

**SPECIAL CITY COUNCIL MEETING  
TUESDAY, OCTOBER 15, 2019**

**PRESENTATIONS**

**ITEM 4 – WS 19-055**

**ACCELERATION OF STATEWIDE MINIMUM  
WAGE IN THE CITY OF HAYWARD**

# Acceleration of Statewide Minimum Wage in the City of Hayward



# Agenda

- 1** Background
  - State Minimum Wage
  - Comparison of other Cities
  
- 2** Policy Alternatives
  - Dollar Amount
  - Phasing
  - Exemptions and Exceptions
  
- 3** Community Engagement and Outreach

# State Minimum Wage

State of California Minimum Wage		
Effective Date	Employers w/ 25 Employees or Less	Employers w /26 Employees or More
January 1, 2019	\$11.00	\$12.00
January 1, 2020	\$12.00	\$13.00
January 1, 2021	\$13.00	\$14.00
January 1, 2022	\$14.00	\$15.00
January 1, 2023	\$15.00	\$15.00
January 1, 2024	\$15.00 + CPI	\$15.00 + CPI

# Local Minimum Wage Laws

- As of January 1, 2019, 43 local agencies across the country have enacted a local minimum wage ordinance higher than state law.
- 23 cities in the Bay Area adopted ordinances to increase minimum wage faster than the State
- 6 of the 14 cities in Alameda County have adopted a Local Minimum Wage.



# Alameda County Cities with Local Minimum Wage

#	Locality	New minimum wage	Date of increase	New minimum wage	Date of increase	New minimum wage	Date of increase	New minimum wage	Date of increase	New minimum wage	Date of increase
1	Alameda, CA	\$13.50	7/1/2019	\$15.00	7/1/2020						
2	Berkeley, CA	\$12.53	10/1/2016	\$13.75	10/1/2017	\$15.00	10/1/2018				
3	Emeryville, CA large businesses (56 or more)	\$14.44	7/1/2015	\$14.82	7/1/2016	\$15.20	7/1/2017	\$15.60	7/1/2018	\$16.30	7/1/2019
	Emeryville, CA small businesses (55 or fewer)	\$12.25	7/1/2015	\$13.00	7/1/2016	\$14.00	7/1/2017	\$15.00	7/1/2018	Same rate as large businesses	7/1/2019
4	Fremont, CA large businesses (26 or more)	\$13.50	7/1/2019	\$15.00	7/1/2020						
	Fremont, CA small businesses (25 or fewer)	\$13.50	7/1/2020	\$15.00	7/1/2021	same as large businesses	7/1/2022				
5	Oakland, CA	\$12.25	3/1/2015	\$12.55	1/1/2016	\$12.86	1/1/2017	\$13.23	1/1/2018	\$13.80	1/1/2019
6	San Leandro, CA	\$12.00	7/1/2017	\$13.00	7/1/2018	\$14.00	7/1/2019	\$15.00	7/1/2020		

# Alameda County Cities Currently Following State Law

#	Locality	Current minimum wage	Date of increase	New minimum wage	Date of increase	New minimum wage	Date of increase	New minimum wage	Date of increase	New minimum wage
1	Hayward, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00
2	Pleasanton, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00
3	Dublin, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00
4	Livermore, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00
5	Union City, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00
6	Newark, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00
7	Albany, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00
8	Piedmont, CA	\$11.00/ \$12.00	1/1/2020	\$12.00/ \$13.00	1/1/2021	\$13.00/ \$14.00	1/1/2022	\$14.00/ \$15.00	1/1/2023	\$15.00



# Policy Alternatives

25 or Less Employees

Effective Date	Current State of California Regulations	Alternative 1	Alternative 2
January 1, 2019	\$11.00	\$11.00	\$11.00
January 1, 2020	\$12.00	\$12.00	\$12.00
July 1, 2020		\$13.00	
January 1, 2021	\$13.00	\$14.00	\$14.00
January 1, 2022	\$14.00	\$15.00	\$15.00
January 1, 2023	\$15.00	\$15.00	\$15.00

# Policy Alternatives

26 or More Employees

Effective Date	Current State of California Regulations	Alternative 1	Alternative 2
January 1, 2019	\$12.00	\$12.00	\$12.00
January 1, 2020	\$13.00	\$13.00	\$13.00
July 1, 2020		\$14.00	
January 1, 2021	\$14.00	\$15.00	\$15.00
January 1, 2022	\$15.00	\$15.00	\$15.00
January 1, 2023	\$15.00	\$15.00	\$15.00

# Alternative One

Effective Date	Current State of California Regulations		Alternative 1 25 or Less	Alternative 1 26 or more
	25 or less	25 or more		
January 1, 2019	\$11.00	\$12.00	\$11.00	\$12.00
January 1, 2020	\$12.00	\$13.00	\$12.00	\$13.00
July 1, 2020			\$13.00	\$14.00
January 1, 2021	\$13.00	\$14.00	\$14.00	\$15.00
January 1, 2022	\$14.00	\$15.00	\$15.00	\$15.00
January 1, 2023	\$15.00	\$15.00	\$15.00	\$15.00

## Pros:

- Allows for adequate time to notify and educate businesses on the pending increase.
- Allows businesses time to adjust pricing and financial systems to accommodate the change from State requirements.
- Provides an increase to employees at a quicker pace than State law.

## Cons:

- Requires a mid-year notification and change for businesses, which is off schedule from State law and may cause confusion

# Alternative Two

Effective Date	Current State of California Regulations		Alternative 2 25 or Less	Alternative 2 26 or more
	25 or less	25 or more		
January 1, 2019	\$11.00	\$12.00	\$11.00	\$12.00
January 1, 2020	\$12.00	\$13.00	\$12.00	\$13.00
January 1, 2021	\$13.00	\$14.00	\$14.00	\$15.00
January 1, 2022	\$14.00	\$15.00	\$15.00	\$15.00
January 1, 2023	\$15.00	\$15.00	\$15.00	\$15.00

## Pros:

- Allows for adequate time to notify and educate businesses on the pending increase.
- Allows businesses time to adjust pricing and financial systems to accommodate the change from State requirements.

## Cons:

- While employees would make more than state law, increase would be slower than Alternative 1

# Exceptions and Exemptions

- Other jurisdictions that have adopted wage increases have created different exceptions and exemptions such as:
  - Different types of industries
  - Business sizes
  - Youth workers/Training Wage
  - Collective bargaining agreements, health benefits, or education benefits
- Tipped Employees – Per state law, an employer may not use an employee's tips as a credit toward its obligation to pay the minimum wage.
- Staff recommends only including the exception of businesses with 25 or fewer employees to have one additional year to reach the \$15.00 per hour rate than those businesses with 26 or more businesses.
- Further exemptions beyond this will require additional education, monitoring and enforcement which increase the City's fiscal impact.

# Monitoring and Enforcement

- Generally enforcement is handled on a complaint basis, in which employees who are not being paid the correct wage must file a grievance complaint.
- Once a complaint is received, an investigation proceeds and corrective action is taken.
- Enforcement can either be handled by City staff or contracted to an outside agency; fiscal impacts would require additional research depending on Council direction.
- Anticipated staff time and costs associated with enforcement will fluctuate depending on:
  - Education time prior to ordinance going into effect
  - Number of complaints received from employees
  - Number of years that the local minimum wage is different from State law

# Community Engagement

- In order to have a successful implementation of a local minimum wage, extensive community engagement is encouraged both prior to ordinance adoption and after adoption leading up to implementation.
- With direction from the City Council, staff will begin the community engagement process to meet with business leaders for feedback on the proposed ordinance.
  - Community-wide meeting
  - Two business focused meetings
  - Meetings with Hayward Chamber of Commerce, DHIA, United Merchants, Hayward Business Association
  - Meetings with HARD and Hayward Unified School District
  - Postcards to all those with a business license
  - Dedicated webpage and email
  - Social media posts



# Questions for Consideration

- Should the City increase its minimum wage on a faster timeframe than the State?
- When should the increase begin?
- Should the City include any exemptions or exceptions?
- Should enforcement be handled in house by City Staff or through a contract with an outside agency/consultant?
- Is the proposed Community Engagement Plan adequate? Any stakeholders missing from list?

