

CITY OF
HAYWARD
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**Disposition, Development, and Loan Agreement
(DDLA) with Habitat for Humanity for the
Development of the A & Walnut/Sequoia Grove
Affordable Homeownership Project**

City Council Meeting

June 24, 2014



Sequoia Grove Affordable Development

In June of 2009, the Former Agency used Low-Mod funds to acquire from the City a .7 acre parcel of land.



Sequoia Grove Affordable Development

Actions in connection with the Property in anticipation of and/or pursuant to ABx1 26

- **Transfer from Former Agency to City**
- **Transfer from City to Housing Authority (HA)**
- **HA identifies Property as Housing Asset and on Housing Assets List**
- **DOF approves of such id. as Housing Asset**



Sequoia Grove Affordable Development

On July 26, 2011, Council authorized staff to:

- a. Negotiate a DDA for development of Property as ten single-family affordable homeownership development**
- b. Submit an application for State HCD BEGIN funds. Successful application resulted in \$460,000 allocation to the City to assist homebuyers with down payment**



Sequoia Grove Affordable Development

Project was on hold first due to ABx1 26 actions and then due to unavailability of funds.

First installment of SERAF loan repayment has been approved for FY 14-15.

Therefore, staff is now recommending:

- **Approval of \$600,000 predevelopment loan**
- **Approval of a DDLA (instead of DDA)**

