Credit Certificate Program (MCC)**

First time home buyers can also participate in the Mortgage Credit Certificate (MCC) program. This program provides federal tax credits to qualified first time home buyers. In order to obtain an

allocation of MCCs the City has had to reserve Low and Moderate Income Housing Funds to meet program deposit requirements. Upon an award of MCCs, the City is then authorized to release the deposit. The deposit requirements have averaged \$200,000 per MCC allocation. Program changes made in FY 1994-95 no longer impose the deposit requirements.

During the FY 1995-96 period, the California Debt Limit Allocation Committee (CDLAC), which provides jurisdictions with their MCC allocations, revised their procedures resulting in a dramatic loss of MCC allocation for California cities in the following year. To illustrate, the following are the MCCs issued to date:

<u>Year</u>	<u>Number of MCCs</u>	<u>Amount</u>
1994-95	161	\$22,305,539
1995-96	195	\$25,558,406
1996-97	28	\$3,497,022
1997-98	3	\$396,689
Total	387	\$51,757,656

In the Implementation Plan the goal for providing the MCC's to first-time homebuyers was listed as 126 households annually. However, because of this procedural change on the part of CDLAC, the City was unable to serve the number of households that were anticipated to be assisted with MCCs. Furthermore, it is unlikely that the MCC allocation authority will be restored in the near future to same levels that cities previously enjoyed. As a result of these changes by the State, approximately 48 households will be assisted by MCCs over the remaining two years of this Implementation Plan.

## **PROPOSED EXPENDITURES TO FURTHER HOUSING GOALS**

During the remainder of the Implementation Plan period, additional projects to be pursued with LM Funds include the following:

### **Green Shutter Hotel**

The Green Shutter Hotel is an 85-unit single-room occupancy (SRO) hotel in the project area. The Green Shutter Hotel is the only source of SRO units in the City and all 85 rooms serve very low income households. It is anticipated that a loan of approximately \$500,000 will be provided to the owner to assist in rehabilitation and seismic retrofit of the property.

### **Site 2**

The Agency has entered into a Disposition and Development Agreement with the Sares-Regis Group for the development of 80 to 90 townhomes on the southern portion of Site 2. Sares-Regis was the developer of Atherton Place and the proposed Site 2 project is anticipated to be similar in style to Atherton Place. In order to develop this proposed project the Agency must first acquire the site from

Bay Area Rapid Transit (BART). As a result of the additional housing planned on Site 2, Site 3 is now planned for mixed use commercial development and parking.

### **Table of Estimated Expenditures and Affordable Housing Goals**

Table II illustrates the revised expenditures for the past years covered by the Implementation Plan and the proposed expenditures planned by the City for the remaining term of the Plan. Based upon the revised numbers on progress-to-date, the total expenditure of Low and Moderate Income Housing Funds is approximately \$1,800,000, producing 819 units in the City of Hayward.

The expenditures and expected housing unit goals are summarized by housing goal. The 178 units listed under Goal I represent a diversity of housing types which have been or will be produced in the project area for households having incomes up to 120% of median. These units include the Green Shutter Hotel and two market-rate homeownership developments including Atherton Place, an 83-unit townhome development, and the first 10 units of the housing to be developed on Site 2, the next phase of Atherton Place townhomes.

The 53 units under Goal II, ensure the safety and habitability of the City's housing units and the quality of its residential areas, represent the affordable rehabilitated rental housing to be produced using the Low and Moderate Income Housing Fund as the local match in combination with the City's allocation of federal HOME Program funds. Assistance is provided to owners to rehabilitate blighted properties and to nonprofit organizations and private developers to acquire and rehabilitate properties.

The 588 units under Goal III, ensure that the City's housing stock contains an adequate number of decent and affordable units for households of all income levels, represent all of the households assisted by the Mortgage Credit Certificate (MCC) program and the City's First-Time Homebuyer's Program throughout the five year period, as well as the Glen Berry Apartments and the GT Arms Condominiums projects which were completed in the first year of the Plan. In the original 5-year Implementation Plan, the table included 126 households assisted each year by the Mortgage Credit Certificate Program, since the MCC Program required deposit monies to be put up by participating cities in order to secure a MCC allocation. However, since FY 1994-95, this requirement has been eliminated. Therefore, the numbers of households assisted by the MCC Program have been drastically reduced to only 48 households assisted during the 1997-99 period.

**TABLE II**

HOUSING GOAL	ESTIMATED EXPENDITURES OF LOW AND MODERATE INCOME HOUSING FUND & AFFORDABLE HOUSING GOALS					
	1994-95	1995-96	1996-97	1997-98	1998-99	TOTAL
GOAL I: Encourage the provision of an adequate supply of housing units in a variety of housing types which accommodate the diverse housing needs of those who live, or wish to live in the city	\$0	\$0	\$0	\$0	\$500,000	\$500,000
<b>TOTAL UNITS</b>		9	72	2	95(a)	178
Newly-constructed		9	72	2	95	178
Rehabilitated						
GOAL II: Ensure the safety and habitability of the city's housing units and the quality of its residential areas	\$0	\$0	\$0	\$480,000	\$300,000	\$780,000
<b>TOTAL UNITS</b>	0.00	0.00	0.00	33	20	53(b)
Newly-constructed						
Rehabilitated	0.00	0.00	0.00	33	20	53
GOAL III: Ensure that the city's housing stock contains an adequate number of decent and affordable units for households of all income levels	\$200,000	\$0	\$60,000	\$260,000	\$0	\$520,000
<b>TOTAL UNITS</b>	219	200	51	58	60	588(c)
Mortgage Credit Certificates	161	195	28	23	25	432
First Time Homebuyers Program	0	5	23	35	35	98
Newly-constructed	50(d)					50
Rehabilitated	8(e)					8
<b>TOTAL EST. EXPENDITURE</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$740,000</b>	<b>\$800,000</b>	<b>\$1,800,000</b>
<b>TOTAL UNIT GOALS</b>	<b>219</b>	<b>209</b>	<b>123</b>	<b>93</b>	<b>175</b>	<b>819</b>

