



CITY COUNCIL MEETING

777 B Street, Hayward, CA 94541

Council Chambers

<https://hayward.zoom.us/j/82177563408?pwd=4jBQg8c6j0JblZlGJUjBGnAtH7JWtm.1>

Tuesday, February 25, 2025, 7:00 p.m.

The City Council meeting was called to order by Mayor Salinas at 7:10 p.m. in the Council Chambers.

Pledge of Allegiance: Council Member Bonilla Jr.

ROLL CALL

Present: COUNCIL MEMBERS Andrews, Bonilla Jr., Goldstein, Roche, Syrop, Zermeño
MAYOR Salinas
Absent: NONE

PUBLIC COMMENTS

There were none.

CITY MANAGER'S COMMENTS

There were none.

CONSENT

Consent Items 2 and 4 were removed from the Consent Calendar for public comment.

1. Adopt a Resolution Authorizing the City Manager to Amend the Fiscal Year 2025 Agreement with Habitat for Humanity of the East Bay/Silicon Valley, Inc. to Increase the Award by \$53,817 for a Not-to-Exceed Amount of \$228,817 **CONS 25-048**

Staff report submitted by Assistant City Manager Youngblood, dated February 25, 2025, was filed.

It was moved by Council Member Goldstein, seconded by Council Member Syrop, and carried unanimously, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrew, Bonilla Jr., Goldstein, Roche,
Syrop, Zermeño
MAYOR Salinas
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 25-020, "Resolution Authorizing the City Manager to Amend the Fiscal Year 2024-25 Agreement with Habitat for Humanity East Bay/Silicon Valley, Inc. for Services in Connection with Community Development Block Grant by \$53,817 for a Not-To- Exceed Amount of \$228,817"

2. Adopt a Resolution Approving Plans and Specifications and Call for Bids for the FY 25 Pavement Improvement Project, Project No. 05338 **CONS 25-049**

Staff report submitted by Public Works Director Ameri, dated February 25, 2025, was filed.

Robert Stevens, Hayward resident, expressed enthusiasm for the proposed street improvements but raised concerns about proposed changes to Hayward Boulevard; emphasized the importance of transparency, community engagement, and clearly defining project objectives; and stated he looked forward to discussing potential modifications with City staff at the February 26 Council Infrastructure and Airport Committee meeting.

It was moved by Council Member Roche, seconded by Council Member Andrews, and carried unanimously, to adopt the resolution.

AYES:	COUNCIL MEMBERS Andrew, Bonilla Jr., Goldstein, Roche, Syrop, Zermeno MAYOR Salinas
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 25-024, "Resolution Approving Plans and Specifications for the FY25 Pavement Improvement Project, Project No. 05338 and Call for Bids"

3. Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 4 to the Agreement with Workforce Integrity and Training Solutions, LLC for Labor Compliance Coordination Services in the Amount of \$200,000, for a Total Not-To-Exceed Amount of \$572,000, and for Extension of the Agreement to December 31, 2027 **CONS 25-050**

Staff report submitted by Public Works Director Ameri, dated February 25, 2025, was filed.

It was moved by Council Member Goldstein, seconded by Council Member Syrop, and carried unanimously, to adopt the resolution.



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AYES: COUNCIL MEMBERS Andrew, Bonilla Jr., Goldstein, Roche,
Syrop, Zermeño
MAYOR Salinas

NOES: None

ABSENT: None

ABSTAIN: None

Resolution 25-021, "Resolution Authorizing the City Manager to Execute Amendment No. 4 to the Agreement with Workforce Integrity and Training Solutions, LLC for Labor Compliance Coordination Services in the Amount of \$200,000 for a Total Not-To-Exceed Amount of \$572,000 and Extending the Agreement to December 31, 2027"

4. Adopt a Resolution Approving the Final Map for Tract 8427, a Residential Subdivision at 22626 4th Street (Assessor's Parcel Numbers 427-0036-033-05, 427-0036-033-06, 427-0036-055-20 through 427-0036-055-25, & 427-0036-085-01), to Allow the Construction of Forty (40) Detached Single-Family Residences with Common Open Space Areas and Related Site Improvements; Accepting Easements and Rights-of-Way Dedicated for Public Use; and Authorizing the City Manager to Execute a Subdivision Agreement; and Finding that the Action is Exempt from CEQA Review. Applicant/Owner: J Darwin Homes LLC, Application Nos. 201704074 and MTA-24-0004 **CONS 25-052**

Staff report submitted by Development Services Director Buizer, dated February 25, 2025, was filed.

