



DATE: May 14, 2020

TO: Planning Commission

FROM: Planning Manager

SUBJECT Recommended FY 2021 – FY 2030 Capital Improvement Program

RECOMMENDATION

That the Planning Commission finds that the Recommended FY 2021– FY 2030 Capital Improvement Program¹ (CIP) is consistent with the Hayward 2040 General Plan.

SUMMARY

The City's General Plan is a planning document intended to guide the City's capital improvement activities over the next ten-years. This year, the CIP has also been reviewed and developed to ensure that it supports the Priorities identified by Council as part of the City's Strategic Roadmap.

The proposed CIP budget includes approximately \$59 million in FY 2021 and an estimated \$457 million in the next ten years. Given that Hayward is a full-service city, the CIP covers a wide range of projects, which may include street construction and improvements; wastewater, recycled water, storm water, and water systems upgrades; construction of public buildings; airport projects; groundwater projects; replacement of major equipment; clean and renewable energy generation; and other miscellaneous projects.

As in past years, the document also includes Identified and Unfunded Capital Needs, which currently total \$409 million.

BACKGROUND

State law requires the Planning Commission review of the City's currently Recommended FY 2021 – FY 2030 CIP to ensure conformance with the City's General Plan. The Council will review the Recommended FY 2021 – FY 2030 CIP at a work session to be scheduled in June 2020.

¹ <https://www.hayward-ca.gov/your-government/documents/capital-improvement-program>

DISCUSSION

The CIP includes an emphasis on updating and improving the City's infrastructure supporting a core priority of the Strategic Roadmap, which is aligned with various goals and policies from Elements of the General Plan which includes the following from the Public Facilities and Service Element:

Policy PFS-1.2: Priority for Infrastructure

The City shall give high priority in capital improvement programming to funding rehabilitation or replacement of critical infrastructure that has reached the end of its useful life or has capacity constraints.

The completion of the construction of the Plaza adjacent to the Hayward Public Library aligns with the following goal and policy of the Public Facilities and Services Element.

Goal PFS-1: Ensure the provision of adequate and efficient facilities and services that maintain service levels, are adequately funded, accessible, reliable, and strategically allocated.

Policy PFS-1.6 Public Facility Clustering

The City shall promote the clustering of public and quasi-public facilities (e.g., schools, parks, libraries, childcare facilities, community activity centers), the joint-use of these facilities, and agreements for sharing costs and operational responsibilities among public service providers.

In addition to the previously stated Public Facilities and Services Policy PFS-1.2, sewer and water improvement projects such as the Water Pollution Control Facility (WPCF) Headworks Bar Screens Project in the CIP adheres to the policies under the following Public Facilities and Services goals:

Goal PFS-3: Maintain a level of service in the City's water system that meets the needs of existing and future development while improving water system efficiency.

Goal PFS-4: Maintain a level of service in the City's wastewater collection and disposal system to meet the needs of existing and future development.

Key projects which align with the Mobility Element goals and policies include completion of the design and construction of the Mission Boulevard Phase 3 Project and the Main Street Complete Street Project.

Goal M-1: Provide a comprehensive, integrated, and connected network of transportation facilities and services for all modes of travel.

Policy M-1.2: Multimodal Choices: The City shall promote development of an integrated, multi-modal transportation system that offers desirable choices among modes including pedestrian ways, public transportation, roadways, bikeways, rail, and aviation.

Policy M-1.6: Bicycling, Walking, and Transit Amenities: The City shall encourage the development of facilities and services, (e.g., secure term bicycle parking, street lights, street furniture and trees, transit stop benches and shelters, and street sweeping of bike lanes) that enable bicycling, walking, and transit use to become more widely used modes of transportation and recreation.

Projects aligning with the Natural Resources Element goals and policies include conducting the analysis of Expanding EV Charging Infrastructure for City Fleet and Employees, Transition 15% of Total City Fleet to EV/Hybrid Models and completion of construction of the Initial Phase of the Recycling Water Project.

Goal NR-2: Improve the health and sustainability of the community through continued local efforts to improve regional air quality, reduce greenhouse gas emissions, and reduce community exposure to health risks associated with toxic air contaminants and fine particulate matter.

Policy NR-2.10: Zero-Emission and Low-Emission Vehicle Use

The City shall encourage the use of zero-emission vehicles, low-emission vehicles, bicycles and other non-motorized vehicles, and car-sharing programs by requiring sufficient and convenient infrastructure and parking facilities throughout the City.

Policy NR-6.10: Water Recycling

The City shall support efforts by the regional water provider to increase water recycling by residents, businesses, non-profits, industries, and developers, including identifying methods for water recycling and rainwater catchment for indoor and landscape uses in new development.

