

# **CITY OF HAYWARD**

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)



CITY OF  
**HAYWARD**  
HEART OF THE BAY

## **Agenda**

**Tuesday, February 6, 2018**

**7:00 PM**

**Council Chambers**

## **City Council**

**Mayor Barbara Halliday**  
**Mayor Pro Tempore Elisa Márquez**  
**Council Member Francisco Zermeño**  
**Council Member Marvin Peixoto**  
**Council Member Al Mendall**  
**Council Member Sara Lamnin**  
**Council Member Mark Salinas**

**CITY COUNCIL MEETING****CALL TO ORDER Pledge of Allegiance: Mayor Halliday****ROLL CALL****CLOSED SESSION ANNOUNCEMENT****PRESENTATION**

Teen Dating Violence Awareness and Prevention Month

**PUBLIC COMMENTS**

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

**ACTION ITEMS**

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

**CONSENT**

1. [MIN 18-022](#) Minutes of the Special Joint Hayward City Council/Redevelopment Successor Agency Meeting on January 16, 2018.

**Attachments:** [Attachment I Draft Minutes of 01/16/2018](#)

2. [CONS 18-055](#) Adoption of Ordinance Amending Chapter 10, Article 1, Sections 10-1.1900 (Air Terminal District) and 10-1.2700 (General Regulations) of the Hayward Municipal Code Related to Height for New Developments Located Within the Boundaries of the Hayward Executive Airport

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Summary Ordinance](#)

3.     [CONS 18-061](#)     Transmittal of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017; and Memorandum on Internal Control and Required Communications
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Comprehensive Annual Financial Report](#)  
                          [Attachment IV Memorandum on Internal Controls](#)
4.     [CONS 18-076](#)     Resignation of Ms. Heather Enders from the Planning Commission
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Resignation Letter](#)
5.     [CONS 18-081](#)     Resignation of Ms. Lauren Vance Macmadu from the Keep Hayward Clean and Green Task Force
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Resignation Letter](#)

## WORK SESSION

*Work Session items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.*

6.     [WS 18-005](#)     Review of Rental Housing Affordability Strategies (Report from City Manager McAdoo)
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Developments in Pipeline and A1 Potential Units](#)  
                          [Attachment III Status Update Chart](#)  
                          [Attachment IV Public Engagement on Rental Housing](#)  
                          [Attachment V Comparative Tenant Protection Measures](#)  
                          [Attachment VI Work Plan for Short and Long Term Options](#)

## CITY MANAGER'S COMMENTS

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

**COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS**

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

**ADJOURNMENT**

**NEXT REGULAR MEETING, February 20, 2018, 7:00 PM**

**PUBLIC COMMENT RULES**

*Any member of the public desiring to address the Council shall limit her/his address to three (3) minutes unless less or further time has been granted by the Presiding Officer or in accordance with the section under Public Hearings. The Presiding Officer has the discretion to shorten or lengthen the maximum time members may speak. Speakers will be asked for their name before speaking and are expected to honor the allotted time. Speaker Cards are available from the City Clerk at the meeting.*

**PLEASE TAKE NOTICE**

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

**PLEASE TAKE FURTHER NOTICE**

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

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

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

*Assistance will be provided to those requiring language assistance. To ensure that interpreters are available at the meeting, interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400.*



# CITY OF HAYWARD

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**File #:** MIN 18-022

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**DATE:** February 6, 2018

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Minutes of the Special Joint Hayward City Council/Redevelopment Successor Agency Meeting on January 16, 2018.

**RECOMMENDATION**

That the City Council approves the minutes of the Special Joint Hayward City Council/Redevelopment Successor Agency Meeting on January 16, 2018.

**ATTACHMENTS**

Attachment I Draft Minutes of 01/16/2018



**MINUTES OF THE SPECIAL JOINT HAYWARD CITY  
COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY MEETING  
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777 B Street, Hayward, CA 94541  
Tuesday, January 16, 2018, 7:00 p.m.**

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The Special Joint Hayward City Council/Redevelopment Successor Agency meeting was called to order by Mayor/Chair Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Mayor/Chair Halliday.

**ROLL CALL**

Present: COUNCIL/RSA MEMBERS Zermeño, Márquez, Mendall, Peixoto, Lamnin,  
Salinas  
MAYOR/CHAIR Halliday  
Absent: None

**PUBLIC COMMENTS**

Mr. Jim Drake, Hayward resident, spoke about an incident at Harder Road and Franklin Avenue where a store was vandalized, and asked for more police presence.

Mr. Manuel Flores, Hayward resident, acknowledged the professional work done by staffs from Public Works, Maintenance Services and Police.

Ms. Wynn Grich, Hayward resident, spoke about water and geoengineering, and shared related literature.

Mr. Ramon Aviles, Hayward resident, showed a video on geoengineering and 5G transmission.

Mr. Charlie Peters, Clean Air Performance Professionals (CAPP) representative, spoke about ethanol in gasoline, and submitted related documents.

Council Member Mendall noted the Hayward Unified School District will make public the results of pipe tests and any corrective actions by the end of the year.

**CONSENT**

1. Minutes of the Special Joint Hayward City Council/Housing Authority/Redevelopment Successor Agency/Public Financing Authority Meeting on December 5, 2017 **MIN 18-011** It was moved by Council/HA/RSA/PFA Member Márquez, seconded by Council/HA/RSA/PFA Member Peixoto, and carried unanimously, to approve the minutes of the Special Joint Hayward City Council/Housing Authority/Redevelopment Successor Agency/Public Financing Authority Meeting on December 5, 2017.

2. Minutes of the Special City Council Meeting on December 12, 2017 **MIN 18-012**  
It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to approve the minutes of the Special City Council Meeting on December 12, 2017.
3. Adoption of Ordinance Amending Chapter 10, Article 24 of the Hayward Municipal Code by Removing the New Thoroughfare Roadway Designation (Figures 1-2 and 1-3) from the South Hayward BART/Mission Boulevard Form Based Code on Three Parcels for the Mission Seniors Project (APN# 078C-0455-002-00; 78C-0455-001-08; 078C-0455-001-05) **CONS 18-025**

Staff report submitted by City Clerk Lens, dated January 16, 2018, was filed.

It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to adopt the following:

Ordinance 18-01, "An Ordinance Amending Chapter 10, Article 24 of the Hayward Municipal Code by Removing the New Thoroughfare Roadway Designation (Figures 1-2 and 1-3) from the South Hayward Bart/ Mission Boulevard Form Based Code on Three Parcels for the Mission Seniors Project (APN# 078C-0455-002-00; 78C-0455-001-08; 078C-0455-001-05)"

4. Adoption of a Resolution Establishing the City Contribution for Active and Retiree Medical Premiums Set by the California Public Employee Retirement System (CalPERS) for Calendar Year 2018 Pursuant to California Government Code Section 22892 of the Public Employees Medical and Hospital Care Act **CONS 18-003**

Staff report submitted by Human Resources Director Collins, dated January 16, 2018, was filed.

It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to adopt the following:

Resolution 18-001, "Resolution Agreeing to Meet the Minimum Employer Contribution Toward Medical Cost as Set by California Public Employees Retirement System One Hundred Thirty-Three Dollars (\$133) Per Month for Calendar Year 2018"

5. Authorization for the City Manager to Execute an Agreement with the Alameda County Probation Department for Delinquency Prevention Network Services Provided by the Youth and Family Services Bureau of the Hayward Police Department **CONS 18-001**

Staff report submitted by Police Chief Koller, dated January 16, 2018, was filed.





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It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to adopt the following:

Resolution 18-002, “Resolution Authorizing the City Manager to Negotiate and Execute a Contract with the Alameda County Probation Department for Delinquency Prevention Network Services Provided by the Youth and Family Services Bureau of Hayward Police Department”

6. Authorization for the City Manager to Appropriate Funds and Accept an Agreement with the Alameda County Health Care Services Agency for Our Kids Our Families Services Provided by the Youth and Family Services Bureau of the Hayward Police Department **CONS 18-047**

Staff report submitted by Police Chief Koller, dated January 16, 2018, was filed.

It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to adopt the following:

Resolution 18-003, “Resolution Authorizing the City Manager to Appropriate Funds and Accept a Contract with the Alameda County Health Care Services Agency for the Our Kids Our Families Program Services Provided by the Youth and Family Services Bureau of the Hayward Police Department”

7. Authorization for the City Manager to Accept and Appropriate \$240,000 in Awarded Grant Funding from the State of California Office of Traffic Safety for the Hayward Police Department **CONS 18-043**

Staff report submitted by Police Chief Koller, dated January 16, 2018, was filed.

It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to adopt the following:

Resolution 18-004, “Resolution Authorizing the City Manager to Accept and Appropriate \$240,000 in Funding from the State of California Office of Traffic Safety for the Hayward Police Department”

8. Authorization to Negotiate and Execute an Agreement with Dude Solutions for the Purchase of Computerized Maintenance Management System and Facility Condition Assessment **CONS 18-002**

Staff report submitted by Maintenance Services Director Rullman, dated January 16, 2018, was filed.

It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to adopt the following:

Resolution 18-005, “Resolution Authorizing the City Manager to Execute a Contract with Dude Solutions for the Purchase of Computerized Maintenance Management System and Facility Condition Assessment”

9. Mission Boulevard Corridor Improvements Phase 2 Project - Award of Construction Contract to DeSilva Gates Construction and Amendment to Professional Services Agreement with BKF Engineers **CONS 18-032**

Staff report submitted by Interim Public Works Director Ameri, dated January 16, 2018, was filed.

It was moved by Council Member Márquez, seconded by Council Member Peixoto, and carried unanimously, to adopt the following:

Resolution 18-006, “Resolution Approving Addenda NO. 1-5 for the Mission Boulevard Corridor Improvements Phase 2 Project, Project No. 05270 and Awarding the Contract to De Silva Gates Construction”

Resolution 18-007, “Resolution Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with BKF Engineers for Additional Services Associated with the Mission Boulevard Corridor Improvements Project”

10. Approval of the Annual Recognized Obligation Payment Schedule for the Period July 1, 2018 to June 30, 2019 and the Successor Agency Administrative Budget for the Period July 1, 2018 to June 30, 2019 **CONS 18-051**

Staff report submitted by Management Analyst Stefanski, dated January 16, 2018, was filed.

