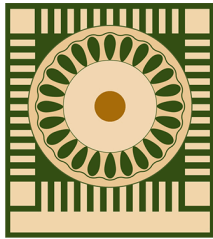


CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Tuesday, September 15, 2020

7:00 PM

Remote Participation

City Council

CITY COUNCIL MEETING

COVID-19 Notice: Consistent with State of California Executive Order No. 29-20 dated March 17, 2020, and Alameda County Health Officer Order No. 20-10 dated April 29, 2020, the City Council will be participating in public meetings via phone/video conferencing.

How to watch the meeting from home:

1. Comcast TV Channel 15
2. Live stream <https://hayward.legistar.com/Calendar.aspx>
3. YouTube Live stream: <https://www.youtube.com/user/cityofhayward>

How to submit written Public Comment:

1. Use eComment on the City's Meeting & Agenda Center webpage at: <https://hayward.legistar.com/Calendar.aspx>. eComments are directly sent to the iLegislate application used by City Council and City staff. Comments received before 3:00 p.m. the day of the meeting will be exported into a report, distributed to the City Council and staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda.

2. Send an email to List-Mayor-Council@hayward-ca.gov by 3:00 p.m. the day of the meeting. Please identify the Agenda Item Number in the subject line of your email. Emails will be compiled into one file, distributed to the City Council and staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda.

Documents received after 3:00 p.m. through the adjournment of the meeting will be included as part of the meeting record and published the following day.

How to provide live Public Comment during the City Council Meeting:

Click the link below to join the meeting:

<https://hayward.zoom.us/j/96650209667?pwd=Q29CK09uQmEyWjFFdXg1T0NjNnMrUT09>

Passcode: 6Qnm@s!K

or

Dial: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099
or +1 301 715 8592 or 833 548 0282 (Toll Free) or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)
or 833 548 0276 (Toll Free)

Meeting ID: 966 5020 9667

Password: 65143086

A Guide to attend virtual meetings is provided at this link: <https://bit.ly/3jmaUxa>

CALL TO ORDER Pledge of Allegiance: Mayor Halliday**ROLL CALL****CLOSED SESSION ANNOUNCEMENT****July 21, 2020****August 3, 2020****August 18, 2020****September 1, 2020****September 15, 2020****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.

CITY COMMISSIONS AND TASK FORCE

1. [APPT 20-001](#) City Commissions and Keep Hayward Clean and Green Task Force: Adopt a Resolution Confirming the Appointment and Reappointment of Members of the Community Services Commission, Keep Hayward Clean and Green Task Force, Library Commission, Personnel Commission and Planning Commission (Report from City Clerk Lens)

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)

CONSENT

2. [MIN 20-090](#) Approve City Council Minutes of the Special City Council Meeting on July 14, 2020

Attachments: [Attachment I Draft Minutes of 7/14/2020](#)

3. [MIN 20-091](#) Approve City Council Minutes of the Special City Council Meeting on July 20, 2020
- Attachments:** [Attachment I Draft Minutes of 7/20/2020](#)
4. [MIN 20-092](#) Approve City Council Minutes of the Special Joint Meeting of the City Council and Hayward Redevelopment Successor Agency on July 21, 2020
- Attachments:** [Attachment I Draft Minutes of 7/21/2020](#)
5. [CONS 20-339](#) Adopt a Resolution Authorizing the City Manager to Execute an Agreement with Integrated Archive Systems, Inc. (IAS) to Purchase and Set Up Security Cameras for Various Facilities in an Amount Not-to-Exceed \$300,000
- Attachments:** [Attachment I Staff Report](#)
 [Attachment II Resolution](#)
6. [CONS 20-416](#) Adopt a Resolution Authorizing the City Manager to Execute an Agreement with the Alameda County Sheriff's Office for Receipt of FY 2018 Byrne Justice Assistance Grant (JAG) funds in the Amount of \$42,425.10
- Attachments:** [Attachment I Staff Report](#)
 [Attachment II Resolution](#)
7. [CONS 20-421](#) Adopt Resolutions Approving Agreements with the Alameda County Health Care Services Agency and the Hayward Unified School District for School Based Mental Health Services in the Amounts of \$220,000 and \$120,000 Respectively and Authorize the City Manager to Execute the Agreements
- Attachments:** [Attachment I Staff Report](#)
 [Attachment II Resolution Approving Agreement with HCSA](#)
 [Attachment III Resolution Approving Agreement with HUSD](#)
 [Attachment IV OKOF Program Data](#)
 [Attachment V HUSD MH Services Program Data](#)

8. [CONS 20-425](#) Adopt a Resolution Amending the FY 2020-21 Master Fee Schedule to Postpone the Effective Date of the Increase in Bimonthly Water Service Fees from October 1, 2020 to January 1, 2021

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)

9. [CONS 20-426](#) Adopt a Resolution: (1) Approving the Government Code Section 52201 Summary Report for the Project; and (2) Authorizing the City Manager to Negotiate and Execute a Disposition and Development Agreement with BMODDRE2, LLC for Transfer of Specified City Owned Properties and for the Development of a New Subaru Automobile Dealership

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)
[Attachment III 52201 Summary Report](#)
[Attachment IV Approved Elevation Drawing](#)
[Attachment V Approved Site Plan](#)
[Attachment VI Approved Floor Plan](#)
[Attachment VII Conditions of Approval - Site Plan Review](#)

10. [CONS 20-428](#) Adopt a Resolution Authorizing the City Manager to Enter into the Seventh Amendment to the Purchase and Sale Agreement between the State of California Department of Transportation and City of Hayward for the 238 Excess Properties to Extend the Term of Sale for Five Additional Years to January 2027

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)

11. [CONS 20-429](#) Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Sloan Sakai Yeung & Wong LLP for the Provision of Labor Relations Services

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)

12. [CONS 20-431](#) Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with HydroScience Engineers, Inc., for the Sewer and Water Line Improvement Projects, in an Amount Not-to-Exceed \$1,467,865

Attachments: [Attachment I Staff Report](#)
 [Attachment II Resolution](#)

13. [CONS 20-439](#) Adopt Resolutions to Memorialize that the Provision of Affordable Housing and an Expansion of Carlos Bee Park Will Satisfy the Park and Affordable Housing Dedications for Former Caltrans 238 Parcel Group 8 in order to Secure Caltrans Authorization to Subdivide Parcel Group 8 and Authorize the City Manager to Enter into an Exclusive Negotiating Rights Agreement with Resources for Community Development (RCD), a California Nonprofit Public Benefit Corporation, for the Proposed Development of the Affordable Housing Segment of Parcel Group 8 Generally Situated along Grove Way between Bridge Court and Foothill Boulevard

Attachments: [Attachment I Staff Report](#)
 [Attachment II Resolution Memorializing Dedications](#)
 [Attachment III Resolution Authorizing ENA](#)
 [Attachment IV Map](#)

14. [CONS 20-443](#) Adopt a Resolution Authorizing the City Manager to Increase the Construction Contract with Spencon Construction, Inc., for Administrative Change Order Authority in the Amount of \$354,733 for the FY19 Sidewalk Rehabilitation and Wheelchair Ramp Project, Project Nos. 05249 and 05213 for a Contract Not-to-Exceed Amount of \$677,363

Attachments: [Attachment I Staff Report](#)
 [Attachment II Resolution](#)
 [Attachment III Project Location Maps](#)
 [Attachment IV District Map](#)

PUBLIC HEARING

15. [PH 20-060](#) Mission Crossing Project: Consider a Resolution Amending Conditions of Approval Associated with the Mission Crossings Project Which Involves Construction of 140 three-story Condominiums, a 93-room Hotel, and 7,225 Square Feet of Community-Serving Retail Located at 25501 Mission Boulevard and Berry Avenue, MLC, Holdings (Applicant) Meritage Homes and Manchester Hotels, Inc. (Property Owners) (Report from Development Services Director Simpson)

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)
[Attachment III Applicant's Request](#)
[Attachment IV Hotel Market Articles](#)

16. [PH 20-063](#) California Crosspoint HS TEFRA Hearing: Public TEFRA Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance by the California Public Finance Authority in an Amount Not to Exceed \$29 Million of Education Facility Revenue Bonds to Finance the Acquisition, Construction, Installation, Improvement, Furnishing and Equipping of California Crosspoint High School (Report from Finance Director Claussen)

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)

LEGISLATIVE BUSINESS

17. [LB 20-042](#) City of Hayward Fiscal Year 2021 Operating Budget: Amend the Fiscal Year 2021 Operating Budget to Appropriate Funds from the Enterprise Funds to Cover Costs Related to Personnel Changes in the Utilities Division of the Department of Public Works (Report from Public Works Director Ameri)

Attachments: [Attachment I Staff Report](#)
[Attachment II Resolution](#)

CITY MANAGER'S COMMENTS

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

COUNCIL REPORTS AND ANNOUNCEMENTS

Council Members can provide oral reports on attendance at intergovernmental agency meetings, conferences, seminars, or other Council events to comply with AB 1234 requirements (reimbursable expenses for official activities).

COUNCIL REFERRALS

Council Members may bring forward a Council Referral Memorandum (Memo) on any topic to be considered by the entire Council. The intent of this Council Referrals section of the agenda is to provide an orderly means through which an individual Council Member can raise an issue for discussion and possible direction by the Council to the appropriate Council Appointed Officers for action by the applicable City staff.

ADJOURNMENT

NEXT MEETING, September 22, 2020, 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.

CHILDCARE WILL NOT BE PROVIDED UNTIL FURTHER NOTICE DUE TO COUNTYWIDE SHELTER-IN-PLACE ORDER.



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: APPT 20-001

DATE: September 15, 2020

TO: Mayor and City Council

FROM: City Clerk

SUBJECT

City Commissions and Keep Hayward Clean and Green Task Force: Adopt a Resolution Confirming the Appointment and Reappointment of Members of the Community Services Commission, Keep Hayward Clean and Green Task Force, Library Commission, Personnel Commission, and Planning Commission

RECOMMENDATION

That the Council adopts a resolution (Attachment II) confirming twenty-one (21) appointments and three (3) reappointments to the City's Commissions and Task Force as follows: Community Services Commission (3); Keep Hayward Clean and Green Task Force (14); Library Commission (2); Personnel Commission (1); and Planning Commission (1). The resolution also identifies selected alternates. Table 1 provides information by meeting body.

SUMMARY

The annual recruitment for City Commissions and the Keep Hayward Clean and Green Task Force (KHCG TF) was conducted from April 14, 2020 to June 30, 2020. One hundred and two (102) applications were received by the submission deadline and ninety-two (92) applicants qualified to be considered for appointment. Following a process for evaluating requests for reappointment, reviewing attendance records and overall performance of eligible members of the City's Commissions and KHCG TF, the City Council approved three (3) requests for reappointment as presented in Table 1. The City Council also accepted fourteen (14) recommendations for KHCG TF service from the KHCGTF Subcommittee. Following a pre-screening process and twenty-nine (29) interviews, the City Council selected seven (7) applicants for service on the Community Services Commission, Library Commission, Personnel Commission, and Planning Commission. The resolution confirming the appointment and reappointment of members (Attachment II) contains the names by meeting body.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: City Clerk

SUBJECT: City Commissions and Keep Hayward Clean and Green Task Force: Adopt a Resolution Confirming the Appointment and Reappointment of Members of the Community Services Commission, Keep Hayward Clean and Green Task Force, Library Commission, Personnel Commission and Planning Commission

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SUMMARY

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BACKGROUND AND DISCUSSION

On July 17, 2020, the KHCG TF Subcommittee, comprised of KHCG TF Members Ali Divine, Jeff Haman, Bert Manzo, and Lenora Taylor, interviewed eighteen (18) applicants who had indicated KHCG TF as their first and only preference for service. Fourteen (14) applicants, selected by the Subcommittee, were recommended to the City Council.

During the special City Council meeting on [July 7, 2020](#), and as provided in the City Council Member Handbook, the City Council reviewed three (3) reappointment requests and a report comprising all members' attendance records, completion of mandatory trainings, and overall performance. Based on attendance records, two members were dismissed and vacated their seats. The two seats vacated by Community Services Commissioner Francisco and Library Commissioner Sharafali were filled on July 28, 2020. Table 1 summarizes all filled seats and approved requests for reappointment by meeting body. Tables 1 through 6 summarize information by meeting body.

TABLE 1: SUMMARY OF FILLED VACANCIES AND APPROVED REAPPOINTMENTS

Body	Filled Seats	Approved Reappointment(s)	Total
CSC ¹	3	0	3
KHCGTF ²	14	3	17
LC ³	2	0	2
Pers C ⁴	1	0	1
PC ⁵	1	0	<u>1</u>
			<u>24</u>

TABLE 2: COMMUNITY SERVICES COMMISSION (CSC):

#	Name of Commissioner	Date Appointed	Term Expires	Not Seeking Reappointment	Vacant Seat
1	Saira Guzman	9/13/16	9/30/20	x	
2	Rachel Zargar	9/13/16	9/30/20	x	
3	Michael Francisco	9/19/17	9/30/21		x

TABLE 3: LIBRARY COMMISSION:

#	Name of Commissioner	Date Appointed	Term Expires	Termining Out	Vacant Seat
1	Pedro Reynoso	9/17/13	9/30/20	x	
2	Zaineb Sharafali	9/19/17	9/30/21		x

July 7, 2020 Staff Report: <https://hayward.legistar.com/LegislationDetail.aspx?ID=4585479&GUID=4493190D-0F7A-4FB0-91E2-D1BAE2186283&Options=&Search=>

TABLE 4: PERSONNEL COMMISSION:

¹ [Community Services Commission](#)

² [Keep Hayward Clean and Green Task Force](#)

³ [Library Commission](#)

⁴ [Personnel Commission](#)

⁵ [Planning Commission](#)

#	Name of Commissioner	Date Appointed	Term Expires	Not Seeking Reappointment
1	Allen Zargar	1/17/17	9/30/20	x

TABLE 5: PLANNING COMMISSION (PC):

#	Name of Commissioner	Date Appointed	Term Expires	Termining Out
1	Mariellen Faria	9/14/10	9/30/20	x

TABLE 6: KEEP HAYWARD CLEAN AND GREEN TASK FORCE (KHCG TF):

#	Name	Date Appointed	Term Expires	Reappointment Approved	Not Seeking Reappointment	Resigned
1	Blytha Bowers	4/15/08	9/30/20	x		
2	Patrick Kariuki	9/10/19	9/30/20	x		
3	Debra Patton	9/10/19	9/30/20	x		
4	Suzanne Gayle	9/30/11	9/30/20		x	
5	Megha Salpekar	9/15/15	9/30/19			9/30/19
6	Tawana Smith	9/30/11	9/30/19			9/30/19
7	Sarah Low	9/18/18	9/30/22			9/24/19
8	Sharon Eva	9/13/16	9/30/23			10/29/19
9	Christina Cabrera	9/10/19	9/30/23			12/17/19
10	Ginny Delaney	9/19/17	9/30/20			1/21/20
11	Christopher Lopez	9/10/19	9/30/23			3/16/20
12	Kenny Wong Many	9/10/19	9/30/23			3/16/20
13	Ly Mac	9/10/19	9/30/23			6/16/20
14	Carrie Conover	9/10/19	9/30/23			7/19/20
15	Vacancy (Added by Bylaws 3/23/17)					
16	Vacancy (Added by Bylaws 3/23/17)					
17	Vacancy (Added by Bylaws 3/23/17)					

Members of the City Council reviewed ninety-two (92) applications and individually communicated their selections for City Commissions to the City Clerk as provided in the July 7, 2020 staff report⁶. There were twenty-nine (29) applicants who were pre-selected and invited

⁶ July 7, 2020 Staff Report: <https://hayward.legistar.com/LegislationDetail.aspx?ID=4585479&GUID=4493190D-0F7A-4FB0-91E2-D1BAE2186283&Options=&Search=>

to interview with the City Council on July 28, 2020 during a special City Council meeting. The July 28, 2020 staff report ⁷ provided information of pre-selected applicants, the KHCG TF Subcommittee recommendations, and the final list of applicants selected for interview. A total of twenty-nine individuals were invited to meet with the City Council on July 28, 2020 via the Zoom Meeting platform.

Following the interviews, the City Council selected individuals for service as outlined in Attachment II.

As the City Council found more qualified candidates than available seats to appoint, the Council accepted staff's recommendation to establish an alternate list. Members of the City Council established a list of alternates as follows: Community Services Commission (1), Library Commission (1), Personnel Commission (1), and Planning Commission (1). The information is included in Attachment II.

The Alternate List will be valid for one year and would expire at the beginning of the new recruitment process. The process for appointing from the Alternate List would involve two separate actions on the same City Council agenda: 1) resolution accepting the resignation of a member; and 2) resolution recommending an alternate from the alternate list to fulfill the vacated position for the remainder of the unexpired term. The City Clerk would ensure the alternate continues to be interested in serving and would confirm the alternate's eligibility status prior to recommending an alternate.

FISCAL IMPACT

There is no fiscal impact associated with this report.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the projects outlined in the Council's Strategic Roadmap.

PUBLIC CONTACT

Information about the annual recruitment was disseminated via various channels. Table 7 below provides a summary of the outreach efforts related to the recruitment.

⁷ July 28, 2020 Staff Report:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4600386&GUID=5B44A75E-267C-499C-89C4-DBA4A8B614FE&Options=&Search=>

TABLE 7: OUTREACH SUMMARY:

2020 Outreach	Date	Attendance/Reach
Press Release	5/23/20	citywide
The Daily Review, Hayward Newspaper	6/19/20	6,400 subscribers
Water Bill Mailer / Insert	4/14 - 6/30/20	30,000 residents
Water Bill Electronic Service	4/14 - 6/30/20	4,254 residents
Social Media: Facebook	5/27 - 6/30/20	6,725 followers
Social Media: Twitter	5/27 - 6/30/20	5,543 followers
Social Media: NextDoor	5/27 - 6/30/20	27,610 members
Social Media: Instagram	6/2 - 6/30/20	2,518 followers
Channel 15	5/23 - 6/30/20	citywide
City Newsletter - The Stack	5/23/20	70,430 subscribers

NEXT STEPS

The City Clerk will administer the oath of affirmation to all new and reappointed members on September 18, 2020 via the Zoom platform and will collect wet signature affirmations through different options abiding by physical distancing protocols.

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-_____

Introduced by Council Member _____

RESOLUTION CONFIRMING THE APPOINTMENT AND REAPPOINTMENT OF MEMBERS OF THE COMMUNITY SERVICES COMMISSION, KEEP HAYWARD CLEAN AND GREEN TASK FORCE, LIBRARY COMMISSION, PERSONNEL COMMISSION AND PLANNING COMMISSION

BE IT RESOLVED that the City Council of the City of Hayward does hereby confirm the appointment and reappointment of the following as members of the commissions and task force so designated.

APPOINTMENTS**Community Services Commission**

Magdalena Cerna	(Succeeds Rachel Zargar)	September 2024
Roy Mick Rubio	(Succeeds Saira Guzman)	September 2024
Crystal Arrizon	(Succeeds Michael Francisco)	September 2021

Keep Hayward Clean and Green Task Force

Danielle C. Dedrick	(Succeeds Megha Salpekar)	September 2024
Summer Marie Jackson	Vacancy (Added by Bylaws 3/23/17)	September 2024
Ron Maldonado	Vacancy (Added by Bylaws 3/23/17)	September 2024
Edward L. Moore	(Succeeds Tawana Smith)	September 2024
Krysta M. Penfield	(Succeeds Ginny Delaney)	September 2024
Alejandro Quezada	(Succeeds Suzanne Gayle)	September 2024
Gerald A. Sannebeck	Vacancy (Added by Bylaws 3/23/17)	September 2024
Raul Chavez	(Succeeds Ly Mac)	September 2023
Reanne Meighan	(Succeeds Carrie Conover)	September 2023
Melissa D. Milleman	(Succeeds Kenny Wong Many)	September 2023
Lisa Sharp	(Succeeds Christopher Lopez)	September 2023
Jason J. Yeates	(Succeeds Sharon Eva)	September 2023
Jean-Yee Yu	(Succeeds Christina Cabrera)	September 2023
Wilfredo G. Hoffer	(Succeeds Sarah Low)	September 2022

Library Commission

Amalia Navarro	(Succeeds Pedro Reynoso)	September 2024
Carl Gorringer	(Succeeds Zaineb Sharafali)	September 2021

Personnel Commission

Rachel Zargar	(Succeeds Allen Zargar)	September 2024
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Planning Commission

Aidan Ali-Sullivan	(Succeeds Mariellen Faria)	September 2024
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REAPPOINTMENTS

Keep Hayward Clean and Green Task Force

Blytha Bowers	September 2024
Patrick Kariuki	September 2024
Debra Patton	September 2024

ALTERNATES

<u>Name</u>	<u>Meeting Body</u>
Lenora Taylor	Community Services Commission
Kelly Peterson	Library Commission
Carrie Casillas	Personnel Commission
Zachariah Oquenda	Planning Commission

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: MIN 20-090

DATE: September 15, 2020

TO: Mayor and City Council

FROM: City Clerk

SUBJECT

Approve City Council Minutes of the Special City Council Meeting on July 14, 2020

RECOMMENDATION

That the City Council approves the special City Council meeting minutes of July 14, 2020.

SUMMARY

The City Council held a special meeting on July 14, 2020.

ATTACHMENTS

Attachment I Draft Minutes of 7/14/2020



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

The Special City Council meeting was called to order by Mayor Halliday at 7:00 p.m. The special meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order No 29-20 dated March 17, 2020, and the Alameda County Health Officer Order No. 20-10 dated April 29, 2020 regarding the COVID-19 pandemic.

CALL TO ORDER Pledge of Allegiance: Mayor Halliday

ROLL CALL

Present: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas, Wahab, Zermeño
MAYOR Halliday
Absent: None

CLOSED SESSION ANNOUNCEMENT

The City Council convened in closed session on July 13, 2020, at 7:30 p.m., regarding conference with legal counsel pursuant to Government Code 54956.9(d)(4) regarding one anticipated litigation case. City Attorney Lawson reported all members of the City Council were present and there was no reportable action.

The City Council convened in closed session on July 14, 2020, at 5:30 p.m., regarding three items: 1) conference with labor negotiators pursuant to Government Code 54957.6 regarding all labor groups; 2) conference with legal counsel pursuant to Government Code 54956.9 regarding Stoddard-Nunez v. City of Hayward, U.S. District Court, N.D. CA, No. 4:13-cv-04490 KAW; and 3) conference with legal counsel pursuant to Government Code 54956.9 regarding National Lawyers Guild, etc. v. City of Hayward, Alameda County Superior Court, No. RG15785243. City Attorney Lawson reported all members of the City Council were present and there was no reportable action.

PUBLIC COMMENTS

There were no public comments.

CONSENT

Consent Items 2 and 4 were removed from the Consent Calendar for separate vote.

1. Approve the Minutes of the Special City Council Meeting on June 30, 2020 **MIN 20-077**
It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously, to approve the minutes of the Special City Council meeting on June 30, 2020.

2. Adopt an Ordinance Amending Chapter 10 (Planning, Zoning and Subdivisions), Article 1 (Zoning Ordinance), Section 10-1.2780 through 10-1.2797, Tobacco Retail Sales Establishments, of the Hayward Municipal Code **CONS 20-370**

Staff report submitted by City Clerk Lens, dated July 14, 2020, was filed.

Mayor Halliday opened the public hearing at 7:05 p.m.

Public speakers participated by calling the City Clerk's office at (510) 583-4400.

Mr. Haroon Ahmed, Smokey's Smoke Shop representative, noted the ordinance would impact 14 adult tobacco stores in Hayward and suggested the requirement of ID scanning to prevent underage sales of tobacco.

Ms. Rosalyn Amoya, Tobacco Control Coalition representative, noted studies have shown that 50% of adult only tobacco stores in California have sold to minors and an exemption for these stores would not protect the youth.

Mayor Halliday closed the public hearing at 7:09 p.m.

Council Member Mendall noted the Council needed to first set rules and restrictions, and modifications for adult only smoke shops can be considered in the future.

Council Member Mendall offered a motion per staff recommendation and Council Member Salinas seconded the motion.

Council Member Wahab offered a friendly amendment that the revocation of tobacco retailer licenses, currently reviewed by the Planning Commission, be changed to review by the City Council.

Council Member Mendall did not accept the friendly amendment, noting that any member of City Council could, through a call up process, review revocation decisions made by the Planning Commission.

Council Member Wahab requested that the City Council be informed of any tobacco license revocation items that are presented to the Planning Commission.

It was moved by Council Member Mendall, seconded by Council Member Salinas, and carried by the following roll call vote, to approve the ordinance

AYES:	COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

Ordinance 20-12, "Ordinance of the City of Hayward, California, Amending Chapter 10 (Planning, Zoning, and Subdivisions), Article 1 (Zoning Ordinance), Section 10-1.2780 through 10-1.2797, Tobacco Retail Sales Establishments, of the Hayward Municipal Code"

3. Adopt an Ordinance Amending the Hayward Zoning Map and Chapter 10, Article 1 (Zoning Ordinance), Article 7 (Sign Regulations), Article 24 (South Hayward Bart/Mission Boulevard Form Based Code) and Article 25 (Mission Boulevard Corridor Form Based Code) of the Hayward Municipal Code Related to the Comprehensive Update of the Mission Boulevard Code **CONS 20-372**

Staff report submitted by City Clerk Lens dated July 14, 2020, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the ordinance:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas,
Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance 20-13, "Ordinance of the City of Hayward, California Amending Section 8-4.20 of the Hayward Municipal Code Relating to Transient Occupancy Tax"

4. Adopt a Resolution Confirming the Report and Special Assessment for Delinquent Sewer Bills and Water Bills Incurred by Property Owners **CONS 20-356**

Staff report submitted by Director of Public Works Ameri, dated July 14, 2020, was filed.

City Manager McAdoo disclosed she was recusing herself from participating on the item because her homeowner's association was listed on the delinquent bill list and left the Microsoft Teams meeting.

In response to Council Member Wahab's inquiry, Public Works Director Ameri explained the process of paying an amount owed by a group of properties.

It was moved by Council Member Salinas, seconded by Council Member Márquez, and carried by the following roll call vote, to approve the ordinance:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas,
Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 20-122, "Resolution Confirming the Report and Special Assessment List Associated with Delinquent Water and Sewer Bills and Authorizing the Delinquent Charges to Become a Special Assessment Against the Properties if Not Paid by August 1, 2020"

City Manager McAdoo rejoined the Microsoft Teams meeting at 7:20 p.m.

WORK SESSION

5. East Bay Community Energy Potential Rate Increase: Review and Comment on a Potential Rate Increase for Electricity from East Bay Community Energy **WS 20-032**

Staff report submitted by Director of Public Works Ameri, dated July 14, 2020, was filed.

Public Works Director Ameri announced the report and introduced Environmental Services Manager Pearson who provided a synopsis of the staff report.

There being no comments, Mayor Halliday opened and closed the public hearing at 7:27 p.m.

Discussion ensued among City Council members and City staff regarding: East Bay Community Energy's (EBCE) financial challenges and how the Power Charge Indifference Adjustment (PCIA), also referred to "exit fee" is calculated by PG&E; meeting greenhouse gas emissions (GHG) goals; nuclear energy; and rate increases for the options.

Council Member Mendall spoke about the options for electricity products and potential changes: switch the City over to Bright Choice which would be slightly less expensive but would be dirtier energy and would affect the City's greenhouse gas emissions (GHG); switch the City to Renewable 100 which would be 5% more expensive but 100% GHG free and 100% renewable; keep Brilliant 100 which would go up in price by 3%; or push for Brilliant 100 to maintain its current price by accepting free nuclear power allocation from PG&E.

Council Member Zermeño favored Brilliant 100 with free nuclear power allocation from PG&E as the default product which would maintain the current price and recommended the East Bay Community Energy (EBCE) Board move forward with this option.



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

Council Member Lamnin stated that while she wanted to keep and exceed the City's GHG goals she did not know if she could advocate for having a default product that would be more costly than PG&E.

Council Member Márquez noted she wanted to achieve GHG goals but without community outreach she would prefer Bright Choice which would result in 1% less on the electricity bill when compared to PG&E. Furthermore, she mentioned the City needed to find creative ways to encourage or incentivize residents to opt up to Renewable 100.

Council Member Salinas noted that Brilliant 100 with the nuclear allocation would keep rates moderate in anticipation that in the next three to four years the City would be able to move into something more sustainable.

Council Member Wahab preferred the City select the most environmentally friendly option because the City had to maintain the investment and making changes would be costly.

Mayor Halliday expressed her preference was also to prioritize the environment and mentioned it was important for the City to educate the public and conduct more community outreach about the rate increase.

City Manager McAdoo mentioned that Mr. Alex DiGiorgio, Executive Director of EBCE, was on the line. City Clerk Lens noted that Mr. DiGiorgio was not able to connect and would be sending an email to Council.

Council Member Mendall noted that three members agreed the City maintain a 100% GHG free default choice and everyone else wished for that but did not want to see the rate increase. He noted he would advocate for these options.

Mayor Halliday thanked City staff and Council Member Mendall for all the work and asked to keep everyone informed.

LEGISLATIVE BUSINESS

6. Residential Rent Stabilization and Tenant Protections: (1) Introduce an Ordinance Amending Chapter 12, Article 1 of the Hayward Municipal Code Relating to Residential Rent Stabilization and Tenant Protections; (2) Introduce an Ordinance Adding Chapter 12 Article 2 of the Hayward Municipal Code Related to Tenant Relocation Assistance; (3) Adopt a Resolution Authorizing Amendment to Resolution 20-060 City of Hayward Fiscal Year 2021 Master Fee Schedule to Establish an Amount of Relocation Assistance; and (4) Provide a Progress Report on Implementation of Residential Rent Stabilization and Tenant Protection Ordinance **LB 20-035**

Staff report submitted by Deputy City Manager Ott, dated July 14, 2020, was filed.

Deputy City Manager Ott announced the report and introduced Housing Manager Morales who provided a synopsis of the staff report.

Council Member Wahab asked City staff to clarify: Leisure Terrace communications about rent increases; notifications by landlords to tenants under the Residential Rent Stabilization and Tenant Protection Ordinance (RRSO); tenant relocation assistance; City staff efforts to notify tenants about their rights under the new ordinance; clarification for stays less than 30 days for hotels, motels, and hospitals and long term; short-term rentals; and tenants petition to the Rent Review Board for any violation of rent increases and petition process.

Mayor Halliday opened the public hearing at 8:52 p.m.

Public speakers participated by calling the City Clerk's office at (510) 583-4400.

Ms. Pauline Kaye, Leisure Terrace apartment resident, noted her rent increase notice was over the allowed percentage. Housing Manager Morales noted rents were charged based on income levels and would contact Ms. Kaye to provide more information.

Ms. Angela Andrews, Hayward resident, noted the rate of affordable housing development was not meeting the demand, supported a rent increase cap of 5%, and encouraged the City to continue working with landlords.

Ms. Lorena Luna, Hayward resident, suggested the 5% rent increase cap be changed to the current CPI and noted the permanent relocation assistance should cover three months' worth of rent.

Ms. Alicia Lawrence, The Hayward Collective member, referred to a letter about a petition to lower the current 5% threshold to the annual rate established by the Department of Housing & Urban Development's annual adjustment factors rate; clarifications in the RRSO, and permanent and temporary relocation assistance.

Ms. Pauline Williams spoke about Reliant Property Management and Leisure Terrace Apartment issues.

Ms. Lacei Amodei, Hayward resident, expressed support for The Hayward Collective's letter and noted there should be a temporary rent freeze for the duration of the crisis and then a reasonable rent increase tied to CPI.

Ms. Elisha Crader, Hayward resident and tenant advocate, supported the Hayward Collective letter regarding permanent relocation assistance, lower annual rent increase threshold and tie it to the CPI of 2%-3%; and recommended rents be cancelled for the duration of the pandemic.



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

Ms. Alondra Flores asked to consider lowering the rent increase cap to 2%-3% and cancelling and freezing rents.

Ms. Cynthia Nunes supported a lower annual rent increase threshold.

Mr. Eric Vance, Hayward resident, spoke in support of the Hayward Collective's letter, noted wages were not increasing, and supported a freeze/cancellation of rents.

Ms. Emma Dinkelspiel, Bay Area Legal Aid attorney, echoed Ms. Crader's comments, noted that anything the City Council could do to stop the eviction tsunami would save households.

Mr. Alexis Villalobos supported the Hayward Collective's petition and letter, noted the working class was notably affected when the minimum wage increase was delayed and noted the 5% increase was high.

Ms. Vanessa Sadsad echoed the sentiments of the community and the Hayward Collective, had asked the Council to lower the threshold during the pandemic, questioned why the CPI was not addressed in the staff report and suggested the item be tabled.

Ms. Yennifer Origel, spoke on behalf of small property owners and requested more relief and resources be made available to tenants so that they can pay their rents and proposed a temporary decrease in rent during the pandemic.

Ms. Susan Houa, Hayward resident, expressed it was wrong to expect people to pay rent increases when out of work and that Council needed to reconsider this item.

Diane Fagalde, Hayward tenant, asked if landlords could increase rent by more than 5%.

Mayor Halliday closed the public hearing at 9:28 p.m.

Housing Manager Morales clarified that landlords had the option of increasing rents up to 5% which was approved in 2019, and rent increases could go beyond 5% due to capital improvements or if the landlord did not take increases in 2018 and 2019.

Council Member Wahab offered a motion to approve the staff recommendation with the Hayward Collective's recommendations in its letter.

Council Member Márquez seconded the motion and thanked staff for clarifying that the City was not imposing rent increases on tenants and those were specifically for the RRSO that was updated last year.

In response to Council Member Marquez's inquiry, Housing Manager Morales explained the consequences for landlords who are in violation of the RRSO and the process for tenant's petition and mediation, and language assistance for monolinguals.

Discussion ensued about the motion on the floor.

Council Member Márquez offered a friendly amendment to move staff's recommendation and direct staff to consider the options presented by the Hayward Collective in its letter and bring the adoption of the ordinance to Council at a following Council meeting.

Council Member Wahab did not accept the friendly amendment.

Further discussion ensued among City Council members and City staff regarding substantial changes to the RRSO in the Hayward Collective's recommendations which would require reconciling staff recommendation with the suggestions from the Hayward Collective and reintroduction of the ordinance.

Council Member Lamnin echoed Council Member Márquez's amendment and suggested the Homelessness-Housing Task Force (HHTF) convene a meeting to discuss the rent increase issue and consider transforming rental to ownership programs.

Mayor Halliday asked if Council Member Wahab was amenable to change her motion based on the suggestions offered by Council Member Márquez and Council Member Lamnin.

Council Member Wahab noted Council Member Márquez and Council Member Lamnin had two different considerations and asked City Attorney Lawson for advice in how to proceed.

City Attorney Lawson noted that if the ordinance is introduced as recommended by staff and the Hayward Collective, it needs to come back for adoption, possibly next week, and if in reviewing what was introduced there is the need to make substantial reconciliation, then it will require reintroduction prior to adoption.

Council Member Wahab expressed preference for that approach and noted the reason why she was hesitant to take the item back to the HHTF is because the HHTF had discussed different issues and the HHTF was for the most part is in agreement with a lot of the concerns.

Mayor Halliday asked if Council Member Márquez was still seconding the motion.

Council Member Márquez noted that her preference was to narrow the focus of the Hayward Collective letter to possibly two to three items for staff to analyze and bring back and yielded to Council Member Wahab to select them as she was the motion maker.

Mayor Halliday commented that it is not clear that there is a clear motion on the floor and will be recognizing Council Member Zermeño at this time as he has been waiting to speak.



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

Council Member Zermeño noted he was open to decreasing the threshold of 5% but would not support the motion because the Hayward Collective ideas would be best vetted by the HHTF.

Council Member Mendall noted he was supportive of the staff recommendation but would be voting against the motion on the floor.

Council Member Salinas noted the motion on the floor was not clear and was disappointed the Council could not stay focused on the goal to clean up language in the RRSO.

Council Member Márquez stated she was withdrawing her second. Council Member Márquez offered a motion to move the staff recommendation and direct staff to convene a meeting of the HHTF to focus on further analyzing rent increases in Hayward and options available for the Council to consider.

Council Member Zermeño seconded the motion.

Discussion ensued among City staff and City Council members about procedural clarification regarding motions.

Mayor Halliday asked if there was anyone who wanted to second Council Member Wahab's original motion after Council Member Márquez withdrew her second. There being no seconder, Council Member Wahab's motion died for lack of a second.

Mayor Halliday announced that Council Member Márquez had made a motion which was seconded by Council Member Zermeño.

Council Member Wahab requested that Council Member Márquez restate her motion.

Council Member Márquez noted her motion included staff's recommendation and direction to staff to convene a meeting of the HHTF to discuss alternatives for residential rent increases in Hayward which would include the Department of Housing & Urban Development's Annual Adjustment Factors Rate and Consumer Price Index (CPI) changes; and bring back to the Council.

Council Member Wahab offered a friendly amendment to include the temporary and permanent relocation assistance recommendations in the Hayward Collective's letter and reevaluate the amount at the next HHTF meeting.

Council Member Márquez noted she was agreeable to having the HHTF discuss alternatives but did not want to commit to a timeline.

City Manager McAdoo asked that a timeline not be included but as soon as feasible from staff would be her recommendation.

Mayor Halliday asked if Council Member Zermeño as the seconder was agreeable to the friendly amendment.

Council Member Zermeño noted he understood those two items were already included in the Hayward Collective letter and there was no need for an amendment as they would be discussed by the HHTF, and there was no need to include a timeline.

Council Member Márquez did not accept the friendly amendment and noted the issues raised in the letter could be reviewed at a HHTF meeting but the urgency was revisiting rent increases and wanted to narrow the focus to that.

It was moved by Council Member Márquez, seconded by Council Member Zermeño, and carried by the following roll call vote, to approve the resolution and introduce the ordinance with direction to staff to convene a meeting of the Homelessness-Housing Task Force in September to reevaluate, discuss, and analyze residential rent increase caps.

AYES:	COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 20-123, "Resolution Authorizing the Amendment to Resolution 20-060, the Resolution for the City of Hayward Fiscal Year 2021 Master Fee Schedule Associated with the Administration of Chapter 12, Article 2 of the Hayward Municipal Code Regarding the Tenant Relocation Assistance Ordinance"

Introduction of Ordinance 20- , "Adding Article 2 to Chapter 12 of the Hayward Municipal Code Relating to Tenant Relocation Assistance"

Introduction of Ordinance 20- , "Amending Article 1 of Chapter 12 of the Hayward Municipal Code Relating to Residential Rent Stabilization and Tenant Protection"

7. Transient Occupancy Tax: Adopt Resolutions Establishing November 3, 2020 as the Date for a Proposed Ballot Measure Asking Hayward Voters to Approve an Increase in the City's Transient Occupancy Tax **LB 20-038**

Staff report submitted by Director of Finance Claussen, dated July 14, 2020, was filed.



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

Finance Director Claussen provided a synopsis of the staff report.

City Manager McAdoo noted the deadline for submitting Rebuttal Arguments was August 21, 2020.

Finance Director Claussen clarified the following items for City Council members related to the City's Transient Occupancy Tax (TOT): the maximum percentage increase would be a 5.5 percent increase; the public safety excise tax applies to the City's hotel guests and it is not a standard tax across all cities and it is not an uncommon tax across cities; staff will conduct an occupancy study and poll local hotels to evaluate the occupancy rate before recommending to initiate the increase of the TOT; noted the City's TOT and County's half cent sales tax measure are both taxes and one will impact people using hotels and motels and the second will apply to the majority of Hayward residents; and City hotels have not been selected to house jail inmates who tested positive for COVID-19 and FEMA only reimburses 75% of the cost.

Mayor Halliday opened the public hearing at 10:33 p.m.

A public speaker participated by calling the City Clerk's office at (510) 583-4400.

Mr. Kim Huggett, Hayward Chamber of Commerce President, noted the Chamber was in unanimous opposition to the TOT increase because of the negative impact on Hayward's recovery from the pandemic and overall economic development; and encouraged against placing the TOT on the ballot.

Mayor Halliday closed the public hearing at 10:35 p.m.

Council Member Zermeño noted the proceeds of the proposed TOT increase, if passed, will help the Hayward community and the City might need to help hotels with a market plan. Council Member Zermeño offered a motion to move the staff recommendation.

Council Member Mendall seconded the motion noting that by placing the TOT increase on the ballot, voters will have a choice, and if it passes, the Council will be thoughtful about its implementation. He noted it would create potential revenue as the economy starts to recover and help replenish emergency fund so that the City will not be forced to cut services.

Council Member Márquez expressed she would be supporting the motion and reminded all it was not the first time that a TOT increase was considered and would not go into effect immediately.

Mayor Halliday reiterated that implementation of a TOT increase would require Council action and would be reluctant to raise the TOT to the maximum 14% while hotels were suffering from lack of travel due to COVID.

It was moved by Council Member Zermeño, seconded by Council Member Mendall, and carried by the following roll call vote, to approve the resolutions

AYES: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas,
Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 20-124, “Resolution Calling a Municipal Election in the City of Hayward for the Purpose of Submitting to the Voters a Ballot Measure Relating to an Increase in the City’s Transient Occupancy Tax; Setting Forth the Statement of the Measure to be Voted Upon; Fixing the Date and Manner of Holding the Election; and Requesting the Board of Supervisors of Alameda County to Provide for the Consolidation of the Municipal Election with the Presidential Election to be Held on November 3, 2020, and to Provide Election Services”

Resolution 20-125, “Resolution Establishing the Schedule and Policy Providing for the Filing of Ballot Arguments for the Transient Occupancy Tax Ballot Measure at the November 3, 2020 Election”

8. Hayward City Charter: Adopt Resolutions Establishing November 3, 2020 as the Date for One Proposed Ballot Measure Asking Hayward Voters to Approve Amendments to the Hayward City Charter **LB 20-037**

Staff report submitted by City Manager McAdoo, City Clerk Lens, and City Attorney Lawson dated July 14, 2020, was filed.

Discussion ensued among City Council members and City staff regarding: Section 900 of the City Charter which allows the Council to establish by resolution/ordinance other qualifications to serve as an advisory member; background on how the proposed Charter amendment was identified to be presented to the City Council which included feedback from past recruitment processes for service on City commissions and the Keep Hayward Clean and Green Task Force (KHCG TF) and given the recently approved Racial Equity Action Plan; it was noted that a Hayward community survey was not conducted to gauge the interest and input of the Hayward community; and overview of the election cost analysis which included data from prior election years; and the process for recruiting prospective members of City commissions and the KHCG TF and appointment process by the City Council.

Council Member Salinas had a point of order about a time limit for questions/comments for Council members.



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

Mayor Halliday opened the public hearing at 11:25 p.m.

Public speakers participated by calling the City Clerk's office at (510) 583-4400.

Ms. Vanessa Sadsad strongly encouraged the Council to recommend amendments to the City Charter amendment to ensure City commissions are equitable and inclusive and open to the undocumented community.

Ms. Araceli Orozco expressed support for ensuring the City is more inclusive and noted Council Member Wahab's questions served to better understand the staff report.

Ms. Jasmine Gee thanked Council Member Wahab for all her questions, questioned why the City was taking on this task during a pandemic and not spending funds on priority items, and suggested the item be placed on a future agenda.

City Manager McAdoo clarified the overall election cost was \$250,000 and the additional cost of adding the measure to the ballot was in the \$5,000-\$10,000 range.

Ms. Pauline Williams noted her appreciation for Council Member Wahab and expressed disapproval of other City Council members and City staff.

Ms. Angelica Rosales expressed support for adding the measure to the ballot as she knows residents who would like to participate but were found ineligible to serve on advisory bodies.

Mr. Ian Valencia commended Council Member Wahab for her insightful questions and helping the public understand the staff report.

Mayor Halliday closed the public hearing at 11:36 p.m.

Members of the City Council thanked the City Manager, City Attorney and City Clerk for bringing the item forward.

Council Member Mendall thanked Council Member Márquez for bringing up the issue about expanding the number of residents who could serve on City commissions, noted the incremental election cost would have been higher when elections were in June, and appreciated the inclusion of gender pronoun cleanup.

Mayor Halliday offered a motion to approve the staff recommendation.

Council Member Zermeño seconded the motion noting that community members had requested that the proposal be addressed and encouraged residents to contact Council

Members if they have questions on agenda items.

Council Member Salinas noted the proposed changes were long overdue, would achieve several policy goals that Council has set over the years, would increase civic participation, and would lift prohibitive immigration laws.

Council Member Márquez mentioned that when she was appointed in 2004 she was concerned about the number of undocumented community members whose civic involvement was limited due to the eligibility criteria; noted the decision was made from hearing collective feedback; it was economically feasible; was pleased with the opportunity to change gender pronouns; and noted she would be supporting the motion.

Council Member Wahab noted she will continue to ensure the City is inclusive and transparent; noted the staff report did not address the root cause nor met the goal of having more people able to serve; favored a lottery system to fill vacancies without Council selecting people; noted the City Charter amendment was non-COVID related; the proposal felt short of inclusive effort; and there were other pending priorities that could have been addressed during the ongoing pandemic.

Council Member Lamnin asked her colleagues to have factual opinions and respect the opportunity for the public to communicate and communicate with one another; and expressed she would be supporting the motion.

It was moved by Mayor Halliday, seconded by Council Member Zermeño, and carried by the following roll call vote, to approve the resolution:

AYES:	COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 20-126, “Resolution Calling a Municipal Election in the City of Hayward for the Purpose of Amending the City of Hayward Charter; Setting Forth the Statement of the Measure to be Voted Upon; and Requesting the Board of Supervisors of Alameda County to Provide for the Consolidation of the Municipal Election with the Presidential Election to be Held on November 3, 2020, and to Provide Election Services”

Resolution 20-127, “Resolution Establishing the Schedule and Policy Providing for the Filing of Ballot Arguments for the Charter Amendment Ballot Measure at the November 3, 2020 Election”



**SPECIAL CITY COUNCIL MEETING
REMOTE PARTICIPATION
Tuesday, July 14, 2020, 7:00 p.m.**

CITY MANAGER'S COMMENTS

There were no comments.