An additional project which aligns with Natural Resources Element goals and policies is the Design and Construction of the La Vista Park.

Policy NR-1.5: Large-Scale Natural Area Access

The City shall support efforts to improve access to publicly owned large-scale natural areas located within the Planning Area, including the shoreline, creeks, regional parks, riparian corridors, and hillside open space areas, by allowing them to be open for controlled access to improve public enjoyment and education, while also limiting access to extremely sensitive natural habitat and minimizing human-related environmental impacts.

The Two-Megawatt Solar Photovoltaic Energy System at the Water Pollution Control Facility (WPCF) is a renewable energy project which aligns with:

Goal NR-4.1: Reduce energy consumption through increased production and use of renewable energy, sustainable energy purchasing, and improved energy efficiency.

Policy NR-4.10- Energy Efficiency Measures: The City shall ensure that all new City-owned facilities are built with renewable energy, as appropriate to their functions, and shall install renewable energy systems at existing City facilities, where feasible.

Paving and transportation projects, including the FY 2021 Pavement Maintenance and Pavement Rehabilitation Project, the Old Hayward Highland Association (OHHA) Pavement Improvement Program Design and Financing Structure, FY21 New Sidewalk Project, Main Street Complete Street Project, Implementation of Downtown Parking Plan, Hayward Boulevard Feasibility Study and Mission Boulevard Phases 2 and 3, align with Mobility Element goals and policies.

Goal M-3: Provide complete streets that balance the diverse needs of users of the public right-of- way.

Policy M-3.1 Serving All Users: The City shall provide safe, comfortable, and convenient travel along and across streets to serve all users, including pedestrians, the disabled, bicyclists, motorists, movers of commercial goods, and users and operators of public transportation.

The construction of the new Fire Station No. 6 and Training Center adjacent to the Hayward Airport aligns with Community Safety Element goals and policies related to Fire Protection and Emergency Medical Services.

Goal 4: Provide coordinated fire protection and emergency medical services to promote a safe and healthy community.

Policy CS-4.4 Timing of Services: The City shall ensure that growth and development does not outpace the expansion of Hayward Fire Department staffing and the development of strategically located and fully equipped fire stations.

Policy CS-4.5 Station Call Volumes and the Reallocation of Resources
The City shall monitor call volumes at individual fire stations to determine if certain areas of the City are in high demand of fire and emergency medical services. The City shall consider reallocating resources (fire units and/or equipment) or building new fire stations to serve high demand areas.

The CIP also focuses on beautification and improvement of landscaping along key thoroughfares, including Complete Gateway and Corridor Landscape Beautification Project and Compete Jackson Corridor Landscape Beautification Project, which align with many General Plan Land Use Element goals and policies, including:

Goal LU-4: Create attractive commercial and mixed-use corridors that serve people traveling through the City, while creating more pedestrian-oriented developments that foster commercial and social activity for nearby residents and businesses.

Policy LU-4.11 Streetscape Enhancements: The City shall strive to improve the visual character of corridors by improving streetscapes with landscaped medians, and widened sidewalks that are improved with street trees, pedestrian-scaled lighting, underground utilities, landscaping, and streetscape furniture and amenities.

ECONOMIC IMPACT

The direct economic impact of these projects is not quantifiable. However, maintaining and improving the City's infrastructure and fleet will have an unquestionable impact on maintaining and improving economic health and vitality of the City.

FISCAL IMPACT

Five of the twenty-one CIP funds rely on transfers from the General Fund for project expenses.

Changes are noted in the table below:

CIP Fund	FY 2020 GF Transfer	FY 2021 GF Transfer	Increase/(Decrease) from FY 2020 CIP
405/Capital Projects (General)	\$640,000	\$15,000	(\$625,000)
460/Transportation System Improvement	\$350,000	\$400,000	\$50,000
726/Facilities Management Capital	\$360,000	---	(\$360,000)
731/Information Technology Capital	\$700,000	\$435,000	(\$265,000)
736/Fleet Replacement	\$35,000	---	(\$35,000)
Total Cost to General Fund	\$2,085,000	\$850,000	(\$1,235,000)

Three of the CIP funds are also Internal Service Funds (ISF), meaning they use Internal Service fees to finance project expenses. Internal Service fees are collected when one City department provides a service to another, drawing those service expenses from the operating budget of the benefiting department. Although some departments are funded by Enterprise funds, many are part of the General Fund. The total General Fund impact of Internal Service fees are shown below.

