

Executive Summary

WHAT IS THE HOUSING ELEMENT?

- Required “element” or chapter in the City’s General Plan
- Assesses the condition of the City’s current housing and future needs of its residents
- Establishes a roadmap for accommodating projected housing unit demand for existing and future residents over the next eight years (2023-2031)
- Sets citywide goals, objectives, and policies for housing
- Shows how the City will meet demand for housing at all income levels, per State Law

WHY UPDATE THE HOUSING ELEMENT?

- Housing is essential to people’s health, quality of life and the economy
- Housing Elements are a mandatory part of the General Plan under state law
- It must be updated every 8 years and submitted to the State by a specific date they prescribe (6th Cycle submitted by January 2023)
- Detailed roadmap outlining how the City will meet its Regional Housing Needs Assessment (RHNA) allocation by income level
- Housing Element compliance is required for Statewide funding and grants

HOW IS THE HOUSING ELEMENT USED?

- The Housing Element is the guiding document that sets the City’s policy and program direction related to housing
- Used when reviewing development projects (both housing and non-housing projects)
- Used to establish funding priorities for communitywide financial assistance such as rental assistance, homebuyer programs, rental inspection programs and relocation assistance among others
- Used when setting housing policy such as updates to the Density Bonus Ordinance, Affordable Housing Ordinance, and updates to the Zoning Ordinance as they must be consistent with the General Plan

THE HOUSING ELEMENT AIMS TO ACHIEVE SEVERAL GOALS INCLUDING:

- Accommodating projected housing demand, as mandated by the State
- Increasing housing production to meet this demand
- Improving housing affordability
- Preserving existing affordable housing
- Improving the safety, quality, and condition of existing housing
- Facilitating the development of housing for all income levels and household types, including special needs populations
- Improving the livability and economic prosperity of all City residents and promoting fair housing choice for all

The City of Hayward believes that housing is a basic human right and is committed to improving access to safe and high-quality housing for residents across all income levels in a manner that prioritizes sustainability and care for the environment. Strategies to achieve these goals include promoting a diversity of housing types throughout the City, increasing the feasibility of development of underused sites throughout the City, and focusing the greatest amount of new housing near transit and jobs.

The Housing Element lays out the City’s plan for removing barriers to housing production to counter well-documented housing shortages, and helps ensure that the City is planning for its “fair share” of affordable and market rate housing.

THE HOUSING ELEMENT ORGANIZATION GUIDE

The Housing Element includes seven chapters that outline current and future housing needs of the community, housing resources, constraints to building housing, fair housing, and a housing plan. The housing plan within the Housing Element Update builds upon and revises the goals, policies, and programs of the existing Housing Element to ensure that the City can meet the housing needs of all Hayward residents through 2031, when the plan is scheduled to be updated again as required by State law.

The seven chapters are as follows:

1 Introduction – pages 8 - 25

Introduces the purpose of the Housing Element, context, related documents, and summary of public participation.

2 Housing Needs Summary – pages 26 – 33

Describes Hayward’s demographic and housing related to the City’s housing needs, including housing type and affordability with insight into special needs households and an equity lens.

3 Projected Housing Need – pages 34 – 37

Shows the Regional Housing Needs Allocation (RHNA), or the “fair share” of housing units the City must plan for at different affordability levels as required by law.

4 Housing Resources – pages 38 – 49

Summarizes the existing and proposed land, financial, and administrative resources Hayward has to meet the City’s need through this update.

5 Housing Constraints – pages 50 – 55

Identifies governmental, market, environmental, and other existing challenges to maintaining, expanding, and improving housing in Hayward.

6 Fair Housing – pages 56 – 59

Provides an assessment of the City’s fair housing issues and provides a framework for the City to take meaningful actions to overcome patterns of segregation, to combat discrimination and to foster inclusive communities.

7 Housing Plan – pages 60 – 89

Lays out the goals and steps needed to meet the housing needs of current and future residents. Each goal has associated policies, programs, and actions detailed in the plan by law.

Housing Costs Too Much for Hayward Residents

The Housing Element describes the current housing conditions in Hayward and provides data and information on the economic and social stresses that many residents face due to the lack of sufficient access to quality and affordable housing. The Housing Plan, Chapter 7 in the Housing Element, provides actions that the City will take to address the lack of affordable housing and help increase the number of new housing units to; ensure that housing is safe, clean and accessible for residents; assist renters and homeowners to stay in their housing; and, assist qualified residents to purchase housing to promote stability and wealth building. These actions include production of affordable housing units, preservation of existing affordable housing, and addressing the housing needs of vulnerable populations to provide housing assistance resources and to address fair housing issues.

Housing cost burden affects a substantial portion of households in Hayward, particularly lower income renter households and also disproportionately impacts Hispanic/Latino and Black/African American households. In addition, cost burden has significantly increased for immigrant households, families with children, seniors and students, and extremely low income to low-income households, all of which are identified as special needs households in the Housing Element.

Wages are Not Keeping Up with Increasing Housing Costs

High housing costs have made it difficult for many Californians to be able to save or invest enough to take advantage of the long-term financial benefits of homeownership or to receive the social, health, and economic benefits that can come to individuals and families as a result of having access to high-quality, stable, and affordable housing.

In addition, this housing crisis does not impact everyone equally. Lower-income households and residents of color are disproportionately affected due to lack of employment stability, historic lack of access to homeownership resources, and the attendant wealth building benefits as well as lack of access to certain neighborhoods. Further, renters typically have lower household incomes than homeowners and have a higher cost burden with regard to housing which results in less disposable income for food, healthcare, and education, among other costs.

Impacts of Not Enough Housing

The City of Hayward is one of many cities in the State that is severely impacted by the housing crisis, experiencing high rates of cost-burden, homelessness, overcrowding, and potential displacement of existing residents.

Homelessness continues to be a regional, State and national issue. Although homelessness is rising in Alameda County, the City of Hayward saw a 28 percent decrease in the number of people experiencing homelessness in the most recent 2022 point-in-time count. This decrease may be attributable to many factors, including the City's increased investment in homelessness response and prevention, as well as changes to the count methodology resulting in more accurate geo-coding of where individuals were living. Specifically, individuals previously counted as Hayward residents who may now be counted as residing in unincorporated Alameda County or another neighboring jurisdiction.

WHY DOES THIS MATTER?

There is a housing crisis in Hayward. High housing costs and a lack of affordable housing affects all residents. The City is working to establish a Housing Plan to address the crisis.

WHAT IS CONSIDERED “AFFORDABLE” HOUSING?

Housing is affordable if it costs no more than 30 percent of someone’s monthly income. For example, a household making \$3,000 a month would have rent no higher than \$900 to be affordable. Average rents and mortgages are significantly higher than this in Hayward, typically averaging over \$2,600 for a two bedroom apartment and over \$3,000 for a three bedroom house.

WILL THIS PLAN BUILD HOUSING?

This update establishes a roadmap with policies and actions that the City has control over to meet the housing needs of Hayward residents and to minimize constraints to housing development for the next eight years. It is essential to note that construction is accomplished by private and nonprofit developers. Most of the housing the City is planning for will meet the City’s projected Regional Housing Needs Assessment allocation which provides for a variety of housing at different income levels; however, there are a variety of factors outside of the City’s control that could influence whether or not that housing is built such as land and construction costs, availability of labor and materials, availability of financing, and developer interest in Hayward among others.

WHAT CAN YOU DO?

Review this Housing Element, attend meetings, ask questions, and make comments about what you believe you and your community needs and wants to see in future housing development in Hayward.

For information about Housing Relief Programs, homeless housing assistance, homeownership resources, and housing information for tenants and landlords, please visit the Housing Division website at www.hayward-ca.gov/housing

If you are a tenant living in substandard conditions or a property owner wishing to conduct an inspection with our division to assure your dwellings are currently up to code, please contact Hayward Code Enforcement at (510) 583-4175 or rentalinspectionprogram@hayward-ca.gov.

1 Introduction

1.1 Housing Element Purpose and Content

The State of California has stated that the availability of decent and suitable housing for every California family is “a priority of the highest order.” This objective has become increasingly urgent in recent years as communities across the state struggle to meet the housing needs of all their residents. The Housing Element is the primary tool for cities and counties to create a road map to meet their housing goals. The Housing Element is a comprehensive strategy for encouraging development of safe, decent, and affordable housing for all residents and preventing housing loss. The Housing Element must include:

- Identification and analysis of existing and projected housing needs, resources, and constraints;
- A statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement, and development of housing;
- Identification of adequate sites for housing;
- Assessment of the City’s fair housing issues; and
- Adequate provision for existing and projected needs of all economic segments of the community.

