



**MINUTES OF THE SPECIAL JOINT CITY COUNCIL/
HAYWARD HOUSING AUTHORITY MEETING**
Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, October 2, 2018, 7:00 p.m.

The Special Joint Meeting of the Hayward City Council/Hayward Housing Authority was called to order by Mayor Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Council/HHA Member Mendall.

ROLL CALL

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

CLOSED SESSION ANNOUNCEMENT

City Attorney Lawson announced the City Council convened in closed session at 4:30 p.m., concerning four items: 1) conference with legal counsel pursuant to Government Code 54956.9, regarding Russell City Energy Company LLC v. City of Hayward, Court of Appeal No. A155117 (First District) and National Lawyers Guild, etc. v. City of Hayward, et al., California Court of Appeal, First District, A149328; 2) conference with legal counsel pursuant to Government Code 54956.9, regarding one anticipated case; 3) conference with property negotiators pursuant to Government Code 54956.8, concerning State owned parcels along Route 238 Bypass Alignment; and 4) conference with labor negotiators pursuant to Government Code 54957.6, regarding all groups; and noted there was no reportable action.

PRESENTATIONS

Mayor Halliday announced there were two Hayward businesses selected as winners in the 2018 East Bay Economic Development Alliance (EDA) Innovation Awards at the annual celebration ceremony. Economic Development Specialist Ralston provided background about the public-private partnership to honor innovative businesses and noted that the 2018 East Bay EDA Innovation Awards winners were Therm-X in the Advanced Manufacturing field and RefleXion in the Life Sciences field. Mayor Halliday presented 3-D awards designed by Jorge Garcia from Brenkwitz High School to Mr. Phil Quinton, Vice President of Business Development at Therm-X and Mr. Todd Powell, Chief Executive Officer of RefleXion.

PUBLIC COMMENTS

Ms. Kate Turney, Hayward Hangar Group representative, spoke about the 3/29/2017 MCG Market Study and submitted her written comment.

Mr. Jerry Turney, Hayward Hangar Group representative, provided documents for the record and spoke about data of Hayward tenants' rental contributions, rent study update data review, rental rates and national comparison, and recommendation for the Hayward Air Terminal/Hayward Airport Plaza.

Ms. Wynn Grcich, Hayward resident, urged voters to vote no on the 2018 ballot Measures T and H; and referred to news articles about dangers of lead and chloramine.

Mr. Kim Huggett, Hayward Chamber of Commerce President, announced the 33rd Annual Business Expo event on October 10, 2018, at the St. Rose Hospital White Tent.

Mr. William Roderick, Hayward resident, asked the Council to consider housing for residents who cannot afford housing, noted there was a vacant lot on A Street that could be used to house homeless individuals, and reported there was dog waste at 1st and E streets.

Mr. Charlie Peters, Clean Air Performance Professionals representative, highlighted the technology to treat cancer that is being developed in Hayward, and spoke about a letter regarding ethanol impacts on the environment and health.

Mr. Troy Minor, Hayward resident, spoke about a purchase agreement for a property within the 238 Bypass Corridor Project and submitted a related document.

Mr. Jim Drake, Hayward resident, spoke about the need for additional police officers to patrol the streets and for better school teachers.

Consent Items 2, 4, and 5 were removed for discussion and separate vote.

Council Member Márquez disclosed she had to recuse herself from discussing and voting on Consent Item No. 2 because her family owns property within the Downtown Hayward Community Benefit District.

CONSENT

1. Minutes of the Special City Council Meeting on September 11, 2018 **MIN 18-124**

It was moved by Council Member Mendall, seconded by Council Member Márquez, and carried unanimously, to approve the minutes of the City Council Meeting on September 11, 2018.

2. Authorization for the City Manager to Negotiate and Execute a Professional Services Agreement with New City America for Establishing the Downtown Hayward Community Benefit District Non-Profit Management Corporation Interim Administration in an Amount Not to Exceed \$30,000 **CONS 18-635**

Staff report submitted by Management Analyst II Stefanski, dated October 2, 2018, was filed.



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Council Member Lamnin expressed concern with New City America continuing to be involved in establishing the Community Benefit District (CBD) non-profit management corporation.

Council Member Lamnin offered a motion to reject staff's recommendation and to hire a new company to establish the CBD non-profit management corporation.

Council Member Zermeño seconded the motion.

Discussion ensued among Council Members and City staff about staff's proposal.