CIP Fund	FY 2020 ISF (GF Impact)	FY 2021 ISF (GF Impact)	Increase/(Decrease) from FY 2020 CIP
726/Facilities Management Capital	\$225,000	\$300,000	\$75,000
731/Information Technology Capital	\$756,000	\$756,000	---
736/Fleet Management Capital (General Fund)	\$2,325,000	\$500,000	(\$1,825,000)
Total Cost to General Fund	\$3,306,000	\$1,556,000	(\$1,750,000)

There is an overall decrease of \$2,985,000 the General Fund impact compared with the FY 2020 adopted CIP. The capital budget for FY21 totals about \$59 million, with a total of approximately \$457 million tentatively programmed for the entire ten-year period from FY21 through FY30. An additional \$409 million of unfunded needs have been identified for

the same period. Project costs by CIP category are as follows:

Project Category	FY 2020 Adopted	FY 2021 Recommended	Increase/ (Decrease) from FY 2020 CIP
Livable Neighborhoods Projects	\$27,192,000	\$11,880,080	(\$15,311,920)
Road and Street Projects	\$24,120,000	\$8,198,000	(\$15,922,000)
Pavement Rehabilitation Projects	\$10,913,000	\$9,727,500	(\$1,185,500)
Fleet Management Projects	\$4,249,000	\$1,565,000	(\$2,684,000)
Building & Misc. Projects	\$31,825,000	\$3,105,000	(\$28,720,000)
Equipment Projects	\$2,499,000	\$1,955,860	\$543,140
Water System Projects	\$22,240,000	\$6,000,000	(\$16,240,000)
Sewer System Projects	\$18,908,000	\$14,351,000	(\$4,557,000)
Airport Projects	\$5,884,000	\$1,787,000	(\$4,097,000)
Total Capital Improvement Projects	\$147,830,000	\$58,569,440	(\$89,260,560)

The major CIP funding sources are as follows:

CIP Funding Source	FY 2021
Measure B/BB	11%
General Fund (GF)/Internal Service Fund (ISF)	17%
Gas Tax/Vehicle Registration Fee/Road Repair and Accountability Act	11%
Other Reimbursements/Contributions	19%
Measure C	1%
Grants	<1%
Enterprise/Utilities	41%

COVID-19 IMPACTS ON CIP FUNDING

In response to COVID-19, the Alameda County Public Health Department has mandated that residents “Shelter in Place” (SIP) when not engaged in essential activities. The SIP order has resulted in the closure of many local businesses, leading to dramatic decreases in sales tax revenue, as well as the sale of transportation fuel – both of which are major sources of revenue for many CIP funds. It is also important to note that the Alameda County Public Health Department has ordered a halt on all nonessential construction, resulting in delays to a number of CIP projects.

Staff has reviewed all affected CIP funds and has made necessary adjustments in revenues and expenditures to account for the anticipated revenue shortfalls. Many revenue projections will remain unchanged because their respective funds have sufficient FY21 fund balances to cushion a moderate shortfall.

STRATEGIC ROADMAP

The 2024 Vision and Strategic Roadmap set in 2019 are at the forefront of the City's capital project planning efforts. To the greatest extent possible, a formal management and implementation process ensure that CIP projects are aligned with the City's Strategic Roadmap and that the value each generates is maximized.

CIP Projects touch the Combat Climate Change, Support Quality of Life, and Improve Organizational Health Priorities, but predominantly support the Improve Infrastructure Priority.

SUSTAINABILITY FEATURES

The action taken for this agenda report will not result in a physical development, purchase or service, or a new policy or legislation. Any physical work will depend upon a future Council action. Sustainability features for individual CIP projects are listed in each staff report.

PUBLIC CONTACT

The public has the opportunity to review and comment on the CIP at this evening's Planning Commission meeting and will again at the Council work session to be scheduled in June 2020. A notice advising residents about the public hearings on the CIP are published in the paper the requisite ten days in advance. The agenda for the Council work session on the CIP is posted in City Hall as well as both Libraries. A printed copy of the Recommended CIP is made available online, at the Public Works' Department office, at the City Clerk's office, and at both Libraries. Individual projects receive Council approval and public input as appropriate.

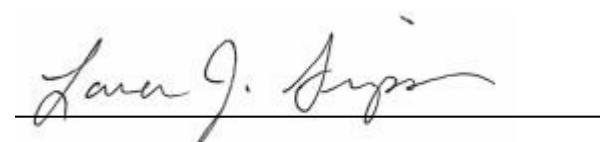
NEXT STEPS

Once the Commission has completed the review of the Recommended CIP and found it in conformance with the General Plan, the CIP will be reviewed at a Council public hearing and adoption of the CIP budget to be scheduled in late June 2020.

Prepared by: Kathy Garcia, Deputy Director of Public Works

Recommended by: Sara Buizer, Planning Manager

Approved by:

A handwritten signature in cursive script, reading "Laura J. Simpson", is written over a horizontal line.

Laura Simpson, Development Services Director