Ro Aguilar expressed concerns that the proposed housing development does not address Hayward's current need for affordable housing; and suggested that a revision of the Housing Code could create housing development for multiple income groups and designated as an inclusive planned development zone which would foster integration of income classes and ethnic groups.

Council Member Syrop emphasized that the proposed development would revitalize a neglected lot, enhance neighborhood safety, and contribute to population and tax base growth; and acknowledged Ms. Aguilar's comment affirming the importance of incorporating inclusionary housing in future strategic planning.

It was moved by Council Member Goldstein, seconded by Council Member Syrop, and carried unanimously, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrew, Bonilla Jr., Goldstein, Roche,
Syrop, Zermelo
MAYOR Salinas
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 25-022, "Resolution Approving the Final Map of Tract 8472, Accepting the Easements and Chestnut Drive Right of Way Dedicated Thereon for Public Use and Authorizing the City Manager to Negotiate and Execute the Subdivision Improvement Agreement and Related Other Documents; and Finding that the Action is Exempt from CEQA Review"

5. Adopt a Resolution Amending Resolution Number 24-149 to Authorize the City Manager to Negotiate and Execute a Professional Services Agreement with the Presbytery of San Francisco as the Fiscal Sponsor and Agent for First Presbyterian Church of Hayward to Operate the Year-Round Shelter at South Hayward Parish for Fiscal Year 2024-2025 for a Not-to-Exceed Amount of \$447,621 **CONS 25-054**

Staff report submitted by Assistant City Manager Youngblood, dated February 25, 2025, was filed.

It was moved by Council Member Goldstein, seconded by Council Member Syrop, and carried unanimously, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrew, Bonilla Jr., Goldstein, Roche,
Syrop, Zermelo
MAYOR Salinas
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 25-023, "Resolution Amending Resolution 24-149 to Authorize the City Manager to Negotiate and Execute a Professional Services Agreement with the Presbytery of San Francisco to Serve as the Fiscal Sponsor for First Presbyterian Church of Hayward to Operate the Year-Round Shelter at South Hayward Parish for Fiscal Year 2024-2025 For a Not-To-Exceed Amount of \$447,621"



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LEGISLATIVE BUSINESS

6. 2025 Wastewater Revenue Bonds: Adopt Resolutions Authorizing the Issuance and Sale of Wastewater Revenue Bonds in the Maximum Principal Amount of \$135,000,000 to Finance Capital Improvements to the Wastewater System, Including the Water Resources Recovery Facility Improvements, and Approving Related Agreements and Actions (Report from Public Works Director Ameri and Interim Finance Director Youngblood) **LB 25-003**

Staff report submitted by Public Works Director Ameri and Assistant City Manager Claussen, dated February 25, 2025, was filed.

Public Works Director Ameri announced the item and introduced Mr. Christian Sprunger, Vice President of NHA Advisors, who provided a synopsis of the staff report.

Discussion ensued among members of the City Council, City staff, and Mr. Christian Sprunger, and the following clarifications were made: the San Francisco Regional Water Board is mandating a 53% reduction in nutrient levels in treated wastewater due to environmental concerns following recent events in Lake Merritt and San Pablo Bay, requiring the City to implement an unprecedented infrastructure project estimated at \$498 million; there are currently no state or federal grants available for the project, but the City will continue to seek funding opportunities; bond sale aligns with the rate increases; the U.S. Environmental Protection Agency's Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) loan is a market-rate loan; WIFIA can only cover up to 49% of the eligible project cost, and the City will need to issue revenue bonds for the remaining amount; the City is not obligated to use the full loan amount if project costs are lower than expected; the City is using a competitive bond sale method to minimize cost of funds, which follows best practices set by the Government Finance Officers Association (GFOA); WIFIA offers more flexible repayment terms, allowing the City to defer payments for up to five years after construction is completed; on the morning of sale, the City will receive multiple bids from bond underwriters, with the winning bid selected the same day, similar to a construction bid; the first-year sewer rate increase will be 12% in total revenue, but the impact varies by customer type—single-family homes and restaurants will see lower increases, and annual increases for years two through five will remain at 12%, before moderating to 5% and then 4% in subsequent years; the actual cost impact on residents is estimated at \$2 to \$3 per month; the wastewater enterprise operates as a separate financial entity and no General Fund money will be used for the project.