It was moved by Council Member Lamnin, seconded by Council Member Zermeño, and failed with the following vote, to reject staff's recommendation:

AYES: COUNCIL MEMBERS Lamnin, Zermeño
NOES: COUNCIL MEMBERS Mendall, Peixoto, Salinas
MAYOR Halliday
ABSENT: COUNCIL MEMBER Márquez

It was moved by Council Member Mendall, seconded by Council Member Salinas, and carried with Council Member Márquez absent, to adopt the resolution with a strong recommendation from the Council to the new Board to issue a request for proposal (RFP) for the services outlined in the report as soon as possible:

Resolution 18-208, "Resolution Authorizing the City Manager to Negotiate and Execute a Professional Services Agreement with New City America for Downtown Hayward Community Benefit District Non-Profit Management Corporation Interim Administration, in an Amount Not to Exceed \$30,000"

3. Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Zipcar for Car Sharing Services in Hayward **CONS 18-657**

Staff report submitted by Utilities and Environmental Services Director Ameri, dated October 2, 2018, was filed.

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

Resolution 18-206, "Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Zipcar, Inc. to Implement a Car Sharing Pilot Program in Hayward"

4. Approval of Parkside Heights Tract 8233 Final Map Creating Ninety-seven Lots for Single Family Residences and Common Use Lots Substantially Conforming to its City Approved Vesting Tentative Map and Planned Development Plan on a 10.68-Acre Site Located at the South-east Corner of 2nd Street and Walpert Street; Pulte Homes (Applicant/Subdivider) **CONS 18-671**

Staff report submitted by Interim Public Works Director Ameri, dated October 2, 2018, was filed.

City Attorney Lawson noted that there was an unresolved dispute involving grading between the project proponent's contractors and an adjacent private property owner; and acknowledged receipt of a communication from the Jackson Tidus Law Firm dated October 2, 2018. City Attorney Lawson suggested that someone speak to the unresolved dispute or to continue the item to October 16, 2018.

Mayor Halliday opened the public comment section at 7:52 p.m.

Mr. Aaron Head, Pulte Group representative, noted he had spoken with Ms. Cross and was under the impression that any pending issues had been addressed.

Mayor Halliday closed the public comment section at 7:55 p.m.

City Attorney Lawson suggested holding the item until October 16, 2018, to confirm that any issues with the adjacent property owners are resolved.

There was consensus among Council Members to continue the item until October 16, 2018.

5. Adopt a Resolution Authorizing the City Manager to Award a \$400,000 Small Business Incentive Program Grant to Russell City Distillery, Inc. to Complete a New Distillery and Tasting Room in Downtown **CONS 18-667**

Staff report submitted by Economic Development Manager Hinkle, dated October 2, 2018, was filed.

Mayor Halliday announced there was a public speaker and opened the public comment section at 7:58 p.m.

Mr. Nick Harvey, Hayward resident, asked for clarification of the staff's recommendation. City Manager McAdoo noted that the proposal was a different type of alcohol serving license with a tasting room and different permitting process.

Mayor Halliday closed the public comment section at 8:03 p.m.

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



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Resolution 18-209, "Resolution Authorizing the City Manager to Provide Financial Assistance in the Form of a Grant in the Amount of \$400,000 to Russell City Distillery, Inc. as Part of the Economic Development Small Business Incentive Program"

6. Adoption of a Resolution Declaring a Shelter Crisis in Hayward for Purposes of Eligibility for State of California Homeless Emergency Aid Program (HEAP) Funds through Alameda County **CONS 18-675**

Staff report submitted by Community Services Manager Bailey, dated October 2, 2018, was filed.

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

Resolution 18-207, "Resolution of the City of Hayward, State of California Declaring a Shelter Crisis Pursuant to SB 850 (Chapter 48, Statutes of 2018 and Government Code § 8698.2)"

LEGISLATIVE BUSINESS

7. Appropriation and Allocation of \$28.6 Million of the City of Hayward's Affordable Housing Funds and Measure A1 Base Allocation to Support the Development of 259 Units of Affordable Housing (Report from City Manager McAdoo) **LB 18-050**

Staff report submitted by Deputy City Manager Ott, dated October 2, 2018, was filed.

City Manager McAdoo announced the report and introduced Housing Manager Morales who provided a synopsis of the report.