COUNCIL REPORTS AND ANNOUNCEMENTS

There were no reports and announcements.

ADJOURNMENT

Mayor Halliday adjourned the special meeting at 11:56 p.m.

APPROVED

Barbara Halliday
Mayor, City of Hayward

ATTEST:

Miriam Lens
City Clerk, City of Hayward



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: MIN 20-091

DATE: September 15, 2020

TO: Mayor and City Council

FROM: City Clerk

SUBJECT

Approve City Council Minutes of the Special City Council Meeting on July 20, 2020

RECOMMENDATION

That the City Council approves the special City Council meeting minutes of July 20, 2020.

SUMMARY

The City Council held a special meeting on July 20, 2020.

ATTACHMENTS

Attachment I Draft Minutes of 7/20/2020



**SPECIAL CITY COUNCIL WORK SESSION MEETING
REMOTE PARTICIPATION
Monday, July 20, 2020, 6:00 p.m.**

The Special City Council Work Session meeting was called to order by Mayor Halliday at 6:00 p.m. The special meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order No 29-20 dated March 17, 2020, and the Alameda County Health Officer Order No. 20-10 dated April 29, 2020 regarding the COVID-19 pandemic.

CALL TO ORDER Pledge of Allegiance: Mayor Halliday

ROLL CALL

Present: COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab
MAYOR Halliday

Absent: COUNCIL MEMBERS Mendall, Zermeño

PUBLIC COMMENTS

Ms. Blossom Christian, Hayward resident, reported issues in her neighborhood related to speeding and illegal fireworks and expressed interest for starting a neighborhood watch. Mayor Halliday asked staff to follow up with Ms. Christian.

WORK SESSION

1. Huntwood Avenue Traffic Calming Improvement: Provide an Overview and Approach to Roadway Reallocation for a Safe and Complete Street **WS 20-033**

Staff report submitted by Director of Public Works Ameri, dated July 20, 2020, was filed.

Public Works Director Ameri announced the work session and introduced Senior Transportation Engineer Solla who provided a synopsis of the staff report.

There being no public members, Mayor Halliday opened and closed the public hearing at 6:22 p.m. Mayor Halliday reopened the public hearing at 6:33 p.m., as a public member could not connect earlier. Public speaker participated by calling the City Clerk's office at (510) 583-4400.

Ms. Susie Hufstader, Bike East Bay representative, expressed support for staff's report, recommended the development of a policy that would set thresholds for projects requiring Council approval and low-level projects requiring community outreach and staff implementation, and suggested such policy be approved along with the final Bicycle and Pedestrian Master Plan.

Mayor Halliday closed the public hearing at 6:37 p.m.

Discussion ensued among City Council members and City staff regarding: extensive community outreach/input and further opportunity to provide community input by emailing huntwoodfeedback@hayward-ca.gov; traffic calming measures and delineation to serve as separators; communications with the city of Union City regarding the proposal; impact of the implementation of a road diet on trucks and impact to Ruus Road.

The City Council was in general support of the proposed Huntwood Traffic Calming measures in order to bring average vehicle speeds closer to the posted speed limit; appreciated the community outreach and the partnership with South Hayward Neighborhood Collaborative (SHNC) and Bike East Bay; favored the proposal could be implemented in conjunction with the FY20 Pavement Improvement project; and supported the crafting of standard policies to enable implementation of similar projects as recommended by Ms. Hufstader.

Council Member Salinas suggested community outreach information include social media graphics of the conceptual plan which could be disseminated by Hayward Promise Neighborhood and add a button on the mailer to remind residents to complete the 2020 Census.

Council Member Lamnin disclosed that she is a member of the SHNC and had attended the SHNC meeting about the proposal. While she favored the concept of traffic calming measures, she remained concerned about traffic volume given Huntwood Avenue is a thoroughfare.

Council Member Wahab suggested staff incorporate more sitting areas in pedestrian walkways primarily for the elderly and less able individuals

Mayor Halliday noted she would like the proposed concept duplicated in other parts of the City that need traffic calming measures.

2. Capitol Corridor Joint Powers Authority (JPA) - South Bay Connect Project: Provide an Overview on the Capitol Corridor JPA - South Bay Connect Project **WS 20-034**

Staff report submitted by Director of Public Works Ameri, dated July 20, 2020, was filed.

Transportation Manager Kelly announced the work session and introduced Mr. Ben Tripousis, Senior Project Manager and Associate Vice President with HNTB Corporation, who provided a synopsis of the South Bay Connect project, its scope, status, and anticipated schedule.

Mayor Halliday opened the public hearing at 7:11 p.m.

Public speakers participated by calling the City Clerk's office at (510) 583-4400.



**SPECIAL CITY COUNCIL WORK SESSION MEETING
REMOTE PARTICIPATION
Monday, July 20, 2020, 6:00 p.m.**

Mr. Jian Ghang objected to the South Bay Connect (SBC) project because it was unnecessary given folks were working from home, the cost was not efficient and railroad tracks run along family neighborhoods which would affect their lifestyle.

Mr. Jeff Liu noted the project needs to be reconsidered because ridership is low because of COVID-19; asked for information to include pros and cons of the SBC project; and requested the project be postponed.

Mayor Halliday closed the public hearing at 7:17 p.m.

Mayor Halliday spoke about her involvement in discussions regarding the relocation of the Hayward Station and the detrimental environmental effects that could result from the South Bay Connect (SBC) project, noted the project would eliminate stations in Alameda County which are priority development areas, noted it made sense to have the freight train line stay at the coastal route, and noted that given the pandemic, the funding for the project and ridership goals might need to be reevaluated.

Mayor Halliday reopened public comments at 7:24 p.m.

Ms. Lily Zhang, Fremont resident, spoke in opposition to the South Bay Connect project due to environmental concerns and lifestyle and traffic impact to residents.

Mayor Halliday closed public comments at 7:27 p.m.

Discussion ensued among City Council members and Mr. Ben Tripousis regarding: the South Bay Connect (SBC) project; the funding awarded to Capitol Corridor Joint Powers Authority (CCJPA) to advance the SBC project and additional state, local and regional grants; the environmental phase of the SPC project to address challenges, impacts and benefits of the proposed project for all stakeholders and how the CCJPA can address them; importance to evaluate train schedule and interconnectivity with BART; support for an infrastructural change that is transformational; and existing demand for ridership and travel time and fare cost.

Members of the City Council expressed significant concerns about the SBC project and the negative impact to the community from an environmental and lifestyle perspective and further impact to the Hayward shoreline; there was consensus that there needs to be equity when soliciting community feedback to ensure there are no disproportionate impacts to communities of concern; and there were reservations about the potential loss of existing Capitol Corridor service at the Hayward Station in Hayward.

Mayor Halliday noted that she has been in discussions with San Leandro and Union City mayors and may consider sending a letter to the Capitol Corridor Joint Powers Authority and ask that issues raised be addressed in the environmental review of the SBC project.

In response to Mr. Tripousis offer if there were segments of the community that the City would like the CCJPA to reach out to, City Council members noted residents of the Cannery Area, Sierra Club and Friends of San Lorenzo Creek.

ADJOURNMENT

Mayor Halliday adjourned the special meeting at 7:58 p.m.

APPROVED

Barbara Halliday
Mayor, City of Hayward

ATTEST:

Miriam Lens
City Clerk, City of Hayward



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: MIN 20-092

DATE: September 15, 2020

TO: Mayor and City Council

FROM: City Clerk

SUBJECT

Approve City Council Minutes of the Special Joint Meeting of the City Council and Hayward Redevelopment Successor Agency on July 21, 2020

RECOMMENDATION

That the City Council approves the Special Joint Meeting of the City Council and Hayward Redevelopment Successor Agency minutes of July 21, 2020.

SUMMARY

The City Council held a Special Joint Meeting of the City Council and Hayward Redevelopment Successor Agency on July 21, 2020.

ATTACHMENTS

Attachment I Draft Minutes of 7/21/2020



**SPECIAL JOINT CITY COUNCIL/HAYWARD REDEVELOPMENT AGENCY
BOARD MEETING
REMOTE PARTICIPATION
Tuesday, July 21, 2020, 7:00 p.m.**

The Special Joint City Council/Hayward Redevelopment Successor Agency Board meeting was called to order by Mayor/Chair Halliday at 7:00 p.m. The special meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order No 29-20 dated March 17, 2020, and the Alameda County Health Officer Order No. 20-10 dated April 29, 2020 regarding the COVID-19 pandemic.

CALL TO ORDER Pledge of Allegiance: Mayor/Chair Halliday

ROLL CALL

Present: COUNCIL/HRSAB MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño
MAYOR/CHAIR Halliday
Absent: COUNCIL/ HRSAB MEMBER Mendall

CLOSED SESSION ANNOUNCEMENT

The City Council convened in closed session at 5:45 p.m., regarding two items: 1) conference with legal counsel pursuant to Government Code 54956.9 regarding Raymond Sisson v. City of Hayward Workers' Compensation Appeals Board Case Nos. ADJ9856557, ADJ9857325; and 2) conference with legal counsel pursuant to Government Code 54956.9 regarding City of Hayward v. Board of Trustees California State University, Court of Appeal, 1st District, Case No. A158981. City Attorney Lawson reported the first item was moved by Council Member Salinas, seconded by Council Member Márquez, and unanimously approved with Council Members Mendall and Zermeño absent, to compromise and settle the matter. Regarding the second item, City Attorney Lawson reported the City Council provided direction and there was no reportable action.

PROCLAMATION

Mayor Halliday read a proclamation declaring August 2020 as Muslim Appreciation and Awareness Month in the City of Hayward as a means to condemn hate crimes and discrimination against anyone regardless of religion or appearance and to afford all residents the opportunity to better understand, recognize and appreciate diversity. Council Member Wahab thanked the City Council for the proclamation and Council Member Lamnin for her leadership.

PUBLIC COMMENTS

Ms. Sameena Usman thanked the City Council for acknowledging August as Muslim Awareness and Appreciation Month, spoke about the importance and the recognition of American Muslim contributions to this country, and spoke about the contributions of the Muslim community during the COVID-19 pandemic.

Ms. Arzo Mehdavi, Community Services Commission Chair, thanked Council for recognizing the many contributions made by Muslim residents and noted the proclamation meant a lot to those who faced discrimination based on the religion they chose to practice.

Mr. Munir Safi, with the Eden Area Interfaith Council and representing five mosques in Hayward, thanked Council for acknowledging August as Muslim Awareness Month, noted Muslims have endured acts of discrimination and asked that Council continue to advocate for the Muslim community.

Ms. Cynthia Nunez reported the Town Hall meeting, where the School Resource Officer (SRO) program was discussed, was hacked by a white supremacist making racial and threatening comments.

City Manager McAdoo noted the police department was launching an investigation and will follow up to the extent that the law allows in pursuing action against those individuals.

CONSENT

Consent Items 6, 7 and 8 were removed from the Consent Calendar for separate vote.

1. Approve the Minutes of the Special City Council Meeting on July 7, 2020 **MIN 20-079**
It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously with Council Member Mendall absent, to approve the minutes of the Special City Council meeting on July 7, 2020.

2. Adopt an Ordinance Adding Article 2 to Chapter 12 of the Hayward Municipal Code Relating to Tenant Relocation Assistance **CONS 20-397**

Staff report submitted by City Clerk Lens, dated July 21, 2020, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the ordinance:

AYES:	COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	COUNCIL MEMBER Mendall
ABSTAIN:	None

Ordinance 20-14, “An Ordinance of the City of Hayward, California Adding Article 2 to Chapter 12 of the Hayward Municipal Code Relating to Tenant Relocation Assistance”



**SPECIAL JOINT CITY COUNCIL/HAYWARD REDEVELOPMENT AGENCY
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REMOTE PARTICIPATION
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-
3. Adopt an Ordinance Amending Article 1 of Chapter 12 of the Hayward Municipal Code Relating to Residential Rent Stabilization and Tenant Protection **CONS 20-398**

Staff report submitted by City Clerk Lens dated July 21, 2020, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the ordinance:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: COUNCIL MEMBER Mendall
ABSTAIN: None

Ordinance 20-15, "An Ordinance of the City of Hayward, California Amending Article 1 of Chapter 12 of the Hayward Municipal Code Relating to Residential Rent Stabilization and Tenant Protection"

4. Adopt a Resolution Authorizing the City Manager to Negotiate and Execute Agreements with Five Consulting Firms, for an Amount Not to Exceed the Total FY21 Budget Appropriation of \$330,000 (Development Services) and \$50,000 (Fire Department), to Provide Plan Check, Inspection and Permit Technician Services **CONS 20-385**

Staff report submitted by Director of Development Services Simpson, dated July 21, 2020, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolution:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: COUNCIL MEMBER Mendall
ABSTAIN: None

Resolution 20-128, "Resolution Authorizing the City Manager to Negotiate and Execute Agreements with Five Consulting Firms, for an Amount Not to Exceed the Total FY21 Budget Appropriation of \$330,000 (Development Services) and \$50,000 (Fire Department), to Provide Plan Check, Inspection and Permit Technician Services"

5. Adopt Resolutions Approving Plans and Specifications and Call for Bids and Authorizing the City Manager to execute an Amendment to the Professional Services Agreement with Mark Thomas & Company, in an amount not-to-exceed amount of \$150,000, for the Mission Boulevard Corridor Improvements Phase 3 Project **CONS 20-386**

Staff report submitted by Director of Public Works Ameri, dated July 21, 2020, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolutions:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: COUNCIL MEMBER Mendall
ABSTAIN: None

Resolution 20-129, “Resolution Approving Plans and Specifications for the Mission Boulevard Corridor Improvements Phase 3 Project, Project No. 05287 and Call for Bids”

Resolution 20-130, “Resolution Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with Mark Thomas & Company for Additional Services Associated with the Mission Boulevard Corridor Improvements Phase 3 Project, Project No. 05287”

6. Adopt a Resolution Authorizing the City Manager to Negotiate and Execute a Letter Agreement with 1069 B Street, LLC to Defer Rent and Parking Maintenance Payments for Cinema Place **CONS 20-392**

Staff report submitted by Deputy City Manager Ott, dated July 21, 2020, was filed.

City staff withdrew the item.

7. Adopt Resolutions Authorizing the City Manager to Execute a Memorandum of Understanding (MOU) with the Alameda County Public Works Agency for the Hesperian Boulevard and West A Street Protected Intersection Project and Appropriate \$1,250,056 for this Project from Measure BB (Local Transportation), Fund 212; Measure B (Local Transportation), Fund 215; and the Transportation System Improvement, Fund 460 **CONS 20-393**

Staff report submitted by Director of Public Works Ameri, dated July 21, 2020, was filed.



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Council Member Wahab disclosed that she lives within the vicinity of the project and after consulting with staff, she did not have a conflict and will be participating in the item.

Mayor Halliday commented that she is glad that this project is moving forward, and this is a step in making a major intersection safer for bicyclists and pedestrians. The Mayor said that as soon as is possible she would like the City to continue safety improvements going south on Hesperian Boulevard to make it safe for everyone. Mayor Halliday made a motion to move the staff recommendation.

Council Member Zermeño seconded the motion.

It was moved by Mayor Halliday, seconded by Council Member Zermeño, and carried by the following roll call vote, to approve the resolutions:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: COUNCIL MEMBER Mendall
ABSTAIN: None

Resolution 20-131, "Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the Alameda County Public Works Agency for the Hesperian Boulevard and West A Street Protected Intersection Project."

Resolution 20-132, "Resolution Appropriating \$1,250,056 from Measure BB Local Transportation (Fund 212), Measure B Local Transportation (Fund 215), and the Transportation System Improvement Fund (Fund 460) for the Hesperian Boulevard and West A Street Protected Intersection, Project No. TBD"

8. Adopt a Resolution Authorizing and Appropriating Additional Emergency Funding in Response to Novel (New) Coronavirus (COVID-19) **CONS 20-402**

Staff report submitted by City Manager McAdoo, dated July 21, 2020, was filed.

Council Member Wahab expressed concern about the funds that are being spent and asked if partnerships have been established to meet the costs.

City Manager McAdoo spoke about the originally approved allocation, reimbursements received and the expected CARES Act Funding from the state. Council Member Wahab acknowledged the City's firefighters were working at the testing site and wanted to ensure that they would be able to focus on fire situations. City Manager McAdoo noted the transition from Fire personnel to La Familia was complete.

Council Member Zermeño offered a motion to approve the staff recommendation. Council Member Márquez seconded the motion.

Council Member Márquez acknowledged the City was leveraging partnerships and ensuring the City is reimbursed for costs and thanked staff for the good work.

It was moved by Mayor Zermeño, seconded by Council Member Márquez, and carried by the following roll call vote, to approve the resolution:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño
MAYOR Halliday
NOES: None
ABSENT: COUNCIL MEMBER Mendall
ABSTAIN: None

Resolution 20-133, "Resolution Authorizing and Appropriating \$1 Million Dollars of Additional Emergency Funding from the General Fund Reserve Fund in Response to Novel (NEW) Coronavirus (COVID-19)

PUBLIC HEARING

9. Costco Business Center Fuel Facility: Proposed Development of a Fuel Facility with Related Site Improvements at the Costco Business Center Located at 22330 Hathaway Avenue (Assessor Parcel No. 429-0082-003-00) Requiring Approval of a Major Modification to an Existing Planned Development Zoning District (Application No. 201706217) and Adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program. Barghausen Engineering on Behalf of Costco Wholesale Corporation (Applicant/Owner) **PH 20-058**

Staff report submitted by Development Services Director Simpson, dated July 21, 2020, was filed.

Development Services Director Simpson announced the report and introduced Planner Martinez who provided a synopsis of the staff report.

Mr. Sean Anderson with Barghausen Consulting Engineers for Costco Wholesale provided a presentation.



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Discussion ensued among City Council Members, City staff, Mr. Sean Anderson with Barghausen Consulting Engineers and Ms. Amy Lopez of Kittelson & Associates regarding: the proposed gas station; days/hours of operation for the gas station; additional EV charging stations; local street improvements extended to Hathaway Avenue; business plan for Costco; traffic impacts at this location and at the Costco gas station on Hesperian proposed construction timeline; the queue storage area that can support 32 waiting vehicles.

Mayor Halliday opened the public hearing at 8:12 p.m.

Public speakers participated by calling the City Clerk's office at (510) 583-4400.

Mr. Frank Burton, Hayward resident, spoke in support of the proposed project noting there would be an increase in sales tax for Hayward and the EV charging stations would be an asset for the part of town.

Mayor Halliday closed the public hearing at 8:14 p.m.

Council Member Salinas noted A Street was over saturated with gas stations, was concerned about the negative impact to local gas stations on A Street which are independently owned, and spoke about the negative impact to existing traffic at the corner of A Street and Hathaway Avenue. Council Member Salinas offered a motion to deny the application which was requesting approval of a major modification to an existing Planned Development District.

Council Member Lamnin seconded the motion.

Council Member Lamnin was concerned the Hayward and San Leandro Costco gas stations were not considered in the traffic and economic studies, concurred the proposal would negatively impact the traffic at the intersection of A Street and Hathaway Avenue; heard there was a decrease in gas sales because of the Costco gas station in South Hayward, the City was promoting a greener economy and greener models, and did not agree with putting in more fossil fuel tanks in the ground.

Council Member Zermeño agreed that other gas stations had different clientele than the proposal, there would be traffic mitigation at the impacted location, noted Costco had made changes to improve its proposal, had received more emails in favor than in opposition, and would not be supporting the motion.

Council Member Márquez noted the City did not want to create more dependency on fossil fuels, the City has its Climate Action Plan and goals, Costco has been an instrumental partner to the City, the proposal would provide needed revenue and taxes, and noted she would not be supporting the motion. She added that she did not want to see any more applications for gas stations and would recommend a moratorium on gas stations.

In response to Council Member Wahab, Associate Planner Martinez said if the project were denied, Costco had the options of walking away or reapplying a year from the denial date.

Council Member Wahab offered a friendly amendment that Council Member Salinas alter his motion if Costco made certain adjustments based on City Council requests.

Council Member Salinas did not accept the friendly amendment.

Council Member Zermeño noted this would be the last gas station that would get his approval.

Mayor Halliday heard positive comments that Hayward was moving away from a car oriented society and did not think there was a need for more gas stations; however, Costco was part of the Hayward business community and a significant contributor to Hayward's sales tax base, and appreciates that Costco took the Planning Commission comments seriously and rectified to some extent and added EV charging stations.

Council Member Wahab asked if Council Member Salinas and Council Member Lamnin would entertain changing the motion to continue the item to a date certain.

Discussion ensued among Council Members and City staff about the motion on the floor.

It was moved by Council Member Salinas, seconded by Council Member Lamnin, and failed by the following roll call vote, to deny the application.

AYES:	COUNCIL MEMBERS Lamnin, Salinas
NOES:	COUNCIL MEMBERS Márquez, Wahab, Zermeño MAYOR Halliday
ABSENT:	COUNCIL MEMBER Mendall
ABSTAIN:	None

Council Member Márquez offered a motion to approve the staff recommendation with an additional recommendation to consider a moratorium on gas stations.

Council Member Zermeño seconded the motion

Mayor Halliday offered a friendly amendment that the applicant activates the three additional EV charging stations to serve a total of ten parking spaces.

Council Member Márquez accepted the friendly amendment.

Council Member Zermeño accepted the Mayor's friendly amendment.

It was moved by Council Member Márquez, seconded by Council Member Zermeño, and failed by the following roll call vote, to approve staff's recommendation with an additional recommendation to consider a moratorium on gas stations and an amendment to activate



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the three additional EV charging stations to serve a total of 10 parking spaces. The motion failed by the following vote:

AYES: COUNCIL MEMBERS Márquez, Zermeño
MAYOR Halliday
NOES: COUNCIL MEMBERS Lamnin, Salinas, Wahab
ABSENT: COUNCIL MEMBER Mendall
ABSTAIN: None

Council Member Zermeño offered a motion to continue the item to September 15, 2020.

Council Member Márquez seconded the motion.

Discussion ensued among Council Members and City staff about the motion on the floor.

It was moved by Council Member Zermeño, seconded by Council Member Márquez, and failed by the following roll call vote, to continue the item to September 15, 2020.

AYES: COUNCIL MEMBERS Márquez, Wahab, Zermeño
NOES: COUNCIL MEMBERS Lamnin, Wahab
MAYOR Halliday
ABSENT: COUNCIL MEMBER Mendall
ABSTAIN: None

Assistant City Attorney Brick said since there cannot be any decision, then the motion fails, and the applicant would have to wait a year before bringing the application back.

Mayor Halliday thanked everyone who appeared on behalf of Costco and apologized that Council could not come to a more definitive agreement on the proposed project and asked the City Manager McAdoo if there were any rules about automatically bringing an item back when a Council Member was absent. City Manager McAdoo said that staff would investigate and if that was the case, then staff would send a notification.

WORK SESSION

10. Public Safety Community Engagement Plan: Review and Provide Feedback on the Proposed Public Safety Community Engagement Plan **WS 20-035**

Staff report submitted by City Manager McAdoo and Chief of Police Chaplin, dated July 21, 2020, was filed.

City Manager McAdoo provided a synopsis of the staff report.

Mayor Halliday opened the public hearing at 9:24 p.m.

Public speakers participated by calling the City Clerk's office at (510) 583-4400.

Ms. Lacey Amodei, Hayward Community Coalition member, noted the Public Safety Community Engagement Plan was not reflective of what the community was asking for.

Ms. Elisha Crader, Hayward resident, did not support hiring consultants and noted community members could serve as consultants, favored defunding the police, and putting the community in charge of guiding budget decisions through a citywide committee for all residents.

Ms. Allison Morrison, current Hayward co-landowner and property manager, supported a Public Safety Engagement Plan, hoped the Plan would address extended vacancies, was a strong advocate of a solid police force, did not believe in defunding the police but reallocating funds for racial education, de-escalation training, for psychiatric and mental health issues, and requested increased patrols in downtown.

Ms. Cynthia Nunez spoke on behalf of the Hayward Community Coalition noting black and brown communities were disproportionately affected by policing, suggested counseling for those who have to relive trauma events, added that data collection does not reflect lived experiences, and did not support hiring the FM3 consulting firm.

Ms. Elizabeth Blancas, Hayward resident, noted the community has been persistent about reimagining public safety and prioritizing community needs, was concerned about the timeline as the community continues to experience violence and murder.

Ms. Rosaura Figueroa Mendoza, noted there was an extreme imbalance in wanting to create radical policy change reflective of the needs of community members who are at the bottom of the pyramid, and did not favor hiring a consulting firm for \$74,000 as these funds could be used to uplift and support the voices of those who have already lost loved ones.

Mr. Jordan Leopold, Hayward resident, spoke against the consulting firm conducting an analysis and spoke about defunding the police department and investing the funds back into the community.

Mr. Daniel Super, Hayward resident, did not think the City needed a consulting firm and policing was broken in America.

Ms. Eileen Syrop did not support hiring a consultant, spoke about the multitude of emails demanding defunding the police department and placing the funds into schools and programs that nurture the community and not criminalize it.

Ms. Vanessa Sadsad, community organizer, spoke against the consulting firm and the timeline.



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Ms. Artavia Berry, Hayward resident and CSC member, expressed disappointment in the Plan as it did not state any definitive outcome with any acceptable timeline, did not support another survey when the CSC had provided recommendations, urged the Council to review the recommendations from the CSC along with immediate actions that can be taken tonight to demonstrate the commitment to our community.

Ms. Liliana Barajas, Hayward resident, did not support the consulting firm, thanked the Hayward Coalition for doing the work that the City is proposing and spoke about the protests from residents about the injustice their families undergo.

Ms. Jennifer Origel Hernandez, Hayward native, requested to defund the Hayward police, reallocate resources by adding more social counseling services in schools, did not favor using tax dollars to hire a consulting firm to gather anymore data that the community is already calling in and showing up to protest their input.

Pastor Arlene Nehring with United Church of Christ noted she listened to the pain and mistrust in the community, appreciated the work in understanding community relations, improving law enforcement, and creating a community that provides preventative measures, noted she has found third party consultants to be effective and it would be helpful for the community to know how the consultant was chosen.

Ms. Angelica Rosales did not agree with a third-party consultant and asked how many lives needed to be lost before something was going to change.

Ms. Alicia Lawrence, CSC member, referred to the CSC letter and its 14 recommendations, four which includes the Hayward Coalition's demands which was passed unanimously by the CSC.

Ms. Erika Richards, Hayward resident, supported defunding the police and using resources towards mental health and education and questioned the third-party consultant firm.

Ms. Angela Andrews, Planning Commissioner, asked if the survey was going to be the opportunity to analyze community services that can appropriately address police concerns, asked what interim measures would be in place for the police department, and suggested seeking a consulting firm more reflective of the community.

Ms. Pauline Kay disagreed on spending funds for studies that have already been done in other cities across the nation and suggested City staff use their own salaries and the City's budget to make effective change in the Hayward community.

Mr. Isaac Harris, community member, supported the Hayward Community Coalition demands and noted that consulting groups/committees are used to sideline real community demands, and noted that black and brown people need to be guiding the decision making, not outsiders coming in and surveying a few.

City Clerk Lens noted there was a request to read the SEIU Local 1021 letter into the record. Since that is not standard practice, Mayor Halliday noted it could be included as part of the report.

Mayor Halliday closed the public comments at 10:04 p.m.

Discussion ensued among City Council members and City staff regarding: the FM3 firm and how it was chosen through a competitive Request for Proposal (RFP) process; Government Alliance on Race and Equity (GARE) cohorts as participating groups; joint HUSD Board/City Council meeting where the SRO program would be a topic of conversation; the Community Advisory Panel (CAP) as a community group for helping lead discussions.

Council Member Lamnin stressed the importance of discussions and the implications when changing policies; wanted an opportunity for staff and the community to meet with CSC members and understand their proposal; suggested providing translation services and engaging the Hayward Youth Commission for their input and as facilitating their own conversations among peers; and offered her assistance to have a forum.

Council Member Zermeño agreed with Council Member Lamnin about staff's work on coming up with a Plan that is thoughtful, inclusive, diverse and that will put the community input first; believed that focus groups should be conducted by City staff and the number of people surveyed should exceed 400; asked to include Chabot College, California State University East Bay, and a list of community members who have had particular experiences being maltreated; stressed educating residents; suggested the HPD CAP be a Brown Act committee and can look into reallocating a portion of HPD funds into the community.

Council Member Salinas noted that SEIU Local 1021 members should be included in the conversations; suggested leveraging resources from Chabot College and CSUEB ethnic studies programs and faith leaders; added it was important to have honest conversations across communities in the City; and encouraged engaging HUSD and other schools.

Police Chief Chaplin appreciated the opportunity to speak noting there had been discussions about the police budget and changes in the police department without input from the police, and favored having community discussions, conducting a survey and engaging a consultant to obtain broader input from the community.

Council Member Márquez underscored the importance to engage the broader community; noted that for her to feel comfortable with the Plan, it needed to be attached to actual items; mentioned there were great ideas which should be included on a timeline of when they would be vetted; suggested the City could partner with local non-profits for people who do not have insurance and are in need of counseling; and noted that in collaboration with the Police Chief, the City needs to speak to the national conversation of Black Lives Matter acknowledging the challenges in our own community.



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Council Member Wahab agreed that SEIU Local 1021 should be at the table; noted police officers should be surveyed separately from residents for their take on a wide variety of issues, policy, procedures, discussions in the community, changes they view are pertinent; requested the CAP be considered a Brown Act committee to improve transparency; noted the goal for the number of residents completing the survey should be increased to obtain a larger sample size; and recommended that Council should be informed of both compliments and complaints that are received by the HPD.

Mayor Halliday thanked everyone who participated; noted the Council needs data on the nature of HPD calls, percentage that would be better addressed by mental health professionals and/or Fire Department, type of complaints received; added the City does need the professional assistance that a consultant could bring to the process understanding that the City would be in charge and find a variety of methods so everyone in the community would be comfortable communicating with the City; and requested the Council be provided with a report on the pilot program.

City Manager McAdoo noted that Council Member Mendall sent an email expressing support for the Plan as outlined in the staff report.

LEGISLATIVE BUSINESS

11. League of California Cities 2020 Annual Conference: Adopt a Resolution Designating Voting Delegates and Alternates for the Annual Conference Scheduled for October 7-9, 2020 LB 20-040

Staff report submitted by City Clerk Lens, dated July 21, 2020, was filed.

City Clerk Lens provided a synopsis of the staff report.

It was clarified that staff will present the City Council with the League resolution packet on September 20, 2020 for a vote and that will be the direction the voting delegate or alternates will follow to cast the ballot on behalf of the City.

Mayor Halliday underscored this could be a valuable year to attend the conference and obtain information and expertise from representatives who are experiencing similar challenges and encouraged Council Member Wahab to register as a voting alternate.

There being no comments, Mayor Halliday opened and closed the public hearing at 9:24 p.m.

Council Member Zermeño offered a motion to approve the resolution designating Mayor Halliday as the City’s voting delegate and Council Member Salinas and Council Member Wahab as the City’s alternate voting delegates. Council Member Márquez seconded the motion.

It was moved by Council Member Zermeño, seconded by Council Member Márquez, and carried by the following roll call vote, to approve the resolution designating Mayor Halliday as the City’s voting delegate and Council Member Salinas and Council Member Wahab as the City’s alternate voting delegates.:

AYES:	COUNCIL MEMBERS Lamnin, Márquez, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	COUNCIL MEMBER Mendall
ABSTAIN:	None

Resolution 20-134, “A Resolution Designating a Voting Delegate and an Alternate Voting Delegate as Hayward’s Representatives to the League of California Cities 2020 Annual Conference”

CITY MANAGER’S COMMENTS

There were none.

COUNCIL REPORTS AND ANNOUNCEMENTS

Council Member Márquez, Council Member Zermeño, Council Member Salinas and Mayor Halliday encouraged the community to continue to wear masks and practice physical distancing. Council Member Márquez said that unfortunately, the COVID cases continue to rise in our County and continue to wash your hands and take these safety precautions seriously.

Council Member Lamnin noted for the record that when the Council approved the Consent Calendar the July 7, 2020 minutes were approved as amended, congratulated the Housing Authority of Alameda County’s (HACA) Executive Director Gouig upon her retirement and welcomed Mr. Kurt Wiest as the new Executive Director, congratulated the Fire Department, for its work at the COVID testing center and all their efforts during the pandemic, mentioned participating in a CalPERS meeting, and announced there would be a public memorial for former Alameda County Supervisor Gail Steel on August 1, 2020 at 10 am via Zoom and the City will be hosting this and the public can contact herself and the Council Members for the Zoom link.

Mayor Halliday noted the City Council held two work session on July 20, 2020: one for traffic calming measures along Huntwood Avenue, and another related to the Regional Proposal by the Capitol Corridor Joint Powers Authority which would potentially eliminate the Hayward station and there were concerns expressed by residents and neighboring cities, and encouraged the public to provide feedback on the City’s website.



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Tuesday, July 21, 2020, 7:00 p.m.**

ADJOURNMENT

Mayor/Chair Halliday adjourned the special meeting at 11:43 p.m., in memory of Congressman John Lewis who was a civil rights leader and longstanding United States Representative for Georgia's 5th Congressional District.

APPROVED

Barbara Halliday
Mayor, City of Hayward

ATTEST:

Miriam Lens
City Clerk, City of Hayward



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-339

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Information Technology/CIO

SUBJECT

Adopt a Resolution Authorizing the City Manager to Execute an Agreement with Integrated Archive Systems, Inc. (IAS) to Purchase and Set Up Security Cameras for Various Facilities in an Amount Not-to-Exceed \$300,000

RECOMMENDATION

That the Council adopts the attached resolution authorizing the City Manager to execute an agreement with IAS to purchase, set up and install Security Cameras from IAS for various City of Hayward facilities, in an amount not-to-exceed \$300,000 in total spending for equipment and services.

SUMMARY

As part of the City of Hayward's focus on safety and security, a broad effort is underway to assess and replace legacy video camera technology throughout the City of Hayward. The City has already completed similar projects for City Hall, the Watkins Parking Garage, Water Treatment Plant, and Corporation Yard. The Police Department building and Animal Services Facilities are next followed by the Airport. The existing video infrastructure is 20 years old and serviceable parts are no longer available, which has resulted in many of the cameras and supporting software not working at the Police and Animal Services buildings.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Information Technology/CIO

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute an Agreement with Integrated Archive Systems, Inc. (IAS) to Purchase and Set Up Security Cameras for Various Facilities in an Amount Not-to-Exceed \$300,000

RECOMMENDATION

That the Council adopts the attached resolution authorizing the City Manager to execute an agreement with IAS to purchase, set up, and install Security Cameras from IAS for various City of Hayward facilities, in an amount not to exceed \$300,000 in total spending for equipment and services.

SUMMARY

As part of the City of Hayward's focus on safety and security, a broad effort is underway to assess and replace legacy video camera technology throughout the City of Hayward. The City has already completed similar projects for City Hall, the Watkins Parking Garage, Water Treatment Plant, and Corporation Yard. The Police Department building and Animal Services Facilities are next followed by the Airport. The existing video infrastructure is 20 years old and serviceable parts are no longer available, which has resulted in many of the cameras and supporting software not working at the Police and Animal Services buildings.

BACKGROUND AND DISCUSSION

In 2018, the City of Hayward replaced and upgraded the video camera management and storage solution for City Hall, Watkins parking garage, water treatment plant, and corporation yard. The City contracted with IAS to successfully plan and manage the City's centralized video camera management platform. IAS executed a project plan on time and within budget and provides features highly desirable by the City.

The Information Technology Department and IAS have been working together to replace antiquated camera systems at all City facilities. The use of IAS as the vendor to complete this portion of the work will allow seamless integration, consistent components, and allow for easier maintenance of the City's video system. IAS understands City of Hayward's video system infrastructure, setup, security requirements, and video camera needs.

IAS prepared a custom quote that combined the City's chosen video management software (Milestone), with hardware storage components that meet the needs of the City and the Police Department to integrate software and hardware components. Staff negotiated a fair and reasonable price with IAS resulting in multiple discounts on their standard pricing model based on a review of multiple competing vendors.

FISCAL IMPACT

The total cost for the Animal Services and Police Department facilities security cameras is estimated to be \$275,000. Funding for this project will utilize Byrne grant funds (\$82,713) and funds in the Police Department's CIP appropriation (\$192,287), both of which are included in the FY 2021 Operating and Capital Budgets.

NEXT STEPS

If Council approves the recommended action, staff will execute the agreement.

Prepared by: Jeannie Quan, Support Services Operations Manager
Nathaniel Roush, IT Manager

Recommended by: Adam Kostrzak, Director of Information Technology/CIO

Approved by:



Kelly McAadoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH INTEGRATED ARCHIVE SYSTEMS, INC (IAS) TO PURCHASE, SET UP AND INSTALL SECURITY CAMERAS FOR HAYWARD FACILITIES

WHEREAS, the City of Hayward has been comprehensively upgrading security cameras at all City facilities; and

WHEREAS, the City of Hayward's video infrastructure at Police Department and Animal Services facilities is 20 years old and parts are no longer available; and

WHEREAS, IAS has provided the security camera infrastructure for numerous other City facilities and there is a need to utilize consistent systems throughout the City for ease of maintenance and administration; and

WHEREAS, this purchase is funded from Police Department current grant funds and CIP funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute an agreement with Integrated Archive Systems, Inc for the purchase, setup and installation of a video security system for Hayward Police Department and Animal Services Facilities. This is for a purchase amount, including all costs, not to exceed \$300,000.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-416

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Chief of Police

SUBJECT

Adopt a Resolution Authorizing the City Manager to Execute an Agreement with the Alameda County Sheriff's Office for Receipt of FY 2018 Byrne Justice Assistance Grant (JAG) funds in the Amount of \$42,425.10

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute an agreement with Alameda County Sheriff's Office accepting the FY 2018 Byrne Justice Assistance Grant (JAG) from the Alameda County Sheriff's Office and the U.S. Department of Justice (DOJ) in the amount of \$42,425.10.

SUMMARY

The Alameda County Sheriff's Office applied and qualified for the FY 2018 Byrne JAG funding for Consortium members for the twelfth consecutive year. The Hayward Police Department is a Consortium member and is eligible for an allocation of grant funds. The total allocation for Alameda County consortium members is \$713,055, of which the HPD will receive \$42,425.10. These funds require no local match and will be used to upgrade the Police Department's security camera system (\$26,425.10) and to pay maintenance fees for the training facility (\$16,000).

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Chief of Police

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute an Agreement with the Alameda County Sheriff's Office for Receipt of FY 2018 Byrne Justice Assistance Grant (JAG) funds in the Amount of \$42,425.10

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute an agreement with Alameda County Sheriff's Office accepting the FY 2018 Byrne Justice Assistance Grant (JAG) from the Alameda County Sheriff's Office and the U.S. Department of Justice (DOJ) in the amount of \$42,425.10.

SUMMARY

The Alameda County Sheriff's Office applied and qualified for the FY 2018 Byrne JAG funding for Consortium members for the twelfth consecutive year. The Hayward Police Department is a Consortium member and is eligible for an allocation of grant funds. The total allocation for Alameda County consortium members is \$713,055, of which the HPD will receive \$42,425.10. These funds require no local match and will be used to upgrade the Police Department's security camera system (\$26,425.10) and to pay maintenance fees for the training facility (\$16,000).

BACKGROUND

The Alameda County Sheriff's Office applied and qualified for the FY 2018 Byrne JAG funding for Consortium members for the twelfth consecutive year. The Hayward Police Department is a Consortium member and is eligible for an allocation of grant funds. The total allocation for Alameda County consortium members is \$713,055, of which the HPD will receive \$42,425.10. The Hayward Police Department (HPD) has participated in the Byrne Justice Assistance Grant (JAG) (Byrne Grant) program since 2005. Historically, HPD has used funds generated from the Byrne Grant for many operational issues relating to the Hayward Police Department such as funding the HPD Training Facility and gym at the Hayward Airport.

DISCUSSION

The Alameda County Sheriff's Office applied for the FY 2018 Byrne JAG funding on behalf of the remaining Consortium members for the twelfth consecutive year. Alameda County

qualified for a total allocation of \$713,055 in FY 2018 Byrne JAG Local funds, of which the HPD will receive \$42,425.10 (the total award is \$44,658 and after the County's 5% administrative fee of \$2,232.90, the City will receive \$42,425.10). These funds require no local match and allow a wide range of uses by participating Police Departments.

For FY 2018, HPD intends to use the Byrne JAG Local funds to upgrade the Police Department's security camera system (\$26,425.10) and to pay maintenance fees for the training facility (\$16,000).

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the priorities outlined in the Council's Strategic Roadmap.

FISCAL IMPACT

There is no impact to the general fund. This agreement will result in the continuation of the Police Department's Byrne Grant funding, which HPD will use to fund the ongoing costs of the Training Center and to upgrade Hayward Police Department's security camera system.

NEXT STEPS

With Council approval, the City Manager will execute the Byrne Grant agreement with the Alameda County Sheriff's Office. The Finance Department will appropriate the \$42,425.10 Byrne grant funds to the Hayward Police Department for the above described uses.

Prepared by: Adam Lumia, Senior Management Analyst

Recommended by: Toney Chaplin, Chief of Police

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE ACCEPTANCE OF THE FY 2018 BYRNE JUSTICE ASSISTANCE GRANT (JAG) WITH THE ALAMEDA COUNTY SHERIFF'S OFFICE AND THE U.S. DEPARTMENT OF JUSTICE; FOR THE AMOUNT OF \$42,425.10 IN GRANT FUNDS FOR HAYWARD POLICE DEPARTMENT OPERATIONS.

WHEREAS, the Hayward Police Department has a long-standing history of receiving Byrne Justice Assistance Grant funds to support operations; and,

WHEREAS, executing a Memorandum of Understanding (MOU) and federal Certifications are necessary to receive these funds;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager, City Attorney and Chief of Police are hereby authorized and directed to negotiate and execute MOUs, federal Certifications, and any supporting documents, with the Alameda County Sheriff's Office for the FY2018 Byrne Justice Assistance Grant. This authorization is for the acceptance and appropriation of revenue in the amount of \$42,425.10.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-421

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Chief of Police

SUBJECT

Adopt Resolutions Approving Agreements with the Alameda County Health Care Services Agency and the Hayward Unified School District for School Based Mental Health Services in the Amounts of \$220,000 and \$120,000 Respectively and Authorize the City Manager to Execute the Agreements

RECOMMENDATION

That the Council:

1. Adopts a Resolution (Attachment II) approving an agreement with the Alameda County Health Care Services Agency (HCSA) for the Our Kids Our Families Program, which provides critical mental health services to youth who attend six Hayward schools; and
2. Adopts a Resolution (Attachment III) approving two agreements with the Hayward Unified School District (HUSD) for school-based mental health services at four Hayward schools and mental health crisis response at all schools; and
3. Authorizes the City Manager to execute the FY20-21 Agreement with the Health Care Services Agency; and
4. Authorizes the City Manager to execute the FY20-21 Agreement with the Hayward Unified School District for school-based mental health services and the FY20-23 Agreement for mental health crisis response and service coordination; and
5. Accepts and appropriates \$340,000 (\$220,000 from HCSA; \$120,000 from HUSD) in payment for these school-based services.

SUMMARY

Consistent with best practices on the most effective way to serve youth in a school setting, the Youth and Family Services Bureau (YFSB) School-Based Mental Health Programs take a broad approach to serving students by offering a continuum of interconnected school-based behavioral health services that include

prevention, early intervention, and treatment for students and their families who attend Hayward Unified School District schools. The key components of the program include:

- Mental health counseling and clinical case management services for youth and families;
- Therapeutic and positive youth development groups;
- Mental health consultation and classroom support for teachers, administrators, and other school staff;
- Workshops, support groups, and other consultation for parents/caregivers;
- Mental health crisis response in the aftermath of school related tragedies;
- Facilitation of school site based multi-disciplinary teams who work together to address the needs of referred youth and manage support resources available at the schools; and
- Active participation in school-wide efforts to create a positive school climate, prevent conflicts and violence, and enhance the community setting for all members.

Under the recommended agreements:

- 4.0 Full Time Equivalent (FTE) Family Counselors will provide services to ten identified schools;
- Mental health crisis response will be provided as needed at all sites; and
- All middle and high schools will have YFSB representation on their coordination of services teams to facilitate linkage of referred youth to services.

Council approval is requested to authorize the City Manager to negotiate and execute: 1) the annual contract with the County for the Our Kids Our Families Program; 2) the annual MOU with HUSD for site based mental health services; and 3) the triennial MOU with HUSD for mental health crisis response and service coordination to maintain these important mental health services for students.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution Approving Agreement with Health Care Services Agency
Attachment III	Resolution Approving Agreements with Hayward Unified School District
Attachment IV	Our Kids Our Families Program Data
Attachment V	HUSD School Based Mental Health Services Program Data



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Chief of Police

SUBJECT: Adopt Resolutions Approving Agreements with the Alameda County Health Care Services Agency and the Hayward Unified School District for School Based Mental Health Services in the Amounts of \$220,000 and \$120,000 Respectively and Authorize the City Manager to Execute the Agreements

RECOMMENDATION

That the Council:

1. Adopts a Resolution (Attachment II) approving an agreement with the Alameda County Health Care Services Agency (HCSA) for the Our Kids Our Families Program, which provides critical mental health services to youth who attend six Hayward schools; and
2. Adopts a Resolution (Attachment III) approving two agreements with the Hayward Unified School District (HUSD) for school-based mental health services at four Hayward schools and mental health crisis response at all schools; and
3. Authorizes the City Manager to execute the FY20-21 Agreement with the Health Care Services Agency; and
4. Authorizes the City Manager to execute the FY20-21 Agreement with the Hayward Unified School District for school-based mental health services and the FY20-23 Agreement for mental health crisis response and service coordination; and
5. Accepts and appropriates \$340,000 (\$220,000 from HCSA; \$120,000 from HUSD) in payment for these school-based services.