There being no public comment, Mayor Salinas opened and closed the public hearing at 7:41 p.m.

Council Member Zermeño made a motion to approve staff's recommendation and Council Member Andrews seconded the motion.

Council Member Bonilla Jr. emphasized the importance of maintaining enterprise reserves to support the City's strong credit rating; and commended the City's strategic approach to structuring the financing, ensuring both long-term environmental protection and wastewater infrastructure to support future needs

Council Member Andrews urged residents to contact state representatives and advocate for state funding, emphasizing that the state's mandate to reduce nutrient levels requires significant financial investment; and stressed the need for grants to lessen the financial burden on residents.

Members of the City Council thanked staff for their work with the item. Council Member Andrews was acknowledged for representing the City on the Bay Area Water Supply and Conservation Agency and the East Bay Dischargers Joint Powers Authority.

It was moved by Council Member Zermeño, seconded by Council Member Andrews, and carried unanimously, to adopt the resolution.

AYES:	COUNCIL MEMBERS Andrew, Bonilla Jr., Goldstein, Roche, Syrop, Zermeño MAYOR Salinas
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 25-025, "Resolution Authorizing the Issuance and Sale of Wastewater Revenue Bonds in the Maximum Principal Amount of \$135,000,000 to Finance Capital Improvements to the Wastewater System, Including the Water Resource Recovery Facility Improvements, and Approving Related Agreements and Actions Amending the Master Fee Schedule and Approving Sewer Connection Fees"

7. FY 24-25 Mid-Year Budget Review: Adopt a Resolution Approving FY 24-25 Mid-Year Budget Amendments and Receive and Review the Five-Year General Fund Financial Model Update (Report from Assistant City Manager Claussen) **LB 25-004**

Staff report submitted by Assistant City Manager Claussen, dated February 25, 2025, was filed.

Assistant City Manager Claussen provided a synopsis of the staff report.

In response to Council Member Bonilla Jr.'s inquiries related to funding for St. Rose Hospital, Assistant City Manager Claussen responded that staff is recommending a contribution from the



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Operating Budget and the City's commitment would be for one year.

Council Member Bonilla Jr. asked about the measures taken to secure the hospital's financial future without relying on ongoing City funding. Chief Operating Officer for Alameda Health System Mark Fratzke highlighted ongoing efforts to stabilize and grow the hospital, including opening a 29-bed sub-acute unit, applying for a \$17.5 million distressed hospital loan deferral, and seeking \$30-35 million in state funding for mental health programs; and noted that a \$4 million is being allocated to remodel the hospital's cardiac lab to enhance its cardiac care program.

Chief Operating Officer for Alameda Health System Fratzke expressed gratitude to the City Council for its support and emphasized the importance of continued support and collaboration to ensure St. Rose's long-term success.

Council Member Andrews asked about St. Rose's sustainability plan, particularly given the increased funding from \$750,000 to \$1,000,000 in FY 2025. Chief Operating Officer for Alameda Health System Fratzke assured that a full strategic plan could be provided but noted that its implementation depended on available funding; and confirmed ongoing efforts to secure additional funding.

In response to Council Member Andrews' inquiry about the process for recommending mid-year budget allocations, Assistant City Manager Claussen explained that funding requests were mostly denied unless monies had already been spent, emphasizing the City's need to balance the budget; and confirmed that mission-critical positions and essential community services would remain unaffected.