NOTES: a) Assumes 10 units completed and sold as part of Site 2 Housing and 85 units of Green Shutter Hotel assisted in the FY 1998-99 period.  
 b) Assumes units assisted by acquisition and rehabilitation program, providing the HOME Program continues to be funded. LM Fund dollars shown represent the required local match.  
 c) Includes total assisted by MCC and FHP; For FY 1997-99, assumes 70 households assisted by the First-Time Homebuyer Program and 48 households assisted by MCC Program.  
 d) Glen Berry Apartments developed by Eden Housing.  
 e) GT Arms developed by Northern California Community Development Corporation.

EXHIBIT B

**FIVE-YEAR IMPLEMENTATION PLAN**

**for the**

**DOWNTOWN HAYWARD REDEVELOPMENT PROJECT AREA**

**FY 1994-95 through FY 1998-99**

Redevelopment Agency of the City of Hayward

December 1994

**PART I - IMPLEMENTATION PLAN (NON-HOUSING)**

FY 1994-95 through FY 1998-99

## **INTRODUCTION**

This Implementation Plan has been prepared pursuant to requirements set forth in AB 1290 (1993) and SB 732 (1994). State law now requires that each Redevelopment Agency which has adopted a Redevelopment Plan must adopt a Five-Year Implementation Plan by December 31, 1994. Thereafter, the Implementation Plan should be updated and adopted every five years. In addition, the Plan is required to be reviewed once during the third year of the Plan. The Plan may be amended at anytime provided the required procedural steps are followed.

A principal purpose of the Implementation Plan is to provide a link between the elimination of blight and the proposed actions of the Redevelopment Agency. The Plan is required to identify goals and objectives of the Agency for each project area; specified programs, including potential projects, and estimated expenditures; and an explanation of how these projects will assist in eliminating blight. The Plan is also required to contain an affordable housing component which describes how the Agency intends to implement its affordable housing obligations. The housing component must include information regarding the current low-and moderate-income housing fund balance and anticipated revenues, and a housing program for the next five years.

Since the law permits the housing component of subsequent Implementation Plans to be undertaken at the same time as the City's Housing Element revision cycle this Implementation Plan has been prepared in two sections to allow for the independent future consideration of the housing component in conjunction with Hayward's Housing Element

## **PROJECT AREA BACKGROUND**

In 1969, the Hayward Redevelopment Agency was created to provide a tool to eliminate blighting conditions and improve the economic base of the community. The Downtown Hayward Redevelopment Project Area, comprising of approximately 222 acres, was adopted by the Hayward City Council in 1975. Project Expansion Area No. 1, a five-block area located south of the Library, was added in 1987.

When the Redevelopment Plan was initially adopted and amended the area was characterized by a variety of blighting conditions that adversely affected the economic functioning and improvement of the area, the well-being of the City, and the overall image of Hayward. Such conditions included multiple ownerships of properties; vacant and underutilized land and buildings; obsolescence and physical deterioration of buildings; inadequate circulation, parking and pedestrian amenities; geologic impediments; and lack of comprehensive planning.

The central goal of the Redevelopment Plan is to provide an improved physical, social and economic environment that will establish downtown Hayward as a center of community activity, containing a viable mix of commercial and residential development, open space, public and

related uses. Within that broad goal, the Plan provides that several specific activities may be undertaken by the Redevelopment Agency:

- Beautification and enhancement of the Project Area to create an improved visual environment and to promote comfort, convenience, safety and visual unity.
- Creation of a safe and efficient transportation and traffic circulation system.
- Creation and expansion of off-street parking facilities, including surface lots and multiple-story structures.
- Provision of public facilities which will be need to support the revitalization of downtown, which may include but will not be limited to public buildings, recreation facilities, open space and utilities.
- Provision of expanded living and employment opportunities through the creation of suitable parcels of land for private development of housing and commercial uses. Particular emphasis should be placed on the development of housing for senior citizens and handicapped persons in the Project Area.

During the initial years of plan implementation, prior to the establishment of a reliable tax increment revenue stream, the Agency had to rely on advances from the City to undertake projects. Early projects included B Street Plaza, landscaping of public properties, and acquisition/improvement of several public parking lots. The largest project involved financing of the City Center Parking Structure, for which the Agency remains committed for about \$550,000 per year through 1997-98. In the late 1980's, the Agency sponsored a Storefront Improvement Program, at a cost of \$300,000, which provided grants of up to \$5,000 to business or property owners that spent at least an equal amount to improve their properties to specified standards.

In 1987, the Agency designated the BART Station area as a target area for redevelopment activities. Commencing in 1988, the Agency obtained approximately \$10 million in financing to acquire properties, relocate businesses, demolish buildings, and assemble sites for redevelopment. Three specific sites were identified for acquisition anticipating principally residential development. Negotiations with two prospective developers were initiated but were unsuccessful in reaching an agreement. However, in July 1994, a Disposition and Development Agreement was executed with the SARES-Regis Group for the development of 83 townhomes on the Agency-owned Site One, and negotiations are in process with the same company for development of approximately 60 apartment units and 7,000 sq. ft. of retail on Agency-owned Site Three.