SUMMARY

Consistent with best practices on the most effective way to serve youth in a school setting, the Youth and Family Services Bureau (YFSB) School-Based Mental Health Programs take a broad approach to serving students by offering a continuum of interconnected school-based behavioral health services that include prevention, early intervention, and treatment for

students and their families who attend Hayward Unified School District schools. The key components of the program include:

- Mental health counseling and clinical case management services for youth and families;
- Therapeutic and positive youth development groups;
- Mental health consultation and classroom support for teachers, administrators, and other school staff;
- Workshops, support groups, and other consultation for parents/caregivers;
- Mental health crisis response in the aftermath of school related tragedies;
- Facilitation of school site based multi-disciplinary teams who work together to address the needs of referred youth and manage support resources available at the schools; and
- Active participation in school-wide efforts to create a positive school climate, prevent conflicts and violence, and enhance the community setting for all members.

Under the recommended agreements:

- 4.0 Full Time Equivalent (FTE) Family Counselors will provide services to ten identified schools;
- Mental health crisis response will be provided as needed at all sites; and
- All middle and high schools will have YFSB representation on their coordination of services teams to facilitate linkage of referred youth to services.

Council approval is requested to authorize the City Manager to negotiate and execute: 1) the annual contract with the County for the Our Kids Our Families Program; 2) the annual MOU with HUSD for site based mental health services; and 3) the triennial MOU with HUSD for mental health crisis response and service coordination to maintain these important mental health services for students.

BACKGROUND

Preparing students to thrive and graduate high school ready for college and a career is one of the primary goals of K-12 education. Increasingly, educating the whole child to promote social-emotional and character development as well as academic skills is becoming a recognized best practice in education.¹ The field of Social-Emotional Learning (SEL) offers a framework for how to incorporate a focus on the emotional needs of students into the daily tasks of education. The research shows that with this approach, students demonstrate significantly improved social and emotional skills, attitudes, behavior, and academic performance.² Moreover, forming and maintaining relationships with caring adults at school

¹ AEI-Brookings Workgroup on Poverty and Opportunity, *Opportunity, Responsibility and Security: A Consensus Plan for Reducing Poverty and Restoring the American Dream*. December 3, 2015. Accessed August 24, 2020. <https://www.brookings.edu/research/opportunity-responsibility-and-security-a-consensus-plan-for-reducing-poverty-and-restoring-the-american-dream/>

² Durlak, J. A., Weissberg, R. P., Dymnicki, A. B., Taylor, R. D. & Schellinger, K. B. (2011). *The impact of enhancing students' social and emotional learning: A meta-analysis of school-based universal interventions*. *Child Development*, 82(1): 405–432.

has been linked to long term success and can serve as a protective factor against trauma and other challenges.³

In 2009, the Alameda County Health Care Services Agency (HCSA), Center for Healthy Schools and Communities (CHSC) launched a School-Based Behavioral Health Initiative to address student social-emotional issues as a critical ingredient for learning. The initiative supports a wide variety of services, including the Our Kids Our Families Program, which offers:

- School-based mental health services for youth and their families;
- Mental health consultation training for teachers, staff, administrators, and parents;
- Development and improvement of referral and service coordination systems; and
- Consultation on school wide efforts to create positive, culturally inclusive school environments.

As part of the Our Kids Our Families Program, these services are provided by County staff and a network of community-based behavioral health providers, including the Youth and Family Services Bureau (YFSB) of the Hayward Police Department.

For nearly two decades, the YFSB has had an annual contract with the HCSA to provide school-based counseling and other support services in Hayward schools. With the development of the School-Based Behavioral Health Initiative in 2009, the focus of the work shifted to include both counseling services (individual, group and family) as well as significant work with the whole school climate (including, parents, teachers, administrators, community providers, and others). The framework shift sought to amplify opportunities for youth to make crucial connections to adults by supporting the whole school, which included offering a range of services to both the youth and adults in the school system.

In 2015, the City entered into a no-cost agreement with HUSD to formalize the role the YFSB staff plays on HUSD campuses in the aftermath of tragic events that impact school communities, such as the death of a student, parent, or teacher. This agreement also included provisions to include YFSB in school site-based coordination of services teams to facilitate the connection of students in need to services. The City was able to allocate existing resources to provide these services at no cost to the District and without adding any personnel.

In 2016, through a new Local Control Funding Formula (LCFF), the State of California changed the way public schools are funded resulting in an increase in funding for the Hayward Unified School District. LCFF requires schools engage their communities to develop Local Control Accountability Plans (LCAP) on how they plan to use the increased funds. Through town hall meetings with students and families, HUSD determined more school-based counseling services was the greatest need in the schools. Partially as a result of the infrastructure built to deliver the already successful Our Kids Our Families program funded by the County, HUSD

³ Scales, P.C., Boat, A., & Pekel, K. (2020). *Defining and Measuring Social Capital for Young People: A Practical Review of the Literature on Resource-Full Relationships*. Minneapolis: Search Institute. Report for the Bill & Melinda Gates Foundation

initiated an agreement with the City to expand the school-based services provided by YFSB to include four additional school sites.

Together, the services described above and provided under the recommended agreements are YFSB’s School-Based Mental Health Programs. These services are integrated and serve as part of a larger system of support for Hayward students. Currently, the County provides funding in the amount of \$220,000 annually to offset the cost of three full time equivalent (FTEs) YFSB Family Counselors to provide services in six Hayward schools. The District provides funding in the amount of \$120,000 annually to offset the cost of one full time equivalent (FTE) YFSB Family Counselor to provide services in an additional four Hayward schools.

Table 1 and Table 2 below summarize the services provided in the 2019-20 school year by the three YFSB Family Counselors assigned to the Our Kids Our Families program. See Attachment IV for additional program data.

Services were provided to six Hayward Unified School District Schools:

- Bowman Elementary School
- Treeview Elementary School
- Ochoa Middle School
- Bret Harte Middle School
- Martin Luther King Jr. Middle School
- Brenkwitz Continuation High School

Table 1. Our Kids Our Families Program Totals – Academic Year 19-20

Number of Unique Individuals Served (Students, Family, Teachers, School Administrators, Other Providers)	4,642
Unique Activities of Direct Service	1,272

Table 2. Our Kids Our Families Program Services by Type – Academic Year 19-20

Individual Clients	121 students
Group Clients	864 students
Student Case Management	83 students
Family Case Management	38 family members
Classroom Support	58 hours
Consultation to Staff and Administration	412 hours
Community Partner Collaboration	67 hours

Table 3 and Table 4 below summarize the services provided in the 2019-20 school year by the one YFSB Family Counselor assigned to the HUSD funded school-based mental health program. See Attachment V for additional program data.

Services were provided to four Hayward Unified School District Schools:

- Southgate Elementary School
- Stonebrae Elementary School
- Lorin Eden Elementary School
- Mt. Eden High School

Table 3. HUSD School-Based Mental Health Program Totals – Academic Year 19-20

Number of Unique Individuals Served (Students, Family, Teachers, School Administrators, Other Providers)	1,028
Unique Activities of Direct Service	249

Table 4. HUSD School-Based Mental Health Services by Type – Academic Year 19-20

Individual Clients	63 students
Group Clients	258 students
Outreach and Case Management	20 families
Classroom Support	60 students
Consultation to Staff and Administration	58 hours

In March 2020, the Shelter In Place order went into effect and the schools transitioned to Distance Learning due to COVID-19. As a result, the school-based mental health programs were quickly restructured, and all program staff were equipped to work remotely to minimize disruptions to services for students and families during a time of heightened need.

Throughout this time, the following services continued:

- Telehealth services for students and families
- Regular “office hours”
- Participation in Coordination of Services Team meetings and Student Success Team meetings virtually
- Consultation with staff and school administration
- Accepting new referrals and following up with families providing outreach, case management services, and basic needs resources to families.
- Providing backpacks and school supplies to students in need.

DISCUSSION

The YFSB School-Based Mental Health Programs have successfully served Hayward students for over a decade. At a time when the needs of Hayward youth and families are only increasing, it is more important than ever to maintain critical mental health services for students at school. The services that will be provided under the recommended agreements have been developed in partnership with the Hayward Unified School District and the

Alameda County Center for Health Schools and Communities. They reflect best practices for school based mental health by taking a broader, school wide approach to allow for the greatest impact possible with limited resources. Moreover, the program model allows for universal access to services with all students being eligible to participate at no cost, regardless of insurance or immigration status. Programs like YFSB's School-Based Mental Health Programs have been shown to have a positive impact on key young adult outcomes across multiple domains of education, employment, criminal activity, substance use, and mental health.⁴

Components of YFSB School-Based Mental Health Services – Academic Year 20-21

- Mental health counseling and clinical case management services for youth and families to ensure that children and youth in need of early and intensive intervention services are receiving and benefitting from appropriate care, as well as removing or minimizing environmental contributors to problems;
- Therapeutic and positive youth development groups;
- Mental health consultation and classroom support for teachers, administrators, and other school staff to enhance the capacity of adults to better meet the social-emotional needs of children, youth, and their networks;
- Workshops, support groups and other consultation for parents/caregivers;
- Mental health crisis response in the aftermath of school related tragedies, including crisis intervention and management, triage, psychological first aid, and follow-up with students, parents, and school staff;
- Facilitation of school site based multi-disciplinary teams who work together to address the needs of referred youth and manage support resources available at the schools; and
- Active participation in school-wide efforts to create a positive school climate, prevent conflicts and violence, and enhance the community setting for all members in order to create optimal conditions for learning and development.

School-Based Mental Health Program Staff

The YFSB staff assigned to the School-Based Mental Health Programs are highly qualified to provide the described services. Of the three counselors assigned to the County funded Our Kids Our Families Program, two are Licensed Marriage and Family Therapists and the third is a Licensed Clinical Social Worker. The 1.0FTE Family Counselor assigned to the HUSD funded program is split between four .25FTE Family Counselors. Of these four, one is a Licensed Clinical Psychologist and three are Registered Marriage and Family Therapist Interns (two have completed their supervised clinical hours and are eligible to test for licensure). All 7 YFSB Counselors assigned to the school-based programs reflect the diversity of the Hayward community and two are bilingual, bicultural Spanish speakers. They range in years of clinical experience from 2 to 25 years.

⁴ Damon E. Jones, Mark Greenberg, and Max Crowley. (2015). *Early Social-Emotional Functioning and Public Health: The Relationship Between Kindergarten Social Competence and Future Wellness*. American Journal of Public Health 105, 2283_2290,

Program Sustainability

It is anticipated that these programs will be able to continue for many years to come. The current contract amount received annually from Alameda County is \$220,000. County financing comes from a combination of Measure A Funds and Tobacco Master Settlement Funds and is a recurring expenditure in the County's operating budget. Moreover, should additional County funds become available, it has been communicated that they would be likely to invest more in the City of Hayward to expand the services provided. The \$120,000 received annually from HUSD comes from the Local Control Funding Formula. As part of this, school districts are required to create a new three-year Local Control Accountability Plan (LCAP) each year. The services are in the current three-year LCAP and given the ongoing demands for more mental health counseling for students, it is anticipated that this funding will continue to be part of HUSD's three-year plan, and relatedly their operating budget.

The YFSB School-Based Mental Health Services are part of the YFSB's overarching strategy to reduce and prevent juvenile involvement in the justice system by linking youth to services and opportunities that help them stay positively connected with the community. Keeping youth engaged in school is one of the most important protective factors in their success, and by extension, prevents them from getting into trouble with law enforcement. This has a clear nexus with public safety and contributes to the overall wellbeing of Hayward families.

ECONOMIC IMPACT

As stated above, supporting the emotional needs of students while they are in school has been shown to have positive outcomes on education, employment, criminal activity, substance use, and mental health that last for years to come. This has a positive economic impact for the Hayward community, as it addresses many of the factors that underlie poverty and a lack of economic opportunity. Moreover, the positive impact this program has on overall public safety contributes to a safe and thriving City which attracts residents and local businesses.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Support Quality of Life. It specifically relates to Project 9: Expand existing support services offered by the Hayward Police Department Youth and Family Services Bureau to include life skills, diversion, and restorative justice.

FISCAL IMPACT

The City will receive \$220,000 in revenue from the agreement with HCSA and \$120,000 in revenue from the agreement with HUSD. The four FTE Family Counselor positions discussed above are included in the City's FY 2021 Operating Budget; accepting and appropriating these funds will help to offset the cost of these positions. While the revenue from these agreements does not fully cover the cost of the positions, the costs are further offset by additional revenue from the Medical Administrative Activities (MAA) agreement. Any remaining net costs to the City General Fund are already included in the City's FY 2021 Adopted Budget.

NEXT STEPS

If the Council authorizes this action, staff will work to: 1) execute the agreement with HCSA to provide Our Kids Our Families services for FY20-21; 2) execute the agreement with HUSD to provide school-based mental health services for FY20-21; 3) execute the agreement with HUSD to provide mental health crisis response and service coordination for FY20-23; and 4) continue providing essential mental health services to youth in schools.

Prepared by: Emily Young, Youth and Family Services Bureau Administrator

Recommended by: Toney Chaplin, Chief of Police

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-

Introduced by Council Member _____

RESOLUTION APPROVING AN AGREEMENT WITH THE ALAMEDA COUNTY HEALTH CARE SERVICES AGENCY FOR THE OUR KIDS OUR FAMILIES PROGRAM IN THE AMOUNT OF \$220,000 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, the Hayward Police Department’s Youth and Family Services Bureau has a long-standing history of providing behavioral health services in schools that combine direct supports to children, youth and their families with system enhancements, to promote healthy social-emotional growth, prevent problems, and address behavioral health challenges; and

WHEREAS, executing an agreement with the Alameda County Health Care Services Agency is necessary to continue to provide these services and generate the associated revenue.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute contracts, and any supporting documents, with the Alameda County Health Care Services Agency for services provided by the Hayward Police Department’s Youth and Family Services Bureau. This authorization is for the acceptance and appropriation in the amount of \$220,000.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-

Introduced by Council Member _____

RESOLUTION APPROVING TWO AGREEMENTS WITH THE HAYWARD UNIFIED SCHOOL DISTRICT FOR SCHOOL BASED COUNSELING PROGRAMS IN THE AMOUNT OF \$120,000 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENTS

WHEREAS, the Hayward Police Department’s Youth and Family Services Bureau has a long-standing history of providing behavioral health services in schools that combine direct supports to children, youth and their families with system enhancements, to promote healthy social-emotional growth, prevent problems, and address behavioral health challenges; and

WHEREAS, executing two agreements with the Hayward Unified School District is necessary to continue to provide these services and generate the associated revenue.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute contracts, and any supporting documents, with the Hayward Unified School District for services provided by the Hayward Police Department’s Youth and Family Services Bureau. This authorization is for the acceptance and appropriation in the amount of \$120,000.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

Our Kids Our Families Program Data - Academic Year 19-20

Primary Focus Area	Percentage	Number of Activities
Coordination of Services	29%	370
Mental Health	25%	315
Climate and Culture	12%	157
Social Skills/Relationship Support	8%	100
Family Partnerships/Support	4%	54
Classroom Support	4%	54
Social Emotional Learning	3%	40
Physical Health	3%	38
Basic Life Needs	2%	31
Academic Support	2%	26
Crisis	2%	25
Behavioral Issues	2%	20
Leadership	1%	12
Health Insurance	1%	11
Legal Services	1%	9
Restorative Practices	1%	7
Trauma Awareness	<1%	2
Housing	<1%	1
Total		1272

Age	Percentage	Number of Activities
Elementary Schools (age 5-10)	18%	234
Middle School (age 11-14)	49%	622
High School (age 14-18+)	33%	416
Total		1272

Population Served	Percentage	Number of Activities
Teacher/Staff/Provider	32%	412
Student/Youth	32%	411
School Administration/Staff	17%	218
Whole School	12%	157
Family	6%	74
Total		1272

Types of Activities by Population Served

Whole School Activity	Percentage	Number of Activities
Community Partner Collaboration	66%	103
Assembly/Workshop	16%	25
Coordination of Services Team (COST)	11%	18
Other Site-Wide Initiative	7%	11
Total		157

Student/Youth Activity	Percentage	Number of Activities
Individual Drop-In	37%	151
Group Positive Youth Development (closed, regularly scheduled group)	22%	89
Case Management	14%	57
Individual Clinical	8%	33
Group Drop-in	7%	28
Outreach	5%	20
Classroom/Workshop Support	4%	18
Crisis	3%	11
Educational or Legal Advocacy	1%	3
SST/IEP/504	<1%	1
Total		411

Family Activity	Percentage	Number of Activities
Case Management	59%	44
Drop-In	15%	11
Crisis Support	9%	7
Family Counseling	8%	6
Workshop	4%	3
Educational or Legal Advocacy	4%	3
Total		74

Teacher/Staff Provider Activity	Percentage	Number of Activities
Consultation	92%	381
Classroom Support	5%	20
Training	2%	9
Crisis Support	<1%	2
Total		412

School Administration/Staff Activity	Percentage	Number of Activities
Consultation	89%	193
Classroom Support	6%	13
Training	4%	8
Crisis Support	2%	4
Total		218

HUSD School Based Program Data - Academic Year 19-20

Primary Focus Area	Percentage	Number of Activities
Coordination of Services	4%	10
Mental Health	8%	21
Climate and Culture	5%	13
Social Skills/Relationship Support	31%	76
Family Partnerships/Support	1%	3
Classroom Support	5%	12
Social Emotional Learning	28%	70
Basic Life Needs	1%	2
Academic Support	0%	1
Crisis	2%	6
Behavioral Issues	7%	18
Restorative Practices	2%	4
Trauma Awareness	5%	13
Total		249

Age	Percentage	Number of Activities
Elementary Schools (age 5-10)	14%	36
High School (age 14-18+)	86%	213
Total		249

Population Served	Percentage	Number of Activities
Teacher/Staff/Provider	11%	28
Student/Youth	67%	167
School Administration/Staff	18%	45
Whole School	2%	4
Family	2%	5
Total		249

Types of Activities by Population Served

Whole School Activity	Percentage	Number of Activities
Community Partner Collaboration	25%	1
Coordination of Services Team (COST)	75%	3
Total		4

Student/Youth Activity	Percentage	Number of Activities
Individual Drop-In	20%	34
Group Positive Youth Development (closed, regularly scheduled group)	10%	17
Group Clinical	5%	9
Case Management	7%	12
Individual Clinical	10%	17

Group Drop-in	19%	32
Outreach	22%	37
Classroom/Workshop Support	3%	5
Crisis	2%	4
Total		167

Family Activity	Percentage	Number of Activities
Case Management	40%	2
Drop-In	20%	1
Family Counseling	20%	1
Workshop	20%	1
Total		5

Teacher/Staff Provider Activity	Percentage	Number of Activities
Consultation	96%	27
Crisis Support	4%	1
Total		28

School Administration/Staff Activity	Percentage	Number of Activities
Consultation	98%	44
Training	2%	1
Total		45



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-425

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Adopt a Resolution Amending the FY 2020-21 Master Fee Schedule to Postpone the Effective Date of the Increase in Bimonthly Water Service Fees from October 1, 2020 to January 1, 2021

RECOMMENDATION

That Council adopts a resolution (Attachment II) amending the FY 2020-21 Master Fee Schedule to change the effective date of the increase in Bimonthly Water Service Fees from October 1, 2020 to January 1, 2021.

SUMMARY

On July 2, 2019, the Council approved water and sewer rates for FY 2020 and FY 2021. Adjustments were adopted for water service fees and sewer service rates. Water usage rates were not changed. The second of the two adjustments is effective on October 1, 2020. Since the rates were adopted, COVID-19 has caused economic insecurity for many Hayward residents and businesses. In order to support the community during this time of uncertainty, staff recommends that the Bimonthly Water Service Fee increases be delayed from October 1 to January 1. The Water Enterprise Fund can sustain this three-month revenue loss.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Amending the FY 2020-21 Master Fee Schedule to Postpone the Effective Date of the Increase in Bimonthly Water Service Fees from October 1, 2020 to January 1, 2021

RECOMMENDATION

That Council adopts a resolution (Attachment II) amending the FY 2020-21 Master Fee Schedule to change the effective date of the increase in Bimonthly Water Service Fees from October 1, 2020 to January 1, 2021.

SUMMARY

On July 2, 2019, the Council approved water and sewer rates for FY 2020 and FY 2021. Adjustments were adopted for water service fees and sewer service rates. Water usage rates were not changed. The second of the two adjustments is effective on October 1, 2020. Since the rates were adopted, COVID-19 has caused economic insecurity for many Hayward residents and businesses. In order to support the community during this time of uncertainty, staff recommends that the Bimonthly Water Service Fee increases be delayed from October 1 to January 1. The Water Enterprise Fund can sustain this three-month revenue loss.

BACKGROUND

Water rates are established to pay for the costs of purchasing and delivering water to customers. Bimonthly water bills are comprised of two parts: 1) the fixed service fee, which is based on the size of the meter, and pays for services that do not vary with the volume of water purchased, such as meter maintenance and debt service; and 2) the water usage fee, which pays for costs associated with water consumption, such as the wholesale cost of purchasing water and energy related expenses. On July 2, 2019, the City Council approved adjustments to the fixed water service fees for FY 2020 and FY 2021 in order to keep pace with increasing costs. The fees increased by \$2 per month (\$4 per bimonthly billing period) in each year for typical residential customers and small businesses. There were no changes to the water usage fee in either year.

These approved changes result in an average water billing increase of 3.1% each year for most residential customers. The first approved increase was effective on October 1, 2019. The second of the fee adjustments is scheduled to go into effect on October 1, 2020. Council also approved sewer service rate increases of 4.4% in each year, bringing the single family residential sewer fee to \$35.81 in FY 2021.

COVID-19 has created economic uncertainty for many Hayward residents and businesses. Recognizing the toll that the virus has taken and will continue to take on the community, the City Council has implemented a number of programs to provide assistance during this time, including various economic assistance programs and the suspension of water shut-offs due to late payments. In order to further assist customers, staff has reviewed the approved utility rate adjustments scheduled for October 1, 2020 to determine the feasibility of delaying implementation.

DISCUSSION

Staff recommends that the Council amend the FY 2021 Master Fee Schedule to delay the water service fee increase to January 1, 2021. Retaining the existing service fee, coupled with the normal decline in water use as landscape irrigation decreases in the fall, would provide a small measure of economic relief to customers during this time of uncertainty. On a separate but related note, the City has a residential low-income water service fee for qualified customers, with many customers benefitting from it. Revenue staff is available to assist customers in determining if they qualify for this reduced fee and submitting the appropriate documentation.

The following table summarizes the current and approved service fees:

Table 1. Current and Approved Water Service Fees

Meter Size	Current Fee		Approved Fee Effective October 1, 2020	
	Monthly Fee	Bimonthly Billing	Monthly Fee	Bimonthly Billing
5/8" (Low Income)	\$4.90	\$9.80	\$5.60	\$11.20
5/8"	\$14.00	\$28.00	\$16.00	\$32.00
3/4"	\$19.04	\$38.07	\$21.76	\$43.51
1"	\$28.84	\$57.67	\$32.96	\$65.91
1 1/2"	\$63.14	\$126.27	\$72.16	\$144.31
2"	\$112.63	\$222.25	\$127.00	\$254.00
3"	\$280.44	\$560.88	\$320.50	\$641.00
4"	\$555.54	\$1,111.08	\$634.90	\$1,269.80
6"	\$980.00	\$1,960.00	\$1,120.00	\$2,240.00
8"	\$1,356.69	\$2,713.38	\$1,550.50	\$3,101.00

Residential customers and businesses with larger meters would benefit proportionately. For example, typical small- and medium-size restaurants have water meters that generally range from 1 to 2 inches in size. If Council approves the recommended delay, these businesses will

continue to pay \$86 to \$338 in water service fees for the three-month period between October and December, rather than \$99 to \$381.

As noted earlier, the water service fee pays for fixed costs that do not vary regardless of water consumption. Given the current financial position of the Water Enterprise Fund, staff believes that the Fund can sustain this short-term revenue loss. If necessary, prudent use of fund reserves can also help manage the revenue impact. Staff would monitor the impacts to the Fund during the three-month delay.

Staff does not recommend a delay in the sewer service fee increases. These fees are calculated in accordance with State Water Resources Control Board guidelines and ensure that the costs of collecting, treating, and discharging wastewater are equitably distributed among customer classes. These costs are largely unavoidable and delaying the implementation of the needed increases could result in service impacts. In addition, regulations regarding collection, treatment and disposal of wastewater are constantly evolving. For example, the new regulations related to nutrients management, combined with the need to upgrade the existing facilities at the City's Water Pollution Control Facility, are estimated to cost close to \$100 million. Delaying this relatively modest increase at this time would increase the pressure in rates next year and years to come.

STRATEGIC ROADMAP

This item does not relate directly to any of the projects outlined in the Council's Strategic Roadmap.

ECONOMIC IMPACTS

The water service fee is fixed and does not vary with water consumption, so customers cannot control the cost as they can with the water usage fee. Delaying the approved water service fee increase until January 1, 2021 would benefit water customers by retaining the existing fixed fee for three months. Staff would evaluate the impacts, and if feasible and warranted, return to Council prior to January 1 to determine whether the increase should be further delayed.

FISCAL IMPACT

Staff estimates that the recommended delay would impact the Water Enterprise Fund by about \$60,000. This revenue loss can be mitigated through delaying some routine maintenance and prudent use of the Fund's reserves. There would be no impact on the General Fund. Staff anticipates using an outside consultant to assess the City's revenue needs and to prepare recommended water rates for FY 2022.

SUSTAINABILITY FEATURES

The recommended action does not impact the City's sustainability efforts. Programs such as water conservation are funded from water usage fees and would not be affected.

PUBLIC CONTACT

No specific public outreach was conducted for this specific item. If approved, staff would notify customers of the delay through a billing insert and the City's website.

NEXT STEPS

If the City Council concurs, staff will implement the current water service fees effective January 1, 2021.

Prepared by: Marilyn Mosher, Senior Management Analyst

Recommended by: Alex Ameri, Director of Public Works

Approved by:

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

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-

Introduced by Council Member _____

RESOLUTION AMENDING THE MASTER FEE SCHEDULE AND CHANGING
THE EFFECTIVE DATE OF FY 2021 BIMONTHLY WATER SERVICE FEES

WHEREAS, on July 2, 2019, the City Council adopted Water and Sewer Service Rates and Charges for Fiscal Year 2020 and Fiscal Year 2021, which included increases to the Bimonthly Water Meter Service Charges in each of the two years; and

WHEREAS, the second of the two Bimonthly Meter Service Charges is effective on October 1, 2020; and

WHEREAS, COVID-19 has resulted in economic uncertainty for Hayward residents and businesses; and

WHEREAS, City staff has determined that implementation of the October 1, 2020 Bimonthly Water Service Charge adjustment may be delayed until January 1, 2021 without undue burden on the Water Operating Fund and without significant water service impacts.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby amends the Master Fee Schedule and approves the following rates for Bimonthly Water Meter Service Charges.

Meter Service Charges

The bimonthly standard meter service charge for all meters inside the City (except temporary service for construction work), based on the size of meter, shall be as follows:

	October 1, 2019	January 1, 2021
5/8" meter	\$28.00	\$32.00
3/4" meter	\$38.07	\$43.51
1" meter	\$57.67	\$65.91
1 1/2" meter	\$126.27	\$144.31
2" meter	\$222.25	\$254.00
3" meter	\$560.88	\$641.00
4" meter	\$1,111.08	\$1,269.80
6" meter	\$1,960.00	\$2,240.00
8" meter	\$2,713.38	\$3,101.00
10" meter	\$3,267.95	\$3,734.80

The bimonthly standard meter service charge for all meters outside the City (except temporary service for construction work), based on size of meter, shall include a 15% surcharge and be as follows:

	October 1, 2019	January 1, 2021
5/8" meter	\$32.20	\$36.80
3/4" meter	\$43.78	\$50.04
1" meter	\$66.32	\$75.80
1 1/2" meter	\$145.21	\$165.96
2" meter	\$255.59	\$292.10
3" meter	\$645.01	\$737.15
4" meter	\$1,277.74	\$1,460.27
6" meter	\$2,254.00	\$2,576.00
8" meter	\$3,120.39	\$3,566.15
10" meter	\$3,758.14	\$4,295.02

Meter Service Charge for Low Income Customers

Notwithstanding any other provision of the Hayward Municipal Code, Chapter 11, Article 2, the bimonthly meter service charge for Low Income Customers shall be applied by this subsection to any customer that:

- (a) Meets the City income guidelines as defined in the All City Departments section of the Master Fee Schedule; and
- (b) Files with the Revenue Division of the Finance Department a discount application and adequate documentary evidence showing that the applicant meets the provision of subparagraph (a).

The bimonthly meter service charge for Low Income Customers with a standard service (5/8") shall be as follows:

	October 1, 2019	January 1, 2021
5/8", low income (inside City)	\$9.80	\$11.20
5/8", low income (outside City)	\$11.27	\$12.96

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-426

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT

Adopt a Resolution: (1) Approving the Government Code Section 52201 Summary Report for the Project; and (2) Authorizing the City Manager to Negotiate and Execute a Disposition and Development Agreement with BMODDRE2, LLC for Transfer of Specified City Owned Properties and for the Development of a New Subaru Automobile Dealership

RECOMMENDATION

That Council adopts a Resolution (Attachment II): (1) approving the Government Code Section 52201 Summary Report for the project (Attachment III); and (2) authorizing the City Manager to negotiate and execute a Disposition and Development Agreement (DDA) with BMODDRE2, LLC (Developer) for the transfer of specified properties and for the development of a new Subaru automobile dealership.

SUMMARY

City staff recommends entering into a DDA with the Developer that contemplates the following actions:

1. Disposition from the City to Developer for a purchase price of \$5,421,000 of a 4.9-acre parcel to be transferred for the development of an auto dealership (Dealership Development Parcel), and a 5.2-acre parcel to be restricted for affordable housing purposes (Adjacent Parcel);
2. Restriction of the Adjacent Parcel as future affordable housing development;
3. Retention by Developer of the Dealership Development Parcel for the construction of a new auto dealership operating under the Subaru Brand;
4. Transfer of the restricted Adjacent Parcel to the City from the Developer in exchange for a 2.1-acre City owned site located at the northeast corner of Mission Boulevard and Carlos Bee Boulevard (Swap Parcel); and
5. Development of the Dealership Development Parcel is estimated to generate between \$330,000 to \$500,000 annually in new sales tax to the City to help pay for City services and use of the Swap Parcel for parking similar to its existing use.

File #: CONS 20-426

If approved, upon execution of the DDA, the City anticipates transferring the property to the Developer later this month and construction is projected to commence soon thereafter.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	52201 Summary Report
Attachment IV	Approved Elevation Drawing
Attachment V	Approved Site Plan
Attachment VI	Approved Floor Plan
Attachment VII	Conditions of Approval - Site Plan Review



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT: Adopt a Resolution: (1) Approving the Government Code Section 52201 Summary Report for the Project; and (2) Authorizing the City Manager to Negotiate and Execute a Disposition and Development Agreement with BMODDRE2, LLC for Transfer of Specified City Owned Properties and for the Development of a New Subaru Automobile Dealership

RECOMMENDATION

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SUMMARY

City staff recommends entering into a DDA with the Developer that contemplates the following actions:

1. Disposition from the City to Developer for a purchase price of \$5,421,000 of a 4.9-acre parcel to be transferred for the development of an auto dealership (Dealership Development Parcel), and a 5.2-acre parcel to be restricted for affordable housing purposes (Adjacent Parcel);
2. Restriction of the Adjacent Parcel as future affordable housing development;
3. Retention by Developer of the Dealership Development Parcel for the construction of a new auto dealership operating under the Subaru Brand;
4. Transfer of the restricted Adjacent Parcel to the City from the Developer in exchange for a 2.1-acre City owned site located at the northeast corner of Mission Boulevard and Carlos Bee Boulevard (Swap Parcel); and

5. Development of the Dealership Development Parcel is estimated to generate between \$330,000 to \$500,000 annually in new sales tax to the City to help pay for City services and use of the Swap Parcel for parking similar to its existing use.

If approved, upon execution of the DDA, the City anticipates transferring the property to the Developer later this month and construction is projected to commence soon thereafter.

BACKGROUND

The City of Hayward entered into a Purchase and Sale Agreement (PSA) with Caltrans in January 2016 to acquire 10 parcel groups comprised of properties acquired by Caltrans for the State Route 238 expansion project. Caltrans has transferred those properties to the City subject to the City managing the disposition and development of these former State Route 238 parcel groups with the goals of removing blight, enhancing community involvement in the development process, and creating economic and public benefits, such as job generating uses and trails and parks. The City also owns other remnant parcels along the Mission Boulevard corridor that were acquired by the City as part of the now completed Mission Boulevard road widening project. As the City sells or transfers particular parcels, the City is obligated to repay Caltrans the negotiated purchase prices for the various parcel groups under the PSA.

On September 25, 2018, the City Council adopted a Resolution authorizing the City Manager to enter into an Exclusive Negotiating Rights Agreement (ENRA) with the Developer to allow them time to obtain entitlements for the proposed project and to negotiate a DDA for the property transfers.

The Developer intends to acquire the Dealership Development Parcel, a flat 4.9-acre area on the lower western portion of the site zoned for commercial use, as well as the Adjacent Parcel, a 5.2-acre upper hillside area zoned for residential use located on the eastern portion of the site. The Developer obtained planning approvals in June to develop a new first-class Subaru auto dealership on the Dealership Development Parcel. The new dealership on the Dealership Development Parcel will include the construction of a two-story 57,000-square-foot building with ancillary minor service repair. The dealership project includes the demolition of three dilapidated structures which were formally used as offices for used car dealerships. A Notice of Decision of the planning approval for the dealership was mailed to all property owners within 500 feet of the site, providing notice of the approval and of the 15-day appeal period. No appeals were received. A copy of the approved elevation, site plan, floor plan drawings, and the Conditions of Approval can be found in Attachments IV-VII.

The Adjacent Parcel is not appropriate for commercial use and is intended for future residential use. As such the Developer will record a covenant on the Adjacent Parcel to restrict any future use for affordable housing and then transfer it back to the City in exchange for the Swap Parcel, a 2.1-acre City-owned property on the northeastern corner of Carlos Bee Boulevard and Mission Boulevard. After the land swap is completed, the City will hold fee title to the Adjacent Parcel and intends to make the site available for subsequent development of affordable housing in accordance with applicable laws.

The Swap Parcel is zoned for commercial use and will be used by the Developer as additional parking for the Subaru Dealership consistent with its existing use.

DISCUSSION

The following section summarizes the key terms of the DDA, as well as the major findings of the Government Code Section 52201 Summary Report required for the sale of the property.

I. Key Terms of the DDA

City staff recommends that the Council authorize the City Manager to enter into a DDA with the Developer with the following key terms:

- **Parties** – City of Hayward and BMODDRE2, LLC, a private developer specializing in new auto dealerships.
- **Property Transfers** – The following outlines the property transfer actions contemplated by the DDA:
 - Disposition of the Dealership Development Parcel from the City to Developer in its “as-is” condition;
 - Disposition of the Adjacent Parcel, to the Developer subject to a recorded use restriction limiting the use of the site for future affordable housing development;
 - Retention by Developer of the Dealership Development Parcel and the construction of an approximately 57,497-square-foot automobile sales and full service auto repair facility, including landscaping and other site improvements, in order to establish a first-class automobile sales and full service auto repair facility;
 - Like-Kind transfer of the restricted Adjacent Parcel to the City from the Developer in exchange for the Swap Parcel; and
 - Retention by Developer of the Swap Parcel for parking consistent with its existing use.
- **Purchase Price** – \$5,421,000 to be paid by the Developer to the City in exchange for the Dealership Development Parcel and the Adjacent in the form of cash payment. All sales proceeds received by the City will be paid to Caltrans to cover the cost of the purchase price.

- **Project Description** - A new dealership on the Dealership Development Parcel including the demolition of three dilapidated structures which were formally used as offices for used car dealerships and construction of a two-story 57,000-square-foot building with ancillary minor service repair and parking consistent with Attachments IV-VII .
- **Operating Covenant** - An operating covenant with a term of 10 years will be recorded on the Dealership Parcel providing oversight on the allowed use as a first-class automobile sales and full service auto repair facility, transfers, and subleases of the Dealership Development Parcel.
- **No Financial Assistance** - The City will not make any form of direct or indirect financial contribution and will not be required to provide any other assistance to the Developer; and
- **Planning Compliance** - The proposed project on the Dealership Parcel is in compliance with the requirements of the City’s General Plan and Mission Boulevard Form Based Zoning Code.

II. 52200.2 Analysis - Creation of Economic Opportunity/Common Benefit

The actions contemplated under the DDA will create economic opportunity in the Hayward community. Section 52200.2 of the California Government Code defines “economic opportunity” as any of the following:

- (a) Development agreements, loan agreements, sale agreements, lease agreements, or other agreements that create, retain, or expand new jobs, in which the legislative body finds that the agreement will create or retain at least one full-time equivalent, permanent job for every thirty-five thousand dollars (\$35,000) of city, county, or city and county investment in the project after full capacity and implementation;
- (b) Development agreements, loan agreements, sale agreements, lease agreements, or other agreements that increase property tax revenues to all property tax collecting entities in which the legislative body finds that the agreement will result in an increase of at least 15 percent of total property tax resulting from the project at full implementation when compared to the year prior to the property being acquired by the government entity;
- (c) Creation of affordable housing, if a demonstrated affordable housing need exists in the community, as defined in the approved housing element or regional housing needs assessment;
- (d) Projects that meet the goals set forth in Chapter 728 of the Statutes of 2008 and have been included in an adopted sustainable communities strategy or alternative planning strategy or a project that specifically implements the goals of those adopted plans; and

(e) Transit priority projects, as defined in Section 21155 of the Public Resources Code.

Under the DDA, the City is not providing any form of financial assistance to the Developer. The City, however, has identified the following benefits that will be generated through the implementation of the DDA and that will create economic opportunity as defined in Government Code Section 52200.2.

Creation of New Jobs

Under Section 52200.2 (a), economic opportunity is achieved if an agreement results in the creation, retention, or expansions of new jobs, at least one full-time equivalent, permanent job for every thirty-five thousand dollars (\$35,000) of city investment in the project. As previously discussed, the City is not providing any financial assistance for the proposed development and no part of the development costs for the proposed project will be publicly subsidized. Nevertheless, the sale of the Property under the DDA will result in job creation as a result of the anticipated construction and operation of the auto dealership. During the construction of the project, it is anticipated that approximately 400-500 full-time equivalent (FTE) temporary construction jobs will be created. In addition, upon completion and full implementation, the dealership itself will generate an estimated 70-100 full-time permanent jobs. The majority of the jobs being created are high skilled technical positions and sales positions paying well over \$100,000 per year.

Increase in Property Tax Revenue

Currently, none of the properties are generating any property tax revenue to the City or other taxing entities because they are publicly owned. Upon transfer to the Developer pursuant to the DDA, the assessed value of the combined Dealership Development Parcel and the Swap Parcel is expected to increase from \$0 to approximately \$5,421,000, which will result in estimated property tax payments of approximately \$54,000 (1% of assessed value), in its unimproved state. The change in assessed value will result in an increase in property tax revenue to all taxing entities prior to the full implementation of the proposed development. It is anticipated that the completion of the proposed project will further increase the Dealership Development Parcel's assessed value to more than \$30 million. Based on the change in property tax revenues generated by the transfer in an unimproved state, it can be concluded the proposed development will increase property tax revenues to all property tax collecting entities, by more than fifteen percent (15%) when compared to the year prior to the property being acquired by the government entity and the condition of Section 52200.2 (b) will be satisfied.

Creation of Affordable Housing

The creation of affordable housing to meet demonstrated affordable housing needs identified in the Housing Element of the City's General Plan constitutes an economic opportunity per Section 52200.2 (c). While no affordable housing is being constructed as part of the proposed

project, as part of the property exchange, the City will be receiving the Adjacent Parcel, which will have a covenant restriction on the site limiting the development to affordable housing only. The City contemplates that the future development of the site will result in the creation of twenty or more affordable housing units (depending on unit size and type).

Public Purpose/Common Benefit

The transfer of the property and construction of the proposed development will create a common benefit and further the public purpose of economic development by creating jobs, increasing property taxes for all taxing entities, and the future creation of affordable housing. It also brings about the redevelopment of a site that has suffered from historic underdevelopment as a result of the proposed and now defunct State Route 238 freeway project.

III. Government Code 52201 Summary Report

Government Code Section 52201 authorizes the City to sell or lease property to which it holds title for the purpose of creating economic opportunity. The City must first secure approval of the proposed sale from the City Council after a public hearing. A copy of the proposed DDA and a summary report that describes and contains specific financing elements of the proposed transaction is required to be available for public inspection prior to the public hearing. Staff prepared the Government Code Section 52201 Summary Report in compliance with the code (the "Section 52201 Summary Report"). The Section 52201 Summary Report is attached to this report as Attachment III and is incorporated herein by this reference.

The Section 52201 Summary Report contains the following information:

- The cost of the DDA to the City, including land acquisition costs, clearance costs, relocation costs, and the costs of any improvements to be provided by the City, plus the expected interest on any loans of bonds to finance the agreement;
- The estimate value of the interest to be conveyed, determined at the highest and best use permitted under the general plan and zoning;
- The estimated value of the interest to be conveyed in accordance with the uses, conditions and covenants, and development costs required under the proposed PSA, i.e., the fair reuse value of the property;
- An explanation of why the sale of the property will assist in the creation of economic opportunity; and
- If the sale price is less than the fair market value of the interest to be conveyed, determined at the highest and best use consistent with the general plan and zoning, then the City must provide as part of the summary an explanation of the reasons for the difference.

The conclusion of the Section 52201 Summary Report reflects that the estimated total cost to the City is projected to be equivalent to the purchase price received from the Developer. The City will receive \$5,421,000 in compensation for the transfer of the Dealership Development Parcel and the Adjacent Parcel, which is the estimated value of the property at its highest and

best use. In addition, the like-kind exchange between the City and the Developer under the land swap, will result in the Swap Parcel being transferred from the City to the Developer in exchange for the fee title to the Adjacent Parcel. The land swap results in the City taking possession of the 4.9-acre Adjacent Parcel in exchange for the 2.1-acre Swap Parcel, an equivalent transfer of properties valued at their highest and best use. The City fully expects that the purchase price received from the Developer and the fee title to the Swap Parcel will not be less than the costs paid by the City for the combined Dealership Development Parcel, the Adjacent Parcel and the Swap Parcel and the costs of the DDA as summarized in Section III of the Section 52201 Summary Report.

Environmental Review

The City finds and determines that the sale of the Property is exempt from California Environmental Quality Act, California Public Resources Code §21000- §21177, as amended ("CEQA") pursuant to Government Code Section 14528.65. Furthermore, pursuant to CEQA and its implementing guidelines, the City (in its capacity as "lead agency"), has prepared and shall cause to be filed with the Alameda County Recorder's Office, a Notice of Exemption (the "Notice of Exemption") for the transactions contemplated by this Agreement.

The transfer and development of the Dealership Parcel is exempt from CEQA under 14 California Code of Regulations Section 15332 in that the Development: (1) is consistent with the applicable general plan and zoning designations and regulations; (2) the proposed development will occur within the City limits, and the Dealership Parcel is less than five acres; (3) the Dealership Parcel has no value as habitat for endangered, rare, or threatened species; (4) the approval of the proposed Development will not result in any significant effects relating to traffic, noise, air quality or water quality; and (5) the Dealership Parcel can be served by all required utilities and public services.

The transfer of the Adjacent Parcel is exempt from CEQA under 14 California Code of Regulations Section 15061(b)(3) as it can be seen with certainty that there is no possibility that this transfer will have a significant impact on the environment. The City agrees that additional CEQA review for the development of the Adjacent Parcel by its subsequent owner will be conducted at such time as there is a development proposal brought for City approval for the development of affordable housing on the Adjacent Parcel.

The transfer of the Swap Parcel to the Developer and the continued use of the Swap Parcel is exempt from CEQA under 14 California Code of Regulations Section 15301 as continued operation of an existing facility and use.

ECONOMIC IMPACT

The proposed development would have a positive economic benefit for the City of Hayward. No property taxes are currently being paid on the parcel group. Sale of the Dealership Development Parcel and the Swap Parcel to a non-governmental entity will place it back on the tax rolls. In addition, the proposed project of a new auto dealership would include the new auto sales along with a service facility, which would generate positive sales tax revenue

and create local jobs. This development could serve as a revitalization project strengthening Hayward's Auto Row and encouraging other development or investments in the area.

FISCAL IMPACT

The sales proceeds will be utilized by the City to repay Caltrans as required under the PSA. Upon transfer of the property from the City to the Developer, the property's assessed valuation and tax exclusions would change and would result in a projected ongoing increase in property tax revenue for the City. According to estimates based on projected value of the property and planned improvements, the completed projected assessed valuation is estimated at more than \$30 million, resulting in approximately \$300,000 in annual property tax revenue to the taxing entities collecting property tax in the City. The City would receive about \$45,000 of this property tax revenue annually. Additionally, a new Subaru auto dealership is estimated to generate between \$330,000 to \$500,000 annually in new sales tax, a portion of which would also go to the City for City services.