The Housing Element helps the City determine how to address existing and future housing needs and plan for future growth. These housing policies and actions do not commit the City to construct new housing units, but they do identify ways in which Hayward will encourage development of housing intended to meet the housing needs of current and future residents during the Housing Element update cycle. This Housing Element represents the City of Hayward’s 6th Housing Element cycle and will be carried out from 2023 through 2031.

1.2 Relationship to Other General Plan Elements

The City of Hayward’s 2040 General Plan was adopted in 2014 and is comprised of several State mandatory elements including: Land Use and Community Character, Mobility, Housing, Community Safety, Natural Resources, and Hazards. The General Plan also addresses several other optional elements including Economic Development, Public Facilities and Services, Education and Lifelong Learning, and Community Health and Quality of Life.

All elements bear equal weight, and no element has legal precedence over another. California Government Code Section 65583 (c) requires the Housing Element to maintain internal consistency with other General Plan Elements. For example, residential density limits established by the Land Use Element are reflected in the Housing Element and form the basis for analyzing residential capacities within the City. The Housing Element is also consistent with the (draft) Environmental Justice Element by avoiding concentration of lower-income housing in a disadvantaged community as defined by Government Code Section 65302(h)(4)(A) and Health and Safety Code Section 39711. California law requires that the Safety Element be updated during each update of the Housing Element if additional information relating to climate adaptation or resilience becomes available. When any element of the General Plan is amended in the future, the City will review the Housing Element and, if necessary, amend it to ensure internal consistency is maintained.

1.3 Housing Context

Hayward's rapid growth has sparked the development of Priority Areas as part of the Bay Area's Regional Transportation Plan and Sustainable Communities Strategy. These areas are suitable for future growth and have the potential to create walkable, compact development with integrated transportation systems. Priority Development Areas include downtowns, employment centers, corridors, neighborhoods, and districts served by regional transportation. Hayward has five Priority Development Areas:

- The Downtown City Center
- The Cannery Transit Neighborhood
- The Mission Boulevard Mixed-Use Corridor
- The South Hayward BART Mixed-Use Corridor
- The South Hayward BART Urban Neighborhood

Housing in these priority areas include high-density and mixed-use development. Typical building types include a mix of housing types including townhomes, duplexes, tri-plexes and four-plexes, multi-story apartments, and multi-family homes. The further away from the Priority Development Areas, housing types are mostly suburban and lower in density. This includes single-family homes, accessory dwelling units, and ancillary structures on large lots.

1.4 Hayward's Guiding Vision for the Community

Hayward's vision for the community embraces a vibrant, safe, and prosperous community that supports the diverse humans that live, work, and play in Hayward. This vision includes supportive youth services and excellent public schools to attract and retain families, and an expanded network of parks and recreational activities for all ages. A community that fosters life-long learning will include programs and activities that integrate college communities into local businesses to create a college culture and sense of college and community pride. Access to jobs will encourage long-term residency and result in a robust and business-friendly community, creating unique clusters of economic opportunities. Thriving commercial centers with pedestrian-friendly design will attract businesses, shopping, and dining in Downtown Hayward. Downtown will emerge as the heart and soul of the community and inspire residents to live an active healthy lifestyle.

Mixed-use and high density residential development will be supported by an interconnected network of safe, affordable, dependable, and convenient transportation options. Utilities and improvements to technology infrastructure will ensure that the community is resilient and prepared to survive impending disasters such as wildland fires and sea level rise. Increased and enhanced connectivity in the Baylands, hillsides, and regional parks will also protect environmental resources and mitigate impacts of rising sea levels.

1.5 Organization of the Housing Element

Per California Government Code Sections 65580-65589, a housing element must consist of the following components:

- **Review of the previous Housing Element:** This section reviews the results of the goals, policies, and programs adopted in the previous Housing Element and compares projected outcomes with actual achieved results.
- **Housing Needs Assessment:** This section reviews the existing and projected housing needs of the community. It provides a profile of socio-demographic information, such as population characteristics, household information, housing stock, tenure, and housing affordability. The assessment also considers local special housing needs, such as, seniors, farmworkers, homeless, large households, and female-headed households
- **Resources and Inventory of Adequate Sites:** This section provides resources and an inventory of adequate sites that are suitably zoned and available within the planning period to meet the jurisdiction’s fair share of regional housing needs across all income levels.
- **Governmental and Nongovernmental Constraints:** This section identifies and analyzes impediments to housing production across all income levels.
- **Fair Housing Assessment:** This section provides a summary of contributing factors that serve as barriers to fair housing choice and access to opportunities in Hayward.
- **Housing Plan:** This section provides a statement of the community’s goals, quantified objectives, and policies to maintain, preserve, improve, and develop housing. It also provides a schedule of meaningful actions to be taken during the planning period to achieve the aforementioned goals, objectives, and policies. It includes quantified objectives for new construction, rehabilitation, and conserved units by income category (i.e. very low, low-moderate, and above-moderate) to make sure that both the existing and the projected housing needs are met, consistent with the City’s share of the RHNA.

The document was supported by comprehensive research and analysis which are compiled in appendices at the end of the document:

- Appendix A: Public Participation Report
- Appendix B: Housing Needs Assessment
- Appendix C: Housing Resources and Sites Inventory
- Appendix D: Housing Constraints
- Appendix E: Review of Past Accomplishments
- Appendix F: Fair Housing Assessment

1.6 Data Sources and Methods

Data from a variety of sources is used to complete the Housing Element. The most commonly cited source is the U.S. Census, which provides consistent demographic characteristics that are widely accepted. The American Community Survey is a feature offered by the U.S. Census and includes five-year estimates on population and demographic characteristics. Other data sources include the following:

- Alameda County Collaborative
- Association of Bay Area Governments (ABAG)/Metropolitan Transportation Commission (MTC)
- California Department of Housing and Community Development (HCD)
- California Housing Finance Agency

- California Tax Credit Allocation Committee
- Comprehensive Housing Affordability Strategy (CHAS)
- California Department of Finance (DOF)
- Home Mortgage Disclosure Act (HMDA) lending data
- Regional Homeless Point-in-Time Count
- State Employment Development Department (EDD) data on wage and labor statistics
- United States Department of Housing and Urban Development (HUD)
- Let's House Hayward Strategic Plan (2021)
- Hayward Strategic Roadmap (2021)
- City of Hayward Displacement Study, HR&A Advisors Inc. (2021)
- Park Impact Fee Feasibility Analysis, Community Attributes Inc. (2019)
- Traffic Impact Fee Feasibility Findings and Jurisdictional Comparisons, Community Attributes Inc. (2022)

1.7 Summary of Public Participation

The Housing Element must reflect the values and preferences of the community. Accordingly, community participation is an important component of the development of this Element. Government Code Section 65583(c)(8) states that the local government must make “a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element.” This process not only includes community members, but also participation from local agencies and housing groups, community organizations, and housing sponsors.

Hayward provided opportunities to solicit input from stakeholders and community members through interviews, surveys, a project-specific website, a housing simulation exercise, community events, and public meetings. To jumpstart the outreach process, the City compiled and contacted more than 175 stakeholders (complete list provided in Appendix A) and organizations that serve special needs households and renters, provide affordable housing, and offer fair housing services to inform the organizations about the Housing Element Update. Staff asked organizations to forward the information to their stakeholders and requested assistance and partnership in community outreach.

These entities were included in all notifications associated with the Housing Element update, including community events, housing survey, and a housing simulation exercise. A summary of the public participation is detailed below. More detailed information on the public engagement program is available in Appendix A.

1.7.1 Public Noticing

To reach the largest and broadest spectrum of community members and stakeholders, Hayward utilized the following notification methods throughout the Housing Element update process.

- Advertisement in The Stack Newsletter mailed to all addresses (approximately 160,000) within City limits.

- Regular posts to the City’s social media accounts, including NextDoor, Facebook, Twitter, and Instagram, announcing project website launch, survey, and a housing simulation exercise, public meetings and release of the Draft Housing Element for public review.
- City staff developed email and mailing lists of community and advocacy groups, non-profits, faith-based organizations, school-based organizations, mobile home park associations, homeowners associations, disability advocates and neighborhood groups to provide outreach and regular updates on the project. In addition, the City is maintaining an “interested parties” list for those who have requested regular updates about the Housing Element, Climate Action Plan, Environmental Justice and Hazards Element Updates. See Appendix A for full list.
- The City developed flyers in English and Spanish advertising the project. A total of 48,500 flyers were mailed out to homeowners, multi-family housing complexes and individuals living in mobile home parks. In addition, City staff handed out flyers at 18 locations throughout Hayward including the BART stations, farmers markets, supermarkets, retail establishments and laundromats and at community events.