In 1990, approximately 40 buildings in downtown Hayward were designated as unreinforced masonry buildings under the City's Unreinforced Masonry Building Ordinance, and are required to be retrofitted or removed. The Redevelopment Agency staff has been given the responsibility to work with the property owners to obtain financing and assist them in meeting the requirements of the Ordinance.

## **BLIGHTING CONDITIONS IN THE PROJECT AREA**

As required by State law, blighting conditions were documented and the City Council made the finding that the previously mentioned blighting conditions existed within the Project Area when the Redevelopment Plan was adopted and amended.

Since the adoption of the Redevelopment Plan in 1975, some of the blighting conditions have diminished by actions of the Redevelopment Agency and private enterprise. For example, parking support for downtown business establishments has been increased, and the completion of development of the City Center site was undertaken following consolidation of parking into the City Center parking structure. The appearance of downtown has been enhanced by the construction of the B Street Plaza and storefront improvements, particularly signage modifications. Yet many of the conditions of blight still pervade the area. The area remains characterized by poorly maintained properties, vacant storefronts, an insufficient variety of establishments, and low rents and property values compared to other areas. Some conditions may have worsened due to the temporary move of city hall out of the downtown, displacement of businesses pending redevelopment, and the overall general downturn in California real estate and recent recession. Other conditions, such as toxic contamination situations and unreinforced masonry buildings have been identified since the Plan was adopted. Redevelopment projects in the targeted BART Station area, referenced to as Site Two and the BART east parking lot, while on the horizon, have yet to be finalized.

## **PROPOSED PROGRAMS AND ACTIVITIES**

Funding for redevelopment activities is derived from tax increment revenues that are generated within the Project Area. The majority of revenues are currently committed to the service of financing for the acquisition and development of Sites One, Two and Three, and for the City Center parking structure.

The following table illustrates the projected tax increment and committed funds for the period of this Plan. This table utilizes a conservative approach assuming a moderate growth in tax increment, a reasonable timetable for buildout and sale of the proposed townhomes on Site One, and does not account for potential increases based on future developments on Agency-owned Sites Two and Three. In addition, the table does not contemplate additional revenues or potential assistance related to the negotiations for the development of Agency-owned sites including the possible acquisition of the BART triangle or its improvement.

During the FY's 1992-93, 1993-94 and 1994-95, the State has required Redevelopment Agencies to shift a predetermined amount of its tax increment to the Educational Augmentation Fund (ERAF) as a component of the State Budget. Currently there is no State requirement to continue this in the future. This table does not anticipate any future ERAF payments, however, based on the State's projected budget problems, there is a distinct possibility this requirement will continue at a unknown rate in future years.

**PROJECTED TAX INCREMENT FUNDS AND COMMITTED EXPENDITURES**  
(\$000's)

	94-95	95-96	96-97	97-98	98-99
Fund Balance	1,071	300	321	244	963
Tax Increment	2,500	2,608	2,725	2,851	3,028
<b>Expenditures Committed</b>					
Debt Service (Redevel)	1,020	1,016	1,017	1,025	1,032
Debt Service (CC Park Str.)	561	556	559	15	0
Housing Setaside (20%)	500	520	540	560	580
Administration	505	524	544	565	586
ERAF	133	0	0	0	0
Subtotal	2,719	2,616	2,660	2,165	2,198
Funds Available*	300	321	244	963	1,825

\*Funds available reflects a number after considering acquisition costs discussed under the Programs Section.

## PROGRAMS

The following programs are recommended to establish the direction of the Redevelopment Agency over the next five years. These proposed programs are consistent with the Redevelopment Plan, including the goal and specific activities identified earlier.

### Redevelopment of Sites in the BART Station Area

Completion of the development of Sites One, Two and Three is imperative. The Redevelopment Agency must give highest priority to the completion of this activity which will create a desirable urban neighborhood, have substantial positive impact on downtown by introducing new residents and employees which will expand the customer base, enhance tax revenues, and provide positive signs of progress to other potential developers and/or prospective businesses. The Agency should continue to explore joint development opportunities with BART and Alameda County with respect to Site Two and the BART east side parking lot.

Additional sites in the BART Station area should be evaluated for development during the period of this Plan. It may be possible to expand redevelopment activity to other blocks in the immediate vicinity, depending upon the rate of success of developing Sites One, Two and Three, and prevailing real estate and financing market conditions at the time.

Funding of \$715,000 has been budgeted for remaining property acquisition, limited building demolition and Sulphur Creek reconstruction in 1994-95. It is estimated that another \$175,000 will be required in subsequent years for preparation of Site Two following construction of the new fire station at C and Main Streets, and elimination of the temporary station on Site Two.

As the previous table illustrates, a significant fund balance begins to occur in the latter years of this Plan as the debt service payments on the City Center parking structure are completed.

This fund balance provides the potential for future opportunities for downtown redevelopment. In the coming months the Agency staff will be exploring options for future redevelopment goals and programs, and will be returning to the Agency for review and discussion.

#### Business Attraction

Undertake efforts to attract new businesses to the Project Area. This project should be incorporated within the City's efforts to attract business through its neighborhood commercial revitalization program. Estimated cost: \$41,000 per year currently budgeted in administration, however, it will be charged to the appropriate activity once the program is fully established.

#### Business Association Assistance

The annual contribution to the Hayward Downtown Association, or such other organization that may be identified by the City Council in the future, for the purposes of downtown business development and promotional activities, should be continued at the current level of \$20,000 per year.