## **ITEM 5 – WS 19-052**

### **FEASIBILITY ANALYSIS FOR RESIDENTIAL FEES AND PARK IMPACT FEE NEXUS STUDY**



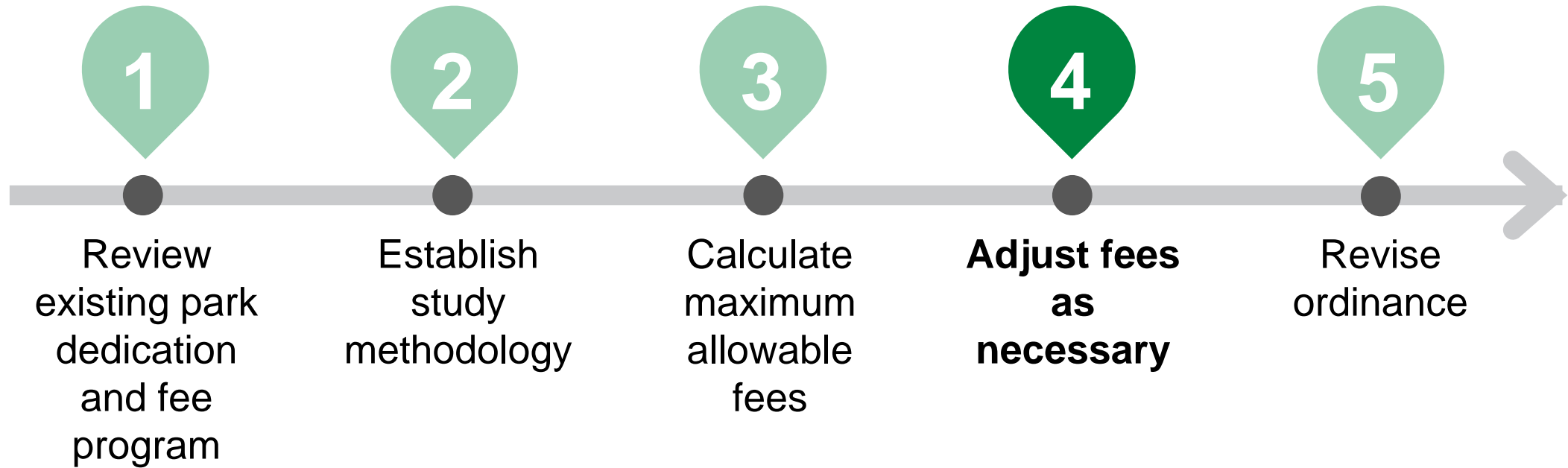
# Park Nexus Study Council Work Session

October 15, 2019





# Park Nexus Study Project Status



# Current City of Hayward Park Fees

- **Current Park Fees**

○ Single-Family Detached	\$11,953
○ Single-Family Attached	\$11,395
○ Multifamily	\$9,653

- The last nexus study and fee schedule update occurred in 2003.
- Fees have not kept pace with inflation and land values.

## Park Fees if Annual CPI Adjustment Had Been Made

<i>Year</i>	<i>Single-Family Detached</i>	<i>Single-Family Attached</i>	<i>Multifamily</i>
2003	\$11,953	\$11,395	\$9,653
2004	\$12,099	\$11,534	\$9,771
2005	\$12,336	\$11,761	\$9,963
2006	\$12,732	\$12,138	\$10,282
2007	\$13,149	\$12,535	\$10,619
2008	\$13,558	\$12,925	\$10,949
2009	\$13,657	\$13,019	\$11,029
2010	\$13,844	\$13,198	\$11,180
2011	\$14,204	\$13,541	\$11,471
2012	\$14,585	\$13,904	\$11,779
2013	\$14,912	\$14,216	\$12,043
2014	\$15,336	\$14,620	\$12,385
2015	\$15,737	\$15,002	\$12,709
2016	\$16,210	\$15,453	\$13,091
2017	\$16,732	\$15,951	\$13,512
<b>2018</b>	<b>\$17,379</b>	<b>\$16,567</b>	<b>\$14,035</b>

Source: Community Attributes, Inc.

# Park Nexus Study Calculations

## Maximum Allowable Park Impact Fees

<i>Type of Development</i>	<i>Maximum Allowable Fee</i>
0 Bedrooms	\$6,277
1 Bedroom	\$9,828
2 Bedrooms	\$17,728
3 Bedrooms	\$30,959
4+ Bedrooms	\$43,065

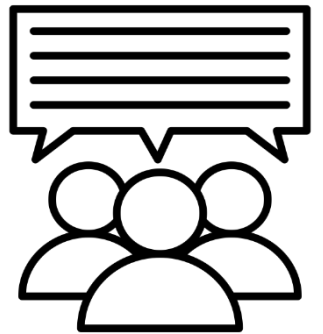
*Source: Community Attributes, Inc.*



# Feedback to Date

## Council Economic Development Committee

- Minimal or no park fees for non-residential
- Assess fees by bedroom count
- Reduce ADU fee to “studio” level
- Park fee increase should be reasonable





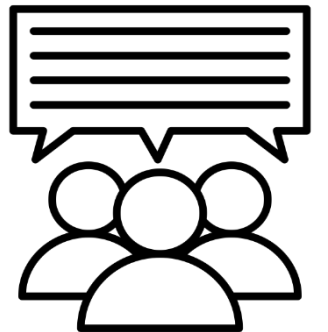
# Feedback to Date

## Council Economic Development Committee

- Minimal or no park fees for non-residential
- Assess fees by bedroom count
- Reduce ADU fee to “studio” level
- Park fee increase should be reasonable

## Hayward Area Recreation and Park District Board of Directors

- Supports maximum allowable fees
- No exemptions
- Assess fees by bedroom count
- Reduce ADU fee to “studio” level
- Credits for private park land that is publicly accessible



# Feedback to Date

## Council Economic Development Committee

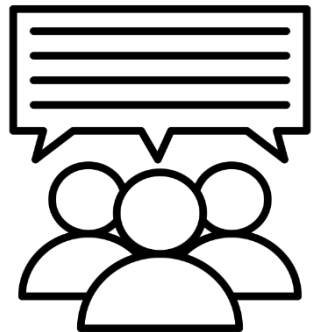
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- Supports maximum allowable fees
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- Assess fees by bedroom count
- Reduce ADU fee to “studio” level
- Credits for private park land that is publicly accessible

## Developer Stakeholder Meeting

- Concern about additional fees in future
- Consider median home values when comparing fees
- Assessing fees by bedroom count will promote smaller units
- Minimal or no park fees for non-residential
- Existing projects should be grandfathered
- Phased approach to any fee increase



# Staff Recommendations

1

Assess park impact fees on **residential development** only.

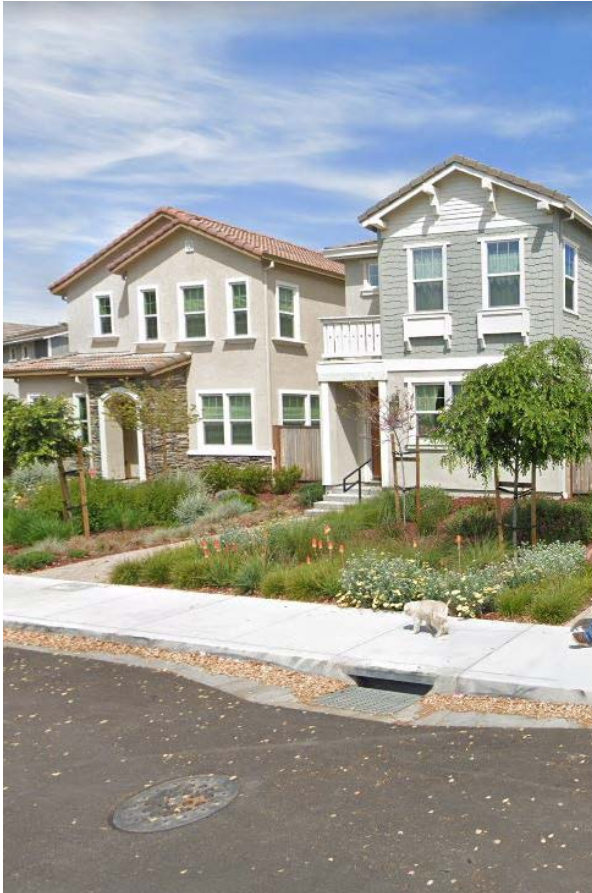


- City has faced **difficulty attracting** certain types of non-residential development
- CEDC and developer stakeholders expressed **concern** about assessing non-residential development

# Staff Recommendations

2

Calculate fees by **bedroom count** rather than product type.