According to an estimate based on a City of Hayward Fiscal Impact Model, the project would generate about \$550,000 in annual revenue from taxes including: property, business license, and sales tax, and would generate approximately \$21,115 in annual costs related to City services including but not limited to Fire, Police, Maintenance Services, resulting in a net positive impact of approximately \$528,885 per year.

STRATEGIC ROADMAP

The proposed project supports the Strategic Priority of Grow the Economy, and specifically, relates to the implementation of the following project:

Project 5, Part 5.a-c: Facilitate disposition and development of Route 238 Corridor lands.

NEXT STEPS

Following Council approval, staff will take necessary steps to convey the property to the Developer in accordance with the DDA. The Developer will continue the process of pursuing construction permits for the project. The development team is currently planning for construction to begin this fall with ultimate completion in late 2021.

Prepared by: Catherine Ralston, Economic Development Specialist

Recommended by: Jennifer Off, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20 –

Introduced by Council Member _____

RESOLUTION APPROVING GOVERNMENT CODE SECTION 52201 SUMMARY REPORT AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT WITH BMODDRE2, LLC, FOR SPECIFIED PROPERTIES LOCATED NEAR MISSION BOULEVARD AND CARLOS BEE BOULEVARD FOR THE CONSTRUCTION OF A NEW AUTO DEALERSHIP AND MAKING SPECIFIED FINDINGS IN ASSOCIATION THEREWITH

WHEREAS, the City and BMODDRE2, LLC (the “Developer”), entered into an Exclusive Negotiation Rights Agreement, dated as of November 27, 2018 (the “ENRA”) regarding the potential development of specified property located along Mission Boulevard and Carlos Bee Boulevard; and

WHEREAS, the City and the Developer successfully completed the obligations under the ENRA and now desire to enter into a Disposition and Development Agreement (the “DDA”); and

WHEREAS, the City holds title to a 4.9 acre parcel to be transferred for the development of an auto dealership (the "Dealership Development Parcel") and a 5.2 acre parcel to be transferred subject to a use restriction for affordable housing purposes (Adjacent Parcel), (the “Property”); and

WHEREAS, portions of the properties subject to the DDA, have been acquired from Caltrans for the purpose of exchange which is not subject to the requirements of California Government Code Section 54220 et seq., and for the creation of economic opportunity pursuant to Government Code Section 52000 et seq., which is an alternative to any other authority granted by law to cities to dispose of city-owned property. The City is required to transfer the sales proceeds to Caltrans in satisfaction of the City's obligations under a Purchase and Sale Agreement by and between Caltrans and the City; and

WHEREAS, the City also currently owns fee title to six parcels of property located at 24744-24874 Mission Boulevard in the City of Hayward, CA (collectively, the “Swap Parcel”). The City acquired a property for a transportation project and has held the remnant Swap Parcel for economic development purposes; and

WHEREAS, under Government Code Section 37350 the City may purchase, lease, receive, hold, and enjoy real and personal property and control and dispose of it for the common benefit; and

WHEREAS, the developer will construct and operate a first class new +/- 57,000 sq. ft. auto dealership for sales and auto repair facility under the Subaru brand subject to an operating covenant with a term of 10 years on the Dealership Development Parcel; and

WHEREAS, the Adjacent Parcel will be subject to a land use covenant restricting future development to affordable housing; and

WHEREAS, the City intends to transfer to the Developer: (1) the fee interest in the Dealership Development Parcel and the Adjacent Parcel subject to the terms and conditions of the DDA and the Operating Covenants; and

WHEREAS, once the City's obligations to Caltrans have been satisfied, the City and the Developer intend to conduct a like-kind exchange swapping ownership of the Adjacent Parcel and the Swap Parcel, such that the Developer will obtain fee ownership of the Swap Parcel in exchange for transferring fee simple title to the Adjacent Parcel to the City; and

WHEREAS, the City will accept title to the Adjacent Parcel with the intent of making the Adjacent Parcel available for subsequent development of affordable housing in accordance with applicable laws; and

WHEREAS, pursuant to the Local Alternative Transportation Improvement Program (LATIP) statutes, under Government Code Section 14528.65 (a)(2) the sale of the Caltrans properties are exempt from the priorities and procedures regarding the disposal of residential property under Government Code Section 54235 et. seq.; and

WHEREAS, as further outlined in the Staff Report accompanying this Resolution and incorporated into this Resolution by this reference (the "Staff Report"), the transfers contemplated under the DDA will further the public purpose of economic development creating jobs, increased property tax and securing a site for future development of affordable housing in an area that has suffered from historic under development as a result of the proposed and now defunct freeway project, all of which serve the common benefit; and

WHEREAS, the City has placed on file a copy of the summary report called for in Government Code Section 52201 (the "Section 52201 Summary Report"), and has made the Section 52201 Summary Report available for public inspection and copying pursuant Government Code Section 52201; and

WHEREAS, as further outlined in the Staff Report, the City has determined that the sale of the properties pursuant to the DDA will create economic opportunity and: (1) result in an increase of property tax revenues to all property tax collecting entities, and will result in an increase of at least 15 percent of total property tax resulting from the project at full implementation when compared to the year prior to the property being acquired by the

City, (2) result in the creation of approximately 400-500 full-time equivalent (FTE) temporary construction jobs and an estimated 70-100 permanent jobs, and (3) restrict development on the Adjacent Parcel for the future development of affordable housing units to meet the demonstrated affordable housing need and attainment of the affordable housing goals set forth in the 2015-2023 Housing Element of the General Plan of the City of Hayward, without any investment of City funds; and

WHEREAS, as further outlined in the Staff Report and the Section 52201 Summary Report, the City is not providing any form of direct or indirect financial assistance to the Developer; and

WHEREAS, the City Council conducted a duly noticed public hearing on the DDA and the 52201 Summary Report pursuant to Government Code Section 52201, for the purpose of receiving the input and comments of the public on the DDA and the 52201 Summary Report; and

WHEREAS, the City has conducted the required review under the California Environmental Quality Act, California Public Resources Code §21000- §21177, as amended ("CEQA").

NOW, THEREFORE, BE IT RESOLVED that the City Council finds that the above recitals are true and correct and have served, together with the Section 52201 Summary Report and the Staff Report, as the basis for the findings and approvals set forth below.

BE IT FURTHER RESOLVED, pursuant to Government Code Section 52200.2, the City Council hereby finds that the sale of the properties pursuant to the DDA will create economic opportunity and result in: (1) an increase of property tax revenues to all property tax collecting entities, and will result in an increase of at least 15 percent of total property tax resulting from the project at full implementation when compared to the year prior to the property being acquired by the City; (2) result in the creation of approximately 400-500 temporary and 70-100 permanent jobs (without public investment); and (3) secure a site for the future development of affordable housing in accordance with the goals set forth in the 2015-2023 Housing Element of the General Plan of the City of Hayward. This finding is based on the facts and analysis set forth in the Staff Report and the Section 52201 Summary accompanying this Resolution.

BE IT FURTHER RESOLVED, pursuant to Government Code Section 52201, the City Council hereby finds that the consideration to be paid and the property to be exchanged under the DDA is not less than the fair market value at its highest and best use. This finding is based on the facts and analysis set forth in The Staff Report and the Section 52201 Summary accompanying this Resolution.

BE IT FURTHER RESOLVED, pursuant to Government Code Section 52201, the City Council hereby approves the Section 52201 Summary Report, in substantially the form on file with the City Clerk, and approved execution by the City Manager of the DDA and all

ancillary documents in a form to be approved by the City Attorney and consistent with the terms and conditions identified in the accompanying Staff Report.

BE IT FURTHER RESOLVED, pursuant to Government Code Section 37350, the City Council hereby finds that the disposition and exchange of the properties pursuant to the DDA is for the common benefit.

BE IT FURTHER RESOLVED, the City finds and determines that the sale of the Dealership Development Parcel and the Adjacent Parcel is exempt from California Environmental Quality Act, California Public Resources Code §21000- §21177, as amended ("CEQA") pursuant to Government Code Section 14528.65.

BE IT FURTHER RESOLVED , the City further finds that the transfer and development of the Dealership Development Parcel is exempt from CEQA under 14 California Code of Regulations Section 15332 in that the Development: (1) is consistent with the applicable general plan and zoning designations and regulations; (2) the proposed development will occur within the City limits, and the Dealership Development Parcel is less than five acres; (3) the Dealership Development Parcel has no value as habitat for endangered, rare, or threatened species; (4) the approval of the proposed Development will not result in any significant effects relating to traffic, noise, air quality or water quality; and (5) the Dealership Development Parcel can be served by all required utilities and public services.

BE IT FURTHER RESOLVED, the City further finds that the transfer of the Adjacent Parcel is exempt from CEQA under 14 California Code of Regulations Section 15061(b)(3) as it can be seen with certainty that there is no possibility that this transfer will have a significant impact on the environment.

BE IT FURTHER RESOLVED, the City further finds that the transfer of the Swap Parcel to the Developer and the continued use of the Swap Parcel, consistent with its existing use, is exempt from CEQA under 14 California Code of Regulations Section 15301 as continued operation of an existing facility and use.

BE IT FURTHER RESOLVED that the City Manager or designee is directed to cause a notice of exemption to be filed with the Alameda County clerk, pursuant to the CEQA Guidelines, following adoption of this Resolution.

BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager or designee to execute the DDA on behalf of the City in substantial conformance to the terms outlined in the staff report, subject to such nonsubstantive or minor modifications or amendments as may be necessary to complete the transactions contemplated hereby, and subject further to the City Attorney's approval as to form.

BE IT FURTHER RESOLVED, that the City Manager or designee shall execute such other instruments, and take any and all other action, as may be reasonably necessary to complete the disposition and acquisition of prooperties, and to close escrow on, as contemplated in the DDA. Without limiting the generality of the foregoing, the City Manager or designee is hereby authorized to execute a certificate of acceptance of the grant deed for the Adjacent Parcel, pursuant to Government Code Section 27281.

BE IT FURTHER RESOLVED that the City Council designates the City Clerk as the custodian of the documents and other material which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the office of the City Clerk, at 777 B Street, Fourth Floor, Hayward, CA 94541.

BE IT FURTHER RESOLVED that this Resolution shall take immediate effect from and after its passage.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

**SUMMARY REPORT PURSUANT TO GOVERNMENT CODE SECTION 52201 ON THE
DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF
HAYWARD AND BMODDRE2, LLC.**

I. Introduction

The City of Hayward (the "City") has prepared a summary report (the "Summary Report") as required by Section 52201 of the Government Code, with regards to the City's proposed execution of a Disposition and Development Agreement ("DDA") by and between the City and BMODDRE2, LLC, a California Limited Liability Company, and its permitted successor and assigns ("Developer"), for the sale of a 4.9 acre parcel to be developed under the DDA (the "Dealership Development Parcel") and a 5.2-acre parcel restricted for affordable housing purposes under the DDA (the "Adjacent Parcel"), the properties extend from Mission Boulevard on the west to Carlos Bee Boulevard on the north (24900 and 25000 Mission Boulevard, APNs APN 445-0200-012-01 and APN 445-0200-009-00) (collectively referred to as the "Property") to the Developer.

Government Code Section 52201 authorizes the City to sell or lease property to which it holds title and was held for exchange for the purpose of creating economic opportunity. The City must first secure approval of the proposed sale from the City Council after a public hearing. A copy of the proposed DDA and this Summary Report that describes and contains specific financing elements of the proposed transaction is required to be available for public inspection prior to the public hearing. As contained in the Code, the following information is included in the Summary Report:

- The cost of the DDA to the City, including land acquisition costs, clearance costs, relocation costs, and the costs of any improvements to be provided by the City, plus the expected interest on any loans or bonds to finance the agreement;
- The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the General Plan and zoning;
- The estimated value of the interest to be conveyed in accordance with the uses, conditions and covenants, and development costs required under the proposed DDA, i.e., the fair reuse value of the Property;
- An explanation of why the sale of the property will assist in the creation of economic opportunity; and
- If the sale price is less than the fair market value of the interest to be conveyed, determined at the highest and best use consistent with the General Plan and zoning, then the City must provide as part of the summary an explanation of the reasons for the difference.

In addition to the authority granted to it under Government Code Section 52201, the City is also acting pursuant to authority granted to it under; (1) Government Code Section 14528.5 which governs the disposition of State Route 238 (SR 238) parcels; and (2) Government Code Section 37350, which provides that a city may purchase, lease receive,

hold and enjoy real and personal property and control and dispose of it for the common benefit.

II. Summary of Proposed Agreement

The Developer intends to purchase the parcels commonly known various parcels of property, acquired by the City from Caltrans and other private parties, that were part of the former SR 238 project. The Property is composed of two parcels: Parcel 1 (APN 445-0200-012-01) is a City owned parcel acquired to facilitate the widening of Mission Boulevard, and Parcel 2 (APN 445-0200-009-00) was formerly owned by Caltrans acquired for the SR 238 project. The proposed development described in the DDA provides for the development of the "Dealership Development Parcel," which shall include the construction of an approximately 57,497-square-foot automobile sales and full service auto repair facility, including landscaping and other site improvements, in order to establish a first-class automobile sales and full service auto repair facility on the Dealership Development Parcel. The dealership is proposed to be operated under the Subaru brand. The Dealership Development Parcel, located at the southeast corner of Mission Blvd and Carlos Bee Blvd, is approximately a 5.2-acre site located adjacent to Mission Boulevard. The upper 4.9 acres known as the Adjacent Parcel will have a restrictive covenant limiting future development to affordable housing. Once the City's obligations to Caltrans have been satisfied, the City and the Developer intend to swap ownership of the Adjacent Parcel and a City owned parcel ("Swap Parcel") located at the northeast corner of Mission Blvd and Carlos Bee Blvd. The purpose of the exchange is to allow the City to own the "Adjacent Parcel" to make the site available for subsequent development of affordable housing in accordance with applicable laws.

The salient aspects of the proposed DDA are summarized as follows:

- The City commits to transfer the Property to the Developer as two separate parcels, the Dealership Development Parcel and the Adjacent Parcel;
- The City will convey the Property to the developer in fee in its "as-is" condition;
- The Developer will pay the City \$5,421,000 for the Property in the form of cash payment covering the cost of the Caltrans purchase price;
- The Developer will reconvey the 4.9-acre Adjacent Parcel or back to the City in exchange for the 2.1-acre Swap Parcel.
- An Operating Covenant with a term of 10 years will be recorded on the Dealership Development Parcel providing oversight on the allowed uses, transfers, subleases of the Dealership Development Parcel.

- The City is not required to make any form of direct or indirect financial contribution or to provide any other assistance to the Developer; and
- The Proposed Project is in compliance with the requirements of the City's General Plan and Mission Boulevard Form Based Zoning Code.

III. Cost of Agreement

This section presents the total estimated cost of the DDA to the City. Pursuant to California Government Code Section 52201 (a)(2)(B)(i), the cost of the DDA to the City includes all land acquisition costs, relocation costs, the cost of any improvements to be provided by the City, plus the interest on any loans or bonds to finance project under the terms of the DDA. The net cost can be either an actual cost, when expenditures exceed receipts, or a net gain, when revenues created by implementation of the Agreement exceed expenditures.

The City acquired a small portion of the Dealership Development Parcel and the Swap parcel as part of the Route 238 Corridor Improvement project. The cost to acquire the Swap Parcel and a small portion of the Dealership Development Parcel were borne by the City under the transportation project budget. The City has determined that for the purposes of this Summary Report, the costs to the City for acquisition of said properties is negligible because these are remnant parcels which were retained by the City after the completion of the transportation project and no capital funds were expended by the City for the remnant parcels.

The property to be transferred to the Developer will consist of the Dealership Development Parcel and the Adjacent Parcel. The City has a purchase and sale agreement with Caltrans related to the acquisition of various properties, including among others, the portions of the Property to be conveyed to the Developer. Under the purchase and sale agreement with Caltrans, the City is required to pay Caltrans a purchase price of \$5,421,000 which is based on the fair market value appraisals for those parcels. The cost to the City for acquiring the properties from Caltrans is the same as the purchase price being paid by the Developer to acquire the Property from the City.

The City's holding costs for the Property and the Swap Parcel is de minimus and does not impact the cost to the transactions contemplated herein.

The City has or expects to incur approximately \$35,000 on internal staff costs which will be funded through the purchase price. The City's third-party costs, including broker fees, legal fees, consulting fees, and other fees associated with the negotiation of the DDA and associated land transfer documents have been paid for by the Developer through a reimbursement agreement. All costs to the City associated with the processing of entitlements for the Proposed Project are also being paid solely by the Developer.

The City does not expect to incur any relocation costs, as the various parcels that are being transferred are vacant unoccupied property. If, and to the extent any relocation obligations arise, the Developer has agreed to pay for any relocation costs incurred as a result of the implementation of the DDA.

The City has not incurred and will not incur any demolition costs as part of this transaction.

IV. Estimated Highest and Best Use Value of the Interest to be Conveyed

Section 52201 requires that the City to identify the value of the interest being conveyed at the highest use permitted under the General Plan and zoning in place on the property. The valuation must be based on the assumption that the property is vacant, and that near-term development is required. The highest and best use of a property is that the use of the property that generates the highest property value and is physically possible, financially feasible, and legally permitted. The valuation does not take into consideration any extraordinary use, quality, and/or income restrictions being imposed on the development by the City. The value at highest and best use is based solely on the value created and not on whether or not that use carries out the development goals and policies for the City as set forth in the DDA.

This section presents an analysis of the fair market value of the various parcels at their highest and best use values. This section explains the value of the various property to be sold or transferred to the Developer and the consideration being provided by the Developer.

The City reviewed appraisals for the various parcels and the proposed valuation of the parcels was based on a commercial land value analysis in their existing condition with the current land use designations for the Dealership Development Parcel and the Swap Parcels, and the residential land value analysis in its existing condition with the current land use designations for the Adjacent Parcel. Based on the appraisals, the City determined that the purchase price of \$5,421,000 represents fair market value for the Property and the fair market value for the Swap Parcel is estimated to be \$1,988,000. The purchase price being paid by the Developer for the Dealership Development Parcel and the Adjacent Parcel is based on the parties' negotiation of the Property value taking into account the aforementioned financial evaluation and previous appraisals of the Property as well as the impact on value of the Property resulting from entitlement of the Project Site for the use consistent with the Proposed Project.

V. Estimated Fair Re-Use Value of the Interest to be Conveyed

In calculating the fair re-use value, re-use value is defined as the highest price in terms of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions, and restrictions imposed by the DDA. The DDA does contain a covenant on the Dealership Development Parcel that will restrict the use of the property for the construction and continual operations of the Improvements, substantially in the form as identified in the DDA for a period of ten years following the Notice of Completion. An additional covenant on the "Adjacent Parcel" will be recorded against the parcel restricting the use for affordable housing purposes.

Notwithstanding the covenants being recorded as part of the sale under the DDA, the Developer is being required to purchase the Dealership Development Parcel and the Adjacent Parcel for their fair market value, at their highest and best use and not for the fair re-use value. In addition, the land swap is based on the fair market values of the Swap Parcel and the Adjacent Parcels.

VI. Explanation of the Difference (if any) between the Compensation to be paid to the City under the DDA and the Fair Market Value of the Property

Under Section 52201, the City is required to explain if the sale price is less than the fair market value of the interest to be conveyed, determined at the highest and best use consistent with the General Plan and zoning, then the City must provide as part of this Summary Report an explanation of the reasons for the difference. In this instance, there is no difference. The City will receive \$5,421,000 in compensation for the transfer of the Property, which is the estimated value of the Property at its highest and best use. In addition, the like-kind exchange between the City and the Developer under the land swap, will result in the Swap Parcel being transferred from the City to the Developer in exchange for the fee title to the Adjacent Parcel. The land swap results in the City taking possession of the 4.9-acre Adjacent Parcel in exchange for the 2.1-acre Swap Parcel, an equivalent transfer of properties valued at their highest and best use. The City fully expects that the Purchase Price received from the Developer and the fee title to the Swap Parcel will not be less than the costs paid by the City for the Property and the Swap Parcel and the costs of the agreement summarized in Section III, above.

VII. Creation of Economic Opportunity

The Proposed Project, when constructed, will create economic opportunity in the Mission Boulevard area. Section 52200.2 defines “economic opportunity” as any of the following:

- Development agreements, loan agreements, sale agreements, lease agreements, or other agreements that create, retain, or expand new jobs, at least one full-time equivalent, permanent job for every thirty-five thousand dollars (\$35,000) of city investment in the project after full capacity and implementation:
- Development agreements, loan agreements, sale agreements, lease agreements, or other agreements that increase property tax revenues to all property tax collecting entities, by at least 15 percent (15%) of total property tax resulting from the project at full implementation when compared to the year prior to the property being acquired by the government entity;
- Creation of affordable housing;
- Projects that meet the goals set forth in Chapter 728 of the Statutes of 2008 and have been included in an adopted sustainable communities’ strategy or alternative planning strategy or a project that specifically implements the goals of those adopted plans; or
- Transit priority projects, as defined in Section 21155 of the Public Resources Code.

The City is not providing any form of financial assistance to the Developer. The City, however; has identified the following benefits that will result from implementation of the DDA and will create economic opportunity as defined in Government Code Section 52200.2.

A. Increased Property Taxes

Currently, none of the properties that are subject of the DDA generate property tax revenues because all of the Property has been under the ownership of a governmental entity. The property tax revenue the year prior to the property being acquired by the City was \$0. Upon transfer to the Developer under the DDA, the assessed value of the Property will change from \$0 to up to \$5,421,000 and will result in estimated annual property tax payments of approximately \$54,000 in its unimproved state.

The sale of the Property to the Developer is estimated to cause the following increase in the property tax revenue:

Assessed Value at Date of Acquisition		\$0.00
Property Tax Rate	<u>1.0%</u>	
Estimated Property Tax Revenue		\$0.00
Assessed Value after sale to the Developer (unimproved state)		\$5,421,000
Property Tax Rate	<u>1.0%</u>	
Estimated Property Tax Revenue (unimproved state)		\$54,000
Increase in Property Tax Revenue to Taxing Entities		\$54,000

The change in assessed value will result in an increase of more than 15% prior to the full implementation of the project. While it is anticipated that the completion of the Proposed Project will further increase the Property's assessed value to more than \$30 million, the City cannot accurately estimate the total property tax revenues resulting from the project at full implementation at this time. Nevertheless, based on the change in property tax revenues in an unimproved state, it can be concluded that after full project implementation, the Proposed Project will increase property tax revenues to all property tax collecting entities, by more than 15 percent (15%) when compared to the year prior to the property being acquired by the government entity and the condition of Section 52200.2(b) will be satisfied.

The Developer intends to develop the approximately \$30 million Proposed Project on the Project Site. The assessed value of the Project Site will result in additional benefits to the City.

B. Job Creation

Under Section 52200.2(a) economic opportunity is achieved if an agreement results in the creation, retention or expansions of new jobs, at least one full-time equivalent, permanent job for every thirty-five thousand dollars (\$35,000) of city investment in the project. As previously discussed, the City is not providing any direct or indirect financial assistance for the Proposed Project and no part of the development costs for the Proposed Project will be publicly subsidized.

Nevertheless, the sale of the Property under the DDA will result in job creation as a result of the anticipated construction of the new auto dealership on the Dealership Development Parcel. During the construction of the Proposed Project, it is anticipated that 400 – 500 full-time equivalent (FTE) temporary construction jobs will be created. Upon completion and full implementation, the Proposed Project is also anticipated to generate an estimated 70 - 100 permanent jobs. Thus, the project will result in economic opportunity and significant job creation without investment of any City funds.

C. Affordable Housing

The creation of affordable housing to meet demonstrated affordable housing needs identified in the Housing Element of the City's General Plan constitutes an economic opportunity per Section 52200.2 (c). While no affordable housing is being constructed as part of the Proposed Project, the City will be receiving fee title to the Adjacent Parcel which will have a covenant restriction on the site limiting the development to affordable housing only. The future development of the Adjacent Parcel will result in the creation of approximately twenty affordable housing units (depending on unit size and type).

D. Public Purpose

The transfer of the property and construction of the proposed development will create a common benefit and further the public purpose of economic development by creating jobs, increasing property taxes for all taxing entities, and the potential future creation of affordable housing. It also brings about the redevelopment of a site that has suffered from historic underdevelopment as a result of the proposed and now defunct SR 238 freeway project.



PROJECT INFO

PROJECT NAME: ONE SUBARU
 PROJECT ADDRESS: T.B.D.
 OWNER: BMOOD RE2 LLC
 10005 W. PAPAGO FREEWAY
 AVONDALE, ARIZONA 85323
 ARCHITECT: JOHN MAHONEY ARCHITECT, INC
 850 W. ELLIOT ROAD, #108
 TEMPE, ARIZONA 85284
 ENGINEER: KPFF
 2250 DOUGLAS BLVD, SUITE 200
 ROSEVILLE, CALIFORNIA 95661
 PARCEL NUMBERS: 445-200-9 & 445-200-12-1
 ZONING: T4-1
 SITE AREA: 214,402 S.F. (4.93 ACRES)
 OCCUPANCY GROUP: MIXED (B, S-1)
 BUILDING AREA:
 GROUND FLOOR 46,447 S.F.
 SECOND FLOOR 11,050 S.F.
 TOTAL FLOOR AREA 57,497 S.F.
 LOT COVERAGE: 46,447 / 214,402 = 21.6% (80% MAX ALLOWABLE)
 CONSTRUCTION TYPE: II-B, AUTOMATIC FIRE SPRINKLER SYSTEM PER CBC SECTION 903
 NO. STORIES: 2
 BUILDING HEIGHT: 30 FEET
 PARKING CALCULATIONS:
 REQUIRED: NO MINIMUM REQUIREMENT
 PROVIDED: 88
 CLEAN AIR SPACES REQUIRED = 8
 EV CHARGING SPACES REQUIRED = 5
 ACCESSIBLE EV CHARGING REQUIRED = 1
 BICYCLE PARKING REQUIRED
 SHORT TERM (5% VISITOR) = 2
 LONG TERM (5% EMPLOYEE) = 3
 PROVIDED: (DOES NOT INCLUDE DISPLAY SPACES)
 TOTAL SPACES PROVIDED = 88
 CUSTOMER PARKING PROVIDED = 27
 EMPLOYEE PARKING PROVIDED = 61
 ACCESSIBLE PARKING PROVIDED = 4
 ACCESSIBLE EV CHARGING PROVIDED = 2
 EV CHARGING SPACES PROVIDED = 5
 CLEAN AIR SPACES PROVIDED = 8
 BICYCLE PARKING PROVIDED
 SHORT TERM = 2
 LONG TERM - EMPLOYEE LONG TERM
 BICYCLE PARKING IN ROOMS 133 PARTS
 AND 136 SERVICE
 TOTAL PARKING = 88
 TOTAL DISPLAY = 200

SYMBOLS

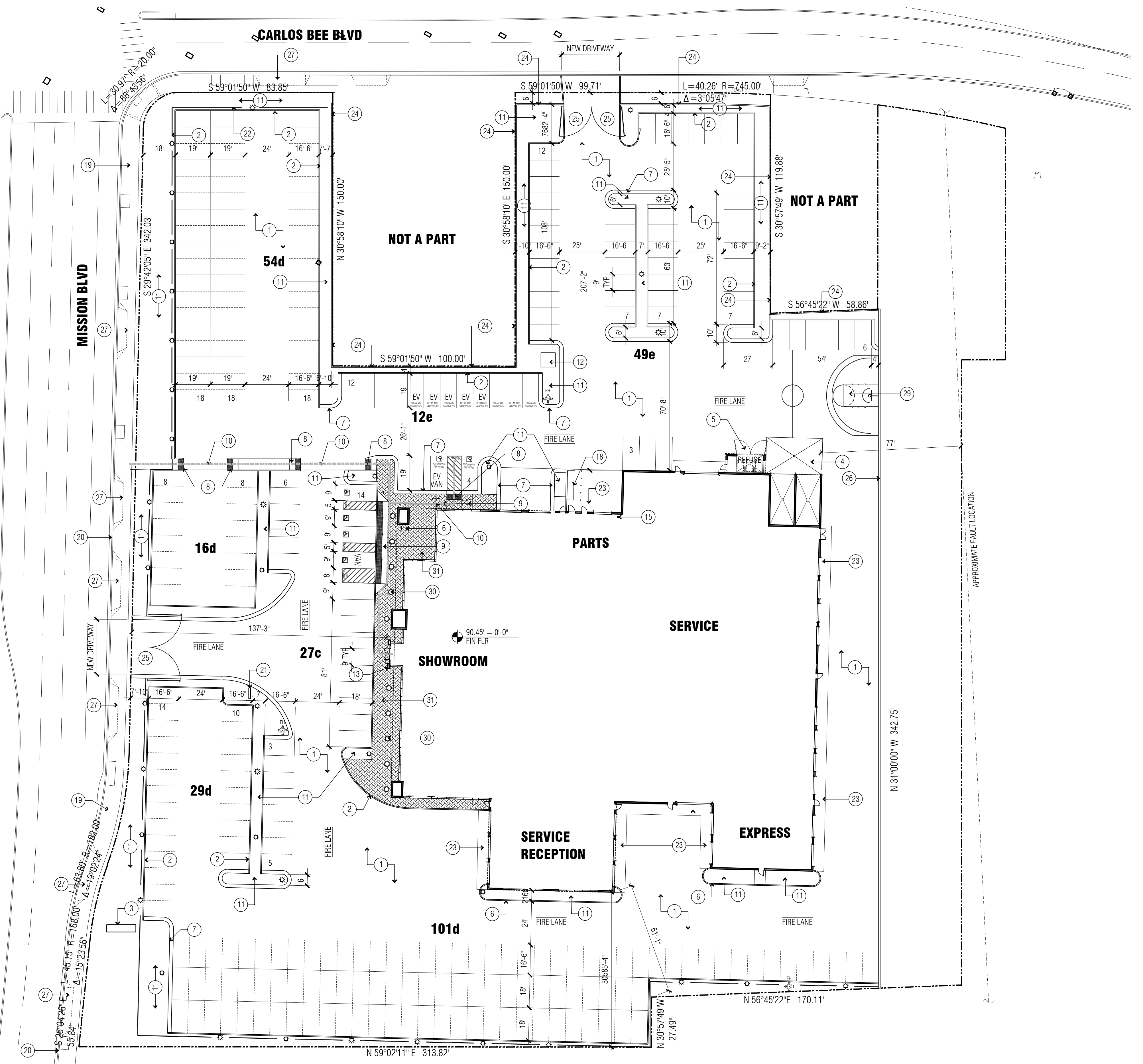
FIRE HYDRANT - SEE CIVIL
 LIGHT POLE ON CONCRETE BASE
 TYPICAL ORDINANCE REQUIRED PARKING SPACE
 TYPICAL DISPLAY OR INVENTORY SPACE - DASHED LINES SHALL NOT BE PAINTED
XXc XX DENOTES SUBTOTAL OF PARKING
 LOWERCASE LETTER INDICATES PARKING USE
 c DENOTES CUSTOMER PARKING
 d DENOTES DISPLAY PARKING
 e DENOTES EMPLOYEE PARKING



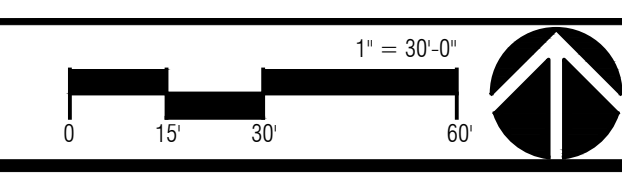
VICINITY MAP

KEYNOTES

- 1 TYPICAL ASPHALT PAVING PER GEOTECH REPORT & CIVIL PLANS
- 2 TYPICAL 6" H CONCRETE CURB
- 3 MONUMENT SIGN - UNDER SEPARATE PERMIT
- 4 CONCRETE DRIP CONTAINMENT SLAB
- 5 REFUSE YARD
- 6 BICYCLE PARKING - SEE 10/A510
- 7 ROLL CURB
- 8 CONCRETE SIDEWALK RAMP - SEE 4/A500
- 9 CONCRETE CURB RAMP - SEE 3/A500
- 10 ACCESSIBLE ROUTE OF TRAVEL. MIN WIDTH TO BE 4'-0" RUNNING SLOPE SHALL NOT EXCEED 1:20. CROSS SLOPE SHALL NOT EXCEED 1:50. SURFACE TO BE FIRM, STABLE AND SLIP RESISTANT.
- 11 LANDSCAPING
- 12 ELECTRICAL TRANSFORMER AND CONC UTILITY COMPANY CONC. PAD BY G.C. TO UTILITY CO. REQUIREMENTS
- 13 KNOX LOCK BOX NEAR DOOR AT NO HIGHER THAN 60" ABOVE FINISH GRADE. PROVIDE A FULL SET OF KEYS TO OPEN ALL DOORS INSIDE AND OUTSIDE THE BUILDING. TO INCLUDE FIRE ALARM PANEL - LABELED AND PLACED INSIDE KEY BOX
- 14 FIRE DEPARTMENT CONNECTION
- 15 FIRE RISER INSIDE BUILDING
- 16 DRAINAGE CATCH BASIN - SEE CIVIL PLANS
- 17 SAND / OIL INTERCEPTOR
- 18 SERVICE ENTRANCE SECTION WITH PROTECTIVE BOLLARDS ON CONCRETE HOUSEKEEPING PAD PER UTILITY CO. REQUIREMENTS
- 19 EXISTING SIDEWALK
- 20 EXISTING STREET CURB AND GUTTER
- 21 DIRECTIONAL SIGNAGE - UNDER SEPARATE REVIEW AND PERMIT
- 22 18" HIGH STEEL SECURITY RAIL - SEE DETAIL 2/A510
- 23 TYPICAL CONCRETE APRON AT OVERHEAD DOORS
- 24 6" H CMU WALL - SEE DETAIL 1/A510
- 25 STEEL SECURITY GATES PER 12/A510
- 26 CAST IN PLACE CONCRETE RETAINING WALL
- 27 EXISTING DRIVEWAY TO BE REMOVED
- 28 STEEL SECURITY GATES PER 11/A510
- 29 EMPLOYEE SPORTS COURT
- 30 TYPICAL RAISED PLANTER - SEE LANDSCAPING ALIGN WITH CENTER OF ADJACENT WINDOW MULLION/CENTER OF ADJACENT WALL
- 31 PRECAST CONCRETE PAVERS



SITE PLAN



**CITY OF HAYWARD PLANNING DIVISION
SITE PLAN REVIEW NO.201903791
FINDINGS FOR APPROVAL**

EFFECTIVE DATE: JULY 1, 2020

Section 1 - Background

1. On June 24, 2019, applicant Brian McCafferty, on behalf of BMODDRE2, LLC, filed Site Plan Review Application (No. 201903791) with the Development Services Department to allow the establishment and construction of a two story ±57,497 sq. ft. Subaru dealership with an ancillary minor service repair shop on a 4.92 acre site. Project to include the demolition of three dilapidated structures ranging in size (±1,085 sq.ft., ±1,651 sq.ft., and ±1,930 sq.ft.) which were formally used as offices for used car dealerships. Specifically, the first floor of the dealership would be 47,000 sq.ft. and consist of 11 office, a sales lounge, a show room, a pet grooming service room, a minor service repair shop, a children's play station, a boutique store, a refreshment lounge, and four service adviser stations. The second floor would be ±11,050 sq.ft. and consist of a locker-room area for employees, a breakroom, a file storage area, a vehicle part store, a firepit lounge, three conference rooms, and an employee training area.
2. The project site is located at 24900 Mission Boulevard and 25000 Mission Boulevard (APNs: 445-0200-012-01 & 445-0200-009-00), in the Mission Boulevard T4-1 Commercial Overlay 2 (MB-T4-1-Comm 2) Zone, and designated for Sustainable Mix Use land uses in the *Hayward 2040 General Plan*.
3. Pursuant to Section 10-1.3005 of the HMC, Site Plan Review is aimed at fostering development and the establishment of uses which take into account on-site and surrounding structures and uses, which contributes to an attractive City, physical and environmental constraints and traffic circulation, so that new development is accomplished in an orderly manner, complies with the intent of City development policies and regulations, and operated in a manner determined to be acceptable and compatible with surrounding development.

Section 2. Findings for the Site Plan Review

Per Section 10-1.3025 of the Hayward Municipal Code, the Planning Director may approve, conditionally approve, disapprove, or refer a Site Plan Review application to the Planning Commission, with or without a recommendation. Except for referrals, action must be based on the findings listed in Section 10-1.3025 of the HMC, as stated below. The Planning Director may approve or conditionally approve an application when all the following findings are met:

A. The development is compatible with on-site and surrounding structures and uses and is an attractive addition to the City;

The proposed dealership would be compatible with surrounding structures and uses and would be an attractive addition to the neighborhood in that the building will comply with the design requirements of the Mission Boulevard Corridor Form Based Code (MBFBC). The first-floor façade of the building will be constructed of a clear glass, as to have a modern appearance and help break up the mass and bulk of the structure. Additionally,

there would be several landscape frontage improvements (approved by the City Landscape Architect), which will provide a landscape buffer between public right of way and the proposed vehicle retail area. Further contributing to an aesthetically pleasing dealership. As proposed, the site improvements and the construction of a new dealership at 24000 Mission Boulevard and 25000 Mission Boulevard would be in keeping with the design, height, and bulk as set forward by the FBC, while keeping in line with existing dealerships located at 24919, 24895, and 24618 Mission Boulevard.

B. The development takes into consideration physical and environmental constraints;

The modifications of the site for the construction of the dealership take into consideration the physical and environmental constraints in that the proposed building would not disturb the existing slope, and the proposed building would be constructed pursuant to the findings made by the Hayward Fault Hazard Report, as approved by the City's Public Works Department. Additionally, the site currently has five non-compliant driveway approaches, which do not contribute to a conducive public right of way. As such, the applicant is proposing to infill all existing driveways and construct two driveway approaches (Entitled Plans Sheet A1000). Further, said public right of way improvements would comply with the American with Disability Act (ADA) requirements. Additionally, the applicant would add 118 new trees throughout the site frontages, which would help soften the appearance of the retail display area visible from Mission Boulevard and Carlos Bee. Overall, the construction of the dealership would adhere to all applicable MBFBC requirements.

C. The development complies with the intent of City development policies and regulations;

As conditioned, the project complies with all applicable City polices including the Mission Boulevard T4-1 Commercial Overlay 2 (MB-T4-1-Comm 2) zoning district development standards, including the building setbacks, building height, parking, and lot coverage requirements. Additionally, the applicant provided a traffic study, an environmental assessment, a hazard fault zone study, and a tree study, as supplemental information to demonstrate compliance with City policies and regulations. Further, the proposed development also complies with the following policies of the *Hayward 2040 General Plan*:

Land Use Policy LU-1.4 Revitalization and Infill Development: The City shall encourage property owners to revitalize or redevelop abandoned, obsolete, or underutilized properties to accommodate growth.

Economic Development Policy ED-1.1 Regional Economic Diversification: The City shall coordinate with other cities, counties, businesses, labor organizations, and other economic development and research organizations to help diversify and expand the economic base of the greater East Bay.

Economic Development Policy ED-5.5 Regional Economic Diversification: The City shall require new development to include quality site, architectural and landscape design features to improve and protect the appearance and reputation of Hayward

D. The development will be operated in a manner determined to be acceptable and compatible with surrounding development.

As conditioned, the dealership would operate in a manner acceptable and compatible with surrounding development in that the project must comply with the conditions imposed on this project, as well as the California Fire Code as adopted by the City of Hayward, the

California Building Code as adopted by the City of Hayward, the Hayward Municipal Code, and other City regulations. Additionally, the proposed project meets the development standards of the MB-T4-1 Comm 2 zoning district in the Form Based Code.

E. The project met the requirements for an infill exemption from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15332 of the CEQA Guidelines. As highlighted below:

- The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations: The site will maintain its current zoning designation and there is no proposed general plan amendment. Additionally, as noted above (Section C) the project complies with multiple applicable general plan goals and policies.
- The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses: The site is in the City of Hayward, surrounded by several dealerships and other urban use. Additionally, the site is less than five acres in size.
- The project site has no value, as habitat for endangered, rare, or threatened species: The site was previously used as three separate used car dealerships. Thereby, the site has no value, as habitat for endangered, rare, or threatened species. As proposed, Subaru would remove the existing structure, construct a new structure, and continue to use the site as a dealership.
- Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality:
As proposed, the project meets the requirements as set forward by the Mission Boulevard Form Based Code. Additionally, per the traffic report approved by the City, no significant effect to traffic were determined. Further, the site was previously used as a dealership and it will continue to be used as a dealership.
- The site can be adequately served by all required utilities and public services:
The site was previously used as a dealership. As such, the subject site is adequately served by all utilities and public services. Minor modifications will be required as to ensure the site meets current local, state, and federal requirements.

Section 3. Decision

Site Plan Review Application No. 201903791 is hereby approved, subject to the conditions of approval, included as Attachment B. This decision shall become effective on July 1, 2020, unless appealed.

**CITY OF HAYWARD PLANNING DIVISION
SITE PLAN REVIEW APPLICATION NO.201903791
CONDITIONS OF APPROVAL**

EFFECTIVE DATE: July 1, 2020

GENERAL:

1. The developer shall assume the defense of and shall pay on behalf of and hold harmless the City, its officers, employees, volunteers and agents from and against any or all loss, liability, expense, claim costs, suits and damages of every kind, nature and description directly or indirectly arising from the performance and action of this permit.
2. Site Plan Review No. 201903791 is approved subject to the Architectural, Civil and Landscape plans date stamped May 11, 2020, respectively, except as modified by the conditions listed below. Any proposal for alterations to the conditionally approved site plan and/ or design that does not require a variance to any zoning ordinance standard shall be subject to approval by the Development Services Director or his/her designee, prior to implementation. Alterations requiring a variance shall be subject to review and approval by the Planning Commission.
3. The permittee, property owner or designated representative shall allow the City's staff to access the property for site inspection(s) to confirm all approved conditions have been completed and are being maintained in compliance with all adopted city, state and federal laws.
4. Failure to comply with any of the conditions set forth in this approval, or as subsequently amended in writing by the City, may result in failure to obtain a building final and/or a Certificate of Occupancy until full compliance is reached. The City's requirement for full compliance may require minor corrections and/ or complete demolition of a non-compliant improvement regardless of costs incurred where the project does not comply with design requirements and approvals that the applicant agreed to when permits were filed to construct the project.
5. All outstanding fees owed to the City, including permit charges and staff time spent processing or associated with the development review of this application shall be paid in full prior to any consideration of a request for approval extensions and/or the issuance of a building permit.
6. If determined to be necessary for the protection of the public peace, safety and general welfare, the City of Hayward may impose additional conditions or restrictions on this permit. Violations of any approved land use conditions or requirements will result in further enforcement action by the Code Enforcement Division. Enforcement includes, but is not limited to, fines, fees/penalties, special assessment, liens, or any other legal remedy required to achieve compliance including the City of Hayward instituting a revocation hearing before the Planning Commission.
7. A copy of these conditions of approval shall be scanned and included on a separate, full-sized sheet(s) in the building permit plan check set.

8. The Planning Director or designee may revoke this permit for failure to comply with, or complete all, conditions of approval or improvements indicated on the approved plans.
9. The owner shall maintain in good repair all building exteriors, walls, lighting, drainage facilities, landscaping, driveways, and parking areas. The premises shall be kept clean and weed-free.
10. The applicant shall be responsible for graffiti-free maintenance of the property and shall remove any graffiti within 48 hours of occurrence or City notification.
11. The applicant shall apply for and obtain all necessary permits from the City and/or outside agencies prior to any site work.
12. All improvements shall be designed and constructed in accordance with the City of Hayward Municipal Code
13. All building materials shall be consistent with those specified on the approved plans. Color and material of the dealership shall be submitted prior to submittal approval of a building permit.

ADDRESS:

14. Property addresses will be assigned by the Development Services Department prior to issuance of a building permit.

LIGHTING:

15. Lighting within the parking area(s) shall be provided and be maintained at a minimum of one foot-candle. Exterior lighting and parking lot lighting shall be provided in accordance with the Security Standards Ordinance (No. 90-26 C.S.) and be designed by a qualified lighting designer and erected and maintained so that light is confined to the property and will not cast direct light or glare upon adjacent properties or public rights-of-way. Such lighting shall also be designed such that it is decorative and in keeping with the design of the development.
16. Plans submitted for building permit shall include a photometric site lighting plan that includes fixtures, mounting heights, light wattage and that demonstrates adequate site lighting without excessive glare, off-site impacts or "hot spots." All lighting shall be reviewed and approved by the City Engineer, Planning Division and Hayward Police Department prior to Building Permit issuance.
17. All lighting fixtures shall incorporate a shield to allow for downward illumination. No spillover lighting to adjacent properties is permitted and all exterior lighting on walls, patios or balconies shall be recessed/shielded to minimize visual impacts.

COLOR AND MATERIALS:

18. The building colors and materials shown on the building permit plans shall match those shown on the color/material exhibit and renderings date stamped (May 11, 2020). Any revision to the approved colors and materials shall be reviewed and approved by the Planning Division prior to the issuance of a building permit.
19. All vents gutters, downspouts, flashings, electrical conduits, etc. shall be painted to match the color of the adjacent material unless specifically designed as an architectural element.