#### Downtown Landscaping Projects

The Agency has historically funded landscape improvements, such as street trees and plantings, in the downtown area for several years. Recently this allocation was reduced to \$5,000 per year. This program is anticipated to continue at the current level.

#### Property Management

Property Management expenses will be necessary to maintain and protect the Agency's inventory of land and buildings. Estimated cost is \$5,000 per year exclusive of staff time which is charged to administration.

#### Unreinforced Masonry Building Mitigation Program

The URM program assists owners of unreinforced buildings to meet the requirements of the Unreinforced Masonry Building Ordinance, and assists businesses with dealing with the impacts of the Ordinance. Although this program is funded elsewhere in the Community and Economic Development Department, the Redevelopment Agency staff has considerable involvement. Staff time is charged to the administrative budget.

**SUMMARY OF RECOMMENDED PROGRAM EXPENDITURES\***  
(\$000's)

	94-95	95-96	96-97	97-98	98-99
Redevelopment Sites	715	-	175	-	-
Business Attraction	41	41	41	41	41
Business Assoc. Assist.	20	20	20	20	20
Landscaping	5	5	5	5	5
Property Management	5	5	5	5	5
URM Program *	-	-	-	-	-
<b>Total</b>	<b>786</b>	<b>71</b>	<b>246</b>	<b>71</b>	<b>71</b>

\*Administration expenditures are accounted on the Projected Tax Increment Funds and Committed Expenditures Table.

The Agency is beginning to address its increased interest in the downtown by its recent commitment of new funds to downtown business attraction. As discussed earlier, a significant fund balance begins to occur in the latter years of this Plan which presents the potential for new opportunities. Agency staff will continue to explore options for future redevelopment goals and programs and will be returning to the Agency in future months for review and discussion.

**ELIMINATION OF BLIGHT**

AB 1290 requires the Implementation Plan to identify how the Agency's stated goals, projects and expenditures identified in the Plan will alleviate blight. It does not require the Agency to perform a new blight survey. It does require that the Implementation Plan establish linkage between the proposed programs and the elimination of blight in the project area. The following matrix identified those conditions of blight for which the overall project goal and each implementation project is expected to influence alleviation.

## REDEVELOPMENT ACTIVITIES/BLIGHT ELIMINATION MATRIX

PHYSICAL CONDITIONS OF BLIGHT					
	UNSAFE BLDGS.	SUBSTANDARD LOTS	INCOMPATIBLE USES	IRREGULAR LOTS	INADEQUATE PARKING
PROJECT GOAL	X	X	X	X	X
REDEVELOPMENT SITES	X	X	X	X	X
BUSINESS ATTRACTION			X		
BUS. ASSN. ASSIST.					
LANDSCAPE PROJECTS					
PROJECT MGMT.	X				
URM PROGRAM	X				

ECONOMIC CONDITIONS OF BLIGHT									
	DEPRECIATED PROPERTY VALUES	COMMERCIAL VACANCIES	LOW RENTS	ABANDONED BLDGS.	VACANT LOTS	LACK OF COMMERCIAL FACILITIES	RESIDENTIAL OVERCROWDING	INAPPROPRIATE BUSINESSES	HIGH CRIME RATE
PROJECT GOAL	X	X	X	X	X	X	X	X	X
REDEVELOPMENT SITES	X	X	X	X	X	X		X	X
BUSINESS ATTRACTION	X	X	X	X	X	X		X	X
BUS. ASSN. ASSIST.	X	X	X			X		X	X
LANDSCAPE PROJECTS	X		X		X				
PROJECT MGMT.	X	X			X				X
URM PROGRAM	X	X	X	X					

**PART II - IMPLEMENTATION PLAN (HOUSING)**

FY 1994-95 through FY 1998-99

## INTRODUCTION

AB 1290, the Community Redevelopment Reform Act of 1993, requires a discussion of how the Health and Safety Code Sections 33334.2, 33334.4, 33334.6 & 33413, which refer to the Agency's responsibility to increase, improve and preserve the community's supply of low and moderate income housing at affordable housing costs, will be implemented over the time frame of this AB 1290 Implementation Plan ("Implementation Plan").

All of the goals, objectives, programs and projects identified under this section have been taken from the City of Hayward Housing Element (1990-1995), adopted July 31, 1990, the City of Hayward portion of the Alameda County HOME Consortium's Comprehensive Housing Affordability Strategy (CHAS) for the fiscal years 1992-1996, and the City of Hayward Growth Management Element, adopted July 13, 1993. This is to ensure consistency among all of the housing policy documents applicable to the City of Hayward. All three documents were developed at various times in the recent past to fulfill various state or federal requirements regarding housing and in particular, affordable housing. The development of these respective plans reflects a significant amount of participation from members of the community and for-profit as well as nonprofit organizations serving the Hayward area. The input contributed by these individuals and organizations have helped to form the housing policies and priorities for the City.

Under AB 1290, each agency must hold a public hearing to review the redevelopment plan and Implementation Plan between the second and third year of the Plan's term. Since the current Housing Element, originally scheduled for revision to reflect the new 1995-2000 term, has been extended until 1997, the City will link development of the new Housing Element to the mid-term review of the Implementation Plan. This will bring the review cycles of both housing documents into concurrence.