- This approach is **supported** by CEDC, HARD Board, and developer stakeholders

# Staff Recommendations

3

**Reduce** park impact fees below the maximum allowable.

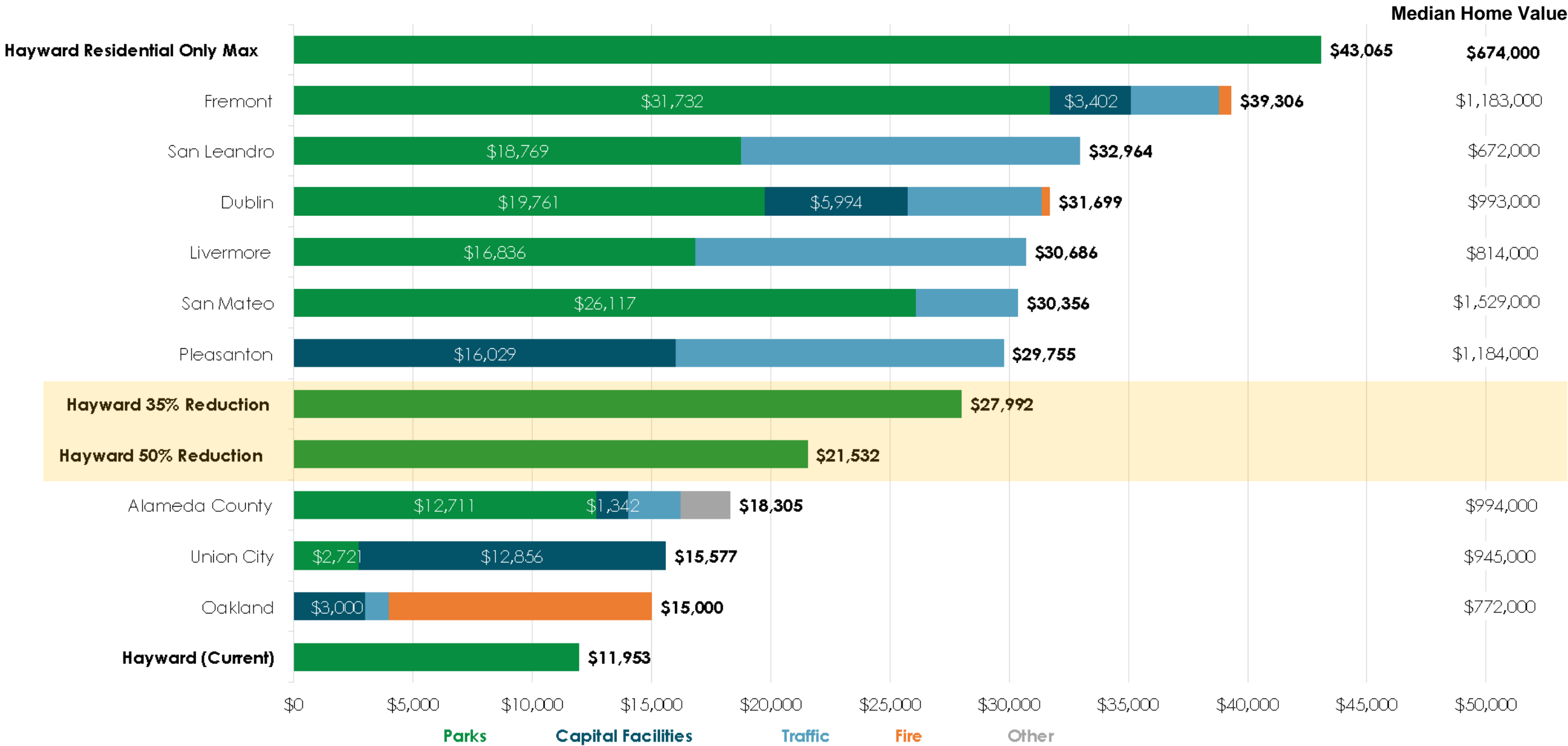
<i>Bedroom Count</i>	<i>Max. Allowable Fee</i>	<i>35% Reduction</i>	<i>50% Reduction</i>
0 Bedrooms/ADUs	\$6,277	\$4,080	<b>\$3,138</b>
1 Bedroom	\$9,828	\$6,388	<b>\$4,914</b>
2 Bedrooms	\$17,728	\$11,523	<b>\$8,864</b>
3 Bedrooms	\$30,959	\$20,123	<b>\$15,480</b>
4+ Bedrooms	\$43,065	\$27,992	<b>\$21,532</b>
Equivalent LOS for growth (acres per 1,000 pop)	6.5	5.1	<b>4.5</b>

Source: Community Attributes, Inc.

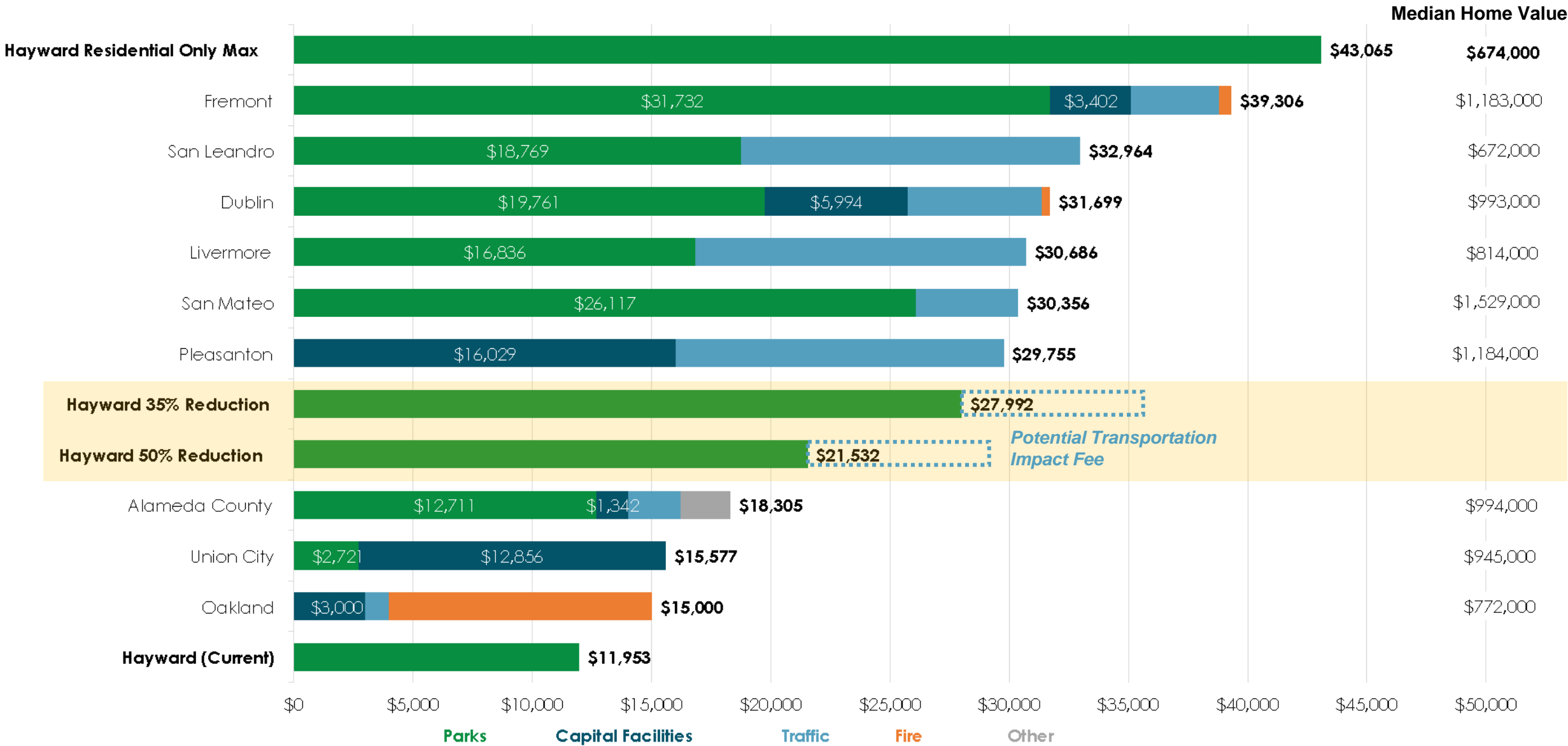
- CEDC and developer stakeholders support “**reasonable**” fee increase
- Reductions should be **consistent** across bedroom counts
- Staff recommends a **50% reduction** in fees from the maximum allowable
- As an alternative, Council may instead want to consider a **35% reduction**