1.7.2 Community Events

Bilingual Informational Gallery Event

The City prepared an interactive, in-person, mobile gallery with posters in English and Spanish on the topics of history of Hayward, the Housing Element, the Climate Action Plan, Environmental Justice and Hazards to provide people with the opportunity to learn about the project on their own time. The housing element poster explained the housing crisis, what a Housing Element is, chapters included in the Housing Element, how the Housing Element helps with the housing crisis, and statistics of housing in Hayward through a visually-appealing poster. Gallery event posters included Spanish translation and a QR code where participants could go to the project website for additional information. Starting in January 2022, the galleries were placed at the Downtown Hayward Library, City Hall and were used at events at the Farmers Market, BART, the NAACP Offices, Chabot College, and the Alameda County Transportation Offices which has approximately 400 Hayward employees.

NAACP Events

On April 30, 2022 and May 21, 2022, City staff attended community meetings at the Hayward NAACP Branch Office, located at 1218 B Street. The Hayward NAACP meetings provided an opportunity for African Americans and other minorities to learn about the Housing Element and to provide input on some of the issues they are facing in trying to secure affordable, quality housing in Hayward. The April 30 event was attended by approximately six people and the May 21 even was attended by approximately 40 people. In addition, staff from the Housing Division presented information on housing resources and assistance for people who may need some assistance in paying their rent and utilities due to the COVID-19 pandemic. Community comments received at these events included concerns about access to affordable housing and transportation options, limitations on rent increases, not requiring stringent background and credit checks for rental housing and subsidized housing specifically, and general inquiries about rental and mortgage assistance programs.

Hayward Promise Neighborhood

On May 21, 2022, City staff attended a Hayward Promise Neighborhood (HPN) community meeting at Tyrrell Elementary School on May 12, 2022. The HPN was established with a federal grant from the US Department of Education, and it supports a collaborative partnership between government agencies, non-profits, businesses, and educators to support residents and students who attend partner schools within the Hayward Unified School District. The HPN provides comprehensive, high-quality educational and social support to ensure the long-term health, safety, and economic well-being of the Jackson Triangle and South Hayward Harder-Tennyson neighborhood.

There were approximately seven people in attendance from the Community Childcare Council of Alameda County who live and work in Hayward as well as mothers whose children attend Tyrrell Elementary School. The majority of attendees spoke Spanish and translation services were provided. General comments from the attendees included:

- Widespread concern that the cost of housing is too high.
- Request to apply for and be eligible for affordable housing opportunities as they become available in the community.
- Request for first time homebuyer's programs
- Request for landlord/community meetings to discuss housing problems and tenants' rights.
- Concerns about the neighborhood and safety including a concern about the high number of liquor stores in South Hayward compared to other parts of Hayward; increasing safety for pedestrians including pedestrian crossings and street lights; and, concerns about increases in homeless individuals within neighborhoods.

Housing Element 101 Informational Meetings with Committees, Planning Commission, and City Council

In the Fall of 2021, the City held Housing Element 101 informational meetings for the Housing and Homeless Task Force, the Planning Commission, and City Council to notify the public and decision-makers about the Housing Element Update. At the meetings, City staff provided an overview of recent State Laws, took comments on updates to the Affordable Housing Ordinance and introduced the Housing Element process. The meetings were public workshops and posted on publicly available agendas. While members of the public attended the meetings, there were no public speakers on the item. Task Force, Planning Commission, and Council comments centered on the following topics:

- Prioritize Housing Element outreach to underserved and hard to reach groups by getting out into the community; conduct outreach at schools and colleges; work with advocacy groups to reach special needs groups to determine actual housing issues and needs; and ensure that materials are translated into other languages.
- Keep equity and Affirmatively Furthering Fair Housing goals at the center of the project. Include policies to expand fair housing, reduce racial and income segregation, increase affordable housing opportunities, and use the housing element to educate about past policies such as redlining and housing discrimination.
- Focus on housing affordability and how to make high density housing more livable.
- Explore creative opportunities, actions and programs around financing affordable housing.

- Describe the barriers to market rate and affordable housing development and discuss ways the City can reduce barriers to development.

Individual Meetings and Focus Groups

January through May 2022, City staff met with representatives from various advocacy and interest groups including Community Resources for Independent Living (CRIL), the Hayward Promise Neighborhood, and NAACP to notify and partner with the groups to get the word out about the Housing Element Update.

On June 10, 2022, the City conducted a focus group with CRIL consumers. While CRIL advertised the opportunity widely, a total of four individuals participated and provided insights into the combined issues of housing and transportation accessibility for individuals with disabilities. Three of the individuals are renters and one is a homeowner who works with CRIL consumers. Specific issues raised during the focus group included: the high cost of housing, particularly for individuals on fixed incomes; the need to live with roommates, caregivers or others to assist with the activities of daily living; difficulty accessing and navigating public transportation and rideshare systems to get to work, doctor appointments and other locations; the desire to see infrastructure improvements (sidewalks, trails, open space and parks) built to be accessible to individuals with disabilities; the desire to see affordable housing constructed in close proximity to commercial and service uses; and, ensuring that landlords maintain and upgrade buildings to ensure accessibility for all individuals.

The City will continue to reach out to various groups to see if there is an interest in conducting additional focus groups.

1.7.3 Community Partner: Chabot College

Chabot College is a public community college in Hayward, as part of the Chabot-Las Positas Community College District. Chabot College has served the communities of Hayward, Union City, San Leandro, Castro Valley, San Lorenzo, Ashland, Cherryland, Fairview, and Sunol for over 50 years, and is a nationally recognized leader in community college innovation of education experiences.

The City contracted with Chabot College to have students from two English classes interview Hayward residents around the issues of housing including housing conditions and concern about eviction or not being able to pay mortgages; experiences with neighbors; experiences with discrimination; perceptions of concentrations of poverty within Hayward; perceptions of homelessness; experiences of environmental pollution; rankings of importance for schools, transit, jobs, retail, libraries and other community assets; and hopes and dreams for the future. The students interviewed 388 Hayward residents and the responses were mapped by the City's Geographic Information Systems technicians and is available at maps.hayward-ca.gov. The interviews are summarized in Attachment A and quotes from the interviews are included throughout this document. Figure 1 shows the location of interviewees that participated in the housing survey.

On April 25, 2022, City staff attended an event at Chabot College where professors and approximately 30 students discussed topics related to housing, gentrification and displacement, pollution and dumping, and other findings from the interviews. Both interviewers and some interviewees attended the meeting to listen to student presenters. City staff present at the event were able to provide translation services as needed.

1.7.4 Project Website

To further facilitate the distribution and gathering of information, the City created a separate project website dedicated to the Housing Element update. The project website provided detailed background information on the Housing Element, frequently asked questions, links to upcoming and past event materials, links to articles and videos on the topics of Housing, Climate Change, Environmental Justice among other resources. The videos on housing included such as the legacy of redlining, the History of Russell City in Hayward and explainers on zoning among other topics (<https://haywardhousingandclimateupdate.com/learn-more/>). Project materials associated with the Housing Element update were regularly posted on the project website, including documents from the gallery event, information for upcoming events, and virtual workshop PowerPoint presentations and video recordings. A link on the website enabled people to sign up for project email updates and provide comment at any time throughout the project process.

To encourage public engagement and to connect the Housing Element work to people's lived experiences, the City posted a story on Instagram asking Hayward residents what three words they would use to describe their housing situation and added a banner on the project website directing people to share their "three word stories" around their housing situation in Hayward.

The input provided through Instagram and project website included the following:

- "Not Senior Friendly"
- "Noisy, Dirty, Congested"
- "Real Bad Mold"
- "Things Getting Worse"
- "Blessed, Loved, Expensive"
- "Own, Respect, Blessed"
- "Comfortable, Inaccessible, Cost-Effective"
- "Pretty Darn Good"

The three-word theme was carried through the interviews conducted by Chabot students which are included as an attachment to this report.