In response to Council Member Goldstein's inquiry about a fire truck ladder that required repair and replacement due to its high cost, Assistant City Manager Claussen explained that the truck was sent to a manufacturer to extend its lifespan but broke down in Nevada before completing repairs and returning to service. Council Member Goldstein emphasized the high cost of ladder fire trucks and the importance of understanding the situation to prevent similar issues in the future.

Council Member Roche emphasized the importance of maintaining a 20% General Fund reserve; urged her colleagues to refrain from proposing discretionary spending or pet projects, stressing the potential for reduced federal funding and financial instability; and questioned St. Rose's ability to address its budget deficits with the City's \$1 million contribution.

Chief Operating Officer for Alameda Health System Fratzke explained that each \$1 million donation is matched through Intergovernmental Transfer (IGT) funds, with a total expected amount of \$30 million with \$15 million matched by the government.

Council Member Syrop questioned St. Rose's reliance on federal funding, particularly given the uncertainty around Medicare and Medicaid, and contingency plans in case of federal funding reductions.

Chief Operating Officer for Alameda Health System Fratzke noted there were currently no signs of funding cuts or withholding funds with the new administration; and acknowledged the need for organization-wide strategic planning but stated they have not yet developed specific measures.

In response to Council Member Zermeno's inquiry about the status of frozen positions and the decline in Real Property Transfer Tax revenue, Assistant City Manager Claussen responded that while the City has a 10% vacancy rate, only five Police Department positions remain officially frozen and attributed the drop to decreased property sales due to high interest rates.

Council Member Zermeno disclosed that he serves on the St. Rose Foundation Board and confirmed with the City Attorney that he did not have to recuse himself from participating or voting on the item.

Mayor Salinas disclosed that he serves on the St. Rose Foundation Board and confirmed with the City Attorney that he did not have to recuse himself from participating or voting on the item.

Mayor Salinas opened the public hearing at 8:21 p.m.

District 2 Alameda County Supervisor Márquez noted that the Alameda County Board of Supervisors to allocate \$1 million to St. Rose Hospital, emphasizing that the funds would be doubled through federal matching, bringing in over \$30 million; highlighted the hospital's critical role as one of only two in Alameda County eligible for these funds; added the Attorney General approved the Alameda Health System's affiliation with St. Rose Hospital without conditions; and assured her ongoing commitment to securing additional funding and reinstating labor and delivery services.

Eden Health District Chief Executive Officer Mark Friedman, thanked the City for its partnership in public health efforts and its role in St. Rose Hospital's transition to the governance of Alameda Health System; acknowledged the need for long-term sustainability; noted that while Eden Health District contributed \$1 million, it is a one-year commitment, similar to the City's approach, and emphasizing that the hospital must eventually become self-sufficient without relying on continuous government funding.

Mayor Salinas closed the public hearing at 8:28 p.m.

Council Member Bonilla Jr. expressed appreciation for the City's efforts in balancing the budget, emphasizing the importance of maintaining fiscal discipline while protecting essential services; praised City staff and leadership for their collaboration and noted that the process of refining the budget is helping the City strengthen its financial resilience; highlighted St. Rose Hospital's role as a critical healthcare provider; and commended Alameda Health System, Alameda County



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Board of Supervisors, Eden Health District, and other partners for their leadership in stabilizing the hospital and urged the City to step up in support.

Council Member Bonilla Jr. made a motion to approve staff's recommendation and Mayor Salinas seconded the motion.

Council Member Andrews thanked City staff for their work on the budget and stressed the importance of supporting economic development to generate sales tax revenue; voiced her support for funding St. Rose Hospital but reiterated the need for a sustainability plan to ensure its long-term viability; acknowledged Alameda Health System's commitment and Alameda County Supervisor Márquez's tireless efforts in securing funding for the hospital; and encouraged residents to contact their state representatives to advocate for deferring St. Rose Hospital's \$17 million loan, which would ease financial strain.