# Impact Fee Comparisons: 4-Bedroom Detached Home

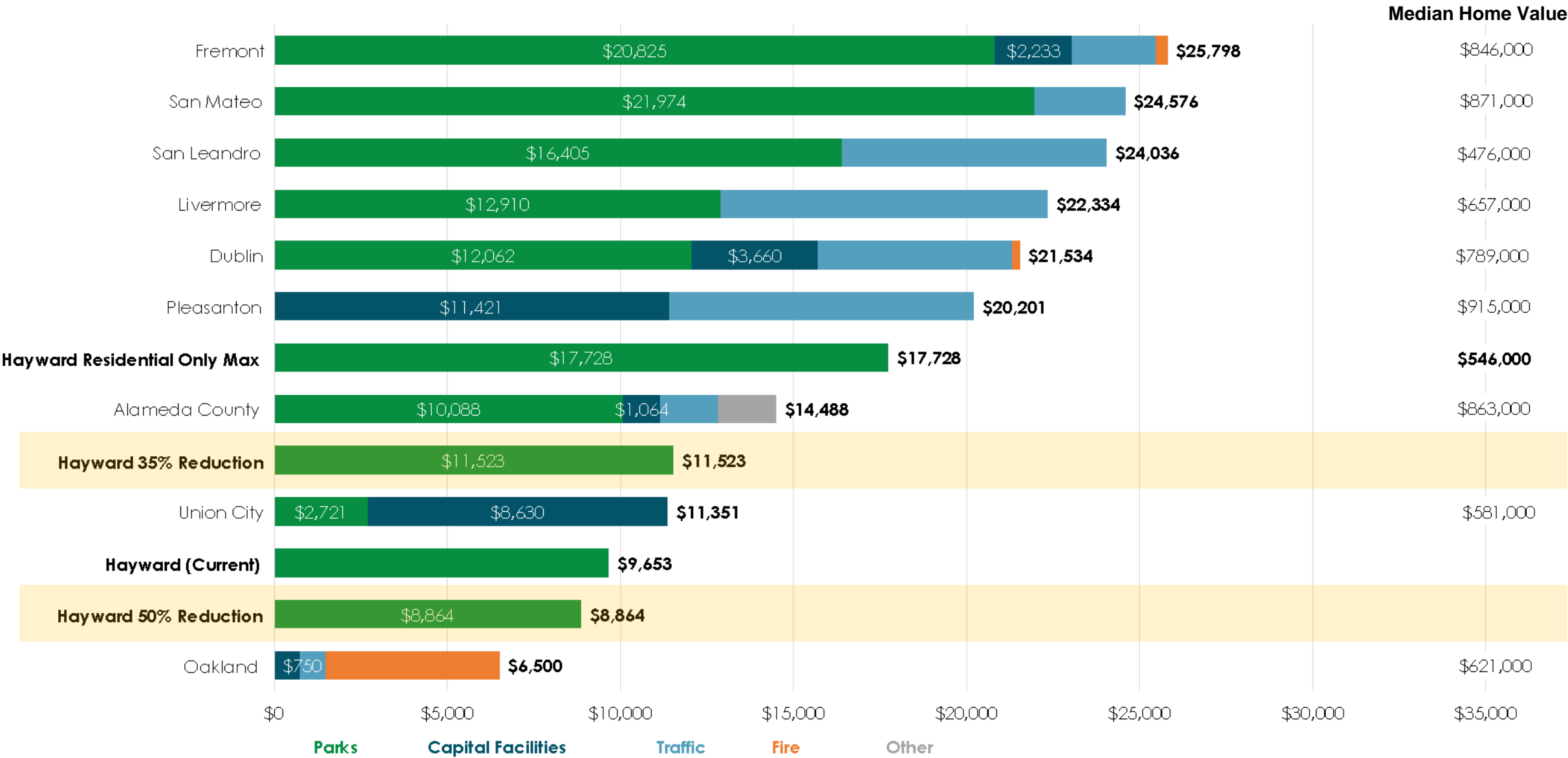


# Impact Fee Comparisons: 4-Bedroom Detached Home

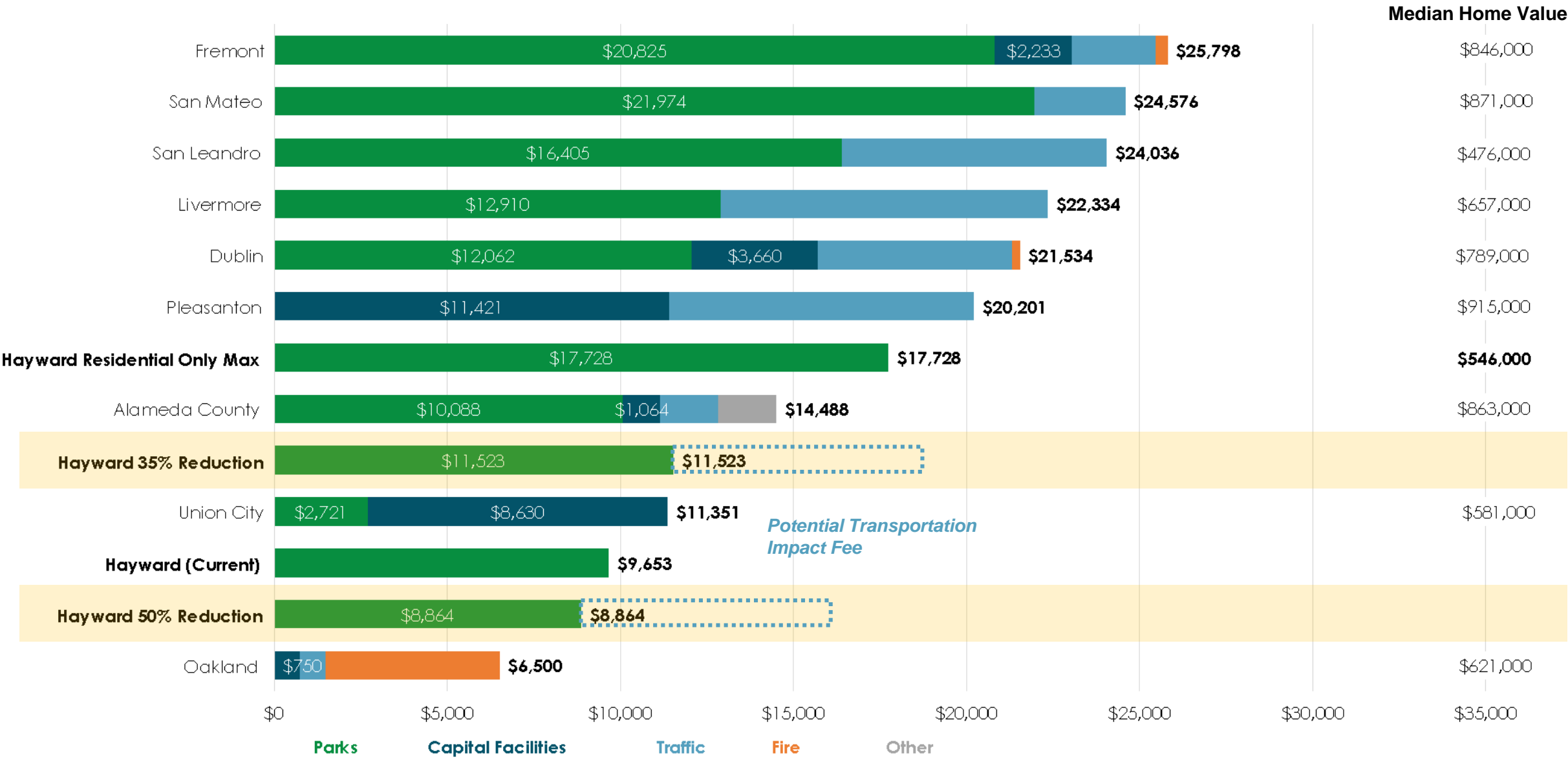




# Impact Fee Comparisons: 2-Bedroom Apartment



# Impact Fee Comparisons: 2-Bedroom Apartment



# Prototype 1: Detached Single Family Subdivision

- 75 4-bedroom homes
- 25 3-bedroom homes



<i>Fees</i>	<i>Hayward (Existing Park Fees)</i>	<i>Hayward (Proposed Park Fees: 50% Below Max.)</i>	<i>San Leandro</i>	<i>Dublin</i>	<i>Fremont</i>
Subtotal	\$5,182,655	\$5,993,926	\$7,291,826	\$11,538,157	\$9,715,298
Affordable Housing Fee <sup>1,2</sup>	\$4,960,648	\$4,960,648	N/A	\$2,465,663	\$7,036,380
<b>Total</b>	<b>\$10,143,303</b>	<b>\$10,954,574</b>	<b>\$7,291,826</b>	<b>\$14,003,819</b>	<b>\$16,751,678</b>