SCREENING OF MECHANICAL EQUIPMENT:

20. All exterior and rooftop mechanical equipment shall be screened or located away from public view. Mechanical and rooftop equipment shall include, but is not limited to, electrical panels, pull boxes, air conditioning units, gas meters, and swimming pool equipment. All rooftop screening and mechanical equipment shall be shown on the project plans and be subject to final review and approval by City staff prior to the issuance of an occupancy permit. All screening shall be compatible with respect to forms and materials used on the building.
21. Any above-ground structures that may be required to provide utilities for the project shall be compatible as to location, form, design, exterior materials, and noise generation. The applicant shall obtain staff approval prior to issuance of any permits

SIGNS:

22. No signs are approved with this project. Any signs placed on-site or off-site shall be reviewed and approved by the Planning Division and a separate Sign Permit application shall be required, consistent with Hayward Municipal Code Sign Ordinance requirements.

TRASH ENCLOSURE DESIGN:

23. (For Commercial and Multi-Family Residential) All trash enclosures must adhere to all the basic design guidelines provided in Section 3 of the City's Standard Design Requirements for Collection & Storage of Trash, Recyclables and Organics for Commercial (Business) and Multi -Family Projects. All trash enclosures shall be adequately screened from view, utilizing a decorative wood or masonry wall or combination thereof and incorporate a roof, and doors which are compatible with the design of the primary building on site. The building permit submittal shall include a detailed set of plans that show the design details of the enclosures, including the location of all bins and label each bin with the capacity (ex: three cubic yards, four cubic yards, etc.) as well as the type of waste trash, recyclables, organics).

ENVIRONMENTAL MITIGATION:

24. If human remains, archaeological resources, prehistoric or historic artifacts are discovered during construction or excavation, the following procedures shall be followed: Construction and/or excavation activities shall cease immediately and the Planning Division shall be notified. A qualified archaeologist shall be retained to determine whether any such materials are significant prior to resuming groundbreaking construction activities. Standardized procedure for evaluation accidental finds and discovery of human remains shall be followed as prescribed in Sections 15064.f and 151236.4 of the California Environmental Quality Act.
25. The following control measures for construction noise, grading and construction activities shall be adhered to, unless otherwise approved by the Planning Director or City Engineer:
 - a. In conformance with Section 4-1.03-4 of the City's Municipal Code, construction activities between 7:00 a.m. and 7:00 p.m. Monday through Saturday or between 10:00 a.m. and 6:00 p.m. on Sundays or holidays, unless other construction hours are permitted by the City Engineer or Chief Building Official, shall not include any individual equipment that produces a noise level exceeding 83 dB measured at 25 feet, nor shall activities produce a noise level outside the project property lines in excess of 86 dB. During all other hours, noise shall not exceed the limits defined in

Municipal Code Section 4-1.03.1 (70 dB daytime or 60 dB nighttime, measured at residential property lines).

- b. Grading and construction equipment shall be properly muffled;
- c. Unnecessary idling of grading and construction equipment is prohibited;
- d. Stationary noise-generating construction equipment, such as compressors, shall be located as far as practical from occupied residential housing units;
- e. Applicant/developer shall designate a "noise disturbance coordinator" who will be responsible for responding to any local complaints about construction noise;
- f. Letters shall be mailed to surrounding property owners and residents within 300 feet of the project boundary with this information.
- g. The developer shall post the property with signs that shall indicate the names and phone number of individuals who may be contacted, including those of staff at the Bay Area Air Quality Management District, when occupants of adjacent residences find that construction is creating excessive dust or odors, or is otherwise objectionable. Letters shall also be mailed to surrounding property owners and residents with this information prior to commencement of construction.
- h. Daily clean-up of trash and debris shall occur on project street frontages, and other neighborhood streets utilized by construction equipment or vehicles making deliveries.
- i. Gather all construction debris on a regular basis and place them in a dumpster or other container which is emptied or removed on a weekly basis. When appropriate, use tarps on the ground to collect fallen debris or splatters that could contribute to storm water pollution;
- j. Remove all dirt, gravel, rubbish, refuse and green waste from the sidewalk, street pavement, and storm drain system adjoining the project site. During wet weather, avoid driving vehicles off paved areas and other outdoor work;
- k. The site shall be watered twice daily during site grading and earth removal work, or at other times as may be needed to control dust emissions;
- l. All grading and earth removal work shall follow remediation plan requirements, if soil contamination is found to exist on the site;
- m. Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas and staging areas at construction sites;
- n. Sweep daily (with water sweepers) all paved access roads, parking areas and staging areas at construction sites;
- o. Sweep public streets daily if visible soil material is carried onto adjacent public streets;
- p. Apply (non-toxic) soil stabilizers or hydroseed to inactive construction areas (previously graded areas inactive for 10-days or more);
- q. Enclose, cover, water twice daily or apply (non-toxic) soil binders to exposed stockpiles (dirt, sand, etc.).
- r. Broom sweep the sidewalk and public street pavement adjoining the project site on a daily basis. Caked on mud or dirt shall be scraped from these areas before sweeping;

- s. No site grading shall occur during the rainy season, between October 15 and April 15, unless approved erosion control measures are in place.
- t. Install filter materials (such as sandbags, filter fabric, etc.) at the storm drain inlet nearest the downstream side of the project site prior to: 1) start of the rainy season; 2) site dewatering activities; or 3) street washing activities; and 4) saw cutting asphalt or concrete, or in order to retain any debris or dirt flowing into the City storm drain system. Filter materials shall be maintained and/or replaced as necessary to ensure effectiveness and prevent street flooding. Dispose of filter particles in the trash;
- u. Create a contained and covered area on the site for the storage of bags of cement, paints, flammables, oils, fertilizers, pesticides or any other materials used on the project site that have the potential for being discharged to the storm drain system through being windblown or in the event of a material spill;
- v. Never clean machinery, tools, brushes, etc., or rinse containers into a street, gutter, storm drain or stream. See "Building Maintenance/Remodeling" flyer for more information;
- w. Ensure that concrete/gunite supply trucks or concrete/plasters finishing operations do not discharge wash water into street gutters or drains; and
- x. The developer shall immediately report any soil or water contamination noticed during construction to the City Fire Department Hazardous Materials Division, the Alameda County Department of Health and the Regional Water Quality Control Board.

EXPIRATION:

- 26. In accordance with Hayward Municipal Code (HMC) Section 10- 1. 3055, approval of this Site Plan Review is void 36 months after the effective date of approval unless:
 - a. Prior to the expiration of the 36-month period, a building permit application has been submitted and accepted for processing by the Building Official or his/ her designee. If a building permit is issued for construction of improvements authorized by this approval, said approval shall be void two years after issuance of the building permit, or three years after approval of the application, whichever is later, unless the construction authorized by the building permit has been substantially completed or substantial sums have been expended in reliance on this approval; or
 - b. A time extension of the approval has been granted by the Development Services Director or his/her designee, which requires that a request for an extension of this approval must be submitted in writing to the Planning Division at least 15 days prior to the expiration date of this approval.

DEMOLITION OF EXISTING STRUCTURES

- 27. Unless otherwise specified or approved by the Planning Director, all vacant building(s) on-site shall be demolished within six (6) months from project approval, and the site shall be returned to a "pre-development condition" which includes the capping of any utilities, the planting of sod to prevent erosion, and a 6 foot tall perimeter fence shall be erected within the required front, side and rear yards of a vacant parcel, subject to the standards

set forth in Section 10-1.2735.k, Fence Regulations for Vacant Properties. In addition, the property shall be maintained in a weed-free condition and if applicable, by subject to any pre-construction or demolition mitigation required as pursuant to CEQA.

28. Prior to, during and following demolition of vacant structures, the property owner shall be responsible for securing and maintaining the site in accordance with HMC Chapter 4, Article 1, Public Nuisances; HMC Chapter 5, Article 7, Community Preservation and Improvement Ordinance; and the California Building Code, among other applicable regulations.

BUILDING DIVISION

29. The project will require a building permit. Plans to be submitted (to Building Division) must adhere to the requirements set forward by the most recent California Building Code as adopted by the City of Hayward.

LANDSCAPE

30. Prior to submitting the first building permit, detailed landscape and irrigation improvement plans prepared by a licensed landscape architect on an accurately surveyed base plan shall be approved by the City. The plans shall comply with the City's Bay-Friendly Water Efficient Landscape Ordinance (California Building Code Title 23) and all relevant Municipal Codes.
31. The total landscape area is identified as 18,336 square feet on L1.01, but the total landscape area in the water budget calculation is identified as 17,695 square feet. The total landscape area shall be consistent in both places.
32. All trees shall be planted a minimum of five feet away from any underground utilities, driveway and structure, a minimum of fifteen feet from a light pole, and a minimum thirty feet from the face of a traffic signal, or as otherwise specified by the City.
33. Pursuant to HMC Section 10-12.07, (2), (C): Plant spacing shall not be closer the minimum spread provided in the reference books in the ordinance to allow mature plant growth without subjecting plants to routine cutbacks and shearing. Reference plant books in the landscape ordinance and additional reference books of "Landscape Plants for California Gardens" by Robert Perry and "California Native Plants for the Garden" by Carol Bornstein, David Fross and Bart O'Brien shall be used, and the list of reference book shall be provided in the plant legend.
34. Root barriers shall be installed linearly against the paving edge in all instances where a tree is planted within seven feet of pavement or buildings, and as recommended by the manufacturer.
35. Municipal Code Article 12, Appendix B Water Efficient Landscape Worksheet for water budget calculation for Maximum Applied Water Allowance and Estimated Total Water Allowance shall be provided using correct Eto of 44.2 for City of Hayward, not 6.4. Correct calculations for MAWA and ETWU shall be provided.
36. A tree removal permit shall be obtained prior to the removal of any tree in addition to grading and/or demolition permits.
37. All final tree locations shall be field verified by the project landscape architect prior to planting.

38. Pre-construction and During-construction Tree Protection Measures:
 - a. Existing street trees shall be preserved in accordance with the Tree Preservation Ordinance. Prior to the commencement of clearing and grading operations, tree protection measures in compliance with the project arborist's recommendation and the City codes shall be installed.
 - b. Fences will be erected to protect trees to be preserved. Fences are to remain until all site work has been completed. Fences may not be relocated or removed without permission of the Project Arborist.
 - c. Tree pruning required for clearance during construction must be performed by a qualified arborist and not by construction personnel with a tree pruning permit from the City.
 - d. Any damages to existing trees from the construction activities shall be mitigated with like-kind and like-size trees.
39. Issuance of Certificate of Occupancy:
 - a. Pursuant to HMC Section 10-12.09. Prior to the issuance of Certificate of Occupancy, all landscape and irrigation shall be completed in accordance to the approved plan and accepted by the City Landscape Architect. Before requesting an inspection from the City Landscape Architect, the project landscape architect shall inspect and accept landscape improvements and shall complete Appendix C. Certificate of Completion in the City's Bay-Friendly Water Efficient Landscape Ordinance. The completed Certificate of Completion Part 1 through Part 7 or applicable parts shall be submitted to the City prior to requesting an inspection from the City Landscape Architect.
 - b. Pursuant to HMC Section 10-12.11. For new construction and rehabilitated landscape projects installed after December 1, 2015, the project applicant shall submit an irrigation audit report done by the third party as required in Appendix C - Certificate of Completion Part 5 to the City. The report may include, but not limited to inspection, system tune-up, system test with distribution uniformity, overspray or run off causing overland flow, an irrigation schedule, irrigation controllers with application rate, soil types, plant factors, slope, exposure and any other factors necessary for accurate programming.
40. Landscape Maintenance:
 - a. Landscaping shall be maintained in a healthy, weed-free condition at all times and shall maintain irrigation system to function as designed to reduce runoff, promote surface filtration, and minimize the use of fertilizers and pesticides, which contribute pollution to the Bay.
 - b. The owner's representative shall inspect the landscaping on a monthly basis and any dead or dying plants (plants that exhibit over 30% dieback) shall be replaced within ten days of the inspection.
 - c. Three inches deep mulch should be maintained in all planting areas. Mulch shall be organic recycled chipped wood in the shades of Dark Brown Color, and the depth shall be maintained at three inches deep.

- d. All nursery stakes shall be removed during tree installation and staking poles shall be removed when the tree is established or when the trunk diameter of the tree is equal or larger to the diameter of the staking pole.
- e. All trees planted as a part of the development as shown on the approved landscape plans shall be “Protected” and shall be subjected to Tree Preservation Ordinance. Tree removal and pruning shall require a tree pruning or removal permit prior to removal by City Landscape Architect. Any damaged or removed trees without a permit shall be replaced in accordance with Tree Preservation Ordinance or as determined by City Landscape Architect within the timeframe established by the City and pursuant to the Municipal Code.
- f. Landscape Architect approval is required for routine shearing and hedging of shrubs and perennials. Otherwise, all plants shall retain natural size and shape.
- g. Irrigation system shall be tested periodically to maintain uniform distribution of irrigation water; irrigation controller shall be programmed seasonally; irrigation system should be shut-off during winter season; and the whole irrigation system should be flushed and cleaned when the system gets turn on in the spring.

PUBLIC WORKS/ TRANSPORTATION

- 41. Applicant shall submit for the City Engineer’s approval the On-site Outdoor Photometric Analysis and Lighting Plans. Photometric analysis shall verify that parking lot illumination spillover has maintained street illumination to limits stated on Sheet 4 of 4 of Hayward's 2017 Standard Details SD-120. Plan Sheet DR2 shall provide acceptable values for average illuminance and uniformity (3.0 maximum uniformity). Plan Sheet DR2 depicts average illuminance of 2.0fc and 2.2fc for residential perimeter and shall be an average of 0.9fc maximum.
- 42. Applicant shall submit Signing and Striping Plans. for new or revised traffic control signs and pavement markings at parking lot driveways and on streets fronting the project, including but not limited to temporary lane closures. Such plans shall be designed and stamped by a California licensed Civil or Traffic Engineer.
- 43. Sheet A500 shall be modified to reference State- and Federal-compliant signs and markings. Sign font or border for any regulatory shall not be green color.

PUBLIC WORKS/ ENGINNERING

- 44. Storm Stormwater treatment basins shall be designed as per a Stormwater Control Plan to be submitted when applying for a grading permit. Please include the stormwater treatment measure summary table with this plan.
- 45. If stormwater treatment is proposed through ground percolation, plant trans evaporation and self-treating areas it must be supported by soil studies and verifiable data.
- 46. The site development plans shall include adequately sized and locally acceptable storm water bio-treatment measures as per the Alameda county Clean Water Program C.3 Stormwater Technical Guidance, which may include, but shall not be limited to silva cells.
- 47. Project will be subject to Alameda County Flood Control and Water Conservation District (ACFCWD) detention requirements. Show on the site plan location(s) of stormwater detention facilities of adequate capacity to meet ACFCWD requirements.

48. Separate plan sets will be required for grading, utilities, landscaping, lighting, retaining structures, paving, striping and other improvements on-site and within the public street rights-of-way. Driveway gates shall be set-back a vehicle length behind public sidewalks.

PUBLIC WORKS PRIOR TO ISSUANCE OF BUILDING PERMIT

49. Grading Permit Required: A grading permit issued by the City's Public Works Department is required prior to the building permits. The permit application shall include site grading and improvement plans prepared by the state licensed and qualified engineer and approved by the City Engineer. The plans shall be subject to the following design & submittal requirements:
- a. Grading and building plans shall consider the findings and recommendations of the Fault Hazard Evaluation Report (June 12, 2019) prepared by Joyce Associates (jim@joycegeo.com) and its peer review report by Louis A Richardson, Consulting Engineering Geologist (June 19, 2019).
 - b. A supplemental Soil investigation report, prepared by a State licensed geotechnical engineer, shall be submitted for City Engineer's approval providing slope stability analysis for static and seismically induced dynamic conditions and design criteria/recommendations for site grading, soil retaining structures and pavements.
 - c. Earth retaining structures exceeding 4' foot in height (top of wall to bottom of footing) shall require building permits.
 - d. The project shall not block runoff from, or augment runoff to, adjacent properties. Any augmented runoffs resulting from impervious area expansion on the applicant's property, shall be mitigated with on-site detention, re-use, ground percolation or other means to control site discharge rate to pre-existing level. Its related hydrologic/hydraulics study report shall be submitted.
 - e. Site drainage plans shall include Stormwater Control Plan with details of all drainage management areas, bio-treatment measures and numeric sizing calculations in conformance with Alameda County Clean Water Program C3 Design Guidance available on-line.
 - f. The Alameda County Flood Control and Water Conservation District's Hydrology and Hydraulics Criteria Summary shall be used to design the storm drain system.
 - g. The City's grading permit may include site improvements per plans approved by the City Engineer. Such improvements may include parking lot, lighting and other site improvements.
 - h. Site security gates shall be located a vehicle length (minimum 20 feet) behind the street sidewalk.
50. RWQCB Permit Required:
- a. Storm Water Pollution Prevention Plan (SWPPP) prepared by a Qualified SWPPP Developer (QSD) shall be filed with the Regional Water Quality Control Board (RWQCB). A copy of the filed SWPPP shall be provided to the City Engineer before start of any grading operation.
 - b. The City shall receive copies if the Notice of Intent with WDID number issued by RWQCB before start of any grading work.

51. Encroachment//Street Improvement Permit Required: Encroachment permit for improvements proposed and required in the City’s rights-of-way is required prior to the issuance of any building permit. The permit application and privately engineered design plans and supporting documents shall be approved by the City Engineer prior to issuance of any Encroachment Permit. The engineered plans shall include, but not be limited to, the following:
- a. Curb, gutter and sidewalk along the project frontages on Mission Boulevard and Carlos Bee Boulevard damaged during project construction shall be replaced. Unused driveways shall be replaced with the City standard concrete sidewalk.
 - b. A minimum 5-ft. wide, accessibility compliant sidewalk shall be extended on Carlos Bee Boulevard across the frontage of the proposed development lot.
 - c. Carlos Bee Boulevard street pavement in the uphill direction fronting the proposed development lot (Lot 1) shall be resurfaced with micro-surfacing after removal and replacement of approximately 1,100 square feet damaged area (total in three segments) with a minimum 6-inch deep lift A.C.
 - d. U-turns on Carlos Bee Boulevard at Overlook Avenue will be prohibited with traffic control signs and pavement markings approved by the City Engineer unless traffic studies acceptable to City Engineer are submitted supporting safe U-turns.

PUBLIC WORKS DURING CONSTUCTION

52. Stormwater Pollution Prevention: Stormwater pollution prevention measures approved by the city engineer shall be in place before any ground disturbing activity.
- a. Stormwater pollution prevention measures shall be in place before construction start and maintained as needed during construction.
 - b. Qualified SWPPP Practitioner (QSP) shall regularly inspect and submit monthly and final reports to the Public Works Inspector in addition to the submittals to the State Water Quality Control Board.

PUBLIC WORKS PRIOS TO ISSUANCE OF CERTIFICATE OF OCCUPANCY

53. Stormwater Treatment Measures Maintenance: The property owner shall enter into the City’s standard “Stormwater Treatment Measures Maintenance Agreement” as prepared by the City. The Maintenance Agreement shall be recorded with the Alameda County Recorder’s Office.
54. Construction of Improvements: All public and private improvements, including punch list items, must be complete prior to the issuance of a certificate of occupancy.
55. “As-Built” Records: Provide “as-built” record plans in electronic formats to the City Engineer. Electronic plans shall be in “AutoCad” and pdf formats acceptable to the City Engineer.

UTILITIES/ENVIRONMENTAL SERVICES – SOLID WASTE

56. Sizing of containers will be reviewed at building permit submittal stage. Please note, per Public Resources Code Section 42910-42912: *projects for which a building permit is required for Residential or Commercial Premises shall include in its site plans storage space for Recyclable Materials and Organic Materials that is at least equivalent to the space required for Solid Waste intended for Disposal. Provision for such storage may be in outdoor enclosures or other spaces.* On the planning permit submittal, it shows 16CY trash and 8CY recycling, and no organics. Additionally, via the Alameda County Mandatory Recycling Ordinance, if you generate 4 cubic yards of solid waste (trash + recycling) you are required to have an organics collection program in place. On the planning permit submittal, it shows 24CY of solid waste being generated. Therefore, you are subject to having organics collection. If your business generates less than 20 gallons of organics per week, you may be exempt.
57. Should construction need to be performed, the City requires that construction and demolition debris be recycled per certain ordinance requirements. Submittal of the Debris Recycling Statement is required at the time of your building permit. The form can also be found at <http://www.hayward-ca.gov/services/city-services/construction-and-demolition-debris-disposal>. You may also visit Hayward's [Green Halo webpage](#) and create a waste management plan instead of filling in the Debris Recycling Statement.

UTILITIES/ENVIRONMENTAL SERVICES – SOURCE CONTROL

58. Vehicle Equipment Repair and Maintenance:
 - a. Vehicle/equipment repair and/or maintenance must be performed in a designated area indoors, or if such services must be performed outdoors, in an area designed to prevent the run-on and runoff of stormwater. Discharge is prohibited from entering the storm drain system.
59. Outdoor Equipment And Storage Areas:
 - a. All outdoor equipment and materials storage areas must be covered and bermed, or must be designed with best management practices to limit the potential for runoff to contact pollutants.
 - b. Outdoor Process Equipment Areas (such as process equipment areas associated with industrial activity): Process equipment areas must not discharge to the storm drain system.
 - c. Storage areas containing non-hazardous liquids must be covered by a roof and be contained by berms, dikes, liners, vaults or similar spill containment devices. Discharge to the storm drain system is prohibited.
60. Automobile Servicing:
 - a. Floor drains in work areas are prohibited. The exception is if the work area is used exclusively for washing of vehicle exteriors. In that case, the floor drain may be connected to the sanitary sewer (see washing best management practices below).
 - b. Only conduct maintenance or repair work in designated areas with spill containment.
 - c. Inspect and clean leaks and drips routinely. Leaks are not cleaned up until the absorbent is picked up and disposed of properly.
 - d. Avoid working over asphalt and dirt floors – surfaces that absorb vehicle fluids.
 - e. Perform all vehicle fluid removal or changing inside or under cover, if possible, to prevent the run-on of storm water and the runoff of spills.

- f. Keep a drip pan under the vehicle while unclipping hoses, unscrewing filters, or removing other parts. Use a drip pan under any vehicle that might leak.
61. Part Cleaning:
- a. Clean vehicle parts without using liquid cleaners wherever possible to reduce waste.
 - b. Steam cleaning and pressure washing may be used instead of solvent parts cleaning. The wastewater generated from steam cleaning must be discharged to an on-site oil/water separator that is connected to a sanitary sewer or blind sump. Never discharge wastewater from steam cleaning, or engine/parts cleaning to a street, gutter, or storm drain.
 - c. Non-caustic detergents should be used instead of caustic cleaning agents, detergent-based or water-based cleaning systems in place of organic solvent degreasers, and non-chlorinated solvent in place of chlorinated organic solvents for parts cleaning.
 - d. Do not wash or rinse parts outdoors. Keep water from flowing to storm drains, gutters, and streets.
 - e. Use self-contained sinks and tanks when working with solvents. Keep sinks and tanks covered when not in use.
 - f. Rinse and drain parts over the solvent sink or tank. Use drip boards or pans to catch excess solutions and divert them back to a sink or tank.

UTILITIES/ENVIRONMENTAL SERVICES

- 62. Existing Water Services: The property has an existing 5/8" domestic water meter (account # 4533). This domestic water meter is insufficiently sized to serve the proposed dealership building. This water meter may be reused as an irrigation water meter, if sufficiently sized, for the property's landscaping. If this water service cannot be reused, it must be abandoned at the applicant's expense.
- 63. Sanitary Sewer Services: The property has an existing commercial sanitary sewer connection with a "grandfathered" sewer capacity of 250 gallons per day. It is anticipated that additional sewer capacity will need to be purchased in order to accommodate the facility's wastewater discharge. The property's sewer capacity will be determined during the building permit application.
- 64. Irrigation Water Services: If the property has over 500 square feet of irrigated landscapes, a separate irrigation water meter is required.
- 65. Backflow Prevention Devices: All domestic and irrigation water meters shall be protected with a reduced-pressure backflow prevention assembly per City of Hayward Standard Detail 202 (SD-202). If existing water meters are not currently protected with backflow prevention devices or if the existing backflow prevention devices fail inspection, to the discretion of the City of Hayward Cross-Connection Control Specialist, new RP backflow prevention assemblies shall be installed. RP backflow prevention assemblies shall be inspected and approved by the Cross-Connection Control Specialist prior to water service being activated.
- 66. Fire Services: All fire services shall have an above-ground double check valve assembly (DCVA) per City of Hayward Standard Detail 201 and 204 (SD-201 and SD-204).
- 67. All connections to existing water mains and modifications to existing water services (upsized, downsized, relocate, abandon, etc.) shall be performed by City of Hayward Water Distribution personnel at the applicant's expense.

68. Water meters and services are to be located a minimum of two feet from top of driveway flare as per SD-213 thru SD-218.
69. Water mains and services, including the meters, must be located at least 10 feet horizontally from and one-foot vertically above any parallel pipeline conveying untreated sewage (including sanitary sewer laterals), and at least four feet from and on foot vertically above any parallel pipeline conveying storm drainage, per the current California Waterworks Standards, Title 22, Chapter 16, Section 64572. The minimum horizontal separation distances can be reduced by using higher grade (i.e., pressure) piping materials.
70. All sewer mains and appurtenances shall be constructed in accordance to the City's "Specifications for the Construction of Sewer Mains and Appurtenances (12" Diameter or Less)," latest revision at the time of permit approval.

FIRE DEPARTMENT- PREVENTION

71. A building permit is required for the installation of storage racks greater than 6 feet in height. A Fire Department Annual Operation Permit is required for any combustible storage (floor and/or rack) which exceeds 12 feet in height (Class I-IV type commodities), AND/OR any high hazard storage which includes commodities such as hazardous materials, flammable liquids, plastics, foam and rubber products, or any other classified commodity as dictated by the California Fire Code and NFPA 13 Standards, which exceeds 6 feet in height. (Deferred submittal)
72. The proposed building shall have approved address numbers. Address identification shall be placed in a position that is plainly legible and visible from the street or road fronting the property. Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure.
73. Duct smoke detectors that are installed within the HVAC system (AHU's and Smoke Dampers) shall meet the California Mechanical Code for installation and the California Fire Code. Such detectors shall be interconnected to the buildings' main fire alarm control panel and zoned separately. **(deferred submittal)**
74. 2A:10BC type fire extinguishers are required throughout the building for every 75' of travel or every 3,000 square feet of space including dining and service areas.
75. Install an **automatic fire sprinkler system** in accordance with NFPA 13 Standards shall be installed in the new building. Design and installation of the overhead fire sprinkler system shall be completed by a licensed C16 Contractor. **(deferred submittal by a C16 Contractor)**
76. Maximum 80 PSI water pressure should be used when water data indicates a higher static pressure. Residual pressure should be adjusted accordingly
77. Per the requirement of the Hayward Public Works Department, a static pressure of 80 PSI should be used in fire sprinkler system design when a water test data indicates a higher pressure. The residual pressure should be adjusted accordingly.
78. **Underground fire service line** serving NFPA 13 sprinkler system shall be installed in accordance with the Hayward Public Work Department **SD-204**. Water meter shall be minimum four-inch in diameter. **(deferred submittal by a licensed C16 Contractor)**
79. An audible alarm bell (device) shall be installed on the exterior of the fire sprinkler system riser room.

80. Provide the water/fire flow test data information on the plan, including static pressure, residual pressure, pitot pressure, test flow, calculated available water flow at 20psi and test date. The data should be less than 5 years old. This information may be requested from the Hayward Public Works Department. A new test should be requested if updated data is not available.
81. A fire flow shall be provided in accordance with the 2019 California Fire Code Table B105.1 based on the construction type and building area. Per The 2019 edition of the California Fire Code (CFC) the minimum fire flow required for this building is **5,000gpm for 4 hours. The minimum fire flow required for the proposed building shall be provided for this building. A 50% allowance is granted if the building is protected with an automatic fire sprinkler system.**
82. **Fire alarm system** with occupant notification shall be provided in accordance with 2016 CFC Section 907 and NFPA 72 Standards for all buildings. Emergency voice/alarm communication system may be required for this building. **(Deferred Submittal)**
83. The minimum number of fire hydrants shall be provided in accordance with the Hayward Fire Code Ordinance and the California Fire Code. The average spacing between hydrants is 300 feet. Any portion of the building or facility shall be within 400 feet of a fire hydrant. Spacing and locations of fire hydrants shall be subject to review and approval by the Hayward Fire Department.
84. All new fire hydrants shall be Double Steamer Hydrant (Clow Valve Co. Model 865 with one 2-1/2" outlet & two 4-1/2" outlets). Blue reflective fire hydrant blue dot markers shall be installed on the roadways indicating the location of the fire hydrants. Vehicular protection may be required. Private fire hydrants require a separate submittal of plans to the City of Hayward (COH) Fire Department.
85. Elevators shall be installed and maintained per the California Building and Fire codes. New elevators shall be provided with Phase 1 emergency recall operation and Phase 2 emergency in-car operations.

FIRE DEPARTMENT- HAZARDOUS MATERIAL

86. Chemical Inventory - If hazardous materials/wastes storage and/or use are to be a part of the facility's permanent operations then a Chemical Inventory Packet shall be prepared and submittal with building plans to the City of Hayward Fire Department at the time of application for construction permits.
87. Processes - Provide a written description of the processes to take place as part of the daily operations at this facility (e.g. mechanical service, maintenance, body repairs, oil change, minor details/touchup, car wash etc.).
88. Hazardous Materials/Wastes -Add "HAZ" titled page(s) to plan submittal that specifies location of all hazardous materials/wastes. Indicate secondary containment and their capacities on plans.
89. Aboveground Storage Tanks - Provide additional information if aboveground storage tanks and/or tanks or tanks in underground areas will be part of the daily activities of the new facility.
90. Flammable and Combustible Liquid Storage and Use – The storage and use of flammable and combustible liquids shall meet the requirements of Chapter 57 of the 2016 California Fire Code as adopted by the City of Ha



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-428

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT

Adopt a Resolution Authorizing the City Manager to Enter into the Seventh Amendment to the Purchase and Sale Agreement between the State of California Department of Transportation and City of Hayward for the 238 Excess Properties to Extend the Term of Sale for Five Additional Years to January 2027

RECOMMENDATION

That the Council adopts a resolution (Attachment II) authorizing the City Manager to enter into a seventh amendment to the Purchase and Sale Agreement (PSA) between the State of California Department of Transportation (Caltrans) and City of Hayward for the 238 Excess Properties (PSA) to extend the term of sale for five additional years to January 2027.

SUMMARY

The City of Hayward entered into a PSA with Caltrans in January 2016 to manage the disposition and development of former right of way for the now defunct Route 238 Bypass and has amended the PSA six times since then. The 238 excess properties subject to the PSA are divided into 10 parcel groups and must be sold by the City by January 2022 pursuant to the "Term of Sale" provision in the PSA. While the City has made significant progress developing the former 238 properties, the Covid-19 pandemic, which began in early 2020, has caused business closures, shelter in place orders, and a severe economic slowdown in California and the nation as a whole. There is no foreseeable end to the Covid-19 pandemic, causing market uncertainties and resulting in difficulties in financing land transactions like those contemplated by the PSA. As a result, the City and Caltrans have agreed to extend the Term of Sale provision in the PSA by five years from January 2022 to January 2027 to reflect the unforeseen global pandemic and its impacts on the sale of the properties subject to the PSA.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

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SUMMARY

The City of Hayward entered into a PSA with Caltrans in January 2016 to manage the disposition and development of former right of way for the now defunct Route 238 Bypass and has amended the PSA six times since then. The 238 excess properties subject to the PSA are divided into 10 parcel groups and must be sold by the City by January 2022 pursuant to the "Term of Sale" provision in the PSA. While the City has made significant progress developing the former 238 properties, the Covid-19 pandemic, which began in early 2020, has caused business closures, shelter in place orders, and a severe economic slowdown in California and the nation as a whole. There is no foreseeable end to the Covid-19 pandemic, causing market uncertainties and resulting in difficulties in financing land transactions like those contemplated by the PSA. As a result, the City and Caltrans have agreed to extend the Term of Sale provision in the PSA by five years from January 2022 to January 2027 to reflect the unforeseen global pandemic and its impacts on the sale of the properties subject to the PSA.

BACKGROUND

In the mid-1960s, Caltrans purchased more than 400 parcels of property for the construction of a 14-mile Route 238 Corridor Bypass Freeway to run through the City of

Hayward and parts of unincorporated Alameda County. In 1971, a lawsuit, filed in federal court on behalf of residents to be displaced by the freeway construction, blocked the project. Caltrans subsequently abandoned the freeway plan. In 1982, state legislation was passed to allow Hayward and other local jurisdictions— working through the Alameda County Transportation Authority—to develop alternative strategies for relieving traffic congestion in Central Alameda County. The legislation called for these Local Alternative Transportation Improvement Program (LATIP) projects to be funded from proceeds from the sale of properties that had been accumulated by Caltrans for the Route 238 Bypass Freeway.

In 2009, then Governor Arnold Schwarzenegger directed Caltrans to sell all property not needed for existing LATIP projects. Following this, Caltrans began to individually auction off these properties with the sole purpose of disposing of the land, without any larger land use or community considerations. To ensure the productive development of this land in a manner that maximizes land value, while balancing the desires of the surrounding neighborhood and larger community, the City entered into the PSA with Caltrans to manage the disposition and development of these properties. The PSA divides the properties into 10 parcel groups, which must be disposed of by 2022 pursuant to the “Term of Sale” provision in the PSA.

DISCUSSION

While the City has made significant progress developing the former 238 properties (see Table 1 below), the Covid-19 pandemic, which began in early 2020, has caused business closures, shelter in place orders, and a severe economic slowdown in California and the nation as a whole. There is no foreseeable end to the Covid-19 pandemic, causing market uncertainties and resulting in difficulties in financing land transactions like those contemplated by the PSA. As a result, the City and Caltrans have agreed to extend the Term of Sale provision in the PSA by five years from January 2022 to January 2027 to reflect the unforeseen global pandemic and its impacts on the sale of the properties subject to the PSA. Staff recommends that the Council adopt a resolution authorizing the City Manager to enter into the seventh amendment to the PSA to extend the Term of Sale for five years to January 2027. Table 1 provides the current status of these 10 parcel groups subject to the PSA.

Table 1

PARCEL GROUP	STATUS	ENTITY	EST. DISPOSITION TIMELINE	ESTIMATED UNIT COUNTS	AFFORDABLE UNIT COUNT
1 & 10	Sold / Under Construction	William Lyon Homes (SOHAY)	August 2018	472 (approved)	48 (approved)
2	Executed PSA; Entitlement Application Approved	The True Life Companies (Mirza)	April 2021	189 (approved)	20 (approved)
3	Executed ENA; Entitlement Application Submitted; DDA Under Negotiation	Eden Housing and The Pacific Companies	2021	150	150
4	Executed ENA; DDA Under Negotiation	Eden Housing and The Pacific Companies	2022	3	0
5	Executed ENA; Entitlement Application Submitted; DDA Under Negotiation	Trumark Properties, LLC	2021	74	8
6	RFP and RFQ Issued; ENA Anticipated for Council Approval Sept 2020	Integral Communities	2022	400-500	40-50
7	ENA Executed; Entitlement Application Approved; DDA Under Negotiation and Scheduled for Approval Sept 2020	One Subaru of Hayward	September 2020	0	0
8	Development Approach Finalized with Caltrans; ENA with Resources for Community Development (RCD) Scheduled for Approval Sept 2020; Ongoing Negotiations with HARD	City of Hayward; RCD; and HARD	2022-2023	150-200	75-100
9	Zoning Amendment Approved; Developer Solicitation Anticipated for 2021	City of Hayward	2022-2023	0	0
<i>Estimated TOTAL (Estimated Affordable %)</i>				1,438-1,588	341-376 (24%)

ECONOMIC IMPACT

No property taxes are currently being paid on the 238 parcel groups currently owned by the City. By extending the Term of Sale in the PSA, the City will have more time to find third-party developers to purchase the parcels, return them to the tax rolls, create new housing opportunities, and dedicate open space for public benefit.

FISCAL IMPACT

By extending the Term of Sale in the PSA by five years, the City will have more time to find third-party developers to purchase the parcels with the potential to generate excess land value to the City, and return them to the tax rolls resulting in various tax benefits to the City. The City will continue to pay annual maintenance on the properties between \$100,000 and \$200,000 depending on how many properties remain. This cost has been borne in many cases from the proceeds of previous sales of Caltrans properties.

STRATEGIC ROADMAP

This agenda item supports Project #5: Facilitates the disposition and development of the Route 238 corridor lands, under the Grow the Economy Strategic Priority.

ENVIRONMENTAL REVIEW

The authorization for the amendment of the PSA taken in furtherance of the disposition of 238 properties is exempt under the California Environmental Quality Act (CEQA) under Gov. Code Section 14528.65 and under 14 Cal Code Regs. Section 15061(b)(3).

NEXT STEPS

If approved by the City Council, City staff will take all necessary actions to execute the seventh amendment to the PSA with Caltrans extending the Term of Sale for five years until January 2027.

Prepared and Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-____

Introduced by Council Member _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SEVENTH AMENDMENT TO THE PURCHASE AND SALE AGREEMENT BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION AND CITY OF HAYWARD FOR THE 238 EXCESS PROPERTIES TO EXTEND THE TERM OF SALE FOR FIVE ADDITIONAL YEARS TO JANUARY 2027

WHEREAS, the City of Hayward ("City") and the State of California, acting by and through its Department of Transportation ("Caltrans") entered into that certain Purchase and Sale Agreement ("PSA") effective January 20, 2016, which PSA sets forth the terms and conditions for the Department's sale to City of certain Route 238 Excess Properties; and

WHEREAS, the PSA with Caltrans allows the City to buy and dispose of ten different parcel groups for a six-year period that expires in January 2022 pursuant to the "Term of Sale" provision in the PSA; and

WHEREAS, the PSA allows for amendment or modification of the PSA by writing executed by all parties; and

WHEREAS, the parties amended the PSA on several occasions, most recently on December 11, 2017 by entering into the Sixth Amendment to the PSA; and

WHEREAS, the City has made substantial progress in the disposal of the properties subject to the PSA; and

WHEREAS, the Covid-19 pandemic which began in early 2020 has caused business closures, shelter in place orders, and a severe economic slowdown in California and the nation as a whole; and

WHEREAS, there is no foreseeable end to the Covid-19 pandemic causing market uncertainties and resulting in difficulties in financing land transactions like those contemplated by the PSA, and those impacts are likely to impact financing for years to come; and

WHEREAS, the City and Caltrans wish to extend the Term of Sale provision in the PSA five years from January 2022 to January 2027 to reflect the unforeseen global pandemic and its impacts on the sale of the properties subject to the PSA; and



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-429

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT

Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Sloan Sakai Yeung & Wong LLP for the Provision of Labor Relations Services

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an agreement with Sloan Sakai Yeung & Wong LLP to provide Labor Relations services.

SUMMARY

The City's labor agreements with the SEIU Local 1021 Clerical and Maintenance Units, IFPTE Local 21, and the Hayward Association of Management Employees (HAME) will expire on June 30, 2021. Planning for contract negotiations will commence in October 2020. Given the recent staffing changes and limited resources currently available in the Human Resources Department to perform the full range of contract negotiations with multiple groups, the City issued a Request For Qualifications (RFQ) in June 2020 to identify potential consultants to serve as lead negotiator in upcoming labor negotiations with SEIU and Local 21. This staff report provides information and requests Council authorization to negotiate and enter into an agreement with Sloan Sakai Yeung & Wong LLP ("SSYW") for specialized labor relations services.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Sloan Sakai Yeung & Wong LLP for the Provision of Labor Relations Services

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an agreement with Sloan Sakai Yeung & Wong LLP to provide Labor Relations services.

SUMMARY

The City’s labor agreements with the SEIU Local 1021 Clerical and Maintenance Units, IFPTE Local 21, and the Hayward Association of Management Employees (HAME) will expire on June 30, 2021. Planning for contract negotiations will commence in October 2020. Given the recent staffing changes and limited resources currently available in the Human Resources Department to perform the full range of contract negotiations with multiple groups, the City issued a Request For Qualifications (RFQ) in June 2020 to identify potential consultants to serve as lead negotiator in upcoming labor negotiations with SEIU and Local 21. This staff report provides information and requests Council authorization to negotiate and enter into an agreement with Sloan Sakai Yeung & Wong LLP (“SSYW”) for specialized labor relations services.

BACKGROUND

Table 1 below shows that of the City’s nine (9) collective bargaining agreements with its various labor groups, four (4) will expire in June 2021. In addition, City staff is currently negotiating a successor agreement with the Fire Chiefs Association.

TABLE 1: LIST OF BARGAINING GROUPS AND CONTRACT EXPIRATION DATES

Bargaining Group	Expiration Date
Management Association - HAME	June 30, 2021
SEIU Local 1021, Clerical	June 30, 2021

Bargaining Group	Expiration Date
SEIU Local 1021, Maintenance	June 30, 2021
IFPTE Local 21	June 30, 2021
IAFF Local 1909	December 31, 2023
Fire Officers Local 1909	December 31, 2023
Fire Chiefs Association	Negotiations in progress
Police Management Unit	December 31, 2023
HPOA	June 30, 2024

Upcoming labor negotiations will be particularly complex due to impacts of the COVID-19 pandemic on City revenues and employee working conditions. It is critical to have a seasoned and creative lead negotiator who can assist the City in navigating through contract negotiations while keeping the City apprised of the most recent laws and regulations related to COVID-19 and ensuring negotiated terms comply. In anticipation of the upcoming negotiations and due to recent staffing changes and resource limitations in the Human Resources Department, the City issued a RFQ to obtain Statements of Qualifications from various firms with expertise in labor negotiations, which resulted in ten (10) responses. Five (5) firms were invited for an interview with representatives from the City Manager’s Office, the City Attorney’s Office, and the Human Resources Department. After the RFQ review and interview process was completed in July 2020, staff recommends that the City enter into a professional services agreement with SSW to provide labor relations services. At this time staff estimates the cost of this agreement to be approximately \$50,000.

DISCUSSION

Due to limited staff resources, of the four agreements expiring in FY 2021, the City plans to conduct inhouse negotiations with HAME and the Fire Chief’s Association led by Human Resources staff and needs assistance for contract negotiations with SEIU Clerical and Maintenance and IFPTE Local 21. Staff recommends utilizing SSW to provide lead labor negotiation services for successor agreements with SEIU and Local 21. The firm will provide the City with various specialized services and expertise related to labor negotiations and will proactively advise the City on current legal trends and issues related to labor negotiations. Specific responsibilities will include, but are not limited to:

1. Representing the City as lead negotiator in negotiations with labor groups.
2. Advising the City on all aspects of labor relations including but not limited to the City’s bargaining obligations, unfair labor practice charges, new developments in labor law, interpretation and application of the City’s memoranda of understanding and policies, and advising the City on the development or revision of policies in a manner consistent with current labor trends and labor law.
3. Performing complex costing of proposals and labor agreements.
4. Recommending innovative methods for reaching agreement with labor unions in challenging economic times.
5. Providing contextual information and potential options/solutions that are or have been implemented or considered in other public agencies.

6. Advising and obtaining authority and direction from the City Council directly or through the City Manager.
7. Drafting terms of the MOUs to ensure clarity.
8. Advising the City on legal matters that may arise out of the labor negotiation process, including interpretation and application of the terms of the MOUs.
9. Representing the City in mediation, fact finding, or other processes that may be involved with the labor negotiation process.
10. Attending meetings in-person or by telephone such as planning sessions, study sessions, and closed sessions with City Council and City Management as needed.
11. Providing assistance on other labor relations matters as requested by the City Manager, Assistant City Manager, or HR Director.

SSYW has identified a highly qualified, reputable, and seasoned team of labor negotiators and professionals, which includes legal and Human Resources experts to provide comprehensive contract negotiation services and additional labor relations services as the need may arise. In particular, SSYW has identified Partner Burke Dunphy as lead negotiator for the City of Hayward and Partner Dania Torres Wong as an additional strategic member of the City's labor team. Both Partners are seasoned and experienced lead negotiators and collectively have handled the full range of labor matters and bring significant experience with negotiations in fiscally challenging times.

FISCAL IMPACT

There is no current fiscal impact to the General Fund, as the estimated cost associated with this contract is included in the City's adopted FY 2021 Operating Budget.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate directly to any of the six priorities outlined in the Council's Strategic Roadmap.

NEXT STEPS

If Council adopts the attached resolution, staff will finalize and execute agreement with SSYW.

Prepared by: Kakshi Master, Human Resources Analyst II

Recommended by: Maria A. Hurtado, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH SLOAN SAKAI YEUNG & WONG LLP FOR THE PROVISION OF LABOR RELATIONS SERVICES

WHEREAS, the City of Hayward will need to negotiate successor labor agreements with bargaining units whose contracts expire on June 30, 2021; and

WHEREAS, upcoming labor negotiations will be further complicated by the impacts of COVID-19 and will require expert knowledge of fluid employment and safety laws and/or measures; and

WHEREAS, the ability to propose innovative methods for reaching agreement with labor unions in challenging economic times would be helpful; and

WHEREAS, leading labor negotiations require specialized expertise and experience.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is authorized and directed to negotiate an agreement with Sloan Sakai Yeung & Wong for labor relations services.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020.

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

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-431

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with HydroScience Engineers, Inc., for the Sewer and Water Line Improvement Projects, in an Amount Not-to-Exceed \$1,467,865

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute a professional services agreement (PSA) with HydroScience Engineers, Inc., (HydroScience) in an amount not-to-exceed \$1,467,865 for the Sewer and Water Line Improvement Projects.

SUMMARY

As part of the Council Adopted Strategic Roadmap to improve utilities infrastructure, the City aims to upgrade the sewer collection system by replacing three to four miles of pipeline annually and the water distribution system by replacing four to six miles of pipeline annually. The goal is to improve the capacity and maintain the operability of the sewer collection and water distribution system, prevent sanitary sewer overflows, and provide adequate fire flows.