In addition to the three-word stories, people posted general comments through the website that encompassed the following themes:

- A desire to see more assisted living options and deed restricted low-income housing for seniors.
- A desire to see more high density and mixed income housing near transit.
- An ordinance to prevent smoking in multi-family residential complexes.
- Concern around increased air pollution related to traffic and questions about how the City and region will provide water necessary for increased housing and population given the ongoing drought in California.
- A letter from YIMBY/Greenbelt Alliance urging the City to consider rezoning to allow for higher density development.
- A letter from a consortium of various community-based organizations providing guidance and recommendations on public participation.

- A letter from a Hayward resident and UC Berkeley graduate student commenting on AFFH requirements, the City’s Balancing Act tool and assumptions related to development in certain areas, and general comments on counting ADUs and other sites in the inventory.

The project website is available at: <https://haywardhousingandclimateupdate.com/>.

1.7.5 Balancing Act: Housing Sites Simulation

The City made available a housing sites simulation from April 8, 2022 to May 13, 2022. The sites simulation gave the public an opportunity to provide comments and recommendations relating to housing in Hayward. The activity was sent out via email lists to interested parties and was advertised on the City’s social media and website. There were 19 participants that provided 44 comments on 1,722 potential housing sites. The input provided by the participants is included in Table 1. Input gathered through this activity was used to guide the City’s site selection process.

Table 1 – Balancing Act Simulation Summary

Focus Area	Recommendations
Caltrans Corridor	<ul style="list-style-type: none"> ▪ Build higher density housing in South Hayward near BART station ▪ Create a pedestrian-friendly, transit-oriented “Main Street”
Downtown Area	<ul style="list-style-type: none"> ▪ Build high-density residential development ▪ Encourage walkability to dining, entertainment, and services in Downtown while also promoting new housing development ▪ Remove parking minimums because of walking distance to BART station
Mission Boulevard	<ul style="list-style-type: none"> ▪ Revitalize the area due to empty and underutilized lots ▪ Concern regarding limited resources and opportunities for walkability ▪ Build affordable housing or homeless shelter in the area
Residential and Mixed-Use Area	<ul style="list-style-type: none"> ▪ Add more housing in North Hayward ▪ Include mid-density townhomes around commercial development and amenity hubs, since Hayward has a lot of infill sites
Citywide	<ul style="list-style-type: none"> ▪ Prioritizing residential development on empty lots first ▪ Concern about the identified locations generally requiring cars for transportation due to limited public transit ▪ Increase density along major corridors, including Tennyson and Industrial, to encourage small businesses and public transit use ▪ Limit residential development near the hills because of earthquakes and landslides as well as areas located near the shore because of climate change-induced sea level rise

1.7.6 Housing Survey

The City prepared and distributed Surveys inquiring about housing, access to resources, and experiences with discrimination to all individuals in the City of Hayward. The project website hosted an online housing survey for 60 days (from January 10 to March 10, 2022). The surveys were translated into Spanish and Mandarin. To encourage participation, the City advertised a drawing for five \$50 Hayward business gift cards for individuals who completed the survey. There were 64 survey participants (60 surveys completed in English, 3 surveys completed in Spanish, and 1 survey completed in Chinese). The input provided by the participants included the following major themes:

- **High Cost:** Difficulty finding affordable housing, paying the deposit for rental housing, and monthly rental housing costs were identified as housing challenges personally experienced by survey participants.
- **Housing Accessibility:** Affordability, homeownership, and availability of housing were identified the most urgent housing issues in Hayward.
- **Need More Homes:** Entry level or starter homes, co-living housing, apartments, and condominiums were identified as housing types needed in Hayward.
- **Housing Types:** Mixed support of diversifying housing types and increasing housing overall in Hayward.

1.7.7 City Council and Planning Commission Study Session

On June 23, 2022, the Planning Commission held a Work Session on the draft Housing Resources, Inventory and Housing Plan of the 2023-2031 Housing Element. At that meeting, the Commissioners asked clarifying questions such as how many properties on the sites inventory are publicly owned, how many units are at risk of conversion from affordable to market rate housing during the next cycle, whether the sites inventory identified tenure of housing units, and the technical definition of “cost burdened.” One Commissioner voiced concerns about the loss of local control due to recent State Laws. Other Commissioners suggested that the City Council consider ground leasing publicly owned properties to developers rather than selling the land; voiced a desire to see mixed income and mixed tenure projects so that low- and moderate-income households could have the opportunity to purchase homes; and said that education and outreach related to resources and assistance should remain a major priority in the next cycle. One member of the public spoke and agreed that resources should be allocated to a mix of rental and ownership opportunities at all levels of affordability.

On July 5, 2022, the City Council held a Work Session on the Housing Resources and Inventory and Housing Plan. At that meeting, Councilmembers asked questions about specific sites and how the inventory was derived; expressed a desire to protect industrial and commercially zoned land; asked general questions about the RHNA and the numbers in Hayward relative to the region and the area median income of Hayward versus the region; examine eviction rates, foreclosures and understand the investors who are purchasing housing in Hayward; recommended that the City partner with Chabot College and Cal State East Bay to expand housing for students; wanted to ensure the Housing Element prioritized seniors and other households on fixed incomes; and, expressed concerns about the ongoing drought and impacts of water supply on potential development.

At that meeting, four members of the public spoke about the need for affordable housing; opportunities for low income households to be able to purchase homes; additional housing for seniors and individuals with disabilities and special needs; the desire to see complete streets, services and assistance for individuals with disabilities and special needs; and, a concern about displacement. One individual representing the Carpenters Union asked the City Council to adopt a policy in the Housing Element requiring developers to use union labor that provide apprenticeship programs, retirement and health benefits.

1.7.8 Public Workshop

On July 27, 2022, the City hosted a virtual Housing Element Workshop on Zoom. The meeting was advertised on the project website, directly emailed to over three hundred individuals who requested to be updated about the project and advertised on social media. There were 17 participants in the meeting (although 45 individuals registered for the meeting), which started off with a brief poll which indicated that the attendees were split between homeowners and renters and lived in zip codes throughout Hayward. Attendees were also asked to submit three words to describe their housing situation and we used those words to develop the word cloud on this page. The discussion focused on greatest housing needs including individuals experiencing homelessness and the need for wraparound services; the need for affordable housing for students, workers and renters who are being priced out of the Hayward market; creative solutions to the housing crisis such as providing housing vouchers to be used as hotels/motels or converting hotels to transitional housing; questions about vacancy rates and updates to the Inclusionary Housing Ordinance; and questions about future approved and planned development in the Hayward hills.



1.7.9 Draft Housing Element Available for Public Input

Hayward's Draft 6th Cycle Housing Element was posted from July 14, 2022 through August 14, 2022. Fourteen responses were received during the public review period from multiple members of the community and organizations such as Bay Area Rapid Transit (BART), Campaign for Fair Housing Elements and YIMBY Law, East Bay for Everyone, Transform CA. In response to public comment, City staff made changes to the Sites Inventory and revised the housing policies and programs to reflect public input on the Draft Housing Element. A comment matrix with the commenter, comment, and City response is provided in Appendix A.

2 Housing Needs Summary

2.1 Introduction

The primary goal of the housing element is to ensure adequate housing for all of Hayward's present and future residents. Housing needs are determined by the City's population and its existing housing stock. An assessment of the demographic, socioeconomic, and housing characteristics in Hayward is required to help the City effectively target its programs and resources toward households with the greatest need. This chapter discusses the characteristics of Hayward's population and housing stock to identify the extent and context of unmet housing needs in the city.

2.2 Population Trends

Hayward's population is both growing and shifting. Since 1990, Hayward's population grew by 44 percent. Along with the increase in population size, Hayward has become increasingly diverse. Groups with the largest percent growth are Hispanic/Latino, followed by Asian residents. In addition to the diversification of the population, age groups have also shifted. From 2000 to 2019, older aged adults 65+ have increased by 35 percent. Adults aged 35-64 also grew by 27 percent, marking a steady increase of median age of 31.9 in 2000, to 35.5 in 2019. Conversely, those under 5 years old dropped by almost 13 percent. In addition, those aged 5-19 years decreased by nearly 8 percent. Residents in Hayward are typically increasing in age, while the City's younger age groups are also steadily declining.

2.3 Employment Trends

Housing affordability should be informed by the types of jobs and income levels of those residing in Hayward. Housing that meets the needs of local residents is important for increasing the quality of life by reducing commute times to travel to and from work destinations. Incomes associated with different types of jobs and the number of workers in a household determines the type and size of housing a household can afford. Those earning more at higher-paying jobs can afford broader housing opportunities, while those with lower-paying jobs have limited housing options. In addition, employment growth can increase the housing needs and demand.