Mr. Jon White, Abode Services/Allied Housing Director of Real Estate Development, provided a brief overview of the Depot Road project consisting of micro units for low/extremely-low income individuals, homeless individuals, and special needs populations. Housing Manager Morales and Mr. White clarified questions from Council members related to population served, cost per unit, project location, on-site supportive service, preference policy, community outreach plan, and land use process.

Mr. Scott Johnson, EHA Business Development Director, provided an overview of the Matsya Family Villas and Mission Senior Paradise development proposals consisting of entitled projects based on public policy goals around transit based, mixed income and

affordable housing. Housing Manager Morales and Mr. Johnson clarified questions from Council members related to housing for veterans and onsite case management, Measure A-1 funds for residential/rental rehabilitation projects, bond funds, community common space on the ground floor, and Community Development Block Grant (CDBG) funds for acquisition costs of Mission Senior Paradise.

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

Mr. Guru Thalapanen, property owner at C and 2nd Street (Matsya Family Villas project), noted the Planning Commission had approved his property for office space on the ground floor.

Mayor/Chair Halliday closed the public hearing at 8:54 p.m.

The City Council thanked City staff and the project proponents for a comprehensive report.

Discussion ensued among Council Members and City staff regarding: Measure A-1 regional pool funds and competitive projects; leverage Measure A-1 funds at the local level to work with non-profit partners; and the difference between the three projects in terms of cost and onsite services

Council/HHA Member Zermeño expressed reservation that the Depot Road project was not transit oriented and the 2nd & C streets project did not have retail/office space on the ground floor.

Council/HHA Member Lamnin asked for language consistency throughout City documents when referring to individuals who are homeless and people with disabilities.

Council/HHA Member Lamnin noted that six to twelve percent of the population of individuals who are homeless in Hayward are veterans and the transition-age youth population is double the number of veterans.

Council/HHA Member Lamnin offered a motion per staff's recommendation for the three projects with additional recommendations: 1) have collaborative work with the applicants to bring down the cost per unit by considering site-based and unused vouchers for populations such as transition-age youth, by evaluating upfront City fees that can be delayed, limited or not charged; and considering to push back front loading operating costs; 2) collaborate on advocacy at the county level; and 3) have commercial and workforce development space on the ground floor.

Council/HHA Member Mendall seconded the motion.

Council/HHA Member Salinas suggested that staff consider including commercial space on future Notice of Affordable Housing Funding Availability (NOFA) affordable housing projects and added that these businesses could hire individuals who live in the building.



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Council/HHA Member Mendall reminded staff that Council's direction for downtown proposals is to have commercial space on the ground floor; advised the property owner that he could modify the proposal by including retail space on the ground floor; suggested that Hayward veterans and emancipated youth be included in the populations served by the proposed projects; suggested to lower upfront costs; and asked to consider opportunities to allocate additional CDBG funds for immediate expenses.

Council/HHA Member Márquez noted she would be supporting the motion indicating that the overall goal and objective was to house low-income families and individuals.

Mayor/Chair Halliday expressed she would be supporting the motion noting she was pleased the City was using funds that have been collected over the years to place the most vulnerable into housing and asked the project proponent to consider neighborhood commercial services on the ground floor.

It was moved by Council/HHA Member Lamnin, seconded by Council/HHA Member Mendall, and carried unanimously, to adopt the following resolutions with strong recommendations provided by Council Members:

Resolution 18-210, "Resolution Authorizing the Finance Department to Amend the FY 2019 Housing Division Budget by Appropriating Four Million Nine Hundred Thousand Dollars (\$4,900,000) from Fund Balance in the Inclusionary Housing Trust Fund to Fund Affordable Housing Development Loans"

Resolution 18-211, "Resolution Authorizing the Finance Department to Amend the FY 2019 Housing Division Budget by Appropriating One Hundred Fifty-Five Thousand One Hundred Twenty-Four Dollars (\$155,124) to the Home Fund Consistent with the 2018 Subrecipient Agreement with the County of Alameda"

Resolution 18-212, "Resolution Authorizing the City Manager to Negotiate and Execute Loan Documents Between the City of Hayward and EAH, Inc., in an Amount Not to Exceed Two Million Dollars (\$2,000,000), for Matsya Family Villas Located at 22648 2nd Street to Build Approximately Fifty-Seven Units of Affordable Housing"

Resolution 18-213, "Resolution Authorizing the City Manager to Negotiate and Execute Loan Documents Between the City of Hayward and EAH, Inc., in an Amount Not to Exceed Two Million