It was moved by Council/RSA Member Márquez, seconded by Council/RSA Member Peixoto, and carried unanimously, to adopt the following:

RSA Resolution 18-01, “A Resolution of the City Council of the City of Hayward, Acting as the Governing Board of the Hayward



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Successor Agency, A Separate Legal Entity, Approving the Recognized Obligation Payment Schedule for the Period July 2018 Through June 2019 (“ROPS 18-19”) and the Administrative Budget for the 2018-2019 Fiscal year, and Directing the City Manager to Take All Actions Necessary to Effectuate Requirements Associated with this Approval”

**WORK SESSION**

11. East Bay Community Energy Program Overview (Report from Utilities and Environmental Services Director Ameri) **WS 18-001**

Staff report submitted by Utilities and Environmental Services Director Ameri, dated January 16, 2018, was filed.

Environmental Services Manager Pearson announced the report and introduced East Bay Community Energy’s CEO, Nick Chaset, who provided an overview of the East Bay Community Energy (EBCE) program, and updated the Council on activities for 2018.

Mayor Halliday opened the public comments section at 7:32 p.m.

Mr. Frank Burton, former member of the Alameda County Community Choice Aggregation (CCA), asked for more concrete plans for local development and clarification about the relationship between Pacific Gas & Electric (PG&E), its union IBEW 1245, and Community Choice Aggregation (CCA).

Mr. Charlie Peters, Clean Air Performance Professionals (CAPP) representative, spoke about the perception that PG&E and CCA are opposed to each other when in fact they are partners; and also spoke about the Shell Oil Company.

Mayor Halliday closed the public comments section at 7:37 p.m.

Discussion ensued among Council Members and EBCE CEO Nick Chaset about: the California Public Utilities Commission’s (CPUC) concern with grid reliability and the delayed launch of CCAs; potential sources of electricity; rates for electricity; the local development plan; EBCE’s plans and PG&E’s operations of its infrastructure; non PG&E customers that have access to other energy providers; programs paid by distribution rate; marketing outreach plan; community gain through energy efficiency programs; and contract with Sacramento Municipal Utility District for the call center.

It was noted that Council Member Mendall is representing the City as an EBCE Board Member and Council Member Márquez as the Alternate, and they were thanked for their participation and efforts.

In response to Council Member Mendall's request for input as to whether the Mayor should be designated to sign letters on behalf of the City to state its opposition to the intent to undermine CCAs, the consensus of the Council was to grant that authority to the Mayor.

Council Member Mendall requested input regarding whether Hayward should consider paying a premium rate for electricity that is 100% renewable and local for City facilities. Some Council Members were in favor of paying the premium rate and others were in favor of getting more information prior to setting a rate.

In response to Council Member Mendall's request for input regarding whether the default electricity product for Hayward residents should be a lower rate with less green electricity or a higher rate with cleaner electricity, most Council Members thought the decision would depend on the difference in rate, and some thought that the default should be lower rate and less green and work towards lower rate and greener electricity. It was noted that while it was important to attain local renewable energy consistent with the City's Climate Action goals, it was also important to attain it in a cost effective manner during the initial years.

Council Member Márquez suggested that the weblink to EBCE meeting videos be located on the same EBCE website, and that there be consistency with the date, time, and location of EBCE meetings.

## **PUBLIC HEARING**

12. Proposed Amendments to Chapter 10, Article 1 (Zoning Ordinance) of the Hayward Municipal Code to Amend Airport Terminal (AT) District Regulations Related to Height; Application No. 201706359; City of Hayward (Applicant/Owner) (Report from Interim Development Services Director Bristow) **PH 18-002**

Staff report submitted by Interim Development Services  
Director Bristow, dated January 16, 2018, was filed.

Interim Development Services Director Bristow announced the report and introduced Senior Planner Schmidt who provided a synopsis of the staff report.

Ms. Schmidt noted that the resolution inadvertently had the incorrect language for Section D and provided a revised resolution with a corrected Section D; and also indicated that staff was in receipt of correspondence from Cindy Horvath with the Alameda County Airport Land Use Commission (ALUC).

Discussion ensued among Council Members and City staff regarding: revisions to the maximum allowable height in the Air Terminal (AT) District; the role of the Federal Aviation Administration (FAA) in reviewing the proposed height increase; amenities that would be achieved by the increased building height; and the letter submitted by ALUC prior to the meeting.



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Mayor Halliday opened the public hearing at 8:42 p.m.

Mr. Andy Wilson, Hayward resident and member of the Board of Directors for the California Pilots Association, noted the City did not have the authority to mitigate height for the FAA; and requested that introduction of the ordinance be continued until after review by the ALUC.

Mayor Halliday closed the public hearing at 8:46 p.m.

In response to Council Member Zermeño's inquiry, Assistant City Attorney Brick noted the proposed amendments related to height regulations were for the parcels located within the boundaries of the Hayward Executive Airport property and the process would involve referral to and approval by the FAA.

Council Member Zermeño offered a motion per staff's recommendation and Council Member Salinas seconded the motion.

Council Member Mendall indicated he would be supporting the motion noting the Council Airport Committee had encouraged the applicant to consider a slightly taller building because of the amenities that would be allowed as long as the height increase was approved by the FAA.

Council Member Lamnin appreciated the community benefits that would be gained by the proposed amendments, and asked staff to notify the California Pilots Association and ALUC as developments come forward.

Council Member Salinas indicated he would be supporting the motion noting he had received positive feedback from the neighborhood.

Council Member Peixoto indicated he would be supporting the motion noting his safety concerns with the proposal were mitigated because the proposal would be approved by the FAA.

Mayor Halliday indicated she would be supporting the motion noting the adoption of the ordinance was scheduled for February 6, 2018, and at that point there would be more information about communications with the ALUC.

It was moved by Council Member Zermeño, seconded by Council Member Salinas, and carried unanimously, to adopt the following:

Resolution 18-008, "Resolution to Adopt a Zoning Text Amendment to Chapters 10, Article 1 (Zoning Ordinance) of the Hayward Municipal Code Related to Height Regulations for Airport Terminal District Properties Located within the Boundaries of the Hayward Executive Airport"

Introduction of Ordinance 18-\_, "An Ordinance Amending Chapter 10, Article 1, Sections 10-1.1900 (Air Terminal District) and 10-1.2700 (General Regulations) of the Hayward Municipal Code Related to Height for New Developments Located within the Boundaries of the Hayward Executive Airport"

### **CITY MANAGER'S COMMENTS**

There were none.

### **COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS**

Council Member Salinas shared that the U.S. Department of Education had announced the Hayward Promise Neighborhood (HPN) was reauthorized a \$28.9 million grant for the HPN (Jackson Triangle), and congratulated all partners.

Council Member Zermeño reminded residents who are aware of litter to report it to the City via Access Hayward.

Council Member Márquez announced the Keep Hayward Clean and Green Task Force's first beautification event on January 27, 2018, at Five Flags on Mission Boulevard.

Mayor Halliday thanked those who were involved in the Dr. Martin Luther King Jr. Birthday Celebration on January 15, 2018, at the City Hall Plaza rally and the Chabot College program where Brian Copeland was the keynote speaker. Mayor Halliday also congratulated four students from Mt. Eden High School who were distinguished in instrumental music: three were named to the National Honor Band and one to the National Honor Orchestra.

### **ADJOURNMENT**

Mayor Halliday adjourned the meeting at 9:12 p.m., in memory of retired Hayward Fire Captain Donald "Don" Louis Brazil and California Highway Patrol Officer Andrew Camilleri.

Don Brazil was born and raised in Hayward, became a Hayward firefighter in 1961, was named "Fireman of the Year" by the Hayward Chamber of Commerce in 1971, was known as "Teddy Bear", was a softball player for the department's softball team, and retired in 1989 as Captain after 28 years of service to Hayward. California Highway Patrol (CHP) Officer Andrew Camilleri was hired by CHP on August 22, 2016, was assigned to the Hayward Office in 2017, and was a devoted family man. Officer Camilleri died on December 24, 2017, when his patrol car was struck by a DUI driver while stopped at I-880 and W. Winton Avenue. Mayor Halliday asked City staff to work with both families and plant trees in memory of Don Brazil and Andrew Camilleri.



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**APPROVED:**

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Barbara Halliday  
Mayor, City of Hayward  
Chair, Hayward Redevelopment Successor Agency

**ATTEST:**

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Miriam Lens  
City Clerk, City of Hayward  
Secretary, Hayward Redevelopment Successor Agency



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**File #:** CONS 18-055

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**DATE:** February 6, 2018

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Adoption of Ordinance Amending Chapter 10, Article 1, Sections 10-1.1900 (Air Terminal District) and 10-1.2700 (General Regulations) of the Hayward Municipal Code Related to Height for New Developments Located Within the Boundaries of the Hayward Executive Airport

**RECOMMENDATION**

That the City Council adopts the Ordinance introduced on January 16, 2018.

**ATTACHMENTS**

Attachment I Staff Report

Attachment II Summary of Ordinance Published on 2/2/2018





**DATE:** February 6, 2018

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT** Adoption of Ordinance Amending Chapter 10, Article 1, Sections 10-1.1900 (Air Terminal District) and 10-1.2700 (General Regulations) of the Hayward Municipal Code Related to Height for New Developments Located Within the Boundaries of the Hayward Executive Airport

#### RECOMMENDATION

That the Council adopts the Ordinance introduced on January 16, 2018.

#### BACKGROUND

The Ordinance was introduced by Council Member Zermeño at the January 16, 2018, meeting of the City Council with the following vote:

**AYES:** COUNCIL MEMBERS: Zermeño, Márquez, Mendall, Peixoto, Lamnin, Salinas  
MAYOR Halliday

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

In response to communications received from County Airport Land Use Commission (ALUC) staff just prior to the January 16 Council meeting, City staff sent a letter to the staff on January 19 explaining why this action was not subject to review by the County ALUC and inviting a follow up conversation if needed. As of the publication of this report, the City has not received any further communication from the ALUC.

#### STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

#### FISCAL IMPACT

There is no fiscal impact associated with this report.

## PUBLIC CONTACT

The summary of the Ordinance was published in the Hayward Daily Review on Friday, February 2, 2018. Adoption at this time is therefore appropriate.

## NEXT STEPS

The Hayward Municipal Code and other related documents will be updated accordingly.

Prepared and Recommended by:                      Miriam Lens, City Clerk

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager

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

AN ORDINANCE AMENDING CHAPTER 10, ARTICLE 1, SECTIONS 10-1.1900 (AIR TERMINAL DISTRICT) AND 10-1.2700 (GENERAL REGULATIONS) OF THE HAYWARD MUNICIPAL CODE RELATED TO HEIGHT FOR NEW DEVELOPMENTS LOCATED WITHIN THE BOUNDARIES OF THE HAYWARD EXECUTIVE AIRPORT

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

Section 1. Provisions. The City Council incorporates by reference the findings contained in Resolution No. 18-008 approving the text changes to the Hayward Municipal Code requested in Zoning Text Amendment Application No. 201706359.

Section 2. Chapter 10, Planning, Zoning, and Subdivisions of the Hayward Municipal Code, which establishes development standards and regulations for all zoning districts within City boundaries, is hereby amended to add certain text and delete certain provisions related to the allowable height for new development within certain AT District properties.

Section 3. Severance. Should any part of this Ordinance be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of the City, such decision shall not affect the validity of the remainder of this Ordinance, which shall continue in full force and effect, provided that the remainder of the Ordinance, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the City Council.

Section 4. Effective Date. In accordance with the provisions of Section 620 of the City Charter, the Ordinance shall become effective immediately upon adoption.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held on the 16th day of January 2018, by Council Member Zermeño.

This ordinance will be considered for adoption at the meeting of the Hayward City Council, to be held on February 6, 2018, at 7:00 p.m., in the Council Chambers, 777 B Street, Hayward, California. The full text of this Ordinance is available for examination by the public in the Office of the City Clerk.

Dated: February 2, 2018  
Miriam Lens, City Clerk  
City of Hayward



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**File #:** CONS 18-061

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**DATE:** February 6, 2018

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Transmittal of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017; and Memorandum on Internal Control and Required Communications

**RECOMMENDATION**

That the Council adopts the attached Resolution (Attachment II) to receive and file the City's Comprehensive Annual Financial Report (CAFR) (Attachment III) and the Memorandum on Internal Control and Required Communications (Attachment IV) for the fiscal year ended June 30, 2017.

**ATTACHMENTS**

Attachment I Staff Report

Attachment II Resolution

Attachment III Comprehensive Annual Financial Report (CAFR)

Attachment IV Memorandum on Internal Control and Required Communications



DATE: February 6, 2018

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT Transmittal of the Comprehensive Annual Financial Report for the Year Ended June 30, 2017; and of the Memorandum on Internal Control and Required Communications

**RECOMMENDATION**

That the Council adopts the attached Resolution (Attachment II) to receive and file the City’s Comprehensive Annual Financial Report (CAFR) (Attachment III) and the Memorandum on Internal Control and Required Communications (Attachment IV) for the fiscal year ended June 30, 2017.

**BACKGROUND**

The City’s independent external auditor, Maze and Associates, has completed its audit of the City’s financial records for the fiscal year ended June 30, 2017. Maze was selected as the City’s independent external audit firm in early 2011 after a thorough proposal review process. Maze and Associates has over thirty-one years of municipal auditing experience with more than 200 government agencies. In addition to the audited financial statements, the auditors have completed and provided the required Memorandum on Internal Control and Required Communications. The City’s Comprehensive Annual Financial Report (CAFR) represents all funds of the City, including the General Fund, Water, Sewer, Airport, and all other enterprise and special revenue funds.

Auditing standards require auditors to formally communicate the results directly to the agency’s governing body. The purpose being to establish direct and effective two-way communication with the Council and staff, to convey audit matters, the scope of work, difficulties, adjustments to financial statements, or any possible disagreements with management.

**DISCUSSION**

Comprehensive Annual Financial Report – Staff is pleased to report that, as in previous years, the auditor’s opinion on the financial statements for fiscal year 2017 is without exception and is unmodified (formerly referred to as “unqualified”). That is, the auditor’s

report is not restricted (modified) in any manner, nor does it take exception with any of the information contained in the City's financial statements. While a modification (known before as a qualification) or exception is not necessarily detrimental, the ability to report that the City's financial statements continue to earn a "clean opinion" is a positive statement about the City's financial management and oversight.

Staff has submitted the fiscal year 2017 CAFR to the Government Finance Officers Association (GFOA) award program, which is a prestigious national award recognizing conformance with the highest standards for preparation of local government financial reports. The City of Hayward has received this award for the last thirty consecutive years.

**Communication Letters from Auditors – The Required Communications** letter is intended to identify any communication issues and present new accounting standards pronouncements that may affect the audit. The auditor did not report any difficulties in performing the audit or any disagreements with management.

The second letter presented to management is the **Memorandum on Internal Control**. This letter has two major objectives: (1) to advise the governing body or City Council of any significant deficiencies or material weaknesses in the City's systems of internal financial controls; and (2) to communicate to the Council any opportunities for improved controls or efficiencies that the auditors noted during their audit. This letter may also advise the Council of upcoming accounting regulations, which may affect the City's financial records. Staff's responses to the auditor's comments and recommendations are noted in the Letter.

#### FY 2017 Finding

There were no significant audit findings.

#### FY 2016 Finding

As part of the audit protocol, the auditor includes findings from the previous fiscal year (fiscal year 2016) to allow for a final management response and, if cleared, to confirm that the findings are no longer valid. Of the item noted (2016-01) Access to Vendor and Employee Databases, the audit noted that two employees who processed payroll also had access to the employee database. In addition, there were several employees, who were not responsible for processing payroll or disbursements, that had access to the employee or vendor database. The City agreed that this condition existed at the time of the interim audit. In the months between the interim and final phases of the audit, the City changed access for many of the employees noted during audit testing. In the area where exceptions remained, specifically in the payroll area, additional controls have been implemented to detect any errors that could cause a misstatement in the affected areas.

### **STRATEGIC INITIATIVES**

This agenda item is a routine operational item that does not relate to any of the Strategic Initiatives.

## FISCAL IMPACT

There is no direct fiscal impact resulting from the approval of the annual audit.

## PUBLIC CONTACT

On September 20, 2017, Maze & Associates presented to the Council Budget and Finance Committee an overview of the fiscal year 2017 audit process and the role of the external auditor. Staff presented the final audit findings and the CAFR to the Council Budget and Finance Committee on January 10, 2018.

Prepared by and Recommended by: Dustin Claussen, Director of Finance

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is positioned above a horizontal line.

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 18-

Introduced by Council Member \_\_\_\_\_

RESOLUTION ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017; AND THE MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS

WHEREAS, the audit of the financial statements and internal controls of the City of Hayward has been completed for the year ended June 30, 2017 by the City's independent auditors, Maze & Associates.

BE IT RESOLVED by the City Council of the City of Hayward that the City Council accepts and files the Comprehensive Annual Financial Report for the Year Ended June 30, 2017; and the accompanying Memorandum on Internal Control and Required Communications letters.

HAYWARD, CALIFORNIA \_\_\_\_\_, 2018

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



**CITY OF HAYWARD  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**CITY OF HAYWARD  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For The Year Ended June 30, 2017**

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## MEMORANDUM ON INTERNAL CONTROL

To the City Council of  
the City of Hayward, California

In planning and performing our audit of the basic financial statements of the City of Hayward as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

*Maze & Associates*

Pleasant Hill, California  
December 6, 2017

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## CITY OF HAYWARD

## MEMORANDUM ON INTERNAL CONTROL

## SCHEDULE OF OTHER MATTERS

**NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking effect in the next two years. We have cited them here to keep you abreast of developments:

**Effective in fiscal year 2017-18:****GASB 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions***

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

**GASB 81 – *Irrevocable Split-Interest Agreements***

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

**GASB 85 – *Omnibus 2017***

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

**GASB 86 – *Certain Debt Extinguishment Issues***

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

## CITY OF HAYWARD

## MEMORANDUM ON INTERNAL CONTROL

## SCHEDULE OF OTHER MATTERS

Effective in fiscal year 2018-19:

**GASB 83 – Certain Asset Retirement Obligations**

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.



## CITY OF HAYWARD

## MEMORANDUM ON INTERNAL CONTROL

STATUS OF PRIOR YEAR  
SIGNIFICANT DEFICIENCIES**2016-01 Access to Vendor and Employee Databases**

**Criteria:** To maintain internal control, employees involved in payroll and disbursement processing should not have editing rights to the employee and vendor databases. Access to these databases should be granted on an as-needed basis.

**Condition:** During our audit, we reviewed the financial system access log and noted that two employees who processed payroll also had access to the employee database. In addition, we noted that several employees, who were not responsible for processing payroll or disbursements, were granted access to the employee or vendor database.

**Effect:** Unauthorized changes to the databases may occur and not be detected in a timely manner.

**Cause:** In the City's general ledger system, employees who process payroll must have "full access" function and process payroll, including access to the employee database. There are several employees who have access to employee and vendor database because of the nature of their functions.

**Recommendation:** The City should review the access of the financial system. Access to the databases should only be granted if necessary, and to employees who cannot process transactions in the respective modules. In June, 2016, the City created controls to monitor for any changes in the vendor database; the Purchasing Manager receives notification anytime a change is made to the vendor database.

**Current Status:** Recommendation implemented.

**2015 – 01: Timeliness of Bank, Investment, and Escrow Accounts Reconciliations and Journal Entries Posting**

**Criteria:** Reconciliations of bank, trustee, and investment accounts should be completed after each month-end and promptly after receipt of the account statements. In addition, amounts reported in the quarterly Investment Reports should correspond with the City's general ledger.