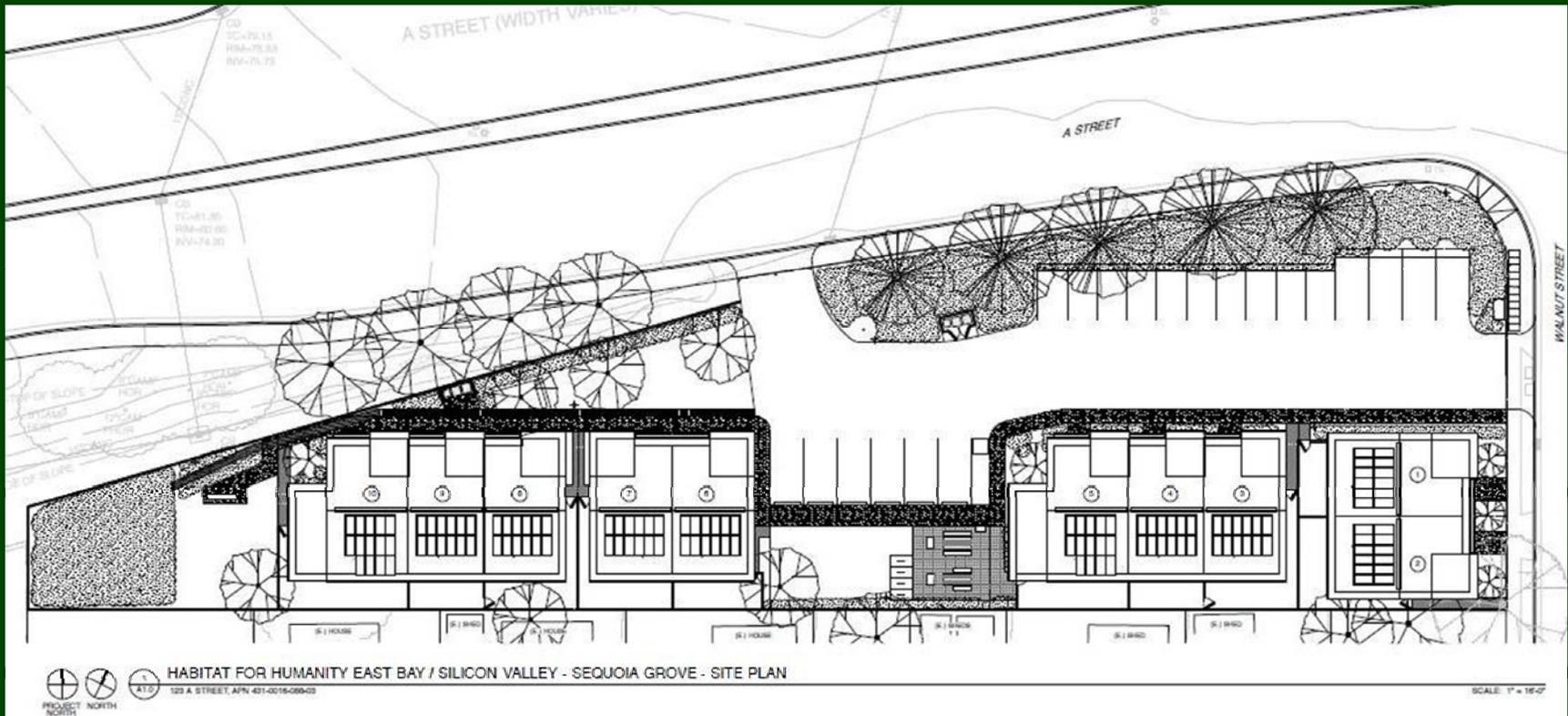


Sequoia Grove Affordable Development

- **Ten single-family affordable GREEN homes.**
- **Each unit is proposed to be a two-story, 3-or-4 bedroom unit of approximately 1,200 to 1,500 square feet with a yard.**
- **The remainder of the Property will be improved with common area amenities (a community gathering space, garden, and/or play area) for the residents.**



Sequoia Grove Affordable Development Site Plan



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Sequoia Grove Affordable Development

- **Low- and very low-income families – those earning at-or-below 80% and 50% of the AMI**
- **First-time homebuyers**
- **Local residents and workers**
- **They will invest 500 hours of sweat equity**
- **Long-term affordability restrictions will be ensured through legal covenants**



Sequoia Grove Affordable Development

Total Project Development Cost is approximately \$4.03 million – net of land.

City funding for the Project includes:

- FY 08-09 CDBG: \$ 29,500 (infrastructure)
- The HA Loan: \$600,000 (predevelopment)
- The land was acquired for \$705,000 by Former Agency from the City



Sequoia Grove Affordable Development

Health and Safety Code Section 33433 establishes procedures for disposition of the Property:

- **City and HA must approve the disposition**
- **A copy of DDLA and S. 33433 Report are available for public review**
- **S. 33433 Report “Findings”**
- **A public hearing held**



Sequoia Grove Affordable Development

Project qualifies as Categorically Exempt under S. 15332 of CEQA as “Infill Development”:

- **It is consistent with GP and zoning**
- **It is: a) within the City boundaries, b) less than five acres and c) surrounded by urban uses**
- **Will not have adverse environmental effects**
- **Can be served by utilities and public services**



Sequoia Grove Affordable Development

- **Economic Impacts:** a vacant, difficult-to-develop site will become an asset to neighborhood and will provide affordable housing to ten families
- **Fiscal Impact:** None to the City's General Fund but potential positive fiscal benefits
- **Property must be developed as affordable housing**
- **Next Steps:** only entitlement approvals needed. Additional opportunity for public contact



Sequoia Grove Affordable Development

Habitat incorporates green building materials and techniques in its construction practices. Each home will be energy efficient and will provide a healthy environment for its residents.



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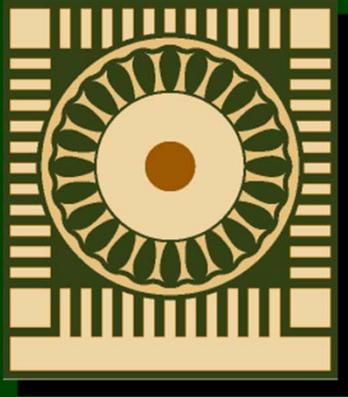
Sequoia Grove Affordable Development

Successful partnership of City with Habitat:

**Under NSP I and II, 20+ units were rehabilitated,
and resold to income-eligible families**

**This helped spur a positive
flow of investment in
target areas: areas of the
City severely affected by
foreclosures during the
great recession**





Questions/Comments

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