With proximity to major transportation corridors to major firms throughout the San Francisco Bay region, Hayward is attractive to major firms in bio-medical and industrial corporations like Baxter Bio Pharma, Illumina, Plastikon Industries Inc., and Kobe Precision among others. In addition, public employers are popular employers including the Alameda County Sheriff's Department, California State University East Bay, Hayward Unified School District and the City of Hayward.

In recent years, employment trends are changing. From 2000 to 2019, the manufacturing sector fell by 5 percent, whereas the education/health/services sector had overtaken manufacturing as the largest percentage of workers in the city. Nearly one-third of the residents are employed in either education/health/services or professional services.

2.4 Housing Stock

Growth in population is outpacing the available housing stock in Hayward. From 2000 to 2019, the number of housing units built grew by 9 percent while the total population grew by nearly 18 percent. The term “tenure” refers to whether a unit is owned or rented. Since the 1990s, there has been a steady decline in construction of units in ownership development. This indicates that supply is not keeping pace with demand, and that a large portion of housing is likely in need for rehabilitation or repair due to gradual physical deterioration over time because housing over 30 years old is more likely to have rehabilitation needs. Additionally, over 56 percent of the housing units built since 2000 has been ownership housing resulting in fewer housing opportunities for households where homeownership is inaccessible.

2.5 Household Characteristics

Household composition also influences the housing needs of a community. Individuals living alone have different needs than families who require more space or larger housing units. Though the number of households has remained relatively constant since 2010, family households married with children declined by 13 percent from 2000 to 2019, while single-person households increased by nearly 16 percent in this timeframe. In addition, only 20 percent of the rental units in the City are 3 bedrooms or more while 79 percent of ownership housing is 3 bedrooms or more. The lack of rental housing for large families contributes to overcrowding.

Households may also experience varying difficulties in affordability and housing problems based on tenure. Slightly less than half of Hayward’s households are renters. Renters are more vulnerable to housing issues and are often the first to be priced out of communities, experience cost burden, or be forced into households in overcrowded or substandard conditions. To alleviate rising costs, households double-up or rent rooms, which results in overcrowding. In part, this is due to increasing rents over time, as opposed to homeowners locking in monthly payments for the duration of the mortgage as they build equity. Stagnant and low-income wages coupled with increasing rents decreases disposable income to meet basic needs and save for financial goals which exacerbates the wealth gap between renters and homeowners. In addition, overcrowding tends to accelerate the physical deterioration of housing.

2.6 Housing Affordability

From 2015 to 2020, home values increased by 41 percent, and median monthly rent is commonly above \$2,000 per month. These costs are out of reach for residents, specifically those with very low income or low income. As a result of high home values and rents, residents have less to spend on other basic necessities. For housing to be affordable, a household should not pay more than 30 percent of their pre-tax income on housing. If households spend more than 30 percent on housing, they are cost burdened. Similarly, households paying 50 percent or more of their income on housing are considered to be severely cost-burdened. Being overburdened by rent can lead to overcrowding, substandard living situations, and lack of money to spend on basic necessities such as food, education, or healthcare. Across all income levels, renters that are severely cost-burdened comprise a higher percentage of households than homeowners that are severely cost-burdened. In Hayward, half of renters are cost burdened, compared to 30 percent of household owners that are cost burdened.

2.7 Special Groups

Certain segments of the population may face more difficulty in finding decent, affordable housing due to their needs and circumstances. Special needs may be related to employment and income, family characteristics, disability, or household characteristics. Special accommodations may be required for these groups such as on-site supportive services, or unique building design. For example, many seniors live on a fixed income, making it difficult for seniors to maintain housing as rents increase. Single-parent households, most of which are female-headed, require special considerations because they often experience a higher housing cost burden relative dual income households.

Considerations for special groups including seniors, single-parent households, people living with disabilities, people living below the poverty line, and college students should be taken to ensure housing opportunities are created that meet their needs. Large households are those with 5 or more persons living in the household, and often find it difficult to find housing that accommodates the necessary number of bedrooms if the housing market does not meet their needs. This can lead to overcrowding for these larger households. These special groups may be assisted by an increase of affordable housing especially near services such as community centers, grocery stores, commercial businesses, and public transportation. In Hayward, 27 percent of households are senior headed households, 25 percent are female-headed single family households, 19 percent are large households, and around 9 percent have disabilities, around 9 percent are living in poverty, and around 9 percent are students.

2.8 Disparate Impacts

Historically, racist lending and property insurance policies, zoning requirements, and criminal records policies have excluded people from housing opportunities and choices solely based on a person's race or color of their skin. Today, these discriminatory practices are referred to as disparate impacts and are still prevalent today and further discriminate against someone's disability, religion, sexual orientation, or familial status. The Fair Housing Act prohibits discrimination in housing and housing-related services and works to ensure that every person be treated with respect and dignity and ultimately have an equal right to housing.

3 Projected Housing Needs

3.1 Introduction

State Housing Element Law (Govt Code 65580 et. seq.) requires regional Metropolitan Planning Organizations (MPOs) to identify each member jurisdictions' "fair share allocation" of the RHNA provided by HCD. Each city and county must demonstrate their capacity to accommodate their local share of regional housing needs in the community's housing element. Each jurisdiction holds the responsibility for meeting their RHNA numbers.

The Association of Bay Area Governments (ABAG), the MPO for Hayward, adopted its 6th cycle RHNA Allocation Methodology in December 2021. Each local government must demonstrate how it will accommodate the RHNA in the Housing Element by 2023. ABAG considered several factors for determining the allocation, which weighed both projected and existing housing need. Projected need of housing was informed by household growth, future vacancy need, and replacement need, while existing need considered transit accessibility, jobs accessibility, and residual need in disadvantaged communities weighing factors such as overcrowding. The distribution of the RHNA across all four income categories factored in a social equity adjustment, which allocated a lower portion of lower-income RHNA jurisdictions that already had high concentrations of such households in comparison the County, and inversely, allocated a greater proportion of said households to jurisdictions lacking an existing concentration of lower-income households. The social equity adjustment also includes the goal to Affirmatively Further Fair Housing (AFFH), which adjusted the distribution of RHNA in jurisdictions either very low or very high resource areas.

Projected housing needs are broken down by income level categories based on definitions in the California Health and Safety Code (Section 50079.5). HCD calculates these limits as "extremely low," "very low," "low," "median," "moderate," and "above moderate" and publishes these at the county level.

Hayward's share of regional future housing needs is 4,624 total units for the January 2023 through January 2031 planning period. In the prior planning period, Hayward was allocated 3,920 housing units during the 2015-2023 5th Cycle Housing Element. The current 6th Cycle RHNA for the planning period of 2023-2031 represents an increase of approximately 18 percent over the previous RHNA cycle.

While the City is not responsible for the actual construction of these units, the City is responsible for ensuring that there is adequate land zoned to accommodate the housing allocation and for creating the regulatory framework in which the private market could build the number of units and unit types included in the RHNA allocation. This includes the creation, adoption, and implementation of policies, zoning standards, municipal code changes, and/or economic incentives to encourage the construction and feasibility of various types of units.

4 Housing Resources

4.1 Introduction

The following section provides a summary of vacant or underutilized land available to accommodate future housing, an overview of the resources available to support continued development, preservation, and rehabilitation of housing in Hayward. The full Sites Inventory analysis is located in Appendix C. This section also includes a list of federal, state, and local programs that provide financial assistance to support the City in meeting its housing goals.

4.2 Land Resources

A critical part of the Housing Element is the Sites Inventory, which identifies a list of sites that are suitable for future residential development. State law mandates that each jurisdiction ensure availability of an adequate number of sites that have appropriate zoning, development standards, and infrastructure capacity to meet its fair share of the regional housing need at all income levels. This inventory of sites is a primary tool that assists in determining if a jurisdiction has enough available land to support its RHNA, given the current regulatory framework.

The City's available land and adopted Land Use Element of the General Plan offers adequate capacity to accommodate the City's RHNA for all income categories. Zoning code amendments and rezoning is not necessary to implement the RHNA allocation. New residential development in the City of Hayward is expected to occur primarily in the areas covered by the Downtown Specific Plan, Mission Boulevard Specific Plan, and Former Route 238 Corridor which are in close proximity to commercial services and high frequency transit and allow for high density development.