Five Hundred Thousand Dollars (\$2,500,000), for Mission Senior Paradise Located at 28000 Mission Boulevard Street to Build Approximately Seventy-Six Units of Affordable Housing”

Resolution 18-214, “Resolution Authorizing the City Manager to: 1) Negotiate and Execute Loan Documents Between the City of Hayward and Allied Housing, Inc., in an Amount Not to Exceed One Million Six Hundred Ten Thousand Dollars (\$1,610,000); and 2) Commit up to Eighteen Million Three Hundred Thousand Dollars (\$18,300,000) of the Base City Allocation for the 2595 Depot Road Project Located at 2595 Depot Road to Build Approximately 126 Units of Affordable Housing”

Hayward Housing Authority Resolution 18-02, “Resolution Authorizing the Finance Department to Amend the FY 2019 Housing Division Budget by Appropriating Four Million Two Hundred Thousand Dollars (\$4,200,000) from Fund Balance in the Hayward Housing Authority Fund to Fund Affordable Housing Development Loans”

Hayward Housing Authority Resolution 18-03, “Resolution Authorizing the City Manager to Negotiate and Execute Loan Documents Between the Housing Authority of the City of Hayward and Allied Housing Inc., in an Amount Not to Exceed Four Million Two Hundred Thousand Dollars (\$4,200,000), for the 2595 Depot Road Project Located at 2595 Depot Road to Build Approximately 126 Units of Affordable Housing”

WORK SESSION

8. Measure C Annual Report (Report from Finance Director Claussen) WS 18-035

Staff report submitted by Finance Director Claussen, dated October 2, 2018, was filed.

City Manager McAdoo announced the report and introduced Finance Director Claussen and Interim Public Works Director Ameri who provided an overview of the report. Finance Director Claussen noted there was a revised Attachment II – Measure C, 20-Year Financial Forecast, which was distributed at the dais.

Discussion ensued among Council Members and City staff regarding: Proposition 6 on the 2018 November ballot; additional maintenance workers; resident concerns about roads that are not maintained in a timely manner; 2014 Measure C promise, its accomplishments, and the segregation of funds separate from the General Fund; Fire Station 6 and Fire Training Center improvement; and Measure T on the 2018 November ballot.



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Council Members offered the following comments: the defeat of Proposition 6 on the November 2018 ballot would allow the City to continue local transportation infrastructure development and maintenance projects; concurred that the borrowing required in the next couple of years should be short-term; in 2020/2021 the Council will need to discuss the next round of projects in alignment with the Measure C promise; when evaluating roads that need to be maintained, take into consideration streets with high children population; if Measure T passes, consider the same process as Measure C in segregating funds separate from the General Fund and holding discussions with the Council Budget and Finance Committee; and inform the public about the capital infrastructure projects and goals accomplished with Measure C funds such as the grand opening of the 21st Century Library and Community Learning Center.

There being no requests to speak, Mayor Halliday opened and closed the public comment section at 10:02 p.m.

CITY MANAGER'S COMMENTS

City Manager McAdoo made three announcements: 1) Firehouse Flapjacks Open House and Pancake Breakfast on October 13, 2018 at Fire Station 2 ; 2) the grand opening of the 21st Century Library and Community Learning Center on October 27, 2018; and 3) National Coffee with a Cop Day at the Hayward Police Department on October 3, 2018.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Council Member Zermeño invited all to the Science in the Park event on October 6, 2018, at Alden E. Oliver Sports Park.

Council Member Lamnin announced the Eden Area League of Women Voters was having a City Council Candidate Forum on October 4, 2018, at Hayward City Hall, Council Chambers.

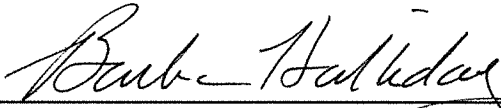
Council Member Peixoto announced he attended the Hayward Firefighters Local 1909 Annual Charity Golf Classic on September 24, 2018, at TPC Stonebrae, and noted the event helped raise funds for local Hayward charities.

Mayor Halliday announced the City Council was attending the Annual Hayward Volunteer Recognition and Awards Dinner on October 9, 2018, at the St. Rose Hospital Grand White Tent.

ADJOURNMENT

Mayor/Chair Halliday adjourned the meeting at 10:07 p.m.

APPROVED



Barbara Halliday
Mayor, City of Hayward
Chair, Hayward Housing Authority Board

ATTEST:



Miriam Lens
City Clerk, City of Hayward
Secretary, Hayward Housing Authority Board