Additionally, journal entries and relevant supporting documentation relating to the reconciliation of these accounts should be maintained and posted in a timely manner.

**Condition:** During the interim phase of the City's Financial Statement audit, conducted in June 2015, we noted the following:

Many of the City's bank, investment, and trustee accounts were not reconciled to the monthly statements and in a timely manner. In addition, reviews of the reconciliations were not timely.

The City's Investment Report for the quarter ending March 31, 2015 did not match the amounts in the City's general ledger.

## CITY OF HAYWARD

## MEMORANDUM ON INTERNAL CONTROL

STATUS OF PRIOR YEAR  
SIGNIFICANT DEFICIENCIES

We tested forty journal entries in the current fiscal year and noted that five journal entries were not posted to the general ledger within thirty days from the time of preparation. In addition, there was one journal entry that did not have appropriate supporting documentation.

**Effect:** Errors, mistakes and unauthorized transactions may not be detected and remedied in a timely fashion.

**Cause:** The City encountered a combination of difficulties in the past few fiscal years, including the citywide financial system conversion, as well as key staffing changes and shortages.

**Current Status:** Recommendation implemented.

**2014 – 02: Accurately and Timely Reconciliations of Bank, Investment, and Escrow Accounts**

**Criteria:** Bank account reconciliations are an important element of the City's internal control structure. Bank reconciliations should be completed after each month-end and usually within 30-45 days of receipt of the bank statements, and subsequently reviewed in a timely manner for accuracy. The investments and trustee accounts should also be reconciled to statements and the general ledger on a monthly basis in order to maintain effective controls.

In addition, for monitoring purposes, both the preparer and the reviewer of the reconciliation should sign the date the document to leave a proper audit trail.

**Condition:** During the year, many of the City's bank, investment, and trustee accounts were not reconciled to the monthly statements in a timely manner. In addition, reviews of the reconciliations were not timely. In testing of the reconciliation items, the City could not provide supporting documents to some of the items. Also, there were reconciliation items that have been outstanding since 2013 that should have been booked by the City into its general ledger. In addition, we found that the City's Investment Report for the quarter ending March 31, 2014 did not agree to the City's general ledger.

**Effect:** The City's book balances of the above accounts did not reflect the correct balances during the year. Errors, mistakes and unauthorized transactions in these accounts would not be detected and remedied in a timely fashion.

**Cause:** The City encountered a combination of difficulties in the past few years, including the financial system conversion, staff changes, and shortages. The City is currently in the process of training new staff to take over the reconciliation duties.

**Current Status:** Recommendation implemented.



## REQUIRED COMMUNICATIONS

To the City Council of  
the City of Hayward, California

We have audited the basic financial statements of the City of Hayward for the year ended June 30, 2017. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance.

### **Significant Audit Findings**

#### *Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

The following Governmental Accounting Standards Board (GASB) pronouncements became effective, but did not have a material effect on the financial statements:

GASB 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

GASB 74 – *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*

GASB 77 – *Tax Abatement Disclosures*

GASB 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

GASB 80 – *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*

GASB 82 – *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*

#### *Unusual Transactions, Controversial or Emerging Areas*

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### ***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

*Estimated Fair Value of Investments:* Cash and investments held by the City at June 30, 2017 were measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2017. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2017.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 5 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Net Pension Assets and Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension assets and liabilities and deferred outflows/inflows of resources are disclosed in Note 12 to the financial statements and are based on actuarial studies determined by California Public Employees Retirement System and GASB 67/ 68 Pension Accounting Reports, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### ***Disclosures***

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

#### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated December 6, 2017.

#### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Other Information Accompanying the Financial Statements**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information which accompany the financial statements, but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance them.

\*\*\*\*\*

This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maze & Associates*

Pleasant Hill, California  
December 6, 2017



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

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**File #:** CONS 18-076

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**DATE:** February 6, 2018

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Resignation of Ms. Heather Enders from the Planning Commission

**RECOMMENDATION**

That the City Council accepts the resignation of Ms. Heather Enders from the Planning Commission effective February 1, 2018.

**ATTACHMENTS**

- Attachment I Staff Report
- Attachment II Resolution
- Attachment III Resignation Letter



DATE: February 6, 2018  
TO: Mayor and City Council  
FROM: City Clerk  
SUBJECT: Resignation of Ms. Heather Enders from the Planning Commission

#### RECOMMENDATION

That the City Council adopts a resolution accepting the resignation of Ms. Heather Enders from the Planning Commission effective February 1, 2018.

#### BACKGROUND

Ms. Heather Enders was appointed to the Planning Commission on September 16, 2014. Ms. Heather Enders' resignation becomes effective on February 1, 2018 per her resignation letter (Attachment III). Ms. Enders' vacated position will be filled as part of the annual appointment process for the City's appointed officials to Boards, Commissions, Committees, and Task Forces.

#### STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

#### FISCAL IMPACT

There is no fiscal impact associated with this action.

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:

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Kelly McAdoo, City Manager



HAYWARD CITY COUNCIL

RESOLUTION No. 18-

Introduced by Council Member \_\_\_\_\_

RESOLUTION ACCEPTING THE RESIGNATION OF HEATHER ENDERS FROM THE PLANNING COMMISSION

WHEREAS, Ms. Heather Enders was appointed to the Planning Commission on September 16, 2014;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby accepts the resignation of Heather Enders from the Planning Commission; and commends her for her civic service to the City.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2018.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

From: Heather Enders  
Sent: Monday, January 22, 2018 12:37 PM  
To: List-Mayor-Council; List Planning Commission; CityClerk <CityClerk@hayward-ca.gov>; Miriam Lens <Miriam.Lens@hayward-ca.gov>

Subject: Notice of resignation

Dear colleagues,

I regret to inform you that I am resigning from my position as a Planning Commissioner with the City of Hayward. I am moving out of the area and will not be eligible to serve after February 1, 2018.

My last meeting will be on Thursday, January 25, 2018.

Thank you for the opportunity to serve Hayward.

Warm regards,

Heather Enders



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

---

**File #:** CONS 18-081

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**DATE:** February 6, 2018

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Resignation of Ms. Lauren Vance Macmadu from the Keep Hayward Clean and Green Task Force

**RECOMMENDATION**

That the City Council adopts a resolution accepting the resignation of Ms. Lauren Vance Macmadu from the Keep Hayward Clean and Green Task Force effective immediately.

Attachment I Staff Report

Attachment II Resolution

Attachment III Resignation Letter



DATE: February 6, 2018  
TO: Mayor and City Council  
FROM: City Clerk  
SUBJECT: Resignation of Ms. Lauren Vance Macmadu from the Keep Hayward Clean and Green Task Force

#### RECOMMENDATION

That the City Council adopts a resolution accepting the resignation of Ms. Lauren Vance Macmadu from the Keep Hayward Clean and Green Task Force effective immediately.

#### BACKGROUND

Ms. Lauren Vance Macmadu was appointed to the Keep Hayward Clean and Green Task Force on September 16, 2014. Ms. Lauren Macmadu's resignation becomes effective immediately per her resignation letter (Attachment III). Ms. Macmadu's vacated position will be filled as part of the annual appointment process for the City's appointed officials to Boards, Commissions, Committees, and Task Forces.

#### STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

#### FISCAL IMPACT

There is no fiscal impact associated with this item.

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION No. 18-

Introduced by Council Member \_\_\_\_\_

RESOLUTION ACCEPTING THE RESIGNATION OF LAUREN VANCE MACMADU FROM THE KEEP HAYWARD CLEAN AND GREEN TASK FORCE

WHEREAS, Ms. Lauren Vance Macmadu was appointed to the Keep Hayward Clean and Green Task Force on September 16, 2014;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby accepts the resignation of Lauren Vance Macmadu from the Keep Hayward Clean and Green Task Force; and commends her for her civic service to the City.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2018.

ADOPTED BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:
	MAYOR:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

From: Lauren Vance  
Date: January 11, 2018 at 6:25:06 PM PST  
To: Kimberly De Land <[Kimberly.DeLand@hayward-ca.gov](mailto:Kimberly.DeLand@hayward-ca.gov)>  
Subject: Resignation from KHCG

Hello Kimberly,

I hope all is well. I have truly enjoyed my time as a member of the KHCG task force. Unfortunately, due to family commitments, I need to resign from the task force. I appreciate your support and all the work by the task force and hope to work with everyone again in the future. Thank you again and please send my regards to the group.

Best,

Lauren Vance Macmadu



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

---

**File #:** WS 18-005

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**DATE:** February 6, 2018

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT**

Review of Rental Housing Affordability Strategies

**RECOMMENDATION**

That the City Council reviews this report and provides direction regarding rental housing affordability policy options.

**ATTACHMENTS**

- Attachment II Housing Developments in Pipeline and A1 Potential Units
- Attachment III Status Update Chart
- Attachment IV Public Engagement on Rental Housing
- Attachment V Comparative Tenant Protection Measures
- Attachment VI Work Plan for Short and Long-Term Options



DATE: February 6, 2018

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Review of Rental Housing Affordability Strategies

## RECOMMENDATION

That the City Council reviews this report and provides direction regarding rental housing affordability policy options.

## SUMMARY

In the Bay Area today, many people are struggling to keep up with monthly housing expenses. Approximately 49% of Hayward's residents are renters and in Hayward, 57% of renters spend more than 30% of their income on housing costs. Overall homeownership rates in California are at their lowest since the 1940s. In addition, people experiencing homelessness as well as other vulnerable populations face additional barriers to securing housing.

This report will review current policies that the City of Hayward, other Alameda County cities, and other jurisdictions use to help address rental housing and housing affordability challenges. The report ends with specific discussion and policy options for the City Council to consider.