Council Member Syrop commended City staff for their fiscal discipline in managing the budget, noting that Hayward is in a stronger financial position compared to other cities facing massive deficits; agreed to manage spending less money, prioritizing initiatives and not limiting them, arguing that elected officials should introduce innovative ideas that improve government responsiveness; emphasized the importance of keeping St. Rose Hospital operational and noted that the City's contribution aligns with the original intent of federal pandemic relief funds; expressed gratitude for the collective efforts to save the hospital and reaffirmed Hayward's partnership in ensuring its success; and stated his support for the motion.

Council Member Goldstein voiced strong support for the motion, applauding the executive team for their transparency and diligence in maintaining City services while balancing the budget; highlighted St. Rose Hospital's role as both a safety net and a community hospital; praised Alameda County Supervisor Márquez's dedication and leadership, as well as Alameda Health System and Eden Health District for stepping up to support the hospital; and encouraged residents to advocate for state and federal support to sustain hospitals such as St. Rose Hospital in the long term.

Council Member Zermeño thanked City staff for their work on the budget, expressing relief that it was balanced and included funding for St. Rose Hospital; acknowledged the potential risk of federal funding cuts but appreciated the City's proactive approach in addressing financial uncertainties; emphasized St. Rose Hospital's critical role in the community; highlighted his involvement in the St. Rose Foundation Board, alongside other local leaders, in fundraising for the hospital; urged residents to spend money in Hayward; and encouraged the City to attract more businesses to generate revenue.

Council Member Roche praised staff for their efforts in balancing the budget but stressed the need for continued caution given the long-term financial challenges; while she was pleased with this year's financial outlook, she remained concerned about future deficits and the City's ability

to maintain reserves; thanked St. Rose Hospital's leadership and Alameda Health System for their efforts but emphasized the importance of ensuring the City's contribution aligns with broader financial sustainability goals; and committed to ongoing collaboration and rigorous oversight to ensure that funds are being used effectively and that St. Rose Hospital remains a viable healthcare provider.

Mayor Salinas reflected on his deep personal connection to St. Rose Hospital; stressed the devastating impact if the community were to lose the hospital and a critical piece of a City's infrastructure; framed the City's investment as a necessary step to maintain a strong healthcare system, which he sees as foundational to supporting families and workforce development; thanked Alameda Health System, Alameda County Supervisor Márquez, and Eden Health District for the partnership; and thanked City staff for their work to balance the budget.

Council Member Bonilla Jr. commended Mayor Salinas' advocacy and commitment for St. Rose Hospital.

It was moved by Council Member Bonilla Jr., seconded by Mayor Salinas, and carried unanimously, to adopt the resolutions.

AYES:	COUNCIL MEMBERS Andrew, Bonilla Jr., Goldstein, Roche, Syrop, Zermeno MAYOR Salinas
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 25-026, "Resolution Amending Resolution 24-111 as Amended, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2025, Relating to An Appropriation of Funds"

Resolution 25-027, "Resolution Amending Resolution 24-112 as Amended, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2025, Relating to An Appropriation of Funds"

COUNCIL REPORTS AND ANNOUNCEMENTS

Mayor Salinas thanked those who attended the Keep Hayward Clean and Green Task Force clean up event.

Council Member Syrop announced appreciation for the recent collaboration between the Stack Run Club, East Bay Run Club, and Stack Run Club Collective, which brought out a large group of runners at California State University East Bay over the weekend; and highlighted the event's success in fostering community engagement and supporting local businesses.



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COUNCIL REFERRALS

There were none.

ADJOURNMENT

Mayor Salinas adjourned the City Council meeting in memory of Ms. Lydia Christina Guerra at 9:08 p.m.

Ms. Lydia Christina Guerra was born in Hayward; attended Southgate Elementary, Martin Luther King Junior High School, Impact Academy of Arts & Technology; graduated from San Jose State University with a Bachelor of Arts degree in Psychology; and worked as a Para Educator at Ruus Elementary School, Hayward Unified School District.

APPROVED

A handwritten signature in black ink, appearing to read "MC", followed by a long horizontal line.

Mark Salinas
Mayor, City of Hayward

ATTEST:

A handwritten signature in black ink, appearing to read "Miriam Lens", followed by a long horizontal line.

Miriam Lens
City Clerk, City of Hayward