One service agreement is recommended for both the Sewer and Water Line Improvement Projects for design efficiencies and economies of scale. The Sewer Line Improvement Project involves repairing, rehabilitating, replacing, rechanneling, and installing approximately 3.5 miles of sewer line segments, manholes, and appurtenances throughout the City. The sewer line locations were selected by staff for a variety of reasons including being undersized, condition, having exceeded service life, and frequency of maintenance and high possibility of overflows. The Water Line Improvement Project involves replacing and improving approximately five miles of water mains and appurtenances throughout the City. The water line locations were selected by staff for a variety of reasons including being undersized, having exceeded service life, frequency of breaks, and/or upgrades needed for supply reliability and fire flow improvements.

File #: CONS 20-431

ATTACHMENTS

Attachment I Staff Report
Attachment II Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with HydroScience Engineers, Inc., for the Sewer and Water Line Improvement Projects, in an Amount Not-to-Exceed \$1,467,865

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute a professional services agreement (PSA) with HydroScience Engineers, Inc., (HydroScience) in an amount not-to-exceed \$1,467,865 for the Sewer and Water Line Improvement Projects.

SUMMARY

As part of the Council Adopted Strategic Roadmap to improve utilities infrastructure, the City aims to upgrade the sewer collection system by replacing three to four miles of pipeline annually and the water distribution system by replacing four to six miles of pipeline annually. The goal is to improve the capacity and maintain the operability of the sewer collection and water distribution system, prevent sanitary sewer overflows, and provide adequate fire flows.

One service agreement is recommended for both the Sewer and Water Line Improvement Projects for design efficiencies and economies of scale. The Sewer Line Improvement Project involves repairing, rehabilitating, replacing, rechanneling, and installing approximately 3.5 miles of sewer line segments, manholes, and appurtenances throughout the City. The sewer line locations were selected by staff for a variety of reasons including being undersized, condition, having exceeded service life, and frequency of maintenance and high possibility of overflows. The Water Line Improvement Project involves replacing and improving approximately five miles of water mains and appurtenances throughout the City. The water line locations were selected by staff for a variety of reasons including being undersized, having exceeded service life, frequency of breaks, and/or upgrades needed for supply reliability and fire flow improvements.

BACKGROUND

Sewer Collection System

The City's sewer collection system is comprised of approximately 325 miles of sewer mains and nine sewage lift stations. The collection system conveys the wastewater flow to the City's Water Pollution Control Facility (WPCF), which treats an average of 11.3 million gallons per day of wastewater generated by the City's residents and businesses.

The City's current Capital Improvement Program (CIP) includes funding to replace the City's undersized and structurally damaged sewer mains through annual sewer line replacement projects. The Utilities Division staff performs regular sewer main cleaning and has an ongoing program to monitor and inspect the condition of the City's sanitary sewer collection system using closed circuit television (CCTV) technology. The inspection is performed by placing a camera, mounted on tracks, inside a sewer pipe and remotely guiding it through the length of the pipe. These inspections are used to identify structurally damaged sewer mains for repair or replacement.

In June 2015, the City hired RMC Water and Environment (now Woodard & Curran) to prepare the City of Hayward Sewer Collection System Master Plan. The master plan recommended improvements to address capacity deficiencies in the existing collection system and future capacity requirements.

Water Distribution System

The City's water distribution system is comprised of approximately 375 miles of water distribution pipelines, sixteen water storage tanks, and seven pump stations delivering water to upper pressure zones. The City has approximately 37,500 service connections in various sectors such as residential, commercial, industrial, and institutional/governmental.

The City's current CIP includes funding to replace the City's water mains to improve supply reliability and fire flow through annual water line replacement projects. Approximately 67% of the pipelines within the City's water distribution system consists of asbestos cement pipe and a majority of the existing pipelines are 6-inches in diameter.

In June 2014, the City hired West Yost Associates to prepare the City of Hayward Water System Master Plan. The master plan includes recommended projects to address capacity deficiencies in the existing water distribution system and satisfy future capacity requirements.

DISCUSSION

The sewer improvements project includes replacing approximately 18,500 linear feet of existing 6, 8, 10 and 12-inch sanitary sewer vitrified clay pipe (VCP), asbestos cement pipe (ACP), and high-density polyethylene pipe (HDPE). These segments have been selected based on performance and maintenance data over the past several years. Recommended projects from the 2015 Sewer Master Plan, including upsizing undersized sewer mains, rerouting flows, and installing new sewer lines, will also be incorporated to address capacity deficiencies within the existing sewer collection system.

The water improvements include replacing approximately 26,200 linear feet of existing 4, 6, 8, and 12-inch cast iron pipe (CIP), ductile iron pipe (DIP), and asbestos cement pipe (ACP). These segments have been selected based on performance and maintenance data over the past several years. Recommended projects from the 2014 Water System Master Plan, including upsizing undersized water mains and installing new water lines, will also be incorporated to address capacity deficiencies within the existing water distribution system, satisfy future capacity requirements, and provide sufficient fire flow.

On June 19, 2020, staff issued a request for proposals to consulting firms with specialized experience and knowledge of sewer collection and water distribution systems. On July 21, 2020, staff received five proposals from Carollo Engineers, HDR, HydroScience, Lee and Ro, and Woodard and Curran. These base design costs ranged from \$1,133,075 to \$2,734,367. After reviewing the submitted proposals, staff recommends HydroScience for the project based on their responsiveness to the proposal and schedule, extensive knowledge of pipeline replacement techniques, and experience of the proposed team in designing similar sewer and water line improvement projects. The firm focuses on water and wastewater related projects and has performed recent similar projects for numerous clients in the Bay Area. In addition, HydroScience has completed several projects for the City including the Recycled Water Customer Onsite Conversions Project.

Given the scope of work, staff has negotiated an amount of \$1,310,865 for the basic engineering design services and \$157,000 for additional services that the City may authorize, for a total not-to-exceed contract amount of \$1,467,865 with HydroScience. The additional services budget is needed to address potential changes in the project design that may be needed based on actual field conditions, such as determining the appropriate construction method and further geotechnical investigation.

The total engineering design services are approximately 8% of the estimated total construction cost, which is competitive given the scope of work and the nature of complicated underground utility projects.

ECONOMIC IMPACT

Replacing the sewer mains, water mains, manholes, and appurtenances are part of an effort to, pursuant to Council direction, modernize and upgrade existing infrastructure. The project will reduce operations and maintenance costs associated with servicing the high frequency, undersized, and structurally defective sewer mains, water mains, and structures. In addition, staff time attending to issues related to high frequency maintenance, sanitary sewer overflows, and system breaks will be reduced. The community will enjoy the benefits of the Project, including the continued operability and serviceability of the sewer collection and water distribution system. Furthermore, robust and reliable water and sewer infrastructure can help foster economic development and viability in the City.

FISCAL IMPACT

The FY 2021 through FY 2030 CIP includes funding for the projects described in the Sewer Replacement Fund (Fund 611), Water Replacement Fund (Fund 603), and Water Improvement Fund (Fund 604). Tables 1 and 2 show the projects as described in the approved CIP.

Table 1. Sewer Improvements Funding

Fund	Project No.	Description	Budget
611	07759	Main Street Sewer Main Replacement	\$400,000
611	07617	Annual Line Replacement FY18	\$479,916
611	07627	Annual Line Replacement FY19	\$889,268
611	07659	Annual Line Replacement FY16	\$384,679
611	07737	Annual Line Replacements FY21	\$4,000,000
611	07671	Cypress Avenue Sewer Improvement	\$520,000
611	07686	Tyrell Avenue Sewer Improvement	\$520,000
611	07729	Annual Line Replacement FY20	\$3,337,910
		Total	\$10,528,773

Table 2. Water Improvements Funding

Fund	Project No.	Description	Budget
603	07132	Water Main Replacement at Highland, Carroll Zephyr, Cascade, Hickory, Stanwood, & Memorial Wy	\$4,661,500
603	07134	Cast Iron Water Pipeline Replacement – Local Streets	\$1,421,812
603	07143	Annual Line Replacements FY19	\$164,970
603	07145	Annual Line Replacements FY20	\$123,615
603	07064	Water Main Replacement in Main St.	\$500,000
603	07027	Annual Line Replacements FY21	\$2,452,800
604	07182	New 12” Pipeline – Dunn Road	\$600,000
604	07192	Alternative Feed Pipelines	\$600,000
		Total	\$10,354,697

The breakdown for project costs is as follows:

<u>Total Project Cost</u>	
Engineering Services (Consultant)	\$ 1,467,865
Design and Construction Management – City Staff (Estimated)	\$600,000
Construction Contract (Estimated)	\$19,029,120
Inspection and Testing (Estimated)	\$300,000
Total	\$21,396,985

Staff recommends awarding both water and sewer improvement projects to a single consultant to leverage design and cost efficiencies. Design efficiencies can be achieved by

producing a single CEQA document to cover both sewer and water improvements and use the same data when preparing the water and sewer improvements in overlapping areas. HydroScience understands the efficiencies in working on both improvement projects and is offering a 25% reduction in fees when awarded both projects.

The construction cost is only an estimate and assumes all project elements will be constructed. Note this will be confirmed during the preliminary design phase. Should the construction cost exceed the funds currently allocated in the CIP, staff will return to Council to request that additional funds be appropriated to cover the additional cost.

STRATEGIC ROADMAP

This agenda item supports the Strategic Roadmap, which includes Improve Infrastructure as one of the strategic priorities. Specifically, this item relates to the implementation of the following projects:

Project 13b: Replace 4-6 miles of water pipelines annually.

Project 15: Upgrade sewer collection system by replacing 3-4 miles of sewer lines annually.

SUSTAINABILITY FEATURES

The repair and replacement of deteriorating sewer lines reduces the risk of sewer overflows, which can cause untreated wastewater to flow into public waterways. Furthermore, the repair and replacement of deteriorating water lines reduces potable water and energy losses.

PUBLIC CONTACT

During construction, notices will be provided to affected residents, property, and business owners to inform them of the nature and purpose of the work, potential impacts, work schedule and City contact for additional information.

NEXT STEPS

Following Council approval, staff will finalize a PSA with HydroScience and issue a Notice to Proceed. Staff will return to Council for approval of the final design plans and specifications, and call for bids in June 2021.

The following schedule has been developed for this project:

Council Approval	September 15, 2020
Approval of Plans and Specifications and Call for Bids	June 2021
Award of Construction Contract	September 2021
Construction Completion	September 2022

Prepared by: Mariza Sibal, Assistant Civil Engineer

Reviewed by: Tay Nguyen, Senior Utilities Engineer

Recommended by: Alex Ameri, Director of Public Works

Approved by:

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

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-_____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HYDROSCIENCE ENGINEERS, INC., IN AN AMOUNT NOT-TO-EXCEED \$1,467,865 FOR THE SEWER AND WATER LINE IMPROVEMENT PROJECTS

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute, on behalf of the City of Hayward, an agreement for professional services with HydroScience Engineers, Inc., for design and engineering services during construction for the Sewer and Water Line Improvement Projects in an amount not-to-exceed \$1,467,865, in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-439

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT

Adopt Resolutions to Memorialize that the Provision of Affordable Housing and an Expansion of Carlos Bee Park Will Satisfy the Park and Affordable Housing Dedications for Former Caltrans 238 Parcel Group 8 in order to Secure Caltrans Authorization to Subdivide Parcel Group 8 and Authorize the City Manager to Enter into an Exclusive Negotiating Rights Agreement with Resources for Community Development (RCD), a California Nonprofit Public Benefit Corporation, for the Proposed Development of the Affordable Housing Segment of Parcel Group 8 Generally Situated along Grove Way between Bridge Court and Foothill Boulevard

RECOMMENDATION

That Council adopts Resolutions to:

1. Memorialize that the provision of affordable housing and an expansion of Carlos Bee Park will satisfy the park and affordable housing dedications for Parcel Group 8 in order to secure Caltrans authorization to subdivide Parcel Group 8; and
2. Authorize the City Manager to enter into an Exclusive Negotiating Rights Agreement (ENRA) with Resources for Community Development, a California nonprofit public benefit corporation (RCD), for the proposed development of the affordable housing segment of Parcel Group 8 generally located along Grove Way between Bridge Court and Foothill Boulevard.

SUMMARY

The City of Hayward entered into a Purchase and Sale Agreement (PSA) with the California Department of Transportation (Caltrans) in January 2016 for 10 parcel groups comprised of former Caltrans 238 property. Specifically, this report recommends taking the initial steps towards disposing and developing Parcel Group 8 generally located at Grove Way and Foothill Boulevard. Over the last two years, the City has been working with the community to develop a vision and approach to development for Parcel Group 8, including numerous community, neighborhood, and stakeholder outreach efforts.

Based on this extensive community and stakeholder feedback, staff developed an approach to development of Parcel Group 8, which includes obtaining Caltrans' authorization to subdivide Parcel Group 8 into three major segments (Attachment IV) and move forward with three distinct community and development processes as follows:

1. Affordable Housing Segment - Engage RCD, a nonprofit developer, to build much-needed **affordable housing** on the Bridge Court/Grove Way properties that minimizes displacement of existing residential tenants through the exploration of various development options, including partnering with a community land trust, rehabilitation of existing rental units, new construction of affordable housing, or a combination of these options.
2. Open Space Segment - Facilitate an **open space** dedication to the Hayward Area Recreation and Park District (HARD) for expansion of Carlos Bee Park.
3. Market Rate Middle Segment - Solicit private developer interest in a **lower density market rate housing and trail expansion** project consistent with the City and County Housing Element in order to address neighborhood traffic concerns and satisfy the Caltrans purchase price.

Caltrans has agreed to authorize the separate and independent subdivision and development of the three distinct segments described above, if the City Council memorializes that the proposed affordable housing development and open space dedication for Parcel Group 8 will satisfy the City's park dedication fee and affordable housing obligations for any new housing proposed on the Market Rate Middle Segment. The purpose of tonight's agenda items is to recommend that City Council approve two resolutions that will commence the process of implementing development of Parcel Group 8 by: (1) memorializing that the provision of affordable housing and an expansion of Carlos Bee Park will satisfy the park and affordable housing dedications for Parcel Group 8 in order to secure Caltrans authorization to subdivide Parcel Group 8; and (2) authorize the City Manager to enter into an ENRA with RCD for the proposed development of the Affordable Housing Segment of Parcel Group 8.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution Memorializing Dedications
Attachment III	Resolution Authorizing ENA
Attachment IV	Map



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT: Adopt Resolutions to Memorialize that the Provision of Affordable Housing and an Expansion of Carlos Bee Park Will Satisfy the Park and Affordable Housing Dedications for Former Caltrans 238 Parcel Group 8 in order to Secure Caltrans Authorization to Subdivide Parcel Group 8 and Authorize the City Manager to Enter into an Exclusive Negotiating Rights Agreement with Resources for Community Development (RCD), a California Nonprofit Public Benefit Corporation, for the Proposed Development of the Affordable Housing Segment of Parcel Group 8 Generally Situated along Grove Way between Bridge Court and Foothill Boulevard

RECOMMENDATION

That Council adopts Resolutions (Attachments II and III) to:

1. Memorialize that the provision of affordable housing and an expansion of Carlos Bee Park will satisfy the park and affordable housing dedications for Parcel Group 8 in order to secure Caltrans authorization to subdivide Parcel Group 8; and
2. Authorize the City Manager to enter into an Exclusive Negotiating Rights Agreement (ENRA) with Resources for Community Development, a California nonprofit public benefit corporation (RCD), for the proposed development of the affordable housing segment of Parcel Group 8 generally located along Grove Way between Bridge Court and Foothill Boulevard..

SUMMARY

The City of Hayward entered into a Purchase and Sale Agreement (PSA) with the California Department of Transportation (Caltrans) in January 2016 for 10 parcel groups comprised of former Caltrans 238 property. Specifically, this report recommends taking the initial steps towards disposing and developing Parcel Group 8 generally located at Grove Way and Foothill Boulevard. Over the last two years, the City has been working with the community to develop a vision and approach to development for Parcel Group 8, including numerous community, neighborhood, and stakeholder outreach efforts.

Based on this extensive community and stakeholder feedback, staff developed an approach to development of Parcel Group 8, which includes obtaining Caltrans' authorization to subdivide Parcel Group 8 into three major segments (Attachment IV) and move forward with three distinct community and development processes as follows:

1. Affordable Housing Segment – Engage RCD, a nonprofit developer, to build much-needed **affordable housing** on the Bridge Court/Grove Way properties that minimizes displacement of existing residential tenants through the exploration of various development options, including partnering with a community land trust, rehabilitation of existing rental units, new construction of affordable housing, or a combination of these options.
2. Open Space Segment – Facilitate an **open space** dedication to the Hayward Area Recreation and Park District (HARD) for expansion of Carlos Bee Park.
3. Market Rate Middle Segment – Solicit private developer interest in a **lower density market rate housing and trail expansion** project consistent with the City and County Housing Element in order to address neighborhood traffic concerns and satisfy the Caltrans purchase price.

Caltrans has agreed to authorize the separate and independent subdivision and development of the three distinct segments described above, if the City Council memorializes that the proposed affordable housing development and open space dedication for Parcel Group 8 will satisfy the City's park dedication fee and affordable housing obligations for any new housing proposed on the Market Rate Middle Segment. The purpose of tonight's agenda items is to recommend that City Council approve two resolutions that will commence the process of implementing development of Parcel Group 8 by: (1) memorializing that the provision of affordable housing and an expansion of Carlos Bee Park will satisfy the park and affordable housing dedications for Parcel Group 8 in order to secure Caltrans authorization to subdivide Parcel Group 8; and (2) authorize the City Manager to enter into an ENRA with RCD for the proposed development of the Affordable Housing Segment of Parcel Group 8.

BACKGROUND

The City of Hayward entered into a PSA with Caltrans in January 2016 for 10 parcels groups comprised of former Caltrans 238 property. The City is managing the disposition and development of these former 238 parcel groups with the goals of removing blight, enhancing community involvement in the development process, and funding public benefits, such as trails and parks.

Specifically, this report recommends taking the initial steps towards disposing and developing Parcel Group 8 generally located at Grove Way and Foothill Boulevard. Parcel Group 8 is a complex property that straddles two local jurisdictions (i.e., City of Hayward and Alameda County) with distinct zoning and General Plan designations; is

home to 10 existing residential tenants concerned about displacement; includes significantly sloped topography and land locked portions; is surrounded by neighbors with concerns about traffic; and must meet a Caltrans purchase price consistent with the Caltrans PSA.

Over the last two years, the City has been working with the community to develop a vision and approach to development for Parcel Group 8, including the following outreach efforts:

- November 15, 2018 Hayward Community Meeting on 238 Properties Development;
- March 14, 2019 Neighborhood Meeting on Parcel Groups 8 and 9;
- August 26, 2019 Castro Valley Municipal Advisory Council on Parcel Groups 8 and 9;
- June 24, 2020 Bridge Court Tenant Meeting;
- August 11, 2020 Eden Area Municipal Advisory Council on Parcel Groups 8 and 9;
- August 17, 2020 Castro Valley Municipal Advisory Council on Parcel Groups 8 and 9;
- August 19, 2020 Neighborhood Meeting on Parcel Groups 8 and 9;
- Numerous stakeholder engagement opportunities with Bridge Court tenants, Grove Way Neighborhood Association, and Eden Area Community Land Trust; and
- Multiple meetings and discussions with Supervisor Miley's Office, Alameda County Housing and Community Development Departments, HARD, and the private and nonprofit development community.

In addition to the June 24, 2020 tenant meeting, City staff have taken the following additional efforts specifically to involve the existing tenants living on Parcel Group 8 in the planning process:

- Mailed letters to the tenants on multiple occasions in English and Spanish.
- Dropped off the PowerPoint presentation in person to all tenants prior to the June 24th tenant-specific meeting.
- Called all tenants who did not attend, including in Spanish, when needed, to make sure that they are all aware of the City's proposed approach to development.
- Responded to all tenant questions at the other community meetings, emails, and calls, regarding property management issues and development plans.

Based on this extensive community and stakeholder feedback, staff developed an approach to development of Parcel Group 8, which includes obtaining Caltrans' authorization to subdivide Parcel Group 8 into three major segments (Attachment IV) and move forward with three distinct community and development processes as follows:

1. Affordable Housing Segment – Engage RCD, a nonprofit developer, to build much-needed **affordable housing** on the Bridge Court/Grove Way properties that minimizes displacement of existing residential tenants through the exploration of various development options, including partnering with a community land trust, rehabilitation of existing rental units, new construction of affordable housing, or a combination of these options.
2. Open Space Segment – Facilitate an **open space** dedication to HARD for expansion of Carlos Bee Park.
3. Market Rate Middle Segment – Solicit private developer interest in a **lower density market rate housing and trail expansion** project consistent with the County Housing Element in order to address neighborhood traffic concerns and satisfy the Caltrans purchase price.

Caltrans has agreed to authorize the separate and independent subdivision and development of the three distinct segments described above, if the City Council memorializes that the proposed affordable housing development and open space dedication for Parcel Group 8 satisfies the City's park dedication and affordable housing obligations for any new housing proposed on the Market Rate Middle Segment. If these obligations are satisfied by the other segments, the new housing on the Market Rate Middle Segment is more likely to generate a land value that meets the Caltrans' purchase price for the parcel group, and the Affordable Housing and Open Space Segments would not be required to pay a purchase price.

The purpose of tonight's agenda items is to recommend that City Council approve two resolutions that will commence the process of implementing development of Parcel Group 8 by: (1) memorializing that the provision of affordable housing and an expansion of Carlos Bee Park will satisfy the park and affordable housing dedications for Parcel Group 8 in order to secure Caltrans authorization to subdivide Parcel Group 8; and (2) authorize the City Manager to enter into an ENRA with RCD for the proposed development of the Affordable Housing Segment of Parcel Group 8. Additional actions necessary to implement the proposed approach for Parcel Group 8 will be brought to the City Council for approval at subsequent meetings.

DISCUSSION

The following provides a summary of the two actions recommended for approval this evening:

I. Resolution Memorializing Satisfaction of Park and Affordable Housing Obligations

As described above, Caltrans has agreed to authorize the subdivision of Parcel Group 8 into three distinct and independent disposition and development processes pursuant to Section 1.3(c) of the PSA, as long as the City Council approves a resolution memorializing that the proposed affordable housing development and open space dedication for Parcel Group 8 satisfies the City's park dedication and affordable housing obligations for any new housing

proposed on the Market Rate Middle Segment. The authorized subdivision by Caltrans will allow the City to move forward with the disposition of each segment independently and the two segments creating public benefits for the Hayward community (i.e., Affordable Housing and Open Space Segments) will not be required by Caltrans to pay a purchase price at transfer of the property from the City to the third-party entities. If these obligations are satisfied by the other segments, the new housing on the Market Rate Middle Segment is more likely to generate a land value that meets the Caltrans' purchase price for the parcel group. Upon approval of the attached Resolution (Attachment II), Caltrans will authorize the subdivision of the three distinct segments shown on Attachment IV and the City will be able to move forward with the disposition and development of each segment independently.

II. Resolution Authorizing the City Manager to Enter into an ENRA with RCD for Affordable Housing

City staff recommends entering into an ENRA with RCD, a highly qualified nonprofit affordable housing developer, to develop an affordable housing project on the Affordable Housing Segment of Parcel Group 8. RCD has successfully developed numerous projects throughout the East Bay, including affordable housing projects of varying sizes and serving distinct populations in San Leandro, Walnut Creek, El Cerrito, Alameda and Oakland.

The following provides a summary of the key terms of the proposed ENRA with the goal of negotiating a mutually agreeable Disposition and Development Agreement (DDA) and obtaining all relevant planning approvals:

- **Developer:** Resources for Community Development, a nonprofit public benefit corporation
- **Negotiating Period:** Phase 1: 6 months to negotiate a mutually agreeable term sheet (Term Sheet) and to update RCD's performance schedule based on the Term Sheet; and Phase 2: 12 months with two (2) three-month administrative extensions by the City Manager, if RCD demonstrates compliance with the performance responsibilities outlined in the ENRA to negotiate the DDA and obtain the required planning approvals.
- **Project Description:** Developer proposes an affordable housing project on the 2.36-acre Affordable Housing Segment (Attachment IV), including new construction of affordable housing on the portion of the property within the City (City Portion), and will explore three potential scenarios for affordable housing for the portion of the property in Alameda County (County Portion) during the Phase 1 Negotiating Period. The mutually agreed upon Term Sheet will identify which development scenario for the County Portion will be pursued during the Phase 2 Negotiating Period. The three potential scenarios for the County Portion include:
 1. Community Land Trust. Partner with a community land trust to rehabilitate the existing improvements on County Portion, consisting of 10 units of naturally occurring affordable housing. Other existing vacant non-residential improvements will be demolished. Following completion of the rehabilitation,

the rehabilitated site will be conveyed to a qualified community land trust, which will then work with the tenants toward possible conversion of the units from rental to ownership housing.

2. **Rental Rehabilitation.** Rehabilitate the existing improvements on the County Portion, consisting of 10 units of naturally occurring affordable housing, and manage the units as affordable rental units. Other existing vacant non-residential improvements will be demolished.
3. **New Construction.** Demolish existing improvements on the County Portion and construct new rental housing affordable to very low and low income households on both the County Portion and City Portion. Developer will propose measures to mitigate disruptions to housing for existing tenants and will allow for existing residents to be placed into the new units consistent with anti-displacement policies.

All three options would be performed consistent with the goal of not displacing existing residents.

- **Deposits and City Costs:** Good Faith Negotiating Deposit of \$10,000 due at ENRA execution to address the City's third-party costs (City Costs), and is refundable only to the extent the deposit exceeds City Costs. Any City Costs in excess of the Good Faith Negotiating Deposit shall be paid by Developer to the City concurrently with the disposition of the land by the City pursuant to the DDA. Alternatively, the City may agree in its sole and absolute discretion to contribute such costs to the Project in the form of seller carryback financing.
- **Anticipated Entitlements:** Site Plan Review, Tentative Map, and Final Map and/or other entitlements required by both the City and Alameda County.
- **Community Outreach:** Developer to undertake ongoing community outreach efforts during the Phase 1 and Phase 2 ENRA Period per a community outreach plan submitted to the City. City to assist in defining appropriate community outreach methods and to participate, as necessary.

ECONOMIC IMPACT

While no property taxes are currently being paid on this Parcel Group, the proposed approach to development is expected to result in new market rate development on the Market Rate Middle Segment, which will generate new property tax revenue to the City. If the Affordable Housing Segment is developed and managed by RCD or other nonprofit, it will generate little property tax revenue since an affordable housing development owned by a nonprofit organization is eligible for a welfare exemption which reduces its tax obligation. That said, the proposed project would provide an opportunity for new residential development needed to address the goals of the City's and County's Housing Elements. If HARD takes ownership of the Open Space Segment, it will not generate property tax revenue, but will create important public open space and trails for the neighborhood and Hayward community.

FISCAL IMPACT

As described above, the City is collecting the Good Faith Negotiating Deposit to pay for City Costs, and is refundable only to the extent the deposit exceeds City Costs. Any City Costs in excess of the Good Faith Negotiating Deposit shall be paid by Developer to the City concurrently with the disposition of the land by the City pursuant to the DDA. Alternatively, the City may agree in its sole and absolute discretion to contribute such costs to the Project in the form of seller carryback financing. It is estimated that new tax revenue will be generated from the development of the Parcel Group 8.

There are sufficient funds budgeted in the FY 2021 operating budget to cover any City cost in excess of the Good Faith Negotiating Deposit until RCD reimburses the City at closing on the land transfer, or if RCD does not close on the land transfer. Any fiscal impact is already included in the current budget, and there will be no additional impact to the Inclusionary Housing Trust Fund.

STRATEGIC ROADMAP

This agenda item supports Project #5: Facilitate the disposition and development of the Route 238 corridor lands, under the Grow the Economy Strategic Priority.

ENVIRONMENTAL REVIEW

The authorization for the subdivision of Parcel Group 8 taken in furtherance of the disposition of 238 properties is exempt under the California Environmental Quality Act (CEQA) under Gov. Code Section 14528.65.

The approval of the resolution authorizing the City Manager to negotiate an ENRA in itself does not obligate either party to acquire or convey any property, does not grant RCD the right to develop the properties for any use, and does not constitute the approval of a project as defined by CEQA pursuant to California Public Resources Code Sections 21000 et seq. and California Code of Regulations Sections 15000 et seq.

PUBLIC CONTACT

As described above, over the last two years, the City has been working with the community to develop a vision and approach to development for Parcel Group 8, including numerous community, neighborhood, and stakeholder outreach efforts. The City and any subsequent developers, including RCD, will be required to conduct continued community outreach.

NEXT STEPS

The following Table 1 is a summary of the currently anticipated project schedule.

TABLE 1: PROPOSED DEVELOPMENT SCHEDULE FOR PARCEL GROUP 8

ITEM	ESTIMATED TIMING
Council Approves Caltrans and RCD ENRA Resolutions	September 22, 2020
Mutually Agreeable Term Sheet with RCD	March 2020
Property Transfer of Open Space Segment to HARD	Second Quarter 2021
Solicitation of Developer for Market Rate Middle Segment	First Quarter 2021
Approval of DDA and Entitlements with RCD	December 2021
Approval of DDA and Entitlements with Market Rate Developer	2022-2024
Community Outreach and Communication	Ongoing

Prepared and Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-__

Introduced by Council Member _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD MEMORIALIZING THAT THE PROVISION OF AFFORDABLE HOUSING AND AN EXPANSION OF CARLOS BEE PARK WILL SATISFY THE PARK AND AFFORDABLE HOUSING DEDICATIONS FOR PARCEL GROUP 8 IN ORDER TO SECURE CALTRANS AUTHORIZATION OF SUBDIVISION OF PARCEL GROUP 8 GENERALLY AT GROVE WAY AND FOOTHILL BOULEVARD (ASSESSOR PARCEL NOS. 415-0180-070-00, 415-0180-068-01, 415-0180-076-00, 415-0180-084-01, 415-0180-073-00, 415-0180-074-00, 415-0180-075-00, 415-0180-072-00, 415-0180-071-00, 415-0180-069-01, 415-0190-064-00, 415-0180-083-01, 415-0180-080-00, 415-0180-082-01, 415-0180-081-01)

WHEREAS, in the mid-1960s, Caltrans purchased more than 400 parcels of property for construction of a 14-mile 238 Corridor Bypass Freeway to run through the City of Hayward and parts of unincorporated Alameda County; and

WHEREAS, in 1971, a lawsuit, filed in federal court on behalf of residents to be displaced by the freeway construction, blocked the project. Caltrans subsequently abandoned the freeway plan; and

WHEREAS, in 2011, the City approached Caltrans with a proposal to allow the City to take responsibility for the disposition and development of some Caltrans-owned property; and

WHEREAS, in January 2016, Caltrans agreed to negotiate, and a Purchase and Sale Agreement was approved by City Council and the California Transportation Commission; and

WHEREAS, Parcel Group 8 is one of the properties transferred to the City under the Purchase and Sale Agreement; and

WHEREAS, the disposition of Parcel Group 8 is complicated by the property spanning both City and County jurisdictions, steep topography, and limited access; and

WHEREAS, the City approached Caltrans about the possible subdivision of Parcel Group 8 into three subparcels: 1) an affordable housing subparcel, 2) a park subparcel, and 3) a market rate subparcel as illustrated in Exhibit "A" to this Resolution; and

WHEREAS, the proposed subdivision would allow an immediate parkland dedication and the creation of affordable housing which would otherwise be delayed if they were tied to the future development of the market rate subparcel; and

WHEREAS, the City and State desperately need an increase in the production of affordable housing; and

WHEREAS, there is a need for more recreational opportunities in the City and County in the area surrounding Parcel Group 8; and

WHEREAS, Caltrans is willing to authorize the subdivision under Section 1.3(c) of the Purchase and Sale Agreement and assign no value to the affordable housing and park subparcels provided that market rate housing is approved, the City credit the market rate subparcel with the dedication of the land for affordable housing and park purposes; and

WHEREAS, Caltrans will retain a Power of Termination over the market rate subparcel to ensure the dedications will be credited when the market rate subparcel is ultimately developed; and

WHEREAS, the authorization for the subdivision of Parcel Group 8 taken in furtherance of the disposition of 238 properties is exempt under the California Environmental Quality Act (CEQA) under Gov. Code Section 14528.65; and

WHEREAS, Caltrans authorizing the subdivision of Parcel Group 8 does not bind the City to take any further action to dispose of the subdivided property and provided that any future disposition by the City of any subparcel will require an analysis under CEQA; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward, based on the foregoing findings, hereby memorializes the satisfaction of the affordable housing and park dedication/fee requirements for the Parcel Group 8, if market rate housing is authorized to be built on the Market Rate Subparcel.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
 MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

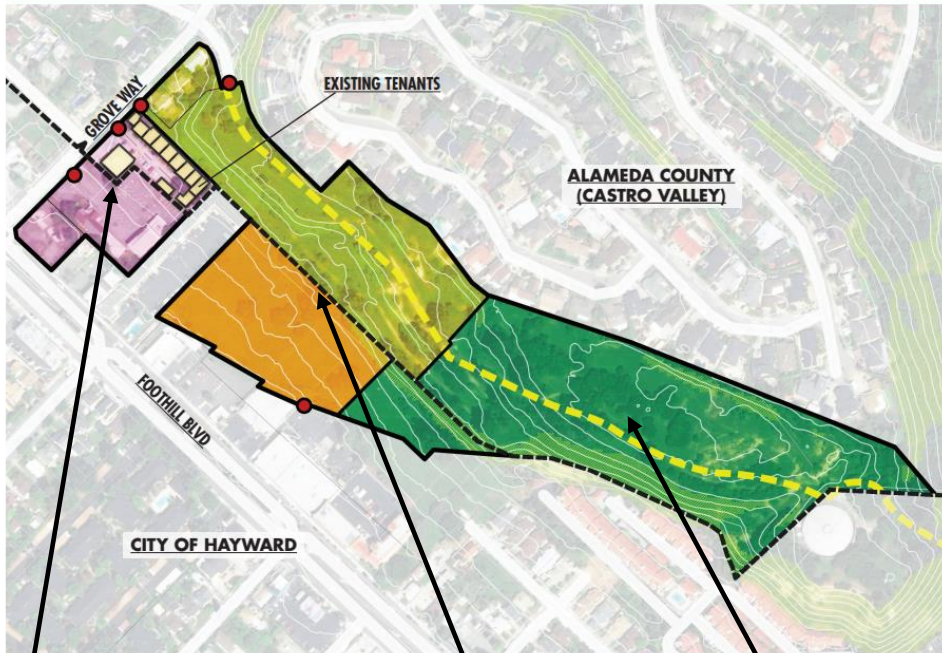
ATTEST: _____
 City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

Exhibit A

FOOTHILL/GROVE PROPERTY SITE CONTEXT



Total Acreage = 19.79 ac
Carlos Bee Park Expansion = 9.17 ac
Upper County Segment = 5.16 ac
Western City Segment = 3.10 ac
Bridge/Grove Segment = 2.36 ac



Affordable Housing Subparcel (Bridge/Grove Segment)

Market Rate Subparcel (Upper County and Western City Segments)

Park Subparcel (Carlos Bee Park Expansion Segment)

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-____

Introduced by Council Member _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD
AUTHORIZING THE CITY MANAGER TO ENTER AN EXCLUSIVE NEGOTIATING
RIGHTS AGREEMENT WITH RESOURCES FOR COMMUNITY DEVELOPMENT, A
CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE
PROPOSED DEVELOPMENT OF THE AFFORDABLE HOUSING SEGMENT OF
PARCEL GROUP 8 GENERALLY SITUATED ALONG GROVE WAY BETWEEN
BRIDGE COURT AND FOOTHILL BOULEVARD

WHEREAS, the State Department of Transportation (Caltrans) purchased over 400 parcels of property in the City of Hayward for the planned construction of the 238 Bypass Freeway project, which was stopped because of a lawsuit filed by La Raza Unida of Southern Alameda County; and

WHEREAS, the City and Caltrans negotiated a Purchase and Sale Agreement for the City to acquire a portion of the properties from Caltrans, that was approved by the City Council and the California Transportation Commission (CTC) in January 2016; and

WHEREAS, the Purchase and Sale Agreement with Caltrans allows the City to buy and dispose of ten different parcel groups for an 11-year period that now expires in January 2027; and

WHEREAS, over the last two years, the City has been working with the community to develop a vision and approach to development for Parcel Group 8, including numerous community, neighborhood, and stakeholder outreach efforts; and

WHEREAS, based on this extensive community and stakeholder feedback, staff developed an approach to development of Parcel Group 8, which includes obtaining Caltrans' authorization to subdivide Parcel Group 8 into three major segments and move forward with three distinct community and development processes, including an affordable housing segment, an open space segment, and market rate middle segment; and

WHEREAS, City staff recommend entering into an Exclusive Negotiating Rights Agreement (ENRA) with Resources for Community Development (RCD), a highly qualified nonprofit affordable housing developer, to develop an affordable housing project on the Affordable Housing Segment of Parcel Group 8; and

WHEREAS, RCD has successfully developed numerous projects throughout the East Bay, including affordable housing projects of varying sizes and serving distinct populations in San Leandro, Walnut Creek, El Cerrito, Alameda and Oakland; and

WHEREAS, a summary of the key terms of the proposed ENRA with the goal of negotiating a mutually agreeable Disposition and Development Agreement (DDA) and obtaining all relevant planning approvals are described in detail in the accompanying Staff Report and include the following terms: negotiating period; deposits and city costs; anticipated entitlements; community outreach; and the project proposal, including exploring three potential scenarios for affordable housing for the portion of the property in Alameda County, which is home to existing residents: a community land trust, rental rehabilitation, and new construction option; and

WHEREAS, the approval of this Resolution and the authorization to negotiate an ENRA in itself does not obligate either party to acquire or convey any property, does not grant RCD the right to develop the properties for any use, and does not constitute the approval of a project as defined by the California Environmental Quality Act pursuant to California Public Resources Code Sections 21000 et seq. and California Code of Regulations Sections 15000 et seq. ("CEQA").

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes and directs the City Manager to negotiate and execute an ENRA with RCD consistent with the terms generally outlined in this Resolution and the accompanying Staff Report, in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

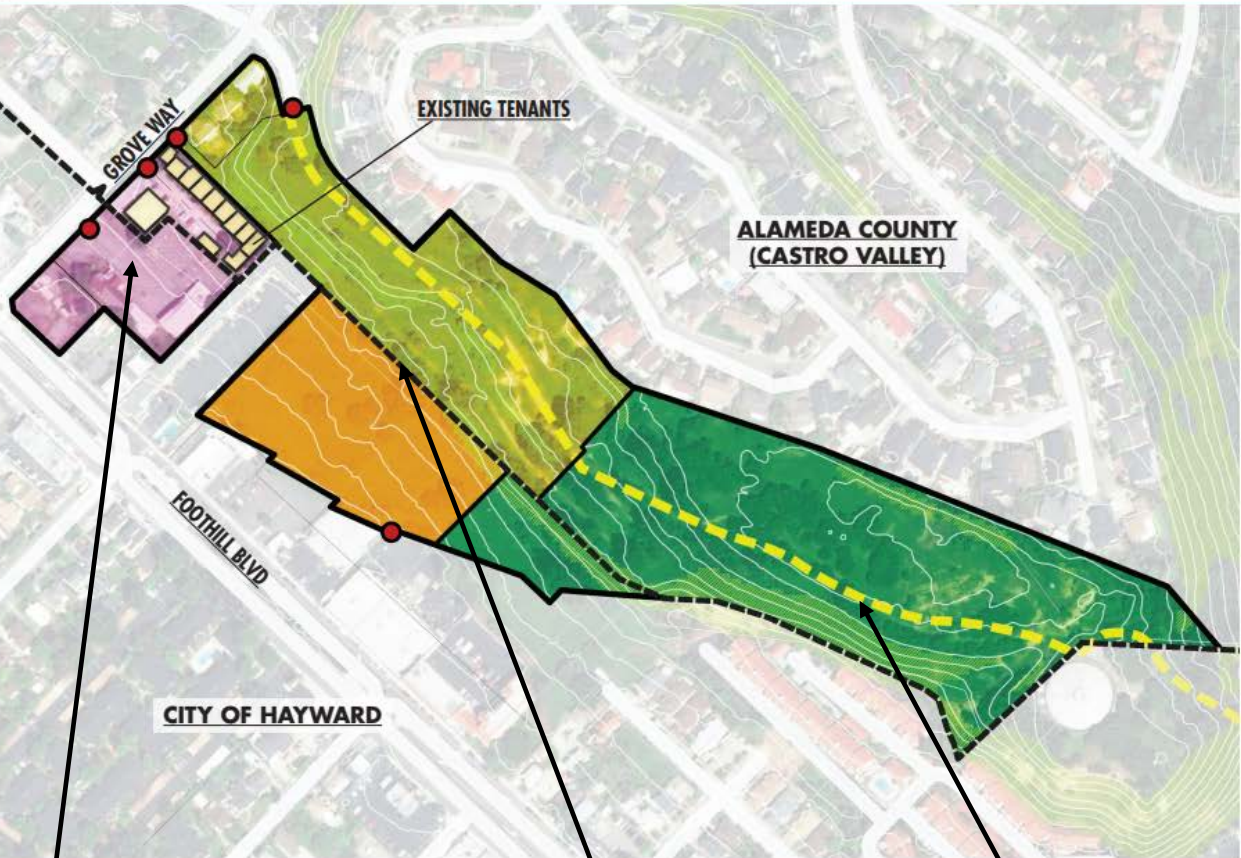
ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

FOOTHILL/GROVE PROPERTY SITE CONTEXT



Total Acreage = 19.79 ac
Carlos Bee Park Expansion = 9.17 ac
Upper County Segment = 5.16 ac
Western City Segment = 3.10 ac
Bridge/Grove Segment = 2.36 ac



Affordable Housing Segment
(Bridget/Grove Segment)

Market Rate Middle Segment
(Upper County and Western City Segments)

Open Space Segment
(Carlos Bee Park Expansion Segment)



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: CONS 20-443

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Adopt a Resolution Authorizing the City Manager to Increase the Construction Contract with Spencon Construction, Inc., for Administrative Change Order Authority in the Amount of \$354,733 for the FY19 Sidewalk Rehabilitation and Wheelchair Ramp Project, Project Nos. 05249 and 05213 for a Contract Not-to-Exceed Amount of \$677,363

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to amend the construction contract with Spencon Construction, Inc., (Spencon) for administrative change order authority in the amount of \$354,733 for a total contract not-to-exceed amount of \$677,363.

SUMMARY

On November 13, 2018, Council approved a construction contract with Spencon in an amount not-to-exceed \$322,630 for the FY19 Sidewalk Rehabilitation and Wheelchair Ramp Project. An amendment to the existing construction contract with Spencon is now needed to cover the Administrative Change Orders, which were required to cover additional repairs identified and completed in Fairway Park Rancho Verde (District 5). Staff is requesting Council approval to amend the contract amount with Spencon to include the administrative change order amount of \$354,733, thereby raising the total contract not-to-exceed amount to \$677,363. No additional appropriation to the Project is required, as the Project currently has sufficient funds to cover all expenses.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Project Location Maps - District 4, 5, 6, 9
Attachment IV	Districts Map



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Increase the Construction Contract with Spencon Construction, Inc., for Administrative Change Order Authority in the Amount of \$354,733 for the FY19 Sidewalk Rehabilitation and Wheelchair Ramp Project, Project Nos. 05249 and 05213 for a Contract Not-to-Exceed Amount of \$677,363

RECOMMENDATION

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SUMMARY

On November 13, 2018¹, Council approved a construction contract with Spencon in an amount not-to-exceed \$322,630 for the FY19 Sidewalk Rehabilitation and Wheelchair Ramp Project. An amendment to the existing construction contract with Spencon is now needed to cover the Administrative Change Orders, which were required to cover additional repairs identified and completed in Fairway Park Rancho Verde (District 5). Staff is requesting Council approval to amend the contract amount with Spencon to include the administrative change order amount of \$354,733, thereby raising the total contract not-to-exceed amount to \$677,363. No additional appropriation to the Project is required, as the Project currently has sufficient funds to cover all expenses

BACKGROUND

The Annual Sidewalk Rehabilitation & Wheelchair Ramp Project involves the removal and replacement of existing sidewalks that have been damaged or displaced, as well as the installation and upgrade of handicap access ramps.

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3725807&GUID=AC225E9E-E959-4084-990C-CA23DACAF403&Options=&Search=>

Spencon was awarded the construction contract for the FY19 program due to their submission of the lowest bid during the Fall 2018 Call for Bids. Spencon bid the project at \$322,630, which was 51% lower than the Engineer's Estimate of \$660,000.

The FY19 Sidewalk Rehabilitation and Wheel Chair Ramp Project was completed in July 2019 and involved sidewalk and wheel chair ramp installation and upgrades in four districts: Schafer Park Area (District 4), Tennyson South Road Area (District 6), Winton Grove Area (District 9), and Fairway Park Rancho Verde (District 5).

Approximately twenty-one wheelchair ramps were installed to meet ADA compliance standards, and two hundred locations comprising a total of 13,000 square feet, or 1.2% of the City's total sidewalk surface area, were repaired through this Project.

DISCUSSION

The sidewalk and ramp repairs in Fairway Park Rancho Verde (District 5) were not originally identified within the project scope when it went out to bid. However, Spencon's low bid for the Project provided the opportunity to support additional repairs in this District, despite not being part of the original plan. This addition of District 5 to the project was outlined in the original staff report for the award of contract that Council approved on November 13, 2018¹.