*Notes:*

- San Leandro requires developments of more than 6 units to provide the required affordable units on site.*
- Dublin allows affordable housing in-lieu fees to be paid for up to 40% of the required affordable units. The remaining units must be provided on site.*

# Prototype 2: Townhomes with Retail

- 50 4-bedroom townhomes
- 50 3-bedroom townhomes
- 15,000 s.f. retail



<i>Fees</i>	<i>Hayward (Existing Park Fees)</i>	<i>Hayward (Proposed Park Fees: 50% Below Max.)</i>	<i>San Leandro</i>	<i>Dublin</i>	<i>Fremont</i>
Subtotal	\$5,072,817	\$5,783,917	\$7,152,041	\$10,569,299	\$9,505,890
Affordable Housing Fee <sup>1,2</sup>	\$3,391,050	\$3,391,050	N/A	\$1,003,965	\$5,085,000
<b>Total</b>	<b>\$8,463,867</b>	<b>\$9,147,967</b>	<b>\$7,152,041</b>	<b>\$11,573,264</b>	<b>\$14,590,890</b>

*Notes:*

1. San Leandro requires developments of more than 6 units to provide the required affordable units on site.
2. Dublin allows affordable housing in-lieu fees to be paid for up to 40% of the required affordable units. The remaining units must be provided on site.

# Prototype 3: Multifamily with Retail

- 100 2-bedroom apartments
- 50 1-bedroom apartments
- 50 studio apartments
- 32,971 s.f. retail



<i>Fees</i>	<i>Hayward (Existing Park Fees)</i>	<i>Hayward (Proposed Park Fees: 50% Below Max.)</i>	<i>San Leandro</i>	<i>Dublin</i>	<i>Fremont</i>
Subtotal	\$6,950,821	\$6,310,371	\$9,281,222	\$15,491,476	\$9,715,298
Affordable Housing Fee <sup>1,2</sup>	\$2,568,400	\$2,568,400	N/A	\$2,013,196	\$7,036,380
<b>Total</b>	<b>\$9,519,221</b>	<b>\$8,878,771</b>	<b>\$9,281,222</b>	<b>\$17,504,672</b>	<b>\$16,751,678</b>

*Notes:*

- San Leandro requires developments of more than 6 units to provide the required affordable units on site.*
- Dublin allows affordable housing in-lieu fees to be paid for up to 40% of the required affordable units. The remaining units must be provided on site.*



# Staff Recommendations

4

Expand range of affordable projects/units that would be **exempt**.



- **Currently Exempt**

- Senior housing owned/leased by public agency
- Affordable rental housing (60% AMI) owned by non-profit
- Affordable ownership housing (95% AMI) developed by public agency or non-profit
- Non-residential development

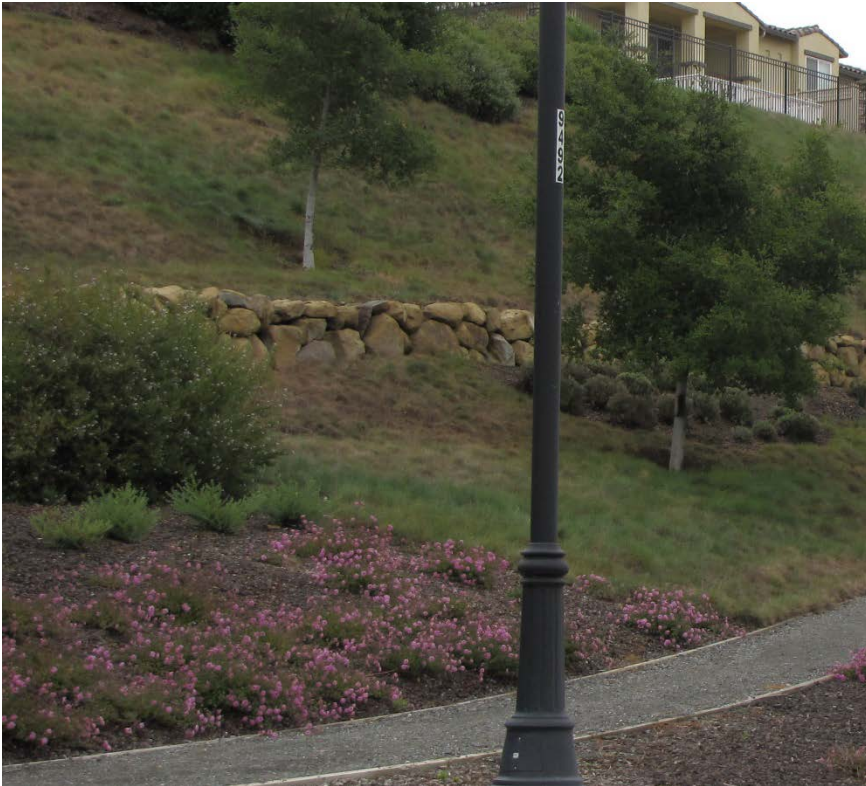
- **Staff Recommendations**

- Exempt all 100% affordable housing projects (120% AMI) by non-profit developers
- 50% reduction in fees for 100% affordable projects by for-profit developers
- 50% reduction in fees for on-site affordable units

# Staff Recommendations

5

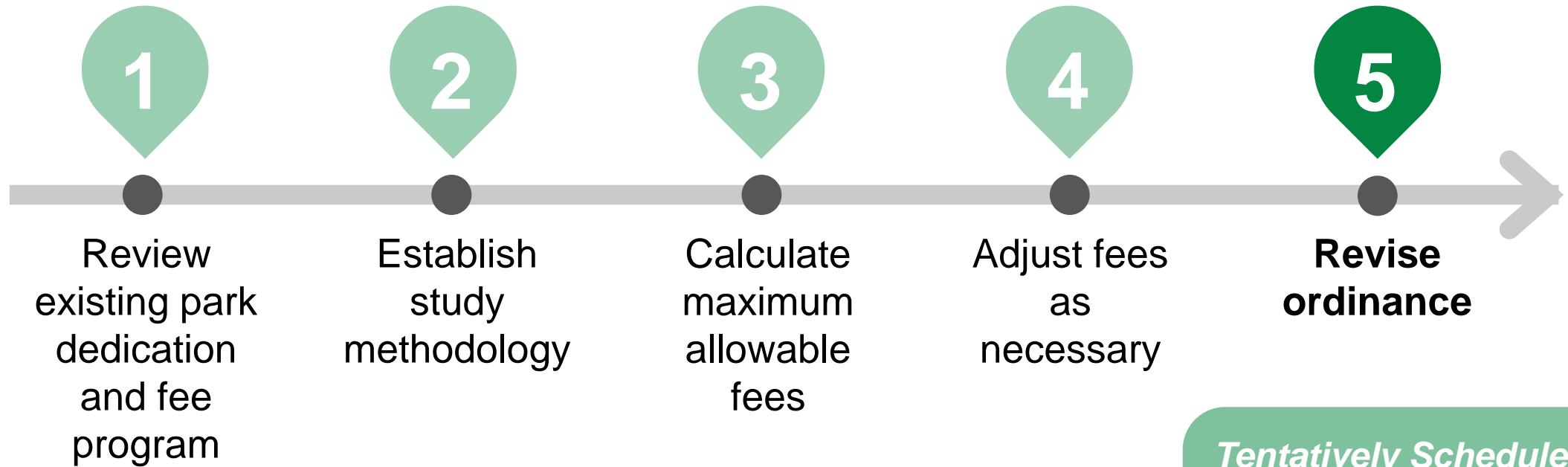
Consider **additional credits** that could be counted toward park fee requirements.