## BACKGROUND

According to the U.S. Census, Hayward's population grew by nearly 15,000 residents between 2005 and 2015. Over that same period, the total number of housing units increased by less than 500 units. In 2005, Hayward had one housing unit for every 2.84 people. In 2015, Hayward had one housing unit for every 3.24 people. Hayward's population continues to grow, and while the City has made strides in approving the construction of new housing units, the demand for housing continues to exceed the City's supply.



Of the 46,672 housing units in Hayward, 22,874, or 49%, are rental units. Approximately 1,000 units continue to be rent controlled under the City's Rent Stabilization Ordinance. Additionally, there are 1,123 housing units in the development pipeline and 392 potential units that were identified as possibly meeting eligibility criteria for Measure A1 affordable housing funding from Alameda County. See Attachment II for further details on these housing units.

The increase in Hayward's population, absent a corresponding increase in housing units, has caused rents and prices to rise as supply has failed to meet demand. Household incomes have not increased at the same rate as rents. As a result, approximately 57% of Hayward renters experience a cost burden - they spend over 30% of their household income on rent. This 30% figure is a typical threshold used to measure housing affordability. In Hayward during 2015, the most recent year for which American Community Survey data is available, approximately 91% of Very Low-Income renters paid over 30% of their incomes for rent, and 36% paid more than half of their incomes for rent.

While low income renters are the most impacted by rising rents and lack of available rental housing, all Hayward renters are experiencing the effects of a tight rental market. Because the City does not maintain a rent registry and there is no entity that monitors the price of rent for every unit in Hayward, there is no database that captures average rent for the entire rental market. However, according to RentJungle.com, the estimated average rent for all 1-bedrooms in Hayward has increased from \$1,511 in 2014 to \$2,012 in 2017, or 33%. Rent Jungle utilizes 80% of the active listings in the US to calculate rents. The Rental Housing Association (RHA) recommended the use of data points from Zumper.com, which provides that the median rent for a 1-bedroom unit has increased from \$1,495 in 2014 to \$1,916 in 2017, or 28%.

On January 31, 2017, the City Council convened a [work session to review housing affordability strategies and resources in Hayward and Alameda County](#). Council explored four major areas in depth, and directed staff to pursue five specific strategies for further Council review and potential implementation:

- Additional Study of the Residential Rent Stabilization Ordinance/Review of Housing Affordability Strategies
- Update and Revise the City's Ordinance Regulating Accessory Dwelling Units (ADUs)
- Explore Options to Create a New Housing Rehabilitation ADU Program
- Issue a NOFA/RFP for Affordable Rental Housing Development Projects
- Update and Revise the Affordable Housing Ordinance

To date, Council adopted an ordinance regulating Accessory Dwelling Units (ADUs) and the Affordable Housing Ordinance. The Council has also held a work session to provide preliminary direction on the NOFA/RFP for affordable housing projects. Further details and updates about these various housing-related strategies are included in Attachment III.

On June 12, 2017, [the City Council adopted the strategic initiatives two-year action plans](#), including a section on housing within the Complete Communities plan. In addition to

Council's January 31, 2017 recommended strategies, actions to execute the Complete Communities housing goal include the formation of interdisciplinary lean innovation teams to explore the viability and efficacy of City programs through empathy work and experimentation. One lean innovation team began exploring opportunities to leverage Community Development Block Grant (CDBG) funding to assist residents with Accessory Dwelling Unit (ADU) conversions and create more affordable housing in Hayward. An update on the work of this team will be presented to City Council on February 20, 2018. A second lean accelerator team is currently running an experiment to determine whether the City's website and City staff responses to live and online housing inquiries are being properly directed to more effectively assist residents looking for assistance. The results from this experiment will aid City staff in ensuring optimal service delivery. For reference, the details about what rental housing programs the City of Hayward offers is available at <https://www.hayward-ca.gov/residents/housing>.

## DISCUSSION

Over the last couple of months, a public engagement and outreach effort was launched to gain a better understanding of the housing affordability issues that tenants, landlords, property owners, and housing service providers face. Initial community meetings were held with landlords and tenants, one-on-one conversations with housing service providers and others were held, and an on-line survey was administered. The goal was to hear from tenants, landlords, service providers, and other Hayward community members to gain initial insights on the issue of rental housing and housing affordability from their respective perspectives. The on-line survey remains open and additional community meetings will be scheduled in February. Below is a summary of these public engagement efforts to date.

### Community Meeting: Tenants

On January 10, 2018, a community meeting with tenants was held at the La Familia Neighborhood Resource Center on Fuller Avenue. Thirty community members attended. The meeting included a short presentation from staff, small group discussion, and an opportunity for public comment.

Some attendees expressed a need for safe, affordable, and habitable housing, while others recognized good landlords in Hayward, stating that some of the frustrations expressed in the meeting were not targeted towards all Hayward landlords. Other attendees stated that, in some cases, there were some problem tenants who may contribute to negative relationships between landlords and tenants overall.

Tenants shared that rents are rising quickly and frequently, often without given reasons for the increase, and that income levels are not keeping up with the rent increases. Some participants shared that multiple families live in single units to deal with the affordability issue. Other tenants expressed their concerns about the quality of properties or unsafe housing conditions and a fear of reporting bad acting landlords. Several tenants complained about short notice periods and a need for predictability and stability of

housing, particularly for seniors, people with disabilities, and others on fixed or limited incomes. Many tenants stated that they did not know how to access resources in the event they faced a difficult rental housing situation. A few tenants articulated that even though they are educated and consider themselves to be middle income, they are spending a significant amount of money on rent. They therefore cannot save for a down payment and would like to access a First Time Homebuyer/Down Payment Assistance Program.

### Community Meeting: Landlords and Property Owners

On January 18, 2018, staff hosted a meeting with a group of landlords and property owners at City Hall. Twenty-five community members attended the meeting, where staff gave a short presentation and took a straw poll to understand the composition of the attendees and their experience with tenant protection measures. Small group discussions with time for public comments followed.

The landlords and realtors who attended the community meeting acknowledged that it is expensive to live in the Bay Area and pointed out that Hayward is a comparatively affordable place to live. Some attendees shared that the only solution to concerns about housing affordability was to increase the supply of housing until demand is met. Other attendees pointed out that demands on housing ebb along economic cycles, and during times of decreased demand, it was difficult to attract and retain good tenants.

Attendees recommended that the City not only take the lead on ensuring that affordable housing developments occur, but also that developments of all types of housing increase. Many landlords and realtors articulated that the City policies on rental housing need to consider a multi-faceted approach for different sized landlords (i.e. mom-and-pop vs. corporations). These stakeholders also pointed out that an information gap exists among landlords and realtors, as well as between landlords and tenants which ultimately results in conflict. Attendees expressed gratitude to Eden Council for Hope and Opportunity (ECHO) for the mediation services they provide to tenants and landlords. Several participants stated that the Rental Housing Association (RHA) is actively engaged in peer counseling among its membership but not all landlords or realtors participate in that organization, that those new to the City may not be familiar with either the organization or the program, and that these types of mediation services are beneficial to both landlord and tenants.

### Conversations with Community Based Organizations and Policy Advocates

One-on-one conversations were held with representatives from housing policy and advocacy groups. Among them were representatives from Abode Services, Community Resources for Independent Living (CRIL), EveryOne Home, East Bay Housing Organizations (EBHO), and PolicyLink.

The representatives from these groups acknowledged that Hayward is unique because many landlords come from a working class background and share similar backgrounds and experiences as renters. This common ground engenders a willingness for landlords and

tenants to work together to solve problems. Common concerns expressed by this group included the assertion that only a small portion of landlords are willing to accept subsidized housing vouchers, and that increases in rent are disproportionately impacting seniors and disabled people. Also, the group observed that long-term Hayward residents are being displaced by people from other parts of the Bay Area, which is leading to a cultural shift in the community.

Recommendations from this group included increasing housing production and providing additional resources to assist with mediation between tenants and landlords. Some representatives expressed an interest in inclusionary zoning, a housing trust fund, or Just-Cause provisions for all tenants. Several people recommended a rental assistance program, or “flex funds” - a pool of unrestricted funds available to assist tenants with mitigating unexpected financial impacts.

### Online Survey

The [online survey](#) launched on January 23, 2018 in English and in Spanish. The survey was advertised through the City’s website, social media channel, and mailing lists. As of January 30, 2018, 400 unique responses to the survey were submitted. Of the survey respondents, 85% reported that they are residents of Hayward. Homeowners accounted for approximately 43% of survey responses, while 42% of responses were from tenants and the remaining 15% were from landlords. Attachment IV shows the approximate geographic locations of the survey respondents, in person respondents, and attendees at community meetings.

When asked about the most pressing issues facing tenants and landlords in Hayward and what options the City should consider to address these issues for each group, the most common responses from landlords included:

- The most pressing issues facing Hayward renters are the availability of rental units and high rents;
- The most pressing issues facing Hayward landlords are rising expenses, regulations, and finding responsible tenants;
- City government should consider making new developments easier, making it easier to add additional housing units to existing developments, and providing subsidies to help tenants impacted by the housing crisis, and
- City government should consider allowing garage conversions, provide legal assistance to landlords, and not implement rent control.

The most common responses from tenants were:

- The most pressing issues facing Hayward renters are high rents, rising rent costs, and availability of affordable rental units;
- The most pressing issues facing Hayward landlords (as identified by tenants) are finding responsible tenants and keeping up with or affording repairs and maintenance;

- City government should consider rent control/limiting rent increases and developing affordable housing to help tenants; and
- City government should consider providing support for problems with tenants and tax breaks or incentives to support landlords.

The most common responses from Hayward homeowners were:

- The most pressing issues facing Hayward renters (as identified by homeowners) are limited availability and high cost of rental housing;
- The most pressing issues facing Hayward landlords (as identified by homeowners) are finding responsible tenants and keeping up with or affording repairs and maintenance;
- City government should consider building more affordable housing and rent control to help tenants; and
- City government should consider assisting landlords with tenant screening and making it easier to evict problem tenants and providing subsidies for repairs and maintenance.

The survey remains open and is available to the public online. Additionally, English and Spanish paper copies of the survey are available at City Hall, the Main and Weekes Branch libraries, and community centers throughout the City.