The Housing Element's 5-year projection of units created, while for a different period of time (1990-1995) than for the Implementation Plan, projects the creation of approximately 908 newly-constructed units for very low to moderate income households, 348 rehabilitated units, 374 affordable units preserved from housing stock loss. While not all of these units will be assisted with Low and Moderate Income Housing Funds, affordable housing units created under the Implementation Plan with the assistance of Low and Moderate Income Housing Funds (the 20% set-aside dedicated to affordable housing) or other tax increment funds, will be counted towards fulfillment of the City's regional "fair share" allocation for purposes of Housing Element compliance, as well as fulfillment of affordable housing goals as detailed in the new federal Consolidated Plan. The Consolidated Plan is designed to replace the CHAS and will have a time frame that begins FY 1995-1996 through FY 1999-2000.

## ELIMINATION OF BLIGHTING CONDITIONS

The projects and programs planned for the upcoming 5-year period are designed to address the various factors of blight as defined in the non-housing component of the Implementation Plan. The primary impact of these activities designed to benefit low and moderate income households, will be to increase the supply of decent and affordable housing. By creating new affordable

housing and undertaking improvements to the existing housing stock, the collective effects of the proposed housing programs and policies will help to increase residential stability as a result of improved neighborhood conditions. In general, the development of affordable housing with assistance from the Low and Moderate Income Housing Fund addresses various aspects of both physical and economic conditions of blight. The Blight Elimination Matrix (Table II-A) on page II-3 identifies the conditions of blight that each respective program or project will help to curtail.

## **ESTABLISHMENT OF THE LOW AND MODERATE INCOME HOUSING FUND**

Beginning in FY 1987-1988, pursuant to State Community Redevelopment Law, the Agency began depositing 20% of its annual tax increment into a fund dedicated to the provision of affordable housing benefitting low and moderate income households.

In 1991, the Redevelopment Agency adopted Guidelines for use of the Low and Moderate Income Housing Fund. At this time, a finding was made regarding the benefits to the Project Area for the use of these monies outside of the Project Area. Consequently, many of the programs and projects discussed in this Implementation Plan will reflect the use of the Low and Moderate Income Housing Fund monies outside of the Project Area.

Administration of the 20% set-aside funds is done by the City's Department of Community and Economic Development. Since the Department handles all affordable housing policy development, activities and programs within the City (e.g., Housing Element and CHAS/Consolidated Plan development, Community Development Block Grant-assisted housing, Mortgage Credit Certificate Program, etc.), the Department was also given management of the Low and Moderate Income Housing Fund. The Department of Community and Economic Development also works with housing developers producing affordable housing in the community and has effectively leveraged the Low and Moderate Income Housing Fund with other funding sources. Activities funded by the Low and Moderate Income Housing Fund are coordinated with the Agency staff.

## **PAST AFFORDABLE HOUSING PERFORMANCE**

Since 1989, the Low and Moderate Income Housing Fund has been used for a variety of programs and projects serving lower to moderate income households. It was not until this time, shortly after establishment of the Fund, that a sufficient amount of Low and Moderate Income Housing Fund monies had accrued to a level that enabled substantive assistance to development projects.

One of the first programs to be assisted with these monies was the Mortgage Credit Certificate (MCC) Program, which is administered by Alameda County. The MCC Program allows an eligible household to take up to 20% of annual mortgage interest as a tax credit against income taxes, effectively increasing an eligible household's purchasing power. To date, approximately 453 households in Hayward have become first-time homebuyers through the MCC Program, obtaining \$60,803,512 in mortgage funds. Monies from the Low and Moderate Income Housing Fund were used to meet program deposit requirements.

REDEVELOPMENT ACTIVITIES/BLIGHT ELIMINATION MATRIX  
Affordable Housing Goals

PHYSICAL CONDITIONS OF BLIGHT					
	UNSAFE BLDGS.	SUBSTANDARD LOTS	INCOMPATIBLE USES	IRREGULAR LOTS	INADEQUATE PARKING
Encourage provision of adequate supply of housing in a variety of housing types	X	X			
Encourage safety & habitability of housing units & quality of residential areas	X				
Ensure housing stock contains an adequate number of decent and affordable units for all income levels	X	X		X	

14  
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ECONOMIC CONDITIONS OF BLIGHT									
	DEPRECIATED PROPERTY VALUES	COMMERCIAL VACANCIES	LOW RENTS	ABANDONED BLDGS.	VACANT LOTS	LACK OF COMMERCIAL FACILITIES	RESIDENTIAL OVERCROWDING	INAPPROPRIATE BUSINESSES	HIGH CRIME RATE
Encourage provision of adequate supply of housing in a variety of housing types	X		X		X	X	X		X
Encourage safety & habitability of housing units & quality of residential areas			X						X
Ensure housing stock contains an adequate number of decent and affordable units for all income levels	X		X	X	X		X		X

Some of the other housing developments receiving assistance from the Low and Moderate Income Housing Fund include the following:

#### E.C. Magnolia Court

In 1991, the City provided a long-term, deferred loan of \$288,000 to Eden Housing Inc. for development of E.C. Magnolia Court, a 21-unit rental housing development serving very low income (with incomes of at or below 50% of area median income) physically disabled households. The Low and Moderate Income Housing Funds were leveraged with City Community Development Block Grant (CDBG) funds and HUD Section 202/8 financing. The loan is forgivable provided there is no violation of the property's use restrictions as an affordable rental housing development serving persons with physical disabilities.

#### Glen Eden Apartments

In April 1992, the City committed \$490,000 to Eden Housing, Inc., as a short-term bridge loan for the development of Glen Eden Apartments, a 36-unit family rental housing development serving lower income households (with incomes of at or below 60% of area median). Funds leveraged additional City CDBG, State Rental Housing Construction Program (RHCP) and Low Income Housing Tax Credit funds, in addition to financing from various private lenders. This loan was fully paid in May 1994.