- **Current Ordinance**
  - Credits for private park and recreation areas, subject to certain requirements, including size and amenities included
- **Staff Recommends**
  - Consider allowing credits for a wider variety of publicly accessible parks, trails, and open space that exceed code requirements



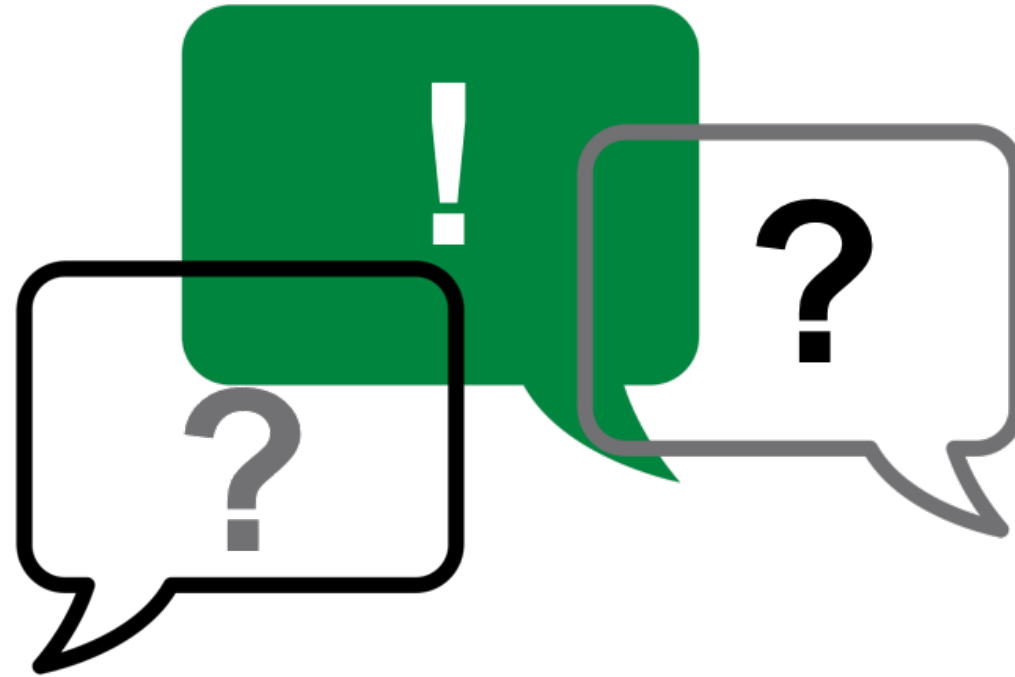
# Next Steps



***Tentatively Scheduled Meetings/Hearings:***

- *HARD Board: Nov. 4*
- *City Council: Dec. 3*

# Questions and Discussion



## **ITEM 6 – LB 19-042**

**INTRODUCTION OF AN ORDINANCE ADDING  
ARTICLE 29 TO CHAPTER 10 OF THE HAYWARD  
MUNICIPAL CODE RELATED TO VACANT  
PROPERTIES AND ADOPTION OF A  
RESOLUTION AMENDING THE MASTER FEE  
SCHEDULE TO INCLUDE FEES RELATED TO THE  
VACANT PROPERTY ORDINANCE**

# INTRODUCTION OF VACANT PROPERTY ORDINANCE

**DEVELOPMENT SERVICES DEPARTMENT**

CODE ENFORCEMENT DIVISION



October 15, 2019

# Our Mission

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To ensure safe, healthy and sustainable neighborhoods for our residents



# Program Areas



Residential  
Rental



Community  
Preservation



Hazardous  
Weed  
Abatement



Tobacco and  
Cannabis



Illegal  
Construction

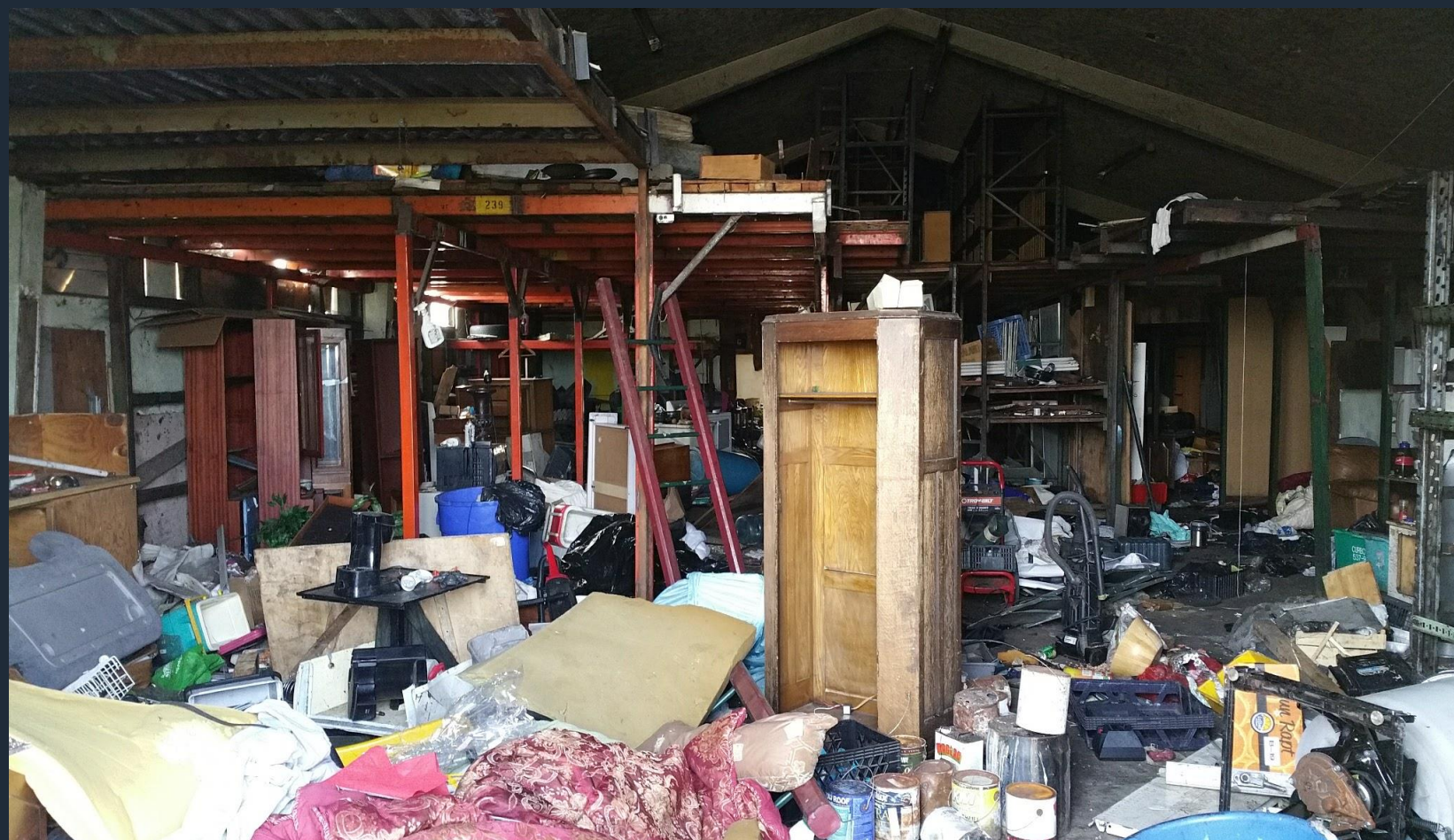


Zoning and  
Land Use  
Building



# Proposed Vacant Building Ordinance

Why propose an ordinance ?



## The Concern

Vacant and abandoned buildings that are neglected, contribute to the deterioration and destabilization of our neighborhoods. Their lasting affects include: increased health and safety concerns, increased crime, diminish property values, and reduced attraction to visitors and growing industries.



# Proposed Vacant Building Ordinance

Why propose an ordinance ?