The public engagement and outreach effort which includes community meetings, one-on-one conversations, and surveys as detailed above will continue over the next several months to gain insight on the issues stakeholders experience related to rental housing. As mentioned previously, the on-line survey will remain open through the end of March and additional community meetings will be held in February.

### Information from Other Jurisdictions

Attachment V outlines several policies and programs, some also listed below, that have been implemented in Alameda County cities and other cities throughout the Bay Area. It is worth noting that while other jurisdictions have implemented a variety of policies intended to maintain or improve the affordability of rental housing, every jurisdiction is experiencing a significant increase in the price of rental housing and considering how to address the impacts of that increase.

The housing shortage and affordability crisis in the Bay Area is complex, and there is no single solution. Policy options may include a combination of supply-side interventions to provide more housing, regulatory policies that place requirements on landlords and tenants, and programs that provide additional information and resources to landlords and tenants.

## Supply-Side Interventions

In the long term, building more housing is essential to address the affordability and availability of housing. The City can help support the development of additional housing by:

- **Creating incentives for developing affordable housing, including developing new units on existing multifamily properties.** Some of these incentives could include exemption from prohibitive regulations, such as parking requirements.
- **Streamlining the development process wherever possible.** This option would entail auditing the City's role in the development process to identify opportunities to eliminate barriers or major delays to new developments. Those aspects of the development process that are beyond City control would not be altered by this option.
- **Expediting the plan check and permitting process.** An expedited plan check and permitting process typically entails charging a fee for faster review and processing of development applications. The Development Services Department recently ended expedited processing in the Building Division due to a lack of sufficient staffing to meet expedited deadlines. Some jurisdictions use a third-party contractor to review expedited applications. The City could consider expediting plan check and permitting for new housing units without charging a fee.
- **Developing more affordable housing.** The City can, and does, use funds collected from affordable housing impact fees and federal and local grants to purchase housing complexes or to develop new units for the provision of affordable housing. Due to current market conditions, the cost per unit limits the number of units the City can construct. However, City resources can be extended by supporting projects that leverage funding from other sources such as California Tax Credits, Affordable Housing and Sustainable Communities Program and the Alameda County Measure A1 General Obligation Bond. Alameda County Measure A1 bond funds will provide Hayward affordable housing projects with an additional \$18 million in funding from Hayward's base allocation, access to an additional \$33.5 million from the Mid County regional pool, and access to \$25 million for homeownership developments countywide. However, to be eligible for Alameda County Measure A1 Bond funds, rental projects must receive matching funds from local jurisdictions. In addition to subsidizing the development of newly constructed affordable housing, there are alternative or innovative options to consider that convert underutilized properties into affordable housing, e.g. support for development of accessory dwelling units, purchase of tax-defaulted homes, and others.
- **Supporting legislative effort to address the housing shortage.** In alignment with the City's legislative program, staff could work with local representatives to advance state legislation that encourages, finances, or otherwise supports new housing.

## Regulatory Policies

Regulations requiring or limiting specific actions from landlords or tenants can address some of the concerns staff heard around uncertainty, miscommunication, and “bad actors” in the landlord and tenant groups. Regulatory policy options include:

- **Extended noticing periods.** Extended noticing periods would lengthen the period between noticing tenants of a rent increase and the date the increase would take effect, allowing tenants more time to plan for or adjust to the increase.
- **Rent stabilization/rent control.** Rent control sets a ceiling on the amount by which rent may be increased on an annual basis and outlines specific exceptions to this rule. The extent to which rent control ordinances restrict rent increases varies from ordinance to ordinance, but state law places restrictions on the age and types of housing that may be subject to rent control. Many rent control ordinances passed in other jurisdictions include the other regulatory policies outlined in this section.
- **Mandatory mediation/rent review.** For rent increases above a certain threshold, tenants can request mediation, which requires landlords and tenants to confer with a third-party mediator to negotiate an increase that is workable for both parties.
- **Anti-harassment policies.** Anti-harassment policies explicitly bar landlords from harassing tenants with the goal of causing them to waive their rights or vacate the property. Typically, these policies prohibit actions like using force, making threats, interrupting or discontinuing essential services, and filing baseless or frivolous lawsuits.
- **Relocation assistance.** If a tenancy is terminated by the landlord and/or rent is raised above a predetermined threshold, tenants may receive relocation assistance to help cover the costs of finding new housing. Some programs provide additional funding for households with seniors, persons with disabilities, or children under 18. Relocation assistance is usually not available for tenants whose tenancy is terminated for cause, such as non-payment of rent or breaking the terms of the lease, or in cases of a tenant’s illegal activity, renovations, or an uninhabitable property.
- **Just Cause evictions.** Just cause eviction regulations require that landlords have a specific justified reason – i.e., other than raising rents – to evict tenants and provide a list of acceptable reasons or “just causes” for eviction. Common acceptable reasons include failure to pay rent, breach of rental agreement, or damage to the rental property, among many others.
- **Rent ombudsperson.** For rent increases above a certain threshold, landlords would be required to provide a single point of contact for tenants to ask questions and be connected with resources to help resolve the challenges they face because of the increase.

## Programs

Another option for addressing rental housing issues is providing services to mitigate the impacts of increased rents on existing tenants.

- **Rent gap payment assistance program.** A rent gap payment assistance program would provide short term financial assistance to tenants who face temporary hardship situations to prevent them from losing their housing.
- **Improved information sharing for both tenants and landlords.** The City could audit and improve current service provision and information sharing to ensure access to information about regulations and available services for both tenants and landlords.
- **First-time homebuyer down payment assistance program.** A down payment assistance program would provide Hayward residents who are first-time home buyers with funding toward a down payment on a home in Hayward.

## Policy Options

Based on the feedback received from renters, landlords, and housing service providers and advocates, staff recommends further analysis of and Council feedback on the policy options listed below. A draft work plan and timeline based on staff capacity and the demands of developing recommendations for each of these options is included in Attachment VI.

### Short Term Options

#### Improving the City's Role in Providing Information

May 2018

Staff will explore opportunities for the City to provide better information to landlords and tenants and connect them to appropriate resources and services. Staff heard from tenants that they have difficulty knowing who to contact in the City about their rental housing issues, and from landlords that information gaps exist among landlords and between landlords and tenants. A lean innovation team is currently running experiments around the City's service provision and will be prepared to report out on the work they have done in May 2018.

#### Mandatory mediation and rent review

June 2018

Staff will explore providing more robust or mandatory mediation between tenants and landlords in the event of rent increases or other conflicts. Mandatory mediation and rent review address tenant concerns about predictability and communication around rent increases while allowing landlords to increase rents as necessary. Staff will evaluate programs in nearby jurisdictions, explore mediation providers, and return to Council with recommendations for a mediation program in June 2018 if directed to pursue this policy option.



### Longer Noticing Periods

June 2018

If directed to do so, staff will explore the efficacy of requiring longer noticing periods for rent increases by researching noticing periods in other jurisdictions and conducting empathy interviews with Hayward tenants and landlords to better understand their needs. Staff would return to Council with recommendations in June 2018.

### First Time Home Buyer Program

June 2018

Staff will explore a First Time Home Buyer Down Payment Assistance Program for moderate-income households, including identifying funding sources and researching programs in other jurisdictions. A First Time Home Buyer program would address concerns heard in the tenant meeting and expressed by survey respondents and could alleviate demand on the rental market. At Council's direction, staff would plan to present a report in June 2018.

### Long Term Options

#### Strengthening Rental Inspection Program

September 2018

Staff will prepare an analysis of the City's rental housing inspection program, conduct empathy interviews with landlords, tenants, and City staff, and identify recommendations for and costs associated with strengthening the program. Strengthening the program would address concerns expressed by tenants and survey respondents about the variations in quality of rental housing stock in Hayward. If directed to do so, staff will return to Council with an analysis and recommendations in September 2018.

#### Reduce Barriers to Affordable/Efficient Entitlement of New Development

September 2018

Staff will explore a menu of long-term policy options that range from expediting approval processes, evaluating fees, policies, and standards, and incentivizing certain types of developments. If directed to do so, staff will return to Council with a proposal of options to solicit feedback, and an updated timeline in September 2018.

#### Rent Gap Assistance Program

December 2018

Staff plans to: explore a program structure along with criteria for eligibility; identify funding sources; and develop options for program administration. A rent gap assistance program would address landlords' and tenants' stated concerns about the impact of emergent life events on a tenant's ability to pay rent. Due to the potential complexity and novelty of this program, staff anticipates being prepared to return to Council in December 2018 if directed to do so.

## STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play for all. This item supports the following goal and objectives:

- Goal 2: Provide a mix of housing stock for all Hayward residents and community members, including the expansion of affordable housing opportunities and resources
- Objective 1: Centralize and expand housing services.
  - Objective 2: Facilitate the development of diverse housing types that serve the needs of all populations.
  - Objective 3: Conserve and improve the existing housing stock.
  - Objective 4: Increase supply of affordable, safe, and resilient housing Hayward

## FISCAL IMPACT

There is no fiscal impact associated with the discussion of this item. However, the fiscal impacts of each policy option will vary and be determined by the direction provided by Council. Staff will return with the fiscal analysis of any policy options Council directs staff to further research.

## NEXT STEPS

City staff will take the direction provided by Council and return according to the timelines outlined above with analysis of fully developed program options and additional feedback from the Hayward community. As mentioned, City staff will be reaching out individually to survey respondents who provided feedback to do further empathetic listening. The next conversation with Hayward community members is scheduled on February 26, from 6-8pm at the Matt Jimenez Center in South Hayward. Additional meetings will likely be scheduled with landlords and other stakeholders.

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Recommended by: Maria A. Hurtado, Assistant City Manager

Approved by:



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Kelly McAdoo, City Manager

## Hayward Housing Developments in the Pipeline

Below is a listing of Hayward [housing developments in the Pipeline as shared with Council on 11/7/2017](#) during the public hearing on the introduction of amendments to the Affordable Housing Ordinance and Adoption of In-Lieu Fees.