#### Spring Court Condominiums

\$300,000 was committed in July 1992 to 1624 Sacramento Street Associates, a California Limited partnership and developer of a 32-unit condominium conversion project in one of the City's target neighborhoods. The \$300,000 is provided as a construction gap loan; however, up to \$150,000 may be forgiven depending upon project costs and up to \$150,000 may be "rolled over" to provide second mortgage and closing costs assistance to qualified first-time homebuyers. Twenty-nine of the units in the development will be affordable to first-time homebuyers who are moderate income households (with income of at or below 120% of area median income). In addition, a condition of the City financing requires that those who receive assistance reside in the units being purchased as their place of principal residence. This development was also funded by private lenders and investors.

Currently there are loan repayments on two closing cost loans made to homebuyers of this development. The income anticipated from these repayments is included in the projected revenue as displayed in Table II-C on page II-5. The loan repayments from second mortgages are not expected to be received until FY 1998-99, due to the loans' initial 5-year deferral. These anticipated loan repayments are also included in the projected revenues shown in Table II-C.

#### Household Incomes

The incomes of the households residing in developments assisted with the Low and Moderate Income Housing Fund range from very low to moderate income levels. Table II-B on page II-5 displays current maximum income limits for the respective levels of affordability.

**TABLE II-B**

INCOME LEVEL	HOUSEHOLD SIZE			
	1	2	3	4
Very Low (50% of median)	\$19,350	\$22,100	\$24,900	\$27,650
Low (60% of median)	\$23,250	\$26,550	\$29,850	\$33,200
Low (80% of median)	\$27,950	\$31,900	\$35,900	\$39,900
Moderate (120% of median)	\$46,450	\$53,100	\$59,700	\$66,350

A sampling of various resident occupations can help to provide a clearer picture of the households that are served by these developments. Some resident occupations of households at the very low income level (50% of median), include the following: waitress, restaurant assistant manager and clerical typist. Occupations of residents with incomes of up to 60% of median income, such as those households residing at Glen Eden Apartments, include the following: machinist, office workers, security guard and sales persons. Occupations of moderate income households (120% of median) such as those purchasing at Spring Court, include: financial analyst, accountant, health care provider and legal secretary.

**ANNUAL DEPOSITS TO THE LOW AND MODERATE INCOME HOUSING FUND**

The projected amount of anticipated Low and Moderate Income Housing Funds expected to be received over the term of this Implementation Plan will be used to implement the goals and objectives identified in the Plan. The balance of the Low and Moderate Income Housing Fund, at the beginning of FY 1994-95, was \$613,051.

The following Table II-C, provides an estimate of the projected revenues of Low and Moderate Income Housing Funds:

**TABLE II-C**

FISCAL YEAR	FUND DEPOSITS	LOAN REPAYMENTS	TOTAL FUND DEPOSITS
1994-95	\$500,000	\$438,146	\$938,146
1995-96	\$520,000	\$1,146	\$521,146
1996-97	\$540,000	\$1,146	\$541,146
1997-98	\$560,000	\$1,146	\$561,146
1998-99	\$580,000	\$11,245	\$591,245
<b>TOTAL</b>	<b>\$2,700,000</b>	<b>\$452,829</b>	<b>\$3,152,829</b>

It should also be noted that this table of projected revenues assumes that the State will not require redevelopment agencies to transfer tax increment funds to the State's Educational Revenue Fund (ERAF), as it has for the past 2 years. In past years, the Redevelopment Agency has borrowed \$353,812.22 from the Low and Moderate Income Housing Fund in order to meet this transfer requirement.

## PROPOSED AFFORDABLE HOUSING PROJECTS AND PROGRAMS

The Redevelopment Agency/City's housing goals under this Implementation Plan have been outlined under the housing goals that were identified in the Housing Element. The following are the goals initially identified in the Housing Element:

- ◆ Encourage the provision of an adequate supply of housing units in a variety of housing types which accommodate the diverse housing needs of those who live, or wish to live in the city;
- ◆ Ensure the safety and habitability of the city's housing units and the quality of its residential areas;
- ◆ Ensure that the city's housing stock contains an adequate number of decent and affordable units for households of all income levels; and
- ◆ Ensure that all households have a variety of housing units from which to choose and that the emergency housing needs of Hayward households are met.

The following is a description of the respective 5-year goals, programs, projects and estimated expenditures to be undertaken by the City of Hayward/Redevelopment Agency to fulfill these sections.

**Goal I: Encourage the provision of an adequate supply of housing units in a variety of housing types which accommodate the diverse housing needs of those who live, or wish to live in the city.**

*Five-Year Goals:*

- ◆ 83 units for first-time homebuyers
- ◆ 60 rental units for very low to moderate income households

*Note:* These units reflect housing produced in the Project Area.

*Objective A:* City will use Redevelopment Agency power and funds to encourage the development of additional housing within the Downtown Redevelopment Project Area and throughout the City-Center area.

*Program A.1:* An 83-unit townhouse development will be developed by Sares-Regis, a private for-profit developer, and will be targeted to first-time homebuyers.

*Atherton Place* will begin construction in mid-1995 and will be built over five phases ending in 1998.