Business and Commercial Centers



Residential Neighborhoods



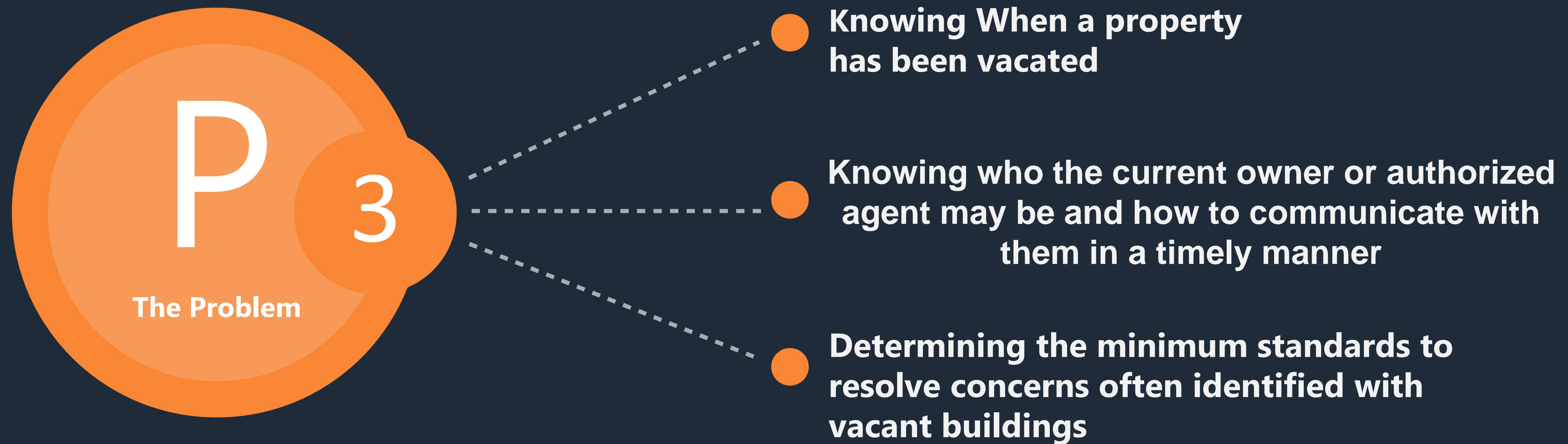
Unhealthy and Unsafe Living Conditions

GROWING CONCERNS



# Addressing The Growing Problem

There are Three key elements affecting staff's ability to effectively conduct enforcement on neglected abandoned and vacant properties:



# Ordinance Components and Structure

Putting the right pieces of the puzzle together

## Part 1 – General Provisions

- Purpose
- Definitions
- Application
- Exemptions
- Public Nuisance

## Part 2 – Maintenance and Security Standards

- Exterior site and Landscaping
- Building Standards
- Fire Safety Standards
- Security and Boarding Standards
- Emergency Board-Up Standards

## Part 3 – Monitoring and Registration

- Vacant Building Monitoring Program
- Registration
- Inspections
- Annual Registration Fee

## Part 4 – Administrative

- Authority and Enforcement
- Summary Abatement By City
- Cumulative Remedies
- Additional Vacant Building Fees
- Procedure Not Exclusive; Violation an Infraction
- Appeals – Administrative Hearing



# Establishment Of Standards



## Site Maintenance

- Landscaping
- Parking Lots
- Accessory Structures
- General Cleanliness



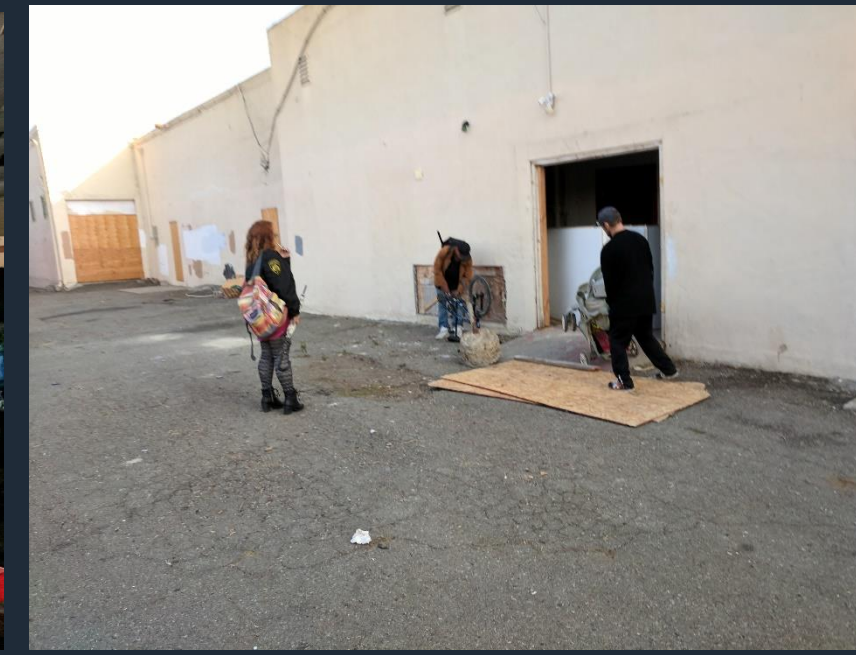
## Building Maintenance

- Windows/Doors
- Exterior Paint/Siding
- Utility systems
- Walls and Structural Components
- General Maintenance



## Fire Safety

- Operational fire protection
- Free of fire hazards or hazardous waste
- Maintained emergency access areas
- Identified Shaftway Markings



## Security

- Restriction of Wood Boarding Material
- Use of "Clear boarding" if ongoing break-ins occur.
- Trespassing Prevention agreements filed with Hayward Police
- Continued Physical Monitoring



## Emergency Boarding

- Short term use of boarding for emergencies
- 90 day provision to facilitate active building permits for structural rehabilitation

The establishment of a completed system of standards, education, accountability and support for neglected vacant buildings and property owners, will provide staff with the tools necessary to protect our residents, assure our city is safe, healthy and sustainable.