Homeownership		
Project	# Units	Type of Units
Clay Street	2	SFR
Muir Street	4	SFR
4th and B Street	41	SFR
Mission Seniors	200	MFR Condos
Mission Seniors	3	SFR
Jackson Street Condos*	40	MFR Condos
Hesperian	13	SFR
C Street	3	MFR
Sohay*	447	MFR Condos
Cavallo Highlands	20	SFR
Vagabond	8	SFR
Filbert	3	MFR
Smalley	8	MFR Condos
Haymont*	35	MFR Condos
Ersted Property	59	SFR
Mission Paradise Redux	76	MFR Condos
Rental Housing		
Mission Blvd.	25	MFR Apartments
Campways	97	MFR Apartments
Haymont*	39	MFR Apartments

\* These developments are providing Affordable Units On-Site to comply with the Affordable Housing Ordinance

## Potential Housing Developments that may be Eligible for A1 Funding

Below is a [summary of potential housing developments that may be Eligible for A1 Funding as shared with Council on December 12, 2017](#) during the work session to review Alameda County Measure A1 Affordable Housing Bond Timeline and Process.

Homeownership		
Habitat for Humanity - Sequoia Grove (A & Walnut)	10 Unit Single-Family Townhomes	Low income families (workforce)
Habitat for Humanity - West Harder Rd. & I-92	22 Unit Single-Family Townhomes	Low income families (workforce)
Rental Housing		
Allied Housing - 2595 Depot Rd.	63 Units (Micro Studio Apartments)	Low-income, individuals, homeless, veterans
Meta Housing - 29797 to 29553 on Mission Blvd.	78 Units (1, 2, & 3 Bedroom Apartments)	Low-income individuals, homeless, veterans
MidPen Housing - 29831 Clear Brook Circle	60 Units (1 Bedroom Apartments)	Seniors
Bridge Housing - 24985 Hesperian Blvd.	159 Units (1 and 2 Bedroom Apartments)	Families

**HOUSING-RELATED STRATEGIES  
STATUS UPDATE AND NEXT STEPS\***  
**2/6/2018**

\*Updated from 10/17/2017 City Council Work Session

STRATEGY	ACTIONS TO DATE	NEXT STEPS	TIMELINE
1. Additional Study of the Residential Rent Stabilization Ordinance	<ul style="list-style-type: none"> <li>• Focus on increasing education and outreach activities designed to connect tenants to existing programs such as tenant-landlord mediation services.</li> <li>• Council approved two staff positions; created a dedicated Housing Division effective July 1, 2017.</li> <li>• 10/1/17: Administration of the City's rent review programs including the rent stabilization ordinance was transferred from the City Attorney Office to the Housing Division.</li> <li>• 10/1/17: Recruitment process for Housing Manager position began with an estimated hiring date of Dec./Jan.</li> <li>• 1/25/18: New Housing Manager position filled</li> <li>• 2/6/18: Solicit feedback and direction from City Council on anti-displacement options</li> <li>• Research on anti-displacement strategies began, including considerations of revisions to the rent stabilization ordinance.</li> <li>• Community engagement with landlords and tenants around anti-displacement strategies, including considerations for revisions to the rent stabilization ordinance is ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued community engagement on potential scope of revision to rent stabilization ordinance or alternative options</li> </ul>	February 2018
2. Update and Revise the City's Ordinance Regulating Accessory Dwelling Units (ADU's)	<ul style="list-style-type: none"> <li>• Council convened a <a href="#">work session on March 14, 2017</a> to review potential changes to the ADU Ordinance.</li> <li>• Staff, in summer 2017, undertook a study and analysis of the State laws, effective and upcoming, to determine which provisions and development standards are compatible and consistent with Council direction, community interests, concerns, applicable neighborhood plans, and the Hayward 2040 General Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete</li> </ul>	October 17, 2017

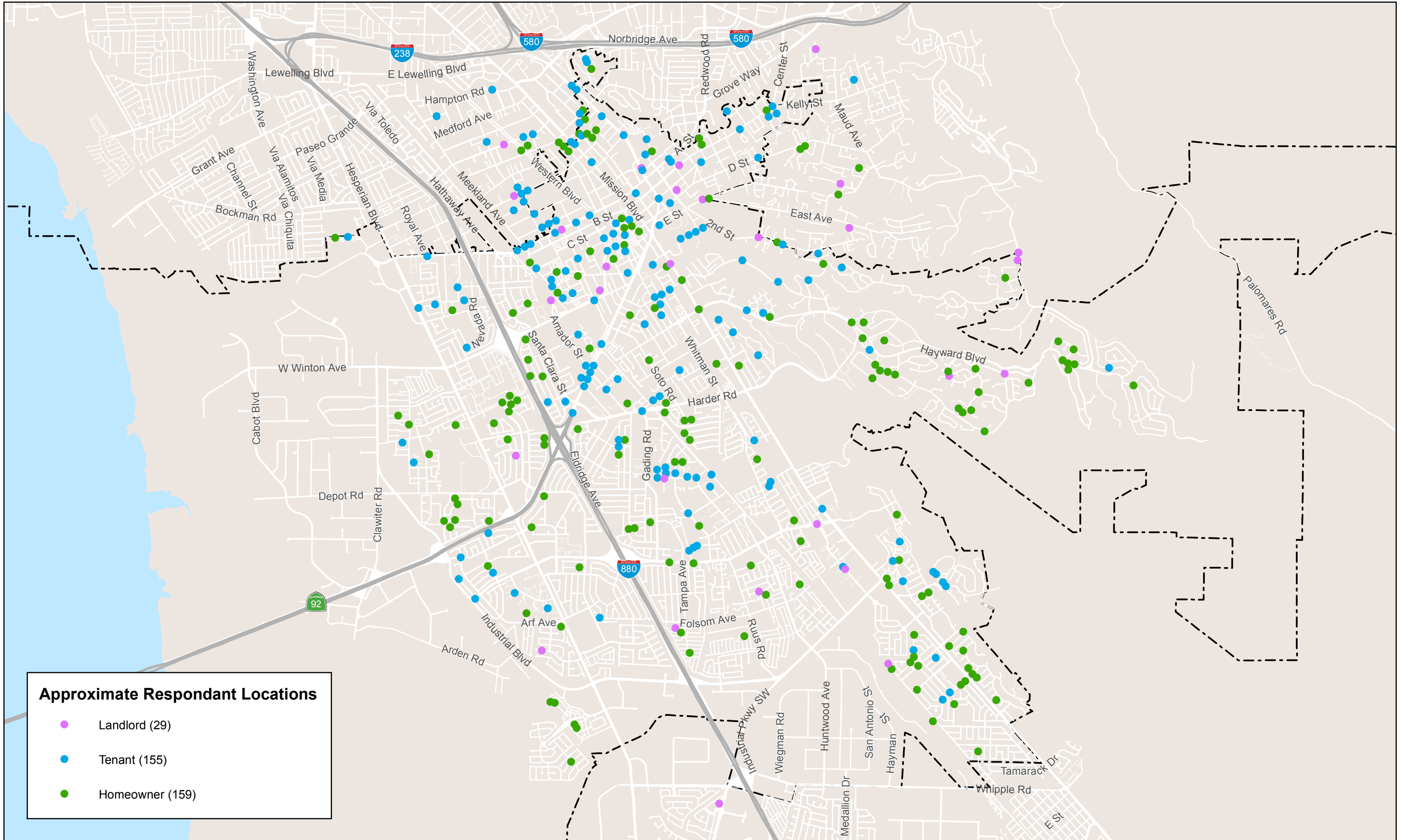
STRATEGY	ACTIONS TO DATE	NEXT STEPS	TIMELINE
<p>2. Update and Revise the City's Ordinance Regulating Accessory Dwelling Units (ADU's) (continued)</p>	<ul style="list-style-type: none"> <li>• Staff conducted outreach to obtain data and interest to draft an ADU Ordinance that is consistent with the Council policies and documents, while remaining in compliance with established statutes.</li> <li>• The Hayward Empathy Action Response Team (HEART) was responsible for communicating with the public, creating surveys, gathering data, and generating reports to determine stakeholder concerns and feedback that can be used to develop an ordinance for Planning Commission and City Council review.</li> <li>• 10/17/17: Zoning text amendment to regulations related to ADUs reviewed and approved by Council.</li> </ul>		
<p>3. Explore Options to Create a New Housing Rehabilitation ADU Program</p>	<ul style="list-style-type: none"> <li>• On July 18, 2017, Council authorized the reallocation of \$150,000 of CDBG funding over two years to expand the City's housing rehabilitation program to include targeted ADU code corrections for income-eligible senior homeowners in the Tennyson Corridor.</li> <li>• In accordance with new state regulations and HUD approved eligibility standards, staff has developed program loans to eligible senior or disabled residents to convert their existing non-conforming garage conversions into code compliant accessory housing units.</li> <li>• An interdisciplinary staff team formed to evaluate potential customers and viability of the program. The team learned that residents who meet eligibility requirements weren't interested in conversions, and residents interested in conversions, tended to not meet eligibility requirements. Moving forward, the team is reaching out to residents who have expressed interest in ADU conversions to learn how the City can help them move forward in the process.</li> <li>• A work session on the program's progress and outcomes is tentatively scheduled for Council review in February 2018.</li> </ul>	<ul style="list-style-type: none"> <li>• Work session planned to Review the Housing Rehabilitation ADU Program's Progress and Outcomes</li> </ul>	<p>February 20, 2018</p>
<p>4. Issue NOFA/RFP for Affordable Rental Housing</p>	<ul style="list-style-type: none"> <li>• On January 31, 2017, Council directed staff to issue a Notice of Funding Availability (NOFA) and/or a Request for Proposals (RFP) to solicit Measure A1 project proposals for affordable housing developments that advance Council priorities and the Housing Element policies related to permanent affordable rental housing development.</li> </ul>	<ul style="list-style-type: none"> <li>• Work Session scheduled to Review draft NOFA/RFP for Measure A1 funds in Hayward</li> </ul>	<p>April 2018</p>

