



**DATE:** July 16, 2019

**TO:** Mayor and City Council

**FROM:** Director of Development Services

**SUBJECT:** Authorization to Amend the FY2020 Operating Budget for the Development Services Department for Contracted Security Services at the Property Located at Maple Avenue and Main Street

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) approving an amendment to the FY2020 budget for the Development Services Department, increasing the Consultant Services appropriation from \$20,000 to \$182,000 for contract services to provide security at the property located at the corner of Maple Avenue and Main Street.

### **SUMMARY**

Staff is requesting an additional appropriation of \$162,000 to cover the cost of security services for a nuisance property located at the corner of Maple Avenue and Main Street through December 31, 2019. The City will pursue reimbursement from the developer to repay the General Fund for this service.

### **BACKGROUND**

On February 7, 2017, Council adopted Resolution #17-013 approving the Maple & Main mixed-use project development designed to complement downtown Hayward. The project is comprised of a five-story residential building, wrapping around a 462-space six-level parking garage structure and two courtyards. The project includes 240 residential units consisting of 15 studios, 82 one-bedroom units, 123 two-bedroom units, and 20 three-bedroom units with an average unit size of 990 square feet. The project proposes 20% of the units as affordable to Very Low- and Low-Income tenants. The applicant also proposes up to 5,571 square foot of new retail space on Main Street, along with a 1,560 square foot leasing office/lobby, and retention of most of the existing multi-story medical office building at the corner of Maple Court and McKeever Avenue. In addition, the proponent proposes a professional on-site management company, Alliance Residential Company, that manages several properties in the Bay Area, including those with unbundled parking. Alliance will address site maintenance and security, leasing, affordable housing agreement implementation, on-site parking management, and enforcement, etc.

The site primarily consists of three abandoned structures located on three adjacent parcels located at:

- 22491 Maple Court
- 22477 Maple Court
- 22330 Main Street

On July 12, 2018, multiple complaints were received from surrounding businesses and residents. The Code Enforcement Division, along with representatives from Fire, Building, and Police, conducted a joint inspection of the properties along with owner representative, Blake Peters of Bay Area Property Developers.

Nuisance conditions identified on the grounds and in buildings located at the properties included, but were not limited to the following:

- Presence of standing sewer water;
- Unsafe building, electrical, and plumbing conditions;
- Broken and damaged windows and building ingress points;
- Trash and debris; and
- Un-Permitted occupancy and use of building for residential purposes.

On July 18, 2018, due to identified health and safety concerns, all buildings were deemed unsafe and the property owners were issued a Notice of Violation identifying egregious conditions with orders to correct violations as well as submit a detailed security plan for review and approval by the City for implementation by the property owner.

On January 16, 2019, due to ongoing non-response by the property owner to implement an approved security plan or abate nuisance conditions at the property, the City proceeded to establish contracted security services with National Security Industries, to maintain public safety around the property in an effort to reduce its nuisance impact on nearby commercial and residential properties.

## **DISCUSSION**

On April 9, 2019, Council adopted resolution #19-070 authorizing an amendment to the FY 2019 Operating Budget by an additional \$112,000 to cover the cost of security at the property located at Maple Avenue and Main Street through June 30, 2019. Staff is requesting an additional \$162,000 increase to the Code Enforcement Contract Services budget, increasing the total FY 2020 appropriation to \$182,000, to cover the cost of security through the end of the calendar year.

In July, Code Enforcement will recommend that Council include the properties as part of the resolution confirming the Report and Assessment for Community Preservation Fees Past Due to become special assessments against the properties if past due invoices are not paid by August 1, 2019. These special assessments will appear on the property owner's November 2019 tax bill.

The primary function of special assessments is to allow the City to collect past due fees via annual tax bills. Authority for this process is granted under the Community Preservation and Improvement Ordinance, Residential Rental Inspection Ordinance, and Government Code Section 38773.1.

### **FISCAL IMPACT**

The FY 2020 operating budget does not include sufficient funds to cover the costs associated with increased contract security services at the property located at Maple Avenue and Main Street. The total fiscal impact exceeds the amount budgeted and requires an additional appropriation in the amount of \$162,000 from the General Fund. The additional appropriation will cover the cost of security to ensure the health and safety of the public surrounding the properties. Potentially, this impact may be offset by the property owner through special assessment or other collection processes. All special assessment costs are collected along with lien amounts on individual tax bills. The City of Hayward annually receives two special assessment allocations from the County, one in December and one in April.

### **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. This item supports the following goal and objectives:

Goal 1: Improve quality of life for residents, business owners, and community member in all Hayward neighborhoods.

Objective 1: Increase neighborhood safety and cohesion

### **SUSTAINABILITY FEATURES**

The recommended action for this report will not directly result in physical development, the purchase of a product or service, or new policy or legislation related to sustainability.

### **PUBLIC CONTACT**

No public contact has occurred in association with this action.

### **NEXT STEPS**

Should Council approve this action, staff will prepare paperwork to process the additional appropriation of funds.

*Prepared by:* Jade Kim, Management Analyst II

*Recommended by:* Laura Simpson, Director of Development Services

Approved by:

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

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Kelly McAdoo, City Manager