Accessory Dwelling Units

The City has seen an increasing activity of junior and accessory dwelling units (J/ADUs) since State laws passed in 2018 that facilitated the development of these secondary units. Given the increasing permit applications for J/ADUs in Hayward, this Housing Element assumes credits of J/ADUs towards the City's RHNA. Assuming that annual J/ADU permits will average 40 units per year, the City assumes a total of 320 ADUs that will be permitted between 2023 and 2031. The annual projection comes from the average number of permitted ADUs between 2018 and 2021 in the City.

Entitled and Proposed Developments

The Housing Element can apply units in pipelines projects towards RHNA if it can be demonstrated that the units be built by the end of the 6th cycle's planning period. The City has identified ~~2,0731,895~~ units in ~~28-32~~ projects that have been planned, approved, or proposed but not yet permitted. Of these projects, ~~12~~ consist solely of market-rate units affordable to above-moderate households, while ~~20~~ projects have an affordability component. ~~5~~ are 100 percent affordable, ~~13~~ projects have an affordability component in compliance with the City's Inclusionary Housing Ordinance, and ~~10~~ projects consist solely of market-rate units affordable to above-moderate households (see Table C-3 in Appendix C). These projects are generally clustered along the Mission Boulevard Code as well as within Hayward's Downtown. Figure 2 shows the geographic location of the projects currently in the pipeline in addition to Appendix C, *Housing Resources*.

Identification of Sites Suitable for Housing

New residential development is expected to occur primarily in the areas covered by the Downtown Specific Plan (DSP), the Mission Boulevard Code area (also known as Mixed Use Corridor PDA), and Former Route 238 Corridor. Development codes in these areas create a vision for resilient, safe, walkable, attractive neighborhoods and allow for high-density mixed-use development. Specifically,

- The DSP shifts from districts solely shaped by allowable uses to a more hybrid approach that accommodates more mix of uses and considers the physical character of development (building form, design, and function) that contribute to neighborhood quality and characteristic. This shift towards a form-based code is intended to provide increased predictability to property owners and developers throughout the development permitting process and achieve more compact walkable neighborhood environment. The Development Code develops PlaceTypes ranging from Neighborhood Edge, Neighborhood General, Urban Neighborhood, Downtown Main Street, Urban Center to achieve an integration of a multi-modal circulation system and new pedestrian oriented public spaces.
- The Mission Boulevard Code implements similar goals for compact and mixed-use development through the application of zoning districts to include: Corridor Neighborhood, Neighborhood Node, Corridor Center, Civic Space, and Planned Development, with applied zoning overlays to regulate portions of the corridor. These include Transit Oriented Development, Commercial Overlay Zone 1 and Commercial Overlay Zone 2.
- Finally, Former Route 238 Corridor will accommodate large-scale, affordable mixed-use projects across the parcel groups. The City has entered into an agreement with Caltrans to dispose of the properties by 2027, thus the City retains ultimate control over the type, density, amenities and amount of affordable housing built on the Caltrans properties.

Estimation of Dwelling Unit Capacity

The Housing Element employs a comprehensive and iterative methodology to estimate dwelling unit capacity on a given parcel. As required by state law, the methodology must include sites that have a high potential to be developed with housing in the cycle, and reflect a reasonable estimate of the dwelling unit capacity of eligible sites that is informed by past trends and substantial evidence. In its methodology, State law has established “default” density standards for the purpose of estimating potential units by income range. In its methodology, the City assumed that realistic development capacity of the chosen sites is less than the full development capacity allowed by the parcel’s zoning or land use designation; however, the City has reviewed and approved projects with Density Bonuses that exceed allowable density during the 5th cycle. See Appendix C, Table C-3 for a table showing the percentage of development relative to the maximum density allowed for Planned, Approved and Pending Projects approved during the 5th Cycle Housing Element.

Steep slopes, protected wetlands or watercourses, open space and parking requirements, and irregularly shaped parcels all impact the ability to achieve the maximum density allowed on the site. Based on that finding, the City assumes the realistic capacity of the Sites Inventory to be 75 percent of the maximum density under the applicable zoning or general plan designation.

Dwelling Unit Capacity Under Current Zoning Code

Under the current zoning code, the City can accommodate a total of 3,449,642 total units on vacant or underutilized sites in the Downtown Specific Plan (DSP) Area, the Mission Boulevard Code, and Former Route 238 Corridor.

- Downtown Specific Plan – With the maximum allowed density of 110 units per acre, a total of about 20 acres can support the development of nearly 1,606 potential new units in the DSP.
- The Mission Boulevard Code supports varying densities ranging from 35-55 dwelling units per acre to 100 dwelling units per acre, accommodating the potential development of 1,333,562 new units.
- The Former Route 238 Corridor plan facilitates 510 the development of 510 new units, at the maximum of 35 dwelling units per acre to 55 dwelling units per acre on the remaining sites.

Table 2 shows the dwelling unit capacity of each planning area and Figure 3 shows the geographic locations of the vacant and nonvacant opportunity sites that have been identified as part of this Housing Element.

Table 2 Current Zoning – Dwelling Unit Capacity

General Plan Land Use Designation	Acres	Number of Parcels	Maximum Allowed Density (dwelling units per acre)	Potential New Units
<i>Downtown Specific Plan</i>				
Central City – High-Density Residential (CC-HDR)	0.44	2	110	35
Central City – Retail and Office Commercial (CC-ROC)	19.19	27	110	1,571
Total	19.63	29	-	1606
<i>Mission Boulevard Code</i>				
Corridor Neighborhood (MB-CN)	11.7	5	35 – 55	428
Corridor Center (MB-CC)	<u>7-66.3</u>	<u>78</u>	55 – 100	<u>524,466</u>
South Hayward BART Site - Planned Development (PD)	5.9	1	100*	439
Total	25.2	14	-	1,333,88
<i>Former Route 238 Corridor</i>				
Corridor Neighborhood (MB-CN)	4.9	1	35	
Sustainable Mixed Use (SMU)	10.0	1	35	<u>412,510</u>
Total	14.9	2	-	412,510

Summary of Adequate Sites

Based on the current zoning, the City has a surplus of development capacity of 1,218,995 units including pipeline projects, ADU assumptions, and include both vacant and underutilized sites. About 63-22 acres of land on 13-14 sites can facilitate the development of 1,184,607 lower income units based on the current densities permitted in the respective Zoning Districts resulting in a ~~total~~ lower income unit surplus of 657-294 units.- There is also the potential for 798-938 Moderate

income units on ~~18-21~~ sites, resulting in a total moderate income unit surplus of ~~159-299~~ units. In the Mission Boulevard Code area alone, a total of ~~816-541~~ lower-income units can be developed on vacant or underutilized sites. The results of the residential Sites Inventory are presented in Table 3 and further detailed in Table A, Housing Element Sites Inventory of Appendix C, Housing Resources of the Housing Element.

Table 3 – Residential Dwelling Unit Potential and RHNA

	Lower Income	Moderate Income	Above Moderate Income	Total
RHNA Allocation	<u>1,692</u>	<u>817</u>	<u>2,117</u>	<u>4,624</u>
Planned and Approved Units	<u>610</u>	<u>82</u>	<u>1,381</u>	<u>2,073</u>
ADUs Anticipated	<u>192</u>	<u>96</u>	<u>32</u>	<u>320</u>
Remaining RHNA	<u>890</u>	<u>639</u>	<u>702</u>	<u>2,231</u>
Downtown Specific Plan Area	<u>643</u>	<u>486</u>	<u>477</u>	<u>1,606</u>
Mission Boulevard Corridor	<u>541</u>	<u>252</u>	<u>540</u>	<u>1,333</u>
Former Route 238 Corridor	<u>0</u>	<u>200</u>	<u>310</u>	<u>510</u>
Total Units on Vacant Sites	<u>433</u>	<u>249</u>	<u>477</u>	<u>1,159</u>
Total Units on Underutilized Sites	<u>751</u>	<u>689</u>	<u>850</u>	<u>2,290</u>
Total Units on Vacant and Underutilized Sites	<u>1,184</u>	<u>938</u>	<u>1,327</u>	<u>3,449</u>
Total Unit Surplus	<u>294</u>	<u>299</u>	<u>625</u>	<u>1,218</u>

4.3 Financial Resources

The City of Hayward receives financial resources through government programs that encourage housing production that meets the needs of all income levels. These financial resources are intended to support cities and counties in streamlining processes for affordable housing development, subsidize rents, subsidize the development of rental and ownership housing, and preserving existing housing stock. In addition to government funding, the City implements programs using a variety of local funding including the Inclusionary Housing Fund, the Rental Housing Program Fund, and the General Fund.