STRATEGY	ACTIONS TO DATE	NEXT STEPS	TIMELINE
Development Projects	<ul style="list-style-type: none"> <li>• Staff is developing that the NOFA/RFP consistent with Council’s direction to emphasize proposals that “...focus on rental housing affordable to lower-income households with special needs (e.g., seniors, extremely low-income households, and persons with disabilities, including developmental disabilities), especially projects that promote the City’s goals relating to transit-oriented development and jobs/housing balance” and, to the extent funding from Measure A1 funding for transitional housing is available, on projects for development of “...emergency shelters, and transitional and supportive housing programs for the homeless and those who are at risk of becoming homeless.”</li> <li>• Staff has been working in close coordination with the County of Alameda, which administers Measure A1 funding, throughout 2017 to help develop the Measure A1 program implementation criteria. Issuance of the first round of bonds by the County for affordable rental housing development is anticipated in March 2018.</li> <li>• 12/12/17: Council reviewed prospective Measure A1 affordable rental housing projects in Hayward and provided direction to staff on parameters for NOFA/RFP</li> </ul>	<ul style="list-style-type: none"> <li>• City to work with four rental housing developers on application for the A1 competitive regional pool funds</li> </ul>	March 2018
5. Update and Revise the Affordable Housing Ordinance (AHO)	<ul style="list-style-type: none"> <li>• On January 31, 2017, Council directed staff to explore options for revising the AHO to potentially increase its requirements, and directed staff to commission a Nexus Study to inform potential amendments to the AHO.</li> <li>• Staff engaged the services of professional firm Keyser Marston Associates in July 2017, and worked closely with multiple community stakeholders to develop the Study.</li> <li>• 10/17/17: Council reviewed Residential Nexus and Financial Feasibility Analysis and Affordable Housing Ordinance</li> <li>• 11/7/17: Public hearing held to introduce amendments to Affordable Housing Ordinance and adoption of in-lieu fees</li> <li>• 11/28/17: Council adopted AHO fee updates and the amendments to the AHO.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete</li> </ul>	11/28/17



# Public Engagement on Rental Housing Challenges in Hayward

0 0.25 0.5 1 Miles





# TENANT PROTECTIONS IN ALAMEDA COUNTY

City	No Protections	Mobile Home Rent Stabilization/ Control	Mediation/ Rent Review	Rent Stabilization/ Control	Landlord-Tenant Relations (only)
Hayward		X	X	X	
Alameda County		X			
Alameda				X	
Berkeley				X	
Dublin	X				
Emeryville					X
Fremont		X	X		
Livermore	X				
Newark	X				
Oakland				X	
Pleasanton		X			
San Leandro			X		
Union City		X	X		

# RENT STABILIZATION IN ALAMEDA COUNTY

City	Eligible Units	# of Rent Controlled Units	Allowed Rent Increases
City of Alameda	Pre-1995 MF properties	11,870	5% or more, required to initiate binding mediation
Berkeley	MF built before 6/30/1980	27,000	65% of the percent change in CPI
Hayward	Pre-1995 5+ unit properties	1,000	5% of existing rent
Oakland	MF built before 1/1/1983	79,000	1 increase in 12m based on annual increase in CPI

# RENT STABILIZATION IN OTHER BAY AREA CITIES

City	Eligible Units	# of Rent Controlled Units	Allowed Rent Increases
East Palo Alto	MF built before 1/1/1988	2,325	80% of the percent change in CPI
Los Gatos	Pre-1995 3+ unit properties	3,000	70% of the percent change in CPI or 5% (whichever is greater)
Mountain View	MF built before 2/1/1995	12,870	Max rent increase = % increase in CPI, 2-5%
San Francisco	MF built before 6/13/1979	170,000	60% of the percent change in CPI
San Jose	MF built before 9/7/1979	43,000	5% of existing rent

# OTHER RENT ORDINANCE COMPONENTS

City	Eviction Protection	Harassment Protection	Rent Registration	Adjustment Banking	Pass-Through	Relocation Assistance
Alameda	X		X			X
Berkeley	X	X	X	X	X	X
Hayward	X		X	X	X	
Oakland	X	X	X	X	X	
East Palo Alto	X		X	X		
Los Gatos				X	X	
San Francisco	X	X	X	X	X	
San Jose	X			X	X	

# MEDIATION/RENT REVIEW

Jurisdiction	Eligible Units	Rent Increase Threshold	Reviewing Body
Alameda County	3+ unit properties	More than 10%; <u>or</u> Increase greater than \$75; <u>or</u> More than one increase in a year	Rent Review Officer
Fremont	All rentals	5% or more w/in 12 mos	Rent Review Board
San Leandro	2+ unit properties	7% or more; <u>or</u> More than one increase w/in 12 mos	Rent Review Board

# *JUST CAUSE EVICTIONS*

Berkeley, Emeryville, and Oakland  
All rental units

## Examples of Legal Reasons to Evict

- Failure to pay rent
- Violation of terms of rental agreement
- Fixed term expires and tenant refuses to sign new lease
- Disturbance of peace
- Repeated denial of entry
- Landlord required to correct code violations
- Owner with 50% or more ownership moves in
- Failure to sign identical lease

# TENANT RELOCATION ASSISTANCE

City	Policy Features
Alameda	Tenancy is terminated for no cause, owner move-in, demolition, capital improvement plan, withdrawal from the rental market
Berkeley	Owner move in requires relocation assistance to tenant, with additional payment for a tenant who is elderly, disabled, low-income, a minor child, or resided in the unit since before 1/1/99
Emeryville	Distinction between small and large landlords (large landlords can request exemption)
Oakland	Financial assistance for renters displaced by certain types of no-fault evictions (e.g. Landlord move in or condo conversion)
San Leandro	In event landlord caused termination and for elderly and/or individuals with disabilities.

# COMPARABLE NEIGHBORING JURISDICTIONS

City	Applicability	Tenant Protection Policies
Emeryville	Applies to All Rental Units (3,973)	<ul style="list-style-type: none"><li>• Relocation Assistance</li><li>• Anti-Harassment Policies</li><li>• Limited opportunities for tenant buy-out</li></ul>
Fremont	Applies to All Rental Units (28,000)	<ul style="list-style-type: none"><li>• Rent Review Board if rent increase in excess of 5% in 12m</li><li>• Rent Review Board Offers Non-Binding Recommendations</li><li>• Landlord retaliation prohibited</li></ul>
San Leandro	Applies to Rental Properties with 2+ Units (10,275)	<ul style="list-style-type: none"><li>• Rent Review Board if rent increase of 7% OR &gt;1 increase in 12m</li><li>• Rent Review Board Offers Non-Binding Recommendations</li><li>• Tenant Relocation Assistance</li><li>• Rent Increase Notices in 3 Languages Requirement</li><li>• Landlord retaliation prohibited</li></ul>



## Work Plan for Short and Long-Term Options Addressing Rental Challenges

Short Term Options		
Option	Next Steps	Timeline
Mediation	<p>Explore providing robust mediation to improve communication between landlords and tenants including exploring mandatory mediation</p> <ul style="list-style-type: none"> <li>• Evaluate programs in nearby jurisdictions</li> <li>• Explore mediation providers</li> <li>• If the study reveals a need for mandatory mediation, return to Council for approval of ordinance implementing a mandatory mediation policy</li> </ul>	<ul style="list-style-type: none"> <li>• February 2018</li> <li>• March 2018</li> <li>• June 2018</li> </ul>
Improving the City's Role in Providing Information	<p>Explore improving the City's role in providing information to landlords and tenants, and connecting them with appropriate services.</p> <ul style="list-style-type: none"> <li>• Complete Lean Innovation Accelerator Work</li> <li>• Evaluate service delivery role by City</li> </ul>	<ul style="list-style-type: none"> <li>• February 2018</li> <li>• May 2018</li> </ul>
Longer Noticing Periods	<p>Develop longer noticing periods for rent increases</p> <ul style="list-style-type: none"> <li>• Engage in community outreach to solicit feedback</li> <li>• Return to Council for approval of ordinance implementing a longer noticing periods</li> </ul>	<ul style="list-style-type: none"> <li>• March 2018</li> <li>• June 2018</li> </ul>
Explore a First Time Home Buyer Program	<p>Explore a First Time Home Buyer Down Payment Assistance Program for moderate-income households</p> <ul style="list-style-type: none"> <li>• Identify funding sources</li> <li>• Return to Council with a proposal to implement the program</li> </ul>	<ul style="list-style-type: none"> <li>• April 2018</li> <li>• June 2018</li> </ul>

Long Term Options		
Option	Next Steps	Timeline
Explore Rent Gap Assistance Program	<p>Create a pool of unrestricted funds available to assist tenants temporarily with rent payments in instances of critical life events</p> <ul style="list-style-type: none"> <li>• Identify funding sources</li> <li>• Create funding criteria</li> <li>• Identify administer of funding</li> </ul>	<ul style="list-style-type: none"> <li>• May 2018</li> <li>• September 2018</li> <li>• December 2018</li> </ul>
Evaluate Strengthening Rental Inspection Program	<p>Rental properties are inspected for interior/exterior code violations and are issued corrective notices for compliance</p> <ul style="list-style-type: none"> <li>• Engage in community outreach to solicit feedback</li> <li>• Evaluate the cost implications of strengthening this program</li> <li>• Strengthen the program</li> </ul>	<ul style="list-style-type: none"> <li>• April 2018</li> <li>• June 2018</li> <li>• September 2018</li> </ul>
Explore Opportunities to Reduce Barriers to Affordable and Efficient Entitlement of New Development	<ul style="list-style-type: none"> <li>• Explore a menu of options that range from expedition of processes, an evaluation of fees, policies, and standards, and incentivizing certain developments</li> <li>• Return to Council with a proposal of options to solicit feedback, and an updated timeline</li> </ul>	<ul style="list-style-type: none"> <li>• July 2018</li> <li>• September 2018</li> </ul>