Though the need for this ACO budget was discussed in the November 2018 construction award staff report, inclusion of the required ACO budget was inadvertently omitted from the contract not-to-exceed amount in the original Resolution, Resolution 18-231. An amendment to the existing construction contract with Spencon is now needed to reflect the additional ACO allocation for the District 5 repairs and to close out the project.

Spencon delayed submitting the Final Statement of Quantities to City staff until more than six months after completion of the project. At this time, staff are now seeking Council's express authorization of the \$354,733 ACO from the original \$337,370 ACO amount, with the addition of \$17,363 to budget and a revised contract not-to-exceed amount of \$677,363. No additional appropriation to the Project is required, as the Project currently has sufficient funds to cover all expenses.

ECONOMIC IMPACT

Property owners with damaged sidewalk were given the option of completing the work themselves or having the repair undertaken by the City's contractor for a nominal fee of \$550 per property. Reimbursement from the property owners for the sidewalk rehabilitation was estimated to be approximately \$142,000, which will be deposited into the general fund for upcoming sidewalk projects.

FISCAL IMPACT

The adopted FY19 Capital Improvement Program (CIP) included \$1,102,000 for the Sidewalk Rehabilitation FY19 Project. Funding was provided from the Street System Improvement Fund

(Fund 450) in the amount of \$960,000, and an additional \$142,000 from the Transportation Development Act for the installation of new wheelchair ramps in the Gas Tax Fund (Fund 210). The estimated project costs are as follows:

Construction Contract	\$322,630
Administration Change Order	\$354,733
Trip Hazard Removal (completed under separate contract)	\$199,975
Design and Administration	\$47,679
Construction Survey, Inspection and Testing	<u>\$126,366</u>
Total	<u>\$1,051,383</u>
Council Authorization Budget	\$1,102,000
Remaining Funds	(\$50,617)

Total Project expenses to-date are under budget by \$50,617. These remaining funds will be rolled over from the FY19 Sidewalk Repair Project to the FY20 Sidewalk Repair Project.

STRATEGIC ROADMAP

This agenda item is not directly related to the Council’s Strategic Roadmap.

SUSTAINABILITY FEATURES

The City’s Annual Sidewalk Rehabilitation Project uses innovative processes to recycle concrete materials on-site and minimize the need for exporting material to a recycling center or concrete plant, thus mitigating greenhouse gas emissions. All excess material generated during construction and demolition is sent to designated facilities for recycling. Recycled Portland cement concrete is specified for use as an aggregate base for any new concrete curb, gutter, ramps, and sidewalk. Improvements made to sidewalks also encourage the public to walk more as opposed to driving their vehicles, resulting in additional mitigation of community-wide greenhouse gas emissions.

PUBLIC CONTACT

Owners of affected properties received certified letters regarding the program along with a response form to return to the City indicating if they will make the repairs themselves or pay the \$550 fee to have the City complete the work. On the response form, property owners were given two payment choices: a \$550 lump sum payment or an installment plan of twelve-monthly payments. The response form also includes replacement tree options.

NEXT STEPS

Construction Began	January 25, 2019
Construction Completed	July 16, 2019

If Council approves, the City Manager will execute the amendment to the Construction Contract with Spenco Construction, Inc., to a not-to-exceed amount of \$677,363.

Prepared by: Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:

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

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE CONSTRUCTION CONTRACT WITH SPENCON CONSTRUCTION, INC., (CONTRACT NO. 19147) TO INCREASE THE AMOUNT BY \$354,733 TO A NOT-TO-EXCEED AMOUNT OF \$677,363 FOR THE SIDEWALK REHABILITATION AND WHEELCAHIR RAMPS FY19 PROJECT, PROJECT NO. 05249 AND 05213

WHEREAS, the City entered into an agreement with Spencon Construction, Inc., on January 8, 2019, for the Sidewalk Rehabilitation and Wheelchair Ramps FY19, Project No. 05249 and 05213, in an amount not to exceed \$322,363; and

WHEREAS, additional administrative change order budget is needed for the additional repairs; and

WHEREAS, the Sidewalk Rehabilitation and Wheelchair Ramps FY19, Project No. 05249 and 05213, project includes sufficient funding for the additional administrative change order; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized to amend the construction contract to increase the administrative change order budget by \$354,733 for the Sidewalk Rehabilitation and Wheelchair Ramps FY19, and to revise the construction contract with Spencon Construction, Inc., in the amount of not to exceed to \$677,363.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
 MAYOR:

NOES: COUNCIL MEMBERS:

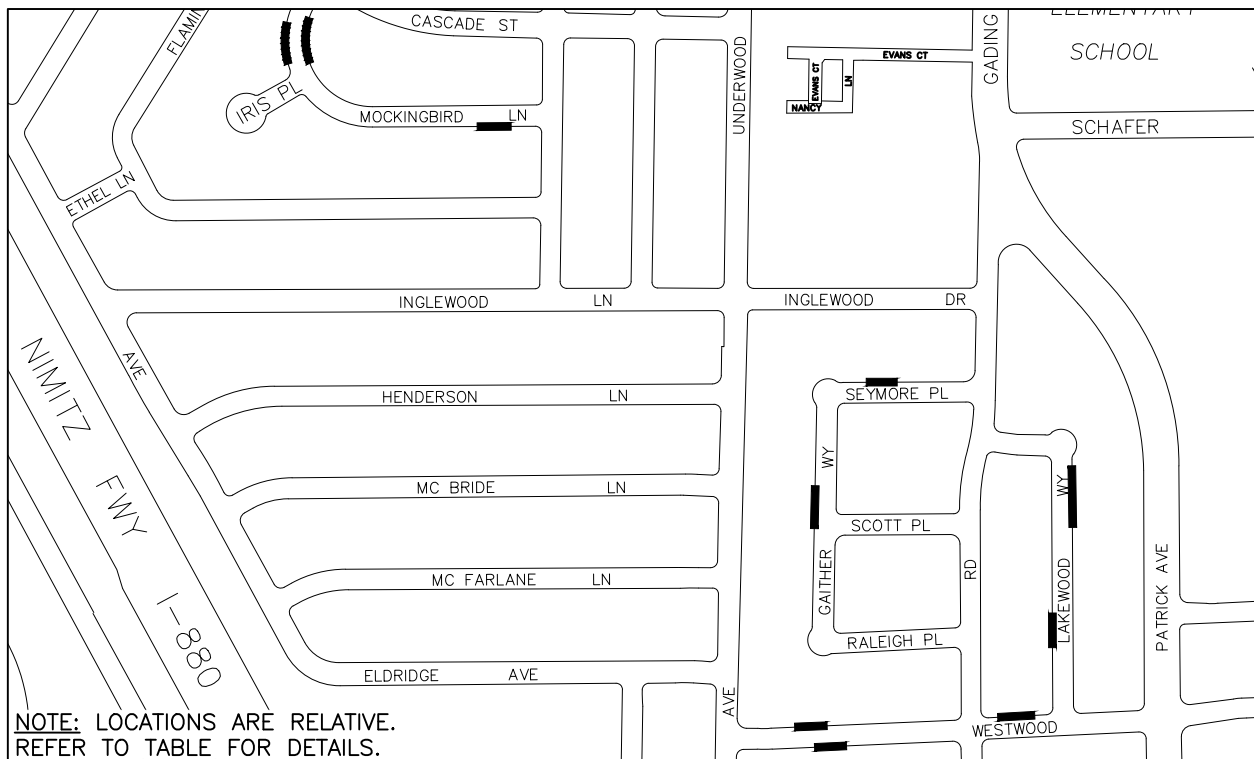
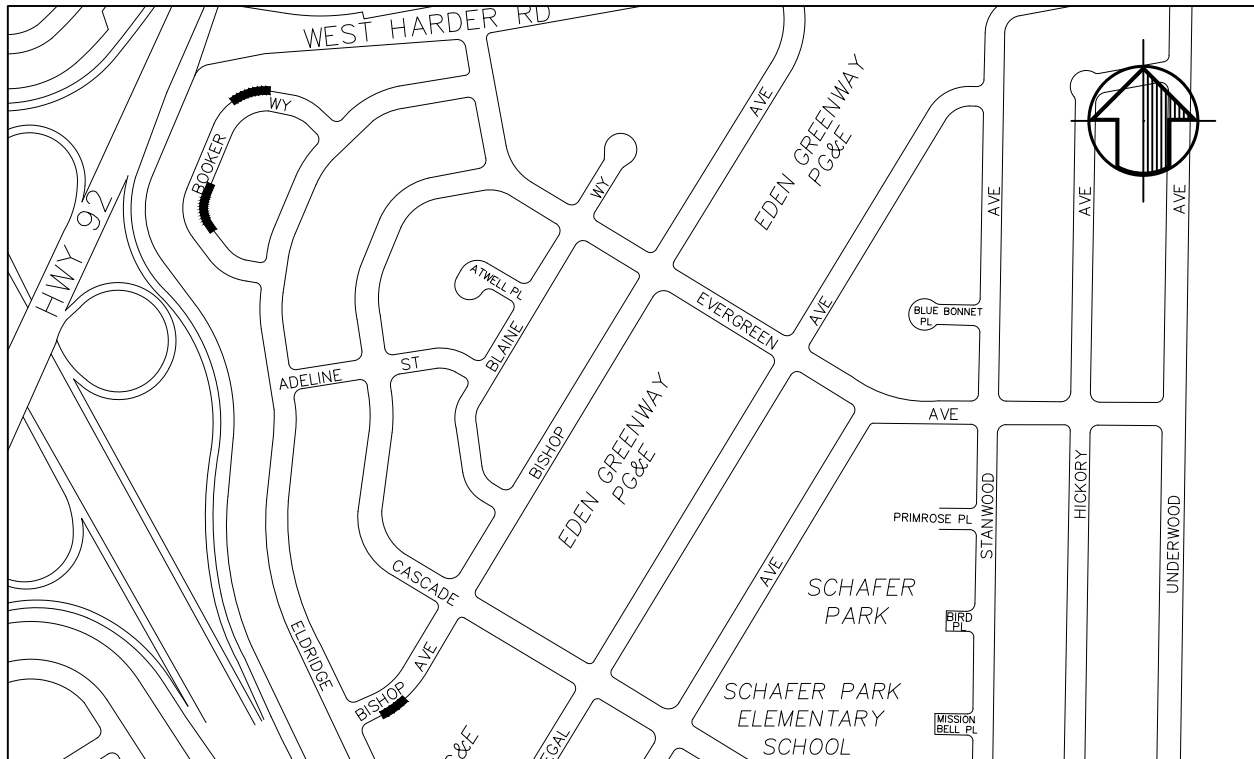
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
 City Clerk of the City of Hayward

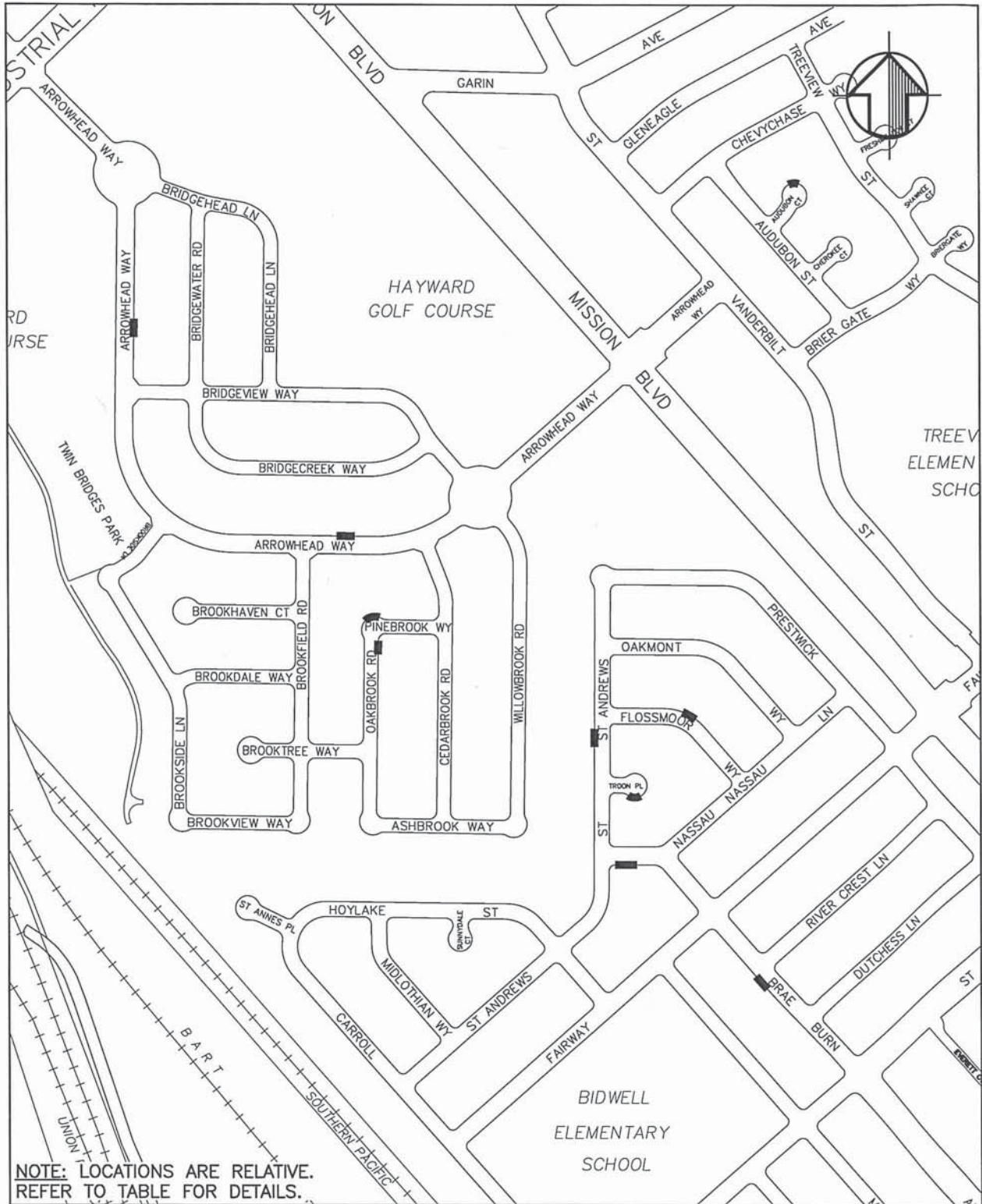
APPROVED AS TO FORM:

City Attorney of the City of Hayward

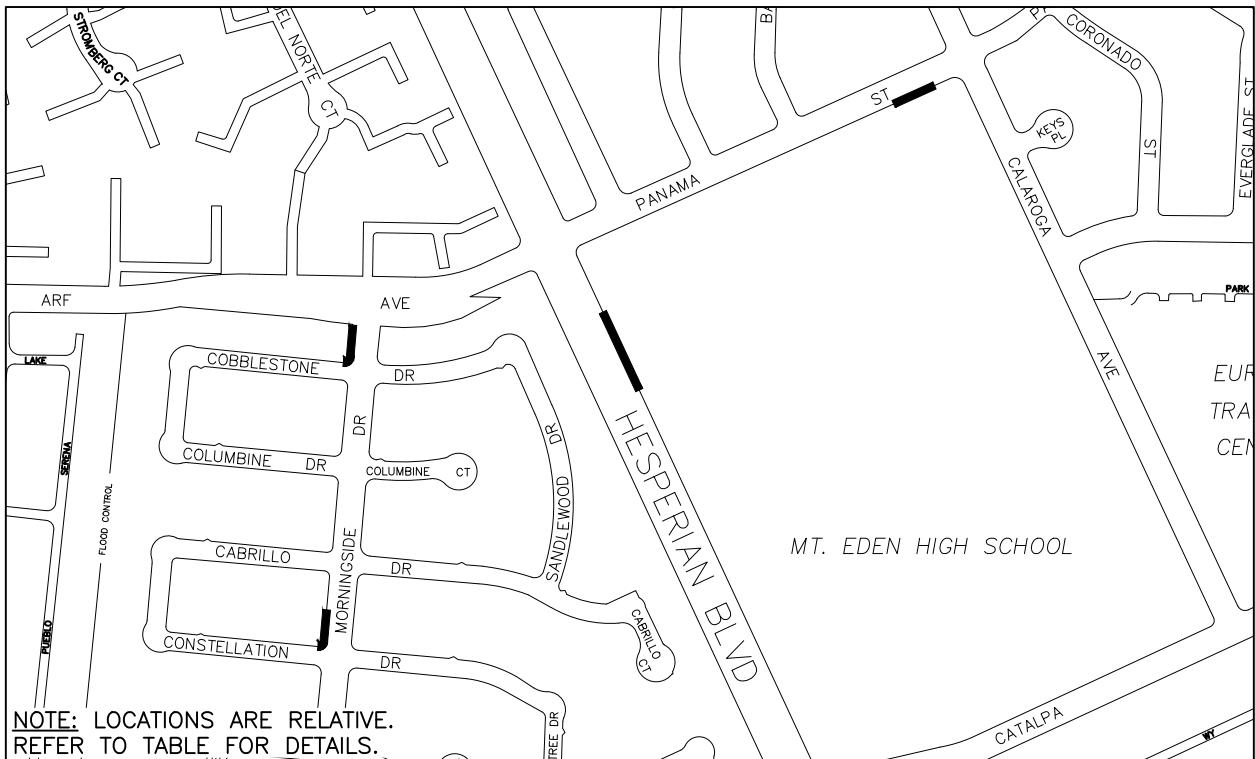
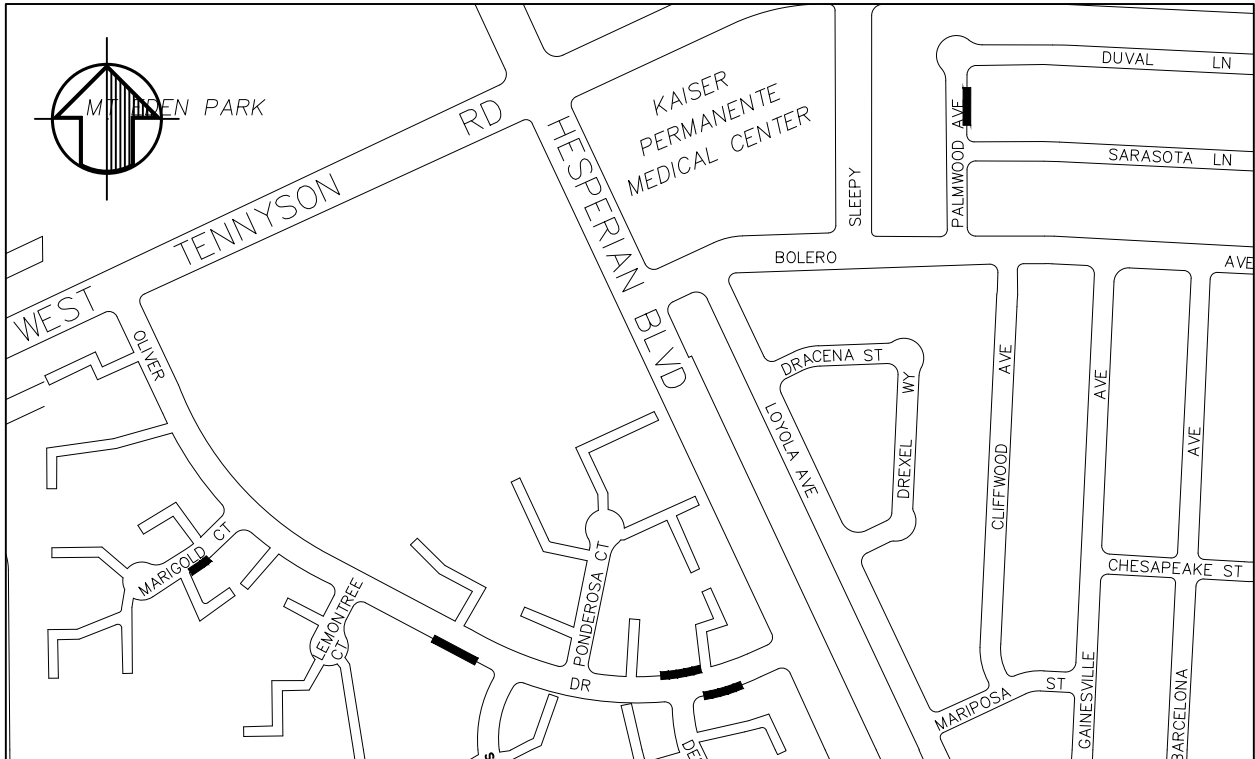


NOTE: LOCATIONS ARE RELATIVE.
REFER TO TABLE FOR DETAILS.

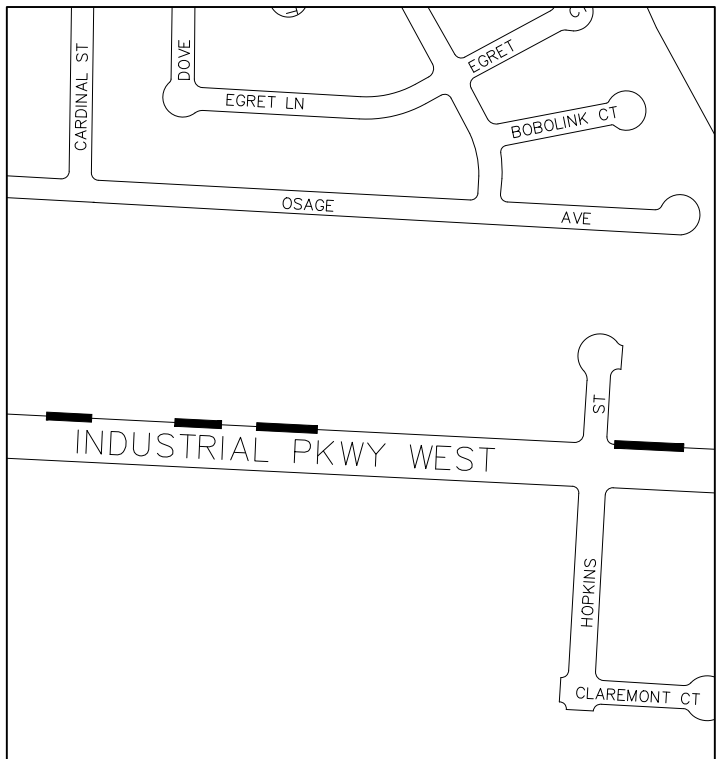
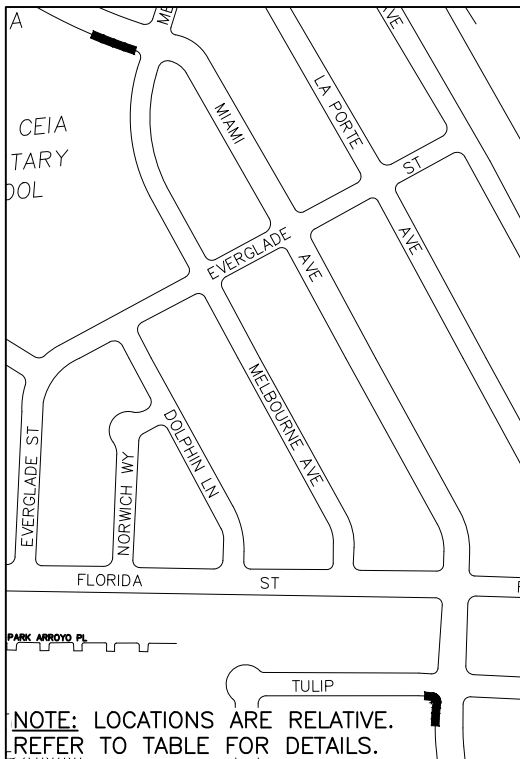
LOCATION MAP
SIDEWALK REHABILITATION DISTRICT NO. 4
PROJECT NO. 05249



LOCATION MAP
SIDEWALK REHABILITATION DISTRICT NO. 5
PROJECT NO. 05285

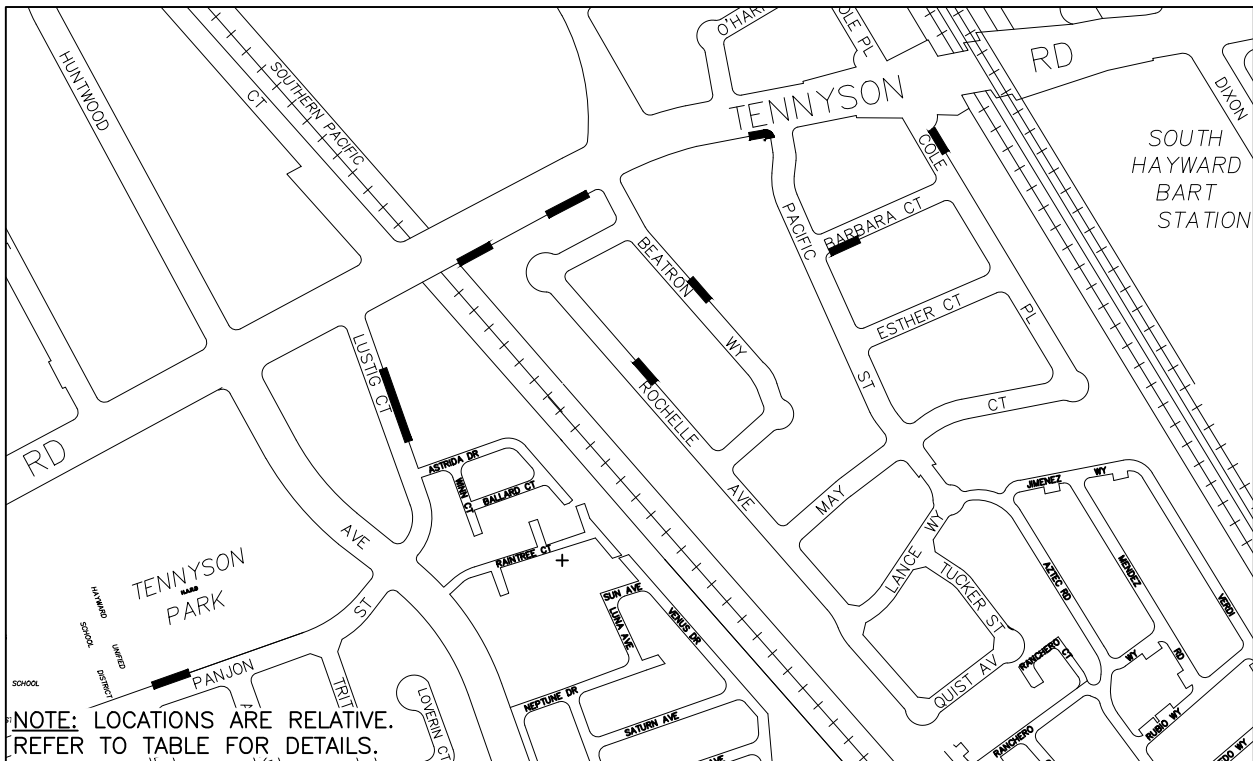
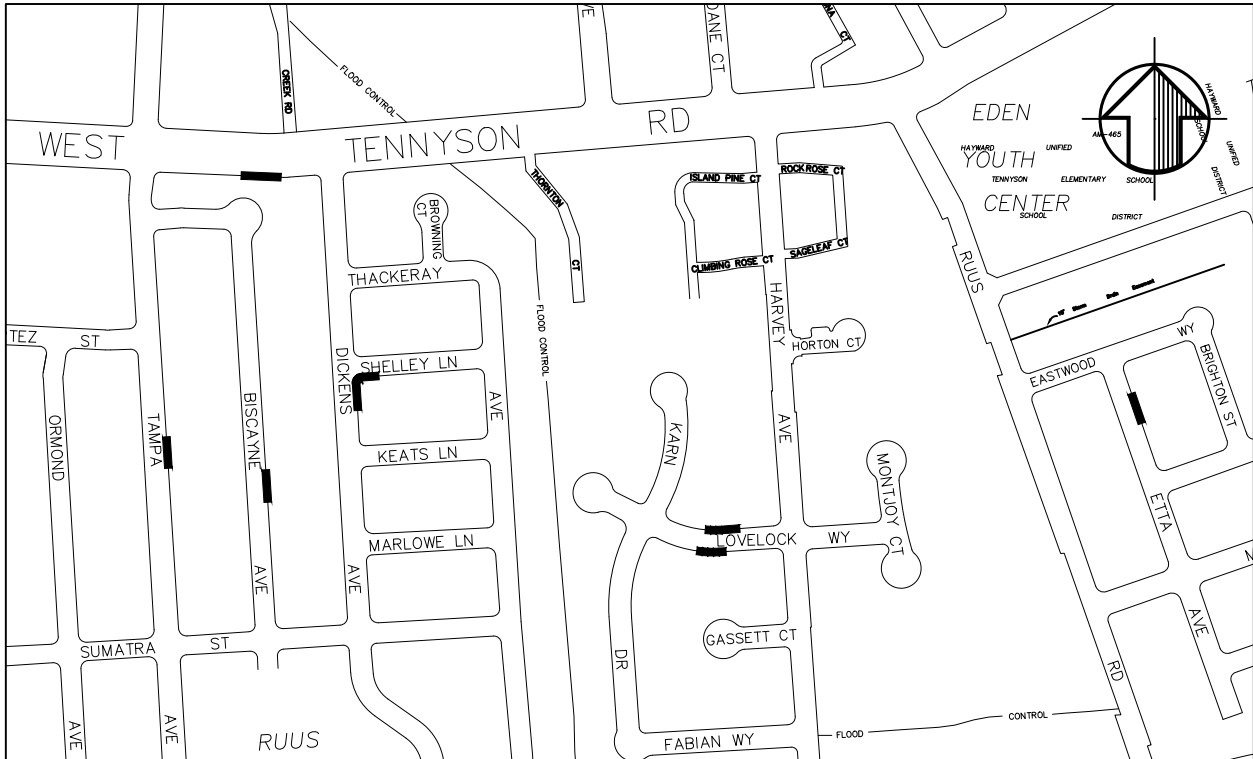


LOCATION MAP
SIDEWALK REHABILITATION DISTRICT NO. 6
PROJECT NO. 05249

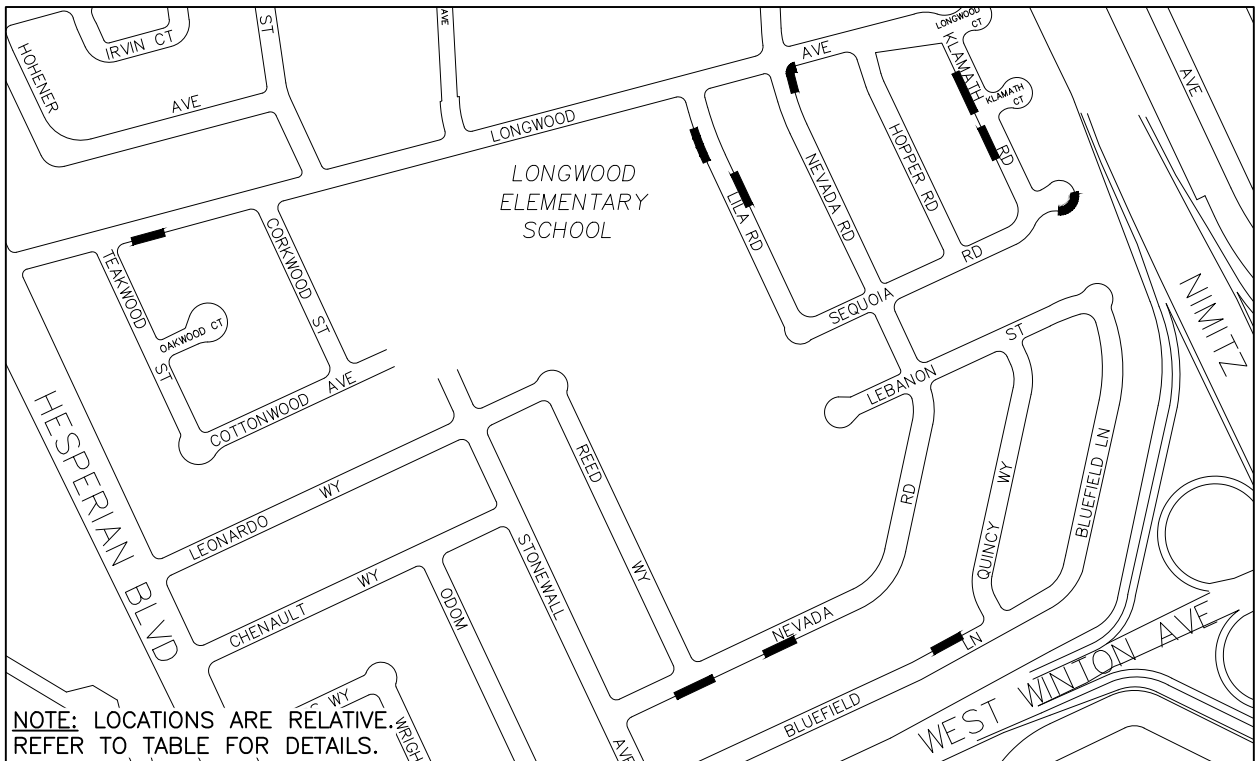
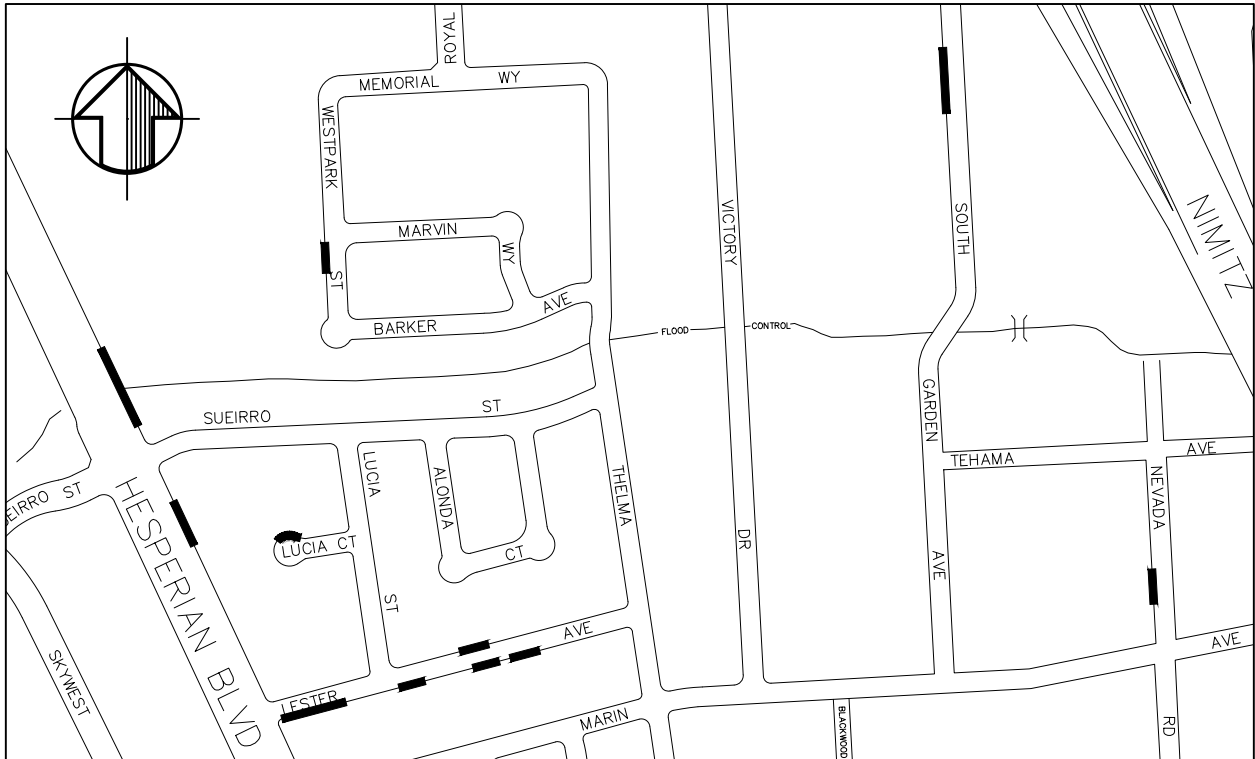


NOTE: LOCATIONS ARE RELATIVE.
REFER TO TABLE FOR DETAILS.

LOCATION MAP
SIDEWALK REHABILITATION DISTRICT NO. 6
PROJECT NO. 05249

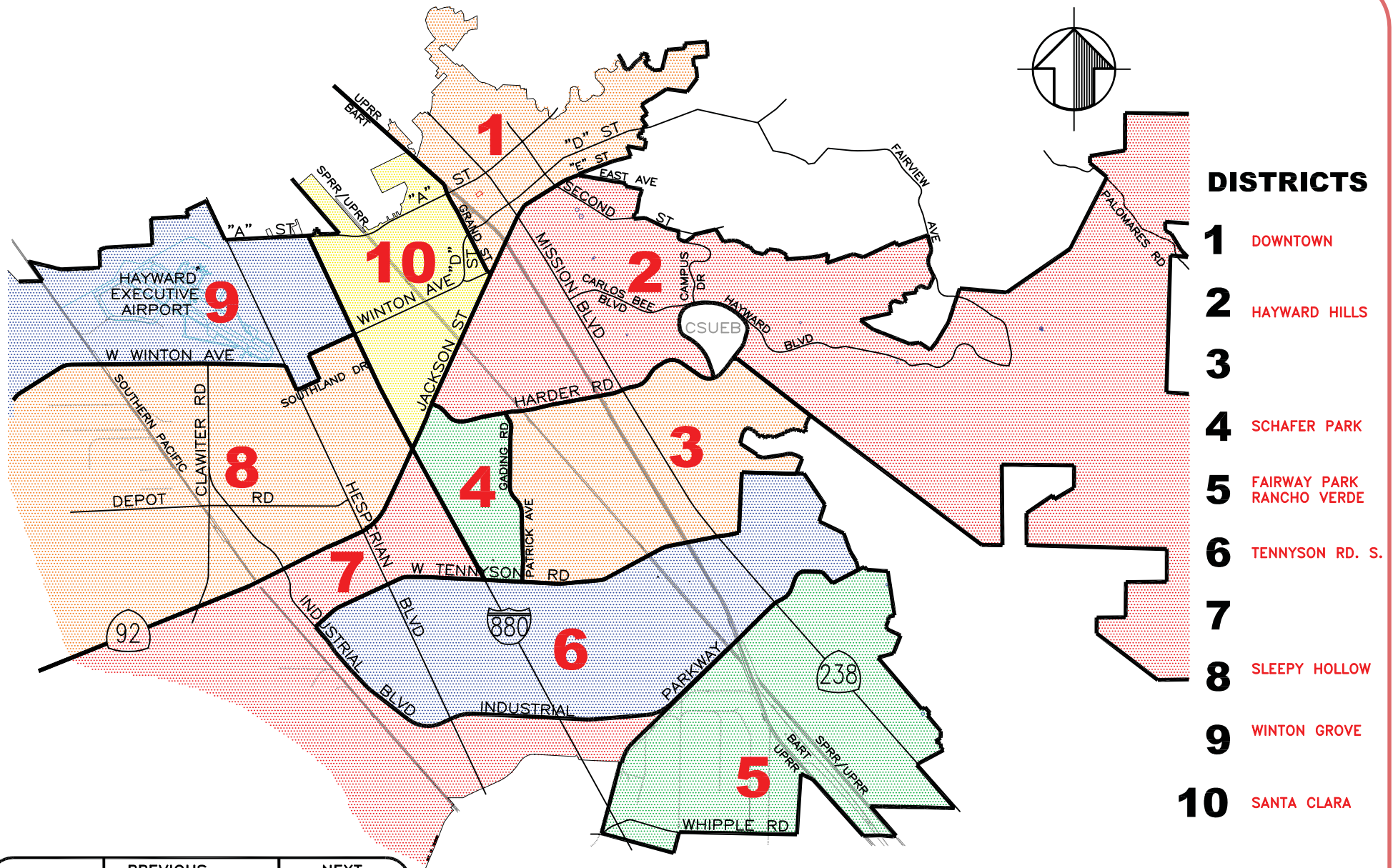


LOCATION MAP
SIDEWALK REHABILITATION DISTRICT NO. 6
PROJECT NO. 05249



NOTE: LOCATIONS ARE RELATIVE.
REFER TO TABLE FOR DETAILS.

LOCATION MAP
SIDEWALK REHABILITATION DISTRICT NO. 9
PROJECT NO. 05249



DISTRICTS	PREVIOUS REPAIRS	NEXT SCHEDULED
2 AND 3	2001, 2006, 2011	2017, 2022
6 AND 9	2002, 2007, 2012	2018, 2023
4 AND 5	2003, 2008, 2013	2019, 2024
7 AND 10	2004, 2009, 2015	2020, 2025
1 AND 8	2005, 2010, 2016	2021, 2026



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: PH 20-060

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT

Mission Crossing Project: Consider a Resolution Amending Conditions of Approval Associated with the Mission Crossings Project Which Involves Construction of 140 three-story Condominiums, a 93-room Hotel, and 7,225 Square Feet of Community-Serving Retail Located at 25501 Mission Boulevard and Berry Avenue, MLC, Holdings (Applicant) Meritage Homes and Manchester Hotels, Inc. (Property Owners)

RECOMMENDATION

That the Council considers the request from MLC Holdings and considers adoption of a resolution (Attachment II) memorializing a change to the project conditions of approval related to construction phasing due to the impacts of COVID-19 and provide direction to the applicant and staff as to next steps.

SUMMARY

The Mission Crossings project was approved in May 2017 and shortly thereafter the applicant and ownership began moving toward obtaining construction permits to complete the project. While the entire site has been graded and prepped for construction, the only vertical construction that has moved forward to date is construction of the residential units and the common open space/garden area. Per a condition of approval related to construction phasing, the residential component is tied to eventual construction of the hotel and commercial component. Unforeseen to the developer at the time of approval, and due to economic factors stemming from COVID-19, circumstances have made the construction of the hotel and retail infeasible at this time. This leaves many partially constructed residential units and an active partially completed construction site. The applicant is seeking relief from that phasing condition in exchange for exploring options, whether interim or permanent, to activate the project frontage along Mission Boulevard.

File #: PH 20-060

ATTACHMENTS

Attachment I: Staff Report
Attachment II: Resolution
Attachment III: Applicant's Request
Attachment IV: Hotel Market Articles



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Development Services Director

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BACKGROUND

On May 9, 2017¹, the City Council held a public hearing to consider the project and adopted Resolution 17-057, which incorporated a Condition of Approval, #166, related to project phasing. Specifically, Condition of Approval #166 states:

The hotel/retail building pad shall be rough graded prior to the issuance of a certificate of occupancy for the first residential unit; the hotel/retail building shall be in vertical construction phase before a certificate of occupancy is issued for the 100th residential unit, and be completed prior to issuance of certificate of occupancy for the last residential unit.

Following City Council approval, MLC's affiliate, Meritage Homes, began remediation, demolition, and site development activities on the property, including grading for the future hotel site. In December 2017, Manchester Hotels, Inc. acquired the hotel site from Meritage and began the task of processing construction documents and other plans for the hotel through the City's Planning, Public Works, and Building Departments. In September 2018, Meritage broke ground on its first production homes and started construction of its model home complex. In December 2018, Meritage held a Grand Opening at Mission Crossing and began the sale of homes to the public.

Throughout 2018 and 2019, Manchester Hotels, Inc. completed the design approval process, ultimately culminating in the approval of construction documents for the hotel in December 2019. Following the approval of construction drawings for the hotel, in early 2020 Manchester began securing bids from construction trades and sourcing construction financing. As Manchester was in the process of securing a construction loan, the onset of the COVID-19 pandemic brought an abrupt halt to their plans. Manchester has now invested over \$4 million in its effort to develop a hotel on the Mission Crossings site but is unable to move forward due to the unprecedented economic challenges and uncertainty facing the hotel industry. Manchester, like much of the hotel industry, does not know when – or even whether – development of new hotels will be feasible given the crushing impact the pandemic has had on the hospitality industry.

At the same time, Meritage has continued building and selling homes at Mission Crossings, and new residents have begun moving into the community. Since opening for sale in 2018, Meritage has sold 82 homes at Mission Crossing. 60 of those homes are now occupied by new residents. The company has pulled building permits for 126 homes situated in 24 multi-unit buildings, all of which are currently under construction or complete.

DISCUSSION

MLC Holdings, on behalf of Meritage Homes and Manchester Hotels, Inc., approached City staff in July 2020 to discuss the issues with respect to compliance with the phasing condition associated with the project given the current economic impacts associated with COVID-19.

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3039011&GUID=19DEE31A-250B-4797-BEC6-FB8D230EB0C6&Options=&Search=>

They are requesting a modification to the condition of approval related to the construction phasing of the project as was approved by City Council. Given the uncertainties of the hotel market (Attachment IV), Meritage Homes is specifically seeking relief so they can finalize the residential buildings and units for which they have already pulled building permits (Buildings 1-4, 6-8, 10-12, and 14-27) and holding a total of 14 units within 3 buildings (Buildings, 5,9, and 13) (Attachment III), until such time as either a temporary or permanent plan for development of the Mission Boulevard frontage can be secured based on Council feedback.

Staff would propose a slight modification to the language as proposed by the applicant. The Condition of Approval could be modified to say the following:

The hotel/retail building pad shall be rough graded prior to the issuance of a certificate of occupancy for the first residential unit; Occupancy permits may be issued for all homes in the community except those located in Building Nos. 5, 9, and 13 (containing a total of 14 homes) as shown on the attached Site Exhibit. Issuance of building permits for Building Nos. 5, 9, and 13 may occur upon the earlier of (1) commencement of vertical construction on the currently approved hotel project (to include payment of all associated permit fees, estimated at approximately \$1 million) or (2) approval by the City of an alternate development program for the hotel parcel (whether interim or permanent) that offers a suitable community benefit or revenue-generating use. Occupancy permits for the units in Buildings 5, 9 and 13, may be granted after the alternative development program has been constructed and nearing final completion/occupancy.