Community Development Block Grant Funds

Through the Community Development Block Grant (CDBG) program, HUD provides funds to local governments for a range of community development activities. The primary CDBG objective is the development of viable urban communities, including decent housing, a suitable living environment, and expanded economic opportunity. Eligible activities must meet one of three national objectives: benefit low- and moderate-income families, aid in the prevention of slums or blight, or meet other urgent community development needs.

Hayward utilizes CDBG funds to stabilize neighborhoods, provide public services, and preserve and upgrade the existing housing stock. Annually the City receives approximately \$1.5M to meet these goals. In 2021, the City was awarded \$2.1 million in CARES Act CDBG supplemental funding which was used to support programmatic work in response to the COVID-19 pandemic. Much of this programmatic work supported the city's most vulnerable communities and included Rent Relief Grants and shelter services for unhoused residents.

HOME Investment Partnership Program

Hayward receives an annual entitlement under the Alameda County HOME Consortium. HOME funds can be used for activities that promote affordable rental housing and lower-income homeownership, including but not limited to: building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based rental assistance. One federal priority for use of these funds is the preservation of at-risk housing stock. In 2021, Hayward was allocated approximately \$482,000 in HOME funds.

SB2 Grants

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the State's housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. The number of real estate transactions will vary from year to year, and thereby the fees collected are expected to fluctuate.

SB2 Grants provide funding and technical assistance to help cities and counties prepare, adopt and implement plans and process improvements that streamline housing approvals and accelerate housing production. The City will be using these funds to achieve housing goals by completing three projects:

- Rezoning approximately 1,558 properties (approximately 289 acres) zoned Single Family Residential District to Medium or High Density Residential District to match the underlying General Plan designation and creating an overlay zoning district with CEQA review to up zone properties currently zoned for single family and create objective design and development standards to maximize unit potential and allow for a variety of housing types.
- Develop Objective Design Standards to allow for streamlining for compliant projects.
- Update the City's density bonus with CEQA clearance to allow for tiering. The City will explore ways to provide additional density bonus beyond state law requirements

Local Early Action Planning (LEAP) Grants

In the 2019-2020 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to do their part in meeting their identified community needs by prioritizing planning activities that accelerate housing production. With this allocation, HCD established the Local Early Action Planning Grant Program (LEAP) with \$119 million for cities and counties. The City of Hayward is utilizing LEAP funding to accelerate housing production and implement the 6th Cycle Housing Element. These actions include:

- Prepare and adopt General Plan Updates (including the 6th Cycle Housing Element update, Environmental Justice Element and Safety Element);
- Develop innovative programs and policies that will be embedded within the updated Housing Element to fund housing development, ownership, and rental opportunities for all income levels and to provide housing-related services and programs for all segments of the population.
- Development an Accessory Dwelling Unit program that analyzes impediments to development of ADUs in Hayward and provide services and strategies to address those impediments.

4.4 Administrative Resources

This section describes administrative resources available to Hayward. These include building, code enforcement, housing programs, and partnerships with nonprofit organizations that help Hayward achieve the goals and objectives laid out in this Housing Element.

City of Hayward Planning Division

The Planning Division of the Development Services Department provides and coordinates development information and services to the public. Specifically, the Planning Division provides staff support to the City Council and Planning Commission in formulating and administering plans, programs, design guidelines and legislation for guiding the city's development in a manner consistent with the community's social, economic, and environmental goals.

The Planning Division is tasked with ensuring that land uses and new development in Hayward comply with City codes, the General Plan, City Council and Planning Commission policies, and California law. Approval of projects through the planning process is required before the City issues grading or building permits. Advanced planning programs provided by the division include a comprehensive General Plan update (including periodic update of the Housing Element), preparing and amending specific plans and design guidelines, and conducting special land use studies as directed by the City Council.

City of Hayward Housing Division

The Housing Division of the City Manager's Office assists residents in identifying resources to help address their housing needs. The Housing Division oversees and implements the Residential Rent Stabilization and Tenant Protection Ordinance, the Tenant Relocation Assistance Ordinance, the Mobile Home Space Rent Stabilization Ordinance, the Affordable Housing Ordinance and the Housing Trust Fund. The Housing Division provides technical assistance including informational workshops to tenants, property owners, and developers about the various legislation and coordinates funding for and ensures that developers and property owners are compliant with income restrictions for affordable housing. Further, the Housing Division coordinates with the Community Services Division to ensure General Fund and CDBG funding is allocated to homeless service providers, community service providers, fair housing and legal assistance, and assistance to vulnerable populations.

City of Hayward Code Enforcement Division

The Code Enforcement Division of the Development Services Department provides regulatory enforcement services for local, state and federal codes. Through education and responsive enforcement, Code Enforcement works with private property owners, property managers and residents to preserve and promote safe and healthy communities. Code Enforcement oversees the Rental Housing Inspection Program by conducting a combination of mandatory and complaint driven inspections of rental housing. The Residential Rental Inspection Program (RRIP) was adopted in 1989 and is intended to protect residents by providing access to safe and healthy housing. The RRIP applies to all rental housing and all hotel and morel units.

County of Alameda

The Housing Authority of the County of Alameda (HACA) operates several programs funded by the U.S. Department of Housing and Urban Development (HUD) that provide rental housing or rental

assistance for low-income families, the elderly, people with disabilities, and others, in much of Alameda County. The programs include:

- Section 8 Housing Voucher Program
- The Project-Based Moderate Rehabilitation Programs
- Section 8 Helping Veterans Achieve Housing Stability – The Veterans Affairs Supportive Housing (VASH) Voucher Program
- Mainstream Voucher Program
- Family Obligations

Affordable Housing Providers

Affordable housing providers are a critical resource for accomplishing the goals and objectives of this Housing Element. This can be accomplished through private/public partnerships. Since 1997, the City of Hayward, the Former Hayward Redevelopment Agency and the Hayward Housing Authority has been successful in supporting the development of 18 affordable housing project through private/public partnerships which provide 1,278 units of affordable housing to low and very low-income households. The City continues to expand this portfolio of affordable housing. In 2018, the City Issued a Notice of Funding Availability and awarded development subsidy loans to three non-profit affordable housing development projects that will add an additional 258 units of affordable housing. Additionally in 2021 and 2022, the City negotiated development and disposition agreements with two affordable housing providers to develop an additional 278 units of affordable housing.

5 Housing Constraints

5.1 Introduction

Providing decent and affordable housing is a primary goal for the City of Hayward. While the City may adopt policies and actions that promote development of new affordable housing, there are a variety of constraints that hinder development, some of which are outside of the control of a local jurisdiction. Constraints include governmental constraints such as permitting processes, zoning codes and development standards and environmental regulations; market constraints which include construction costs including labor and materials, availability and cost of land and market demand for housing; and, community concerns and opposition. This section provides an overview of these potential housing constraints.

5.2 Governmental Constraints

Local policies and regulations set forth by the City are designed to balance both the housing needs and protect the health and safety of residents. Land use regulations, fees and exactions, building requirements, and residential development standards among other factors may increase the cost of development, improvement, and maintenance for housing.

Land Use Controls

In 2014, the City adopted its current General Plan to guide development through 2040. The Land Use Element sets the vision, goals, and policies for the City's urban form and land use patterns and establishes land use categories that define the use and building intensity throughout the city. Various designations range from rural estate density to Central-City High Density residential, with allowable densities increasing in range. Each General Plan land use designation has a corresponding Zoning District which regulates uses, setbacks, lot coverage, parking requirements, open space requirements, height and other aspects of physical development that could be considered constraints. In 2019, the City adopted the Downtown Specific Plan and in 2020, the City updated the Mission Boulevard Form Based Code to encourage the development of high density, mixed-use development near transit, commercial uses, and services. Recent updates to State Law including but not limited to Density Bonus updates, Senate Bill 9 and Senate Bill 35 have provided mechanisms for developers to circumvent the more onerous land use controls in lower density areas, or request exceptions to the standards in exchange for some level of affordability in the proposed housing development.

Permit, Processing, and Procedures

Timeframes for permit and approval processes vary depending on the type of project. Processing time needed to obtain development permits and required approvals is a common concern by the development community as a prime contributor to the high cost of housing. The development review process in Hayward may include Site Plan Review or Use Permit approval, approval of a Parcel Map or Tentative Map for subdivisions, a Zone Change or General Plan Amendment to change allowable density or development standards. These "entitlement" procedures typically include concurrent environmental review.