- Program A.2:* A 60-unit rental housing complex financed through the California Housing Finance Agency's (CHFA) Tax-Exempt Mortgage Revenue Bonds Program which requires a 20% set-aside of very low income units, will be developed by Sares-Regis, a for-profit developer. As a result, 12 rental units in this development called *Mission Gate*, will be available for very low income households. This development will occur on a site currently owned by the Agency but will be acquired by the developer. Mission Gate also includes approximately 7,000 square feet of retail space on the ground floor facing B Street. Development is expected to occur in mid-1995 and will be completed in early 1997. (This Program also furthers the next two programs below.)
- Program A.3:* Provide assistance to developers developing in the Central City Zoning District (Downtown) area.
- Program A.4:* Promote new mixed-use development which includes residential uses above commercial/retail uses in the Downtown area.
- Program A.5:* Agency will provide relocation and moving benefits to low or moderate income households displaced due to direct Agency activities. However, no displacement is anticipated over the term of this Implementation Plan.
- Program A.6:* Establish minimum densities for residential development within the Downtown Design Plan area.
- Program A.7:* City will promote new mixed-use development that includes residential uses above commercial/retail uses and will promote the conversion of upper floor space within existing commercial structures to residential uses within the Central City Zoning District. Promotion will be achieved through a special zoning for this type of mixed-use activity in the Central City area.
- Program A.8:* City will also promote the rehabilitation of existing second floor residential units located above ground floor retail uses in the Downtown area. Rehabilitating the existing supply of units in this fashion will encourage mixed-use developments in the Downtown and provide an opportunity to utilize space in these properties that are currently underutilized.
- Objective B:* *Encourage higher-density residential developments along major arterials and near major activity or transit centers*
- Program B.1:* Evaluate reduction in parking requirements for housing developments in close proximity to major transit routes (BART and express bus lines) or activity centers.

**Goal II: Ensure the safety and habitability of the city's housing units and the quality of its residential areas**

*Five-Year Goals:*

- ◆ 128 multifamily units

*Note:* This goal reflects units assisted with the Low and Moderate Income Housing Fund and will be located outside of the Project Area.

*Objective C: Preservation of affordable housing*

*Program C.1:* City will monitor projects at risk of conversion from various federal, state and local public subsidy programs to avoid loss of low income units and the resulting displacement of low income residents. Projects determined to be at risk have been identified in the Preservation of Assisted Housing amendment to the Housing Element dated June 3, 1992.

*Program C.2:* If a project is found to be at risk of conversion, the City will negotiate with existing owners for the nonprofit acquisition of existing federally subsidized housing and provide funds for the acquisition of such developments.

*Objective D: City will replenish the housing stock on a one-for-one basis for any existing low and moderate income housing units which are lost as a direct result of City actions*

*Program D.1:* Redevelopment Agency will replace in a timely manner (within 4 years) any housing units which are lost (through demolition or conversion to non-residential use) due to direct Agency activities in the Downtown Redevelopment Area and relocate displaced households into comparable units. However, it is not anticipated that any units will be lost as a result of any Agency actions undertaken during the term of this Implementation Plan.

*Objective E: Identify and rehabilitate substandard residential rental units*

*Program E.1:* City will operate a property rehabilitation program assisting lower-income property owners to rehabilitate their properties with up to 11 units, and provide assistance to these owners to occupy the unit as their place of principal residence while renting the remaining units to lower-income households. Funding for this program will use HOME Program funds with Agency funds providing the required match. Units will be kept affordable for a minimum term defined by the City through deed restrictions or covenants recorded against the property. This assistance will be targeted to specific lower income census tract areas in the City, such as the Harder-Tennyson neighborhood.

**Goal III: Ensure that the city's housing stock contains an adequate number of decent and affordable units for households of all income levels**

*Five-Year Goals:*

- ◆ 813 homeownership units
- ◆ 50 multifamily rental units

*Note:* These goals reflect 183 homeowner units and 50 rental units assisted with the Low and Moderate Income Housing Fund, with the balance of units indirectly assisted by the Fund.

*Objective F:* City will generate housing affordable to low and moderate income households through the leveraging of Low and Moderate Income Housing Funds with various federal, state and county housing subsidy programs, as available.

*Program F.1:* The development of Glen Berry Apartments, a 50-unit rental housing development serving lower income families (households with incomes of at or below 60% of the area median). In December 1992, \$230,000 was committed to Eden Housing for a bridge loan to assist in the development of Glen Berry Apartments. Financing of Glen Berry also came from City CDBG, State Rental Housing Construction Program (RHCP) and Low Income Housing Tax Credit funds, in addition to financing from private lenders. Glen Berry is a unique project for Eden Housing, as it is their first permanent rental housing development to be developed in collaboration with a local nonprofit services provider, the Family Emergency Shelter Coalition (FESCO). FESCO coordinates the provision of the on-site supportive services, including child care for residents.

*Program F.2:* 35 units per year for low and moderate income households assisted with First-Time Homebuyer Program loans providing assistance to qualified borrowers. The loans will provide the lesser of 2% of the downpayment requirements or \$3,600, and up to \$2,500 towards non-recurring closing costs. Loans are fully amortized five-year loans. Borrowers must be low to moderate income households and currently live or work in Hayward. They must also reside in the unit being purchased as their place of principal residence. Price restrictions on the home being purchased will also apply.

*Program F.3:* 630 units for moderate income first-time homebuyers through participation in the Mortgage Credit Certificates (MCC) Program, for which the program deposit requirements would be met via the Low and Moderate Income Housing Fund. In order to obtain an allocation of MCCs, the City has had to reserve Low and Moderate Income Housing Funds to meet program deposit requirements. Upon an award of MCCs, the City is then authorized

to release the deposit. The deposit requirements have averaged \$200,000 per MCC allocation. The MCC Program may be used in conjunction with the City's First-Time Homebuyer Program.