# The End Results

## Maintenance and conditions

### Non- Maintained Vacant Building

- Identifying and correcting problems

NO



YES

### Maintained Vacant Buildings

- Proving safe and maintained structures for community growth



# The End Results

Boarding and safety

## Transforming properties

- Transforming boarded and problematic properties

OLD



Utilizing modern and effective technology such as polycarbonate

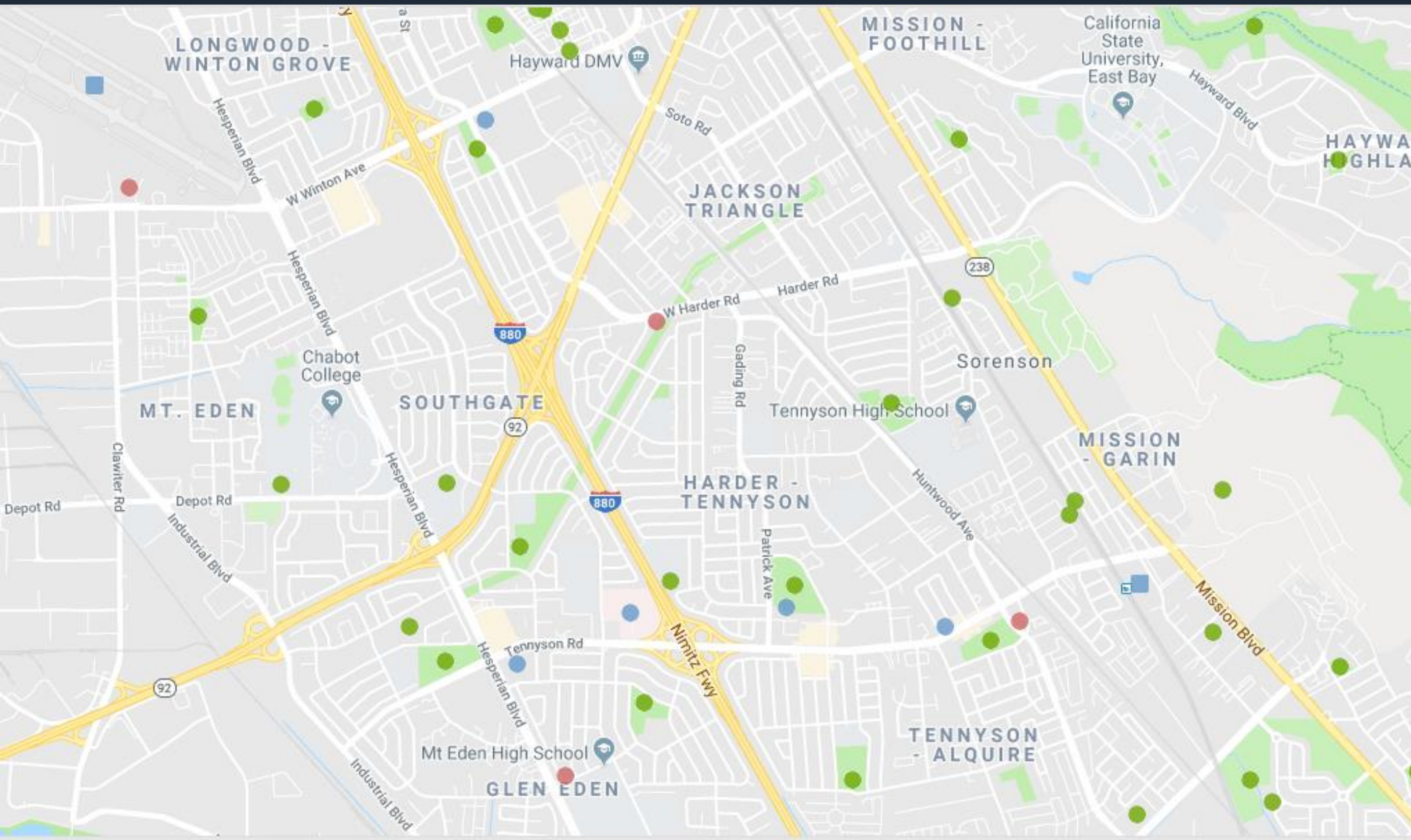
NEW

- For improved security, community appearance and faster sale



# The End Results

## Data tracking and monitoring



**Physical identification and verification of vacant buildings by Code Enforcement Staff**



**Establishment of a vacant building data base for monitoring and tracking and owner notification**



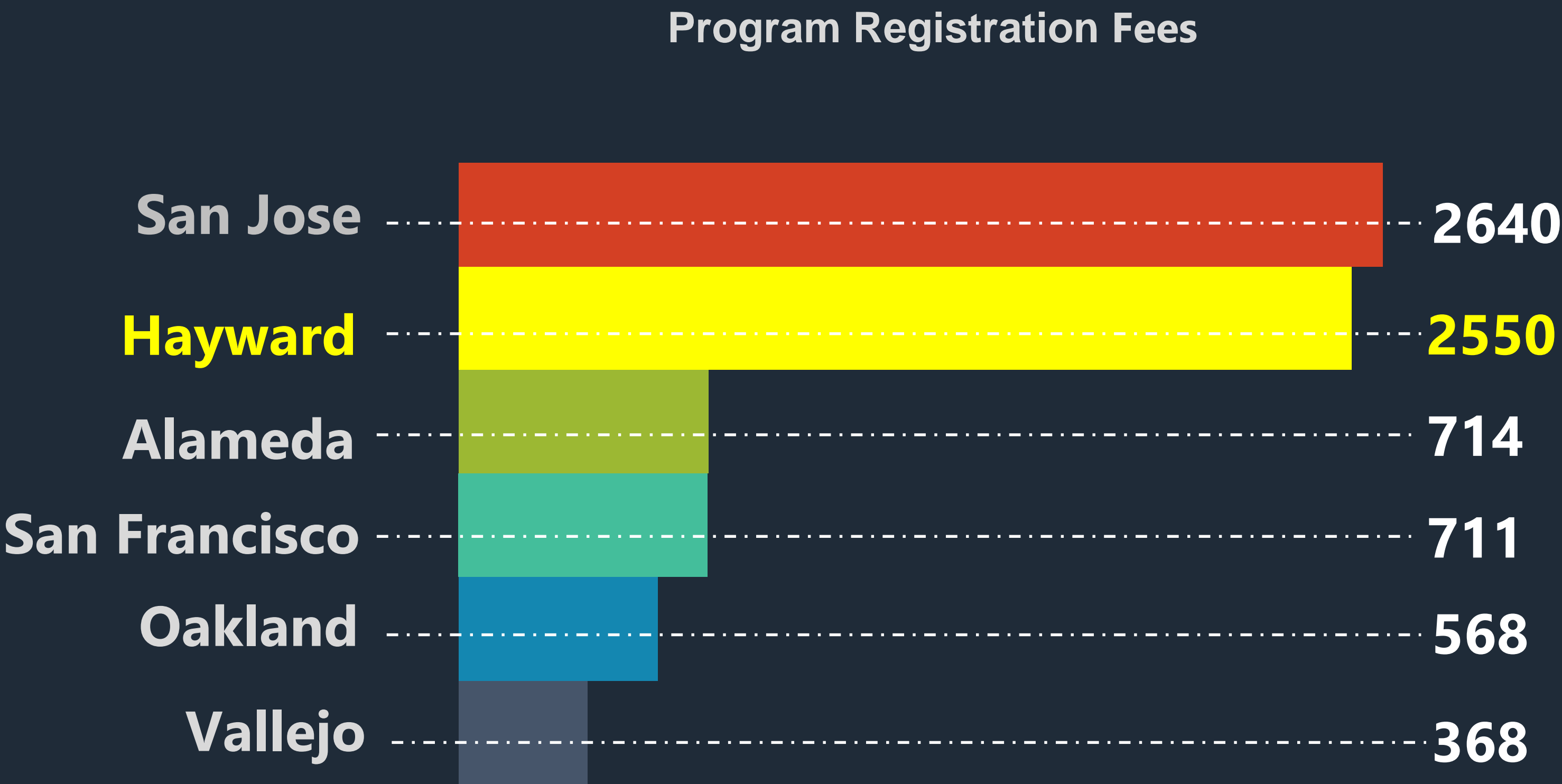
**Creation of vacant building GIS layer for real-time data and analysis**



**Ongoing program monitoring, vacant building evaluation and compliance efforts**



# Program Fees By Municipality



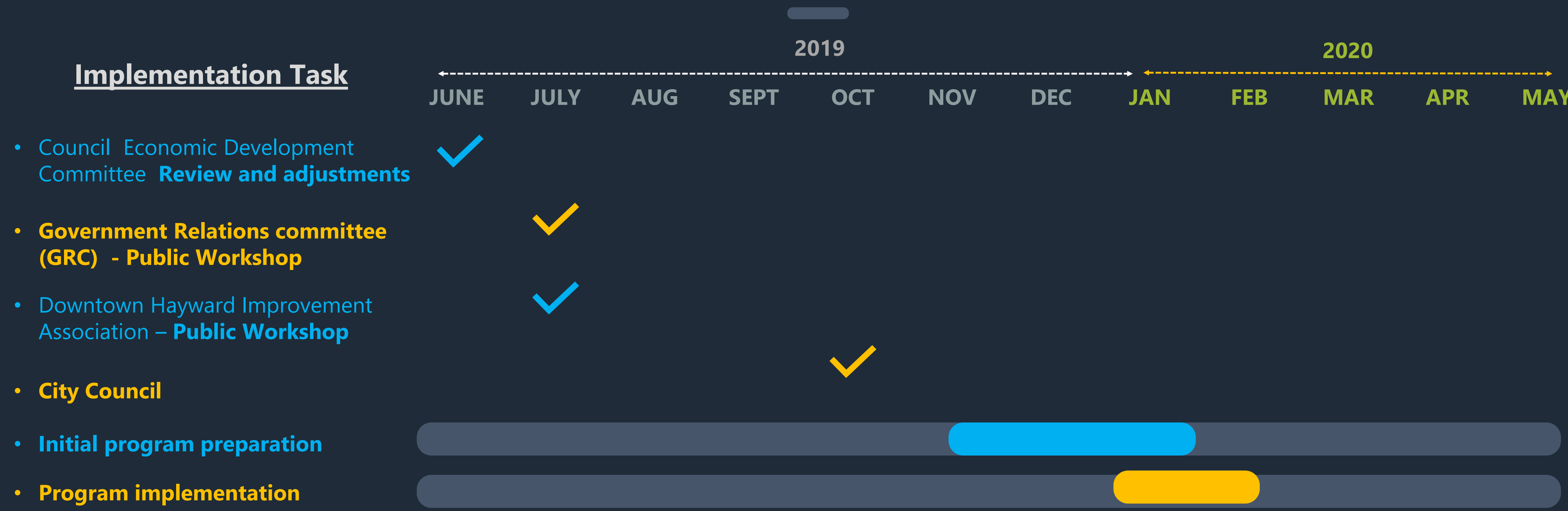
Note: Hayward fees set estimating full cost recovery



# Fees for Non-Compliance

CITY	COMPLIANCE FEE	TIME PERIOD
Oakland	\$5,000	Per day
San Jose	\$2,500	Per day
Hayward	\$1,500, \$3,000, \$5,000	Monthly
Richmond	\$1,000, \$2,500, \$5,000	Monthly
Alameda	\$1,000-\$5,000	Annual
Vallejo	\$200, \$500, \$750	Monthly

# Projected Program Timeline



2019-20  
Year:

# Staff Recommendation

That the Council introduces the Vacant Property Ordinance (Attachment II) adding Article 29 to Chapter 10 of the Hayward Municipal Code and adopts a resolution amending the Master Fee Schedule (Attachment III) to include fees related to the Vacant Property Ordinance.



# Questions