Meritage Homes and Manchester Hotels, Inc., are not clear on what exactly they would propose for the Mission Boulevard frontage and are seeking City Council feedback. Some alternative solutions that have been discussed for the project frontage include interim uses such as a “pop-up” food court that would allow local restaurants and other merchants to expand their outdoor presence while indoor dining remains challenged; while more permanent uses could include a combination of affordable and market rate housing with dedicated community space. Interim uses such as the “pop-up” food court concept would allow for minimal site improvements, allow for site activation along the Mission Boulevard frontage while still allowing for eventual construction of the approved hotel and retail should the market bounce back. More permanent uses, such as additional housing units, inclusive of affordable housing, could be beneficial given the housing crisis, but will require more significant site improvements and would mean the approved hotel and retail would likely never be constructed here.

Staff and the applicant are seeking some general feedback from the City Council regarding the future development of the frontage and would recommend that a future work session with the Council Economic Development Committee be scheduled to further flush out development and any required entitlements necessary to execute an alternative plan.

ECONOMIC AND FISCAL IMPACT

Based on the Fiscal and Economic Impact analysis completed for the project, the

project was expected to result in an estimated annual net fiscal benefit to the City General Fund of \$672,000 per year, broken out as follows:

- The Transient Occupancy Tax would account for a large revenue source to the City in the amount of approximately \$400,000 per year.
- Given the estimated values on the construction of a multi-story hotel and residential housing units, the estimated net Property Tax to the City would be over \$185,000 per year (\$208,406 estimated minus \$23,000 existing).
- The project as currently proposed would result in an estimated annual net fiscal benefit to the City General Fund of \$672,000 per year.

However, with the loss of the hotel, the net fiscal benefit to the City will be significantly less. Some of this could be made up with interim commercial use of the site, but not likely the extent that would have been provided by the hotel.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect & Produce Housing and Grow the Economy as it involves the creation of new housing units. This item is not specifically related to a project identified in the Strategic Roadmap. Staff is bringing forth this new item at the request of the developer and because of changes in the economic environment due to the impacts of COVID-19.

SUSTAINABILITY FEATURES

All residential units will be equipped with solar panels. The solar panels on the residential units will generate 280 kW of power. The approved and installed Urban Farm furthers the goals of incorporating productive use of open space areas and access to local fresh food, and the bio-retention areas will further efforts to prevent stormwater pollution. The residential portion includes one electric vehicle charging station and all garages will have the capability, as required by Code, to charge electrical vehicles. Bicycle racks for both the residential and commercial uses would serve the needs of people-powered commuters. Both measures contribute toward air quality by reducing vehicle emissions. The proponent is striving to be well above a 100-point score for Green Point Rating, with every unit being Energy Star rated.

PUBLIC CONTACT

A Notice of Public Hearing was published in *The Daily Review* on September 4 and all interested parties as well as owners and occupants of real property within 300 feet of the project site received notification of this public hearing. As of the writing of this staff report, no public comments have been received.

NEXT STEPS

Should City Council support the proposed amendment to the Condition of Approval related to construction phasing, the developer Meritage Homes will continue to finalize the residential units for which they have already pulled building permits so as not to create unsafe conditions for both existing and future homeowners in this community. The applicant will also continue to work with staff on a plan for developing and activating the Mission Boulevard frontage including holding a work session with the Council Economic Development Committee and obtaining any and all necessary entitlements for that change. Once a plan is in place and has support, the remaining building permits (Buildings 5, 9 and 13) can be issued and construction can commence on the remaining units.

Prepared by: Sara Buizer, AICP, Planning Manager

Recommended by: Laura Simpson, AICP, Development Services Director

Approved by:

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

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-_____

Introduced by Council Member _____

RESOLUTION AMENDING A PROJECT CONDITION OF APPROVAL RELATED TO CONSTRUCTION PHASING ASSOCIATED WITH THE MISSION CROSSINGS PROJECT

WHEREAS, the City Council held a public hearing on May 9, 2017 that was noticed in the manner required by law and adopted Resolution 17-057 approving the Mission Crossings project; and

WHEREAS, Resolution 17-057 contained a condition of approval related to construction phasing requiring concurrent construction of the hotel and retail components with the residential components of the project; and

WHEREAS, the economic impacts of COVID-19 have rendered the construction of the hotel and retail infeasible at this time; and

WHEREAS, due to the impending housing crisis, it is critical that the construction of housing units continue in a safe manner on the project site.

NOW, THEREFORE, BE IT RESOLVED, the City Council hereby adopts takes the following actions:

Project Condition of Approval #166 shall be amended to read: *“The hotel/retail building pad shall be rough graded prior to the issuance of a certificate of occupancy for the first residential unit; Occupancy permits may be issued for all homes in the community except those located in Building Nos. 5, 9, and 13 (containing a total of 14 homes) as shown on the attached Site Exhibit. Issuance of building permits for Building Nos. 5, 9, and 13 may occur upon the earlier of (1) commencement of vertical construction on the currently approved hotel project (to include payment of all associated permit fees, estimated at approximately \$1 million) or (2) approval by the City of an alternate development program for the hotel parcel (whether interim or permanent) that offers a suitable community benefit or revenue-generating use. Occupancy permits for the units in Buildings 5, 9 and 13, may be granted after the alternative development program has been constructed and nearing final completion/occupancy.*

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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



August 17, 2020

Sara Buizer
Planning Manager
City of Hayward
777 B Street
Hayward, CA 94541

Re: Mission Crossing Hotel and Residential Project

Dear Sara:

Per our recent discussions, the following provides additional background on – and a proposed solution to – the difficult situation we have encountered with the hotel component of our Mission Crossing community on Mission Boulevard. We look forward to discussing this further with Staff and the Council on September 15. In the meantime, we hope this helps better characterize the challenge we are facing as we continue working with the City to find a workable solution.

Background

In the fall of 2015, MLC Holdings, Inc. (MLC) began work on the future redevelopment of the former Hayward Ford Dealership on Mission Boulevard. The site had sat vacant for years following the closure of the dealership by the site's owner, AutoNation, during the Great Recession. After nearly two years of work with the City and the local community, MLC secured approval from the City Council for a new mixed-use community on the former dealership site. The approved project (now known as Mission Crossing) included 140 for-sale townhomes and a 93-room hotel, slated to be branded as a Marriott Residence Inn. Early in the development process, the City's Economic Development team recommended that MLC partner with Manchester Hotels, a local hotel developer whose ownership group also operates the Hampton Inn on Mission Boulevard. MLC and Manchester worked closely together over a 20-month period on the design and entitlement of the hotel and residential components of the project.

At the time of approval, the City Council requested the addition of a Condition of Approval linking the issuance of occupancy permits for the townhome community to the achievement of development milestones for the hotel project. Specifically, the Council added Condition of Approval No. 166, which reads as follows:

The hotel/retail building pad shall be rough graded prior to the issuance of a certificate of occupancy for the first residential unit; the hotel/retail building shall be in vertical construction phase before a certificate of occupancy is issued for the 100th residential unit and be completed prior to issuance of certificate of occupancy for the last residential unit.

In the summer and fall of 2017, MLC's affiliate (Meritage Homes) began remediation, demolition, and site development activities on the property, including grading for the future hotel site. In December 2017 Manchester acquired the hotel site from Meritage and began the arduous task of processing construction documents and other plans for the hotel through the City's Planning, Public Works, and Building Departments. In September 2018, Meritage broke ground on its first production homes and started construction of its model home complex. In December 2018, Meritage held a Grand Opening at Mission Crossing and began the sale of homes to the public.

Throughout 2018 and 2019, Manchester completed an exhaustive design approval process, ultimately culminating in the approval of construction documents for the hotel in December 2019. Following the approval of construction drawings for the hotel, in early 2020 Manchester began securing bids from construction trades and sourcing construction financing. As Manchester was in the process of landing a construction loan, the onset of the Covid-19 pandemic brought an abrupt halt to their plans. Manchester has now invested over \$4 million in its effort to develop a hotel on the Mission Crossing site but is unable to move forward due to the unprecedented economic challenges and uncertainty facing the hotel industry. Manchester, like much of the hotel industry, does not know when – or even whether – development of new hotels will be feasible given the crushing impact the pandemic has had on the hospitality industry.

At the same time, Meritage has continued building and selling homes at Mission Crossing, and new residents have begun moving in to the community. Since opening for sale in 2018, Meritage has sold 82 homes at Mission Crossing. 60 of those homes are now occupied by new residents. The company has pulled building permits for 126 homes situated in 24 multi-unit buildings, all of which are currently under construction or complete. Under the terms of Condition No. 166, the sudden and unexpected halt of the hotel project means Meritage may be forced to stop work midstream, leaving partially complete buildings vacant for an indefinite and potentially lengthy period. This would be a disaster for the residents, the local community, the City, and the many tradespeople employed by Meritage in the construction of the project. We are seeking the City's assistance in finding a solution that will avoid this unfortunate result.

Impact of Covid-19 on Manchester Hotel Development

The hospitality industry has been devastated by Covid-19, and it remains unclear when or if the industry will recover fully. According to the American Hotel and Lodging Association, as many as 8000 hotels in the United States could close in the coming months due to the crushing blow dealt by Covid-19. In April and May, so-called "RevPar" (a key measure of hotel performance indicating revenue per available room) at United States hotels was down nearly 93% from a year ago. This is an unprecedented level of market devastation that experts say exceeds what the industry experienced during the Great Recession and the post-9/11 recession *combined*. While there was some improvement in June, the recent uptick in Covid-19 cases led many would-be travelers to retrench in July and August, leaving the industry on very precarious footing going forward. As business travel continues to decline and remote work becomes the new norm, demand for hotel nights in a post-Covid world may be far lower than it was in the past.

Manchester owns hotels in Hayward, Oakland, and Fremont, with additional locations in Southern California. With the onset of Covid-19, Manchester's business, as with the rest of the hospitality industry, has been disrupted to a potentially existential degree. RevPar at Manchester's Hampton Inn is down over 70%, and occupancy is down nearly 60%. The same is true at Manchester's other East Bay hotels. Indeed, at its newly-constructed SpringHill Inn & Suites location near the Oakland Airport, revenue and occupancy have fallen so dramatically that Manchester is now unable to get out of its construction loan (which is at

the end of its term) because permanent lenders are unwilling to take the risk of financing such an uncertain asset class. Manchester's fortunes are no better at its facilities in Fremont and elsewhere, and the future remains highly uncertain.

While the impact of Covid-19 on currently operating hotels has been significant and painful, its impact on new development has been nothing short of catastrophic. Banks and institutional lenders simply will not finance the development and construction of new hotel properties given the difficulty of forecasting future operating performance. Hotel development is extremely capital intensive and without the availability of debt financing, it is virtually impossible to develop a hotel of any scale. Just as Manchester has been unable to secure permanent financing for its newly-built SpringHill Suites hotel, it has been impossible to finance the construction of the Residence Inn at Mission Crossing. This desperate situation in turn makes it impossible for Manchester to achieve the construction milestones set forth in Condition No. 166. Manchester, MLC, and Meritage worked diligently and in good faith to bring the hotel project forward as envisioned. Now due to circumstances entirely beyond our control we must contend with a new reality. Unfortunately, that new reality may not include a new hotel on the Mission Crossing site – at least in the foreseeable future.

Impact of Condition No. 166 on Meritage Residential Program

The housing market has been a relative bright spot amid the economic devastation caused by the pandemic. Demand for new housing has persisted as low interest rates have made home ownership more attainable for individuals and young families across the income spectrum. Mission Crossing is no exception. Since opening for sale in 2018, Meritage has sold 82 homes at Mission Crossing and we have now welcomed the first 60 new homeowners to the community. At our current pace, we expect to sell all 140 homes in the community by September 2021. We currently have 126 homes under construction, with three buildings containing 14 homes left to start. If not for the challenges faced by the hotel, we would be in an excellent position to deliver all 140 new homes to customers by December 2021. Unfortunately, by precluding the issuance of more than 100 occupancy permits until after the hotel is under construction, Condition No. 166 could make it impossible to deliver the final 40 homes in the community for years to come. This would be a disaster for the project, the current residents, and the community, for the following reasons:

- With 126 units already under construction, enforcement of the 100-unit occupancy restriction would force Meritage to leave 26 homes vacant and partially completed for an indefinite and potentially lengthy period. This will lead to blight, threaten community safety, invite vandalism, and undermine the value of the homes that Meritage has already sold and closed.
- Ceasing construction and “moth-balling” the project will result in the loss of jobs for the dozens of tradespeople, vendors, materials suppliers, construction managers, and others for whom the project is a source of employment.
- Precluding the completion and occupancy of the final 40 homes in the community will exacerbate an already painful housing crisis by further reducing the availability of attainably priced homes in the community.
- Moth-balling the project will mean the City and other government agencies are deprived of the estimated \$400,000 in annual property tax revenues that would otherwise be generated by the final 40 homes in the community.
- Partially completed buildings become an attractive nuisance attracting crime and undermining the quality of life and property values for the 100 families that will at that point call Mission Crossing home.

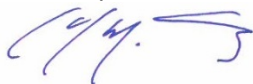
For these reasons and considering the significant uncertainty regarding the future of the hotel industry, Meritage and Manchester are seeking relief from the constraints of Condition No. 166. Specifically, we would propose that Condition No. 166 be revised to allow the following:

- Issuance of occupancy permits for all homes in the community except those located in Building Nos. 5, 9, and 13 (containing a total of 14 homes) as shown on the attached Site Exhibit, irrespective of the status of the hotel development; and
- Issuance of occupancy permits for Building Nos. 5, 9, upon the earlier to occur of (1) commencement of vertical construction on the currently approved hotel project (to include payment of all associated permit fees, estimated at approximately \$1 million) or (2) approval by the City of an alternate development program for the hotel parcel (whether interim or permanent) that offers a suitable community benefit or revenue-generating use.

With respect to the alternate use referenced above, Manchester is open to exploring any number of possible temporary or permanent uses for the 2.27-acre hotel parcel. Interim uses could include a “pop-up” food court that would allow local restaurants and other merchants to expand their outdoor presence while indoor dining remains challenged. Potential permanent uses could include a combination of affordable and market rate housing with dedicated community space.

We look forward to working with Staff and the Council to craft a mutually beneficial plan for addressing the challenge Covid-19 has thrust upon us. We are committed to making the Mission Crossing project a success and will work closely with Manchester and the City to come up with a plan that will bring value to the City and the local community. To that end, please do not hesitate to reach out should you have any questions about our project or our proposed modification to Condition No. 166.

Sincerely,



Charles H. McKeag
PRESIDENT
MLC HOLDINGS, INC.

Cc: Barry Grant, Division President, Meritage Homes
Justin Derby, Director of Acquisition and Entitlement, MLC Holdings
Ken Patel, Principal, Manchester Hotels

**Mission Crossing
Residential and Hotel Sites**



As Many As 8,000 American Hotels Might Be Gone By October

July 27, 2020 | Dees Stribling, Bisnow

Hard times for the hotel industry mean lost revenue, lost jobs and thousands of rooms in properties nationwide that might close permanently. So what to do with the millions of square feet that will free up?



Some closed hotel rooms could economically be converted into multifamily housing, according to an [Altus Group note](#), specifically discussing the Canadian hotel market, which has experienced its own [extreme stress](#) recently.

"While the hospitality sector struggles, demand for multi-family housing — including affordable, market rental, seniors and student housing — remains relatively robust," the note said. "Converting hotels into multi-family housing can help to meet this demand by enabling owners and investors to quickly move supply into the market."

Entrepreneurs have been converting hotels into apartments and other uses for years, but the [coronavirus pandemic](#) could create added impetus for the trend.

Los Angeles-based Repvblik has several such projects in the works in the Midwest, [Building Design & Construction reports](#). One of its projects is the conversion of a Days Inn in Branson, Missouri, into 341 units of affordable housing, at \$15K to \$20K per unit to do the work.

"City councils look positively on these types of developments because they help to ease the housing and economic needs of residents," the [Altus Group](#) note says. "There is also a growing track record of conversions that demonstrate how to successfully deliver these projects."

The pandemic has hit the U.S. hotel industry hard, though there was a slight bounce in early summer. Occupancy, average daily rates and revenue per available room, or RevPAR, were all up in June compared with May, hotel industry data specialist [STR reports](#), but all are still at their lowest levels on record for June.

Hotel profitability picked up slightly in June compared with May and April, [STR](#)

also said, but the metric is still down massively (by 105.4%) compared to June 2019. Some full-service properties are breaking even at 50% occupancy, while some limited-service properties can do so at 45% occupancy.

Even so, as many as 8,000 hotels might close by the end of September, **American Hotel and Lodging Association** President and CEO Chip Rogers **told Northstar Meetings Group**. "Right now, many hotels are struggling to service their debt and keep their lights on," Rogers said.

In New York, for example, as many as 25,000 hotels might permanently close because of the pandemic, **The Wall Street Journal reports**, though without an estimate of the number of properties that might close. Still, that many rooms would be about 20% of the entire NYC area hotel market.

Contact Dees Stribling at dees.stribling@bisnow.com.

Contact Dees Stribling at dees.stribling@bisnow.com

See Also: [Losses Mount For Hotel Owners Burning Through Cash As Recovery Slows](#)

Related Topics: [hotel conversion](#), [Altus Group](#), [American hotel and lodging association](#), [STR research](#)

U.S. Hotel Market Now At A Standstill

May 20, 2020 | Dees Stribling, Bisnow

U.S. hotel sales have dropped to historic lows, with fewer than 10 properties trading hands nationwide in April, [Real Capital Analytics reports](#).



"We have never seen this level of illiquidity in the hotel market," RCA Senior Vice President [Jim Costello](#) wrote. "It is effectively a frozen marketplace."

The coronavirus pandemic wasn't the only factor driving the market down, he said. Sales were already dropping because of excess product in some markets and competition from companies like [Airbnb](#).

The last time the hotel market was even close to being this slow was in 2009, when 21 properties traded, according to RCA data.

[A separate survey](#) by the Lodging Industry Investment Council, completed in late April, pointed to a wait-and-see attitude among many would-be hotel investors.

Namely, 64% of investors surveyed said they are still "cautiously underwriting" new lodging investments. But 74% are taking a wait-and-see approach at the same time.

In a March LIIC survey, only 9% of respondents said they believed the total dollar volume of U.S. hotel transactions in 2020 would drop more than half compared to 2019. In the organization's April survey, 32% said that.

Another reason for the slowdown in investment sales seems to be a disconnect between buyer and seller expectations.

"I'd say that the COVID-19 discount gap is too wide right now," Park Hotels & Resorts Chairman and CEO [Thomas Baltimore](#) said last week [during the company's latest earnings call](#).

"Sellers would probably like to sell with a 10%, perhaps even 15% discount, depending on their individual needs," Baltimore said. "But I think buyers are looking for somewhere north of 30%, even 40%."

"So I think there's plenty of liquidity trying to get in this sector, recognizing that now is a good window to begin to build up a portfolio, but I think the gap is too wide to really expedite any sort of transaction," Baltimore said. "You should see the number of deals that have blown up here in the last few weeks."

Contact Dees Stribling at dees.stribling@bisnow.com

See Also: [Losses Mount For Hotel Owners Burning Through Cash As Recovery Slows](#)

Related Topics: [Real Capital Analytics](#), [Park Hotels & Resorts](#), [Lodging Industry Investment Council](#)

Development

Pressures of pandemic slow California hotel pipeline

01 SEPTEMBER 2020 8:04 AM

Projects continue to enter and remain in California's hotel construction pipeline, but the reality of the coronavirus pandemic is that many projects will never be completed.



By **Bryan Wroten**

bwroten@hotelnewsnow.com

@HNN_Bryan

REPORT FROM THE U.S.—California hotel development slowed over the first six months of 2020, but the full impact of the coronavirus pandemic on new hotel projects likely won't be realized for years.

The latest mid-year hotel development survey from Atlas Hospitality Group found a significant decrease in construction and openings during the first half of 2020 compared to the record-setting pace of the first part of 2019. The number of hotels under construction fell from 234 in the first half of 2019 to 194 this year, a 17.1% decrease. While the number of hotels opening so far was down by just one (35 compared to 36), the number of rooms opening was down by 22.5% (from 4,515 to 3,500).

Conversely, new projects in planning grew by 9% compared to the first half of 2019, with new rooms in planning growing by 5.7%. However, those growth figures don't tell a complete story.

California still has a healthy pipeline of hotels opening in the second half of the year, [Atlas Hospitality Group](#) President Alan Reay said. The pace may slow further this year and into 2021. Several hotel projects were completed during the first half of the year, but openings were delayed. In addition to what Atlas Hospitality normally tracks, it is now watching projects being deferred or abandoned.

Hyatt Hotels Corporation's partly built Andaz Palm Springs is now in bankruptcy, Reay said. The incomplete Hotel Indigo Coachella has been shut down. Work on the Tova Hotel in Palm Springs has also stopped. Many of these projects were in trouble or faced delays before the pandemic began, he said.

"If you're struggling to make it work in some of the best of times in the hotel business, 2018 and 2019, when you look at it today, post-coronavirus, it's just going to be impossible," he said. "We put pressure on revenue, pressure on net operating incomes and, really, your construction costs are still the same. In some instances, these projects are going to cost more to finish than what they got appraised for."

The downturn has hurt lenders as well, not just for hotels, but in retail and other product types, Reay said. If lenders start to go under, construction money will run out, leaving many projects only partially built and unlikely to get finished. Some developers now are even looking at changing the use of a property partway through construction. Depending on the build, many are looking at residential use, further reducing future supply.

Reay also noted a lack of new projects starting up. One of the main reasons is that lenders aren't even looking at financing existing hotels today, let alone new projects, he said.

"From a time standpoint, if you're not already under construction, with a construction loan in place, I really don't see people proposing new projects for the next 24 or 36 months," he said.

Developers likely won't even buy land to hold onto until conditions improve for building because holding costs become very expensive, he said. Unless the property is owned free and clear, the project likely is carrying some sort of debt.

When new projects do start up again, extended-stay hotels will likely be popular given the demand during the pandemic, Reay said. While hotels in the economy segment have also performed well, that's not something he expects to see more of in the pipeline given the cost of construction.

In the last major downturn, developers and owners still interested in hotels bought existing properties and renovated, which was well below replacement cost, he said.

"Anyone that's looking to build a convention center hotel or a resort property is going to have a really, really hard time moving forward," he said.

Developers' experiences

R.D. Olson Development has three hotel projects in the works in California, said President and CEO Bob Olson. The firm is moving ahead with deals that have long lead times and in markets that are a good long-term investment, but has dropped out of a few deals made before the pandemic started.

Financing, if available, is incredibly difficult, he said. Lenders have turned off the spigot for 99% of deals until they can figure out what's happening in their markets. The pandemic is playing out longer than anyone anticipated, but it will eventually turn around and the ramp-up should look like a typical recession recovery, Olson said.

For developers who are in early planning or about to start construction and have access to financing, this is likely the best time to develop as prices are coming down, Olson said. Timing-wise, the project would deliver in a rising market.

The combination of years of dramatic construction price increases and the staggering negative effect on revenue per available room from COVID-19 has created an extremely challenging underwriting process for new hotel construction, said OTO Development VP of Real Estate Todd Turner via email. Most hotel projects in planning across the state will be impacted, with many shifting to some other type of use.

California has a large percentage of big tech companies that currently operate in a work-from-home scenario, [OTO Development](#) CEO Corry Oakes said via email. Long term, the company believes tech employees will miss the collaboration and culture-building that comes from being together. For the short term, however, the work-from-home approach translates to reduced hotel demand, making underwriting decisions more difficult and pushing out the start of new construction projects.

"Hotel profitability has disappeared, and the resulting financial stress will wipe out a significant portion of hotel equity, forcing a change of financial ownership of many assets," Oakes said. "We believe these issues will need to work through the system before development picks up any meaningful momentum."



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: PH 20-063

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT

California Crosspoint HS TEFRA Hearing: Public TEFRA Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance by the California Public Finance Authority in an Amount Not to Exceed \$29 Million of Education Facility Revenue Bonds to Finance the Acquisition, Construction, Installation, Improvement, Furnishing and Equipping of California Crosspoint High School

RECOMMENDATION

That Council:

1. Conducts a public hearing to consider the issuance of Tax-Exempt Education Facility Revenue Bonds by the California Public Finance Authority ("CalPFA") to assist in the financing of the California Crosspoint High School; and
2. Adopts the attached resolution approving the issuance by CalPFA of Revenue Bonds for the California Crosspoint High School (Attachment II).

SUMMARY

The Council has been asked to conduct a public hearing under the Tax and Equity Fiscal Responsibility Act ("TEFRA") in connection with the proposed issuance of revenue bonds by CalPFA in an amount not to exceed \$29,000,000. The bonds will be used for the acquisition, construction, installation, improvement, furnishing, and equipping of educational facilities located at 25500 Industrial Boulevard in Hayward, generally known as California Crosspoint High School (the "School" or "CCHS"). California Crosspoint High School, d/b/a California Crosspoint Academy (the "Borrower") is a California nonprofit public benefit corporation that has requested CalPFA issue up to \$29,000,000 in revenue bonds to finance various school improvements.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: California Crosspoint HS TEFRA Hearing: Public TEFRA Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance by the California Public Finance Authority in an Amount Not to Exceed \$29 Million of Education Facility Revenue Bonds to Finance the Acquisition, Construction, Installation, Improvement, Furnishing and Equipping of California Crosspoint High School

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BACKGROUND

The CMFA was created on January 1, 2004 pursuant to a joint exercise of powers agreement to promote economic, cultural, and community development, through the financing of economic development and charitable activities throughout California. To date, 48 municipalities, including the City of Hayward, have become members of CMFA.

The CMFA was formed to assist local governments, non-profit organizations, and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in bond financings.

CCHS is an award-winning, internationally renowned college-preparatory school serving the East Bay since 1979. There are currently 360 students in preschool and grades 3rd - 12th on a 5.5 acre campus in Hayward. The School has experienced an 80% growth in enrollment the past four years and also serves over seventy-five international students, most coming from five partner schools in China. The School is known for leadership and advocacy in the areas of educational excellence and accessibility. They received the U.S. Department of Education's highest award, the National Blue Ribbon Award of Excellence, in 2003 and 2016. CCHS ranks among the top schools in the nation by the Washington Post's List of America's Most Challenging High Schools, is listed in Newsweek's List of Top STEM Schools, and has a Niche rating of A+. In order to accommodate growing enrollment at the School, the Borrower is seeking to finance various campus improvements through CalPFA.

DISCUSSION

The Borrower has requested that CalPFA adopt a plan of financing providing for the issuance of one or more series of education facility revenue bonds issued from time to time, in an aggregate principal amount not to exceed \$29 million for the acquisition, construction, installation, improvement, furnishing, and equipping of certain educational facilities located at 25500 Industrial Boulevard, Hayward, California, generally known as California Crosspoint High School.

Project

The Borrower has requested a private placement bond financing from CalPFA in order to acquire, construct, rehabilitate, and equip CCHS located at 25500 Industrial Boulevard in the City including but not limited to:

- (a) An existing two-story educational building, containing classrooms, a learning resource center, and administrative facilities.
- (b) A new multi-story building containing classrooms and other instructional and administrative spaces, as well as student residence facilities.

(c) A new building containing a multi-purpose assembly hall, commercial kitchen, gymnasium, fitness center, and other recreational and exercise facilities.

(d) Related and appurtenant facilities, landscaping, and site improvements, all to be located on a 5.5 acre site at or adjacent to 25500 Industrial Boulevard, Hayward, California 94545 (the “Facilities”).

The City’s Role in the Project

For all or a portion of the bonds to qualify as tax-exempt bonds, the City must conduct a TEFRA Hearing that provides members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. The Notice for this TEFRA hearing was published on September 4, 2020. Following the close of the TEFRA Hearing, an elected representative of the governmental unit hosting the project must provide its approval of the issuance of the bonds to finance the project.

ECONOMIC IMPACT

The project would contribute to the City by investing in existing education and contribute to the character and revitalization of the neighborhood. Additionally, 100% of CCHS students continue onto college or the military.

FISCAL IMPACT

The bonds to be issued by the CalPFA for the project will be the sole responsibility of the borrower, and the City will have no financial, legal, moral obligation, liability, or responsibility for the project or the repayment of the bonds. All financing documents with respect to the issuance of the bonds will contain clear disclaimers that the bonds are not obligations of the City or the State of California but are to be paid for solely from funds provided by the borrower.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to one of the Council’s six Strategic Priorities.

PUBLIC CONTACT

Public noticing requirements related to TEFRA public hearings were strictly adhered to and followed. Notice of this public hearing was published in the Daily Review on September 4, 2020 and on the City’s website.

NEXT STEPS

Staff recommends that the City Council conducts the TEFRA Hearing and adopts the resolution in favor of the issuance of the bonds by the CalPFA.

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

Approved by:

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

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD APPROVING THE ISSUANCE BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY OF EDUCATION FACILITY REVENUE BONDS IN AMOUNT NOT TO EXCEED \$29 MILLION FOR THE FINANCING AND/OR REFINANCING OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF CALIFORNIA CROSSPOINT HIGH SCHOOL

WHEREAS California Crosspoint High School, d/b/a California Crosspoint Academy (the "Borrower"), has requested that the California Public Finance Authority (the "Authority") adopt a plan of financing providing for the issuance of one or more series of education facility revenue bonds issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, in an aggregate principal amount not to exceed \$29 million (the "Bonds") to (1) finance and/or refinance the acquisition, construction, installation, improvement, furnishing and equipping of certain educational facilities, including but not limited to (a) an existing two-story educational building, containing classrooms, a learning resource center, and administrative facilities, (b) a new multi-story building containing classrooms and other instructional and administrative spaces, as well as student residence facilities, (c) a new building containing a multi-purpose assembly hall, commercial kitchen, gymnasium, fitness center, and other recreational and exercise facilities, and (d) related and appurtenant facilities, landscaping, and site improvements, all to be located on a 5.5 acre site at or adjacent to 25500 Industrial Boulevard, Hayward, California 94545 (the "Facilities"); (2) pay costs of issuance of the Bonds, (3) fund all or a portion of a debt service reserve fund deposit, capitalized interest, and related working capital (collectively, the "Project"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the issuance of the Bonds by the Authority must be approved by the City of Hayward (the "City") because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is the applicable elected representative under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 12 of the Joint Exercise of Powers Agreement Relating to the California Public Finance Authority, dated as of May 12, 2015 (the "Agreement"), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority; and

WHEREAS, the City Council understands that its actions in holding this public hearing and in approving this Resolution do not obligate the City in any manner for payment of the principal, interest, fees or any other costs associated with the issuance of the Bonds and said City Council expressly conditions its approval of this Resolution on that understanding.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hayward as follows:

Section 1. The City Council hereby approves the issuance of the Bonds by the Authority for the purposes of financing the Project. It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of: (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f); and (b) Section 12 of the Agreement.

Section 2. The officers of the City Council are hereby authorized and directed, jointly and severally, to do any and all things and execute and deliver any and all documents, certificates and other instruments which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby. Any actions heretofore taken by such officers are hereby ratified and approved.

Section 3. The City Council expressly conditions its approval of this Resolution on its understanding that the City shall have no obligation whatsoever to pay any principal, interest, fees or any other costs associated with the Authority's issuance of the Loan for the financing of the Project.

Section 4. This Resolution shall take effect from and after its passage and approval.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: LB 20-042

DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

City of Hayward Fiscal Year 2021 Operating Budget: Amend the Fiscal Year 2021 Operating Budget to Appropriate Funds from the Enterprise Funds to Cover Costs Related to Personnel Changes in the Utilities Division of the Department of Public Works

RECOMMENDATION

That Council adopts a resolution (Attachment II) amending the Fiscal Year 2021 Operating Budget to appropriate \$512,214 from the Enterprise Funds and \$8,246 from the General Fund to cover costs related to recommended personnel changes in the Utilities Division of the Department of Public Works & Utilities.

SUMMARY

This item is related to proposed personnel changes in the Utilities Division of the Department of Public Works to more effectively and efficiently address core functions and strategic initiatives. These proposed changes were intended to be presented as part of the FY 2021 budget process but were not included as a result of late changes due to COVID-19 impacts on the budget. Staff now recommends that the changes be implemented. If approved, the changes would result in a net addition of 2.5 full-time equivalent (FTE) positions, and would primarily impact Enterprise Funds, with minimal impact to the General Fund. This report describes the changes, discusses potential impacts if the changes are not approved, and compares the recommended staffing levels to those of other comparable agencies.

The Council Budget and Finance Committee reviewed this item at its July 29th meeting. The Committee supported the changes to existing positions, where the cost of a new position is partially offset by deletion of an existing position; however, a majority of the members did not support adding new positions at that time and requested that the City Council staff report include more information about the impacts if the positions are not approved.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

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BACKGROUND

¹ <http://hayward.legistar.com/gateway.aspx?M=F&ID=4e4d46e5-c2d8-4e3e-8770-05da9c52be20.docx>

The Utilities Division of the Department of Public Works & Utilities provides water and wastewater service to Hayward residents and businesses. Delivery of these services has become increasingly challenging, as the City strives to address additional wastewater discharge requirements and to expand its water supply portfolio, such as implementation of recycled water and groundwater projects. In order to more effectively address core functions, City Council priorities, increasing regulatory requirements, to better protect the City's interests when they may compete with those of other agencies, and to maintain a high quality of customer service, the Department proposed position changes and additions. These changes were reviewed by the City Manager and approved for inclusion in the FY 2021 Recommended Operating Budget. Due to the onset of the COVID-19, budgetary changes were made within a short period of time, and in an effort to balance the General Fund budget, only a minimal number of department requests were included. As part of this review, all position requests were removed. This inadvertently included positions not impacting the General Fund.

The exclusion of the proposed organizational changes will have a significant impact on the Department's ability to address core functions and Council priorities within the Utilities Division. For this reason, staff is recommending that the City Council approve the proposed organizational changes and staff additions and appropriate the funds needed to cover the additional cost. Consideration of these adjustments should not be postponed to the FY 2022 budget adoption process.

DISCUSSION

The adopted FY 2021 Operating Budget includes funding for two Senior Utility Engineers and three flexibly staffed Assistant/Associate Engineers in the Utilities Division. The proposed staffing changes are designed to optimize the current staff resources, while adding only a minimal number of new positions. If approved, the result would be a net addition of 2.5 FTEs, at a net cost of \$512,214 to the Water and Sewer Enterprise Funds and \$8,246 to the General Fund.

As shown in the following tables and position descriptions, the majority of new positions are offset in part by deletion of existing positions. Note that the proposal presented to the Budget and Finance Committee included a new Associate Civil Engineer position. In view of comments from the Budget and Finance Committee, and upon further evaluation, staff has determined that the addition of this position can be deferred at this time.

**TABLE 1
Proposed Maintenance and Administrative Organizational Changes**

Add/ Delete	FTE	Position/Job Classification	General Fund Fiscal Impact	Enterprise Fund Fiscal Impact
Add	1.0	Senior Utility Leader		\$171,512
Delete	-0.5	Meter Reader		(\$99,453)
Add	1.0	Utility Leader - Sewer		\$156,470
Delete	-1.0	Utility Worker – Sewer		(\$139,083)
Add	1.0	Administrative Supervisor	\$118,885	\$39,628
Delete	-1.0	Administrative Secretary	(\$110,639)	(\$36,880)
TOTAL	0.5		\$8,246	\$92,194

**TABLE 2
Engineering Staff Additions**

Add/ Delete	FTE	Position/Job Classification	General Fund Fiscal Impact	Enterprise Fund Fiscal Impact
Add	1.0	Senior Utility Engineer		\$210,010
Add	1.0	Senior Water Resources Engineer		\$210,010
TOTAL	2.0		\$0	\$420,020

Proposed Maintenance and Administration Organizational Changes

New Positions

1.0 FTE Senior Utility Leader in Field Services

This position is needed to effectively manage and utilize the City’s new Advanced Metering Infrastructure (AMI) system and ensure that critical cross connection control and backflow testing work is completed. The importance of the latter work is heightened with implementation of the City’s recycled water project. It is critically important that potable water pipelines be protected from both wastewater and recycled water flows. The cost of this position would be partially offset by the proposed deletion of a 0.5 FTE Meter Reader.

1.0 FTE Utility Leader-Sewer in Collection System Maintenance

This position, which is essentially an upgrade of an existing Utility Worker position, is needed to maintain the sewer collection system and reduce the risk of sanitary sewer overflows. Wastewater agencies are under increasingly stringent regulatory requirements to eliminate any overflows of any size or be subject to financial penalties. This new position would provide for an additional fully staffed crew to operate the City’s vacator trucks and increase sewer line cleaning activities. Regular cleaning is the most effective means of eliminating sewer overflows and protecting the public and waterways. The cost of this position would be substantially offset by the deletion of a 1.0 FTE Utility Worker-Sewer position.

1.0 FTE Administrative Supervisor

Public Works & Utilities Administration support staff consists of 2 Administrative Secretaries and 3 Senior Secretaries. The addition of this proposed position would allow for improved communication, management of workflow, and department-wide staffing coverage. The cost of the position would be largely offset by the deletion of a 1.0 FTE Administrative Secretary position.

Deleted Positions

0.5 FTE Meter Reader in Field Services

The City currently has 2.5 FTEs classified as Meter Readers. With the implementation of the AMI system, the manual water meter reading work that has traditionally been performed by Meter Readers is no longer necessary. However, there is a need for staff to maintain and, as needed, replace the 35,000 electronic transmission devices inside the meters, including replacing batteries and reprogramming devices. Staff has determined that 2 FTEs are sufficient to perform these critical tasks. (Note: A plan is currently being developed, in cooperation with Field Services staff, to transition the Meter Readers to Water Service Technicians or another appropriate title and to align the job descriptions with their duties and responsibilities.)

1.0 FTE Utility Worker-Sewer in Collection System Maintenance

This position would be replaced by a new Utility Leader-Sewer position to provide for more effective sewer line cleaning and maintenance. Sewer crews are comprised of a Utility Leader-Sewer and Utility Worker; therefore, this upgrade would allow the City to dispatch an additional fully staffed and appropriately supervised crew.

1.0 FTE Administrative Secretary

This position would be replaced by an Administrative Supervisor position to provide for more effective management of communication, workflow, and department-wide coordination of support activities.

Proposed Engineering Staff Additions

1.0 FTE Senior Utilities Engineer in the Utilities Engineering Section

The City's existing Utilities Engineering staff does not include sufficient staffing to address the City Council's priorities to improve water and sewer infrastructure and to address the process improvements needed to meet increasingly stringent regulatory wastewater treatment and discharge requirements. The Water Pollution Control Facility could require up to \$100 million in rehabilitation and improvements over the next five years. The City's incumbent Senior Utility Engineers are working at capacity and additional staff resources are needed to keep pace with workload.

1.0 FTE Senior Water Resources Engineer

This position was approved in the budget 2 years ago, but the City was unsuccessful in recruiting and the position was deleted last year. However, water supply reliability and diversity is a complex and technical field, given the demand on the State's finite water resources. Reinstatement of this position, which would report to the City's Water Resources Manager, is needed to address the development of a robust water supply portfolio, including recycled water, emergency and dry year supplies, and water conservation. This position would also be responsible for the technical aspects of preparing and implementing the City's Groundwater Sustainability Plan, which is currently underway, in cooperation with the East Bay Municipal Utility District. Groundwater is a valuable water resource, and Hayward must improve on efforts to protect its groundwater supplies within a competitive environment of well-staffed and focused water agencies to ensure that the City's groundwater rights are preserved.

Impacts of Delaying Recommended Changes

The Council Budget and Finance Committee requested a fuller discussion of the impacts of delaying the addition of the new positions. First, among other impacts, is the fact that staff will be severely challenged in its efforts to implement the Water and Sewer Capital Improvement Programs (CIP), currently with projects totaling more than \$100 million. Critical among these projects are the process changes needed at the Water Pollution Control Facility to meet nutrient management requirements and performance improvements by 2025. Other CIP projects, such as renewal and replacement efforts to extend the life of the City's assets, may be delayed. The need for an additional Senior Utility Engineer is urgent. Staff is not recommending an additional Associate Civil Engineer at this time, as originally requested, in order to gauge the workflow once a Senior Engineer is on board, but may return to Council in FY 2022 with a request for another engineering position.

Another area of impact is the City's ability to engage effectively with other agencies, especially regarding water resources. As noted, Hayward is working cooperatively with EBMUD to prepare and implement a Groundwater Sustainability Plan (GSP). This is a highly technical and specialized four-year long endeavor, which involves groundwater modeling to determine basin boundaries and groundwater levels and quality. This information will be used to develop sustainable management criteria, and management actions. This work is underway, and the Senior Water Resources Engineer will allow Hayward to be an effective partner as the GSP is developed and implemented. This position is also critical in Hayward's efforts to engage effectively with neighboring water districts to protect the City's groundwater resources, which have significant financial and water reliability implications for the City.

Additional engineering resources will also assist the City in effectively engaging and negotiating with local and regional agencies such as East Bay Dischargers Authority (EBDA) and the Bay Area Water Supply and Conservation Agency, both of which Hayward is a member. Although staff and our appointed representatives strive to work cooperatively with other member agencies, it is increasingly prudent to evaluate technical issues and determine the best course of action to protect the City's interests.

Another critical, though less tangible, impact is related to the City's challenges in recruiting and retaining qualified engineers. Although Hayward offers engineers the advantages of a wide range of responsibilities and opportunities to work on a variety of challenging and interesting projects, the City competes with special water and wastewater districts that typically pay significantly higher with fewer responsibilities and often provide better career advancement simply because they have larger staffs. Thus, we have chronic vacancies that may take a year or more to fill, and which create difficulties in meeting core services and implementing CIP projects. Additional engineering staff would provide a bit more depth so that when vacancies occur, the Division would have resources to better manage the workflow and meet priority needs. Creating additional positions would also provide promotional opportunities for qualified lower-level employees, which could serve to retain experienced and knowledgeable engineering staff.

Comparisons with Other Cities and Utility Agencies

In order to give the Council a sense of how the proposed staffing levels compare to other cities and special districts, staff surveyed eight agencies, including special districts and cities that provide water and/or sewer service, both similar and smaller in size than Hayward. An exact comparison is difficult because agencies vary in the types of services they provide (e.g., most utility districts provide either water or wastewater service or some cities provide sewer collection but not wastewater treatment services). However, the results strongly indicate that Hayward, with responsibilities for water distribution, wastewater collection and treatment and recycled water delivery, is understaffed in engineers when compared to other entities.

The number of professional engineers on staff (excluding engineering manager positions) among the surveyed agencies ranged from 3.5 to 10 FTEs. Only two agencies had the same or fewer FTEs than Hayward's current approved staffing level. Four of the agencies have at least three senior-level engineers, and five agencies have four or more assistant/associates. The proposed staff additions would bring Hayward to the average number of professional engineers as compared to the eight surveyed agencies.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item related to the implementation of projects such as:

- Project 13: Upgrade water system infrastructure
- Project 14: Update Water Pollution Control Facility Phase II Plan
- Project 15: Upgrade sewer collection system by replacing 3-4 miles of sewer lines annually
- Project 16: Implement Phase 2 of solar project and investigate interim usages of additional energy
- Project 17: Meet regulatory requirements for zero trash in stormwater by installing trash capture devices
- Project 18: Expand recycled water facilities.

As noted in the previous section, the Department's ability to implement all of these projects without additional engineering resources will be severely impacted.

ECONOMIC IMPACTS

The proposed changes will primarily impact the Water and Wastewater Operating Funds, which are funded through user rates. The costs will be incorporated into the rates in subsequent years. However, approval of the recommended changes will reduce the risk of financial penalties for sanitary sewer overflows and other challenges in meeting increased regulatory requirements.

FISCAL IMPACT

The proposed organizational changes will result in an increase of \$512,214 to the Enterprise Funds and an increase of \$8,246 to the General Fund. Staffing costs as a percentage of the total expenditures in the Water and Wastewater Funds comprise about 17% and 40% respectively.

SUSTAINABILITY FEATURES

Approval of the recommended changes will help the City maintain its ability to efficiently and safely delivering water to residential and business customers and to protect public waters by collecting, treating, and discharging wastewater in accordance with all regulatory requirements.

PUBLIC CONTACT

No public contact is required for this item.

NEXT STEPS

If the City Council approves the proposed organizational changes, staff will implement the budget changes and initiate recruitments to fill the positions.

Prepared by: Marilyn Mosher, Senior Management Analyst

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-_____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE AMENDMENT TO RESOLUTION 20-101, THE BUDGET RESOLUTION FOR THE CITY OF HAYWARD OPERATING BUDGET FOR FISCAL YEAR 2021, APPROPRIATING FIVE HUNDRED AND TWELVE THOUSAND TWO HUNDRED AND FOURTEEN DOLLARS (\$512,214) FROM ENTERPRISE FUNDS AND EIGHT THOUSAND TWO HUNDRED AND FORTY-SIX DOLLARS (\$8,246) FROM THE GENERAL FUND TO COVER COSTS RELATED TO PERSONNEL CHANGES WITHIN THE PUBLIC WORKS DEPARTMENT

WHEREAS the Council of the City of Hayward approves the recommended personnel changes within the Public Works Department; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Hayward the authorization and appropriation of \$512,214 from Enterprise Funds, and \$8,246 from the General Fund to cover costs related to personnel changes within the Public and Utilities Department.

BE IT FURTHER RESOLVED by the Council of the City of Hayward that Resolution No. 20-101, as amended, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2021, is hereby by amended by approving the appropriation of \$512,214 from Enterprise Funds, and \$8,246 from the General Fund.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

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