*Program F.4:* Condominium conversion of a total of 8 units in the Harder-Tennyson neighborhood. In July 1992, \$637,000 was committed, with an additional \$270,000 committed in April 1993, to the Northern California Community Development (NCCD) Corporation, a new nonprofit housing development organization sponsored by the Glad Tidings Church of God in Christ. NCCD sponsored GT Arms, the condominium conversion of two four-unit developments affordable to low and moderate income households. According to the financing terms, up to \$270,000 of the total \$907,000 loan may be forgiven depending upon project costs and up to \$200,000 may be "rolled over" to provide second mortgage and closing costs assistance to qualified first-time homebuyers. A condition of the City financing requires that homebuyers reside in the units being purchased as their place of principal residence.

A partial loan repayment of up to \$437,000 is expected in FY 1994-95 from sales of the condominium units and is included in the amount of projected Low and Moderate Income Housing Fund revenues for the following year. Loan repayments from the second mortgages are not included in the projected revenues since repayments will begin outside of the time frame of this Plan.

*Program F.5:* City will continue participation in state and federal grant and loan and tax incentive programs for the development of affordable rental units for very low, low and moderate income households, as development opportunities occur and are made available.

*Program F.6:* City will continue to participate in state and federal programs to generate affordable homeownership opportunities for moderate income first-time homebuyers.

*Program F.7:* To provide housing assistance commensurate with housing needs, the Agency will expend Low and Moderate Income Housing Fund monies to assist very low and low income households in at least the proportion that the unmet need bears to the total number of units needed for moderate, low and very low income households within the City. Agency funds will be used to provide direct or indirect financial assistance to desirable developments, both within and outside the Redevelopment Project Area.

*Program F.8:* Provide affordable housing in mixed-income developments through the use of multifamily mortgage revenue bonds.

*Program F.9:* Review surplus publically-owned parcels proposed for disposition to increase the number of sites available for affordable housing development.

*Program F.10:* Promote housing that supports the economic base and matches the supply of existing jobs. Ensure a choice of housing opportunities (e.g., location, size, type and income level) throughout the City that meets the needs of residents, students and workers.

## PROPOSED EXPENDITURES TO FURTHER HOUSING GOALS

Table II-D on page II-12 illustrates the proposed expenditures planned by the City for each year during the term of the Implementation Plan. The expenditures and expected housing unit goals are summarized by housing goal as identified in the Proposed Affordable Housing Programs and Projects section. Units described under Goal I are those units to be produced in the project area. Units under Goal II represent the affordable housing to be produced in combination with expenditures from the City's allocation of HOME Program funds, using the Low and Moderate Income Housing Fund as a matching source of funds. Units under Goal III represent those homes assisted with a home purchase assistance program--either through the City's First-Time Homebuyer Program or the MCC Program, as well as Glen Berry Apartments and GT Arms which have already been built.

Over the five-year period of the Plan, the estimated expenditures of Low and Moderate Income Housing Funds is \$1,509,000, producing a total of 1,134 units in the City of Hayward. Of these units expected to be produced, 361 are directly assisted by the Low and Moderate Income Housing Fund, with an additional 630 units that are indirectly assisted by the use of Low and Moderate Income Housing Funds as deposit monies for MCCs. Of the remaining units that will be developed in the project area, 83 units to be developed on Site One will not be directly assisted with Fund monies; however, units proposed for other sites in the redevelopment project area may be assisted with Fund monies.

TABLE II-D

HOUSING GOAL	ESTIMATED EXPENDITURES OF LOW AND MODERATE INCOME HOUSING FUND & AFFORDABLE HOUSING GOALS					
	1994-95	1995-96	1996-97	1997-98	1998-99	TOTAL
GOAL I: Encourage the provision of an adequate supply of housing units in a variety of housing types which accommodate the diverse housing needs of those who live, or wish to live in the city	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL UNITS</b>		21	81	21	20	143(a)
Newly-constructed		21	81	21	20	143
Rehabilitated						
Price-restricted						
GOAL II: Ensure the safety and habitability of the city's housing units and the quality of its residential areas	\$77,000	\$96,000	\$112,000	\$112,000	\$112,000	\$509,000
<b>TOTAL UNITS</b>	20	24	28	28	28	128(b)
Newly-constructed						
Rehabilitated	20	24	28	28	28	128
Price-restricted						
GOAL III: Ensure that the city's housing stock contains an adequate number of decent and affordable units for households of all income levels	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
<b>TOTAL UNITS</b>	219	161	161	161	161	863(c)
Newly-constructed	50(d)					50
Rehabilitated	8(e)					8
Price-restricted						
<b>TOTAL EST. EXPENDITURE</b>	<b>\$277,000</b>	<b>\$296,000</b>	<b>\$312,000</b>	<b>\$312,000</b>	<b>\$312,000</b>	<b>\$1,509,000</b>
<b>TOTAL UNIT GOALS</b>	<b>239</b>	<b>206</b>	<b>270</b>	<b>210</b>	<b>209</b>	<b>1,134</b>

NOTES: a) Assumes phase-in of 83-unit townhouse project over FY 95-96 to FY 98-99; and completion of 60-unit rental development in FY 96-97.  
 b) Assumes units assisted by rehabilitation Program E.1., providing the HOME Program continues to be funded.  
 c) Assumes on an annual basis: 126 households assisted by the MCC Program and 35 households assisted by the First-Time Homebuyer Program.  
 d) Glen Berry Apartments developed by Eden Housing.  
 e) GT Arms developed by Northern California Community Development Corporation.