Depending on the magnitude and complexity of the development proposal, the time for entitlement review and approval may vary considerably in cost and time to process. For example, a Site Plan Review for a small multi-family development that is processed administratively and is exempt from CEQA could take as little as six months to entitle whereas a residential development that requires a Zone Change, Tentative Map and preparation of an Initial Study could take up to a year and a half to entitle depending on the completeness and quality of the plans and the complexity of the site. .

Impact & Development Fees

In addition to entitlement fees, developers are also responsible for paying impact and development fees such as park impact fees, traffic impact fees, utility fees, school district fees and affordable housing fees among others, which contribute to the overall cost per unit and can be a constraint to the development of housing.

5.3 Market Constraints

Many factors affecting housing costs are related to the regional housing market. Land value, construction material and building costs and increasingly availability, and labor costs all contribute to the overall cost of housing. These costs and delays can hinder the production of affordable housing and increase housing costs for residents. In addition, the availability of financing can limit funding for new developments as well as access to homeownership for some segments of the population.

Housing Context

In 2021, the median home value in Hayward was \$874,000, a 67 percent increase from 2015 median home values. Factors that impact housing costs include construction costs and economic variability such as recessions. Since the 2008 recession, national construction costs for multi-family projects have risen by 25 percent. Historically, new home sales decline by nearly 15 percent on a national average during recessions. However, the COVID-19 pandemic created a global economic recession that had different implications. Low interest rates, households spending more time at home and thereby increasing the demand for housing, and homeowners reluctant to list their home during a pandemic created more demand for housing as home values soared across the state.

Other costs such as construction and land costs can drive up the cost of development. Specifically, construction costs to provide affordable units onsite in a higher-density condo project is estimated to be 20 percent higher on a per square foot basis than for townhomes. The cost of developable land is dependent on quantities of available vacant parcels for residential development. Land in the Bay Area is limited which drives up the cost of land. The total cost to acquire a parcel, relocate occupants (if applicable), and potentially mitigate for hazards can be costly and increase housing development. Combined, this poses a significant constraint to the development of affordable units, because the rent or sale prices must be high enough to justify the cost of development for developers.

Market Activity

Market activity is influenced by a myriad of factors. The availability of developer and potential homeowner financing options both impact the ability to finance the project or purchase a home. In 2020, nearly 9 percent of government backed loans and 8 percent of conventional loans were denied in Hayward. In market downturns, home improvement financing is generally less accessible,

and in 2020, around 37 percent of home improvement loans were denied in Hayward. In addition, loan denial rates vary by race, leaving people of certain race and ethnicity vulnerable to changing markets. Countywide, American Indian or Alaskan Native individuals had the highest loan denial rate, at almost 20 percent. Black or African American individuals were also denied at a higher-than-average rate, at 17 percent. Asian and white individuals were denied at lower percentages.

Median home values in Hayward are less than median home values in Alameda County; however, they are outpacing the growth in percentage compared to the county. As of 2021, the median house value grew by 67 percent since 2015 in Hayward, compared to a 60 percent growth in Alameda County. The cost of growth may reflect the feasibility for new developers to develop new units with rising construction costs, cost of land, and market variability, as higher rents can offset the cost of development. The high cost of new construction (such as construction costs and labor) paired with expensive land costs can constrain residential development in areas with more restrictive development standards and lower achievable market rents.

5.4 Community Concerns & Opposition to Housing Development

In addition to governmental and market constraints on housing production, there are also local non-governmental constraints that can halt or prevent housing production. In recent decades, community opposition to new housing production, especially affordable housing, has emerged throughout Alameda County and other California cities. Complaints including traffic concerns, environmental concerns, and the preservation of neighborhood character have been known to delay projects through California Environmental Quality Act (CEQA) lawsuits, which are significant constraints to housing development as they add time and cost for developers.

6 Fair Housing

6.1 Introduction

The following section provides a summary of contributing factors that serve as barriers to opportunity and fair housing choice in Hayward. The full Fair Housing Assessment (Affirmatively Furthering Fair Housing (AFFH) discussion is in Appendix F. The section also provides an overview of programs and policies aimed at addressing barriers, thereby, increasing equitable access and opportunity to safe and affordable housing regardless of race.

6.2 Contributing Factors

Pursuant to AB 686, the Housing Element must include an analysis and determination of consistency with AFFH requirements. AFFH is defined as:

“Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. These actions must, taken together, address significant disparities in housing needs and in access to opportunity, replace segregated living patterns with truly integrated and balanced living patterns, transform racially and ethnically concentrated areas of poverty into areas of opportunity, and foster and maintain compliance with civil rights and fair housing laws.”

Past and present exclusionary governmental policies and discriminatory practices in the housing market including but not limited to redlining, racial steering and discrimination in federal policies related to government backed mortgages and private lending has resulted in neighborhoods with concentrated poverty, deteriorating housing stock and infrastructure, limited access to opportunity, unsafe environmental conditions, underfunded schools, a wealth gap between white households and households of color, and among other disproportionately experienced problems. In an effort to affirmatively further fair housing throughout Hayward, this AFFH document identifies the contributing factors that serve as barriers to fair housing choice and access to opportunities, and prioritizes actionable programs to increase fair housing choice and promote equitable access to opportunity.

6.2.1 Race and Ethnicity and Access to Resources

Historic exclusionary governmental policies, discrimination in mortgage lending practices and long-term disinvestment in communities have created patterns of racial and ethnic segregation and facilitated racial and ethnic concentrations of poverty across neighborhoods. Examining ethnic and racial geographic trends within a city is necessary in understanding fair housing concerns including access to economic opportunity and safe and affordable housing. Race and ethnic composition varies across Hayward. Geographically,

non-Hispanic white and, to a lesser degree, Asian populations were concentrated in Hayward's eastern neighborhoods. In contrast, neighborhoods along the western end of Hayward had predominately Asian residents, and neighborhoods throughout the city-center were predominately Hispanic/Latino. Similar to race and ethnic composition, access to resources also varies across the City. Approximately 90 percent Hispanic/Latino, 85 percent of Asian American/API, 82 percent of Black/African American and 79 percent of non-Hispanic White residents in Hayward are living in areas of low resource or high segregation and poverty. In comparison, 10 percent of Hispanic/Latino, 14 percent of Asian/API, 17 percent of Black/African American and 20 percent of non-Hispanic white residents are living in moderate resource areas throughout Hayward. Of the 50 census tracts in Hayward, a total of 32 are considered Low Resource, 14 are considered Moderate Resource, and 4 are considered High Resource. In Comparison, 35 percent of census tracts in Alameda County are considered Low Resource, 25 percent of the census tracts are considered Moderate Resource, and 40 percent of census tracts are considered High Resource.

6.2.2 Income

Between 2015 and 2019, Hayward had a median household income of \$85,744, approximately 13 percent lower compared to the County. Within Hayward, household distribution is highest (greater than \$125,000) in neighborhoods located along the eastern and western edges of the city. Neighborhoods with the lowest median household incomes (between \$55,000 and \$125,000) in Hayward are concentrated throughout central and south Hayward. In comparison, neighborhoods located within the western and eastern segments of Hayward had the lowest rate of low to moderate income populations in the city. Similar trends were prevalent for poverty rates across Hayward, as higher rates of poverty were estimated within central and south Hayward compared to neighborhoods in the periphery.

6.2.3 Housing Stock

According to 2014-2018 Comprehensive Housing Affordability Strategy data, approximately 48 percent of total households in Hayward experienced at least one housing problem (units having incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, and households with a cost burden greater than 30 percent). Housing problems in Hayward disproportionately affect households of color, as Hispanic/Latino (63 percent), Native American (62 percent), African American (59 percent), and Asian/Pacific Islander (52 percent) experience the highest rates of housing problems in the City. Geographically, the oldest share of housing built (built in year 1950 or earlier) is most prominent in central Hayward, indicating that housing in these areas may be in the most need or repairs and/or rehabilitation.

6.3 Fair Housing Goals and Priorities

Fair housing issues and contributing factors were identified to develop meaningful actions that provide access to safe, affordable, and vibrant housing for Hayward residents and are

further discussed in Appendix F, *Fair Housing Assessment*. Actions to address fair housing issues are included in the housing programs located in Chapter 7, *Housing Plan*. They include educational outreach programs that ensure residents are aware of their rights and responsibilities regarding fair housing and furthermore investing in programs that eliminate housing discrimination. Other actions by the City include the establishment of programs that protect its residents from displacement in areas of new development, and providing rental assistance for lower-income households who are overpaying for housing. These metrics and milestones will promote inclusive communities, increase housing opportunities, and address racial/ethnic and economic disparities in the city.